

**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL OF INDIA
ON
LOCAL BODIES
FOR THE YEAR ENDED MARCH 2015**

**GOVERNMENT OF GUJARAT
REPORT NO. 3 OF 2016**

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PREFACE

This Report for the year ended 31 March 2015 has been prepared for submission to the Governor of the State of Gujarat.

This Report relates to Audit of receipts and expenditure of the Local Bodies in Gujarat conducted under provisions of the Comptroller and Auditor General (Duties, Power and Conditions of Service) Act, 1971 and read with proviso of Gujarat Panchayat Act, 1993, Gujarat Provincial Municipal Corporations Act, 1949 and Gujarat Municipalities Act, 1963, as amended on 04 April 2011 which empowers the Comptroller and Auditor General of India to conduct Audit of the accounts of Panchayati Raj Institutions and Urban Local Bodies and submit such Audit Report to the State Government for its placement in the State Legislature.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2014-15 as well as those, which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2014-15 have also been included, wherever necessary.

The Audit has been conducted in conformity with the Auditing Standards (March 2002) issued by the Comptroller and Auditor General of India.

OVERVIEW

This Report contains four chapters. The first and the third chapter contain an overview of the functioning, accountability mechanism and financial reporting issues of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) respectively. The second chapter contains two Compliance Audit paragraphs on PRIs. The fourth chapter contains one Performance Audit paragraph, one Information Technology Audit and two individual paragraphs on the Audit of financial transactions of ULBs. A synopsis of the findings contained in the Performance Audits and Compliance Audits are presented in this overview.

1 An overview of the functioning, accountability mechanism and financial reporting issues of Panchayati Raj Institutions

A review of finances of PRIs revealed that the State Government had devolved 19 functions out of 29 functions to the PRIs as envisaged in the 11th Schedule of the Constitution. Though, the District Planning Committees (DPCs) were constituted in 23 districts, meetings of DPC were not held in any district. As on March 2015, 250 Utilisation Certificates (UCs) aggregating to ₹ 173.83 crore due in respect of grants paid during the period 2001-15 were outstanding. Percentage of expenditure under social services to total expenditure had decreased from 70 per cent (2012-13) to 58 per cent (2014-15). Prescribed periodicity for constitution of State Finance Commission (SFC) was not maintained and the report of the 3rd SFC submitted in December 2013 was yet to be placed before the legislature due to pending Action Taken Reports (ATRs) on the report from the State Government Departments. The State Government had implemented only nine out of 27 accepted recommendations of First State Finance Commission and seven out of 20 accepted recommendations of Second State Finance Commission. As of March 2015, an unspent grant amount of ₹ 456.73 crore of Thirteenth Finance Commission (ThFC) was lying with the PRIs. Non-compliance of conditions stipulated by the ThFC resulted in loss of central assistance (General Performance Grant) of ₹ 672.63 crore as against the allocated grant for the period 2010-15.

(Paragraph 1.1 to 1.11)

2 Installation and Commissioning of Stand Alone Solar Photovoltaic Street Lighting System by Panchayati Raj Institutions

The State Government had executed the work of installation of Stand Alone Solar Photovoltaic (SPV) Street Lighting System (SLS) in the Gram Panchayats (GPs) under ThFC, Samras Yojana and Member of Parliament Local Area Development (MPLAD) schemes. Audit observed that clear information of number of Solar Street lights required and installed in the GPs was not maintained at the State/district/taluka levels. The work was executed in these schemes without carrying out a survey to assess number of street

lights required in the GPs, perspective plans were not prepared at any levels for covering every public place of GP area in a phased manner and specific targets were also not fixed under these schemes. As a result, Audit could not ascertain an overall picture of number of SPV SLSs installed against the total requirement in the GPs of the State.

The State Government had not finalised till date the specifications of SPV SLSs which resulted in purchase of SPV SLSs with lower specifications in the test-checked GPs. Due to non-adoption of e-procurement process, excess expenditure was incurred on procurement of SPV SLSs with different specifications and SPV SLSs installed in test-checked GPs were without a warranty clause.

The timely maintenance of installed SPV SLSs was not done by the GPs. Audit observed in test-checked GPs that due to non-maintenance and lower specifications, 514 out of 1,197 SPV SLS (43 per cent) installed at a cost of ₹ 1.23 crore were found non-functional within a period of six months to two years from the date of installation. Instances of SPV SLSs installed in the residential premises of private persons and GP members were noticed. Monitoring system was found deficient.

(Paragraph 2.1.1 to 2.1.7)

3 Social Audit under Mahatma Gandhi National Rural Employment Guarantee Scheme Rules, 2011 in Gujarat

Audit observed that an independent Social Audit (SA) Unit set-up in September 2014 was not functional due to non-recruitment of staff as of February 2016. State Government engaged an NGO UNNATI (February 2012-January 2015) to facilitate SAs in GPs. The SA reports prepared by UNNATI were found incomplete as the information of all GPs covered in SA could not be included due to non-submission of data by the GPs. The SA report of 2014-15 (Phase-II) had not been prepared by UNNATI. Shortfall in conducting One District One Panchayat (ODOPs) by District Programme Coordinator (DPCs) in the State ranged from 34 to 76 per cent during the period 2012-15. Performance of UNNATI in implementation of core activities was not satisfactory as utilisation of funds under core activities ranged from 36 to 57 per cent. Vacant posts of the Zonal Coordinators and the District Level Monitors (DLMs) hindered the process of SA, particularly the prompt and proper redressal of the grievances. Shortfall in imparting training to Taluka Resource Groups (TRGs) ranged from 22 to 27 per cent resultantly required training could not be provided to Village Vigilance and Monitoring Committee (VVMC) members. As of April 2015, 2,279 grievances pertaining to the period 2012-15 remained unaddressed which indicated non-compliance of mandatory provisions of Government of India (GoI) and State enactments in letter and spirit.

It was found that out of 480 SA reports of Gram Sabha in respect of 80 test-checked GPs, only 270 reports were available with test-checked talukas. Cases of SA reports without signature of VVMC members, non-recording of details of total number of villagers and female participants in Gram Sabha, non-fulfilment of minimum quorum of participants and minimum 33 per cent female participants, etc. were noticed. The attendance of TRGs and DPCs in the SA Gram Sabha was deficient which indicated lack of interest on their part. In 78 out of 80 test-checked GPs, the SA Gram Sabha was presided over by the Sarpanch in contravention to the provisions of SA Manual. Proceedings of Gram Sabhas prepared were found deficient. Video recording and photography of Gram Sabha were not ensured by higher authorities in test-checked GPs.

Though Ombudsmen had been appointed in four test-checked districts, the office was found non-functional. Annual Reports of State Employment Guarantee Council had not been submitted to the State Legislature.

(Paragraph 2.2.1 to 2.2.9)

4 An Overview of the Functioning, Accountability Mechanism and Financial Reporting issues of Urban Local Bodies

A review of finances of ULBs revealed that Audit of all Municipal Corporations (MCs) by Examiner Local Fund Audit (ELFA) was in arrears from 2012-13 and more than 75 per cent auditable Nagarpalikas (NPs) from 2013-14 onwards. Audit Report of ELFA on Urban Local Bodies (ULBs) for the years 2011-12 onwards were yet to be placed before the State Legislature. Social Audit had not been carried out for works carried out in NPs and MCs. Though the State Level Property Tax Board was constituted in March 2011, it was non-functional as the assigned functions were not carried out by the Board. The benchmark fixed for four basic services were not achieved by the NPs in the State. As on March 2015, 138 UCs aggregating to ₹ 1,723.70 crore due in respect of grants paid during the period 2001-15 were outstanding. The State Government had implemented only 17 out of 29 accepted recommendations of First State Finance Commission and eight out of 12 accepted recommendations of Second State Finance Commission. As of March 2015, an unspent grant amount of ₹ 204.70 crore of Thirteenth Finance Commission (ThFC) was lying with the NPs and MCs. Non-compliance of conditions stipulated by the ThFC resulted in loss of central assistance (General Performance Grant) of ₹ 397.70 crore as against the allocated grant for the period 2010-15. Non-maintenance of basic records were noticed in test-checked NPs. State's Municipal Accounts Manual has also not been finalised.

(Paragraph 3.1 to 3.14)

5 Implementation of Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana

The State Government launched (November 2009) “Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana (SJMMSVY)” to provide core infrastructural facilities in the urban areas such as water supply, sewerage, sanitation, solid waste management, public transport, affordable housing, etc. The objectives of the scheme were to give assistance to Municipal Corporations (MCs), Nagarpalikas (NPs) and Urban Development Agencies (UDAs) to create infrastructural facilities as per their needs; to make them self-reliant, transparent and citizen-centric; to enable citizens and institutions to become partners in progress; and to attain 11 Golden Goals related to Urban Development Department. The scheme consisted of six components. The Performance Audit of “Implementation of Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana (SJMMSVY)” was conducted for the period 2009-15 between March and August 2015 and the following observations were made –

- *Though the scheme guidelines envisage preparation of five year corporate plan and executing of component-wise Memorandum of Understandings (MoUs), Audit observed that test-checked MCs and NPs had not prepared the corporate plan and most of the NPs had not executed the MoUs. Consequently, the development works were not undertaken in a planned manner.*
- *As against the total outlay of ₹ 22,000 crore under Phase-I and Phase-II of the scheme for the period 2009-17, the State Government could release only ₹ 13,618 crore (62 per cent) till August 2015.*
- *Inordinate delay in submission of Detailed Project Reports (DPRs) by consultants for water supply (WS) and underground drainage (UD) projects and delay in finalisation of tenders resulted in cost overrun of ₹ 140.51 crore over the estimated cost.*
- *Of the 109 WS projects executed under the scheme, 49 WS projects remained incomplete due to non-identification of land and failure to obtain necessary statutory permission from Government agencies. Similarly, 157 out of 159 UD projects executed remained incomplete as of August 2015. Benchmark of supplying 140 lpcd of potable water could be achieved only in 15 out of 159 NPs.*
- *UD projects envisaged construction of Sewer Collection Systems (SCS) and Sewerage Treatment Plants (STP) in NPs. Twenty seven SCSs have been completed and put to use. Audit observed in test-checked NPs that due to non-construction of STPs, the sewage disposed through completed SCSs were not treated and were disposed of in open area/canal/river.*

- *Component II envisaged execution of various works for developing an NP as a Model NP by March 2013; however, Audit observed that 64 per cent of the works executed related to road works only. Consequently, even after lapse of more than five years, not a single NP was developed as a Model NP as of August 2015.*
- *As against the target of construction of 1,110 Anganwadi Centres (ACs) allotted to NPs under component II, construction of only 695 ACs (63 per cent) have been completed. As no landfill sites have been developed in test-checked NPs, the Municipal Solid Waste (MSW) was disposed in open plots or adjacent rivers which could lead to environmental risk and contamination of rivers. Implementation of mandatory and optional reforms envisaged under component II was achieved only partially in test-checked NPs.*
- *As against the target of construction of 4,089 ACs allotted to MCs under component III, construction of 3,024 ACs were not taken up due to non-identification of sites, non-availability of land, etc. Due to non-availability of land, Ahmedabad Municipal Corporation (AMC) decided not to take up construction of 1,729 ACs, however, an amount of ₹ 54.16 crore relating to these ACs were not refunded to the Government.*
- *Cable Stayed structure and a flyover constructed at a cost of ₹ 76.23 crore and ₹ 22.32 crore by Surat Municipal Corporation (SMC) proved unfruitful due to abandonment of work by the contractor and collapse of curved span of the flyover respectively.*
- *Though Integrated Housing and Slum Development Programme (IHSDP) guidelines envisaged cost overrun to be borne by State Government and SJMMVY guidelines for component V also envisaged for financing of cost of dwelling units (DUs) and basic infrastructural facilities under IHSDP, Audit observed that major burden of cost overrun was put on the beneficiaries for DUs and on ULBs for basic infrastructural facilities. As against average cost of ₹ 1.70 lakh per DU enhanced due to delay in completion of projects, only ₹ 1.25 lakh was financed by GoI and State Government. Resultantly, only few beneficiaries took the possession of completed DUs.*
- *Out of 17,703 DUs to be constructed in 34 IHSDP projects, construction of only 10,245 DUs has been completed. Of these, only 4,544 DUs have been allotted and only 1,457 beneficiaries took possession of DUs as of August 2015.*
- *Under component VI, only two out of 23 Railway Over Bridges (ROBs)/ Railway Under Bridges (RUBs) have been completed. Fourteen ROBs/RUBs could not be taken up due to pending approval of designs by the Railways, non-availability of land, etc.*

(Paragraph 4.1.1 to 4.1.16)

6 Information Technology (IT) Audit of Property Tax System in Rajkot Municipal Corporation

Property Tax System was developed to reap the benefits of technology to improve operational performance, to provide error free and better services. However, even after many years of computerisation, lack of adequate input controls coupled with inadequate monitoring resulted in an incomplete and incorrect database. This led to dependency on manual system for fixation of rates, deficiencies in generation of demand bills, inability to monitor unpaid tax, etc. thereby impacting the collection of revenue.

(Paragraph 4.2.1 to 4.2.8)

7 Avoidable expenditure and undue favour to the agencies of ₹ 83.93 lakh

Absence of suitable provisions of recovery in the tender document for less consumption of cement in controlled cement concrete works against prescribed norms of mix design resulted in avoidable expenditure by Vadodara Municipal Corporation (VMC) and undue favour to the agencies of ₹ 83.93 lakh.

(Paragraph 4.3)

8 Non-utilisation of Government assistance of ₹ 1.43 crore for closure of Vadsar Landfill site

Tardy action on the part of VMC resulted in non-closure of Vadsar Landfill site scientifically as per the provisions of Municipal Solid Waste Rules, 2000 and non-utilisation of Government assistance of ₹ 1.43 crore.

(Paragraph 4.4)

CHAPTER-I

**PANCHAYATS, RURAL HOUSING AND
RURAL DEVELOPMENT DEPARTMENT**

**AN OVERVIEW OF THE
FUNCTIONING, ACCOUNTABILITY
MECHANISM AND FINANCIAL
REPORTING ISSUES OF PANCHAYATI
RAJ INSTITUTIONS**

CHAPTER – I

AN OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF PANCHAYATI RAJ INSTITUTIONS

1.1 Introduction

The 73rd Constitutional amendment gave constitutional status to Panchayati Raj Institutions (PRIs) and established a system of uniform structure, regular elections, regular flow of funds through Finance Commissions. As a follow up, the States are required to entrust these bodies with such powers, functions and responsibilities so as to enable them to function as Local Self Government Institutions (LSGIs). In particular, the PRIs are required to prepare plans and implement schemes for economic development and social justice including those enumerated in the Eleventh Schedule of the Constitution.

A three-tier¹ system of Panchayats was envisaged in the Gujarat Panchayats Act, 1961. This Act was amended in April 1993 to incorporate the provisions of the 73rd Constitutional Amendment.

The population growth in Gujarat during the last decade (2001-2011) was 19.30 *per cent* and was more than the national average of 17.70 *per cent*. By the year 2011, the population of the State was 6.04 crore, of which women comprised 47.90 *per cent*. The rural population of the State was 3.47 crore (57.45 *per cent*) and urban population was 2.57 crore (42.55 *per cent*). The comparative demographic and developmental picture of the State is given in **Table 1** below-

Table 1 : Important statistics of the State

Indicator	Unit	State value	National value
Population	1,000s	60,440	12,10,570
Population density	<i>per Sq. Km.</i>	308	382
Rural Population	1,000s	34,695	8,33,463
Urban Population	1,000s	25,745	3,77,106
Gender Ratio	Females <i>per</i> 1,000 males	919	943
Population below poverty line	<i>Per cent</i>	16.63	21.92
Literacy	<i>Per cent</i>	78.00	73.00
Birth rate	<i>per</i> 1,000 Population	20.08	21.40
Infant Mortality Rate	<i>per</i> 1,000 live births	41	44
Maternal Mortality Rate	<i>per</i> 1,00,000 live births	122	178
Gross State Domestic Product ²	₹ in crore	7,65,638	1,13,45,056
Panchayati Raj Institutions (PRIs)	Numbers	14,309	2,55,481
District Panchayats (DPs)	Numbers	33	618
Taluka Panchayats (TPs)	Numbers	247	6,618
Gram Panchayats (GPs)	Numbers	14,029	2,48,245

(Source : Socio-Economic Review 2014-15 of Gujarat and data available on the website of Planning Commission, Ministry of Health & Family Welfare and Ministry of Panchayati Raj, Government of India)

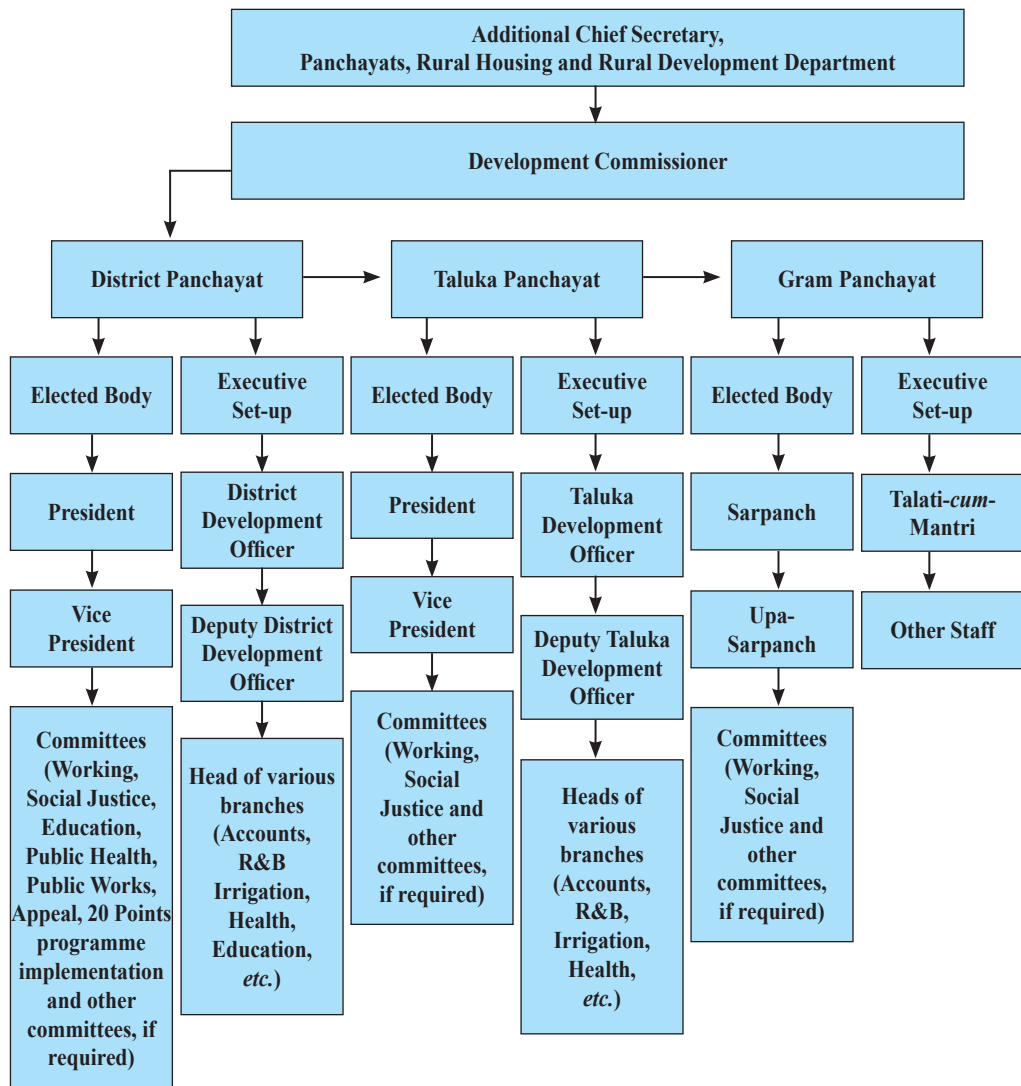
¹ District Panchayat (DP) at district level, Taluka Panchayat (TP) at intermediate level and Gram Panchayat (GP) at village level

² Quick Estimates of Gujarat State Domestic Product for 2013-14 at current prices

1.2 Organisational set-up of the PRIs

Additional Chief Secretary, Panchayat, Rural Housing and Rural Development Department (PRHRDD) exercises administrative control over the PRIs. The PRHRDD is responsible for framing policies pertaining to formulation and implementation of developmental schemes and administration. The PRHRDD exercises administrative control through office of the Development Commissioner, Gandhinagar. The President and Vice President of the DPs and TPs are elected from amongst the elected representatives. The Sarpanch of a GP is elected directly by the villagers and the Upa-Sarpanch is elected from amongst the elected representatives. The Gujarat Panchayats Act envisages the functioning of the DPs, TPs and GPs through Standing Committees having elected representatives as members and chairperson. The President in respect of DPs and TPs and Sarpanch of GPs are *ex-officio* Chairpersons of the Standing Committees.

The organisational set-up of the three tier system in Gujarat is shown below-



1.3 Functioning of PRIs

The 73rd Amendment to the Constitution envisaged transfer of 29 functions listed in the 11th Schedule of the Constitution to the PRIs. Article 243 G of the Constitution had empowered the State Legislature to decide and confer powers and responsibilities to the PRIs. As per Section 180 (2) of the Gujarat Panchayats Act, the State Government may entrust 29 functions to the PRIs to prepare and implement schemes relating to economic development and social justice. State Government has, however, devolved (April 1993) 14 functions fully and five functions partially to PRIs (**Appendix-I**). Ten functions have not yet been devolved (February 2016). Thus, the spirit of the Constitutional Amendment for the PRIs to function as grassroots level LSGIs has not been fulfilled in substantial measure.

1.4 Formation of various Committees

The number of Committees prescribed under the Article 145 and Article 123 of the Gujarat Panchayats Act is seven³ for DPs and two⁴ for both TPs and GPs respectively. In addition, the Panchayats may, with the prior approval of the State Government, constitute Committee(s) for specific purposes.

Article 243 ZD of the Constitution of India envisages constitution of District Planning Committee (DPC) at district level in every State. DPC consists of such number of elected, nominated and permanent invitee members (not less than 15 and not more than 30) as determined by the Collector of the district. The Minister in-charge of the District is the Chairperson of the DPC. The tenure of DPC is five years and it is required to meet at least once in three months.

DPCs are constitutionally responsible to consolidate the plans prepared by LSGIs in the District and to prepare a Draft Development Plan (DDP) for the District as a whole for onward transmission to the Government. The DPC is to monitor the quantitative and qualitative progress, especially its physical and financial achievements in the implementation of the approved DDP. The State Government, while preparing the State plan, considers the proposal and priority included in the DDPs prepared for each District by the DPC.

The State Government had constituted (between January 2007 to February 2015) DPCs in 23 districts; in the 10 remaining districts⁵ DPCs are yet to be constituted as of February 2016. In all 23 districts in which DPCs had been constituted, no meeting was held during the year. Further, the DDPs had not been prepared in all 23 districts (as per information provided to Audit), which could have factored the aspirations and felt needs of the rural populace.

1.5 Audit arrangement

1.5.1 Primary Auditor

Examiner Local Fund Audit (ELFA) is the primary auditor of the accounts of local bodies under the provisions of the Gujarat Local Fund Audit (GLFA) Act,

³ Executive Committee, Social Justice Committee, Education Committee, Public Health Committee, Public Works Committee, Appeal Committee and Committee for implementation and review of Twenty Point Programme

⁴ Executive Committee and Social Justice Committee

⁵ Anand, Aravali, Botad, Chhotaudepur, Devbhumi Dwarka, Gir Somnath, Mahisagar, Morbi, Porbandar and Surendranagar

1963. The GLFA Act, 1963 provides that after the completion of the Audit, not later than three months thereafter, ELFA shall prepare a report on the accounts audited and examined and shall send such report to the local authority concerned and copies thereof to such officers and bodies as the State Government may direct. The provision of laying of Audit Report of ELFA along with the Report of the Comptroller and Auditor General of India (CAG) before the State Legislature was made by amending (May 2011) the Gujarat Panchayats Act, 1993. The ELFA under the State Finance Department is headed by the Examiner and has district level offices headed by Assistant Examiners.

The status of Audit conducted by ELFA as of September 2015 is shown in **Table 2** below -

Table 2: Status of Audit by ELFA

PRIs	Number of Auditables entities⁶	Entities audited and period of accounts covered	Entities yet to be audited and period of accounts to be covered
DPs	26	21 (2011-12) 6 (2012-13)	5 (2011-12) 20 (2012-13) 26 (from 2013-14 onwards)
TPs	223	219 (2011-12) 26 (2012-13)	4 (2011-12) 197 (2012-13) 223 (from 2013-14 onwards)
GPs	13,732	8,223 (2011-12) 101 (2012-13)	5,509 (2011-12) 13,631 (2012-13) 13,732 (from 2013-14 onwards)

(Source : Information furnished by ELFA)

The above table shows that Audit of all DPs, TPs and GPs by ELFA was in arrears from 2013-14 onwards. Further, as per the information furnished by the ELFA, Audit observed that the Audit Report of ELFA on PRIs for the years 2010-11 and 2011-12 had been placed in time before the State legislature and the Audit Report for the year 2012-13 would be placed before March 2016.

1.5.2 Audit by Comptroller and Auditor General of India

State Government by a resolution (May 2005) entrusted the Technical Guidance and Supervision (TGS) over the audit of PRIs to Comptroller and Auditor General of India (CAG) under Section 20(1) of CAG's (DPC) Act⁷, 1971. The provision of laying of Audit Report of CAG before the State Legislature was made by amending (May 2011) the Gujarat Panchayat Act, 1993. Accordingly, the Audit

⁶ The total numbers of DPs, TPs and GPs as compared to those shown in Table 1 under paragraph 1.1 of the Report was due to non-updation of ELFA records

⁷ Save as otherwise provided in Section 19, where the audit of the accounts of any body or authority has not been entrusted to the CAG by or under any law made by Parliament, he shall, if requested so to do by the President, or the Governor of a State or the Administrator of a Union territory having a Legislative Assembly, as the case may be, undertake the audit of the accounts of such body or authority on such terms and conditions as may be agreed upon between him and the concerned Government and shall have, for the purposes of such audit, right of access to the books and accounts of that body or authority: Provided that no such request shall be made except after consultation with the CAG.

Reports for the year ended March 2012 to March 2014 had been placed before the State Legislature. The discussions of the Audit Reports have been assigned to the Public Accounts Committee (PAC) of the State Legislature. The PAC has taken up the discussion of Audit Report for the year ended March 2013.

Accountability Mechanism and Financial Reporting Issues

Accountability Mechanism

1.6 Ombudsman

As per the guidelines issued by the Ministry of Finance on implementation of recommendation of the 13th Finance Commission, State Government must appoint an independent quasi judicial authority for Local Self Government Institutions (PRIs and ULBs) at the State level called “Ombudsman”, for conducting investigations and enquiries in respect of any complaints of corruption and mal-administration against the functionaries of local bodies, both elected members and officials, and recommend suitable action in accordance with the provisions of the Act. Further it is also recommended that if above said authorities covered under the jurisdiction of the Lok Ayukta of the State it will be upto the State to decide whether to continue with that arrangements or to shift the functionaries to the jurisdiction of the Ombudsman.

The State Government has intended (September 2014) by passing the bill to amend “The Gujarat Lok Ayukta Act, 1986” and to bring all the functionaries (elected as well as appointed) of Local Bodies under the jurisdiction of the Lok Ayukta. Hence, it is not required to appoint an Ombudsman in the State.

1.7 Social Audit

To curb corruption and promote integrity and quality of decision-making in delivery of public services the accountability must be fixed by way of introducing system of Social Audit. Social auditing is taken up for the purpose of enhancing local governance, particularly for strengthening accountability and transparency in local bodies.

In Gujarat, the PRHRDD has made provision regarding Social Audit of works carried out and services provided at Panchayat level in the rules framed for “Gram Sabha”(October 2009). Further, Commissioner of Rural Development (CRD) had awarded (February 2012) the work of Social Audit of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) to “UNNATI” (an NGO), initially for a period of two years, which was extended for a further period of one year *i.e.* up to January 2015. Constitution of independent Social Audit Unit (SAU) for MGNREGS was in process (April 2015). The observations on Social Audit of MGNREGS conducted in the State are discussed in Paragraph 2.2 of this Report.

1.8 Submission of Utilisation Certificates

The Gujarat Financial Rules⁸ provide that for the grants provided for specific purpose, Utilisation Certificates (UCs) should be submitted within twelve months of the closure of the financial year by the institution or organisation concerned to the Head of Department concerned and after verification; these should be forwarded to the Accountant General. However, 250 UCs aggregating to ₹ 173.83 crore due in respect of grants paid during the period 2001-15 were outstanding as on 31 March 2015.

1.9 Internal Audit and Internal Control System of PRI

Internal Audit and Internal Control System in an organisation is meant to ensure that PRIs has instituted its own internal audit function to assist the Audit to achieve effective management of its own operations and sustain quality of its administrative as well as financial performance. Further, its operations are carried out according to the applicable laws and regulations and in an economical, efficient and effective manner. A built-in Internal Control System and strict adherence to Statutes, Codes and Manuals minimise the risk of errors and irregularities, and helps to protect resources against loss due to waste, abuse and mismanagement.

The State Government had constituted (1982) an Audit Branch in each DPs under the direct supervision of an Accounts Officer. The Audit Branch helps all branches of the DP in preparation and maintenance of the Accounts, Budget and all other required financial statements according the Gujarat Panchayat Act, 1993. Further, all bills of DPs and TPs exceeding ₹ 40,000 are being pre-audited by the Audit Branch.

1.10 Financial Reporting Issues

1.10.1 Source of funds

In addition to own source of tax and non tax revenue *e.g.* fair tax⁹, building tax, fee, rent from buildings and water reservoirs, *etc.* and capital receipts from sale of land, PRIs receive funds from State Government and Government of India (GoI) in the form of grants-in-aid/loans for general administration, implementation of development scheme/works, creation of infrastructure in rural areas, *etc.* Besides, grants from State/Central Finance Commission are received.

⁸ Rule 154 and 155 of the Gujarat Financial Rules, 1971

⁹ Tax on melas held in the jurisdiction of PRIs

The receipt of PRIs from all sources during the last five years ending 2014-15 is shown in the **Table 3** below –

Table 3 : Sources of revenue of PRIs

(₹ in crore)

Revenue	2010-11	2011-12	2012-13	2013-14	2014-15
Government Grants	11419.64	13087.87	14,464.38	17,295.00	17503.96
Own Revenue	133.88	266.61	268.66	273.88	276.98
Thirteenth Finance Commission Grants	230.43	299.02	322.53	420.04	525.26
Total	11783.95	13653.50	15,055.57	17,988.92	18,306.20

(Source : Budget publications and information furnished by the PRHRDD)

The above table shows that there was complete dependence of PRIs on the Government for even carrying out their basic functions as their ‘own revenue’ was very low. This impacted their fiscal autonomy, which is an important issue to be addressed for improving governance at the grassroots level.

• **Sectoral Receipts and Expenditure**

The sectoral allocation of receipts and expenditure of PRIs during 2010-15 is given in the **Table 4** below -

Table 4: Sectoral receipts and expenditure of PRIs

(₹ in crore)

Description		General Services	Social Services	Economic Services	Total
2010-11	Budget Provision	904.80	7,535.03	3,344.12	11,783.95
	Expenditure	1,073.67	7,521.04	3,353.18	11,947.89
2011-12	Budget Provision	1,162.29	7,671.39	2,201.24	11,034.92
	Expenditure	921.51	7,523.21	2,510.92	10,955.64
2012-13	Budget Provision	989.55	9,953.00	2,296.70	13,239.25
	Expenditure	1,420.93	9,643.13	2,708.40	13,772.46
2013-14	Budget Provision	1,722.08	9,104.20	2,242.14	13,068.42
	Expenditure	2,004.77	11,448.71	3,841.51	17,294.99
2014-15	Budget Provision	2,604.62	11,593.29	3,123.13	17,321.04
	Expenditure	2,975.88	10,130.90	4,397.18	17,503.96

(Source : VLC data and Budget publication)

The above table shows that percentage of expenditure to total expenditure increased from eight *per cent* (2011-12) to 17 *per cent* (2014-15) under general service whereas it decreased from 70 *per cent* (2012-13) to 58 *per cent* (2014-15) under social services and from 28 *per cent* (2010-11) to 25 *per cent* (2014-15) under economic service during the period 2010-15.

1.10.2 Recommendations of the State Finance Commission (SFC)

Article 243 I of the Constitution made it mandatory for the State Government to constitute a State Finance Commission (SFC) within one year from the enactment of 73rd Constitutional Amendment and thereafter on expiry of every five years to review the financial condition of the PRIs and to make recommendations to the Governor for devolution of funds.

- **Delayed/Non-Constitution of State Finance Commission**

As the 73rd Constitutional Amendment came into effect on 20 April 1993, the constitution of the first SFC was due by 19 April 1994. Status of constitution of Finance Commissions by the State Government is given in **Table 5** below–

Table 5: Constitution of State Finance Commission

Finance Commission	Due Date for Constitution SFC	Actual Date of Constitution	Delay in constitution	Month of submission of reports by SFC	Date of placement in Assembly
1 st FC	19 April 1994	15 September 1994	05 Months	October 1997	28 August 2001
2 nd FC	19 April 1999	19 November 2003	55 Months	November 2006	30 March 2011
3 rd FC	19 April 2004	02 February 2011	81 Months	December, 2013	Yet to be placed
4 th FC	19 April 2009	Not constituted	--	NA	NA
5 th FC	19 April 2014	Not constituted	--	NA	NA

(Source : Information received from PRHRDD)

The above table shows that the mandatory Constitutional provision in respect of timely constitution of the SFCs was not adhered to by the State Government. The 3rd SFC had submitted their report in December 2013; however, the Action Taken Report (ATR) on the SFC report from the State Government departments were awaited for placement of the report and ATR before the State Legislature. Delayed/non-constitution of the Commission resulted in non-availability of guiding principles for distributing State's financial resources among PRIs/ULBs, determination of taxes, duties, tolls and fees which are to be assigned to or appropriated by the Panchayats or the Municipalities.

Audit observed that the State Government had accepted 27 out of 52 recommendations (52 *per cent*) made by the First State Finance Commission and 20 out of 41 recommendations (49 *per cent*) made by the Second State Finance Commission. However, only nine and seven recommendations of First and Second State Finance Commission respectively have been implemented (December 2015).

1.10.3 Recommendations of the Central Finance Commission (CFC)

- **Thirteenth Finance Commission**

The Thirteenth Finance Commission (ThFC) grants are divided into two components – General Basic Grant (GBG) and General Performance Grant (GPG). The GBG can be accessed by all States as per criteria laid down by the

Commission. But GPG can be accessed only by those States which comply with conditions stipulated by the ThFC, failing which the GPG would be forfeited. The forfeited grant would be distributed as below -

- 50 per cent of amount forfeited by the PRIs to be distributed among all States irrespective of their compliance with the condition; and
- remaining 50 per cent to be distributed among the States, which have complied with the conditions.

The State Government for the period 2010-15 is eligible to get central grant of ₹ 2,455.69 crore for PRIs, of which ₹ 1,597.54 crore was earmarked for GBG and ₹ 858.15 crore for GPG. Accordingly, State Government received GBG of ₹ 1,611.77 crore during the period 2010-15. Audit further observed that GPG of ₹ 672.63 crore (2010-15) was forfeited out of total ₹ 858.15 crore allocated by GoI due to non-appointment of an independent Ombudsman to deal with the complaints of corruption and maladministration against the functionaries of local bodies as stipulated by the ThFC. This resulted in loss of central assistance of ₹ 672.63 crore to the State Government.

- ***Unspent Grant of Thirteenth Finance Commission***

On the recommendation of 13th Finance Commission, GoI released ₹ 1,797.29 crore to the State Government during the period 2010-15. Out of this the State Government could utilise only ₹ 1,340.54 crore, which resulted in unspent balance of ₹ 456.73 crore with the PRIs as on 31 March 2015.

1.10.4 Maintenance of Records

- ***Cash Book***

As per the Gujarat Taluka Panchayat and District Panchayat Finance Accounts and Budget Rule, 1963, Cash Book is a preliminary and important record. It should be maintained properly under the supervision and control of the office/branch officer. However, Audit observed deficiencies/omissions in maintenance of Cash Book at two TPs and 35 GPs test-checked during the year 2014-15.

- ***Other records***

As per codal provision, PRIs are required to keep and maintain register/records, books/accounts in prescribed formats giving all the required details. However, Audit observed non-maintenance/improper maintenance of records such as work register, agreement register, advance register, dead stock register, grant register, etc. at two DPs, four TPs and nine GPs test-checked during the year 2014-15.

1.10.5 Reconciliation of Balances as per Cash Book with Treasury/Bank Pass Book

As per the Gujarat Taluka Panchayat and District Panchayat Finance Accounts and Budget Rule, 1963, reconciliation of balances of Cash Book with the balances in the Treasury/Bank Pass Book should be carried out at the end of each month. However, Audit observed that reconciliation of Cash Book balances

with Treasury/Bank balances were not carried out in two DPs and eight TPs test-checked during the year 2014-15.

1.10.6 Maintenance of Accounts by PRIs

State Government decided (September 2004) to accept the Model Accounting System (MAS) prescribed by the Comptroller and Auditor General of India (CAG) which provides for four-tier classification of accounts viz. major head, minor head, sub head and object head. Further, instructions were issued (March 2011) by the State Government for maintaining accounts as per double entry accrual accounting system in Gujarat Rural Accounting Management (GRAM) software along with eight formats prescribed in MAS in addition to the requirement of respective Financial Rules of PRIs. However, Audit observed that the formats have not been operationalised and PRIs continued with their existing accounting formats prescribed under the Gujarat Taluka and District Panchayats Financial Accounts and Budget Rules, 1963.

Further, Audit observed that web based software (PRIASoft) developed by the GoI for maintenance of accounts of PRIs had not been adopted by the State Government.

Development Commissioner, PRHRDD stated (December 2014) that the eight formats as prescribed in MAS has been adopted by DPs and TPs from the year 2011-13. However, on pilot verification of implementation of GRAM software and its integration with PRIASoft at one DP (Rajkot), Audit observed that out of the eight formats, two¹⁰ formats were not provided in the system though a link was provided in the GRAM software; no reports were generated in three¹¹ formats; one¹² format was partially implemented as it generated only annual data instead of month-wise information and two¹³ formats generated un-reliable report as it indicated minus figure in the receipt head, etc. GRAM software had facilities for keeping accounts in double entry accounting system. Further, the annual accounts maintained by the PRIs were on cash basis instead of double entry accrual based accounting system.

As regards implementation of PRIASoft, it was stated that Gandhinagar district had been selected as pilot district to implement PRIASoft and is under process.

1.10.7 Issues related to AC/DC Bills

As per Gujarat Treasury Rules, 2000, the drawing officers are required to furnish the Detailed Contingent (DC) Bills in respect of all Abstract Contingent (AC) Bills within three months from the date of drawal of AC Bills to Accountant General (A&E). However, as of April 2015, DC Bills in respect of 1,125 AC Bills for an amount of ₹ 16.98 crore were outstanding though the prescribed period of three months had elapsed.

The State Government may issue instructions to the PRIs for submission of DC Bills within the prescribed time limit for timely regularisation of advance drawn on AC Bills.

¹⁰ Format-IV and Format-VIII

¹¹ Format-V, Format-VI and Format-VII

¹² Format-I

¹³ Format-II and Format-III

1.11 Conclusion

The State Government had devolved 19 functions out of 29 functions to the PRIs as envisaged in the 11th Schedule of the Constitution. Though, the DPCs were constituted in 23 districts, meetings of DPC were not held in any district. As on March 2015, 250 UCs aggregating to ₹ 173.83 crore due in respect of grants paid during the period 2001-15 were outstanding. Percentage of expenditure under social services to total expenditure had decreased from 70 *per cent* (2012-13) to 58 *per cent* (2014-15). Prescribed periodicity for constitution of SFCs was not maintained and the report of the 3rd SFC submitted in December 2013 was yet to be placed before the legislature due to pending ATRs on the report from the State Government Departments. The State Government had implemented only nine out of 27 accepted recommendations of First State Finance Commission and seven out of 20 accepted recommendations of Second State Finance Commission. As of March 2015, an unspent grant amount of ₹ 456.73 crore of Thirteenth Finance Commission (ThFC) was lying with the PRIs. Non-compliance of conditions stipulated by the ThFC resulted in loss of central assistance (General Performance Grant) of ₹ 672.63 crore as against the allocated grant for the period 2010-15.

CHAPTER-II

PANCHAYATS, RURAL HOUSING AND RURAL DEVELOPMENT DEPARTMENT

AUDIT FINDINGS

CHAPTER – II

This Chapter contains findings of two Compliance Audit paragraphs on “Installation and Commissioning of Stand Alone Solar Photovoltaic Street Lighting System by Panchayati Raj Institutions” and “Social Audit under Mahatma Gandhi National Rural Employment Guarantee Scheme Rules, 2011 in Gujarat”.

COMPLIANCE AUDIT

PANCHAYATS, RURAL HOUSING AND RURAL DEVELOPMENT DEPARTMENT

2.1 Installation and Commissioning of Stand Alone Solar Photovoltaic Street Lighting System by Panchayati Raj Institutions

2.1.1 Introduction

India is faced with the challenge of sustaining its rapid economic growth while dealing with the global threat of climate change. To deal with this threat, Government of India (GoI) released (June 2008) first National Action Plan on Climate Change (NAPCC) outlining existing and future policies and programs addressing climate mitigation and adaptation. There are eight National Missions which form core of the NAPCC, representing multi-pronged, long-term and integrated strategies for achieving key goals in the context of climate change.

