Report (Civil)

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FOR THE YEAR ENDED 31 MARCH 2001

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PREFACE

PREFACE

1 This Report has been prepared for submission to the Governors of Madhya Pradesh and Chhattisgarh under Article 151 of the Constitution and under para 35 (i) of the Madhya Pradesh Reorganisation Act 2000 for placing in the respective State Legislative Assemblies.

2 This Report deals with the findings of performance audit and audit of transactions in the Water Resources, Public Works, Public Health Engineering, Forest and Other Departments.

3 The observations included in this Report have been selected from the findings of the test audit of transaction of Government of composite state of Madhya Pradesh upto 31 October 2000 and also of Government transactions of Madhya Pradesh (successor state) for the period from 1 November 2000 to 31 March 2001. However, the performance audit of schemes viz 'Drinking Water Supply' and Forestry Development through World Bank Aided Madhya Pradesh Forestry Project' covering transactions of Government of Composite Madhya Pradesh upto 31 October 2000 and also the transactions of both the Governments of Madhya Pradesh (successor state) and Chhattisgarh for the period from 1 November 2000 to 31 March 2001, are included in this volume.

4 The observations arising as a result of test audit of transactions for the period 1 November 2000 to 31 March 2001 in respect of Government of Chhattisgarh have been included in a Separate Report.

5 Reports containing audit observations on matters arising from examination of Finance Accounts and Appropriations Accounts for the year ended 31 March 2001, audit of other financial transactions of the State Government, audit of State Autonomous Bodies and Departmentally run Commercial Undertakings are presented separately.

6 Similarly, the Report containing the observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing such observations on Revenue Receipts are presented separately.

7 The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2000-2001, as well as those which had come to notice in earlier years but could not be dealt within previous reports; matters relating to the period subsequent to 2000-2001 have also been included wherever necessary.

OVERVIEW

This Report has 6 chapters containing observations on the financial transactions of Water Resources, Public Works, Public Health Engineering, Forest and other Works Departments of the Government of Madhya Pradesh for the year ended 31 March 2001. The chapters include 4 Audit Reviews and 18 Paragraphs arising from audit of financial transactions. A synopsis of the findings contained in the Audit Reviews and important Paragraphs is presented in this overview.

1 Audit Reviews

1.1 Integrated Audit of Water Resources Department

Water Resources Department is the principal agency of the Government of Madhya Pradesh for construction of irrigation schemes, development of irrigation potential and its actual utilisation. In the reorganised State of Madhya Pradesh although the net sown area was 150.7 lakh hectares (ha), the irrigation potential created was 20 lakh ha. The irrigation potential utilised was only 9.25 lakh ha that is only 46 per cent of the potential created. Further, there was great imbalance in irrigation potential created amongst various districts in the State. 99 schemes taken up between 1972 and 1985 were incomplete despite expenditure of Rs.1409.62 crore up to March 2001. The irrigation potential actually created was 2.51 lakh ha as against designed potential of 4.29 lakh ha. Though maintenance of canal system has been transferred to Water User Association from May 2000, detailed accounts of Rs.10.23 crore paid to them during 2000-01 were not submitted.

- There was a great imbalance in irrigation facilities in various districts, from less than 5 per cent of net sown area (NSA) in 8 districts, between 5 to 10 per cent in 20 districts and 40 to 75 per cent in other 6 districts as against 13.27 per cent at the state level.

- 7 major and 7 medium schemes (taken up between 1972-85) are incomplete. There was a cost overrun of Rs.1532.62 crore as a result of delay in acquisition of land etc.

- Rs.14.28 crore were spent on 4 schemes without any physical progress.

- Rs.10.23 crore disbursed to Water Users Associations (WUAs) included excess payment of Rs.2.05 crore.

- Maintenance expenditure of Rs.101.65 crore exceeded the actual irrigation revenue of Rs.27.07 crore.

- Rs.13 crore were paid to 789 employees rendered surplus due to closure of 27 circle offices. Rs.27.86 crore were paid to daily wage

employees appointed unauthorisedly after 1988. Rs.2.30 crore were paid to 454 employees without work who were attached to 463 condemned vehicles. 71 per cent of works expenditure of Rs.1431 crore was spent on establishment during 1998-2001 against the norm of 16.5 per cent.

- There was wasteful expenditure of Rs.1.86 crore on 5 schemes finally rejected by GOI for clearance of forest land.

- Excess payment of Rs.58.40 lakh on extra item and avoidable extra cost of Rs.31.02 lakh on extra quantities paid to the contractors were noticed.

(Paragraph 1.1)

1.2 Management of stores

The Public Works Department is responsible for construction and maintenance of residential/non-residential buildings, roads and bridges. The department did not have any systematic mechanism for procurement, custody and disposal of stores resulting in huge excesses in expenditure over budget allotment, diversion of funds from other heads of accounts, excess purchases causing accumulation of stores and violation of accounting principles. Following salient points emerged in the review.

- Purchase of stores in excess of requirement led to accumulation of huge stock worth Rs.33.06 crore.

- Tools and Plants worth Rs.4.36 crore were procured between 1995-96 and 1999-2000 without allotment of funds.

- RCC hume pipes worth Rs.1.03 crore injudiciously procured during 1997-98 and 1998-99, of which pipes costing Rs.73.71 lakh were lying unused as of August 2001.

- Excess consumption of 1081 MT bitumen emulsion worth Rs.1.08 crore during 1995-96 and 1996-97 was noticed.

- Use of 380.60 MT cutback bitumen, a costlier binder, during 1995-96 to 1999-2000, resulted in extra cost of Rs.55.88 lakh.

- Items reserved for procurement from MPLUN were purchased from open market at exorbitant rates resulting in extra cost of Rs.41.24 lakh.

- Material worth Rs.40.95 crore was debited to work without verification of its actual consumption between 1998-2000.

(Paragraph 2.1)

1.3 Drinking Water Supply

Government of India (GOI) launched (1993-94) the Centrally sponsored Accelerated Urban Water Supply Programme (AUWSP) for towns with

population less than 20000 (1991 Census). Though 312 towns were eligible for AUWSP, only 154 towns were proposed for potable water supply, out of which 100 schemes only were sanctioned. 26 schems covering 26 towns with a population of 2.69 lakh (8 per cent of the eligible population) were only completed at a cost of Rs.15.09 crore up to March 2001.

National Drinking Water Mission was launched (February 1986) by GOI to cover an ongoing centrally sponsored scheme viz. Accelerated Rural Water Supply Programme (ARWSP). It aimed to provide safe and potable drinking water at 40 litres per capita daily (LPCD) to all rural villages and habitations. There were 166603 villages and habitations in the State, of which 57050 were identified as problem habitations as of March 1997 and were proposed for coverage by March 2000. However, only 41783 habitations could be covered up to March 2001 at a cost of Rs.867.53 crore, leaving 15267 habitations (27 per cent) uncovered. Only 23.45 per cent of the targeted samples (3.24 lakh) were collected and checked. Thus the quality of the water being supplied to habitations was not assured. Inadequate planning, poor financial management, ineffective monitoring and evaluation led to blocking of huge resources and shortfall against targets of providing safe drinking water to the entire rural population. Assets became defunct due to poor maintenance and non-involvement of local community. Following points emerged in the review.

AUWSP

- Against Rs.105.51 crore required to complete the proposed 154 schemes, Rs.34.76 crore (33 per cent) only was provided in the Ninth Plan.
- GOMP retained Central share of Rs.11.53 crore and Rs.17.83 crore were lying unutilised under Civil Deposit in the Divisions.
- Though GOI released funds for all the approved schemes, 25 schemes costing Rs.30.50 crore were not commenced for want of administrative approval from GOMP and 8 schemes costing Rs.10.73 crore were also not commenced even after release of Rs.9.43 crore to the executing Divisions.
- Incorrect selection and low dependability of raw water sources of 5 schemes resulted in avoidable expenditure of Rs.45.55 lakh and unfruitful expenditure of Rs.2.51 crore. Suspension of work on 2 schemes resulted in nugatory expenditure of Rs.1.89 crore.
- Indecision on appropriate technology for treatment plant for Bhikangaon, Kasrawad schemes and non-construction of barrage (Bhikangaon) rendered the expenditure of Rs.3.01 crore unfruitful.

ARWSP

- GOMP failed to provide matching share of Rs.68.64 crore and reported expenditure was inflated by Rs.66.08 crore. Shortfall in expenditure under MNP deprived MP of central assistance of Rs.12.68 crore. E-in-

C, Bhopal and CE, Raipur kept Rs.110.84 crore in Civil Deposits of which Rs.50.37 crore remained unused.

- Low dependability and inadequate maintenance contributed to re-emergence of 1017 not covered and 16435 partially covered habitations. Inadequate survey contributed to failure of 15842 tube wells costing Rs.63.37 crore. 231 rural piped water supply schemes (RPWSS) were lying incomplete in which Rs.16.62 crore were locked up.

- Poor operation and maintenance of water supply schemes resulted in non-operation of 44179 hand pumps and 844 RPWSS and expenditure of Rs.305.30 crore unfruitful.

- Water quality monitoring and surveillance system was not introduced at the grass root level. Lack of action led to high incidence of water borne diseases.

- No remedial measures were taken in 2729 fluoride affected villages, 10 districts affected by excess salinity and 11 villages affected with excess arsenic in Rajnandgaon district.

- Lack of maintenance and non-involvement of local community rendered 2640 iron removal plants costing Rs.1.85 crore and 35 solar photo voltaic pumping system costing Rs.2.10 crore defunct.

- Department failed to install hand pumps in 1024 Aganwadi centers while Rs.3.94 crore were lying in Civil Deposits.

(Paragraph 3.1)

1.4 Forest development through World Bank Aided Madhya Pradesh Forestry Project

The Madhya Pradesh Forestry Project (Project) was started in September 1995 with World Bank assistance, for protecting and improving the forests through Joint Forest Management (JFM) by the Forest Department and local population. Significant progress towards JFM could not be achieved, as local people were not effectively involved, due to non-execution of memorandum of understanding (MOU), with Forest Protection Committees (FPCs) and Village Forest Committees (VFCs), non-involvement of Non-Government Organisations (NGOs), less payment of protection money to FPCs and VFCs and under utilisation of committee funds in Income Generating Activities (IGA). Further, no plans were prepared for carrying out the residuary work after completion of Phase I and non-approval of Phase II by the World Bank, was endangering the existing forest development works. The Forest Survey of India (FSI) reported (1995, 1997 and 1999) a significant reduction of 13534 sq. km in dense forest cover between 1995-99. Thus, loss of forest cover coupled with the natural increase in the population would adversely affect environmental stability and maintenance of ecological balance.

- Rs.20.75 crore were paid in advance to Forest Protection/Village Forest Committees (FPCs/VFCs) in contravention of World Bank directions.

- Rs.59.83 lakh were lying unutilised in Personal Deposit (PD) Account.

- Protection money of Rs.5.49 crore (50.2 per cent) was not paid to FPCs/VFCs.

- Delay in submission of claims to World Bank cast an extra burden of Rs.4.62 crore, on the State exchequer.

- Injudicious expenditure of Rs.4.89 crore was incurred on sites unsuitable for Assisted Natural Regeneration and Village Resources Development.

- Expenditure of Rs.87.26 lakh was incurred on prohibited/avoidable items of work.

- Delay in fixation of norms for forestry work under Assisted Natural Regeneration resulted in extra expenditure of Rs.13.68 crore.

- While Rs.1.76 crore were spent on forestry works in excess of norms; expenditure of Rs.2.62 crore spent on below graded sites proved wasteful.

(Paragraph 4.1)

2 Other Points

2.1 Construction of 800 bedded Sanjay Gandhi Memorial Hospital at Rewa

- Extra cost of Rs.5.33 crore on (i) renewal of works at higher rates (Rs.2.35 crore), (ii) change of specification of flooring (Rs.1.95 crore), (iii) procurement of Diesel generator at higher rates from open market (Rs.20.61 lakh), (iv) injudicious acceptance of tender at higher rates (Rs.82.46 lakh) and non-recovery of mobilisation advance Rs.48.23 lakh were noticed.

(Paragraphs 2.2 and 2.3)

2.2 Build, Operate and Transfer Scheme

- Under valuation of bids due to application of incorrect rates of toll tax and consideration of traffic census of 1997 instead of 2000 under BOT of Bankur and Chambal bridges and Jaora-Nayagaon road resulted in undue benefit of Rs.14.75 crore to the contractors.

(Paragraphs 2.5 and 2.11)

- Departmental strengthening of a portion of Indore-Sanwer-Ujjain road after inviting tenders under BOT resulted in undue benefit of Rs.27.18

lakh to the contractor, besides execution of sub-standard work of Rs.35.46 lakh.

(Paragraph 2.7)

- Failure of the Department in rescinding the contract for maintenance of Bhopal-Dewas road under BOT resulted in loss of Rs.1.42 crore.

(Paragraph 2.8)

2.3 Fraudulent payment

- Fraudulent payment of Rs.7.98 lakh was made in the work of construction of Jamsara approach road.

(Paragraph 2.9)

2.4 Excess payments

- Sanction of higher rates for the items included in the SOR resulted in excess payment of Rs.57.26 lakh in construction of residences in Judicial Academy at Bhopal.

(Paragraph 2.6)

- Sanction of higher rates for extra items resulted in excess payment of Rs.21.24 lakh in construction of Judicial Complex at Bhopal.

(Paragraph 5.1)

2.5 Extra cost and avoidable/excess expenditure

- Extra cost of Rs.48.37 lakh on execution of precast cement concrete tile lining in Rajghat canals without cost economy was noticed.

(Paragraph 1.2)

- SE, PHE Circle, Ujjain accepted higher rates for drilling of tube wells in 16 groups. This resulted in extra cost of Rs.39.48 lakh.

(Paragraph 3.2)

2.6 Loss to Government

- Loss of Rs.93.13 lakh was observed due to low survival of plants in Forest Division, Bhopal.

(Paragraph 4.2)

CHAPTER-I
WATER RESOURCES DEPARTMENT

SECTION-A

Integrated Audit of Water Resources Department	1.1	3

SECTION-B

Extra cost on the works of lining in Datia irrigation canal and Akhadeva distributary	1.2	16
Wasteful expenditure due to violation of Forest Conservation Act	1.3	17

CHAPTER-I
WATER RESOURCES DEPARTMENT

SECTION-A

1.1 Integrated Audit of Water Resources Department

1.1.1 Highlights

Water Resources Department along with Narmada Valley Development Authority is the principal agency of Government of Madhya Pradesh for utilising water for irrigation. In the reorganised State of Madhya Pradesh (MP), although the net sown area was 150.7 lakh ha, the irrigation potential created was 20 lakh ha. The irrigation potential utilised was only 9.25 lakh ha that is only 46 percent of the created potential.

- ***There was a great imbalance in irrigation facilities in various districts, from less than 5 per cent of net sown area (NSA) in 8 districts, between 5 to 10 per cent in 20 districts and 40 to 75 per cent in other 6 districts as against 13.27 per cent at the state level.***

  (Paragraph 1.1.6)

- ***7 major and 7 medium schemes (taken up between 1972-85) are incomplete. Their estimated cost had increased from Rs.153.86 crore to Rs.1686.48 crore resulting in cost overrun of Rs.1532.62 crore.***

  (Paragraph 1.1.7(i))

- ***Rs.14.28 crore were spent on 4 schemes without any physical progress.***

  (Paragraph 1.1.7(ii))

- ***Rs.10.23 crore disbursed to Water Users Associations (WUAs) in May 2000 included excess payment of Rs.2.05 crore.***

  (Paragraph 1.1.8)

- ***Maintenance expenditure of Rs.101.65 crore exceeded the irrigation revenue of Rs.27.07 crore.***

  (Paragraph 1.1.10)

- ***Rs.13 crore were paid to 789 employees rendered surplus due to closure of 27 circle offices. Rs.27.86 crore were paid to daily wage employees appointed unauthorisedly after 1988. Rs.2.30 crore were paid to 454 employees without work who were attached to 463 condemned vehicles. 71 per cent of works expenditure of Rs.1431 crore were spent on establishment against the norm of 16.5 per cent.***

  (Paragraph 1.1.11 (i) to (iv))

- ***There was wasteful expenditure of Rs.1.86 crore on 5 schemes finally rejected by Government of India (GOI) for clearance of forest land.***

(Paragraph 1.1.12)

- ***Excess payment of Rs.58.40 lakh on extra item and avoidable extra cost of Rs.31.02 lakh on extra quantities paid to the contractors were noticed.***

(Paragraph 1.1.15)

1.1.2 Introduction

Agriculture is the mainstay of the economy of Madhya Pradesh, with 80 per cent of the population being dependent on it.

The Water Resources Department (Department) along with the Narmadā Valley Development Department[1] is the principal agency of the Government of Madhya Pradesh (GOMP) for utilisation of water resources for irrigation purposes in the State. Before reorgaisation of the State, Department had tapped 32540.30 m cu m out of the 97430 m cu m water available for irrigation, to create an irrigation potential of 33.40 lakh ha by 31 March 2000, which was 15.98 per cent of NSA (209 lakh ha) and much below the national average of 26 per cent of NSA.

The State of Chhattisgarh was created on 1st November 2000 by the State Reorganisation Act, 2000 (28 of 2000) comprising 16 districts of Madhya Pradesh with an area of 135.13 lakh ha and NSA of 58.30 lakh ha with created irrigation potential of 13.40 lakh ha (22.98 per cent of NSA). The remaining 45 districts constitute the present State of MP having an area of 3.08 lakh sq. km (308 lakh ha) with NSA 150.70 lakh ha and developed irrigated area in 20 lakh ha. However, the area actually irrigated (9.25 lakh ha) was only 6.14 per cent of NSA.

1.1.3 Organisational set up

The Department is headed by an Engineer-in-Chief (E-in-C), assisted by eleven Chief Engineers (CEs) in charge of six basins[2], two projects[3] and three other formations[4]. 30 circles and 140 divisions are headed by Superintending Engineers (SEs) and Executive Engineers (EEs) respectively. A Principal Secretary to the Government of Madhya Pradesh monitors the Department at the apex level.

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1 A review on the working of the Narmada Valley Development Authority was included in paragraph 5.1 of the Report of the Comptroller and Auditor General of India on the Government of Madhya Pradesh for the year ended 31 March 1998.

2 Chambal Betwa, Dhasan Ken, Ganga, Narmada Tapti, Wainganga and Yamuna.

3 Bansagar, Rajghat and Sindh Projects.

4 Bureau of Design and Hydel Irrigation (BODHI), Electrical and Mechanical (E&M) and Operation and Maintenance (O&M).

1.1.4 Audit Coverage

The review is based on a test check of records in the office of the E-in-C, 10[5] out of 11 CE's and 12[6] out of 140 divisions of the Department conducted between August 2000 and June 2001. Besides, about 50 monthly accounts and inspection reports of divisions other than those test checked were also scrutinised. The review is aimed at an overall assessment of the working of the Department in the development and utilization of irrigation potential apart from execution of schemes.

1.1.5 Budgetary Management and Control

The budget provision, actual expenditure and excess/saving during last 5 years[7] were as follows.

(i) As per Departmental figures

(Rupees in crore)

Year	Budget provision	Suppl. provision	Total grant (2+3)	Surrender	Net grant (4-5)	Expenditure	Saving (-)/Excess (+) *vis-a-vis*	
							Total grant	Net grant
(1)	(2)	(3)	(3)	(5)	(6)	(7)	(8)	(9)
1996-97	698.57	48.96	747.53	51.65	695.88	657.76	(-) 89.77	(-) 38.12
1997-98	795.73	92.85	888.58	87.10	801.48	742.47	(-) 146.11	(-) 59.01
1998-99	788.03	135.05	923.08	60.76	862.32	826.70	(-) 96.38	(-) 35.62
1999-00	792.21	48.77	840.98	28.02	812.96	819.36	(-) 21.62	(+) 6.40
2000-01	843.88	113.52	957.40	149.14	808.26	800.88	(-) 156.52	(-) 7.38
Total	**3918.42**	**439.15**	**4357.57**	**376.67**	**3980.90**	**3847.17**	**(-) 510.40**	**(-) 133.73**

(ii) As per Appropriation Account

(Rupees in crore)

Year	Budget provision	Suppl. provision	Total grant (2+3)	Surrender	Net grant (4-5)	Expenditure	Saving (-)/Excess (+) *vis-a-vis*	
							Total grant	Net grant
(1)	(2)[8]	(3)	(4)	(5)	(6)	(7)	8	9
1996-97	719.19	47.95	767.14	32.25	734.89	605.16	(-) 161.98	(-) 129.73
1997-98	813.39	108.35	921.74	28.84	892.90	651.88	(-) 269.86	(-) 241.02
1998-99	804.84	123.27	928.11	65.91	862.20	762.41	(-) 165.70	(-) 99.79
1999-00	727.17	53.84	781.01	19.52	761.49	747.08	(-) 33.93	(-) 14.41
2000-01	789.70	121.09	910.79	137.86	772.93	714.79	(-) 196.00	(-) 58.14
Total	**3854.29**	**454.50**	**4308.79**	**284.38**	**4024.41**	**3481.32**	**(-) 827.47**	**(-) 543.09**

The Department did not take any action to reconcile the differences of Rs.365.85 crore between their figures and those appearing in the Appropriation Accounts during 1996-97 to 2000-2001.

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5 CE Bodhi, Bansagar, Chambal Betwa, Dhasan Ken, E&M, Ganga, Narmada Tapti, O&M, Wainganga and Yamuna Basin.

6 WRD Bhopal, Chhindwara, Gwalior, Indore, Khandwa, Morena, Neemuch, Narsingarh, Raisen, Rajgarh, Shajapur and Sehore.

7 The figures given in the tables are for the undivided MP and do not include the figures for the period from November 2000 to March 2001 for Chhattisgarh State.

Though Paucity of funds was cited by the Department as the main reason for delay in completion of projects, the fact remains that the total surrenders and savings of Rs.510.40 crore exceeded the supplementary provision of Rs.439.15 crore by Rs.71.25 crore which is indicative of poor financial management. It was further seen that there were savings of Rs.1.92 crore in 2 major schemes (Sindh phase II and Bariyarpur) and an excess of Rs.2.53 crore in 8 schemes (7 major and 1 medium). Savings were stated to be due to release of funds at the fag end of the year and delay in acquisition of land.

Token provisions of Rs.1,000 each were made for 626 ongoing schemes and Rs.10,000 each for another 397 ongoing schemes during 1996-2000. With more realistic budget provisions and better control, timely execution of these schemes would have been feasible.

1.1.6 Programme Management

Development of irrigation facilities in MP

(i) The position of development of irrigation potential during successive five year plan (FYP) is given in Appendix-I.

In the 8th plan, the growth in irrigation potential created declined to less than 10 per cent in comparison with the 6th and 7th Five Year Plans where the growth was 28 and 15 per cent respectively. During the first three years of the 9th plan (1997-2000), the irrigation potential created increased by approximately 2 per cent only. This indicated that the irrigation sector was being neglected during last decade and the State failed to scientifically utilise the available water resources.

54 per cent of the created potential remained unutilised.

(ii) The irrigation potential stood at 20 lakh ha on 31 March 2001. Of this, 17.49 lakh ha was created through 3293 schemes up to 1997. 99 schemes (7 major, 10 medium and 82 minor) taken up for execution between 1972 and 1985 were incomplete after spending Rs.1409.62 crore[8] up to March 2001 (except expenditure on minor schemes) with partially created irrigation potential of 2.51 lakh ha out of designed potential of 4.29 lakh ha. The irrigation potential of 20 lakh ha represented 13.27 per cent of NSA (150.70 lakh ha) of reorganised MP. Actual irrigation during 1999-2000 was only 9.25 lakh ha (i.e. 46 per cent of the created potential was utilized). The utilisation averaged 47 per cent in 14 major schemes, 68 per cent in 103 medium schems and 33 per cent in 3275 minor schemes.

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8 Expenditure relating to major and medium only as expenditure of minor schemes was not made available.

There was a great imbalance in irrigation facilities from less than 5 per cent in 8 districts, between 5 to 10 per cent in 20 districts and 40 to 75 per cent in other 6 districts as against 13.27 per cent at the state level.

(iii) The irrigation potential created amongst the various districts in the state was not balanced. The created potential was below 5 per cent of NSA in 8 districts[9], followed by 5 to 10 per cent in 20 districts[10]. On the other hand it was above 75 per cent in Hoshangabad followed by 50 to 60 per cent in 3 districts (Gwalior, Morena and Harda) and around 40 to 50 per cent in 2 districts (Bhind and Balaghat).

The above imbalance would not be significantly redressed except in 8 out of 28 districts even after completion of ongoing/new schemes. In fact, the imbalance would be further reinforced as shown in Appendix-II. The position in 6 districts where the percentage of irrigation was above the State level will further increase to levels ranging from 50.22 to 96.76 per cent of NSA.

1.1.7 Incomplete schemes

Scrutiny of 3392 (3293 & 99) schemes yielded the following observations.

7 major, 7 minor schemes taken up between 1972 and 1985 are incomplete cost had increased from Rs.153.86 crore to Rs.1686.48 crore.

(i) 7 major and 7 medium schemes taken up between 1972 and 1985 at an estimated cost of Rs.153.86 crore for a designed potential of 3.74 lakh ha are still incomplete with an expenditure of Rs.896.18 crore by March 2000. The cost has also increased to Rs.1686.48 crore (1096 per cent of the original cost) resulting in a cost overrun of Rs.1532.62 crore (996 per cent) as detailed in Appendix-III. It was stated that cost increase was due to increase in cost of material, delay in acquisition of land, addition of new items of work at construction stage etc.

(ii) 11[11] (6 major and 5 medium) schemes were taken up for execution during 1978 to 1991 at an estimated cost of Rs.2189.95 crore but despite spending Rs.1865.50 crore (85 per cent) physical progress ranged between zero and 90 per cent in headworks and zero to 40 per cent in canal works (Appendix III, table III). Negligible irrigation potential has been created in these schemes so far (September 2001).

On analysing the above schemes the following was observed.

Rs.14.28 crore were spent on 4 schemes without any physical progress.

(a) It was seen that Rs.14.28 crore were spent on four schemes[12] without achieving any physical progress.

(b) After spending about Rs.1668 crore (120 per cent of estimated cost) on Bansagar project, 90 per cent of head work was completed but progress in canal work was only 25 per cent. GOMP obtained a loan from GOI under Accelerated Irrigation Benefit Programme (AIBP) for completion of part of the canal system by the year 2003 to create an irrigation potential of 21833 ha

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9 Chhindwara, Dewas, Dindori, Mandsaur, Neemuch, Rajgarh, Sagar and Ujjain.

10 Bhopal, Betul, Barwani, Dhar, Damoh, Guna, Indore, Jabalpur Jhabua, Khargone, Khandwa, Narsingpur, Panna, Ratlam, Shajapur, Shahdol, Shivpuri, Satna, Umariya, and Vidisha.

11 Details of 25 schemes (13 major and 12 medium) out of which 5 fold expenditure was done on 14 schemes and nil/nominal physical progress in 11 schemes are shown in Appendix-III (Table III).

12 (i) Pench Diversion (ii) Bah (iii) Sagad and (iv) Kunwari.

(against design potential of 1.55 lakh ha). The GOI had released Rs.160.25 crore during 1996 to 2001 out of the sanctioned loan of Rs.213 crore. The Department had actually spent Rs.348.04 crore (Rs.279.87 crore on works and Rs.68.17 crore on establishment) to create a potential of 125 ha only so far.

(iii) 855 irrigation schemes (28 major, 42 medium and 785 minor) on which Rs.3377.04 crore had been spent, were lying incomplete as of March 1995. GOMP decided (April 1995) to complete them with loan from National Bank for Agriculture and Rural Development (NABARD). Loans of Rs.534.41 crore were sanctioned during 1995-98 for completion of 325 schemes. Only 118 schemes were, however, completed at an expenditure of Rs.396.07 crore till March 1999 creating an irrigation potential of 0.48 lakh ha against the target of 2.49 lakh ha. A review on "Completion of irrigation schemes under NABARD loan" was included in para 1.1 of the Report of the Comptroller and Auditor General of India on the Government of Madhya Pradesh for the year ended 31st March 1999.

1.1.8 Participatory irrigation management

"Madhya Pradesh Sinchai Prabhandhan Me Krishako Ki Bhaagidari Adhiniyam 1999" (no. 23 of 1999) has awarded the running and maintenance of canal systems to Water Users Associations (WUAs) at Rs.50 per ha to be provided by GOMP for the command area associated with the WUA concerned.

Rs.10.23 crore was paid to Water Users Associations without prescribing accounting rules/procedure.

Based on the instructions (May 2000) of GOMP, the Department disbursed (May 2000) Rs.10.23 crore to WUAs for the year 2000-01, besides incurring an expenditure of Rs.2.46 crore on WUA elections.

No rules/procedure were prescribed for submission of detailed accounts by WUAs to the Department. The entire payment made to them had been charged to final head of account as soon as it was disbursed.

Excess payment of Rs.2.05 crore was made to Water Users Associations.

GOMP later decided (June 2000) that 80 per cent of Rs.50 was to be spent on maintenance of canal system by the WUA and the remaining 20 per cent on maintenance of head works by the Department. Due to delayed policy decision of GOMP the entire amount had been paid (May 2000) to WUAs, resulting in an excess payment of Rs.2.05 crore. Maintenance of head works was, however, done by the Department.

1.1.9 Under utilization of created potential

Apart from poor maintenance of the schemes, one of the reasons for under utilisation of created potential was that projections of *kharif* irrigation was inflated.

Irrigation potential of 3,07,053 ha was developed from 10 major schemes for *kharif* season. Utilisation was 10405 ha only.

(a) The E-in-C, while formulating projects had reiterated the instruction (February 1962) that in predominantly *rabi* areas, provision for *kharif* irrigation should be limited to 10 to 15 per cent. Scrutiny revealed that high projections were made for *kharif* irrigation in 10 major schemes to show the projects economically viable though actual *kharif* irrigation was nil except in three projects as shown below.

S. No	Name of Project	Total designed potential (ha)	Provision for *kharif* season and its percentage	Potential created for *kharif* season ha	Actual utilization in *kharif* season 1999-2000 (ha)	Percentage of utilization
1	Barna	60512	26892 (44)	26892	Nil	0
2	Halali	37637	12545 (33)	12211	Nil	0
3	Rangawa	17085	10607 (62)	10607	Nil	0
4	Sukta	18600	12788 (69)	12788	Nil	0
5	Tawa	333000	159938 (48)	147120	Nil	0
6	Kolar	60868	22544 (37)	11587	Nil	0
7	Sindh (Ph II)	65936	33733 (51)	107	Nil	0
8	Sindh (Ph I)	37649	28176 (75)	27426	1015	4
9	Upper Wainganga	105253	69219 (66)	49500	7616	15
10	Thanwar	18212	8884 (49)	8815	1774	20
	Total			**307053**	**10405**	

There was negligible irrigation of 420 ha (2 per cent) out of 23903 ha in *kharif* season.

(b) 19 medium schemes included 23903 ha (33 per cent) of *kharif* irrigation in a total designed potential of 72648 ha. There was, however, no irrigation from 14 schemes and a very nominal irrigation of 420 ha out of 5407 ha from remaining five schemes in *kharif* season. Thus actual irrigation from these 19 schemes in *kharif* irrigation was only 2 per cent.

(c) In 3275 minor schemes in the State, actual irrigation was in 43826 ha and 180264 ha in *kharif* and *rabi* season out of a created potential of 238119 ha and 427590 ha respectively, which works out to about 18 per cent (*kharif*) and 42 per cent (*rabi*). The under utilisation was due to non-maintenance of canal systems, development of private sources by cultivators etc.

The percentage of utilisation of water during Kharif was nil and 6 per cent in Betwa and Ganga basins respectively.

