

CHAPTER-III
CIVIL DEPARTMENTS

SECTION – A REVIEWS

AGRICULTURE AND CO-OPERATION DEPARTMENT

**3.1 Working of Animal Husbandry wing including Dairy
Development**

Highlights

Animal Husbandry wing of Agriculture and Co-operation Department is responsible for developing live stock and its products by extending genetic improvement and veterinary services. Scrutiny revealed weakness in budgetary and expenditure control, inefficient functioning of state vaccine unit and live stock farms. Vacancies in the cadre of Veterinary Officers and Livestock Inspectors adversely affected functioning of the Department.

The expenditure of the Department was mainly (82 per cent) on non-plan during 1997-2000. The Department and the Director did not maintain control registers to monitor expenditure vis-à-vis grants.

(Paragraph 3.1.4(a) and (c))

Department did not obtain utilisation certificates for grants-in-aid for Rs.63.93 crore released during 1994-2000 to the District Panchayats.

(Paragraph 3.1.4(d))

Director failed to critically evaluate working of livestock farms despite huge loss incurred by these the farms during 1976-2001.

(Paragraph 3.1.5.1)

Average percentage of lactating cows ranged between 32 and 58 as against the norm of 70 per cent.

(Paragraph 3.1.5.1(ii))

As against shortfall in achievements under Artificial Insemination between 9 per cent and 12 per cent and conception between 5 per cent and 13 per cent for the State as a whole in test-checked districts it ranged between 26 per cent and 35 per cent and 5 per cent and 28 per cent respectively.

(Paragraph 3.1.6(b))

The goal of improving proportion of high yielding selective cattle by selective breeding and Artificial Insemination was not achieved as such composition declined between 1.05 per cent and 3.75 per cent during 1991-99.

(Paragraph 3.1.6(c))

Operation of Animal Vaccine Institute was highly uneconomical as the value of vaccines manufactured by the institute was between 19 per cent and 45 per cent of the manufacturing expenditure.

(Paragraphs 3.1.7)

Production of the Liquid Nitrogen by the department was totally un-economical as average annual cost of production per litre was Rs.30.29 as against average market rate of Rs.11.53.

(Paragraph 3.1.8)

Though Rs.1.63 crore was spent, the work of Livestock Census was incomplete for more than three years.

(Paragraph 3.1.9)

As against the establishment expenditure of Rs.9.76 per cattle per year expenditure on medical treatment of livestock was only Re.0.47. Out of 14 Polyclinics 12 (86 per cent) did not have facility of X-ray machines.

(Paragraph 3.1.10)

Vacancies in the key cadres of Veterinary officers (26 per cent) and Livestock Inspectors (16 per cent) had adverse impact on achieving various goals set by the Department.

(Paragraph 3.1.11(a))

Rupees 2.33 crore were spent by the department on Rozamdars in excess of norms by seven Poultry and two Cattle Breeding Farms during 1990-2000.

(Paragraph 3.1.11.(c))

3.1.1 Introduction

Gujarat is a leading state in respect of various important livestock products. It has indigenous high milk yielding cows, buffalo breeds and the Kathiawadi horse well known for its special characteristics of alertness and faithfulness and capability of long distance riding.

The main thrust of the Government policy was enhancement of livestock productivity through various programmes.

The Animal Husbandry wing of Agriculture and Co-operation Department aims at the development of live stock and its products i.e. milk, meat, poultry, eggs, wool products etc. through genetic improvement of indigenous stock in scientific manner and betterment of animal health by providing veterinary services.

3.1.2 Organisational set up

Secretary, Agriculture and Co-operation Department (Department) is responsible for planning, policy formulation and monitoring the programme of Animal Husbandry Wing. The Director of Animal Husbandry (Director), Gandhinagar is responsible for the implementation of policies and various schemes of the Government. Regional Joint Directors are responsible for overall management of the livestock farms*. There are 14 veterinary polyclinics, 453 veterinary dispensaries and 555 first aid veterinary centres in the State.

3.1.3 Audit coverage

Some aspects of working of the Animal Husbandry wing were reviewed by test-check (December-May 2000-01) of records for 1997-2000 of the Department and Directorate. The records of Animal Vaccine Institute at Gandhinagar, Regional Joint Director Vadodara,

* Cattle Breeding Farm (4), Poultry Farms (13), Sheep Breeding Farm (2), Horse Breeding Farm (2), Camel Breeding Farm (2), and Integrated Cattle Development Project (ICDP) centres (10)

Poultry Farms (PF): Makarba and Junagadh, Horse Breeding Farm (HBF) : Junagadh and Inaj, offices of Deputy Directors of Intensive Cattle and Poultry Development Projects, Polyclinics and District Panchayats at Mehsana, Vadodara, Surat, Valsad and Himatnagar were also test-checked. Important points noticed in audit are discussed below.

3.1.4 Financial management and control

(a) Budgetary control

The Director is the Controlling Officer for Animal Husbandry wing. There are 79 Drawing and Disbursing officers (DDOs) under the control of the Director. The Director collects estimates and compiles and sends them to the Department for inclusion in the budget for the Department. Details of budget provision and expenditure during 1997-2000 were as under:

(Rupees in crore)

Year	Plan				Non-Plan					Percentage of total expenditure	
	Budget provision	Expenditure	Excess (+)/Savings(-)	Percentage of Excess/Savings	Budget Provision	Expenditure	Excess (+)/Savings(-)	Percentage of Excess/Savings	Total Expenditure (Plan+ Non-Plan)	Plan	Non-Plan
1997-98	11.02	10.92	(-) 0.10	--	58.11	58.83	0.72	1	69.75	16	84
1998-99	11.61	12.69	1.08	9	69.34	68.92	(-) 0.42	--	81.61	16	84
1999-2000	18.15	19.45	1.30	7	63.05	64.54	1.49	2	83.99	23	77

Source: Appropriation Accounts.

The expenditure on salary and contingency was 69 per cent, 67 per cent and 77 per cent of the total expenditure for 1997-2000 respectively.

(b) Budget proposals sent late

Proposals for BE and RE submitted late

As per Gujarat Budget Manual (Manual), non-plan budget estimates (BEs) and revised estimates (REs) were to be submitted by 1 October and 10 December respectively to the secretary who was to send it to Finance Department (FD) by 15 October and 20 December respectively. However, BEs and REs were submitted late by the Director by 14 to 49 days and 19 to 41 days respectively during 1997-2000. Delay was attributed by the Director to belated submission of details by DDOs. However, action taken to control the delay was not furnished.

Several cases of weakness in budget formulation and control were noticed.

- Original grant** (i) During 1996-2000 in eleven heads of accounts, (six plan and five non plan) entire provision in the budget (Rs.79.50 lakh) remained unspent (Appendix-XIV). However, no part of the saving was surrendered.
- Supplementaries** (ii) In six heads of accounts (five non-plan and one plan) savings during 1996-2000 ranging between 5 per cent and 34 per cent of the total budget provision*, (Appendix-XV) were not surrendered.
- Re-appropriation** (iii) In eleven heads of accounts, even though additional funds were provided during 1997-2000 through re-appropriation, in 7 cases 37 per cent to 100 per cent of these total funds were not spent while in 2 cases excess expenditure to the extent of 30 per cent to 118 per cent took place during 1997-2000 (Appendix-XVI). Thus, Re-appropriations in these cases were unnecessary and was attributable to unreliable estimates and deficient monitoring of the progress of expenditure.
- Persistent excess** (iv) In five sub-heads of accounts, there were persistent excess expenditure over sanctioned grants during 1997-2000 (Appendix-XVII) which was attributed by the Director to increase in pay and allowances.

The above deficiencies indicated inappropriate budgeting and weakness in expenditure control mechanism.

(c) Monitoring of expenditure ineffective

- Expenditure Control Register not maintained** The Director did not maintain Control Register of expenditure to monitor grant-wise expenditure as per Gujarat Budget Manual. Monthly expenditure statements in the prescribed proforma were not obtained from the DDOs, by the controlling officer as required and thus the progress of expenditure of field units were not formally monitored by him. No such register was also maintained at the Department level to watch control over expenditure. The expenditure of Rs.2.89 crore, Rs. 2.25 crore and Rs.6.88 crore remained unreconciled with the books of account of the Accountant General (A&E) during 1997-2000 respectively.

(d) Wanting utilisation certificate

- Utilisation Certificates for Rs.63.93 crore not obtained from panchayats** As against Rs.120.27 crore released as grant-in-aid to district panchayats during 1994-2000, utilisation certificates (UCs) in 3486 cases for Rs.63.93[♦] crore were not received as of May 2001. Director was to ensure that UCs of previous grants were received before releasing the subsequent grant. Evidently this provision was not followed. The efforts made by the Director to obtain UCs from

* Original plus supplementary

♦ 1994-95 : 449 cases Rs.3.14 crore, 1995-96 : 311 cases Rs.4.05 crore, 1996-97 : 498 cases Rs.5.10 crore, 1997-98 : 511 cases Rs.11.29 crore, 1998-99 : 689 cases Rs.21.30 crore, 1999-2000 : 1028 cases Rs.19.04 crore

panchayats were not effective and as a result UCs for very old period were yet to be obtained.

(e) Unnecessary advance from Contingency Fund

**Rs.96.60 lakh were
injudiciously
advanced from
contingency fund**

Rupees 96.60 lakh were advanced from Contingency Fund by the Government under three Centrally Sponsored Scheme (CSS) namely, release of share capital contribution to Gujarat Sheep and Wool Development Corporation (Rs.46 lakh, March 1998), construction of veterinary dispensary/quarters in Kachchh under Border Area Development plan (Rs.20.60 lakh, March 1999) and modernisation of Surat Slaughter House (Rs.30 lakh in March 1999). The requirements of fund were not unforeseen as the proposals were timely made by Controlling Officer and Government of India gave instructions in January 1996, October 1998, March 1998 respectively for releasing funds under CSS. Therefore State Government had enough time to make provision either in BE or RE.

(f) Departmental Receipts credited in Personal Ledger Account

**Irregular crediting of
Government Receipt
to PLA**

Revenue Receipts from 1994-97 were irregularly deposited in Personal Ledger Account (PLA) by two DDOs as commented in Report of the Comptroller and Auditor General of India for the year ended 31 March 1998 (Civil). No corrective action was taken and the sale proceeds of farm products were credited repeatedly to PLAs of poultry farms and the balances under PLAs increased from Rs.1.04 crore in March 1996 to Rs.2.72 crore by March 2000.

3.1.5 Programme Management

The main objective of the department was to make livestock enterprises economically viable to attract more persons to take up livestock based activities by increasing the productivity of livestock, general animal health etc. For achievement of the objectives, 40 plan schemes and 18 centrally sponsored schemes were implemented during the review period. Expenditure incurred on major schemes for 1997-2000 was Rs.198.59 crore (Appendix-XVIII).

In the Directorate Joint Directors looked after the planning and implementation of various programmes/schemes such as Planning and Monitoring, Cattle Development, Poultry Development, Other Live Stock Development, Animal Health, Intensive Cattle Development Project and Fodder and Dairy Development.

Important aspects of the major programmes of the Department are discussed below:

3.1.5.1 Working of livestock farms

Losses of farms accumulated to Rs.4.98 crore

Upto 1993 all the live stock farms were treated as *quasi* commercial undertakings and from 1994 as non-commercial undertakings (November 1993). Annual maintenance expenditure and receipts of 11 farms during 1995-99 (Appendix-XIX) did not cover maintenance expenditure and cumulative deficit worked out to Rs.4.98 crore as of March 1999. The revenue earned did not cover more than 29 *per cent* on average, of the maintenance expenditure during 1995-99.

Critical evaluation of working of farms not done

The Cattle Breeding Farms (CBFs) and Poultry Farms (PFs) spent Rs.1.22 crore during 1995-99, an unproductive expenditure on maintenance of uneconomical animals (Rs.0.05 crore) and excess deployment of *rojamdars* (Rs.1.17 crore) and spent Rs.0.50 crore on providing bulls and birds at subsidised rates. National Commission on Agriculture (NCA) recommended (1976) to critically evaluate working of farms which were running uneconomically. No such evaluation was done by the Department as of September 2001.

The Director failed to monitor the working of the farms which suffered from such poor management.

(i) Low production of eggs/chicks

Large shortfall in production of eggs and high mortality rate of birds

As per norms of Central Poultry Breeding Farms minimum eggs production of broiler birds should be 170 to 180 per year. It was noticed that average annual production of eggs per bird in three poultry farms located in Vadodara, Surat and Ahmedabad was ranging from 78 to 126, 82 to 148, and 102 to 164 during 1995-99 resulting in annual shortfall of eggs production of 1.38 lakh, 0.78 lakh and 0.41 lakh respectively. This would involve an approximate loss of Rs.3.24 lakh per annum. Mortality rate of birds ranged between 19 *per cent* and 43 *per cent* (PF Vadodara), 11 *per cent* and 78 *per cent* (PF Surat) and 7 *per cent* and 63 *per cent* (PF Bhuj) as against prescribed norms of 7 *per cent*. The loss on account of high mortality was Rs.0.91 lakh per annum.

The reasons for poor egg production and high mortality were attributed to shortage of space, non-culling of birds, heat stroke etc. Farms did not explain why the norms of space and culling of birds as fixed by the Director were not scrupulously followed. This calls for investigation due to the possibility of leakage of revenue as departmental explanation (December 2000) of loss due to poor egg production and mortality does not appear convincing.

(ii) Adverse milk to dry animals ratio

Shortfall in maintenance of norms of lactating cows

As per norms prescribed by the Director minimum 70 *per cent* of the total cows should be lactating. As against this, average percentage of lactating cows to total cows was 32 to 55 (Bhutwad), 48 to 50 (Thara) and 36 to 58 (Mandvi) during 1992-98. It was also noticed that average

percentage of culled out animals maintained by these farms was 4, 10 and 29 respectively. Due to maintenance of unproductive animals the loss was Rs.2.97 lakh (Mandvi), Rs.1.30 lakh (Thara) and Rs.1.28 lakh (Bhutwad). Shortfall in achievement by CBF Thara and Mandvi was attributable to high ratio of culled out animals. This indicated improper implementation of breeding programme and farm activities.

(iii) Recovery of subsidy

Rupees 0.26 crore not recovered from defaulting beneficiaries

Under National Bull Production Programme, out of Rs.0.88 crore paid to selected thirteen *gaushalas* as subsidy during 1995-96, Rs.0.18 crore were not recovered from four** *gaushalas* since 1996-97 for non observance of terms and conditions of the Scheme. Subsidy of Rs.0.03 crore was recoverable since 1995-96 from defaulting beneficiaries by Poultry Farm (PF), Junagadh and Rs.0.05 crore by PF, Bhuj as beneficiaries did not maintain birds as per prescribed terms and conditions.

3.1.6 Intensive Cattle Development Programme

Intensive Cattle Development Programme (ICDP) started in 1965 in the State primarily to increase milk productivity of indigenous cattle by cross breeding, covered 10 districts with 1327 ICDP sub centres as of March 2000. During 1992-2000 Rs.68.62 crore was spent on the programme. Each sub-centre was manned by a Live Stock Inspector and a part time sweeper and was provided with equipments for artificial insemination (AI) and first aid kit. Review of the programme revealed the following:

(a) Recording of milk production

Milk production not recorded

NCA recommended that milk recording system is essential for any successful milk production enhancement programme. However, none of the test checked ICDP centres practiced milk recording since 1991. In the absence of any milk recording system the outcome of huge investment on the programme can not be assessed. The discontinuation of milk recording system since 1991 by Government was in disregard of recommendation of NCA.

(b) Shortfall in Artificial Insemination and conception

Doubtful data of achievements under AI and conception

Shortfall in AI for the State as a whole was reported to be between 9 per cent and 17 per cent (1992-2000) whereas in three test checked farms it ranged between 26 per cent and 75 per cent during 1995-99. Thus substantial over reporting of achievement took place. Similarly, shortfall in conception *vis-à-vis* norms (40 per cent) for the State as a whole were reportedly ranged between 5 per cent and 13 per cent whereas in test checked farms it ranged between 5 per cent and 28 per cent during 1995-1999. In CBF Thara AI was reportedly achieved between 97 per cent and 274 per cent but conception ranged only 2 per

** Savarkundla, Gadhada, Mandal and Idar.

cent and 22 per cent (Appendix- XX). This indicated that the figures furnished to audit were not reliable.

(c) Reduction in breed composition of high yielding buffaloes

The objective of the department was to improve the proportion of high yielding indigenous cattle by selective breeding and artificial insemination. Surti, Jafarabadi and Mehsani buffaloes are indigenous high milk yielding varieties in the State. It was seen that there was decrease in breed composition by 3.75 per cent in respect of Surti buffaloes and 1.05 per cent in Mehsani buffaloes between 1991 to 1999. But composition of non discript low yielding buffaloes increased by 3.59 per cent.

3.1.7 Production of vaccines

Un-economical manufacture of animal vaccines

Animal Vaccine Institute, Gandhinagar managed by Director was established in 1976 to make the State self sufficient in animal vaccines. But the institute could produce vaccine to the extent of 56 per cent (1997-98) to 75 per cent (1996-1997) of its installed capacity (Appendix-XXI). As a result the department purchased 35 per cent (1996-97) to 44 per cent (1999-2000) of its requirements at a cost of Rs.1.49 crore from open market during 1996-2000 (Appendix-XXII). Shortfall in production during 1996-2000 was attributed by the Joint Director to non-functioning of freeze dryer machine (12 months 24 days), suspension of license by the Drug Administration for violation of provisions of Drugs Act (nearly two months) and non-availability of Poly Propylene (PP) bottles (six months).

The contention was not tenable as even after providing Rs.45 lakh for replacing freeze dryer in March 1997, procurement was not finalised as of May 2001 due to lack of co-ordination among various officers. Further, the value of vaccines manufactured by the Institute as per prevailing market rate during 1996-2000 was between 19 per cent and 45 per cent of the manufacturing expenditure. Thus, manufacturing of vaccine by the Institute was uneconomical. State Government decided (June 1990) to build a separate Tissue Culture Laboratory to manufacture Viral Vaccine required for the State. The civil work of the project were completed by December 1997 at a cost of Rs.1.24 crore. However, due to dispute over the air conditioning system, the unit is still to be functional.

3.1.8 Uneconomical operation of Liquid Nitrogen (LN) plants

Un-viable plants of liquid nitrogen continued

Liquid nitrogen is used for preservation of frozen semen by keeping it at very low temperature. The department has five* liquid nitrogen plants. Plants could utilise their capacity only between 26 per cent and 43 per cent during 1996-2000. Further, almost all the plants remained inoperative for 48 days to 320 days in a year during 1996-2000.

* Himatnagar, Jamnagar, Mehsana and Rajkot I & II

Moreover, average annual cost of production per litre of LN was Rs. 30.29 per litre as against average market rate of Rs.11.53 per litre. Thus, production of liquid nitrogen by the department was totally uneconomical. Despite uneconomic operation of all the liquid nitrogen plants, the department opened yet another plant at Rajkot in October 1997 only to utilise central grant of Rs.85 lakh. Capital cost of the project was Rs.68 lakh and Rs.27.86 lakh were spent on maintenance charges upto 1999-2000. The plant produced 1.01 lakh litres of liquid nitrogen at Rs.27.56 per litre which was also higher than average market rate. Thus, investment and expenditure of Rs. 1.13 crore on the plants was grossly un-remunerative and their continuance need re-examination.

3.1.9 Inordinate delay in conducting Live Stock Census

Work of live stock census not completed even after more than three years

In August 1996, Government of India decided to conduct 16th Quinquennial live stock census with reference date (i.e. date of actual counting) as 15 October 1997. Figures of State were to be compiled and sent to GOI by 31 March 1998 for publication of All India Final Result by 30 June 1998. The State Government initiated action in August 1997 followed by revised instructions in January 1998 to do actual counting by *Talaties* in rural areas, Forest Guards in forest areas and Sanitary Inspectors of municipalities and corporations in urban Areas. However, *Talaties* refused census work on account of certain disputes with the Government and on the basis of assurance of the Minister of Panchayats in January 2000 agreed to do the work. However, the work was incomplete as of January 2001. Further, the scheme was financed by GOI, 50PC/100PC during 1997-99/1999-2001 respectively. Rs.1.63 crore was spent during 1997-2001 against which Rs.0.67 crore was received from GOI. Thus even after spending a substantial sum the work was incomplete for more than three years.

3.1.10 Animal Health coverage was insignificant

Meagre expenditure on medical treatment of livestock

Department aimed to provide comprehensive medical treatment to livestock. This objective was unachievable due to the insufficient provision under "Medicines/Drugs" during 1992-97. The expenditure was only Rs.3.12 crore, on this during 1992-97 while Rs.64.67 crore (including grants-in-aid to Panchayats) was spent on establishment which was a meagre 5 *per cent* of total cost. As a result expenditure was 47 paise per cattle per year as against the establishment expenditure of Rs.9.76 per cattle per year.

Casual approach in providing and upgrading Animal Health Services

The working group on Animal Husbandry of GOI recommended VO/cattle ratio of 1:06 lakh. However, the ratio in the State was 1:08 lakh. This would have adverse impact in rendering efficient services for maintenance of animal health. Further, as against 179 new centres targeted to be opened during 1992-97 only 79 centres were sanctioned of which 76 were opened. Out of 14 polyclinics, 12 were not provided with X-ray machines.

3.1.11 Man power Management

(a) Staff position of the Department

High number of vacancies in key cadres of VOs and LIs

The sanctioned strength and Men-in -position as of August 2000 were as under :

Serial number	Category	Sanctioned strength	Men-in-position	Vacancy	Percentage of vacancy
1	2	3	4	5	6
1	Class-I	89	78	11	12
2	Class-II	141	111	30	21
3	Class-II (V.Os)	625	460	165	26
4	Class-III (LI/Extension officer)	1964	1659	305	16
5	Class-IV	445	419	26	06
	Total	3264	2727	537	16

Vacancies in key posts of Veterinary Officers (VOs) and Live Stock Inspectors (LIs) and Extension Officers, were 26 *per cent* and 16 *per cent* respectively. As a result of vacancies in key cadres VO/Cattle ratio was high, 92, 88 and 47 sub-centres did not function in 1996-97, 1998-99 and 1999-2000 respectively and there was significant shortfall of achievements in vaccination and AI programme. Eight Veterinary Officers and ten Livestock Inspectors were posted in the Directorate denying their services in field units.

Despite huge vacancies in the field and ban on recruitment, Director did not redeploy/ reschedule the available staff based on revised norms to cope with the work with existing staff.

(b) Transfer policy*

Officers other than All India Services Officers (AIS) were not to be transferred to another place unless they completed three years at one place and should not be continued at one place for more than five years. The actual position was shown as follows:

Year	Category	Men-in position	Transferred before completion of three years	Not transferred even-after five years	Total 4+5	Percentage of deviation
1	2	3	4	5	6	7
1996-97	Class - I	18	3	--	3	17
	Class - II	29	4	22	26	90
1997-98	Class - I	21	1	--	1	5
	Class - II	29	1	23	24	83
1998-99	Class - I	20	3	--	3	15
	Class - II	26	2	19	21	81
1999-2000	Class - I	19	3	--	3	16
	Class - II	28	3	20	23	82

* According to guidelines issued by the General Administration Department (GAD) in March 1989.

Norms of transfer policy extensively flouted

The Director stated that deviation from laid down policy was in the interest of work. However, information as to whether reasons were recorded and approved by the competent authority in each case as required was not furnished and further deviation of 81 *per cent* to 90 *per cent* in Class-II cadre indicated that the policy was violated extensively.

(c) Excess deployment of Rojamdars in Poultry Farms/Cattle Breeding Farms

Rupees 2.33 crore spent on deployment of excess Rojamdars

As per norms one *Rojamdar* for 1000 birds in poultry farm and one for 2000 birds in chick rearing farms was to be deployed. It was noticed that the deployment of *Rojamdar* were in excess (47) of norms in seven[@], poultry farms whereas there were no *Rojamdars* in seven[#] other poultry farms since 1990. Rupees 1.12 crore were spent on excess *Rojamdar* during 1990-2000. No action was taken to reduce the excesses by transferring to needy farms.

Similarly, deployment of excess *Rojamdars* in CBF, Thara (35) and Mandvi (44) resulted in excess payment of Rs.0.37 crore and Rs.0.84 crore respectively during 1992-99.

3.1.12 Internal Audit

Huge shortfall in conducting Internal Audit

(a) The Directorate has an internal audit cell with the strength of 3 audit parties and 105 field formations are required to be audited annually by these parties.

However, parties audited on average 54 units per year during 1995-2000. No reasons were attributed for short coverage of auditee units.

The total pendency of outstanding internal audit paras was 167 paras, the earliest for year 1989-90. No vigorous action were taken by the Director for settlement of the outstanding paras.

Inadequate response to audit observations

(b) A review of the pending Audit Inspection Reports relating to Animal Husbandry wing revealed that action towards clearance/settlement of 121 paragraphs contained in 65 inspection reports issued upto September 2000 were pending as of March 2001*.

Of these 65 IRs even the first replies in respect of 16 IRs containing 36 paras (15 DDOs) pertaining to 1993-94 to 2000-2001 were not received (March 2001). The delay in furnishing replies ranged for more than two years in six cases, one to two years in 10 cases and six months to one year in 21 cases. The Director failed to ensure that the

[@] Junagadh (4), Surat (4), Sabarkantha (1), Dahod (7), Vadodara (15), Dangs-Ahwa (2), Makarba-Ahmedabd (14).

[#] Vyara, Surat (Chorasi), Jamnagar, Mehsana, Valiya (Bharuch), Nadiad and Bhuj

* 1984-85 IR 1 Para 1 1991-92 IR 2 Para 2 1993-94 IR 5 Para 7 1994-95 IR 4 Para 4 1995-96 IR 6 Para 8 1996-97 IR 3 Para 4 1997-98 IR 18 Para 32 1998-99 IR 9 Para 23 1999-2000 IR 12 Para 24 2000-2001 IR 5 Para 16.

DDOs furnish replies timely to the audit observations. No audit committee was formed for settlement of the outstanding paras.

3.1.13 Conclusion

Various live stock farms of the State are functioning in an uneconomical and ineffective way. The quality of live stock was not improving as there had been reduction in breed composition of high yielding buffalo varieties. Production of vaccine at the State institutes and liquid Nitrogen plants are proving a drain on exchequer. Existing man power management requires attention. Animal health coverage was not adequate. The performance of ICDP was tardy.

3.1.14 The matter was reported to Government in June 2001; reply has not been received (September 2001).

EDUCATION DEPARTMENT

3.2 Non Formal Education

Highlights

Non-formal education introduced by Government of India to provide elementary education to out of school children in the age group of 6-14 and to bring them in the main stream of formal education was launched in the State of Gujarat in 1989-90. Only 26 per cent beneficiaries were covered during 1995-2000.

Out of total Rs.5.24 crore spent on the scheme, state sector accounted for only Rs.63.01 lakh indicating very little participation.

(Paragraph 3.2.2 and 3.2.4)

68 to 85 per cent of NFE centres were located in city slums and only 15 to 32 per cent centres in tribal and hilly areas. During 1995-2000 1.52 lakh children were covered under the scheme.

(Paragraph 3.2.5.1 and 3.2.7)

Training was not provided to instructors/supervisors by project officers in 42 to 97 per cent cases.

(Paragraph 3.2.5.2)

In absence of proper records to be maintained by the Director overall impact of the programme of Non-formal education could not be assessed in audit.

(Paragraph 3.2.7)

The Director did not monitor visit of centres by State level officers or kept any copy of report of evaluation carried out by joint evaluation team in 1998.

(Paragraph 3.2.8)

3.2.1 Introduction

The National Policy on education 1986 envisaged a systematic programme of Non Formal Education (NFE) as integral component of the strategy to achieve universalisation of elementary education. The scheme was conceived in 1979-80, scaled up in 1987 and revised in 1993 with the aim to provide elementary education comparable to the quality of formal education to children in age group of 6-14, engaged in domestic works and to bring them to mainstream of formal education. The scheme was implemented in the State since 1989-90 by Education Department with participation of non governmental organisations (NGOs).

3.2.2 Organisational Set-up

At the Central level Department of Education, Ministry of Human Resource Development (MHRD) was responsible for over all planning and budgetary control. At the State level, the Director of Literacy and Continuing Education (Director) under the control of Education Department was the nodal agency. NFE was implemented in the State Sector through Rajkot Municipal Corporation (RMC) and Surat Municipal Corporation (SMC) only and in the Voluntary Sector through 23 NGOs as shown in Appendix-XXIII.

3.2.3 Audit Coverage

Implementation of NFE for 1995-2000 was reviewed through test-check of records of the Director, RMC, SMC and 12 NGOs^r, in Ahmedabad and Rajkot districts. Important points noticed are discussed in succeeding paragraphs.