Accordingly, GoI launched (November 2009) “The Jawaharlal Nehru National Solar Mission” with an aim to set-up an enabling environment for solar technology penetration in the country both at a centralised and decentralised level. In consonance with the objectives of NAPCC, the State Government introduced (January 2009) “Solar Power Policy - 2009” to establish and promote sustained use of new and non-conventional energy. The main objective of the policy was to promote generation of green and clean power in the State using Solar Energy.

To meet unmet community demand for electricity or in un-electrified rural areas, the State Government decided to install stand alone solar photovoltaic (SPV) street lighting system (SLS) in Gram Panchayats of the State under Centrally sponsored scheme and State sponsored scheme. One of the components proposed by the State Government under Thirteenth Finance Commission (ThFC) was also installation of SPV SLSs.

The Additional Chief Secretary (ACS), Panchayats, Rural Housing and Rural Development Department (PRH&RDD) exercises administrative control over the PRIs. The ACS is assisted by the Development Commissioner (DC) at State level, District Development Officer (DDO) at the District level, Taluka Development Officer (TDO) at the Taluka level and Talati-cum-Mantri (TCM) at Gram level.

Audit was conducted with the objective of deriving an assurance about the efficacy of installation and commissioning of SPV SLSs in the selected Gram Panchayats (GPs). Eight¹ out of 26 districts of the State were selected (zone-wise) for sample study. Two talukas of each selected district and five GPs of each selected Taluka were selected for audit by adopting Simple Random Sampling without Replacement Method. The records of the office of the Development Commissioner, eight District Panchayats (DPs), 16 Taluka Panchayats (TPs) and 80 GPs covering the period 2010-15 were test-checked during April to June 2015. Audit also conducted joint field visit² of 1,197 SPV SLSs installed in selected 80 GPs.

Audit Observations are detailed below-

2.1.2 Planning

2.1.2.1 Improper assessment of requirement and non-preparation of Perspective/Action Plan

Planning is an integral part of Programme Implementation. The guidelines for energy efficient street lighting issued by the Bureau of Indian Standards (BIS) stipulate the identification of needs and lighting requirements of the roads. Different standards of lighting have been prescribed by BIS for main roads, secondary roads, residential and unclassified roads, grade separated junction, bridges and elevated roads, town and city centres, areas of civic importance, etc.

The Solar Power Policy 2009 also stipulates identification of suitable locations, preparation of land banks and creation/upgradation of connecting infrastructure to the project site, etc. Further, the operating guidelines of ThFC also provide for preparation of a five year Perspective Plan for implementation of the Solar Street Lighting System project in the State.

Audit observed that the Perspective Plan was not prepared at any level. The Panchayati Raj Institutions (PRIs) had not conducted any survey to assess the number of solar street lights required in the GPs of the State. In test-checked DPs, TPs and GPs, assessment of requirement and identification of locations for installation of street lights was not done though it was stipulated in the Solar Power Policy 2009 and BIS guidelines. This resulted in installation of solar street lights at improper sites and defeated the very purpose of infrastructure creation at GP level as discussed in Paragraph 2.1.4.3.

The DC agreed (April 2015) that no survey was conducted by the State Government to assess the requirement of street lights in the GPs.

It is recommended that the State Government may undertake a survey to assess total number of solar street lights required in the public places of the GP area of the State and prepare a perspective plan for providing the same to GPs in phased manner to cover all habitants. By doing this, the local authorities could save energy cost and reduce Green House Gas emission.

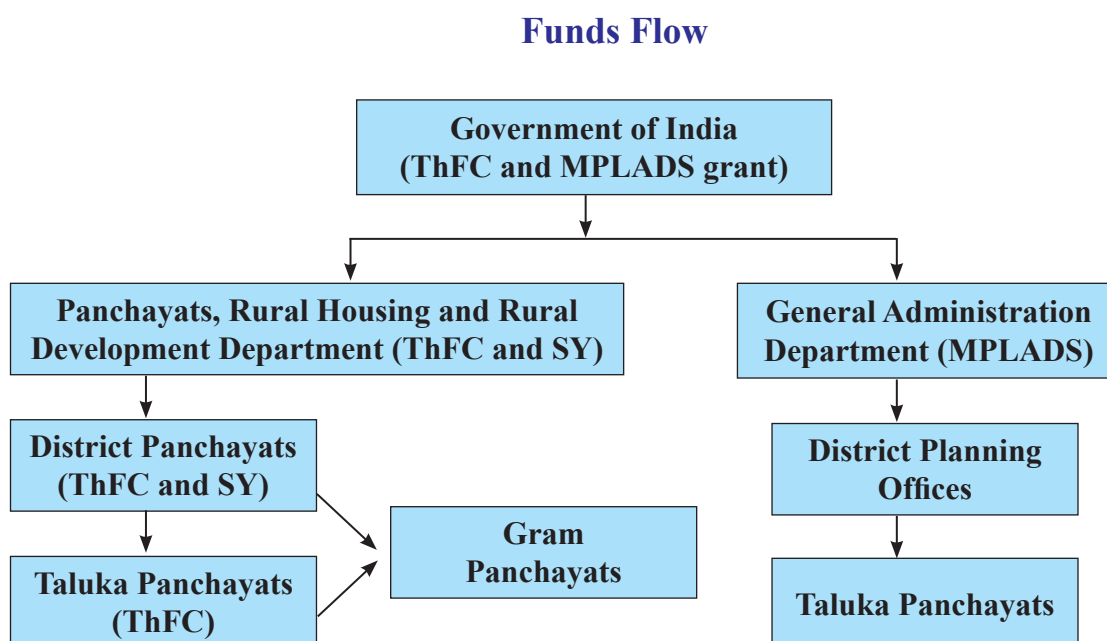
¹ Amreli, Banaskantha, Dahod, Gandhinagar, Junagadh, Navsari, Panchmahal and Valsad

² With officials of State Government

2.1.3 Financial Management

2.1.3.1 Funds received and expenditure incurred

The State Government provided funds to the PRIs for purchase and installation of SPV SLS from ThFC grants and Member of Parliament Local Area Development Scheme (MPLADS) of GoI and Samras Yojana (SY), a State sponsored scheme. Funds under ThFC were distributed among the DPs/TPs/GPs in the ratio 15:15:70 of the total grant by the DC. Under Samras Yojana, assistance of ₹ 3.00 lakh to each GP was released for purchase and installation of SPV SLS to those GPs wherein the members were elected uncontested consecutively for the third time during 2013-15 through DP. The funds flow chart is given below –



The year-wise details of funds released and expenditure incurred by PRIs in the State on purchase and installation of SPV SLSs during the period 2010-15 is shown in **Table 1** below –

Table 1: Funds released and expenditure incurred

(₹ in crore)

Year	ThFC		Samras Yojana		MPLADS		Total		
	Funds released to PRIs	Expenditure incurred by PRIs	Funds released to PRIs	Expenditure incurred by PRIs	Funds released to PRIs	Expenditure incurred by PRIs	Funds released to PRIs	Expenditure incurred by PRIs	Percentage of utilisation
1	2	3	4	5	6	7	8	9	10
2010-11	23.50	23.31	-	-	0	0	23.50	23.31	99
2011-12	34.70	33.01	-	-	3.53	3.53	38.23	36.54	96
2012-13	47.75	42.80	-	-	1.38	1.38	49.13	44.18	90
2013-14	36.36	30.67	25.65	25.23	0	0	62.01	55.90	90
2014-15	26.42	10.20	5.46	5.46	0	0	31.88	15.66	49
Total	168.73	139.99	31.11	30.69	4.91	4.91	204.75	175.59	86

(Source : Monthly Progress Report of all districts and information furnished by GAD)

The above table shows an uptrend in the utilisation of funds during the period 2010-15 *i.e.* from ₹ 23.31 crore in 2010-11 to ₹ 55.90 crore in 2013-14. However, there was a drastic decline in 2014-15 as only ₹ 15.66 crore were utilised. The utilisation of funds in test-checked districts under ThFC ranged from zero to 100 *per cent* during 2010-15 (**Appendix-II**).

Audit further observed that -

- Year-wise utilisation of funds under ThFC and Samras Yojana was not maintained at the State level. As per the records maintained by the DC and information furnished to Audit, the savings under ThFC earmarked for Solar SLS as on March 2015 for the State as a whole was ₹ 10.37 crore, however, as per the Monthly Progress Report (MPR) of all districts the savings as on March 2015 was ₹ 28.74 crore which included ₹ 16.94 crore pertaining to test-checked districts (**Appendix-II**). This indicated that proper monitoring of utilisation of funds by PRIs was not done by the State level authorities.
- In Banaskantha district, out of ₹ 0.57 crore released for 19 GPs under Samras Yojana, only five GPs had utilised the funds to the tune of ₹ 0.15 crore (26 *per cent*) for purchase of SPV SLSs, while the remaining amount was lying unutilised. Resultantly, against 235 SPV SLSs to be installed during 2013-14, only 65 SPV SLSs (28 *per cent*) have been installed till June 2015 (**Appendix-III**). This signifies that there was no consonance between planning and achievement as well as proper monitoring by the State authorities.
- In GP Hingla, Taluka Fatepura, District Dahod, the funds of ₹ 3.00 lakh provided for purchase and installation of SPV SLSs under Samras Yojana during 2012-13 were utilised for other works such as purchase of furniture, colouring, repair of roads, bore well, *etc.* in contravention to the scheme guidelines.

TCM stated (May 2015) that the funds were utilised for urgent work of water supply and repairing of roads. Audit is of the view that the funds should be utilised for the purpose for which it was provided for, otherwise such diversion would defeat the purpose of clean energy and solar street lighting of village roads.

- At three³ test-checked TPs, ₹ 33.23 lakh under ThFC for purchase and installation of SPV SLS was lying unutilised till June 2015.

The TDOs Rajula and Mansa stated (April 2015) that the SLS would be installed immediately. TDO, Dehgam attributed (May 2015) the reason to non-supply of SLS by the supplier. Further progress has not been intimated to Audit, even after these assurances.

³ Amreli district – Rajula and Gandhinagar district - Dehgam and Mansa

- The Operating guidelines of ThFC provide that the State Government should transfer the GoI funds to PRIs within five days of its receipt. Any delay would require the State Government to pay the interest at the Bank rate of RBI. Audit observed that the first instalment of ThFC (2014-15) was released to PRIs with a delay of 20 to 103 days though the funds from GoI were already available with the State Government. Resultantly, the State Government had distributed interest of ₹ 44.37 lakh to the PRIs. Further, the extent of funds to be utilised for SPV SLS and other components were not specified which resulted in funds lying unutilised with the PRIs.

DC stated (June 2015) that due to non-availability of budget provision at the fag end of the financial year, grant was released in the subsequent year. This claim was not correct as the funds from GoI were already available with the State Government and were required to be released within five days.

- The Operating guidelines of ThFC provide that the funds should be kept in Personal Ledger Account (PLA) at district level and in a separate saving bank account in Nationalised Bank at taluka and GP level. However, Audit observed that separate bank accounts were not maintained in eight out of 16 test-checked TPs⁴ and seven out of 80 test-checked GPs⁵. The funds received under the scheme were being deposited into a common account by the TPs/GPs. Resultantly, Audit could not ascertain the interest earned on the scheme funds and its utilisation.

The TDOs and TCMs of concerned TPs/GPs accepted (April-June 2015) the audit observation and stated that the same would be kept in separate bank account in future.

It is recommended that separate bank account may be maintained at the taluka and village panchayat levels and the interest earned may be utilised for the purpose for which original funds have been allocated.

Implementation of the Programme

2.1.4 Procurement, Installation and Commissioning of Stand Alone Solar Photovoltaic Street Lighting System

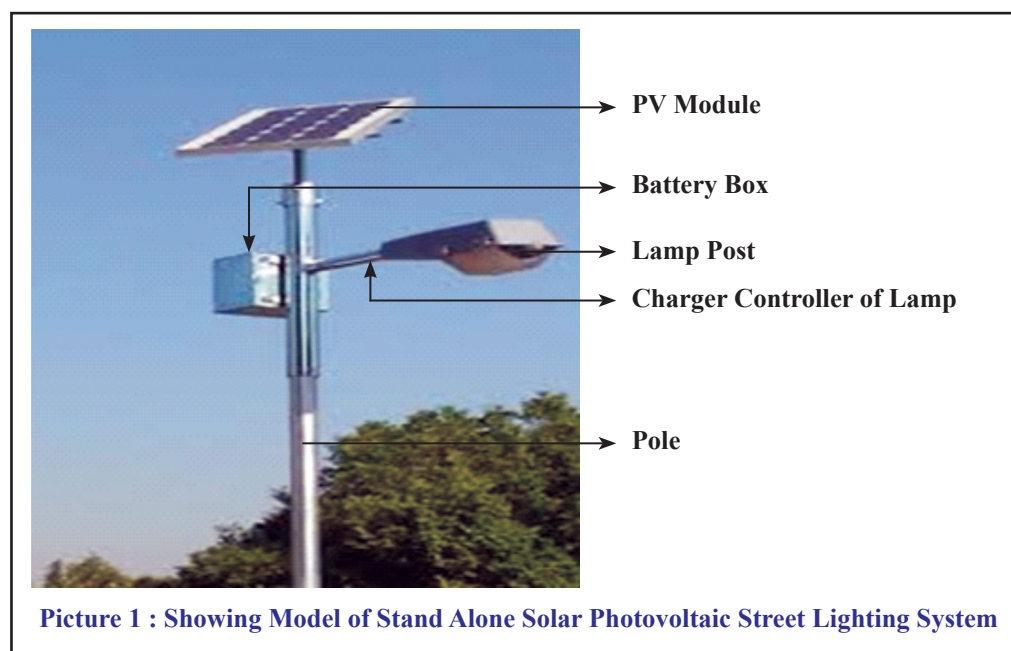
2.1.4.1 Physical Achievement

SPV SLS is an outdoor lighting unit used for illuminating a street or an open area. The Solar SLS consists of SPV module, a luminaire, storage battery, control electronics, inter-connecting wires/cables, module mounting pole including hardware and battery box. The luminaire is based on Compact Fluorescent Lamp (CFL)/Light-emitting diode (LED) which emits light when electric current passes through it. The luminaire is mounted on the pole at a suitable

⁴ Banaskantha district - Dhanera and Vadgam, Dahod district - Fatepura and Garbada, Panchmahal district – Santrapur, Junagadh district - Keshod and Una, and Navsari district - Chikhali

⁵ Chikhali Taluka (Navsari district) - Alipore, Chikhali, Khundh, Khambhada and Thala, Mansa Taluka (Gandhinagar) –Parsa and Ridrol

angle to maximise illumination on the ground. The PV module is placed at the top of the pole at an angle facing south so that it receives solar radiation through the day, without any shadow falling on it. A battery is placed in a box attached to the pole (**Picture 1**).



During the day, PV module would receive the sunshine energy, then convert to electrical energy and save in the battery, put into use for the street lights in the nights automatically, and cut off during the day time *i.e.* the system lights at dusk and switches off at dawn automatically.

Under MPLADS, the GPs of the State had installed 2,138 SPV SLSs, whereas the details of number of SPV SLSs installed under Samras Yojana was not available at the State level. The details of number of SPV SLSs installed under ThFC in the GPs of the State during the period 2010-15 is as shown in **Table 2** below –

Table 2 : Number of SPV SLSs installed in the GPs

Year	ThFC		
	Works Planned	Works Completed	Percentage of completed work
2010-11	4,595	4,577	100
2011-12	7,317	6,837	93
2012-13	8,943	8,511	95
2013-14	8,584	7,422	86
2014-15	3,989	2,100	53
Total	33,428	29,447	88

(Source : Monthly progress report of all districts and information furnished by GAD)

The above table shows a declining trend in installation of SPV SLSs during 2010-15 *i.e.* 100 *per cent* in 2010-11 declined to 53 *per cent* in 2014-15. Audit observed that the decline in 2014-15 was mainly due to late release of funds to the PRIs by the State Government. In test-checked districts, the percentage

of installation of SPV SLSs ranged between 13 and 104 during the period 2010-15 under ThFC (**Appendix-III**).

2.1.4.2 Procurement of Solar Street Lights

In 80 test-checked GPs, total 1,197 SPV SLSs were procured and installed during 2010-15 under ThFC (965 SPV SLSs - ₹ 2.28 crore), Samras Yojana (208 SPV SLSs - ₹ 0.50 crore) and MPLADS (24 SPV SLSs - ₹ 0.05 crore). The following deficiencies were noticed in procurement of solar street lights -

(i) Delay in finalising technical specifications

BIS guidelines envisages identifying the best available energy-efficient technology and design to meet the lighting requirement such as efficient lamp technologies, optimum pole height and placement, efficient light distribution, and aesthetics while using the least energy and meeting requirements for visibility and appropriate light levels. When designing or making changes in street lighting, it is important to first understand the light requirements of the road based on the traffic density.

Audit observed that till March 2014, the grants for purchase and installation of SPV SLSs were released to the PRIs by the State Government without providing any technical specifications. The Gujarat Energy Development Agency⁶ (GEDA) was assigned (February 2014) to provide the technical specifications and the same was provided in March 2014 but was yet to be finalised by the State Government (June 2015). Subsequent grant sanction order specified only purchase of SPV SLS through either GEDA approved supplier or Director General of Supply and Disposal (DGS&D) rate contract (RC) holders of Ministry of New and Renewable Energy (MNRE) specifications. Non-finalisation of technical specification resulted in purchase and installations of poor quality of SPV SLSs by GPs as discussed in the succeeding paragraph 2.1.4.2 (iv).

The DC accepted and stated (April 2015) that the specifications are yet to be finalised.

It is recommended that the State Government may finalise State specific designs and specifications to the GPs so that the assets created in GP could be utilised on a sustainable basis for a long period and the goal of reduction of energy cost could be achieved.

(ii) Purchase without approval

Grant sanction orders of ThFC and Samras Yojana *inter alia* provide for obtaining administrative approval (AA) and technical sanction (TS) from competent authority before commencement of the work.

Under ThFC, the AA and TS were to be obtained from the TP by the GPs. However, Audit observed that five GPs⁷ of Gandevi Taluka, Navsari district had purchased 69 SPV SLSs costing ₹ 15.56 lakh without obtaining TS from the TP.

⁶ The first State Nodal Agency involved for the promotion and popularization of alternative and energy efficient technologies

⁷ Dhanori (20), Gadat (5), Goyandibhathla (18), Mendhar (13) and Ponsari (13)

Under SY, the AA was to be obtained from the DP and TS from the TP by the GPs. However, Audit observed that five GPs⁸ of Vadgam Taluka, Banaskantha district had purchased (August 2014) 65 SPV SLSs costing ₹ 15.00 lakh without obtaining AA from the DP though specific instructions for obtaining AA had been issued by the DP.

This resulted in irregular purchase in contravention to conditions of grant sanction order.

TDO Gandevi accepted (June 2015) the audit observation and the TDO Vadgam stated (June 2015) that the proposal was sent (May 2014) to the DP for approval but the same was awaited. ***Audit is of the view that the purchase may be made only after obtaining prior sanction of the competent authority.***

(iii) Non-adoption of e-procurement process

The State Government introduced (November 2006) e-procurement system for achieving transparency, competitive price, savings of time and money, shortening of procurement cycle, ease of operation to the implementing department and to the bidders/suppliers/vendors. E-procurement is the process wherein the physical tendering activity is carried out online using the Internet and associated technologies. E-procurement facilitates participation of bidders/suppliers/vendors with proper registration, experience, requisite specifications of goods, etc. Goods costing above ₹ 5.00 lakh are required to be procured through e-procurement process.

The terms and conditions of DGS&D rate contract envisages that the tenderer shall possess satisfactory test certificate issued by Solar Energy Centre or any other testing centre approved by Ministry of New Non-Conventional Energy Sources and part payment of the contract to be made after installation, commissioning, free training to local custodians and submission of bank guarantee for two years as security against defect liability.

Audit observed that though the purchase of SPV SLSs exceeded the cost of ₹ 5.00 lakh at taluka level, the TDOs of all test-checked TPs had not followed the procedure of e-procurement process but selected the supplier by inviting quotations and no bank guarantee/security deposits were obtained from the supplier. This resulted in purchase of SPV SLSs at different rates and of different specifications within the district in the GPs without availing the benefit of competitive rates.

Due to non-observance of e-procurement process, Audit observed that out of 1,197 SPV SLS installed in the test-checked GPs, 736 SPV SLSs costing ₹ 1.79 crore had been purchased from unregistered dealers at 68 GPs. Further, out of these 736 SPV SLSs, 144 costing ₹ 36.65 lakh had been purchased from the suppliers of sand, stone, cement, etc. at 19 GPs (**Appendix-IV**). This resulted in installation of faulty systems within short time as well as lack of maintenance as discussed in the succeeding paragraph.

Had the DP or TP followed e-procurement process for the district as a whole *i.e.* for DP, TP and GP share, the SPV SLSs could have been purchased of similar specifications at competitive rates with future maintenance conditions.

⁸ Dhanali (13), Karsanpura (13), Manpura (13), Sherpura (13) and Salemkot (13)

(iv) Procurement of SLS of lower specification

The Ministry of New and Renewable Energy (MNRE) specification for CFL based solar SLS was 74Wp PV Module (minimum output), 12 Volt (V) - 75 ampere per hour (AH) Battery, 11 Watt CFL, *etc.* All the components and parts used need to conform to the latest BIS specifications. The SLS including battery would be warranted for a period of five years and SPV module for a minimum period of 25 years from the date of supply.

However, out of 1,197 SPV SLSs installed in test-checked GPs, Audit observed that -

- The batteries are one of the prime components of SLSs. The specification of battery of 322 SLS installed at a cost of ₹ 77.87 lakh in 37 GPs was lower as compared to MNRE specification. As against 75 AH specification required, the installed capacity ranged between 28 AH and 70 AH as shown in **Appendix-V**. This resulted in low storage of energy. It was further observed that in 551 SLSs, purchased at a cost of ₹ 1.32 crore, the specification of batteries were not mentioned on the battery or in the supply invoice. Thus, Audit could not vouchsafe whether the batteries installed were as per MNRE specifications.
- 573 SPV SLSs purchased at a cost of ₹ 1.36 crore in 45 GPs were not covered with warranty clause as they were purchased from unauthorised/local dealers and 206 SPV SLSs purchased at a cost of ₹ 50.11 lakh in 21 GPs were covered with warranty of only one year (**Appendix-VI**). Thus, the warranty clause specified by MNRE was not complied in these purchases which may pose additional maintenance cost with GPs.

(v) Excess expenditure

DGS&D rate contract holders with MNRE specifications in the State were supplying the said goods at the rate of ₹ 23,104 including five *per cent* VAT during 2011-15. This rate included transportation and installation charges with 10 year warranty for SPV module. However, Audit observed in 39 test-checked GPs that 300 SPV SLSs had been purchased at higher rates ranging between ₹ 24,500 to ₹ 30,000 which resulted in excess expenditure of ₹ 8.26 lakh (**Appendix-VII**).

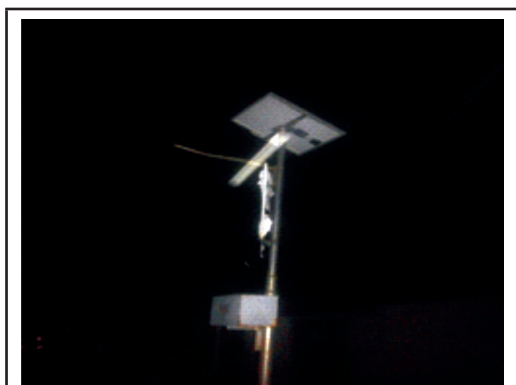
It is recommended that the State Government finalises the specifications of SPV SLS and put in place a centralised e-purchase procedure at State/District/Taluka level with Operation and Maintenance terms, for achieving the goal of uniform installation and long term effective energy efficient street lighting systems in the rural areas at competitive rates.

2.1.4.3 Installation and Commissioning of Solar Street Lights

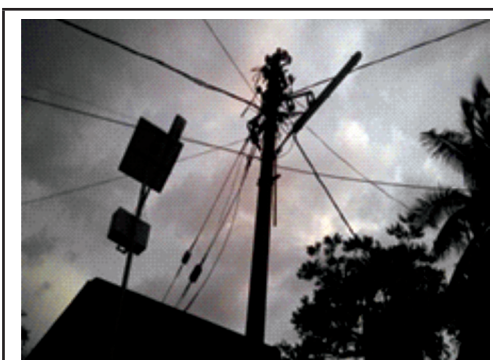
SPV SLSs once installed are required to be checked once in a while especially when placed in areas with extreme weather conditions, which can damage or shorten its life cycle *viz.* clean the snow or dust, and moisture accumulated on horizontal PV panels on regular basis as it would block the sunlight; check the charge controller to ensure that the battery does not get overcharged; check the working of batteries every three months to ensure the battery stays in good shape; replace old batteries; *etc.*

(i) Non-functioning of SLS

During joint field visit, it was observed that out of 1,197 SPV SLSs installed in selected 80 GPs, 514 SPV SLSs (43 per cent) costing ₹ 1.23 crore were non-functional due to lower specification of batteries and non-maintenance of SLS. As per information obtained from TCMs of test-checked GPs, Audit observed that these SPV SLSs became non-functional within a period of six months to two years from the date of installation viz. 248 within six months, 250 within one year and 16 within two years. Audit further observed that 248 out of 514 non-functional SPV SLSs were purchased by the GPs without warranty clause which resulted in non-replacement or non-repairing of the system by the suppliers. Thus, the very purpose of providing street lighting to rural populace was defeated (Picture 2, 3 and 4).



Picture 2 : The SPV SLS of Village Dhakha, Taluka Dhanera, District Banaskantha was non-functional within one year from the date of installation (04.06.2015)

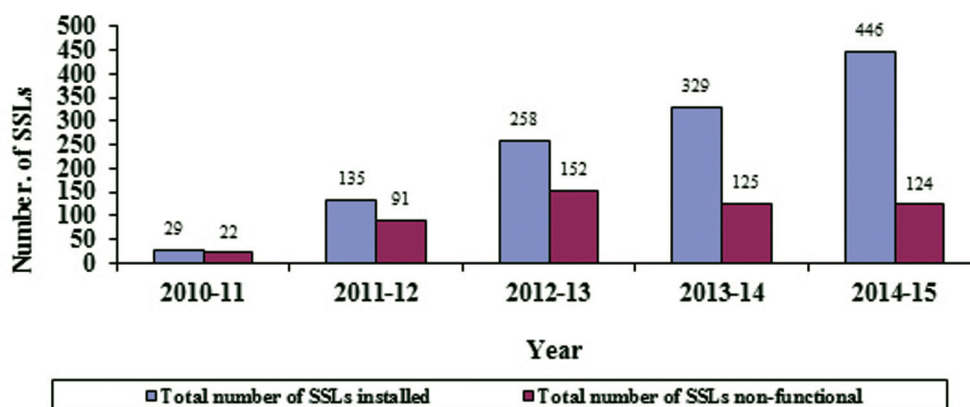


Picture 3 : The SPV SLS of Village Fansa, Taluka Umargaon, District Valsad was non-functional within six months from the date of installation (10.06.2015)



Picture 4 : The SPV SLS of Village Zaribuzarg, Taluka Garbada District Dahod was non-functional within six months from the date of installation (18.05.2015)

Year-wise details of number of SSLs installed and number of non-functional SSLs for the period 2010-15 of test-checked GPs is given in the **chart** as below-



The Talati-cum-Mantri (TCM) of the concerned GPs attributed the reasons of non-working of batteries to non-functioning of SPV SLSs.

(ii) Lack of maintenance

Energy Efficient Street Lighting guidelines stipulate good operation and maintenance practice to avoid wastage of energy such as replacing defective lamps, accessories and wires, early rectification of cable faults, regular maintenance of battery, regular cleaning of the luminaire cover to keep it free of dust/dirt to increase light output, *etc.* The State Government issued (May 2012) instructions to all GPs for executing maintenance contract for immediate repairing of SLSs.

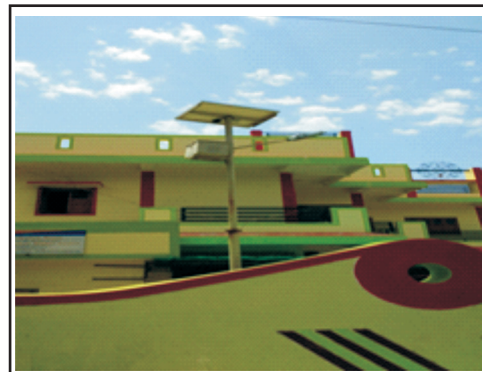
However, Audit observed that none of the test-checked GPs had executed any maintenance contract. In some GPs, it was observed that no action had been taken by the GPs to repair the defunct SPV SLSs. Thus, despite incurring huge expenditure on installation of SPV SLSs, the purpose of providing street lighting system for rural populace was defeated due to not ensuring maintenance by the GP authorities. Audit further observed that the State Government had not provided any funds for GPs to meet maintenance cost.

TCM of all test-checked GPs attributed paucity of funds to non-execution of maintenance contract as the reason for non-functional SPV SLSs.

The State Government may provide funds to GPs towards maintenance cost to make the SPV SLSs functional.

(iii) Installation of Street Lights at improper site

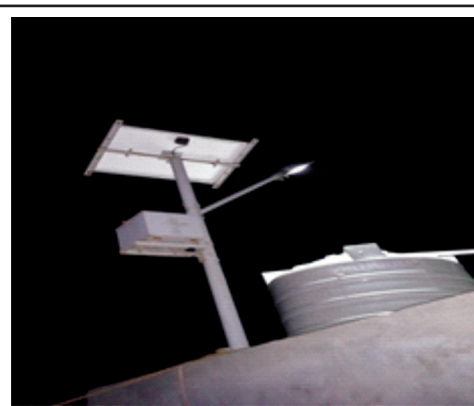
During joint field visit, Audit observed that in three GPs⁹, four SPV SLSs were installed in the premises of private parties (**Picture 5**). In Dehari GP, Umargaon, 15 SPV SLSs and in Ranela GP, Santrampur, one SPV SLS were found installed in the residential premises of elected members of the GP in contravention to the provisions of scheme guidelines as shown in the **Picture 6 and 7**.



Picture 5 : SPV SLS installed in the residential premises of Shri Somabhai Jeshanbhai, Naglod, Taluka Morva (Hadaf), District Panchmahal (06.05.2015)



Picture 6 : SPV SLS installed in the residential premises of GP member of Village Dehari, Taluka Umargaon, District Valsad (11.06.2015)



Picture 7 : SPV SLS installed in the residential premises of GP member of Village Ranela, Taluka Santrampur, District Panchmahal (13.05.2015)

⁹ Naglod, Ranela and Shanbar

It is recommended that the State Government may issue instructions to GPs to execute operation and maintenance contract for the SPV SLSs installed to make them functional on long-term sustainable basis and install them in public places instead of private residences.

2.1.5 Monitoring

The guidelines for energy efficient street lighting issued by the Bureau of Indian Standards (BIS) stipulate to measure and verify the energy savings, and to evaluate the project for any improvement. However, Audit observed that monitoring mechanism was deficient, as the purchase of SPV SLSs, its installation and functioning was not being monitored either by the State or district level authorities. Further, no evaluation studies had been carried out by the State Government to evaluate the effectiveness and efficiency of SLSs.

Audit further observed that as per the records maintained by the DC and information furnished to Audit, the number of SPV SLSs purchased and installed in the PRIs in the State as a whole under ThFC as of March 2015 was 32,345 whereas the number given as per the Monthly Progress Report (MPR) of all districts was 29,447, leaving a difference of 2,898. It was further observed that consolidated information of number of SPV SLSs installed under Samras Yojana was not available at the State and district levels. This indicated that the implementation of installation of SPV SLSs in the PRIs was not being properly monitored at the State and district levels.

2.1.6 Other topics of interest

2.1.6.1 Payment by cash

Rule 95 of Gujarat Treasury Rules 2000 (GTR) provides that all payments to third party exceeding ₹ 1,000 shall be made through Account Payee cheques only. However, Audit observed in 11 GPs¹⁰ that the Sarpanch made payment of ₹ 23.56 lakh (2011-14) towards purchase of 94 SPV SLSs in cash, in contravention to the provisions of GTR. Further, it was observed that payees' acknowledgement for receipt of cash was not found on record; hence, Audit could not verify the correctness of the payment.

2.1.6.2 Asset Register

Operating guidelines of ThFC provide that asset created from the ThFC grants should be recorded in an asset register. However, Audit observed that in 31 out of 80 GPs test-checked that SPV SLSs procured under the scheme during the period covered by Audit were not recorded in the asset registers. Thus, Audit could not verify the correctness of assets created in the GPs. TCM accepted the Audit observation.

Audit recommends that the DC may take comprehensive measures to keep track of the expenditure and assets created under this scheme by maintenance and updation of records.

2.1.6.3 Non-reporting of missing units

Gujarat Financial Rules provide that any case of loss, theft, embezzlement or fraud in the PRIs should be reported to the executive authority of the concerned

¹⁰ Abhlod (₹ 2.06 lakh) Agartrai (₹ 3.00 lakh), Amuli (₹ 2.97 lakh), Balapar (₹ 2.94 lakh), Bhaxi (₹ 1.24 lakh) Boriyala (₹ 0.98 lakh), Chanch (₹ 2.5 lakh), Jindva (₹ 3.22 lakh), Kundi (₹ 2.63 lakh), Kuvadara (₹ 0.50 lakh) and Sagadapada (₹ 1.52 lakh)

DP. The executive authority would then get the same investigated by a designated enquiry officer so that the losses could be recovered, responsibility fixed and systemic deficiency, if any be removed. It also provides that such cases should be reported to the Office of the Accountant General. At GP level, the TCM was responsible for monitoring the assets of the GP and report to the TDO at taluka level regarding any loss, theft, *etc.* In turn, the TDO was responsible to report to the executive authority of the concerned DP.

Audit observed that in two GPs¹¹, entire unit of 13 SPV SLSs costing ₹ 3.17 lakh and in four GPs¹², battery of 11 SPV SLSs costing ₹ 2.54 lakh were missing, however, the same was not reported by the TCM of the GPs to the TDO nor the executive authority of DP till date. Audit further observed that no First Investigation Report (FIR) had been lodged by the TCM of the GP to safeguard the loss entailed and these cases were not reported to this office. This indicated that the TCM had failed to monitor the assets of the GP.

The TCMs stated that the SLSs and batteries had been stolen. Audit is of the view, that such incidents should be reported to the Police and the executive authority, so that measures could be taken to avoid such incidences in future.

2.1.7 Conclusion

The State Government had executed the work of installation of Stand Alone Solar Photovoltaic Street Lighting System in the GPs under ThFC, Samras Yojana and MPLAD schemes. Audit observed that clear information of number of Solar Street Lights required and installed in the GPs was not maintained at the State/district/taluka levels. The work was executed in these schemes without carrying out a survey to assess number of street lights required in the GPs, perspective plans were not prepared at any levels for covering every public place of GP area in a phased manner and specific targets were also not fixed under these schemes. As a result, Audit could not ascertain an overall picture of number of SPV SLSs installed against the total requirement in the GPs of the State.

The State Government had not finalised till date the specifications of SPV SLSs which resulted in purchase of SPV SLSs with lower specifications in the test-checked GPs. Due to non-adoption of e-procurement process, excess expenditure was incurred on procurement of SPV SLSs with different specifications and SPV SLSs installed in test-checked GPs were without a warranty clause.

The timely maintenance of installed SPV SLSs was not done by the GPs. Audit observed in test-checked GPs that due to non-maintenance and lower specifications, 514 out of 1,197 SPV SLS (43 *per cent*) installed at a cost of ₹ 1.23 crore were found non-functional within a period of six months to two years from the date of installation. Instances of SPV SLSs installed in the residential premises of private persons and GP members were noticed. Monitoring system was found deficient.

The matter was reported to the Government (August 2015). Reply is still awaited (March 2016).

¹¹ Boriyala and Zaribuzarg, Taluka Garbada

¹² Charkhadia, Mota Bhamodra (Taluka Savarkundla), Ridrol (Taluka Mansa) and Fansa (Taluka Umargaon)

2.2 Social Audit under Mahatma Gandhi National Rural Employment Guarantee Scheme Rules, 2011 in Gujarat

2.2.1 Introduction

Government of India (GoI) enacted (September 2005) National Rural Employment Guarantee Act, 2005 (NREGA)¹³ with the primary objective to enhance livelihood security of rural households by providing at least 100 days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. The auxiliary objectives of the scheme were to generate productive assets, protect environment, empower rural women, reduce rural to urban migration, foster social equity and strengthen rural governance through processes of decentralisation, transparency and accountability.

Section 17 of MGNREGA envisages Social Audit (SA) of implementation of MGNREGA. GoI notified (June 2011) “Audit of Scheme Rules 2011” (Scheme Rules) to strengthen the provision of SA under MGNREGA. SA mainly aims at effective implementation and control of irregularities in social employment schemes such as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), promotion of transparency and accountability in the implementation of the programme and provide a platform for taking democratic decision by implementing authorities to be accountable to the beneficiaries. The SA also aims in examination of proper utilisation of funds and difference achieved in people’s lives.

Audit of Scheme Rules, 2011 envisage that each State Government shall identify or establish an independent organisation (hereinafter referred to as Social Audit Unit) to facilitate conduct of SA by Gram Sabha of a Gram Panchayat (GP). Social Audit Unit (SAU) was responsible to build capacities of Gram Sabhas for conducting SA, prepare SA reporting formats, guidelines and manuals for the SA process and create awareness amongst the primary stakeholders about their rights and entitlements, *etc.*

The State Employment Guarantee Council (SEGC) is the apex body for implementation, monitoring and supervision of MGNREGS. The Principal Secretary and Commissioner, Rural Development Department (CRD) has been designated as Employment Guarantee Commissioner at State level. At district level, District Development Officer (DDO) of respective District Panchayat has been designated as District Programme Coordinator (DPC). At Taluka level, the Taluka Development Officer (TDO) has been designated as Programme Officer (PO). At Gram Panchayat (GP) level, Sarpanch as well as Talati-cum-Mantri (TCM) have been made joint stakeholders for implementation of MGNREGS.

The objective of the Audit was to assess the adequacy and effectiveness of Social Audit as per extant rules and regulations and to ascertain that a competent, capable and independent SAU existed within the State, that provided adequate support mechanisms such as planning, capacity building, facilitate Gram Sabha for conduct of SA, and reporting and follow-up of grievances.

Audit test-checked (April 2015 to August 2015) the records for the period 2012-15 at the CRD, UNNATI¹⁴ a Non-Government Organisation (NGO) and

¹³ The NREGA was renamed (October 2009) as Mahatma Gandhi Rural Employment Guarantee Act (MGNREGA)

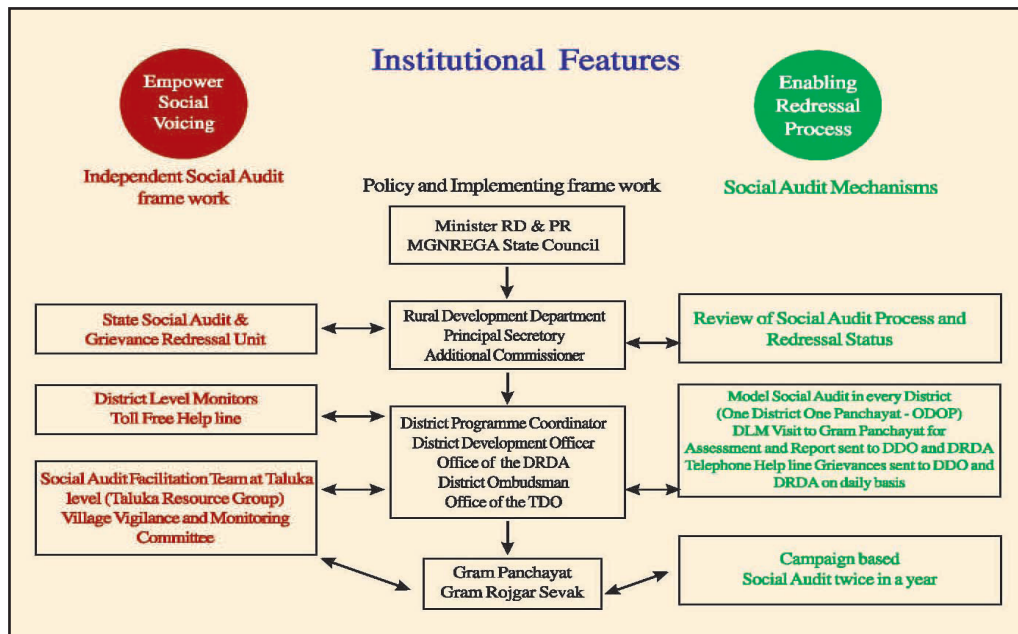
¹⁴ An NGO, that was awarded the work of Social Audit of MGNREGA in Gujarat State

80 selected GPs. These 80 GPs were selected on the basis of Simple Random Sampling without Replacement Method from 53 talukas of 20 districts. Further, records relating to these selected 80 GPs were also test-checked at the concerned 53 TDOs and 20 DPCs. GPs having incurred expenditure under MGNREGS and SA having been conducted were only selected for detailed Audit.

2.2.2 Institutional arrangements

The State Government developed (November 2011) a State wide Social Audit and Grievance Redressal mechanism under the direct administrative supervision of the CRD. An institutional mechanism had been developed whereby an external independent facilitation and oversight facility was created as an interface between the Government and its agencies and the MGNREGS workers and the society at large. The institutional arrangement is shown in the **chart** below –

Chart 1: Institutional arrangements



(Source : Policy, Design and Operating Framework for Social Accountability issued by CRD)

Audit findings

2.2.3 Planning

2.2.3.1 Independent Social Audit Unit

Scheme Rules provide that the State Government should identify or establish, an independent organisation - Social Audit Unit (SAU) to facilitate conduct of SA by Gram Sabhas in GPs. GoI directed (November 2011 and July 2013) the State Government to establish an independent society for SA under the auspices of the department to ensure continuity, consistency and reliability in the SA process.