(d) In 588 minor schemes in Chambal Betwa Basin, the actual irrigation in *kharif* season was nil against the created potential of 12900 ha. It was 4064 ha (6 per cent) from 689 schemes in Ganga Basin against 65458 ha created for *kharif* season. There was thus under utilisation of created potential.

1.1.10 Abnormally high expenditure on running and maintenance

Cost of maintenance of canal increased to Rs.500 per ha against norm of Rs.50 per ha.

Besides the lump sum payment of Rs.10.23 crore to WUAs in May 2000, the Department spent Rs.70 crore on wages of work charged and daily wages staff and Rs.21.42 crore on running and maintenance of irrigation schemes during the year 2000-2001. Expenditure of Rs.101.65 crore (Rs.70 crore + Rs.21.42 crore + Rs.10.23 crore) on maintenance of schemes on the created irrigation potential of 20 lakh ha, resulted in a cost of Rs.500 per ha against prescribed norm of Rs.50 per ha. On the basis of actual area (9.25 lakh ha) irrigated, the per ha cost of maintenance came to Rs.1089, which was abnormally high.

Maintenance expenditure of Rs.101.65 crore exceeded the actual irrigation revenue of Rs.27.07 crore.

The expenditure of Rs.101.65 crore on maintenance of schemes was more than three hundred per cent of the irrigation revenue of Rs.32.02 crore assessed for the year 2000-01 against which actual realisation was only Rs.27.07 crore. The Department had also spent Rs.14.17 crore on the establishment meant for upkeep and maintenance of Abiyana (irrigation revenue) records.

On this being pointed out, the E-in-C WRD stated (June 2001) that while canal systems are maintained by WUAs, the head works and main canal system are maintained by the Department through work charged and daily wages employees despite shortage of funds. Further these norms were prescribed in 1982 and needed revision. Efforts made by the Department for revision of rates by GOMP, if felt necessary, were not on record.

1.1.11 Manpower Management

(i) Supernumerary officials attached to various offices

Rs.13 crore were spent on pay and allowances of 789 surplus staff.

27 circle offices were closed under the orders of the GOMP from 1st July 1999. 1294 officials/officers posted in these offices were rendered surplus. 505 of these surplus officials were posted by creating cells in E-in-C' s and CE's offices. GOMP sanctioned 789 supernumerary posts for the remaining officials in offices adjacent to the erstwhile circle offices. The Department had spent Rs.13 crore between July 1999 and March 2001 on the pay and allowances of these surplus officers. No efforts were made to re-deploy the surplus staff more purposefully.

(ii) Disproportionate expenditure on establishment and wages.

71 per cent of works expenditure was utilised on establishment against the norm of 16.5 per cent.

The CPWA code provides that up to 16.5 per cent of works expenditure on irrigation schemes may be incurred on establishment. The Department incurred expenditure on establishment as well as work charged and daily wages employees (Rs.1015.94 crore) from 1998 to 2001 which was around 71 per cent of works expenditure (Rs.1431 crore) incurred over the same period and resultantly this exceeded the norms by Rs.779.82 crore (Rs.1015.94-Rs.236.12 crore). The E-in-C stated that despite gradual reduction in budget outlay the manpower remains the same while wages increased year after year.

(iii) Unauthorized appointment of daily wages employees.

1774 employees were unauthorisedly appointed after 1988 resulting in avoidable payment of Rs.27.86 crore.

1774 daily wages employees were appointed after December 1988, despite a ban on such appointments. Of these, 1570 were removed from service in the year 2000 as per decision of GOMP and paid Rs.27.86 crore (Rs.25.41 crore on wages and Rs.2.45 crore as compensation). Cases for removal of the remaining 204 employees are disputed in courts of law. 317 officers responsible for the unauthorized appointments and avoidable expenditure of Rs.27.86 crore were served show cause notices by the GOMP. 13 officers were suspended, of whom 9 have been reinstated.

(iv) Staff rendered surplus due to disposal of vehicles

Rs.2.30 crore was paid to 454 employees without work who were attached to 463 condemned vehicles.

463 vehicles purchased prior to 1987, were to be disposed of in 9 zones/basins vide GOMP decision (January 2000). Of these 324 were disposed of by auction and 139 were awaiting disposal. 454 employees were rendered surplus as no new vehicles were to be purchased. Rs.2.30 crore was paid to them as wages between April 2000 and March 2001 without utilising their services.

1.1.12 Wasteful expenditure on schemes rejected for clearance of forest land

5 schemes taken up without forest clearance resulted in wasteful expenditure of Rs. 1.86 crore.

5 minor irrigation schemes[13] were taken up for execution at a cost of Rs.2.86 crore between 1980-86 and Rs.1.86 crore spent on them without prior approval of the GOI under the Forest Conservation Act, 1980. Government of India (GOI) (between February 1993 and February 2001) disapproved clearance of forest land admeasuring 268.31 ha required for these schemes. One of these schemes, Simariya in Gwalior district, was again taken up under NABARD loan in the year 1995 and Rs.48.22 lakh spent up to March 1999. The entire expenditure of Rs.1.86 crore on these schemes was wasteful.

1.1.13 Unfruitful expenditure in completed/partially completed schemes

(i) Bhagwant sagar (Sukta) medium irrigation scheme

Rs.4.28 crore were spent on remedial measures after completion of the scheme.

The scheme, taken up in 1973 at an estimated cost of Rs.5 crore to irrigate 18600 ha was completed in 1985 at a cost of Rs.11.89 crore. During September 1993 wetness and oozing of water in downstream slope of the dam was noticed. GOMP accorded (December 1995) administrative approval for remedial work of Rs.1.04 crore comprising, (i) treatment of downstream slope of earth dam (Rs.0.35 crore), (ii) providing Low Density Polyethylene film on upstream slope (0.41 crore) and (iii) construction of second curtain wall and training wall (Rs.0.28 crore). The division spent Rs.3.59 crore on these works.

The spill channel was to be excavated by natural scouring during flood. This item was accordingly not included in the estimate. However the division incurred an expenditure of Rs.0.69 crore on excavation.

Thus GOMP had spent Rs.16.17 crore (about three times the estimated cost) on the project so far. The designed irrigated area of 18600 ha has now reduced to 14200 ha (76 per cent). Actual irrigation was being done in about 5962 ha (32 per cent) of designed area in *rabi* season only.

(ii) Rampura Khurd medium irrigation scheme

The scheme estimated to cost Rs.1.51 crore for irrigating 3320 ha had remained incomplete even after spending Rs.8.48 crore up to March 1995. The cost was revised to Rs.13.81 crore in 1995. A loan of Rs.5.33 crore was obtained from NABARD to complete the balance work. The division, however, spent Rs.13.04 crore. Despite a total expenditure of Rs.21.52 crore

[13] (i) Chharch, (ii) Kit, (iii) Lidhora, (iv) Simariya, (v) Upper Barroch Tank.

up to March 2001, about 6 per cent of earthwork and 1 per cent of canal structures is yet to be executed.

The project was designed to irrigate 3320 ha, subsequently reduced to 2707 ha. A potential for 1400 ha only was created by June 2000. However, no irrigation was being done as the water was stated to be reserved for drinking purposes. Despite the water being reserved for drinking purpose since 1996, the entire expenditure of Rs.21.52 crore up to March 2001 was shown to have been incurred on the irrigation component.

(iii) Sagonikala Tank

Sagonikala tank, a minor irrigation scheme, administratively approved (August 1990) for Rs.1.33 crore by GOMP to provide irrigation in 449 ha, was revised (1996) to Rs.1.72 crore. The land was acquired at a cost of Rs.1.46 crore.

The work of construction of the dam was awarded (1997-98) to a contractor 'M' at a contract value of Rs.0.88 crore, who was paid machinery advance of Rs.9 lakh (November 1997). However, the contractor 'M' could not commence the work due to delay in giving lay out plan by the Department. Though the contractor 'M' shifted the machinery from the site, the department failed to recover/adjust the machinery advance.

(iv) Kaliasote medium irrigation scheme.

Kaliasote medium irrigation scheme was taken up for execution in the year 1980-81 at a estimated cost of Rs.7.84 crore to irrigate 7500 ha. Despite expenditure of Rs.42.14 crore up to February 2001, the scheme is still incomplete. About 5 per cent of dam work and 25 per cent of canal work is yet to be completed. The total cost is estimated (June 2001) at Rs.56 crore.

The project had no independent source of water and was designed to use the surplus water of the upper lake. The command area was also reduced due to the growth of residential colonies and GOMP reduced (June 1993) the potential from 7500 to 4500 ha. The actual irrigation of 2163 ha in the year 1999-2000 was less by 837 ha (28 per cent) than the created potential of 3000 ha, mainly due to no demand of water in kharif season. In view of the reduction of command area, GOMP directed (June 1993) that only work of erection of radial gates may be done and canal network be restricted to reduced potential.

Thus despite time over run of 15 years and cost over run of Rs.48.16 crore, the project has shrunk in area and is still incomplete depriving the cultivators of irrigation benefits.

1.1.14 Efficiency and effectiveness of the expenditure control system

(i) Misuse of suspense head – "Miscellaneous Public Works Advances"

Under Miscellaneous Public Works Advances (MPWA), the head "suspense" below the relevant functional major head is meant to record transactions of a temporary character. All transactions recorded are ultimately removed either by payment or recovery in cash or by adjustment.

Rs.21.43 crore under Miscellaneous Public Works Advance remained unadjusted 1 year to 10 year.

A review of 56 Audit Inspection Reports of various divisions of the Department had revealed that Rs.21.43 crore were lying under MPWA for periods ranging from 1 year to more than 10 years without recovery from the contractor/suppliers/ departmental officials concerned. Lack of effective action on the part of EEs may result in the amount becoming irrecoverable.

(ii) Irregular payment of tour advance from works cash book

CPWA code empowers divisional officers to draw money from the treasury from time to time by cheques to make petty payments towards pay and allowances of labourers and of establishment charged directly to work (excluding such categories of work charged establishment as are borne on the regular establishment of the Department) by drawing bills on treasury.

Rs.49.85 lakh were lying unrecoverd in the works cash book of 51 divisional officers.

It was however noticed that the divisional officers had paid tour advances of Rs.49.85 lakh to officials borne on regular establishment from works cash book out of cash drawn by cheque. The amount was lying unrecovered as of March 2001 in the works cash book of 51 divisional officers.

(iii) Non-adjustment of AG's adjustment memos.

CPWA Code provides that the sale value of materials received from a supplier in India or abroad or from another division or department, should be credited to "Material Purchase Settlement Suspense Account" immediately on its receipt by contra debit to account of the work or the suspense head "stock" depending upon the purpose of acquisition of stores. When the price of material is paid or adjusted by transfer, the payment should be debited to purchases and the suspense head cleared.

Scrutiny revealed that adjustment memos totalling Rs.6.87 crore received from Accountant General (A&E) against purchases made through the Director General of Supplies and Disposals have not been adjusted for periods of up to 20 years. The value of outstanding adjustment memos amounted to more than Rs.1 crore each in 2 divisions (LMTW Division, Bhopal, and HEMM Division, Gwalior) and around Rs.50 lakh each in 4 divisions (WR Division, Mandla, Tawa Project Division, Itarsi, WR Division, Ujjain and LMTW Division, Gwalior). The possibility of pilferage/misappropriation of Government stores, if any, remaining undetected due to delay in adjustment cannot be ruled out. The concerned EE's stated during annual audit that action was in progress.

1.1.15 Other financial irregularities

(i) Excess payment to the contractor

Excess payment of Rs.58.40 lakh to the contractor due to sanction of incorrect rate of extra item.

Construction of masonry overflow and non-overflow of central spillway (Bawan Thadi project) was awarded (1996-97) on item rate basis for completion in 30 months at a cost of Rs.33.73 crore. Payment of Rs.38.33 crore was made (August 2001) to the contractor.

The agreement included an item of "providing and placing in position vibrated cement concrete RCC M-25 using 40 mm metal". The CWC revised (September 1998) the item of RCC M-25 with 'providing and placing in position the vibrated plain cement concrete M-12.5 with 40 mm metal. On the recommendation of the CE, Government sanctioned (October 2000) the rate of Rs.1548.77 per cu m as extra item on the basis of existing rate of similar item in the agreement at Rs.1458 per cu m after adding to it Rs.21.20 per cu m for its lift, Rs.33.49 per cu m for form work and Rs.36.08 per cu m for higher tender percentage of accepted tender.

The agreement, however, required that the rates for extra item shall be worked out on the basis of estimated rates of that item on the date of invitation of tender plus tender percentage of accepted tender. Accordingly the rates worked out only to Rs.1383.22 per cu m and resulted in excess payment of Rs.58.40 lakh.

(ii) Abnormal increase in quantities of items during actual execution

Departmental instructions stipulate that realistic quantities, based on proper survey and investigation, of various items in schedule of quantities be appended to notice inviting tenders (NIT) to avoid undue benefit to contractors due to variation in quantities during actual execution.

Quantity of 9 items in 6 agreements abnormally increased and led to avoidable extra cost of Rs.31.02 lakh.

Review of records of 6 contracts revealed that the quantity of 9 items had increased from 69 to 2000 per cent of NIT resulting in avoidable extra cost of Rs.31.02 lakh on the extra quantities paid for at the sanctioned/proposed extra rate minus the quoted rate of the contractors as detailed in Appendix IV.

(iii) Sanction of extra rates in excess of financial powers

GOMP had issued instructions in October 1987 delegating powers to CEs to sanction extra rates for sums not in excess of 30 per cent of the value of the contract limited to Rs.15 lakh.

It was, however seen that CE, Wainganga Basin, Seoni had sanctioned extra rate in 3 agreements of 1997-98 to 1998-99 for extra items/additional quantities involving payment of Rs.60.50 lakh and in excess of norm of 30 per cent of contract value or Rs.15 lakh in each case.

The CE, Seoni stated (May 2001) that the sanction was within his powers. On being brought out to the notice of E-in-C, Bhopal, the E-in-C stated (June 2001) that clarification from GOMP had been sought for.

(iv) Procurement of stock material without requirement

Stock material comprising RCC pipes, canal gates, kurry shutters, spare parts of machines, steel etc. procured in 11 divisions at a cost of Rs.4.90 crore were lying unutilized for the last 2 to 20 years indicating that purchases were made without assessing the actual requirements.

The matter was reported to Government demi-officially (August 2001); reply is awaited (September 2001).

SECTION-B

1.2 Extra cost on the works of lining in Datia irrigation canal and Akhadeva distributary

Execution of costlier pre cast cement concrete lining work instead of more economical cast-in-situ lining work resulted in extra cost of Rs.48.37 lakh

A technical circular issued (January 1984) by the Engineer-in-Chief, Water Resources Department, stipulated that the bed and inside slopes of canals carrying more than 3 cumecs discharge should be lined with cement concrete cast-in-situ (M-10 strength). Contrary to these specifications, the Chief Engineer (CE), Rajghat Canal Project provided (March 1992) in the estimates, pre-cast cement concrete (PCC) tile lining in the inner slope of Datia carrier canal even though PCC lining was costlier and less durable than cast-in-situ lining. This work was executed through 6 contractors (9 agreements) between 1997-98 and 1999-2000 at a cost of Rs.2.78 crore.

During execution 75 mm thick PCC slab lining was provided in the side slopes of Datia irrigation canal (DIC) having a discharge of 72.61 cumecs. Similarly, 60 mm thick PCC tile lining was provided in the side slopes of Akhadeva distributary of Bhander canal having discharge of 7.98 cumecs. Thus, incorrect provision and execution of PCC tile lining instead of cast-in-situ lining led to extra cost of Rs.48.37 lakh.

While inspecting the site of Datia Carrier Canal (DCC) in August 1997, the Superintending Engineer (SE), Sindh Project Head Works Circle had pointed out that PCC lining was not only costlier but also unsuitable due to its higher permeability, seepage and lower durability. Due to higher discharge of the canals, he recommended (August 1997) adoption of cast-in-situ lining for inside slopes and bed of the DCC, which was agreed to by the CE in October 1997 but the work was executed as per approved estimates with PCC lining.

On this being pointed out (April 1999), the SE, Rajghat canal circle, Datia stated (August 2000) that the estimates for lining in canals were sanctioned by higher authorities keeping in view IS code and departmental specifications, and executed accordingly. It was also stated that SE, Sindh Project Head Work Circle's inspection note was very old and new techniques of construction of PCC blocks were since developed.

The reply is not acceptable because the estimates for the work were made without considering the technical circular issued by E-in-C. Further the provisions of IS code 10430 of 2000 also specified that the type of lining should be selected keeping in view its stability, durability and economy. The IS code did not specify PCC lining for canal having discharge more than 3

cumecs and E-in-C's circular instruction of January 1984 remained unchanged on the date of issue of work order.

The matter was reported to Government demi officially (May 2001), reply was awaited (September 2001).

1.3 Wasteful expenditure due to violation of Forest Conservation Act

Unplanned execution of Jhandia Kundia Irrigation tank in violation of Forest Conservation Act rendered expenditure of Rs.54.19 lakh wasteful

The Jhandia-Kundiya tank scheme in Barwani district was administratively approved (May 1982) for Rs.45.29 lakh by the Government of Madhya Pradesh (GOMP) with the specific condition that construction be taken up only after obtaining due permission from Forest Department. The Forest (Conservation) Act 1980, stipulated that prior approval of the Government of India (GOI) should be obtained for use of any forest land for all works started after 25th October 1980.

The scheme envisaged construction of an earthen dam and canal to provide irrigation for 270 hectares of land for which 7.22 hectares of private and 46.21 hectares of forest land was required.

Audit scrutiny revealed that the Department in contravention of the above provision started the construction work (1985) on forest land even before initiating the action for obtaining the approval from GOI. The case for obtaining the GOI's approval was moved for the first time (December 1990) after five years by GOMP after an expenditure of Rs.48.14 lakh had already been incurred on construction work. As the Collector, Khargone failed (August 1991) to identify the revenue land in the district for compensatory plantation against the forest land comming under submergence of the project, GOI conveyed (May 1998) its inability to grant permission without the required transfer of revenue land. Mean while, the Chief Conservator of Forest, Bhopal had intimated (June 1998) the Engineer-in-Chief, Water Resources Department not to execute any further work on forest land and the work was finally stopped in 1992-93.

Thus execution of work in violation of statutory requirements and Collector's failure to identify the revenue land for forest plantation for about 16 years, rendered the entire expenditure incurred on construction of the scheme (Rs.54.19 lakh including pro-rata charges up to December 2000) wasteful and deprived the tribal population of irrigation facilities. Though Collector, Khargone accorded (January 1998) permission to transfer 46.21 hectares of revenue land to the Forest Department for compensatory plantation, the Department had not taken any action (July 2001) to obtain fresh forest clearance.

The matter was reported to Government demi officially in May 2001. Reply was awaited (September 2001).

CHAPTER-2
PUBLIC WORKS DEPARTMENT

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CHAPTER-2
PUBLIC WORKS DEPARTMENT

SECTION-A

2.1 Management of Stores

2.1.1 Highlights

The Public Works Department is a large purchaser of specialised stores but lacked a separate purchase unit/standing committee. Huge excesses in expenditure over budget allotments and diversion of funds meant for plan/deposit works were noticed. Non-maintenance of basic records and violation of accounting principles resulted in lack of control, payment of higher prices, excess accumulation of stores etc and possible pilferage of stores.

- ***Purchase of stores in excess of requirement led to accumulation of huge stock worth Rs.33.06 crore.***

  (Paragraph 2.1.4(a))

- ***Tools and Plants worth Rs.4.36 crore were procured between 1995-96 and 1999-2000 without allotment of funds.***

  (Paragraph 2.1.4(b))

- ***RCC hume pipes worth Rs.1.03 crore injudiciously procured during 1997-98 and 1998-99, of which pipes costing Rs.73.71 lakh were lying unused as of August 2001.***

  (Paragraph 2.1.5(B)(i))

- ***Excess consumption of 1081 MT bitumen emulsion worth Rs.1.08 crore during 1995-96 and 1996-97 was noticed.***

  (Paragraph 2.1.5(A)(vi))

- ***Use of 380.60 MT cutback bitumen, a costlier binder, during 1995-96 to 1999-2000, resulted in extra cost of Rs.55.88 lakh.***

  (Paragraph 2.1.5(A)(v))

- ***Items reserved for procurement from Madhya Pradesh Laghu Udyaog Nigam were purchased from open market at exorbitant rates resulting in extra cost of Rs.41.24 lakh.***

  (Paragraph 2.1.5(B)(ii)(a))

- ***Material worth Rs.40.95 crore was debited to work without verification of its actual consumption between 1998-2000.***

  (Paragraph 2.1.7)

2.1.2 Introduction

The Public Works Department (Department) is responsible for the construction and maintenance of residential and non-residential buildings, roads, bridges etc for the Government of Madhya Pradesh (GOMP). It also constructs and maintains national highways within Madhya Pradesh (MP) and holds stores of materials required for construction and maintenance.

Stores accounts are categorised as (i) stock suspense account[14], (ii) tools and plants account[15], (iii) road metal returns[16] and (iv) material at site account[17].

2.1.3 Organizational set up and audit coverage

The Department is headed by an Engineer-in-Chief (E-in-C) who is assisted by eight Chief Engineers (CEs), six[18] of whom are incharge of zones and Superintending Engineers (SEs). There were 128 divisions, which came down to 92 after transfer of 36 divisions to Chhattisgarh with effect from 1 November 2000, headed by Executive Engineers (EEs). The E-in-C, CEs, SEs and EEs have been delegated powers for purchase of stores by GOMP. The actual administration of stores in terms of its acquisition, custody and distribution is managed by EEs.

This review covers the management of stores including procurement, receipt and issue, custody, condemnation, sale and stock taking. For this purpose, the records of 11 out of 35 divisions of two Zones (Central and West) for the years 1995-96 to 1999-2000 were test checked during August 2000 to June 2001. The results are discussed in the succeeding paragraphs.

2.1.4 Allotment and Expenditure

(a) Stock Suspense

Financial Rules provide that each Department shall be responsible for control over expenditure against the sanctioned grants/appropriations authorised by Legislature. Besides, Government also introduced (1976) a letter of credit (LOC) system in works departments to ensure expenditure is within control over sanctioned grants/appropriations. The Department, however, could not control the expenditure within the budgetary limit because the EEs did not restrict the payments/expenditure within LOC/allotment and diverted the LOC from one head to another bypassing the rules.

The position of allotment and expenditure under the stock suspense during 1995-96 to 2000-2001 was as under-

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14 Accounts of consumable materials like cement, steel, spare parts of machinery etc.

15 Accounts of equipment, which can be shifted from one work site to another as and when required for construction activities.

16 Accounts of metal, moorum, gravel etc used in road work whose cost is charged directly to the work.

17 Accounts of materials charged direct to work.

18 *National Highways, Bridges, North, West, Capital and Central.*

(Rupees in crore)

Year	Departmental figures			AG(A&E)'s figure's		
	Allotment	Expenditure	Excess(+)/ Saving(-)	Allotment	Expenditure	Excess(+) Saving(-)
1995-96	29.20	115.30	(+) 86.10	71.00	117.87	(+) 46.87
1996-97	37.28	115.35	(+) 78.07	74.55	115.45	(+) 40.90
1997-98	82.00	87.57	(+) 5.57	82.00	87.90	(+) 5.90
1998-99	82.01	59.66	(-) 22.35	82.01	59.75	(-) 22.26
1999-2000	36.90	30.95	(-) 5.95	82.00	34.12	(-) 47.88
2000-01	20.00	26.88	(+) 6.88	50.00	31.66	(-) 18.34

The above figures showed that during 1995-96 to 1997-98 and 2000-2001 there had been excesses over budget allotments, while in 1998-99 and 1999-2000, there were huge savings, indicative of improper budgeting and control over expenditure. Moreover, there were huge differences between the figures of the Accountant General (A&E) and the Department which remained unreconciled, though the rules provide for periodic reconciliation.

Purchase of stores in excess of requirement led to accumulation of huge stock worth Rs.33.06 crore.

Further, the amount of stock should be kept at the lowest point compatible with the progress of works. There were significant closing stock balances at the end of 1995-96 to 2000-2001 indicating that procurement was made not only in excess of budget provisions but also without requirement in every year except in 1998-99 and 1999-2000.

(Rupees in crore)

Years	Opening balance	Receipt	Issue	Closing balance
1995-96	27.29	117.87	116.37	28.79
1996-97	28.79	115.45	111.55	32.69
1997-98	32.69	87.90	84.33	36.26
1998-99	36.26	59.75	68.18	27.83
1999-2000	27.83	34.12	32.49	29.46
2000-2001	29.46	31.66	28.06	33.06

Expenditure of Rs.185.21 crore on "Stock suspense" in 2 Zones during 1995-96 to 1998-99 exceeded the total allotment of Rs.73.50 crore by Rs.111.71 crore (152 per cent).

The scrutiny of records of two Zones (Central and West) revealed that the expenditure (Rs.185.21 crore) had exceeded the allotment (Rs.73.50 crore) by 25 per cent to 692 per cent between 1995-96 and 1998-99, indicating defective budgetary control over expenditure, as shown below:

(Rupees in crore)

Year	Central Zone (Jabalpur)				West Zone (Indore)			
	Allot ment	Expend iture	(+) Excess/ (-) Savings	Percent age of excess	Allot ment	Expend iture	(+) Excess/ (-) Savings	Percent age of excess
1995-96	5.00	22.33	(+) 17.33	347	5.00	39.62	(+) 34.62	692
1996-97	6.25	24.36	(+) 18.11	290	7.50	25.65	(+) 18.15	242
1997-98	16.00	23.17	(+) 7.17	45	16.00	20.04	(+) 4.04	25
1998-99	8.75	16.07	(+) 7.32	84	9.00	13.97	(+) 4.97	55
1999-2000	7.75	6.31	(-) 144		5.03	3.49	(-) 1.54	

Although the rules prohibit the diversion of letters of credit (LOC) from one head to another, expenditure was, however, incurred by utilising LOCs for other heads of account, adversely effecting activities under those heads.

(b) Tools and plants

Tools and plants worth Rs.4.36 core were procured by diverting LOC under other heads.

The Madhya Pradesh Works Department Manual provides that no expenditure should be incurred on item of works without provision of funds. Tools and plants worth Rs.4.36 crore were, however, procured during 1995-2000 by diverting LOC from other heads of account in Central and West Zones without funds being available, as given below.

(Rupees in lakh)

		1995-96	1996-97	1997-98	1998-99	1999-2000	Total
1.	Central Zone	91.40	73.25	83.44	38.44	12.22	298.75
2.	West Zone	44.16	44.77	23.65	21.52	2.81	136. 91
	Total	135.56	118.02	107.09	59.96	15.03	435.66

2.1.5 Procurement of materials

(A) Purchase of bitumen, bitumen emulsion and cut back bitumen

Bitumen is a major item of purchase in the Department. Supply orders are placed by the CE of respective zone through DGS&D. The CEs are also required to ensure the timely receipt of bitumen against the supply orders placed.

It was, however, noticed in 7 divisions that against indented quantity of 29680 MT, only 24789 MT of bitumen had been received during 1995-2000. The bitumen not received (4891 MT) was 16 per cent of the indented quantity (as per Appendix-V). Further, a substantial quantity of bitumen was received in the years subsequent to those in which the supply orders, were placed with delays ranging from 1 to 2 years. Thus, due to lack of monitoring of timely receipt of bitumen, there is a possibility of its short supply/pilferage remaining undetected.

Test check of 11 divisions for 1995-2000 revealed the following.

(i) In Ujjain division, a quantity of 152.275 MT bitumen costing Rs.4.96 lakh received during 1989-90, was not accounted for in stock accounts. Pilferage was detected in 1997 during verification of AG's adjustment memos by the Division. Though responsibility against the delinquent officials was fixed and the amount placed under the suspense head 'Miscellaneous Works Advances' against the officials, no recovery had been made as of May 2001.

(ii) In Satna division, against actual issue of 311.493 MT of bitumen as per indents during 1995-96, 324.493 MT was shown in Stock Account as issued, resulting in pilferage of 13 MT of bitumen costing Rs.1.30 lakh. EE admitted the fact and agreed to effect the recovery.

(iii) Since bitumen emulsion has a shelf life of 12 months, the E-in-C had instructed (February 1992) that it be utilised preferably within 6 months and invariably within 12 months from the date of manufacture. Scrutiny revealed that in 3 divisions[19], 632 drums (126.46 MT) bitumen emulsion costing Rs.12.64 lakh, which had outlived its life of 12 months, was lying in stock.

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[19] *Ujjain-389, Raisen-210 and Shajapur-33.*

(iv) Cutback bitumen and bitumen emulsion (cationic type) are binders in liquid form generally preferred in rainy season when cold mixing is advantageous. Both the binders serve the same purpose as regards patch repair work. However, the cut back bitumen is three times costlier than bitumen emulsion. The E-in-C directed (February 1992) that bitumen emulsion be procured for patch repair of roads during rainy season.

Procurement of costlier cut-back bitumen caused avoidable extra cost of Rs.55.88 lakh.

However, test check of 5 divisions of Central Zone and 1 division of West Zone revealed that 380.60 MT of cut back bitumen costing Rs.88.52 lakh[20] was procured during 1995-96 to 1999-2000 for patch repair work at an avoidable extra cost of Rs.55.88 lakh as compared to the rates of bitumen emulsion.

Avoidable expenditure of Rs.48.83 lakh was incurred on unnecessary use of bitumen emulsion in open season.

(v) Although bitumen emulsion was required only during and just after the rainy season, it was, however, seen that 1894.4 MT[21] of bitumen emulsion was utilised in the open season when paving bitumen (cheaper binder) could have been utilised. This resulted in an avoidable expenditure of Rs.48.83 lakh during 1995-96 to 1997-98.

Excess consumption of 1081 MT binder costing Rs.1.08 crore was noticed.

(vi) In Shajapur division, 2413 MT of binder was shown as having been consumed during 1995-96 and 1996-97 along with 16,239 cu m (compacted quantity) of road metal for patch repairs. As per MOST specifications, 1332 MT of binder is required with 16,239 cu m of road metal leading to excess consumption of 1081 MT of binder costing Rs.1.08 crore. Further, MAS accounts/MBs for the above consumption could not be shown to Audit.

(B) Other items

(i) Unauthorised and injudicious procurement of RCC hume pipes

As per Government orders (August 1993), construction of culverts is to be awarded to the agencies as composite work, including providing of hume pipes, to avoid losses due to breakage of pipes and blocking of funds due to non-utilisation thereof.

RCC pipes worth Rs.1.03 crore injudiciously procured, of which pipe costing Rs.73.71 lakh were lying unused.

Contrary to above, during 1997-98 and 1998-99 RCC hume pipes of different diameters valuing Rs.1.03 crore were procured from MPLUN in two divisions[22]. In Shahdol division, the entire pipes costing Rs.56.07 lakh remained unused, while in Narsinghpur Division the pipes costing Rs.17.62 lakh were lying unused as of August 2001.

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20 *Central Zone: Satna- 144.80 MT (Rs.33.86 lakh), Katni- 104.00 MT (Rs.24.09 lakh), Shahdol- 78.20 MT (Rs.18.80 lakh), Jabalpur- 4.20 MT (Rs.1.01 lakh), Narsinghpur 19.40 MT (Rs.4.46 lakh). West Zone: Raisen- 30 MT (Rs.6.30 lakh).*

21 Shajapur-716.880 MT, Khandwa-499.00 MT, Khargone-148.40 MT, Ujjain-376.800 MT and Raisen-153.40 MT.

22 *Shahdol Rs.56.09 lakh, Narsinghpur Rs.46.61 lakh.*

(ii) Unauthorised procurement of items from open market

Purchases of Rs.1.71 crore were made from open market and not from MPLUN as required under rules.

Rules provide that articles produced by Small Scale Industrial (SSI) units of the State should be purchased through MPLUN. Purchases from open market may be made only after obtaining non-availability certificate (NAC) from MPLUN. However, purchases worth Rs.1.71 crore of reserved items were made during 1995-96 to 2000-2001 in 9 divisions[23] without obtaining NAC from MPLUN.