3.2.4 Financial Outlay and expenditure

According to funding pattern, assistance was provided on sharing basis between Central and State Governments in the ratio of 60:40 for co-education centres and 90:10 for exclusively girls education centres in State Sector. Cent *per cent* Central assistance was released to NGOs directly by MHRD.

(I) State Sector

Year-wise provision and allotment of fund under State sector during 1995-2000 was as under:

Year	Budget Provision		Allotment of fund		Percentage of allotment <i>vis-à-vis</i> provision	
	State	Central	State	Central	State	Central
1995-96	16.00	22.00	6.93	22.00	43	100
1996-97	16.00	20.00	Nil	10.25	00	51
1997-98	16.00	22.00	#5.49	11.00	34	50
1998-99	Nil	18.00	Nil	Nil	--	00
1999-2000	Nil	22.00	Nil	Nil	--	00
Total	48	104.00	12.42	43.25	26	42

^r Serial number 1 to 4, 6 to 10 and 19 to 21 of Annexure-I.

5.49 shows the figures of grant released to GOs other than RMC and SMC

Thus, only 26 and 42 per cent of the total funds provided for in the budget were released by the Central and State Government respectively. Since 1998-99 no funds were allotted by either State or Central Government although the scheme continued till March 2001.

The State did not spend any amount since 1996-97 except for 1997-98 for making payment to staff of NFE projects of earlier years as per court's directives.

Release of grants to Implementing Agency

Details of release of grants to RMC and SMC and expenditure during 1995 to 1999 were as under:

(Rupees in lakh)

Year	No of Project	Opening balance	Grant released by		Total fund available	Expenditure	Balance
			State	Central			
1995-96	2 Girls	18.95	6.93	22.00	47.88	20.84	27.04
1996-97	2 Girls 1 Co-Ed	27.04	-	10.25	37.29	25.17	12.12
1997-98	1 Co-Ed	12.12	*5.49	11.00	23.12	14.07	9.05
1998-99	-	9.05		-	9.05	2.93	6.12 **0.17 6.29
Total		67.16	6.93	43.25	117.34	63.01	54.33

NFE Projects were stopped from March 1997 and June 1998 in RMC and SMC respectively. However, unspent balance of Rs.6.29 lakh (RMC Rs.1.63 lakh and SMC Rs.4.66 lakh) was not refunded by RMC/SMC to Government (December 2000/January 2001). Director stated (October 2001), that all concerned were asked to surrender unspent balances in June 1998. It was also noticed that Rs.1.27 lakh were spent unauthorisedly by RMC towards salaries to PO and his staff after closure of project between April 1997 and May 1999.

(II) Voluntary Sector

Details of receipt of grants and expenditure by NGOs during 1995-2000 was as under:

(Rupees in lakh)

Year	No of NGOs in operation	Grant received	Expenditure
1995-96	10	85.87	87.59
1996-97	10	86.27	84.28
1997-98	10	82.03	87.45
1998-99	09	89.80	83.03
1999-2000	17	107.42	118.63
Total		451.39	460.98

Excess was met by NGOs from their own funds. Records of NGOs in Ahmedabad District revealed that Central grant was released late by five months to 31 months during 1997-2000.

* Not taken into account as the amount was spent on NFE projects of earlier years as per directives of court.

** Interest earned Rs.0.17 lakh.

Release of Central grant delayed by five months to 31 months

3.2.5 Implementation of Scheme

3.2.5.1 Area of operation mainly covered city slums

68 to 85 per cent of the centres were in city slums and only 15 to 32 per cent centres in tribal and hilly areas

Thrust of the Scheme was on school dropout and uneducated children living in hilly, tribal and educationally backward areas and urban slums. However, only upto 9 per cent learners belonged to hilly areas, upto 30 per cent belonged to tribal areas and remaining belonged to urban slums as shown below:

Year	Government Sector	NGOs	Total enrolled		Urban Slums		Tribal		Hilly	
			Centres	Enrolled Children	Centres	Enrolled children	Centres	Enrolled children	Centres	Enrolled children
1995-96	2	10	1225	30999	973 (80)	24395 (79)	152 (12)	3800 (12)	100 (8)	2804 (9)
1996-97	2	10	1248	32501	963 (77)	25200 (77)	192 (15)	4800 (15)	93 (7)	2501 (8)
1997-98	1	10	1125	28903	957 (85)	24703 (25)	168 (15)	4200 (15)	--	--
1998-99	--	9	925	23697	746 (81)	19222 (81)	179 (19)	4475 (19)	--	--
1999-2000	--	17	1371 [◆]	35843	935 (68)	24173 (67)	396 (29)	10647 (30)	40 (3)	1023 (3)

Note: figures in bracket represents percentage. The figures were furnished by the GOs/NGOs.

This appeared to be largely due to the fact that only 22 per cent of the total centres were located in the hilly/tribal areas.

3.2.5.2 Inadequacy of training to NFE staff

Inconsistency in financial and physical achievements

Under NFE, Instructors and Supervisors were required to be imparted induction training for 30 days and 20 days and inservice training for 20 days and 10 days respectively by the implementing agencies. Details of financial and physical target and achievements in RMC, SMC and nine NGOs during 1995-2000 was as under:

Organisation	Expenditure (Rupees in lakh)		Percentage of shortfall	Physical (In days)		Percentage of achievements
	As per norms	Actuals		Target	Achievements	
1	2	3	4	5	6	7
RMC	1.94	0.58	70	120	21	17
SMC	3.88	3.88	Zero	240	80	33
Ketan	1.21	1.13	07	300	NF	NF
LGRDF	5.82	3.69	37	360	10	3
Manavseva	4.85	3.71	24	300	113	38
GSCPT	4.85	1.61	67	300	174	58
City Social	3.88	3.13	19	240	82	34
Loksevak	9.70	9.62	01	600	142	24
Labour welf.	1.94	1.31	32	120	28	23
Abhikram	0.29	NIL*	NIL	60	13	22
Patanisheri	0.29	0.29	Zero	60	22	37

NF : Not furnished

* Spent from own funds

◆ Number of centres increased as number of NGOs increased from 9 to 17.

Thus, expenditure on training component was far in excess of physical achievements. One NGO spent Rs.1.13 lakh for training but did not furnish details of training actually conducted. Thus, utilisation of the fund for the purpose of training was doubtful.

3.2.6 Other points

(i) Test-check of records of Lalbhai Group Rural Development Fund, Akhand Jyot Foundation and Labour Welfare Trust at Ahmedabad (NGO), revealed that Rs.1.36 lakh was irregularly spent on purchase of items *viz.*, slide projector, video cassette recorder, colour television, music instruments, office furnitures etc., which were not covered under 'teaching and learning material' or 'equipments'. LGRDF stated that these equipments are training articles which shall be used for effective and sufficient implementation of project *viz.*, Audio/visual aids. The reply was not acceptable since physical achievement in training of the NGO was only 3 *per cent* during 1995-2000 as mentioned in Para 3.2.5.2.

(ii) As per the conditions of the grant, assets acquired out of grants-in-aid shall revert to Government of India as soon as project was completed. However, it was noticed that RMC, SMC and two NGOs* purchased motor cycles/scooters between September 1988 and January 1995 costing Rs.0.82 lakh from NFE grant, which were not surrendered though the operation of NFE was stopped between March 1997 and November 2000.

(iii) Ahmedabad City Social Education Committee and Akhand Jyot Foundation Trust invested Rs. two lakh and 2.50 lakh respectively out of grants received for NFE centres, in short term deposits with the banks in violation of rules during December 1995 to April 1996 and June 1999 to November 1999 respectively.

(iv) In SMC Rs.2.38 lakh was spent on teaching-learning materials, contingent and equipment in excess of norms prescribed for the purpose. This resulted in irregular expenditure of Rs.2.38 lakh.

3.2.7 Overall impact of NFE

In a survey conducted by State Government, a total of 5.77 lakh children were identified as non-school going children or school drop outs. Out of this, 1.52 lakh (26 *per cent*) were covered under NFE during 1995-2000. The Director neither maintained any record relating to enrollment from non-formal education to mainstream of formal education as per objectives of this programme nor otherwise assessed impact of NFE. Audit therefore, could not assess/verify overall impact of NFE.

No record to assess overall impact of NFE

* (1) Manav Seva Mandal Trust, Rajkot
(2) Lok Sevak Mandal(SOPS), Ahmedabad

3.2.8 Monitoring and Evaluation

(a) Monitoring

No record to monitor visits by State level officers

The State level authorities were responsible for monitoring NFE through physical inspection etc. Director did not maintain any record of visit of NFE centres by State level officers. Audit, therefore, could not verify whether the monitoring of NFE was done or not.

(b) Delay in submission of quarterly reports

Progress reports not submitted even after more than two years by NGO

Quarterly progress reports are required to be submitted to MHRD/Director by the NGOs/GOs respectively, within a period of one month of the close of a quarter. Test-check of records of Labour Welfare Trust Ahmedabad, revealed that reports for quarters ending May 1998 and August 1998 were not submitted as of March 2001. Further, quarterly reports for quarter ending June, September and December 1997, were submitted late by six, four and one month respectively by RMC.

(c) Evaluation

Copy of evaluation report not available with the Department

The Education Department was responsible for conducting periodical evaluation of NFE by a joint evaluation team and field visits of Central and State Government Officials. It was noticed that the team constituted in July 1998 carried out evaluation of one NGO (Lok Sevak Mandal, Ahmedabad) but copy of the Report was not available with the Department. Another team constituted in December 1999, did not submit report as of November 2000.

3.2.9 The matter was reported to Government (June 2000); reply has not been received (September 2001).

**GENERAL ADMINISTRATION, FINANCE AND
REVENUE DEPARTMENT**

3.3 Audit of earthquake relief expenditure

Highlights

A major earthquake occurred in the Saurashtra and other parts of Gujarat on 26 January 2001 causing more than 17 thousand deaths and 19 thousand injuries. Besides, there was estimated damage of Rs. 15,300 crore to property and infrastructure. The relief measures undertaken by the Government of Gujarat were reviewed in audit.

Rupees 683 crore and Rs.603 crore was spent by Government of Gujarat and GSDMA upto October 2001 on the relief and reconstruction works. The immediate relief to be provided to the victims were delayed in several cases upto seven months and cash doles and assistance were paid in excess by Rs. 31 crore in test checked talukas. Issues of excess ration cards, re-survey of the damaged households facilitated excess payments. Only 10 per cent of the debris were cleared so far in Morbi and Malia Talukas and expenditure of funds placed with the municipalities for restoration of basic services were not monitored. Though adequate funds were available, pace of reconstruction of damaged schools and classrooms was very slow. Adequate controls are not in place over purchase of materials; as the accounts of materials donated by other countries were not maintained, there was unnecessary purchase of similar material, besides theft and malpractice in distribution of such material was not ruled out in the absence of their accountal.

There is scope for better monitoring of the relief and reconstruction works. Actual participation of NGO's in the relief works did not match the initial enthusiasm of such organisations.

Rupees 682.86 crore and Rs.602.73 crore were spent by the State Government and Gujarat State Disaster Management Authority respectively from 26 January to 15 October 2001. Out of unspent fund of Rs.483.16 crore, Rs.112.24 crore was lying in various bank accounts of District Collectors and line departments and Rs.370.92 crore was kept in fixed deposits (Rs.325.32 crore) and current accounts (Rs.45.60 crore) by GSDMA. Despite Government instructions, unutilised grant amounting to Rs.87.91 crore was not refunded by drawing and disbursing officers.

(Paragraph 3.3.4.7)

Funds amounting to Rs.862.03 crore were released directly to various line departments and district collectors by the Government of Gujarat instead of routing it through Gujarat State Disaster Management Authority as required.

(Paragraph 3.3.4.7)

Cash doles and assistance for households kits were paid in excess by Rs. 30.85 crore. Disbursement of Rs.16.24 crore on these amounts were delayed by one to seven months. Excess issue of temporary ration cards and failure of selection of verification by the committee facilitated excess payment.

(Paragraph 3.3.5.1)

Director of Agriculture procured Farmers kits of Rs.24.29 crore without due procedure.

(Paragraph 3.3.5.3)

As accounts of receipt and issue of relief material received from various countries was not maintained, there was unnecessary purchases of similar material. Stock accounts of various articles are not properly maintained. Possibility of pilferage, malpractice in issue of donated material could not be ruled out.

(Paragraph 3.3.5.4 and 8)

GI sheets were distributed in excess by Rs.17.64 crore in 3 districts. There was unnecessary purchase of GI sheets worth Rs.21.38 crore. Unnecessary retention of hire tents and loss of such tents resulted in loss of Rs.85.09 lakh. Substandard tarpaulines were procured for Rs.68 lakh.

(Paragraph 3.3.5.6 and 8)

Re-survey of houses in earthquake affected areas by Collectors, Jamnagar and Surendranagar resulted in increase in number of affected houses. There were large discrepancies between the figures of category-wise number of affected houses reported by three District Collectors to Commissioner of Relief and to Audit. Similarly large discrepancies existed between the figures of paid cases of house assistance as per the records of Commissioner of Relief and that of Gujarat State Disaster Management Authority.

(Paragraph 3.3.6)

Out of Rs.116.16 crore received for repairing/reconstruction of 48,891 classrooms in 10,248 damaged/collapsed schools, only Rs.53.41 crore was released to 9,411 schools. Repair was not completed for any of the schools and reconstruction of 2,838 classrooms was yet to be taken up.

(Paragraph 3.3.7.5 and 3.3.7.6)

There was increase of 13 thousand ration cards and 64 thousand population after earthquake in the Kachchh districts. Such increase facilitated excess distribution of exgratia relief and house reconstruction grants.

(Paragraph 3.3.8)

In Morbi and Malia Talukas as against estimated debris of 3.99 lakh tonnes and 4.94 lakh tonnes only 0.12 lakh tonnes and 0.50 lakh tonnes were removed as of May and July 2001. Expenditure of Rs. 59 lakh on clearance of debris in Kachchh district was not free from doubt. Though Rs.9.20 crore was placed at the disposal of 14 municipalities for basic services like sanitation, drinking water, street-lights, removal of debris, etc. its utilisation was not monitored.

(Paragraphs 3.3.5.11 and 12)

In response to the appeal of Government to voluntary organisation (NGO) for participation in rehabilitation programme, 416 applications were received for adoption of 360 villages in Kachchh districts. 302 applications in 60 cases were approved and in 22 cases projects were pending for approval. In remaining 220 cases no project proposal was submitted by NGOs even after lapse of more than 4 to 9 months .

(Paragraph 3.3.7.6)

3.3.1 Introduction

A massive earthquake with epicenter 20 Kms Northeast of Bhuj occurred in Gujarat on January 26, 2001 causing major loss of life and injury and damage to property and infrastructure in 21 districts of the State. Of these, six districts and 17 Talukas were severely damaged and the District of Kachchh was hardest hit. Anjar and Bhachau towns of Kachchh district suffered nearly cent *per cent* damage. In the quake 17143 human lives were lost and 19025 persons were injured.

Immediately after the earthquake, Government instructed all the District Collectors of the affected areas to extend relief and rehabilitation on war footing. As against Rs.593.93 crore allotted by the Government to the Collectors of the affected districts, expenditure of Rs.560.47 crore was booked till March 2001.

Based on survey of damages, the loss of property and infrastructure was estimated by the Government at Rs.15308 crore. A two phase programme (Appendix -XXIV) in consultation with Government of India, World Bank and Asian Development Bank for re-construction and rehabilitation at a cost of US\$ 2300 million equivalent to Rs.10760 crore has been prepared (March 2001) by the Government of Gujarat. Work on phase I of rehabilitation and reconstruction has started from April 2001 through the Gujarat State Disaster management Authority (GSDMA) established by the Government of Gujarat on February 8, 2001 to provide relief and co-ordinate the comprehensive earthquake rehabilitation and reconstruction programme. GSDMA is registered as a society under the Societies Registration Act. The objectives of GSDMA are:

- (i) To provide relief to the people for the loss incurred due to natural calamity and to undertake entire aspects of rehabilitation and reconstruction activities.
- (ii) To make efforts to minimise the impact of natural calamities through precautionary programmes and schemes.
- (iii) To analyse and study the reasons of natural calamities and to suggest the remedies to avoid or minimise the effects of such natural calamities.
- (iv) To make the best use of the funds, grants, donations, assistance received from Government of India and other foreign countries or financial or any other institutions/persons for prevention of such natural calamities or for handling the after-effects;
- (v) To obtain loans and make proper use of the funds received by the Authority.

However, it was seen in audit that though GSDMA was functional, all the relief works were actually carried out by Commissioner of Relief directly. Further, GSDMA did not maintain any record to monitor

physical and financial progress of relief activities and prepare long term disaster management plans as was required.

In response to a number of public interest litigations, the High Court of Gujarat directed (February 2001) the State Government to create a separate fund to monitor receipt (cash and kind) and expenditure relating to various relief and rehabilitation works in earthquake affected areas and desired the Comptroller and Auditor General of India to carry out periodical audit of such receipt and expenditure. Government of Gujarat instructed (February 2001) that all funds, donations, contributions, external assistance etc. pertaining to earthquake relief and rehabilitation in Gujarat would be credited to the Fund *viz.* Gujarat Earthquake Rehabilitation and Reconstruction Fund (GERRF) maintained by GSDMA and all expenditure met therefrom. The accounts of the GERRF was as to be operated outside treasury system through nationalised banks and workswere to be implemented by GSDMA through the District Collectors, various line departments, autonomous bodies and NGOs.

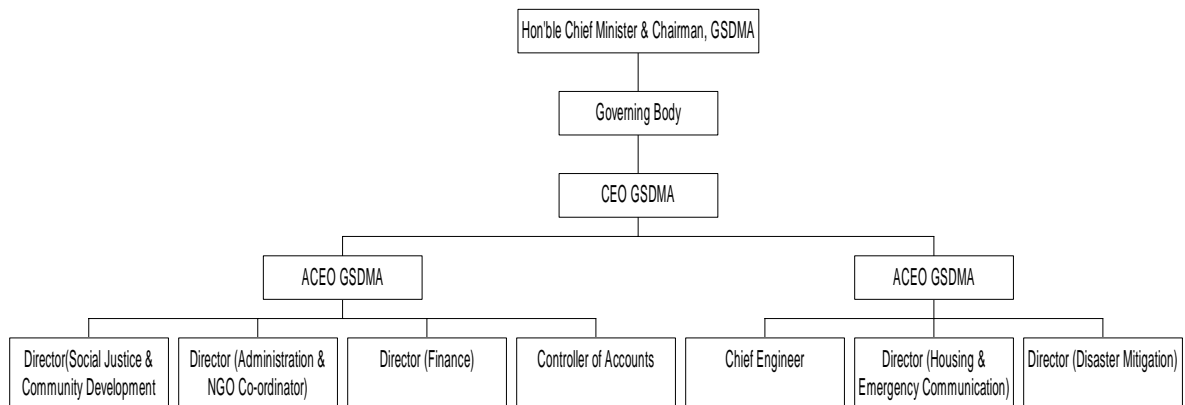
3.3.2 Organisational Set-up

All relief on account of natural or other calamities are monitored by Revenue Department through Commissioner of Relief (CR). The talukas affected by the earthquake were treated as Districts and officers of Additional Collectors' cadre were appointed separately for Revenue and Panchayat activities. However, due to excessive damage caused by the devastating earthquake and to utilise assistance received from various parts of the country, foreign countries, various financial institutions etc., GSDMA constituted in February 2001, became functional from April 2001.

Additional Chief Secretary, General Administration Department, is responsible to monitor activities of GSDMA through a cell created for the purpose in the Department. Various line Departments like Health and Family Welfare, Narmada Water Resources and Water Supply, Roads and Buildings, Food and Civil Supplies and Consumer Affairs, Panchayat, Rural Housing and Rural Development, Urban Development and Urban Housing, Forest and Environment and Industries and Mines Departments are to implement the relief, rehabilitation and reconstruction works as per the plans prepared by Government and directions issued by Revenue Department.

GSDMA is chaired by the Chief Minister, with nine members and its Chief Executive Officer (CEO) functions as Member Secretary. CEO, GSDMA is responsible for the overall management and implementation of the proposed project for rehabilitation and reconstruction works. Implementation of works and procurement of goods for specific components was the responsibility of the line departments while the overall co-ordination and monitoring vested with GSDMA.

Organisational set-up of GSDMA



3.3.3 Audit coverage

The efficiency and effectiveness of the activities relating to relief assistance and progress of rehabilitation and reconstruction works by the Government and GSDMA and the accounts of GERRF were reviewed in audit during June - October 2001. For this purpose records of 41 offices in five districts as mentioned in Appendix -XXV were test-checked and information/data was collected from CR, Departments of Food Civil Supplies and Consumer Affairs, Finance, Industries and Mines and GSDMA. This being the early phase of the relief work, the accounting system and procedures of GSDMA are yet to settle down. Audit was conducted based on records and information etc. made available by Government and GSDMA.

3.3.4 Financial outlay and expenditure

3.3.4.1 Provision of funds and expenditure on relief and rehabilitation works during 2000-2002 were as under:

2000-01

(Rupees in crore)

Sources	Allotment	Expenditure	Savings
Government of Gujarat *	593.93	560.47	33.46

2001-02 (up to September 2001)

Govt. of Gujarat	134.05	122.39	11.65
GSDMA **			
World Bank-	474.11		
Asian Development Bank	355.97	1085.89	602.73
Government of Gujarat-	255.30		
Others-	0.51		

* Figures furnished by GSDMA

** Figures furnished by Commissioner of Relief

3.3.4.2(i) Out of unspent funds of Rs.483.16 crore, Rs.112.24 crore was lying in various bank accounts of District Collectors and DDOs of the line departments. GSDMA kept Rs.325.32 crore and Rs.45.60 crore in fixed deposit and current account respectively. Thus, Rs.112.24 crore remained in pipeline and Rs.370.92 crore remained idle with GSDMA.

It was also noticed that Rs.13.11 crore (received from World Bank Rs.3.44 crore, ADB Rs.6.54 crore and others Rs.3.13 crore) out of the total funds received from these sources were kept in fixed deposit, whereas expenditure relating to components of these funding agencies was met out of the fund received from Government of Gujarat.

3.3.4.2(ii) Expenditure on relief etc. for the earthquake was booked under 'Sub-Major Head 02- Floods, Cyclones etc.' under the Major Head '2245 relief on account of Natural-Calamities'. This Head of account depicts the expenditure on all natural calamities. As such, actual expenditure for earthquake related works was not identifiable separately from the Finance Accounts of the State. Government of Gujarat has since obtained the correct classification from the GOI in August 2001. Thus, the Finance Accounts of Government of Gujarat for 2000-2001 did not properly depict the expenditure on disaster relief etc. for the earthquake.

Government of India released Rs. 411.53 crore to Government of Gujarat in April 2001. Out of this amount Rs. 41.53 crore was yet to be released by the Government of Gujarat (November 2001).

3.3.4.3 Irregular retention/drawal of funds

Rupees 87.91 crore was irregularly retained by DDOs

(i) As per Government directives (March 2001) unspent balance as of 31 March 2001, out of the grants released for Natural Calamity (earthquake relief), was required to be refunded to Government. In test checked districts it was noticed that Rs.87.91 crore was not refunded by Drawing and Disbursing Officers (DDOs) as shown below:

Sr. No.	Name of officer	Unspent balance as on 31 March 2001 not refunded (Rupees in crore)
1	Taluka Development Officers (Jamnagar)	1.24
2	District Development Officer and Taluka Development Officers (Surendranagar)	0.93
3	City Mamlatdar, Ahmedabad	6.36
4	District Development Officer, Bhuj	50.00
5	Taluka Development Officers (Rajkot)	26.38
6	Mamlatdar, Wankaner	3.00
	Total	87.91

Non-reduction of unspent balance of Rs.86.12 crore from receipt head resulted in overstatement of expenditure and receipt

(ii) Unspent balance of grant refunded during the current year is to be accounted for as reduction in expenditure. However, it was noticed that unspent balance of Rs.86.12 crore was credited to receipt head by TDO Jamnagar (Rs.52.38 crore), DDO Rajkot (Rs.7.24 crore) and DDO Surendranagar (Rs.26.50 crore). This resulted in overstatement of expenditure as well as receipts of the state Government.

3.3.4.4 Diversion of grants

Scrutiny of records of TDOs, Bhuj, Jamnagar and Wankaner revealed that Rs.1.08 crore was diverted as shown below:

1	TDO, Bhuj	0.23	Diverted for Earthquake expenditure from EAS
2	TDO, Jamnagar	0.33	Diverted from relief grant towards pay and allowances and contingencies
		0.51	Diverted from PLA towards relief expenditure
3	TDO, Wankaner	0.01	Diverted from relief grant to contingency
	Total	1.08	

Diversion was attributed by DDOs to expenditure incurred as per requirement.

3.3.4.5 Funds released outside GSDMA

Releasing of funds outside GSDMA defeated the purpose of creation of separate fund for monitoring receipt and expenditure on earthquake related works

All receipts (cash and kind) and expenditure relating to rehabilitation and reconstruction works in earthquake affected areas were to be accounted in GERRF maintained by GSDMA.

It was noticed that Rs.2005.15 crore under Plan heads and Rs.5288.11 crore under Non-Plan heads were provided under various demands in the Budget of 2001-2002. Rupees 134.05 crore was released between April and October 2001 to eight District Collectors and three Line Departments for earthquake related works in the affected areas.

Thus, the very purpose of creation of separate fund for monitoring receipt and expenditure on earthquake related works was defeated.

Since fund released by Government was not routed through GERRF, report on physical and financial progress of all earthquake related activities were not co-ordinated by GSDMA.

3.3.4.6 Quality of maintenance of accounts

(i) Operational Manual of GSDMA stipulated maintenance of separate cash book in the prescribed proforma. The Manual also prescribed internal audit by internal auditors appointed by GSDMA. Test check of

records of TDOs Wadhwan, Jamnagar, Jodia and Wankaner and Mamlatdar, Bhachau, Morbi, Ahmedabad, Halvad, Wadhwan, Wankaner and Gandhidham revealed that cash book in the prescribed format was not maintained in double entry system Accounts of grants of Rs.91.66 crore received* from GSDMA and expenditure there against was recorded in simple register in single entry system. Non observance of provisions of Manual was attributed by the concerned officers to shortage and non-availability of trained staff.

(ii) As per provisions of Treasury Rules, amount drawn from the treasury is to be shown on the receipt side and expenditure is to be shown on the payment side, in the cash book working out the closing balance at the end of the day. However, Rs.17.44 crore drawn (February-March 2001) by Mamlatdar, Bhachau (Rs.14.44 crore) and Wankaner (Rs. 3 crore) was shown as receipt and entire amount was shown as expenditure by transferring the amount to the bank account there by working out the closing balance as nil, though entire amount was lying unspent in the bank. Due to non-observance of prescribed procedure, correctness of actual amount disbursed and cash on hand could not be checked in audit.

Further, funds released by GSDMA to various line departments and District Collectors for execution of works were deposited in the separate bank accounts as required. However, no reconciliation with banks was done by DDOs. As a result, correctness of expenditure figures and bank balance could not be verified by Audit. It was also noticed that there was unreconciled difference of Rs.5.74 crore between the figures of expenditure under category G3# of housing package shown by TDOs/Mamlatdars and the District collector Rajkot.

3.3.4.7 Drawal of funds in advance of requirement

Huge amount of Rs.17.70 crore were drawn in advance without immediate requirement

To provide relief to those whose houses were either completely or partially destroyed in devastating earthquake, Government of Gujarat declared various rehabilitation and reconstruction packages (February 2001). Accordingly all the houses damaged/destroyed in earth quake were to be surveyed and assistance upto Rs.0.90 lakh per house was payable in three installments in phased manner depending upon the extent of damage assessed by the survey team .

Mamlatdar Bhachau drew Rs.17.70 crore in January-March 2001 for disbursement of cash doles and house assistance of which only Rs.9.82 crore were spent up to July 2001. The balance was lying idle in the bank account. Similarly, Rs.5.99 crore drawn by the TDO, Wankaner in March 2001, out of the grant released to him by DDO, Rajkot, was

* TDO-Wadhwan Rs.7.50 crore, TDO-Jamnagar Rs.2.77 crore, TDO-Jodiya Rs.5.27 crore, TDO-Wankaner Rs.5.99 crore, Mamlatdar-Bhachau Rs.5.00 crore, Mamlatdar-Morbi Rs.2.90 crore, City Mamlatdar, Ahmedabad Rs.18.78 crore, Mamlatdar-Halvad Rs.20.45 crore, Mamlatdar-Wadhwan Rs.5.00 crore, Mamlatdar-Wankaner Rs.3.00 crore and Mamlatdar-Gandhidham Rs.15.00 crore

G3 means damage to house up to 25 per cent

credited into bank for payment of house compensation. However, no payment was made till May 2001.

Retention of huge balance in the bank indicated that funds were drawn without immediate requirement.

