

CHAPTER IV

AUDIT OF TRANSACTIONS

Audit of transactions of the Departments of Government, their field formations as well as that of the autonomous bodies brought out several instances of ineffective management of resources and failures in the observance of the norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs under broad objective heads.

4.1 Fraudulent drawal/misappropriation/embezzlement/losses

Food, Civil Supplies and Consumer Protection Department

4.1.1 Loss on supply of wheat to flour mills

Loss of Rs 70.41 lakh on account of interest on unrecovered cost of wheat (Rs 1.50 crore) and short levy of Rs 15.24 lakh due to incorrect fixation of recovery price.

Government of Maharashtra vide its Government Resolution (GR) dated 21 February 1998, introduced distribution of *atta* in five kilogram (kg) packets to the ration card holders. Milling of *atta* for Mumbai and Thane area was arranged through twenty private flour mills. The mills were to lift the wheat and supply *atta* to Fair Price Shops. Subsequently, Government decided to discontinue the conversion of wheat to *atta* at the mills. Government vide its GR dated 22 December 1999 permitted the mills to retain the wheat remaining with them (72789.8 quintals).

Scrutiny of records in the Director of Civil Supplies, Mumbai (October 2003) revealed that the rate at which the 18 mills lifted (January to March 1998) wheat from the Public Distribution Scheme (PDS) was Rs 450 per quintal. The open market rate fixed by Government of India was Rs 644 per quintal. The additional amount to be collected from these mills was thus Rs 194 per quintal. However, the Government incorrectly fixed rate of Rs 173 per quintal as the additional amount to be paid by these mills resulted in a benefit of Rs 15.29 lakh on 72789.8 quintals to these mills.

The Food and Civil Supplies Department failed to recover the amounts fully even considering the rate of Rs 173 per quintal. Non-recovery of the differential cost of 72789.8 quintals of wheat from the 12 mills at the rate of Rs 173 per quintal plus cost of 1.33 lakh gunny bags at the rate of Rs 18 per gunny bag resulted in blockage of Government fund amounting to Rs 1.50 crore over a period of five years. Thus, loss on account of interest calculated at the rate of 10 *per cent per annum* from December 1999 to March 2004 on unrecovered amount worked out to Rs 70.41 lakh.

The total loss to the Government thus worked out to Rs 85.70 lakh (Rs 15.29 + Rs 70.41 lakh) besides, non-recovery of Rs 1.50 crore.

The Government stated (September 2004) that the difference to be recovered was worked out with reference to the rate of Rs 471 per quintal instead of Rs 450 as Rs 21 was the cost towards transportation and handling. It was further stated that out of Rs 1.50 crore, Rs 21.23 lakh has been recovered so far.

The reply regarding incorrect fixation is not acceptable as Rs 21 was payable even if flour had been transported to the PDS outlets. The wheat was made available to them at the PDS rate of Rs 450 per quintal and hence the difference between this and the market rate of Rs 644 per quintal should have been recovered from the mills. To ensure prompt recovery the mills should have been asked to make upfront payment or at least provide bank guarantee in lieu of this. Failure to do so facilitated the mills to default in payment leading to protracted recovery proceedings.

4.2 Wasteful/Infructuous expenditure

IRRIGATION DEPARTMENT

4.2.1 Excess payment to contractor

Incorrect recommendation of a tender item as an extra item by Chief Engineer resulted in excess payment of Rs 2.59 crore to the contractor.

Construction of masonry dam of Wan Project in Buldhana district was awarded (August 1989) to a contractor on item rate contract for Rs 28.14 crore for completion before August 1995. The work was completed (March 2001) at a cost of Rs 75.46 crore. Final bill was paid in January 2003.

Item 12 (b) of the agreement provided for 28248.56 cubic metres (cum) of cement concrete (CC) of strength M-15 (40-MSA) at the rate of Rs 770 per cum. Since sufficient quantity of rubble and sand was not available in specified quarries, the contractor could execute 9310.85 cum of work at tendered rate with extra lead charges for transportation till stipulated date of completion (August 1995). The contractor demanded (July 1995 and January 1996) extra item for balance work on the plea of longer lead for transportation of rubble and sand, financial constraints and change in scope of work. The Chief Engineer (CE), Irrigation Department, Amravati, based on proposal submitted by Executive Engineer (EE) and Superintending Engineer (SE) recommended to the Government (February 1996) for approval of above item as extra item on the plea that withdrawal of work at this stage would lead to calling fresh tenders, payments at current schedule of rates (CSR) and ultimately delay the completion of the project. The Government accepted the proposal (April/July 1996) and sanctioned extra item for balance quantity with

the condition to follow provisions of para 227 of Maharashtra Public Works Manual (Manual).

Scrutiny of the records of EE, Wan Project, Shegaon (October 2002), revealed that contractor was paid Rs 6.02 crore for 22769.28 cum of CC work executed between 1995-96 and 1999-2000 at schedule of rates prevailing during the years of execution as against Rs 3.43 crore payable to the contractor as indicated in the table below:

Sr. No.	Year	Quantity executed (cum)	Rates admissible as per tender (Rupees per cum)	Amount payable (Rupees)	Rate which paid	Amount paid (Rupees)
1	1995-96	1245.05	1230.25 (744.08 + 254.56 + 231.61)	1531723	2217.65	2761085
2	1996-97	5537.70	1245.69 (744.08 + 258.31 + 243.30)	6898258	2366.35	13104136
3	1997-98	4532.69	1301.37 (744.08 + 301.59 + 255.70)	5898707	2538.20	11504873
4	1998-99	1788.41	1308.07 (744.08 + 307.91 + 256.08)	2339365	2548.50	4557762
5	1999-2000	9665.43	1350.01 (744.08 + 337.24 + 268.69)	13048427	2922.80	28250118
Total		22769.28		29716480		60177974

Since there was no change in the basic item of the tender except longer lead for transportation of rubble and sand the extra payment to the contractor should have been restricted to the extent of cost of transportation for extra lead. Sanction of extra item for the tendered item was unwarranted which led to excess payment of Rs 2.59* crore to the contractor.

The Government stated (October 2004) that though the extra item sanctioned was similar to tender item the balance quantity was paid at CSR considering the reasons put forth by CE in his recommendations. The reply was not acceptable as there was no change in basic tender item except increase in lead for transportation of rubble and sand and hence the rate was to be modified to the extent of additional lead. Thus, action of CE in recommending tender item as extra item and Government's approval thereto was not prudent and resulted in excess payment of Rs 2.59 crore to the contractor.

4.2.2 Wasteful expenditure

Wasteful expenditure of Rs 1.24 crore on construction of Warunji Kolhapur Type weir which came under the submergence of Tembhu Lift Irrigation scheme.

Though Government accorded administrative approval (March 1980) to construct a Kolhapur Type (KT) weir across Koyna river at Warunji (Karad) (Warunji weir) at a cost of Rs 14.21 lakh, the work could not be taken up for want of funds.

* Amount payable Rs 2.97 crore + Price escalation and special relief Rs 0.46 crore = Rs 3.43 crore. Excess payment Rs 6.02 crore - Rs 3.43 crore = Rs 2.59 crore.

Scrutiny of records of Maharashtra Krishna Valley Development Corporation (MKVDC), Pune (December 2002) revealed that revised estimates of the work, with additional provision for coffer dam/diversion bund, approach road, wing wall to left side of river, road slabs, etc were technically sanctioned in March 1997 for Rs 1.54 crore and the work was awarded (June 1997) to an agency at 4.75 per cent above the estimated cost of Rs 1.41 crore for completion within 12 months.

In the meantime, the work of Tembhu Lift Irrigation Scheme downstream Krishna river with KT weir was awarded in July 1997. However, (October 1997) the Standing Committee of Pumping Machinery of MKVDC, on recommendation of a consultant, approved (October 1997) construction of a barrage in place of proposed KT weir. The submergence survey conducted in February 1997 on the basis of designed storage capacity stated that the full reservoir level (FRL) on Tembhu barrage constructed downstream across Krishna river was at 558.50 meters whereas the FRL of ongoing KT weir at Warunji constructed upstream in Koyna river was 556.80 meters. This resulted in full submergence of Warunji KT weir in the backwater of Tembhu barrage. Though study of submergence of scheme was completed in February 1997 itself and the decision to change the scope of work from KT weir to barrage was taken in October 1997, the Executive Engineer (EE), Tembhu Lift Irrigation Division II, Ogalewadi (Karad) informed the Executive Engineer (EE), Kanher Development Division (KDD), Satara about submergence of the Warunji weir only in April 2000. The construction of Warunji KT weir was stopped (April 2000) and the project was finally cancelled (January 2001) after an expenditure of Rs 1.24 crore including unpaid bills of Rs 3.66 lakh.

Thus, improper planning and inadequate co-ordination between the two project authorities under the same organisation resulted in belated cancellation of the construction of Warunji KT weir rendering the expenditure of Rs 1.24 crore wasteful.

On this being pointed out, the Assistant Superintending Engineer, Sangli Irrigation Circle, Sangli stated (July 2003) that by the time the broad layout of Tembhu Lift Irrigation Project was approved and commenced in October 1997, the work of Warunji KT weir was already in progress.

The EE, KDD, Satara under whose jurisdiction the work falls stated (December 2002) that a proposal for taking up a drinking water supply scheme through Maharashtra Jeevan Pradhikaran (MJP), utilising the Warunji KT weir, was under consideration and hence the expenditure was not wasteful. The reply is not tenable as the EE, MJP works Division, Karad confirmed (July 2004) that no such proposal was received from MKVDC and also Koyna being perennial river, partly constructed KT weir at Warunji was not required.

The matter was referred to the Secretary to the Government in June 2004. Reply has not been received (December 2004).

4.2.3 Wasteful expenditure on construction of canal

Defective construction of horizontal pipe culvert of a canal resulted in wasteful expenditure of Rs 34.77 lakh besides extra cost of Rs 30.39 lakh in construction of another canal.

Work of construction of Nandur Madhameshwar Express Canal (NMEC) was planned (October 1996) by the side of inspection path of existing Godawari Left bank Canal (GLBC) as part of Nandur Madhameshwar Project. Due to land acquisition problems in first 2 kilometres length it was proposed to convert certain portion of the existing GLBC (chainages 400 m to 1830 m) in the NMEC and to construct a new GLBC canal in the same chainages (GLBC-A) at chainage 1435 metre of GLBC-A a horizontal pipe culvert was constructed as it was in a low lying area. Accordingly, work of GLBC-A estimated to cost Rs 57.74 lakh was taken up for execution in the year 1996-97 and completed in September 1998 at a cost of Rs 52.29 lakh except joining of old GLBC (converted into NMEC) with GLBC-A at chainages 400m and 1830 m. Due to non-completion of work of NMEC, GLBC was continued to be used for irrigation till January 2003. GLBC-A was neither tested nor used for irrigation after completion of work in September 1998.

Scrutiny of records (August 2003) maintained by Executive Engineer, Nasik Irrigation Division, Nasik (EE) revealed that after completion of NMEC, the GLBC-A was joined with GLBC at chainage 400 m and 1830 m and was tested by releasing water in January 2003. Heavy leakages through pipe joints of HP culvert were also noticed. Consequently pits on both slopes of Inspection Path were observed during tests conducted in January 2003. The reasons attributed for leakages were uneven settlement of soil beneath the structure. Further, the HP culvert foundation supposed to rest on hard rock at 2.58 m below the ground was actually rested on yellow soil at 3.50 m.

To overcome the problem the Department finally decided (May 2003) to construct another canal GLBC-B, in chainages 1110 m to 1770 m in another alignment and completed (January 2004) at a cost Rs 30.39 lakh. Thus, defective execution of work of GLBC-A necessitated construction of GLBC-B resulting in extra expenditure of Rs 30.39 lakh.

EE accepted the fact and stated (March 2004) that the foundation of HP culvert was to rest on hard rock but during actual execution the foundation was rested on yellow soil which was sufficiently hard to rest foundation. EE further stated that due to soil characteristics there was uneven settlement beneath the structure, which may have resulted in cracks and leakages. The reasons for not considering the possibility of soil characteristics leading to cracks while allowing the culvert to rest on yellow soil (instead of hard rock as initially planned) were however, not furnished. Thus, improper execution of work resulted in wasteful expenditure of Rs 34.77 lakh.

The matter was referred to the Secretary to the Government in July 2004. Reply has not been received (December 2004).

4.2.4 Excess payment to contractor

Loading the tendered items on account of sales tax and insurance in contravention of contractual provision resulted in excess payment of Rs 29.15 lakh to the contractor.