Extra cost of Rs.19.62 lakh was incurred on procurement and Rs.21.62 lakh on providing and fixing of road sign boards at higher rates.

(a) Four EEs[24] procured road sign boards of various sizes locally for Rs.43.22 lakh during 1995-2000 without (i) assessing the requirement and (ii) obtaining NAC from MPLUN. Orders were split up to avoid the necessity of approval by higher officers. An avoidable extra cost of Rs.19.62 lakh was incurred on these purchases as compared to MPLUN rates.

(b) Similarly, 4 divisions[25] issued work orders for providing and fixing of road sign boards costing Rs.44.86 lakh. On analysis of these rates, it was observed that the material was procured at rates higher than those of MPLUN during 1994-95 to 1998-99 resulting in extra cost of Rs.21.62 lakh on procurement of material.

(iii) Bazar articles

Material worth Rs.1.17 crore was procured against invalid contract.

Material required for maintenance and repairs of buildings is purchased through bazar supply agreements for each financial year. Scrutiny revealed the following points.

(a) In 65 agreements, material of Rs.33.45 lakh[26] was procured after expiry of the contract indicating poor financial discipline. The bills were paid in piece meal thereby diluting control.

(b) The EEs of 4 divisions[27] unauthorisedly approved 109 tenders for purchase of bazar articles worth Rs.60.05 lakh, though they had no powers to do so.

(c) The EE, Khargone procured material of Rs.23.23 lakh during 1996-97 and 1997-98 against 8 agreements valuing Rs.4.50 lakh and valid for 1996-97 only, without calling for fresh rates. The SE approved (June 1998) extension of the contract although in a bazar supply agreement there is no clause for extension of contract.

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23 *Indore Rs.9.45 lakh, Khargone Rs.16.02 lakh, Narsinghpur Rs.10.61 lakh, Satna Rs.3.01 lakh, Katni Rs.2.25 lakh, Shahdol No.1 Rs.31.41 lakh, Khandwa Rs.21.43 lakh, Ujjain Rs.36.00 lakh and Jabalpur Rs.40.85 lakh.*

24 *Ujjain-Rs.21.29 lakh, Indore-II-Rs.0.35 lakh, Khandwa-Rs.20.48 lakh and Narsinghpur-Rs.1.10 lakh.*

25 *Khargone-Rs.12.57 lakh, Indore-II-Rs.11.26 lakh, Shajapur-Rs.4.46 lakh and Khandwa-Rs.16.57 lakh.*

26 Ujjain-Rs.4.39 lakh, Shajapur-Rs.3.20 lakh, Shahdol-I-Rs.2.08 lakh, Narsinghpur-Rs.4.52 lakh, Indore-II-Rs.2.11 lakh, Khandwa-Rs.16.22 lakh and Jabalpur-I-Rs.0.93 lakh.

27 *Satna-Rs.13.10 lakh, Khargone-Rs.4.50 lakh, Shajapur-Rs.10.05 lakh and Ujjain-Rs.32.40 lakh.*

(iv) Splitting up of purchases

Material worth Rs.70.83 lakh was procured by splitting up supply orders to avoid approval of higher officers.

Purchases worth Rs.70.83 lakh were made during 1995-96 to 1999-2000 by 8 EEs[28] through supply orders which were split up into 1869 numbers to ensure that amount of each order was below Rs.5000 so as to avoid the necessity of approval of higher officers.

It was also seen that a number of supply orders had been placed on a supplier on the same date for the same items/group of items in utter disregard of purchase rules. A few examples are cited below.

SL. No.	Name of division	Date of issue of supply order	No. of supply orders	Particular of item	Amount (Rupees)
1.	Indore Dn. II	28 July 1998	5 of Rs.4892 each	Welded mess	24460
2.	Indore Dn. II	28 August 1998	-- do --	-- do --	24460
3.	Narsinghpur	30,31 December 1997	40 of Rs. 4992 each	Junction board of angle iron	199680
4.	Satna	2 April 1998	6 of Rs. 4992 each	Non-woolen carpet	29952
5.	Shahdol	18,19 November 1998	20 below Rs.5000 each	T & P	90475
6.	Ujjain	2, 3 August 1995	74 of Rs.2000 each	Gumboots, handgloves and PVC moulded chairs	152000

The supply orders were split up by EEs to make purchases within their financial powers.

2.1.6 Non accounting of liabilities

Stores should be procured in accordance with requirements and the availability of funds. The cost of purchases made on credit should be credited immediately to "Material Purchase Settlement Suspense Account" (MPSSA) by contra debit to stock suspense or work as the case may be. The 'MPSSA' should be cleared when the payment is actually made.

Stores worth Rs.3.56 crore purchased on credit during 1994-95 to 1999-2000, were not accounted for under MPSSA and paid for after delay of 6 to 36 months by diverting the funds.

(i) Test check of records of 11 divisions (Appendix-VI) revealed that stores worth Rs.3.56 crore purchased on credit between 1994-95 and 1999-2000, were not accounted for in Government accounts during the month of their receipt, resulting in rendering distorted account to Accountant General (A&E). Cost of the material was paid for and debited to works/stock after delays ranging from 6 to 36 months in subsequent years by utilising LOCs for plan and deposit works and establishment. Bypassing the accounting system diluted the system of cross check and may lead to pilferage remaining undetected.

(ii) Test check in Shahdol and Raisen divisions revealed that against the balances of Rs.3.23 crore and Rs.2.36 crore under MPSSA, AG's adjustment memos of Rs.4.14 crore and Rs.4.09 crore, respectively, were pending. This indicated that bookings under MPSSA were incomplete as these should in no case be less than the pending liabilities shown in the AG's adjustment memos, which include other items also.

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[28] *Indore No.2 Rs.4.51 lakh, Khargone Rs.17.32 lakh, Narsinghpur Rs.8.92 lakh, Katni Rs.2.55 lakh, Shahdol No.1 Rs.11.38 lakh, Khandwa Rs.5.98 lakh, Ujjain Rs.16.14 lakh, and Satna Rs.4.03 lakh..*

2.1.7 *Lack of verification and control over expenditure*

As per rules, the material issued/procured for maintenance works should be routed through MAS accounts and RMRs. These accounts were either not being maintained at all or were maintained incorrectly and were not submitted timely and regularly with the progress register to the divisions. Although these are important initial accounts for checking and control of stores, no effective remedial action was taken even after the matter was reported in paragraph 2.1.11(ii) of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1997 Government of Madhya Pradesh, and reported through inspection reports every year.

Rs.40.95 crore was finally booked to works without verification of actual utilisation of material.

In 11 Divisions material worth Rs.40.95 crore was debited to maintenance works during the period 1998-99 and 1999-2000, but in the absence of MAS/RMR Accounts, its utilisation could not be verified and the possibility of pilferage by fictitious adjustment cannot be ruled out. Further, the cost of unused material was not adjusted back at the end of financial year resulting in the expenditure on the works being inflated.

2.1.8 *Abnormal delay in payment of pending claims of DGS&D*

Payments of stores obtained through DGS&D by indenting officers of the State Government were being made (before 1 October 1996) by the former on the proof of despatch of goods and subsequently claimed from the State Government through the AG of the State.

1215 claims of DGS&D worth Rs.19.37 crore were lying unadjusted.

As of 31 March 2001, 1215 claims worth Rs.19.37 crore communicated by the AG had not been verified and adjusted in 11 Divisions. Of these, 792 claims for Rs.9.08 crore pertained up to the year 1995-96. Such long delays in verification of claims by the divisions may result in short supply of material/loss of stores, remaining undetected. In paragraph 2.8 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2000, such delays in verification of claims highlighting the pilferage of bitumen worth Rs.65.38 lakh in East Zone was mentioned.

Lack of timely adjustment has resulted in incorrect/fictitious adjustment as discussed below.

Rs.2.25 crore was fictitiously adjusted to "Stock Suspense" instead of works.

(i) Scrutiny revealed that AG's memos worth Rs.14.01 crore, had been adjusted by 6 divisions during 1995-96 to 1999-2000 by debiting Rs.2.25 crore[29] to "Stock Suspense" and Rs.11.76 crore to MPSSA. The adjustment of difference in cost of material through "Stock Suspense" instead of the "works concerned" was fictitious, resulting in inflation of stock balances, as the material had already been issued to works and was not lying in stock.

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[29] *Khargone -Rs.64.11 lakh, Indore-II - Rs.33.34 lakh, Satna- Rs 6.68 lakh, Shajapur-Rs.22.08 lakh, Ujjain- Rs.45.04 lakh and Khandwa- Rs.54.02 lakh..*

(ii) In Khargone Division against receipt of 165.61 MT of bulk bitumen, 168.98 MT had been adjusted in March 1996, resulting in excess adjustment of 3.37 MT.

(iii) AG's adjustment memos worth Rs.31.55 lakh were adjusted during 1995-96 to 1999-2000 in 5 divisions[30] by debiting the amount to "Stock Suspense" which indicated that the material was not accounted for at the time of its receipt.

The above adjustment clearly showed that the Department was not following codal provisions in maintenance of accounts which had resulted in rendition of incorrect accounts to the Accountant General (A&E) and inflation of stock balances.

2.1.9 Cash Settlement Suspense Account

A mention was made vide paragraph 2.1.6 (ii) of the Audit Report for the year ended 31 March 1997, that the LOC for Rs.4.17 crore and Rs.3.69 crore during 1994-95 and 1995-96, respectively, were issued by the CE West Zone against a pending liability of Rs.51.50 lakh under CSSA. The liabilities were not cleared and the LOC was diverted towards non-plan expenditure. No action was taken by the Government.

The following irregularities were also noticed.

Rs.1.31 crore against 461 originating items and Rs.69.33 lakh against 236 responding items had remained unadjusted since long.

(i) Material worth Rs.1.31 crore (461 items) transferred to other divisions and material worth Rs.69.33 lakh (236 items) received from other divisions prior to 1984-85 remained unadjusted as of March 2001.

(ii) Despite introduction of the "Cash and Carry" system in May 1984, in 3 divisions[31] the material worth Rs.33.86 lakh was lent to other divisions during 1986-87 to 1998-99. The amount was kept under "Miscellaneous Works Advances" against indenting divisions, which had not been cleared as of March 2001.

2.1.10 Custody of stores and maintenance of account

Important basic records of stores accounts not maintained diluting accountability and control.

(i) Indent books are used to issue materials and should be machine numbered by the division before issue like measurement books. These were, however, being procured directly from open market by SDOs/Sub Engineers, and used without maintaining the prescribed register of indents in the divisions. The indents were not issued in chronological order and at times, indents bearing the same number had been issued by the same sub division in the same month. These laxities may result in pilferage of material drawn against unauthorised/counterfeit indents.

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30 *Shajapur: 9 items Rs.7.19 lakh; Ujjain: 3 items Rs.0.60 lakh; Khargone: 1 item Rs.5.88 lakh Indore 13 items Rs.12.25 lakh and Satna: 1 item Rs.5.63 lakh.*

31 *Khargone- Rs.13.81 lakh, Ujjain-Rs.18.17 lakh and Shajapur- Rs.0.88 lakh.*

(ii) The Price Stores Ledger (PSL) is required to be maintained for daily transactions of receipt and issue of store articles and closed monthly for both quantity and value. At the end of each year, the value of store articles should be revised at current market rates showing profit and loss to be adjusted in accordance with the provisions of CPWA Code. It was, however, seen that the PSL was not closed and balanced at current market rates by the divisions test checked. Thus the balances shown under financial account of Stock (Form-73) are not realistic.

(iii) Survey report in respect of unserviceable articles should be prepared in Form 18 and submitted to the competent authority for sanctioning disposal. However, no survey reports were prepared, resulting in accumulation of heavy balances of unserviceable items and the incurring of avoidable storage costs.

Reserve stock limit had not been fixed for retention of stock in most of the Divisions.

(iv) According to MP Works Department Manual, no reserve stock should be maintained without the specific sanction of the competent authority. It was noticed that Reserve Stock Limit was not fixed in 11 divisions during the period between 1995-96 and 1999-2000 but huge stock balances were maintained as shown in Appendix -VII.

In the following 3 divisions stores were retained in excess of the RSL in the indicated years.

(Rupees in lakh)

Sr. No.	Division	Year	RSL Sanctioned	Balance retained
1.	Ujjain	1997-98	82.00	106.44
2.	Jabalpur	1999-2000	50.00	120.41
3.	Satna	1999-2000	12.00	14.00

Surplus steel worth Rs.46.05 lakh was lying unutilised.

(v) In 13 divisions, 328.946 MT steel worth Rs.46.05 lakh[32] was lying unutilised since the last 5 to 10 years. Effective steps either to transfer it to other divisions or to dispose it of by auction or otherwise, as required under rules, had not been taken as of March 2000, resulting in blockade of Government money and further deterioration of steel due to rusting.

Empties worth Rs.98.28 lakh were not disposed of.

(vi) Containers such as empty drums/barrels of bitumen, bitumen emulsion and cut back bitumen should promptly be returned to stores after utilisation for timely disposal to avoid deterioration and early realisation of revenue. In 9 divisions test checked, 45358 drums and 17641 barrels costing Rs.98.28 lakh had not been disposed of since 5 years.

Narsinghpur -Rs.7.50 lakh, Khargone- Rs.0.65 lakh, Raisen -Rs.1.10 lakh, Indore-II- Rs.0.86 lakh, Dewas-Rs.3.40 lakh, Mandsaur- Rs.1.01 lakh, Shajapur- Rs.3.75 lakh, Alirajpur- Rs.1.07 lakh, Shahdol- Rs.4.51 lakh, Katni- Rs.5.13 lakh, Mandsaur- Rs.2.11 lakh, Satna- Rs.7.92 lakh, Ujjain- Rs.7.04 lakh.

Tools and plants worth Rs.33.74 lakh were not returned by the Sub-Engineers on their transfer etc.

(vii) In 6[33] Divisions tools and plants worth Rs.33.74 lakh issued long back to the Sub-Engineers and others, were not returned even after their retirement/transfer from the divisions. No steps were taken for receiving back, the issued T&P. EEs, however, assured to take action for their adjustment/recovery.

2.1.11 Fictitious adjustment of stock

Material worth Rs.37.88 lakh was fictitiously adjusted to avoid lapse of allotment.

Fictitious adjustment of stock to avoid lapse of allotment is strictly prohibited under rules. In 4 divisions[34] the material costing Rs.37.88 lakh had been shown as issued at the fag end of the financial years during 1995-96 to 1999-2000 and taken back in subsequent years to avoid lapse of allotment. This amounted to fictitious adjustment of stock.

2.1.12 Pending recoveries

(i) Non-adjustment of recoveries relating to stores articles

Miscellaneous Works Advance is a transitory head, which should be cleared at the earliest possible. Test check of register of Miscellaneous Works Advances revealed that in 4 divisions[35], Rs.38.60 lakh was outstanding against contractors/suppliers/officials as of March 2001 for the period 1994-95 to 2000-2001. No action had been taken for its adjustment.

(ii) Recoveries due from the contractors

Issue of material to the contractor was to be regulated with the progress of work in terms of agreement. In 3 divisions[36], material worth Rs.28.70 lakh was, however, issued to the contractors during 1990-91 to 1999-2000 in excess of requirement. Neither the material was taken back to store nor recovery effected/adjusted.

The matter was reported to the Government demi-officially in August 2001; reply was awaited (September 2001).

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33 *Raisen-Rs.0.92 lakh, Narsinghpur-Rs.6.96 lakh, Katni-Rs.14.69 lakh, Shahdol-Rs.8.45 lakh, Jabalpur-Rs.2.19 lakh and Shajapur-Rs.0.53 lakh.*

34 *Katni-Rs.15.84 lakh, Ujjain Rs.5.57 lakh, Shajapur Rs.6.02 lakh and Khandwa Rs. 3.32 lakh.*

35 *Shajapur-Rs.3.40 lakh, Ujjain-Rs.10.72 lakh, Satna-Rs.13.04 lakh and Katni-Rs.11.44 lakh.*

36 *Shahdol Rs.19.72 lakh, Narsinghpur- Rs.1.46 lakh and Shajapur Rs.7.52 lakh..*

SECTION-B

2.2 Construction of 800 bedded Sanjay Gandhi Memorial Hospital at Rewa.

Administrative approval for construction of the 800 bedded Sanjay Gandhi Memorial Hospital Project at Rewa accorded by the Government of Madhya Pradesh, Public Health and Family Welfare Department for Rs.11.69 crore in April 1984 was revised to Rs.52.22 crore in October 1997 and again revised to Rs.60.97 crore in May 2000. The project was to be completed by February 1990. Technical sanctions were, however, accorded for Rs.16.67 crore only relating to nine out of 14 components of the project between November 1985 and March 2000. Rs.55.58 crore had been spent on the project by March 2001 to complete 95 per cent of the main building.

Audit scrutiny (March-April 2001) revealed the following points.

2.2.1 Non-recovery of extra cost from the defaulting contractor

Extra cost of Rs.2.35 crore and mobilisation and secured advance of Rs.48.23 lakh were not recovered from a defaulting contractor

Construction of the main hospital building was awarded to contractor 'E' in February 1987 for completion in 36 months at a cost of Rs.7.04 crore. 'E' could not commence the work as the Department failed to hand over the site free from encumbrances. The work was foreclosed (July 1988) and the MP High Court awarded (April 1997) a compensation of Rs.22 lakh to 'E'. The work re-awarded (March 1989) to contractor 'F' for Rs.7.41 crore (at over-all 20.33 per cent above SOR) was withdrawn in March 1992 due to slow progress with work valuing Rs.42.48 lakh only having been executed. The balance work costing Rs.6.98 crore was awarded (October 1994) to 'P' for Rs.11.65 crore for completion in 30 months at the risk and cost of 'F'. The balance work was executed by 'P' at rates 40.54 per cent higher than those of 'F' resulting in extra cost of Rs.2.35 crore. A mobilisation advance and interest thereon as well as a secured advance aggregating Rs.48.23 lakh was also recoverable from 'F'. Rs.11.80 lakh only by way of security deposit and pending final bill of the contractor was available with the Division to set-off the dues. Rs.2.71 crore still remains un-recovered for which no effective action was initiated by the Department.

On this being pointed out, the EE replied (April 2001) that a notice was issued to the contractor in January 1995 to deposit the extra cost. The reply indicated gross negligence in effecting recovery pending for over 8 years, as the letters issued to the contractor were returned undelivered and no action had been taken to recover the dues as arrears of land revenue as provided for in the rules.

2.2.2 *Extra cost due to adoption of richer specifications*

Unplanned execution of flooring work and payment at abnormal rate for marble flooring resulted in extra cost of Rs.1.95 crore

The schedule of quantities appended to the agreement *inter-alia* included work of Kota stone flooring of 44500 sq. m payable at the rate of Rs.275 per sq. m and 749 sq. m marble flooring payable at the rate of Rs.450 per sq. m. After contractor 'P' had executed 2591.964 sq. m Kota stone flooring at a cost of Rs.7.13 lakh, the then Chief Engineer (CE) proposed (January 1999) to the Government that Kota stone flooring be substituted by marble flooring. Though no Government sanction was accorded (April 2001), the contractor executed 35222.844 sq. m of marble flooring for which an extra item rate of Rs.980 per sq. m was sanctioned by the Superintending Engineer (SE) (March 1999) without obtaining concurrence of the user department. The contractor was paid Rs.2.92 crore at a provisional rate of Rs.830 per sq. m. The new incumbent on the post of CE, after inspection of the project (February 1999), recommended (March 1999) that the original item of Kota stone flooring be carried out in remaining area as marble flooring was not technically suitable. Thus, an avoidable extra expenditure of Rs.1.95 crore was incurred on marble flooring.

On this being pointed out, the EE admitted the facts and stated that the work of marble flooring was executed as per verbal instructions of Secretary, PWD and suggestions given by the Architect.

2.2.3 *Electrical and mechanical works portion.*

Extra cost of Rs.20.61 lakh due to non-procurement of Diesel Generating sets through MPLUN ignoring Engineer-in-Chief's instructions

The Madhya Pradesh Store Purchase Rules provide that certain specified items, including Diesel Generating (DG) sets be purchased only through MPLUN and not through open tenders. The EE, PWD (E/M) Division, Rewa, however, invited (October 1998 and January 1999) tenders for supply, installation, testing and commissioning of 2 DG sets.

As per MPLUN's running rate contract for the year 1998-99 in force from September 1998, the unit price of supply, erection, testing and commissioning of DG sets of standard make 500 KVA was Rs.32,13,400 per set. The lowest tendered rate of contractor 'D' was much higher at Rs.39,00,400 per set. The Engineer-in-Chief instructed (November 1998) the EE to reject tenders and place indents for supply of 3 DG Sets (2+1 additional) with MPLUN.

It was, however, noticed that in violation of the rules and the instructions of the E-in-C, the EE purchased 3 DG Sets through open tenders which resulted in avoidable extra cost of Rs.20.61 lakh

On this being pointed out, the EE stated that the project being financed by Organisation of Petroleum Exporting Countries (OPEC) was to be executed as per their terms, according to which the work was to be assigned only to those

contractors who were prequalified before submitting the price bid. He further stated that MPLUN is a supplying agency and the work was to be done for complete item. The reply was not correct, as the approved rate of MPLUN included supply and installation of the DG sets. As per rule all reserved items had to be procured from MPLUN only.

The matter was reported to Government demi-officially in June 2001; reply was awaited (September 2001).

2.3 Extra cost due to acceptance of tender at higher rate

Injudicious acceptance of a tender costlier by 23.65 per cent than another received on same day for similar type of work in the same vicinity led to extra cost of Rs.82.46 lakh

Item rate tenders in Form 'B' were invited (May 1999) by the Executive Engineer, PWD (B&R) Division No 2, Rewa for construction of residential accommodation for the staff of the 800 bedded Sanjay Gandhi Memorial Hospital, Rewa in two groups. The estimated cost was Rs 3.88 crore for group-I and Rs.4.44 crore for group–II. The lowest tender of Rs.5.91 crore for group–I, quoted by tenderer 'A' and Rs.5.25 crore for group-II, quoted by tenderer 'J' were 52.29 per cent and 18.13 per cent above SOR of CE Central Zone, Jabalpur in force from October 1992, respectively. Since the items of work in both the groups were similar and located in the same vicinity, the variation in the over all tender *prima facie* for group I and group II was abnormal.

The tender of Rs.5.25 crore for group II at 18.13 per cent above SOR was accepted by the Government (June-1999) and work order was issued in July 1999. 'J' had executed work valuing Rs.3.64 crore (June 2000) and the balance work was in progress.

The Government conveyed its approval (July 1999) for negotiations with the lowest tenderer 'A' for group-I. A negotiated amount of Rs.5.50 crore (which worked out to 41.78 per cent above SOR) was finally accepted by the Government (July 1999).

Acceptance of tender for Group-I at an abnormally higher rate of 41.78 per cent resulted in extra cost of Rs.82.46 lakh as per payments actually made (January 2001) to the contractor of Group-I.

On being pointed out, the Executive Engineer stated that the reasonability of item rate tender cannot be judged merely by computing the percentage above or below the SOR. He further stated that the tender of Group-II (at 18.13 per cent above SOR) was a front loaded[37] tender, otherwise the rates were not workable.

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[37] Front loaded is a term used in respect of tenders wherein the rates are high in respect of items to be executed initially.

The reply is not tenable because item rate tenders are ultimately evaluated at an overall percentage above or below SOR. In fact, the recommendation of the SE and CE for Group-I and the sanction by the Government were in terms of overall tender percentage at 41.78 per cent above SOR. Moreover, the contractor in respect of Group-II had executed (June 2000) the work of Rs.3.64 crore against the contract amount of Rs.5.25 crore, which proved that rate of 18.13 per cent was workable.

The matter was reported to the Government demi-officially in June 2001; reply was awaited (September 2001).

2.4 Non-recovery of cost of material from contractor

Loss of Rs.24.02 lakh due to non-recovery of material issued to contractor and remained unused

Work of construction of Jabalpur by-pass road, 0 to 7767 m of NH-7 (Package 1), was awarded (May 1993) to a contractor under agreement no. 2/DL of 1993-94 on item rate tender by the Executive Engineer (EE), PWD (NH) Division, Jabalpur for Rs.4.04 crore for completion by May 1996. As the contractor could not complete the work even in extended period (December 1999), the work was rescinded (December 1999) by the EE under debitable clause. Bill for incomplete work was paid (June 1999) for Rs.6.12 crore.

Audit scrutiny revealed (May 2000) that the contractor was issued 909.501 MT asphalt and 3.6 MT cationic emulsion during January 1995 to April 1999 against which 675.243 MT asphalt was consumed on the work. 234.258 MT asphalt and 3.6 MT emulsion costing Rs.24.02 lakh was lying with the contractor unused. The material or the cost there-of was recoverable from contractor as per terms of the agreement.

The EE, however, failed to initiate action for recovery against contractor beyond the issue of a notice (September 1999) for return of unused material. Neither the material nor the machinery costing Rs.51.68 lakh of the contractor deployed by him on the work was taken in possession.

On this being pointed out, the EE stated (May 2001) that the recovery on account of unused material was under investigation by the SE under the direction of the Hon'ble High Court and final action would be taken after the investigation was over. The reply is not relevant as the orders of Hon'ble High Court did not pertain to this case.

The matter was reported to Government demi-officially (June 2001). Reply was awaited (September 2001).

2.5 Undue benefit to contractors under BOT scheme

Evaluation of toll tax bids using incorrect traffic census and rates of toll tax resulted in undue profit of Rs.2.78 crore to the contractors at the cost of user public

The Department invited (April 1994 and April 1995) offers for 'construction of Bankur Bridge in km. 72/6-8 on Indore- Khandwa Road' (estimated cost Rs.48.10 lakh), and 'replacement of superstructure of Chambal Bridge in km. 37/4 including construction of 4 medium bridges in km 40/2, 46/8, 48/4 and 52/4 on Chambal river' (estimated cost Rs.152 lakh) under the Build-Operate-Transfer (BOT) scheme. As per the tender conditions, the tenderer was required to make his own assessment of the volume of traffic before tendering his bids. The departmental traffic census data was also appended with the notices inviting tender to assist the tenderer to assess his estimated toll collection. The offers were to be made by the contractors in terms of days for collection of toll tax in lieu of their capital investment and interest thereon. The lowest offers of contractors 'A' and 'B' in January 1995 and January 1996 of 604 and 598 days, respectively, were accepted by the Government. The works were awarded in January 1995 and January 1996 for completion in 18 and 20 months respectively. Audit scrutiny revealed the following points.

(i) Under valuation of bid amount due to totalling mistake of traffic census figures.

Traffic census of 7 days traffic (30 May 1993 to 5 June 1993) on upside was incorrectly computed by the contractor as 1624 trucks only against the correct figure of 2614 trucks. The totalling mistake resulted in under-valuation of estimated receipts of toll tax for evaluation of tenders and allowed the contractor to earn an undue profit of Rs.39.77 lakh. Based on actual toll collected during the contract period, the undue profit to the contractor worked out to Rs.1.64 crore, as shown in Appendix-VIII (i).

(ii) Under valuation of bid amount due to application of incorrect rates of toll tax

The total receipts from toll collection on Chambal bridge were worked out by the contractor using incorrect rates of toll tax at the rate of Rs.25 for trucks and Rs.30 for multi-axle trailers, against the correct rates of Rs.35 and Rs.50 respectively. Based on actual toll collected during the contract period, the undue profit to the contractor worked out to Rs.1.14 crore, as shown in Appendix VIII (ii).

On this being pointed out (January 1999), the EE stated that tenders were accepted on the basis of lowest competitive offer in terms of days for toll collection and not on the basis of evaluation with reference to traffic density. The reply indicated Department's failure to verify the correctness of the traffic data/rates used to estimate toll collection. Further, the Department should have negotiated for lower number of days for toll collection or gone in for re-tendering.

The matter was reported to Government demi-officially (June 2001). Reply was awaited (September 2001).

2.6 Excess payment on construction of residences in judicial academy at Bhopal.

Excess payment of Rs.57.26 lakh to the contractor due to sanctioning of extra items at abnormally high rates

Construction of judicial academy, with probable amount of contract (PAC) Rs.98.50 lakh, was awarded (February 1995) to a contractor on percentage rate contract at 21.34 per cent below Schedule of rates (SOR-June 1992) for completion in 15 months. Extension of time up to 17 May 1998 was granted (March 1998), by the Superintending Engineer (SE), PWD circle, Bhopal. 19th running bill of the contractor for Rs.1.98 crore including the payment of 69 original items of work as per agreement and 15 extra items was paid in March 2001. The work is still incomplete.

The agreement provided that altered, additional or substituted items of work for which no rates were specified in the contract, would be carried out at the SOR rates, plus or minus the percentage of accepted tender. If the rates for such work were not specified in the SOR, these would be worked out from similar class of work and fixed by the SE . Scrutiny revealed the following points.

(a) The agreement included (i) excavation in hard rock, where blasting was prohibited, (ii) providing window frames of cold rolled steel and (iii) centering and shuttering up to two floor level. The SOR rates for the items were Rs.108 per cu m, Rs.1630 per sq. m and Rs.86 per sq. m respectively. Thus the contractor was to be paid for these items at the SOR rates minus the tender percentage of 21.34 per cent.

Violating the provisions of the agreement, the SE sanctioned (June 1999) much higher rates of Rs.308 per cu m, 4815 per sq. m and Rs.254 per sq. m respectively for the above items treating them as non-scheduled extra items of works resulting in excess payment of Rs.39.55 lakh to the contractor.

(b) The agreement provided for the work of Reinforced Cement Concrete 'RCC' M-15 (CC 1:2:4) with 20 mm metal' at Rs.1150 per cu m and 'Providing and filling under floor-sand or stone dust at Rs.140 per cu m'. These were substituted by 'RCC M-15 with 12.5 mm metal' and 'filling under floors with hard moorum' respectively. The rates for these items worked out to Rs.1170 per cu m[38] and Rs.129.35 per cu m[39], respectively.

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[38] Agreed rate of Rs.1150 per cu m + Rs.20 per cu m for the difference in cost of 20 mm metal and 12.5 mm metal.

[39] Agreed rate of Rs.140 per cu m minus Rs.10.65 per cu m for the difference in lead for stone dust and hard moorum.

The SE, however, sanctioned (June 1999) much higher rates of Rs.1732 per cu m and Rs.154 per cu m, resulting in excess payment of Rs.9.76 lakh to the contractor.

(c) The agreement included an item "13 mm cement plaster with water proofing compound" which was replaced with "providing 13mm thick sand faced plaster" for which no rates were specified either in the agreement or in the SOR at the time of inviting the tender.

The SE sanctioned (June 1999), the rate for the item of sand faced plaster at Rs.161.70 per sq. m. This item was included (November 1999) in the SOR at Rs.78 per sq. m. Thus the rates sanctioned by the SE were much higher and the SE failed to assess the market rates accurately resulting in excess payment of Rs.7.95 lakh.

Rates sanctioned by the SE were thus abnormally high and led to a total excess payment of Rs.57.26 lakh to the contractor.

On this being pointed (June 2001), the EE stated that the rates were sanctioned by the SE after assessing the market rates. The reply is not tenable, as the rates as per agreement, for the item mentioned at (a) had to be paid at SOR rates minus tender percentage and the rates for discussed for items under (b) were not analysed properly.

The matter was reported to the Government demi-officially (July 2001); reply was awaited (September 2001).

