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**CHAPTER IV**
**AUDIT OF TRANSACTIONS**
**4.1 Infertuous/wasteful expenditure and overpayment**
**ENERGY AND PETROCHEMICALS DEPARTMENT**
**4.1.1 Unfruitful expenditure on setting up of Biomass Gasifier-based Power Project**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<sup>9</sup> Near at Valasana

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

## ROADS AND BUILDINGS DEPARTMENT

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

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

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

(Rupees in crore)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<b>Non maintenance of power factor resulted in wasteful expenditure of Rs.45.98 lakh</b>
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The 'Tariff for Supply of Electricity at High/Extra-High Tension' fixed by the Gujarat Electricity Board (GEB) from January 2001 provides that the high-tension consumer should maintain at least 90 *per cent* power-factor<sup>16</sup> during a month, failing which power factor adjustment charges will be levied at the rate of one *per cent* on the total amount of electricity bills for the month under the head 'demand charge'<sup>17</sup> and 'energy charges' for every one *per cent* drop (or part thereof) in the average power factor during the month below 90 *per cent*, and at two *per cent* (for each *per cent* of drop) if power factor drops below 85 *per cent*. Besides maintenance of power factor, charges at additional rates would also be levied, if drawal of power exceeded<sup>18</sup> the contracted demand.

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

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

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

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

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

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



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

## FORESTS AND ENVIRONMENT DEPARTMENT

### 4.1.7 Irregular purchase of belastones

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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<sup>21</sup> By entire GWSSB

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

<sup>23</sup> resin

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

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

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

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

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

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

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

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

The reply of the Government is not tenable as –

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

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

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

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

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

### **4.3 Avoidable/excess/unfruitful expenditure**

#### **ENERGY AND PETROCHEMICALS DEPARTMENT**

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

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

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

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

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

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

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

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

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

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

## HOME DEPARTMENT

### 4.3.2 Unfruitful expenditure on coastal patrolling

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

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

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

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

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

<sup>32</sup> Fourteen

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<p><b>Due to non synchronization of the Jasapara Water Resources Project, expenditure of Rs.1.38 crore could not derive any fruitful purpose</b></p>
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Government accorded administrative approval (December 1994) and overall technical sanction (March 1995) for Rs.7.65 crore and Rs.3.92 crore respectively for construction of Jasapara Water Resources Project (Bhavnagar district). The project, aimed to irrigate 775 hectare through 105 metre long left bank canal, was expected to be completed by June 1999. The construction was to be executed by the Executive Engineer (EE), Irrigation Project Division, Bhavnagar.

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

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

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

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

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

#### 4.3.5 Creation of extra liability

<b>Failure to finalise the tender during validity period resulted in its rejection and creation of extra liability of Rs.1.08 crore on reinvitation</b>
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Government accorded administrative approval (AA) in October 2004 for providing and laying pipeline for supply of surplus flood water of Narmada through Narmada main-canal in Dharoi, Hathmati and Guhai, etc. at Rs.333.37 crore. A sub-work of construction of pumping station at Jalundhara at Rs.12.65 crore was also included in the AA. This sub-work was to provide drinking water to 400 villages and three towns<sup>41</sup>. Technical sanction (TS) was also accordingly accorded (November 2004), which included a provision of Rs.12.28 crore on construction of Pumping Station at Jalundhara. Executive Engineer (EE), Water Resources Investigation (WRI) Division, Himatnagar, was to execute the work.

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

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

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

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

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

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

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

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



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

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

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

## PORTS AND TRANSPORT DEPARTMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<b>Gujarat Port Infrastructure Development Company Limited, floated by Gujarat Maritime Board, continued its operation for financing port development project, even after they were left as the sole payer in the company, resulting in avoidable administrative expenditure of Rs.54.65 lakh</b>
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Government formulated (December 1995) Port Policy for development of ports through private participation. Out of 10 green field sites identified for development as deep water direct berthing ports, four<sup>53</sup> were to be developed as joint venture of Gujarat Maritime Board (GMB) with public-private participation on Build-Own-Operate-Transfer (BOOT) basis and remaining exclusively with private investment.