The work of construction of Prakasha Barrage in Nandurbar district was awarded by the Executive Engineer (EE), Medium Project Division No. II, Dhule in April 1999 at 12.4 *per cent* above the estimated cost of Rs 56 crore for completion in 84 calendar months. Clause 38 (3) of the tender, required that the contractor shall if ordered in writing by the EE, also carry out any quantities in excess of 25 *per cent* of tendered quantities on the same condition and in accordance with the specification in the tender at current schedule of rates. Clause 48 of the tender stipulated that the rates to be quoted by the contractor must be inclusive of sales tax on works contracts whereas clause 59 provided for taking out insurance policy to provide adequate insurance for execution of awarded work contract.

Scrutiny of records of EE, Medium Project Division-II, Dhule, revealed (September-2003) that during execution, quantity of seven items increased by more than 25 *per cent* of the tendered quantity. While working out the rates for excess quantity, the division loaded 3.78 *per cent* on the rates on account of sales tax on works contract and insurance. Since the addition of sales tax on works contract and insurance was not covered by any instructions contained in schedule of rates, the payment of Rs 29.15 lakh made to the contractor was incorrect and undue favour to the contractor.

The EE accepted (September 2003) that the element of sales tax on works contracts and insurance charges were not covered by scheduled rates and these elements were not considered in the proposed rate analysis of these items. However, proposed rates were not acceptable to contractor, who went in appeal before Chief Engineer (CE), Tapi Irrigation Development Corporation, Jalgaon and after approval by CE, these elements were added in the rate analysis. Government stated (November 2004) that as expenditure on account of sales tax and insurance for quantities beyond 125 *per cent* was required to be borne by the contractor, the same was loaded during the rate analysis.

The reply was not acceptable, as approval of excess rate beyond the contractual provisions led to undue favour to the contractor.

HOME DEPARTMENT

Maharashtra Maritime Board

4.2.5 Short levy of fees

Non-adherence to the Government notification resulted in short levy of landing and shipping fees of Rs 1.13 crore.

According to the Maharashtra Maritime Board Act, 1996 and rules made thereunder, Government in August 2001 issued a notification revising the fees on goods landed or shipped at minor ports in the State. The rate of landing/shipping fees, *inter alia*, for Ethylene, Liquefied Petroleum Gas (LPG) and Butane in captive jetties was fixed at Rs 50 per metric ton (MT). MT is defined in the notification as 1000 litres for liquids whose density is equal to or less than one gram per cubic centimetre and as 1000 kilograms for liquids with heavier density.

Scrutiny of records (February 2004) of Assistant Port Officer, Ratnagiri revealed that 553745 thousand litres of Ethylene, LPG and Butane whose average density was less than one gram per cubic centimetre was considered as 327924 MT and fees were recovered accordingly (taking 1000 kilograms as MT instead of 1000 litres). This resulted in 225821 thousand litres escaping assessment and consequent short levy of shipping fees of Rs 1.13 crore.

At the instance of Audit, the Assistant Port Officer, Ratnagiri recovered the amount (November 2004).

PUBLIC HEALTH DEPARTMENT

4.2.6 Excess payment on purchase of disposable pricking lancet

Excess payment of Rs 64.22 lakh on purchase of disposable pricking lancets/needles due to non-application of reduced rates.

The Joint Director, Health Services (Malaria and Filaria) [JDHS (MF)], Pune placed orders (June and September 1999) for supply of 925850 needles worth Rs 1.77 crore on an agency, who was on the rate contract (RC) with the Government run Grant Medical College (GMC), Mumbai. The supply was to be made within one month of the receipt of confirmed orders. As per the RC, the rate of needles was Rs 190 per 100 pieces effective from October 1995 and extended from time to time. The clause 10 of the RC provided that if the rates were lowered subsequently, the supplies would have to be made at lower rates.

Scrutiny of records (July 2001) of the JDHS (MF), Pune revealed that the supplier delivered only 32,00,000 needles upto October 1999. The balance quantity of 60,58,500 needles costing Rs 1.15 crore were supplied during the

extended period between December 1999 and March 2000, on the ground that the raw material was lying with the department of customs.

In the meantime, based on the negotiated rates received from the agency in May 1999, another department which finalises RC for Medical/Public Health Department *i.e.* Director of Medical Education and Research finalised (March 2000) the rate of Rs 84 per 100 needles applicable to the rate contract for the entire State with the same agency. This came into effect retrospectively from 16 November 1999 till 15 November 2001. Consequently, clause 10 of the RC finalised by GMC, Mumbai in October 1995 and extended from time to time up to June 1999 was attracted on 60,58,500 needles supplied by the agency between 16 November 1999 and March 2000 for which the differential cost works out to Rs 64.22 lakh.

On this being pointed out, the JDHS (MF), Pune stated (October 2004) that the rate contract was finalised by the DMER only in March 2000, whereas the purchase was made prior to that date. A letter for recovery of above amount, however, was also issued to the agency at the instance of Audit (October 2004).

Non-application of reduced rates resulted in avoidable extra expenditure of Rs 64.22 lakh.

The matter was referred to the Secretary to the Government in March 2004. Reply has not been received (December 2004).

URBAN DEVELOPMENT DEPARTMENT

4.2.7 Excess payment to the contractors

Incorrect adoption of rates for three items of the tender resulted in excess payment of Rs 56.45 lakh to the contractors.

For development of Nagpur city, Government released (March 2000) Rs 1 crore as special grant to Nagpur Municipal Corporation (NMC) for Integrated Traffic Junction Development Programme for providing road dividers, improvement of footpaths and erection of signboards. NMC was to contribute equal amount for the purpose. Accordingly, development work of 15 traffic junctions estimated to cost Rs 3.42 crore was awarded (February 2001) to five different contractors. The work was completed between March and November 2002.

Scrutiny of records (October 2003) of NMC revealed that while preparing the estimates and floating the tenders rates of three items of the tender were incorrectly adopted by NMC on higher side resulting in inflating the estimated cost and resultant excess payment of Rs 56.45 lakh to the contractors as indicated in table below:

Item of work	Rate adopted per cum (in Rupees)	As per PWD per cum (in Rupees)	Difference per cum (in Rupees)	Quantity executed (in cum)	Excess payment (in Rupees)
Excavation for road in soft strata	40	23	17	25453.90	432716
Excavation for road in hard strata	89	28	61	6990.00	426390
Disposal of excavated material	142	35.40	106.60	44895.30	4785839
Total					5644945

No justification was, however, available on record for adoption of rates on higher side.

When this was pointed out NMC stated (October 2003) that the matter would be examined and excess payment, if any, would be recovered from the contractors from their ongoing works. No recovery was effected as of December 2004.

The matter was referred to the Secretary to the Government in August 2004. Reply has not been received (December 2004).

4.3 Violation of contractual obligations/undue favour to contractors

CO-OPERATION AND TEXTILE DEPARTMENT

4.3.1 Avoidable loss due to payment of compensation and subsidy

Payment of compensation for uncrushed sugarcane and subsidy on account of sugar recovery loss for prolonged crushing due to import of sugarcane, contrary to the conditions of the licence, resulted in loss of Rs 61.80 lakh.

The Commissioner of Sugar (Development) and Licensing Authority, Pune issued (October 1999) a sugarcane crushing licence for the season 1999-2000 to the Indira Sahakari Sakhar Karkhana Limited (ISSK), Dahitane, district Solapur to crush an estimated 3.74 lakh metric ton (MT) sugarcane from areas under its jurisdiction. The licence valid for the period 21 October 1999 to 18 April 2000 (180 days) stipulated that (i) sugarcane from outside its jurisdiction can be crushed only after obtaining import licence and (ii) the licensee is bound to crush the entire quantity of sugarcane as indicated in the licence or fixed by the licensing authority thereafter.

The Maharashtra Sugar Factories (Reservation of Areas and Regulation of Crushing and Sugarcane Supply) Order, 1984, as amended in 1996 (Order), prohibits import of sugarcane by the factory from outside the State without prior approval of the Commissioner of Sugar. Violation of the Order invited penalty of Rs 250 per MT of sugarcane so brought. Also fine of Rs 100 per

MT will be levied on factories in case they fail to lift and crush allotted sugarcane.

Scrutiny of the records of the Commissioner of Sugar, Pune (October 2003) revealed that violating the conditions of the licence, the ISSK imported 23581.923 MT of sugarcane from Karnataka during 1999-2000 without obtaining import licence from the Commissioner of Sugar, Pune. As a result about 10000 MT of allotted sugarcane covering an area of 191.10 hectare from its jurisdiction was not lifted and crushed by ISSK which necessitated the Government to pay compensation of Rs 38.22 lakh to the farmers at the rate of Rs 20000 per hectare as per Government Resolution of July 2000.

In order to compensate the factories from loss due to lesser realisation of sugar after crushing season is over, the Government grants sugar recovery loss subsidy of Rs 100 to 200 per MT on sugarcane crushed beyond the period of 180 days. Due to prolonged crushing on account of bumper crop and import of sugarcane from Karnataka, Government sanctioned sugar recovery loss subsidy of Rs 119 crore to the ISSK, of which an amount of Rs 23.58 lakh payable on the sugarcane imported from Karnataka at the minimum rate of subsidy of Rs 100 per MT was avoidable.

The Commissioner of Sugar ordered an enquiry against the ISSK (August 2000) for breach of conditions of licence and provisions of the Orders. The Government, however, cancelled the enquiry on the request of the ISSK (September 2000). Justifying the cancellation of order, the Government stated (June 2004) that since sugarcane brought from Karnataka pertained to the members of the ISSK and brought to avoid no cane situation, there was no violation of the condition of the licence.

Reply of the Government however, contained factually incorrect information as there was a bumper crop during 1999-2000 and the crushing season was prolonged, the allotted quota of approximately 10000 MT sugarcane remained uncrushed and there was no possibility of no cane situation.

Thus, the non-crushing of allotted sugarcane due to import of sugarcane from Karnataka without prior permission of the Commissioner of Sugar, contrary to the provisions of orders and conditions of the licence and payment of subsidy on such quantity of import resulted in loss of Rs 61.80 lakh to Government.

FINANCE DEPARTMENT

4.3.2 Irregular payment of insurance claim

Honouring the insurance claim prior to the receipt of premium resulted in irregular payment of Rs 45.32 lakh.

Insurance Act 1938 (the Act) lays down that "no risk to be assumed unless premium is received in advance". Further as per proviso 64 VB(2) of the Act, "in case of risks for which premium can be ascertained in advance, the risks

may be assumed not earlier than the date on which the premium has been paid in cash or by cheque to the insurer".

Scrutiny of the records of the Director of Insurance, Mumbai (April 2004) revealed that Bhimashankar Co-operative Sugar Factory, Ambegaon insured 50,000 bags of sugar kept in open yard, for Rs 6.25 crore, for a premium of Rs 93516 for the period 7 April 2001 to 6 April 2002. Subsequently the insurance was enhanced to cover another 30000 bags of sugar for Rs 3.75 crore on a premium of Rs 53650 for the period 23 April 2001 to 6 April 2002. The factory had not paid the full premium in advance as of 7 April/23 April 2001 as required under proviso 64 VB of the Act.

Though, the factory had not paid full premium, it submitted (May 2001) an insurance claim for Rs 59 lakh towards damage of sugar due to heavy storm and rain. After conducting detailed enquiry and obtaining survey report, claim of Rs 45.32 lakh was admitted and paid in March 2002.

The Director justifying the payment stated (April 2004) that the premium was received on 14 March 2001 in advance and the payment was in order.

The reply is not tenable as, against the premium of Rs 1.47 lakh due as on 7 April 2001/23 April 2001, the factory had paid premium of Rs 0.72 lakh only and the balance premium was paid in October 2001. Thus, issue of policy and endorsement of enhanced coverage without obtaining the premium in advance and payment of insurance claim for an event that occurred prior to the receipt of full premium was irregular and in contravention to the provisions of the Insurance Act.

The matter was referred to the Secretary to the Government in June 2004. Reply has not been received (December 2004).

HOUSING DEPARTMENT

MAHARASHTRA HOUSING AND AREA DEVELOPMENT AUTHORITY

4.3.3 Undue benefit extended to a club

Regularisation of unauthorised construction of Gymkhana/Pavilion club and application of old rates of premium for land resulted in undue benefit of Rs 10.15 crore to a Club.