3.3.4.8 Non utilisation of funds received from GSDMA

Due to improper planning funds of Rs.4.99 crore received from GSDMA remained unutilised for over four months

Out of Rs. five crore received by Mamlatdar, Bhachau from Collector, Bhuj in April 2001 for housing programme only Rs. one lakh was spent (May 2001) on purchase of computers and Rs. 4.99 crore was lying unutilised as of August 2001. Mamlatdar, Bhachau stated (August 2001) that due to non-finalisation of Town Planning Scheme by Bhachau Area Development Authority, the amount could not be disbursed.

Thus, due to improper planning, Rs. 4.99 crore remained unutilised for over four months.

3.3.4.9 Drawal of amount on AC Bills

Detailed contingent bills for Rs.146.36 crore were not submitted to AG(A&E) in time

(i) As per Codal provisions and instructions issued by the State Government, Detailed Contingent (DC) Bills should be sent to Accountant General (Accounts and Entitlement) Gujarat, Rajkot by Drawing and Disbursing Officers (DDOs) within three months from the date of drawal of Abstract Contingent (AC) Bills. It was noticed that DC bills for Rs. 146.36 crore drawn on AC Bills between February and June 2001 by various DDOs for Earthquake Relief and Reconstruction works were not submitted as of December 2001 as shown below:

	Number of DDOs	Amount (Rupees in crore)
February 2001	77	49.40
March 2001	168	75.80
April 2001	05	0.25
May 2001	26	3.27
June 2001	34	10.17
July 2001	35	7.47
Total	345	146.36

While no reasons for non-submission of DC bills were furnished by CR field units were reminded (January 2002) by him for complying with audit observations.

(ii) Financial Rules provide that no money shall be drawn from the treasury for depositing in PLA, Bank or other account. However, test-

check of records of Mamlatdar, Bhachau revealed that Rs.14.44 crore drawn on AC bills during 27 February to 30 March 2001 was credited to Savings Bank account with Nationalised bank.

3.3.5 Execution of Relief Measures

In the worst quake affected Kachchh district, Government sent 162 Jeeps, 280 State Transport Buses, 54 tonnes of milk powder, 5 lakh blankets, 86 thousand tents, 2.62 lakh tarpaulin, 210 medical teams, 100 paramedical staff, 100 private teams, 50 diesel generator sets, 1.5 lakh pouches of water and food packets, 62000 MT grains, 50 JCB machines, several trucks, kits for medical treatment, satellite telephones, wireless, 5100 Army men and additional civilian staff to intensify the rescue operations.

Government also declared cash assistance for death, injuries, cash doles, house hold kits, temporary shelter as short term relief measure and various packages for reconstruction of houses as long term measure.

Rescue and relief operations were carried out by CR through Director of Relief (Earthquake) with the assistance of District Collectors and District Development Officers and Additional Collectors and Additional DDOs.

3.3.5.1 Payment of cash doles and cash assistance for purchase of household items

For providing immediate relief to the earthquake affected families in the State, Government prescribed terms and conditions (January 2001) for payment of cash doles and household items. Government clarified in February and June 2001 that payment of cash doles and household items were to be made to those families whose houses were either totally or partially destroyed and unfit to dwell therein. The families were to be identified by a committee consisting of elected members of Gram Panchayat/Municipality, Members of Gokul Gram Samittee and Talati at village level and elected members of the ward, Staff members of Revenue Department or Panchayat etc. at city level. Maximum payment of cash doles was Rs.1800 and Rs.675 per family for fully destroyed and partially destroyed houses respectively and Rs.1250 for household items.

As per information furnished by CR (October 2001) number of eligible beneficiaries for cash doles and cash assistance for purchase of household items were 1.56 lakh in Kachchh district and 1.49 lakh in other districts of the State. Accordingly requirement of cash doles worked out to Rs.42.14 crore (Kachchh Rs.21.43 crore and other districts Rs.20.71 crore respectively). However, cash doles amounting to Rs.66.99 crore (Kachchh Rs.33.31 crore and other districts Rs.33.68 crore) were disbursed during 26 January to September 2001 in 18 districts which resulted in excess payment of Rs.24.85crore.

Temporary ration card for obtaining relief assistance were issued to affected families. As commented in paragraph 3.3.8.1, 13000 ration cards increased in Kachchh district alone as against increase of 2000 ration card in the State. This facilitated excess payment of cash doles. Similarly, as against Rs.19.52 crore payable as cash assistance for household kits in Kachchh district Rs.25.52 crore was disbursed which resulted in excess payment of Rs.six crore. In test-checked offices excess payment of Rs.10.94 *crore and Rs.10.30** crore on account of cash doles and cash assistance for household kits respectively were noticed.

Test-check of records of TDO Bhuj revealed that in Juna and Dhorapur villages eligibility of beneficiary was not certified by the committee in 72 cases; thumb impression of the beneficiaries was not attested by the disbursing official in 172 cases (Rs.2.69 lakh) of Juna, Dhorapur and Dhorda villages and payments in 72 cases were made without sanctions by TDO.

It was seen from the progress report for the period ending August 2001 of Mamlatdar, Gandhidham (Kachchh) that Rs.51 lakh were paid to 8466 families as assistance towards house hold kits. However, as per damage assessment summary report for the period ending 5 September 2001, 2492 houses were fully destroyed. Thus, as against actual payment of Rs.51 lakh maximum assistance payable was Rs.31.15 lakh. This resulted in excess payment of Rs.19.85 lakh.

It was also noticed that:

- (a) Affected families were not identified by the Committee, as required.
- (b) Payment was made to a person, other than the member of family (not included in members of family)
- (c) Payments were made in excess of maximum amount admissible per family towards cash doles and cash assistance for purchase of house hold kits.

Monitoring for timely payment of cash doles was not done

As per norms payment of cash doles was to be made for a period of one month i.e. upto 24 February 2001. As such payment ought to have been made by 28 February 2001 (i.e. after allowing 4 days for making payment). However, it was noticed that Rs.13.31 crore were paid between March and September 2001. Thus, delay in making payment ranged from one month to seven months, for which no specific reasons were available on records. Similarly, cash assistance of Rs.2.91 crore for purchase of house hold items was delayed by one to six months

* Kachchh District: Mamlatdar, Bhuj Rs.1.28 crore, TDO, Bhuj Rs.1.73 crore, Mamlatdar, Gandhidham Rs.1.16 crore, TDO, Gandhidham Rs.0.24 crore and Mamlatdar, Anjar Rs.0.43 crore

Rajkot District: Mamlatdar, Morbi Rs.2.17 crore, TDO, Morbi Rs.0.92 crore, Mamlatdar, Wankaner Rs.0.55 crore, TDO, Wankaner Rs.1.45 crore, TDO, Maliya Rs.0.13 crore and TDO, Tankara Rs.0.88 crore

** Kachchh District: Mamlatdar, Bhuj Rs.1.38 crore, TDO, Bhuj Rs.2.37 crore, Mamlatdar, Bhachau, Rs.0.22 crore, TDO, Bhachau Rs.0.18 crore and Mamlatdar, Anjar Rs.0.91 crore.
Rajkot District: Mamlatdar, Morbi Rs.2.83 crore and TDO, Morbi Rs.2.41 crore.

(after allowing grace period for making payment upto March 2001). The Collectors/DDOs were required to monitor timely payment of cash doles; but no such monitoring was done.

In test checked talukas it was noticed that:

(i) Payments of cash doles and assistance for household kits amounting to Rs.10.07 crore and Rs.8.08 crore respectively were made by Collector Bhuj between April and September 2001. However, as per information furnished by CR belated payment of Rs.2.91 crore for assistance of household items for the State as a whole was made. Thus, figures furnished by CR did not depict correct picture. No reasons for the discrepancy in figures were available on record.

(ii) Payment of cash doles (Rs.17.89 lakh) and assistance for household items (Rs.5.73 lakh) was made between April and August 2001 by TDO Wadhwan.

(iii) Payment of cash doles (Rs.1.14 lakh) and assistance for household items (Rs.1.35 lakh) was made in June, 2001 by TDO Halvad.

Thus, payment after a delay of one to five months despite availability of funds as commented in paragraph 3.3.4.7 defeated the purpose of providing immediate relief to earth quack affected people.

In test checked district of Kachchh (Bhuj) and Mamlatdar, Morbi it was noticed that beneficiaries were not identified by the Committee as per Government instructions. Thus, non-adherence to mechanism evolved for making payment to genuine beneficiaries created the possibility of fictitious payments.

The payment of cash doles in rural area was made through concerned Talati of the village. For this purpose amount of passed vouchers was being handed over by Drawing and Disbursing Officer to Talati for making payment to beneficiaries. After making payment, Talati was required to render immediately accounts of payments made and refund unpaid amount if any.

It was noticed that cash of Rs.2.30 lakh was handed over to a Talati of Rampura village (Wadhwan City) in May 2001 for making payment of cash doles. However, he neither submitted account of payments made nor refunded amount as of September 2001.

3.3.5.2 Payment of death compensation

Payment of death compensation was irregularly made to a guardian/successor of a minor instead of investing the same in Narmada Bonds

(i) As per Government instructions, compensation for death was payable to successor of deceased defined as member of family under Bombay Civil Service Rules. In the case of death of father and mother of a minor child, such relief amount was to be invested in Narmada Bonds in joint names of the minor child with District Collector/District Development Officer initially for a period of five years and extended till the age of maturity of the minor child.

Following irregularities were noticed in payment of death compensation:

(Rupees in crore)				
Serial number	Name of office	Nature of irregularities	Number of cases	Amount
1	TDO, City Taluka, Ahmedabad	Payment was made to guardian of a minor child instead of investing in Narmada Bond.	1	0.03
2	City Mamlatdar, Ahmedabad	-do-	10	0.19
3	TDO, City Taluka, Ahmedabad	Payment was made to successor not covered under family as per BCSR	2	0.02
4	TDO, Dascroi	-do-	3	0.03
5	City Mamlatdar, Ahmedabad	-do-	21	0.25
6	TDO, Halvad	-do-	3	0.03
7	Mamlatdar, Bhachau	Register was not maintained	1434	13.78
Total			1474	14.33

TDO, City, Ahmedabad stated that the relief payment was made as guardian of minor was appointed by the Registrar City Civil Court and the amount was deposited in the State Bank of India, Ahmedabad for a period of 90 months from 8 June 2001. This was not tenable as Government instructions did not cover making payment of compensation to guardians of minors.

3.3.5.3 Purchase and distribution of farmers kits

Farmers kits valuing Rs.24.29 crore were purchased without inviting competitive tenders

(a) As per the provisions of Rule 18 of Gujarat Financial Rules, 1971 in case of huge purchases out of Government funds, purchasing authority should observe the norms prescribed by the Government from time to time and to follow competitive tenders after giving wide publicity in leading newspapers.

Director of Agriculture, Gandhinagar finalised the rates of kits to be supplied free of cost to earthquake affected farmers of the State on the basis of list of approved suppliers finalised for supply of kits under various subsidy schemes without adopting the tender procedure and purchased 0.97 lakh kit items valued Rs.24.28 crore[^] as of August 2001. Further purchases were made on the basis of approximate requirement and without preparation of estimates.

[^] plant protection implements 0.50 lakh valued Rs.5.34 crore and farmers equipments 0.47 lakh valued Rs.18.94 crore.

Thus, 0.97 lakh kits valued Rs.24.28 crore were purchased without inviting open competitive tenders which deprived the benefits of competitive rates to the Government.

Director stated that he was empowered to finalise the rates as per Government Resolution (GR) of August 1967. This was not tenable as GR *ibid* was not applicable for the bulk purchases made from the private manufacturers.

(b) Kits were to be distributed free of cost to earthquake affected farmers, whose residential houses were totally destroyed (G5 category). The beneficiaries were to be identified by the Deputy Director of Agriculture (Extension) on the basis of survey carried out by the Revenue/Panchayat department.

Kits worth Rs.28.90 lakh were distributed to non-identified beneficiaries

Test-check of records of Deputy Director of Agriculture, Rajkot revealed (July 2001) that though no eligible beneficiary under the scheme in five talukas of Rajkot district was there, 289 kits valued Rs.28.90 lakh were distributed to non-entitled beneficiaries in these talukas. Further, payments were made to 289 farmers by Dy. Director, Agriculture on the basis of report of the TDO and independent checks were not carried out by the Deputy Director as required.

3.3.5.4 Receipt and distribution of relief material

Large quantity of relief material particularly tents, tarpaulines etc. were received from other countries at several airports in Gujarat, details of which are indicated in Appendices -XXVI and XXVI-A. These relief materials started coming from 27 January and continued upto 21 March 2001. While it took some time to organise formation of GSDMA and GERRF, the initial responsibility for receipt and distribution of materials and to keep accounts rest with the Collector. However, no accounts have been maintained for such items. While information relating to receipt of material in Appendices-III and III-A was made available by CR no details were on record regarding number of persons to whom the same was issued nor this information was available with the respective Collectors. Although GSDMA came into existence in February 2001 and procedure prescribed in the Operational Manual prescribed for accounting value of donations received in kind in the Journal Register no action were taken in this regard. These items comprise mainly of Tents (20 tonnes, 17480 numbers and 14.86 lakh kg), Tarpauline (45 rolls and 3.08 lakh kg) and Blankets (0.51 lakh, 0.22 lakh kg, 1000 bales and 420 packets). Due to non-maintenance of proper receipt, issue and stock account, Government was not aware of undistributed material and resorted to unplanned procurement as mentioned in paragraph 3.3.5.8. Government constituted a committee (October 2001) to dispose off the left out material received as donation.

3.3.5.5 Non accountal of relief fund

Though, required donations of Rs.12.07 lakh received for earthquake were not credited to Government account

Financial rules provide that any amount collected on behalf of Government by any person authorised by the competent authority is required to be credited into Government account and a separate account of such fund should be maintained.

It was noticed that Rs.12.07 lakh received on account of donations for earthquake relief works by Collector, Rajkot were directly appropriated for payments to suppliers of tarpauline to suppress expenditure incurred on purchase of tarpauline in excess of rates fixed by CSPO as commented in paragraph 3.3.5.7 (i) which led to serious financial irregularities. The matter calls for investigation at Government level for purchase made at the rates higher than the rates fixed by CSPO.

3.3.5.6 Hiring of mandap

Undue favour resulted in avoidable expenditure of Rs.39.83 lakh

(a) For providing immediate shelter to 2.51 lakh victims of Morbi taluka of Rajkot District, tents (mandaps) were obtained by Collector, Rajkot on hire basis at different rates as detailed below:

Name of service providers	Rate per sq.ft.	Quantity hired in sq.ft.	Period	Hire charges paid (Rupees in lakh)
	<u>Roof top Partition</u>			
1) Kishor Mandap Service, Rajkot	<u>Rs.15.00</u> Rs.7.50	52,500	28 January to 17 May 2001	44.28
2) Chandresh Mandap Service, Rajkot	<u>Rs.1.50</u> Rs.0.75	1,46,250	29 January to 17 May 2001	8.47

Though rates of first provider compared to second one were higher by ten times, no efforts for reduction of rates were made. This resulted in undue favour to the supplier and avoidable expenditure of Rs.39.83 lakh, compared to lowest rates.

(b) Mamlatdar, Jodia (Jamnagar District) hired 75,250 sq.ft. Mandap from 7 mandap service providers. However, no records regarding the location where the mandaps were installed and the period for which they were fixed was available with the Mamlatdar, bills for Rs.2.12 lakh on account of hiring of mandaps were passed by the Mamlatdar. In the absence of records and receipt and return of mandap to contractors the correctness of hiring and payment could not be verified in audit.

Non-returning of mandap created a liability for Government

Further out of total 75,250 sq.ft.. 33,750 sq.ft. (45 per cent) was hired from one party. It was seen from the bill for Rs.1.01 lakh of the party that hired mandaps were not returned to them as of July 2001. In the

absence of relevant records, cost of lost mandap could not be worked out.

Retention of tents

(c) Tents (mandaps) were to be provided to victims temporarily till alternative arrangements were made. Though, 0.30 lakh tarpauline sheets admeasuring 58.55 lakh sq.ft. and galvanised corrugated iron (GCI) sheets admeasuring 11.32 lakh sq.ft. were distributed for making temporary shelters amongst victims of Morbi- Malia talukas by February 2001, hired tents were retained by Mamlatdar, Morbi without justification. This resulted in avoidable expenditure of Rs.45.26 lakh on payment of hire charges from March to May 2001.

Non-returning of hired tents resulted in avoidable payment of Rs.54.31 lakh

(d) No records of issue of tents and location of their installation was maintained by Mamlatdar, Morbi. As a result tents could not be collected back from the recipients and returned to suppliers. Rupees 56.31 lakh were claimed by the suppliers towards cost of tents not returned of which payment of Rs.54.31 lakh was made (August – September 2001). Thus, non-maintenance of record and failure to take timely action for returning hired tents by Mamlatdar Morbi resulted in avoidable payment of Rs.54.31 lakh.

No police complaint was filed by the Mamlatdar for lost mandap.

3.3.5.7 Purchase of tarpauline

(i) As one of the immediate relief measures tarpaulines of the standard size of 12' X 18' were purchased (2 and 3 February 2001) by Collector, Rajkot from four suppliers of Vadodara and Rajkot. As against the rate of Rs.225 per piece of tarpauline fixed (February 2001) by Central Stores Purchase Organisation (CSPO) Collector, Rajkot purchased (February 2001) 16 thousand tarpaulines of similar specification for Rs.45 lakh at the rates ranging between Rs.170 and 425 per piece. This resulted in avoidable payment of Rs.11.75 lakh compared to the rates fixed by CSPO.

Though five thousand tarpauline valued Rs.68 lakh were found substandard, no action to forfeit the balance payment of Rs.0.13 crore were taken

(ii) Director of Agriculture procured up to September 2001, 37000 Nos. tarpauline of the size of 8 mtrs X 6 mtrs having specification of 90 GSM, double coat of polythene, heat sealing line borders, aluminum eyelets and weight of 340 gram per sqmtrs. Out of 37 thousand tarpauline valued Rs.five crore supplied by various suppliers, five thousand tarpaulines valued Rs.68 lakh were found substandard. However, substandard tarpaulines were accepted by Deputy Director of Agriculture and distributed to beneficiaries and payment of Rs.55 lakh (80 *per cent*) was made to the suppliers. Thus, acceptance of substandard tarpaulines was irregular. No action were taken to forfeit the balance payment of Rs.0.13 crore.

Director of Agriculture stated that the names of manufacturers who supplied substandard materials were cancelled from the approved list of supplier. He however, did not indicate how payments were made in

full despite defective supply and why no action was taken to forfeit balance amount.

3.3.5.8 Supply of GCI sheet and cement

To provide temporary shelter to the people whose houses were fully destroyed in earthquake affected rural areas of Kachchh and other districts 10 and 8 GCI sheets respectively and 2 bags of cement were to be provided to the victims free of cost. In Bhuj, Rapar, Bhachau and Anjar cities cash assistance of Rs.12000 and in Gandhidham Rs.6000 was payable for temporary shelter.

It was noticed that:

(i) Kachchh District

As against 8.44 lakh sheets required to be distributed to 74.9 thousands eligible beneficiaries, 12.89 lakh sheets were actually distributed by Mamlatdars. This resulted in excess distribution of 4.45 lakh sheets valued Rs.14.24 crore.

(ii) Rajkot and Patan districts

As against 3.24 lakh sheets required to be distributed to 41 thousand eligible beneficiaries, 3.66 lakh sheets were actually distributed resulting in excess distribution of 0.42 lakh sheets valued Rs.1.35 crore.

As per information furnished (October 2001) by CR, 20.08 lakh sheets were distributed in the State whereas as per his progress report sent to Government for the period ending September 2001, 21.11 lakh sheets were actually distributed. Thus, there was difference of 1.03 lakh sheets valued Rs.3.30 crore in actual distribution. CR stated that the figures would be reconciled and intimated to Audit. Further developments were awaited (December 2001).

In test checked Morbi, Malia (Rajkot) and Jodia (Jamnagar) talukas it was noticed that as against 1.58 lakh GCI sheets and 0.13 lakh bags of cement required to be supplied to affected families of 60 villages, 2.22 lakh GCI sheets and 0.16 lakh cement bags were actually distributed. This resulted in excess distribution of 64 thousand GCI sheets valued Rs.2.05 crore and three thousand cement bags valued Rs.three lakh.

3.3.5.9 Excess expenditure on GCI sheets

GCI sheets were purchased in excess of requirement

As against 21.89 lakh GCI sheets received by Government from Steel Authority of India Limited, actual distribution was 20.08 lakh sheets in eight districts leaving balance of 1.81 lakh sheets valued Rs.5.79 crore in stock. Considering excess distribution of 4.87 lakh sheets valued Rs.15.59 crore purchase of 6.68 lakh sheets (31 per cent) valued Rs.21.38 crore was in excess of requirement.

3.3.5.10 Misuse of GCI sheets

As per the orders of Government, 10 GCI sheets, 2 Bags of cement and required numbers of bamboos/wooden poles were to be issued, free of charge to victims of earthquake of Bhuj, Anjar, Bhachau and Rapar Talukas, whose houses were completely destroyed or severely damaged. Accordingly, GCI sheets were issued to beneficiaries by Mamlatdar Bhachau of various villages of Bhachau Taluka. Out of above, some stock of GCI sheets irregularly transported to other districts was seized by police department near village Navagadh/Jetpur, and a police case was filed by Mamlatdar, Bhachau against the persons, who were carrying such stock.

Out of 82 beneficiaries 76 had sold GCI sheets thus, GCI sheets were not used for the purpose for which it was issued

Scrutiny of relevant file revealed that above stock pertained to GCI sheets issued to beneficiaries of Lakadia village of Bhachau Taluka. Inquiry was conducted by the Additional Collector, Bhachau and statement of 82 beneficiaries of Lakadia village was recorded by him. Out of 82 beneficiaries, 76 beneficiaries stated that they had sold GCI sheets at the rate of Rs.150 per sheet. Thus, the beneficiaries did not utilise the GCI sheets valued Rs.2.43 lakh for the purpose for which the GCI sheets were issued to them and effective preventive measures were not taken by the Government.

3.3.5.11 Slow progress in removal of debris

(a)Kachchh

The tenders for removal of 25.88 lakh tonnes debris from Bhachau and Rapar town (estimated cost Rs.9.26 crore) were invited on 31 March 2001 by Executive Engineer, Ahmedabad Irrigation Division, Ahmedabad prior to Administrative Approval and technical sanction (March 2001). Nine agencies were fixed by Narmada, Water Resources and Water Supply Department at a total cost of Rs.8.87 crore in eight zones (Bhachau and Rapar divided in Zones) during May and June 2001.

GSDMA released Rs.three crore between 9 June 2001 and 3 July 2001. The division executed the works of removal (May and June 2001) of debris in Rapar and Bhachau town and booked an expenditure of Rs.2.45 crore leaving an unspent amount of Rs.0.55 crore. Out of total works valued Rs.6.35 crore executed, payment of Rs.3.90 crore was stopped as per order of Secretary, Narmada, Water Resources and Water Supply Department (June 2001) and an enquiry was instituted. Audit scrutiny revealed the following:

15726 excess trips resulted in excess expenditure

(i) While a maximum 40 trips per hour was physically possible by dumpers/trucks in six zones actual number of trips ranged between 41 and 66 per hour. This led to 15726 excess and doubtful trips and consequent excess expenditure of Rs.0.59 crore (Appendix -XXVII).

**Removing of 27815
MT debris was
doubtful**

(ii) Similarly in zone “C” of Bhachau town the debris removing agency had shown to have executed 2257 trips at the rate of two trips per minute and in 43 occasions it cleared 3 trips per minute. The agency reportedly removed 27,815 MT of debris valuing of Rs.9.21 lakh in the manner which was also doubtful.

(iii) Distance of each zone from dumping centers was not indicated.

(iv) Tare weight of dumpers were taken on random basis and no register was maintained as required.

(v) Register showing details of debris dumped at dumping site was not maintained.

(vi) In two cases, the same vehicle was shown as deployed in two different zones on the same day.

(vii) The ‘Time card’ was not maintained though required.

(viii) As against requirement of 108 persons for supervising the work only 19 persons were deployed by the division.

(ix) In zone ‘H’ the agency had quoted rate 46.50 *per cent* below the estimated cost and the agency had executed the work worth Rs.24.52 lakh before issue of work order.

(x) Payments were made to contractor without producing (i) time card, (ii) weighing slip, (iii) Register

The Executive Engineer stated (August 2001) that (i) more than 40 trips per hour were as per actual execution (ii) the shortage of staff was verbally pointed out as and when the higher officer visited the site (iii) the register at dumping site, tare weight register etc. could not be maintained due to shortage of staff (iv) though the agency had quoted lower rate, workability of rate was assessed before awarding the work and (v) related record was in the custody of the Government.

(b) Morbi

**Progress of removal
of debris was slow**

(i) In Morbi Taluka out of 3.99 lakh tonnes of estimated debris, only, 0.12 lakh tonnes, was removed as of May 2001. TDO Morbi stated that due to shortage of tractors, dumpers and labourers and narrow roads in villages, progress was slow.

(ii) In Malia Taluka out of 4.94 lakh tonnes of estimated debris, only 0.50 lakh tonnes was removed by July 2001. Thus, the progress of removal of debris after 5 months of earthquake was only 10 *per cent*.

3.3.5.12 Grants placed at the disposal of Gujarat Municipal Finance Board

GMFB had failed to devise system for monitoring of utilisation of cash and materials supplied to municipalities

In connection with post-earth-quake relief and rehabilitation programme Rs.13 crore was released during February 2001 by Urban Housing and Urban Development Department (Rs.9.50 crore) and through Revenue Department (Rs.3.50 crore) to the Gujarat Municipal Finance Board (GMFB).

It was noticed that:

(i) Rupees 9.20 crore was disbursed to 14 Municipalities as of April (Rs.8.50 crore) and June 2001 (Rs.0.70 crore) for meeting expenses on basic services like sanitation, drinking water, street-lights and removal of debris etc.

(ii) Material and stores like shop structure, toilet blocks, pesticides valued Rs.0.82 crore were procured and supplied by GMFB to Bhuj, Bhachau, Anjar, Rapar and Gandhidham Municipalities.

(iii) System for monitoring utilisation of cash and material by Municipalities was not devised by GMFB.

In the absence of details of utilisation of amount audit could not verify correctness of actual utilisation of funds by the Municipalities for the intended purpose.

Blocking of funds

(iv) Out of Rs.13 crore, Rs.2.98 crore were lying unutilised in PLA of GMFB without future planning/programme or any payments due to be made towards any work/supplies as of October 2001.

GMFB stated that fund would be released on receipt of demand. This was not tenable as even after eight months no demand was received.

Irregular release of funds

(v) Rupees five lakh was irregularly released to Anjar Nagarpalika towards payment of salaries of staff.

(vi) GMFB procured and distributed through Nagarpalikas following items without adhering to prescribed purchase procedure during February 2001.

Serial number	Name of items	Qty. (unit)	Value (Rupees in lakh)	Supplied by
1	Insecticides	--	5.53	Institute of LSGD
2	Shop structures	250	52.25	Meghavi Ahmedabad (NGO)
3	Temporary toilet structure Blocks	2100	21.00	-do-
4	Office structure	5	0.21	Godrej and Boyce Co., Ahmedabad
5	Safai-equipment	--	0.17	Open market KVIC Board

GMFB stated that in prevailing extra ordinary circumstances tender procedure was not followed. Further, GMFB did not monitor whether the facilities created at a cost of Rs.73.25 lakh (shops and toilets) were actually put to use by the beneficiaries or not.

It was however noticed in test-checked taluka that 52 shop structures costing Rs.10.45 lakh placed at the disposal of Gandhidham Municipality were not put to use for want of demand. Thus expenditure of Rs.10.45 lakh remained unfruitful. Details regarding allotment of structures valued Rs.31.35 lakh at Anjar, Bhachau, Rapar and Bhuj were not available on record.

3.3.6 Survey

Due to non-fixing of deadline re-survey had to be conducted which resulted in increased number of affected houses

For rehabilitation and reconstruction of houses in earthquake affected areas various packages of assistance for housing were declared by the Government of Gujarat during February 2001. Accordingly survey of affected houses was to be carried out by a team consisting of Government Engineer, Officer of Revenue or Panchayat and representative of NGO or School Headmaster. The application from the affected person was to be obtained on the spot by the team. It was noticed that no deadline for completion of survey work was fixed by the Government. This resulted in conducting of re-survey by DDO Jamnagar and Collector Surendranagar following which number of affected houses increased as shown in Appendix XXVIII. Further, survey-wise data was not available with the Commissioner of Relief. The methods of survey and re-survey were not identical viz in the first survey photograph of the affected house was taken whereas in second survey no such photos were taken. Moreover, changes in category of houses as per re-survey were not intimated by the District Collectors with reasons thereof to the CR. Therefore, genuineness of changing category of damaged houses could not be verified in Audit. No details of the expenditure incurred for such surveys were available with CR.