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

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

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

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

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

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

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

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

## ROADS AND BUILDINGS DEPARTMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **HEALTH AND FAMILY WELFARE DEPARTMENT**

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

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

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

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

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

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

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

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

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

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

## INDUSTRIES AND MINES DEPARTMENT

### 4.4.2 Parking of funds sanctioned for modernisation programme

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

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

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

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

Thus, non-execution of approved programme resulted in parking of funds of Rs.1.05 crore for more than three years. GIRDA stated (June 2006) that they have not received approval to the action plan. The reply of GIRDA is not tenable as IC had given instructions (March 2002) before hand on the items to be purchased under Phase-I of the 'modernisation programme' (November 2000).

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<sup>67</sup> 16 different equipments were specified in Phase-I of the modernisation programme

<sup>68</sup> Rs.50 lakh was paid during 1995-96 as capital grant to GIRDA which was accumulated to Rs.83 lakh by March 2002

<sup>69</sup> GIRDA refunded Rs.50 lakh (November 2003) sanctioned during 1995-96 together with accumulated interest (Rs.52.73 lakh), for reasons not available on record.

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

## URBAN DEVELOPMENT AND URBAN HOUSING DEPARTMENT

### 4.4.3 Idle investment and loss of rental income

#### **Vadodara Urban Development Authority constructed a building with modern amenities without ascertaining its marketability resulting in idle investment of Rs.4.52 crore and loss of rent amounting to Rs.2.22 crore**

Vadodara Urban Development Authority (VUDA) had a plot admeasuring 2643 sqm in posh and premium Karelibaug locality of Vadodara city. VUDA constructed (2001-02) a nine-storeyed building<sup>70</sup> with a built-up area of 6445.15 sqm at a cost of Rs.6.58 crore. The building was constructed for self-occupation (2013.71 sqm in first and second floors costing Rs.2.06 crore) and to gain profits out of sales (4431.44 sqm in third to ninth floors<sup>71</sup> costing Rs.4.52 crore). However, before construction of the building, VUDA had not conducted any demand survey to identify prospective buyers. On completion of construction (July 2002), VUDA occupied first and second floors of the building (August 2002).

On valuation (April 2001), the upset price of the premises proposed to be sold was fixed at Rs.7.18 crore.

A scrutiny of records during local audit of VUDA (July 2005) revealed that the building was constructed with modern amenities<sup>72</sup> resulting in high construction cost. Hence the sale/lease rate fixed was higher than the prevailing market rate. Therefore, though attempts were made twice (June 2001 and August 2004) for sale of the premises; deal could not be finalised. VUDA made another attempt also (March 2005) either for sale or leasing, for which minimum monthly lease rate of Rs.5.16 lakh<sup>73</sup> was also fixed. This also did not yield any fruitful result. Thus, construction of building without conducting any market survey resulted in idle investment of Rs.4.52 crore; besides loss of rent of Rs.2.22 crore (September 2002 to March 2006) at the minimum lease rate fixed.

When pointed out in audit, VUDA stated (November 2005) that, as the building was provided with all modern amenities, the sale-price/lease-rate fixed was higher than the prevailing market rate; as such sales/leasing of the premises could not materialise. The reply of was not justifiable, as VUDA had gone for construction of a building of modern amenities without ascertaining its marketability at the rate commensurate with the capital investment.

<sup>70</sup> Excluding ground floor and basement reserved for parking

<sup>71</sup> Initially it was decided to keep ninth floor reserved for future expansion of VUDA; but subsequently it was offered for sales/lease

<sup>72</sup> Like seminar hall, DG-set, networking, high speed lift, spacious parking, garden, security, etc.

<sup>73</sup> Fixed considering return at 14 per cent on construction cost + 9 per cent on cost of the land + 17.5 per cent on services (lift, DG set, fire fighting system, land scaping, water supply and drainage and power connection)

When pointed out, Government stated (March 2006) that VUDA was continuing their efforts to sell the property or give it on rental basis. Thus, idle investment of Rs.4.52 crore and loss of rental income of Rs.2.06 crore is confirmed.