A plot of land consisting two sub plots ie 'A' (7653 sq mt) and 'B' (9082.50 sq mt) of Maharashtra Housing and Area Development Authority (MHADA) reserved for a play ground, garden and a secondary school cum play ground at Middle Income Group (MIG) housing colony, Bandra (East) was being used by MIG Cricket Club (Club). MHADA, as per Government directives, handed over (1974) plot 'A' to Brihanmumbai Municipal Corporation (BMC) for development as play ground. Consequently, the Club approached BMC for getting the land subleased in its favour. The BMC turned down the request,

but permitted (August 1976) the Club to develop/maintain the playground as a caretaker for a specified period, extended from time to time.

Scrutiny of records of the Mumbai Housing and Area Development Board (Board) revealed (2000-2004) that in 1979 the club approached MHADA for allotment of an adjacent plot 'C' (700 sq mt) which was outside the reserved area, for construction of a sport pavilion. The Board resolved (November 1980) to allot to the Club the said plot subject to their obtaining of a no-objection certificate (NOC) from BMC for construction on the plot. The BMC permitted (July 1981) construction of a temporary shed only on plot 'C', however, the Club unauthorisedly constructed the pavilion building. With the revision of the Development Plan for the ward, the Club secured ex-post facto permission of BMC (April 1991) for construction of a pavilion building and swimming pool. With further additions/extensions the Club constructed a total area of 4002.80 sq mt (953.20 sq mt for commercial purposes and 3049.50 sq mt for non-commercial purposes). On completion of the construction, the Club approached (September 1996) the Board for handing over the plot as per the Board's decision of November 1980.

After discussion of the related issues, MHADA communicated in April 2001 decision to hand over to the Club a total area of 17435.50 sq mt (including constructed area of 4002.80 sq mt and plot 'C') at a cost of Rs 11.33 crore, based on its prevailing pricing policy. The Club made an initial payment of Rs 10 lakh in May 2001 and requested the Board for charging lease premium at concessional rate as the play ground was in their possession for long. While the request of the Club was under consideration, the Club made further payments of Rs 40 lakh between August 2001 and May 2002. Considering the request, MHADA decided (November 2003) to revise* the premium downward for the land used for construction only, based on the cost of land prevailing in 1981 (at the rate of Rs 425 per sq mt) together with development charges updated with interest at 12.5 *per cent per annum* at Rs 1541 per sq mt for residential area, Rs 3082 per sq mt for commercial area and Rs 134 per sq mt for the area of play ground and slashed the cost from Rs 11.33 crore to Rs 1.18 crore and intimated the Club accordingly. On payment of balance amount of Rs 68 lakh by the Club, the Board executed an Indenture of Lease with the Club in March 2004, with the condition of admitting senior officials of MHADA as service members of the Club.

Since the land was formally allotted to the Club only in April 2001, the application of the rates of premium for the land for construction as prevailing in 1981 merely because MHADA had taken a decision in November 1980 to allot the land to the Club and the land was held by the Club in its possession from 1981 as a caretaker was arbitrary and was an act of undue favour to the Club. Further, the activities of the Club, whose membership charges ranged from Rs 0.30 lakh to Rs 3 lakh, being of commercial nature (with permit

* Lease premium reduced to Rs 94.37 lakh from Rs 8.66 crore and lease rent reduced to Rs 23.87 lakh from Rs 2.67 crore.

room, canteen and swimming pool), application of the concessional rate was unjustified. This downward revision of the cost favoured the Club with a benefit of Rs 10.15 crore. Besides, the public use of the play ground was also defeated by restricting public access to the play ground.

The matter was referred to the Principal Secretary to the Government in July 2004. Reply has not been received (December 2004).

4.3.4 Irregular payment of grants

Irregular payment of grants of Rs 7 crore from Maharashtra Housing and Area Development Authority funds to finance a Government Scheme not contemplated in Maharashtra Housing and Area Development Act.

The basic objectives of Maharashtra Housing Area and Development Authority (MHADA) as laid down in MHADA Act, 1976 are to construct and to provide houses at affordable rates to public throughout the State, to undertake repairs and reconstruction of old dilapidated buildings. A programme for enforcing cleanliness in rural areas under the name "Sant Gadge Baba Rural Cleanliness Programme" has been under implementation in the State with effect from 2 October 2000. The Government in Water Supply and Sanitation Department decided (October 2002) to extend its implementation from 14 November 2002 to urban areas also through the urban local authorities[#].

The Chief Minister, in a meeting (September 2002) directed that every year, the Maharashtra Housing and Area Development Authority (MHADA) should make available Rs 10 crore to the Government for this programme. On demand from Government (October 2002) for the payment, MHADA paid (November 2002) Rs 1 crore out of Rs 10 crore to the Water Supply and Sanitation Department. On further demand from Government (November 2002), MHADA communicated (December 2002) its inability on the ground that such payments were not covered under the MHAD Act, 1976. The Chief Minister, in a meeting (March 2003) directed that MHADA, having already paid Rs 1 crore, should pay a further sum of Rs 6 crore for the year and from the next year onwards the expenditure should be met from the budget grants of the concerned departments. Consequently, MHADA, in reversion (March 2003) of its earlier decision made additional payment of Rs 6 crore in April 2003.

The payment by MHADA for the implementation of the Government scheme was not contemplated in the MHAD Act and did not subserve any of its laid down objectives. The financial assistance provided on the insistence of the Government was, therefore irregular and improper which siphoned out MHADA's funds.

The matter was referred to the Principal Secretary to the Government in June 2004. Reply has not been received (December 2004).

[#] Municipal Corporations, Municipal Councils, Municipalities and Nagar Panchayats.

4.3.5 Undue favour extended to an allottee

The decision of MHADA to waive the interest, on the apprehension of a speculative loss of Rs 1.25 crore in lease premium on cancellation of the offer resulted in undue favour of Rs 3.22 crore to an allottee.

Mumbai Housing and Area Development Board (Board) advertised (August 1996), the sale of a commercial plot (2159.90 sq mt) at Charkop, Mumbai. The Board accepted (October 1996) the offer of M/s Sungrace Builders and Developers (being highest) at a lease premium of Rs 3.76 crore (at Rs 19368 per sq mt for built up area of 1943.91 sq mt). The offer of allotment issued (October 1996) stipulated payment of 25 *per cent* of the lease premium within a month and the balance in three equal instalments of Rs 94.12 lakh each within six months from the payment of the initial instalment. Besides, annual lease rent of Rs 9.41 lakh (at 2.5 *per cent* of lease premium) and a security deposit of Rs 18.82 lakh being two times the annual lease rent was payable with the initial amount.

The tenderer accepted the terms and conditions of allotment (November 1996) but requested to relax the terms of payment of the initial instalment upto seven months and balance upto three years. The Board rejected the request but did not cancel the offer as per terms of allotment. As a sequel to this, tenderer defaulted in the initial payment and paid Rs 37 lakh as November 1996. Meanwhile, raising an issue (January 1998) regarding the shifting of an existing electrical substation of Bombay Suburban Electric Supply (BSES) located at the front side of the plot, the tenderer tied the balance payment with the shifting of the substation. As the substation was not on the plot, MHADA refused (September/November 1998) to take action on its shifting but did not cancel the allotment. The tenderer, thereafter, approached the Board/MHADA at various levels (March/May 2002) for granting concessions in the rate of lease premium and waiver of interest on the defaulted instalments on the plea of fall in the market rate as compared to the rate quoted in his offer. In the meantime, he paid of Rs 53 lakh in two instalments in July and August 2002.

The Mumbai Board in turn (January 2003), apprehending loss of about Rs 1.25 crore in lease premium in case of cancellation of the offer and retendering, sought approval of MHADA to the waiver of interest accumulated on the defaulted instalments. Though the proposal was not endorsed by the Vice-President and Chief Executive Officer, MHADA decided (March 2003) to waive the interest aggregating Rs 3.22 crore on the balance 75 *per cent* of the premium for the period from 15 November 1996 to 20 March 2003.

Despite the fact that all the negotiations and considerations were based on the offer letter of October 1996, the Board issued (25 April 2003) an offer letter afresh stipulating the balance payment within nine months from the date of acceptance of offer in three instalments and payment of annual lease rent (Rs 3.76 lakh *per annum*) at the reduced rate of one *per cent* of the lease

premium. On acceptance of offer by the tenderer (April 2003) and payment of 25 *per cent* of the premium, the Board executed (July 2003) a lease agreement with the tenderer and handed over the possession of the plot. Against the balance amount of Rs 2.81 crore payable by April 2004, the tenderer had paid Rs 94 lakh.

The decision of the Authority violated the provisions of MHADA (Disposal of Land) Regulations, 1982 which allowed a maximum period of six months for payment of premium and execution of lease agreement and delivery of possession of land on payment of full premium. Further, the decision of MHADA to waive the interest of Rs 3.22 crore on the apprehension of a speculative loss of Rs 1.25 crore was against the provisions of MHADA (Disposal of Land) Regulation which resulted in an undue favour to the defaulting tenderer.

The matter was referred to the Secretary to Government in July 2004. Reply has not been received (December 2004).

4.3.6 Award of contract in violation of laid down procedure

Award of work of redevelopment/reconstruction to the architects/contractors selected by the Members of Legislative Assembly violated the laid down procedure for tendering.

The Government (May 2003) constituted a high power committee for monitoring the utilisation of special grants sanctioned to peoples' representatives (Members of the Legislative Assembly/Council (MLA/MLC)) for improving the basic amenities in the Municipal Corporation/Council areas. The Government following the recommendation of the committee sanctioned (December 2003) a consolidated grant of Rs 4.23 crore being 50 *per cent* of the cost of Rs 8.45 crore estimated for works proposed in the Brihanmumbai Municipal Corporation (BMC) area, the balance (50 *per cent*) was to be sanctioned on utilisation of earlier amount. The special grant sanctioned to MLAs, to be utilised on various works in four assembly constituencies in the city, included repairs to Bombay Improvement Trust (BIT) chawls situated in the assembly constituencies of the Minister for Housing (an MLA) and the President, Maharashtra Housing and Area Development Authority (MHADA) (also MLA). These BIT chawls of the BMC were in dilapidated condition and were under their consideration for redevelopment/reconstruction. At the instance of the Minister for Housing and the President, MHADA (June 2003), Government decided to carry out repairs to these building at an estimated cost of Rs 3 crore through BMC. As desired by the Minister and the President (August 2003), it was decided by the high power committee to entrust the work to the Mumbai Building Repair and Reconstruction Board (Board) of MHADA, though repairs to non-cessed buildings did not fall within their jurisdiction.

The Minister for Housing and the President, MHADA directed (September 2003) the Board to award the work to the architects/contractors selected by

them without inviting tenders. Though the officials of the Board and the Vice-President and Chief Executive Officer/MHADA and the Principal Secretary to Government in Housing Department (February 2004) opposed the proposal on the grounds of violation of the laid down procedure, the MHADA overruled all of them and approved (February 2004) the proposal as a "Special Case". Consequently, the Board awarded (February 2004) three works costing Rs 88.78 lakh and eight works costing Rs 1.65 crore in the constituencies of Minister and the President, MHADA respectively to the architects/contractors named by them.

Though the contracts were awarded at par with schedule of rates, the estimates in respect of several works lacked credibility and reliability in as much as the items/quantities estimated for execution in the contract varied from 100 *per cent* to 2136 *per cent* with those originally estimated for administrative approval. Several of these items and quantities estimated for execution were seen common to all those buildings. It is unlikely that the detailed items requiring repairs in all the buildings were in the same state of defects. BMC granted No Objection Certificate (January 2004) for carrying out repairs to its buildings but made the Board responsible for carrying out necessary rectification work during a defect liability period of seven years and also for providing transit accommodation to the occupants who were to be shifted out of the building at its cost entailing additional financial liability to the Board. The role of the Board as an implementing authority thus, remained relegated to that of a contractor to BMC without any agency charges.

The decision to carry out repairs to buildings marked for redevelopment/reconstruction, the entrustment of the work to MHADA instead of to BMC to which the building belonged and the award of work to architects/contractors selected by the Minister and the President were improper in as much as it did not follow the required laid down procedure and lacked transparency.

The matter was referred to the Principal Secretary to Government in August 2004. Reply has not been received (December 2004).

IRRIGATION DEPARTMENT

4.3.7 Unauthorised aid to contractor

Loading the cost of coffer dam in the tendered items considering three years construction period and again loading the cost for the same period in the increased tendered quantities beyond 125 *per cent* was unwarranted and resulted in providing unauthorised aid of Rs 48.96 lakh to the contractor.

Construction of earthen dam, spillway and guidewall of Lower Tapi Project in Jalgaon district was entrusted (April 1999) to a contractor at 12.96 *per cent* above the estimated cost of Rs 56.92 crore for completion in seven years. As per the agreement, quantities in excess of 125 *per cent* of tendered quantities

were to be paid at the current schedule of rates (CSR). However, payment for increase in de-watering due to change in design was not covered by the agreement.