3.3.6.1 Unreliability of figures

Discrepancies in figures cost doubts on genuineness

(i) District collectors were reporting fortnightly figures of damaged houses category-wise to CR. Scrutiny of the figures in Progress reports prepared by Collector, and those furnished to audit by Collector, CR and GSDMA revealed large variation in number of damaged houses and paid cases as of 30 September 2001 as under:

Name of district	G-5 Category				Other than G-5 Category			
	Collector to CR (total houses)	Collector to Audit (total houses)	CR to Audit (paid houses)	GSDMA to Audit (paid houses)	Collector to CR (total houses)	Collector to Audit (total houses)	CR to Audit (paid houses)	GSDMA to Audit (paid houses)
Jamnagar	16861	16428	13585	1197	117541	133972	100247	12448
Rajkot	40547	44886	29579	18653	128231	131995	85236	35873
Surendranagar	25834	13198	21374	19607	261443	274079	232461	211064

Above table also reveals that as against 13198 number of total damaged houses under G-5 Category reported to Audit by District Collector, Surendranagar payment was made in 21374 cases and 19607 cases as per records of DR and GSDMA respectively.

Further, as per Government instructions, to ascertain correctness 2 per cent cross checking of survey conducted by Engineers of Narmada Nigam was to be done by Addl. DDO. However, test-check of records of TDO Morbi revealed that no details of such cross checking were available on record. Audit therefore could not verify as to how the correctness of survey figures was ensured by Addl.DDO.

(ii) GSDMA placed funds at the disposal of District Collectors for disbursement of house assistance to quake victims. Scrutiny of figures of paid cases as per records of CR and those of GSDMA as of 30 September 2001 revealed that number of paid cases and amount were more by 2.25 lakh houses and Rs.104.88 crore as per records of CR as shown below:

(Rupees in lakh)

Serial number	Name of collector office	G5				Other than G5			
		CR		GSDMA		CR		GSDMA	
		Cases	Amount	Cases	amount	Cases	Amount	Cases	Amount
1	Patan	3185	484.72	3346	514.18	62107	1187.65	62110	118595
2	Jamnagar	13585	3494.75	1197	938.15	100247	3228.30	12448	1257.09
3	Porbandar	2772	516.43	1314	187.55	24727	667.14	14780	391.87
4	Rajkot	29579	8250.67	18653	6208.53	85236	3493.54	35873	2160.21
5	Kutch-Bhuj	68083	10831.73	62915	10986.72	218426	10928.00	213559	9743.00
6	Surendranagar	21374	5539.69	19607	5000.63	232461	4534.32	211064	4544.13
7	Ahmedabad	1291	663.48	1457	665.61	44263	1422.33	41750	1408.61
8	Amreli	148	14.06	0	0	5545	116.48	0	0
9	Junagadh	242	43.27	0	0	10364	207.42	0	0
10	Banaskantha	2282	413.66	2398	386.65	27387	421.30	26176	392.17
	Total	142541	30252.46	110887	24888.02	810763	26206.48	617760	21083.03

Discrepancies in figures in progress reports of Collectors, CR and GSDMA cast doubts on genuineness of figures and indicates lack of co-ordination in monitoring works by various agencies.

3.3.7 Rehabilitation and Reconstruction works

3.3.7.1 Irregular/excess payment of House Assistance and Improper maintenance of records

(i) As per Government instructions payment of compensation for damage to houses in quake affected areas was payable on the basis of various criteria briefly described below:

Improper maintenance of records led to excess/irregular payments

- 1) To assess the quantum of damage survey of houses was to be carried out and photographs of damaged houses were to be taken and kept in individual case file.
- 2) Survey sheet was to be filled in the presence of *panchas* and signature of *panchas* was to be taken in urban areas.
- 3) Compensation was payable for one residential house actually occupied and used by the victim.
- 4) Compensation was payable with reference to quantum of damage to house subject to ceiling limit of compensation and maximum area for various categories of houses prescribed.
- 5) Area of house was to be considered on the basis of carpet area.
- 6) In case of completely destroyed house compensation in respect of building let out on rent was payable to owner of house and incase of partially destroyed house, compensation of repairs in joint name of owner and tenant.
- 7) Compensation was payable on the basis of type and structure of the building such as low rise, high rise building, load bearing building, beam column building etc.

During test-check of records of offices, various irregularities as summarised in the table below were noticed:

Sl. No.	Name of office	Number of cases	Amount of compensation (Rs.in lakh)	Irregularities noticed
1	2	3	4	5
1	Mamlatdar Gandhidham		2.34	Amount paid to allottees of flats of GHB
2	Mamlatdar Gandhidham	3	0.71	Against the actual area of 41.53 sq.mt.payment made for maximum 50 sq.mt
3	Mamlatdar Gandhidham	8	3.36	Compensation made on plinth area basis instead of on carpet area basis.
4	Mamlatdar Gandhidham	14	0.56	Amount for repairs sanctioned for high rise instead of for low rise.
5	TDO Bhuj	12	1.32	Compensation paid for non-residential building.
6	TDO Bhuj	56	5.97	Claims paid for more than one building owned by same persons.
7	TDO(city) Ahmedabad	6	1.27	Excess payment made by altering the category of damage certified by survey team.
8	Mamlatdar city Ahmedabad	67	9.01	Payment made for maximum area of 50 sq.mt. per case instead of actual area (Appendix - XXIX).
9	Mamlatdar city Ahmedabad	13	1.62	Payment made without obtaining certificate of damage from nominated authority (Appendix - XXX).
10	TDO Tankara	279	66.21	As shown in Appendix - XXXI
11	Mamlatdar Wankaner	9	8.21	Assistance paid for more than one house
12	TDO Wankaner	83	29.00	Assistance paid in excess of ceiling limit of Rs.40000 prescribed for BPL family. (Appendix - XXXII)
13	TDO Wankaner	43	8.91	Assistance was paid on duplicate files prepared on the basis of zerox copy of documents. (Appendix-XXXIII)
14	TDO Wankaner	33	21.92	As shown in Appendix -XXXIV
	Total	626	160.41	

(ii) As per Government instructions case files for house assistance were to contain application of beneficiary, survey report, photographs of damaged house, *panchnama*, and other documents.

Test-check of records of five[♥] offices revealed that :

(a) Individual case files were not maintained and the documents were kept together, as such, correctness of payment of Rs.61 crore made by these offices could not be verified by Audit.

(b) First instalment amounting to Rs.86.28 crore in 48869 cases in 3 Talukas[#] of Rajkot district was released by DDOs without obtaining ownership documents.

(c) In three[♦] offices instead of taking photograph of each house as required, videography was carried out contrary to the instructions of Government through private videographer and Rs.6.51 lakh was paid.

As the videograph could not be seen in each case, audit could not assess the correctness of amount sanctioned.

(d) In none of the cases, signature of 'panchas' was obtained on survey forms by Mamlatdar, Wankaner.

Mamlatdar stated that survey was conducted in the presence of 'panchas' but due to printing error in Survey Form, signature of 'panchas' remained to be obtained. Thus a very important control to ensure authentication of basic documents was absent. The correctness of procedure in these could not be verified in audit.

Thus proper checks were not exercised and proper records were not maintained before sanctioning the assistance which resulted in excess and irregular payments.

3.3.7.2 Rehabilitation and reconstruction of industries

For implementation of packages for rehabilitation and reconstruction of various industries, provision of Rs.632 crore was made in the budget for 2001-2002. Information furnished by Secretary, Industries and Mines Department revealed that as of October 2001 Rs.98.42 crore were actually released to Industries Commissioner (Rs.10.42 crore), Commissioner of Cottage Industries (Rs.55.50 crore) and Commissioner of Trade and Commerce (Rs.32.50 crore). Out of 8747 applications received, 1073 were rejected and as of September 2001 expenditure of Rs.19.92 crore was incurred for covering 320 industrial units by the Industries Commissioner. Thus, Rs.9.50 crore were released in excess of grant allotted. As against grant of Rs.55.50 crore,

There was excess release of grant than actual allotment

[♥] (I) TDO Morbi (ii) DDO/TDO Malia (iii) TDO Tankara (iv) TDO Wadhawan (v) TDO Wankaner

[#] (i) TDO, Morbi, (ii) TDO, Maliya, (iii) TDO, Tankara

[♦] (i) Mamlatdar Wadhwan (ii) TDO Halvad (iii) TDO Wadhwan

Rs.45.50 crore were spent by the Commissioner of Cottage Industries as of October 2001. Out of Rs.32.50 crore provided to the Commissioner of Trade and Commerce Rs.62.72 crore were spent as of September 2001 which exceeded the allotted grant by Rs.30.22 crore.

3.3.7.3 Reconstruction and repairs of infrastructure

Majority of reconstruction work were yet to be completed

The initial thrust for disaster management was giving immediate relief to the victims. The reconstruction and repairing of damaged government buildings, roads, bridges, dams and irrigation channels, etc. were subsequently taken up as a part of rehabilitation/reconstruction package. It has been noticed that Rs.41.70 crore were allotted (30 October 2001) for reconstruction/repairing of infrastructure to Roads and Buildings and Narmada, Water Resources and Water Supply Departments. Meanwhile, thirteen road packages covering 185 kms. at an estimated cost of Rs.82 crore were taken up. The works were under progress. Similarly, packages on repairing of 21 major and 103 minor bridges at an estimated cost of Rs.61.61 crore were also taken up. It has been noticed that in respect of Kachchh district Rs.4.6 crore were already spent on minor repair of 185 check dams involving earth work, pitching work, masonry work etc. where cost of each case ranged between Rs.0.30 lakh to Rs.4.40 lakh. The majority of the works were under progress and audit of these works were continuing.

3.3.7.4 Payment without according sanction in individual cases

Payments made without sanction of the competent authority

As per provision of Gujarat Financial Rules, no payment can be made by disbursing officer unless sanction for particular payment is accorded by the competent authority.

(i) House compensation of Rs.10.67 crore was paid by Deputy Collector (Mid-day meal), Surendranagar (Rs.5.67 crore) and TDO, Wadhwan (Rs.5 crore) without scrutiny and approval of individual case files as required.

(ii) Sanction orders for 49 death cases for Rs.42.60 lakh paid between 2 to 28 February 2001 were issued by TDO City Taluka Ahmedabad between 7 March and 11 May 2001.

TDO, stated that as per instructions given by DDO on telephone the above payments were made on humanitarian ground without getting prior written sanction.

3.3.7.5 Repair and reconstruction of Primary and Secondary School buildings

Slow progress in repairing of damaged schools, defeated the intention of providing adequate classrooms

As per survey carried out by the Project Officer, District Primary Education Programme (DPEP), Gandhinagar (implementing agency) 48.8 thousand classrooms in 10.2 thousand Schools in 18 districts were damaged by the earthquake. Out of these, 2838 classrooms were completely destroyed and remaining 4.6 thousand classrooms were repairable.

As of October 2001, the implementing agency received Rs.116.96 crore out of Rs.278.33 crore sanctioned. The fund was to be released to the Village Civil Works Committees (VCWC) in two installments the first being 75 per cent of the estimated cost in advance. The second installment of 25 per cent was to be released when the expenditure exceeded 50 per cent of the first installment.

It was noticed that :

(i) As of October 2001, Project Director DPEP received Rs.116.96 crore (Netherland Government: Rs.58.96 crore, GOI: Rs.50 crore, GOG: Rs.eight crore). As against this Rs.53.41 crore was released by him between May and July 2001 as first installment being 75 per cent of the estimated cost Rs.71.21 crore to VCWC for 9411 schools for repairing 44875 damaged classrooms. In addition Rs.1.61 crore was released as second installment to 1292 schools for repairs. Thus, Rs.61.94 crore (53 per cent) was lying with the implementing agency. As of October 2001 assistance for repairing was yet to given to 837 schools involving 1178 classrooms.

(ii) In none of the Schools the repairing work was complete even after four months from the date of release of assistance. As a result, adequate classroom facilities could not be provided so far to the students in the areas affected by the earthquake.

(iii) Work of reconstruction of 2838 classrooms completely damaged was yet to be taken up. According to the Project Officer, DPEP tenders were being invited for reconstruction of the classrooms.

(iv) A test check of records relating to Kachchh, Rajkot, Surendranagar and Jamnagar Districts revealed the following:

(a) Though repair work was being carried out by Non-Governmental Organisations (NGOs), Rs. 53.45 lakh were released to 59 Schools (Kachchh 11, Rajkot 15, Surendranagar 20 and Jamnagar 13) during May/June 2001 indicating that proper assessment of requirement was not made.

(b) Hundred Schools (Kachchh 33, Rajkot 6, Surendranagar 18 and Jamnagar 43) which were given grant of Rs.47.97 lakh could not

commence the work due to error in estimate resulting in delay in execution of work for more than four months.

(c) In Kachchh District 199 Schools to which Rs.65.86 lakh were granted for repairing, did not commence the work on the plea that the classrooms were not repairable and required reconstruction. Thus, the funds were released to those schools without proper survey and assessment of the damage. Besides fund to the extent of Rs.65.86 lakh remained blocked.

(d) Assistance of Rs.19.45 lakh was released to 33 Schools in Rajkot (3) and Jamnagar (30) which were not covered under the Scheme as they were either private or accommodated in rented buildings.

(e) 685 Schools (Kachchh 401, Jamnagar 284) reported that the amount of first installment of grant was sufficient to complete the repairing work. In respect of 21 schools, an excess of Rs.2.61 lakh was lying with the VCWCs after completion of repairing.

The slow progress in repair and reconstruction of damaged classrooms despite availability of sufficient funds deprived the students of those schools of adequate classroom facilities. Accumulation of unused fund of Rs.53.94 crore with the Project Officer also indicated lack of monitoring of utilisation of funds by the government.

3.3.7.6 Participation of NGOs in rehabilitation programme

Participation of NGO in relief work did not match their initial enthusiasm

(i) The Government appealed to voluntary non-Government organisations (NGO) for participation in rehabilitation programme. The NGOs were allowed options either to take up the rehabilitation programme completely out of own funds or on participatory basis with the Government on 50:50 basis of approved project cost.

For the purpose, the NGOs were required to apply for adopting the specified village(s) to the GSDMA. The GSDMA was required to accord in-principle approval for adoption of specified village(s) by the NGOs within five days of receipt of application. Thereafter, the NGOs were required to obtain the approval of “Gram Sabha” of the concerned villages within 15 days and were required to prepare the detailed project for rehabilitation for approval of District/Taluka authorities and sign the Memorandum of Understanding (MOU). However no time limit was prescribed either for preparation and submission of project or for signing the MOU or for completing the project.

Test-check of records of Collector Kachchh revealed that 416 applications were received from various NGOs for adoption of 360 villages in Kachchh district. Of these 56 applications which were repeating the same village were rejected/cancelled, 39 applications were dropped on scrutiny and in 19 cases the NGOs backed out from participation after in-principle approval. Of the remaining 302

applications in 60 cases projects were approved and in 22 cases projects were pending for approval. In the remaining 220 cases no project proposal was submitted by NGOs even after lapse of more than 4 to 9 months. The DDO Bhuj had paid Rs.4.38 crore to 12 NGOs for 13 villages against the projected cost of Rs.17 crore (seven villages).

Thus, under the participatory programme the rehabilitation programme involving the NGOs could be taken up only in few cases.

(ii) Similarly, in Morbi taluka in the case of village Biliya, adopted by Navjivan Trust, Rajkot (NGO) expenditure of Rs.69 lakh was incurred (July 2001) for acquisition of land by the Additional Collector. However, 50 *per cent* of the cost amounting to Rs.34.50 lakh was not recovered from the NGO (October 2001).

Though the Additional Collector was empowered to incur expenditure upto Rs.25 lakh in each case payment of Rs.69 lakh was made by him without approval of the competent authority.

3.3.7.7 Quality of construction in earthquake affected areas of Gujarat

Good quality of construction work including repair, retrofitting and reconstruction of the buildings in the affected villages is very important to meet the following objectives:

(i) To achieve the strength of the building under normal dead and live loads, foundation, walls, column, floor and roof are the main structural elements to be taken care of.

(ii) To achieve adequate strength of the buildings for earthquake effects, the various details including plinth band, lintel band and vertical reinforcing are specified in IS:4326 and 13828 of 1993 and illustrated in the "Guidelines for Reconstruction and New Construction of Houses in Kachchh Earthquake affected Areas of Gujarat" published by Gujarat State Disaster Management Authority, May 2001.

However, as per Technical Audit Report for 17 June to 10 August, 2001 prepared by National Council for Cement and Building Materials, houses constructed in 10 Talukas of Kachchh, Rajkot, Banaskantha and Patan districts were not in conformity with the standard specifications (Appendix XXXV). The percentage of irregularity ranged between three and 47 for vertical steel corners, three and 32 in gable bands and five and 36 in mortar used in foundation and superstructure.

3.3.8 Other points of interest

3.3.8.1 Abnormal increase in number of ration cards

Issuance of excess ration cards resulted in excess payment of cash doles

Before occurrence of earthquake 106.24 lakh ration cards were in existence in the State (Kachchh 3.95 lakh and other districts 102.29 lakh). However, it was noticed that after occurrence of earthquake number of ration cards increased to 106.44 lakh as of March 2001 (Kachchh 4.08 lakh and other districts 102.36 lakh). Further, population as per ration card increased from 535.41 lakh (Kachchh 17.47 lakh and other districts 517.94 lakh) to 535.50 lakh (Kachchh 17.95 lakh and other districts 517.55 lakh). It was further noticed that as against total increase of 0.20 lakh cards in the State 0.13 lakh cards (65 per cent) increased in Kachchh district. Further, while population as per card decreased in other districts by 0.39 lakh during March 2001 the same increased in Kachchh district by 0.48 lakh. Thus, increase in population as per ration card in Kachchh *vis-à-vis* State as a whole was 533 per cent. After taking into account number of deaths (15553) due to earthquake, increase in population as per ration cards worked out to 0.64 lakh (711 per cent). Thus, possibility of issue of bogus ration cards to avail benefits of relief assistance could not be ruled out.

Scrutiny revealed that authorities failed to take cognizance of alarming increase in issuance of new cards *vis-à-vis* cards in existence prior to earthquake.

It was further noticed that:

- (a) Signature or initial of card issuing authority was not recorded in the register.
- (b) Acknowledgement from the recipient of the card was not obtained.
- (c) Number of persons covered under the card were not noted.
- (d) Name of Fair Price Shop on which card was issued was not noted.
- (e) No card number were noted in the Register of Issue of Cards against serial numbers 1 to 4592 and 5000 to 5200.

Moreover, details regarding manner in which the account of blank ration card was maintained, action taken to ensure safe custody of blank cards, carrying out physical verification of blank cards, total number of printed cards received, number of cards issued, balance of blank cards, and measures taken to prevent misuse of blank cards were not available on record. Since the relief assistance was disbursed on the basis of temporary ration cards issuance of excess ration cards resulted in excess payment of Rs.96.09 lakh (cash doles Rs.51.81 lakh and House Hold kits Rs.44.28 lakh) in Bhachau taluka alone.

3.3.8.2 Irregular purchase of vehicles

Second vehicle was provided to officer already in possession of one vehicle

As per provision of Gujarat Budget Manual (Manual) budget estimate for purchase of vehicles shall be made under 'office expenses' of the relevant service head. Further, vehicles are required to be purchased only after approval of Budget by the Assembly and sanction of Government. Further, as part of economy measures Government instructed (September 1998) to purchase vehicle in lieu of condemned one the only the same vehicle after making provision in Budget and after following proper purchase procedure.

(i) Test check of records of the Collector and D.D.O., Bhuj revealed that 22 vehicles costing Rs.76.09 lakh were purchased by four Departments as mentioned below and the expenditure was debited to "2245 Relief on account of Natural Calamity" though budget provision for purchase of vehicles was not made.

Sr. No.	Month	Number of vehicle	Value (Rupees in lakh)	Departments utilising
1	March 2001	10	36.69	Revenue Department 3 AC and 7 Non AC.
2	May 2001	3	9.75	Police Department
3	March 2001	5	16.65	District Panchayat
4	June 2001	4	13.00	PWD
	Total	22	76.09	

Note: AC: Air-conditioned

(ii) As intimated by the Collector (March 2001) seven officers to whom new vehicles were allotted were already in possession of one vehicle which was in use. Hence allotment of second vehicle to those officers was not justified. This resulted in diversion and misutilisation of fund.

3.3.8.3 Quality of maintenance of Stock Accounts

Stock accounts of relief materials were not properly maintained

(i) As per Government instructions stock accounts for receipt and issue of various articles for relief assistance were required to be maintained. During test-check of records irregularities in maintenance of stock accounts were noticed as shown below:

Serial number	Name of office	Nature of irregularity
1	TDO Bhuj	Stock register was not maintained except for the period 27 January to 21 March 2001
2	TDO Bhuj	Article wise detailed accounts were not maintained and receipt and issue of articles was shown in bulk/weight/truckload (Appendix-XXXVI)
3	Mamlatadar Bhachau	<ul style="list-style-type: none"> i) Receipts were not supported by delivery chalangans or attested. ii) Issue permits did not bear number and date iii) Scale of free distribution was not prescribed. iv) Actual distribution was not verified.(Appendix-XXXVII) v) Tent/Tarpaulin were not entered in stock register. vi) Account of balankets etc. was shown partially in packets. vii) Accounts for articles (Appendix -XXXVII-A) were not produced to Audit. viii) Accounts of various articles (Appendices -XXXVII-B and XXXVII-C) were not maintained.
4	Mamlatdar Gandhidham	<ul style="list-style-type: none"> i) Stock register was not maintained properly. ii) Articles not accounted for in the stock register (Appendix -XXXVII-D). iii) Articles remained undistributed (Appendix- XXXVII-E) iv) Physical verification of stock was not conducted periodically. v) 214 cartoons and one container received from Osaka and Calicut were not accounted for.

(ii) Test-check of records of Collector, Surendranagar revealed that as against 3027.69 tonnes of GCI sheets shown as received in talukas by the district Collector, only 2965.48 tonnes were shown as received by Taluka Mamlatdars. Further, as per utilisation certificate sent to CR by the Collector, total quantity of GCI sheets received in Surendranagar district was shown 2914.77 tonnes. Moreover, SAIL intimated (August 2001) that they dispatched 2963.830 tonnes GCI sheets to Surendranagar district. Thus there is no proper account of 62.21 tonnes of GI sheets and possibility of misappropriation can not be ruled out. Improper maintenance of stock accounts facilitated possible misappropriation of 62.21 tonnes of GCI sheets.

(iii) Total 164 Kilo litres of kerosene oil was received from Indian Oil Corporation during 1 to 5 February 2001 through 16 tankers, for distribution to the people, affected by earthquake. No register, recording receipt/issue of above quantity was maintained by Mamlatdar Bhachau but remarks were noted on delivery challans indicating the names of villages in which the Kerosene was distributed, either directly or through Military/police.

(iv) For rehabilitation of victims, vehicles from Gujarat State Road Transport Corporation (GSRTC) and private operators were requisitioned during 26 January to 28 February 2001. For fueling the vehicles, Rs.1.28 crore was paid to GSRTC by the District Collector, Bhuj (Rs.1.22 crore) and the District Development Officer, Bhuj (Rs.0.06 crore) towards the cost of 6.71 lakh kiloliters of diesel.

However, no details of number of vehicles requisitioned, period of operation, quantity of fuel supplied and consumed etc. were available. Similarly Rs.2.28 lakh was paid by the Mamlatdar, Bhachau to Indian Oil Corporation towards cost of diesel supplied to private petrol pumps, but the details of lifting and use of the fuel from private petrol pumps were not available on record.

Collector stated that a register was maintained for the purpose and requisition slips were issued to vehicle operators for obtaining the specified quantity from GSRTC as the fuel was not available at any other place. However, no such register or requisition slips or log books were produced to Audit. Therefore correctness of payment made could not be verified in audit. Further, while making payment of diesel charges exemption of excise duty was also not availed.

During test check of payment voucher, it was noticed that payment of Rs.38.61 lakh was made by Mamlatdar, Anjar during February to May 2001 for procuring fuel for vehicles for which no other relevant record was maintained.

In the absence of complete records of receipt and issue of fuel, correctness of payment could not be verified in Audit.

3.3.8.4 Non claiming of exemption of excise duty

Non-claiming of exemption of excise duty resulted in avoidable payment

The Government of India exempted (January 2001) all goods, used in connection with relief works of “earth quake affected area”, from the payment of excise duty.

(i) It was noticed that DDO, Bhuj purchased Modi Zerox machines from Modi Corporation Ltd. at a cost of Rs.12.37 lakh for monitoring the works relating to earthquake relief. The payment was inclusive of excise duty amounting to Rs.1.70 lakh. Thus, payment of Excise duty was irregular.

(ii) Diesel/kerosene oil was procured by Collector Bhuj from the Indian Oil Corporation for rehabilitation of earthquake affected people of Gujarat.

(iii) While making payment of Rs.38.61 lakh for fuel, exemption from payment of excise duty amounting to Rs.3.56 lakh (Approx.) was not availed by Mamlatdar, Anjar.

However no exemption was claimed, which resulted in avoidable payment of excise duty amounting to Rs.21.50 lakh.

3.3.8.5 Avoidable payment of transportation

Non-availment of free transport facility offered by Indian Railway

To provide relief to quake affected people of Gujarat, Indian Railways declared a scheme under which all the relief materials were to be transported free of cost by Railways from any part of the country to

quake affected areas of Gujarat. Accordingly two consignments of GCI Sheets (392 tonnes and 2070 tonnes) purchased from steel authority of India were transported to Surendranagar district free of cost by Railways. However, two consignment of 242.690 tonnes and 323 tonnes GCI sheets were not transported through Railways from Khodiyar Railway Station to Muli and Wadhwan (Surendranagar) Railway stations but transported by road through private contractors at a cost of Rs.6.74 lakh. Thus, non-availing the facility of free transportation of relief materials offered by Railways resulted in avoidable expenditure of Rs.6.74 lakh on transportation of GCI sheets.

3.3.8.6 Redressal of grievances through 'Lokpal'

Large number of application for redressal of grievances received by Lokpal

Persons who were not satisfied with the work of survey or who received inadequate assistance, approached 'Lokpal' for redressal of their grievances.

Test-check of records of Mamlatdar, Gandhidham revealed that 18331 applications were received either for non-payment of cash doles/assistance for house hold kits or for short payments thereof. Large number of applications for redressal of grievances through 'Lokpal' was attributed by the Mamlatdar to making applications to different authorities (i.e. Lokpal, Additional Collector, Collector Mamlatdar) etc. Result of these applications were not available on record. Large number of applications indicated that there was scope for better administration of relief works.

3.3.9 Monitoring

Relief operations in audit indicated important gaps and weakness in monitoring as discussed below:

1. Accounting of the relief works, as per the laid down procedures of GERRF are not being followed by implementing agencies and consequently this would affect the quality and reliability of the accounts of GSDMA. There was little evidence to show that GSDMA was monitoring the compliance of prescribed controls in this regard and intervening effectively to set the matters right.
2. Large amounts are being disbursed by Government for relief/rehabilitation works through the budgetary grants to various line departments, even while GSDMA was to take over such activities. The centrality of the activities of GSDMA and the accounts of GSDMA are affected as accounts of GERRF does not reflect the full extent of receipts and expenditure. Therefore monitoring the same and their exhibition in the accounts are not ensured. Accounting of stores and stock needs close monitoring by GSDMA/Government.
3. Proper co-ordination among the Relief Commissioner and GSDMA is necessary with clear division of authority and responsibility for monitoring the speedy and proper execution of the rehabilitation. Since

large number of implementing agencies are involved, a clear command and control system is called for. In its absence, speedy completion of repair and reconstruction of infrastructure, removal of debris, reconstruction of school buildings, assisting the industrial units are seriously affected. Close monitoring of quality of construction works by GSDMA/Government is also necessary.

4. A major expectation was that the Government would take help from the NGOs in the relief and reconstruction work. It appeared that this area did not receive adequate focus. Even at the stage of reconstruction adequate participation of NGOs would encourage popular participation and vigilance.

5. On the whole, improved monitoring by the Government would reduce wastage, abuse and loss and the scope of corruption in the relief and rehabilitation works. This is also necessary to ensure the confidence of the affected people and the donors who provided assistance. Government need to review the above aspects and strengthen the internal controls to speed up the rehabilitation works and improve the quality of assistance provided to the quake victims.

The matter was reported to Government in November 2001; reply has not been received (December 2001).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.4 Prevention and control of diseases

Highlights

To combat the diseases like Tuberculosis, Blindness, Leprosy and AIDS causing major global health problems Government of India introduced various schemes to control and prevent such diseases, from time to time.

During 1996-2001, patients discontinuing Tuberculosis treatment vis-à-vis patients put on treatment ranged between 56 per cent and 74 per cent and expected cure rate of 85 per cent and sputum conversion rate of 90 per cent was not achieved.

Prevalence rate of blindness reached 1.07 per cent (10 persons per 1,000 population; (1998)) against target of 0.3 per cent (3 persons per 1,000 population) by end of 2000.