#### 4.4.4 Idle investment on construction of office-cum-commercial complex

**Jamnagar Area Development Authority fixed exorbitantly high sale price for the office-cum-commercial complex constructed, resulting in lack of response from potential buyers and consequential idle investment of Rs.70.51 lakh**

As a part of its development programme, Jamnagar Area Development Authority (JADA) acquired (July 2001) 800 sqm Government land at a cost of Rs.32 lakh for construction of office-cum-commercial complex. JADA constructed (June 2003) a four-storeyed building with a built-up area of 23,819 sqft<sup>74</sup> incurring an expenditure of Rs.93.19 lakh (total expenditure at Rs.1.25 crore) on the complex. JADA occupied 6,708 sqft built up area in the first floor for their office.

Against the proportionate construction cost of Rs.526/sqft, JADA fixed (December 2004) reserve price of Rs.3,500/sqft. Thus, the premises were offered at an exorbitant rate, equal to about 665 per cent of the construction cost.

Scrutiny of records (July 2005) revealed that JADA could sell out only five shops (2146 sqft) for Rs.6.22 lakh<sup>75</sup>, leaving vacant space of 14,965 sqft. JADA reduced (March 2005) the reserved price to Rs.2,700/sqft; but no prospective buyers came forward to purchase the premises. This resulted in idle investment of Rs.70.51 lakh<sup>76</sup> at the construction cost.

When pointed out, JADA stated (July 2005) that market rates for shops at adjoining area was lower than the reserved rate, which resulted in poor response to their offer. The reply of JADA is not correct, as fixing of high rate resulted in lack of response from potential buyers. Thus, fixation of exorbitant high rate resulted in lack of response from the buyers and idle investment of Rs.70.51 lakh.

When reported, Government stated (May 2006) that as no response was received, JADA slashed the rates and expected to dispose off the premises. The reply of the Government is not tenable, as JADA could not attract customers even after three years of completion of construction (August 2006).

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<sup>74</sup> 23819sqft for accommodation and 3695 sqft for amenities

<sup>75</sup> Of which Rs.1.60 lakh still not realized (March 2006).

<sup>76</sup> At proportionate cost



## 4.5 Regulatory issues and other points

### EDUCATION DEPARTMENT

#### 4.5.1 Failure to utilise central assistance

**Tardy action to utilize the funds released by Government of India towards first installment under the scheme ‘Computer Literacy and Studies in Schools’ resulted in non receipt of Central assistance of Rs.7.50 crore**

Government of India (GOI) introduced (March 2002) modified ‘Computer Literacy and Studies in Schools’ (CLASS) for implementation during 2001-02. In Gujarat, CLASS was targeted to be implemented in 300 schools. Amount admissible under CLASS per school was Rs.6.70 lakh, of which GOI was to contribute 75 per cent (restricted to five lakh rupees). GOI also sanctioned Rs.15 crore (March 2002) to Government of Gujarat for implementation of CLASS; of which, Rs.7.50 crore was released (March 2002) towards the first installment.

Government entrusted (May 2002) implementation of CLASS to the Commissioner of Schools and Mid-day-Meals and a Committee under the chairmanship of Secretary, Education Department, was constituted to oversee the implementation. Gujarat Informatics Limited<sup>77</sup> (GIL) was assigned with the responsibility to purchase the Computer systems.

Scrutiny of records (February 2006) revealed that though the Committee was constituted in May 2002, identification of beneficiary-schools was completed in 2003-04 only. Gujarat Informatics Limited had also not taken necessary preparatory steps<sup>78</sup> to speed up the purchase. GIL floated tenders (November 2002) and purchase orders<sup>79</sup> placed (March 2003) after a year of receipt of GOI assistance. Though the supplier failed to furnish performance guarantee of Rs.41 lakh (three per cent of contract value) within the prescribed period<sup>80</sup>, the order was cancelled in July 2003 only. GIL took nine more months (March 2004<sup>81</sup>) to issue a new purchase order and utilize the grant. State Government could not purchase the computer systems and implement the scheme during 2001-02 as specified by GOI; hence, extensions were sought for and granted year after year (upto March 2004) for utilization of the funds released by GOI. Finally, 300 computers were purchased (March 2004), but details of implementation of other allied items<sup>82</sup> were not made available.