Scrutiny of the records (June 2002) of the Executive Engineer (EE), Hatnur Canal Division, Chopda and subsequent information collected in June 2003 and March 2004 revealed that the cost of coffer dam* (estimated cost Rs 1.02 crore) was distributed in the item rates of four** items based on the assumption that the work of various components of dam would be completed upto 5 m height above ground level in three years.

During execution, the quantities of various items increased disproportionately. The rates calculated by the division as per CSR were found to be less as compared to the tendered rates. On the request (March 2000) of the contractor to execute the increased work at the tendered rate, the Chief Engineer approved (October 2002) payments for the increased quantities for the period 1999-2004 by loading the cost of coffer dam and de-watering. Since cost of coffer dam to be constructed in first three years (1999-2002) was already included in the tendered items, loading the rates again was thus, unwarranted and resulted in unauthorised aid of Rs 48.96 lakh to the contractor.

On being pointed out, the EE replied that the loading was done since the quantum of coffer dam was directly related to cross sectional areas of various components of dam and the period in which they were to be completed. The reply was not acceptable, as the increase in tendered quantities had no relevance with construction of coffer dam, as there was no change in the design of coffer dam. Also the tendered quantities were already loaded with cost of coffer dam considering construction period of three years and therefore loading the items again while computing rates for first three years was unnecessary. Further, no records of materials actually used were maintained regarding construction of coffer dam and the department merely loaded the items as per the quantity of work to be executed. This resulted in unauthorised aid of Rs 48.96 lakh to the contractor.

The matter was referred to the Secretary to the Government in August 2004. Reply has not been received (December 2004).

4.3.8 Unintended benefit to contractor

Refund of cost of rubble in contravention of the codal provision resulted in unintended benefit of Rs 28.19 lakh to the contractor.

The work of construction of earthen dam of Madan Tank Project in Wardha district from RD 0m to 540m (Work A) was awarded to a contractor for Rs 3.23 crore in March 1997. On the request of the contractor the work of dam from RD 540m to 1290m (Work B) costing Rs 4.95 crore and Madan Pickup

* Temporary structure constructed to divert flow of water during execution.

** Excavation in soft rock, hard rock, colgrout masonry and concreting.

weir (Work 'C') costing Rs 12.20 crore were allotted under the same agreement in July 1998 and October 1999 respectively.

Audit of the Executive Engineer (EE), Minor Irrigation Division, Wardha, revealed (December 2003) that the notified quarry for Work 'C' was 12 km away from work site. The contractor requested (January 2001) the EE to allow him to use rubble free of cost from the excavated material of headwork of Madan dam, which was 22 km away from the Work 'C'. The contractor was ready to bear cost on account of difference in lead charges. EE allowed (January 2001) to use the rubble free of cost. Since cost of rubble was included in the complete item rate in the tender, EE should have deducted the cost while making payment for that item or should have recovered from the running account (RA) bills. However, the EE recovered (August 2001) Rs 28.19 lakh in lumpsum for use of 45038 cum of rubble (upto 48th RA Bill).

Scrutiny further revealed that contractor requested (January 2002) the division to release the recovered amount on the plea that the contract condition provided for free use of rubble and it was putting heavy financial burden. The EE referred (September 2002) the matter to Superintending Engineer (SE), Nagpur Irrigation Circle, Nagpur for guidance. However, EE without waiting for the specific order from the SE, released (January 2003) Rs 28.19 lakh overlooking Divisional Accountant's (DA) objection for such release. The EE did not record any reasons for disagreement with the DA as required under para 4.2.3 of Maharashtra Public Works Account Code (MPWA).

On this being pointed out, the EE stated (May 2004) that use of rubble free of cost was permitted under the provisions of agreement and the recovery was made on wrong presumption. Reply was not tenable as the EE himself had justified the recovery under provisions of MPWA (para 10.3.3) in his reference to SE. Further, the recovery was in tune with the contractor's offer (made voluntarily) to bear this cost. Besides, the cost of rubble was deducted from rate of items of Work 'B' which was executed under the same agreement to which contractor had not objected. Thus, action of EE to refund the cost of rubble in contravention of the codal provision and contradictory to EE's own justification given earlier resulted in unintended benefit of Rs 28.19 lakh to the contractor.

Matter was referred to the Secretary to the Government in July 2004. Reply has not been received (December 2004).

4.3.9 Unintended benefit of reimbursement of central excise duty

Excess reimbursement of excise duty of Rs 24 lakh due to non-adjustment of compounded levy.
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Government of India introduced in August 1997 a scheme of compounded levy of central excise duty (Duty) at the rate of Rs 300 per Metric Tonne (MT) based on production capacity of the steel mills for hot re-rolled products of iron and steel which was subsequently substituted in April 2000 by duty at the rate of 16 *per cent* based on value.

Executive Engineer (EE), Mechanical Store and Development Division, Kalwa, district Thane accepted (October 1999) two contracts from two different suppliers for supply of MS plates, structural steel, MS rounds and Tor steel at Government steel yards. The contract conditions provide for allowance of central excise due in the event of any statutory increase subject to production of documentary evidence.

Test-check of records (December 2000) of EE, Medium Project Division, Nagpur and information collected between January 2001 and June 2002 from seven other divisions revealed that the department while accepting the claim for such statutory increase in central excise duty had, however, reimbursed the claim at 16 *per cent* without considering the element of compounded levy of duty of Rs 300 per MT which was included in the value quoted by the supplier while entering in to the contract.

The department had reimbursed Rs 1.59 crore as against admissible Rs 1.35 crore resulting in excess reimbursement of central excise duty of Rs 24 lakh to the suppliers.

While accepting the fact, Government stated in June 2002 that the claims of the suppliers would be finalised after due verification. However, in October 2004 the Government stated that the claims reimbursed to the contractors at the rate of 16 *per cent* were as per accepted tender condition. Reply was not tenable as the element of compounded levy of duty of Rs 300 per MT, which was included in the value quoted by the supplier while entering into the contract was to be adjusted while admitting the additional claims on account of increase in excise duty. This had resulted in excess reimbursement of excise duty of Rs 24 lakh to the contractors.

4.4 Avoidable/excess/unfruitful expenditure

HIGHER AND TECHNICAL EDUCATION DEPARTMENT

4.4.1 Unfruitful expenditure on staff quarters

Unfruitful expenditure of Rs 1.75 crore due to construction of staff quarters in excess of requirement.

A Committee appointed (April 1986) by the Director of Technical Education, Mumbai for assessment of residential accommodation in 11* Government Polytechnics established between 1980 and 1985, recommended (September 1987) construction of 105 quarters for the employees of each polytechnic assuming an expected staff strength of 180.

Mention was made in paragraph 3.4 of the Report of the Comptroller and Auditor General of India (Civil), Government of Maharashtra for the year ended 31 March 1998 regarding unfruitful expenditure on construction of

* Beed, Brahmapuri, Gadchiroli, Jalna, Jintur, Malwan, Nashik, Osmanabad, Sakoli, Thane and Washim.

unnecessary staff quarters at Osmanabad. The paragraph was not discussed by Public Accounts Committee.

Scrutiny of records (November 2003) of Principal Government Polytechnic (GP), Malwan revealed that as against 86 sanctioned posts, the Department constructed 101 staff quarters (between June 1992 to November 1999) of various types at a cost of Rs 2.87 crore and handed over (November 1999) the same to the Principal GP, Malwan. The total number of posts filled in (October 2004) was 68 of whom only 38 staff members took possession of the quarters and 63 quarters constructed at a proportionate cost of Rs 1.75 crore were vacant since inception.

On this being pointed out in audit, the Principal, Government Polytechnic, Malwan stated (November 2003) that 24 new posts were sanctioned in January 2003 and 17 lecturers were also appointed on contract basis from October 2003, consequently, the quarters were expected to be occupied in future. The reply is not tenable as; (i) only 38 out of 68 staff members had occupied the quarters as of October 2004, (ii) lecturers appointed on contract basis are not eligible for staff quarters and (iii) of the 24 new posts sanctioned in January 2003 only 8 posts were filled in (September 2004).

The Director of Technical Education replied (October 2004) that the construction of quarters at Malwan were as per recommendations of the Committee and since the campus was seven kilometre away from Malwan city it was absolutely necessary to provide staff quarters.

Even though, construction of quarters was as per recommendation of the Committee, it was executed without ascertaining the actual requirement and without relevance to the posts sanctioned. As a result 63 quarters were unoccupied for a period ranging from four to eight years rendering unfruitful expenditure of Rs 1.75 crore during this period.

The matter was referred to the Principal Secretary to the Government in February 2004. Reply has not been received (December 2004).

HOME DEPARTMENT

4.4.2 Unfruitful expenditure on patrolling launches

Lack of timely and appropriate action to carry out repairs resulted in idling of the launches costing Rs 1.05 crore and consequent unfruitful expenditure of Rs 1.40 crore on pay and allowances of staff.

The Deputy Commissioner of Police (DCP), Motor Transport Section (MTS), Mumbai purchased three fibre-glass high speed launches between February and April 1996 valuing at Rs 1.05 crore to strengthen the harbour patrolling by Mumbai Police. The launches named 'Krishna', 'Godavari and 'Ganga' ' were manned each by 10 employees.

Scrutiny of records of the Additional Commissioner of Police, South Region, Mumbai (March 2003) and the information collected from DCP, MTS, Mumbai (October 2003) revealed that launches were lying idle from October 1996, December 1996 and October 1997 respectively for want of major repairs to engines and gear boxes for which imported spare parts were required. Mention was also made in paragraph 3.7.8.2 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1998 regarding idling of the launch 'Ganga' for want of spare parts.

DCP, MTS, Mumbai stated (October 2003) that though the department carried out some minor repairs* to these launches, they became non-operational between February and October 2002 for want of major repairs yet to be carried out. As such, the three launches could not be put to optimum use for harbour patrolling (March 2004), rendering the expenditure of Rs 1.05 crore largely unfruitful. Besides, average expenditure of Rs 1.40 crore on pay and allowances of staff for idle period also proved unfruitful.

He further stated that all the three launches had been anchored for major repairs, however, for daily maintenance, cleanliness and safety from theft and damage, full complement of staff was deployed on each launch. It was also stated that these launches have completed only seven years and could be utilised for the remaining life span of 13 years if the imported engine/gear boxes are replaced by Indian made engines.

Government stated (November 2004) that grants of Rs 10.95 lakh had been sanctioned (October 2004) for repairs and replacement of the imported engine gear boxes by Indian made engines to get the launches sea worthy.

This action should have been taken much earlier to avoid idling of the launches and resultant unfruitful expenditure on pay and allowances of staff.

4.4.3 Nugatory expenditure

Delay in disposal of condemned vessels resulted in nugatory expenditure of Rs 48.24 lakh on watch and ward and a loss of Rs 3.45 lakh due to their deterioration.

For undertaking dredging and survey operations, Maharashtra Maritime Board (MMB) (erstwhile Chief Ports Officer) assembled between 1961 and 1972 two dredgers (Girna and Shastri), three motor vessels (Tansa, Kundalika, Vaitarna) and a survey launch (Bhagwati) at a cost of Rs 20.69 lakh. The MMB, Mumbai decided (December 1999) to write off all the six dredgers and vessels considering that these had completed their life of 20 years. The upset price of these vessels was fixed (August 2000) at Rs 29.30 lakh on the advice of a consultant.

Scrutiny of records (January 2004) of the Marine Engineer, MMB, Andheri, Mumbai revealed that the MMB decided (May 2001) to convert (September

* In July 2001, December 2001 and February 2002.

2001) two of the six vessels for use in Mandva Jetty at entry and exit points at the cost of Rs 29.94 lakh. The Government framed (April 2002) “Writing off procedure of the crafts under the control of Maharashtra Maritime Board Rules, 2002,” and a committee was constituted to dispose of the remaining four vessels and a proposal was submitted to the Government (November 2002).

MMB invited tenders (September 2003) for disposal of the four vessels, however, the offers received were lower than the upset price (Rs 18.90 lakh), consequently, fresh tenders were invited (November 2003). In the meantime, the upset price was got revalued and was fixed at Rs 15.25 lakh (November 2003). The highest offer of Rs 15.45 lakh was accepted by MMB (January 2004).

The department replied (October 2004) that a period of four years was taken to frame the rules and for obtaining the Government approval for the same.