Prevalence rate of Leprosy remained higher in six tribal districts. Forty one per cent key posts remained vacant.

Confirmed AIDS cases increased by 864 per cent during 1996 to 2000 and Human Immuno Deficiency Virus (HIV) positive cases by 3097 per cent during 1991 to 2000.

Government of Gujarat failed to avail Central assistance of Rs.2.41 crore meant for purchase of anti Tuberculosis drugs during 1996-2001.

(Paragraph 3.4.4.1)

Patients discontinuing from treatment to patients put on treatment ranged between 56 and 74 per cent under National Tuberculosis Control Programme.

(Paragraph 3.4.4.3 (a))

Desired new sputum positive case detection rate of 50 per lakh, sputum conversion rate of 90 per cent and cure rate of 85 per cent were not achieved under Revised National Tuberculosis Control Programme.

(Paragraph 3.4.4.3(b))

Rupees 0.21 crore were irregularly paid as maintenance grant to a voluntary organisation of Bhavnagar District.

(Paragraph 3.4.4.7)

Blindness Registers maintained by District Blindness Control Societies were incomplete and the prevalence rate reached 1.03 per cent in 1998 as against 0.3 per cent by end of 2000.

(Paragraph 3.4.5.2)

Shortfall in achievement of targets in cataract operations under National Blindness Control Programme ranged between 11 per cent (1999-2000) and 48 per cent (1996-97) and 16 per cent and 67 per cent in the State and in test-checked districts respectively.

(Paragraph 3.4.5.2(a))

Though, 0.03 lakh incurable blinds were identified during 1996-2001 no action for their rehabilitation were taken.

(Paragraph 3.4.5.2(b))

In none of the five test-checked District Blindness Control Societies Information, Education and Communication activities were carried out.

(Paragraph 3.4.5.2(c))

Three mobile ophthalmic vans valued Rs.81 lakh were not put to use for rural eye camps for want of air-conditioning.

(Paragraph 3.4.5.3)

Utilisation of eyes by Eye Banks declined over the years from 41 per cent (1998-99) to 50 per cent (1999-2000).

(Paragraph 3.4.5.4)

Neither quarterly visits by nominated officers nor annual visit by Joint Director was made in any of the test-checked District Blindness Control Societies.

(Paragraph 3.4.5.5)

As against target of one prevalence rate of Leprosy was 1.75 in the State as of March 2001 and ranged upto 5.17 in Bharuch during 2000-2001. No annual action plan for the programme was prepared during 1996-2000 by the Deputy Director (Leprosy).

(Paragraph 3.4.6.2)

Target for case detection, treatment and discharge of Leprosy patients were very low compared to population in the State. Achievements under treatment and case discharge were only 76 per cent and 60 per cent in Vadodara and Ahmedabad Districts respectively.

(Paragraph 3.4.6.3(b))

Operations performed at Reconstructive Surgery Units at Vadodara ranged between three and 47. No details of operations performed by Surat Unit were made available to Audit as District Leprosy officer Surat was even not aware about the existence of such unit at Surat.

(Paragraph 3.4.6.3(c))

Shortfall in establishing Survey Education and Treatment Centre, Leprosy Control Unit and Urban Leprosy Centre in test-checked districts ranged between 39 per cent and 63 per cent, 33 per cent and 37 per cent and upto 90 per cent respectively.

(Paragraph 3.4.6.5(b))

In five district Leprosy offices medicines valued Rs.5.56 lakh became time barred.

(Paragraph 3.4.6.6)

As against 20 quarterly meetings required to be held only five meetings were held by District Leprosy Society Rajkot during 1996-2001.

(Paragraph 3.4.6.7)

Utilisation certificates under National AIDS Control Programme for Rs.0.52 crore were not furnished by four non-government organisations.

(Paragraph 3.4.7.1)

Human Immuno Deficiency Virus positive cases increased in the State from 465 in 1991 to 14402 in 2000 and confirmed Acquired Immuno Deficiency Syndrome cases increased from 117 in 1996 to 1011 in 2000.

Though, expenditure of Rs.4.93 crore was incurred by 38 Non Government Organisations during 1997-2001 the vulnerable groups like truck drivers, injecting drug users etc.were not covered.

Closing stock of condoms ranged between 27 per cent and 46 per cent of the total receipt.

(Paragraph 3.4.7.2)

No target to carry out intensive public awareness under Information, Education and Communication programme was either fixed by Government of India or Gujarat State Aid Control Society. Out of Rs.2.03 crore released by Government of India only Rs. one crore was spent during 1996-2001.

(Paragraph 3.4.7.3(a))

As against 25 Voluntary testing/Counseling centres required only five were established of which only two centres were functioning.

(Paragraph 3.4.7.3(b))

Out of 152 blood banks in the State only 55 were modernised. In six Zonal Blood Testing Centres 50 per cent of the posts of Laboratory Technicians were vacant.

(Paragraph 3.4.7.3(c))

A Blood Component Separation Unit valued Rs.28.08 lakh was lying idle since 1996-97.

(Paragraph 3.4.7.3(d))

Due to vacancy in key-posts, main activities like surveillance, blood-safety and STD were affected resulting in adverse impact on programme.

(Paragraph 3.4.7.6)

3.4.1 Introduction

National Tuberculosis (TB) Control Programme (NTCP) emphasised on detection and treatment of TB patients effectively. Revised National TB Control Programme (RNTCP) was implemented from 1993-94 with the specific goal of curing through administration of a combination of drugs by Directly Observed Treatment (DOT) and to achieve cure rate of 85 *per cent*.

National Programme for Control of Blindness (NPCB) was launched (1976) as a 100 *per cent* centrally sponsored programme with the aim to reducing blindness from 1.4 to 0.3 *per cent* (3 per 1000 population) by 2000 AD.

National Leprosy Control Programme (NLCP) was implemented for achieving target of prevalence rate of one per 10000 population at the end of 2000 AD through early detection, treatment and social and physical rehabilitation of patients.

National Acquired Immuno Deficiency Syndrome (AIDS) Control Programme (NACP) was implemented from September 1992 to reduce spread of Human Immuno Deficiency Virus (HIV) infection, decrease morbidity and mortality and strengthen capacity to respond to HIV/AIDS on long term basis.

3.4.2 Organisational set-up

Secretary, Health and Family Welfare Department (Department) was responsible for the overall supervision of the programmes in the State. The programmes were implemented by Commissioner of Health, Medical Services and Medical Education, Gandhinagar (Commissioner)/Project Director (AIDS), through Additional Director who were assisted by heads of teaching hospitals and district hospitals/societies at district level, Community Health Centres (CHCs), Primary Health Centres (PHCs) and Non-Government Organisations (NGOs).

3.4.3 Audit Coverage

The Programme was reviewed through test-check of records (during October 2000 and May 2001) of the Department, the Commissioner, the Project Director (AIDS) and five selected district* hospitals and offices for 1996-97 to 2000-2001. Important points noticed are discussed in succeeding paragraphs.

3.4.4 National Tuberculosis Control Programme

3.4.4.1 Outlay and expenditure

(a) Under the Programme National Tuberculosis Control Programme (NTCP) Government of India (GOI) provided cash assistance for purchase of anti TB drugs on 50:50 basis.

Details of allocation and release of cash assistance under NTCP by GOI, provision made by the State and expenditure incurred during 1996-2001 was as shown in Appendix-XXXVIII.

**Non availing of
central assistance of
Rs.2.96 crore**

(b) Against the total allocation of Rs.2.96 crore during 1996-2001, sanctions for release of funds were issued by GOI for Rs.0.86 crore and Rs.1.00 crore for the year 1997-98 and 1998-99 respectively for purchase of anti TB drugs at the fag end of the years. Therefore, sanctions were revalidated by GOI upto 1999-2000. As the State Government failed to make provision in its budget for central assistance and utilisation certificates for purchase of drugs could not be sent by the State as the amount was not utilised, Rs.0.55 crore allocated by GOI during 1999-2000 was not released to the State Government. Thus, effectively State Government failed to avail central assistance of Rs.2.96 crore during 1996-2001.

Against provision of Rs.6.42 crore, State incurred expenditure of Rs.7.94 crore which was 24 *per cent* in excess to provision made in the budget, such excess expenditure took place mostly during 1996-97 and 1999-2000 (vide Appendix-XXXIX) for which no reasons were furnished by Assistant Director (TB), Gandhinagar.

(c) Grants-in-aid (GIA) of Rs.6.47 crore was directly allotted to 18 District TB Societies (DTCSs) by GOI, of which Rs.3.14 crore were utilised and balance of Rs.3.33 crore remained with DTCSs (March 2001).

* Ahmedabad, Rajkot, Surat, Vadodara and Valsad.

3.4.4.2 Performance

(a) Annual Action Plan

Though Revised National Tuberculosis Control Programme (RNTCP) was under implementation since 1996-97, annual action plan were prepared only for 1999 and 2000.

Poor performance in test-check and tribal district vis-à-vis State as a whole

(b) The main components under NTCP were case detection, sputum examination and sputum positive case detection. Year-wise target and achievements were as shown in Appendix-XXXIX. Following points were noticed :

(i) Under NTCP, achievement in the State as per report sent by the Commissioner to GOI for new case detection ranged between 81 *per cent* (1997-98) and 200 *per cent* (1998-99), for sputum examination between 51 *per cent* (1998-99) and 129 *per cent* (1999-2000) and for new sputum positive between 82 *per cent* (2000-2001) and 171 *per cent* (1998-99).

(ii) Test-check of records of selected District TB Centres (DTCs) revealed that achievement under case detection ranged between 36 *per cent* (Ahmedabad, (Rural); 1999-2000) and 92 *per cent* (Vadodara; 1996-97). Achievement in tribal areas under case detection was 42 *per cent* (Dangs; 1999-2000), 28 *per cent* (Chhotaudepur; 1996-97) 29 *per cent* (Bharuch; 1996-97) and 38 *per cent* (Dahod; 1996-97).

(iii) Achievement for sputum examination ranged between 27 *per cent* (Ahmedabad (Rural); 1998-99) and 128 *per cent* (Vadodara; 1999-2000). In tribal areas it ranged between 29 *per cent* (Dahod; 1998-99) and 41 *per cent* (Chhotaudepur; 1996-97).

(iv) Achievement for new sputum smear positive case detection in selected districts ranged between 43 *per cent* (Ahmedabad (Rural); 1999-2000) and 97 *per cent* (Surat; 1996-97).

(v) In tribal areas achievement ranged between 28 *per cent* (Dangs; 1996-97) and 29 *per cent* (Chhotaudepur; 1996-97) (Appendix-XL, XLI and XLII). It was observed that low achievement under the programme was due to vacancy of key posts of District TB Officers (DTOs) and Treatment Organisers (TOs) in the tribal areas. Shortfall in achievement was attributed by Assistant Director (TB) to low performance by DTCs.

3.4.4.3 Treatment

Patients leaving treatment ranged between 56 and 74 per cent

(a) It was noticed from the details of treatment of patients during 1996-97 to 2000-2001 (Appendix-XLIII) that percentage of total patients put on treatment to new case detection ranged between 68 *per cent* (2000-2001) and 99 *per cent* (1997-98). Patients completed treatment during 1996-2001 ranged between 36 *per cent* (1996-97) and 73 *per cent*

(2000-2001) and patients lost* to patients put on treatment increased from 56 per cent in 1996-97 to 74 per cent in 2000-2001. The large number of patients leaving the treatment incomplete under NTCP defeated the very purpose of reducing the percentage of Tuberculosis under NTCP.

Shortfall in achieving rate of case detection, sputum conversion and cure under RNTCP

(b) Performance under RNTCP during 1996-2001 in the State and test-checked districts (Appendix–XLIV and XLV) revealed that annualised detection rate of new sputum smear positive cases ranged between 9 (1998) and 44 (2001) per lakh population. As against 90 per cent rate of conversion of sputum positive to negative it ranged between 80 per cent (2000) and 90 per cent (1997) and as against cure rate of 85 per cent it ranged between 69 per cent (1999) and 81 per cent (1997). In test-checked DTC, Ahmedabad Rural detection of new sputum smear positive rate ranged between 25 (1998) and 47 (2000) per lakh population, sputum conversion rate from positive to negative ranged between 61 per cent (1999; Ahmedabad (Urban)) to 94 per cent (2000; Ahmedabad (Rural)). The Conversion rate was below 90 per cent in all DTCs except Ahmedabad (Rural). Against expected cure rate of 85 per cent the cure rate ranged between 48 and 63 per cent (Ahmedabad (Urban)) and 63 and 71 per cent (Valsad DTC) during 1998-2001.

DTO Valsad attributed low performance in new sputum smear positive case detection to shortage of staff and low performance at PHC level. DTO Ahmedabad (Urban) stated that achievement was low during initial phase of the programme.

3.4.4.4 Follow up of Sputum examination

Poor follow-up of sputum examination during 1997-2000

Achievements under Sputum follow up examination during 1997-2000 was 41 per cent (1997-98) and 46 per cent (1999-2000) in the State. In test-checked districts, achievements ranged between 23 per cent (DTC-Valsad: 1998-99) and 71 per cent (Ahmedabad (Rural): 1997-98). Shortfall in achievements indicated that Sputum follow up activity was poor.

Assistant Director (TB) Gandhinagar stated (August 2001) that sputum follow up examination targets were not achieved due to increase in the number of defaulting patients under NTCP programme.

* Lost Patients denotes patients discontinuing TB treatment and not returning to treatment centre for collection of drugs for two months.

3.4.4.5 Key posts vacant

Vacancies in key posts adversely affected the programme activities

It was noticed that as against 24 posts of District TB Officers (DTO) and 24 posts of Treatment Organisers (TO), 8 posts[#] of DTO (33 per cent) and 19 posts* of TO (79 per cent) were vacant (March 2001) which affected the programme adversely. The Commissioner did not furnish information as to how, the programme was implemented with so much vacancies in key posts.

3.4.4.6 Training

No targets were fixed by Director TB Demonstration and Training Centre (TBDTC), Ahmedabad for various training courses. Details of training programme held and training provided during 1996-2000 were as shown in Appendix-XLVI. The number of courses held as well as number of trainees decreased from 48 courses and 1164 trainees (1998) to 19 courses and 543 trainees (2000) respectively. Director TBDTC, Ahmedabad stated that the programme for training was framed by Assistant Director (TB), Gandhinagar and decline in number of courses and trainees was due to providing training by District TB Societies (DTCSs) at district level in the State.

3.4.4.7 Assistance to voluntary organisations

Excess payment of grant of Rs.0.21 crore not recovered

Payment of GIA to Voluntary (NGO) Hospitals was to be limited to 110 per cent of grant paid in previous year. A voluntary hospital at Amargadh, District Bhavnagar was paid (1996-97) Rs.1.24 crore as against admissibility of Rs.1.03 crore resulting in excess grant-in-aid of Rs.0.21 crore which was not recovered as of March 2001. Assistant Director (TB) stated that excess GIA would be recovered or adjusted against future payment to the body.

3.4.4.8 Implementation of RNTCP programme by District TB Societies

To plan, implement, monitor and supervise all tuberculosis activities in district in co-ordination with District TB Centre, DTCSs were formed by District TB Officer (DTOs) and other Government Officer in the districts concerned as societies under Societies Registration Act, 1860. GOI gave funds to them directly.

Belated release of fund delayed RNTCP activities in urban area

In test-checked societies it was noticed that out of Rs.0.48 crore received (July/December 1997) by Ahmedabad (Rural) Society from GOI, Rs.0.28 crore was required to be given to Ahmedabad City TB Control Society (ACTCS). However, the same was released only in July 1998, after 12 months, which delayed RNTCP activities in urban

[#] Posts of DTOs remained vacant at districts (1) Bharuch, (2) Dangs, (3) Jamnagar, (4) Kheda, (5) Rajkot, (6) Surat (Two DTOs) and (7) Vadodara.

* 19 posts of Treatment Organisers remained vacant in all the 16 districts except 3 districts B.K., Kheda and Godhra

areas. Further, six[@] test-checked societies, received GIA of Rs.0.33 crore for carrying out IEC activities during 1996-2001, of which, only Rs.0.15 crore was utilised due to carrying out less activities and Rs.0.18 crore was lying with societies as of March 2001. Four^{*} societies received Rs.8.92 lakh under NGO support component, but could not utilise as of March 2001 as activities were not taken up by the societies. Five^{**} test-checked societies did not utilise equipment grant of Rs.11.60 lakh received from GOI between April 1999 and December 2000 as of March 2001. Assistant Director (TB) stated that DTOs were instructed to purchase required equipments in short time. Moreover, test-check of records of selected DTCs revealed that records/information showing details of patients referred by private practitioners, were not available, though envisaged under the programme. DTOs concerned stated that such system was not adopted in DTCs as the programme was implemented very recently.

3.4.4.9 Monitoring and Supervision

(i) State level reports

Belated submission of monthly reporting and poor supervision

Under the Revised National Tuberculosis Control Programme Assistant Director (TB)/State TB Officer was required to send quarterly reports on Programme Management to Ministry of Health & Family Welfare, Government of India (MOH/GOI) based on the quarterly reports received from DTCs.

It was observed that though the programme was under implementation since 1993-94, first quarterly report was sent to GOI for the quarter ending March 2001.

State TB Officer stated that as the reports were not called for, these were not sent and quarterly report of March 2001 was sent to MOH/GOI.

This indicated that monitoring was weak.

(ii) District TB officers were required to send monthly returns to Director, TBDTC, Ahmedabad on 10 of the following month. It was observed that 41 to 80 monthly returns were sent late by various DTCs by 31 days and 16 days during 1998-99 and 2000-2001 respectively. Under NTCP, District TB Officer was required to carry out quarterly visits of Public Health Institutions (PHIs) under his jurisdiction. It was noticed that shortfall in visits by DTOs, ranged between 31 *per cent* (1999-2000) and 45 *per cent* (1996-97). Shortfall in visits by DTOs in test-checked districts ranged between four *per cent* (Valsad 1997-98)

[@] Ahmedabad; Rs.5.49 lakh, Ahmedabad (Rural); Rs.3.66 lakh, (Navsari) Valsad; Rs.13.33 lakh, ACTCS Rajkot; Rs.3.62 lakh, Surat (Rural);Rs.4.88 lakh and Vadodara; Rs.1.75 lakh

^{*} 1 Ahmedabad Urban (Rs.2.75 lakh July 1998) 2 Ahmedabad Rural (Rs.1.83 lakh June 1997), 3 Navsari (Rs.2.09 lakh March 1997) and 4 Surat City (Rs.2.25 lakh November 2000)

^{**} DTCS Ahmedabad (Rural) Rs.2.90 lakh, DTCS Rajkot; Rs.1.10 lakh, DTCS Surat (Rural); Rs.4.00 lakh, DTCS Vadodara (Rural) Rs.1.80 lakh, DTCS (Navsari) Valsad; Rs.1.80 lakh

and 63 *per cent* (Surat 1996-97) which was attributed by the Director, TBDTC to vacant posts of DTOs and additional responsibilities of Leprosy activities by DTOs.

3.4.5 National Programme for Control of Blindness

3.4.5.1 Outlay and Expenditure

Only 67 per cent of the available funds utilised

GOI provides financial assistance to the State Government, Government sponsored societies and NGOs to meet recurring and non-recurring expenditure. Remaining liabilities were borne by the State Government. Budget allocation and expenditure on the programme during 1996-2001 was as shown in Appendix-XLVII. It was noticed that as against grant of Rs.5.85 crore released by GOI expenditure of Rs.3.90 crore (67 *per cent*) was incurred during 1996-2001. Central grant of Rs.65 lakh released by GOI (February 2001) for District Blindness Control Societies (DBCSs) was not released by the Commissioner to concerned DBCSs as various formalities were incomplete (May 2001).

3.4.5.2 Absence of State level plan of action

Annual action plan at State level was prepared only for 2000

Annual action plan at State level was not prepared by Commissionerate (State Ophthalmic Cell) upto 1999. In test-checked districts, three* DBCS did not prepare annual action plan. Absence of annual action plan adversely affected the programme as mentioned in succeeding paragraphs.

GOI released (November 1999) Rupees 24 lakh to the State for preparing blindness registers by 12 DBCSs. Out of Rs.six lakh received by three DBCSs, only Rs.0.48 lakh were utilised by DBCSs, Surat (Rs.0.05 lakh) and Valsad (Rs.0.43 lakh) as of March 2001. No amount was utilised by DBCS Vadodara leaving Rs.5.52 lakh with the DBCSs. The blindness registers maintained by respective DBCS were incomplete. Prevalence rate in the State reached at 1.07 *per cent* (10 persons suspected blinds per thousand population) as per survey of 1998 as against the target of 0.3 *per cent* by end of 2000. But in the absence of basic register, projected rate of prevalence of blindness could not be verified in Audit.

(a) Cataract surgery

Details of target and achievements of cataract operations performed in the State/DBCS/Central Mobile unit during 1996-2001 were as shown in Appendix-XLVIII. Following points were noticed.

Target not achieved at State /DBCSs / Central Mobile unit levels

(i) Shortfall in achievement for the State as a whole, in test-checked DBCSs and Central Mobile Unit ranged between 11 *per cent* (1999-2000) and 48 *per cent* (1996-97), 16 *per cent* (Surat 1999-2000) and 67

* 1 Ahmedabad (2000-2001), 2 Surat (1997-98 and 1999-2000), 3 Valsad (1999-2000)

per cent Surat (1996-97) and 23 per cent Vadodara (1999-2000) and 72 per cent Vadodara (1996-97) respectively. The Commissioner sent the figures of achievement to GOI including cataract operations performed by private doctors for which no authentic record was available with DBCSs/Commissioner. Thus these figures were not wholly reliable.

(ii) Shortfall with reference to category-wise target ranged between six and 64 per cent for Intra Ocular Lens, 11 and 70 per cent for Bilateral Blindness and 36 and 84 per cent for SC/ST/BPL population (Appendix-IL).

(iii) At DBCS Vadodara, in three and 68 cases, vision was not restored after surgery due to retinal detachment and Glaucoma respectively. At DBCS Surat vision was not restored in 7 cases operated by NGO due to infection as shown in Appendix-L.

(b) Rehabilitation of incurable blinds not done

No action to rehabilitate identified incurable blinds by any DBCS

Incurable blinds were identified in Ahmedabad (909), Surat (242) and Vadodara (2137) DBCSs during 1996-2001. However, no action was taken for their rehabilitation by any DBCS. Further, shortfall in rehabilitation of such cases in other test-checked districts ranged between 33 per cent (1998-99) and 45 per cent (1996-97) in Rajkot and 12 per cent (1996-97) and 18 per cent (1999-2000) in Valsad (Appendix-LI).

(c) IEC activities

IEC activities were neglected

None of the five test-checked DBCSs carried out IEC activities for motivation of potential beneficiaries, educating volunteer groups, awareness through information media and a meagre amount of Rs.6.23 lakh was spent on printing. Thus, the vital component of the programme was neglected.

3.4.5.3 Maintenance of ophthalmic equipments

Mobile ophthalmic vans not utilised for purpose

For conducting eye-camps at rural areas, Oriented Development Related Export Transactions (ORET) project authorities supplied (February/April 2000) three Ophthalmic mobile vans with instruments costing Rs.27 lakh each to three^{**} hospitals. However, these vans remained unutilised. Hospital authorities stated (May 2001) that the vans had no air-conditioning facility and therefore could not be put to use for cataract operations as there was risk of infection. Thus, the three vans valued Rs.81 lakh were not used for the benefit of people for more than one year and Rs.2.20 lakh were paid towards insurance premium during the period.

** (i) M & J Institute of Ophthalmology, Ahmedabad, (ii) Medical College, Surat, (iii) Medical College, Vadodara

3.4.5.4 Eye Banks

Poor performance of Eye Banks

Seven Eye Banks were established under the programme (one by Government and six run by NGOs). Development of Eye Bank is an important activity for the problem of Corneal blindness. Details of performance of Eye Banks in the State was as shown in Appendix-LII. It was noticed that utilisation of eyes during 1996-2000 ranged between 41 *per cent* (1998-99) and 50 *per cent* (1999-2000) which indicated that more than half the number of eyes in the bank were not utilised.

3.4.5.5 Monitoring and Inspection

Lack of monitoring at State and DBCSs level

As against eight meetings required to be held by the Commissioner during 1996-98 only one meeting with programme officers at State level was held during 1997-98 by the Joint Director (Ophthalmic).

In test-checked DBCSs, none of the nominated officers visited NGOs as per norms (four times in a year). Further, no annual visit of each district was made by the Joint Director as required.

3.4.6 National Leprosy Control Programme

3.4.6.1 Financial outlay and expenditure

Release of Central assistance to the State and expenditure incurred under the programme during 1996-2001 was as shown in Appendix-LIII. Following points were noticed.

Utilisation of Central assistance was 53 *per cent*

State received assistance from GOI in kind worth Rs.3.04 crore as against allocated assistance of Rs.5.73 crore which formed 53 *per cent* of total assistance allocated in kind by GOI. Deputy Director (Leprosy) stated that assistance in kind was availed as per requirements of the State. Details of grants-in-aid released by GOI directly to the District Leprosy Societies (DLS) in the State as a whole was not available with the Commissioner. However, in five test checked DLSs it was noticed that out of Rs.2.55 crore (including opening balance) available with them against which Rs.2.41 crore was utilised during 1997-2001 leaving a balance of Rs.0.14 crore with the societies.

3.4.6.2 Target and Achievements

Targeted rate of PR not achieved

Against Prevalence Rate (PR) of 21:10000 in 1985 (21 patients per 10,000 population) PR of 1:10000 was intended to be achieved at the turn of the century. PR in the State and selected districts during 1996-2001 was as shown in Appendix-LIV. It was noticed that PR reduced from 3.5 (1996-97) to 1.7 by 1998-99 but it increased to 1.8 in 1999-2000. However, in Bharuch, Dangs and Vadodara districts it was 5.17, 4.81 and 2.74 respectively as of March 2001. Thus, intended goal of arresting the disease and bringing PR to 1:10000 was not achieved upto 2000-2001. No reasons for the same were furnished by the

Department. It was noticed that there was shortage of 48 *per cent* (vacancy of 136 against 282 posts) of medical and non-medical categories of posts in Surat, Valsad and Vadodara districts where prevalence rate was high between 2.7 and 4.42 during 2000-2001. Further, annual action plan for calendar years 1996 and 1998 were not prepared during 1996-2001 by the Deputy Director (leprosy), Gandhinagar though the programme was under operation since 1984.

3.4.6.3 Case detection, treatment and discharge

(a) Survey conducted by District Leprosy Societies (DLSs) through Leprosy Elimination Campaigns did not cover the registered population for case detection and shortfall in coverage ranged between 18 *per cent* (1997-98) and 34 *per cent* (1999-2000) (Appendix-LV).

(b) Target and achievements under case detection, treatment and discharge were as shown in Appendix-LVI.

It was noticed that district wise targets fixed by the department for treatment and discharge were higher than that the fixed by GOI for the state. As the achievement was higher than the targets in all the years, evidently targets fixed by GOI was unrealistic.

Number of operations performed by RSU was very low

(c) Out of two Reconstructive Surgery Units (RSU) as stated to be established by Deputy Director (Leprosy), performance of RSU at Vadodara was very low. Number of operations performed ranged between three (1999-2000) and 47 (1996-97). Details of operations performed by RSU attached to Urban Leprosy centre in Medical college, Surat were not made available to Audit as DLO Surat was even not aware about the existence of RSU at Surat.

(d) In all test-checked districts, details of patients migrated outside the State and follow up action taken by DLOs, were not available on record as required under the programme. DLOs Vadodara, Surat and Valsad stated that as they were mostly migrated labourers, follow up could not be taken up.

3.4.6.4 Training of Personnel

Only 11 per cent to 49 per cent mandays were utilised for training

No targets were fixed for training of staff by Leprosy Training Centre Ahmedabad (LTC). It was noticed that utilisation of working days by LTC Ahmedabad was low, ranging between 11 *per cent* (1996-97) and 49 *per cent* (1997-98) during 1996-2001. It was stated that training to all key persons were already provided in earlier periods and providing of training at district level by DLSs resulted in short utilisation of mandays during 1996-2001.

3.4.6.5 Vacant posts

Vacancy in key posts adversely affected the programme

(a) Position of vacant posts in the State and test-checked districts was as shown in Appendix-LVII. It was noticed that as against 636 key posts sanctioned 263 posts (41 *per cent*) remained vacant. Vacancy

ranged between 22 *per cent* (Leprosy Assistants) and 100 *per cent* (Senior Leprosy Supervisor (SLS)) as of March 2001. In Sample Survey and Assessment Units at Rajkot and Surat, responsible to a cross examine field level workings in districts, vacancy was 75 *per cent* raising doubt about level of monitoring. Deputy Director (Leprosy) stated that vacancies were due to 20 *per cent* reduction in posts as per Government policy and that Government was approached to fill up vacant posts.