Sanction (March 2002) of GOI further provides that second installment of Rs.7.50 crore would be released on the basis of progress of expenditure and release of State Government’s share towards first installment; the unspent balance, if any, out of the

<sup>77</sup> A Government of Gujarat undertaking and a member of the implementation Committee, represented through its representative

<sup>78</sup> Issuance of tender notice, etc.

<sup>79</sup> Purchase order valuing Rs.13.54 crore

<sup>80</sup> 15 days

<sup>81</sup> At the end of the extended period sanctioned by GOI

<sup>82</sup> Software curriculum (Rs.25,000), computer stationery (Rs.20,000), furniture (Rs.10,000), internet charges (Rs.5,000), teachers’ training (Rs.10,000) as per sanctioned estimates of GOI

grant sanctioned during previous years under pre-modified CLASS scheme would be adjusted against the second installment.

There was an unspent balance of Rs.3.73 crore out of grants released (1993-97) under the pre-modified CLASS (1993-2001) which is lying in the Finance Department. The CLASS scheme was replaced (July 2003) with a new scheme, viz. Information and Communication Technology in Schools. Accordingly, by the time State Government submitted (October 2004) proposals for adjustment of the unspent balance under the pre-modified Scheme towards the second installment, the currency of the modified Scheme was already over and GOI did not release funds any more. Thus, tardy action to utilise the funds released resulted in non receipt of Central assistance of Rs.7.50 crore and non implementation of the scheme to that extent.

Commissioner of Schools and Mid-day-Meals stated (February 2006) that proposals made (October 2004) for surrender/adjustment of the unspent balance was pending with the GOI. The reply of the Commissioner was not tenable as the Government failed to take adequate action for timely utilization of Central assistance and proposals for adjustments were submitted only after new scheme was introduced (July 2003).

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

## HOME DEPARTMENT

### 4.5.2 Non recovery of Police security/escort charges

**Failure to collect the security/escort charges in time and to enforce Government orders regarding advance payment, resulted in non-recovery of Rs.12.08 crore**

The Police Department provides security/escort to indenting departments of the Central/State Government, autonomous bodies, banks, private parties, etc. on payment of such charges as may be fixed by the Government from time to time. Government orders (October 1999) provide that private parties, autonomous bodies, banks, etc. were to make payment of security/escort charges at double the rates in advance.

A scrutiny of records (March 2006) revealed that Rs.12.08<sup>83</sup> crore was outstanding for recovery (1976<sup>84</sup>-2005<sup>85</sup>) from 34 different departmental officers/bodies, banks, private parties, etc. (**Appendix XXX**). Of the above, except in four cases<sup>86</sup>

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<sup>83</sup> Ranging from Rs.2.46 lakh (Indian Oil Corporation, Bhavnagar) and Rs.164.67 lakh (Sainik School, Balachadi)

<sup>84</sup> From Airport Authority of India, Keshod

<sup>85</sup> From Sainik School, Balachadi

<sup>86</sup> Rs.69.59 lakh from NCC Headquarters, Ahmedabad, Rs.24.64 lakh from General Stamp Office, Ahmedabad, Rs.7.26 lakh from Deputy Superintendent of Post offices, Ahmedabad and Rs.164.67 lakh from Sainik School, Balachadi (Jamnagar district)

(Rs.2.66 crore), Police security/escort was provided to autonomous bodies, banks, private parties, etc. for which payment of Rs.9.42 crore was required to be collected in advance. Thus, failure to collect the dues in time and to enforce Government orders regarding advance payment, resulted in non-recovery of Rs.12.08 crore.