The State Government engaged (February 2012) an NGO “UNNATI” to facilitate conduct of SA by Gram Sabhas for a period of two years which was further

extended (February 2014) for another one year (upto January 2015). As of April 2015, the State Government had made payment of ₹ 2.13 crore as against the contract value of ₹ 2.96 crore. This indicated that the State Government could not establish an independent SAU in the State even after lapse of four years since promulgation of “Audit of Scheme Rules, 2011”.

GoI issued (August 2014) instructions to all State Governments to recruit staffs¹⁵ for the independent SAU at the State and district level by September 2014 alongwith the timelines for recruitment process. Audit observed that the State Government accorded (September, 2014) the approval of setting-up of independent SAU and the service of UNNATI was terminated from February 2015. However, the SAU was not made functional due to non-recruitment of staff as of February 2016.

The CRD stated (May 2015) that the directions of GoI were adhered to, as before the issuance of the advertisement for recruitment of staff, the department had undertaken the preparatory policy level activities such as fixing of qualification, constitution of the committees, etc.

The State Government may take action to recruit the envisaged staff to functionalise an independent SAU at State and district levels to strengthen the SA in the State.

2.2.3.2 Coverage of Gram Panchayats for Social Audit

Scheme Rules provide that the State Government should facilitate conduct of SA for works taken up in each GP under MGNREGS at least once in six months *i.e.* Phase-I and Phase-II. Further, as per the terms and conditions of the contract, UNNATI was responsible to facilitate conduct of SA in each GP of the State whether or not the works were undertaken under MGNREGS.

The details of SA facilitated and SA reports prepared by UNNATI during the period 2012-15 is shown in **Table 1** below –

Table 1: Details of SA facilitated by UNNATI during 2012-15

Year	Period of campaign of GS	Total number of GPs in the State	Number of GPs covered under SA	Shortfall in coverage (in percentage)	Status of data provided by GPs for SA reports	
					Data made available by number of GPs (Out of Col. 4)	Data of SA awaited from number of GPs (Out of Col. 4)
1	2	3	4	5	6	7
2012-13	20 April to 20 May	14,151	13,753	398 (3)	11,869	1,884 (14)
	7 to 21 January		13,753	398(3)	11,828	1,925 (14)
2013-14	20 April to 20 May		13,921	230(2)	10,334	3,587 (26)
	October and November		13,921	230(2)	11,977	1,944 (14)
2014-15	10 May to 20 June		13,815	336(2)	11,339	2,476 (18)
	15 January to 15 February		13,815	336(2)	SA Report not prepared	

(Source : Information furnished by CRD and SA reports prepared by UNNATI)

The table above shows that the prescribed SA was not conducted in all the GPs in the State. Audit observed that the SA reports prepared by UNNATI had not

¹⁵ (i) One Director, (ii) One State Co-ordinator, (iii) Four Zonal Co-ordinators and (iv) 26 District Level Monitor. The District Development Officer was responsible for planning of Gram Sabha and approval of the Audit plan.

included the data of all the GPs covered under SA due to non-submission of data by the concerned GPs. Thus, the SA reports prepared and submitted by UNNATI were incomplete as the grievances brought out in the SA of Gram Sabhas, who failed to submit the data remained unregistered and unaddressed. Similarly, due to non-preparation of SA report for Phase-II of 2014-15, the grievances registered in the SA of Gram Sabhas of the GPs covered remained unregistered and unaddressed.

Audit is of the view that the reports of all SA of Gram Sabhas should be collected and a comprehensive SA report may be prepared so that the grievances and irregularities noticed in each GP under the MGNREGS could be reported to the higher authorities and proper action could be taken on it.

2.2.3.3 One District One Panchayat

As per the instructions issued (May 2012) by the State Government, every DPC was required to conduct one SA every month in one selected GP in the respective District under 'One District One Panchayat' (ODOP) so that grass-root realities could be brought to the direct notice of district level officers for immediate redressal of grievances.

Accordingly, 312 ODOPs¹⁶ were required to be conducted in the State every year. However, Audit observed shortfall in conducting of ODOPs by DPCs during the period 2012-15 as shown in **Table 2** below –

Table 2 : Shortfall in conducting of ODOPs by DPCs during 2012-15

Year	Number of ODOPs planned	ODOPs conducted	Shortfall in conducting of ODOPs (percentage)
2012-13	312	76	236 (76)
2013-14	312	205	107 (34)
2014-15	312	111	201 (64)

(Source : Data obtained from SA Report)

The above table shows that the shortfall in conducting ODOPs by DPCs in the State ranged from 34 to 76 *per cent* during the period 2012-15. Thus, the very purpose of highlighting the shortfalls at grassroot level to higher officials was not achieved in these districts.

The CRD while agreeing to the fact of non-achievement of target attributed (July 2015) the main reason to non-availability of District Collector and/or DPC due to administrative reasons. It was further stated that the matter has been taken up in the State level review meetings.

2.2.3.4 Submissions of summary of Social Audit findings to the Comptroller and Auditor General

Scheme Rules provide that a summary of findings of SA conducted during a financial year should be submitted by the State Government to the Comptroller

¹⁶ 12 ODOP in each of the 26 districts of the State

and Auditor General of India (CAG). However, the State Government had not submitted the same till date (February 2016) though mandated in the Rules.

The CRD while accepting the audit observation stated (May 2015) that the department had taken cognizance of the matter and henceforth it would share the SA Report with the CAG.

2.2.4 Financial Management

2.2.4.1 Funding pattern

The MGNREGS guidelines provide that GoI would bear 100 *per cent* cost on wages for unskilled labour, 75 *per cent* cost of skilled, semi-skilled labour, material and administrative expenditure¹⁷ as determined by GoI from time to time. State Government would bear 25 *per cent* cost of material, skilled and semi-skilled labour. In addition, State Government would bear the entire cost of unemployment allowance¹⁸ and expenditure on State Employment Guarantee Council (SEGC). GoI allowed (August 2012) expenditure of one *per cent* out of six *per cent* administrative charges admissible under MGNREGS for establishment of SAU and for conduct of SA. The State Government released the funds alongwith GoI share under MGNREGS to CRD, which in turn released the funds to taluka levels for payment to beneficiaries and towards material cost.

2.2.4.2 Funds received and expenditure under MGNREGS

The details of funds received and expenditure incurred under MGNREGS during the period 2012-15 is shown in **Table 3** below –

Table 3 : Funds released and expenditure incurred under MGNREGS during 2012-15

(₹ in crore)

Year	Opening Balance	Funds received		Miscellaneous income ¹⁹	Total available funds	Expenditure (percentage)	Closing Balance	Administrative expenditure (percentage)	Admissible expenditure on SA	Expenditure on SA (percentage)
		GoI	State Government							
1	2	3	4	5	6	7	8	9	10	11
2012-13	252.67	474.41	155.14	18.26	900.48	642.86 (71)	257.62	43.81 (6.81)	6.43	0.52 (0.08)
2013-14	257.62	335.30	39.86	39.53	672.31	539.87 (80)	132.44	40.15 (7.44)	5.40	1.03 (0.19)
2014-15	132.44	354.43	37.22	9.33	533.42	472.24 (89)	61.18	35.10 (7.43)	4.72	0.58 (0.12)
Total		1,164.14	232.22	67.12		1,654.97		119.06 (7.19)	16.55	2.13 (1.78)

(Source : Data furnished by CRD)

The above table shows that the percentage of expenditure against the available funds during the period 2012-15 ranged between 71 and 89 including

¹⁷ Presently it is six *per cent* of total expenditure under the scheme

¹⁸ If State Government fails to provide employment within fifteen days of demand of employment by a household, it has to pay unemployment allowance at the rate not less than one fourth of wage rate for first thirty days and not less than one half of wage rate for remaining period of the financial year.

¹⁹ Bank interest and Security Deposit

administrative expense which exceeded the prescribed limit of six *per cent* envisaged in the MGNREGS guidelines. Audit observed that though one *per cent* of the administrative expense was admissible for establishment of SAU and for conduct of SA, the expenditure on SA ranged from 0.08 to 0.12 *per cent*. Less expenditure for SA was mainly due to non-establishment of independent SAU and tardiness on the part of the State Government to strengthen the machineries of SA in the State.

GoI decided (June 2014) to provide special financial assistance for setting-up SAU and recruitment of social audit resource persons (SARP) at State and district levels upto 2017. Accordingly, the State Government was eligible for financial assistance of ₹ 22.44 lakh and ₹ 48.08 lakh per annum for establishment of SAU and recruitment of 16 SARPs respectively at the State and district levels. The financial assistance was to be released in two equal instalments²⁰. GoI released (January 2015) ₹ 11.22 lakh being the first instalment for establishment of SAU for the year 2014-15. However, Audit observed that the funds received were lying unutilised as of May 2015. Audit further observed that the second instalment of ₹ 11.22 lakh for establishment of SAU and ₹ 48.08 lakh pertaining to 16 SARPs were not released by GoI due to non-establishment of SAU and non-recruitment of SARPs at State and district levels.

CRD accepted (May 2015) the fact that the funds were not utilised due to non-establishment of independent SAU. It was further stated that the remaining funds would be claimed from GoI at the earliest.

2.2.4.3 Expenditure under core activities by UNNATI

As per the general conditions of the contract (February 2012 and 2014), UNNATI was responsible to conduct SA in the State as per the budget proposal approved by the CRD. The budget of ₹ 2.96 crore (2012-15) approved by CRD for UNNATI involved 10 core activities as shown in **Appendix-VIII**.

Audit observed that overall utilisation of funds by UNNATI against the approved budget was 79 *per cent* during the period 2012-15. The utilisation of funds under core activities of SA ranged from 36 to 57 *per cent* except for Concurrent verification by the District Level Monitors (DLMs) and Special SAs (74 *per cent*), Salary (85 *per cent*), Management cost (98 *per cent*) and Overhead expenses (88 *per cent*). This indicated that the performance of UNNATI in core activities was not satisfactory as it could not achieve the planned targets. Reasons for savings were attributed to less number of ODOPs organised, shortfall in participation by TRGs, institutional austerity and clubbing of visits, *etc.*

The State Government may ensure that funds earmarked for implementation of core activities are utilised fully for effective implementation of activities envisaged in Scheme Rules.

2.2.4.4 Submission of accounts

Scheme Rules provide that certified annual accounts and audit report of MGNREGS should be forwarded to the CAG by the State Government.

²⁰ (i) 50 *per cent* on constituting the SAU in the manner prescribed by the Ministry and (ii) 50 *per cent* on identifying and placing the District Social Auditors in the manner prescribed by the Ministry

However, the same was not forwarded by the State Government for any of the year covered in Audit (2012-15). CRD stated (May 2015) that the copy of the annual accounts of the scheme was being submitted to GoI every year.

2.2.5 Manpower Management

2.2.5.1 Deployment of Zonal Coordinators

The Zonal Coordinators (ZCs) were responsible to ensure timely and effective functioning of SA and grievance redressal in the respective districts/talukas, and to support and supervise the functioning of the district level monitors (DLMs) in respect of the zones allocated to them.

As per the Annual Activity and Budget (AA&B) of UNNATI approved by CRD, three ZCs were required to be appointed in the first year of the contract and four ZCs each during the subsequent two years of contract by UNNATI. However, Audit observed that one out of three posts of ZC remained vacant intermittently for seven months during the first year of contract and one out of eight posts of ZC remained vacant intermittently for four months during the subsequent two years. Thus, the posts of ZC remained vacant for 11 months during the period 2012-15 due to the appointed persons having left the job in-between. This resulted in lack of requisite supervision, support and coordinating functions in the process of SA as evident by the pendency of grievances to be redressed, as discussed in succeeding paragraph 2.2.6.3.

2.2.5.2 Deployment of District Level Monitors

At the district level, independent MGNREGS District Level Monitors (DLMs) were mainly responsible to (i) identify and train Taluka Resource Group (TRG), (ii) prepare calendar of SA campaign, (iii) scrutinise all the SA formats, (iv) upload the SA report on the website, (v) concurrent verification of selected works, (vi) coordinate with district and taluka authorities for grievance redressal, etc.

As per the approved AA&B, UNNATI was required to appoint 26 DLMs during the contract period and additional six DLMs during 2013-14. However, Audit observed that the DLMs appointed by UNNATI had left intermittently which resulted in posts of DLM lying vacant for 63 staff months during the period 2012-15. This resulted in non-imparting of training to some TRGs, non-scrutiny of SA formats, non-uploading of SA report, pendency of redressal of grievances, etc. as discussed in the succeeding paragraphs.

2.2.5.3 Term of Taluka Resources Group and allotment of Gram Panchayat

The State Government issued (May 2012) instructions that each identified TRG should be allotted eight to ten GPs and the term of appointment should not be more than two years. However, Audit observed in 53 test-checked talukas that the term of TRG was more than two years in 37 TPs (70 per cent) and in 11 TPs (21 per cent) the TRGs were allotted more than 10 GPs which ranged from 11 to 20 GPs during the period 2012-15 (**Appendix-IX**). Audit further observed

that TRGs were not identified in test-checked Gadhada TP during 2012-15 and Daskroi TP during 2014-15 which resulted in non-preparation of SA report of Gram Sabha as discussed in paragraph 2.2.7.1.

Audit is of the view that the identified TRGs may not be allotted more number of GPs as excess burden could result in non-achievement of desired outcome of verification of sites, records, registration of grievances, timely conduct of SA, etc.

2.2.5.4 Constitution of Village Vigilance and Monitoring Committee

As per the instructions issued (May 2012) by the State Government, each Village Vigilance and Monitoring Committee (VVMC) should consist of six to nine members from various categories²¹. However, Audit observed in 80 test-checked GPs that -

- VVMC was not constituted in Bhemapur GP of Meghraj taluka, Sabarkantha district.
- In 13 GPs²², the VVMC was constituted with less than six members.
- In 25 GPs, some VVMC members were also elected members of the GPs. These included 10 GPs²³ where the Sarpanch of the GP was also a member of VVMC and in six GPs²⁴, TCM of concerned GP was the member of the VVMC.
- In 19 GPs, minimum criteria of 33 *per cent* female VVMC membership had not been ensured which included 14 GPs without a female VVMC member.

Thus, the mandatory provisions made for neutral SA were not complied with. Further, possibility of influence of Sarpanch or GP members on the participating villagers, preventing a fear free proceeding of SA GS cannot be ruled out.

The State Government may ensure constitution of VVMC in each GP with at least minimum required members and may also ensure that Sarpanch, TCM or other political persons are not nominated as VVMC members for conduct of fear free SA Gram Sabha.

2.2.5.5 Training

As per the provisions of Scheme Rules, SAU was responsible to identify, train and deploy suitable resource persons at village, taluka and district levels to build capacities of Gram Sabha for conducting SA *i.e.* members for Village Vigilance and Monitoring Committee (VVMC) at village level, TRG at taluka level and DLM at district level. UNNATI being de-facto SAU in the State and as per the

²¹ Female members (33 *per cent*), SC/ST representatives, job-card holders of MGNREGS having at least 20 days of employment (minimum 50 *per cent*) and others

²² Parvasa (only two members), Umara (only four members) Ambheti, Asmali, Bhankharvad, Bhatiya, Kaliyavav, Navalpur, Navapura, Paldi, Samrod, Segva and Veroja (only five members)

²³ Bhatiya, Damka, Devla, Kadvasan, Khambhsala, Navalpur, Naz, Samrod, Segva and Simadi

²⁴ Damka, Dhamalpur, Khambhsala, Naz, Samrod and Segva

general conditions of the contract, was responsible for the same. The shortfalls in imparting training by UNNATI are discussed below -

- **Taluka Resource Groups**

The TRG members of a district were required to be trained by DLM prior to every phase of SA, who in turn was required to train the members of VVMC so as to enable the VVMC members to conduct SA Gram Sabha in an effective manner. The details of TRGs identified and trained during the period 2012-15 are shown in **Table 4** below –

Table 4: Details of TRGs identified and trained during 2012-15

Year	Period of campaign of Gram Sabhas	Number of TRGs identified	Number of TRGs trained	Shortfall in training	Percentage of shortfall
2012-13	20 April to 20 May	1,580	1,210	370	23
	7 to 21 January	1,442	1,075	367	25
2013-14	20 April to 20 May	1,622	1,224	398	25
	October and November	1,294	949	345	27
2014-15	10 May to 20 June	2,000	1,562	438	22
	15 January to 15 February	1,840	1,418	422	23

(Source : Data obtained from the SA Reports for the period 2012-15 prepared by UNNATI)

The above table shows that the shortfall in imparting training to TRGs ranged between 22 and 27 *per cent* during the period 2012-15. This resulted in consequent shortfall in imparting training to VVMC members which in turn led to lapses in conducting and recording the proceedings of SA Gram Sabhas as discussed below.

CRD stated (July 2015) that TRG members were independent community members and were invited for a specific period of one month during SA Campaign, however, due to their personal engagements they could not attend the training as well as SA campaigns. The fact however remained that the VVMC members were not given training which affected the conduct of SA in the concerned GPs and DLMs failed to monitor the TRGs.

- **Village Vigilance and Monitoring Committee**

As per the conditions of the contracts, UNNATI was responsible to ensure imparting *per cent* training to VVMC members through TRGs. However, Audit observed that UNNATI had not developed any mechanism to ascertain number of VVMC members trained upto May 2013 as the details of VVMC members of the GPs in the State and number of VVMC members trained from February 2012 to May 2013 was not available.

On scrutiny of SA reports prepared by UNNATI after May 2013, it was observed that SA was conducted in 13,921 and 13,815 GPs during October-November 2013 and May-June 2014 respectively. However, training was imparted to VVMC members of only 3,951 GPs (28 *per cent*) and 5,779 GPs (42 *per cent*), in the respective periods. The details of number of VVMC members trained prior

to SA campaign during January-February 2015 was not made available to Audit as the SA report was not finalised/prepared by UNNATI due to termination of the contract.

CRD accepted the fact (July 2015) of non-development of mechanism to ensure the details of training to VVMC members. As regards shortfall in imparting training, it was stated (July 2015) that VVMCs were formed only in GPs where the MGNREGS works had been undertaken during the year and in remaining GPs, the VVMCs were either not been formed or had not been active. Hence, there was a shortfall. The reply is not convincing as the above observation proved that training was not provided to all VVMCs where SA was conducted.

The State Government may ensure imparting of training to TRGs and VVMC members for effective implementation of SA, after ascertaining the number of VVMC members who require training.

2.2.6 Programme Management

2.2.6.1 Documentary evidences in support of Social Audit Reports

MGNREGS guidelines provide that for facilitating conduct of SA by Gram Sabha, the resource persons deployed by SAU, along with primary stakeholders should verify the records such as muster rolls to ascertain entry and timely payment to wage seekers by contacting them; checking cash book, bank statements, invoices, bills, vouchers, *etc.* to ascertain the correctness of purchases and payments; visiting the work site to assess the quantity of work and material used with reference to records; checking the physical status of the assets; *etc.*

Audit observed in all test-checked talukas that there was no documentary evidence at taluka level of records having been verified by the SA team. As a result, Audit could not vouchsafe whether the financial and physical details of the works presented by the TRGs/SA team during SA Gram Sabha was submitted after proper verification. Audit observed in Bhuvasan GP of Bardoli Taluka, Surat district that the SA team had submitted a certificate of verification of records to the taluka authorities which is a good practice for an effective conduct of SA.

CRD stated (July 2015) that as per standard procedure, the TRG member along with VVMC members were expected to verify muster rolls, entries of payment, bills, *etc.* during the SA Gram Sabha. It was further stated that the observation of non-compliance to the procedure might be in those GPs, where work had not been carried out. However, the fact remained that the taluka authorities had not ensured proper verification of records by the SA team.

2.2.6.2 Site visits for verification by TRG and DLM

MGNREGS guidelines provide that the SA team should conduct door to door visit to meet beneficiaries of the MGNREGS and share relevant information with them. These teams should also visit project sites and physically verify whether completed projects match with the information contained in the records of implementing agencies.

When records related to door to door visit and physical verification of completed projects conducted by SA team was called for in Audit, the CRD stated (July 2015) that the reports of visit of households and physical verification were submitted to Taluka authorities by TRG members and DLM also conducted

direct verification and verification reports had all the details of door to door visit. However, Audit observed in test-checked talukas and districts that the reports submitted by the TRGs and the DLMs had no mention of the details of door to door visit and physical verification done by them in respect of completed projects. As a result, Audit could not vouchsafe the action taken by the taluka/district authorities in respect of discrepancies noticed by TRGs/DLMs in execution of work.

2.2.6.3 Grievance Redressal

The Gujarat State Employment Guarantee Rules, 2008 enacted under MGNREGA provide that the DPC and Programme Officer (PO) were responsible to ensure the redressal of grievances within a week from the date of its receipt. UNNATI registered grievances of 10 different categories²⁵.

The details of grievances registered by UNNATI during the period 2012-15 and its status as of April 2015 is shown in **Table 5** below –

Table 5: Status of grievances registered as of April 2015

Category of grievance	2012-13			2013-14			2014-15 ²⁶		
	Grievances registered	Redressed	Pending	Grievances registered	Redressed	Pending	Grievances registered	Redressed	Pending
I	752	734	18	645	477	168	1	1	0
II	424	403	21	210	146	64	1,071	307	764
III	18	18	0	2	1	1	6	3	3
IV	1,687	1,642	45	1,113	956	157	53	8	45
V	66	65	1	55	44	11	558	120	438
VI	1,026	1,001	25	1,265	1,040	225	12	0	12
VII	107	99	8	72	54	18	86	23	63
VIII	218	186	32	139	86	53	29	13	16
IX	74	57	17	35	14	21	8	1	7
X	727	715	12	156	137	19	17	2	15
Total	5,099	4,920	179	3,692	2,955	737	1,841	478 + four sub-judice	1,363

(Source : Data furnished by UNNATI)

The above table shows that out of 5,099, 3,692 and 1,841 grievances registered by UNNATI during the period 2012-15, 179 (four *per cent*), 737 (20 *per cent*) and 1,363 (74 *per cent*) grievances respectively were pending to be redressed as of April 2015. This indicated that the mandatory provisions of GoI and State enactments had not been complied with in letter and spirit.

²⁵ During 2012-14 - (1) Demand for work and registration, (2) Demand for job card and separation, (3) Timely non-availability of work, (4) Delayed payment, (5) Low wage payment, (6) Job card and passbook not with workers and no entry, (7) Post and bank related irregularities, (8) Ghost workers, (9) Use of machines/non-existing work and other gross irregularities and (10) VVMC work place facility and other issue; During 2014-15 - (1) Registration, (2) Job card, (3) Demand for work, (4) Allotment of works, (5) Payment of wage and unemployment allowances, (6) Selection of work and work order, (7) Implementation and monitoring (financial), (8) Implementation and monitoring (administrative), (9) Social audit and (10) others

²⁶ This does not include grievance registered during phase-II of SA Gram Sabha Campaign for which no SA Report was prepared by UNNATI

CRD stated (February, 2016) that only follow-up action in the review meeting with the DDOs and Director, DRDAs were being taken up and the redressal of grievances was the responsibility of the implementing agency at the taluka, district and State levels. It was further stated that the delay in redressal of grievances was mainly due to shortage of staff at the taluka and district levels. The fact remained that the grievances were not redressed within the stipulated one week time as envisaged in the Rules and the very purpose of SA was defeated.

Audit further observed that a complaint filed (November 2012) by four labourers²⁷ with PO, Ahwa district regarding non-payment of wages for work²⁸ done under MGNREGS had not been attended to till date (May 2015). The fact of non-payment of wages was proved after conduct of an enquiry (December 2012). The SA reports of UNNATI had not mentioned this case. This indicated that all the complaints received in respect of MGNREGS works were not being scrutinised and reported to higher authorities by UNNATI.

The Director, DRDA stated that the matter had been referred to the higher authority for permission to make payment. The fact remained that the labourers were deprived of their wages for more than two years.

- ***Maintenance of complaint register***

MGNREGS guidelines provide that a complaint register should be maintained at GP, taluka and district levels. However, Audit observed that complaint register was not maintained in 12 out of 53 test-checked talukas²⁹ though it was mandatory as per scheme guidelines. Resultantly, Audit could not vouchsafe whether the complaints received were disposed of.

The State Government may ensure timely redressal of all grievances registered during the SA Gram Sabha and may monitor the action taken thereafter.

2.2.7 Assessment of Social Audit Reports of Gram Sabhas

2.2.7.1 Availability of Social Audit Reports

Scheme Rules envisage that the SA team should prepare the SA report of Gram Sabha in local language and submit it to the Taluka authority. The Taluka authority would consolidate the SA reports of all GPs and submit to the district level authority who further submits the consolidated datas of all talukas to the CRD and UNNATI. However, Audit observed that SA reports of Gram Sabha was available in only 15 out of 53 test-checked talukas while no SA reports were found available in four test-checked talukas for the period 2012-15. In the remaining 34 test-checked talukas, either the SA reports for the first or second phase was not available in a year or SA reports for first and second phase was not available for one or two years as shown in **Appendix-X**. In absence of SA Reports, Audit could not verify the authenticity of proceedings of GS and impact of SA.

²⁷ Ashok Jeeval, Subhashbhai Mandubhai, Gana Gulbu and Phatehsingbhai Satrubhai

²⁸ Protection Wall in Gansubhai Shanubhai's land" done in Gunjpeda village

²⁹ Bardoli, Barwala, Bavla, Gandhinagar, Godhra, Jamnagar, Jasdan, Kadana, Lোধika, Lunawada, Morva (hadaf) and Santrampur

2.2.7.2 Preparation of Social Audit Report of Gram Sabha

The State Government had prescribed (May 2012) the format of SA report of Gram Sabha which was revised (May 2014) by adopting the format received (May 2013) from GoI. However, Audit observed that 31 out of 270 (11 *per cent*) available SA Reports were not being prepared as per the prescribed format. Audit further observed that out of these 31 SA reports, formats of nine SA reports³⁰ of Gram Sabha conducted during 2012-14 were prepared in the revised format (May 2014). This indicated that the SA Reports were not prepared during the course of SA, as the new format was made effective from May 2014 by the State Government, thus, the authenticity of the report was doubtful.

2.2.7.3 Participation of Taluka Resources Group

As per the instructions issued (May 2012) by the State Government, TRG should attend the Gram Sabha for SA for facilitating conduct of SA by VVMC members and preparation of SA reports.

On scrutiny of 270 available SA Reports relating to 80 test-checked GPs for the period 2012-15, Audit observed that the TRGs had not attended in 37 (14 *per cent*) Gram Sabha of SA which indicated lack of interest on the part of the TRGs (**Appendix-XI**). Audit further observed that in 63 SA reports (23 *per cent*) there was no mention whether the TRGs had attended the Gram Sabha of SA (**Appendix-XI**), which also indicated that the TRGs might not have attended the Gram Sabha at all.

2.2.7.4 Participation of VVMC members

As per the instructions issued (May 2012) by the State Government, each VVMC should consist of six to nine members. One of the VVMC members who is from the village itself chairs the SA and the VVMC members who attended the Gram Sabha were required to sign the SA report as per the revised format of SA report *i.e.* 2014-15 onwards. Further, Social Audit Manual issued by GoI provides that the Gram Sabha of SA should not be presided over by the Sarpanch of the GP as he/she is a part of the implementation team.

On scrutiny of 110 available SA reports³¹ for the period 2014-15, Audit observed that 69 SA reports³² were not signed by the members of VVMC. In 28 SA reports³³, it was observed that the names of the VVMC members were not mentioned which indicated that the Gram Sabha of SA was held without VVMC members and chaired by other than VVMC member in contravention to above Government instructions.

Audit further observed that in 78 out of 80 test-checked GPs (98 *per cent*) the Gram Sabhas of SA was presided over by the Sarpanch in contravention to the mandated provisions of SA Manual. Thus, possibility of influence of Sarpanch on participating villagers and preventing fear free proceedings of Gram Sabha of SA cannot be ruled out.

³⁰ 2012-13 (first phase): Asmali and Boidara; 2012-13 (second phase) : Viroja; 2013-14 (first phase): Boidara, Aklacha and Movasa; and 2013-14 (second phase): Veroja, Asmali and Movasa

³¹ 56 (first phase) and 54 (second phase)

³² 34 (first phase) and 35 (second phase)

³³ 15 (first phase) and 13 (second phase)

2.2.7.5 Participation of District Programme Coordinator

Scheme Rules provide that the DPC should attend each Gram Sabha of SA or nominate an official of appropriate level for smooth conduct of SA. However, Audit observed in the 80 test-checked GPs that 324 out of 480 Gram Sabhas of SA (68 *per cent*) held during the period 2012-15 were not attended by the DPCs or any official nominated on his behalf. This indicated lack of interest on the part of Government officials to participate in the Gram Sabha though it was mandated in the Rules.

2.2.7.6 Participation of villagers

The Gujarat Village Panchayats (Gram Sabha Meetings and Functions) Rules, 2009 provide that 10 *per cent* of the total number of persons included in the list of voters of the village, out of which at least one third should be female, or 50 such persons or whichever is less should form a quorum for a Gram Sabha. Further, the details of number of villagers participating in the Gram Sabha of SA were required to be mentioned in the SA Report.

The details of villagers participated in the Gram Sabha of SA during 2012-15 in respect of 80 test-checked GPs are shown in **Table 6** below –

Table 6: Details of villages participated in Gram Sabha of SA during 2012-15

Sr. No.	Description	2012-13		2013-14		2014-15		Total
		First phase	Second Phase	First phase	Second Phase	First phase	Second Phase	
1.	Number of SA reports available	35	43	44	38	56	54	270
2.	Number of SA reports without details of number of participants	4	2	9	5	12	12	44
3.	Number of SA reports without details of number of female participants	5	4	9	7	37	37	99
4.	Number of Gram Sabha of SA, where female participation was less than 33 <i>per cent</i>	14	21	21	18	8	11	93
5.	Number of Gram Sabha of SA, where minimum quorum of 50 persons was not fulfilled	3	4	3	4	11	14	39

(Source : Information obtained from SA Reports)

From the above table, it can be seen that –

- In 44 out of 270 available SA reports (16 *per cent*), the details of total number of villagers participated have not been recorded by the SA team.
- In 99 out of remaining 226 SA reports (44 *per cent*), the details of female participants have not been recorded by the SA team.
- The minimum quorum of 50 participants was not fulfilled in 39 Gram Sabhas (17 *per cent*) and minimum 33 *per cent* female participation was not complied in 93 Gram Sabhas (41 *per cent*).
- No female participation was recorded in Naranpur GP (second phase of 2013-14), Ahmedpura and Ramnagar GPs (first and second phase of 2014-15).

Thus, the mandatory provisions for Gram Sabhas had not been observed in letter and spirit, indicating that the process of SA was not being taken seriously defeating the very purpose of SA.

The State Government may ensure participation of TRGs, VVMC members and DPC or an official nominated by DPC for smooth and effective conduct of SA Gram Sabha. The State Government may also ensure the mandated quorum of villagers and female participants in the Gram Sabha as envisaged in the Rules *ibid*.

2.2.7.7 Proceeding of Gram Sabhas

MGNREGS guidelines provide that all issues discussed during the Gram Sabha of SA must be recorded in writing and evidences should be gathered for all issues. Further, the Gujarat Village Panchayats (Gram Sabha Meetings and Functions) Rules, 2009 provide that the minutes of each Gram Sabha of the GP should be recorded in a proceeding book by the Secretary *i.e.* TCM. The names of the participants of the Gram Sabha are required to be mentioned in the minutes.

Audit observed that out of 480 Gram Sabhas of SA held in 80 test-checked GPs during 2012-15, proceedings of 117 Gram Sabhas (24 *per cent*) were not available with the GPs as shown in **Table 7** below -

Table 7 : Non-availability of Gram Sabha proceedings

Year	Gram Sabhs of SA conducted		Proceeding of Gram Sabhas of SA not available with GP	
	First phase	Second phase	First phase (percentage)	Second phase (percentage)
2012-13	80	80	23(29)	18(23)
2013-14	80	80	20(25)	20(25)
2014-15	80	80	18(23)	18(23)
Total	240	240	61(25)	56(23)

(Source : Information obtained from TCM)

Audit further observed from 363 available proceedings of Gram Sabhas that the number or names of the participants in the Gram Sabhas were not recorded by the TCM in 118 proceedings³⁴. Thus, fair conduct of Gram Sabha could not be ensured due to non-availability of proceedings and non-availability of details of participants.

- **Incomplete proceedings**

As per the provisions of the Gujarat Village Panchayats (Gram Sabha Meetings and Functions) Rules, 2009, the agenda and proceedings of a Gram Sabha should have an item of reading the proceedings/minutes of the previous Gram Sabha. Further, the State Government issued (September 2010) instruction to include an item of SA of MGNREGS in the agenda of Gram Sabha.

³⁴ 2012-13 – 36 (17 first phase + 19 second phase), 2013-14 – 37 (18 first phase + 19 second phase) and 2014-15 – 45 (24 first phase and 21 second phase)

On scrutiny of 363 available proceedings of Gram Sabhas of SA of 80 test-checked GPs for the period 2012-15, Audit observed that in 63 proceedings³⁵ there was no mention whether the proceedings of the previous Gram Sabha was read out and discussed. This indicated that the action taken on the matters discussed in the previous meeting was not reported to the participants of the Gram Sabha. Audit further observed that in 127 proceedings³⁶ there was no mention of SA matters discussed in the current Gram Sabha which could have resulted in non-sharing of vital information pertaining to MGNREGS works besides defeating the very purpose of SA.

Audit is of the view that the proceedings of all Gram Sabhas should be prepared and all requisite information should be incorporated.

2.2.7.8 Countersignature of Chairperson

MGNREGS guidelines provide that SA report of the Gram Sabha should be countersigned by the Chairperson. However, Audit observed that 172 out of 270 available SA reports of Gram Sabhas held in 80 test-checked GPs had not been countersigned by the Chairpersons of the Gram Sabhas as shown in **Table 8** below –

Table 8 : SA Reports of Gram Sabhas not countersigned by the Chairperson

Year	Number of SA reports of Gram Sabhas available in test-checked GPs		Number of SA Reports not countersigned by the Chairpersons	
	First phase	Second phase	First phase (percentage)	Second phase (percentage)
2012-13	35	43	26(74)	28(65)
2013-14	44	38	27(61)	23(61)
2014-15	56	54	34(61)	34(63)
Total	135	135	87(64)	85(63)

(Source : Information obtained from SA reports of Gram Sabhas)

In absence of countersignature in the SA reports, Audit could not verify the authenticity of the reports.

2.2.7.9 Incomplete reporting

The revised format of SA report of Gram Sabha adopted (May 2014) by the State Government envisaged filling up of important information of SA process as indicated under **Table 9**.

On scrutiny of 110 SA reports of Gram Sabhas held in 80 test-checked GPs during 2014-15, Audit observed that 19 SA reports had been prepared in old format. Of the remaining 91 SA reports³⁷ prepared in the revised format, the above requisite information of SA process had not been filled in by the SA teams as shown in **Table 9** as follows –

³⁵ 2012-13 – 20 (nine first phase + 11 second phase), 2013-14 – 22 (10 first phase + 12 second phase) and 2014-15 – 21 (12 first phase + nine second phase)

³⁶ 2012-13 – 40 (17 first phase + 23 second phase), 2013-14 – 46 (24 first phase + 22 second phase) and 2014-15 – 41 (26 first phase + 15 second phase)

³⁷ 47 (first phase) and 44 (second phase)

Table 9 : SA reports of Gram Sabha without requisite informations of SA process

Information of SA process to be filled in	Number of SA reports without requisite informations	
	First phase (percentage)	Second phase (percentage)
Date of collection of information	33(70)	29(66)
Date of training provided to the members of VVMC	33(70)	30(68)
Number of VVMC members who attended training	34(72)	29(66)
Date of verification of work-site and labourers	32(68)	29(66)
Date of Gram Sabha of SA planned	30(64)	24(55)
Actual date of Gram Sabha of SA held	22(47)	09(20)

(Source : Information obtained from SA reports of Gram Sabhas)

The above table shows that vital information relating to SA process had not been reported in the SA reports of the Gram Sabhas, which resulted in incomplete reporting to the stakeholders making them unable to see whether the mandatory SA process had been observed properly.

2.2.7.10 Video recording and photography of Gram Sabha

MGNREGS guidelines provide that the entire proceeding of Gram Sabha of SA should be video recorded and uploaded on website (www.nrega.nic.in) without editing to ascertain (i) conducting of Gram Sabha in a neutral public place, (ii) active involvement of VVMC members, (iii) actual participation by the beneficiaries who attended the Gram Sabha and (iv) the findings of SA being discussed and read out and decisions being put to vote. The video recording should also be kept in the custody of the DPC. However, Audit observed that video recording had not been done in all 80 test-checked GPs during 2012-15. Further, photography was done only in two test-checked GPs *i.e.* Ambheti GP of Kaprada taluka (first phase of 2012-13) and Ranpari GP of Barwala taluka (first phase of 2014-15). Resultantly, the very purpose of ensuring true and fair conduct of Gram Sabhas by higher authorities was defeated.

CRD stated (July 2015) that the video recording was suggested by GoI at the end of 2014 and a formal decision to implement the same had not been taken at the State level. It was further stated that the total work intake was so low that it was not preferable to go for video recording in all the GPs. The fact remained that the mandated provisions of MGNREGS guidelines had not been complied with.

2.2.7.11 Wall painting and wall writing

- **Wall painting**

Operational guidelines provide that the information such as number of days of work provided and payments made to every Job Card holder in a year, list of works sanctioned, expenditure on labour and material component, quantity of various material items and rates, etc. as available in the Management Information System (MIS) of MGNREGS should be painted on the walls of GP buildings and the resource persons alongwith primary stakeholders should verify the correctness of these details.

Audit observed that wall painting had not been done in any of the 80 test-checked GPs though was mandated in the scheme guidelines. This fact was not brought out in the SA Reports of UNNATI as well as SA reports of Gram Sabhas. TDOs of concerned GPs stated that wall paintings were not done as the State Government had not issued any instructions in this regard. This indicated that the provisions of the scheme guidelines had not been complied with as the TDOs, being the POs, were not aware of the provisions of the scheme, which in turn impeded the facilitation for the mandated SA process.

- ***Wall writing (MGNREGS' helpline number)***

CRD issued (September 2010) instructions to all district authorities to undertake wall writing of MGNREGS Toll Free Helpline in all the GPs. Considering the receipt of more number of grievances from districts having done wall writing in GPs, UNNATI informed (December 2012) the CRD regarding wall writings not done in 16 districts³⁸. Accordingly, CRD again issued (March 2013) instructions to all concerned districts. It was noticed that more grievances were received from the districts where such wall writings had been undertaken. It was pointed out (December 2012) by UNNATI to the CRD that in 16 districts such wall writings had not been done. In March 2013, the CRD again issued instructions to all the concerned DPCs in these 16 districts for getting the work of wall painting of helpline done for broader publicity.

Audit observed that the wall writing had not been done in 19 test-checked GPs³⁹ of eight districts which includes two districts⁴⁰ other than the above 16 districts. Absence of wall writing could affect prompt lodging of grievances/complaints through toll free helpline number by the beneficiaries.

2.2.8 Monitoring and Follow-up

2.2.8.1 Ombudsman

MGNREGS guidelines provide that the State Government should establish the office of the Ombudsman in all districts for expeditious redressal of the grievances regarding implementation of the scheme.

State Government appointed Ombudsmen (September 2013 and December 2014) in only 19 out of 26 districts⁴¹ in the State. In four test-checked districts⁴², Audit observed that though the Ombudsmen had been appointed, the office was non-functional. Thus, the mandatory provision for ensuring the expeditious redressal of the grievances had not been acted upon.

2.2.8.2 District and Block level hearings

MGNREGA stipulated that the State should conduct public hearings by the social auditors at the GP and taluka level to read out the findings. Further, MGNREGS

³⁸ Ahmedabad, Amreli, Anand, Bharuch, Bhavnagar, Dahod, Gandhinagar, Jamnagar, Junagadh, Kachchh, Kheda, Mehsana, Panchmahal, Patan, Sabarkantha and Surendranagar

³⁹ Ahmedabad (Chavraj Govindada and Naz), Bharuch (Dabhali and Pansoli), Bhavnagar (Junavadar), Gandhinagar (Ahmedpura, Ramnagar and Kanipur), Kheda (Veroja), Rajkot (Kalasar, Dhamalpur, Bedla, Pipaliya and Deroi) Sabarkantha (Aminpur) and Valsad (Titu Khadak, Ambheti, Parvasa and Eklahare)

⁴⁰ Rajkot and Valsad

⁴¹ Ahmedabad, Anand, Banaskantha, Dahod, Dang-Ahwa, Gandhinagar, Jamnagar, Junagadh, Kachchh, Kheda, Mehsana, Narmada, Navsari, Panchmahal, Rajkot, Sabarkantha, Surat, Tapi and Vadodara

⁴² Dang, Jamnagar, Sabarkantha and Tapi

guidelines provide that the State should provide a platform at intermediate Panchayat level for Pradhan/Sarpanch and members of GPs to discuss the issues related to implementation of MGNREGA. Similar platform should be provided at the district level for Pramukh and members of taluka panchayats. To ensure such meetings are held at regular interval, the State Government should lay down the periodicity of such meetings. Such meetings at the taluka and district level should be moderated by an official designated by the DPC. Report of the meeting should be submitted by designated official to State Employment Guarantee Council (SEGC).

Audit observed that State Government had not initiated any action to provide a platform at any level to discuss issues related to implementation of MGNREGS. Since no meetings were held, no report was submitted to SEGC ignoring MGNREGA.

CRD stated (July 2015) that the institutional and operating arrangement of SA did not provide for district and taluka level hearings and hearings were undertaken during the GS, which was as per the spirit of the provision of MGNREGS. The reply is not convincing in view of clear mandated provisions as stated above.

2.2.8.3 Annual Reports of State Employment Guarantee Council

Scheme Rules provide that SEGC should monitor the action taken by the State Government and incorporate the Action Taken Report (ATR) in the annual report to be laid before the State Legislature by the State Government.