(b) Establishment of Infrastructure

Under the programme one Leprosy Control Unit (LCU) for population of 4 to 5 lakh, one Urban Leprosy Centre (ULC) for population of every 50 thousand and Survey Education and Treatment centre (SET) for population of 25000 was required to be established. As shown in Appendix–LVIII, in test-checked three districts (Vadodara, Valsad and Surat) it was noticed that shortfall in establishing SET,LCU and ULC ranged from 39 to 63 *per cent*, 33 to 37 *per cent* and upto 90 *per cent* respectively.

3.4.6.6 Expiry dated medicines

Medicines valued Rs.5.56 lakh became time expired in five* DLOs. It was stated by all DLOs that medicines were received from Deputy Director (Leprosy) and expiry dates were near by. It was noticed that write off orders in respect of time expired medicines were obtained by District Leprosy Officer Ahmedabad, Ansuya Leprosy Hospital, Vadodara and DLO Rajkot in 1998-99 while proposals sent by DLO Valsad and Vadodara remained pending with Deputy Director (Leprosy) Gandhinagar as of March 2001. Deputy Director (Leprosy) Gandhinagar stated that, medicines nearing expiry period were being received from DGHS, New Delhi frequently in spite of repeated requests.

3.4.6.7 Monitoring

Monitoring neglected on routine ground

As against 20 quarterly meetings required during 1996-2001 only five were held by DLS, Rajkot. Zonal Officer (Leprosy) stated that as the chairman of the society was District Development Officer and due to his busy schedule quarterly meetings were not held regularly.

3.4.7 National AIDS Control Programme

3.4.7.1 Financial outlay and expenditure

Year-wise grant released by GOI and expenditure during 1996-2001 were as shown in Appendix-LIX. It was noticed that grants-in-aid of Rs.0.52 crore was released to four NGOs during 1996-2000 for which Utilisation Certificates (UCs) were not furnished (May 2001).

* Ahmedabad ;(Rs.0.08 lakh), DLO Vadodara; (Rs.2.22 lakh), Rajkot;(Rs.1.23 lakh) Ansuya Leprosy Hospital Vadodara ; (Rs.0.10 lakh) and Valsad;(Rs.1.93 lakh)

However, Gujarat State Aids Control Society (GSACS) continued to release grant to these NGOs without obtaining UCs of earlier period. Further, in contravention of guidelines interim grant of Rs.70 lakh was paid to NGOs during 1997-2000 as further extension of project was not approved in time by Empowered State AIDS Committee.

**3.4.7.2 Priority Targeted Intervention for groups at high risk
(HIV/AIDS)**

In the State, HIV positive cases increased from 465 in 1991 to 14402 (3097 *per cent*) in 2000. Similarly, confirmed AIDS cases increased from 117 in 1996 to 1011 (864 *per cent*) in 2000.

The project aimed at reducing the spread of HIV in groups at high risk by identifying target population and providing peer counseling, condom promotion, treatment of sexually transmitted infection (STI) etc. For these activities 38 NGOs in the State were approved and Rs.5.21 crore (1997-98 to 2000-2001) from Department for International Development (DFID) were released to NGOs through GSACS. Expenditure incurred by 38 NGOs was Rs.4.93 crore as shown in Appendix-LX. It was noticed that Vulnerable groups like truck drivers and injecting drug users were not covered by NGOs. Further, details of number of population at high risk group to be contacted *vis-à-vis* achievements by NGOs were not furnished by GSACS. Details of distribution of Condom through various channels from 1993-94 to 2000-2001 through Department/GSACS, Ahmedabad were as shown in Appendix-LXI. Due to less issue of condoms as against receipt during 1993-94 and 1995-97, there was abnormally high closing stock ranging between 27 and 46 *per cent* lying with the department during these three years. Further, more stress was given on free distribution of condoms which increased from 2.84 lakh in 1998-99 to 4.13 lakh and 16.95 lakh in 1999-2000 and 2000-2001 respectively. Distribution through social marketing (0.24 lakh condoms; 2000-2001) and commercial sales (0.09 lakh condoms; 2000-2001) was negligible. Test-check of performance of selected NGOs revealed that Community Science Centre, Rajkot (Target Intervention for sexual health of industrial workers) was given (February 2000) grant of Rs.6.22 lakh. Out of target for six different components, shortfall in high risk behavior (HRB) reach was 43 *per cent*, condom usage by Industrial workers 40 *per cent*, STD care 35 *per cent* and counseling 34 *per cent*. However, no action was taken against NGO. Similarly SAHAS, Surat (target group-Diamond Workers) was paid grant of Rs.35.14 lakh during 1997-2001. It was noticed that there was shortfall in achievement under HRB reach by 77 *per cent* (1999-2000) and condom social marketing outlet 50 *per cent* (1999-2000) and 29 *per cent* (2000-2001). However, no action was taken against NGO. Further excess expenditure of Rs.3.74 lakh incurred on programme management by NGO was required to be recovered.

3.4.7.3 Preventive Intervention for the general community

(a) Information, Education and Communication (IEC) and awareness campaign.

IEC activities received casual attention

No target was fixed by the Government/GSACS to carry out an intensive public awareness under IEC programme and community support campaigns for HIV/AIDS. Test-check revealed that out of Rs.2.03 crore allocated during 1996-97 to 2000-2001 by GOI to GSACS only Rs. one crore (49 *per cent*) was spent by various implementing agencies and unspent balance of Rs.1.03 crore was lying with GSACS in Bank Account. Project Director stated (February 2001) that nominated district level officers were carrying out these activities only in their spare time as work was thrust upon them.

(b) Providing voluntary testing and counseling

Detection programme neglected

It was noticed that as against 25 voluntary testing/counseling centres required, only five centres were established in 1998-99. Further, it was noticed that out of five centres, only two centres at Ahmedabad were functioning for which no physical target was fixed. Thus, detection programme remained largely neglected.

(c) Reduced Transmission by Blood Transfusion

Adverse effect of vacancies in key posts on performance of blood testing activities

NACO decided to modernise blood banks in the State in phased manner. Out of 152 blood banks in the State as of November 2000, 42 Government blood banks and 13 voluntary blood banks (36 *per cent*) were modernised. It was noticed that six Zonal Blood Testing Centres had 50 *per cent* vacant posts of Laboratory Technician (since December 1998) resulting in fewer/less blood testing activities.

(d) Blood Component Separation Unit (BCSU)

Non/belated utilisation of BCSUs

National Aids Control Organisation (NACO) supplied three BCSUs to three* Government medical colleges valued Rs.84.35 lakh between 1995-1997. It was noticed that the unit (Rs.28.08 lakh) supplied to medical college Vadodara was lying idle since 1996-97 for want of licence and at Surat medical college, it was commissioned after a delay of three and half years. Utilisation of BCSU at Ahmedbad and Surat Government medical colleges ranged between 2 *per cent* (1998-99) and 12 *per cent* (2000-2001) and 16 *per cent* (2000-2001) respectively. However, utilisation of BCSU supplied by NACO to Surat RaktdanKendra, an NGO, at Surat ranged between 51 *per cent* (1998-99) and 61 *per cent* (2000-2001), as against 0.03 lakh and 0.01 lakh samples tested by BCSU Ahmedabad and Surat respectively 0.38 lakh samples were tested by NGO during 1998-2001 which indicated poor utilisation in Government Hospitals.

* Ahmedabad, Surat, Vadodara

3.4.7.4 STI/HIV/AIDS Sentinel Surveillance

Shortfall in conducting Sentinel surveillance tests

No target was fixed for establishing STD Surveillance Centres though it was a vital component of prevention and control of HIV/AIDS. The surveys for high risk groups were conducted through STD clinics. Test-check of records of the centres revealed that shortfall in conducting surveillance test ranged between 13 *per cent* (1999) and 54 *per cent* (1996).

3.4.7.5 Low cost AIDS care

It was noticed that no small community based hospitals, drop-in-centres or home based care centres were established by GSACS on the plea that no such centres were sanctioned by NACO. The reply was not tenable as no proposal in this regard was sent by GSACS to NACO.

3.4.7.6 Manpower

Vacancy in key technical posts affected implementation of the programme

Key technical posts like Joint Director (Surveillance), Deputy Director (Surveillance), Joint Director (Blood safety), Joint Director (IEC), Assistant Director (STD) were not filled up by GSACS resulting in adverse impact on the programme implementation as discussed in earlier paras. Additional Director, GSACS stated that the technical posts would be filled up whenever needed. This was not tenable as absence of key personnel affected implementation of the programme.

3.4.7.7 Capacity building for monitoring and evaluation

Evaluation not conducted

For monitoring and evaluation of the programme a Monitoring and Evaluation Officer (MEO) was appointed on contractual basis at a monthly emoluments of Rs.10000 from October 2000 and selection of outside agency by NACO was done in March 2001. Thus no evaluation was conducted as of March 2001.

3.4.7.8 Ineffective reporting

Details of reporting for three years not available

It was noticed that details of submission of monthly AIDS cases reports from 1996-99 were not available with GSACS. Further, monthly returns sent for 1999-2000 were delayed between one month and four months. Quarterly returns for HIV sentinel were sent on yearly basis instead of quarterly basis, quarterly and annual financial reports were delayed by three to five months. It was admitted by GSACS that due to lack of staff and late receipt of financial statements from various organisations, the returns were delayed.

3.4.8 Evaluation

No evaluation of any of the programmes was conducted.

3.4.9 The matter was reported to Government in July 2001; reply has not been received (September 2001).

SOCIAL JUSTICE AND EMPOWERMENT DEPARTMENT

3.5 Tribal Area Sub-Plan

Highlights

Tribal Area Sub-Plan was implemented in 10 districts of the State for gradual improvement of socio-economic condition of tribes. Scrutiny revealed that expenditure exhibited in Accounts did not match the attainment of objectives as Rs 56.13 crore shown as having spent were actually lying either unutilised in the Personal Ledger Accounts of District Development Officers or were subsequently refunded to Government. Funds allotted for construction of hostel and primary school buildings were not utilised. Below Poverty Line tribal families increased by 8 per cent though Rs.1886.91 crore was reportedly spent on various schemes during 1991-98 for upliftment of tribals.

While 17.57 per cent of the total State outlay was to be allotted for Tribal Sub-Plan actual allocation was 10 to 14 per cent during 1996-2001. Of this outlay 19 per cent was not spent.

(Paragraph 3.5.4(i))

Though Rs.53.82 crore was not spent but transferred to Personal Ledger Accounts of District Development Officers, these were reflected as expenditure during 1999-2000 by Project Administrators.

(Paragraph 3.5.4(ii))

Unspent balance of Rs.2.84 crore of Special Central Assistance was either deposited in Personal Ledger Accounts, Revolving Fund or credited to state revenue or diverted for pay and allowances.

(Paragraph 3.5.5)

Under Agriculture and allied services soil conservation works, distribution of input kits, poultry etc. were to be undertaken.

As against the unit cost of Rs.0.11 lakh per hectare of land for terracing, Gujarat Land Development Corporation spent Rs.0.19 lakh per hectare resulting in excess expenditure of

Rs.11.29 crore. Against the target for terracing of 32455 hectare land, only 14918 hectare was covered resulting in shortfall of 54 per cent of target. As against the admissibility of 33.33 per cent as administrative expenditure actual expenditure was 106 per cent. Despite availability of funds target fixed for coverage of farmers was very low *vis-à-vis* farmers available in the area. Coverage of farmers for distribution of input kits was a meagre six per cent to 10 per cent and coverage of area was one per cent to three per cent during 1996-2001 reflecting poor execution. As against availability of Rs.42.81 lakh, Rs.7.00 lakh (16 per cent) was spent on providing assistance for production of Certified Seeds.

Assistance of Rs.67.06 lakh to 3490 below poverty line tribal families for establishing poultry units during 1996-2001 was of no use as only 50 per cent of the families assisted crossed the poverty line.

(Paragraph 3.5.6)

Safe drinking water was to be provided in urban and rural areas through village/regional water supply schemes installation of handpumps etc. Non completion of Machhannala Regional Water Supply Scheme resulted in blocking of Rs.1.68 crore since April 1998 and wasteful expenditure of Rs.0.15 crore. Executive Engineer, Mechanical Division, Godhra spent Rs.6.92 crore on handpumps in violation of norms and also installed 174 handpumps valued Rs.0.49 crore in non-tribal villages. Due to slow progress and delay in fixing agencies 30 village Water Supply Schemes could not be completed and put into operation. Executive Engineer, Godhra installed 232 handpumps in 35 villages valued Rs.0.70 crore even after commencement of Village Water Supply Schemes.

(Paragraph 3.5.7)

Dairy activities intended to increase subsidiary income of small and marginal farmers covered supply of liquid Nitrogen, milch animals, setting up of chilling plants etc. Panchmahals District Milk Producers Union Limited, Godhra was irregularly assisted by Rs.0.70 crore for conversion of 10,000 litre per day capacity chilling plant into 30,000 litres per day capacity. Delay in establishing chilling plant in Narmada district resulted in blocking of Rs.60 lakh for 16 months and deprived 3.28 lakh tribals in two districts of the intended benefits.

(Paragraph 3.5.8)

Development in education was aimed by providing residential schools, ashram schools, free supply of text books, uniforms etc.

Central assistance of Rs.3.29 crore for construction of school and hostel buildings for tribal children in four districts remained unutilised during 1997-2001. Rupees 10.37 crore earmarked during 1995-99 for construction of classrooms in 358 schools in Dahod and Valsad districts were refunded to Government (Rs.8.82 crore) in August and December 2000 by the DDO, Dahod and Valsad and credited to State Revenue (Rs.1.55 crore) denying intended benefits to tribal people.

(Paragraph 3.5.9)

For providing houses various schemes like Sardar Awas Yojana, individual housing schemes, etc. were implemented.

Decision of the Government to dispense with time limit for completion of construction of houses resulted in non-completion of houses by tribal beneficiaries and infructious expenditure of Rs.3.85 crore during 1996-2001 beside casting doubt about genuineness of beneficiaries.

(Paragraph 3.5.10(i))

Delay in execution of Lift Irrigation schemes deprived 678 tribals in Dahod district of the irrigation facilities in 1707 hectare of land and additional annual income of Rs.59.27 lakh.

(Paragraph 3.5.11)

In violation of Government instructions, Rs.0.78 crore meant for New Gujarat Pattern were spent on maintenance of State Highways. Road works valued Rs.1.57 crore were executed by splitting up the works in 12 parts within the limits of Rs.20 lakh each.

(Paragraph 3.5.12 (i) and (ii))

Rupees 86 lakh was spent on non-entitled beneficiaries by providing free electric connections.

(Paragraph 3.5.13(i))

Despite conversion of overdue loans and interest of Rs.21.34 crore into subsidy by Tribal Development Corporation, 1.15 lakh tribals remained below poverty line.

(Paragraph 3.5.14)

Despite spending of Rs.1886.91 crore during 1991-98 on Tribal Sub plan, below poverty line tribal families increased from 6.89 lakh in 1991-92 to 7.46 lakh in 1997-98. However, below poverty line tribal population decreased during the period.

(Paragraph 3.5.17)

3.5.1 Introduction

For gradual Socio-economic advancement of tribes and for their integration with the rest of the community on equal footing within a reasonable period of time, the concept of Tribal Area Sub-Plan(TASP) was introduced in the Fifth Five Year Plan. TASP in Gujarat is implemented in ten districts divided into nine Integrated Tribal Development Projects (ITDP). As per 1991 Census 14.92 *per cent* (61.62 lakh) of the total population of Gujarat consisted of tribals of whom 12.30 *per cent* (50.79 lakh) lived in ten districts grouped into nine ITDP. Government of Gujarat earmarks 17.57 *per cent* of total State Annual Development Plan to TASP every year.

3.5.2 Organisational Set-up

Secretary, Social Justice and Empowerment Department (Department), is in overall charge of the department. Commissioner, Tribal Development (Commissioner) is responsible for implementation, supervision and co-ordination of TASP. Various line departments who are the implementing agencies, implement and supervise schemes/programmes allotted to them. At district level TASP is implemented through Project Administrator (PA).

3.5.3 Audit Coverage

To review the implementation of TASP in the State during 1996-97 to 2000-2001 records of four* Integrated Tribal Development Projects (ITDPs) and implementing agencies** for these years were test-checked between January and May 2001. Important points noticed are discussed below :

* Dahod, Khedbrahma, Rajpipala and Vansda

** District Panchayat, GWS&SB, GLDC, Forest, Poultry, GWRDC, Tribal Development Corporation, GEB, Vigilance Officer, Ashram Shala Officer etc.

3.5.4 Financial outlay and expenditure

State Government allocates 17.57 per cent of total state plan outlay every year for the Tribal Sup-Plan. Out of this Rs.200 crore are set apart from 1999-2000 as discretionary funds under 'New Gujarat Pattern' which is allocated by Commissioner amongst the ITDPs in proportion to ST population. The SCA is released by Government of India (GOI) for economic development of tribals broadly on the basis of ST population and the geographical area inhabited by the STs in inverse proportion to per capita net state domestic product of the States/UTs.

Allotment of funds and expenditure on TASP during 1996-2001 were as under:

(Rupees in crore)

Sr. No.	Year	Outlay		Allocation for TASP			Expenditure on TASP			Savings
		State Plan outlay	TASP	State	Special Central Assistance	Total	State	Special Central Assistance	Total	
1	1996-97	2844.46	343.51	333.68	25.80	359.48	331.29	27.31	358.60	0.88
2	1997-98	4500.00	493.36	480.06	28.40	508.46	420.00	27.27	447.27	61.19
3	1998-99	5450.00	726.24	654.73	31.24	685.97	589.45	29.28	618.73	67.24
4	1999-2000	6550.00	937.78	637.08	27.36	664.44	607.93	28.69	636.62	27.82
5	2000-2001	7600.00	916.53	877.36	35.70	913.06	820.56	33.47	854.03	59.03
	Total	26944.46	3417.42	2982.91	148.50	3131.41	2769.23	146.02	2915.25*	216.16

(i) State outlay for TASP and flow of funds

The Social Justice and Empowerment Department takes necessary steps for inclusion in the budget estimates all sector wise development programmes and all outlays provided for Tribal Sub-Plan (TSP) in consultation with administrative departments of the State Government. The main components of TASP are Social and Community Services, Agriculture and allied services, Water Development including Irrigation, Power, Nucleus budget and other components on which Rs. 2915.25 crore were spent during 1996-2001.

Actual utilisation of funds was nearly 81 per cent of earmarked outlay

As against 14 and 17.57 per cent of total outlay of the State Annual Plan to be earmarked for TASP upto 1996-97 and from 1997-98 onwards respectively, Government provided 10.96 per cent to 14.32 per cent of total State outlay but released only 9.73 per cent to 12.01 per cent during 1996-2001. Utilisation was only 81 per cent of the total outlay during 1996-2001. These reflect lower Government activities than the desired level. Government stated (September 2001) that four major indivisible sectors viz. Narmada, Major Irrigation, Energy, Industries and Mines did not contribute any flow from their plan ceiling towards TASP. As such, the outlays of these sectors were to be deducted from the total State Annual plan. This was not tenable as Government orders of September 1997 did not exempt those sectors from contributing towards TASP.

* Expenditure shown Rs.2915.25 crore includes Rs.55.17 crore transferred to PLA

(ii) Misuse of PLA and over reporting of expenditure

Rupees 53.82 crore deposited in PLA to avoid lapse of budget grant

Contrary to the codal provisions the State Government directed PAs to transfer savings of Rs.51.47[♥] crore out of Rs 200 crore provided under discretionary grant during 1999-2000 to PLAs of DDOs on 31 March 2000 (though fund was not meant for them) to avoid lapse of budget grants. It was further observed that Project Administrator, Khedbrahma[#] had drawn Rs.1.54 crore out of the savings, though treated as surrendered by the Commissioner and placed in the PLA of DDO Himatnagar during 1999-2000.

Again Project Administrator, Khedbrahma and Vansda^{*} deposited entire amount of Rs.81.28 lakh released for dispersed tribals for family oriented economic development programmes, in PLA of DDO Himatnagar (Rs.40.48 lakh) and Navsari (Rs.40.80 lakh) on 31 March 2000. Till the date of audit (May 2001) the amount was lying in PLA.

Such transfer to PLA inflated expenditure figures and understated savings.

3.5.5 Misuse of Special Central Assistance (SCA)

Unutilised SCA fund amounting to Rs.2.84 crore not refunded to GOI

SCA funds were to be utilised only for family oriented income generating schemes for Scheduled Tribes (ST) population below the poverty line and infrastructure activity incidental to such schemes and unspent balance of SCA is required to be surrendered to GOI.

Contrary to the above provision, it was noticed that unspent balance of Rs.2.84 crore of SCA was either deposited in PLA of DDOs, Revolving Fund or credited to State Revenue or misutilised on Pay and Allowances as shown below:

(Rupees in lakh)

Name of Implementing Agency	Year	Deposited to		Credited to State Revenue	Utilised on Pay and Allowances	Total
		Revolving fund	PLA of DDO			
Project Administrator, Rajpipla	1999-2000	37.57	--	--	--	37.57
Project Administrator, Rajpipla	2000-01	35.55	--	--	--	35.55
Project Administrator, Vansada	1999-2000	23.00	--	--	--	23.00
Project Administrator, Khedbrahma	1999-2000	--	41.00	--	--	41.00
Project Administrator, Dahod	2000-01	--	94.00	--	--	94.00
Executive Engineer, (Panchayat) Irrigation Himatnagar	1998-99	--	--	45.00	--	45.00
Executive Engineer, (Panchayat) Irrigation Dahod	1999-2000	--	--	--	8.00	8.00
Total		96.12	135.00	45.00	8.00	284.12

[♥] (Rupees in lakh)

Banaskantha 269.89, Sabarkantha 41.29, Dahod 1261.86, PanchMahal 123.93, Chhota Udeipur 373.68, Narmada 95.83, Bharuch 249.41, Songadh 476.19, Mandvi 1791.47, Valsad 115.08, Vansda 1174.00, Ahwa 4.89, Dispersed 166.31

[#] A taluka place of Sabarkantha District

^{*} A taluka place of Navsari District

All the above cases of unused amount of SCA need to be refunded to Government of India. Government stated (September 2001) that the Revolving fund from Nucleus Budget was to be restricted to 20 per cent of the total budget provision hence unspent balance of SCA was transferred to Revolving fund for advancing soft loans. This was not tenable as the action was in contravention of guidelines.

3.5.6 Programme Management

The TASP is implemented in ten districts grouped into nine ITDPs which is further divided into components like Agriculture and Allied Services, Water Supply, Dairy Development, Education, Housing, Minor Irrigation, Road Development, Energy Development, Health etc. The responsibilities to co-ordinate the schemes under various components, to release and watch utilisation of funds, to compile and provide feedback rest with the Social Justice and Empowerment Department assisted by the Tribal Development Commissioner at the State level and by the PAs at ITDP level.

3.5.6.1 Agriculture and allied services

The TSP for Agriculture and allied services had the following main components: Soil Conservation Works, Input Kits, Poultry, Financial Assistance for Production of Certified Seeds etc.

(i) Soil conservation works

Rupees 11.29 crore spent in excess of norms by GLDC

A scheme for soil and water conservation through contour bunding, nala plugging and terracing was introduced for tribal cultivators. Under the scheme 75 per cent cost of the work as subsidy and 25 per cent was as loan with 4 per cent interest recoverable from the beneficiary tribal cultivators after two years moratorium period. The scheme was implemented by the Gujarat State Land Development Corporation (GLDC). GLDC spent Rs.28.16 crore for terracing 14918 ha land against the target of 32455 hectare during 1996-2001. This was 46 per cent of target.

As on 31 March 1996 loan amounting to Rs.8.54 core was outstanding in respect of soil conservation works carried out prior to 1995-96. Further loan amounting to Rs.2.12 crore was granted to 14920 tribal cultivators during 1996-2001 against which a meagre recovery of Rs.0.13 lakh was made. Nothing was recovered from outstanding loan of earlier years.

Rupees 2.82 crore debited unduly to loanee's accounts

As against the ceiling rate of Rs.0.11 lakh the actual rate of terracing per hectare charged by GLDC was Rs.0.19 lakh which resulted in excess expenditure of Rs.11.29 crore for terracing 14,918 hectare of land instead of 32455 hectare of land. This deprived 10263 tribals of SLC work in 9 ITDPs during 1996-2001. Further excess cost resulted in undue excess loading of loan accounts by Rs.2.82 crore without matching benefits. Government stated that if the administrative

expenditure was excluded per hectare cost would be within the norms. This was not tenable as unit cost should include all types of expenses. Further, as against admissibility of 33.33 *per cent* as administrative cost GLDC spent Rs.16.02 crore on SLC works and Rs.16.99 crore on administrative expenditure which worked out to 106 *per cent*.

(ii) Input kits

Poor coverage of farmers for supply of quality seeds and fertilizers

In order to supply good quality of seeds and fertilizers a scheme of supply of input kits at 50 *per cent* subsidised rate was introduced in tribal areas. During 1996-2001 Rs.7.39 crore were spent on the scheme in 10 districts for supplying 4.63 lakh input kits. It was noticed that against 3.86 lakh farmers available in the area target fixed for coverage ranged between 1.08 lakh and 1.52 lakh farmers and achievement was between 0.22 lakh and 0.39 lakh farmers during 1996-2000. Coverage of farmers was a meagre six *per cent* to 10 *per cent*. Similarly, coverage of area was one *per cent* to three *per cent* during five years and therefore impact of the scheme was insignificant. The Commissioner stated that the impact was not ascertained for want of infrastructure. Government stated that the target of input kits were fixed keeping in view the budget provision. This was not tenable as savings of Rs.216.16 crore was available during 1996-2001.

(iii) Poultry

Despite spending Rs.67.06 lakh goal of crossing poverty line not achieved

As a part of poverty alleviation programme 3490 BPL tribal families of Khedbrahma, Dahod, Rajpipla and Vansda ITDPs were assisted with 0.03 lakh poultry units at a cost of Rs.67.06 lakh during 1996-2001. It was noticed that except in ITDP Khedbrahma, the programme could not enable the tribal families to cross the poverty line. In Khedbrahma ITDP, Deputy Director of Animal Husbandry (IPDB) stated that 50 *per cent* out of 1599 families assisted crossed the poverty line temporarily. However, no proof for such claim was available on record. Thus, assistance of Rs.67.06 lakh remained largely unfruitful as the scheme did not achieve expected goal.

(iv) Financial assistance for production of certified seeds

Only 16 *per cent* amount utilised for production of certified seeds

As per Ninth Five Year Plan provision of Rs. two crore was made for financial assistance to tribal farmers for production of certified seeds. But during 1997-2001 only Rs.42.81 lakh was provided in budget against which no assistance was given during 1998-99 and 2000-2001. Only Rs.seven lakh (16 *per cent*) was spent during 1997-98 (Rs.five lakh) and 1999-2000 (Rs.two lakh). Thus the programme was a non starter. The Commissioner stated (May 2001) that the assistance could not be given due to poor response from tribal farmers. This was not tenable as the poor performance of the scheme reflected lack of efforts to create awareness amongst the tribal beneficiaries. Government stated that Tribal farmers did not come forward for seed production programme. This was not tenable as no actions were taken by the

department to create awareness amongst the tribal people in this regard.

3.5.7 Water Supply

The programme under the water supply and sewerage sub sector envisage the provision of safe drinking water through village/regional water supply schemes, installation of hand pumps etc. in rural and urban area.

(i) Machhannala Regional Water Supply Scheme

**Rupees 1.68 crore
blocked due to non-
completion of scheme**

Machhannala Regional Water Supply scheme estimated to cost Rs.6.05 crore and intended to provide water to 0.60 lakh tribals of 66 villages of Zalod and Santrampur talukas of erstwhile Panchamahals district was administratively approved by Gujarat Water Supply and Sewerage Board (GWSSB) in November 1994. Water was to be drawn up from Machhannala dam and stipulated dates of commencement and completion of the scheme were March 1998 and March 1999 respectively. But due to severe protest[♦] in January 1996 and February 1998 from local people, leading Non-Government Organisations and members of Lift Irrigation Schemes, the work was stopped in April 1998.

GWSSB procured AC pressure pipes and PVC pipes valued Rs.1.68 crore (January/March 1998). These were lying unutilised as of May 2001. No possibilities were explored by GWSSB to utilise the pipes elsewhere to avoid blockage of funds and deterioration. Further, works of intake well and approach roads valued Rs.14.74 lakh were executed by April 1998. This resulted in unfruitful expenditure of Rs.14.74 lakh and blocking of Rs.1.68 crore since March 1998. Government stated that due to strong agitation from farmers and local people surplus pipes were being utilised in other projects. However, in the absence of details of actual utilisation, audit could not verify the facts.