When pointed out, one of the district authorities<sup>87</sup> stated (March 2006) that the indenting authorities disputed the applicability of double rates. The reply was not tenable as security/escort was to be provided only after payment of the prescribed charges, and any dispute should have been resolved prior to the provision of services.

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

### **4.5.3 Collection and retention of Government receipts by private crane operators**

#### **Authorisation to collect and retain towing charges by private crane operators resulted in non-accountal of Government receipts**

Provisions of Motor Vehicles Act, 1988 (Act) prohibit leaving a motor vehicle so as to cause danger, obstruction or undue inconvenience to other users of public place or to the passengers. The Act further provides that when motor vehicles are left unattended/abandoned or parked at a place where parking is prohibited; removal by towing service may be authorised by a police officer. Where a vehicle is so removed, besides any other penalty, vehicle owner shall be responsible for all towing costs. State Government fixed (February 2002) fine ranging Rs.50 to Rs.100<sup>88</sup> depending upon the type of vehicles so left at a public place; but Government had not evolved any formula for collection of towing charges.

Further, Gujarat Treasury Rules (GTR) provide that all moneys paid in discharge of Government dues should be tendered to the Government officer so authorised or at Treasury/Bank and that all transactions should be routed through Cash Book.

A scrutiny of records (October 2005) of Commissioner of Police (CP), Ahmedabad and information collected from other three CsP<sup>89</sup> revealed that in contravention to the provisions of GTR, CsP have engaged private agencies for towing the vehicles parked dangerously/illegally and allowed those private crane operators to realize and retain the towing charges at the rates prescribed by CsP. During 2001-06, police registered 11.01 lakh offences of dangerous/illegal parking, etc. and allowed private crane operators to realise and retain Rs.4.91 crore<sup>90</sup> towards towing charges. This resulted in non-accountal of Government receipts.

Commissioner of Police, Ahmedabad stated (November 2005) that the matter was referred to the Director General of Police for orders. When reasons were ascertained (May 2006), Principal Secretary, Home Department did not reply.

<sup>87</sup> District Superintendent of Police, Jamnagar

<sup>88</sup> Two wheelers-Rs.50, three wheelers-Rs.75 and four wheelers and above Rs.100

<sup>89</sup> Rajkot, Surat and Vadodara

<sup>90</sup> Ahmedabad-Rs.192.34 lakh, Rajkot-Rs.10.22 lakh, Surat- Rs.258.95 lakh and Vadodara- Rs.29.63 lakh

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

## PORTS AND TRANSPORT DEPARTMENT

### *4.5.4 Non realisation of waterfront royalty at increased rates and refund of available amounts*

**Non enforcement of 20 per cent increase of waterfront royalty as per agreement with Gujarat Pipavav Port Limited from April 2002 resulted in short-recovery of Rs.1.42 crore; Gujarat Maritime Board refunded Rs.1.30 crore, otherwise available, instead of adjusting the dues**

Government formulated (December 1995) Port Policy for development of ports through private participation. Out of 10 green field sites identified for development as deep water direct berthing ports, four<sup>91</sup> were to be developed as joint venture of Gujarat Maritime Board (GMB) with public-private participation on Build-Own-Operate-Transfer (BOOT) basis and remaining exclusively with private investment.

Under the Port Policy, GMB entered into concession agreement (September 1998) with Gujarat Pipavav Port Limited (GPPL) for developing Pipavav Port; according to which waterfront royalty would be notified by GMB, which would be increased on first April of every three years by an amount equal to 20 per cent of the rate existed before the due date. Hence the waterfront royalty was required to be revised twice at 20 per cent at least from April 2002 and April 2005.

GMB notified waterfront royalty rates in July 2003 with retrospective effect from April 1998. However, Port Officer, Jafrabad<sup>92</sup> did not enhance the royalty from April 2002 as per concession agreement (**Appendix XXXI**); it was collected at the increased rate from July 2003<sup>93</sup> and second increase effected from July 2004 till August 2005.