Audit observed that SEGC had not commented on SA Report and had not incorporated the ATR in its annual reports. Further, the annual reports were not submitted to the State Legislature, as mandated in guidelines.

CRD stated (May 2015) that the department was regularly apprising the SEGC about the conduct, issues and challenges of SA in the State and SEGC was regularly monitoring the progress of SA. It was further stated that the annual reports were not submitted to the State Legislature by SEGC. However, Audit observed that as taluka/district level hearings were not held and SA process remained as documented by the TRGs as discussed in the preceding paragraphs of this report. Thus, a holistic picture of SA at grass-root level could not be brought to the notice of SEGC. Further, as the action taken on the grievances registered during SA was not monitored and reported to the State Legislature by SEGC, the very purpose of constitution of SEGC had not been served.

2.2.8.4 Governing Body for Social Audit Unit

For smooth implementation of the Audit of Schemes Rules, 2011, GoI issued (11th March 2015) directions to all State Government to constitute a Governing Body⁴³ for SAU which would be responsible for overseeing the performance of the unit on a periodical basis, and provide advice and directions to the unit, as and when required. However, it was observed that the State Government had not

⁴³ Principal Secretary of Rural Development/Panchayati Raj Department as Member Secretary, Director of SAU as Convener, five members selected by the State Government from the reputed individuals or institutions along with field level experience in the conduct of social audits and other special invitees from Departments that are undertaking social audits in their programmes including Principal Accountant General or his nominee.

constituted the Governing Body for SAU. CRD stated (May 2015) that matter of constitution of the Governing Body for SAU was under active consideration and the same would be completed at the earliest.

2.2.9 Conclusion

Audit observed that an independent SA Unit set-up in September 2014 was not functional due to non-recruitment of staff as of February 2016. The SA reports prepared by UNNATI was found incomplete as the information of all GPs covered in SA could not be included due to non-submission of data by the GPs. The SA report of 2014-15 (Phase-II) had not been prepared by UNNATI. Shortfall in conducting ODOPs by DPCs in the State ranged from 34 to 76 *per cent* during the period 2012-15. Performance of UNNATI in implementation of core activities was not satisfactory as utilisation of funds under core activities ranged from 36 to 57 *per cent*. Vacant posts of the Zonal Coordinators and the DLMs hindered the process of SA, particularly the prompt and proper redressal of the grievances. Shortfall in imparting training to TRGs ranged from 22 to 27 *per cent* resultantly required training could not be provided to VVMC members. As of April 2015, 2,279 grievances pertaining to the period 2012-15 remained unaddressed which indicated non-compliance of mandatory provisions of GoI and State enactments in letter and spirit.

It was found that out of 480 SA reports of Gram Sabha in respect of 80 test-checked GPs, only 270 reports were available with test-checked talukas. Cases of SA reports without signature of VVMC members, non-recording of details of total number of villagers and female participants in Gram Sabha, non-fulfilment of minimum quorum of participants and minimum 33 *per cent* female participants, *etc.* were noticed. The attendance of TRGs and DPCs in the SA Gram Sabha was deficient which indicated lack of interest on their part. In 78 out of 80 test-checked GPs, the SA Gram Sabha was presided over by the Sarpanch in contravention to the provisions of SA Manual. Proceedings of Gram Sabhas prepared were found deficient. Video recording and photography of Gram Sabha were not ensured by higher authorities in test-checked GPs.

Though Ombudsmen had been appointed in four test-checked districts, the office was found non-functional. Annual Reports of State Employment Guarantee Council had not been submitted to the State Legislature.

The matter was reported to the Government (November 2015). Reply is awaited (March 2016).

CHAPTER-III

URBAN DEVELOPMENT AND URBAN HOUSING DEPARTMENT

AN OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF URBAN LOCAL BODIES

CHAPTER-III

AN OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF URBAN LOCAL BODIES

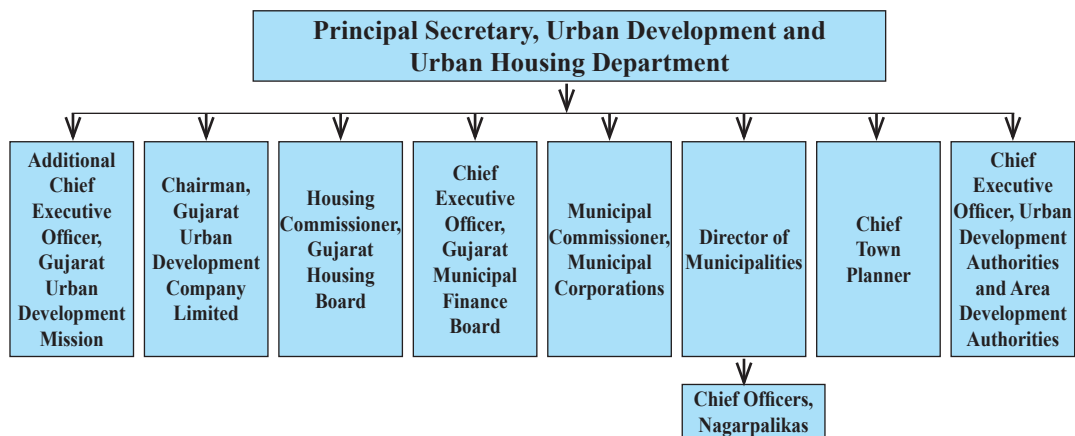
3.1 Introduction

Consequent upon the 74th Constitutional Amendment in 1993, Articles 243 P to 243 ZG¹ were inserted in the Constitution where by the legislatures could endow certain powers and duties to the Urban Local Bodies (ULBs) in order to enable them to function as institutions of self-Government and to carry out the responsibilities conferred upon them including those listed in the Twelfth Schedule of the Constitution.

As per Census 2011, Gujarat ranks sixth after Maharashtra, Uttar Pradesh, Tamil Nadu, West Bengal and Andhra Pradesh in the tally of most urbanised States. The urban population of Gujarat State was 2.57 crore, which constituted 42.55 *per cent* of the total population (6.04 crore) of the State and 2.12 *per cent* of the total population (121.06 crore) of India. In Gujarat, there were 198 ULBs *i.e.* eight Municipal Corporations (MCs), 159 Nagarpalikas (NPs) and 31 Notified Areas² (NAs) as of July 2014. Each MC/NP is divided into a number of wards, which is determined and notified by the State Government considering the population, dwelling pattern, geographical condition and economic status of the respective area.

3.2 Organisational set-up

3.2.1 The administrative department dealing with affairs of the ULBs is the Urban Development and Urban Housing Department (UD&UHD). An organisational **chart** indicating administrative set-up of the ULBs in Gujarat is as shown below -



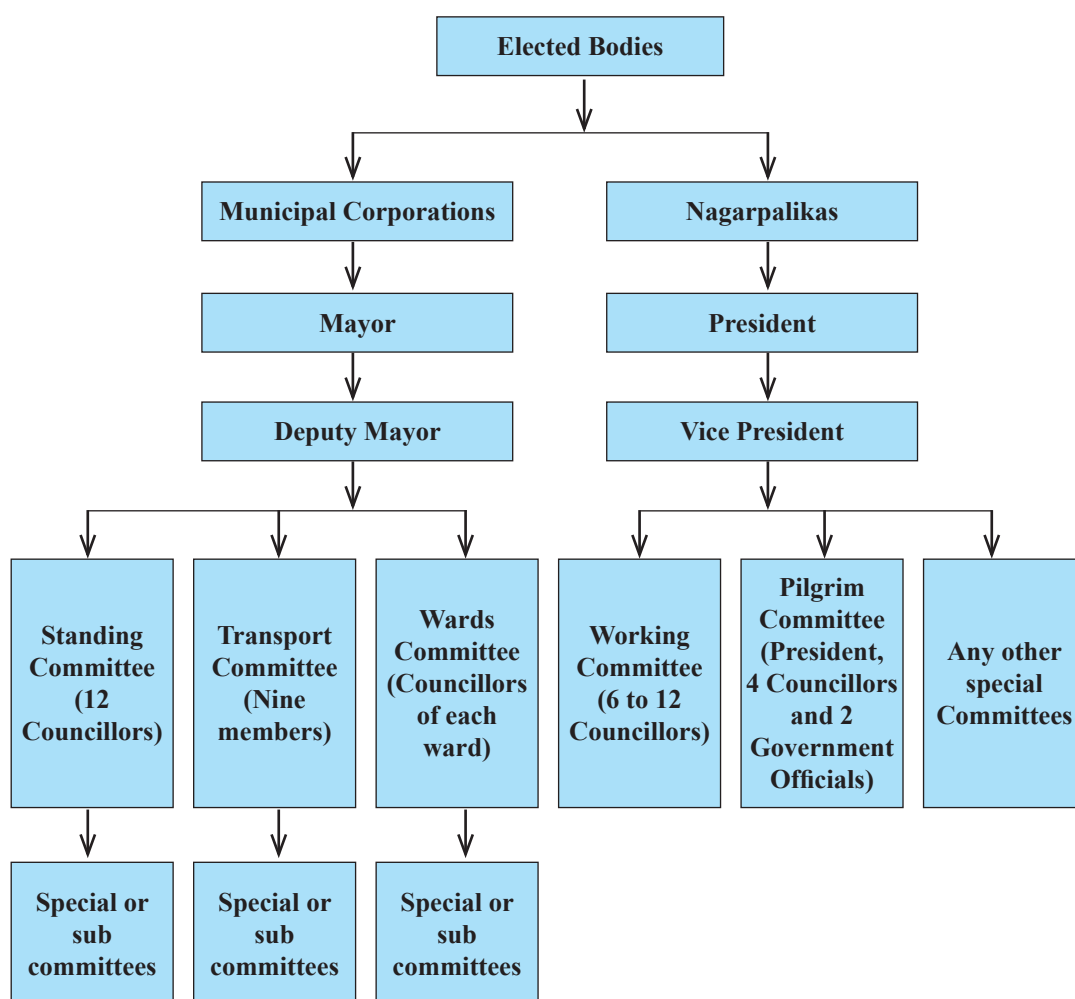
¹ Regarding constitution and composition of municipalities and ward committees, reservation of seats for SCs/STs, powers, authority and responsibilities of municipalities, power to impose taxes, audit of accounts, elections to the municipalities, constitution of district planning committee, *etc.*

² Notified areas are declared by Industries and Mines department. Every notified area shall have a committee called the Board of Management appointed by the Government and shall perform its function and duties as per Gujarat Municipalities Act, 1963.

3.2.2 In order to ensure comprehensive development and to improve service delivery systems in the thickly populated and urbanised areas of the State, the State Government constituted various Boards and Authorities assigning specific functions to them as shown in the **Appendix-XII**.

3.2.3 Composition of ULBs

All the ULBs have a body comprising of Corporators/Councillors elected by the people under their jurisdiction. The Mayor/President who is elected by majority of the Corporators/Councillors presides over the meetings of the Corporation/Council and is responsible for governance of the body. The following **chart** shows the set-up of elected bodies in ULBs -

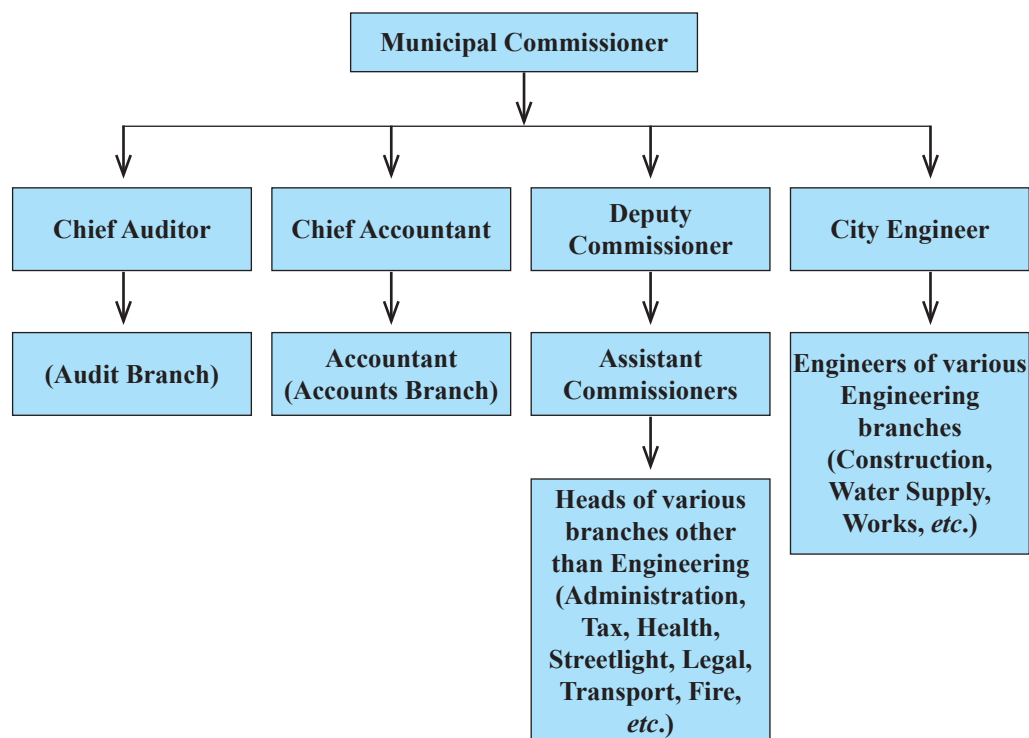


The Mayor, Deputy Mayor, President and Vice President are elected from amongst the elected councillors. The members of committees/sub-committees are elected from the elected councillors and the Chairperson of the committee is appointed from the members of the committee. The members of Transport Committee are persons with experience of Administration or transport or in engineering, industrial, commercial, financial or labour matters, who may or may not be councillors.

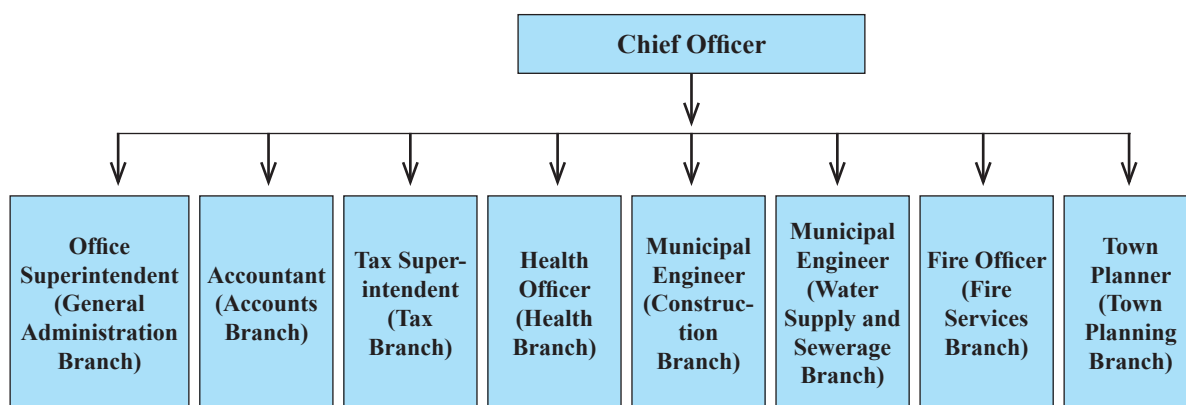
The Municipal Commissioner is the executive head of Municipal Corporation and Chief Officer is the executive head of Nagarpalika. The officers of ULBs

exercise such powers and perform such functions as notified by the State Government from time to time. The executive set-up of MCs and NPs is shown as follows –

Executive set-up of Municipal Corporations



Executive set-up of Nagarpalikas



3.3 Functioning of ULBs

3.3.1 Powers and functions

To function as an institution of self-Government and to carry out the responsibilities conferred upon them, the ULBs exercise their powers and functions in accordance with provision of Section 87 of the Gujarat Municipalities Act, 1963. Section 87 of the Gujarat Municipalities Act, 1963 provides for various functions to be exercised in the sphere of Public Works, Education, Public Health and Sanitation, Development, Town planning and Administration. Similarly, vide Section 63 to 72 of the Bombay Provincial Municipal Corporation Act, 1949 the State Government had devolved various functions and powers to Municipal Corporations.

• Devolution of Funds, Functions and Functionaries to Urban Local Bodies

Twelfth Schedule (Article-243 W) of the Constitution of India envisages that the State Government may, by law, endow the ULBs with such powers and authority as may be necessary to enable them to function as institution of self-government.

As per Section 87 to 92 of the Gujarat Municipality Act 1963 and Section 63 of Gujarat Provincial Municipal Corporations Act, 1949, State Government devolved all the 18 functions envisaged in the Twelfth Schedule to the NPs and MCs to enable them to function as institution of self-governance.

3.4 Formation of various Committees

3.4.1 District Planning Committee

Article 243 ZD of the Constitution of India envisages constitution of District Planning Committee (DPC) at district level in every State. The tenure of DPC is five years and it is required to meet at least once in three months. DPCs are constitutionally responsible to consolidate the plans prepared by LSGIs in the District and to prepare a Draft Development Plan (DDP) for the District as a whole for onward transmission to the Government. The DPC is to monitor the quantitative and qualitative progress, especially its physical and financial achievements in the implementation of the approved DDP. The State Government, while preparing the State plan, considers the proposal and priority included in the DDPs prepared for each District by the DPC.

The State Government had constituted (between January 2007 to February 2015) DPCs in 23 districts; in the 10 remaining districts³ DPCs are yet to be constituted as of February 2016. In all 23 districts in which DPCs had been constituted no meeting was held during the year. Further, the DDPs had not been prepared in all 23 districts (As per information to Audit), which could have factored the aspirations and felt needs of the rural populace.

3.4.2 Formation of committees in Urban Local Bodies

Bombay Provincial Municipal Corporation (BPMC) Act, 1949, provides that there shall be two mandatory committees in each MCs *i.e.* Standing committee and Transport committee. It also provides that the Corporation may from time to time appoint out of its own body, special committees which shall conform to any instructions that the Corporation may from time to time give them. As per the information provided to Audit, the above mandatory committees have been formed in all MCs and additional committees have been formed based on their requirements.

Gujarat Municipalities Act, 1963 provides that there shall be two mandatory committees in each NPs *i.e.* Executive committee and Pilgrim committee. It also provides that the NPs may from time to time constitute other committees to exercise the powers and perform the duties of the NP. As per the information provided to Audit, the above mandatory committees have been formed in all NPs and other committees have been formed based on their requirements.

³ Aravali, Anand, Botad, Chhotaudepur, Devbhumi Dwarika, Gir Somnath, Mahisagar, Morbi, Surendranagar, Porbandar

3.5 Audit arrangement

3.5.1 Primary Auditor

Examiner Local Fund Audit (ELFA) is the primary auditor of the accounts of ULBs under the provisions of the Gujarat Local Fund Audit (GLFA) Act, 1963. The GLFA Act, 1963 provides that after the completion of the Audit, not later than three months thereafter, ELFA shall prepare a report on the accounts audited and examined and shall send such report to the local authority concerned and copies thereof to such officers and bodies as the State Government may direct. The provision of laying of Audit Report of ELFA along with the Report of the Comptroller and Auditor General of India (CAG) before the State Legislature was made by amending (May 2011) the Gujarat Provincial Municipal Corporations Act, 1949 and Gujarat Municipalities Act, 1963. The ELFA under the State Finance Department is headed by the Examiner and has district level offices headed by Assistant Examiners.

The status of Audit conducted by ELFA as on 31 January 2016 is shown in **Table 1** below -

Table 1 : Status of Audit by ELFA

	Number of Auditable entities	Entities audited and period of accounts covered	Entities yet to be audited and period of accounts to be covered
MCs	08	05 (2011-12)	03 (2011-12) 08 (2012-13 onwards)
NPs	159	157 (2011-12) 136 (2012-13) 40 (2013-14) 26 (2014-15)	02 (2011-12) 23 (2012-13) 119 (2013-14) 133 (2014-15)

(Source : Information furnished by ELFA)

The above table shows that Audit of all MCs was in arrears from 2012-13 and more than 75 *per cent* auditable NPs from 2013-14 onwards. Further, as per the information furnished by the ELFA, Audit observed that the Audit Report of ELFA on ULBs for the years 2011-12 onwards were yet to be placed before the State Legislature.

3.5.2 Audit by Comptroller and Auditor General of India

The State Government entrusted (May 2005) the Audit of accounts of all NPs to the Comptroller and Auditor General of India under Section 20(1) of CAG's Duties, Powers and Conditions of Service (DPC) Act, 1971 with Technical Guidance and Supervision (TGS). The State Government further entrusted (April 2011) the Audit of accounts of all MCs and NPs to CAG under Section 20(1) of CAG's (DPC) Act, 1971 with TGS. The provision of laying of Audit Report of ELFA alongwith the Report of CAG before the State Legislature was made by amending (May 2011) the Gujarat Provincial Municipal Corporations Act, 1949 and Gujarat Municipalities Act, 1963.

The Audit Reports for the year ended March 2012 to March 2014 had been placed before the State Legislature. The discussions of the Audit Reports have been assigned to the Public Accounts Committee (PAC) of the State Legislature. The PAC has taken up the discussion of Audit Report for the year ended March 2013.

Accountability Mechanism and Financial Reporting Issues

Accountability Mechanism

3.6 Ombudsman

As per the guidelines issued by the Ministry of Finance on implementation of recommendation of the 13th Finance Commission, State Government must appoint an independent quasi judicial authority for Local Self Government Institutions (PRIs and ULBs) at the State level called “Ombudsman”, for conducting investigations and enquiries in respect of any complaints of corruption and mal-administration against the functionaries of local bodies, both elected members and officials, and recommend suitable action in accordance with the provisions of the Act. Further it is also recommended that if above said authorities covered under the jurisdiction of the Lok Ayukta of the State it will be upto the State to decide whether to continue with that arrangements or to shift the functionaries to the jurisdiction of the Ombudsman.

The State Government has intended (September 2014) by passing the bill to amend “The Gujarat Lok Ayukta Act, 1986” and to bring all the functionaries (elected as well as appointed) of Local Bodies under the jurisdiction of the Lok Ayukta. Hence, it is not required to appoint an Ombudsman in the State.

3.7 Social Audit

To curb corruption and promote integrity and quality of decision-making in delivery of public services the accountability must be fixed by way of introducing system of Social Audit. Social auditing is taken up for the purpose of enhancing local governance, particularly for strengthening accountability and transparency in local bodies. However, Social Audit had been set-up in the State only for works carried out under Mahatma Gandhi National Rural Employment Guarantee Scheme in PRIs whereas no Social Audit had been carried out for works carried out in NPs and MCs.

3.8 Property Tax Board

The Thirteenth Finance Commission (ThFC) recommended setting-up of a State Level Property Tax Board to assist the ULBs to put in place an independent and transparent procedure for assessing property tax. The commission also recommended that the board shall enumerate, or cause to enumerate, all properties in the ULBs in the State and develop a data base, review the property tax system and suggest suitable basis for valuation of properties, design and formulate transparent procedure for valuation of properties, inspection for verification in ULBs in the State.

Audit observed that the State Level Property Tax Board was constituted in March 2011, however, it was non-functional as the assigned functions were not carried out by the Board such as provide guidance, technical support to ULBs in State for valuation of the properties, cause to enumerate the new properties in ULB area on request of concerned ULBs, ensure quality in valuation of properties,

recommend modalities for periodic revision if necessary and undertake directly or through any institution, training of officers and employees of ULBs as the State Government may direct or as the Board may consider necessary for carrying out the recommendations made by the ThFC.

3.9 Service Level Benchmark

The Thirteenth Finance Commission has recommended that the ULB should put in place a system of benchmarking for four basic services, *i.e.* water supply, sewerage, solid waste management and storm water drainage. Audit observed that the targets with respect to the benchmarks for above services to be achieved by the end of next fiscal year have been notified by the State Government upto the year 2013-14. The notification for achievement against the targets fixed for the year 2014-15 is under preparation. The details of achievement of benchmark against the target fixed for above four basic services by the MCs and NPs are shown in **Appendix-XIII**. A mention of achievement of targets with respect to water supply in test-checked NPs and MCs are discussed in Paragraph 4.1 of this Report.

3.10 Fire Hazard Response

As per guidelines for release and utilisation of the ThFC grants all MCs with population of more than ten lakh (Census 2001) must put in place a fire hazard response and mitigation plan for their respective jurisdictions. Publication of these plans in the respective State Government Gazette will demonstrate compliance with this condition. Audit observed that all the MCs in the State had prepared and published fire hazard response and mitigation plan.

3.11 Submission of Utilisation Certificates

The Gujarat Financial Rules⁴ provide that for the grants provided for specific purpose, Utilisation Certificates (UCs) should be submitted within twelve months of the closure of the financial year by the institution or organisation concerned to the Head of Department concerned and after verification, these should be forwarded to the Accountant General. However, 138 UCs aggregating to ₹ 1,723.70 crore due in respect of grants paid during the period 2001-15 were outstanding as on 31 March 2015.

3.12 Internal Audit and Internal Control Systems of ULBs

Internal Audit and Internal Control System is an integral component of NPs management process and is established in order to provide reasonable assurance that the NPs operations are carried out effectively, economically and efficiently. Financial report and operational data are reliable and applicable laws and regulations are complied with to achieve objective of providing better civic facilities with its own revenue income. Audit observed that the State Government had established an independent internal audit wing in the NPs and the bills were passed by the Chief Officer after pre-audit by the internal auditor.

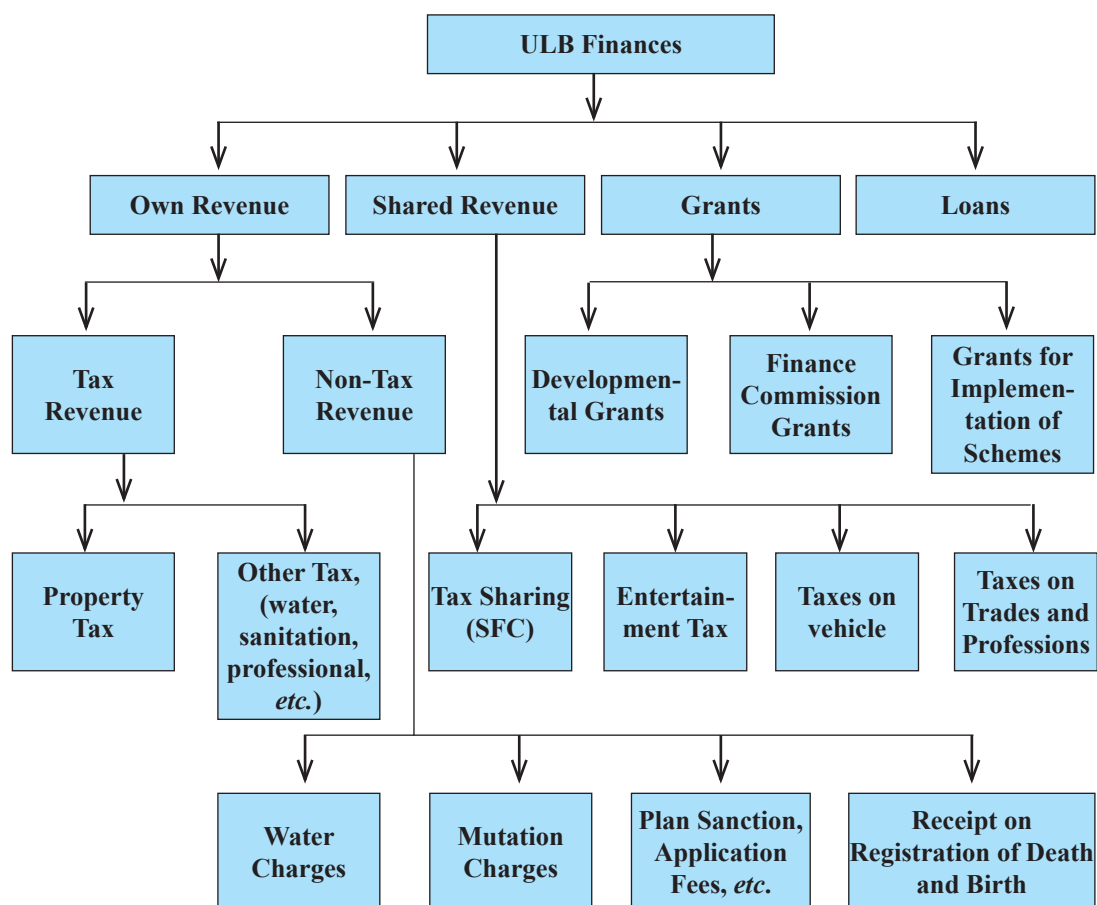
⁴ Rule 154 and 155 of the Gujarat Financial Rules, 1971

3.13 Financial Reporting Issues

3.13.1 Source of Funds

The finances of ULBs comprise of receipts from own sources, grants and assistance from Government of India (GoI)/State Government and loans raised from financial institution or nationalised banks. The ULBs do not have a large independent tax domain. However, compared to PRIs, who do not have any worthwhile own source of revenue, ULBs do have an identifiable and visible source of revenue like the property tax. The property tax on land and building is the mainstay of ULB's own revenue. The property tax in the State is collected by the ULBs on Area Base System. The own non-tax revenue of ULBs comprises of fee for sanction of plans/mutations, water charges, etc.

Grants and assistance released by the State Government/GoI as well as loans raised from financial institutions are utilised for developmental activities and execution of various schemes. Flow **chart** of finances of ULBs is shown below -



3.13.2 Revenue and Expenditure of ULBs

The details of receipts and expenditure of ULBs are shown in **Table 2** as follows –

Table 2 : Receipts and expenditure of ULBs

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Opening Balance⁵	3,349.04	7,919.94	10,631.16	13,451.79	13,262.17
Receipts					
Grants-in-aid	5,670.71	3,530.41	5,287.16	6,110.70	5,851.59
Own Revenue	3,748.54	4,425.41	5,124.98	4,767.16	5,311.23
Finance Commission grants	121.20	191.00	191.40	219.12	203.04
Total Receipts	9,540.45	8,146.82	10,603.54	11,096.98	11,365.86
Total Funds available	12,889.49	16,066.76	21,234.70	24,548.77	24,628.03
Expenditure					
Roads, Drains, Culverts	916.11	783.33	2,317.00	2,893.60	2,538.45
Public Health and sanitation	225.51	242.35	430.52	503.60	502.16
Water Supply	763.72	707.97	1,285.90	1,132.20	1,061.64
Pay and Allowances	2,011.63	2,198.80	2,332.55	2,440.30	2,773.06
Loan repayment	52.86	93.34	214.53	121.40	171.68
Others	999.72	1,409.81	1,202.41	4,195.50	6,133.86
Total Expenditure	4,969.55	5,435.60	7,782.91	11,286.60	13,180.85
Closing Balance	7,919.94	10,631.16	13,451.79	13,262.17	11,447.18

(Source : Information as furnished by the Director of Municipalities and Municipal Corporations)

The above position indicates that -

- the total expenditure against the total receipts during the period from 2010-11 to 2014-15 increased from 52 *per cent* (2010-11) to 116 *per cent* (2014-15); mainly in “Others”, which increased from 15 *per cent* (2012-13) to 47 *per cent* (2014-15). Audit could not vouchsafe the details of expenditure under “Others” of all MCs and NPs due to non-submission of information by them;
- Own revenue collection of ULBs increased by 11 *per cent* and the grants-in-aid was decreased by four *per cent* during the year 2014-15 as compared to 2013-14;
- the recurring expenditure on Public Health and sanitation constituted only 3.81 *per cent* of the total expenditure during 2014-15; and
- the pay and allowances of municipal staff constituted 21 *per cent* during 2014-15.

3.13.3 Recommendations of the State Finance Commission (SFC)

Article 243 W of the Constitution had made it mandatory for the State Government to constitute a State Finance Commission (SFC) within a year from the enactment of 73rd Constitutional Amendment and thereafter on expiry of every five years to review the financial condition of the ULBs and to make recommendations to the Governor for devolution of funds. GoI guidelines (June 2005) stipulated that the State government was to act within six months of SFC's recommendations.

⁵ Opening Balance and Closing Balance has been arrived at by audit.

It was, however, noticed (as commented in Paragraph 1.10.2 of Chapter-I of Part-A of this report) that the State Government had neither maintained periodicity for constitution of SFCs nor placed report (submitted by the belatedly constituted SFC) in Assembly, defeating the very purpose of the constitution of SFC.

Audit observed that the State Government had accepted 29 out of 64 recommendations (45 *per cent*) made by the First State Finance Commission and 12 out of 42 recommendations (29 *per cent*) made by the Second State Finance Commission. However, only 17 and eight recommendations of First and Second State Finance Commission respectively have been implemented (December 2015).

3.13.4 Recommendation of the Central Finance Commission

As per recommendations of Thirteenth Finance Commission (ThFC), Gujarat is eligible to get Central grant of ₹ 1,312.10 crore for ULBs (2010-15) comprising of ₹ 857.21 crore as General Basic Grant (GBG) and ₹ 454.89 crore as General Performance Grant (GPG). Against this, GoI released ₹ 925.76 crore during the period 2010-15 to the State Government and the State Government released grants of ₹ 925.76 crore to the ULBs. The details of grants released to ULBs and expenditure incurred during 2010-15 is as shown in **Table 3** below –

Table 3 : Grants released and expenditure incurred by ULBs during 2010-15

(₹ in crore)

ULBs	Number of ULBs	Grants released	Expenditure incurred	Unspent balance as of March 2015	Percentage of expenditure against grant released
NPs	159	690.34	585.64	104.70	85
MCs	8	235.42	135.42	100.00	58
Total		925.76	721.06	204.70	78

(Source : Information provided by Gujarat Municipal Finance Board)

The above table shows that an amount of ₹ 204.70 crore (22 *per cent*) was lying unutilised with the ULBs against the grants released during 2010-15. Audit further observed that GPG of ₹ 397.70 crore⁶ allocated by GoI for the State was forfeited due to non-compliance of conditions stipulated by the ThFC. This resulted in loss of central assistance of ₹ 397.70 crore to the State Government.

3.13.5 Maintenance of Records

As per provisions contained in Municipal Account code, each NP shall maintain basic records such as work register, stock register, loan register, grant register, bill register, cheque register, deposit register, assets register, *etc.* in prescribed format. For exercising control and supervision over proper maintenance of accounts, work transactions and to prove its authenticity, the maintenance of basic records properly is essential.

⁶ ₹ 454.89 crore (allocated) - ₹ 57.19 crore (released)

Scrutiny of records of the seven out of 12 NPs test-checked during the year 2014-15, it was observed that important basic records such as assets register, grant register, work register, stock register and advance register were not maintained or improperly maintained. In absence of such records, Audit could not ascertain the correctness and accuracy of the transactions. Non-maintenance of basic records also indicated weakness in the internal control mechanism and monitoring.

3.13.6 Maintenance of Accounts by ULBs

As per ThFC recommendations, an accounting framework consistent with the accounting format and codification pattern suggested in the National Municipal Accounts Manual (NMAM) was to be adopted by 2011-12. All ULBs were to thus introduce accrual based double entry accounting system as per the NMAM.

The MCs and NPs have adopted the accrual based double entry accounting system since 2006-07. NMAM envisages all States to develop State specific Municipal Accounts Manual. The draft Municipal Accounts Manual has been approved by the Government, however, the vetting by the Legislative and Parliamentary Affairs Department and publishing in the Government Gazette is pending. Further, the annual accounts for the year 2014-15 in respect of all 159 NPs have not been finalised (September 2015).

3.14 Conclusion

A review of finances of ULBs revealed that Audit of all Municipal Corporations (MCs) by Examiner Local Fund Audit (ELFA) was in arrears from 2012-13 and more than 75 per cent auditable Nagarpalikas (NPs) from 2013-14 onwards. Audit Report of ELFA on Urban Local Bodies (ULBs) for the years 2011-12 onwards were yet to be placed before the State legislature. The Department failed to ensure prompt and timely action by executives of ULBs to the Audit objections raised by ELFA and the CAG. Social Audit had not been carried out for works carried out in NPs and MCs. Though the State Level Property Tax Board was constituted in March 2011, it was non-functional as the assigned functions were not carried out by the Board. The benchmark fixed for four basic services were not achieved by the NPs in the State. As on March 2015, 138 UCs aggregating to ₹ 1,723.70 crore due in respect of grants paid during the period 2001-15 were outstanding. The State Government had implemented only 17 out of 29 accepted recommendations of First State Finance Commission and eight out of 12 accepted recommendations of Second State Finance Commission. As of March 2015, an unspent grant amount of ₹ 204.70 crore of Thirteenth Finance Commission (ThFC) was lying with the NPs and MCs. Non-compliance of conditions stipulated by the ThFC resulted in loss of central assistance (General Performance Grant) of ₹ 397.70 crore as against the allocated grant for the period 2010-15. Non-maintenance of basic records were noticed in test-checked NPs. State's Municipal Accounts Manual has also not been finalised.

CHAPTER-IV

URBAN DEVELOPMENT AND URBAN HOUSING DEPARTMENT

AUDIT FINDINGS

CHAPTER-IV

This Chapter contains findings of one Performance Audit on “Implementation of Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana”, one “Information Technology (IT) Audit of Property Tax System in Rajkot Municipal Corporation” and two individual paragraphs on Audit of transactions.

PERFORMANCE AUDIT

URBAN DEVELOPMENT AND URBAN HOUSING DEPARTMENT

4.1 Implementation of Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana

Executive Summary

The State Government launched (November 2009) “Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana (SJMMSVY)” to provide core infrastructural facilities in the urban areas such as water supply, sewerage, sanitation, solid waste management, public transport, affordable housing, etc. The objectives of the scheme were to give assistance to Municipal Corporations (MCs), Nagarpalikas (NPs) and Urban Development Agencies (UDAs) to create infrastructural facilities as per their needs; to make them self-reliant, transparent and citizen-centric; to enable citizens and institutions to become partners in progress; and to attain 11 Golden Goals related to Urban Development Department. The scheme consisted of six components. The Performance Audit of “Implementation of Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana (SJMMSVY)” was conducted for the period 2009-15 between March and August 2015 and the following observations were made –

- *Though the scheme guidelines envisage preparation of five year corporate plan and executing of component-wise Memorandum of Understandings (MoUs), Audit observed that test-checked MCs and NPs had not prepared the corporate plan and most of the NPs had not executed the MoUs. Consequently, the development works were not undertaken in a planned manner.*
- *As against the total outlay of ₹ 22,000 crore under Phase-I and Phase-II of the scheme for the period 2009-17, the State Government could release only ₹ 13,618 crore (62 per cent) till August 2015.*
- *Inordinate delay in submission of Detailed Project Reports (DPRs) by consultants for water supply (WS) and underground drainage (UD) projects and delay in finalisation of tenders resulted in cost overrun of ₹ 140.51 crore over the estimated cost.*
- *Of the 109 WS projects executed under the scheme, 49 WS projects remained incomplete due to non-identification of land and failure to obtain*

necessary statutory permission from Government agencies. Similarly, 157 out of 159 UD projects executed remained incomplete as of August 2015. Benchmark of supplying 140 lpcd of potable water could be achieved only in 15 out of 159 NPs.

- *UD projects envisaged construction of Sewer Collection Systems (SCS) and Sewerage Treatment Plants (STP) in NPs. Twenty seven SCSs have been completed and put to use. Audit observed in test-checked NPs that due to non-construction of STPs, the sewage disposed through completed SCSs were not treated and were disposed of in open area/canal/river.*
- *Component II envisaged execution of various works for developing an NP as a Model NP by March 2013; however, Audit observed that 64 per cent of the works executed related to road works only. Consequently, even after lapse of more than five years, not a single NP was developed as a Model NP as of August 2015.*
- *As against the target of construction of 1,110 Anganwadi Centres (ACs) allotted to NPs under component II, construction of only 695 ACs (63 per cent) have been completed. As no landfill sites have been developed in test-checked NPs, the MSW was disposed in open plots or adjacent rivers which could lead to environmental risk and contamination of rivers. Implementation of mandatory and optional reforms envisaged under component II was achieved only partially in test-checked NPs.*
- *As against the target of construction of 4,089 ACs allotted to MCs under component III, construction of 3,024 ACs were not taken up due to non-identification of sites, non-availability of land, etc. Due to non-availability of land, Ahmedabad Municipal Corporation (AMC) decided not to take up construction of 1,729 ACs, however, an amount of ₹ 54.16 crore relating to these ACs were not refunded to the Government.*
- *Cable Stayed structure and a flyover constructed at a cost of ₹ 76.23 crore and ₹ 22.32 crore by Surat Municipal Corporation (SMC) proved unfruitful due to abandonment of work by the contractor and collapse of curved span of the flyover respectively.*
- *Though IHSDP guidelines envisaged cost overrun to be borne by State Government and SJMMVY guidelines for component V also envisaged for financing of cost of dwelling units (DUs) and basic infrastructural facilities under IHSDP, Audit observed that major burden of cost overrun was put on the beneficiaries for DUs and on ULBs for basic infrastructural facilities. As against average cost of ₹ 1.70 lakh per DU enhanced due to delay in completion of projects, only ₹ 1.25 lakh was financed by GoI and State Government. Resultantly, only few beneficiaries took the possession of completed DUs.*
- *Out of 17,703 DUs to be constructed in 34 IHSDP projects, construction of only 10,245 DUs had been completed. Of these, only 4,544 DUs have been allotted and only 1,457 beneficiaries took possession of DUs as of August 2015.*

- **Under component VI, only two out of 23 Railway Over Bridges (ROBs)/ Railway Under Bridges (RUBs) have been completed. Fourteen ROBs/RUBs could not be taken up due to pending approval of designs by the Railways, non-availability of land, etc.**

4.1.1 Introduction

The State Government launched (November 2009) “Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana (SJMMSVY)” to provide core infrastructural facilities in the urban areas such as water supply, sewerage, sanitation, solid waste management, public transport, affordable housing, *etc.* during the period 2009-17. The scheme was to be implemented in eight Municipal Corporations (MCs), 159 Nagarpalikas (NPs) and eight Urban Development Authorities (UDAs). The objectives of the scheme were to give assistance to MCs, NPs and UDAs to create infrastructural facilities as per their needs; to make them self-reliant, transparent and citizen-centric; to enable citizens and institutions to become partners in progress; and to attain 11 Golden Goals¹ related to Urban Development Department. The components of the scheme are (i) Water Supply Schemes (WSSs) and Underground Drainage Schemes (UDSs) in all the NPs; (ii) Infrastructural facilities in NPs so as to develop them as model NPs; (iii) Infrastructural facilities in MCs; (iv) additional State assistance to meet cost overrun of Integrated Housing and Slum Development Programme² (IHSDP) projects; (v) assistance to NPs for construction/renovation of their office buildings; and (vi) construction of rail over-bridge (ROB) and rail under-bridge (RUB) in MCs and NPs. The scheme was revamped (May 2012) with modified components such as (i) urban mobility, (ii) basic civic amenities, (iii) affordable housing, (iv) social infrastructure facilities, (v) e-Governance and (vi) skill development to be implemented during the period 2012-17 (Phase-II). The development works under the scheme were regrouped (July 2013) under four components *viz.* physical infrastructure facilities (including e-Governance), social infrastructure facilities, urban mobility and unique identity of cities.