2.7 Avoidable expenditure on strengthening of ISU Road

Avoidable expenditure of Rs.27.18 lakh on strengthening of Indore-Sanwer-Ujjain road in different kilometres and sub-standard work of Rs.35.46 lakh

The Executive Engineer (EE), PWD Division-2, Indore sanctioned (May 1999) an estimate of Rs.23.02 lakh for maintenance and strengthening in km 33 and 35 of Indore-Sanwer-Ujjain (ISU) road. Similarly the Superintending Engineer, PWD Circle, Indore submitted (January 1999) to the Chief Engineer (CE), West Zone, Bhopal an estimate of Rs.31.29 lakh for maintenance and strengthening in km 5 and 6 of the same road. The work was, however, not sanctioned by the CE. Despite this, the work was awarded (April 1999 and May 1999) to a contractor 'A' under agreement nos. 7 and 11 of 1999-2000 respectively. Amount of Rs.35.46 lakh and Rs.12.08 lakh was paid to 'A' in July 1999 and June 2000. Thus an expenditure of Rs.47.54 lakh was incurred on maintenance (Rs.20.36 lakh) and strengthening (Rs.27.18 lakh) of the road between July 1999 and June 2000.

(a) Scrutiny revealed (January 2001) that prior to awarding the work of strengthening of road to 'A', tenders for maintenance of ISU Road from km 3/4 to km 54.5, were invited in April 1999 under the Build, Operate and

Transfer (BOT) scheme. The tender of 'B' was accepted (December 1999) by the Government.

Under BOT, 'B' was required to carry out patch repairs of the entire road, BT renewal in 5 km road length along with profile corrective course and construction of concrete road in km 5 during the initial period of six months. Concrete pavement in km 6 was also to be constructed in the next six months.

In his offer (May 1999) 'B' was aware that renewal and maintenance of the road length was to be done at his cost. Thus, the road could have been maintained at a cost of Rs.20.36 lakh only till its transfer under BOT and expenditure of Rs.27.18 lakh (Rs.47.54 lakh - Rs.20.36 lakh) on strengthening of road could have been avoided.

On this being pointed out, the EE stated (January 2001) that the tenders under BOT were called in April 1999 hence during intervening period the road was required to be kept in worth for traffic.

The reply is not tenable, as the tender of 'B' under BOT was based on the road condition prevailing in April 1999; the road could have been maintained in good condition without incurring extra expenditure on strengthening.

(b) The work was completed (June 1999) and the Chief Technical Examiner observed (July 1999) that the work on km 5 and 6 of the road was damaged. The black top surface was showing cracks and water was underlying the BT surface. The camber of the road surface was also not maintained, which was indicative of the fact that the sealing was not done properly. Thus work of strengthening worth Rs.35.46 lakh was sub-standard.

The matter was reported to the Government demi-officially (July 2001); reply was awaited as of September 2001.

2.8 Loss to Government due to failure in taking penal action against the contractor

Failure of a BOT contractor to undertake renewal and maintenance of 16.60 km road, deposit quarterly installment and interest of Rs.20.60 lakh, resulted in loss of Rs.1.42 crore to toll tax paying public

Maintenance of an existing Bhopal-Dewas State Highway-18 from km 10/6 to km 153/10 was entrusted to an entrepreneur under Build, Operate and Transfer (BOT) scheme for a period of 3 years and 7 months from 3 February 1997 with toll collection right of 3 years from 4 May 1997 to 3 May 2000. The work was to be completed by 2 September 2000.

The scope of agreement included renewal of 12 m wide road by the contractor to a length equal to one fifth of the total length of the road in the beginning of each year. The renewal work consisted of 50 mm thick Bituminous Macadam (BM), Profile Corrective Course (PCC) and Mix Seal Surfacing (MSS) and

maintenance of the road as per MOST specifications with his own capital, in lieu of which the contractor was to collect toll tax for 3 years from 4 May 1997, and pay in all Rs.4.46 crore to the Government in 12 equal quarterly installments as per a prescribed schedule.

According to the terms of the contract, if an installment was not paid on the due date, the contractor was liable to pay interest at the rate of 10 per cent per annum. Maintenance and renewal of the road was to be done as per time schedule specified in the agreement and in case of any slippage in execution, the contractor was liable to penal action. Failure to complete the work despite written notice by the department entailed forfeiture of security deposit as well as right of collection of toll tax. Breach of contract by the contractor entailed termination of contract. The department reserved the right to carry out the remaining work by employing another agency at the risk and cost of the contractor.

Scrutiny of records revealed that although the contractor had to renew 29 km of road every year, he renewed only 22.40 km in 1997-98 and 29 km in 1998-99. Renewal of 6.60 km was thus carried over for execution in 1999-2000. Eight notices were issued to the contractor up to May 2000 to complete the balance work. Further, the EE also proposed (October 1999) completion of balance work at the risk and cost of the contractor. Subsequently, the CE withdrew (June 2000) the right of toll collection without terminating the contract during the validity of contract.

After withdrawal of the toll collection right and during the currency of contract (September 2000), the contractor renewed only 19 km road between April and August 2000. Renewal of 16.60 km along with maintenance work worth Rs.1.51 crore were left incomplete. The contractor also failed to deposit portion of the installment amounting to Rs.17.20 lakh for the quarter ending June 2000 along with interest of Rs.3.40 lakh. Thus a sum of Rs.1.71 crore was recoverable from the contractor.

The contractor requested (August 2000) time extension up to December 2000 for completing the balance work, which was rejected by the EE (September 2000).

Against the recoverable amount of Rs.1.71crore, only Rs.29.05 lakh was available with the department. Thus, department's failure in taking timely action under penal clause against the contractor and to terminate the contract at the risk and cost of the contractor resulted in loss of Rs.1.42 crore. No action for its recovery has been taken as of May 2001.

The matter was reported to Government demi-officially in July 2001; reply was awaited (September 2001).

2.9 Fraudulent payment

Rs.7.98 lakh paid to a contractor towards watering and rolling of earthwork inspite of enquiry report substantiating non-execution of the work

The earthwork (earthen median) on Jamsara Approach road in km 3 to 6 was awarded (June 1993) to a contractor and payment of Rs.6.05 lakh made in April 1994.

After a lapse of 8 months (January 1995) and again after a lapse of 30 months (October 1997), the contractor directly approached the Chief Engineer, North Zone, Gwalior [CE (N)] for payment on account of watering and rolling of the said work for which no payment was reported to have been made by the Executive Engineer (EE). Clause 29 (Arbitration clause) provided that any such claim shall be referred to SE for decision within 30 days of occurrence of the claim.

The CE (N), Public Works Department (PWD) directed (October and November 1997) the EE, PWD Division, Bhind to make payment for the work as it had been carried out. He justified his order on the basis of report of soil testing by the departmental laboratory forwarded by the contractor. The CE again directed SE to ensure payment is made otherwise action as per rules would be taken against EE. The case was examined by the EE and the following facts were observed:

(i) No provision was made in the estimate/agreement/G-schedule for watering and rolling (compaction of earthwork).

(ii) No supplementary schedule was submitted by the then Assistant Engineer (AE)/Sub Engineer (S/E) for additional work/extra items and so called additional/extra item was not sanctioned.

(iii) There was no documentary evidence in the office records that the work of watering and rolling was actually done.

(iv) Final payment of earthwork was made on April 1994 and the contractor directly approached the CE on January 1995 i.e. after lapse of 8 months for payment of watering and rolling which was not acceptable as per clause No. 15 and 29 of the agreement.

Inspite of the above observations, the Sub Engineer (S/E) recorded the measurements of watering and rolling on January 1998 and the Assistant Engineer checked them on the same date i.e. 3 years and 10 months after the earthwork was completed (March 1994), with the following qualifying notes in the measurement book.

(i) Supplementary schedule of rolling and watering was not sanctioned by present SE & EE.

(ii) The item was not provided in working schedule.

(iii) Rolling and watering had not been done by the contractor.

Subsequently supplementary and final bill for the gross value of Rs.14.02 lakh was prepared and Rs.7.98 lakh paid (October 1999) after deducting the earlier payment. The payment was made despite the fact that the Superintending Engineer, PWD, Gwalior Circle had clearly stated that the contractor had not done watering and rolling in the earthwork and the question of payment for the said work did not arise. No supplementary schedule was either prepared by Sub-Engineer/Assistant Engineer or submitted to EE for approval of SE.

Thus payment of Rs.7.98 lakh was made (October 1999) by the EE to the contractor for the work not actually executed.

On this being pointed out (February 2000), the EE stated that the payment was made on the written statement of the then EE, AE and Sub-Engineer. The soil compaction was got tested from the laboratory, which indicated the execution of work. But the EE of the same division replied in September 2000 that the then AE had asked (February 1994) the AE, Laboratory In-charge to carry out tests of hard soil whereas the test report was submitted about density of soil only. He also stated that the then EE, AE and Sub-engineer who got executed the work and also the then EE who made payment also did not take any action for the approval of supplementary schedule.

The reply of the EE was not tenable, as the written statement of EE, AE and Sub-Engineer emphatically stated that work of watering and rolling was not done by the contractor. Moreover, the SE after departmental enquiry, reported (April 1996) non-execution of any such work. Further, the work of watering and rolling in earthen median was neither provided in estimate or working schedule nor was it prepared and sanctioned as an extra item.

The matter was reported to the Government demi-officially in May 2001; reply was awaited (September 2001).

2.10 Avoidable expenditure due to use of costlier binder in maintenance of roads

Use of costlier cut back bitumen instead of equally effective cationic emulsion resulted in avoidable expenditure of Rs.24.41 lakh

The Ministry of Surface Transport (MOST) specifications provide for (i) paving bitumen (ii) cationic emulsion and (iii) cut back bitumen as binders for maintenance of bituminous surface. Paving bitumen requires heating before use while the other two binders are in liquid form. Cationic emulsion is generally favoured in rainy season as it does not require heating and can be used with wet aggregates.

During scrutiny (August 1999) of records of Public Works (B&R) Division No. I, Rewa, it was noticed that 194.6 tonnes of cut back bitumen was procured between October 1997 and December 1998 at a cost of Rs.45.83 lakh for maintenance of roads. Use of cut back bitumen, which was more than two

times costlier than cationic emulsion resulted in avoidable extra cost of Rs.24.41 lakh.

On this being pointed out, the Executive Engineer stated that cut back bitumen was the only alternative for patch work during rainy season, and it makes the surface fit even during wet weather. Further, it was purchased with the approval of competent authority looking to its availability and utility.

The reply is not tenable, as binding material is to be purchased for immediate requirements only. As per clause 8.1 of IRC:82-1982 cationic emulsions can be used with wet aggregates (very useful for maintenance operations during rainy seasons). The cationic emulsion was also available at that time as seen from supply order of Director General Supply and Disposal (DGS&D) vide No.6/DGSD/4033/26/98-99 dated 4 September 1998.

Thus, the selection of cut back as binder for maintenance was a costlier and less suitable option, which resulted in avoidable expenditure of Rs.24.41 lakh.

The matter was reported to Government demi-officially (May 2001); reply was awaited (September 2001).

2.11 Maintenance of Jaora-Mandsaur-Neemuch-Nayagaon Road (SH-31) with authorisation to collect toll

Extra burden on user public due to non-consideration of real traffic census

Incorrect evaluation of toll collection resulted in extra benefit of Rs.11.97 crore to the contractor

Tenders for the work "Replacement and reconstruction of weak bridges and culverts and maintenance of Jaora-Mandsaur-Neemuch-Nayagaon Road (SH-31) from km 36 to 77 and km 94 to 155.07 (103.07 km) complete in all respect including construction of toll tax barriers and booth at tenderers capital and resources with authorisation to collect toll" were invited (November 1998) on Build, Operate and Transfer (BOT) system by the Superintending Engineer (SE), PWD Circle, Ujjain. The lowest offer of contractor 'A'. with authorisation to collect toll tax for 1791 days was accepted (24 March 1999) by the Government. The work order was issued (April 1999) by the Executive Engineer (EE), PWD Division, Mandsaur.

Scrutiny (May 2001) of records revealed that the traffic census conducted between 19 June 1997 and 25 June 1997 as detailed below was appended with the tender.

Car/jeep	Buses	Three Wheeler	Trucks	Multi Axle
730.71 x 10	861.28 x 25	522.14 x 15	1805 x 35	385.57 x 50
7307	21557	7832	63175	19278

Per day collection	**Rs.119149**
less 15% on account of vehicle returning on same day/tax free	**Rs.17872**
Net per day collection	**Rs.1,01,277 per day**

As per evaluation of tender by the Chief Engineer (CE), (West Zone), the contractor was likely to incur an expenditure of Rs.11.24 crore on the works (as shown in Appendix IX) and get receipts of Rs.2.92 crore per year for 5 years on account of collection of toll tax with an increase of 10 per cent per year. The tender was accepted in March 1999 and the contractor was authorised to collect toll tax with effect from 19 January 2000 (on completion of work costing Rs.2 crore during initial 6 months period). The toll tax collection for the year 2000 (on the basis of traffic census of 1997 with escalation in traffic by 10 per cent per annum) works out to Rs.4.92 crore, against the Department's consideration of Rs.2.91 crore resulting in extra benefit to the contractor by Rs.2.01 crore during 2000, which is likely to increase to Rs.11.97 crore by 2004. Even on the basis of the actual toll collected during the period from 19 January 2000 to 31 March 2001, the extra benefit to the contractor worked out to Rs.5.62 crore by the year 2004.

On being pointed out (May 2001), the EE stated that the contractors were supposed to conduct their own traffic census and to submit their offers accordingly. It was neither possible nor required to conduct the traffic census again and again.

The reply was not tenable, as the traffic census of 1997 was required to be updated by considering escalation in traffic as per MOST guidelines and para 9.044 (3) of Works Department Manual. The Department should have examined the census data used by the contractor keeping in view relevant guidelines before awarding the contract.

Matter was reported to Government demi-officially in July 2001; reply has not been received as of September 2001.

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CHAPTER-3
PUBLIC HEALTH ENGINEERING DEPARTMENT

SECTION-A

3.1 Drinking Water Supply

3.1.1 Highlights

Government of India (GOI) launched (1993-94) the Centrally sponsored Accelerated Urban Water Supply Programme (AUWSP) for towns with population less than 20000 (1991 Census). Though 312 towns were eligible for water supply under AUWSP, only 154 towns were proposed for potable water supply, out of which schemes for 100 towns only were sanctioned. 26 schemes covering 26 towns with a total population of 2.69 lakh (8 per cent of the eligible population) were only completed at a cost of Rs.15.09 crore up to March 2001.

GOI launched (February 1986) National Drinking Water Mission to cover an ongoing centrally sponsored scheme viz. Accelerated Rural Water Supply Programme (ARWSP). It aimed to provide safe and potable drinking water at 40 litres per capita daily (LPCD) to all rural villages and habitations. There were 166603 villages and habitations in the State, of which 57050 were identified as problem habitations as of March 1997 and were proposed for coverage up to March 2000. However, only 41783 habitations could be covered up to March 2001 at a cost of Rs.867.53 crore, leaving 15267 habitations (27 per cent) uncovered including 13673 partially covered. Only 23.45 per cent of the targeted samples (3.24 lakh) were collected and checked. Thus the quality of the water being supplied to habitations was not assured.

AUWSP

- ***Against Rs.105.51 crore, required to complete the proposed 154 schemes, Rs.34.76 crore (33 per cent) only was provided in the Ninth Plan.***

  (Paragraph 3.1.4.1)

- ***GOMP retained Central share of Rs.11.53 crore and Rs.17.83 crore were lying unutilised under Civil Deposit in the Divisions.***

  (Paragraph 3.1.4.2))

Though GOI released funds for all the approved schemes, 25 schemes costing Rs.30.50 crore were not commenced for want of administrative approval from GOMP and 8 schemes costing Rs.10.73 crore were also not commenced even after release of Rs.9.43 crore to the executing Divisions.

(Paragraph 3.1.5)

- ***Incorrect selection and low dependability of raw water sources of 5 schemes resulted in avoidable expenditure of Rs.45.55 lakh and unfruitful expenditure of Rs.2.51 crore. Suspension of work on 2 schemes resulted in nugatory expenditure of Rs.1.89 crore.***

(Paragraphs 3.1.5 (i), (iii), (iv), (vi), (vii) and viii))

- ***Indecision on appropriate technology for treatment plant for Bhikangaon, Kasrawad schemes and non-construction of barrage (Bhikangaon) rendered the expenditure of Rs.3.01 crore unfruitful.***

(Paragraph 3.1.5 (v))

ARWSP

- ***GOMP failed to provide matching share of Rs.68.64 crore and reported expenditure was inflated by Rs.66.08 crore. Shortfall in expenditure under MNP deprived MP of central assistance of Rs.12.68 crore. E-in-C, Bhopal and CE, Raipur kept Rs.110.84 crore in Civil Deposits of which Rs.50.37 crore remained unused.***

(Paragraph 3.1.10 (i) and (ii))

- ***Low dependability and inadequate maintenance contributed to re-emergence of 1017 NC and 16435 PC habitations. Inadequate survey contributed to failure of 15842 tube wells costing Rs.63.37 crore. 231 RPWSS were lying incomplete in which Rs.16.62 crore were locked up.***

(Paragraphs 3.1.11 and 3.1.12, (i) and (v))

- ***Poor operation and maintenance of water supply schemes resulted in non-operation of 44179 HP and 844 RPWSS which deprived 1.27 crore rural population of safe drinking water.***

(Paragraph 3.1.16 (a))

- ***No remedial measures were taken in 2729 fluoride affected villages, 10 districts affected by excess salinity and 11 villages affected with excess arsenic in Rajnandgaon district.***

(Paragraph 3.1.13 (ii), (iii) and (iv))

- ***Lack of maintenance and non-involvement of local community rendered 2640 iron removal plants costing Rs.1.85 crore and 35 solar photo voltaic pumping system costing Rs.2.10 crore defunct.***

(Paragraphs 3.1.13 (v) and 3.1.14)

- ***Department failed to install hand pumps in 1024 Aganwadi centers while Rs.3.94 crore were lying in Civil Deposits.***

(Paragraph 3.1.22 (i))

3.1.2 Introduction

'Water" being a state subject under the Constitution, State Governments are primarily responsible for ensuring availability of safe drinking water. As smaller towns, with populations of less than 20,000 were usually neglected, GOI launched (1993-94) the Centrally Sponsored AUWSP for towns with populations of less than 20000 (1991 Census) for completion by the end of the Eighth Plan.

GOI launched (February 1986) National Drinking Water Mission to cover an ongoing centrally sponsored scheme viz. ARWSP and five Sub-Missions, four dealing with specific water quality problems and the fifth for ensuring sustainability of sources. It aimed to provide safe and potable drinking water to all rural villages and habitations especially in remote areas where 40 litres per capita daily (LPCD) potable water was not available.

3.1.3 Scope of audit

In Madhya Pradesh (MP), AUWSP and ARWSP were being implemented through the Public Health Engineering Department (PHED) headed by an Engineer-in-Chief (E-in-C). There were 5 zones each headed by a Chief Engineer (CE) with their headquarters at Bhopal, Gwalior, Jabalpur, Indore and Raipur, besides, a mechanical formation headed by a CE stationed at Bhopal. There are 78 Divisions each headed by an Executive Engineer (EE).

Implementation of AUWSP (1993-2001) and ARWSP (1996-2001) were reviewed and its impact in providing safe drinking water to urban population of towns below 20000 and the rural population were assessed. For this purpose, test check of records of 11 Civil Divisions, 4 Mechanical Divisions, 1 Fluorosis Control Division, out of 78 Divisions, 1 Project Circle and 6 Zonal offices in Madhya Pradesh and Chhattisgarh was conducted during November 2000 to June 2001.

Part I Accelerated Urban Water Supply Programme

3.1.4 Impact assessment of implementation

3.1.4.1 Inadequate planning

Against the requirement of Rs.105.51 crore, only Rs.34.76 crore (33 per cent) was provided in Ninth Plan.

In MP, 312 towns with a total population of 35.08 lakh (as per 1991 Census) were to be included under AUWSP. However, schemes pertaining to 154 towns estimated to cost Rs.115.14 crore were considered for implementation during the 8th and 9th Five Year Plans only. However, an expenditure of Rs.9.63 crore only was incurred up to March 1997. Rs.34.76 crore were provided for implementation during 9th plan.

Only 154 schemes (49 per cent) could be proposed against 312 eligible towns.

Out of 154 schemes, 100 schemes costing Rs.85.32 crore were approved (by March 2001), 3 schemes were dropped and 19 schemes costing Rs.26.35 crore were awaiting technical clearance from GOI as of March 2001. The

remaining 32 schemes had been approved between February 1995 and May 1999 by the State Level Selection Committee (SLSC) but detailed project reports (DPRs) were yet to be submitted (March 2001) to GOI.

32 towns having low water supply of 15 to 31 LPCD was not given priority, which deprived adequate drinking water to 3.40 lakh people.

Guidelines for implementation of AUWSP required that towns with a supply of less than 70 LPCD were to be given priority. Though 32 towns with supply ranging from 15 to 31 LPCD were selected (February 1995 and May 1995), GOMP failed to submit DPRs to GOI for sanction. On the other hand, schemes for 14 towns having water supply between 35 to 65 LPCD were approved and being executed. This deprived adequate drinking water to 3.40 lakh people to which, they were entitled on priority basis.

3.1.4.2 Financial outlay and expenditure

Central share of Rs.11.53 crore was retained by the State. Rs.17.83 crore were lying unutilised under Civil Deposit in Divisions.

Expenditure on AUWSP was to be shared by GOI (50 per cent) and the State (50 per cent, including 5 per cent contribution from the beneficiary urban local body). The amounts released by GOI, the State Government and local bodies reported to GOI were as under.

(Rupees in crore)

Year	Schemes approved (number)	Cost	Grant released by GOI	Grant released to the Divisions				Expenditure as per Appropriation Account
				GOI	State	Local body	Total	
1993-94	30	15.87	2.05	0.00	0.00	0.00	0.00	0.00
1994-95	0	0.00	3.43	1.98	0.82	0.84	3.64	0.24
1995-96	21	19.30	3.81	6.04	1.63	0.00	7.67	7.68
1996-97	0	0.00	1.56	4.16	5.06	0.51	9.73	9.18
1997-98	3	2.83	4.18	1.05	2.07	0.12	3.24	5.62
1998-99	9	8.05	6.27	0.86	3.48	0.07	4.41	4.70
1999-2000	28	26.46	9.37	6.86	6.98	0.67	14.51	14.95
2000-2001[40]	9	12.81	5.60	3.77	2.40	0.39	6.56	4.59
Total	**100**	**85.32**	**36.26**	**24.73**	**22.44**	**2.59**	**49.76**	**46.96**

Out of grants of Rs.36.26 crore released by GOI during 1993-94 to 2000-2001, GOMP released only Rs.24.73 crore to the divisions up to March 2001, retaining Rs.11.53 crore with itself. Of the total release of Rs.49.76 crore to the divisions, only Rs.31.93 crore (64 per cent) were actually utilised. The remaining Rs.17.83 crore were lying under 8443 Civil Deposits in the Divisions for periods ranging from 4 to 48 months.

3.1.4.3 Inadequate targets and achievements

AUWSP schemes are sanctioned generally for completion within 2 years. Thus the schemes sanctioned in 1993-94 were to be completed by 1995-96. Year wise details of schemes sanctioned, target fixed and the achievements there against were as under.

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[40] No grant was released to the Government of Chhattisgarh during the period from November 2000 to March 2001.

Targets fixed were low. Achievement of only 43 per cent of these low targets indicated very poor performance.

Year	Schemes approved	Cost (Rupees in crore)	Expenditure (Rupees in crore)	Number of schemes		
				Targeted for completion	Completed	Percentage to target
1993-94	30	15.87	0.00	0	0	0
1994-95	0	0.00	0.00	0	0	0
1995-96	21	19.30	6.00	0	0	0
1996-97	0	0.00	5.44	5	0	0
1997-98	3	2.83	9.56	10	5	50
1998-99	9	8.05	5.09	15	11	73
1999-2000	28	26.46	2.76	15	5	33
2000-2001	9	12.81	3.08	15	5	33
Total	**100**	**85.32**	**31.93**	**60**	**26**	**43**

Against 312 towns required to be covered under Eighth plan (1992-97), schemes for only 51 towns were approved during the Eighth plan and 49 towns during the Ninth plan. Of these 100 approved schemes, 91 were required to be completed by the end of the Ninth plan, i.e. March 2002. A low target of 5 schemes only was fixed for the Eighth plan, which was also not achieved. 55 schemes were targeted for completion for the years 1997-2001 against which only 26 schemes were completed.

Scrutiny further revealed that:

Excess expenditure of Rs.2.31 crore over deposits were incurred on 23 schemes.

(i) The work on schemes under AUWSP is to be carried out as a deposit work. As per Madhya Pradesh Works Department (MPWD) Manual, expenditure on deposit works is to be limited to the deposits received. It was, however, noticed that against 23 schemes sanctioned between March 1994 and 1997 for Rs.14.71 crore, Rs.14.60 crore were released and an expenditure of Rs.16.91 crore incurred up to March 2001. This resulted in excess expenditure of Rs.2.31 crore over the deposits, which was met from the deposits of other works and security deposit of contractors.

Divisions incorrectly levied Rs.38.23 lakh percentage charges on 6 schemes.

(ii) Guidelines of AUWSP stipulated that no departmental charges were to be levied as the sanctioned estimates already included establishment charges (3 per cent) and contingency charges (5 per cent) and implementing agencies had adequate infrastructure for execution of schemes. Charges at the rate of 16.5 per cent up to 1996-97 and 6 per cent thereafter were incorrectly levied on 6 schemes, casting an avoidable burden of Rs.38.23 lakh on the schemes, which are lying incomplete for want of funds.

On this being pointed out, Government of Chhattisgarh (GOCG) stated (October 2001) that the supervision charges are levied as per the prevailing norms in Madhya Pradesh and this could be withdrawn if decided by Government.

4 ongoing State Plan schemes were incorrectly approved for Rs.4.07 crore under AUWSP.

(iii) Schemes already being implemented under the normal State Plan were not eligible for selection under AUWSP. Scrutiny revealed that the following ongoing State Plan schemes under the Ninth Plan (1997-2002) were also included in AUWSP.

S. No.	Water supply Scheme	Year of commence ment	Estimated cost (Rupees in lakh)	Expendi-ture up to March 1997 (Rupees in lakh)	GOI approval	Approved cost (Rupees in lakh)	Fund released (Rupees in lakh)
1	Budhani	1991	31.00	30.96	January 1996	46.80	46.80
2	Sailana	1996	49.60	0.01	December 1998	43.85	43.96
3	Kukshi	1988	100.00	183.66	April 1999	184.91	184.91
4	Balod	1980	19.83	37.11	March 1999	131.61	82.38
	Total		**200.43**	**251.74**		**407.17**	**358.05**

These funds could have been utilised to complete other schemes under AUWSP, which were languishing for want of funds.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that Balod town was taken rightly under the programme as per norms of GOI so that the incomplete scheme could be completed and the town could get sufficient water supply. The reply was not tenable, as Balod town was not eligible for selection under AUWSP since it was an ongoing State Plan scheme.

3.1.5 Execution of works

Department failed to provide safe drinking water to 92 per cent of the targeted population.

The Department took up 100 schemes costing Rs.85.32 crore during 1993-94 to 2000-2001 for execution under AUWSP. Out of this, 26 schemes costing Rs.14.02 crore were completed at a cost of Rs.15.09 crore, with a cost overrun of Rs.1.07 crore and delays ranging from 1 to 4 years, to cover a population of 2.69 lakh up to March 2001 against the target of 312 towns having a population of 35.08 lakh. Thus the Department failed to provide adequate safe drinking water to 92 per cent of the targeted population.

8 schemes costing Rs.10.73 crore were not commenced even after release of Rs.9.43 crore.

Out of the 74 schemes, work on 49 schemes costing Rs.40.80 crore was in progress with Rs.20.92 crore having been spent up to March 2001. 8 schemes costing Rs.10.73 crore approved by GOI and GOMP between April 1996 and November 2000 had not commenced as of June 2001, despite release of Rs.9.43 crore up to March 2001. Non-commencement of work was as a result of (a) lack of coordination between local bodies and Department, (b) non-commitment towards payment of increased cost by local bodies and (c) delay in identification of source. This deprived the target population of 1.11 lakh of safe drinking water.

25 schemes costing Rs.30.50 crore could not be commenced for want of administrative approval.

According to guidelines, the AUWSP would be funded with a 50 per cent grant from GOI and a matching contribution of 50 per cent (including 5 per cent from the beneficiary municipal body) from GOMP. Scrutiny revealed that 25 schemes costing Rs.30.50 crore sanctioned by GOI between March 1994 and February 2000 to cover a population of 2.90 lakh did not commence for want of administrative approval by GOMP due to non-receipt of contribution from the beneficiary local body. No action was taken by GOMP to get the contribution from local bodies and accord administrative approval.

Time overrun of 1 to 4 years resulted in cost overrun of Rs.11.56 crore in 10 ongoing schemes.

Further analysis of 10 out of the 49 ongoing schemes revealed that even after incurring an expenditure of Rs.10.62 crore against the estimated cost of Rs.10.15 crore and scheduled to be completed between March 1997 and June 2000, were incomplete as of March 2001, resulting in time overrun of 1 to 4 years. The Department had assessed a revised cost of Rs.21.71 crore for these schemes, resulting in cost overrun of Rs.11.56 crore (114 per cent). Rs.11.09 crore required to complete these schemes were neither provided by GOMP as all cost overruns are to be met by the State Government nor was it forthcoming from the local bodies. The fate of these schemes, in which Rs.10.62 crore were locked up remains uncertain with the target population of 1.34 lakh facing a short fall of 20 to 86 per cent in their requirement of safe drinking water.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that the department provided safe drinking water to 8 towns of Chhattisgarh, of which 3 schemes were completed and in other 5 schemes water supply started by direct pumping. Out of 7 schemes sanctioned for Chhattisgarh in 1994-95, 4 schemes were incomplete due to abandoning of work of overhead tanks by original contractor on increase in quantum of work and the excess cost was met by the State Government.

Test check of 11 schemes revealed the following irregularities

(i) Bhatgaon augmentation water supply scheme

Incorrect selection of scheme and failure to establish dependability of raw water sources. The existing tube wells with power pump could save Rs.28 lakh.

The scheme sanctioned (March 1994) for Rs.56 lakh in Raipur district, designed to provide 70 litres per capita daily (LPCD), was to be completed by March 1997. Despite an expenditure of Rs.62.80 lakh as of March 2001, the scheme remained incomplete due to non-completion of sump well and pump house. Non-synchronisation of work, abnormal delay by contractors and ineffective monitoring contributed to failure in providing envisaged water supply to a population of 10500 (1998). The scheme was not a priority scheme since as per Audit computation, the existing system was capable of providing 76 LPCD with 3 existing sources as against 28 LPCD mentioned in the detailed project report (DPR). Thus, the selection of scheme by SLSC was contrary to the guidelines.

Further sustainability of sources at 95 per cent dependability and reliability was not established prior to selection. 5 tube wells drilled for augmentation of water supply did not yield adequate water for installation of power pumps. The Department could have drawn 45,000 litres of water per hour from the 2 existing tube wells by installing power pumps to produce 0.72 million litres daily (MLD) of raw water with per capita supply of 72 LPCD resulting in saving of Rs.28 lakh.

On this being pointed out, Government of Chhattisgarh (GOCG) stated (October 2001) that the scheme prepared in 1994, was designed for the population of 20000 in the year 2028 estimating 1.55 MLD supply. GOI approved the scheme and executed accordingly and water was being supplied to the public. Thus with the improved water supply arrangement the status of the people of Bhatgaon would be raised in coming time and therefore the point

raised at this stage was untimely. The reply is not tenable, as the selection of town based on incorrect data and without establishing 95 per cent dependability and reliability of source resulted in avoidable cost of Rs.28 lakh.

(ii) Balod augmentation water supply scheme (Durg District)

Non-provision of water treatment plant would result in water borne diseases in monsoon season.

