

ANNEXE - 22

Statement showing paragraphs/reviews for which explanatory notes were not received

(Referred to in paragraph 4.23)

Sl. No.	Name of the Department	1997-98	1998-99	1999-2000	2000-01	2001-02	Total
1	Agricultural and Co-operation	1	--	--	--	2	3
2	Energy and Petrochemicals	--	--	--	--	8	8
3	Industries and Mines	1	2	--	3	8	14
4	Home	--	--	--	--	1	1
5	Roads and Building	--	--	1*	--	--	--
6	Panchayat, Rural Housing and Rural Development	--	--	--	--	1	1
7	Women and Child Development	--	--	1*	--	--	
8	Narmada, Water Resources and Water Supply	--	--	1*	3	4	7
9	Finance	--	1	--	--	--	1
10	Information and Broadcasting	--	--	1	--	--	1
11	General para related to departments – referred at Sl. No. 5, 7 and 8	--	--	1*	--	--	1*
	Total	2	3	2	6	24	37

* This represents one general para to which three departments' replies were awaited.

ANNEXE - 23

Statement showing persistent irregularities pertaining to Government companies appeared in the Report of CAG of India for the year 1996-97 to 2001-02 (Commercial) – Government of Gujarat
(Referred to in paragraph 4.23)

Sl. No.	Gist of persistent irregularities	Year of Audit Report/ Para No.	Money Value (Rs. in crore)	Gist of audit observations	Actionable points/ Action to be taken	Details of actions taken
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Gujarat Small Industries Corporation Limited						
1. (i)	Undue favour to loanee/ unit	1996-97/ 4A.1.1	2.57	The Company's decision to finance a sick unit without insisting on elementary financial safeguards in the MoU resulted in non recovery of dues of Rs.2.57 crore.	Responsibility is required to be fixed for extending the financial assistance to a non SSI unit and failure to safeguard the Company's interest.	Among the four officials involved, no action was initiated against two ex-MDs. While one DGM was compulsorily retired in some other case and in remaining one, departmental enquiry was initiated (July 2003).
(ii)		1997-98/ 4.1.1	2.56	The Company by extending financial assistance to units with dubious financial credibility had rendered the chances of recovery of Rs.2.56 crore as remote.	Responsibility is required to be fixed for extending the assistance to units with dubious financial credibility and for not obtaining adequate security.	Among the three officials involved, no action was initiated against ex-MD and ex - Financial Controller and also against one Executive, who was already dismissed on some other ground.
(iii)		1998-99/ 4.1.1	1.48	The Company's failure in obtaining adequate security while extending financial assistance to a firm, resulted in unrecoverable dues of Rs.1.48 crore.	Responsibility is required to be fixed for not obtaining adequate security.	Among the six officials involved, no action was initiated against two ex -MDs, ex -Chairman and ex -Financial Controller and also against one official who had resigned on some other ground. Remaining one official was removed from the service.
(iv)		1999-2000/ 3.1.1	10.19	An amount of Rs.10.19 crore had remained unrecovered due to imprudent financial assistance extended by the Company to a sick and non SSI unit and also to its associate concerns.	Responsibility is required to be fixed for extending the assistance to a sick and non SSI unit and also to its associate concerns and for not obtaining adequate security.	Among the three officials involved, no action was initiated against ex -MD and also against one DGM who was already given compulsory retirement from service on some other ground. Remaining one official was removed from the service.

(1)	(2)	(3)	(4)	(5)	(6)	(7)
(v)		2001-02/ 4.1.1	1.44	Due to irregular extension of financial assistance of Rs.0.86 crore to a firm, the Company was unable to recover the principal and also suffered loss of interest of Rs.0.58 crore.	Responsibility is required to be fixed for not ensuring the SSI status of the unit, unauthorised sanctioning of assistance and for obtaining deficient legal documents from the unit.	Among the three officials involved, no action was initiated against ex -MD and ex -Financial Controller and also against a Manager who retired from the service.
Total			18.24			
Gujarat Industrial Investment Corporation Limited						
1. (i)	Imprudent investment of funds	1998-99/ 4.3.1	0.79	The Company lost Rs.0.79 crore on an investment made in Gujarat Alkalies & Chemicals Ltd., which did not earn remunerative return to service the borrowings.	Responsibility is required to be fixed for imprudent investment of fund and for the failure to follow the COPU's recommendation.	Details of action taken by the Company were not made available to audit.
(ii)		1999-2000/ 3.3.1	4.80	An amount of Rs.4.80 crore remained unrecovered due to imprudent investment of funds by the Company in Inter Corporate Deposits.	Responsibility is required to be fixed for not obtaining the Board's approval and for not encashing the collateral security of the assisted unit.	GM (Finance) was involved and removed from service in July 2001. Possession of property was acquired vide panchnama dated 29.11.2001.
(iii)		2001-02/ 4.3.1	1.06	Advance payment of Rs.0.59 crore without execution of agreement coupled with belated legal action for recovery resulted in loss of interest of Rs.47.09 lakh to the Company.	Responsibility is required to be fixed for hasty payment made without execution of agreement also for the belated legal action to recover Rs.0.59 crore.	Details of action taken by the Company were not made available to audit.
Total			6.65			