(ii) Unnecessary expenditure on handpumps (HPs)

**Rupees 6.92 crore
spent in excess of
norms**

According to policy framed by Government of Gujarat one HP for every 50 tribal habitants was to be provided for drinking water in tribal areas. Test-check of records of the Executive Engineer, Public Health (PH) Mechanical Division, Godhra revealed that in 231 habitations as against 2451 HPs required to be installed 4921 HPs were installed. Thus, 2470 HPs were installed in excess in violation of Government norms resulting in avoidable expenditure of Rs.6.92 crore (average unit cost Rs.0.28 lakh per HP) Executive Engineer stated that HPs were installed as per decision of Committee of Direction (COD). This was not tenable as action of EE was in violation of Government policy. Further, 174 HPs were installed in eight villages where not a single tribal was living resulting in diversion of Rs.48.72 lakh from TASP.

[♦] As the dam was primarily built for irrigation purpose so local people protested

Government stated that due to consecutive failure of monsoon additional handpumps were installed and though eight villages were falling in tribal area expenditure was not booked to TSP. This was not tenable as in non-tribal villages hand pumps could have been installed from regular budget instead of debiting to TASP.

(iii) Village Water Supply Schemes

**Expenditure of
Rs.2.56 crore
remained unfruitful**

Thirty five Water Supply Schemes covering 0.85 lakh population of 35 tribal villages in Dahod district were sanctioned by PA Dahod in November 1999 and Rs.3.09 crore (Rs.2.10 crore in (1999-2000) and Rs.0.99 crore in (2000-2001)) were released to Executive Engineer, Public Health Works (PH) Division, Dahod. The schemes were to be completed within the year of sanction. Test-check of records revealed that only five schemes (Rs.0.53 crore) sanctioned in 1999-2000 were completed and handed over to the villagers in March 2001 i.e. after lapse of one year. Eleven schemes (Rs.0.94 crore) were completed before April to May 2001 but could not be made operational for want of electric connection, 16 schemes could not be operated for non completion of ancillary works for which agencies were not finalised (April 2001) and three schemes (Rs.0.18 crore) were dropped as the schemes were proposed in non-tribal villages. Thus, due to slow progress and delay in fixing agency 30 schemes (86 *per cent*) could not be put into operation since last two years. As a result, Rs.2.56 crore spent on the scheme bore no fruit and provided no drinking water facilities to tribals. Executive Engineer, Dahod stated that delay was due to non receipt of stores from head office and in finalisation of tenders etc.

Reply was not tenable as actions to procure stores and finalisation of tenders were to be initiated in time. But this was not done by Executive Engineer, Dahod and this was not monitored by PA, Dahod. As a result the programme dwindled.

**Rupees 0.70 crore
spent without
requirements**

Further, though adequate number of HPs were already in existence in all the villages selected for above 35 Schemes, 232 new HPs were installed at a cost of Rs.0.70 crore by PH Mechanical Division, Godhra after commencement of these schemes, resulting in avoidable expenditure. This indicated poor co-ordination between two units of the same implementing agency as also poor monitoring and planning at PA level. Government stated that for completion of a scheme 18 months were required and more hand pumps had to be installed temporarily. This was not tenable as delay was attributable to non-procurement of stores and belated finalisation of tenders.

3.5.8 Dairy Development

Dairying is an effective instrument for bringing about socio-economic transformation of disadvantaged people. It ensures economic upliftment of small and marginal farmers and agriculture labourers by

encouraging them to take up dairy activities as means of increasing their subsidiary income. During 1997-2001 an outlay of Rs.1.49 core was provided under TASP for various schemes like supply of liquid Nitrogen, Nitrogen containers, Milch animals, setting up of chilling plants etc.

(i) Irregular payment of subsidy

Rupees 0.70 crore irregularly financed to PDCMPUL

The Panchmahals District Co-operative Milk Producers Union Limited (PDCMPUL), Godhra proposed to establish chilling plant of 0.10 lakh litre per day (LPD) at Limdi of Dahod District at a proposed cost of Rs.1.58 crore* which was to be shared by DRDA Godhra, PA Dahod and PDCMPUL Godhra. However, agreement was entered into (February 1999) between PDCMPUL, Godhra and National Dairy Development Board, Anand (NDDB) for erecting of 0.30 lakh LPD plant instead of 0.10 lakh LPD at a cost of Rs.1.59 crore on turnkey basis. It was noticed that PDCMPUL, Godhra proposed in April 1999 to convert 0.10 lakh LPD plant into 0.30 lakh LPD at an additional cost of Rs.0.90 crore#. This was released by DRDA Godhra, PA Dahod, District Planning Board and PDCMPUL in March 2000, though as per agreement with NDDB by PDCMPUL difference would be only Rs.0.01 crore for 0.30 lakh LPD plant. Thus, Rs.0.70 crore was irregularly released by the Government agencies. Government stated that as against the original proposal to establish the chilling center of 0.10 lakh LPD, additional funds of Rs.89.90 lakh was required for 0.30 lakh LPD capacity. This was not tenable as the agreement for erection of 0.30 lakh LPD plant was entered between PDCMPUL and NDDB at a cost of Rs.1.59 crore in February 1999. How the price could escalate by Rs.89.80 lakh for the same capacity of plant within two months of making agreement were not explained.

(ii) Establishment of bulk milk coolers (BMCs)

Rupees 41.14 lakh blocked for more than one year

For preserving milk collected from co-operative societies in better hygienic condition at 4° C. within two hours of collection and to help tribals in getting better price PDCMPUL Godhra proposed a scheme to establish three BMCs at Katwara and Dhanpur of Dahod District and Santrampur of Godhra district. For this purpose PA, Dahod released Rs.41.14 lakh (Rs.29.14 lakh in March 2000 and Rs.12 lakh in March 2001) and placed at the disposal of PDCMPUL. BMCs purchased at a cost of Rs 36.30 lakh were not installed for want of land and required infrastructure so far (March 2001). It was noticed that though PA Dahod was aware that land and infrastructure required for installing BMCs were not available with PDCMPUL amount was released to avoid lapse of budget grant. This resulted in blocking of Rs.41.14 lakh. PA Dahod stated that PDCMPUL was directed to create necessary infrastructure. This reply did not explain the failure. Government

* DRDA, Godhra Rs.0.80 crore, PA Dahod Rs.0.30 crore and PDCMPUL Rs.0.48 crore

DRDA Godhra Rs.0.45 crore, PA Dahod Rs.0.15 crore, District Planning Board Rs.0.10 crore and PDCMPUL Rs.0.20 crore

stated that due to non-availability of land and the long process of land purchase BMC could not be installed. This was not tenable as the amount was released without ensuring availability of land.

(iii) Chilling plant

Rupees 60 lakh drawn without administrative approval and technical sanction

To encourage scientific dairy farming among the tribals the Dudhdhara dairy of Bharuch District Co-operative Milk Producers Union Limited (BDCMPUL) proposed to establish chilling plant of 0.10 lakh LPD at a cost of Rs.1.06 crore at Bhacherwada near Rajpipla. The project was to be completed within 1998-2001 to cover 3.28 lakh tribals with the projected net annual income of Rs.2.56 crore through sale of milk. The project cost was to be shared by PAs Rajpipla and Bharuch (75 per cent) and BDCMPUL (25 per cent). Test-check of records revealed that though no technical sanction to the project was accorded by Deputy Director Animal Husbandry and preparedness of BDCMPUL for the infrastructure was not known, PAs, Rajpipla and Bharuch released Rs.60 lakh (March 2000) to District Registrar of Co-operative Societies, Bharuch/Narmada to avoid lapse of budget grant. The amount was lying unutilised in his PLA (May 2001). Thus, despite availability of fund, for three years no benefits materialised to 3.28 lakh tribals. PA Rajpipla stated that the amount was released as per 'directions' of District Adivasi Vikas Mandal. This was not tenable as the funds were released by PA without technical sanction for the project and ascertaining availability of required infrastructure facilities. Government stated that Technical Sanction was given in March 1998. This was not tenable as there was no progress in work so far (May 2001).

3.5.9 Primary Education

In order to bridge the gap of literacy level and for accelerating development in education, programmes like setting up residential schools, ashram schools, construction of classrooms, physical facilities in primary schools, free supply of text books, uniforms etc. are implemented in Tribal area.

(i) Residential schools

Central fund of Rs.four crore remained unutilised for more than three years

To spread education among talented Scheduled Tribes (ST) students and also to impart good education among them, GOI sanctioned and released (March 1998) Rs.four crore to the State Government under Article 275(1) of the Constitution of India to establish four^{*} new residential schools in Gujarat during 1997-98. The amount was to be utilised by the State Government for setting up residential schools through establishment of Registered Society. It was noticed that the schools were started in 2000-2001 in rented buildings in four districts without construction of building even after lapse of three years. Fund

^{*} (I) Bardoli, Dist:Surat, (ii) Borkhet, Dist:Dangs, (iii) Shamlaji, Dist:Sabarkantha and (iv) Tilakwada, Dist:Narmada

of Rs.3.29 crore, earmarked for construction of schools and hostel buildings remained unutilised with the State Government as of May 2001. The Commissioner stated that the process of land acquisition was under progress and on acquisition of the same, building construction would be taken-up. Therefore, failure to take appropriate and timely action by the State Government deprived talented tribal students in four districts of the intended educational facilities though funds were fully available for that purpose. Government stated that GOI issued sanction orders and guidelines in March and May 1998 respectively and some time was spent in registration of society. However, inordinate delay in completing such formalities indicated casual approach of the Government in implementing a scheme formulated specifically under the Constitutional provision.

(ii) Non utilisation of TASP funds

Scheme funds of Rs.1.55 crore diverted to State revenue

Rupees 1.55 crore was released by the Commissioner of Primary Education to District Primary Education Officer, District Panchayat (DP), Himatnagar for construction of 155 classrooms in the tribal area of Sabarkantha district during 1995-1999. However no classrooms were constructed by District Panchayat till March 1999 and the Government instructed (March 1999) DP Himatnagar to credit Rs.1.55 crore to state revenue. The amount was credited as miscellaneous state receipt (March 1999) by DP Himatnagar. Thus, the tribal students were deprived of classroom facilities although funds were allotted in the budget. Besides, the amount which was irregularly transferred to Government Revenue was fictitiously shown as spent for the intended purpose by the Government. Government stated that during 1995-97, 184 classrooms were constructed under *Saghan Shikshan Yojana* at a cost of Rs.1.75 crore.

The reply was irrelevant as it pertains to a different scheme and did not explain as to how funds were credited under miscellaneous State Receipts.

(iii) Non construction of Classrooms

Rupees 8.82 crore not utilised for construction of classrooms

To cope with the need of suitable classrooms Government of Gujarat released Rs.3.70 crore and Rs.5.12 crore for construction of 300 and 416 classrooms in primary schools of Dahod and Valsad Districts respectively in 1998-99 and credited in PLAs of respective DDOs. Test-check of records revealed that no classroom was constructed by DDOs and entire amount of Rs.8.82 crore was refunded by DDOs to Government in August 2000 (Rs.3.70 crore) and December 2000 (Rs.5.12 crore) i.e. after a lapse of 16 to 20 months. Thus despite availability of funds benefit of classroom facilities was denied to tribal students for two years. Reasons for booking Rs.8.82 crore to primary education head, non-construction of classrooms by DDOs and finally refunding the blocked up fund to Government were not furnished to audit. These require thorough investigation. Government stated that it

was decided to construct pre-fabricated classrooms and formalities carried out at the State level. However, not a single classroom was constructed so far.

(iv) Irregular utilisation of discretionary fund

Rupees 2.38 crore irregularly released from discretionary fund

In contravention of provisions for utilisation of discretionary Fund, PAs Dahod and Rajpipla released to DDOs Rs.2.38 crore (1999-2000 and 2000-2001) for construction of 166 class rooms in primary schools though regular budget provision was made by the Government under EDN-2. While Rs.0.49 crore were spent by DDO Dahod (March 2001) and all the works were in progress, no expenditure was incurred by DDO Rajpipla as of April 2001. PAs stated that classrooms were sanctioned as per needs of primary schools on recommendation of District Adivasi Vikas Mandal and COD. This was not tenable as the amount was sanctioned by PA and released to the District Primary Education Officer, Dahod without ensuring that he had already refunded Rs.3.70 crore in December 2000 received for the purpose of construction of classrooms under EDN-2. This was done in violation of Government instruction for utilisation of discretionary fund. Not a single classroom was completed as of April 2001 though the funds were available for the purpose since 1999-2000. Government stated that district Adijati Vikas Mandal sanctioned the class rooms under New Gujarat Pattern. However, fact remained that in the event of availability of regular budget provision utilisation of discretionary fund was irregular.

3.5.10 Housing Facilities

In respect of housing programmes TASP had the following main components, Housing on individual basis, Sardar Awas Yojna, Housing Schemes undertaken from discretionary fund under New Gujarat Pattern.

(i) Unfruitful expenditure on housing

47 per cent houses for tribals not completed

Housing on individual basis Scheme is implemented by Vigilance Officers of Tribal Development Department in where tribal beneficiaries having annual income of Rs.0.24 lakh were assisted for construction of their own houses. The quantum of assistance was Rs.0.13 lakh upto 1996-97, Rs.0.20 lakh upto 1999-2000 and Rs.0.30 lakh thereafter. The assistance was to be paid in three installments at construction reaching upto plinth, lintal and roof levels. Test-check of records of Vigilance Officers Himatnagar, Godhra, Bharuch and Valsad revealed that Rs.9.22 crore were paid (1996-2001) to 8461 tribals of four districts for construction of houses of which only 4519 houses (Rs.5.37 crore) were completed and in remaining 3942[§] cases tribals did not turn up for subsequent installments. Consequently 3942

[§] Bharuch 507, Godhra 1400, Khedbrahma 580 and Valsad 1455

houses involving Rs.3.85 crore (47 per cent) remained incomplete. No action was taken by the Vigilance Officers concerned excepting issuance of formal notices for completion of houses. It was further noticed that in the initial stage of introduction of the scheme (1981) houses were required to be completed within a period of one and a half year of sanction of first instalment. However, on the plea of mitigating hardships faced by the beneficiaries, this limit was dispensed with by Government in December 1987. Thus, decision of Government to dispense with time limit for completion of construction of houses resulted in infructuous expenditure of Rs.3.85 crore and created a huge number of defaulters among the tribals. This casts doubt on genuineness of beneficiaries and possibility of malpractice by inducing the tribals to take loan without intention of completion of houses need investigation. Government stated that the Commissioner instructed the Vigilance Officer of the Department to get the incomplete houses completed by December 2001.

(ii) Innovative Housing Scheme

Evenafter providing Rs.2.12 crore IHS not framed

Discretionary fund of Rs.2.12 crore under New Gujarat Pattern for 706 houses was allocated (March 2000) by the Commissioner to PA-Dahod (Rs.1.50 crore) and Khedbrahma (Rs.0.62 crore) for framing Innovative Housing Scheme (IHS) keeping in view the housing needs of local tribals, in consultation with local MLAs, MPs, Local leaders and Experts of the field. The fund was to be utilised for housing scheme for which there was no regular budgetary support through other ongoing housing schemes.

It was noticed that no survey to assess the needs of beneficiaries was conducted and the works were taken up at par with other ongoing schemes in contravention of provisions of IHS. There were complaints of selling blank forms at abnormally high rates and utilisation of materials of inferior quality in construction. Further, size of house i.e. 20 sq.m. was not suitable to tribal families. These defeated the very purpose of the innovative scheme. Government stated that only BPL beneficiaries were selected through Gram Sabha. This was not tenable as no survey was carried out to assess the needs of tribals and beneficiaries were not selected by Gram Sabha but recommended by the respective TDOs.

(iii) Non construction of houses

Rupees 3.45 crore for construction of houses remained unutilised

A discretionary fund of Rs.3.45 crore for 1328 houses for tribals was drawn by PA Vandsa (Rs.1.73 crore for 754 houses) and Rajpipla (Rs.1.72 crore for 574 houses) on 31 March 2000 and credited to PLA of DDOs, Navsari and Narmada districts to avoid lapse of grant. Test-check of records revealed that Rs.3.45 crore credited to PLA of DDOs was allotted to TDOs of the districts in March 2001 for construction of houses. However, not a single house was constructed as of May 2001 for want of proper planning and the entire amount of Rs.3.45 crore

remained blocked. PAs stated that due to sanction of the grant on last working day of 1999-2000 and late receipt of instructions from Government the amount could not be utilised in time. Thus due to lack of planning by the Government and due diligence of the executing agencies in execution of scheme resulting in denial of shelter to the needy tribals. Government stated that guidelines were published in January 2001 and the amount was credited to PLA to avoid lapse of grant.

3.5.11 Minor irrigation

The component of minor irrigation comprised of schemes like check dams, percolation tanks, *bandharas*, Tube wells and lift irrigation etc. At ITDP level these schemes are implemented by District Panchayats, Gujarat Water Resource Development Corporation, NGOs etc.

Unproductive expenditure of Rs.1.09 crore

(i) PA Dahod released Rs.1.91 crore to Gujarat Water Resource Development Corporation (GWRDC) for sixteen Lift Irrigation (LI) schemes during 1999-2001 for providing irrigation facilities to 678 tribals in 1707 hectares of land and additional annual income of Rs.59.27 lakh. As per Government directives LI works were to be completed within the year of its sanction. However, it was noticed that five schemes sanctioned in 2000-2001 were not even taken up as of May 2001 and remaining 11 schemes sanctioned in 1999-2000 were at various stages of completion. These eleven schemes (Rs.1.09 crore) were not put to use for want of water, electrification, pumping machineries etc. The unutilised amount of Rs.0.82 crore was lying with GWRDC. This resulted not only in unproductive expenditure of Rs.1.09 crore and blocking of Government funds of Rs.0.82 crore with GWRDC but also deprived tribals of the intended benefits of schemes for one year. Government stated that the amount was deposited with GEB and two to three years were required for completion of a scheme. This was not tenable as lack of diligence and procedural delay were the main cause for non-completion of those schemes and delayed accrual of intended benefits to tribals.

Rupees 47.06 lakh blocked with GWRDC

(ii) Rupees 58 lakh were released to GWRDC during 1999-2001 by PA Rajpipla for drilling 36 exploratory tube wells in tribal areas for irrigation purpose. Out of 36 tube wells, only seven tube wells were drilled (2000-2001) at a cost of Rs.10.94 lakh of which 2 tube wells costing Rs.5.62 lakh remained unsuccessful. Thus, apart from unfruitful expenditure of Rs.5.62 lakh, Rs.47.06 lakh remained blocked with GWRDC for 16 months defeating very purpose of extending benefits to the target group. Government stated that administrative approval was accorded in the last month. However, Government did not explain the reasons for delay in according administrative approval.

Rupees 1.02 crore remained unutilised for more than one year

(iii) Test-check of records of Panchayat Irrigation Division, Dahod revealed that entire amount of Rs.1.02 crore released (1999-2000) by Superintending Engineer, Panchayat Irrigation Circle, Vadodara for

construction and deepening of wells, improvement of LI schemes and other minor works required to be completed within 1999-2000, was lying unutilised in PLA of DDO, Dahod (May 2001). Executive Engineer, stated that the amount could not be utilised because the division was entrusted with scarcity works during 1999-2000. This was not tenable and indicated lack of monitoring of this component by the Government. As a result funds remained blocked for more than one year and tribal farmers were deprived of the intended irrigation facilities.

3.5.12 Road Development

Under this sector construction and maintenance of State Road Works and Panchayat Road Works are undertaken by the District Panchayats with the funds made available under TASP budget and discretionary fund under New Gujarat Pattern.

Works valued Rs.1.52 crore executed in violation of Government instructions

(i) As per instructions of Government of Gujarat works costing upto Rs. 20 lakh and having no budgetary support and to bridge the missing link, were only to be selected for funding under discretionary fund placed at the disposal of PAs. Test-check of records of Vansada, Rajpipla and Dahod ITDPs revealed that four road works* exceeding Rs.20 lakh each were executed at a cost of Rs.1.57 crore from discretionary fund during 1999-2000. These works were selected and executed by splitting up in 12 parts to bring them within the limit of Rs.20 lakh. Thus, works were executed in violation of Government instructions and the expenditure was unauthorised and irregular. It was also noticed that Sagbara-Dediapada State highway maintenance work, for which budgetary support was provided through regular budget was also taken up in violation of provisions and Rs.0.78 crore was spent. PA Rajpipla stated that the work was executed after approval of District Adivasi Vikas Mandal Rajpipla. This was not tenable as the funds were diverted in violation of Government instructions. Government stated that road being very important for villages work was sanctioned in parts as a special case and were within the limit of Rs.20 lakh. Further, for maintenance work of highways there was no regular budget provision. This was not tenable as splitting was done in violation of Government instructions and to avoid approval of higher authority. Further, budget was provided to the division maintaining the state highway.

Rupees 63.26 lakh released prior to receipt of AA

(ii) Six road works of Fatehpura taluka of Dahod District were technically sanctioned (December 1999) by Executive Engineer R&B Panchayat Division, Dahod and administratively approved (November 2000) by PA Dahod for Rs.64.27 lakh. These were to be completed by March 2001. However, prior to receipt of Administrative Approval (AA), PA Dahod released Rs.42.50 lakh in March 2000 and Rs.20.76 lakh in August 2000. Further, Rs.8.20 lakh were released in March

* Dahod Rs.32.99 lakh, Rajpipla Rs.25.68 lakh, Vansada Rs.98.22 lakh

2001. Thus, total fund of Rs.71.46 lakh was released as against the AA of Rs.64.27 lakh resulting in excess release of Rs.7.19 lakh. Though the works were required to be completed in 2000-2001, only tender notice for two works were issued and the funds were lying in PLA of DDO Dahod (May 2001). PA Dahod stated that the implementing agency had been directed to complete the works in time. This was not tenable as even tender process for works were not initiated. Government stated that as against AA of Rs.64.27 lakh, Rs.50.75 lakh were released.

This was not tenable as Rs.20.76 lakh released in August 2000 were not taken into account while furnishing the reply

3.5.13 Energy Development

Gujarat Electricity Board undertakes the works of the Rural Electrification in the TASP financed by the State Government from regular budget and by the District Adivasi Vikas Mandal from discretionary funds under "New Gujarat Pattern".

(i) Electric connections under Patapara and Kutir Jyot

Rupees 86 lakh spent for non-entitled beneficiaries

Under TASP, free electric connections were to be provided to those living within the radius of 30 meters and 100 meters of electric pole under *Kutir Jyot* and *Patapara* schemes respectively. It was noticed that though, 7947 tribal families of 314 *Patapara* were without electric connections in the project area, PA Khedbrahma spent Rs.86 lakh in 2000-2001 for providing electric connections to 724 scattered tribals not covered under the norms of *Kutir Jyot* and *Patapara* schemes and spent Rs.0.12 lakh per beneficiary in providing single phase light connection on erection of lines and installation of transformers. Further, for providing single phase light connection under *Kutir Jyot* and *Patapara* to targeted beneficiaries the average cost worked out to only Rs.0.01 lakh. Thus, Rs.79 lakh were spent in excess of norms for connections to non-entitled beneficiaries. PA Khedbrahma stated that the amount was spent on *Kutir Jyot* and *Patapara*. This was not tenable as the electric connections were provided to scattered tribals not covered under norms of *Kutir Jyot* and *Patapara* schemes. District Tribal Development Board suggested to give connection to those whose applications were pending with GEB since long. This was not tenable as connections were provided to scattered tribals ignoring the norms of *Kutir Jyot* and *Patapara* beneficiaries.

(ii) Irregular release of funds

Rupees 49.93 lakh irregularly released for electrical works

Test-check of records revealed that in contravention of provisions of utilisation of discretionary fund PA Dahod released Rs.38.08 lakh (March 2000) to Gujarat Electricity Board (GEB) for upgradation of 66 KV link line. Similarly, PA Rajpipla released (March 2001) Rs.11.85 lakh without technical /administrative sanction to TDO Sagbara for upgradation of Javali feeder in violation of above norms. Further, the

works were not executed and unutilised amount was lying with GEB and in PLA of TDO Sagbara. PA stated that the amount was sanctioned to avoid low voltage complaint of Sagbara taluka and as per 'direction' of District Adivasi Vikas Mandal. This was not tenable as the amount was sanctioned in violation of norms and GEB was responsible to solve the problems of low voltage. Government while accepting the comment stated that due to financial reason GEB was not able to solve the problem and the District Adijati Vikas Mandal approved giving funds to GEB.

3.5.14 Overdue loan and interest of Rs.21.34 crore converted as subsidy

As a part of poverty alleviation programme and to enable BPL tribal families to cross poverty line, differential rate of interest (DRI) and Capital Contribution Fund Loan (CCFL) bearing interest four *per cent* and nine to 14 *per cent* respectively were provided to tribals through co-operative societies to procure productive assets like Milch cattle, poultry, bullocks, carts, tractors, oil engine etc. Loans with interest for purchase of milch cattle was recoverable in 30 monthly instalments with three months moratorium period and for other productive assets in eight half yearly instalments with six months moratorium period.

Overdue loan with interest amounting to Rs.21.34 crore converted as subsidy

Test-check of records of Tribal Development Corporation revealed that between 1977-78 to 1990-91 2.24 lakh tribals in eight districts were given loans under DRI (1.20 lakh) and CCFL (1.04 lakh) of which 1.15 lakh (52 *per cent*) tribals (0.73 lakh DRI and 0.42 lakh CCFL) did not repay overdue loan of Rs.21.34 crore (Rs.14.40 crore principal and Rs.6.94 crore interest) which was converted (May 1999) by the Government treating the overdue loans and interest thereon as subsidy. Further, BPL families increased by eight *per cent* as mentioned in para 3.5.17. Thus, even after providing subsidy of Rs.21.34 crore intended goal remained unachieved. Further it vitiated the recovery process of loans granted to tribals by the Agriculture and Rural Development Bank. In ITDP Dahod as against recoverable amount of Rs.2.39 crore, Rs.1.23 crore (52 *per cent*) were recovered in 1996-97 from the loanees which decreased to Rs.1.02 crore (26 *per cent*) in 1999-2000 as against Rs.3.97 crore recoverable. Similarly in ITDP Khedbrahma as against recoverable amount of Rs.3.76 crore, Rs.2.83 crore (75 *per cent*) were recovered in 1996-97 from the loanees which decreased to Rs.4.01 crore (58 *per cent*) in 1999-2000 as against Rs.6.89 crore recoverable. The number of defaulters also increased from 0.21 lakh in 1996-97 to 0.28 lakh in 1999-2000 in Dahod and from 0.16 lakh in 1996-97 to 0.22 lakh in 1999-2000 in Khedbrahma. Government stated that due to non-refunding of earlier loans tribal beneficiaries could not take any benefit under other Government schemes. This was not tenable as neither the scheme enabled corporation to recover outstanding loans which was given to tribals for productive assets nor the beneficiaries crossed poverty line. Besides, write off also adversely

affects recovery process of rural finance made by the grammin vikas banks.

3.5.15 Health and Family Welfare

Health and Medical Services are provided free of charge through District and Taluka Hospitals, Community/Public Health centres and sub-centres. Ayurvedic and Homeopathy treatments are provided through Ayurvedic and Homeopathy dispensaries in rural areas. During 1996-2001 Rs.190.35 crore were spent under this sector in tribal area.

Rupees 16.60 lakh released without assessing requirements

PA Dahod provided (March 2001) Rs.16.60 lakh to Civil Hospital, Dahod for purchase of air conditioners for blood bank and Orthopaedic equipments. It was noticed that though, those items were already provided while upgrading Dahod district hospital under ORET project (June 1998) Rs.16.60 lakh was released without ascertaining availability of those equipments under ORET project. PA Dahod stated that the grant was paid as per 'directions' of District Adivasi Vikas Mandal and COD. This was not tenable as the grant was to be released only after assessing the requirements of hospital. Government stated that District Adivasi Vikas Mandal being independent body provide grant without asking Health Department.

3.5.16 Nucleus budget

Rupees 39.06 lakh irregularly utilised from Nucleus budget

The nucleus budget should be utilised for filling critical gaps/missing links or for some innovative programmes and also for supplementing useful programmes so that overall tribal development can be accelerated.

(i) Test-check of records of PAs, Khedbrahma and Dahod revealed that Rs.26.46 lakh was paid (1997-2001) to hospitals run by trusts to provide concession to tribals in medical services. This was contrary to the principle of spending from nucleus budget as medical services were provided free through Government hospitals in tribal area. Further, it was noticed that there was no justification on record for selection of particular trust hospital and no system was in force to check whether the trust hospital was providing concessional services to needy tribals or not. Utilisation certificates were also not submitted by the trust hospital. PA stated that the expenditure was incurred as per resolution of COD. The reply was not tenable as the grant was in violation of guiding principles. Government stated that the object behind this scheme was to provide better medical services to the tribals in remote place which links gaps of health services. This was not tenable as only schemes which had no budgetary support and missing links were to be selected under nucleus budget.