The scheme approved in June 1981 under the State sector for Rs.19.83 lakh, envisaged 4 tube wells and one existing infiltration well (constructed in 1966) on river Tandula as sources of raw water with a conventional water treatment plant. Despite incurring an expenditure of Rs.45.50 lakh up to December 1997, the treatment plant remained incomplete. The cost was revised to Rs.72.70 lakh in December 1989 and again to Rs.64.70 lakh in March 1995 by deleting the treatment plant on the assumption that the source of raw water would be tube wells. However, the source was changed to 3 ring wells on river Tandula in May 1995 with revision in cost to Rs.1.17 crore (March 1997). The estimates were again revised to Rs.1.40 crore in November 1998 and approved by GOI under AUWSP. GOMP accorded administrative approval only in May 2000. The physical progress of the augmented scheme was almost nil as the expenditure of Rs.23.54 lakh up to March 2001 was almost entirely on purchase of materials. Wrong selection of source of water has not only resulted in cost overrun of Rs.1.12 crore and time overrun of 20 years, but also deprived the targeted population of safe drinking water. Although the source was changed from tube wells to ring wells, a treatment plant was not included in the estimates. This would expose the user population to a high risk of water borne diseases particularly in monsoon season.

On this being pointed out, GOCG stated (October 2001) that the Balod scheme sanctioned earlier by GOMP could not be completed for want of funds. The scheme was reframed and included under AUWSP and the work was in progress. The ring wells would control the impurity, hence treatment plant was not required. There was a provision of 175 litres bleaching chlorinator including accessories for the purpose of disinfection. The reply was not tenable, as the ring wells would not be able to control the turbidity and impurity in the water especially in monsoon season.

(iii) Bagbahara augmentation water supply scheme (Mahasamund District)

Failure to establish dependability of raw water sources not only attributed to increase in cost of Rs.15.76 lakh but also resulted in partly unfruitful expenditure of Rs.57.18 lakh.

GOI approved (March 1994) the scheme for Rs.56 lakh to increase water supply from 18 to 70 LPCD for an estimated population of 20000 in the year 2021. The scheme included 13 raw water sources (6 existing and 7 proposed tube wells) and was scheduled for completion by March 1997. Even after incurring an expenditure of Rs.57.18 lakh as of March 2001, the scheme remained incomplete (March 2001) with the contractors having abandoned the work. The 7 new tube wells drilled at a distance of 2 km failed to achieve adequate yield and for another 3, the site had to be changed and tube wells had to be drilled at a distance of 4 to 5 km away from the town leading to increase in cost of Rs.15.76 lakh.

On this being pointed out, GOCG stated (October 2001) that at the time of preparation of the scheme the required yield of the source tube wells, was based on the existing hand pumps yield. These sources were proposed at the lessor distance to keep the cost minimum. But the successful tube wells were found at a distance of 4-5 km away. Therefore, the length of pumping main increased. This increase in cost was for the benefit of the user population and to have the scheme successful. The reply indicated that the survey was inadequate and 95 per cent dependability was not established before proposal of the scheme.

The availability of water from the existing and new sources was 0.98 MLD and 42 LPCD only would be available for a population of 20000, which was much below the targeted supply which requires a minimum of 1.6 MLD. Thus the expenditure of 57.18 lakh on the scheme proved partly unfruitful.

On this being pointed out, GOCG stated (October 2001) that water supply was being made available to the town and the expenditure incurred benefited the public. The reply is not tenable, as the water available from the existing and 3 new tube wells would not be sufficient to provide 70 LPCD to the anticipated population of 20000.

(iv) Raghogarh augmentation water supply scheme (Guna District)

Incorrect selection of source for raw water led to cost overrun of Rs.98.75 lakh, time overrun of 4 years and unfruitful expenditure of Rs.1.32 crore.

GOI approved (March 1994) the scheme for Rs.89.55 lakh to provide 70 LPCD to a population of 18047 (as per 1991 Census). The scheme targeted for completion by March 1997 remained incomplete even after incurring an expenditure of Rs.1.32 crore up to January 2001. The estimates were revised (May 1998) to Rs.2.04 crore and later reduced (May 2000) to Rs.1.88 crore as GOI had refused (February 1999) to accord approval on the grounds that increase in cost was mainly due to delay in administrative approval and award of contracts. GOMP decided (May 2000) to bear the additional cost of Rs.98.75 lakh with a grant of 70 per cent and a loan of 30 per cent. The proposed source was found (March 1999) inadequate as flow in the Bandargarha river ceases in December. Gopi Krishna Sagar dam was selected (May 2000) as new source with increase in total cost by Rs.97.63 lakh and per capita cost from Rs.496.20 to Rs.1043.55 against the norm of Rs.1000. Thus the scheme launched in 1994 without ascertaining dependability of raw water sources was lying incomplete and Rs.1.32 crore remaining locked up. The scheme remained incomplete as of March 2001.

Meanwhile, the Department had to spend Rs.17.55 lakh in 1998-99 on temporary arrangements for water supply, which was debited to AUWSP.

(v) Bhikangaon and Kasrawad augmentation water supply schemes (Khargone District)

Indecision on appropriate technology for treatment plant and non-construction of barrage rendered the expenditure of Rs.3.01 crore unfruitful.

GOI approved the schemes costing Rs.1.48 crore (Bhikangaon) and Rs.1.33 crore (Kasrawad) in January 1995 and July 1997 respectively. Administrative approvals were accorded in December 1996 and September 1997 respectively. Scrutiny in audit revealed that the allied works of RCC over head tanks, raw water rising main, sump/sump house, clear water main and distribution system was completed at a cost of Rs.3.01 crore up to March 2001. Although the schemes provided for slow sand filters in the treatment plants to minimise operational and maintenance cost, tenders were invited (January 1999) for gravity filters in the treatment plant. GOI observed that turbidity in Narmada and Beda rivers (sources of raw water) was never above 15000 PPM and directed National Environmental Engineering Research Institute (NEERI) be asked to suggest appropriate technology for the treatment plant. No further action had been taken as of March 2001.

Test check further revealed that the estimates provided for construction of RCC barrage at a cost of Rs.20 lakh, which were revised to Rs.1.50 crore (March 2001) due to non-commencement of work. The work had not been commenced as of December 2001. Indecision on appropriate technology for treatment plant and non-construction of barrage rendered the expenditure of Rs.3.01 crore on other allied works unfruitful.

(vi) Mundi augmentation water supply scheme (Khandwa District)

Non-establishment of raw water source rendered expenditure of Rs.33.86 lakh unfruitful.

GOI approved (April 1996) the scheme costing Rs.58 lakh. GOMP accorded administrative approval after 4 years in March 2000. The scheme provided for drilling of 5 tube wells for source of raw water against which 7 tube wells were drilled, but none of them had sufficient yield for installation of power pumps. No decision was taken regarding construction of 1 dug well and 3 check dam-cum-dykes at a cost of Rs.2.70 lakh recommended (January 2001) by the Senior Hydrologist. The CE recommended (January 2001) the Narmada river, flowing at a distance of 30 km from the town as a source of raw water at a cost of Rs.5.90 crore, which was also not approved.

Meanwhile an expenditure of Rs.33.86 lakh was incurred mainly on procurement of material and construction of sump well and pump house which were incomplete and lying idle.

(vii) Sitamau augmentation water supply scheme (Mandsaur District)

Unreliable source of raw water rendered the expenditure of Rs.27.95 lakh unfruitful.

GOI accorded (March 1994) technical approval and GOMP (October 1994) administrative approval for the scheme costing Rs.69 lakh to enhance the supply from 18 to 70 LPCD. As the proposed Laduna tank was found (July 1998) unreliable as a source of raw water, a revised estimate for Rs.2.28 crore was submitted to E-in-C, changing the source to Chambal river, flowing at a distance of 16 km, which had not been approved as of June 2001. An expenditure of Rs.27.95 lakh was incurred on construction of RCC over head tank and laying of pipe line, which remained unfruitful and the population continued to face acute water scarcity.

(viii) Majholi and Katangi augmentation water supply schemes (Jabalpur District)

Suspension of the works on the schemes resulted in nugatory expenditure of Rs.1.89 crore.

GOI approved augmentation water supply schemes for Majholi (Rs.77 lakh) and Katangi (Rs.98.90 lakh) in April 1996. These schemes, scheduled for completion by March 1997, remained incomplete as of June 2001, despite an expenditure of Rs.1.89 crore. Of 13 tube wells drilled, only 7 were successful for installation of power pumps. Thus the 95 per cent dependability and reliability of water sources were not established before commencement of work on allied components. Scrutiny in audit revealed that the estimated cost of distribution system was Rs.41.22 lakh against which an expenditure of Rs.76.87 lakh was incurred due to increase in the length of pipe line by 8139 m. The revised estimates for Rs.2.86 crore submitted to CE in February-March 1999 were not approved as of June 2001. The work was suspended since April 1999. The expenditure of Rs.1.89 crore incurred on construction of RCC over head tank, laying of rising main, distribution net work etc, was unfruitful and the population continued to face acute water scarcity.

(ix) Injudicious transfer of schemes to Nagar Panchayats for execution

Injudicious transfer of schemes to Nagar Panchayats resulted in blocking of Rs.2.25 crore.

Execution of 2 schemes (Kukshi and Anjad) approved (April and May 1999) by GOI for Rs.1.85 crore and Rs.1.79 crore was transferred to the respective Nagar Panchayats in March and December 2000 along with the deposits of Rs.1.85 crore and Rs.40 lakh, respectively. However, the Nagar Panchayats, which lacked equipment and trained staff, had not commenced work on the schemes as of June 2001. Transfer of the schemes was injudicious and resulted in blocking of funds of Rs.2.25 crore.

3.1.6 Non-maintenance of separate accounts

Separate accounts of each schemes were not maintained.

Separate accounts of each scheme for the funds released both by GOI and GOMP were to be maintained by the Divisions to prevent diversion and misuse of funds. However, no detailed accounts, work abstracts and register of works for the schemes were maintained in any of the Divisions test checked.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that the CE had already issued instructions to the Divisions to maintain separate scheme wise accounts. The reply indicated that the prescribed norms were not followed.

3.1.7 Inadequate monitoring

Quarterly progress reports were not submitted regularly for proper monitoring.

Monitoring was to be done by the Ministry of Urban Development (MUD) for physical and financial progress of each scheme on a quarterly basis. The Central Public Health Engineering and Environmental Organisation (CPHEEO) was also required to carry out site visit and discussions with GOMP and urban local bodies for effective monitoring. However, no monitoring was done as quarterly progress reports for each scheme, was not being submitted regularly by the Divisions.

3.1.8 Operation and Maintenance

3 schemes costing Rs.2.07 crore completed up to March 2000 were not handed over to local bodies for maintenance.

Appropriate maintenance of water supply schemes/assets created under the programmes was crucial for ensuring continued drinking water supply to the population of towns. The responsibility of maintenance of water supply schemes rests with the local bodies.

Test check in audit revealed that 3 schemes (Sohagpur, Hatpipaliya and Sanwer) were completed between March 1999 and March 2000 at a cost of Rs.2.07 crore but not handed over to the local bodies for maintenance so far (April 2001) resulting in unnecessary financial burden on Government.

Although the work of Dhamnod water supply scheme was not completed so far (April 2001) yet power connection was taken in March 1998 and payment of Rs.1.76 lakh was made for energy charges. This expenditure was wasteful.

3.1.9 Material management

Use of costlier iron pipes in water supply augmentation schemes

Use of costlier CI and GI pipes in 6 schemes resulted in extra cost of Rs.92.05 lakh.

Test-check of the augmentation schemes revealed that ignoring the advantages of the low cost AC pipes like resistance to corrosion from iron bearing water, toughness and rigidity, economy in jointing, laying, maintenance and ease in handling and transportation due to light weight, the Department used costlier cast iron (CI) and galvanized iron (GI) pipes. These suffered from the disadvantage of reduction in carrying capacity due to deposition of iron oxide and bacterial growth. This resulted in extra cost of Rs.92.05 lakh in 6 schemes.

Part II Accelerated Rural Water Supply Programme

3.1.10 Impact assessment of implementation

(i) Financial outlay and expenditure

GOI provided assistance under ARWSP on the condition that matching grant under the State sector Minimum Needs Programme (MNP) be provided by GOMP. Expenditure on Sub-Missions was to be shared by GOI and GOMP in the ratio of 75:25 except those sanctioned in 1998-99, where it would be in the ratio of 50:50. Rs.814.31 crore were spent on ARWSP and MNP during 1992-93 to 1995-96. A further expenditure of Rs.1015.01 crore was incurred during the years 1996-97 to 2000-01, as shown below.

(Rupees in crore)

Year	ARWSP (Central sector)			MNP (State sector)			Total			Sav-ing
	Releas ed	Expenditure		Releas ed	Expenditure		Fund available	Expenditure		
		Report ed to GOI	Appropr iation Account		Report ed to GOI	Appropr iation Account		Report ed to GOI	Appropr iation Account	
1996-97	73.14	76.10	72.35	74.53	71.38	62.53	147.67	147.48	134.88	0.19
1997-98	83.46	94.38	93.85	85.17	81.41	80.21	168.63	175.79	174.06	- 7.16
1998-99	110.61	104.88	102.00	109.81	98.73	88.69	220.42	203.61	190.69	16.81
1999-2000	123.30	123.39	121.02	128.62	119.67	77.36	251.92	243.06	179.33	8.86
2000-01 MP	95.29	100.23	101.21	130.48	110.13	114.00	225.77	210.36	215.21	15.41
Total	485.80	498.98	491.43	528.61	481.32	422.79	1014.41	980.30	894.17	34.11
2000-01 CG	15.80	15.81	NA	20.17	18.90	NA	35.97	34.71	NA	1.26
Total	**501.60**	**514.79**	**471.38**	**548.78**	**500.22**	**422.79**	**1050.38**	**1015.01**	**894.17**	**35.37**

GOMP failed to provide matching share of Rs.68.64 crore as per Appropriation Account.

GOMP failed to provide matching share under MNP equivalent to that under ARWSP. Considering the expenditure reported to GOI, the matching share of GOMP was short by Rs.17.66 crore (Rs.498.98 crore less Rs.481.32 crore) and in comparison with the Appropriation Accounts maintained in the office of the Accountant General (Accounts & Entitlement) MP, it was short by Rs.68.64 crore (Rs.491.43 crore less Rs.422.79 crore) during 1996-97 to 2000-01.

GOMP reported expenditure of Rs.66.08 crore in excess of that in Appropriation Account.

GOMP had an opening balance of Rs.7.23 crore of ARWSP funds as on 1 April 1996 and a closing balance of Rs.70.94 lakh on 31 March 2001. Thus ARWSP funds of Rs.492.36 crore only were spent during 1996-97 to 2000-01. Against this, expenditure of Rs.498.98 crore were reported to GOI, while the Appropriation Accounts indicated expenditure of Rs.491.43 crore. This resulted in excess reporting of Rs.7.55 crore to the GOI. Similarly, Rs.58.53 crore were reported in excess under MNP to the GOI (Rs.481.32 crore less Rs.422.79 crore). The incorrect reporting of expenditure was mainly due to non-reconciliation of expenditure figures and to the inflated expenditure as discussed in sub-paragraph (ii) below.

Shortfall in expenditure under MNP deprived the State of central assistance of Rs.12.68 crore.

The savings of Rs.35.37 crore could have been utilised to provide 7074 hand pumps, covering a population of 17.68 lakh. E-in-C stated (November 2001) that the funds could not be utilised due to late receipt of funds and allotment and ban on payment. According to guidelines, shortfall in expenditure under MNP vis-a-vis ARWSP in a year was to be deducted from the last installment of the next financial year. GOI deducted Rs.12.68 crore on this account between February 1993 and February 1998. Non-providing of matching grant by State Government has not only reduced the Central grant, but also deferred the implementation of the scheme by 2 years.

The Department failed to use Rs.6.57 crore on Sub-Missions, population continued to face quality problem of water.

Sub-Missions aimed to deal with problems like fluorosis, arsenic, brackishness, excess iron, etc. being faced by rural population through alternative sources of supply or iron and fluoride removal plants. A dual water supply policy was to be adopted for habitations facing acute water quality problems by providing 10 LPCD of safe water for drinking and cooking purposes considered as a safe source. Water from unsafe sources could be used for washing, bathing etc. The position of funds available for sub-missions and the expenditure there against were as under.

(Rupees in crore)

Year	Central sector			State sector		
	Released	Expenditure	Saving Excess (-)	Released	Expenditure	Saving
1995-96	1.47	0.65	0.82	2.29	1.95	0.34
1996-97	2.92	2.15	0.77	1.60	1.55	0.05
1997-98	1.51	1.59	(-) 0.08	3.60	2.63	0.97
1998-99	3.70	3.35	0.35	2.85	2.65	0.20
1999-2000	21.38	19.86	1.52	7.72	7.58	0.14
2000-2001	4.61	3.93	0.68	7.16	6.36	0.80
Total	**35.59**	**31.53**	**4.06**	**25.22**	**22.71**	**2.51**

The Department failed to utilise Rs.6.57 crore, which resulted in non-completion of fluorosis and brackishness control projects in Shivpuri, Mandla, Jhabua, Chhindwara, Ujjain and Durg districts and the population continued to face water quality problem as discussed in paragraph 3.1.13.

(ii) Inflated expenditure

E-in-C and CE, Raipur kept Rs.110.84 crore under Civil Deposit resulting in inflated expenditure. Of these, Rs.50.37 crore remained unused.

(a) The E-in-C, with the concurrence of the Finance Department, withdrew a total of Rs.101.52 crore on 31 March during the years from 1996-97 to 1999-2000 by debit to 1095-CSP-ARWSP and credit to 8443 Civil Deposits. Of this, Rs.98.52 crore were remitted to the Divisions in subsequent years for execution of sanctioned works. Rs.38.05 crore out of Rs.98.52 crore were lying unspent in Civil Deposits in 41 Divisions (March 2001). In Chhattisgarh, CE, Raipur drew Rs.9.32 crore on 31 March 2001 and kept it under Civil Deposit to avoid lapse of allotment.

Thus, the expenditure was overstated by Rs.110.84 crore (Rs.101.52 crore + Rs.9.32 crore), of which Rs.60.47 crore (55 per cent) only was actually utilised between 1997-98 and 2000-2001, with delays ranging from 2 to 18 months.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that the funds from the Centre were actually received in the month of January and February 2001. Department placed orders for supply of materials with the instructions to supply by 31 March 2001. The payment of this material could not be made in the last days of March 2001. Thus Rs.9.32 crore was kept in Civil Deposit for the payment of material received. This money was used in April and May 2001, the next financial year. The reply is not tenable, as these actions violated the financial norms. The ARWSP fund could have been carried over to the next financial year in terms of the guidelines and there was no need to place it in Civil Deposit.

Incorrect inclusion of matching share under Sub-Missions under MNP resulted in inflated expenditure of Rs.10.05 crore.

(b) According to the norms for the Sub-Missions, the expenditure on the Sub-Missions was to be shared in the ratio of 75:25 between GOI and GOMP. Scrutiny of the expenditure statement, utilisation certificates for ARWSP, MNP and various Sub-Missions revealed that State share of expenditure incurred on Sub-Missions (Rs.10.05 crore) was included in MNP for matching share under ARWSP. This resulted in inflation of expenditure of Rs.10.05 crore reported under MNP during the period from 1996-97 to 1999-2000.

On this being pointed out, the E-in-C, Bhopal stated (November 2001) that the provision of State share in Sub-Missions were shown under MNP as Planning Commission did not provide separate funds for these programmes. The reply was not tenable, as the State share of Sub-Mission programmes cannot be utilised towards matching share under MNP since GOI issued separate sanctions under Sub-Mission programmes.

Advance payment of Rs.66.64 lakh was treated as final expenditure.

(c) Advance of Rs.66.64 lakh made (March 1998 and March 2000) to UNICEF for procurement of hydro-fracturing unit was treated as final expenditure though the machine was not supplied as of June 2001.

Direct charging of purchases of materials to work inflated expenditure by Rs6.84 crore.

(d) Cost of material for Rs.9.04 crore was directly charged to works during 1998-1999 and 1999-2000. Material of Rs.2.20 crore (24 per cent) only was used in the respective years. Thus expenditure of these years was inflated by Rs.6.84 crore.

(iii) Rush of expenditure

57 per cent of the total expenditure during 1997-2001 were incurred during the last quarter of the financial years. 36 per cent were spent in March alone.

The guidelines stipulated that not more than 35 per cent of the available funds be utilised during the last quarter of the financial year. Contrary to this, 4 Zones spent Rs.319.84 crore (57 per cent) of the total expenditure during 1997-2001 in the last quarters. Of this, Rs.205.56 crore (36 per cent) were spent in March alone. Further in 3 Divisions under Raipur Zone during this period, expenditure in the last quarters ranged between 47 and 54 per cent while in March it was 31 and 35 per cent. Delayed release of funds at the fag end of the year affected the planning and execution process and resulted in accumulation of heavy stock of material (Rs.83.82 crore, Rs.81.13 crore and Rs.79.35 crore as of 1st April 1998, 1999 and 2000) leading to disproportionate physical progress vis-a-vis financial progress.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that actually after rains the working season starts from November onwards. The available funds were utilised on the works to achieve the targets. The reply was not tenable, as major part of works were to be carried out in dry season, but the funds were not released resultantly delaying the execution.

(iv) Diversion of funds

Rs.77.11 lakh were diverted to activities not connected with ARWSP.

ARWSP funds were not to be used for purchase of vehicles or payment of escalation in cost without approval of GOI. Despite this Rs.17.54 lakh were spent on purchase of vehicles[41] in Jhabua district, Rs.18.70 lakh were drawn by 13 Divisions and kept in Civil Deposits of Project Division, Raipur for construction of office building and Rs.40.87 lakh paid towards escalation in cost of RCC over head tank by Ujjain Division.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that Rs.18.70 lakh were drawn from the contingencies and kept in Civil Deposit with Project Division, Raipur. This

41 Direction of May 1998 of Project Formulation and Implementation Committee.

was done due to creation of new Chhattisgarh State, to facilitate the anticipated works of office building, renovations, improvement of existing buildings, so as to accommodate the extra officers and staff expected to join the new State. The reply indicated violation of the norms for ARWSP.

3.1.11 Targets and achievements

27 per cent of the targeted habitations remained without adequate safe drinking water supply.

According to the Action Plan (1997-2000), the total number of habitations in the State was 166,603, of which 109,553 were fully covered with safe drinking water. Remaining 57050 (Not covered (NC): 15936 and partially covered (PC): 41114) were proposed for coverage up to March 2000. However, only 41783 (NC: 14342 and PC: 27441) habitations could be covered up to March 2001 at a cost of Rs.867.53 crore, leaving 15267 (NC: 1594 and PC:13673) habitations (27 per cent) uncovered. The targets and achievements during 1997-2001 are as under.

Category	1997-98		1998-99		1999-2000		2000-2001		Total		Per cent
	Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach	
NC	4880	9027	4478	3346	3260	1596	2483	1390	15101	15359	102
PC1 (0 to 10 L)	922	1679	1301	697	532	285	515	323	3270	2984	91
PC2 (10 to 20 L)	1615	4302	8780	5032	3289	1967	2661	1833	16345	13134	80
PC3 (20 to 30 L)	575	2461	5075	4392	4026	3241	2939	3475	12615	13569	108
PC4 (30 to 40 L)	419	1958	2323	2884	4293	3490	3463	5857	10498	14189	135
Total	**8411**	**19427**	**21957**	**16351**	**15400**	**10579**	**12061**	**12878**	**57829**	**59235**	
Percentage		**231**		**74**		**69**		**107**		**102**	

On analysing the above, the following observations emerged.

Over-extraction of ground water, inadequate operation and maintenance contributed to backsliding of 1017 NC and 16435 PC habitations.

(i) Priority was wrongly given to PC3 (108 per cent) and PC4 (135 per cent) habitations as compared to NC to PC2 (102 to 80 per cent) categories having low service levels in violation of norms.

(ii) 57050 habitations only were to be covered while the Department had fixed a target of 57829 habitations. 59235 habitations were actually covered during 1997-2001 indicating backsliding of habitations from FC and PC to 16435 PC and 1017 NC respectively. The main reasons for backsliding were fast depletion of ground water level due to over-extraction for irrigation purpose, non-adoption of modern technology for identification of potential sources and inadequate operation and maintenance.

(iii) An achievement of 231 per cent was reported for 1997-98, as compared to 74 per cent for 1998-99 and 69 per cent for 1999-2000. Scrutiny revealed that the achievement for 1997-98 was inflated by including 5263 tube wells drilled under scarcity and deposit works at a cost of Rs.26.32 crore.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that the targets given were achieved within the allotment and action had been taken to cover the habitations with planning and execution. The reply was not tenable, as there were shortfall ranging between 22 and 32 per cent during 1998-99 and 2000-2001 mainly because of short utilisation of the funds provided for the purpose and it ranged between 7 and 47 per cent.

3.1.12 Execution of works

(i) Non-adoption of scientific technology for identification of sources

Non-adoption of scientific technique for identification of sources resulted in failure of 15842 tube wells and wasteful expenditure of Rs.63.37 crore.

ARWSP envisaged use of scientific techniques for identification of sources viz. remote sensing, use of hydrological maps and water prospects maps, etc. GOMP directed (June 1995) that location for tube wells shall be surveyed by departmental hydrologist in the areas where failure exceeded 10 per cent. This was not done. 15842 tube wells drilled at a cost of Rs.63.37 crore failed during 1997-2001. Test check in audit further revealed that following instructions for control of failure of bores issued by E-in-C were not adhered to.

(a) 270 tube wells drilled between June 1997 and March 2000 in Shajapur and Ujjain Districts were reported as successful but hand pumps/power pumps were not installed as of April 2001 resulting in unfruitful expenditure of Rs.1.21 crore.

(b) Casing pipes (2.01 lakh metre) from 14187 unsuccessful bores during 1997-2001 were not extracted resulting in loss of Rs.9.20 crore.

(c) Drilling of tube well in excess of 75 m depth was permissible only after selection of site by Senior Hydrologist of the Department. Test check of records in 9 divisions revealed that drilling was done beyond 75 m depth without site inspection by Senior Hydrologist resulting in unauthorised expenditure of Rs.3.07 crore. Besides, in 3 divisions 161 bores were reported unsuccessful even after drilling beyond 75 m depth.

(d) In 7 divisions, the depths of 2993 tube wells drilled were less than the prescribed depth of 60 m and casing pipes were not lowered up to prescribed depth of 9 m in 78 tube wells, resulting in failure of bores.

(e) In 5 divisions where earlier bores were reported unsuccessful, the tube wells drilled subsequently were also rendered unsuccessful due to failure in getting the site selected by departmental hydrologist (as required under instructions of E-in-C issued in 1992), thus resulting in nugatory expenditure of Rs.24.85 lakh. Evenafter giving a margin of 10 per cent failure of the tubewells, the net nugatory expenditure works out to Rs.22.37 lakh.

(f) In 2 divisions, 142 bores involving 2724 metres drilling were left incomplete during 1997-2001 resulting in infructuous expenditure of Rs.9.07 lakh.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that there was no method to get the site of tube well as hundred per cent successful. As per requirement, sites were surveyed by hydrologist and instructions were issued to get the sites surveyed with modern technique, if available in the district. The reply indicated that modern methods were not adopted through out the State.

(ii) Injudicious drilling of tube wells under sustainability scheme

Injudicious drilling of tube wells under sustainability instead of cleaning or hydro-fracturing resulted in avoidable expenditure of Rs.59.22 crore.

Over exploitation of ground water based irrigation has resulted in depletion of ground water and lowering of the water table, causing wells to run dry. ARWSP emphasised (1986) long term sustainability of sources through recharging of ground water aquifers and adoption of cleaning methods and hydro-fracturing etc. for filled up and dry tube wells. It was observed that out of 290031 hand pumps installed, only 239956 were functioning and 50075 were lying defunct as of April 2001. Of these 50075 hand pumps, only 5896 were reported as repairable and 19763 were non-repairable due to blockage of pipe line and filled up bores. The remaining 24416 hand pumps were reported as dry due to depletion of ground water. Cleaning and hydro fracturing required was Rs.4000 and Rs.5000 per tube well on an average while drilling cost was Rs.40000 to Rs.50000 per tube well. It was, however, observed that instead of cleaning the filled up tube wells and hydro-fracturing of the dry tube wells, 16919 new tube wells were drilled at a cost of Rs.67.68 crore. This resulted in extra cost of Rs.59.22 crore.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that new tube wells were drilled in place of filled up, failed tube wells, when the cleaning and blasting/hydro fracturing also failed, to provide 40 LPCD water as per norms of ARWSP. The reply is not factually correct, as the records in the Divisions did not indicate the position mentioned by the Government.

(iii) Injudicious replacement of hand pumps

Injudicious replacement of Mark II hand pumps with Mark III resulted in avoidable expenditure of Rs.1.17 crore.

UNICEF provided 1024 India Mark III hand pumps free of cost under their aid programme to the Department. E-in-C allotted these to 3 Divisions with the instruction to replace existing Mark II hand pumps by December 1997. An expenditure of Rs.1.09 crore were incurred on replacement, which could have been utilised for installation of these hand pumps on new sources. In other 2 Divisions, it was noticed that suction pipe of 65 mm costing Rs.7.59 lakh required for Mark III hand pumps were lying idle (Balaghat: 4121m and Rewa: 675m) where Mark III hand pumps were not supplied for installation.

(iv) Depletion in water table despite conservation measures

Despite an expenditure of Rs.60.05 crore on recharging and treatment of land, the water table depleted in the areas.

The Department constructed 4374 structures (check dams-cum-dykes) and 13484 recharging points in existing tube wells at a cost of Rs.9.55 crore during 1998-2001. In addition, Rs.50.50 crore were spent on treatment of 2.34 lakh ha of land under National WaterShed Project by Agriculture Department during 1997-2000. Despite these efforts, the water table had depleted and the average depth of tube wells had increased from 60 m in 1994-95 to 120 m in 2000-2001. Audit analysis revealed that the number of hand pumps/RPWSS lying defunct increased from year to year, due to depletion of ground water as detailed below.

Position as on	Schemes lying defunct due to failure of source		
	Hand Pumps	PWSS	Spot Source
1 April 1998	13450	157	111
1 April 1999	17120	159	72
1 April 2000	17495	168	NA
1 April 2001	24416	196	256

On being pointed out in audit, the CE, Indore stated (May 2001) that impact is not observed as recharge is very slow process and ground water exploitation in most of the cases is more than the recharge possibly because these works have not been oriented in scientific manner and secondly the ground water movement is very slow and impact may be felt after few years. GOCG stated (October 2001) that all the construction done for this purpose would definitely allow the water to percolate underground and hence efforts should be encouraged. No efforts were, however, made to study the impact of the conservation measures.

(v) Non-completion of rural piped water supply schemes (RPWSS)

231 RPWSS were lying incomplete resulting in unfruitful expenditure of Rs.16.62 crore.

Piped water supply schemes (PWSS) are being executed for rural villages. The PWSS were required to be completed within 2 to 3 years. 1657 PWSS estimated to cost Rs.121.27 crore were sanctioned during 1994-99. Expenditure of Rs.129.40 crore were incurred between 1997-98 and 2000-2001. Scrutiny in audit revealed that 871 schemes were lying incomplete as of January 2001 and Government has expressed its inability to intimate the time required for completion of these schemes owing to limited financial resources. Of these, 231 schemes were test checked, which were lying incomplete after incurring an expenditure of Rs.16.62 crore (March 2001) mainly due to non-availability of funds, inadequacy of water sources, change of specification during execution, delay in supply of power and lack of coordination between District Planning Committee and the Department. This has resulted in blocking of capital of Rs.16.62 crore. It was further observed that instead of completing these schemes, the department sanctioned 372 new PWSS in 9 divisions for which funds of Rs.6.12 crore were provided during 2000-2001.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that action had been taken to complete rural PWSS at the earliest.

3.1.13 Quality of water

(i) Inadequate water quality monitoring and surveillance

Department failed to spend Rs.3.13 crore (74 per cent) on water quality testing laboratories. Only 23.45 per cent of the targeted samples were checked.