ANNEXE - 24

Statement showing persistent irregularities pertaining to Statutory corporations appeared in the Report of CAG of India for the year 1998-99 to 2001-02 (Commercial) – Government of Gujarat
(Referred to in paragraph 4.23)

Sl. No.	Gist of persistent irregularities	Year of Audit Report/ Para No.	Money Value (Rs. in crore)	Gist of audit observations	Actionable points/ Action to be taken	Details of actions taken
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Gujarat Electricity Board						
1. (i)	Loss due to delay in finalisation of tender	1998-99/ 4.13.5	0.45	The Board's delay in placing the purchase order and invoking the repeat order clause of purchase agreement resulted in avoidable extra expenditure of Rs.0.45 crore in procurement of conductors.	Responsibility is required to be fixed for the delay in finalisation of tender. Besides, a system should be devised to monitor the status of finalisation of tender against the norms fixed.	The Board did not accept the audit contention and gave justifications for the lapses pointed out by audit. Hence, no actions were taken.
(ii)		1998-99/ 4.13.7	0.33	The Board incurred avoidable extra expenditure of Rs.0.33 crore in procurement of insulators due to delay in placement of purchase order.	Responsibility is required to be fixed for the delay in finalisation of tender. Besides, a system should be devised to monitor the status of finalisation of tender against the norms fixed.	The Board did not accept the audit contention and gave justifications for the lapses pointed out by audit. Hence, no actions were taken.
(iii)		1999-2000/ 3.11.4	0.18	Due to avoidable delay in finalisation of tender the Board had to incur extra expenditure of Rs.0.18 crore.	Responsibility is required to be fixed for the delay in finalisation of tender. Besides, a system should be devised to monitor the status of finalisation of tender against the norms fixed.	The Board did not accept the audit contention and gave justifications for the lapses pointed out by audit. Hence, no actions were taken.
(iv)		2000-01/ 4.9.4	0.29	The Board lost Rs.0.29 crore due to delay in finalisation of tender.	Responsibility is required to be fixed for the delay in finalisation of tender. Besides, a system should be devised to monitor the status of finalisation of tender against the norms fixed.	The Board did not accept the audit contention and gave justifications for the lapses pointed out by audit. Hence, no actions were taken.

(1)	(2)	(3)	(4)	(5)	(6)	(7)
(v)		2001-02/ 4.8.4	0.83	The Board had to incur an extra expenditure of Rs.0.83 crore due to delays in placement of regular supply order on a firm.	Responsibility is required to be fixed for the delay in finalisation of tender. Besides, a system should be devised to monitor the status of finalisation of tender against the norms fixed.	The Board did not accept the audit contention and gave justifications for the lapses pointed out by audit. Hence, no actions were taken.
2. (i)	Loss due to non-invocation of risk purchase clause against defaulting supplier	1998-99/ 4.13.2	3.12	Due to its own default the Board could not invoke risk purchase clause against the defaulting suppliers resulting in avoidable expenditure of Rs.3.12 crore in procurement of conductors.	Responsibility is required to be fixed for the failure to invoke Risk Purchase clause against the defaulting firms.	The Board did not accept the audit contention and gave justifications for the lapses pointed out by audit. Hence, no actions were taken.
(ii)		1999-2000/ 3.11.6	0.36	The Board suffered a loss of Rs.0.36 crore due to non-invocation of Risk Purchase Clause against the defaulting suppliers.	Responsibility is required to be fixed for the failure to invoke Risk Purchase clause against the defaulting suppliers.	The Board did not accept the audit contention and gave justifications for the lapses pointed out by audit. Hence, no actions were taken.
3. (i)	Loss of revenue	1998-99/ 4.13.3	2.71	By not adhering to the instructions regarding issue of notice to the consumers, the Board sustained a loss of revenue of Rs.2.71 crore.	Responsibility is required to be fixed for the failure to ensure the timely issuance of notice.	The Board did not accept the audit contention and gave justifications for the lapses pointed out by audit. Hence, no actions were taken.
(ii)		1998-99/ 4.13.6	0.36	The erroneous calculation of average power factor while preparing the energy bills of high tension consumers resulted in loss of revenue to the Board.	Responsibility is required to be fixed for erroneous calculations of average power factor.	Of the under recovery of Rs.35.89 lakh pointed out by Audit, the Board recovered Rs.33.52 lakh. In case of remaining amount, a civil suit has been filed.
(iii)		2000-01/ 4.9.2	3.34	The Board undercharged Rs.3.34 crore due to incorrect application of tariff.	Responsibility is required to be fixed for the incorrect application of tariff.	The Board did not accept the audit contention and gave justifications for the lapses pointed out by audit. Hence, no actions were taken.
(iv)		2000-01/ 4.9.3	1.50	By not adhering to the instructions regarding issue of notice to the consumers, the Board sustained a loss of revenue of Rs.1.50 crore.	Responsibility is required to be fixed for the failure to ensure the timely issuance of notice.	The Board did not accept the audit contention and gave justifications for the lapses pointed out by audit. Hence, no actions were taken.