The reply is not tenable because despite the recommendations of the Public Accounts Committee (November 2000) desiring disposal of condemned sailing vessels expeditiously, a period of four years was lost just for framing the rules. Delay in disposal of the vessels resulted in an avoidable expenditure of Rs 48.24 lakh on 21 watch and ward staff. Besides, the upset price of the vessels got reduced due to deterioration to the extent of Rs 3.45 lakh.

IRRIGATION DEPARTMENT

4.4.4 Unproductive expenditure on construction of dam

Remote chances of release of 6.91 thousand million cubic metre of water from Palkhed dam to Narangi dam resulted in wasteful expenditure of Rs 18.22 crore on construction of Narangi dam.

The work of Narangi Medium Project in Aurangabad district to irrigate 1639 hectares (ha) of land was taken up for execution by Executive Engineer (EE), Nandur Madhmeshwar Canal Division, Vaijapur in April 1986 and completed in June 1998 at the cost of Rs 18.22 crore.

Scrutiny of the records (January 2004) maintained by EE revealed that the projected capacity of the dam was 14.66 Thousand Million Cubic Metre (TMC), of this 6.91 TMC (47 *per cent*) of water was projected to come from overflow of Palkhed dam through its left bank canal (LBC) and 7.75 TMC (53 *per cent*) of water was projected from the rain catchment area of Narangi dam. Scrutiny further revealed that only 1.32 TMC and 1.00 TMC of water was released from Palkhed dam during the years 1998 to 2003. Though there was average rainfall, no live storage could be achieved in any of the year. Obviously, no irrigation potential was utilised since completion of the project. Expenditure of Rs 18.22 crore incurred on construction of the project thus remained unproductive for over six years.

The EE stated (May 2004) that the average rainfall data belonged to Vaijapur rain gauge station which was situated on lower side of the project and hence the rainfall in catchment area was not sufficient even to fulfill dead storage. Reply confirms that hydrology study was faulty. EE further stated that Palkhed division was requested to release water but they expressed their inability to release it due to reservation of water for irrigation and non-irrigation purpose. However, EE, Palkhed Division, Nasik stated (September 2004) that the maximum carrying capacity of LBC at point 128.5 km from where water is let out in Narangi project was upto 42 cusecs *ie* only 0.09 TMC water can be supplied in a day and therefore for supplying 6.91 TMC water minimum 75 days overflow will be required which never prevailed in rainy season. The replies of the EEs confirm the flawed planning, as a result of which there was hardly any likelihood of receipt of requisite quantity of water in the near future. As a result, the entire expenditure of Rs 18.22 crore proved to be wasteful.

The matter was referred to the Secretary to the Government in August 2004. Reply has not been received (December 2004).

4.4.5 Unproductive expenditure due to defective work

Failure to arrest seepage for nine years rendered expenditure of Rs 2.86 crore on construction of minor irrigation tank unproductive.

Construction of Borgaon Minor Irrigation tank in Washim district to irrigate 255 hectares of land was completed (June 1995) at a cost of Rs 1.86 crore by Executive Engineer (EE), Minor Irrigation Division, Akola (now at Washim).

Audit of EE (February 2000) and further information collected (November 2003) revealed that from the year of storage of water (1995-96) in the dam heavy seepage in the down stream of the reservoir was noticed. The reasons for seepage were stated to be resting of Cut-off-Trench (COT) on permeable rock and inadequate depth. In order to control these seepage Geologist suggested construction of parallel COT on upstream, grouting and allied works. However, seepage could not be controlled though expenditure of Rs 37.02 lakh was incurred during 1996-97 to 1999-2000. No steps were, however, taken by the Department to arrest the seepage in last four years. Audit scrutiny further revealed (June 2004) that the canal work (proposed length 2.34 kms) started in April 1995 was stopped (July 1995) due to these seepages as the downstream land was waterlogged and the landowners refused to part with their land for canal work, demanding control of seepage at the first instance. Thus, though the dam was completed in June 1995, no irrigation potential was created and utilised in the last nine years rendering expenditure of Rs 2.86 crore unproductive.

The EE stated (June 2004) that the canal work would now be taken up for execution since compensation was paid to the landowners. For the inaction to arrest seepage during 2000 to 2004, the EE stated that the work of parallel COT was kept pending as per directions received from the Chief Engineer,

Amravati. EE further stated that the Central Design Organisation, Nasik was directed to suggest measures to control seepage. As a result the expenditure of Rs 2.86 crore remained unproductive for over nine years.

Government stated (November 2004) that unless seepage was controlled no further canal works would be executed.

4.4.6 Unfruitful expenditure due to non-clearance of forest land

Violation of Forests Conservation Act, 1980 by officials resulted in lingering of the project for over 13 years and rendering the expenditure of Rs 1.88 crore unfruitful.

Under the Forests Conservation Act, 1980 (FCA) prior approval of Government of India (GOI) for use of forest land for non-forest purpose is necessary. Rule 4.4 of FCA provides that if the proposed work involves forest as well as non-forest land, work should not be started on non-forest land till the approval of GOI is received for release of forest land.

Construction of Minor Irrigation Project at Nandkhed in Washim district to irrigate 236 hectares of land through 5 kms long Right Bank Canal (RBC) was taken up for execution in February 1986 by the Executive Engineer (EE), Minor Irrigation Division-II, Akola (now Washim). The work of the dam was completed in June 1990 at a total cost of Rs 99 lakh. At the time of gorge filling, the Forest Department (FD) objected the construction work as the initial reach of 1 km of RBC was on forest land (2.12 hectares). As clearance for forest land was not obtained by the Department, the work was stopped in June 1990. The division submitted the proposal to forest authorities (July 1990) for use of forest land for non-forest purpose, which was awaited (April 2004).

Audit scrutiny of the records of the division (January 1998) and further information collected (January 2004), revealed that though Department was aware of the involvement of forest land and non-permission from GOI to use forest land for non-forest purpose the work of construction of canal from 2 km to 5 km was taken up during 1995 to 1998 and completed at a cost of Rs 74 lakh. Similarly, despite knowing that water could not be released through this canal for irrigation, works of land development costing Rs 15 lakh were also carried out by the division during 1996 to 1998. Due to non-execution of work in the initial reach which involved forest land, the constructed canal could not be put to use for irrigation purpose for over six years and no irrigation potential was created from the project even after spending Rs 1.88 crore.

On this being pointed out in Audit, the EE stated in January 1998 that for utilisation of the budgeted provision, the work of canal was executed. The EE further stated in January 2004 that the water is being utilised directly from the reservoir as well as from main *nalla* and nine to 169 hectares of land was irrigated during 1992 to 2003. The EE also stated that disciplinary action was initiated against the erring officials.

The reply was not acceptable as the provisions of FCA were known to the Department and the action was initiated only in April 2000 when the Chief Conservator of Forest, Bhopal cancelled (October 1999) the forest clearance proposal. Action initiated was pending (December 2004). Thus, delay in initiating action against the erring officials had lingered the project for over 14 years and resultant unfruitful expenditure of Rs 1.88 crore on the project.

The matter was referred to the Secretary to the Government in May 2004. Reply has not been received (December 2004).

4.4.7 Unfruitful expenditure due to defective survey

Unfruitful expenditure of Rs 1.46 crore due to not considering the fact of submergence of houses in the survey.
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To irrigate 253 hectares of land work of construction of earthwork of dam, approach channel, tail channel and waste weir in RD 0 m to 180 m and 180 m to 295 m of storage tank at Brahmanwada in Washim district was awarded between October 1996 and July 1997 to two different contractors at 6.90 *per cent* above estimated cost of Rs 25.68 lakh and 4 *per cent* above estimated cost of Rs 38.72 lakh respectively.

Scrutiny of the records (March 2001) of Executive Engineer (EE), Minor Irrigation Division, Washim revealed that, gorge filling was completed in June 1998 considering Full Tank Level (FTL) of 99.6 metres as per original approval. However, after incurring expenditure of Rs 1.46 crore, the work of waste weir had to be stopped (June 1998) keeping waste weir height at 97.6 metres for the reason that raising the height of waste weir to FTL (99.6 metres), would have submerged the houses of village Brahmanwada which required rehabilitation. The department authorities did not consider the fact of submergence of these houses at the time of initial survey and prior to commencement of the work.

Since targeted irrigation of 253 hectares would only be possible after construction of waste weir at 99.6 metres and also after rehabilitation work, the department submitted (August 2002) a revised estimate of Rs 4.73 crore (inclusive of cost of rehabilitation of Rs 2.86 crore). Thus, due to defective survey by the departmental authorities, expenditure of Rs 1.46 crore incurred on the project so far remained unfruitful.

When the omission was pointed out (March 2001), the EE accepted the fact of defective survey and stated that explanation was called for from the concerned officials. Government stated (November 2004) that departmental enquiry was initiated (August 2002) against the erring officials however, final decision was awaited.

4.4.8 Unfruitful expenditure

Non-co-ordination between Revenue and Forests authorities led to unfruitful expenditure of Rs 48.96 lakh and hampered the rehabilitation work for indefinite time.

A land admeasuring 15.45 hectares was allotted by the Sub Divisional Officer (SDO), Bhandara in May 1995 to Executive Engineer (EE), Gosikhurd Rehabilitation Division, Ambadi for rehabilitation of village Sawaragaon in Bhandara district. Accordingly, work of providing basic amenities (school building, samaj mandir, internal roads, open drains) estimated to cost Rs 51.12 lakh was taken up for execution at a tendered cost of Rs 53.87 lakh between May 1996 and May 1997.

Scrutiny of the records of EE (July 2003) revealed that the work was stopped (December 1997) after incurring expenditure of Rs 37.44 lakh as the work was executed on land belonging to Forest Department (FD). The EE also paid (March and July 1997) Rs 11.52 lakh to EE, Maharashtra State Electricity Board for electrification. Further information collected (April 2004) from SDO, Bhandara and Deputy Conservator of Forest (DCF), Bhandara revealed that the Government of Maharashtra notified the said land as protected forest in the year 1958. However, Revenue Authorities did not carry necessary changes to this effect in the revenue records. DCF was also not aware of fact of the area being notified as protected forest and raised objection only in December 1997 when Government instructed (October 1997) Conservator of Forest (South) Chandrapur to get the forest land registered in revenue records. By the time, the EE had already completed 80 *per cent* of works (school building, samaj mandir, open well and road) at a cost of Rs 48.96 lakh.

The EE stated (July 2003) that the work was executed on the land which was made available by SDO, Bhandara. DCF stated that the said land had no distinct boundary demarcation and therefore the lower level staff could not ascertain the area taken up for rehabilitation work.

Thus, due to non-co-ordination between Revenue and Forest Authorities to effect necessary changes in the records led to unfruitful expenditure of Rs 48.96 lakh besides hampering the rehabilitation work for indefinite period.

The matter was referred to the Secretary to the Government in July 2004. Reply has not been received (December 2004).

4.4.9 Unproductive expenditure

Failure of Executive Engineer in not entering into annual maintenance contract before expiry of warranty period resulted in unproductive expenditure of Rs 33.51 lakh on purchase of computerised flood control system.

Shahanoor Project in Amravati district, completed in March 1994 at a cost of Rs 48.49 crore, had gated spillway on left flank. The four radial gates could be

operated alternately, either manually or mechanically or through electricity. With this system, it was not possible to decide quantum of discharge of water from time to time. Therefore, automation of operation of these radial gates was technically approved by Superintending Engineer (SE), Upper Wardha Project Circle, Amravati at Rs 15.70 lakh in March 1995. Accordingly, work of providing technology for remote operation of spillway gates of the project by using microprocessor was undertaken for execution by Executive Engineer (EE), Shahanoor Project Division in July 1995 and was completed at a cost of Rs 33.51 lakh in March 1997. The system was taken over by the EE, Amravati Irrigation Division (AID) under the administrative control of SE, Akola Irrigation Circle, Akola for irrigation management purpose.

Scrutiny of the records of EE, AID, Amravati (October 2002) revealed that the system was neither in operation nor was maintained after expiry of warranty period (April 1998) and the Division also did not find it necessary to get the system repaired (till May 2000) and put it into operation. When proposal for Rs 2.53 lakh on this account was sent by EE to the SE, Akola (May 2000), the latter not only rejected the proposal but also questioned the propriety of undertaking the installation of such a costly system. Therefore, no further attempts were made to repair the system and the system was lying idle since last six years. Considering availability of three other alternative systems to operate the gates, chances of putting into use this computerised system in future are also bleak. Thus, expenditure of Rs 33.51 lakh turned out to be unproductive.