(a) GOI provided cent per cent Central assistance for setting up of a net work of laboratories to monitor water quality of rural habitations. 61 stationary laboratories were sanctioned, of which only 33 were set up as of March 2001. Out of Rs.4.26 crore provided during 1996-2001, Rs.1.13 crore (26 per cent) only were spent on the activities. Out of 3.24 lakh samples targeted for collection and testing, only 0.76 lakh samples (23.45 per cent) were tested. 26 laboratories were not provided with qualified chemists hampering water quality testing. Thus only 7 labs were functional.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG admitted (October 2001) that the staff requirement and other formalities like furniture, chemicals etc. were to be provided and stated that the quality monitoring was in progress with available facilities.

Non-construction of damaged platforms and inadequate depth of casing pipes contaminated the ground water resulting in high incidence of water borne diseases.

(b) 10213 villages had cases of diarrhea during 1997-98 due to contamination of ground water in tube wells because of damaged platforms and inadequate depth of casing pipes. The incidence of water borne diseases increased during 1998-99 with 2.87 lakh diarrhea and 2534 jaundice patients. Of these patients, 1872 suffering from diarrhea and 36 from jaundice died.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that action had already been taken for repairing of platform etc.

(ii) Excessive fluoride in drinking water

No remedial measures to control excess fluoride in 2729 villages were taken.

(a) 3340 villages were identified up to March 2001 as having excess fluoride in water. Schemes for 611 villages (18 per cent) in 5 districts were taken up between October 1994 and 1998 at a cost of Rs.64.60 crore. Of these 186 schemes were complete, 76 partially complete, 309 under progress and 40 had not been taken up to March 2001. No remedial measures were taken in the remaining 2729 villages (82 per cent).

Incorrect inclusion of 17 villages having sufficient safe sources in the Shivpuri project resulted in avoidable cost of Rs.1.58 crore.

(b) In Shivpuri district 24 villages were taken (January 1996) under fluoride Sub-Mission. Out of 20 de-fluoridation plants (DFP) & 4 PWSS, 16 DFP and 2 grouped piped water supply schemes were completed at a cost of Rs.86.19 lakh as of March 2001. The cost was revised to Rs.1.78 crore, in February 2001. It is seen that out of 24 villages, 17 villages already having a safe source of water were also included under the programme resulting in avoidable cost of Rs.1.58 crore.

(iii) Arsenic, a toxic material was observed (September 1998) in water in 11 villages of district Rajnandgaon but no remedial measures were taken as of March 2001.

On this being pointed out, GOCG stated (October 2001) that after detection of arsenic in Chowki block all the affected sources were closed and a scheme with safe source was also executed in the village. All nearby sources were also got examined through NEERI, Nagpur and appropriate action taken. The reply is not tenable, as the scheme executed was only for the Kaudikasa village and for 5 villages PWSS had been proposed at a cost of Rs.33.68 lakh, which were not approved as of June 2001.

(iv) Excess salinity (brackishness) in drinking water

Except for Ujjain and Durg district, no remedial measures were taken to control the excess salinity in 10 districts.

Measures to control excess salinity include bringing the total dissolved solids within permissible limits after treatment or by providing alternate sources. Excess salinity in drinking water is prevalent in 1729 water sources of 822 villages in 12 districts. It was however, observed that no remedial measures in any district other than Ujjain and Durg were taken up as of June 2001.

(a) Inadequate control of salinity in Ujjain district

Physical progress was not commensurate with financial progress in execution of salinity project of Ujjain district.

GOI approved a project for control of brackishness for Rs.7.74 crore in July 1997 and GOMP accorded administrative approval in February 1998. Against the release of Rs.3.77 crore (Central: Rs.2.90 crore and State: Rs.0.87 crore) an expenditure of Rs.3.14 crore was incurred as of March 2001. The project was scheduled for completion by February 2001, however, the physical progress of 29.33 per cent was not commensurate with the financial progress of 40.57 per cent. Out of 187 tube wells drilled up to March 2001, only 109 were suitable for installation of power pumps.

(b) Unwarranted project for control of salinity in Durg district

Only 1 out of 19 villages included in the salinity project is without a safe source. Durg project for Rs.1.40 crore was thus unwarranted.

A project for control of salinity in 19 villages of Durg district costing Rs.1.40 crore was approved by GOMP in June 2000 and administratively approved (June 2001) by the Government of Chhattisgarh (GOCG). The project included 9 PWSS and 5 grouped[42] PWSS for the affected villages. All the villages except one had safe sources for supply of 10 LPCD drinking water as per norms. The project was thus unwarranted as brackish water could be used for washing, bathing etc.

On this being pointed out, GOCG stated (October 2001) that the project is as per requirement of people of affected area to get safe and adequate water (40 LPCD) for which the public representative were pressing hard. The reply is not tenable in view of the norms and position stated above.

(v) Excess iron in drinking water

Lack of maintenance and non-involvement of local community rendered 2640 IRP defunct resulting in infructuous expenditure of Rs.1.85 crore.

The problem of excess iron was identified in 7493 sources in 3684 villages of 16 districts. To tackle the problem, 3116 iron removal plants (IRP) were installed of which only 476 IRP were functional and 2640 IRP were non-functional due to lack of maintenance resulting in infructuous expenditure of Rs.1.85 crore.

On this being pointed out, GOCG stated (October 2001) that the IRP had gone out of order due to lack of maintenance when it was with the Gram Panchayats during 1995 and 1997. The action taken to educate the public was also in vain. The reply indicated that the departmental action did not yield fruit and the entire expenditure became infructuous.

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[42] Water supply schems with hand pumps and stand posts.

3.1.14 Infructuous expenditure on Solar photo voltaic pumping system

Lack of proper maintenance and theft of solar panels rendered 35 SPVPS costing Rs.2.10 crore defunct.

In rural areas of 6 districts having no power, 86 solar photo voltaic pumping system (SPVPS) were installed between 1989 and 1995. Of these, only 51 SPVPS were working and 35 (41 per cent) SPVPS were not working either due to theft of solar panels or for want of proper upkeep and maintenance. The expenditure of Rs.2.10 crore on these 35 SPVPS was thus bringing no return.

On this being pointed out, GOCG stated (October 2001) that out of 48 SPVPS handed over to the Gram Panchayats for maintenance, 15 were not working due to theft of solar plates. No action was, however, taken to repair or replace the solar plates.

3.1.15 Performance of departmental rigs and E/M formation

Works through departmental rigs were cheaper than contractors and led to extra cost of Rs.4.98 crore in Raipur Zone.

(a) A comparison of the cost per tube well of Mechanical Division, Bilaspur with that of the Civil Divisions of Raipur Zone revealed that execution of work by departmental rigs was cheaper than that executed through contractors. Had the 30 departmental rigs been put to optimum use, Rs.4.98 crore could have been saved in the Zone during 1997-2001.

On this being pointed out, GOCG stated (October 2001) that no comments could be made on the procedure, criteria adopted by the E-in-C, Bhopal in fixing the targets.

Rs.91.70 lakh were spent on pay and allowances of staff engaged on 9 idle rigs.

(b) It was observed that in Mechanical Division, Gwalior out of 10 rigs, 9 rigs costing Rs.1.03 crore were not in operation during the year 2000-2001. Rs.91.70 lakh were spent on pay and allowance of regular and operating staff for these idle rigs during this period. The EE did not initiate any action for deployment of rigs and staff in other districts and expenditure continued to be incurred on idle staff.

Establishment expenditure was 21 per cent of the work expenditure.

(c) The E/M formation has 1 CE, 4 SEs, 4 EEs, 40 Assistant Engineers (AEs), 1 Accounts Officer (AO), 279 Sub Engineers and 542 other technical and ministerial staff. No norms were laid down by the department for the staff requirement. The total expenditure on regular establishment was Rs.37.15 crore, which was 21 per cent of the works expenditure of Rs.174 crore during 2000-2001. Audit scrutiny revealed that the E-in-C did not provide work as per the capacity of the machines during 1997-2001 to keep aging machine fleet working and the work charge and daily wages staff engaged in work.

Despite under-utilisation of existing rigs and staff, the GOMP accorded sanction (June 1999) for opening of 15 sub-divisions at the newly constituted district headquarter from 1 July 1999 and sanctioned creation of posts of 15 AEs, 60 Sub Engineers and 60 ministerial staff. Test check of 8 sub-divisions revealed that against the establishment expenditure of Rs.72.87 lakh, the work expenditure of these sub-divisions was Rs.1.29 crore (include Rs.20.53 lakh on wages of work charge and daily wages staff) during July 1999 to March 2001. Further, the department did not initiate any action for gainful utilisation of idle rigs and staff.

3.1.16 Inadequate operation and maintenance

Poor operation and maintenance of hand pump and water supply schemes resulted in unfruitful expenditure of Rs.305.30 crore.

(a) The guidelines stipulated priority for proper upkeep and maintenance of the drinking water sources. 15 per cent of ARWSP funds supplemented by 15 per cent MNP funds were required to be earmarked for operation and maintenance of water supply schemes. Scrutiny in audit revealed that only Rs.182.23 crore (21.25 per cent of total expenditure of Rs.855.03 crore under ARWSP and MNP) were incurred on operation and maintenance of water supply assets during 1997-2001. Thus due to inadequate funds, 44179 hand pump costing Rs.220.90 crore and 844 RPWSS costing Rs.84.40 crore were not functioning as of April 2001 despite diversion of Rs.18.65 crore from plan resources. This deprived 1.27 crore rural population of the benefit of safe drinking water.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that the Department is giving full attention on maintenance of hand pumps. PWSS are maintained by respective Gram Panchayats and the Department is giving cooperation and technical aid as and when required. In case of drying of sources, another source has been developed and handed over to Gram Panchayat.

(b) Non-maintenance of inventory of assets

Inventory of assets were not maintained at district level.

As per instruction of GOI and GOMP, each village panchayat, block and district were required to maintain a complete inventory of assets in respect of all drinking water sources created. The inventory was to be kept available with the EE. Though 3.51 lakh tube wells, 4148 PWSS and spot sources were created up to March 2001, the inventory of assets was not maintained.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that inventory of assets was not maintained in prescribed proforma but complete information was available in the divisional offices.

(c) Non-involvement of women in ARWSP

No women were trained as hand pump mechanics nor were they involved in deciding the location of hand pumps and stand posts

Guidelines inter alia provided that women being the principal beneficiaries of ARWSP should be involved at each stage, particularly while deciding the location of hand pumps and stand posts in the habitations. At least 30 per cent of hand pumps mechanics were required to be women of the local area/habitation as they could take better care of operation and maintenance than the others. No women were trained as hand pump mechanics nor were they consulted while deciding on location of hand pumps and stand posts.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that earlier under DANIDA programme women care taker of each hand pump were trained. After formation of Panchayati Raj, 33 per cent Panch/Sarpanch were supposed to be women. These women used to take vital part in selection of site of hand pump and also give their suggestion in the meetings. The reply is not tenable, as the records did not indicate the role of women in any of the activities.

3.1.17 Community Participation - Sector Reforms Projects

Neither physical nor financial progress of sector reforms were available at Zonal level though Rs.13.25 crore released on it.

(i) GOI introduced sector reforms in the drinking water sector from 1999-2000 with the objective of institutionalised community participation in rural water supply scheme and shifting of Government's role for direct service delivery through constant interaction with user communities by 10 per cent sharing of capital cost and 100 per cent of operation and maintenance cost. 5 districts of the State were selected under sector reforms and GOI approved water supply and sanitation projects costing Rs.171.13 crore (water supply: Rs.167.23 crore and sanitation: Rs.3.90 crore) during 1999-2001. Rs.13.25 crore were released to the Divisions during 2000-2001. Physical and financial progress had not been monitored at the Zonal level.

Rs.12.09 crore though not required were spent out of ARWSP funds in sector reforms districts.

(ii) Guidelines stipulated that once the sector reforms projects are approved, ARWSP funds are not to be utilised for rural water supply activities in that district. Contrary to this, ARWSP funds of Rs.12.09 crore were spent by the Divisions during 2000-2001 in the five districts where the sector reforms projects were approved resulting in avoidable expenditure of Rs.12.09 crore which could have been used in other districts.

3.1.18 Material Management

(i) Purchase of material without requirement

Material worth Rs.6.27 crore was purchased in exeess of requirement.

The Government instructed (1988), that only those items should be procured which could be consumed within 6 months. Contrary to these instructions, 21 divisions procured material in excess of requirement resulting in material worth Rs.6.27 crore lying unutilised (6 to 360 months). Spare parts for Rs.43.26 lakh for the machines, which had already been written off were lying idle in 2 E/M divisions. The SE directed (November 2000) the EEs to ascertain the possibility of utilisation of these spares after slight modification. No developments were reported as of September 2001.

(ii) Shortage of stores awaiting recovery

No action was taken to recover the shortage of stores worth Rs.83.84 lakh.

Physical verification of the stores conducted (August 2000) by the Director of Treasuries and Accounts revealed shortage of stores worth Rs.83.84 lakh in 36 divisions. The E-in-C directed (November 2000) the CEs to take action on the physical verification reports. But no effective action to recover the value of missing items of stores had been taken by the CEs as of June 2001.

(iii) Non-disposal of unserviceable stores

Efforts had not been taken to write off and dispose of the unserviceable stores worth Rs.2.91 crore.

Stores costing Rs.2.91 crore, which had become unserviceable, were lying in the stores of 56 divisions. Age-wise details of unserviceable stores were not available. No serious efforts had been initiated for write off and subsequent disposal of unserviceable stores as of April 2001.

(iv) Non-submission of MAS account by subordinates

MAS accounts for materials worth Rs.12.35 crore were not maintained.

Submission of the Material at Site (MAS) accounts was in arrears from 1987-88 onwards, in 7 divisions test checked. Materials worth Rs.12.35 crore were charged direct to works between September 1987 and January 2001 but no MAS accounts were maintained.

3.1.19 Inadequate Human Resource Development (HRD)

Only 18442 (32.53 per cent) grass root level workers were trained.

The grass root level training programme was being conducted by the Technical Teachers Training Institute (TTTI), Bhopal. Against a target of training for 56684 grass root level workers, the achievement was merely 18442 (32.53 per cent) after incurring expenditure of Rs.74.09 lakh out of Rs.1.35 crore provided by GOI. Further, 2504 sarpanchs, not included in the programme, were also trained at a cost of Rs.7.77 lakh in Phase I (1995-98) without approval of GOI and GOMP. No evaluation of the programme was done either by HRD Cell or by TTTI. Post training utilisation of grass root level workers for operation and maintenance of hand pumps was also not assessed by the Divisions.

3.1.20 Failure of Management Information System (MIS)

Inadequate MIS programme failed to achieve the envisaged objectives of planning implementation and monitoring

For effective planning, implementation and monitoring of various schemes under different programmes through information technology based management system, GOI provided 100 per cent assistance of Rs.5.75 crore between March 1996 and December 1999. Of these, Rs.3.95 crore was incurred on installation of computers from divisional level to E-in-C level up to March 2000, leaving an unutilised balance of Rs.1.80 crore. Scrutiny of records of 3 Zones in MP and 6 districts and Raipur Zone in CG revealed that the Department did not have any sanctioned post for qualified data entry operators or qualified trained personnel for operating the system. The system was not connected with National Informatic Center even after lapse of 2 years. No customized software or micro level data had been developed. The MIS programme thus failed to fulfill its objectives.

On this being pointed out, while there was no reply (December 2001) from the GOMP, GOCG stated (October 2001) that the post of data entry operators would be sanctioned and full use of the system would be achieved.

3.1.21 Inadequate Information, Education and Communication (IEC)

The IEC programme generating the demand of safe drinking water, was implemented only in 2 districts out of 6 test checked.

The IEC programme aimed at generating an increasing demand for safe drinking water and better sanitation facilities. Awareness on the matters related to water borne diseases, symptoms and manifestations were to be created by utilising services of the State Publicity Department through mass media. Scrutiny of 6 Districts of Chhattisgarh revealed that such activities were conducted only in 2 districts with an expenditure of Rs.1.33 lakh as of March 2001.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that earlier when funds were allotted by GOMP

activities like folk dances, posters, mini drama etc were got done and only 2 districts could do this work in 2000-01. The reply indicated that the awareness programme during 1997-2001 was not effective.

3.1.22 Multilateral and bilateral assisted projects

(i) Project for providing safe drinking water at Anganwadi centers

Department failed to provide safe drinking water to 1024 Aganwadi centers after incurring Rs.17.30 crore. Excess expenditure of Rs.1.61 crore was incurred in drilling.

A project for providing safe drinking water at Anganwadi centers was launched in 1996-97 with financial aid from World Bank through the Mahila and Bal Vikas Department at a cost of Rs.35000 per hand pump. Rs.21.24 crore were provided during 1997-2000 for drilling of 4918 tube wells at Anganwadi centers under 32 divisions. The divisions spent Rs.17.30 crore up to July 2000 on drilling 4483 tube wells and the balance Rs.3.94 crore was lying under Civil Deposits with the Divisions. An excess expenditure of Rs.1.61 crore was incurred on drilling as per norms. Expenditure of Rs.2.87 crore on drilling of 589 unsuccessful tube wells could have been reduced by adopting modern technology for selection of sites. Thus even after a lapse of 4 years, the Department failed to provide safe drinking water supply in 1024 centers despite availability of funds.

(ii) Drinking water supply facilities in rural schools

Achievement (under TFC) in providing water supply to rural schools during 1996-2000 in 8 Divisions was only 6.45 per cent of the target through PWSS and 46 per cent through tube wells.

(a) Tenth Finance Commission (TFC) provided a grant of Rs.70.03 crore for providing safe drinking water facilities in rural schools in 1995 for implementation during 1996-2000. An action plan was prepared for drilling of 16120 tube wells and extension of PWSS in 4400 rural schools at a cost of Rs.73.28 crore. Test check of records of 8 Divisions revealed that against a target of 620 schools to be connected with existing PWSS and drilling of 2461 tube wells, only 40 schools (6.45 per cent) were connected with existing PWSS and 1138 tube wells (46 per cent) were drilled at a cost of Rs.4.80 crore against Rs.5.50 crore available with the divisions.

Rs.52 lakh were spent but safe drinking water not provided to 130 schools. Rs.1.36 crore spend on unsuccessful bores.

(b) GOI directed (May 1999) that safe drinking water be provided to all rural schools, which could not be covered under Tenth Finance Commission through ARWSP. Out of 2947 such schools in Indore Zone, tube wells were drilled in 2623 during 2000-2001, 341 tube wells were unsuccessful resulting in unfruitful expenditure of Rs.1.36 crore. Hand pumps were not installed on 130 successful tube wells in Khargone district during 2000-2001, resulting in idle outlay of Rs.52 lakh, depriving drinking water to children in 130 schools.

The matter was referred to the Governments of Madhya Pradesh and Chhattisgarh (August 2001). Reply of Government of Madhya Pradesh was awaited as of December 2001.

SECTION-B

3.2 Extra cost due to injudicious acceptance of tender at higher rate

Extra cost of Rs.39.48 lakh due to injudicious acceptance of tenders at higher rates in drilling of tube wells

Consolidated rates for drilling of telescopic tube wells (TW) up to 90 meter depth in 20 groups of 10 TWs each were invited (February 1997) by the Superintending Engineer (S.E), PHE Circle, Ujjain.

In three groups, tenderers quoted consolidated rates, irrespective of diameter of bore, varying with depth viz 0-40 m (Rs.310 per m), 40-70 m (Rs.325 per m), 70-90 m (Rs.380 per m) and 90-120 m (Rs.525 per m) which were accepted without negotiation.

However, tenderers of 17 groups offered bids ranging from Rs.270 to Rs.446 per m for 150 mm diameter and Rs.380 to Rs.568 per m for 125/115 mm diameter bore for different depths up to 90 m and Rs.475 to 592 per m for depths from 90 to 120 m.

Of these 17 groups, tenders of one group were accepted (June 1997) whereas for 16 groups negotiations were carried out by the Chief Engineer (CE), Indore to get a uniform and reduced rate. Tenderers offered (May 1997) revised rates of Rs.398 and Rs.399 per m for 150 mm and 115 mm dia for depths up to 90 m and between Rs.569 and 565 per m for 90-120 m. These rates were sanctioned in June 1997 and August 1997, respectively.

Execution of drilling of 627 TWs as of January 2000 against the contract for 160 TWs in 16 groups, at rates which were higher by Rs.67-68 per m for 0-90 m and Rs.38-40 per m for 90-120 m depth as compared to average rate (Rs.331 per m) of 3 groups, resulted in extra cost of Rs.39.48 lakh.

On this being pointed out, CE stated (March 2000) that there was scarcity of drinking water, and re-tendering would have taken a long time and there was a strong possibility of getting higher rates. The underground strata varies considerably from place to place, hence it was not possible to assess the actual thickness of different strata.

The reply is not tenable, as the negotiated rates were much higher than the accepted rates of the three groups during same period with similar conditions. In fact the drilling work was awarded on similar rates in earlier period (April 1999) as well as later periods (January 2001) in all blocks irrespective of structures. Agreements drawn on the tenders were continued and substantial numbers of work orders were issued on these agreements even as late as February 1999.

The matter was reported to Government demi-officially in May 2001; reply was awaited (September 2001).

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CHAPTER-4
FOREST DEPARTMENT

SECTION-A

4.1 Forest Development through World Bank aided Madhya Pradesh Forestry Project

4.1.1 Highlights

The Madhya Pradesh Forestry Project (Project) was started in September 1995 with World Bank assistance, for protecting and improving the forests through Joint Forest Management (JFM) by the Forest Department and local population. Significant progress towards JFM could not be achieved, as local people were not effectively involved, due to non-execution of memorandum of understanding (MOU) with Forest Protection Committees (FPCs) and Village Forest Committees (VFCs), non-involvement of Non-Government Organisations (NGOs), less payment of protection money to FPCs and VFCs and under utilisation of committee funds in Income Generating Activities (IGA). Further, no plans were prepared for carrying out the residuary work after completion of Phase I and non-approval of Phase II by the World Bank, was endangering the existing forest development works. The Forest Survey of India (FSI) reported (1995, 1997 and 1999) a significant reduction of 13534 sq. km in dense forest cover in Madhya Pradesh between 1995-99. Thus, loss of forest cover coupled with the natural increase in the population would adversely affect environmental stability and maintenance of ecological balance.

- ***Rs.20.75 crore were paid in advance to Forest Protection/Village Forest Committees (FPCs/VFCs) in contravention of World Bank directions***

  (Paragraph 4.1.4[iii][a])

- ***Rs.59.83 lakh was lying unutilised in Personal Deposit (PD) Account***

  (Paragraph 4.1.4[iii][b])

- ***Protection money of Rs.5.49 crore (50.2 per cent) was not paid to FPCs/VFCs.***

  (Paragraph 4.1.4[iv](a))

- ***Delay in submission of claims to World Bank cast an extra burden of Rs.4.62 crore, on the State.***

  (Paragraph 4.1.4[v])

- ***Injudicious expenditure of Rs.4.89 crore was incurred on sites unsuitable for Assisted Natural Regeneration and Village Resources Development.***

  (Paragraphs 4.1.5.1[i], 4.1.5.2 [i])

- ***Expenditure of Rs.87.26 lakh was incurred on prohibited/avoidable items of work.***

(Paragraph 4.1.5.1[ii])

- ***Delay in fixation of norms for forestry work under Assisted Natural Regeneration resulted in avoidable extra expenditure of Rs.13.68 crore.***

(Paragraph 4.1.5.1 [iv])

- ***Rs.1.76 crore was spent on forestry works in excess of norms.***

(Paragraphs 4.1.5.1 [v], 4.1.5.2 [ii])

- ***Expenditure of Rs.2.62 crore on sites which were graded below average proved wasteful.***

(Paragraphs 4.1.5.1 [vi], [vii])

4.1.2. Introduction

Madhya Pradesh (MP), had an area 4.43 lakh sq. km, of which 1.54 lakh[43] sq. km (35 per cent) was designated as forest area with 1.35 lakh sq. km (30.5 per cent) being actually under forest cover[44] (1995) (Dense 95153 and open 40011 sq. km).

In order to meet the immense and increasing biotic pressure from the local communities, while conserving the forest resources and the environment their active participation was vital. To meet this felt need, GOMP launched a Madhya Pradesh Forestry Project (Project) with financial assistance from the World Bank. The project, which was to start in January 1995, actually started in September 1995. It had four components (i) Forest Development, (ii) Bio-Diversity Conservation, (iii) Research and Extension and (iv) Management Development. The project laid the highest emphasis on joint forest management (JFM) by the Department and local communities.

4.1.3 Organisational set up and scope of audit

The Principal Chief Conservator of Forests (PCCF) had overall charge of the Department. Under him, a Chief Conservator of Forests (CCF) was the Project Director (PD), responsible for co-ordination of all project activities at the headquarters. In the field the Project was implemented by 21 Conservators of Forests (CFs) and 79 Divisional Forest Officers (DFOs) in charge of Circles/Divisions respectively.

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43 *An area notified as a forest under the Indian Forest Act, 1927.*

44 *All lands with a tree canopy density of more than 10 per cent.*

The accounts and records for the period 1995-2000 of 22[45] out of 79 divisions (in which the Forest Development component was executed) and the PD's office were test checked during the period between December 2000 and April 2001. Audit observations are included in the succeeding paragraphs.

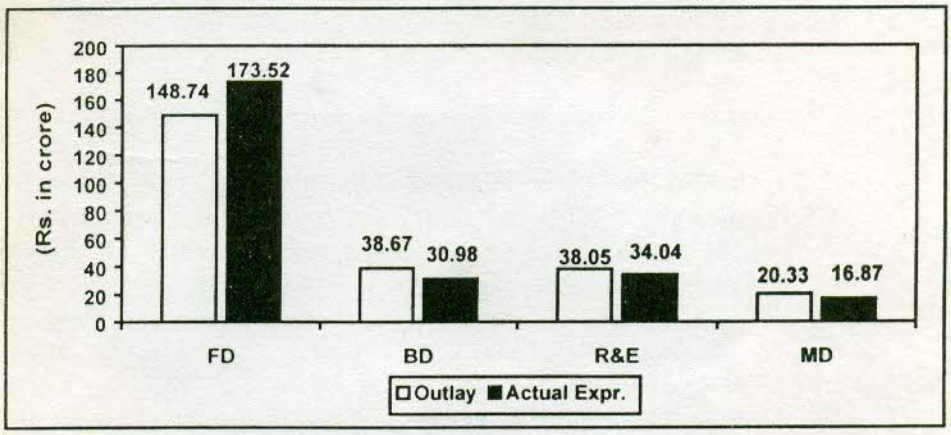
4.1.4 Financial Management

The Project with a total outlay of US$ 217 million equivalent to Rs.795 crore, was envisaged to be implemented in two phases of four and five year's duration respectively. The total estimated cost of the first phase was US$ 67.3 million, equivalent to Rs.245.79 crore.

World Bank assistance of US$ 58.0 million (equivalent Rs.212 crore) was to cover 86 per cent of the first phase project cost (Rs.245.79 crore) with the remaining 14 per cent being borne by GOMP.

The cost of each of the four components of the project and actual expenditure thereon is summarised below.

(i) Component wise outlays and expenditure



FD-Forest Development, BD-Bio-diversity Conservation, R&E- Research & Extension, MD-Management Development

[45] *Territorial divisions of*
M.P. – Balaghat (north), Bhopal, Burhanpur, Harda, Katni, Khandwa, Sagar (North & South), Seoni (North & South) and Umaria.
C.G. – Bastar, Bilaspur, Bilaspur (North), Dhamtari, Jashpur Nagar, Kanker, Kawardha, Korba, Raigarh, Raipur (East) and Rajnandgaon.

(ii) Year wise details of project outlay and actual expenditure

(Rs. in crore)

Year	Forest Development		Bio Diversity Conservation		Research and Extension		Management Development		Total				Percentage total OL
	OL[46]	AE[5]	OL	AE	OL	AE	OL	AE	OL	AE (Share of)			
										State Govt.	World Bank	Total	
1995-96	10.54	8.28	6.10	2.78	6.41	1.14	6.78	1.32	29.83	3.65	9.87	13.52	45
1996-97	26.36	22.34	12.12	7.32	8.65	3.61	4.88	2.14	52.01	16.63	18.78	35.41	68
1997-98	44.68	30.39	12.05	8.23	10.34	5.96	5.21	3.14	72.28	11.95	35.77	47.72	66
1998-99	67.16	53.28	8.40	7.03	12.65	11.38	3.46	4.81	91.67	11.24	65.26	76.50	83
1999-00	--	59.23	--	5.62	--	11.95	--	5.46	--	-9.14[47]	91.40[47]	82.26	--
Total	148.74	173.52	38.67	30.98	38.05	34.04	20.33	16.87	245.79	34.33	221.08	255.41[48]	
Percentage of AE to OL		**117**		**80**		**90**		**83**				**104[6]**	

Due to delayed start (September 1995 in place of January 1995) of the Project, annual expenditure lagged behind outlays for successive years. The Department did not, however, revise the annual outlays. As a result, during 1995-96 to 1998-99 annual expenditure ranged between 45 and 83 per cent of outlays. There was saving of Rs.7.69 crore in BD, Rs.4.01 crore R&E and Rs.3.46 crore MD components, which was utilised to finance the excess expenditure of Rs.24.78 crore in FD component.

(iii) Unauthorised/irregular payments

In October 1996 GOMP directed that protection money be paid to the FPCs and VFCs every six month for ensuring the protection of the forests from illicit felling, grazing, fire and encroachment. World Bank had indicated (December 1999) that all expenditure in respect of works executed, service rendered and goods delivered by 31 December 1999 will be eligible for reimbursement.

Rs.20.75 crore paid without ensuring protection and in contravention of directions of Government/World Bank.

(a) Contrary to the above directions of the GOMP/World Bank, the Department paid (November and December 1999) Rs.20.75 crore (Assisted Natural Regeneration (ANR): Rs.11.50 crore and Village Resources Development Programme (VRDP): Rs.9.25 crore) in advance as protection money for the period from January 2000 to March 2001 i.e. beyond the date of completion of the project.

Rs. 59.83 lakh was lying unutilised in PD Account since December 1999.

(b) In Bhopal division Rs.59.83 lakh allocated for technical assistance during 1999-2000 was deposited (March 2000) in PD account by the DFO as per direction of the Project Director. The amount was lying unspent (March 2001) in PD Account, much after the closure of the project in December 1999.

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46 *OL=Outlay, AE= Actual Expenditure.*

47 *Due to the balances of previous financial year's claims sent during the year.*

48 *Due to fluctuation in Rupee-Doller exchange rate the Department obtained more money in terms of Rupees.*

(iv) Less payment of protection money and impact thereof

Protection money of Rs.5.49 crore was not paid (50.2 per cent) to Committees.

Test-check of records revealed that Rs.5.46 crore (49.8 per cent) only, was paid to FPCs/VFCs out of a entitlement of protection money of Rs.10.95 crore during 1995-98. This was against the concept of JFM and had an adverse effect on people's participation.

(v) Non-reimbursement due to delay in submission of claim

Delay in submission of claims to World Bank cast an extra burden of Rs.4.62 crore on the State.

Scrutiny revealed that against Rs.221.08 crore reimbursable by the World Bank, the Department preferred claims of Rs.249.71 crore for the period 1995-2000, of which the World Bank reimbursed Rs.216.46 crore only. Claims of Rs.4.62 crore were not accepted due to late submission of claims after due date of 30 April 2000 thus casting an additional burden on GOMP.

4.1.5 Implementation

The main component of Forest Development comprised of two sub-components (i) Assisted Natural Regeneration (ANR) for closed forest (more than 40 per cent canopy density) and (ii) Village Resources Development Programme (VRDP) for open forests (less than 40 per cent canopy density). It emphasised:

(a) the promotion of natural forest regeneration, supported by enrichment planting, improved silvicultural practices, and forest floor management and;

(b) a Village Resources Development Programme (VRDP) based on participatory planning, management and protection of forest resources, integrated with activities to generate alternative incomes or resources, to reduce the pressure on the forests.