4.1.2 Organisational set-up

The Additional Chief Secretary (ACS), Urban Development and Urban Housing Department (UD&UHD) is the administrative head of the Department. Gujarat Urban Development Mission (GUDM)³ was the State Level Nodal Agency (SLNA) for implementation of Component I and IV. Gujarat Municipal Finance Board (GMFB)⁴ was the SLNA for implementation of Component II, III and V. Gujarat Urban Development Company (GUDC)⁵ was the SLNA for implementation of ROB/RUB works.

¹ Supply of potable water, providing underground drainage system, providing access to toilets, complete door to door waste collection system, construction of EWS houses, training and creation of employment for the urban poor, preparation of one new town planning scheme, e-governance, creation of unique identity in Urban Local Bodies, financial management and personnel management

² A component of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

³ Registered under Societies Registration Act, 1860

⁴ A statutory body constituted under an Act of State Legislature

⁵ A company fully-owned by the State Government

Under Component I, the water supply projects were executed by GUDC in tribal NPs, Gujarat Water Supply and Sewerage Board (GWSSB)⁶ in non-tribal NPs and by some NPs on its own and the UDSs were executed by GUDC and GWSSB. The works under Component II, III and IV were executed by the NPs and MCs on its own except for construction of NP buildings in some NPs being executed by Roads and Buildings Department (R&B). District Urban Development Agency (DUDA) was responsible for sanctioning and supervising the development works of NPs.

4.1.3 Audit Objectives

The objectives of the Performance Audit were to ascertain whether -

- the planning process was systematic, workable and result oriented;
- the scheme funds were allocated and released adequately and timely;
- the scheme was implemented economically, efficiently and effectively to achieve scheme objectives in accordance with the provisions of the scheme; and
- an appropriate monitoring mechanism was put in place to ensure effective implementation of the scheme.

4.1.4 Audit Criteria

The Audit findings were benchmarked against the following criteria:-

- Guidelines of the scheme;
- Gujarat Budget Manual, Gujarat Financial Rules and Gujarat Public Works Manual;
- Manuals relating to water supply and sewerage issued by Central Public Health and Environmental Engineering Organisation (CPHEEO);
- Detailed Project Reports (DPRs);
- Minutes of Central Sanctioning Committee of IHSDP;
- Service Level Benchmarks of water supply as laid down by the Ministry of Urban Development, Government of India; and
- Resolutions, orders, *etc.* issued by the State Government and SLNAs.

4.1.5 Audit scope and methodology

To provide adequate coverage and reasonable assurance in Audit, the records relating to the implementation of the scheme maintained at the office of ACS UD&UHD, GUDM, GMFB, GUDC and GWSSB covering the period 2009-15 were test-checked between March 2015 and August 2015. The records of two⁷ out of eight MCs, two⁸ out of eight Urban Development Authorities (UDAs), 10 out of 32 DUDAs⁹ and 15 NPs¹⁰ in the selected ten DUDAs (selected

⁶ A statutory body constituted under an Act of State Legislature

⁷ Ahmedabad and Surat

⁸ Ahmedabad Urban Development Authority and Vadodara Urban Development Authority

⁹ Amreli, Anand, Botad, Dahod, Gandhinagar, Jamnagar, Mehsana, Narmada, Panchmahal and Valsad

¹⁰ Anand, Babra, Borsad, Devgadbaria, Dharampur, Gadhada, Kadi, Kalawad, Khambhat, Mansa, Panchmahal, Rajpipla, Savarkundla, Vapi and Vijapur

by adopting “Simple Random Sampling without Replacement” method) were also test-checked. Joint field visit of selection assets and infrastructures created under the scheme were undertaken to ascertain the delivery of scheme benefits to the end users.

An entry conference was held (24 April 2015) with the Deputy Secretary, UD&UHD to apprise the Audit objectives and Audit methodology. An exit conference was held (04 March 2016) with the Secretary, UD&UHD to discuss the Audit observations. The views expressed in the meeting have been incorporated in the Report.

4.1.6 Acknowledgement

Audit acknowledges the co-operation and assistance extended by the Department, State Level Nodal Agencies and the implementing agencies at various stages during conduct of the Performance Audit.

Audit findings

4.1.7 Planning

4.1.7.1 Corporate Plan

The scheme guidelines, 2009 envisage that the MCs and NPs availing the benefit of the scheme were required to prepare a five year corporate plan for prioritising the development works to achieve the objectives of the scheme by involving private institutions, women’s association and reputed citizens of the city. It also envisaged that the plan should include the details of 20 *per cent* income generated by the MCs and NPs to be used for the urban poor. The release of grants under the scheme was to be made based on the work prioritised in the plan.

Audit observed that none of the test-checked MCs and NPs had prepared the corporate plans as envisaged in the scheme guidelines. Further, none of the test-checked NPs had conducted any survey to assess the requirements of the NPs to plan the development works to be carried out under the scheme. Consequently, in test-checked MCs and NPs, the development works were not undertaken in a planned manner as the works were not prioritised resulting in non-achievement of scheme objectives.

The Deputy Secretary in the entry conference agreed (April 2015) that specific plans were not prepared by the implementing agencies. The Secretary in the exit conference stated (March 2016) that the ULBs would be instructed to prepare the corporate plans after surveying the requirement so as to take up the remaining development works accordingly.

4.1.7.2 Memorandum of Understanding

The scheme guidelines, 2009 provide that MCs and NPs willing to obtain financial assistance under the scheme were required to enter into Memorandums of Understanding (MoUs) component-wise with the respective SLNAs agreeing to implement the scheme as per the provisions of the guidelines and to implement

the administrative reforms envisaged under the scheme. However, Audit observed that only six¹¹ out of 15 test-checked NPs and two test-checked MCs had executed the MoUs which resulted in unplanned execution of works and partial implementation of reforms as discussed in Paragraphs 4.1.9 and 4.1.10.

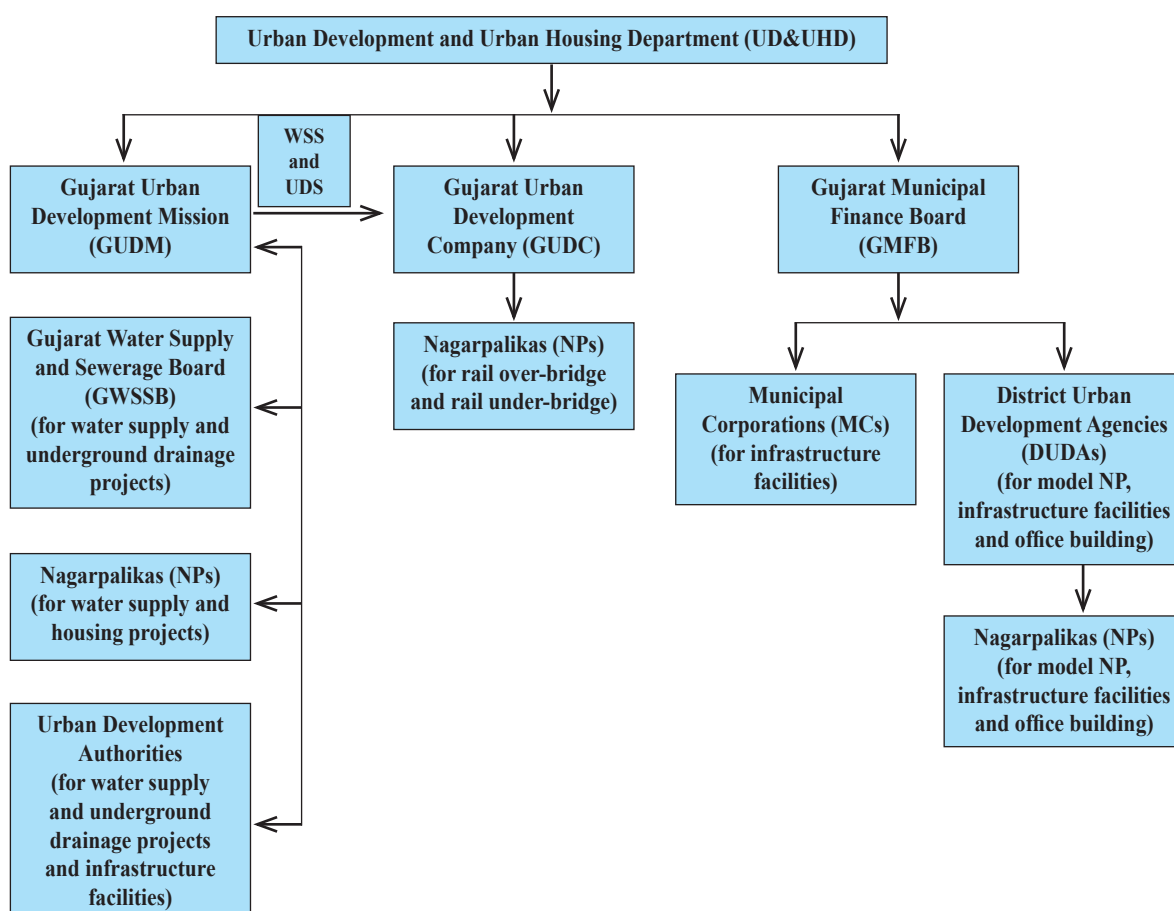
The Government may ensure preparation of corporate plan and execution of MoUs by all MCs and NPs availing financial assistance in Phase-II under the scheme so as to achieve the objectives of the scheme by execution of works on priority basis and in planned manner.

4.1.8 Financial Management

4.1.8.1 Flow of funds

The financial outlay of the scheme for phase-I (2009-12) was ₹ 7,000 crore and for phase-II (2012-17) was ₹ 15,000 crore. The State Government released the scheme funds component-wise to the respective SLNAs, who in turn released the funds to various implementing agencies as shown in **Chart-I** below –

Chart-I : Flow of Funds



Under Phase-I, the scheme guideline, 2009 provides for release of funds to implementing agencies (IAs) in four equal instalments *i.e.* first instalment to be released on issue of administrative approval (AA), second and third instalment to be released based on the progress of reforms and approved works and the fourth instalment to be released on 100 *per cent* achievement of reforms. This

¹¹ Babra, Borsad, Khambhat, Mansa, Panchmahal and Savarkundla

was subsequently revised (August 2011) wherein the funds were to be released in three instalments in the ratio 40:40:20 *i.e.* second instalment was to be released on utilisation of 70 *per cent* of first instalment and the third instalment to be released on utilisation of 100 *per cent* of first instalment and 70 *per cent* of the second instalment.

Under Phase-II, the scheme guidelines, 2012 provide for release of funds in the ratio of 40:40:20 as was in Phase-I in respect of works undertaken under components I, II and V. In respect of component III and IV, the funds were to be released in two equal instalments *i.e.* first instalment to be released on issue of AA and the second instalment to be released on utilisation of 50 *per cent* funds of the first instalment.

4.1.8.2 Allocation and Release of Grants by Government

The details of funds allocated component-wise under Phase-I and Phase-II of the scheme is as shown in **Table 1** below –

Table 1 : Component-wise allocation of funds under Phase-I and Phase-II

(₹ in crore)

Sr. No.	Phase-I (2009-12)		Phase-II (2012-17)	
	Name of the components	Allocation of funds	Name of the components	Allocation of funds
I	Water supply and Underground drainage systems	2,791.47	Urban Mobility	2,000.00
II	Infrastructural facilities in NPs (Model NPs)	900.50	Basic Civic Facilities	4,000.00
III	Infrastructural facilities in MCs	2,714.00	Affordable Housing	2,000.00
IV	Cost overrun of Integrated Housing and Slum Development Programme	216.83	Social Infrastructure Facilities	6,000.00
V	Construction and renovation of office buildings of NPs	100.00	E-governance	500.00
VI	Construction of ROBs and RUBs in MCs and NPs	171.00	Skill Development	500.00
	Total	6,893.80		15,000.00

(Source : Information furnished by the department and scheme guidelines)

The details of year-wise budgetary allocation and release of funds to SLNAs by the State Government during the period 2009-12 (Phase-I) and 2012-15 (Phase-II) is shown in **Appendix-XIV**. Audit observed that -

- as against the outlay of ₹ 7,000 crore under Phase-I, the State Government could release only ₹ 3,973 crore (57 *per cent*) during 2009-12 resulting in extension of phase-I period by another two years. Out of total outlay of ₹ 22,000 crore for the period 2009-17, the State Government could release only ₹ 13,618 crore (62 *per cent*) till August 2015. Less than estimated release of allocated funds under the scheme was due to delay in preparation of draft project reports (DPRs), slow progress of works, *etc.*

- Under component-I, budgetary allocation of ₹ 400.00 crore was surrendered by GUDM in 2010-11 due to delay in execution of water supply (WS) and underground drainage (UD) projects. The Secretary in the exit conference agreed (March 2016) that the slow progress of the works had led to surrender of grants.
- Under component-III, an amount of ₹ 8.53 crore was re-appropriated during 2009-10 due to increase in project valuation of MCs. However, the amount was incorrectly released to GUDM instead of releasing to GMFB being the SLNA for component-III. Further, the said amount was lying unutilised with GUDM till date (September 2015). The Secretary in the exit conference stated (March 2016) that the transfer or adjustment of the funds to GMFB would be done.
- Though phase-II envisaged new nomenclature of components, the funds were released by the State Government as per phase-I. Under phase-II, Government had released funds only for component-IV, indicating non-commencement of works in the remaining four components and lack of planning under phase-II.
- Audit could not ascertain the actual expenditure incurred under the scheme, as the details of expenditure incurred against the funds released to IAs were not available with the SLNAs. This indicated that there was lack of monitoring by the SLNAs in the implementation of the scheme. The Secretary in the exit conference stated (March 2016) that the SLNAs would be instructed to watch the progress of the works and maintain the actual expenditure at any point of time.

4.1.8.3 Funds received and expenditure incurred by test-checked Implementing Agencies

The details of funds received and expenditure incurred by test-checked implementing agencies (IAs) during the period 2010-15 are shown in **Table 2** below –

Table 2: Funds received and expenditure incurred by test-checked IAs during 2009-15

(₹ in crore)

Period	NPs		MCs		UDAs	
	Grant received	Expenditure incurred	Grant received	Expenditure incurred	Grant received	Expenditure incurred
2009-10	0.00	0.00	200.00	74.67	0.00	0.00
2010-11	8.77	2.39	320.00	383.96	30.25	0.00
2011-12	27.28	14.35	559.32	339.23	0.00	7.54
2012-13	30.63	20.97	732.02	745.62	15.00	25.32
2013-14	35.26	20.06	1,020.07	901.41	88.00	53.69
2014-15	34.00	42.42	1,508.00	877.80	13.00	15.92
Total	135.94	100.19	4,339.41	3,322.69	146.25	102.47

(Source : Information collected from the test-checked IAs)

It can be seen from the above table that the percentage of utilisation of funds by test-checked NPs, MCs and UDAs were 80, 77 and 70 respectively. Audit observed that –

- Though the grant release orders of GMFB and GUDM provided for maintaining a separate bank account in a nationalised bank and separate audited annual accounts for the scheme funds, it was observed in six NPs¹², two DUDAs¹³, two MCs and two UDAs test-checked that the scheme funds were kept in a common bank account and none of the test-checked IAs had prepared separate audited annual accounts for the scheme funds. As a result, Audit could not vouchsafe the details of interest earned on scheme funds and its utilisation. The Secretary in the exit conference stated (March 2016) that the ULBs would be directed to prepare audited annual accounts for the scheme.
- Though the WS projects in 12 NPs have been completed between November 2011 and March 2015, the NPs have not refunded the unspent balance of ₹ 7.23 crore¹⁴ under the scheme to GUDM as against ₹ 77.10 crore released by GUDM.

At the instance of Audit, GUDM issued instructions (September 2015) to these 12 NPs to refund the unutilised amount of ₹ 7.23 crore.

Execution of works

4.1.9 Component I - Water Supply and Underground Drainage projects

The Ministry of Urban Development, Government of India (GoI) fixed (2008-09) the Service Level Benchmark (SLB) of 135 litres per capita per day (lpcd) potable water supply and the manual of Central Public Health and Environmental Engineering Organisation (CPHEEO) prescribed (1999) water supply of 135 lpcd for cities with piped water supply where sewerage system existed/contemplated. Accordingly, the State Government aimed at providing 140 lpcd of water supply in all 159 NPs.

The State Government had taken up WS projects in 49 NPs and three MCs under centrally sponsored scheme (CSS) “Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)” and one WS project of Porbandar NP under CSS “Urban Infrastructure and Governance (UIG)”. A review of implementation of water supply projects under UIDSSMT was incorporated in Paragraph 4.2 under Chapter – IV in the Report of the Comptroller and Auditor General of India (Local Bodies) for the year ended 31 March 2013, Government of Gujarat. Out of these 53 WS projects, 39 projects have been completed, 13 projects are under progress and one project (Umreth NP) had been dropped as of June 2015. WS projects in remaining 109 NPs and UD projects in 159 NPs were taken up under this scheme¹⁵.

¹² Babra, Kalawad, Kadi, Panchmahal, Rajpipla and Vijapur

¹³ Dahod and Jamnagar

¹⁴ ₹ 0.26 crore (Bavla), ₹ 0.39 crore (Bhabhar), ₹ 0.18 crore (Chanasma), ₹ 0.09 crore (Halvad), ₹ 1.65 crore (Jamraval), ₹ 0.01 crore (Kalavad), ₹ 0.24 crore (Mandvi), ₹ 0.88 crore (Padra), ₹ 0.35 crore (Thangadh), ₹ 0.07 crore (Thara), ₹ 0.10 crore (Vallabhipur) and ₹ 3.01 crore (Wadhvan)

¹⁵ Including utilizing unspent funds of other state scheme *i.e.* Amrutdhara, Vajpayee Nagar Vikas Yojana (VNVY) and Environmental Improvement of Urban Slums (EIUS) scheme

GUDM being the SLNA for this component was responsible for preparation of DPRs for WS and UD projects. GUDC, GWSSB and NPs were responsible for execution and completion of works within a period of three years from the date of sanction of the project. Project monitoring and third party inspection was to be done by GUDM by appointing consultants.

As of June 2015, WS projects were being executed by GWSSB in 13 NPs, by GUDC in 17 NPs and the remaining 79 WS projects by the NPs by themselves. Similarly, UD projects were being executed by GWSSB in 100 NPs, by GUDC in 58 NPs and by Ahmedabad MC in Sanand NP. GUDM had received ₹ 3,162.86 crore (₹ 2,845.52 crore from the State Government and ₹ 317.34 crore from GMFB) during the period 2009-15. Out of these ₹ 3,162.86 crore, GUDM released ₹ 3,100.95 crore¹⁶ to IAs during 2010-15 and ₹ 400 crore was surrendered to the State Government in 2010-11 due to non-finalisation of DPRs, leaving a balance of ₹ 61.91 crore with GUDM as of June 2015 as discussed in the succeeding paragraph.

4.1.9.1 Preparation of DPRs

The objective of a public water supply scheme is to supply safe and clean water in adequate quantity, conveniently and as economically as possible. The planning of the scheme and achievement of desired objectives is primarily based on the Detailed Project Report (DPR). The plan requires identifying thrust areas – what is needed to be addressed on a priority basis and also providing a framework and vision as to which projects need to be identified and implemented. The DPR is to be prepared carefully and with sufficient details to ensure appraisal, approval and subsequent project implementation in a timely and efficient manner.

The scheme guidelines provide for appointment of consultants for preparation of DPRs. Audit observed that consultants for preparation of DPRs for WS and UD projects were selected by GUDM without inviting competitive bidding resulting in not getting competitive price.

The scheme guidelines envisage completion of all WS and UD projects within a period of three years from the date of sanction of the project. The work orders for preparation of DPRs stipulated the timeframe of submission of DPR which ranged between 30 and 75 days for WS projects and between 75 and 90 days for UD projects. However, Audit observed that there was inordinate delay in submission of DPRs by the consultants. The DPRs for WS projects were delayed by 75 to 915 days in respect of 14 NPs¹⁷. The DPRs for UD projects were delayed by 30 to 1,226 days in respect of 11 NPs¹⁸. The delay occurred mainly due to non-finalisation of site, delay in submission of technical datas, etc. by the NPs.

¹⁶ ₹ 941.27 crore to GWSSB, ₹ 989.15 crore to GUDC, ₹ 726.95 crore to 79 NPs and ₹ 443.58 crore other releases to UDAs, MCs and administrative charges

¹⁷ Ankav (261 days), Botad (240 days), Chhaya (270 days), Chotila (286 days), Dhandhuka (392 days), Jambusar (333 days), Kodinar (216 days), Maliya-miyana (75 days), Mangrol (140 days), Navsari (915 days), Ranavav (200 days), Sikka (180 days), Vapi (820 days) and Wankaner (270 days)

¹⁸ Balasinor (467 days), Bardoli (258 days), Chotila (318 days), Gandevi (371 days), Karjan (497 days), Palanpur (307 days), Pardi (930 days), Songadh (30 days), Valsad (878 days), Vapi (1,226 days) and Wadhwan (430 days)

The State Government issued (October 2009) instructions to accord administrative approval (AA) for all WS and UD projects within seven days from the date of submission of DPR. However, Audit observed delay in issue of AA by GUDM. The delay in issue of AA for WS projects ranged between 62 and 1,353 days in respect of above 14 NPs and Barwala NP, and for UD projects it ranged between 75 and 1,069 days in respect of above 11 NPs. Consequently, the works of WS and UD projects were delayed inordinately as discussed in Paragraph 4.1.9.3.

4.1.9.2 Finalisation of tenders

As per flow chart prepared by GUDM for implementation of WS and UD projects, work orders are to be issued by all IAs within four and half months from the date of issue of AA by GUDM after observing the prescribed tender procedures. However, Audit observed that due to delay in finalisation of tenders by the IAs, issue of work orders were delayed by 17 to 41 months in seven WS projects and by 18 to 52 months in eight UD projects after the stipulated four and half months. This resulted in cost overrun of ₹ 140.51 crore (₹ 60.31 crore – WS projects and ₹ 80.20 crore – UD projects) over the estimated cost of ₹ 363.95 crore (₹ 119.19 crore – WS projects and ₹ 244.76 crore – UD projects) approved in the AA issued by GUDM (**Appendix-XV**).

The Secretary in the exit conference stated (March 2016) that GWSSB attributed the reasons of revision of the cost of the works due to time over-run and overload of works of rural water supply on the technical staff of GWSSB. The reply is not convincing as Urban Cell in GWSSB was established for providing water supply and underground drainage systems in Urban areas and the works were required to be taken up without delay after obtaining administrative approval.

4.1.9.3 Status of Water supply and Underground drainage projects

(i) Out of 109 WS projects (13 by GWSSB, 17 by GUDC and 79 by NPs) executed under the scheme, 60 projects (five by GWSSB, 11 by GUDC and 44 by NPs) have been completed, while the remaining 49 projects (eight by GWSSB, six by GUDC and 35 by NPs) were under progress as of June 2015.

Audit observed that –

- ***Umargam WS project not put to use due to non-reservation of water***

Umargam WS project was awarded (December 2010) to an agency at a cost of ₹ 17.37 crore by GUDC and the same was completed (February 2013) at a cost of ₹ 16.59 crore. The project envisaged supply of water from intake well on Akramaruti lake which received water from Daman Ganga Left Bank Canal operated by the Irrigation department. Audit observed that GUDC had carried out the work of the project without ascertaining the reservation of water from the canal by the Irrigation department which resulted in non-operation of the project due to insufficient water in the lake. Thus, the Umargam WS project completed with investment of ₹ 16.59 crore remained idle and the population of 21,648 of Umargam NP were deprived of the facility of potable water supply.

Audit further noted that as against the target of providing minimum 100 lpcd of potable water, people of Umargam were receiving only 17 lpcd of potable water as of March 2015.

- ***Borsad WS project not put to use due to non-availability of electricity connection***

Borsad WSS was executed and completed (March 2014) by the NP at a cost of ₹ 11.67 crore. However, Audit observed (July 2015) that the four tube wells, five RCC underground sumps and seven centrifugal pumps could not be put to use due to non-availability of electric connections. The same could not materialise due to outstanding electricity bills of the NP. Thus, expenditure of ₹ 1.60 crore on construction of the four tube wells (₹ 22.27 lakh), five sumps (₹ 89.51 lakh) and seven centrifugal pumps (₹ 47.93 lakh) remained unfruitful.

The Chief Officer stated (March 2016) that outstanding payments have been cleared and assets would be put to use after obtaining the electricity connections.

- ***WS projects remained incomplete due to non-identification of land and non-obtaining clearance/permission***

As per technical comments of the CPHEEO, necessary clearances/approvals for the projects were to be obtained from the Railways/State/Highway Authority, wherever necessary before commencement of the project. Further, the Gujarat Public Works Manual also provides that the statutory formalities are required to be completed before awarding the contract of the work to avoid any delay in completion of the project and cost escalation. However, Audit observed that 49 WS projects remained incomplete due to non-identification of land and failure to obtain necessary statutory permission from the Government agencies. Few illustrative cases inordinately delayed due to these reasons are shown in **Table 3** below –

Table 3: WS projects remained incomplete for want of clearance/permission and non-identification of land

(₹ in crore)

Sr. No.	Name of the NPs	AA cost	Tendered cost	Date of issue of work order	Stipulated date of completion	Delay in months as of June 2015	Implementing Agencies (IAs)	Reasons for delay
1	Dehgam	5.18	5.87	14-02-2012	13-02-2013	28	GWSSB	Land for construction of Elevated Storage Reservoir (ESR) was not received.
2	Chhaya	32.35	51.61	14-10-2013	13-10-2014	8	GWSSB	Land for construction of Water Treatment Plant (WTP) was not received, change in design and specification of pipelines and Sump.
3	Ranavav	22.17	51.34	01-03-2014	28-02-2015	4	GWSSB	Delay in selection of site for Sump and delay in getting permission for road and railway crossing.
4	Tarsadi	7.46	7.88	18-05-2010	17-05-2011	49	GUDC	Permission for laying pipeline and sump received from Irrigation Department in March 2015 and permission for road crossing not received

Sr. No.	Name of the NPs	AA cost	Tendered cost	Date of issue of work order	Stipulated date of completion	Delay in months as of June 2015	Implementing Agencies (IAs)	Reasons for delay
5	Vijalpor	11.94	11.84	12-03-2012	11-03-2013	27	GUDC	Permission from Railway and National Highway Authorities was not received.
6	Amod	3.62	4.10	30-11-2010	29-11-2011	43	ULB	Permission from Forest department was not received.
7	Navsari	33.75	32.72	28-10-2010	27-10-2011	44	ULB	Land for construction of ESR was not received.
8	Dhandhuka	8.59	8.98	14-12-2010	13-12-2011	42	ULB	Land for construction of ESR was not identified.
9	Lunavada	0.83	1.65	29-05-2013	28-05-2014	13	GWSSB	Required land from Forest department was acquired in February 2014
10	Dwarka	11.90	13.19	23-09-2013	22-09-2014	9	ULB	Land for construction of ESR has not been identified.

(Source : Information obtained from GUDM)

Non-completion of these projects resulted in deprival of potable water facility with sufficient quantity to the residents of these 49 NPs.

The Secretary in the exit conference stated (March 2016) that the SLNAs and Implementing Agencies would be instructed to speed up the works.

The Government may instruct GUDC and GWSSB to speed up and complete the WS projects at the earliest so as to supply potable water to the residents of the NPs as envisaged in the DPR.

(ii) DPR for UD projects consisted of Sewer Collection Systems (SCSs) and Sewerage Treatment Plants (STPs). The UD projects were executed in two stages *i.e.* awarding the work for SCSs in first stage and then awarding the work for STPs. Out of 159 UD projects (100 by GWSSB, 58 by GUDC and one by AMC) to be executed under the scheme, only two projects executed by GWSSB have been completed, 151 projects were in progress and six projects were yet to be taken up as of June 2015.

CPHEEO's Manual on Sewerage and Sewage Treatment (1993 and 2012) provides that house connections should be provided only when STPs are completed and commissioned as almost 80 *per cent* of water supplied to public for domestic use comes out in the form of sewer or drain. Recycling of this sewer or drain in STP could save water, otherwise it is likely to be discharged in the open or in natural ponds and may lead to environmental risk. Thus, the objective was not only to provide people with sewerage facilities but also to enhance the revenue generation of the NPs by way of utilisation/sale of recycled water.

Audit observed that out of 159 SCSs and STPs to be executed, only 27 SCSs and two STPs have been completed as of June 2015. The completed SCSs were put to operation in the NPs, however, due to non-completion of STPs in 25 NPs, the very purpose of treatment of sewage and recycling of water was defeated in these NPs. As per the report of Gujarat Pollution Control Board (GPCB), the

sewage was disposed of in ponds/canals/river, etc. as shown in **Appendix-XVI (Picture 1)**. Had GUDM awarded the work of SCS and STP simultaneously, this situation could have been avoided.



As per CPHEEO Manual, the supply of water in a city where UD system exists or is contemplated should not be less than 135 lpcd for ensuring adequate flushing velocity of sewer to avoid choking of pipes and generation of harmful sulphide gas. However, Audit observed in 21 out of 27 NPs with operational SCSs that the supply of water was less than 135 lpcd (**Appendix-XVI**). Even the supply of water had not been enhanced in seven NPs of the above 21 NPs, though WS projects were completed under this scheme. Operation of completed SCSs with less than 135 lpcd was fraught with the risk of choking of sewer pipelines executed under the scheme defeating the very objective of the scheme.

The Secretary in the exit conference stated (March 2016) that the SCSs in 62 NPs had been completed without STPs at a cost of ₹ 1,836.70 crore. It was further stated that construction of STPs would be executed based on new technology and on its completion, the treated water could be utilised and environmental issues would be resolved.

- **Identification of land and obtaining clearance/permission**

The execution of UD projects of 58 NPs had been entrusted to GUDC. On scrutiny of records of GUDC, Audit observed that all the 58 projects were incomplete as of June 2015 due to not obtaining permission/clearance from Government agencies¹⁹, subsequent inclusion of newly developed areas, etc. Audit further observed that the permission was sought after award of work which was in contravention to the provisions of Gujarat Public Works Manual and technical comments of the CPHEEO which stipulates to award work only after completing all statutory formalities. Few illustrative cases inordinately delayed due to these reasons are shown in **Table 4** as follows –

¹⁹ Railways (13 projects for 35 crossings), NHAI (four projects for seven crossings and six parallel lines), National Highway – State (10 projects for 34 crossings and 44 parallel lines) and Roads and Buildings department (28 projects for 108 crossings, 112 parallel lines and three pushing method)

Table 4: UD projects remained incomplete for want of clearance/permission**(₹ in crore)**

Name of the NPs	AA cost	Tendered cost	Date of issue of work order	Stipulated date of completion	Delay in months as of June 2015	Reason for delay
Nadiad	111.20	55.47	21-06-2012	20-12-2014	6	Pending permission from Railways for pipe pushing and box pushing below railway tracks at five locations.
Mehsana	66.49	59.29	01-03-2012	01-03-2014	15	Pending permission from R&B department for missing link and pipeline laying by pushing method at 17 road locations and inclusion of newly developed area.
Visnagar	23.36	23.55	26-09-2012	25-09-2014	9	Pending permission from R&B department for missing link and pipeline laying by pushing method at 38 road locations and inclusion of newly developed area.
Himatnagar	9.02	9.53	05-11-2011	01-05-2013	25	Pending permission from NHAI for National highway crossing.
Songadh	11.40	12.44	25-11-2011	24-11-2013	19	Pending permission from NHAI and NH-State for NH and State Highway crossing
Dabhoi	14.92	18.84	29-09-2012	28-09-2014	9	Pending permission from R&B department for missing link and pipeline laying by pushing method at 15 road locations and inclusion of newly developed area.
Valsad	54.93	20.53	05-11-2011	04-11-2013	19	Pending permission from Railway authority.

(Source : Information obtained from MPRs of GUDC)

The Government may ensure setting up of STPs alongwith SCSs so as to avoid disposal of sewage in open area/canal/river which could lead to environmental risk.

4.1.9.4 Outcome of WS and UD projects

As per data furnished by GUDM, three NPs were getting 140 lpcd and above potable water and 28 NPs were getting 100 to 139 lpcd of potable water as of March 2009. Audit observed that even after implementation of this scheme and UIDSSMT, only 15 NPs could achieve the benchmark level of 140 lpcd and above of potable water and around 50 *per cent* NPs were getting less than 100 lpcd of potable water as of March 2015 (**Appendix-XVII**). This indicated that though 99 WS projects (39 under UIDSSMT and 60 under this scheme) have been completed, the benchmark level was achieved in only 15 NPs. Thus, there

is a need for better augmentation and timely implementation of WS projects to achieve the benchmark. As regards UD projects, Audit observed that though more than five years have elapsed since implementation of this scheme, the department could complete only two UD projects.

4.1.10 Component II : Model Nagarpalikas

The scheme guidelines (2009) envisage undertaking people-oriented infrastructural and other developmental works in NPs with public contribution and participation to convert the NP into a Model/Unique NP. Seventy five *per cent* of the funds under the component were earmarked for works such as (i) roads and its beautification; (ii) develop the city as a green city, (iii) management of solid waste, (iv) public utility works with public participation, (v) campaign for cleanliness, (vi) development of slum areas, (vii) water harvesting, (viii) development and maintenance of heritage properties, (ix) administrative reforms, (x) works for the benefit of urban poor, (xi) attractive infrastructural facilities, (xii) electricity, (xiii) development of traffic circles, (xiv) distribution of gas through pipelines, (xv) fire brigade service and (xvi) implementation of town planning schemes. Out of remaining 25 *per cent* of funds, 10 *per cent* was to be utilised for providing physical infrastructure in slum areas, 10 *per cent* for providing social infrastructure in slum areas and five per cent for urban green plan. The Director of Municipalities (DoM) was the SLNA and GMFB was responsible for releasing funds for this component to NPs through DUDAs. The DoM authorised (January 2010) all DUDAs to accord AA and technical sanction of works to be carried out under the component.

The NPs in the State were categorised²⁰ as 'A' to 'D' based on the population of the NP. The scheme guidelines provide for release of financial assistance based on the category of the NPs *i.e.* ₹ 10.00 crore for 'A' category NPs (18 NPs), ₹ 7.00 crore for 'B' category NPs (33 NPs), ₹ 4.00 crore for 'C' category NPs (45 NPs) and ₹ 3.00 crore for 'D' category NPs (63 NPs). An additional financial assistance of ₹ 2.50 crore was eligible for NPs with district headquarters for undertaking unique works. It further provides for utilisation of unspent balance of Vajpayee Nagar Vikas Yojana (VNVY) released during 2008-09.

GMFB received ₹ 1,041.53 crore²¹ under phase-I and released ₹ 860.60 crore to DUDAs and ₹ 166.60 crore to NPs during the period 2009-15. An amount of ₹ 71.04 crore of VNVY lying unspent with the NPs was to be utilised for the component.

4.1.10.1 Non-execution of works

The works approved under the component were required to be completed within three years from the date of approval of the work. As against

²⁰ 'A' – above 1,00,000 population, 'B' – above 50,000 to 1,00,000 population, 'C' – above 25,000 to 50,000 population and 'D' – upto 25,000 population

²¹ ₹ 900.50 crore - Budget allocation, ₹ 16.72 crore unspent funds of VNVY with GMFB, ₹ 107.25 crore received from GUDM for repairs of roads, ₹ 10.46 crore of Nagar Seva Sadan and ₹ 6.60 crore transferred by GUDC from Environmental Improvement of Urban Slums (EIUS) scheme for anganwadis

₹ 2,190.00 crore released under the scheme, the DUDAs accorded AA for 15,936 works with an estimated cost of ₹ 1,896.16 crore during the period 2009-15. Audit observed that out of these 15,936 works, only 10,530 works (66 per cent) have been completed at a cost of ₹ 923.87 crore, 2,376 works (15 per cent) were in progress and 3,030 works (19 per cent) have not been taken up (July 2015). Reasons for the slow progress of the works and non-execution of the works were not available with the DoM/GMFB. In test-checked NPs, Audit observed that out of 2,051 works approved by DUDA with an estimated cost of ₹ 221.05 crore, only 1,240 works have been completed at a cost of ₹ 90.59 crore while 283 works were in progress and 528 works had not been taken up (July 2015). Audit further observed that out of these 2,051 works, 1,311 works (64 per cent) were relating to roads. This indicated that other works envisaged in the component for developing the NP into a Model NP had not been planned or taken up, resulting in non-development of even one NP in the State as a Model NP though more than five years have elapsed since the inception of the scheme.

The Secretary in the exit conference stated (March 2016) that the works were not taken up due to land problems and ongoing works of water supply and underground drainage in the ULBs.

The Government may take steps to assess various types of works to be taken up in an NP for developing it into a Model NP as envisaged in the scheme component and thereafter ensure the execution of works on priority basis by the NPs.

Shortcomings noticed in the implementation of the works under the component are discussed below -

4.1.10.2 Road works taken up before completion of UD projects

The State Government issued (April 2010 and February 2011) instructions to DUDAs and NPs to plan/execute road works under the component considering the plans of WS and UD projects to be undertaken in the NPs under component I of this scheme. However, Audit observed in 15 test-checked NPs that though the work of sewer collection system (SCS) for underground drainage was in progress, 1,311²² road works had been taken up at a cost of ₹ 61.66 crore in these test-checked NPs in contravention to above Government instructions. Audit further observed that some of these roads had been damaged while laying drainage pipelines subsequently in 10 out of 15 test-checked NPs²³ (**Picture 2 and 3**), the estimated cost of repairing the same was estimated at ₹ 29.76 crore (48 per cent).

²² Anand (154), Babra (07), Borsad (127), Devgadbaria (08), Dharampur (11), Gadhada (90), Kadi (108), Kalawad (23), Khambhat (349), Mansa (48), Panchmahal (203), Savarkundla (118), Rajpipla (05), Vapi (40) and Vijapur (20)

²³ Anand (₹ 6.77 crore), Borsad (₹ 3.00 crore), Devgadbaria (₹ 2.00 crore), Dharampur (₹ 4.45 crore), Kalawad (₹ 0.70 crore), Khambhat (₹ 0.50 crore), Panchmahal (₹ 6.00 crore), Savarkundla (₹ 0.72 crore), Vapi (₹ 2.70 crore) and Vijapur (₹ 2.92 crore)

	
<p>Picture 2: Road constructed under the scheme damaged due to laying of drainage pipelines in Khambhat NP</p>	<p>Picture 3: Road constructed under the scheme damaged due to laying of drainage pipelines in Kalawad NP</p>

Thus, non-prioritisation of development works coupled with lack of coordination between NPs and GWSSB/GUDC resulted in damages to the newly constructed roads under the scheme. Consequently, the objective of converting the NP into a model NP was not achieved and the residents were deprived of better roads.

The Secretary in the exit conference stated (March 2016) that the ULBs had been instructed not to execute the road works under the scheme till the completion of the UD and WS projects; however, they had executed the works as per their requirements. GUDM had released ₹ 619 crore to NPs where roads were damaged due to execution of the Underground drainage works. However, instructions would be issued to ULBs not to execute road works prior to completion of UD projects.

4.1.10.3 Plantation works not carried out by NPs

The State Government decided (November 2009 and April 2010) to enhance the green cover of cities by earmarking five *per cent* of the funds under the component for gardens and plantations. For this purpose, Government constituted a State Level Implementation Committee under the chairmanship of the Principal Chief Conservator of Forests and a District Level Implementation Committee under the chairmanship of the Collector. NPs were required to prepare an urban green plan indicating the works to be undertaken such as plantation in open areas and roads, creation of Panchavati, Smriti Van, Punit Van, Nakshtra Van, Oxygen Park, green guard, *etc.* It was decided to develop one garden for every 25,000 inhabitants to achieve the objective of covering the cities with at least 5 *per cent* greenery.

As per the report (March 2011) of Forest Department, the range of green belt in 77 out of 159 NPs ranged between 0.2 and 4.8 *per cent* of the geographical areas of the NPs.

Audit observed that the above committees have been constituted, however, no meetings were held till date (June 2015) resulting in non-preparation of Urban Green Plan and non-earmarking of funds for greenery as per above instructions. Audit further observed that plantation works were carried out only in three²⁴ out

²⁴ Panchmahal, Savarkundla and Vijapur

of 15 test-checked NPs and as against the requirement of 35 gardens in 10 test-checked NPs based on the above criteria of population; only 17 gardens were in existence. This indicated that efforts were not made by the test-checked NPs to increase the green belt in the city and funds were not earmarked for this purpose by the NPs/DUDAs. This resulted in non-achievement of the benchmark of five *per cent* green cover envisaged in the scheme guidelines.