On this being pointed out, the EE stated (May 2004) that the system was installed on experimental basis. Reply of the EE is not tenable, as nothing was available on the initial records to establish that system was on experimental basis. Further, even if the installation as stated by EE was on experimental basis, justification for neither acquiring technical competence to maintain and repair the system within the warranty period nor entering into Annual Maintenance Contract (AMC) after warranty period was furnished.

The Government stated (October 2004) that field officers had now decided to modify the system and go to in for AMC.

PUBLIC WORKS DEPARTMENT

4.4.10 Avoidable expenditure due to overlapping of work

Excess expenditure of Rs 50.78 lakh due to overlapping of the work in the same stretch of road.

The work of improvement to riding quality of road from km 478/0 to km 515/0 (selected stretches 10 km) on Nagpur-Raipur section of NH-6 (work 'A') was technically approved by the Government of India, Ministry of Surface Transport (MOST), New Delhi in October 1999. The work was

awarded (February 2000) to a contractor at 22.56 per cent below the estimated cost of Rs 98.14 lakh with a defect liability period of two years. Although stipulated period for completion was twelve months from the commencement of work, the contractor completed the work within a period of five and a half months (July 2000) at a cost of Rs 1.20 crore.

Scrutiny of the record (March 2001) of the Executive Engineer (EE), National Highway Division No. 14, Nagpur revealed that while the finalisation of tender for work 'A' was under process, the Department included (January 2000) road length from Km 503/0 to 514/0 (work 'B') for implementation under Special Repairs (SR) programme during 2000-01. The work 'B' was technically approved (March 2000) and awarded to the same contractor at 20.56 per cent below the estimated cost of Rs 1.46 crore in August 2000 (ie in next month after completion of work 'A'). The work 'B' was completed in June 2001 at a cost of Rs 1.35 crore.

Audit noticed that item of providing and laying bituminous macadam (BM) and providing, laying and consolidation of semi-dense bituminous carpet (SDBC) was provided in a patch of four kms (km 505 to km 508) in both the works. So, there was overlapping of execution of the same item in this patch. As the department was aware of the inclusion of this patch of the road under work 'A', the execution of BM and SDBC under SR programme was unwarranted and resulted in avoidable expenditure of Rs 36.93 lakh as under:

Over-lapping in Km	Detail of item	Work of Improvement (work 'A')			Work of Special Repairs (work 'B')		
		Executed Quantity (in cum)	Tendered rate (in Rupees)	Cost of work done (Rupees in lakh)	Executed quantity (in cum)	Tendered rate (in Rupees)	Cost of work done (Rupees in lakh)
505 to 508	BM 50 mm with 3.25 per cent bitumen	1556.157	1358.84	21.15	1523.486	1430.28	21.79
	SDBC 25 mm with 4.5 per cent bitumen	726.97	2016.92	14.66	695.554	2176.10	15.14
	Total			35.81			36.93

On this being pointed out, the Government stated (July 2004) that this road is passing through the waterlogged area and due to inadequate embankment, the water from sub grade under capillary action comes to the road surface and causes damages to the road surface in every monsoon.

Reply was not acceptable, as the work 'B' was awarded in August 2000 where as defect liability period of work 'A' was upto June 2002. Hence for any damage to the road due to water logging could have been got repaired at the cost of contractor invoking defect liability clause. Thus, decision of the Department to provide for execution of work in the same stretch resulted in overlapping of work and avoidable expenditure of Rs 36.93 lakh.

Further, the division had developed (February 2001) paved shoulders in the patch from km 505 to 508 by incurring an expenditure of Rs 29.71 lakh to match the carriage way developed through work 'A'. However, due to

execution of work 'B' there was difference in the levels, which had to be matched by the division by entering into four contracts. The work was completed in December 2001 at a cost of Rs 13.85 lakh. Thus, execution of work 'B' had further resulted in additional expenditure of Rs 13.85 lakh on the paved shoulders.

On this being pointed out, the EE stated (May 2002) that Superintending Engineer, Ministry of Road Transport and Highways during his visit had directed to match the paved shoulders with the road surface to prevent accidents. The reply indicates overlapping of work necessitating further additional expenditure of Rs 13.85 lakh.

MEDICAL EDUCATION AND DRUGS DEPARTMENT

4.4.11 Avoidable excess payment towards water charges

Extra payment of water charges of Rs 5.61 crore to Nagpur Municipal Corporation due to non-replacement of faulty meters.

According to provisions contained in Rule 8 (a) of the city of Nagpur Corporation Act, 1948, the consumer shall be responsible for safety of the meter and shall be responsible for theft, damage by fire or accident or otherwise. Rule 15 of the said Act as amended from time to time also provides that if the meter is found out of order and not registering the measurement correctly or is under repairs, the consumer shall be penalised by computing the water consumption at two to three times of the previous highest monthly consumption till the meter is replaced.

Scrutiny of the records (October 2003) of Government Medical College and Hospital, Nagpur (GMCH) revealed that out of the four meters installed by Nagpur Municipal Corporation (NMC), Nagpur for water supply to GMCH, two meters went out of order in the year 1991 and 1995. The GMCH had not taken any action till July 2001 either to repair or replace the faulty meters on the plea that it was the responsibility of NMC and continued to pay water charges at penal rates. The faulty meters were finally replaced in September 2002 and December 2002. By the time GMCH had paid Rs 9.01 crore to NMC between January 1997 and June 2002 as against admissible payment of Rs 3.40 crore resulting in excess payment of Rs 5.61 crore to NMC as a penalty.

Thus, the failure of GMCH to take cognizance of excess billing of water charges for over six years and inaction for prompt replacement of meters indicates the casual approach of the authorities concerned. Fixing of responsibility in this case is called for.

The matter was referred to the Secretary to the Government in May 2004. Reply has not been received (December 2004).

4.4.12 Avoidable expenditure

Avoidable expenditure and consequential notional loss of Rs 94.16 lakh due to higher billing of water supplied for domestic purpose in the absence of separate water meter.

The JJ Hospital is a teaching hospital under the Medical Education and Drugs Department. The hospital complex comprises of Grant Medical College, Nurses Training College, hospital proper with office premises/wards/laboratories and attached quarters/hostels.

Scrutiny of records of the JJ Hospital (July 2004) revealed that the water supply to the entire complex is made by the Brihanmumbai Municipal Corporation (BMC) through a single meter and charges were levied at the higher rate applicable to hospitals from time to time. Major portion of the water supplied to the hospital complex is used for domestic purpose by the inmates of quarters/hostels as well for educational purpose for which water charges are lower than the hospital rates.

In the absence of any data regarding consumption of water by the Grant Medical College/Nurses Training College, the water consumed for educational purpose could not be quantified. On the basis of number of persons occupying the quarters/hostel and considering consumption of 90 litres of water per day per person as per the norms of BMC, the average consumption of water per month for domestic purpose works out to 13405538 litres (approximately). Considering the differential rates of water charges leviable for hospitals and domestic purpose, avoidable expenditure on this account for the period from April 1996 to December 2003 and consequential loss to Government works out to Rs 94.16 lakh.

The matter was referred to the Principal Secretary to the Government in August 2004. Reply has not been received (December 2004).

WATER SUPPLY AND SANITATION DEPARTMENT

MAHARASHTRA JEEVAN PRADHIKARAN

4.4.13 Unfruitful expenditure

Insufficient planning, poor implementation of Government policies and failure in improving Information Technology awareness resulted in non-utilisation of computer hardware and software costing Rs 1.22 crore.

The Computerisation in Maharashtra Jeevan Pradhikaran (MJP) funded under the Rajiv Gandhi National Drinking Water Mission (RGNDWM) was taken up in March 1999. MJP purchased (May 1999) 106 copies of AUTOCAD MAP software (a proprietary software of M/s Autodesk Inc, Bangalore) costing Rs 1.08 crore from M/s Zenith Computers Limited for computerisation of

project designs/drawings. Hardware such as plotters, digitizers, servers, PCs, printers and networking equipments costing Rs 4.96 crore were also purchased from M/s Zenith Computers Limited (March 1999).

Audit observed (May 2004) that 33 copies of the AUTOCAD MAP software costing Rs 33.66 lakh, 15 plotters costing Rs 42.45 lakh, 19 digitizers costing Rs 5.29 lakh and 19 Servers costing Rs 40.28 lakh were lying unutilised. This was due to fact that the authorisation code of the AUTOCAD MAP software was made available to the MJP units only for an initial period of 30 days. The permanent authorisation code was not obtained by the MJP, as a result of which the software could not function and consequently the plotters and digitizers could not be utilised.

Thus, poor and uncoordinated planning, failure in improving the awareness, understanding and resolving issues related to IT resulted in non-utilisation (for more than five years) of computer hardware and software costing Rs 1.22 crore.

The matter was referred to the Secretary to Government in August 2004. Reply has not been received (December 2004).

4.5 Idle investment/idle establishment/blockage of funds

HOUSING DEPARTMENT

MAHARASHTRA HOUSING AND AREA DEVELOPMENT AUTHORITY

4.5.1 Irregular allotment of tenements

Allotment of tenements to co-operative housing societies without ensuring their capacity to pay the cost of tenements resulted in blocking up of funds of Rs 14.85 crore and loss of revenue of Rs 3.09 crore due to grant of subsidy to them.

Maharashtra Housing and Area Development Authority (MHADA) constructed 1760 tenements at Pratiksha Nagar, Sion under the Slum Rehabilitation Scheme (SRS). The SRS provided for allotment of tenements to the slum dwellers free of cost whose land was acquired under the SRS and sale component offered to general public by advertising.

Scrutiny of the records (May 2003) of MHADA revealed that three* proposed societies of members of backward class community were allotted the tenements out of free sale component under SRS as under:

* Bipin Smruti Co-operative Housing Society (BSCHS), Baba Ramdeoiji Co-operative Housing Society (BRCHS) and Kumkum Co-operative Housing Society (KCHS).

Society	Date of application	Date of offer of allotment	Building No./No. of tenements [#]	Total cost (Rupees in lakh) [#]	Date of handing over possession	Payment received (Rupees in lakh)	Balance amount recoverable (Rupees in lakh)	Monthly rent (Rupees)
BSCHS	December 1999	May/June 2001	6/89(78)	386.08	30 June 2001	81.75	304.33 29.26(rent)	1200
BSCHS	June 2001	June 2001	1/95(80)	400.79	7 June 2001	97.25	303.54 29.99(rent)	1200
BRCHS	27 June 2001	28 June 2001	7/88(69)	478.28 (350.80)	20 August 2001	72.85	277.95 24.71(rent)	1200
BRCHS	27 June 2001	28 June 2001	8/95(81)	540.36 (446.03)	19 September 2001 8 November 2001	99.30	346.73 30.96(rent)	1200
KCHS	3 July 2001	6 July 2001	3A/95(81)	540.36 (354.50)	4 August 2001 7 August 2001	232.25	122.25 15.54(rent)	1200
Total			462(389)	2345.87 (1938.20)		583.40	1354.80 130.46 (rent)	

Scrutiny of the records revealed that the Mumbai Housing and Area Development Board (Board), a unit of MHADA, based on the request of BSCHS offered to allot (March 2000) building No. 6 consisting of 96 tenements to the society on immediate payment of initial deposit of Rs 1 lakh per tenement towards the cost of the flat (Rs 5.64 lakh) and balance within three months. The BSCHS, however, did not pay the initial deposit as required therefore, the Board as per orders of the Vice-President and Chief Executive Officer/MHADA (VP/A) kept the building reserved by granting extension (May/June 2001) till initial deposit of Rs 40.20 lakh was received and allotted 89 tenements out of 96 to them. Since BSCHS could not arrange for finance the VP/A after obtaining an undertaking from the society to make full payment by 14 August 2001 allowed the society to occupy (60 tenements in May 2001 and 29 in June 2001) the tenements temporarily for three months on a rental basis of Rs 1200 per month and deposit of Rs 20000 per tenement. It was further seen that though the BSCHS had not paid for the tenements for the building No. 6, on their request (June 2001) to allot another building, the Board allotted building No. 1 consisting of 95 tenements and allowed the society to occupy the building on rental basis upto September 2001 (deadline for making full payment). However, society failed to pay.

In the meantime other two societies (BRCHS and KCHS) also approached the Board in June and July 2001 for allotment of buildings and they had to be allotted tenements as shown in the table on the same condition as to BSCHS.