This Joint Forest Management (JFM) of State forests for effective protection and sustainable development was to yield higher productivity in perpetuity.

4.1.5.1 Assisted Natural Regeneration (ANR) Under Closed Forest

Natural regeneration occurs in existing forest from sprouts (coppices) arising from stumps of felled trees and natural seeding. Natural regeneration can be assisted by cut back operation (CBO), limited soil and moisture work and protection of forest from illicit felling, grazing and fire through forest protection committees (FPCs). To increase the production of forest produce ANR activities should be carried out in recently exploited forests with canopy density of more than 0.4 with sufficient coppices being available for increasing productivity.

Although the sanctioned phase-I of the project was to cover a period of 4 years, (September 1995 to December 1999) the project report for ANR programme was prepared for 7 years keeping in mind the continuity of phase-II. An area of 216723 ha was covered during 1995-99 with an expenditure of Rs.67.77 crore during 1995-2000. Scrutiny revealed that:

(i) Wasteful expenditure on unsuitable sites

Injudicious expenditure of Rs.3.13 crore was incurred on unsuitable sites.

The Project Director instructed (December 1996) that sites for ANR be selected in closed forests having canopy density between 0.4 and 0.7. The Project Director issued revised instructions (April 1997) that sites (coupes) worked during the last 5 years and having canopy density between 0.4 and 0.7 be selected. In June 1998 the PCCF further clarified that sites should be selected from coupes exploited in the previous year, if such sites, were not available, coupes worked earlier were to be selected but not having canopy density of more than 0.5.

Test-check of the records of 14 divisions[49] revealed the following.

(a) Contrary to the above instructions an expenditure of Rs.2.07 crore was incurred on sites which should not have been selected at all i.e.(i) 12 sites (1776.3 ha) having canopy density of less than 0.4 during 1995-98 (Rs.53.94 lakh) and (ii) 41 unexploited sites having an area of 7087 ha during 1995-99 (Rs.1.53 crore) and (b) Rs.1.06 crore incurred on unsuitable sites selected due to lack of clear cut guidelines on selection of sites i.e. (i) 19 sites (3657 ha) which had been exploited 6 to 17 years back, during 1995-99 (Rs.58.08 lakh) and (ii) 10 coupes (1556 ha) having canopy density as high as 0.5 to 0.9 after exploitation during 1996-99 (Rs.47.73 lakh).

Expenditure of Rs.3.13 crore on ANR work on unsuitable sites was wasteful as: (i) sites with canopy density less than 0.4 cannot be raised as dense forest without gap planting, (ii) sites with unexploited coupes had no live stumps available for regeneration, (iii) in sites exploited more than 5 years earlier, coppices would be too mature for assistance and (iv) sites with canopy density of more than 0.5 after exploitation did not require further enrichment through ANR.

(ii) Expenditure on prohibited items of works

Expenditure of Rs.45.38 lakh was incurred on prohibited works.

(a) Expenditure on plantation and adoption of plants, collection of seed, eradication of lantana and chhindgrass (during first two years), construction of cattle proof trench (CPT) and fire protection works were prohibited as these were not required.

Test-check of the records of 11 divisions[50] for the period 1995-2000, revealed that an expenditure of Rs.39.89 lakh was incurred on (i) collection of seed for departmental nurseries (Rs.3.61 lakh) and (ii) plantation activities (Rs.36.28 lakh) not forming part of the scheme. An expenditure of Rs.5.49 lakh was also incurred on prohibited activities viz. fire protection and digging of CPT which was not to be done departmentally but by the FPCs, protection being their responsibility. The DFOs stated that in initial years expenditure on these

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[49] ***M.P.***-*Katni, Khandwa and Seoni (South).*
C.G.-*Bastar, Bijapur, Bilaspur (North), Jashpur Nagar, Kanker, Kondagaon, Korba, Raipur (East and North),Sukma, and Surguja(East).*

[50] ***M.P.*** *:-Betul (South), Harda, Katni, Panna (North & South), Seoni (South) and Umaria.*
C.G.*:-Jashpur Nagar, Korba, Raigarh and Raipur (North).*

items was incurred due to non-receipt of specific directions from higher authorities in this regard.

(b) Extra expenditure on soil and moisture conservation works

Extra expenditure of Rs.41.88 lakh was incurred on soil and moisture conservation works.

The Project Director had instructed (April 1997) that there should be minimum stress on soil and moisture conservation measures which should be taken up only in specific sites during the 1st year at a cost of around 20-25 per cent of the project cost of that year, because main work under ANR was cut back operation and protection of forests from illicit felling and grazing.

Scrutiny of the records of 5 divisions[51] revealed that an expenditure of Rs.79.93 lakh was incurred during 1995-96 and 1996-97 on soil and moisture works against maximum admissible amount of Rs.38.05 lakh (25 per cent of Rs.152.19 lakh, the expenditure incurred in first year). The excess expenditure incurred on soil and moisture work was viewed with concern by the World Bank in a mid term review of the project. Had the norms been prescribed at the beginning of the project the extra expenditure of Rs.41.88 lakh could have been avoided and the amount utilised to cover more area under the scheme.

(iii) Wasteful expenditure due to untimely execution of works

Wasteful expenditure of Rs.85.22 lakh on untimely execution of forestry works.

(a) The PCCF directed (June 1998) that eradication of Lantana/ Chhindgrass be carried out in the months of August/September, in rainy season, to ensure its uprooting before fruiting. Test-check of records for the period 1995-2000 of 12 divisions[52] showed that Rs.69.96 lakh was spent on removal of Lantana/Chhindgrass between October and March i.e. after the prescribed period of August/September, which was wasteful.

(b) To ensure proper growth of bamboo, the PCCF directed (June 1998) that cleaning of bamboo clumps be carried out during November and December, as there is a decrease in moisture and increase in temperature thereafter, adversely affecting growth. Test-check of the records of Harda, Katni and Khandwa divisions for the period 1996-99 revealed that Rs.15.26 lakh was spent on cleaning of bamboo clumps between January and March which was against the directions of the PCCF.

(iv) Avoidable expenditure due to delay in fixation of norms

Avoidable extra expenditure of Rs.13.68 crore resulted due to delay in fixation of norms.

The PCCF decided the following norms for ANR works as late as in June 1998.

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51 *M.P.:-Harda and Khandwa.*
C.G.:-Jashpur Nagar, Kanker and Raigarh..

52 *M.P.-Betul (South), Bhopal, Dindori,Harda, Hoshangabad, Katni, Khandwa, Seoni (South) and Umaria..*
C.G.- Jashpur Nagar, Korba and Raipur (North).

Rate in Mandays per ha per year

	Particular of work	I year work	II year work	III year work	IV to VII year work
1.	Forestry works and other misc. expenditure	11	4	2	2
2.	Protection money	10	10	10	10
	Total	21	14	12	12

Test-check of the records of 21 divisions[53] revealed that Rs.9.14 crore was spent on forestry works executed in 86799.676 ha during the period 1995-98 (50361.353 ha 1st year, 28676.463 ha 2nd year and 7761.86 ha 3rd year works) while only Rs.3.50 crore was admissible as per norms fixed by PCCF in June 1998. The total expenditure of Rs.24.44 crore spent on forestry works executed in 259800.19 ha (153024.45 1st year, 82600 ha 2nd year and 24175.74 ha 3rd year works) during 1995-98 in MP, exceeded the admissible expenditure of Rs.10.76 crore by Rs.13.68 crore. Timely fixation of norms could have resulted in a saving of Rs.13.68 crore and its utilisation on ANR in another 43682 ha.

(v) Excess expenditure over the norms

Rs.69.86 lakh incurred in excess of the norms.

Test-check of the records of 8 divisions[54] revealed that, after fixation of norms by PCCF, in June 1998, Rs.2.41 crore were spent on forestry works executed on 22337.20 ha (1st year 9950.40 ha, 2nd year 8131 ha, 3rd year 4255.80 ha) during 1998-99 and 1999-2000. This exceeded the limit of Rs.1.71 crore as per norms (of forestry works including other miscellaneous expenditure) by Rs.69.86 lakh.

(vi) Wasteful expenditure on incorrect sites/ treatment

Expenditure of Rs.1.10 crore incurred on incorrect sites/treatment proved wasteful.

In 6 divisions[55] an expenditure of Rs.1.10 crore was incurred on 23 ANR sites (3108 ha) which were graded (1998) as below average due to incorrect site/treatment etc. Although the Principal Secretary, Forest Department expressed his displeasure (August 1998), no action was taken against the defaulting officials.

(vii) Decrease in existing regeneration status

Negative growth in 29 ANR sites indicated that expenditure of Rs.1.52 crore. was unfruitful.

A survey of 395 ANR sites (out of 1105) conducted during 1997-98 revealed a negative growth in 69 sites in 22 divisions. The Department attributed (in the project completion report) this to either regeneration in these areas not being as expected or the level of protection being poor. The Department did not survey regeneration in the remaining 710 sites.

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53 *M.P.-Balaghat (North), Burhanpur, Harda, Khandwa, Sagar (North & South), Seoni (North & South) and Umaria..*
C.G.-Bastar, Bijapur, Bilaspur, Bilaspur (North), Dhamtari, Jashpur Nagar, Kanker, Kawardha, Korba, Raipur (East), Raigarh and Rajandgaon.

54 *M.P.-Balaghat (North), Betul (West), Katni and Mandla (West).*
C.G.-Bastar, Dhamtari and Raipur (East & North).

55 *M.P.-Khandwa*
C.G.-Bhanupratappur, Bilaspur (North), Kanker, Kondagaon and Narainpur.

Further, test-check of the records of 9 divisions[56] revealed (between December 2000 and April 2001) that in 29 ANR sites, 1496 established plants per ha on an average at the start of the work had decreased to 912 at the time of regeneration survey. The negative growth may either be due to failure of initial regeneration or poor protection. Thus expenditure of Rs.1.52 crore incurred during 1995-2000 on ANR proved unfruitful, as it was unable to increase, or maintain the existing regeneration. Action to investigate the matter and to fix responsibility was not initiated by the Department.

4.1.5.2 Village Resources Development Programme (VRDP) open forests

VRDP envisaged rehabilitation of degraded forests (RDF) of 300 ha by each village forest committee (VFC) within 10 years. The process required for each VFC to carryout the following (a) selection of site of 300 ha, (b) cut back operation, dressing of stumps, eradication of lantana, soil and moisture work and gap planting in 30 ha each year and (c) protection of forest (300 ha). VRDP was taken up in 418899 ha by 1164 VFCs during 1995-2000 with a total expenditure of Rs.73.15 crore, of which Rs.42.81 crore was on forestry works and Rs.30.34 crore on protection. The following observations are made.

(i) Injudicious expenditure on unsuitable sites

Rs.1.76 crore was spent on 41 sites with high canopy densities where RDF work was not required.

The PD instructed (January 1996) that VRDP sites for RDF work be selected from forests with canopy density less than 0.4.

In 8 divisions[57], Rs.1.76 crore was spent on RDF work in 41 sites (12692 ha.) during 1995-99 where the existing canopy density ranged between 0.4 to 0.8 and RDF work was not required to be carried out at all. Rs.1.76 crore could instead have been utilised on sites with canopy density below 0.4 where RDF work was really required.

(ii) Excess expenditure over norms

PD fixed (April 1997) norms for expenditure on forestry works i.e. advance soil preparation, plantation, maintenance, and preparation of microplan at Rs.90,000, Rs.45,000, Rs.9000 and Rs.5000 per VFC, per year respectively.

Expenditure exceeded the norms by Rs.1.06 crore .

In 8 divisions[58] expenditure of Rs.4.71 crore was incurred on forestry works during the years 1997-2000 on an area of 15030 ha (preparation 8550 ha, plantation 6480 ha). This exceeded the admissible expenditure of Rs.3.65 crore (as per norms) by Rs.1.06 crore.

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56 *M.P.-Harda, Khandwa and Seoni (South).*
C.G.-Bilaspur (North), Jashpur Nagar, Kondagaon, Korba, Narainpur and Raigarh.

57 *M.P.-Balaghat (North), Bhopal, Katni and Khandwa.*
C.G.-Bilaspur (North), Korba and Raipur (East & North).

58 *M.P.-Harda, Hoshangabad.*
C.G. Bilaspur, Bilaspur (North), Korba and Mahasamund, Raipur (East and North).

(iii) Lack of accountability regarding forestry work through VFCs

Lack of accountability regarding execution of forestry works of Rs. 72.09 lakh.

The Forestry works are required to be carried out by the staff of the forest department. However, test-check of the records of Bhopal and North Raipur divisions, revealed (March and April 2001) that Rs.72.09 lakh (in addition to the protection money) was paid to VFCs in advance for carrying out forestry works during 1996-2000 but were shown in the concerned head of account as expenditure. As and when expenditure on forestry works is incurred by the VFCs it would escape scrutiny by the Forest Department/Audit due to absence of details of such expenditure. As on January 2001, no expenditure had been incurred.

4.1.6 Lack of funds for residuary works endangered existing forestry works

The agreement between the Government of India (GOI) and the World Bank was for phase-I of the project with a duration of four years. The Department, however, designed the key components of phase-I viz. ANR and VRDP for seven years and ten years respectively assuming that phase-II would immediately follow phase-I. No contingency plan, in case of non-approval of phase-II, was made for residuary forestry works although the Department was aware that unless these works were completed, phase-I investments would become infructuous.

Lack of funds for residuary works endangered existing forestry works of Rs.78.20 crore.

(a) On closure of the first phase in December 1999, Department provided funds of Rs.1.28 crore (42 per cent) and Rs.4.13 crore (25 per cent) for upkeep of ANR and VRDP works during 2000-01, against the required amounts[59] of Rs.3.04 crore and Rs.16.76 crore respectively. Thus, due to insufficient budget provisions, the expenditure on incomplete forestry works of Rs.78.20 crore (ANR Rs.35.39 crore, VRDP Rs.42.81 crore) was in danger of becoming infructuous.

(b) In 13 divisions[60] Rs.1.44 crore was required for planting in 9600 ha area of 320 VFCs where advance soil preparatory work was already done at a cost of Rs.2.81 crore during 1999-2000. The Department however, provided Rs.84.22 lakh only to 9 divisions and no funds at all to the remaining 4 divisions[61] during 2000-2001. Plantation work would not be possible without adequate funds rendering Rs.1.17 crore out of the total expenditure of Rs.2.81 crore incurred on advance soil work in 1999-2000 infructuous.

4.1.7 Joint Forest Management (JFM)

The project envisaged JFM through participation of local people in FPCs under closed forests and VFCs in open forests. JFM involves a contract specifying the distribution of authority, responsibility and benefits between

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[59] *As per approved norms of the department and excluding the protection money which was preponed in 1999-2000.*

[60] ***M.P.**-Chhindwara (South and West), Dindori, Harda, Katni, Khandwa, Mandla (East and West) and Ratlam.*
***C.G.**-Bilaspur (North), Korba, Raipur (East and North).*

[61] ***M.P.**-Dindori, Harda, Mandla (West) and Ratlam.*

Department and people. For providing protection, an amount of Rs.300 per ha per year, was payable to concerned FPCs/VFCs through their bank accounts. 2/3rd of this amount was to be utilised on income generating activities (IGA), such as agro forestry, drinking water facilities, promoting use of non-conventional energy, improved cattle breeding techniques, honey collection etc., and 1/3rd for protection activities. The following points were noticed in the implementation of JFM.

(i) Non-execution of agreements

The Project envisaged formal Memorandum of Understanding (MOU) between FPCs/VFCs and the Forest Department, to define the VRDP and ensure the legality of JFM arrangements linking defined areas of forest with defined communities and specify management and protection measures and responsibilities, product sharing arrangements, sanctions and conflict resolution procedures (both within and between VFCs). MOUs were thus essential to JFM. The Department, however, failed to execute any MOU, citing delay in issue of a revised Government resolution as the main reason for this. As a result, the legality of most of the JFM arrangements remained uncertain, undermining the status of JFM activities.

(ii) Non-involvement of non-governmental organization (NGO)

The Staff Appraisal Report (SAR) of the World Bank of 28 February 1995 mentioned that many NGOs had experience of participatory processes and could make a major contribution to VRDP by: (i) assisting in VRDP workshops; (ii) providing women staff to work in VRDP Preliminary Teams and (iii) to provide training in participatory rural appraisals.

The Project envisaged extensive involvement of NGO's in project implementation and the Project Director had instructed (June 1997) that active involvement of NGO's should be ensured as a bridge between people and Department.

Despite these specific recommendation/direction no funds were earmarked for involvement of NGOs. Scrutiny of records in 9 divisions[62] revealed that NGOs were not involved in the implementation of the project.

(iii) Non-functioning of spearhead teams

Spearhead teams were formed under instructions (May 1997) of the PD to provide training and technical know-how to the field staff as well as societies etc. but these remained ineffective due to frequent transfers of the members and heavy work load of their normal duties as reported by the PD in the project completion report.

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[62] *M.P.- Harda, Katni and Umaria.*
C.G.- Bilaspur (North), Jashpur Nagar, Korba, Raigarh, and Raipur (East and North).

(iv) Non-use of fund for income generating activities

Income generating activities (IGA) were to be used to create support among the local people for JFM. Out of Rs.62.72 crore paid during 1995-2000 to 1105 FPC and 1164 VFCs, Rs.41.80 crore were to be utilised in creation of village assets and income generating activities. The PD claimed utilisation of 50 per cent of the funds disbursed but no record in support thereof were produced to Audit.

Rs. 7.29 crore (87.7 per cent) out of Rs.8.31 crore for income generating activities remained unspent.

Test-check of records of 12 divisions[63] revealed that Rs.8.31 crore out of Rs.12.46 crore, paid during 1995-2000 to FPC/VFCs were to be utilised in IGA, however, only three divisions Korba, North Seoni and North Bilaspur utilised Rs.1.02 crore out of the available fund of Rs.2.67 crore. DFO Khandwa stated that the funds were used in agro forestry work but did not furnish details of the amount utilised or the quantum of work. The remaining eight divisions did not utilise the funds (Rs.7.29 crore).

(v) Control over Committee Funds

In July 1998, the PD instructed that annual audit of FPCs/VFCs funds should be conducted by the Sub Divisional Forest Officers. The PD claimed, 40 per cent audit of the committees funds.

Test-check of the records of 21[64] divisions, revealed (between May 2000 and April 2001) that no audit checks had been carried out by the SDOs on Rs.18.47 crore disbursed to FPCs/VFCs of 17 divisions. Inspections were stated to have been carried out in the remaining 4 divisions[65] but the inspection reports were not produced to Audit.

4.1.8 Project Evaluation

Non-involvement of women and weaker sections of society

A study (1999)[66] by the Indian Institute of Forest Management (IIFM), Bhopal to document the processes adopted by the Department in implementation of JFM and Eco Development revealed that there was limited participation of women in JFM and women's involvement in decision making was negligible. Committee members had limited knowledge about the operation and utilisation of fund in bank accounts. The Department to whom offences were reported by the VFCs/FPCs did not take action in some cases, discouraging further reporting. These findings corroborate a mid-term evaluation (1998) by the Society for Participatory Research in Asia (PRIA), New Delhi which also

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63 *M.P.-Harda, Katni, Khandwa, Seoni (North & South) and Umaria,*
C.G.-Bilaspur (North), Jashpur Nagar, Korba, Raigarh, and Raipur (North and East).

64 *M.P-Chhindwara (South), Dewas, Harda, Indore, Katni , Khandwa, Mandla (West), Mandsaur, Panna (South), Raisen, Ratlam, Seoni (North & South) and Umaria.*
C.G.-Bhanupratappur, Bilaspur (North), Jashpur Nagar, Korba, Raigarh and Raipur (East & North).

65 *Khandwa, Seoni (North and South), and Mandsaur.*

66 *Carried out as consultancies under the Project*

found that: (i) watch and ward payments were not being made in most VFCs; (ii) payment of daily wages was irregular; (iii) income generating activities and alternative energy resources were very low, (iv) few assets had been created and the needs of the marginalised especially the landless, ignored and (v) the importance of the linkage between the ecological and social aspects had not percolated down to the field staff and therefore to the community. The Project Completion Report prepared by the Department mentioned that VFCs/FPCs were dominated by influential men of the village. Lack of participation by the mass of the people, particularly women and members of Scheduled Tribes in JFM activities significantly reduced its effectiveness.

4.1.9 Significant loss of dense forest cover

To conserve the existing forests is the main function of the Forest Department and to increase substantially the forests and tree cover, with the involvement of people under JFM and by changing the traditional system, of 'fences and fines' approach to protect of forests was the main objective of the National Forest Policy 1988 and Project. Joint Forest Management was launched in Madhya Pradesh with effect from 1991.

However, Reports of the Forest Survey of India's (FSI) revealed that the dense cover of the State significantly decreased by 13534 sq. km during 1995-99 as compared to 1991-95 as detailed below:

Year's of FSI Report	Forest cover of M.P. State in sq. km			Decrease (-) or increase (+) in dense forest cover	
	Dense	Open	Total	In sq.km.	Percentage
1991	95,385	40,400	1,35,785	--	--
1993	95,537	39,859	1,35,396	(+) 152	(+)0.16
1995	95,153	40,011	1,35,164	(-) 384	(-)0.40
1997[67]	82,745	48,450	1,31,195	(-) 12,408	(-)13 .00
1999	81,619	50,211	1,31,830	(-) 1,126	(-)1.40

The reduction in dense forest of 13534 sq.km (95153-81619) during 1995-99 was much higher than the loss of 232 sq.km (95385-95153) during 1991-95, and there was a drastic reduction of 13 per cent during 1995-97. The Department neither ensured protection of the existing dense forests nor investigated the reasons for reduction. The approximate quantity of 13534 sq. km of forests (at average growing stock of 47 cu m per ha of M.P) worked out to 636 lakh cu m (valuing Rs.43019 crore).

4.1.10 Monitoring

With a view to monitor and evaluate the work done both qualitatively and quantitatively and also to bring transparency in ANR and VRDP works, the performance audit of all sites were required to be conducted. However, evaluation of only 770 sites out of 2269 have been conducted (1998) as summarised below.

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[67] *1997-Assessment data October 1994*

	Types of Committee	Total sites during project	No. of sites evaluated			Outcome of evaluation				
			External [68]	Internal [69]	Total	Out-standing	Very good	Good	Aver age	Below Average
1.	A.N.R.	1105	232	178	410	118	181	55	26	30
2.	V.R.D.P.	1164	178	182	360	49	166	104	34	7
	Total	2269	410	360	770	167	347	159	60	37

It was seen that external evaluators had graded 11 per cent sites as below average, while internal evaluators graded only 2.3 per cent sites as below average. Further, evaluation of ANR works of 410 sites was partly (50 per cent) conducted and balance 277 sites had not been done. Similarly under VRDP evaluation of 360 sites was partly (55 per cent) conducted and balance 514 sites had not been conducted. Thus the Department failed to evaluate expenditure of Rs.89.5 crore (63 per cent) on ANR and VRDP works.

Although the Department had committed (1998) itself, during the mid term review of the project by the World Bank, to find out the reasons for works being average and below average, no action except the issue of letters to the DFOs concerned, had been taken (July 2001).

The matter was reported to Government (August 2001); reply was awaited (September 2001).

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[68] *External evaluation could be DFOs (working plan) of the adjoining district/a consultant/any agency.*

[69] *Internal evaluators comprised of a team of forest officers constituted by the CF of the particular circle.*

SECTION-B

4.2 Loss due to failure of plantations

Loss of Rs.93.13 lakh due to low survival of plants not reported to the Accountant General. Action to fix the responsibility and to recover the amount of loss was not taken.

The Forest Department divided the State into three Zones viz. North and North West, Central and South and South East and laid down norms (October 1986) for the minimum percentage of survival in respect of these Zones at 20, 30 and 40 respectively. In case, the survival of plantations was less than the prescribed norms, it was to be treated as financial loss to State Government and a loss report prepared compulsorily and sent to the Accountant General and the Government. Besides, action to fix the responsibility and to recover the amount of loss from the officials responsible was also to be taken.

Test-check of the records of General Forest Division, Bhopal revealed (February 2001) that 65 plantations covering an area of 4806 hectares were raised during the years 1985-1993 at a cost of Rs.1.42 crore. The physical verification of these plantations was not conducted properly as required under the Government instructions ibid. The officer, while preparing working plan of the division for the period 1999-2009, found that the survival percentage in these plantations ranged between 0 to 18.51 per cent against the prescribed norm of 20 per cent resulting in loss of Rs.93.13 lakh. The working plan mentioned that failure of plantations was generally due to non-selection of suitable sites or species, use of immature seedlings of small size, lack of soil testing and soil treatment, shortage of high quality seeds etc. No action to report the loss case to the Accountant General/Government and fix responsibility for failure to recover the loss was however, taken by the Department.

On this being pointed out (February 2001), the Divisional Forest Officer stated (July 2001) that the data/information included in the working plan was a result of verification based on the plot sampling method. Prior to preparing of loss cases cent per cent verification is required. The reply indicates that although the information/data supplied by the DFO, General Division, Bhopal and Social Forestry Division Bhopal for inclusion in the working plan indicated failure of plantations, further necessary action was not taken to ensure cent per cent verification and investigate the reasons and fix responsibility.

The matter was reported to Government (July 2001); reply was awaited (September 2001).

CHAPTER-5
OTHER DEPARTMENT

HOUSING AND ENVIRONMENT DEPARTMENT

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CHAPTER-5
OTHER DEPARTMENT

HOUSING AND ENVIRONMENT DEPARTMENT

5.1 Construction of judicial complex

Sanction of abnormal rates for extra items led to excess payment of Rs.21.24 lakh.

Administrative approval (AA) for construction of judicial complex at Bhopal was accorded (October 1994) by Government of Madhya Pradesh, Law and Legislative Department at an estimated cost of Rs.5 crore. Technical Sanction (TS) for Rs.4.64 crore was accorded (March 1995) by the Superintending Engineer (SE). AA was revised (July 2000) to Rs.9.68 crore. Revised TS for Rs.8.91 crore was issued in January 2001. Audit scrutiny (February 2000) revealed the following points.

Excess payment due to sanction of incorrect rates for extra items.

The agreement provided for construction of roof slabs in reinforced cement concrete (RCC) in M-15 mix. Architect 'B', however, changed over to waffle slabs (August 1996) at height of more than 4.5 m in RCC in M-20 mix without assigning any reason.

It was noticed that the work of centering and shuttering for waffle slab up to 4.5 m height was sanctioned (November 1997) by SE as an extra item at the rate of Rs.450 per sq.m. The rates were worked out for 43.14 sq.m of contact area.

Scrutiny of analysis of extra item revealed the following

(i) Although the work was done with plywood shuttering, the cost of wooden planking, not required under All India Schedule of Rates (AISOR), was also included in the rate analysis.

(ii) For using wooden runners, 20 per cent wastage was calculated instead of 5 per cent recommended in AISOR.

(iii) AISOR provides for use of plywood shuttering 16 times instead of 8 times provided for by the department.

(iv) 153 number of steel propping was used instead of 70 numbers calculated on the basis of AISOR.

(v) 41.18 carpenters and 30.8 helpers were calculated instead of 20.27 carpenters and 19.20 helpers required as per AISOR.

Eliminating the above excess provisions from the rate analysis, the rate admissible works out to Rs.232 per sq.m. This is supported by the fact that in the SOR (November 1999), the E-in-C included a rate of Rs.495 per sq.m for plan area, which work out to Rs.232 per sq.m of contact area. Sanctioning of exorbitant rates resulted in excess payment of Rs.21.24 lakh to the contractor for execution of 9747.26 sq.m centering and shuttering as of February 2001.

The Government stated (September 2001) that the rates analysed by the Department were for steel shuttering and not wooden shuttering. The reply is not tenable in view of the fact that while analysing the rates in audit the same materials as shown in Department analysis were considered.

5.2 Inadmissible payment of escalation charges

Inadmissible payment of escalation of Rs.24.50 lakh in violation of agreement

The Executive Engineer, Construction Division No. III, Capital Project Administration (CPA), Bhopal entrusted (October 1994) to contractor "A" the balance work of civil, sanitary, water supply, storm water, fire fighting and internal electrification of the "New Vidhan Bhawan", Bhopal – left incomplete by earlier contractor "P". The value of the work awarded was Rs.4.45 crore, against an estimated cost of Rs.3.50 crore, and it was to be completed within 11 months (including rainy seasons). The work was completed on 19th September 1996. The tender documents forming part of contract stipulated that 'no claim for escalation on account of any reason whatsoever shall be entertained if the time allowed for completion in the NIT is not more than 12 months'.

However, inspite of the clear provisions in the agreement, inadmissible payments of Rs.22.08 lakh towards escalation were made (May 1999) to the contractor by the Controller of Buildings, Vidhan Bhawan for civil works and Rs.2.42 lakh (October 1997) by the Executive Engineer, Construction Division No. III for electrification works.

On this being pointed out, the Controller of Building stated (September 1999) that in the meeting of the Empowered Committee held on 28 April 1994, the Engineer-in-Chief (E-in-C) had categorically said that completion of balance civil work will require 12 to 15 months and that the Department, by payment of escalation on work done beyond 12 months, had actually caused a saving to the Government.

The reply is not tenable as the payment of escalation was in direct violation of the agreement and the contractor had quoted his rates after fully considering the above stipulations regarding non-admissibility of escalation claims. After finalisation of agreements, allowing such escalation to the successful bidder not only vitiated the tendering procedure but also resulted in an inadmissible payment of Rs.24.50 lakh to the contractor.

The matter was reported to the Government demi-officially (May 2001); reply had not been received (September 2001).

NARMADA VALLEY DEVELOPMENT DEPARTMENT

5.3 Injudicious rejection of tenders resulted in extra cost on lining work

Injudicious rejection of tender twice and acceptance of a costlier offer in the third call resulted in extra cost of Rs.21.12 lakh

Tenders for construction of cement concrete lining in RD 1857 to 6400 M of Hareri Branch Canal of Rani Avanti Bai Sagar (RABS) Project were invited (August 1993) on item rate tender by RABS canal division, Gotegaon. The probable amount of contract (PAC) was Rs.60.47 lakh. The lowest offer (January 1994) for Rs.70.83 lakh (17.13 per cent above) of contractor 'A' was recommended by Superintending Engineer (SE) (March 1994) and the Chief Engineer (CE) (April 1994) for acceptance to Narmada Valley Development Authority (NVDA).

The tender evaluation committee (TEC) observed (June 1994) that the lowest offer of 'A' was reasonable but he being the lowest tenderer for three other groups also and the total tendered cost of the four groups of work exceeded the financial capacity of 'A', the TEC recommended that the offer of 'A' for this group be rejected and tenders re-invited, by barring 'A' from re-tendering unless he was registered in appropriate class. The NVDA accepted the recommendations and advised (September 1994) the CE to re-invite tenders.

Accordingly, tenders were re-invited (July 1995). The lowest offer received (November 1995) from contractor 'B' for Rs.75.61 lakh (25.04 per cent above the PAC) was recommended by the EE and SE. It was, however, rejected by the CE after 10 months i.e. in September 1996, because its validity had expired (4 April 1996), with instructions to re-invite the tenders.

The tenders were invited for the third time in January 1997 and the lowest negotiated offer for Rs.91.95 lakh (52.08 per cent above the PAC) was accepted (December 1997).

Audit scrutiny revealed (July 1999) that:

The TEC did not act on the provisions of note I below para 2.097 of MP Works Department Manual, Volume I, which provides that registration in the appropriate class may be executed before drawal of agreement. Had contractor 'A' been given an opportunity to re-register in the appropriate class, an amount of Rs.21.12 lakh (Rs.91.95 (-) Rs.70.83 lakh) being the difference between the first and the third offer could have been saved.

Had the tender at second call been accepted in time an amount of Rs.16.34 lakh (Rs.91.95 (-) Rs.75.61 lakh) being the difference between the second and the third offer could have been saved.