The Secretary in the exit conference stated (March 2016) that the beautification works of the gardens were executed by the ULBs as per their requirement. It was further assured that instructions on mandatory execution of the gardens would be issued shortly.

4.1.10.4 Construction of Anganwadi Centres

The State Government decided (December 2011) to construct Anganwadi centres (ACs) for urban poor living in slums from the 10 *per cent* funds earmarked for social infrastructure under the component. As per the scheme guidelines, land for the purpose was to be allotted by the NPs and if no land was available, the NPs have to approach the Collector of the district for allotment of required land. The unit cost of each AC was fixed at ₹ 4.00 lakh, which was enhanced to ₹ 5.50 lakh in June 2012. The department fixed the target of construction of 10 ACs each for 'A' and 'B' category NPs, eight for 'C' category NPs and five for 'D' category NPs *i.e.* a total of 1,185 ACs were to be constructed in 159 NPs under the component.

Audit observed that –

- Though unit cost of AC was increased by the State Government, GMFB had released (between December 2011 and January 2013) only ₹ 49.20 crore to NPs for construction of 1,185 ACs as against a requirement of ₹ 65.18 crore. The short release of ₹ 15.98 crore was in respect of 1,065 ACs to be constructed in 141 NPs. Thus, these 141 NPs were deprived of dedicated funds of ₹ 15.98 crore and were left to grapple with escalation in construction costs of ACs.
- DUDAs had accorded AA for only 1,110 out of the targeted 1,185 ACs till date (June 2015). Out of these 1,110 ACs, constructions of 695 ACs (63 *per cent*) have been completed, construction of 199 ACs (18 *per cent*) is in progress and construction of 216 ACs (19 *per cent*) was yet to be taken up. In test-checked NPs, out of targeted 119 ACs, constructions of 80 ACs have been completed, construction of six ACs is in progress and construction of 33 ACs had not been taken up due to non-availability of land.
- Borsad NP had not taken up all the 10 ACs sanctioned due to dispute on land. The Chief Officer stated (July 2015) that the funds would be refunded to GMFB in due course.
- Anganwadi Centres are visited by children, pregnant and lactating women, who have greater chances of contracting infection during this vulnerable period, hence it is imperative that the environment of the

centre and its nearby areas are kept in hygienic conditions. During joint field visit of ACs, Audit observed that five Anganwadis constructed (July 2013) in Panchmahal and six Anganwadis constructed (February 2014) in Khambhat were functioning adjacent to stagnated dirty water pond and/or garbage containers (**Pictures 4, 5 and 6**).



Picture 4 : AC in front of garbage dumping point and adjacent to stagnating drainage water pond at NP Panchmahal



Picture 5 : AC near garbage containers at Khari Vadi, Khambhat NP

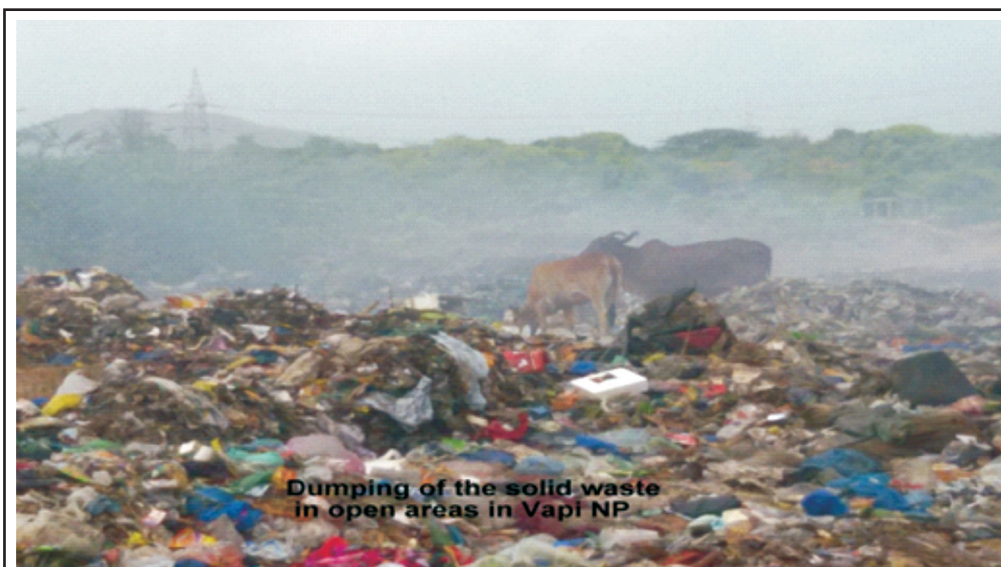


Picture 6 : AC near garbage containers at Daru Khota, Khambhat NP

The Secretary in the exit conference stated (March 2016) stated that instructions would be issued to the SLNAs to resolve the issues at the earliest.

4.1.10.5 Solid Waste Management

The scheme guidelines envisage that every NP would strive for door-to-door collection of solid waste, segregation at source and develop a landfill site for scientific disposal of the solid waste. Audit observed in 15 test-checked NPs that door-to-door collection of solid waste was being done in all of them. However, segregation of waste at source was not being done and as no landfill sites had been developed, NPs disposed the municipal solid waste (MSW) in open plots or adjacent to river which could lead to environmental risk and contamination of river (**Pictures 7 and 8**).



Picture 7 : Municipal Solid Waste dumped in open areas in Vapi NP



Audit further observed that though procurement of vehicles and equipment for management of MSW was prohibited under the scheme as per the instructions issued (March 2010) by the State Government, Panchmahal and Khambhat NPs procured vehicles and equipment at a cost of ₹ 2.72 crore and ₹ 0.17 crore respectively from the scheme funds under this component for the purpose of management of MSW. Further, two refuse compactors (worth ₹ 0.63 crore) allotted one each to these two NPs by GUDC could not be put to use due to narrow road width, which indicated that GUDC had supplied the vehicles without assessing the requirement and its utilisation by the NPs.

The Chief Officer Khambhat stated (August 2015) that the vehicle would be returned back as it was not possible for the NP to use the same due to narrow roads.

The Secretary in the exit conference stated (March 2016) that the development of landfill sites is in progress and segregation of waste is also under consideration. It was further stated that the Government is keen in utilizing the waste for converting it into energy by engaging Non-Government Organisations (NGOs).

4.1.10.6 E-governance

The scheme guidelines envisage that each NP would develop its own website, update it regularly, provide for online payment of taxes and develop online grievance registration mechanism. Audit observed that only 43 out of 159 NPs had developed their own website. Out of these 43 NPs, there was no facility of online payment of taxes in 34 NPs and online complaint registration in 31 NPs. Thus, the objective of citizen-friendly and transparent governance envisaged in the scheme under this component was defeated.

The Secretary in the exit conference stated (March 2016) that these issues would be considered under E-Nagar Yojana, a State scheme.

4.1.10.7 Implementation of Reforms

The scheme guidelines (August 2011) provide that the NPs would implement four mandatory and six optional reforms in a mission mode so as to enhance the revenue generation of NPs and to improve the delivery of services. Each NP was required to implement atleast four mandatory and four optional reforms latest by 31 March 2015. Implementation of reforms was to be monitored by DUDAs at the district level and by GMFB at the State level. The status of implementation of reforms against the target in test-checked 15 NPs is shown in **Table 5** below –

Table 5 : Status of administrative reforms implemented in test-checked NPs

Sr. No.	Reform	Target by 2015	Number of NPs who achieved the target	Number of NPs who could not achieve the target
Mandatory Reforms				
1.	Collection efficiency of current demand	75 per cent	5	10
2.	Collection efficiency of professional tax	Increase of two per cent per year by 'A' and 'B' category NPs and one per cent by 'C' and 'D' category NPs	5	10
3.	Administrative expenditure	Not more than 48 per cent	11	4
4.	Door to Door collection of solid waste	90 per cent	12	3
Optional Reforms				
5.	Individual Latrines	Coverage of 20 per cent every year	4	11
6.	Introduction of area-based property tax	-	0	15
7.	Introduction of double-entry accounting	-	10	5
8.	Devising two new sources of tax revenue	-	0	15
9.	Grievance Redressal within 24 hours	-	11	4
10.	20 per cent earmarking within municipal budget for urban poor	-	8	7

(Source : Information furnished by test-checked NPs)

The above table shows that the mandatory and optional reforms were achieved only partially by the test-checked NPs. Audit further observed that the implementation of these reforms by the NPs was not monitored by GMFB and DUDAs.

The Secretary in the exit conference stated (March 2016) that instructions would be issued to the SLNAs as well as DUDAs to monitor the progress of the implementation of reforms in the NPs.

The Government may ensure the implementation of stipulated administrative reforms by each NP for better service delivery and strengthening the financial position.

4.1.10.8 Outcome of Model Nagarpalika

The State Government had targeted to develop all the NPs in the State as Model NPs within three years *i.e.* upto March 2013 by carrying out required development works envisaged in this component. However, Audit observed that not a single NP in the State has been developed as a Model NP till August 2015. Further, 64 *per cent* of works carried out under this component were road works, which indicated that the works were sanctioned by DUDA or taken up by NPs without ensuring the requirements and gaps in the NPs for developing it into a Model NP. Even the roads constructed were damaged subsequently due to work of WS and UD projects. Thus, the objective of the scheme to develop Model NPs in the State was defeated. Better planning of carrying out work of WS and UD projects prior to taking up road works would have left the NPs with less damaged roads.

4.1.11 Component III - Infrastructural facilities in Municipal Corporations

The exodus of people from rural areas to urban areas is mainly towards large cities as the cities provide more employment opportunities. Therefore, pressure of urbanisation is more on larger cities compared to smaller cities. Financial assistance under this component is provided to Municipal Corporations (MCs) to undertake public-oriented basic infrastructure and other developmental works as envisaged in component II – Model NPs *i.e.* 75 *per cent* for 16 different types of works, 10 *per cent* each for physical and social infrastructure in slum areas and five *per cent* for urban green plan. GMFB was the SLNA for this component of SJMMSVY. GMFB had released ₹ 8,029.84 crore²⁵ to eight MCs under the component during the period 2009-15.

As of August 2015, out of 18,554 works approved under the component, 13,990 works (75 *per cent*) have been completed, 2,044 works (11 *per cent*) were in progress and 2,520 works (14 *per cent*) have not been taken up. In two test-checked MCs, out of 9,667 works approved, 7,048 works (73 *per cent*) have been completed, 1,077 works (11 *per cent*) were in progress and 1,542 works (16 *per cent*) have not been taken up as of August 2015.

The Secretary in the exit conference stated (March 2016) that the works were not taken up due to manpower issues, inadequate capacity building in MCs, land problems, *etc.* It was further stated that the matter would be taken up in the next review meeting to speed up the progress of the works.

Deficiencies noticed in the execution of works under this component have been discussed in the succeeding paragraphs –

4.1.11.1 Construction of Anganwadi Centres

The State Government accorded (March 2013) AA for construction of 4,089 Anganwadi Centres (ACs) in eight MCs at a unit cost of ₹ 5.50 lakh. Funds were to be released in two instalments *i.e.* in 2012-13 and 2013-14. As on

²⁵ Ahmedabad MC - ₹ 2,967.48 crore, Bhavnagar MC - ₹ 457.02 crore, Gandhinagar MC - ₹ 110.87 crore, Jamnagar MC - ₹ 421.93 crore, Junagadh MC - ₹ 190.00 crore, Rajkot MC - ₹ 826.99 crore, Surat MC - ₹ 2,008.93 crore and Vadodara MC - ₹ 1,046.62 crore.

31 July 2015, GMFB released (March 2013) only ₹ 140.75 crore (63 per cent) as against ₹ 224.90 crore required to be released for construction of 4,089 ACs. The targets achieved by each MCs as on 31 July 2015 is shown in Table 6 below –

Table 6 : Target achieved in respect of construction of ACs by MCs as on 31 July 2015

(₹ in crore)

Name of the MCs	ACs to be constructed (in numbers)	Construction completed (in numbers)	Construction in progress (in numbers)	Construction not started (in numbers)	Funds disbursed	Expenditure incurred	Unutilised funds	Percentage of utilisation
Ahmedabad	1,989	207	53	1,729	68.47	8.35	60.12	12
Surat	715	206	22	487	24.61	16.16	8.45	66
Vadodara	305	155	24	126	10.50	10.50	0	100
Rajkot	330	74	43	213	11.36	6.29	5.07	55
Bhavnagar	174	102	27	45	5.99	4.64	1.35	77
Jamnagar	295	135	6	154	10.15	3.82	6.33	38
Junagadh	263	4	7	252	9.05	0.82	8.23	9
Gandhinagar	18	0	0	18	0.62	0	0.62	0
TOTAL	4,089	883	182	3,024	140.75	50.58	90.17	36

(Source : Information obtained from the Monthly Progress Report of July 2015 furnished by GMFB)

The above table shows that overall utilisation of funds by the MCs for construction of ACs was only 36 per cent of the funds released by GMFB. Out of eight MCs, the utilisation of funds in four MCs ranged from zero to 38 per cent. Audit observed that the construction of 3,024 out of 4,089 ACs (74 per cent) was not taken up due to non-identification of sites by MCs, non-availability of land, etc. Non-construction of ACs by the MCs deprived the urban poor of the facility and the very purpose of the scheme was defeated.

The Secretary in the exit conference stated (March 2016) that the works were not taken by the MCs due to non-availability of land.

Audit further observed that –

- In Ahmedabad Municipal Corporation (AMC), out of 207 ACs completed (between May 2014 and June 2015), 45 completed ACs were not put to use due to non-availability of electricity connection. Nine ACs were not being used due to non-availability of residents near ACs which indicated that the site for construction of ACs were considered without conducting proper survey of the area to ascertain its requirement.

AMC stated (June 2015) that these ACs would be put to use in future on completion of housing projects being undertaken in some areas and on availability of residents in other areas.

- From the records of AMC, it was observed that the Corporation had no more land for construction of remaining 1,729 ACs and had invited tenders for hiring of building for functioning of ACs. This indicated that no more ACs are to be constructed by AMC in the near future. However,

unutilised funds of ₹ 54.16 crore were neither surrendered by AMC nor demanded back by GMFB being the nodal agency for its monitoring.

GMFB stated (November 2015) that instructions would be issued to AMC for refunding the unutilised funds.

The Government may instruct the MCs to complete the approved ACs immediately to provide the envisaged facility to urban poor and any unutilised funds lying idle may be recovered for its proper utilisation under other components of the scheme.

4.1.11.2 Non-completion of construction of Cable Stayed Structure Bridge

With a view to minimise traffic hurdle, Surat Municipal Corporation (SMC) decided to construct “Cable Stayed Structure Bridge” over Tapi River and awarded (October 2010) the work to an agency²⁶ at a cost of ₹ 143.65 crore with a condition to complete the work by April 2013. Audit observed that the agency after executing work of ₹ 76.23 crore (53 per cent) abandoned (November 2014) the work and the work remained incomplete till date (August 2015). SMC blacklisted (March 2015) the agency for five years for all works of SMC after forfeiting the security deposit of ₹ 4.33 crore. Tendering process for awarding the remaining work to a new agency is under process. Thus, the expenditure of ₹ 76.23 crore under the scheme proved unfruitful and the very objective of easing the traffic congestion could not be achieved.

4.1.11.3 Collapse of flyover

SMC awarded (April 2013) the work of construction of flyover on Surat Dumas Road near Athwalines Court Building to an agency²⁷ at a cost of ₹ 30.92 crore with condition to complete the work by October 2014. Audit observed that the curved span between piers CP-14 and CP-15 of the flyover collapsed on 10 June 2014 during execution resulting in death of 10 workers and injury to six workers. A high level committee appointed by the State Government for inquiry of the incident reported that the incident occurred due to wrong calculation of reaction forces by the consultant²⁸, the uplift forces were not quantified in the design report *i.e.* reaction forces were calculated for straight span instead of curved span. Audit further observed that the work remains incomplete entailing an unfruitful expenditure of ₹ 22.32 crore incurred for the work.

SMC stated (April 2015) that the consultant has been blacklisted and the remaining work would be completed at the earliest.

4.1.12 Component IV: Additional assistance for cost over-run for Integrated Housing and Slum Development Programme (IHSDP) Projects

GoI launched (December 2005) Integrated Housing and Slum Development Programme (IHSDP) as a component of Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for small and medium towns consisting of two

²⁶ M/s. Gammon India, Mumbai

²⁷ M/s. Rachana Construction Company

²⁸ M/s. S.N. Bhoje and Associate Private Limited

main components *i.e.* Dwelling Units (DUs) and Basic Infrastructural facilities. The objective of the scheme was to provide houses with basic infrastructural facilities to slum-dwellers living in identified urban areas without adequate shelter and residing in DUs in dilapidated conditions. GoI provided 80 *per cent* of the cost of DU, subject to a ceiling cost of ₹ 80,000 per DU²⁹ and of basic infrastructural facilities. The remaining 20 *per cent* was to be borne by the State Government/Urban Local Body (ULB)/Beneficiary with minimum 12 *per cent* contribution³⁰ of the beneficiary.

The State Government decided (November 2009) to finance the cost of IHSDP from Component – IV of Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana (SJMMSVY) to achieve the objective of development of slum areas as envisaged in the scheme guidelines. The State Government made proposal to GoI for extending the benefit of unit cost of ₹ 1,00,000 per DU for 23 ongoing projects approved prior to January 2009 but the same was rejected. Considering the cost overrun in these projects of IHSDP, the State Government decided (November 2009) to meet additional 90 *per cent* of remaining ₹ 20,000 unit cost of DU *i.e.* ₹ 64,000 (GoI), ₹ 8,000 + ₹ 18,000 (State Government) and ₹ 10,000 (beneficiary). Due to delay in implementation of projects under the programme, the average DU cost had increased upto ₹ 1.70 lakh. To mitigate the cost overrun, the State Government enhanced (May and August 2011) its contribution to ₹ 45,000 per DU, subject to the condition that the ULB/beneficiary would contribute maximum of the deficit amount with a minimum of ₹ 20,000 per DU.

The projects under the programme were sanctioned by the Central Sanctioning and Monitoring Committee (CMSC) of GoI which includes targeted DUs and basic infrastructural facilities. GUDM was appointed as the SLNA and Affordable Housing Mission (AHM) was constituted (March 2013) to monitor and supervise all the schemes related to urban housing including IHSDP. All 32 ongoing projects as of November 2009 and 13 more projects sanctioned thereafter under IHSDP were being funded from SJMMSVY from November 2009.

An amount of ₹ 216.82 crore³¹ was placed at the disposal of GUDM during 2009-11. GUDM transferred (April 2014) unutilised amount of ₹ 192.58 crore (89 *per cent*) to AHM on its constitution. Audit observed that GUDM/AHM could utilise only ₹ 40.33 crore out of ₹ 216.82 crore (19 *per cent*) due to slow progress of works as discussed in the succeeding paragraphs -

4.1.12.1 Inadequate financing

The IHSDP scheme guidelines (February 2009) provide that the State Government/ULBs have the freedom to fix higher unit cost of housing and composite cost for housing and basic infrastructure, however, the additional cost should be met by themselves. It further provided that the projects were required to be completed within two years from the date of approval of the projects.

²⁹ Enhanced on 28 January 2009 to ₹ 1,00,000 with effect from 2008-09

³⁰ 10 *per cent* in case of SC/ST/BC/OBC/PH and other weaker sections

³¹ ₹ 75.00 crore (2009-10) and ₹ 141.82 crore (2010-11)

Out of 45 projects sanctioned under IHSDP, 11 projects have been cancelled and only one project in Unjha NP with 624 DUs has been completed till August 2015. This indicated that there was inordinate delay in implementation of the project on the part of the State Government. Due to this delay, the cost per DU enhanced to an average cost of ₹ 1.70 lakh, however, the contribution of State Government alongwith GoI remained at ₹ 1.25 lakh. Resultantly, the burden on the beneficiary became more than 10 *per cent* envisaged in the scheme guidelines. As per the provisions of the scheme, cost overrun was to be borne by the State Government and not by the beneficiaries. Thus, enhanced financial assistance released by the State Government of ₹ 45,000 under the scheme was inadequate which resulted in beneficiaries not taking the possession of completed DUs as discussed in paragraph 4.1.12.2.

Audit further observed that the State Government had not enhanced its share for meeting the cost of basic infrastructural facilities to be provided in these housing projects though there was cost overrun due to delay in implementation of the projects. Thus, the major burden was on the ULBs though their financial position was very weak which resulted in non-execution of works relating to basic infrastructure in completed projects as discussed in the succeeding paragraph. The State Government belatedly sanctioned (August 2015) an amount of ₹ 109.28 crore as “gap funding” for housing and associated infrastructure. This indicated lack of planning and ad-hoc measures on the part of the State Government for implementation of the projects under the scheme.

The Secretary in the exit conference stated (March 2016) that the Government had taken initiative to provide funding from Banks for enabling the beneficiary to contribute their contribution. It was further stated that instructions would be issued to AHM for taking immediate action to utilise the grants and complete the remaining works.

The Government may consider for enhancement of its share for DUs and Basic Infrastructure facilities under the scheme to reduce financial burden on the beneficiaries and ULBs.

4.1.12.2 Status of housing projects

As per Census 2011, Gujarat has 16.80 lakh slum dwellers in 103 towns living in identified slums. Under IHSDP, 45 projects with a project cost of ₹ 534.52 crore were sanctioned (between 27 February 2007 and 29 December 2011) for 45 towns with an aim to provide 32,913 DUs.

- ***Cancellation of projects***

CSMC issued (December 2009 and March 2012) instructions to all State Governments to surrender projects not taken up or submit alternate projects in lieu of original projects with same GoI share by March 2012. Audit observed that the State Government had submitted the proposal for cancellation of 11 projects³² (8,750 DUs) with GoI share of ₹ 91.55 crore and reduction of DUs in 14 projects (6,640 DUs) involving GoI share of ₹ 55.82 crore. However, the State Government failed to submit alternate proposal resulting in reduction

³² Bhavnagar, Chorwad, Dharampur, Idar, Kalol, Khambhat, Mandvi, Modasa, Umreth, Upleta and Vapi

of 15,210 DUs (46.21 *per cent*) and loss of committed funds of GoI share of ₹ 147.37 crore (43.89 *per cent*). While the target itself was inadequate to redevelop/relocate slums, its further reduction to 17,703 DUs compounded the situation. Thus, the slum populations were deprived of housing facility and the very purpose of the scheme to develop slum areas was covered inadequately.

The Secretary in the exit conference stated (March 2016) that out of 11 cancelled projects, 10 projects would be taken up under Prime Minister Awas Yojana and the Project of Bhavnagar would be taken up under Mukhya Mantri Awas Yojana.

- **Non-allotment of completed DUs**

Out of the 34 IHSDP projects³³ under implementation, only one project (Unjha) had been completed *i.e.* all the 624 DUs targeted to be constructed and basic infrastructural facilities were completed and handed over to the targeted beneficiaries. Of the remaining 33 projects, construction of targeted DUs have been completed in 10 projects as shown in **Table 7** below–

Table 7: Completed DUs not allotted to beneficiaries

(₹ in crore)

ULBs	Project Cost	Expenditure incurred	Number of DUs sanctioned	Number of DUs completed	Number of DUs allotted	Number of DUs not allotted	Number of DUs occupied
Amreli	3.39	3.71	281(R)	281	106	175	45
Bagasara	5.28	8.45	376 (R)	376	220	156	164
Jetpur	14.10	15.44	963(R)	963	963	0	0
Himatnagar	10.56	19.68	900(R)	900	900	0	0
Una	10.76	16.89	1,008 (R)	1,008	304	704	0
Kadi	14.06	14.46	664(O)	664	547	117	0
Dehgam	7.45	5.91	256(O)	256	256	0	0
Anand	11.64	7.62	308(R)	308	0	308	0
Boriavi	8.33	8.93	416 (R)	416	0	416	0
Halol	6.09	6.90	334(R)	334	0	334	0
Total	91.66	107.99	5,506	5,506	3,296	2,210	209

(Source : Information furnished by AHM)

Note: (R) – Revised and (O) - Original

The above table shows that out of 5,506 DUs completed, only 3,296 DUs (60 *per cent*) have been allotted. Remaining 2,210 DUs could not be allotted due to non-finalisation of beneficiary list, pending beneficiary contribution, non-completion of basic infrastructural work, *etc.* Even the allotted DUs remained unoccupied by the beneficiaries due to non-availability of basic infrastructural facilities. Out of above 10 projects, two projects related to test-checked NPs (Anand and Kadi NPs) had been completed in 2013. Audit observed that in Anand NP the DUs were not allotted due to non-finalisation of beneficiaries list and in Kadi NP due to absence of water and electricity connections and non-receipt of beneficiary contributions. Thus, inspite of availability of sufficient funds with AHM, infrastructural works were either not taken up or not completed. Besides,

³³ Two projects of Amreli and Dhanduka were not financed from SJMMSVY

possibility of deterioration in the newly constructed units and encroachment by anti-social elements cannot be ruled out.

• **Non-allotment of partially completed DUs**

Out of the remaining 23 projects, DUs were partially completed in 12 projects as shown in **Table 8** as follows and no DUs have been completed in 11 projects.

Table 8 : Details of the partially completed DUs

(₹ in crore)

ULB	Project Cost	Expenditure incurred	Number of DUs sanctioned	Number of DUs completed	Number of DUs under progress
Ankalav	5.61	4.14	416	160	256
Chotila	5.61	4.22	240	108	132
Dhrangadhra	4.16	3.99	384	348	36
Dahod	12.32	9.97	480	48	432
Gondal	18.68	31.67	1,775	1,250	525
Jamnagar	10.06	14.99	864	840	24
Karjan	12.28	9.49	512	160	352
Kutiana	11.90	8.54	608	352	256
Navsari	5.48	5.75	368	256	112
Patan	3.20	3.49	240	216	24
Prantij	5.09	3.58	449	300	149
Valsad	3.10	3.73	237	77	160
Total	97.49	103.56	6,573	4,115	2,458

(Source : Information furnished by AHM)

The above table shows that out of the 6,573 DUs sanctioned in the above 12 projects, construction of 4,115 DUs (63 per cent) have been completed while the construction of the remaining 2,458 DUs was under progress. Out of 4,115 completed DUs, only 624 DUs of Jamnagar NP have been allotted and handed over to the beneficiaries. In the remaining projects, the DUs were not allotted due to non-completion of infrastructural work, non-finalisation of beneficiaries, etc. Thus, the purpose of providing cost overrun grants to complete the projects was not fully realised and adequate shelter with amenities to the urban poor remained elusive.

The Secretary in the exit conference attributed (March 2016) the reasons of land issue, delay in finalisation of tenders, non-contribution of ULB and beneficiaries shares, etc. to delay in execution of work which resulted in cost overrun.

4.1.12.3 Outcome of the projects

The scheme guidelines envisage that the projects sanctioned were required to be completed within two years from the date of sanction. All these 45 projects were

approved prior to 2012, however, though more than four years have elapsed, only one project with basic amenities has been completed, eleven projects have been cancelled and remaining 33 projects were under progress. Out of 17,703 DUs to be constructed in 34 projects, only 10,245 DUs have been completed and only 4,544 out of these 10,245 DUs have been allotted to the beneficiaries as on 31 August 2015. Inadequate funding for DUs and basic infrastructure under SJMMSVY and lack of monitoring by GUDM and AHM resulted in non-achievement of development of slum areas as envisaged in the scheme guideline besides depriving the slum dwellers of dignified housing facilities.

The Government may take steps to complete the projects at the earliest to provide dignified housing facility to the slum dwellers.

4.1.13 Component V : Construction/renovation of office buildings of Nagarpalikas

The scheme guidelines provide for release of financial assistance to 31 newly constituted NPs and 19 'D' category NPs for construction of office building (maximum ₹ 50.00 lakh for each NP) and assistance to other NPs for renovation of office building (maximum ₹ 25.00 lakh for each NP). The State Government subsequently revised the amount of assistance twice (August 2011 and December 2013) and extended the benefit to other NPs also as shown in **Table 9** below –

Table 9 : Revised assistance under the component

(₹ in lakh)

Category of NP	Assistance for new construction	Assistance for existing building	
		Extension and Repairs	Only Repairs
In August 2011			
A	100	50	40
B	75	40	35
C	60	30	30
D	50	25	25
In December 2013			
A and B	200	No change	No change
C and D	100		

DoM was the SLNA for the component and was responsible for approval of works under the component and GMFB was responsible for release of assistance based on the recommendation of DoM. The works were required to be completed within six months from the date of approval. DUDA was responsible for supervising the execution of works.

GMFB received ₹ 100.00 crore (₹ 50.00 crore each in 2009-10 and 2010-11) under the component and had released only ₹ 63.06 crore during 2009-15 (upto July 2015). Remaining ₹ 36.94 crore was lying unutilised with GMFB.

4.1.13.1 Delay in execution of works

The year-wise details of number of works approved under the component during the year 2010-16 is shown in **Table 10** below –

Table 10 : Details of the approval and grant released for construction and renovation

(₹ in crore)

Year	New building			Renovation			Total grants released	Number of Repeat Cases
	Number of NPs	Amount of AA	Grant Released	Number of NPs	Amount of AA	Grant Released		
2010-11	42	21.00	18.90	23	5.38	5.38	24.28	-
2011-12	3	1.50	1.45	13	3.81	3.81	5.30	-
2012-13	4	2.93	2.93	9	2.30	2.30	5.32	-
2013-14	5	4.27	4.27	5	1.34	1.34	5.81	1
2014-15	10	14.63	14.63	6	1.56	1.56	16.94	3
2015-16	5	5.41	5.41	0	0	0	5.41	2
Total	69	49.74	47.59	56	14.39	14.39	63.06³⁴	6

(Source : Information furnished by DoM and GMFB)

Out of 69 works of construction of new office building, 42 works approved in 2010-11 were allotted to R&B and remaining 27 works (including six repeat cases) were executed by the respective NPs. GMFB released (September 2010) ₹ 18.90 crore (₹ 45 lakh for each work) to the respective Executive Engineers of R&B Divisions. Audit observed that out of these 42 works, R&B department could complete only 25 works, one work was in progress while the remaining 16 works could not be taken up due to non-availability of land. R&B refunded ₹ 3.15 crore in respect of seven works, however, an amount of ₹ 4.05 crore in respect of nine works were not refunded though the land was not available for the concerned work. Out of these seven works surrendered, DoM accorded (between September 2014 and June 2015) revised AA in respect of five works³⁵ at a cost of ₹ 4.61 crore resulting in cost escalation of ₹ 2.36 crore and the works were to be executed by the NPs.

Out of remaining 27 works, five works have been completed (including one repeat case of Gariyadhar NP) while the remaining works were under progress. Similarly, out of 56 renovation cases (including two repeat cases), five NPs had refunded the grants. Of the remaining 49 cases, only 26 NPs (53 per cent) had completed the renovation work. Renovation work was under progress in nine cases while works could not be taken up in remaining cases due to non-finalisation of tenders, pending revised AA, etc.

³⁴ Difference of ₹ 1.08 crore was released as IIInd instalment/additional grants for the construction/renovation works

³⁵ Bhabhar, Lathi, Sutrapada, Sikka and Vallabhipur

The Secretary in the exit conference stated (March 2016) that instructions would be issued to the SLNAs to take up the pending issues so as to complete the works at the earliest.

4.1.14 Component VI - Construction of Railway Over Bridge/Under Bridge

The slowing down of traffic as a result of certain railway lines passing through dense areas of cities has an adverse impact in terms of wastage of working hours, safety parameters, fuel consumption of vehicles and environmental pollution. To overcome this, it is necessary to construct Railway Over Bridges/Railway Under Bridges (ROBs/RUBs), wherever decongestion could be effected through such measures. The Ministry of Railways supported the construction of ROBs/RUBs on cost sharing basis (50 per cent of the project cost) only when the Average Train Vehicle Unit³⁶ (ATVU) at a Level Crossing (LC) exceeded one lakh. As the ULBs do not have the wherewithal to share the matching contribution, State Government decided (April 2010) to extend financial assistance to NPs/MCs for construction of ROBs/RUBs. GUDC was designated as the SLNA for the purpose. The State Government released ₹ 171.00 crore to GUDC under this component during 2009-15.

There were 133 LCs in the State with ATVU above one lakh. GUDC invited (July 2010) proposals from ULBs for construction of ROBs/RUBs. As of September 2015, GUDC approved 23 out of 35 proposals of ROBs/RUBs for 19 ULBs and released ₹ 167.77 crore to these ULBs. Approvals of 12 proposals of ROBs/RUBs were pending with GUDC for want of information from the respective ULBs as of March 2015.

Audit observed that only four³⁷ out of 23 ROBs/RUBs approved have been completed (January 2013 and May 2015). Out of remaining 19 ROBs/RUBs, five were in progress while the work of 14 ROBs/RUBs were not taken up due to pending approval of designs by the Railways, pending technical approvals by the R&B Department, etc as of March 2016. Completion of only four ROBs/RUBs against the approved 23 ROBs/RUBs showed very poor monitoring by GUDC defeating the purpose of enhancing people's safety and ensuring smooth traffic through construction of ROBs/RUBs.

The Secretary in the exit conference attributed (March 2016) the delay in approvals of ROBs/RUBs to non-submission of required informations by the ULBs inspite of issue of several reminders. It was further stated that the works would be expedited and this matter would be viewed in next meeting with SLNAs and ULBs.

³⁶ Number of trains passing through a Level Crossing multiplied by the number of road vehicles passing over that LC in 24 hours

³⁷ Botad, Kadi, Unjha and Viramgam

4.1.14.1 Failure to avail benefit of cost sharing from Railways

Apart from 23 ROBs/RUBs approved by GUDC as discussed above, AMC and SMC had executed seven ROBs/RUBs under component III of the scheme as shown in **Table 11** below–

Table 11: Details of seven ROBs/RUBs executed by AMC and SMC

(₹ in crore)

Name of MCs	ROBs/RUBs	Project Cost	Expenditure incurred
AMC	GOTA ROB	40.16	23.73
	ITI RUB	13.47	11.57
	RANIP ROB	78.07	24.33
SMC	ROB in lieu of LC No-143	33.89	31.08
	ROB in lieu of LC No-2	11.45	18.51
	ROB in lieu of LC No-3C	39.54	51.75
	ROB in lieu of LC No-440 A	53.35	66.79
Total		269.93	227.76

(Source: Information furnished by AMC and SMC)

Audit observed that the MCs failed to submit the proposal for availing financial assistance from Railways, though an amount of ₹ 135.00 crore being 50 per cent of the project cost (₹ 269.93 crore) was eligible to be availed from the Railways under the scheme. Audit further observed that the construction of all ROBs/RUBs have been completed except Ranip ROB of AMC.

AMC stated (June 2015) that as the works was to be taken up urgently, the proposal was not submitted to the Railways. Failure to submit the proposal by AMC entailed loss of central assistance to the State Government.

The Secretary in the exit conference stated (March 2016) that instructions would be issued to AMC and SMC for availing the financial assistance from the Railways in future for the works of ROB/RUBs.

4.1.14.2 Incomplete RUB

DUDA, Valsad accorded (July 2011) AA for the work of RUB at Vapi with estimated cost of ₹ 6.74 crore under component II of the scheme and the work was awarded (October 2011) to an agency at a cost of ₹ 7.97 crore with the condition to complete the work by September 2012. Audit observed that

Reinforced Cement Concrete box works (₹ 2.33 crore) were completed by the agency, however, due to lack of permission from Railways for Mega Block³⁸, the work remained incomplete as of May 2015. Non-completion of the work resulted in Vapi bypass road remaining unused and the traffic congestion in the city remained even after spending ₹ 2.33 crore on the work.

The Secretary in the exit conference stated (March 2016) that the matter would be taken up with the Railway authorities and the NP would be instructed to complete the works at the earliest.

The Government may issue instructions to GUDC (being the SLNA for the component) to take up the matter with the Railways for speedy approval of designs and may take steps for completion of works for enhancing people's safety and ensuring smooth traffic.

4.1.15 Monitoring and Evaluation

The scheme guidelines (2009 and 2011) provide that each SLNA shall establish a Management Information System (MIS). It was envisaged that a Financial Data and Project Management Cell would be established in GUDM based upon these MISs. The Cell was supposed to make mandatory disclosures. The DUDAs were required to send Progress Reports (PRs) to this Cell and based upon analysis of these PRs, the Cell was required to provide feedback to DUDAs/MCs/NPs and submit a report to the State Government. The scheme guidelines also provided that the GUDM would establish a system of Third Party Monitoring (TPM) for evaluation of work undertaken under different components of the scheme. TPM would obtain reports of ULBs and prepare Analytical Reports from time to time showing quality and usefulness of works completed under the scheme and their over-all impact on the public. It would also enquire whether unique identity of ULBs had emerged.

Audit observed that neither GMFB nor GUDM had established any MIS for real time monitoring of the progress of works undertaken under different components of the scheme. Consequently, the Cell could also not be established. Any Evaluation Study to gauge the impact of the scheme was also not commissioned.

As a result, the State Government or the SLNAs were not aware of the actual year-wise utilisation of the grants. Though the system of manual PRs was there, the data entered in the PRs was not much reliable in the absence of validation. As Evaluation Studies were not conducted, mid-term course corrections in the implementation of the scheme could not be effected.

The Secretary in the exit conference stated (March 2016) that the Cell would be established for monitoring the scheme and to provide feedback to the ULBs. It was further stated that the department would take necessary steps to evaluate the outcome of the scheme.

³⁸ If the Railway traffic disruption is extensive and the block is required for longer than usual, necessitating much rerouting and rescheduling of trains, the block is termed a **megablock** (or 'mega block')

4.1.16 Conclusion and Recommendation

The State Government launched (November 2009) “Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana (SJMMSVY)” to provide core infrastructural facilities in the urban areas such as water supply, sewerage, sanitation, solid waste management, public transport, affordable housing, etc. Some areas of concern relating to implementation of various works under the scheme are highlighted below –

- Test-checked MCs and NPs had not prepared five year Corporate Plans and most of the test-checked NPs had not executed component-wise MoUs, though it was envisaged in the scheme guidelines. Absence of Corporate Plans resulted in execution of development works in unplanned manner.

The Government may ensure preparation of corporate plan and execution of MoUs by all MCs and NPs availing financial assistance in Phase-II under the scheme so as to achieve the objectives of the scheme by execution of works on priority basis and in planned manner.

- Out of 109 WS and 159 UD projects executed under the scheme, only 60 WS and two UD projects have been completed as of August 2015. The benchmark of supplying 140 lpcd of potable water was achieved only in 15 out of 159 NPs. Audit observed in test-checked NPs that construction of STPs were not taken up alongwith construction of SCSs resultantly the sewage disposed through completed SCSs were not treated and were disposed of in open area/canal/river.

The Government may instruct GUDC and GWSSB to speed up and complete the WS projects at the earliest so as to supply potable water to the residents of the NPs as envisaged in the DPR. Further, the Government may ensure setting up of STPs alongwith SCSs so as to avoid disposal of sewage in open area/canal/river which could lead to environmental risk.

- Component II envisaged execution of various works for developing NP as a Model NP by March 2013; however, Audit observed that 64 per cent of the works executed related to road works. Consequently, even after lapse of more than five years, not a single NP could be developed as a Model NP as of August 2015. Further, implementation of mandatory and optional reforms envisaged under Component II was achieved only partially in test-checked NPs.

The Government may take steps to assess various types of works to be taken up in an NP for developing it into a Model NP as envisaged in the scheme component and thereafter ensure the execution of works on priority basis by the NPs. The Government may also ensure the implementation of stipulated administrative reforms by each NP for better service delivery and strengthening the financial position.

- As against the target of construction of 4,089 ACs allotted to MCs under component III, construction of 3,024 ACs could not be taken up due to

non-identification of sites, non-availability of land, etc. Further, due to non-availability of land, AMC decided not to take up construction of 1,729 ACs, however, an amount of ₹ 54.16 crore relating to these ACs were not refunded to the Government.

The Government may instruct the MCs to complete the approved ACs immediately to provide the envisaged facility to urban poor and any unutilised funds lying idle may be recovered for its proper utilisation under other components of the scheme.

- Though IHSDP guidelines envisaged cost overrun to be borne by State Government and SJMMVY guidelines for component V also envisaged for financing of cost of dwelling units (DUs) and basic infrastructure facilities under IHSDP, Audit observed that major burden of cost overrun was put on the beneficiaries for DUs and on ULBs for basic infrastructural facilities.

The Government may consider for enhancement of its share for DUs and Basic Infrastructure facilities under the scheme to reduce financial burden on the beneficiaries and ULBs.

- Out of 17,703 DUs to be constructed in 34 IHSDP projects, construction of only 10,245 DUs has been completed. Of these, only 4,544 DUs have been allotted and only 1,457 beneficiaries took possession of DUs as of August 2015.

The Government may take steps to complete the projects at the earliest to provide dignified housing facility to the slum dwellers.

- Under component VI, only four out of 23 ROBs/RUBs have been completed. Fourteen ROBs/RUBs could not be taken up due to pending approval of designs by the Railways, pending technical approvals by the R&B Department, etc.

The Government may issue instructions to GUDC (being the SLNA for the component) to take up the matter with the Railways for speedy approval of designs and may take steps for completion of works for enhancing people's safety and ensuring smooth traffic.

The matter was reported to the Government (February 2016). Reply is awaited (March 2016).

4.2 Information Technology (IT) Audit of Property Tax System in Rajkot Municipal Corporation

4.2.1 Introduction

Rajkot Municipal Corporation (RMC) came into existence in 1973. The RMC is responsible for administering and providing basic infrastructure to the Rajkot city. For administrative purpose, the city is divided into three zones - Central, East and West. The city is further divided into 24 wards. Rajkot Municipal Corporation has started six City Civic Centres (CCCs) in different areas of the city for providing citizen oriented facilities. All CCCs are connected by online networking facility.