Due to weak financial condition, the societies could not pay the Board as per schedule. As sequel to this, the VP/A granted extensions for payment, from time to time upto December 2002 but the societies failed to pay the balance

[#] The figures in bracket show the upto date position of tenements in possession of the societies and their cost, after subsequent vacation/surrender. The balance shown is with reference to the upto date position

cost and the monthly rent. Consequently, on 13 January 2003, MHADA issued notices of cancellation of allotment to all the three societies, upon which, members of BSCHS and BRCHS filed a writ petition (February 2003) in the Bombay High Court to stall the eviction proceedings by MHADA with a prayer for granting discount in the sale price.

In the mean time, KCHS requested MHADA, (January 2003) for reduction in sale price. Considering the request of the KCHS MHADA decided (20 February 2003) to offer to the societies subsidy of Rs 67500 (equal to 50 per cent of the amount of expected subsidy of Rs 1.35 lakh per tenement from Government) and directed the societies to make the balance payment within 90 days. The Court also turned down (April 2003) societies' prayer for further discount in the sale price and directed the societies' to pay the balance cost after considering the subsidy of Rs 67,500 per tenement offered by MHADA, within 90 days, (which was further extended by its order of 6 February 2004 to six months) and to pay the arrears of rent from September 2001 to February 2004 within one month and continue to pay rent regularly every month till the entire balance cost was paid.

The balance cost payable as on February 2004 in respect of the 462 tenements after adjusting the subsidy (Rs 67,500) per tenement offered by MHADA aggregated to Rs 13.55 crore and the accumulated arrears of rent to Rs 1.30 crore. Though the period of six months stipulated by the court was over MHADA was yet to receive the balance cost and rent, except from KCHS.

Thus, irregular allotment and handing over possession of tenements, flouting prescribed procedure and without assessing the capability of the Societies to pay, culminated in litigation and blocking up MHADA's funds of Rs 14.85 crore for about three years. Besides, *suo motu* decision of MHADA to grant 50 per cent of the subsidy made a further dent in its revenue by a sum of Rs 3.09 crore.

The matter was referred to the Principal Secretary to the Government in June 2004. Reply has not been received (December 2004).

INDUSTRIES, ENERGY AND LABOUR DEPARTMENT

4.5.2 Idle investment

Idle investment of Rs 2.42 crore due to non-completion of office building for want of funds possibility of deterioration of uncapped piles costing Rs 1.41 crore and cost escalation of Rs 5.92 crore due to time overrun.

The Government purchased 2175 square metre of land at Bandra Kurla Complex at a cost of Rs 2.42 crore in 1988 for construction of office building for the Commissioner of Labour, Maharashtra, Mumbai which was functioning from the rented premises.

The Government administratively approved (October 1992) construction of the proposed building for Rs 2.78 crore. As the land fell under the Coastal

Regulation Zone, the department could obtain the 'No Objection Certificate' from the Brihanmumbai Municipal Corporation only in February 1997 after much correspondence. Since the administrative approval lapsed by that time, revised estimates for Rs 4.60 crore were submitted to the Government in December 1997 and were approved in May 1998.

Scrutiny of the records of the Commissioner of Labour, Mumbai (April 2004) revealed that the work was initially executed by the Executive Engineer, North Mumbai Division of Public Works Department, Andheri. After an expenditure of Rs 3.23 lakh on land levelling and compound wall, the work was then entrusted to Executive Engineer (EE), Agriculture Construction Division, Aarey Colony, Mumbai as deposit work. The division awarded (April 2000) the pile foundation work of the building at tendered cost of Rs 1.18 crore to an agency with the stipulated period of completion as 10 months.

As seen from the progress report (February 2004), the work was stopped (July 2002) for want of funds after completion of 84 out of 111 piles, at a cost of Rs 1.41 crore. Since the work was not completed upto pile cap, the EE reported (August 2003) to the Commissioner of Labour that the exposed metal parts may deteriorate and would adversely affect the strength of the pile foundation. Though the Government released Rs 45 lakh in two instalments till December 2003, the agency refused to restart the work unless the total funds of Rs 85.10 lakh required to complete the remaining 27 piles were released in lump sum. The cost of the work in the meanwhile increased to Rs 8.70 crore due to delay in commencement of work and slow progress of work for which another revised estimates were submitted to Government in February 2001 for which approval is awaited (October 2004).

The Government in Labour Department while confirming the facts stated (October 2004) that the funds could not be released due to financial constraints faced by the Government.

Thus, inordinate delay in commencement of work and non-provision of adequate funds by the Government from time to time led to blockage of Rs 2.42 crore spent on purchase of land for over a period of sixteen years, cost escalation of Rs 5.92 crore and possibility of deterioration of uncapped piles constructed at a cost of Rs 1.41 crore. In addition, the Government has to incur recurring expenditure of Rs 6.72 lakh per annum towards rent for the existing premises.

IRRIGATION DEPARTMENT

MAHARASHTRA KRISHNA VALLEY DEVELOPMENT CORPORATION

4.5.3 Idle investment on Lift Irrigation Schemes

Idle investment due to non-completion of Lift Irrigation Schemes.

The Takari Lift Irrigation Schemes (LIS) estimated to cost Rs 82.43 crore with the projected irrigation potential of 36615 hectares of land was started in 1984-85. The scope of scheme was enhanced (March 1986) by taking up another scheme namely Mhaisal LIS and both the schemes together had an estimated cost of Rs 187.90 crore with a total projected irrigation potential of 68908 hectares of land. Both the schemes were projected to be completed by June 1994.

Due to non-provision of funds by Government the schemes could not be completed as scheduled (June 1994). Subsequently the Government formed (April 1996) the Maharashtra Krishna Valley Development Corporation (MKVDC) to complete the projects in the Krishna river basin expeditiously. Till then, though Irrigation Department had spent Rs 225.35 crore on head works and canal works, the schemes were not completed. The MKVDC in May 1997 revised the schemes considering additional coverage approved by the Government from time to time at the cost of Rs 1321.12 crore with projected irrigation potential of 106020 hectares of land. The schemes were revised by the MKVDC again in January 2004 at the cost of Rs 1982.81 crore with enhanced irrigation potential of 109127 hectares of land as per demand of the people and their representatives.

Scrutiny of the records of the Krishna Koyna Lift Irrigation Project Circle, Sangli (May 2003) and information obtained (August 2004) revealed that expenditure of Rs 881.63 crore was incurred on the schemes till July 2004. It was further observed that the head works were completed to the extent of 71 *per cent*, canal work 32 *per cent* and the stages I and II (out of IV stages) of Takari LIS and stages I, II and III (out of VI stages) of Mhaisal LIS were commissioned in June 2000 and March 1999 respectively creating indirect irrigation potential of 1599 hectares of land. However, due to non-construction of distribution network the MKVDC could not provide any direct irrigation facilities to the farmers despite incurring an expenditure of Rs 881.63 crore and part commissioning of the schemes.

While attributing the delay in execution of the schemes to paucity of funds, the MKVDC stated (June 2004) that if sufficient funds are made available, the project could be completed by 2008.

Thus, taking up of major irrigation schemes and enhancement of scope of the schemes time and again without ascertaining the availability of fund, no

tangible benefits could be achieved for the investment of Rs 881.63 crore even after 20 years of its commencement. Further, there was cost overrun of Rs 843.64 crore, which is directly attributed to delays.

The matter was referred to the Principal Secretary to the Government in May 2004. Reply has not been received (October 2004).

4.5.4 Blocking of funds

Blocking of funds of Rs 52.41 lakh and cost escalation of Rs 29.71 lakh due to delay in execution of Kolhapur Type Weir at Walunj, Ahmednagar.

To irrigate 213 hectares of land, the Government administratively approved (June 1992) construction of Kolhapur Type (KT) Weir at Walunj at the cost of Rs 31.46 lakh. The work order was issued (January 1994) to an agency at the tendered cost of Rs 21.17 lakh (4.60 *per cent* below the estimated cost of Rs 22.19 lakh) with stipulated period of completion as 18 months.

Scrutiny of records (January 2001) of Superintending Engineer, Pune Irrigation Circle, Pune revealed that the agency stopped the work (July 1996) due to shortage of cement. Since the department could not supply cement, it withdrew (October 1996) the work from the agency under clause 15(i)* of the agreement after incurring an expenditure of Rs 43.88 lakh. In order to complete the scheme, the circle office submitted (June 1997) revised estimates to the Command Area Development Authority (CADA), Ahmednagar. This was not processed by that office till its closure in November 1998. The estimates were later processed in Pune Irrigation Circle, Pune and submitted (September 1999) to Maharashtra Krishna Valley Development Corporation (MKVDC), Pune, who sanctioned (October 2000) revised estimates for Rs 98.98 lakh to irrigate 311.50 hectares of land. The work order was issued (November 2000) with stipulated period of completion as eight months (July 2001). However, due to paucity of funds, the work was stopped (June 2002), after incurring an expenditure of Rs 8.53 lakh (paid upto March 2004).

Non-supply of cement by the department due to scarcity, increase in quantum of works[#] necessitating revision of estimate, subsequent delays in finalisation of revised estimates and paucity of funds resulted in non-completion of the scheme thereby blocking of funds of Rs 52.41 lakh incurred on the scheme for two to eight years. Besides, beneficiaries were deprived of the benefits of the scheme. There was also cost escalation of 44 *per cent* at Rs 29.71 lakh based on revised estimates due to adoption of revised district schedule of rates.

* If at any time after the execution of the contract documents the Engineer desires for any reason that whole or part of work should not be carried out at all, he shall give a notice in writing to the contractor and contractor shall on receipt of the same stop the work wholly or in part, without any compensation.

[#] Excavation in soft strata, excavation in hard strata and uncoursed rubble in cement mortar for foundation

Government stated (September 2004) that (a) due to transfer of work from one office to another, there was delay in finalisation of revised estimates and (b) according to MKVDC circular of January 2002 wherever expenditure incurred is less than 50 *per cent*, such scheme should be stopped and no further liability should be created. Therefore work was stopped in June 2002.

The reply is not tenable as the total expenditure incurred on the work was more than 50 *per cent* of the revised estimated cost.

MEDICAL EDUCATION AND DRUGS DEPARTMENT

4.5.5 Idle investment

Idle investment of Rs 50.69 crore on construction of a hospital building and non-recovery of lease rent of Rs 2.70 crore in respect of shops leased out.

Scrutiny of records in the Gokuldas Tejpal (GT) hospital, Mumbai revealed (November 2003) that an agreement between Government and a private builder was executed (October 1985) wherein it was agreed to complete the construction of hospital building by March 1987. Agreement further provided for recovery of lease rent in respect of shops constructed in the hospital complex. However, no lease agreement in respect of these shops was executed and lease rent amounting to Rs 2.70 crore (approximately) for sale of 477 shops was not recovered (December 2003). It was noticed that the builder structurally completed the hospital building (January 1996) and obtained permission for water connection and occupation certificate from the Brihanmumbai Municipal Corporation (January 1996). As some residual works were not completed, the Public Works Department (PWD) did not take over the building.

PWD took the possession of the building (March 2000) and handed it over to the Public Health Department on the same day. As per the valuation of PWD, the cost of the land and building constructed thereon was Rs 50.51 crore. In the meanwhile, it was proposed (May 1998) to start a super speciality hospital in the building with private participation and World Bank aid and an agreement for formation of Joint Venture Company was entered into with M/s Wockhardt Company (May 2001). An expenditure of Rs 17.92 lakh was incurred (March 2004) on feasibility study, security of the building and study tour abroad. However, the Joint Venture Company could not materialise due to adverse recommendation of the Standing Committee attached to the Public Health and Medical Education Department as the gains by Government in relation with the investment in the project seemed unsatisfactory.

Failure to take timely action to put the hospital building to use resulted in idle investment of Rs 50.69 crore and deprived the people of the State of a well equipped hospital for over eight years. Besides, lease rent amounting to Rs 2.70 crore remained unrealised.

**RURAL DEVELOPMENT AND WATER CONSERVATION
DEPARTMENT**

4.5.6 Idle investment on minor irrigation tank

Inaction on the part of department to take corrective measures to prevent depletion of water had resulted in idle investment of Rs 71.88 lakh and deprival of intended irrigation benefit for over eight years.

Work of Minor Irrigation Tank at Sawangi in Amravati District to irrigate 89 hectares of land was taken up (April 1995) for execution by Executive Engineer (EE), Minor Irrigation (Local Sector) Division, Amravati as deposit work. The work was completed at a cost of Rs 52.48 lakh in April 1996.

Scrutiny of records (August 2003) of EE revealed that no irrigation was possible from the project since its completion as the stored water got depleted every year below lower sill level prior to Rabi season. However, neither action was taken to ascertain the reasons for seepage nor any remedial measures were carried out to arrest it. This had resulted in idle expenditure of Rs 71.88 lakh (Rs 52.48 lakh on dam and Rs 19.40 lakh on allied work).