GMB issued a revised notification (February 2005) according to which

- rates notified in July 2003 were cancelled and new rates<sup>94</sup> were made applicable from July 2003
- twenty per cent increase for concessional rates was made applicable from July 2003 only.

As GMB did not enhance the royalty payable in terms of concession agreement from April 2002 and April 2005, Rs.5.14 crore was only realised against Rs.6.56 crore due. This resulted in short recovery of Rs.1.42 crore (**Appendix XXXI**).

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<sup>91</sup> Dahej, Mundra, Positra and Rozi

<sup>92</sup> Under whose jurisdiction Pipavav port falls

<sup>93</sup> From the month of issue of notification

<sup>94</sup> On 40 feet loaded and empty containers were reduced from the previous notification of July 2003

Though Port Officer, Jafrabad, had actually collected waterfront royalty (July 2003 to August 2005) at enhanced rate on the basis of notification of July 2003; GMB refunded (March 2006) the differential amount of Rs.1.30 crore<sup>95</sup>. Thus, the amount legitimately due as per concession agreement and a portion of which realised on the basis of notification of July 2003 was also refunded to GPPL.

Thus, non implementation of contractual conditions resulted in short-recovery of Rs.1.42 crore. On account of refund of Rs.1.30 crore, GMB did not avail the opportunity to adjust the amount from the concessionaire.

When pointed out (January 2006), Port Officer, Jafrabad did not furnish any reply to the point at issue.

When pointed out, Government stated (July 2006) that escalation of rates is provided in the case of ‘full waterfront royalty’ only and not on ‘concessional waterfront royalty’.

The reply of Government is not correct, as only two options, viz., ‘Straight-line Option’ under Clause 11.3.1.1 and ‘Set-off Option’ under Clause 11.3.1.2 of the agreement were available to GPPL. Having opted for ‘Set-off Option’, waterfront royalty is subject to escalation at 20 *per cent* on first of April every three years, vide sub-Clause 11.3.1.2.1. Hence, the ‘royalty concession’ referred to by Government under sub-Clause 11.3.1.2.2 (under main clause 11.3.1.2 – ‘Set off Option’) cannot be read independently and therefore, it was subject to escalation under sub-Clause 11.3.1.2.1.

### **General**

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

### **4.5.5 Lack of response to audit findings**

#### **Response to audit findings was not adequate in respect of District Rural Development Agencies, Bharuch and Vadodara**

Accountant General (Civil Audit), Rajkot conducts periodical inspection of the Government departments to test check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. After inspection, Inspection Reports (IRs) were issued to the Heads of the Departments with copies to the heads of the office inspected. Rules framed by the Government provide for prompt response to ensure corrective action and accountability. Serious irregularities are brought to the notice of the concerned Secretaries in the form of draft paragraph. A half-yearly report is also sent to the

<sup>95</sup> On account of February 2005 notification

Secretary of the administrative department in respect of pending IR paragraphs to facilitate monitoring of the audit observations.

A scrutiny of IRs issued upto March 2006, pertaining to the District Rural Development Agency (DRDA), Bharuch and Vadodara, revealed that 190 paragraphs relating to 14 IRs remained outstanding at the end of September 2006. Year-wise position of outstanding IRs and paragraphs is detailed below:

Year in which IRs were issued	DRDA, Bharuch		DRDA, Vadodara		TOTAL	
	IRs	Paras	IRs	Paras	IRs	Paras
Upto 2001-02	01	12	06	109	07	121
2002-03	01	13	--	--	01	13
2003-04	01	02	01	09	02	11
2004-05	01	14	01	10	02	24
2005-06	01	12	01	09	02	21
<b>Total</b>	<b>05</b>	<b>53</b>	<b>09</b>	<b>137</b>	<b>14</b>	<b>190</b>

Even initial replies, which were required to be furnished by the heads of the offices within four weeks from the date of issue of IR, were not received in respect of five IRs issued during 2001-06. Lack of remedial action resulted in non-settlement of these outstanding paragraphs.

The matter was referred to the Government in November 2006; reply had not been received (November 2006).