RMC has been collecting Property Tax through an in-house developed software on Microsoft SQL server 2005 platform, which is in use since 2007. However, RMC had entered (November 2013) into an agreement with an agency³⁹ for developing a new integrated System for over-all management of Property Tax. The new software is yet to be rolled-out against time limit of six months for completion.

The existing system captures the following details - (i) property details such as property numbers, names of owners, addresses; (ii) assessment details such as assessment dates, areas, type of usages; (iii) demand years, demand amounts; and (iv) collection details such as collection centres, collection dates, collection amounts, *etc.*

The tax collected through the six CCCs and designated Post Offices is directly deposited in the Bank by them with endorsement to the respective Zonal offices.

4.2.2 Organisational set-up

The Commissioner is the administrative head of RMC. Each zone is administered by a Deputy Commissioner. The Property Tax department in each Zone is headed by an Assistant Commissioner and Assistant Managers, who are assisted by Ward Inspectors and Demand Clerks. The database/system is maintained by the Director, IT Branch.

4.2.3 Audit objectives

The audit objectives were to evaluate and ascertain whether -

- RMC had a reliable database of all the properties;
- the existing system for assessment, levy and collection of property tax was efficient and effective; and
- the control mechanisms were adequate.

4.2.4 Audit Criteria

Following audit criteria were adopted -

- provisions in the Corporation Act;
- other relevant Acts, Rules and Government orders/notifications;
- resolutions of the respective Boards of RMC; and
- best IT Practices.

³⁹ M/s. Dev ITPL, Ahmedabad

4.2.5 Audit Scope and Methodology

The IT Audit was conducted between June 2015 and August 2015. The data (2010-15) has been analysed using Computer Assisted Audit Tools (CAATs). An entry conference was held with the Municipal Commissioner in July 2015. Exit conference was held in March 2016.

4.2.6 Audit Findings

4.2.6.1 Integration with Town Planning Branch

Town Planning (TP) Branch manually forwarded copies of the Building Use Permission (BUP) certificates to the Tax Branch to cover all such properties under the tax. On the basis of these certificates, the Tax Branch assessed the property tax and issued demand notice to the person liable to pay the tax.

Audit observed that there was no integration in the system with TP Branch for automatic input of BUP certificates with details of the property (built-up area, Jantri Rate (JR), etc.). The details of the property were entered manually by the Tax Branch from the BUP certificates.

It was also seen that out of 20,977 assessments made (2010-15) by the Tax Branch, in 5,939 assessments, the BUP certificate numbers and dates had not been mentioned. In 980 assessments, the built-up areas of the properties, which were the main inputs for the assessment, were not found in the system.

RMC stated (January 2016) that such integration would be done in the new software under development. For non-capturing of area of property and BUP certificate in the database, RMC stated that such assessments were for the period before 1995 when properties assessed were not based on built-up area. No reply was furnished for assessments made between 2010 and 2015.

4.2.6.2 Incorrect names of persons liable for payment of tax

BPMC⁴⁰ Act stipulated that names of persons primarily liable for payment of property taxes should be recorded. As per database, there were 3,74,954 properties under RMC. The system captured details of owners of the property.

Audit observed that in 1,109 cases, names of persons were found blank while in 2,146 cases ambiguous/vague names such as 'OWNER', 'OWNERS', 'OWNVER', 'OWWER', 'SHREE OWNERS', 'SELF', etc. were found recorded. Further, in 979 cases, the addresses of the properties were not available. This indicated lack of validation checks and absence of monitoring controls during data entry.

RMC replied (January 2016) that as per Rule 12 (1) of the BMC Act, where the owners were not found, the assessments were to be done in "Owners" names. No specific reply was furnished for ambiguous/vague/blank names.

It is recommended that in such cases, name of the person who is liable for payment of tax should be captured in the system.

⁴⁰ Bombay Provincial Municipal Corporations Act

4.2.6.3 Incorrect details of Property

A unique property number, which included ward number and type of assessment, consisting of 17 digits was assigned to every property. Audit observed that -

- assessment years of the properties were found even before the establishment (1973) of RMC;
- non-existent ward numbers 25, 26 and 28 were found in the database;
- for the purpose of fire tax, properties had been categorised (2009-10) into three⁴¹ categories. Seven codes were used against the requirement of only three codes.

These indicated incorrect mapping of business rules and absence of supervisory checks.

RMC attributed the above mentioned errors to errors in typing and assured rectification. (January 2016).

RMC may incorporate adequate validation checks and mapping of business rules to ensure a reliable database.

4.2.6.4 Manual calculation of Monthly rent

As per the BPMC Act, the Property Tax was based on the amount of expected annual letting value of the properties. Built-up area and Jantri Rate (JR) applicable to the locality were two factors which determine the Property Tax. RMC had formulated a method⁴² to arrive at the Monthly Rent (MR) and Annual Letting Value (ALV) for the purpose of Property Tax.

Audit observed that though the system had provision for calculating MR and ALV by capturing JR and built-up area, these details were not made mandatory and had been left blank. Value of MR was manually worked out and entered into the system for calculation of Net-ALV and various components of Property Tax.

Manual calculation of MR instead of using the provision available in the system may lead to inadvertent errors. Also, due to non-capturing of JR data, the system could not be utilised to its full potential.

RMC replied (January 2016) that a new software would be shortly implemented where the MR would be automatically calculated.

4.2.6.5 Issues in demand bills

Each year, demand bills were auto-generated during the month of April to raise demand for Property Tax from the property owner. When a payment was made, the demand was nullified and shown 'zero' else demand was shown outstanding against the property.

- (i) Since the bill number was system-generated gaps in bill number sequence were not expected. However, Audit noticed gaps in bill number sequence (**Appendix-XVIII**), which indicated deletion of bills. No reasons were, however, attributed to such deletions.
- (ii) In 215 cases, the amount of the demand bills was in negative value ranging from (-) 10 to (-) 38,15,715.

⁴¹ Nil for low rise building, two per cent for high rise building and three per cent for Industrial building

⁴² Two per cent for high rise building and three per cent for Industrial building, NetALV = ALV – 10 per cent of ALV

- (iii) The system did not have a provision for capturing the reason for cancellation of the demand bills. 25,626 demand bills were cancelled without recording any reasons.
- (iv) Receipt Flag field was used to store the status of payment made against a bill (*i.e.* 0 for non-payment, 1 for payment). In 3,619 cases, though there were no payments, the Receipt Flag was “1”. These indicated human intervention in the payments of the property tax.

RMC (January 2016) stated that they would check and do the needful for demand bills having negative value. For other points, RMC stated that these did not have any effect on the property tax system.

The reply is not tenable as adhoc procedures like deletion of bills without assigning reasons rendered the database unreliable and no-one accountable.

4.2.6.6 Non-reliable cheque payments details

Audit observed that details of payment of tax were incomplete and incorrect.

- (i) In 328 cases of cheque payment, the cheque number and date were not captured.
- (ii) Validity of a cheque is generally 90 days from the date of issue. In 140 cases, cheque dates were more than 90 days prior to the receipt dates.

These indicated inadequate validation checks in the system.

RMC replied (January 2016) that necessary checks would be added for capturing the details of the cheque and adherence to its validity.

4.2.6.7 Reverse entry of payment on account of dishonoured cheque

RMC facilitated payment of property tax by cash/cheque at the collection centres and through online payments. In case of cheque payment, if a cheque was returned by the bank due to insufficient balance, the receipt of that payment was cancelled/reversed and a fresh demand issued against that property.

Audit observed that a total of 2,262 cheques were dishonoured during 2010-15. In case of 88 dishonoured cheques amounting to ₹ 57.63 lakh, the receipt entries were not reversed. Audit also noticed that dates of cancellation of receipts of 13 bounced cheques amounting to ₹ 2.97 lakh were even prior to the payment dates.

The management, hence, did not have a dependable system to monitor and take appropriate action in case of bounced cheques.

RMC replied (January 2016) that the statement of bounced cheques had been submitted to the bank. Only four cheques out of 88 were confirmed by the bank and the same would be cancelled after confirmation from the bank. It was further added that authoritative controls would be established in the new software for monitoring by management and for reverse entry by Accounts Department.

Necessary supervisory checks and alert mechanism may be incorporated to ensure timely and corrective action of dishonoured cheques.

4.2.6.8 Refund on account of vacant properties

The BPMC Act provided for refund of the tax for the properties which had been vacant for the number of days such vacancy lasted. It also stipulated that refund was not claimable unless notice of vacancy was given in advance.

Audit observed that no provision was made in the application to handle the entry of vacant refunds on account of claims made by the applicants and adjustment transactions thereon were manually handled. Adjustment Receipts generated on account of vacant refund were also not shown in the 'properties history' of the properties.

RMC replied (January 2016) that procedure of vacancy refund would be mapped in the new developing software with the supportive documents.

4.2.6.9 Undue discounts to the male owners indicated as female owners

Every year, as motivation, a discount at the rate of 10 *per cent* was offered for making tax payment during April-May and discount of five *per cent* for making payment in June. Additional discount of five *per cent* was allowed to female owners of the property.

Audit observed that in 3,256 assessments, male owners were assigned female codes. 1,573 such male owners, who made tax payment before July, availed the additional discount of five *per cent* resulting in loss of revenue of ₹ 2.27 lakh.

RMC attributed these errors (January 2016) to incorrect manual entry. They assured that the same would be taken care of in the new software.

RMC may incorporate adequate input controls and supervisory checks to ensure a reliable database.

4.2.6.10 Authorisation checks and Audit trail

In a computerised system, each user should be assigned a role as per the responsibilities assigned to him and adequate supervisory checks should exist to ensure data security. However, Audit observed that Master data as well as transactional data were entered and concurrently authorised by the same user. There was no trail of approval of entries by higher authorities;

- (i) Out of total 329 users, 21 users were without any designation while three users had duplicate USER IDs;
- (ii) In 17 assessments, the names of the users who entered the data were not captured;
- (iii) 62 users who cancelled 1,126 receipts on account of dishonoured cheques, were not found in the users table; and
- (iv) As per the system, 3,624 property records were deleted during the period 2010-15. In 3,209 such records deleted, the identity of the users (user id) deleting the record was not captured.

Thus, the system lacked control over unauthorised operations. In the absence of complete audit trails, accountability of the person making such unauthorised persons could not be fixed.

RMC acknowledged (January 2016) that the system needed updation and checks on respective stages for correction/approval by an appropriate authority and that they would be incorporated in the new software.

RMC may equip the new software with authorisation controls at various levels to check unauthorised operations.

4.2.6.11 Reconciliation of Property Tax with Bank Account

Property Tax was the main source of revenue of the RMC. Weekly/monthly/yearly income of the Tax was reported to the higher authorities based on the Management Information System (MIS) reports of the system. Audit observed inadequate reconciliation mechanism and MIS to monitor remittance of property tax in the bank.

In absence of bank statements/reconciliation, Audit could not ascertain:

- (i) the actual collection of Property Tax
- (ii) actual remittances of cheques
- (iii) actual amount of bounced cheques.

The department did not give specific reply regarding the mechanism to ensure actual remittance of property tax in the bank.

RMC may evolve a mechanism for timely reconciliation so to ensure the actual remittance of property tax in the bank.

4.2.7 Conclusion

Property Tax System was developed to reap the benefits of technology to improve operational performance, to provide error free and better services. However, even after many years of computerization, lack of adequate input controls coupled with inadequate monitoring resulted in an incomplete and incorrect database. This led to dependency on manual system for fixation of rates, deficiencies in generation of demand bills, inability to monitor unpaid tax, etc. thereby impacting the collection of revenue.

4.2.8 Recommendation

The system may be reviewed with reference to the business rules and current requirements. The branches in RMC may be integrated to discontinue the manual system of input of data. Appropriate and sufficient input and processing controls may be implemented to ensure correct and complete capture of demand bills, refunds for vacant properties, deletion of bills, payments and all other data related to property tax. These coupled with reduction in manual interventions would help in creation of a reliable database. Further, adequate audit trails may be incorporated to track the transactions in the system for added security.

4.3 Avoidable expenditure and undue favour to the agencies of ₹ 83.93 lakh

Absence of suitable provisions of recovery in the tender document for less consumption of cement in controlled cement concrete works against prescribed norms of mix design resulted in avoidable expenditure by Vadodara Municipal Corporation and undue favour to the agencies of ₹ 83.93 lakh.

The State Government prescribed (December 1986) standard for design mix⁴³ of various concrete grades⁴⁴ indicating the requirement of cement in kilograms (kgs.) per cubic meter for various items of concrete works. The estimates for the items of the Reinforced Cement Concrete (RCC) works included in the tender were to be prepared based on the instructions for design mix. This standard formed the basis for specifying the quantity/item of work to be carried out by the contractor, in the tender documents. The contractor was required to submit the mix design for different grades of cement concrete and obtain the approval of the Engineer-in-charge, before execution.

Vadodara Municipal Corporation (VMC) awarded (February 2009 and July 2011) three works⁴⁵ to two agencies at tendered cost (**Appendix-XIX**). The tender condition number 2.19 of Section I – “Conditions of Contract (A) Special conditions of contract and instruction to tenderers” stipulated that the tender format was as per Government of Gujarat B-2 Tender form, the conditions as have been laid down in Government of Gujarat Tender B-2 form, shall be applicable with some revision/modification as per Vadodara Mahanagar Seva Sadan (VMSS) norms/decision. The works were completed in January 2012, April and May 2013.

On scrutiny of records of above works, Audit observed that the contractors had executed 35,945.94 cubic meter of controlled cement concrete RCC work, however, the quantity of cement consumed in these RCC works was less than the standards prescribed by the State Government. Against 1,76,38,514.45 kgs. of cement required to be consumed as per prescribed norms of mix designs, only 1,56,86,690.14 kgs. of cement were consumed by the agencies leading to saving of cement to the extent of 19,51,824.31 kgs.

Audit further observed that the tender form of Government of Gujarat stipulated that if the cement consumption of the mix design was less than the prescribed norms, recovery was to be made as per the input rate of cement. This provision was not incorporated in the tender documents. In absence of suitable provisions, the recovery towards less cement consumption could not be effected. This resulted in avoidable expenditure and concomitant undue favour extended to the agencies to the tune of ₹ 83.93 lakh⁴⁶.

⁴³ The process of selecting suitable ingredients of concrete and determining their relative amounts with the objective of producing a concrete of the required, strength, durability, and workability as economically as possible, is termed the concrete mix design

⁴⁴ 475 kg. cement required for M30 Controlled Cement Concrete (CCC), 500 kg. cement required for M35 CCC and 540 kg. cement required for M45 CCC in respect of bridge works

⁴⁵ M/s. Rajkamal Builders Infrastructure Private Limited, Ahmedabad - Construction of Railway Over Bridge including approaches near Lalbaug and M/s Ranjit Buildcon Limited Ahmedabad - (i) Widening of bridge across Vishwamitri River near Urmi School at Sama and (ii) Construction of Flyover Bridge on 40.0 metre wide ring road at Amitnagar junction

⁴⁶ Input rate of cement was ₹ 4.30 per kg.

The Executive Engineer (JNNURM branch) stated (May 2014) that while approving the mix design the minimum cement consumption mentioned in the tender was strictly followed and the payment to the bidder was made based on the tendered rates, however, the Audit comments are noted for future works.

Audit is of the view that section 456(5) of BMC Act, 1949 provides, any rules made by the corporation which are inconsistent with the rule made by the State Government should be null and void to the extent of inconsistency. In terms of these provisions VMC was required to make necessary provision of recovery in the tender document. This provision was not incorporated in the tender documents and hence resulted in avoidable expenditure and concomitant undue favour extended to the agencies to the tune of ₹ 83.93 lakh.

The matter was reported to the Government (July 2015). Reply is awaited (March 2016).

4.4 Non-utilisation of Government assistance of ₹ 1.43 crore for closure of Vadsar Landfill site.

Tardy action on the part of VMC resulted in non-closure of Vadsar Landfill site scientifically as per the provisions of Municipal Solid Waste Rules, 2000 and non-utilisation of Government assistance of ₹ 1.43 crore.

The Municipal Solid Wastes (Management and Handling) Rules, 2000 provide that post closure care of landfill site would be conducted for at least fifteen years and long term monitoring was to be done to monitor (i) integrity and effectiveness of final cover; (ii) leachate collection; (iii) ground water quality; and (iv) landfill gas collection system. The landfill site was to be considered for human settlement after fifteen years on compliance of gaseous and leachate analysis with the specified standards.

Government of India (GoI) sanctioned (July 2007) a project “efficient management of Municipal Solid Waste (MSW) generated in Vadodara City in an integrated manner complying with the requirements of MSW Rules, 2000” of Vadodara Municipal Corporation (VMC) under Jawaharlal Nehru National Urban Renewal Mission (JNNURM). The project cost was pegged at ₹ 30.99 crore which included a component⁴⁷ “Closure of existing Vadsar landfill/dumpsite” with an estimated cost of ₹ 2.04 crore. As per the appraisal note submitted to GoI by VMC, the closure of Vadsar Landfill site was needed as the operational life of the site had been exhausted and it did not comply with the environmental standards. The work involved covering the site with covering material⁴⁸ and planting vegetation with special provisions on the cover. GoI released (between August 2007 and March 2010) all the four installments of ₹ 15.49 crore which included ₹ 1.02 crore for closure of Vadsar landfill site.

Audit observed that the tender for the work of “Design and Construction of Cover System” of Vadsar landfill site was invited (May 2012) after lapse of five years from the date of sanction of the project. VMC rejected the tender due to receipt of a single bid. Thereafter, tenders were invited twice (February 2013 and April 2013) but they were rejected as the bidders were technically disqualified⁴⁹

⁴⁷ This project was proposed as a component under JNNURM on the sharing basis of fund by Central, State and Local bodies 50:20:30 *per cent* respectively

⁴⁸ Vegetative layer of 450 mm thick with good clay soil, drainage layer of 150 mm thick granular soil material of permeability value of 1×10^{-2} cm/sec, geomembrane layer of 1.5 mm thick HDPE liner with hydraulic conductivity of 7×10^{-15} cm/sec, barrier soil layer of 1000 mm thick compacted soil amended with additives like bentonite to achieve a permeability value of 1×10^{-7} cm/sec and gas venting layer of 300 mm thick granular soil material of permeability value of 1×10^{-2} cm/sec.

⁴⁹ One bidder was Class-A registered contractor instead of Class-AA registered contractor as required and second bidder had submitted the price bid in the technical bid document itself

and the offer received from a single bidder was very high. VMC finally decided to drop the project of closure of Vadsar Landfill site stating that the site was already covered. Thus, the landfill site was not closed scientifically as per the provisions of MSW Rules, 2000 which could be hazardous for the nearby area as the leachate and gas/odour released from the waste could contaminate the ground water and also pollute the environment.

During joint (June 2015) field visit of the site, Audit observed that the site, on the bank of Vishwamitri River, has slums adjoining the site and wastes are still being dumped as shown in the **Pictures 1 and 2** below –



Picture 1: Waste being dumped at the Vadsar Landfill Site



Picture 2 : Vadsar Landfill Site on the bank of Vishwamitri River and slums in the adjoining area

The above pictures show that the landfill site was not closed scientifically, properly protected and monitored by the VMC. No actions have been taken to control methane gas and leachate generation, prevent further dumping of waste, plantation on the site, *etc.* The place is also uninhabitable for the slum dwellers residing nearby. Thus, tardy action on the part of VMC resulted in non-completion of closure of Vadsar Landfill site scientifically and non-utilisation of Government assistance to the tune of ₹ 1.43 crore⁵⁰.

⁵⁰ ₹1.02 crore Central grant and ₹ 0.41 crore State grant

VMC stated (May 2014) that as the site was already covered and did not contain any waste, scientific closure was not required, and the dumping of waste was strictly restricted. The reply lacks force as VMC had invited tender thrice (rejecting though every time) for “Design and Construction of Cover System” of Vadsar Landfill site. Further Gujarat Pollution Control Board issued notices (from June 2008 to November 2011) to VMC to stop dumping of MSW at the Vadsar dumping site after receiving of numbers of complains regarding nuisance of air pollution, foul odour and mosquito breeding due to unclosed dumping site. The photograph of the site also belies the claim that the site is already covered. Audit is of the view that the site may be closed scientifically to comply with the environmental standard as per MSW guidelines, restrict the dumping of the waste and arrange for alternate residence for slum dwellers to prevent occurrence of health related problems to the poor slum dwellers.

The matter was reported to the Government (July 2015). Reply is awaited (March 2016).



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APPENDICES

APPENDIX – I

Statement showing status of devolution of functions to Panchayati Raj Institutions

(Reference : Paragraph 1.3; Page 3)

Sr. No.	Functions as per 11 th Schedule of the Constitution	Status
1	Agriculture, including Agriculture Extension	Fully devolved
2	Minor Irrigation	Fully devolved
3	Animal husbandry	Fully devolved
4	Rural Housing	Fully devolved
5	Drinking water – water distribution	Fully devolved
6	Roads, culverts, bridges, ferries, waterways	Fully devolved
7	Fuel (Energy) and fodder	Fully devolved
8	Minor forest projects	Fully devolved
9	Poverty alleviation programmes	Fully devolved
10	Fair and markets	Fully devolved
11	Health and sanitation, including PHCs dispensaries	Fully devolved
12	Family welfare	Fully devolved
13	Women and child development	Fully devolved
14	Welfare of weaker sections particularly of the SCs and STs	Fully devolved
15	Primary and Secondary Education	Partially devolved
16	Adult and non-formal education	Partially devolved
17	Cultural activities	Partially devolved
18	Social welfare, including welfare of handicapped and mentally retarded	Partially devolved
19	Maintenance of community assets	Partially devolved
20	Land improvement, implementation of land reforms	Yet to be devolved
21	Fisheries	Yet to be devolved
22	Social forestry and farm forestry	Yet to be devolved
23	Small scale industry	Yet to be devolved
24	Khadi, village and cottage industries	Yet to be devolved
25	Rural electrification including distribution of electricity	Yet to be devolved
26	Non-conventional source of energy	Yet to be devolved
27	Technical training and vocational education	Yet to be devolved
28	Libraries	Yet to be devolved
29	Public distribution system	Yet to be devolved

APPENDIX – II

Funds received and expenditure incurred in test-checked districts

(Reference: Paragraph 2.1.3.1; Page 18)

(₹ in crore)

Year	District	Thirteenth Finance Commission			Samras Yojana			MPLADS		
		Funds received	Expenditure	Percentage of utilisation	Funds received	Expenditure	Percentage of utilisation	Funds received	Expenditure	Percentage of utilisation
2010-11	Amreli	1.56	1.55	99	0	0	0	0	0	0
	Dahod	1.60	1.60	100	0	0	0	0	0	0
	Gandhinagar	0.43	0.41	97	0	0	0	0	0	0
	Junagadh	3.04	3.24	107	0	0	0	0	0	0
	Navsari	0.19	0.19	100	0	0	0	0	0	0
	Banaskantha	0.96	0.96	100	0	0	0	0	0	0
	Panchmahal	0.06	0.06	100	0	0	0	0	0	0
	Valsad	0.81	0.74	91	0	0	0	0	0	0
2011-12	Amreli	2.13	2.13	100	0	0	0	2.87	2.87	100
	Dahod	0.90	0.88	99	0	0	0	0	0	0
	Gandhinagar	0.65	0.63	97	0	0	0	0	0	0
	Junagadh	4.79	4.40	92	0	0	0	0	0	0
	Navsari	0.40	0.40	100	0	0	0	0	0	0
	Banaskantha	2.60	2.56	98	0	0	0	0	0	0
	Panchmahal	0.49	0.49	100	0	0	0	0	0	0
	Valsad	2.08	2.00	96	0	0	0	0	0	0
2012-13	Amreli	2.26	0.90	40	0.02	0.02	100	1.00	1.00	100
	Dahod	0.48	0.33	69	0	0	0	0	0	0
	Gandhinagar	1.18	1.04	89	0	0	0	0	0	0
	Junagadh	5.84	5.77	99	0	0	0	0.05	0.05	100
	Navsari	1.0	1.0	100	0	0	0	0.02	0.02	100
	Banaskantha	2.38	2.38	100	0	0	0	0	0	0
	Panchmahal	0.75	0.75	100	0	0	0	0	0	0
	Valsad	5.16	5.06	98	0	0	0	0	0	0
2013-14	Amreli	2.58	0.43	17	1.59	1.59	100	0	0	0
	Dahod	0.82	0.51	62	0.12	0.12	100	0	0	0
	Gandhinagar	0.55	0.28	51	0.72	0.72	100	0	0	0
	Junagadh	5.97	5.80	97	1.50	1.50	100	0	0	0
	Navsari	2.83	2.83	100	0.33	0.33	100	0	0	0
	Banaskantha	0.51	0.51	100	0.57	0.15	26	0	0	0
	Panchmahal	0.65	0.65	100	0.15	0.15	100	0	0	0
	Valsad	5.81	5.63	97	0.15	0.15	100	0	0	0
2014-15	Amreli	2.53	0.00	0	0.69	0.69	100	0	0	0
	Dahod	0.88	0.12	13	0	0	0	0	0	0
	Gandhinagar	0.00	0.00	0	0	0	0	0	0	0
	Junagadh	9.39	3.41	36	0	0	0	0	0	0
	Navsari	1.84	0.00	0	0	0	0	0	0	0
	Banaskantha	0.46	0.46	100	0	0	0	0	0	0
	Panchmahal	0.26	0.18	71	0	0	0	0	0	0
	Valsad	2.56	2.16	85	0	0	0	0	0	0
Total		79.38	62.44		5.84	5.42		3.94	3.94	

APPENDIX - III

Physical Achievement of installation of SPV SLSs by test-checked districts

(Reference: Paragraph 2.1.3.1 and 2.1.4.1; Page 18 and 21)

Year	District	Thirteenth Finance Commission			Samras Yojana			MPLADSs		
		Works planned	Works completed	Percentage of completed works	Works planned	Works completed	Percentage of completed works	Works planned	Works completed	Percentage of completed works
2010-11	Amreli	226	226	100	0	0	0	0	0	0
	Dahod	532	533	100	0	0	0	0	0	0
	Gandhinagar	84	85	101	0	0	0	0	0	0
	Junagadh	580	606	104	0	0	0	0	0	0
	Navsari	10	10	100	0	0	0	0	0	0
	Banaskantha	150	150	100	0	0	0	0	0	0
	Panchmahal	22	22	100	0	0	0	0	0	0
	Valsad	125	122	98	0	0	0	0	0	0
2011-12	Amreli	226	226	100	0	0	0	1,250	1,250	100
	Dahod	532	533	100	0	0	0	0	0	0
	Gandhinagar	84	85	101	0	0	0	0	0	0
	Junagadh	580	606	104	0	0	0	0	0	0
	Navsari	10	10	100	0	0	0	0	0	0
	Banaskantha	150	150	100	0	0	0	0	0	0
	Panchmahal	22	22	100	0	0	0	0	0	0
	Valsad	125	122	98	0	0	0	0	0	0
2012-13	Amreli	260	167	64	0	0	0	435	435	100
	Dahod	171	143	84	0	0	0	0	0	0
	Gandhinagar	200	182	91	0	0	0	0	0	0
	Junagadh	808	831	103	0	0	0	21	21	100
	Navsari	73	73	100	0	0	0	9	9	100
	Banaskantha	519	519	100	0	0	0	0	0	0
	Panchmahal	166	166	100	0	0	0	0	0	0
	Valsad	2,022	2,003	99	0	0	0	0	0	0
2013-14	Amreli	282	90	32	656	656	100	0	0	0
	Dahod	324	208	64	48	48	100	0	0	0
	Gandhinagar	96	45	47	288	288	100	0	0	0
	Junagadh	796	587	74	60	60	100	0	0	0
	Navsari	235	235	100	132	132	100	0	0	0
	Banaskantha	67	67	100	235	65	28	0	0	0
	Panchmahal	172	172	100	60	60	100	0	0	0
	Valsad	2,382	2,375	100	60	60	100	0	0	0
2014-15	Amreli	170	0	0	276	276	100	0	0	0
	Dahod	352	47	13	0	0	0	0	0	0
	Gandhinagar	0	0	0	0	0	0	0	0	0
	Junagadh	858	320	37	0	0	0	0	0	0
	Navsari	0	0	0	0	0	0	0	0	0
	Banaskantha	52	52	100	0	0	0	0	0	0
	Panchmahal	90	65	72	0	0	0	0	0	0
	Valsad	1,042	947	91	0	0	0	0	0	0
Total		14,595	12,802		1,815	1,645		1,715	1,715	

APPENDIX - IV

Purchase of SPV SLSs from suppliers of sand, stone, cement, etc. in test-checked GPs

(Reference: Paragraph 2.1.4.2; Page 22)

Sr. No.	Districts	Talukas	GPs	Number of SPV SLSs purchased	Amount (in ₹)
1	Dahod	Garbada	Abhlod	10	2,53,800
2			Gungardi	2	46,200
3			Boriyala	3	50,000
4			Zaribuzarg	21	5,14,144
5			Gangardi	4	92,400
6		Fatepura	Hingla	4	1,00,000
7			Sagadapada	23	5,76,920
8			Ghanikhunt	6	1,49,650
9			Patisara	12	2,94,880
10	Panchmahal	Morva (Hadaf)	Rajayata	25	7,50,000
11		Santrampur	Shanbar	2	60,000
12			Ranela	2	60,000
13			Vakadi	1	30,000
14			Doli	2	60,000
15			Bhandara	3	90,000
16	Banaskantha	Vadgam	Anderana	10	2,25,000
17			Bavalchudi	4	96,000
18	Navsari	Chikhali	Alipore	8	1,73,360
19			Khambhada	2	42,680
Total				144	36,65,034

APPENDIX - V

Statement showing SPV SLSs purchased with batteries of lower specification in test-checked GPs

(Reference: Paragraph 2.1.4.2; Page 23)

(Amount in ₹)

Sr. No.	Districts	Talukas	GPs	Number of SPV SLS installed	Cost per unit	Number of SLSs with lower specification of battery (between 28Ah to 70 Ah)	Cost of SLSs installed with lower specification
1	Amreli	Rajula	Amuli	12	24,738	12	2,96,856
2			Bhaxi	5	24,800	5	1,24,000
3			Jholapar	12	24,738	12	2,96,856
4	Banaskantha	Dhanera	Valer	27	23,577	5	1,17,883
5	Dahod	Fatepura	Sagadapada	3	30,000	3	90,000
6		Garbada	Abhlod	13	25,062	13	3,25,800
7			Boriyala	13	24,154	13	3,14,000
8			Gungardi	2	23,100	2	46,200
9			Zaribuzarg	25	24,262	25	6,06,560
10	Gandhinagar	Mansa	Chadasana	17	23,577	17	4,00,815
11			Galthara	2	24,497	2	48,993
12			Parsa	6	24,663	6	1,47,976
13			Ridrol	6	24,799	6	1,48,794
14	Panchmahal	Santrampur	Ranela	2	30,000	2	60,000
15			Shanbar	2	30,000	2	60,000
16			Vankadi	1	30,000	1	30,000
17			Bhandara	3	30,000	3	90,000
18			Doli	2	30,000	2	60,000
19		Morva (Hadaf)	Morva (Hadaf)	5	25,000	5	1,25,000
20		Vadodar	3	30,000	3	90,000	
21	Junagadh	Keshod	Khamidana	6	25,000	6	1,50,000
22			Magharwada	12	25,000	12	3,00,000
23			Moti Ghansari	14	25,000	14	3,50,000
24			Movana	19	25,000	19	4,75,000
25		Una	Naliyeri moli	20	24,146	9	2,17,314
26			Nava Bandar	35	24,193	10	2,41,930
27			Sonpura	14	24,214	12	2,90,568
28			Yajpur	18	24,720	3	74,158
29	Navsari	Chikhali	Alipore	28	21,811	4	87,245
30			Khambhada	6	21,560	2	43,120
31			Khundh	39	22,000	13	2,86,000
32		Thala	9	21,707	4	86,827	
33		Gandevi	Dhanori	20	22,000	6	1,32,000
34	Valsad	Umargaon	Dehri	79	22,995	25	5,74,873
35			Fansa	94	22,984	10	2,29,836
36			Kalai	28	21,844	9	1,96,594
37		Valsad	Atul	36	22,860	25	5,71,500
Total				638	9,24,001	322	77,86,698

APPENDIX – VI

SPV SLSs purchased without warranty and with only one year warranty for battery in test-checked GPs

(Reference: Paragraph 2.1.4.2; Page 23)

(Amount in ₹)

Sr. No.	Districts	Talukas	GPs	Number of SLSs installed	Cost of each SLS	Number of SLS without warranty of batteries	Total cost of SLSs without warranty	Number of SLSs with one year warranty for batteries	Total cost of SLSs installed with one year warranty batteries
1.	Amreli	Rajula	Balapar	10	29,400	0	0	10	2,94,000
2.			Bhaxi	5	24,800	5	1,24,000	0	0
3.			Chanch	21	24,990	10	2,49,900	11	2,74,890
4.			Jholapar	12	24,738	0	0	12	2,96,856
5.		Savarkundla	Charkhadiya	15	23,231	0	0	2	46,463
6.			Luvara	17	24,877	2	49,754	0	0
7.			Mota Bhamodra	21	23,865	0	0	21	5,01,170
8.			Nalkedaria	6	25,233	0	0	6	1,51,400
9.	Banaskantha	Dhanera	Runi	25	23,076	25	5,76,890	0	0
10.			Dhakha	14	23,050	9	2,07,447	5	1,15,248
11.		Vadgam	Valer	27	23,577	11	2,59,343	0	0
12.			Mepda	2	23,000	0	0	2	46,000
13.			Vesa	19	23,000	0	0	19	4,37,000
14.			Adarana	5	23,000	1	23,000	4	92,000
15.			Bavalchudi	4	24,000	4	96,000	0	0
16.			Dahod	Fatepura	Ghanikhunt	6	24,942	6	1,49,650
17.	Hingla	4			25,000	4	1,00,000	0	0
18.	Karmel	4			23,100	4	92,400	0	0
19.	Patisara	12			24,573	12	2,94,880	0	0
20.	Sagadapada	23			25,083	23	5,76,917	0	0
21.	Garbada	Gungardi		2	23,100	2	46,200	0	0
22.		Abhlod		13	25,062	13	3,25,800	0	0
23.		Boriyala		13	24,154	13	3,14,000	0	0
24.		Gangardi		6	24,350	6	1,46,100	0	0
25.	Zaribuzarg	25	24,262	25	6,06,560	0	0		
26.	Gandhinagar	Dehgam	Jindva	14	23,000	14	3,22,000	0	0
27.			Bariya	5	22,850	5	1,14,250	0	0
28.		Mansa	Galthara	2	24,497	2	48,993	0	0
29.			Chadasana	17	23,577	10	2,35,774	0	0

Sr. No.	Districts	Talukas	GPs	Number of SLSs installed	Cost of each SLS	Number of SLS without warranty of batteries	Total cost of SLSs without warranty	Number of SLSs with one year warranty for batteries	Total cost of SLSs installed with one year warranty batteries	
30.	Panchmahal	Morva (Hadaf)	Rajayata	25	30,000	25	7,50,000	0	0	
31.		Santrampur	Doli	2	30,000	2	60,000	0	0	
32.			Ranela	2	30,000	2	60,000	0	0	
33.			Vankadi	1	30,000	1	30,000	0	0	
34.			Bhandara	3	30,000	3	90,000	0	0	
35.			Shanbar	2	30,000	2	60,000	0	0	
36.	Junagadh	Keshod	Khamidana	6	25,000	0	0	6	1,50,000	
37.			Agatrai	12	25,000	0	0	12	3,00,000	
38.			Magharwada	12	25,000	0	0	12	3,00,000	
39.			Moti Ghansari	14	25,000	0	0	14	3,50,000	
40.			Movana	19	25,000	0	0	19	4,75,000	
41.		Una	Sonpura	14	24,214	2	48,428	0	0	
42.			Manekpur	27	24,192	19	4,59,652	0	0	
43.			Naliyeri moli	20	24,146	11	2,65,606	4	96,584	
44.			Nava Bandar	35	24,193	35	8,46,755	0	0	
45.			Yajpur	18	24,720	15	3,70,793	0	0	
46.	Navsari	Chikhali	Alipore	28	21,811	28	6,10,720	0	0	
47.			Chikhli	15	22,000	15	3,30,000	0	0	
48.			Khambhada	6	21,560	4	86,240	0	0	
49.			Khundh	39	22,000	39	8,58,000	0	0	
50.			Thala	9	21,707	9	1,95,360	0	0	
51.		Gandevi	Gadat	5	24,000	0	0	5	1,20,000	
52.			Mendhar	13	23,077	0	0	13	3,00,001	
53.			Ponsari	13	23,077	0	0	13	3,00,001	
54.		Valsad	Umargam	Dehri	79	22,995	54	12,41,727	0	0
55.				Govada	22	21,852	22	4,80,744	0	0
56.	Kalai			28	21,844	28	6,11,625	0	0	
57.	Nargol			7	22,660	0	0	7	1,58,619	
58.	Valsad		Magod Dungri	9	22,860	0	0	9	2,05,740	
59.			Segavi	15	22,860	15	3,42,900	0	0	
60.			Atul	36	22,860	11	2,51,460	0	0	
61.			Kundi	11	23,924	11	2,63,160	0	0	
62.			Magod	14	22,860	14	3,20,040	0	0	
Total						573	1,35,93,068	206	50,10,972	

APPENDIX – VII

Statement showing the excess payment made in purchase of SPV SLSs in test-checked GPs

(Reference: Paragraph 2.1.4.2; Page 23)

(Amount in ₹)

Sr. No.	District	Talukas	GPs	Number of SLSs installed	Cost per unit	Rate as per DGS&D	Difference (Column 6-7)	Total Excess Payment
1	2	3	4	5	6	7	8	9
1	Amreli	Rajula	Bhaxi	5	24,800	23,104	1,696	8,480
2			Chanch	21	24,990	23,104	1,886	39,606
3			Jholapar	12	24,738	23,104	1,634	19,608
4			Amuli	12	24,738	23,104	1,634	19,608
5			Balapar	10	29,400	23,104	6,296	62,960
6		Savarkundla	Nalkedaria	6	25,233	23,104	2,129	12,774
7			Charkhadiya	2	25,450	23,104	2,346	4,692
8			Mota Bhamodra	8	25,450	23,104	2,346	18,768
9			Luvara	17	25,017	23,104	1,913	32,521
10	Banaskantha	Dhanera	Valer	5	24,500	23,104	1,396	6,980
11			Dhakha	3	25,000	23,104	1,896	5,688
12			Rampura mota	2	25,000	23,104	1,896	3,792
13			Runi	14	24,790	23,104	1,686	23,604
14	Dahod	Fatepura	Hingla	4	25,000	23,104	1,896	7,584
15			Ghanikhunt	5	25,281	23,104	2,177	10,885
16			Patisara	7	25,516	23,104	2,412	16,884
17			Sagadapada	23	25,052	23,104	1,948	44,804
18		Garbada	Boriyala	2	25,000	23,104	1,896	3,792
19	Gandhinagar	Mansa	Parasa	4	24,745	23,104	1,641	6,564
20			Ridrol	3	25,100	23,104	1,996	5,988
21			Chadasana	5	24,623	23,104	1,519	7,595
22			Kuvadra	2	25,100	23,104	1,996	3,992
23	Panchmahal	Morva (Hadaf)	Sagvada	3	30,000	23,104	6,896	20,688
24			Morva (Hadaf)	5	25,000	23,104	1,896	9,480
25			Rajayata	25	30,000	23,104	6,896	1,72,400
26			Naglod	2	29,900	23,104	6,796	13,592
27			Vadodar	3	30,000	23,104	6,896	20,688
28		Santrampur	Ranela	2	30,000	23,104	6,896	13,792
29			Bhandara	3	30,000	23,104	6,896	20,688
30			Vankadi	1	30,000	23,104	6,896	6,896
31			Shanbar	2	30,000	23,104	6,896	13,792
32			Doli	2	30,000	23,104	6,896	13,792
33	Junagadh	Keshod	Movana	19	25,000	23,104	1,896	36,024
34			Khamidana	6	25,000	23,104	1,896	11,376
35			Moti Ghansari	14	25,000	23,104	1,896	26,544
36			Agatrai	12	25,000	23,104	1,896	22,752
37			Magharwada	12	25,000	23,104	1,896	22,752
38	Una	Yajpur	12	25,000	23,104	1,896	22,752	
39	Valsad	Valsad	Kundi	5	25,200	23,104	2,096	10,480
Total				300				8,25,657

APPENDIX – VIII
Statement showing the expenditure incurred under core activities by UNNATI

(Reference: Paragraph 2.2.4.3; Page 33)

Code	Activity	2012-14				2014-15				2012-15			
		Budget	Expendi- ture	Savings	Percentage of expendi- ture	Budget	Expendi- ture	Savings	Percentage of expendi- ture	Total Budget	Total expendi- ture	Savings	Percentage of expendi- ture
		(₹)	(₹)	(₹)	(%)	(₹)	(₹)	(₹)	(%)	(₹)	(₹)	(₹)	(%)
1	State wide Two Rounds of SA Campaign	7,98,000	5,03,871	2,94,129	63	6,30,000	1,91,579	4,38,421	30	14,28,000	6,95,450	7,32,550	49
2	Facilitation of ODOP Process	6,67,000	2,67,767	3,99,233	40	4,18,000	1,25,508	2,92,492	30	10,85,000	3,93,275	6,91,725	36
3	Capacity Building of DLMs, Ombudsman, DDPCs and APOs	4,55,000	2,88,789	1,66,211	63	75,000	14,670	60,330	20	5,30,000	3,03,459	2,26,541	57
4	Concurrent Verification by the DLMs and Special Social Audits	21,88,000	16,51,462	5,36,538	75	10,36,000	7,25,813	3,10,187	70	32,24,000	23,77,275	8,46,725	74
5	Toll Free Help Line	2,52,000	1,49,955	1,02,045	60	1,50,000	72,363	77,637	48	4,02,000	2,22,318	1,79,682	55
6	Design and Production of Material	2,40,000	1,50,986	89,014	63	1,00,000	0.00	1,00,000	0	3,40,000	1,50,986	1,89,014	44
7	Coordination, Monitoring and Review	7,02,000	3,29,924	3,72,076	47	4,44,000	1,65,681	2,78,319	37	11,46,000	4,95,605	6,50,395	43
8	Salary	1,15,96,000	94,60,206	21,35,794	82	54,84,000	51,32,859	3,51,141	94	1,70,80,000	1,45,93,065	24,86,935	85
9	Management Cost	15,12,000	14,99,489	12,511	99	7,70,000	7,41,933	28,067	96	22,82,000	22,41,422	40,578	98
10	Overhead	14,60,000	12,88,806	1,71,194	88	6,00,000	5,15,777	84,223	86	20,60,000	18,04,583	2,55,417	88
	Total	1,98,70,000	1,55,91,255	42,78,745	78	97,07,000	76,86,183	20,20,817	79	2,95,77,000	2,32,77,438	62,99,562	79

APPENDIX – IX

Statement showing details of TRGs allotted with more than 10 GPs and appointed for more than two years term in test-checked Talukas

(Reference: Paragraph 2.2.5.3; Page 34)

Sr. No.	Name of Taluka	Number of GPs in the Taluka	Number of TRGs identified	Remarks
1.	Barwala	26	3	The term of TRG was more than 2 years.
2.	Mandal	36	6	
3.	Khambha	57	6	
4.	Kunkavav	45	5	The term of TRG was more than 2 years.
5.	Petlad	57	7	
6.	Amirgadh	30	6	The term of TRG was more than 2 years.
7.	Ankleshwar	59	5	The term of TRG was more than 2 years.
8.	Bharuch	94	9	The term of nine TRG was more than 2 years.
9.	Valia	95	8 (2012-13) 5 (2013-15)	During 2012-13, one TRG was allotted 12 GPs and during 2013-15, five TRG were allotted 18 to 20 GPs.
10.	Gadhada	74	Not identified	
11.	Wagai	24	10 (2012-13) 16 (2013-15)	
12.	Garbada	37	8	The term of TRG was more than 2 years.
13.	Mansa	66	7 (2012-13) 8 (2013-14) 10 (2014-15)	
14.	Jamnagar	101	12 (2012-13) 22 (2013-14) 17 (2014-15)	
15.	Malia Hatina	64	8	The term of TRG was more than 2 years.
16.	Patan Veraval	56	6	The term of TRG was more than 2 years.
17.	Una	135	13 (2012-13) 12 (2013-14) 18 (2014-15)	
18.	Kapadwanj	95	12	The term of TRG was more than 2 years.
19.	Kathlal	54	7	The term of TRG was more than 2 years.
20.	Matar	53	6	The term of TRG was more than 2 years and one TRG was allotted 11GPs.
21.	Mehmedabad	65	9	The term of TRG was more than 2 years.
22.	Kadi	120	10	The term of TRG was more than 2 years.
23.	Satlasna	37	5 (2012-13) 7 (2012-15)	
24.	Visnagar	65	7	The term of TRG was more than 2 years.
25.	Godhra	98	6 & 9 (2012-13) 9 (2013-14) 8 (2014-15)	The term of TRG was more than 2 years and TRG were allotted 11 GPs.
26.	Kadana	41	5	The term of TRG was more than 2 years.
27.	Lunawada	107	13	The term of TRG was more than 2 years. Out of 13 TRG, 2 TRG were allotted 11 to 12 GPs.