On this being pointed out (July 1999), the Chief Engineer stated (August 2000) that point related to apex level of NVDA and at the second call the tenders were rejected due to paucity of funds.

The reply was not tenable, as there was a saving of Rs.7.66 crore in the year 1995-96, which could have been utilised on the work. Had the Chief Engineer adhered to the time schedule laid down by the Government for processing of tenders, the extra cost could have been saved.

The matter was reported to Government demi-officially in June 2001, reply was awaited (September 2001).

CHAPTER 6
GENERAL

Failure of senior officials to enforce accountability and protect the interests of Government of Madhya Pradesh	6.1	101

CHAPTER-6
GENERAL

6.1 Failure of senior officials to enforce accountability and protect the interests of Government of Madhya Pradesh

AG* arranges to conduct periodical inspection of the Government departments to test check, inter alia, the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. When important irregularities etc. detected during inspection are not settled on the spot, IRs** are issued by the AG to ensure rectificatory action in compliance of the prescribed rules and procedures and accountability for the deficiencies, lapses, etc. The Heads of Offices and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report their compliance to the AG. Serious irregularities are also brought to the notice of Heads of the Departments by the AG. A half-yearly report of pending IRs is sent to the Principal Secretary/Secretary of the Department to facilitate monitoring of the audit observations in the pending IRs.

3529 inspection reports containing 14022 audit paragraphs for Rs.4239.22 crore against 588 auditee units were pending settlement.

Inspection Reports issued up to December 2000 pertaining to 588 divisions/offices of WR, PW, PHE***, Forest and other Works$ Departments under Government of Madhya Pradesh disclosed that 14022 paragraphs relating to 3529 IRs remained outstanding since 1985-86 to the end of June 2001. Department wise position of the outstanding IRs and paragraphs were as under:

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* Accountant General (Audit II), Madhya Pradesh.

** Inspection Reports.

*** WR: Water Resources, PW: Public Works, PHE: Public Health Engineering.

$ Other Works Departments include Narmada Valley Development, Housing and Environment and Bhopal Gas Rahat (Relief and Rehabilitation) Departments.

Sl. No.	Department	Number of Inspection Reports	*Number of Paragraph*	Number of Auditee Units .	Amount (Rupees in crore)
1	**Water Resources**	1413	5238	174	1675.41
2	**Public Works**	745	3629	132	865.56
3.	**Public Health Engineering**	504	2037	65	878.81
4	**Narmada Valley Development**				
	(i) Irrigation	152	920	43	365.37
	(ii) Building / roads	48	131	11	60.45
	(iii) Forest	20	99	11	21.78
5	**Housing and Environment** *(Capital Project Construction units)*	41	174	5	63.33
6	Bhopal Gas Rahat *(Works units)*	13	53	2	11.51
7	*Forest*	593	1741	145	297.00
8	**Total**	**3529**	**14022**	**588**	**4239.22**

Of these, 614 IRs containing 2430 paragraphs had not been settled for more than 10 years. Even the initial replies, which were required to be received from the Heads of the Offices within six weeks from the date of issue were not received in respect of 311 divisions/offices for 364 IRs issued between July 1991 and December 2000.

Heads of Department failed to discharge due responsibility in matter of compliance and settlement of outstanding audit inspection reports.

A review of the IRs which were pending due to non-receipt of replies, in respect of WR, PW, PHE, Forest and other Works Departments revealed that the Heads of the Offices (whose records were inspected by the AG) and the Heads of the Departments did not send any reply to a large number of IRs/paragraphs indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out by AG in the IRs. The Principal Secretaries/Secretaries of the Departments, who were informed of the position through half yearly reports, also did not ensure that the concerned offices of the Department take prompt and timely action.

Inaction against the defaulting officers facilitated the continuance of serious financial irregularities and loss to the Government, though these were pointed

out in Audit. It is recommended that Government should re-look into the procedure for action against the officials who failed to send replies to IRs/paragraphs as per the prescribed time schedule and action to recover loss/outstanding advances/over payments in a time bound manner and revamp the system to ensure proper response to the audit observations in the Department.

(GARGI KAUL)
Accountant General (Audit) II Madhya Pradesh

Bhopal
The

Countersigned

(VIJAYENDRA N. KAUL)
Comptroller and Auditor General of India

New Delhi
The

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Appendix-I
(Referred to in paragraph 1.1.6)
Statement showing the position of development of irrigation potential during five year plan

S.N.	Particular of FYP	Plan period	Potential created at the end of plan (lakh ha)	Increase Per cent over previous period	Crop production per annum (lakh tonnes)
1	Pre Plan	Prior to 1951	4.69	--	--
2	1st FYP	1951-56	4.84	3.20	90.59
3	2nd FYP	1956-61	5.52	14.05	98.37
4	3rd FYP	1961-66	8.65	56.70	66.35
5	3 Annual plans	1966-69	11.51	33.06	103.70
6	4th FYP	1969-74	12.35	7.30	107.76
7	5th FYP	1974-79	17.70	43.32	78.39
8	Annual Plan	1979-80	19.14	8.14	130.20
9	6th FYP	1980-85	24.52	28.11	167.09
10	7th FYP	1985-90	28.11	14.64	212.08
11	2 Annual plans	1990-92	29.91	6.40	204.73
12	8th FYP	1992-97	32.68	9.26	230.50
13	2 Annual plans and 1st year of 9th FYP	1997-2000	33.40	2.20	266.03

Appendix-II
(Referred to in paragraph 1.1.6)
Statement showing imbalance between irrigation potential created in various districts

Table-I

S. No	Name of scheme	NSA Ha.	Potential Created Ha	Percentage of potential to NSA	Total potential after completion of incomplete new schemes.	Percentage of future potential to NSA
1	Rajgarh	415192	12016	2.89	22355	5.38
2	Ujjain	480443	19943	4.15	20908	4.35
3	Mandsaur	359704	5008	1.39	12724	3.54
4	Neemuch	191132	7440	3.89	16445	8.60
5	Dewas	377486	15065	3.99	16684	4.42
6	Sagar	532042	15715	2.95	27348	5.14
7	Dindori	210498	8625	4.10	12060	5.73
8	Chhindwara	497202	24039	4.83	108308	21.78
9	Bhopal	158552	13408	8.46	15590	9.83
10	Vidisha	533966	46012	8.62	77033	14.42
11	Betul	407680	28563	7.01	30383	7.45
12	Shivpuri	422153	35396	8.38	125157	29.65
13	Guna	636231	41946	6.59	51590	8.11
14	Ratlam	326514	18767	5.75	22152	6.78
15	Shajapur	444576	26349	5.93	37084	8.34
16	Indore	254724	13879	5.45	14613	5.74
17	Dhar	506168	30469	6.02	595730	124
18	Jhabua	358340	30998	8.65	40412	7.24
19	Khargone	410514	38497	9.38	44002	10.72
20	Barwani	233478	14319	6.13	15284	6.55
21	Khandawa	437851	27199	6.21	28603	6.53
22	Shahdol	365488	20095	5.50	46389	12.69
23	Umariya	111238	10792	9.70	16978	15.26
24	Satna	363575	24003	6.60	67610	18.60
25	Panna	247028	13069	5.29	16610	6.72
26	Damoh	303280	22188	7.32	26831	8.47
27	Narsingpur	298618	17537	5.87	18961	6.35
28	Jabalpur	275921	23784	8.62	26897	9.75

Table-II

S. No	Name of scheme	NSA	Potential Created	Percentage of potential to NSA	Total potential after completion of incomplete new schemes.	Percentage of future potential to NSA
1	Hoshangabad	294991	225938	76.59	227330	77.06
2	Gwalior	217388	114089	52.48	210353	96.76
3	Morena	265812	159454	59.99	163860	61.65
4	Harda	170053	95298	56.04	116576	68.55
5	Bhind	337281	129919	38.52	169374	50.22
6	Balaghat	275194	131718	47.86	171523	62.32

NSA=net sown area; ha=hectare

Appendix-III
(Referred to in paragraph 1.1.7)
Statement showing the cost over run and physical progress of incomplete schemes

Table-I

Major schemes

(Rupees in crore)

S. No	Name of scheme	Designed potential ha	Original cost as per AA	Year of start	Expenditure up to Nov 2000	Per cent of expenditure to original estimated cost	Latest estimated cost
1	Bariyarpur	43850	18.40	1978	65.80	358	231.65
2	Urmil (RBC)	7692	2.21	1978	21.72	983	25.00
3	Mahi project	26430	27.10	1985	54.27	200	265.85
4	Kolar project	45087	0.70	1979	182.49	26070	195.00
5	Sanjay sarovar	81839	28.50	1972	221.51	777	249.72
6	Rajeev Gandhi project	18211	4.92	1977	28.33	576	33.63
7	Rajghat canal	121450	46.15	1979	179.04	388	525.70
Total		344559	127.98		753.16	588	1526.61 (1193%)

Table-II

Medium Schemes

(Rupees in crores)

S. No	Name of schemes	Designed potential (ha)	Original cost as per AA	Year of start	Expenditure up to Nov-2000	Percentage of expenditure	Latest estimated cost
1	Gopad LIS	5668	3.44	1981	11.23	326	13.42
2	Barchar	3290	3.50	1981	15.63	447	20.34
3	Dholawad	6520	4.64	1977	19.57	422	20.08
4	Banjar	2429	2.09	1979	8.47	405	7.71
5	Dudhi (KCS)	4810	2.86	1979	19.57	684	19.88
6	Rampura khurd	2707	1.51	1978	21.69	1436	22.44
7	Kalia sote	4500	7.84	1980	47.16	602	56.00
	Total	29924	25.88		143.32	553	159.87
	G. Total	374483	153.86		896.18		1686.48 (1096%)

Table-III

(Rupees in crores)

S. No	Name of scheme	Estimated cost	Year of commence ment	Actual expenditure	Physical progress in percentage head work	Progress of canals	Latest Estimated cost.
1	Major Projects Bansagar	1395.49	1978	1667.90	90%	25	2730.41
2	Pench Div.	91.68	1988	8.30	nil	Nil	184.34
3	Kanera LIS	3.98	1981	3.55	10%	10	25.80
4	Sank noon link canal system	1.81	1980	2.06	NA	51	19.96
5	Harsi canal mordernisation	13.80	1980	7.83	NA	23	13.80
6	Sindh phase II	607.67	1991	132.37	30%	40	1079.91
7	Medium project Mahan (Gulabsagar)	38.94	1983	34.16	37%	31	155.10
8	Bah	13.98	1983	3.03	Nil	Nil	39.14
9	Sagad	10.63	1983	1.05	Nil	Nil	89.25
10	Mahuar	10.95	1980	3.35	7%	30	80.00
11	Kunwari LIS	1.02	1980	1.90	Nil	Nil	5.31
	Total	2189.95		1865.50			4423.02

NA= Not available

Appendix -IV
(Referred to in paragraph 1.1.16 (ii))

Statement showing extra cost due to abnormal increase in quantities

S. No	Name of work	Value of contract (Rupees in lakh)	Particulars of item where quantity increased						Extra cost (Rupees in lakh)
			Number of items	Item of work	Value as per G schedule	Value of work done	Value of quantity in excess of 10 per cent	Value of extra quantity at agreed rate	
1	Rampura Tank	67.50	3	Excavation and earthwork	18.66	49.28	28.75	20.41	8.34
2	Chandgarh Tank	-	1	Excavation in DR and SR	2.27	14.55	12.05	8.46	3.59
3	Tawa Tank Project	-	1	Excavation in rock	19.04	32.29	11.35	7.08	4.27
4	Pulpuldih Tank	39.30	1	Excavation in rock	0.26	5.34	5.05	1.70	3.35
5	Earthwork of 4 minors and structures	10.02	1	Excavation in DR and SR	0.44	2.26	1.78	0.94	0.84
6	Mahan Main Canal	148.20	2	Excavation in rock and CC 1:4:8	23.07	78.63	53.25	42.62	10.63
	Total		**9**		**63.74**	**182.35**	**112.23**	**81.21**	**31.02**

Appendix -V
(Referred to in paragraph 2.1.5 (A)

Statement showing short receipt of bitumen

S. No	Name of Dn.	Year	No. of order	Quantity (MT)	95-96	96-97	97-98	98-99	1999-2000	Total	Excess/ short
1	Aliraj-pur	95-96	4	1400	615.600	426.450	25.07	-	-	1067.12	(-)332.88
		97-98	4	565			273.09	305.18	20.35	598.62	33.62
		98-99	1	100				55.56		55.56	(-) 44.44
2	Dwas	95-96	4	1900	NA	NA	NA	NA	NA	1840.447	(-) 59.553
		97-98	2	400	NA	NA	NA	NA	NA	342.19	(-) 57.81
		98-99	2	210.14	NA	NA	NA	NA	NA	210.140	Nil
		99-2000	1	65	NA	NA	NA	NA	NA	67.680	2.68
3	Mandl eshwar	95-96	5	1600	778.392	642.243	60.84	0	0	1481.475	(-) 118.525
		96-97	1	300	0	240.84	68.21	0	0	309.05	9.05
		97-98	1	450	0	0	0	274.395	0	274.395	(-) 175.605
		98-99	1	120	0	0	0	0	91.26	91.26	(-) 28.74
4	Dhar	95-96	8	3500	NA	NA	NA	NA	NA	2856.185	(-) 643.815
		96-97	2	1100	NA	NA	NA	NA	NA	716.185	(-) 383.815
		97-98	3	1550	NA	NA	NA	NA	NA	1237.02	(-)312.98
		98-99	2	1200	NA	NA	NA	NA	NA	793.74	(-) 406.26
		99-2000	1	300	NA	NA	NA	NA	NA	300	Nil
5	Mand-saur	95-96	11	4500	1850.765	1892.395	0	0	0	3743.160	(-) 756.84
		96-97	1	200	0	207.890	0	0	0	207.890	7.890
		97-98	5	1600	0	0	668.893	266.257	86.584	1021.734	(-) 578.266
		98-99	1	200	0	0	0	0	40.560	40.560	(-) 159.44
6	Ujjain	95-96	4	2000	704.22	797.505	0	0	0	1501.725	(-) 498.275
		97-98	6	1600	0	0	1389.95	200.460	0	1590.41	(-) 9.59
		98-99	2	100	0	0	0	101.537	-	101.537	(+) 1.537
		99-2000	4	250	0	0	0	0	207.769	207.769	(-) 42.231
7	Khand-wa	95-96	4	2800	678.31	1889.93	0	0	0	2568.24	(-) 231.760
		97-98	3	900	0	0	315.445	417.968	160.68	894.093	(-) 5.907
		98-99	1	200	0	0	0	114.495	59.681	174.176	(-) 25.824
		99-2000 2000-01	1	570	0	0	0	0	101.40 396.46	496.860	(-) 73.140
	Total		85	29680.14						24789.221	(-) 4890.919

NA= Not available

Appendix-VI

(Referred to in paragraph 2.1.6)

Statement showing unaccounted liabilities

(Figures Rupees in lakh)

S. No.	Name of Division	Year						Total
		1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	
1	Narsinghpur	-	0.19	0.57	10.84	4.47	-	16.07
2	Shahdol	-	5.92	0.57	35.99	68.36	2.38	113.22
3	Satna	-	0.15	0.23	1.04	-	-	1.42
4	Jabalpur	4.36	10.81	46.25	36.76	-	-	98.18
5	Katni	-	0.67	0.08	1.01	1.76	0.56	4.08
6	Indore-II	0.06	2.05	-	2.17	2.84	-	7.12
7	Khargone	-	8.57	9.16	0.35	3.40	-	21.48
8	Khandwa	5.09	10.38	16.94	2.39	7.45	-	42.25
9	Shajapur	-	3.96	-	7.27	8.72	-	19.95
10	Ujjain	3.55	4.79	12.15	6.38	-	-	26.87
11	Raisen	-	-	-	2.63	3.04	-	5.67
	Total	13.06	47.49	85.95	106.83	100.04	2.94	356.31

Appendix-VII
(Referred to in paragraph 2.1.10 (iv))
Statement showing balance of stock at the end of the year without sanction of Reserve Stock Limit

Rupees in lakh

S. No	Name of Division	1995-96	1996-97	1997-98	1998-99	1999-2000
1.	Indore-II	80.54	93.37	103.53	117.47	122.57
2.	Ujjain	*	*	*	*	107.41
3.	Shajapur	*	*	*	*	25.50
4.	Khandwa	*	55.51	20.82	41.71	62.77
5.	Khargone	*	66.90	57.97	43.39	36.97
6.	Raisen	58.64	*	76.93	73.96	78.48
7.	Katni	*	58.31	13.10	2.68	*
8.	Satna	12.57	57.63	22.13	5.13	*
9.	Jabalpur-I	72.78	87.74	100.23	120.03	*
10.	Narsinghpur	26.33	54.31	42.38	41.76	40.85
11.	Shahdol-I	NA	NA	NA	NA	NA
	Total	250.86	473.77	437.09	446.13	474.55

* RSL sanctioned

Appendix-VIII (i)
(Referred to in paragraph 2.5 (i)
Statement showing under valuation of bid amount due to totaling mistake of traffic census figures

(Indore-Burhanpur road SH-2)

As per census of 1993

No. of trucks per week	As per census	2614	
No. of trucks per week	Considered by contractor	1624	
Difference		990	
Add 10 % (as per codal provisions) for 1994		99	
		1089	
Add 10 % (as per codal provisions) for 1995		108.90	
		1197.90 per week or 171 per day	
Leviable at the rate of Rs.35 per truck 171 X 35		Rs.5985 per day	
Toll collection started from 30.8.1995			
30.8.95 to 31.12.95 = 124 days		124 X 5985	7,42,140
Add 10% (as per codal provisions) for 1996		6584	
1.1.96 to 31.12.96 = 366 days		366 X 6584	24,09,744
Add 10% (as per codal provisions) for 1997		7242	
1.1.96 to 24.4.97 = 114 days		114 X 7242	8,25,588
Total 604 days			**39,77,472**

Numer of actual trucks on which toll levied during
30 August 1995 to 24 April 1997 (604 days) = 653800
Toll actually collected during the period at
the rate of Rs.35 per truck per day = Rs.22883000

Number of trucks considered in assessment
with 10 per cent increase for 1994 (1624 + 162) = 1786 per week
- do- for 1995 (1786 + 179) = 1965 per week
- do- for 30-8-1995 to 31-12-1995 (124 days) = 1965x 124/7 = 34808
-do- for 1996 (366 days) = 2101x366/7 = 112989
- do- for 1-1-1997 to 24-4-1997 (114 days) = 2377x114/7 = 38711
Total trucks considered during the period = 186508
Difference in number of trucks (653800 - 186508) = 467292
Undue profit to contractor at Rs.35 per truck per day =Rs.16355220
Say = **Rs.1.64 crore**

Appendix-VIII (ii)

(Referred to in paragraph 2.5 (ii)

Statement showing under valuation of bid amount due to application of incorrect rates of toll tax

Chambal-Bridge on Indore Ahmedabad Road km.37/4

For trucks

Incorrect rates of toll tax for trucks considered by Department	Rs. 25 per truck	
Correct rate of toll tax as per gazette	Rs. 35 per truck	
Rate difference	Rs.10 per truck	
No. of trucks for 7 days traffic census	10747	
Difference of toll tax for truck per day	10747/7 X 10	15352 = **A**

For multi axle vehicle (mav)

Incorrect rates of toll tax for multi axle vehicle considered by Department	Rs. 30 per mav		
Correct rate of toll tax as per gazette	Rs.50 per mav		
Rate difference	Rs.20 per mav		
No. of mav for 7 days traffic census	807		
Difference of toll tax for mav per day	807/7 X 20	2300 = **B**	
Total difference per day for trucks and mav	15352 + 2300	17652 (A+B)	
10% increase (as per codal provisions) for 1996		+1765 19417	19417

Toll tax collection period 26.5.1996 to 13.1.1998

26.5.96 to 31.12.96	220 days	220 X 19417	Rs.4271740
10 % increase for 1997 = 19417 + 10% = 21358			
1.1.97 to 31.12.97	365 days	365 X 21358	Rs.7795670
10 % increase for 1998 = 21358 + 10% = 23494			
1.1.98 to 13.1.98	13 days	13 X 23494	Rs.305422
Total	**598 days**		Rs.**1,23,72,832** **or say Rs.1.24 crore**

Number of trucks on which toll actually collected during 26 May 1996 to 13 January 1998 (598 days) = 913760

Toll actually collected at Rs.35 per truck per day = Rs.31981600

Number of multi axle vehicles on which toll actully collected during the period (598 days) = 114742

Toll actually collected at Rs.50 per vehicle per day = Rs.5737100

Undue profit to contractor due incorrect application of rates (913760 trucks x Rs.10 + 114742 mav x Rs.20) = Rs.11432440

Say = **Rs.1.14 crore**

Appendix-IX
(Referred to in paragraph 2.11)

Statement showing incorrect evaluation of toll collection

(A) Evaluation of tender by CE

(Rupees in lakh)

a	Initial 6 months	201.26
b	Ist year after start of toll collection	248.54
c	IInd year after start of toll collection	201.60
d	IIIrd year after start of toll collection	169.00
e	IVth year 331 days	303.91
	Total	1124.31

B Calculation of yearly toll collection on the basis of 1997 census

Year	Per day	Per year
1997	101277	36966105
1998	111425	40670125
1999	122545	44728925
2000	134800	49202000

C Extra benefit to contractor due to consideration of traffic census of 1997 in place 2000

(Rupees in lakh)

S. No.	Year	Days	Amount considered by Chief Engineer	Amount considered by Audit with 10 per cent increase	Difference
1	19.1.2000 to 18.1.2001	366	291.50	492.01	200.51
2	19.1.2001 to 18.1.2002	365	320.65	541.21	220.56
3	19.1.2002 to 18.1.2003	365	352.71	595.33	242.62
4	19.1.2003 to 18.1.2004	365	387.98	654.86	266.88
5	19.1.2004 to 14.12.2004	330	384.80	649.49	264.69
	Total	1791	1737.64	2932.90	1195.26

Extra benefit to contractor on the basis of actual toll collected during 19 January 2000 to 31 April 2001

(Rupees in lakh)

S. No.	Year	Days	Amount considered by Chief Engineer	Amount considered by Audit with 10 per cent increase	Difference
1	19.1.2000 to 18.1.2001	366	291.50	385.83	94.33
2	19.1.2001 to 18.1.2002	365	320.65	424.41	103.76
3	19.1.2002 to 18.1.2003	365	352.71	466.85	114.14
4	19.1.2003 to 18.1.2004	365	387.98	513.54	125.56
5	19.1.2004 to 14.12.2004	330	384.80	509.33	124.53
	Total	1791	1737.64	2299.96	562.32

Appendix-X

Glossary of technical terms and abbreviations

BC	Bituminous concrete consists of construction in a single layer of 25 - 100 mm thick compacted crushed aggregates premixed with a bituminous binder, to serve as wearing course, on a base previously prepared in accordance with the specifications or as directed by the Engineer.
BM	Bituminous macadam consists of construction in a single courses of compacted thickness upto 100 mm crushed aggregates premixed with a bituminous binder, to serve as a base/binder course, laid immediately after mixing, on a base prepared previously in accordance with the requirement/specifications.
BT	Black top is a general term used for bituminous road surface.
BUSG	Built up spray grout consists of a two layer composite construction of 75 mm compacted crushed coarse aggregates with application of binders after each layer and key aggregates on top for the second layer in accordance with the specifications to serve as a base course.
DBM	Dense bituminous macadam consists of construction in a single course of 50 to 100 mm thick compacted crushed coarse aggregates premixed with a bituminous binder, to serve as a base/binder course, laid immediately after mixing, on a base prepared previously in accordance with the requirement/specifications on a previously prepared base.
DLC	Dry lean cement concrete consists of construction of sub-base with crushed stone aggregates and cement in the ratio of 15:1 mixed with water as per requirement for cement concrete pavement in accordance with the specifications and in conformity with the lines, grades and cross-sections shown on the drawings or as directed by the Engineer.
MSS	Mix seal surface consists of laying and compacting in a single course of suitable aggregates premixed with a bituminous binder on a previously prepared base, in accordance with the specifications, to serve as wearing course.
OGPC	Open graded premix carpet consists of laying and compacting of 20 mm thickness in a single course composed of suitable small sized aggregates premixed with a bituminous binder on a previously prepared base, to serve as a wearing course.
PC	Premix carpet is the same course as OGPC.

PCC	Profile corrective course is a levelling course essentially a pavement base material course for correcting the existing pavement profile which has either lost its shape or has to be given a new shape to meet the requirement of specified lines, grades and cross sections. It is meant to remove the irregularity in the existing road profile only.
SC	Seal coat consists of application of a bituminous binder followed by a cover of stone chippings (liquid seal coat) or application of fine aggregates premixed with bituminous binder (premixed seal coat) for sealing the voids in a bituminous course laid to the specified levels, grade and cross fall (camber).
SD	Surface dressing consists of application of one coat or two coats, each coat consisting of a layer of bituminous binder sprayed on a base prepared previously, followed by a cover of stone chippings properly rolled to form a wearing course.
SDBC	Semi dense bituminous concrete consists of construction in a single course of 25 mm / 40 mm thick compacted crushed coarse aggregates premixed with a bituminous binder, to serve as a binder/wearing course, laid immediately after mixing, on a base prepared previously in accordance with the requirement/specifications.
TC	Tack coat consists of application of a single coat of low viscosity liquid bituminous material to an existing road surface preparatory to another bituminous construction over it.
WBM	Water bound macadam consists of clean, crushed aggregates mechanically interlocked by rolling and bounding together with screening, binding material where necessary and water laid on a properly prepared sub-grade/sub-base/base or existing pavement, as the case may be and finished in accordance with the specifications.
AA	Administrative approval
AC	Asbestos cement
ACP	Asbestos Cement Pressure
AE	Assistant Engineer
AG	Accountant General (Audit II) Madhya Pradesh & Chhattisgarh
AG (A&E)	Accountant General (Accounts and Entitlements) Madhya Pradesh &Chhattisgarh
AIBP	Accelerated Irrigation Benefit Programme
AISOR	All India Schedule of Rates
ANR	Assisted Natural Regeneration
AO	Accounts Officer
ARWSP	Accelerated Rural Water Supply Programme
ATN	Action Taken Notes
AUWSP	Accelerated Urban Water Supply Programme
BD	Bio-diversity Conservation

B&R	Building and Roads
BOT	Build, Operate and Transfer
BOQ	Bill of quantities
C&AG	Comptroller and Audditor General of India
CC	Cement concrete
CCF	Chief Conservator of Forests
CCEA	Cabinet Committee on Economic Affairs
CE	Chief Engineer
CF	Conservator(s) of Forests
CG	Chhattisgarh
CI	Cast Iron
cm	centimetre(s)
CPA	Capital Project Administration
CPHEEO	Central Public Health Engineering and Environmental Orgainsation
CPT	Cattle proof trench
CPWA	Central Public Works Account
CPWD	Central Public Works Department
CRCs	Consignee receipt certificates
CSP	Centrally Sponsored Programme
CSR	Current Schedule of Rates
CSSA	Cash Settlement Suspense Account
CTE	Chief Technical Examiner
CTRs	Consolidated Treasury Receipts
cu m	cubic metre(s)
CWC	Central Water Commission
DCC	Datia Carrier Canal
DDOs	Drawing and Disbursing Officers
DFO	Divisional Forest Officer(s)
DG	Diesel Generating
DGS&D	Director General Supplies and Disposal
DIC	Datia Irrigation Canal
DPR	Detailed project report
DRDA	District Rural Development Agency
DRP	Dam Review Panel
DSRP	Dam Safety Review Panel
EE	Executive Engineer
EFC	Expenditure Finance Committee
E&M, E/M	Electrical and Mechanical
E-in-C	Engineer-in-Chief
EOT	Extension of time
FD	Finance Department
FD	Forest Development
FPCs	Forest Protection Committies
FSI	Forest Survey of India
FYP	Five Year Plan
GAD	General Arrangement Drawing
GI	Galvanized iron
GOCG	Government of Chhattisgarh
GOI	Government of India

GOMP	Government of Madhya Pradesh
GSI	Geological Survey of India
ha	hectare(s)
HEMM	Heavy Earth Moving Machinery
HFL	Highest Flood Level
HP	Hand pump
HP	Horse Power
HRD	Human Resources Development
IDA	International Development Association
IEC	Information, Education and Communication
IGA	Income generating activities
IIFM	Indian Institute of Forest Management
IOC	Indian Oil Corporation
IPC	Interim Payment Certificate
IR	Inspection Report(s)
IRC	Indian Road Congress
IRR	Internal rates of return
ISP	Indira Sagar Project
JFM	Joint Forest Management
kg/cm^2	kilograms per square centimetre
km	kilometre(s)
KVA	Kilo Volt Ampere
LAO	Land Acquisition Officer(s)
LBC	Left Bank Canal
LIS	Lift Irrigation Scheme
LMTW	Light Machinery Tube Well
LOC	Letter of Credit
LPC	Last Pay Certificate(s)
LPCD	Litre per capita daily
M, m	Metre(s)
MAS	Material at site
MB	Measurement book(s)
m cu m	Million cubic metre(s)
MD	Management Development
MD	Managing Director
mg/l	milligrams per litre
MIS	Management Information System
MITS	Madhav Institute of Technology and Science
MLAs	Members of Legslative Assembly
MLD	Million Litre Daily
mm	millimetre(s)
MNP	Minimum Needs Programme
MOST	Ministry of Surface Transport
MOU	Memorandum of understanding
MP	Madhya Pradesh
MPLUN	Madhya Pradesh Laghu Udyog Nigam
MPSSA	Material Purchase Settlement Suspense Account
MS	Mild steel
MT	Metric tonne(s)
MPWA	Miscellaneous Public Works Advances

NABARD	National Bank for Agriculture and Rural Development
NAC	Non-availability certificate
NC	Not covered
NCDC	National Co-operative Development Corporation
NEERI	National Environmental Engineering Research Institute
NGO	Non-Government Organisation
NH	National Highway
NIT	Notice inviting tenders
NOC	Certificate of no objection
NSA	Net sown area
NVDA	Narmada Valley Development Authority
OPEC	Organisation of Petrol Exporting Countries
PAC	Public Accounts Committee
PAC	Probable amount of contract
PC	Partially covered
PCC	Pre-cast cement concrete
PCC	Profile corrective course
PCCF	Principal Chief Conservator of Forests
PD	Project Director
PDA	Personal Deposit Account
POL	Petrol, oil and lubricants
PHED	Public Health Engineering Department
PPM	Particles per million
PRIA	Participative Research in Asia
PSC	Pre-stressed concrete
PSL	Price Stores Ledger
PWD	Public Works Department
PWSS	Piped water Supply Scheme(s)
RA	Running Account
R&E	Research and Extension
RCC	Reinforced cement concrete
RDF	Rehabilitation of degraded Forests
RM	Running metre(s)
RMR	Road Metal Return
ROB	Railway over bridge
RRC	Revenue Recovery Certificate
RSL	Reserve Stock Limit
RPWSS	Rural piped water supply scheme(s)
SAIL	Steel Authority of India Limited
SDO	Sub Divisional Officer
SE	Superintending Engineer
S/E	Sub Engineer
SLSC	State Level Selection Committee
SOR	Schedule of Rates
sq. m	square metre(s)
sq. km	square kilometre(s)
TEC	Tender Evaluation Committee
TFC	Tenth Finance Commission
T&P	Tools and plant
TCPC	Tender Cum Purchase Committee

TS	Technical sanction
TTTI	Technical Teachers Training Institute
TW	Tube well
UNICEF	United Nations Children Fund
US$	United States Dollar
USR	Unified Schedule of Rates
VFC	Village Forest Committee
VRDP	Village Resources Development Programme
WB	World Bank
WBC	World Bank Circle
WCL	Western Coal Fields Limited
WR	Water Resources
WRD	Water Resources Department
WUAs	Water Users Associations