

CHAPTER XXI : UNION TERRITORIES

Andaman and Nicobar Administration

Ministry of Home Affairs

21.1 Wasteful expenditure

Execution of the work disregarding the opinion of Central Water Commission on feasibility of this project resulted in wasteful expenditure of Rs 57.62 lakh.

Examination of documents in the office of the Executive Engineer, Andaman Public Works Department disclosed that the work on the suspended water supply project, namely 'Construction of Earthen Dam on Guptapara Nallah' was yet to be resumed as of October 1999. The work on this project was suspended in June 1996, by which time the Andaman Administration had spent Rs 1.03 crore on it.

Chief Engineer, Andaman Public Works Department undertook the work in May 1995 for construction of earthen dam on Guptapara Nallah under the 20 point programme, for supply of drinking water to three villages; namely Guptapara, Linedera and Manjuri with a total population of 4750. The work consisted of construction of 12 metre high earthen dam along with the spillway and network of pipes for supply of water.

Scrutiny disclosed that the Chief Engineer undertook the work even before the receipt of Geo-Technical Investigation Report from GSI¹. Scrutiny of documents further disclosed that the Central Water Commission has stated in June 1990 that this scheme is not viable, as the proposed reservoir was likely to be filled up within a few years due to heavy siltation.

The work had to be suspended in June 1996 due to recurrent landslides during excavation on account of slope stability problems. By this time the Administration had already booked an expenditure of Rs 70.62 lakh on the dam and the spillway and Rs 32.46 lakh on laying of pipes. The Chief Engineer stated in October 1999 that out of the expenditure on earthen dam and spillway, Rs 13 lakh were spent for other works.

Thus, execution of work without proper Geo-technical survey and investigation in disregard of the advice of Central Water Commission and without geo-technical examination has led to wasteful expenditure of at least Rs 57.62 lakh

¹ Geological Survey of India

spent on the earthen dam and the spillway. Even the network of pipelines could be used only partially for supply of water by tapping water direct from the nallah, whenever water was available. Meanwhile, the main objective of water supply for drinking and irrigation under the 20-point programme remained illusive.

The matter was referred to the Ministry in November 1999; their reply was awaited as of December 1999.

21.2 Under-utilisation of a plant

The Chief Port Administrator operated the desalination plant at very low capacity which resulted in his inability to supply potable water to vessels calling at the Port

With a view to meeting the demand of potable water of the vessels calling at Port Blair, Chief Port Administrator, Port Management Board installed a desalination plant in March 1996 at an expenditure of Rs 31.62 lakh. Working 20 hours a day in three shifts, the plant had a capacity to produce 3000 kilo litre potable water per month. The monthly demand of potable water by the ships calling at the port varied between 3000 and 7500 kilo litre during July 1996 to March 1999. The requirement of water over and above that produced by the Port Management Board, was to be drawn from the Port Blair Municipal Council.

The production of potable water in this plant started in July 1996. During the period July 1996 to March 1999, the plant was under repair for 11 months in two spells, which deprived Port Management Board of production of 33000 kilo litre potable water. The down time of 33 *per cent* due to repair of a new equipment was not desirable.

Allowing for the down time due to repairs and breakdown in electricity supply, the Port Management Board should have produced 64600 kilo litre potable water during July 1996 to March 1999 as per the installed capacity. However, against the actual capacity of 64600 kilo litre, the management produced only 15050 kilo litre potable water, which was mere 15 *per cent* with reference to the installed capacity excluding the down time due to power breakdown. Against total demand of 1.92 lakh kilo litre water from the vessels during this period, the Chief Port Administrator obtained 1.14 lakh kilo litre potable water from the Municipal Council and did not fulfill the demand for 63000 kilo litre water, which could have been largely met, if the capacity utilisation was assured.

The Chief Port Administrator attributed the shortfall in production to non-operation of the third shift on account of his inability to appoint staff for that shift. He, however, did not state why the staff could not be appointed. The

reasons for abysmally low production even with reference to the available capacity in two shifts operation was also not explained.

Thus, due to lackadaisical management of the desalination plant, the objective of fulfilling the demand for potable water of the vessels on one hand, and reducing the pressure on Port Blair Municipal Council, on the other, remained illusive.

The matter was referred to the Ministry in July 1999; their reply was awaited as of December 1999.

21.3 Double payment made for a consignment

Violation of payment procedure of Director General of Supplies and Disposals by the Director of Civil Supplies, Port Blair resulted in double payment of Rs 7.86 lakh for the consignment, which was recovered upon being pointed out by Audit.

Director of Civil Supplies, Port Blair placed a supply order with Swaraj Mazada Limited, Chandigarh for supply of two vans at a cost of Rs 7.89 lakh through DGSD.

The Government of India, Ministry of Civil Supplies, Consumer Affairs and Public Distribution, New Delhi sanctioned on 30 March 1995 Rupees eight lakh for purchase of two vans for use as Mobile Fair Price Shops with the direction that the amount should be utilised within the same financial year. The Director of Civil Supplies, Port Blair drew the amount as departmental advance in March 1995 to be adjusted within one month. He placed a supply order with Swaraj Mazada Limited, Chandigarh through Director General of Supplies and Disposals in September 1995 for supply of two vans at a cost of Rs 7.89 lakh. The vans were received at Port Blair in December 1995.

Scrutiny of records revealed that the Director of Civil Supplies, Port Blair drew advance in March 1995 to avoid lapse of budget. As the amount could not be utilised the cheques were revalidated by the PAO, Port Blair in November 1996 and Rs 7.86 lakh was paid to the firm by Director of Civil Supplies, Port Blair in December 1996 after a lapse of 21 months.

Director, Civil Supplies made direct payment to the firm, which resulted in double payment.

Cross check with claims by DGSD against Andaman and Nicobar Administration disclosed that the payment had already been made to the firm by Director General Supplies and Disposals in November 1995, which was reimbursed by the PAO, Port Blair in March 1996.

The payment to the supplier was made by Director of Civil Supplies, Port Blair in violation of the procedure for purchase through Director General of Supplies and Disposals, which prescribed that no direct payment should be made to the supplying firm by the indenter or consignee himself for supplies made against the supply order.

Thus, violation of the procedure by Director of Civil Supplies, Port Blair and PAO, Port Blair resulted in double payment of Rs 7.86 lakh for the consignment.

The Director, Civil Supplies, Andaman and Nicobar Administration stated in October 1999 that upon being pointed out by Audit the excess payment had been recovered from the firm.

The Ministry stated, in September 1999, that Andaman and Nicobar Administration was being directed to investigate the matter and fix responsibility.

21.4 Recovery at the instance of Audit

Upon being pointed out by Audit, Director of Shipping Services assured recovery of Rs 26.91 lakh paid to Goa Shipyards Limited, which was not admissible under the terms of the agreement.

Sample check of payments made by Director of Shipping Services, Andaman and Nicobar Administration disclosed that he paid Rs 14.28 crore to Goa Shipyard Limited upto March 1995 for construction of a passenger vessel. The bills admitted and paid by the Director included an element of attendance bonus in wage escalation in Goa Shipyard Limited. The claim by Goa Shipyard Ltd. towards attendance bonus for Rs 26.91 lakh was not admissible, since it was not included in the terms of agreement, under which wage escalation was permissible on 13 agreed items of wage.

Upon being pointed out by Audit, the Director of Shipping Services admitted in September 1999 that the payment was made due to oversight. He added that the excess payment would be recovered with the help of the administrative ministry failing which the matter will be referred for arbitration.

The matter was referred to the Ministry in July 1999; their reply was awaited as of December 1999.