While accepting the fact EE stated (November 2003) that percolation of water may be through submergence area. He further stated that the matter was referred (February 2002) to Senior Geologist for investigation and suggestion of remedial measures, but the report was awaited (December 2004).

Thus, inaction on the part of the division to take corrective measure to ascertain the reasons for seepage and prevent depletion of water had resulted in idle expenditure of Rs 71.88 lakh and deprival of intended irrigation benefit for over eight years.

The matter was referred to the Secretary to the Government in August 2004. Reply has not been received (December 2004).

**SOCIAL JUSTICE, CULTURAL AFFAIRS AND SPECIAL
ASSISTANCE DEPARTMENT**

4.5.7 Blocking of funds

Non-completion of the buildings under the "Matoshree Vridhashram Yojana" resulted in blocking of Rs 35 lakh for over four years.

The Government resolved (November 1995) to implement the "Matoshree Vridhashram Yojana" for housing about 100 aged people in each district. The scheme was to be implemented through Non-Government Organisation (NGOs) who were to be provided with land admeasuring upto five acres on lease for 30 years at nominal rent of rupee one per year and Rs 50 lakh towards construction of the buildings by the Government.

Scrutiny of the records of the Divisional Social Welfare Officer, Navi Mumbai (April 2002) and information obtained from the Special District Social Welfare Officer, Mumbai Suburban (July 2004) revealed that the Government allotted 12.5 acres of land at Gorai, Taluka Borivali (May 1997) on lease for 30 years at a nominal rent of rupee one per year as against the prescribed five acres of land to Vasant Smruti (an NGO) for setting up a *Vridhashram*.

Government also released grant of Rs 35 lakh between March 1999 and March 2000 for construction of the buildings. According to instructions issued by the Government in December 2001, the incomplete work of *Vridhashram* was to be got completed by 31 March 2002. Though two buildings were physically completed, works related to doors, windows, water supply and painting were still pending. Similarly, works upto slab stage only were completed in respect of other two buildings. The NGO had neither furnished the utilisation certificate nor approached the department for further grants despite written requests from the Department (July 2004) and several personal visits of the officials to NGO. Further, a show cause notice was also issued (June 2004) to NGO. However, there was no response from the NGO.

Thus, in spite of allotment of land at nominal rent and release of construction grant of Rs 35 lakh, the NGO had neither completed the building nor commenced the *Vridhashram* resulting in blocking of funds for over four years, besides non-achievement of the objective of housing the aged people.

The matter was referred to the Principal Secretary to the Government in August 2004. Reply has not been received (December 2004).

4.5.8 Denial of social security to the old age people

Failure of the Collector to encash a cheque of Rs 30.06 lakh has resulted in denial of benefits to 5012 beneficiaries under National Old Age Pension Scheme for over six years.

With a view to provide financial assistance to the destitute old age males/females of 65 years and above, Government of India (GOI) in August 1995 launched a 100 *per cent* centrally sponsored National Old Age Pension Scheme (NOAPS). The financial assistance of Rs 75 per month was payable to the beneficiaries in the form of pension. The district collector (DC) was responsible for monitoring, efficient implementation and arranging payments to the beneficiaries under the scheme.

Scrutiny of records of Project Director (PD), District Rural Development Agency (DRDA), Bhandara (April 2002) and information collected from the DC, Bhandara and Gondia (May 2004) revealed that under NOAPS, GOI telegraphically released (March 1998) second instalment of Rs 30.06 lakh for the year 1997-98. The amount was to be credited to the account of Collector, Bhandara being maintained by State Bank of India's Bhandara Branch. However, the amount was credited to the account of PD, DRDA, Bhandara. The PD, Bhandara after correspondence (April/June 1998) with GOI transferred (August 1998) Rs 30.06 lakh by issue of a cheque in favour of the

DC, Bhandara. Though DC Bhandara acknowledged the cheque in September 1998, the amount remained unutilised with DRDA, Bhandara. This has resulted in denial of contemplated benefits to 5012 beneficiaries and blocking of funds for over six years.

On this being pointed out the DC, Gondia stated (May 2004) that the cheque issued by DRDA was not received by the Collectorate and no correspondence in this matter was made by the PD, DRDA, Bhandara.

The reply of the Collector was not acceptable as Collector, Bhandara was required to ensure payment of pension and to furnish the utilisation certificate for second instalment for the year 1997-98. Thus, failure on the part of the DC to obtain and encash the cheque for 1997-98 resulted in denial of contemplated benefits of the NOAPS to 5012 destitute beneficiaries for years and also blocking of Government funds to that extent.

The matter was referred to the Secretary to the Government in August 2004. Reply has not been received (December 2004).

TRIBAL DEVELOPMENT DEPARTMENT

4.5.9 Idling of funds

Failure to provide land for construction of buildings for Ekalavya Residential Schools led to idling of funds of Rs 1.84 crore lying with the Maharashtra Tribal Public School Society.

The Government of Maharashtra (GOM) was to receive from GOI an amount of Rs 10 crore for construction of four* Model Residential Schools for tribal students (renamed "Ekalavya Residential Schools") in the State at Rs 2.5 crore per school. Government of India (GOI) released (1997-98) Rs 4 crore and remaining amount of Rs 6 crore was to be released subject to submission of satisfactory physical and financial progress report, utilisation certificate of the amount already released and on submission of information as required in the proforma attached to GOI letter of January 2002.. As per GOI norms, a minimum of 10 hectares of land required for construction of school buildings was to be provided by the State Government free of cost.

Scrutiny of records of the Tribal Development Commissionerate, Nashik (January 2004), revealed that the GOM released Rs 37.04 lakh (August 2000) and Rs 3.63 crore (May 2002) to the Commissioner of Tribal Development. These funds were kept in a bank in the name of Maharashtra Tribal Public School Society, established for running the schools. Construction of buildings had however, not commenced for want of land. All the four schools were functioning in rented premises (November 2000) and expenditure of Rs 28.76 lakh and Rs 1.87 crore respectively has been incurred on rent and establishment (April 2004).

* Ekalavya Residential school at Bordi (Thane), Mundegaon (District Nashik), Chikaldhara (District Amaravati) and Khairi-Parsoda (District Nagpur)

Thus, due to failure on the part of the State Government to make the land available for construction of the school buildings, funds to the extent of Rs 1.84 crore were lying idle for more than five years, besides Government could not avail of additional grant of Rs 6 crore.

The Government in Tribal Development Department stated (May 2004) that the Maharashtra Tribal Public School Society was trying its best to acquire land for construction of buildings for the schools. The Society was allotted land for school at Chikhaldara, however due to litigation, the construction could not be started. It was further stated that possession of land for school at Khairi-Parsoda was being taken over. However, the fact remains that the Government was unable to acquire and provide the required land for the purpose despite availability of government machinery and a well defined law for the purpose of acquisition of land in public interest.

URBAN DEVELOPMENT DEPARTMENT

4.5.10 Idle investment and loss of interest

Improper monitoring of investments resulted in idle investment of Rs 1 crore and loss of interest of Rs 19.50 lakh.

The Nagpur Improvement Trust (NIT) Act, 1936 provides for investment of surplus money not required for immediate expenditure in specified securities.

Scrutiny of records (November 2003) of NIT revealed that NIT had invested Rs 1 crore in 16.5 *per cent* interest bearing redeemable bonds of Indian Railway Finance Corporation (IRFC). The Bonds were to be redeemed after 7 years. The bonds were allotted to NIT on 21 May 1996 and were to mature on 21 May 2003. The interest on the bonds was to be paid in January and July every year. In January 2001, the IRFC issued public notice and circular for premature redemption of these bonds on 21 May 2001. No interest was payable after this date.

Scrutiny further revealed that NIT submitted the bonds for redemption on scheduled date of maturity (21 May 2003) instead of prematured date (21 May 2001) for redemption. IRFC refunded Rs 1 crore in August 2003, without any interest beyond the premature date of redemption. This resulted in keeping the amount for two years with IRFC without any returns on the investment. Thus, failure of NIT to monitor this investment properly led to idle investment of Rs 1 crore and loss of interest of Rs 19.50 lakh for two years.

NIT stated (November 2003) that they did not receive any communication for early redemption either through IRFC or through public notice. NIT further stated that the bonds were submitted in May 2003 on the presumption of getting the interest for two years in one lump. The reply was not tenable as failure of NIT for further investment after redemption resulted in idle investment of Rs 1 crore and loss of interest of Rs 19.50 lakh.

The matter was referred to the Secretary to the Government in August 2004. Reply has not been received (December 2004).

4.6 Regulatory issues and other points of interest

FINANCE DEPARTMENT

4.6.1 Outstanding Inspection Reports, Departmental Audit Committee Meetings, Follow-up on Audit Reports and Action Taken Notes

Failure to enforce accountability and protect the interests of Government.

➤ **Outstanding Inspection Reports**

The Accountant General (Audit) arranges to conduct 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. These inspections are followed up with Inspection Reports (IRs) to the Heads of Offices inspected with a copy to the next higher authorities. A half yearly report of pending IRs is sent to the Secretary of the Department concerned to facilitate monitoring of action taken on audit observations in these IRs.

Inspection reports issued up to December 2003 pertaining to 26 departments disclosed that 22335 paragraphs relating to 8425 IRs were outstanding at the end of June 2004. Yearwise position of the outstanding IRs and paragraphs are detailed in the **Appendix XXXI**.

➤ **Departmental Audit Committee Meeting**

In order to settle the outstanding audit observations contained in the Inspection Reports, Departmental Audit Committees have been constituted by the Government. During 2003-04, only five* out of the 26 departments convened 14 meetings of the Audit Committee. Out of 5383 paras outstanding against these five departments, 1993 paras were discussed in the meetings, of which, 1101 paras were settled.

For ensuring prompt compliance and early clearance of the outstanding paragraphs, it is recommended that Government should address this issue seriously and ensure that an effective procedure is put in place for (a) action against the officials who fail to send replies to IRs/paragraphs as per the prescribed time schedule, (b) action to recover loss/outstanding advances/overpayments in a time bound manner and (c) revamping the system in the Department for proper response to the audit observations.

* Agriculture, General Administration, Irrigation, Public Health, Women and Child Welfare.

➤ **Follow up on Audit Reports**

According to instructions issued by the Finance Department in March 1981, Administrative Departments were required to furnish Explanatory Memoranda (EMs) duly verified by Audit to the Maharashtra Legislature Secretariat in respect of paragraphs included in the Audit Reports within one month of presenting the Audit Reports to the State Legislature. The Administrative Departments were, however, not complying with these instructions.

The position of outstanding EM

s from 1997-98 to 2002-03 is as follows:

Audit Report	Date of tabling the Report	Number of Paragraphs/ Reviews	Number of EMs received	Balance
1997-98	20 December 1999	59/10	52/8	7/2
1998-99	30 November 2000	39/8	31/6	8/2
1999-2000	14 December 2001	49/6	35/6	14/0
2000-01	29 April 2002	36/7	22/6	14/1
2001-02	22 July 2003	50/1	20/1	30/0
2002-03	8 July 2004	42/6	--	42/6
Total		275/38	160/27	115/11

In addition to the above, EMs in respect of 62 paras relating to the period prior to 1996-97 were also outstanding. Department-wise details are given in **Appendix XXXII**.

➤ **Action Taken Notes**

The Maharashtra Legislature Secretariat (MLS) Rules stipulate that the Action Taken Notes (ATN) on the recommendations of the Public Accounts Committee (PAC) on those paragraphs in the Audit Reports that are discussed are required to be forwarded to MLS duly verified in Audit. Likewise, ATNs indicating remedial/corrective action taken on the paras that are not discussed are also required to be forwarded to the PAC duly vetted by Audit. It was observed that there were inordinate delays and persistent failures on the part of a large number of departments in forwarding ATNs on audit paragraphs. Year wise details of such paragraphs are indicated as follows:

Audit Report	Total number of paras in the Audit Report	Number of paras		ATN awaited in respect of paras	
		Discussed	Not discussed	Discussed	Not discussed
1985-86 to 1993-94	591	93	498	62	496
1994-95	65	22	43	21	43
1995-96	61	19	42	18	42
1996-97	73	14	59	13	57
1997-98	72	4	68	3	68
1998-99	47	--	47	--	47
1999-2000	55	10	45	10	45
2000-01	43	--	43	--	43
2001-02	51	--	51	--	51
2002-03	48	--	48	--	48

Audit Report (Civil) for the year ended 31 March 2004

Total	1106	162	944	127	940
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