Sr. No.	Name of Taluka	Number of GPs in the Taluka	Number of TRGs identified	Remarks
28.	Morvahadaf	49	7	The term of TRG was more than 2 years.
29.	Santrampur	73	7	The term of TRG was more than 2 years. Out of 7 TRG, 4 were allotted 11 GPs.
30.	Chanasma	60	7 (2012-13) 5 (2013-15)	The term of TRG was more than 2 years.
31.	Patan	139	18 (2012-14) 16 (2014-15)	
32.	Jasdan	101	13(2012-13), 12 (2013-14)	The term of TRG was more than 2 years.
33.	Bhiloda	78	7	
34.	Himatnagar	85	6	The term of TRG was more than 2 years and TRG were allotted 13 to 17 GPs.
35.	Meghraj	46	5	The term of TRG was more than 2 years.
36.	Prantij	56	5	The term of TRG was more than 2 years and one TRG allotted 11 GPs.
37.	Bardoli	76	8	
38.	Mahuva	62	6	The term of TRG was more than 2 years.
39.	Songadh	73	8 (2012-13) 7 (2013-15)	The term of TRG was more than 2 years.
40.	Valod	35	7	The term of TRG was more than 2 years.
41.	Dharampur	63	7	The term of TRG was more than 2 years.
42.	Vyara	110	18	The term of TRG was more than 2 years.
43.	Kaprada	91	10	The term of TRG was more than 2 years.
44.	Pardi	76	8	The term of TRG was more than 2 years and two TRGs were allotted 11 GPs and one TRG was allotted 12 GPs.
45.	Umergaon	51	3	The term of TRG was more than 2 years and three TRG were allotted 17 to 19 GPs.
46.	Daskroi	61	7	During 2012-14, one TRG was allotted more than 10 GPs and during 2014-15, TRG were not identified.
47.	Bavla	41	6	The term of TRG was more than 2 years and two TRG were allotted 11 to 12 GPs.
48.	Gandhinagar	73	11	The term of TRG was more than 2 years.
49.	Dehgam	93	7 (2012-13) 11 (2013-15)	
50.	Kamrej	59	5	
51.	Chourasi	41	2	The term of TRG was more than 2 years.
52.	Rajkot	84	13	The term of TRG was more than 2 years.
53.	Lodhika	37	3	The term of TRG was more than 2 years.
No. of Talukas where the term of TRG was more than two years				37 (70%)
No. of Talukas where TRG were allotted more than 10 GPs				11 (21%)
No. of Talukas where TRG were not identified				Gadhada (2012-15) and Daskroi (2014-15)

APPENDIX - X

**Statement showing the name of talukas where SA reports were not available
(Reference: Paragraph 2.2.7.1; Page 39)**

Sr. No.	Name of the Gram Panchayat	Name of Taluka Panchayat	Name of District	2012-13		2013-14		2014-15	
				1st GS	2nd GS	1st GS	2nd GS	1st GS	2nd GS
SA Report available in GPs									
1.	Ranpari	Barwala	Ahmedabad	Y	Y	Y	Y	Y	Y
2.	Khajuri	Kunkavav	Amreli	Y	Y	Y	Y	Y	Y
3.	Morad	Petlad	Anand	Y	Y	Y	Y	Y	Y
4.	Khemarajiya	Amirgadh	Banaskantha	Y	Y	Y	Y	Y	Y
5.	Boidara	Ankleshwar	Bharuch	Y	Y	Y	Y	Y	Y
6.	Lakroda	Mansa	Gandhinagar	Y	Y	Y	Y	Y	Y
7.	Mokhana	Jamnagar	Jamnagar	Y	Y	Y	Y	Y	Y
8.	Naranpur	Jamnagar	Jamnagar	Y	Y	Y	Y	Y	Y
9.	Bhankharvad	Malia	Junagadh	Y	Y	Y	Y	Y	Y
10.	Mahobatpara	Una	Junagadh	Y	Y	Y	Y	Y	Y
11.	Antisar	Kapadwanj	Kheda	Y	Y	Y	Y	Y	Y
12.	Navapura	Kadi	Mehsana	Y	Y	Y	Y	Y	Y
13.	Vasai-Jashpuria	Satlasna	Mehsana	Y	Y	Y	Y	Y	Y
14.	Kajialiyasana	Visnagar	Mehsana	Y	Y	Y	Y	Y	Y
15.	Paldi	Visnagar	Mehsana	Y	Y	Y	Y	Y	Y
16.	Movasa	Santrampur	Panchmahal	Y	Y	Y	Y	Y	Y
17.	Navalpur	Himatnagar	Sabarkantha	Y	Y	Y	Y	Y	Y
SA Reports not available in any of the year									
1.	Junavadar	Gadhada	Bhavnagar	NA	NA	NA	NA	NA	NA
2.	Chamoda	Patan Veraval	Junagadh	NA	NA	NA	NA	NA	NA
3.	Vankaner	Bhiloda	Sabarkantha	NA	NA	NA	NA	NA	NA
4.	Gamdi	Daskroi	Ahmedabad	NA	NA	NA	NA	NA	NA
5.	Devadi	Daskroi	Ahmedabad	NA	NA	NA	NA	NA	NA
6.	Chavljaj Govin dada	Daskroi	Ahmedabad	NA	NA	NA	NA	NA	NA
7.	Naz	Daskroi	Ahmedabad	NA	NA	NA	NA	NA	NA
SA Reports not available either first phase or second phase									
1.	Kadvasan	Mandal	Ahmedabad	Y	Y	Y	NA	Y	Y
2.	Rugnathpur	Khambha	Amreli	Y	Y	Y	Y	Y	Y
3.	Tantaniya	Khambha	Amreli	NA	Y	NA	Y	Y	Y
4.	Dabhali	Bharuch	Bharuch	Y	Y	Y	Y	NA	NA
5.	Pansoli	Valia	Bharuch	NA	NA	NA	NA	Y	Y
6.	Daguniya	Wagai	Dang	NA	Y	Y	NA	NA	NA
7.	Nalwai	Garbada	Dahod	Y	Y	NA	Y	Y	Y
8.	Bagdol	Kathlal	Kheda	NA	NA	Y	NA	NA	Y
9.	Ashmali	Matar	Kheda	Y	NA	NA	Y	NA	Y
10.	Veroja	Matar	Kheda	NA	Y	NA	Y	Y	NA
11.	Aklacha	Mehmedabad	Kheda	Y	NA	Y	NA	Y	NA
12.	Dhanitra	Godhra	Panchmahal	NA	NA	Y	Y	Y	Y
13.	Kaliyavav	Godhra	Panchmahal	NA	NA	Y	Y	Y	Y
14.	Limbola	Kadana	Panchmahal	NA	NA	Y	Y	Y	Y

Sr. No.	Name of the Gram Panchayat	Name of Taluka Panchayat	Name of District	2012-13		2013-14		2014-15	
				1st GS	2nd GS	1st GS	2nd GS	1st GS	2nd GS
15.	Hadmatiya	Lunawada	Panchmahal	NA	NA	NA	NA	Y	Y
16.	Rasulpur	Morvahadaf	Panchmahal	NA	NA	NA	Y	Y	Y
17.	Pimpal	Chanasma	Patan	NA	Y	Y	Y	Y	Y
18.	Hanumanpura	Patan	Patan	NA	NA	Y	NA	Y	Y
19.	Kalasar	Jasdan	Rajkot	Y	NA	NA	Y	NA	Y
20.	Bhemapur	Meghraj	Sabarkantha	NA	NA	NA	Y	NA	NA
21.	Aminpur	Prantij	Sabarkantha	NA	Y	Y	Y	NA	NA
22.	Bhuvasan	Bardoli	Surat	NA	NA	NA	NA	NA	Y
23.	Umara	Mahuva	Surat	NA	NA	NA	NA	Y	NA
24.	Saddun	Songadh	Tapi	NA	Y	NA	Y	Y	Y
25.	Dadaria	Valod	Tapi	NA	NA	NA	NA	Y	Y
26.	Tadkuva	Vyara	Tapi	NA	NA	NA	NA	Y	NA
27.	Titu Khadak	Dharampur	Valsad	NA	Y	Y	NA	Y	Y
28.	Ambheti	Kaprada	Valsad	NA	NA	NA	Y	Y	Y
29.	Parvasa	Pardi	Valsad	Y	NA	NA	NA	Y	Y
30.	Eklahare	Umergaon	Valsad	NA	Y	Y	NA	Y	NA
31.	Keshardi	Bavla	Ahmedabad	Y	Y	Y	NA	Y	NA
32.	Ranesan	Bavla	Ahmedabad	Y	NA	Y	NA	NA	NA
33.	Salajada	Bavla	Ahmedabad	Y	Y	NA	NA	Y	NA
34.	Lagdana	Bavla	Ahmedabad	Y	Y	Y	NA	Y	Y
35.	Vavol	Gandhinagar	Gandhinagar	NA	Y	NA	NA	Y	NA
36.	Alampur	Gandhinagar	Gandhinagar	NA	NA	NA	NA	Y	NA
37.	Unava	Gandhinagar	Gandhinagar	NA	NA	NA	NA	Y	NA
38.	Ahmedpura	Dehgam	Gandhinagar	NA	NA	NA	NA	NA	Y
39.	Ramnagar	Dehgam	Gandhinagar	NA	NA	NA	NA	NA	Y
40.	Kanipur	Dehgam	Gandhinagar	NA	NA	NA	NA	NA	Y
41.	Mosampur	Dehgam	Gandhinagar	NA	NA	NA	NA	NA	Y
42.	Segva	Kamrej	Surat	Y	Y	Y	NA	NA	Y
43.	Simadi	Kamrej	Surat	Y	Y	Y	NA	NA	Y
44.	Haldhara	Kamrej	Surat	Y	Y	Y	NA	NA	Y
45.	Chikhali	Kamrej	Surat	Y	Y	Y	NA	Y	Y
46.	Samrod	Chourasi	Surat	Y	Y	NA	NA	Y	Y
47.	Bhatiya	Chourasi	Surat	NA	NA	Y	NA	Y	Y
48.	Damka	Chourasi	Surat	NA	Y	NA	NA	NA	Y
49.	Khambhasala	Chourasi	Surat	Y	Y	Y	NA	Y	Y
50.	Dhamalpur	Rajkot	Rajkot	NA	NA	NA	NA	Y	Y
51.	Bedala	Rajkot	Rajkot	NA	NA	Y	Y	Y	Y
52.	Pipaliya	Rajkot	Rajkot	NA	NA	NA	Y	Y	NA
53.	Deroi	Rajkot	Rajkot	NA	NA	Y	NA	Y	Y
54.	Devala	Lodhika	Rajkot	NA	Y	NA	Y	Y	NA
55.	Rataiya	Lodhika	Rajkot	NA	Y	Y	Y	Y	NA
56.	Vajdi (VAD)	Lodhika	Rajkot	NA	Y	Y	Y	Y	NA
SA Reports available				35	43	44	38	56	54
SA Reports not available				45	37	36	42	24	26

Note:- Y-SA Reports available, NA-SA Reports not available

APPENDIX - XI

**Statement showing the details of GPs where SA Gram Sabha (GS) was not attended by TRG
(Reference: Paragraph 2.2.7.3; Page 40)**

Sr. No.	Name of the Gram Panchayat	Name of Taluka Panchayat	Name of District	2012-13		2013-14		2014-15	
				1st GS	2nd GS	1st GS	2nd GS	1st GS	2nd GS
1.	Ranpari	Barwala	Ahmedabad	Y	Y	Y	NS	Y	Y
2.	Kadvasan	Mandal	Ahmedabad	NS	Y	Y	NA	Y	Y
3.	Rugnathpur	Khambha	Amreli	NS	NS	NS	Y	X	X
4.	Tantaniya	Khambha	Amreli	NA	Y	NA	Y	Y	Y
5.	Morad	Petlad	Anand	NS	Y	Y	Y	Y	Y
6.	Boidara	Ankleshwar	Bharuch	Y	NS	NS	Y	NS	Y
7.	Dabhali	Bharuch	Bharuch	Y	Y	Y	Y	NA	NA
8.	Pansoli	Valia	Bharuch	NA	NA	NA	NA	X	X
9.	Junavadar	Gadhada	Bhavnagar	NA	NA	NA	NA	NA	NA
10.	Daguniya	Wagai	Dang	NA	Y	Y	NA	NA	NA
11.	Nalwai	Garbada	Dahod	NS	NS	NA	NS	X	X
12.	Mokhana	Jamnagar	Jamnagar	Y	Y	NS	Y	Y	Y
13.	Bhankharvad	Malia	Junagadh	X	X	X	X	X	X
14.	Mahobatpara	Una	Junagadh	Y	Y	Y	Y	X	Y
15.	Bagdol	Kathlal	Kheda	NA	NA	Y	NA	NA	Y
16.	Ashmali	Matar	Kheda	Y	NA	NA	Y	NA	Y
17.	Veroja	Matar	Kheda	NA	Y	NA	Y	Y	NA
18.	Aklacha	Mehmedabad	Kheda	Y	NA	NS	NA	X	NA
19.	Navapura	Kadi	Mehsana	Y	NS	Y	Y	X	Y
20.	Vasai-Jashpuria	Satlasna	Mehsana	X	X	NS	Y	Y	Y
21.	Dhanitra	Godhra	Panchmahal	NA	NA	Y	Y	X	Y
22.	Kaliyavav	Godhra	Panchmahal	NA	NA	NS	NS	Y	Y
23.	Limbola	Kadana	Panchmahal	NA	NA	NS	X	X	Y
24.	Hadmatiya	Lunawada	Panchmahal	NA	NA	NA	NA	Y	Y
25.	Rasulpur	Morvahadaf	Panchmahal	NA	NA	NA	Y	Y	Y
26.	Movasa	Santrampur	Panchmahal	Y	NS	NS	NS	X	Y
27.	Pimpal	Chanasma	Patan	NA	NS	Y	NS	Y	Y
28.	Hanumanpura	Patan	Patan	NA	NA	NS	NA	Y	Y
29.	Kalasar	Jasdan	Rajkot	Y	NA	NA	Y	NA	X
30.	Vankaner	Bhiloda	Sabarkantha	NA	NA	NA	NA	NA	NA
31.	Bhemapur	Meghraj	Sabarkantha	NA	NA	NA	Y	NA	NA
32.	Aminpur	Prantij	Sabarkantha	NA	Y	Y	Y	NA	NA
33.	Bhuvasan	Bardoli	Surat	NA	NA	NA	NA	NA	Y
34.	Umara	Mahuva	Surat	NA	NA	NA	NA	Y	NA
35.	Saddun	Songadh	Tapi	NA	Y	NA	NS	Y	Y

Sr. No.	Name of the Gram Panchayat	Name of Taluka Panchayat	Name of District	2012-13		2013-14		2014-15	
				1st GS	2nd GS	1st GS	2nd GS	1st GS	2nd GS
36.	Dadaria	Valod	Tapi	NA	NA	NA	NA	Y	Y
37.	Tadkuva	Vyara	Tapi	NA	NA	NA	NA	Y	NA
38.	Titu Khadak	Dharampur	Valsad	NA	X	NS	NA	Y	Y
39.	Ambheti	Kaprada	Valsad	NA	NA	NA	Y	Y	Y
40.	Parvasa	Pardi	Valsad	Y	NA	NA	NA	X	Y
41.	Eklahare	Umergaon	Valsad	NA	Y	X	NA	X	NA
42.	Keshardi	Bavla	Ahmedabad	Y	Y	Y	NA	NS	NA
43.	Ranesan	Bavla	Ahmedabad	Y	NA	Y	NA	NA	NA
44.	Salajada	Bavla	Ahmedabad	Y	X	NA	NA	NS	NA
45.	Lagdana	Bavla	Ahmedabad	Y	Y	Y	NA	NS	NS
46.	Vavol	Gandhinagar	Gandhinagar	NA	NS	NA	NA	NS	NA
47.	Alampur	Gandhinagar	Gandhinagar	NA	NA	NA	NA	NS	NA
48.	Unava	Gandhinagar	Gandhinagar	NA	NA	NA	NA	Y	NA
49.	Ahmedpura	Dehgam	Gandhinagar	NA	NA	NA	NA	NA	Y
50.	Ramnagar	Dehgam	Gandhinagar	NA	NA	NA	NA	NA	Y
51.	Kanipur	Dehgam	Gandhinagar	NA	NA	NA	NA	NA	Y
52.	Mosampur	Dehgam	Gandhinagar	NA	NA	NA	NA	NA	Y
53.	Segva	Kamrej	Surat	Y	Y	X	NA	NA	NS
54.	Simadi	Kamrej	Surat	Y	Y	Y	NA	NA	NS
55.	Haldhara	Kamrej	Surat	Y	Y	X	NA	NA	Y
56.	Chikhali	Kamrej	Surat	Y	NS	Y	NA	NS	NS
57.	Samrod	Chourasi	Surat	Y	NS	NA	NA	NS	NS
58.	Bhatiya	Chourasi	Surat	NA	NA	NS	NA	NS	NS
59.	Damka	Chourasi	Surat	NA	Y	NA	NA	NA	NS
60.	Khambhasala	Chourasi	Surat	NS	Y	NS	NA	NS	NS
61.	Dhamalpur	Rajkot	Rajkot	NA	NA	NA	NA	Y	NS
62.	Bedala	Rajkot	Rajkot	NA	NA	NS	NS	NS	NS
63.	Pipaliya	Rajkot	Rajkot	NA	NA	NA	NS	NS	NA
64.	Deroi	Rajkot	Rajkot	NA	NA	NS	NA	NS	NS
65.	Devala	Lodhika	Rajkot	NA	X	NA	X	NS	NA
66.	Rataiya	Lodhika	Rajkot	NA	X	X	X	NS	NA
67.	Vajdi (VAD)	Lodhika	Rajkot	NA	X	X	X	NS	NA
No. of SA Reports available				35	43	44	38	56	54
No. of SA Reports not available				45	37	36	42	24	26
No. of GS attended by TRG				28	27	24	25	28	38
No. of GS not attended by TRG				2	7	6	5	12	5
Not specified in SA Report				5	9	14	8	16	11

Note : NA-SA Report not available, Y-GS was attended by TRG, X-GS was not attended by TRG, NS-Not Specified

APPENDIX - XII

Boards and Authorities under the Department¹

(Reference: Paragraph 3.2.2; Page 52)

Sr. No.	Details of Boards/Authorities	Function
1.	Gujarat Municipal Finance Board	To provide grants and loans for basic and infrastructure facilities through various development schemes for ULBs.
2.	Gujarat Urban Development Mission	Established as State Level Nodal Agency for the purpose of Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and other State sponsored schemes.
3.	Gujarat Urban Development Company Limited	To facilitate urban development by assisting state government and existing agencies in formulation of policy, institutional capacity building and project implementation, and to assist in the funding and implementation of projects. The Company is appointed as Nodal Agency for implementation of Gujarat Urban Development Projects (GUDP) programme, Municipal Solid Waste Management project for the ULBs of the state of Gujarat, Infrastructure Facilities in the Towns identified under Tribal Sub Plan and for implementing the drainage projects under Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana (SJMMSVY).
4.	Gujarat Housing Board	The Board constructs houses for Economically Weaker Section (EWS), Lower Income Group (LIG), Middle Income Group (MIG) and Higher Income Group (HIG).
5.	12 Urban Development Authorities and 13 Area Development Authorities	Preparation and execution of town planning schemes, acquire, hold, manage and dispose of property, executive works in connection with supply of water, disposal of sewerage and provision of other services and amenities, etc.

¹ Urban Development and Urban Housing Department

APPENDIX - XIII
Service level Benchmark in ULBs
(Reference : Paragraph 3.9; Page 57)

Basic Services	Benchmark	Category of the NPs				
		A	B	C	D	MCs
Categorywise number of NPs		18	33	45	63	8
Coverage of water supply connections (%)	100%	18 (15-80)	33 (52-98)	40 (40-97)	55 (0-98)	8 (68-96)
per capita supply of water (lpcd)	135 lpcd	15 (42-128)	31 (37-130)	42 (31-132)	54 (19-129)	3 (47-121) Rajkot-110 Junagadh-47 Jamnagar-121
Water continuity in hours	24 Hours	18 (0.25-4)	33 (0.23-4)	45 (0.15-4)	63 (0.17-9)	8 (0.33 to 4 hrs.)
Quality of water supply (%)	100%	8 (84-98)	23 (83-98)	15 (45-98)	14 (75-98)	1 (98 Vadodara)
Coverage of toilets (%)	100%	17 (54-98)	32 (52-98)	44 (39-98)	63 (49-97)	8 (73-99)
Coverage of sewage network services (%)	100%	11 (12-85)	19 (1-73)	16 (3-73)	8 (20-84)	7 (20-97)
Collection efficiency of sewage network (%)	100%	3 (76-90)	2 (68-77)	2 (79-80)	3 (28-92)	2 (77-85) Rajkot-77, Vadodara-85
Adequacy of sewage treatment capacity (%)	100%	18	33 (NA)	45 (NA)	63 (NA)	1 (Rajkot-77)
Quality of sewage treatment (%)	100%	17	33 (NA)	45 (NA)	63 (NA)	3 (78-96) Rajkot-96 Surat-78 Vadodara-92
Efficiency of collection of municipal solid waste (%)	100%	12 (94-98)	27 (80-98)	41 (45-98)	48 (74-98)	5 (90-96)
Extent of Segregation of solid waste (%)	100%	18 (0-5)	33 (NA)	45 (NA)	63 (NA)	8 (0-30)
Extent of scientific disposal of solid waste (%)	100%	18	33 (NA)	45 (NA)	63 (NA)	2 (7-90) Surat-7 Ahmedabad-90
Coverage of storm water network (%)	100%	15 (0-90)	25 (1-85)	34 (1-50)	42 (1-80)	7 (4-66)
Incidence of water logging (Nos)	O numbers	14 (2-68)	25 (1-42)	25 (1-50)	31 (1-18)	6 (3-52)

APPENDIX - XIV
Statement showing allocation and release of funds under different components of the SJMMSVY
(Reference: Paragraph 4.1.8.2; Page 71)

(A) Phase-I

Year	Component I (GUDM)		Component II (GMFB)		Component III (GMFB)		Component IV (GUDM)		Component V (GMFB)		ROB/RUB (GUDC)		Total AI-location	Total Release
	Allocation	Release	Allocation	Release	Allocation	Release	Allocation	Release	Allocation	Release	Allocation	Release		
2009-10	400.00	408.53	180.00	180.00	400.00	400.00	75.00	75.00	50.00	50.00	0.00	0.00	1105.00	1113.53
2010-11	400.00	0.00	180.00	180.00	400.00	845.03	141.83	141.83	50.00	50.00	20.00	20.00	1191.83	1236.86
2011-12	720.00	720.01	180.00	180.00	679.00	692.71	0.00	0.00	0.00	0.00	30.00	30.00	1609.00	1622.72
2012-13	721.47	721.47	204.50	204.50	535.00	535.00	0.00	0.00	0.00	0.00	45.00	45.00	1505.97	1505.97
2013-14	550.00	550.00	156.00	156.00	700.00	700.00	0.00	0.00	0.00	0.00	45.00	45.00	1451.00	1451.00
2014-15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.00	31.00	31.00	31.00
Total	2,791.47	2,400.01	900.50	900.50	2,714.00	3,172.74	216.83	216.83	100.00	100.00	171.00	171.00	6,893.80	6,961.08

(B) Phase-II

Year	WSSs and UDSS (GUDM)		NPs (GMFB)		MCs (GMFB)		UDAs (GUDM)		Total Allocation	Total Release
	Allocation	Release	Allocation	Release	Allocation	Release	Allocation	Release		
2012-13 ²	0.00	0.00	297.00	197.00	1,336.75	1,303.00	0.00	0.00	1,500.00	1,500.00
2013-14	0.00	0.00	250.50	267.20	1,150.00	1,228.57	99.50	99.50	1,500.00	1,595.27
2014-15	450.00	445.51	565.00	563.48	2,461.11	2,471.11	116.88	81.14	3,592.99	3,561.24
Total	450.00	445.51	1,112.50	1,027.68	4,947.86	5,002.68	216.38	180.64	6,592.99	6,656.51

² Allocations for NPs, MCs and UDAs were not separately specified in the Budget during 2012-13 and 2013-14. Separate allocations and releases shown above during these years were as per sanction/release orders of the Government, while the total allocation was as per Budget

APPENDIX - XV

Statement showing cost overrun due to delay in commencement of WS projects and delay in finalisation of the tenders of UD projects
(Reference: Paragraph 4.1.9.2; Page 75)

(₹ in crore)

Name of NP	Date of AA	Scheduled date of completion	Date of work order	Time taken for issue of work order in months	AA Cost	WSS/SCS/STP	Estimated cost	Tendered cost	Cost overrun	IAs
Bayad	16-12-2010	15-12-2011	28-09-2012	22	5.96	WSS	5.78	6.64	0.86	GWSSB
Bhuj	05-08-2010	04-08-2011	13-12-2013	41	18.6	WSS	18.6	21.97	3.37	GWSSB
Chhaya	25-01-2012	24-01-2013	14-10-2013	21	32.35	WSS	32.35	51.61	19.26	GWSSB
Dabhoi	13-11-2009	12-11-2011	01-11-2011	24	13.07	WSS	12.68	13.39	0.71	GWSSB
Kanakpur Kansad	05-11-2011	04-11-2012	04-09-2013	22	20.94	WSS	20.34	22.83	2.49	GUDC
Maliya- Miyana	29-09-2012	28-09-2013	17-02-2014	17	7.1	WSS	7.27	11.73	4.46	GWSSB
Ranavav	25-01-2012	24-01-2013	01-03-2014	26	22.17	WSS	22.17	51.33	29.16	GWSSB
Patan	16-09-2010	15-09-2013	12-03-2012	18	50.62	SCS	29.51	47.58	18.07	GUDC
	16-09-2010	15-09-2013	26-11-2013	38		STP	18.50	19.65	1.15	GUDC
Khedbrahma	13-09-2010	14-09-2013	08-05-2013	32	21.35	SCS	18.65	42.34	23.69	GUDC
	13-09-2010	14-09-2013	26-11-2013	38		STP	1.31	2.61	1.3	GUDC
Amreli	04-06-2010	03-06-2013	29-09-2014	52	47.66	SCS	32.77	54.02	21.25	GUDC
Vadnagar	25-07-2012	24-07-2015	15-02-2014	19	31.79	SCS	28.78	38.26	9.48	GUDC
Jethpur	04-07-2011	03-07-2014	09-12-2013	29	62.23	SCS	90.77	93.31	2.54	GWSSB
Dwarka	07-06-2011	06-06-2014	14-10-2013	28	18.70	SCS	24.47	27.19	2.72	GWSSB
TOTAL					352.54		363.95	504.46	140.51	

Note : NA denotes information not available with Implementing Agencies

APPENDIX - XVI
Statement showing the status of completed UD projects as of August 2015
(Reference : Paragraph: 4.1.9.3; Page 78)

Sr. No.	Name of the NPs	Date of work order	Date of completion of works	Expenditure (₹ in crore)	IAs	WS in lpcd as of March 2015	Disposal of waste water as per the GPCB
1	Dholka	08-05-2013	01-11-2014	63.83	GUDC	66	NO OP, effluents disposed in ponds of Bhatvada Village
2	Viramgam	08-03-2011	31-03-2013	7.90	GUDC	134	OP
3	Bagasara	17-03-2012	30-09-2014	12.95	GUDC	84	No OP
4	Unjha	31-03-2011	30-06-2013	27.37	GUDC	112	OP
5	Kadi	26-04-2011	31-03-2013	11.21	GUDC	135	OP
6	Siddhpur	18-02-2011	31-03-2013	12.78	GUDC	120	NO OP
7	Himatnagar	20-02-2014	31-11-2014	3.27	GUDC	109	STP not in operation, disposing waste water in Hatmathi Canal
8	Savarkundla	23-12-2010	15-12-2014	15.86	GWSSB	97	NO OP
9	Karamsad	28-03-2011	28-02-2014	3.24	GWSSB	103	OP, no treatment facility
10	Sojitra	17-10-2013	15-10-2014	7.30	GWSSB	155	OP, no treatment facility
11	Gadhada	19-11-2013	18-04-2015	11.56	GWSSB	66	NO OP
12	Gariyadhhar	21-09-2012	31-03-2014	14.13	GWSSB	120	NO OP
13	Vallabhipur	01-01-2014	31-12-2014	19.11	GWSSB	78	NO OP
14	Dehgam	08-11-2013	12-12-2014	5.03	GWSSB	96	Disposed in natural kotar
15	Patdi	08-11-2013	10-12-2014	21.35	GWSSB	89	STP
16	V.V. Nagar	13-06-2012	30-06-2015	2.97	GWSSB	144	STP not working, sewer disposed in gulf of Khambhat
17	Bavla	16-12-2010	31-05-2014	11.08	GWSSB	120	NO OP
18	Bhuj	13-08-2013	12-02-2015	39.66	GWSSB	135	NO OP
19	Vadali	02-12-2013	30-05-2015	22.54	GWSSB	100	OP
20	Dakor	17-10-2013	31-05-2015	4.71	GWSSB	90	No OP, sewer disposed in Shedi river
21	Kapadvanj	15-10-2013	30-06-2015	9.14	GWSSB	110	OP
22	Mansa	08-11-2013	12-12-2014	24.17	GWSSB	139	Sewer disposed in natural kotar
23	Dhanera	20-09-2012	24-03-2015	16.65	GWSSB	113	NO OP
24	Pethapur	01-03-2014	01-03-2014	14.84	GWSSB	107	No OP, sewer disposed in natural kotar
25	Ode	01-03-2014	31-08-2015	4.73	GWSSB	126	OP, no treatment facility
26	Silhor	17-02-2014	17-02-2014	46.30	GWSSB	69	NO OP
27	Bayad	24-05-2013	22-05-2015	20.50	GWSSB	80	NO OP
TOTAL							454.18

OP -denotes "Oxidation Ponds", GPCB-denotes "Gujarat Pollution Control Board", STP denotes-"Sewage Treatment Plant".

APPENDIX - XVII
Statement showing the status of water supply in 159 ULBs
(Reference: Paragraph 4.1.9.4; Page 79)

Sr. No	Name of NPs	WS as of March 2009	WS as of March 2015	Sr. No	Name of NPs	WS as of March 2009	WS as of March 2015	Sr. No	Name of NPs	WS as of March 2009	WS as of March 2015
1	Aanklav	136	138	27	Chalala	83	66	53	Gondal	32	71
2	Amod	140	106	28	Chansma	165	151	54	Halol	50	69
3	Amreli	68	90	29	Chhaya	119	96	55	Halvad	92	82
4	Anand	68	100	30	Chorwad	65	100	56	Harij	61	85
5	Anjar	108	115	31	Chota Udepur	83	152	57	Himatnagar	85	109
6	Ankleshwar	110	128	32	Chotila	26	76	58	Idar	30	40
7	Babra	69	70	33	Dabhoi	89	131	59	Jafrabad	74	100
8	Bagasara	73	90	34	Dahod	77	87	60	Zalod	80	110
9	Balasinor	80	120	35	Dakor	59	90	61	Jambusar	90	120
10	Bantwa	23	79	36	Damnagar	76	100	62	Jamjodhpur	83	111
11	Bardoli	94	111	37	Deesa	90	120	63	Jamkhambhaliya	63	96
12	Bareja	127	122	38	Dehgam	75	76	64	Jamraval	33	69
13	Barwala	50	62	39	Devgadh Bariya	43	78	65	Jasdan	50	67
14	Bavla	51	82	40	Dhandhuka	45	60	66	Jetpur	80	110
15	Bayad	63	80	41	Dhanera	100	113	67	Kadi	116	135
16	Bhabhar	93	107	42	Dharampur	76	72	68	Kalawad	47	86
17	Bhachau	66	97	43	Dholka	50	66	69	Kalol (G)	68	112
18	Bhanvad	58	77	44	Dhoraji	76	100	70	Kalol (P)	59	75
19	Bharuch	125	140	45	Dhrangdhra	113	100	71	Kanakpur Kansad	98	112
20	Bhayavadar	90	123	46	Dhrol	98	100	72	Kanjari	85	107
21	Bhuj	92	135	47	Dwarka	46	66	73	Kapadvanj	62	84
22	Billimora	80	92	48	Gadhada	80	120	74	Karamsad	84	148
23	Boriyavi	43	84	49	Gandevi	120	140	75	Karjan	69	102
24	Borsad	79	111	50	Gandhidham	83	88	76	Kathlal	90	110
25	Botad	90	123	51	Gariyadhar	45	61	77	Keshod	76	87
26	Chaklasi	64	56	52	Godhra	66	90	78	Khambhat	90	120

Sr. No	Name of NPs	WS as of March 2009	WS as of March 2015	Sr. No	Name of NPs	WS as of March 2009	WS as of March 2015	Sr. No	Name of NPs	WS as of March 2009	WS as of March 2015
79	Kheda	35	46	106	Pardi	43	79	133	Talod	66	131
80	Khedbrahma	36	55	107	Patan	115	125	134	Tarsadi	14	52
81	Kheralu	52	143	108	Patdi	39	89	135	Thangadh	43	47
82	Kodinar	84	76	109	Pethapur	65	107	136	Thara	28	225
83	Kutiyana	23	64	110	Petlad	100	140	137	Tharad	88	72
84	Lathi	66	92	111	Porbander	45	53	138	Thasra	112	141
85	Limbdi	25	104	112	Prantij	43	80	139	Una	63	76
86	Lunavada	25	104	113	Radhanpur	76	61	140	Unjha	106	112
87	Mehsana	125	138	114	Rajpipla	78	113	141	Upleta	50	62
88	Mahudha	109	110	115	Rajula	47	61	142	Umargaon	13	17
89	Mahuva	57	74	116	Ranavav	91	40	143	Umreth	90	135
90	Maliya-Miyana	66	67	117	Rapar	64	62	144	Vadali	100	100
91	Manavadar	24	66	118	Sanand	95	140	145	Vadnagar	81	102
92	Mandvi(K)	83	93	119	Salaya	ND	63	146	Vallabhipur	67	78
93	Mandvi(S)	131	191	120	Santrampur	41	89	147	Vallbh Vidhyanagar	125	144
94	Mangrol	80	105	121	Savarkundla	45	97	148	Valsad	135	135
95	Mansa	13	139	122	Savli	29	115	149	Vanthli	47	92
96	Mehmadavad	114	140	123	Shehera	37	79	150	Vapi	46	50
97	Modasa	73	124	124	Shihor	66	69	151	Veraval Patan	70	90
98	Morbi	97	93	125	Siddhpur	90	120	152	Vijalpor	78	87
99	Nadiad	76	96	126	Sikka	50	70	153	Vijapur	56	111
100	Navsari	125	135	127	Sojitra	108	155	154	Virangam	101	134
101	Oad	92	126	128	Songadh	138	131	155	Visavadar	80	110
102	Okha	26	38	129	Surendranagar	89	103	156	Visnagar	107	114
103	Padara	100	129	130	Sutrapada	20	40	157	Vyara	143	125
104	Palanpur	71	87	131	Talaja	77	84	158	Wadhawan	34	91
105	Palitana	120	140	132	Talala	81	102	159	Wankaner	72	84

APPENDIX - XVIII

Gap in generation of demand bill for the properties

(Reference : Paragraph 4.2.6.5; Page 104)

Year	Missing Bill Number		Number of GAPS	Remarks
	FROM	TO		
2010	1,41,176	1,41,176	1	
	1,89,204	1,89,204	1	
	3,02,374	3,02,374	1	
2011	4,612	4,612	1	
	68,829	68,829	1	
	1,34,863	1,34,863	1	
	1,75,990	1,75,990	1	
	1,82,842	1,82,842	1	
	1,95,576	1,95,576	1	
	2,02,305	2,02,305	1	
	2,16,120	2,16,120	1	
	2,17,377	2,17,377	1	
	2,73,232	2,73,233	2	
	2,75,998	2,75,998	1	
	2,85,769	2,85,769	1	
	2,99,377	2,99,377	1	
	3,00,478	3,00,478	1	
	3,08,202	3,08,202	1	
	3,12,646	3,12,646	1	
	3,12,896	3,12,896	1	
3,19,666	5,93,871	2,74,206	Restarted from 593872 dt. 01-04-11	
2012	70,867	70,867	1	
	2,80,135	2,80,135	1	
	3,08,166	3,08,166	1	
	3,37,335	6,07,659	2,70,325	Restarted from 607660 dt. 02-04-12
2013	1,65,238	1,65,238	1	
	3,27,150	3,27,150	1	
	3,50,900	6,20,639	2,69,740	Restarted from 620640 dt. 01-04-13
2014	41,803	41,803	1	
	81,972	81,972	1	
	1,99,240	1,99,240	1	
	2,79,474	2,79,474	1	
	2,80,138	2,80,138	1	
	3,28,316	3,28,316	1	
	3,39,264	3,39,264	1	
	3,54,517	3,54,517	1	
3,60,479	6,33,494	2,73,016	Restarted from 633495 dt. 01-04-14	

APPENDIX - XIX
Avoidable expenditure and undue favour to the agencies
(Reference: Paragraph 4.3; Page 108)

Sr. No	Name of the work	Name of the Agency	Estimated and Tended cost (₹ in crore)	Controlled Cement Concrete Grade and item number of the tender	Total quantity executed (cubic meter)	Cement consumption per cubic meter		Saving per cubic meter in kilogram (Col.7 –Col. 8)	Total saving in kilogram (Col. 6*Col. 9)	Input rate of cement per kilogram (in ₹)	Excess payment (in ₹) (Col.10* Col. 11)
						As per SoR/norms	As per mix design report of Agencies				
1	2	3	4	5	6	7	8	9	10	11	12
1	Construction of Flyover Bridge on 40.0 metre wide ring road at Amitnagar junction	M/s Ranjit Build-con Limited Ahmedabad	36.28 31.52	M45 18A, 18B and 18C	3,886.28	540	443.61	96.39	3,74,598.53	4.30	16,10,773.68
2	Widening of bridge across Vishwamitri River near Urmis School at Sama	-do-	21.97 18.95	M45 16A and 16B	771.85	540	443.61	96.39	74,398.62	4.30	3,19,914.07
3	Construction of Railway Over Bridge including approaches near Lalbaug	M/s. Rajkarnal Builders Infrastructure Private Limited, Ahmedabad	47.31 48.68	M30 12, 15, 16, 18 and 20 M35 11	20,831.23	475	424.04	50.96	10,61,559.48	4.30	45,64,705.76
	Total				35,945.94			285.94	19,51,824.31		83,92,844.53