(1)	(2)	(3)	(4)	(5)	(6)	(7)
4. (i)	Generation loss	1999-2000/ 3.11.1	28.87	Defective terms in the contract for construction of weir at Kadana Hydro Electric Project resulted in avoidable expenditure of Rs.11.32 crore and also deprived the Board of potential revenue of Rs.17.55 crore due to generation loss.	Responsibility is required to be fixed for entering into a contract with defective terms.	The Board did not accept the audit contention and gave justifications for the lapses pointed out by audit. Hence, no actions were taken.
(ii)		1999-2000/ 3.11.3	0.74	Lack of timely rectification of defective indicators of the meters resulted in low storage of fuel oil leading to forced shut down of the plant and potential generation loss of 5.35 MU worth Rs.0.74 crore.	Responsibility is required to be fixed for the failure in repairing defective indicators of the meters.	The Board did not accept the audit contention and gave justifications for the lapses pointed out by audit. Hence, no actions were taken.
(iii)		2001-02/ 4.8.1	31.74	Avoidable delay in replacing the boiler tubes resulted in loss of revenue of Rs.27.29 crore to the Board and Rs.4.45 crore to State exchequer.	Responsibility is required to be fixed for the avoidable delay in replacing the boiler tubes.	The Board did not accept the audit contention and gave justifications for the lapses pointed out by audit. Hence, no actions were taken.
5. (i)	Infructuous expenditure	1998-99/ 4.13.8	0.26	A series of acts of financial imprudence by the Board in procurement of nitrogen plant has resulted in unfruitful expenditure of Rs.0.19 crore and consequential loss of interest of Rs.0.07 crore while the objective of the Board to have captive nitrogen plant remained unfulfilled.	Responsibility is required to be fixed for reviving the cancelled contract, waiver of condition regarding payment of security deposit and for releasing the payment before receipt of material.	The Board did not accept the audit contention and gave justifications for the lapses pointed out by audit. Hence, no actions were taken.
(ii)		1999-2000/ 3.11.8	0.16	The Board suffered a loss of Rs.0.16 crore in the construction of civil work on a site ultimately surrendered.	Responsibility is required to be fixed for incurring the expenditure on civil works before arriving at the finality on the acquisition process.	The Board did not accept the audit contention and gave justifications for the lapses pointed out by audit. Hence, no actions were taken.
(iii)		2000-01/ 4.9.1	7.65	The Board incurred infructuous and avoidable expenditure of Rs.7.65 crore on construction of a facility against the advice of railways.	Responsibility is required to be fixed for incurring the infructuous expenditure on the construction of track hopper against the advice of Railways.	The Board did not accept the audit contention and gave justifications for the lapses pointed out by audit. Hence, no actions were taken.
		Total	82.89			

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Gujarat State Financial Corporation						
1. (i)	Sanctioning of financial assistance to ineligible unit	1998-99/ 4.15.1	1.85	A series of failure in non-adherence to prudent financial norms had resulted in non recovery of dues to the tune of Rs.1.85 crore, from a hire purchaser.	Responsibility is required to be fixed for sanctioning assistance to the unit having poor repayment records, failure to file criminal case and failure to verify the availability of assets of the unit.	Details of action taken by the Corporation were not made available to audit.
(ii)		1999-2000/ 3.13.1	1.89	Absence of adequate security for discounting bills of purchase has made the recovery of loan and interest thereon amounting to Rs.1.89 crore as doubtful.	Responsibility is required to be fixed for the failure to obtain adequate security from the assisted unit.	Details of action taken by the Corporation were not made available to audit.
(iii)		2001-02/ 4.10.1	5.34	An amount of Rs.5.34 crore remained to be recovered by the Corporation due to imprudent financial assistance extended under Hire Purchase Scheme.	Responsibility is required to be fixed for sanctioning the assistance to the units having poor repayment records / inadequate cash accruals and also for failure to verify antecedent and bonafide of the supplier.	Details of action taken by the Corporation were not made available to audit.
Total			9.08			