(ii) Centrally sponsored Rural Sanitation programme and low cost sanitation programmes were implemented by GWSSB in rural areas, wherein assistance of Rs.0.02 lakh was provided to each rural beneficiary for construction of sanitary latrine. In view of above, there was no critical gap and missing link. However in violation of guiding

principles PA, Dahod paid (February 2001) Rs.12.60 lakh from nucleus budget for providing assistance to 252 rural tribals for constructing sanitary latrines. Government stated that as per COD direction sanitary latrine was constructed. This was not tenable as the programme was implemented through GWSSB upto 1998-99 and from 1999-2000 onward through rural development department with the support of regular budget.

Programme was ineffective

3.5.17 Impact study and Evaluation of TASP

It was noticed that the plan continued to be executed in uncontrolled and open ended manner without quantitative and qualitative evaluation of the delivery system. Results of census of tribal families under BPL taken by DRDAs indicated that number of total BPL tribal families in Gujarat increased from 6.89 lakh in 1991-92 to 7.46 lakh in 1997-98 (8 *per cent* increase). This is despite spending Rs 1886.91 crore during 1991-98 on the TSP which aimed to improve the socio-economic condition of the tribal population. Government stated that as against the 55.84 per cent of BPL population in 1991 it decreased to 53.21 *per cent*. However, Government did not furnish full particulars of BPL population for 1991-92 to 1997-98. Therefore, contention could not be verified by audit.

SECTION – B PARAS

AGRICULTURE AND CO-OPERATION DEPARTMENT

3.6 Undue favour to a Sugar Co-operative Society

Huge amount of public funds was invested in a loss making Sugar Co-operative Society resulting in potential loss of Rs.8.70 crore

Government of Gujarat decided (March 1990) to grant share capital contribution to Shree Reva Khand Udyog Sahakari Mandli Ltd., Amod, District Bharuch (Society) a new sugar unit (non-tribal area) of 2500 tonnes crushing capacity per day and as per revised financial pattern (April 1992) on the basis of the project cost approved by the Central Financial Institutions (CFI).

Test-check of records of Director of Sugar, Gandhinagar revealed (September 2000) the following:

- (1) As against maximum share capital contribution of Rs.4.95 crore (22.5 *per cent* of project cost of Rs.22 crore as approved by CFI) payable to the society, Government paid (between March 1990 and August 1996) Rs.7.50 crore to the society in contravention of financial pattern prescribed by Government in October 1989. This resulted in irregular payment of Rs.2.55 crore.
- (2) The society did crushing activities during 1993-1995 and was closed thereafter.
- (3) Though, the society failed to redeem share capital contribution amounting to Rs.1.50 crore due in 1995-96 and was closed after 1994-95, further share capital contribution of Rs.1.20 crore was released by Government during 1996 on the ground of meeting the expenditure for overhauling of the machinery, critical financial position, protecting interest of the farmers and to finance its losses.
- (4) The Society went into liquidation in April 1999 and thus there is little prospect of recovery of the amount.

Thus, unjustified decision to invest Rs.1.20 crore in the society having no prospect of functioning resulted in irregular payment of Rs.2.55 crore and doubtful recovery of Rs.7.50 crore.

This was evidently a case of undue favour to the society and possibility of malpractice can not be ruled out. The matter calls for investigation by an appropriate agency.

The matter was reported to Government (March 2001); reply has not been received (September 2001).

3.7 Unauthorised accumulation of surplus fund

Registrar's inaction resulted in accumulation of assets of Rs.38.93 lakh, which remained idle from 1986 to 1999

According to section 115 of Gujarat Co-operative Societies Act, 1961, (Act) any surplus assets as shown in the final report of the liquidator of the society which has been wound up, shall not be divided amongst its members but shall be devoted to any objects provided in the bye laws of the society. Where the society has no such bylaw the surplus shall vest in the Registrar, who shall hold in trust and shall transfer it to the reserve fund of a new society registered with a similar object. Where no such society exists or is registered within three years of the cancellation of the registration of the society, the Registrar may distribute the surplus for (a) an object of public utility and of local interest (b) a federal society with similar object (c) any charitable purpose as defined in section 2 of the charitable Endowments Act, 1890.

Scrutiny of records of Districts Registrar of Co-operative Societies (DRCs) Bhavnagar (May 1998) and information collected from 11 DRCs revealed that no attempts were made by the Registrar to utilise surplus assets amounting to Rs.38.93 lakh in respect of 635 wound up societies of 12 Districts*as envisaged in the Act and the same were lying undistributed with respective DRCs from 1986 to1999.

Inaction on the part of Registrar resulted in accumulated surplus assets valued Rs.38.93 lakh remaining idle from 1986 to 1999 apart from depriving of intended benefits as envisaged in the Act.

The matter was reported to Government in (March 1999); reply has not been received (September 2001).

FINANCE DEPARTMENT

3.8 Personal Ledger Accounts

Mention was made in Paragraphs 3.2, 3.7 and 3.1 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1998, 31 March 1999 and 31 March 2000 (Civil) – Government of Gujarat respectively about irregularities in operation of Personal Ledger Accounts (PLAs). Points noticed in operation of PLAs during 2000-2001 are mentioned in succeeding paragraphs.

* Ahmedabad, Bharuch, Bhavnagar, Bhuj (Kachchh), Himatnagar (SK), Jamnagar, Junagadh, Mehsana, Nadiad, Rajkot, Vadodara and Valsad

As per records of Accountant General (Accounts and Entitlement) (AG (A&E)) Gujarat, there were 1297 PLAs in the State with a balance of Rs.3487.48 crore as of March 2001 (excluding 243 PLAs operated by DDOs of District Panchayats).

3.8.1 Personal Ledger Accounts continued indefinitely

No PLA was closed at the end of the financial year

Out of 252 PLAs (excluding 243 PLAs operated by DDOs of District Panchayats) test-checked, no PLA was closed at the end of the year as required. ♦ Grants released by Government to the boards/corporations/local bodies and deposited in their PLAs were booked as final expenditure in the accounts of the State Government during the year.

3.8.2 Rush of expenditure in last quarter and in the month of March

Funds deposited and withdrawn from PLAs in the last quarter and particularly in the month of March were as shown below:

As against total deposits of Rs.3718.22 crore and withdrawal of Rs.3462.18 crore in 1297 PLAs in 25 treasuries during 2000-2001 deposits and withdrawals during last quarter were Rs.1630.03 crore (44 *per cent*) and Rs.1349.37 crore (39 *per cent*) respectively. Thus huge transactions took place in the last quarter from PLAs.

3.8.3 Blockage of funds in Personal Ledger Accounts

Funds withdrawn from Consolidated Fund of the State remained unutilised in PLAs

(i) Out of Rs.14.80 crore released by the State Government to Collector, Amreli between January and March 2000 for carrying out relief work during 1999-2000, Rs.8.38 crore were credited (March 2000) to his PLA to avoid lapse of budget grant.

(ii) Out of Rs.eight crore released by Government to Ahmedabad Urban Development Authority (AUDA) for payment of additional compensation to the land owners and credited to PLA during 1995-96, Rs.5.28 crore were utilised during 1997-98 and balance Rs.2.72 crore remained unutilised (May 2001) for more than three years.

(iii) Rupees 45 lakh released by the State Government in February 2000 to the Director, Scheduled Caste Welfare for monitoring and evaluation of various schemes implemented for raising the living standard of Scheduled Castes, socio-economic survey and evaluation of Scheduled Castes families in villages and other related activities were transferred to PLA of Gujarat Schedule Caste Development Corporation (Corporation) in March 2000 and remained unutilised in PLA of the Corporation (June 2001).

♦ Under the provisions of Bombay Treasury Rules 560

3.8.4 Irregular Deposit in Personal Ledger Accounts

Interest of Rs1.92 crore earned on Central/State funds deposited to PLA

Funds released by Government of India and State Government to DRDAs for implementation of schemes/programmes, were required to be deposited in separate saving bank/post office account and interest earned was to form part of scheme/programme funds. It was noticed that the Director, District Rural Development Agency (DRDA), Panchmahals deposited such interest amounting to Rs.1.92 crore in PLA of DRDA instead of respective scheme fund as scheme-wise separate accounts were not maintained. This reduced the availability of funds for the concerned schemes and was therefore irregular.

3.8.5 Operation of PLA for unauthorised purpose

Rs.3.30 crore were credited to PLAs not operated for the purpose

(i) Sanskruti Kunj foundation was established under Societies Registration Act 1860 by Government of Gujarat under Youth Services and Cultural Activities Department in March 1996 and corpus fund of Rs.2.11 crore contributed by the State Government during 1995-2000 was credited to PLA of Commissioner of Youth Services and Cultural Activities, Gandhinagar in respective years on the ground that rules and regulation for utilisation of corpus fund of Sanskrutikkunj Foundation were not framed by Government as of September 2001. Thus, the PLA of Commissioner of Youth Services and Cultural Activities, Gandhinagar was irregularly used for unauthorised purpose with funds drawn unnecessarily without immediate requirements.

(ii) To purchase incinerators, computers etc. for District Hospitals and tribal hospitals, Health and Family Welfare Department sanctioned Rs.1.18 crore between May and June 1999. The amount was deposited to PLA of Joint Director, ICDS, Gandhinagar on 31 March 2000 and is lying unutilised. Thus PLA was utilised for unauthorised purpose.

(iii) For performing a play 'Dhartiputra' in USA, UK and Canada based on the life of Sardar Vallabhbhai Patel Youth Services and Cultural Activities Department sanctioned (October 1999) Rs.11 lakh from the Contingency Fund of the State as grant to 'Rangbahar Institution', Ahmedabad on certain terms and conditions. The fund was credited to PLA of Commissioner, Youth Services and Cultural Activities, Gandhinagar, which was lying unutilised (July 2000).

3.8.6 Non reconciliation of balance of PLAs by DDOs and treasuries

None of the DDOs whose records were test-checked carried out reconciliation of balances with treasury during 2000-2001 (March 2001). As a result there was a difference between figures in passbook and cashbook of PLA holders upto Rs.19.98 lakh as of March 2001.

3.9 Audit of abstract and detailed Contingent Bills and abstract and detailed Travelling Allowance Bills

As per provisions of Bombay Treasury Rules, 1960, amount on abstract bill is required to be drawn for incurring inevitable contingent expenditure except contingent charges requiring countersignature before payment. As per provisions under Rule 166 of the Gujarat Police Manual Volume II, Abstract Travelling Allowance Bills should be drawn by Police Department for payment of Travelling Allowance Bills of the constabulary staff.

Test-check of the abstract contingent (AC) Bills and detailed contingent (DC) Bills, abstract travelling allowance Bills and detailed travelling allowance Bills in seven departments[♥] revealed the following:

3.9.1 Delay/irregularity and Non-submission of DC Bills and Detailed TA Bills

DC bills and detailed TA bills for Rs.1.62 crore submitted after delay of one to fourteen months

As per codal provisions and instructions issued by the State Government DC Bills and Detailed TA Bills should be sent to the Accountant General (Accounts and Entitlement), Gujarat (AG (A&E)), Rajkot within three months from the date of drawal of AC Bill and within one month from the date of drawal of Abstract Travelling Allowance Bills. It was noticed that for Rs.1.62 crore drawn on AC Bills (Rs.1.06 crore) and Abstract Travelling Allowance Bills (Rs.0.56 crore), between February 1997 and January 2001 by DDOs, delay in submission of DC Bills and detailed Travelling Allowance Bills ranged between one month and fourteen months. In 72 cases Rs.3.72 crore was drawn on AC Bills between June 1997 and March 2001 but DC Bills were not submitted to the AG (A&E) Rajkot, as required.

3.9.2 Irregular purchases

Test-check of records of Director General and Inspector General of Police (DG&IGP), Gandhinagar revealed that office equipments from selected suppliers costing Rs.23.72 lakh in March 2001 were purchased without inviting tenders. DG&IGP stated that due to paucity of time prescribed procedure could not be observed. This was not tenable, as the purchases in March were made to avoid lapse of budget grant.

3.9.3 Irregular drawal of Funds on AC Bills to avoid lapse of budget grants

Financial Rules provide that money should not be drawn from the Treasury unless required for immediate disbursement. It is not permissible to draw money in anticipation of demand or to avoid the

[♥] Education, Health and Family Welfare, Home, Industries and Mines, Narmada, Water Resources and Water Supply, Revenue, Sports, Youth Services and Cultural Activities Departments

lapse of budget grant. However, in four[♦] cases Rs.3.06 crore was drawn on AC Bills without requirement for immediate disbursement to avoid lapse of budget grants in contravention of codal provisions.

3.9.4 Diversion of funds for other purpose

Rupees 0.06 crore irregularly spent for purchase of ration material for prisoners

The amount drawn on AC Bill should be utilised by the drawing officer for the purpose for which it was drawn. However it was noticed that Rs.5.77 lakh[♦] drawn for office expenses were irregularly utilised for purchase of ration for prisoners by the Superintendent, Central Prison, Vadodara.

3.9.5 Irregular submission of DC Bills

As per the provisions of the Bombay Treasury Rules, 1960 the drawing officer is required to submit DC Bill in respect of each AC Bill within three months. However, instead of submitting the DC Bill for each AC Bill, the Superintendent, Central Prison, Ahmedabad clubbed three to five AC Bills in 86 cases and combined DC Bill was prepared and submitted to the A.G. (A&E), Rajkot which made the monitoring of follow-up of DC bills complicated.

The matter was reported to Government in May 2001; reply has not been received (September 2001).

GENERAL ADMINISTRATION DEPARTMENT

3.10 Audit of Expenditure on Foreign Travel

Audit comments on irregularities in foreign travel by officials and political executives were included in Reports of the Comptroller and Auditor General of India for the years 1996-97 (Paragraph 3.1), 1997-98 (Paragraph 3.8) and 1999-2000 (Paragraph 3.7). Irregularities and violation of rules continued during 2000-2001 as seen in audit.

3.10.1 Ineffective nodal agency

Ineffective nodal agency

As per orders issued by the Government in General Administration Department (GAD), consolidated information in the prescribed *proforma* for foreign travel was required to be furnished by all Administrative Departments on 10th of the following month to the

[♦] Secretary to Government of Gujarat Industries and Mines Department, Gandhinagar March – 2000 Rs.2.50 crore, Secretary to Government of Gujarat, Narmada, Water Resources and Water Supply Department, Gandhinagar March – 2000 Rs.0.10 crore, The Principal, Government Polytechnic for Girls, Ahmedabad March – 2000 Rs.0.24 crore, The Superintendent, General Hospital, Patan March – 1997 Rs.0.09 crore and March 1999 Rs.0.13 crore

[♦] Rs.1.69 lakh;1998-99 and Rs.4.08 lakh;1999-2000

nodal agency, GAD which will maintain a register in the prescribed *proforma* and personal files of the officers concerned. However, GAD maintained no such register though pointed out repeatedly in audit. As such, total number of cases of foreign travel during 2000-2001 could not be ascertained and verified in Audit.

3.10.2 Non-production of records of foreign travel

Records relating to foreign travel of a delegation led by Industries Minister (Shri Suresh Mehta) to Washington, USA during September 1998, though called for during May 2000 and May 2001 were not produced to Audit as of September 2001. As such the expenditure on this account could not be audited.

3.10.3. General violation of prescribed procedure/instructions

Procedure and guidelines/instructions of GOI and/or the State Government were not followed. Copies of proposal sent to GOI were not available on record (four cases¹), orders issued by the State Government did not indicate reference to sanction issued by GOI (all cases), approval of MOF was not obtained (four cases²) political clearance from MEA was not available on record (three cases³), foreign exchange was drawn without obtaining sanction of (MOF) (three cases⁴), daily allowance drawn disregarding instructions of GOI and detailed accounts of DA drawn at higher rate not furnished (five cases⁵) and certificate from the Chief Secretary of the State to the effect that the proposed visits were in full conformity with the guidelines issued by the Cabinet Secretariat was not furnished (two cases⁶).

Details of foreign travels performed by Ministers, Officials etc. during 2000-2001 were as shown in Appendix-LXII.

The matter was reported to Government in July 2001; reply has not been received (September 2001)

HEALTH AND FAMILY WELFARE DEPARTMENT

3.11 Wasteful expenditure on salary of idle staff

Mention was made in Para 5.1.8 of the Report of the Comptroller and Auditor General of India for the year 1991-92 (Civil) regarding poor utilisation of mobile clinics, available under the Re-orientation of

¹ Sr.No.4,8,10 and 14

² Sr.No. 4,9,14 and 15

³ Sr.No. 3,14 and 15

⁴ Sr. No.1(v),9 and 14

⁵ Sr.No.1,2,4,9 and 16

⁶ Sr.No.1,2

All of Appendix_I

Medical Education, a Centrally Sponsored Scheme being implemented in the State since 1980. Under the scheme, three vans costing Rs.6 lakh each were allotted to Medical College Vadodara between December 1979 and April 1980 for deployment at Gadh Boriyad, Tejgadh and Tilakwada Public Health Centre. The vans were to be used for promoting Rural Health and Training of Post Graduate students in rural areas.

It was noticed in audit (June 1997) that though, the vans became unserviceable between January 1990 and November 1992 and were beyond repair due to non-availability of spare parts, staff comprising 12 persons (three drivers, three cleaners, four watchmen, one ward servant and one sweeper) engaged for vans were transferred to Medical College, Vadodara only between July 1994 and June 1998.

Further, in view of the proposal made by the District Panchayat, Vadodara (April 1992) Government decided (January 1994) to transfer the vans to District Panchayat, Vadodara (Panchayat), with certain conditions, for providing medical facilities to the villages resettled due to construction of Narmada Dam. However, the Panchayat refused (December 1996) to accept the vans as the same were unserviceable and beyond repairs.

Thus, the staff engaged for vans remained idle resulting in wasteful expenditure of Rs.27.12 lakh (1990-99) on their pay and allowances for period ranging from one and half years to eight and half years.

The matter was reported to Government in May 1998; reply had not been received (September 2001).

3.12 Idle Investment of Rs.15.59 lakh on Porcelain Laboratory Set for more than three years

Dean Dental College, Jamnagar failed to get laboratory instrument installed even after more than three years

Dean, Government Dental college, Jamnagar placed indent to Director, Central Medical Stores Organisation (CMSO), Gandhinagar in August 1996 for procurement of one Porcelain Laboratory set to be used for replacement of lost teeth and for filling of natural teeth after removing decay and drew Rs.22.27 lakh on Abstract contingency bill on 31 March 1997. CMSO placed order (March 1997) on a Bangalore based supplier. The equipment was received by the Dean in June 1997 and part payment of Rs.15.59 lakh was made (September 1997) as per provision of acceptance of tender. Balance amount was payable after installing and putting the equipment in satisfactory working condition.

Test-check of records of the Dean (November 1999) revealed that though the equipment was received in June 1997, no serious efforts

were made by the Dean to get the equipment installed and put the same in working condition.

The Dean approached (October 1999) the supplier for early installation and demonstration of the equipment when Accounts Officer, Medical Education and Research, Ahmedabad directed (September 1999) him to refund the amount drawn on abstract bill. Balance of Rs.6.68 lakh was not paid to the supplier and was refunded in September 1999. The equipment was not installed as of July 2000. Reasons for non-installation of the equipment by the supplier were also not available on record. In the mean time warranty period of 12 months from the date of delivery against manufacturing defect was also over which might deprive free of cost rectification of such defects if found at the time of installation.

Thus, failure on the part of the Dean, in pursuing the supplier to get the equipment installed and put the same in working condition resulted in idle investment of Rs.15.59 lakh for more than three years beside irregular retention of Rs.6.68 lakh out side Government account for more than two years.

The matter was reported to Government (June 2000); reply has not been received (September 2001)

3.13 Lack of response to Audit findings

Accountant General (Audit) - AG (Audit) 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. Following these inspections, Inspection Reports (IRs) are issued to the Heads of offices inspected with a copy to the next higher authorities. Government rules etc. provide for prompt response by the executive to the IRs issued by the AG to ensure corrective action and accountability for the deficiencies, lapses, etc. noticed during his inspection. The Heads of offices and next higher authorities are required to rectify the defects and omissions promptly and report their compliance to the AG. Serious irregularities are also brought to the notice of the Heads of the Department by the Office of the AG (Audit). A half-yearly report of pending inspection reports is sent to the Secretary of the Department in respect of pending IRs, to facilitate monitoring of the audit observations in the pending IRs.

Inspection Reports issued upto December 2000 pertaining to 337 offices of Health and Family Welfare Department disclosed that 1521 paragraphs relating to 543 IRs remained outstanding at the end of June 2001. Of these, 36 IRs containing 65 paragraphs had not been settled for more than 10 years as detailed in Appendix-LXIII. Year-wise position of the outstanding IRs and paragraphs are detailed in the

Appendix-LXIV. Even the initial replies, which were required to be received from the Heads of offices within four weeks from the date of issue, were not received in respect of 93 offices for 93 IRs issued between 1993-94 and December 2000. As a result, serious irregularities involving 1521 paras with money value of Rs.79.62 crore in Health and Family Welfare Department commented upon in these IRs as detailed in Appendix-LXV had not been settled as of June 2001.

A review of IRs which were pending due to non-receipt of replies, in respect of Health and Family Welfare Department revealed that the Head of the Offices whose records were inspected by AG, failed to discharge due responsibility as they did not send any reply to a large number of IRs/Paragraphs indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out in IRs by AG. The Secretary of the Health and Family Welfare Department, who was informed of the position through half yearly reports, also failed to ensure that the concerned officers of the Department to take prompt and timely action.

Lack of proper action against the defaulting officers thereby facilitated the continuation of serious financial irregularities and loss to the Government though these were pointed out in Audit.

It is recommended that Government should carry out a serious review of the matter so that executive responsiveness at higher levels to audit observations and findings is quick ensuring remedial action. Government should also ensure that procedure exists to (a) action against the officials who failed to send replies to IRs/Paras as per the prescribed time schedule and (b) follow up action to recover loss/outstanding advances/overpayments in a time bound manner.

The matter was reported to Government in July 2001; reply has not been received (September 2001).

LABOUR AND EMPLOYMENT DEPARTMENT

3.14 Idle investment in construction of hostel building and staff quarters

Idle investment of Rs.68.12 lakh on construction of staff quarters and hostel building

In pursuance of National Programme for development of Border and Backward Area Regions, Government of Gujarat established new Industrial Training Institutes (ITIs) at Balasinor and Panandhro of Kheda and Kachchh districts respectively. To provide residential accommodation to 112 trainees and members of staff, one hostel

building and 13 staff quarters at Panandhro and 15 quarters at Balasinor were constructed at a cost of Rs.68.12 lakh.* Possession of the hostel building was taken over by Principal, ITI, Panandhro and Balasinor in January 1996 and October 1993 respectively.

Test-check of records of ITIs Balasinor (November 1998) and Panandhro (September 1999) revealed that occupancy of quarters at Balasinor ranged between 7 per cent (1994) and 20 per cent (1996) whereas, at Panandhro it ranged between zero per cent (1996) and 31 per cent (1999). The occupancy of hostel building at Panandhro decreased from 9 per cent in 1996 to zero per cent in 1999. Thus, investment of Rs.68.12 lakh on quarters and hostel building largely remained idle during 1993-99. It was noticed that ITIs was constructed in Panandhro a remote locality by Government without considering the necessity of ITIs in that area and whether adequate number of students would take admission in the ITIs.

Government stated (April 2000) that due to less number of students and staff hostel building and quarters were underutilised.

3.15 Avoidable expenditure of Rs.26.84 lakh on purchase of Computers

Non-acceptance of first lowest tender resulted in extra avoidable expenditure of Rs.26.84 lakh on purchase of Computers

Director of Employment and Training, Gandhinagar, (Director) invited tenders for purchase of 27 set of Pentium Personal Computers with Lan server nodes and accessories (January 1999). The conditions of tender *inter-alia* stipulated that tenderer on the approved list of Central Stores Purchase Organisation (CSPO), Gandhinagar for the items of tender and having paid required registration Deposit were exempted from payment of Earnest Money Deposit (EMD).

Test check of records of the Director revealed (May 1999) that second lowest tender for Rs.3.06 lakh per set was accepted instead of first lowest tender for Rs.2.07 lakh per set on the plea that first lowest tenderer had not paid EMD. It was noticed that the first lowest tenderer was registered with CSPO for supply of computers etc. amongst other items and hence exempted from payment of EMD as stipulated in tender form.

Thus, rejection of first lowest tender was in violation of clause 5(a) of the Tender. This resulted in extra expenditure of Rs.26.84 lakh on purchase of computers.

Government stated (June 2001) that as per Government orders of September 1997 small scale, cottage and tiny industrial units of the State directly participating against Government purchases were entitled

* ITI Balasinor Quarters Rs. 25.06 lakh, ITI Panandhro Quarters Rs.16.49 lakh and Hostel Building Rs. 26.57 lakh

to get the benefit of exemption of EMD. This was not tenable as it was mentioned in the tender form that units, which are on the approved list of CSPO and had paid necessary Registration Deposit were exempted from payment of EMD. Accordingly lowest tenderer was eligible for exemption from payment of EMD.

PORTS AND FISHERIES DEPARTMENT

3.16 Unfruitful expenditure on fish stocking and non-recovery of lease rent in Karjan Reservoir

Delay in awarding contract resulted in unfruitful expenditure of Rs.12.52 lakh and loss of lease charges of Rs.16.81 lakh

As per leasing policy formulated by Government of Gujarat in 1990, all the reservoirs were to be leased out by public auction for the purpose of carrying out fishing. It was noticed during audit (September 1996) that Karjan reservoir was leased out from July 1992 to local fisherman co-operative society at an annual rent of Rs.3.12 lakh. The society however did not accept the offer, which was with retrospective effect. As a result the reservoir remained un-exploited during 1992-93.

Subsequently, the lease contract was awarded to Gujarat Fishing Central Co-operative Society (GFCCA), Ahmedabad at a lease rent of Rs.3.12 lakh per annum which did not pay any rent though fishing activity was carried out during November 1993 to June 1994. The lease contract was awarded to another fisherman Co-operative Society from 1994-95 at an annual rent of Rs.3.12 lakh but the society did not pay any amount as the offer was with retrospective effect. Fresh tenders for 1995-96 and 1996-97 were invited but no offer was received. During 1997-98 the reservoir was not leased out on the ground of conducting local survey which in fact, was conducted only for a day (6 February 1998).

During 1998-99 the reservoir was leased out (September 1998) to another Co-operative Society at an annual rent of Rs.1.69 lakh which was to be paid in three equal installments as per agreement. The society paid (September 1998) only one instalment of Rs.0.56 lakh whereas remaining two installments of Rs. 1.13 lakh were not paid by the society (July 2001).

The lease contract for two years for 1999-2001 was awarded to Portimbi based Co-operative Society at an annual rent of Rs.1.70 lakh. The society however paid lease rent for the first year only whereas the Department on request from the society cancelled the contract for the second year. Thus, the reservoir remained un-exploited during 2000-2001 on the ground that no fresh offer was received though called for.

An expenditure of Rs.12.52 lakh was incurred by the Department during 1990-98 (except 1994-95 and 1998-99) for stocking of 48.78 lakh fish seed.

Thus, delay in awarding lease contract resulted in unfruitful expenditure of Rs.12.52 lakh on stocking of fish seed and loss of lease charges to the extent of Rs.16.81 lakh between 1992-93 and 2000-2001.

Government stated (January 1999) that the leasing policy was framed with a view to uplift the socio-economic status of tribal persons; hence the question of revenue loss to Government did not arise. This was not tenable as the Tribals could not reap any benefit out of the resource and on the contrary Department suffered a loss of Rs.29.33 lakh. Government further stated (June 2001) that the fish stocking in reservoir water was essential for resources development and that from 1990 onwards department had made concerted efforts to lease out the reservoir but due to non-acceptance of lease by the society it could not be given on lease which cannot be considered as delay. This was not tenable since the department leased the reservoir during March 1993 and 1995 with retrospective effect, which was not accepted by the society.

GENERAL

3.17 Misappropriation, losses, etc.

Finalisation of 215 cases of alleged misappropriation, losses, etc. reported to Audit upto March 2001 was pending at the end of September 2001 as shown below:

(Rupees in lakh)

		Land Revenue		Other cases	
		Number of cases	Amount	Number of cases	Amount
1	Cases reported upto end of March 2000 and pending at the end of September 2000	50	5.90	156	249.01
2	Cases reported during 2000-2001	01*	0.03	11♦	4.49
3	Cases closed during 2000-2001	00	0.00	03*	0.91
4	Cases outstanding at the end of September 2001	51	5.93	164	252.59

Department-wise and year-wise details of these cases are given in Appendix-LXVI.

* Revenue Department: One case Rs.0.03 lakh

♦ Education Department : Three cases Rs.0.18 lakh

Forests and Environment Department : One case Rs.1.70 lakh

Information and Publicity Department : One case Rs.0.27 lakh

Labour and Employment Department : Four cases Rs.0.55 lakh

Narmada and Water Resources Department : Two cases Rs.1.79 lakh

♦ Information and Publicity Department : One case Rs.0.58 lakh

Labour and Employment Department : One case Rs.0.03 lakh

Panchayat and Rural Housing Department : One case Rs.0.30 lakh