

CHAPTER III

AUDIT OF TRANSACTIONS

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

3.1 Non-compliance with the rules

For sound financial administration and financial control, it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authority. This not only prevents irregularities, misappropriation and frauds, but helps in maintaining good financial discipline. Some of the audit findings on non-compliance with rules and regulations are as under:

PUBLIC WORKS DEPARTMENT

3.1.1 Infertuous expenditure

Commencement of construction of a bridge by the PWD without ensuring availability of land resulted in infertuous expenditure of ₹ 1.59 crore incurred on an incomplete bridge.

Paragraph 378 of the Financial Hand Book (Vol-VI) provides that no work should commence on land which has not been duly handed over by the competent authority.

The State Government accorded (January, 2006) administrative and financial sanction of ₹ 4.78 crore for construction of 132.50 metre span motor bridge and 1.30 km approach road between Jamunwala and Dehradun Cantonment area over Noon river of Dehradun district. Technical sanction of the work was accorded (May, 2006) by the Chief Engineer (Garhwal Region), Pauri for the entire amount and the work was awarded (November, 2006) to a contractor¹ for ₹ 4.66 crore with the stipulated date of completion by November 2007.

Test check (June, 2010) of the records of the Executive Engineer, Provincial Division, PWD, Dehradun revealed that the work for right portion of the bridge was started (November, 2006) without ensuring the clear title of land for the left abutment. The right portion of the bridge and 250 metre approach road were falling on the civil land and left portion of the bridge alongwith 1.05 km approach road was falling in the cantonment area. After completion of 100 metre approach road and 64.50 metre bridge work from right portion, the work was stopped (July, 2008) on objections raised by the Defence authorities of Dehradun Cantonment. Since then, the work is lying incomplete with an expenditure of ₹ 1.59 crore, as is evident from the photograph given in the next page. However, it was noticed in audit that the division had applied for clearance of land to the Defence authority

¹ M/s N.K.G. Infrastructure Limited, New Delhi.

in February 2006 and the matter was also being pursued thereafter but the Defence authorities refused the same (April, 2011).

On this being pointed out, the EE accepted (June, 2010) the fact and stated that the work was stopped on the objection raised by the Defence authority. It was further stated that efforts were being made to



Incomplete bridge over Noon River, Dehradun

start the work after changing the alignment. Reply was not acceptable as the commencement of construction work without ensuring possession of land by the PWD was contrary to the financial rules and the Defence authority did not even permit the construction of abutment on their land to change the alignment.

Thus, commencement of work without ensuring availability of land resulted into an infructuous expenditure of ₹ 1.59 crore on an incomplete bridge besides denial of intended benefit of commutation to the users.

The matter was referred to Government (May, 2011); reply was awaited (February, 2012).

3.1.2 Injudicious expenditure

Erroneous process adopted by the division in awarding of contract and using excessive material resulted in injudicious expenditure of ₹ 83.66 lakh in addition to the execution of substandard road work.

Government accorded (March, 2003) an administrative approval and financial sanction for ₹ 11.09 crore for reconstruction and improvement of the Baijaro-Chaukhal-Ufraikhal-Bhungidhar-Bachuaban motor road (48 km length) in district Pauri, Garhwal. The technical sanction (TS) was accorded (February, 2004) by the Chief Engineer (CE), Garhwal region, Pauri for the same amount.

Audit scrutiny of records (March, 2010) of the Executive Engineer (EE), Construction Division, PWD, Baijaro (Pauri) revealed that the work was awarded to a contractor at 18.75 *per cent* above the Departmental estimated rates for an amount of ₹ 10.32 crore under which the work was to be executed up to Bituminous Macadam (BM)/Semi Dense Bituminous Concrete (SDBC) level with scheduled date of completion by October 2005.

Audit observed that despite awarding contract at 18.75 *per cent* above the Departmental rates, all the items of work could not be executed in the entire length of the road. Items up to Water Bound Macadam (WBM) level were

executed in varied² lengths and the execution (up to BM, SDBC level) of work was done only in 28 km. The works in the remaining portion of the road could not be undertaken due to the following reasons/deficiencies:

- The work was put to tender (November, 2003) by the division three months before its Technical Sanction by the competent authority (February, 2004) with enhanced rates for certain items (WBM, Tack Coat and BM as compared to TS) which led to an injudicious expenditure of ₹ 21.07 lakh to the work (*Appendix-3.1*).
- Items of work like earth filling and collection/consolidation of 45-63 mm gauge stone ballast (12 cm loose and 9 cm compacted) were executed in excess of the estimated/agreed quantity resulting in an excess expenditure of ₹ 3.12 lakh and ₹ 34.90 lakh respectively (*Appendix-3.2*).
- As per TS, 5 cm layer of BM and 2.5 cm layer of SDBC were to be laid after applying tack coat (coating of low viscosity liquid bituminous material) for each of the layers as tack coat prepares the existing road surface for superimposition of BM/SDBC. Audit found that BM was laid in excess as compared to the area covered by tack coat leading to injudicious expenditure of ₹ 24.57 lakh as per details given in the table-3.1.1 below:

Table-3.1.1

Area covered by tack coat	BM required ³ for the area	BM actually laid	Excess quantity	Rate/cum	Excess Expenditure
28 km (2,20,407 sqm)	5,775 cum	6,476 cum	701 cum	₹ 3,505	₹ 24.57 lakh

- Despite clear instructions of the CE that no expenditure should be incurred on items of work which are not included in the detailed estimate, the contractor was allowed by the division to carry out work on extra items amounting to ₹ 2.13 crore, leading to incomplete execution of work in the full length of road. However, audit found that some important items of work⁴ were executed as extra items which showed that there were flaws in the preparation of the estimate itself.
- Total value of work done by the contractor was ₹ 9.48 crore out of which the contractor was paid ₹ 9.19 crore (till September, 2007) after deducting ₹ 10.23 lakh for defective works. Besides, the final bill⁵ of the contractor remained withheld (June, 2011) for adjustment of an additional recovery of ₹ 24.18 lakh against the contractor for using substandard material which came to the knowledge of division from test reports of the materials used. This clearly indicates that the execution of work was substandard and the division failed to ensure quality standards during execution.

² Hillside cutting in 38 km; collection and laying of 45-63 mm gauge stone ballast in 34 km and 22.40-53 mm gauge stone ballast in 32 km.

³ $28,000\text{m} \times 3.75 \times 0.05 = 5,250 + 10\%$ (extra for curves) of 5,250 = 5,775 cum.

⁴ Stone filling, MS Iron work in RCC, construction of scupper, culvert and catch pit, making super elevation and construction of drainage.

⁵ ₹ 947.51 lakh (Total value of work done) – (₹ 919.49 lakh + ₹ 10.23 lakh) = ₹ 17.79 lakh only.

Due to the above deficiencies, the division had to get an additional sanction of ₹ 5.66 crore⁶ from the Government (January, 2007) for the remaining work of the road which was in progress as on date of audit (March, 2010). However, audit observed that two different standards were adopted by the division as cheaper material (Premix Carpet with seal coat) in place of BM/SDBC was provisioned and being laid in this portion of road length thus compromising the quality and strength of road.

On this being pointed out, the EE accepted the fact (March, 2010) that the BM/SDBC work was executed in 28 km only in place of 48 km due to the execution of essential extra items which were duly approved by the competent authority. The EE mentioned that tender was invited before according the TS to avoid delay in construction of the work due to the fact that the road was on the priority of the then Government as it bridges the two regions of State (Garhwal and Kumaon). The reply was not acceptable due to the following reasons:

- in no circumstances should the prescribed procedure of tendering be violated;
- agreement of the work with the contractor was executed after receiving the TS, hence, the rates should have been rectified accordingly; and
- had the work actually been a priority then it should have been completed in time.

Thus, an injudicious expenditure of ₹ 83.66 lakh was incurred by the division by adopting an erroneous process in awarding the contract (₹ 21.07 lakh), using the excess quantity of work in respect of earth filling, gauge stone ballast and BM (₹ 62.59 lakh) in addition to the execution of substandard road work.

The matter was referred to the Government (July, 2011); reply was awaited (February, 2012).

3.1.3 Undue payment to the contractor

An item of road work (BM) was executed on job mix formula in which output was higher but its payment was made as per estimated rate based upon lesser output, resulted in an undue payment of ₹ 23.57 lakh to the contractor.

Estimates of work are to be prepared on rate analysis of various items and these rates are liable for payment of the items of work. But provisions of the Ministry of Road, Transport & Highways (MORTH) specification data book (2003) provides that if an item of work is executed on the basis of job mix formula then the actual quantities should be worked out on the basis of job mix formula.

Records of the Executive Engineer (EE), Construction Division, PWD, Almora showed that the State Government sanctioned ₹ 15.35 crore⁷ for strengthening

⁶ TS was accorded by the CE (July, 2007) for ₹ 5.40 crore.

⁷ Almora-Baijnath-Gwaldam-Karanprayag motor road (km 28-51): ₹ 4.61 crore (November, 2004) & ₹ 1.60 crore (March, 2005) and Someshwar Gagas-Binta-Someshwar motor road: ₹ 9.14 crore (February, 2006).

and improvement of Almora-Bajjnath-Gwaldam-Karanprayag motor road (km 28 to 51) and Gagas-Vinta-Someshwar motor road (29 km) and its technical sanctions were accorded (April, 2005 and April, 2006 respectively) by the Chief Engineer (Kumaun Region), Almora for the entire amount. Though, the rate analysed by the Division for Bituminous Macadam (BM) layer of the roads was based upon 2.19 gm/cm^3 density and taking output of 205 cum out of 450 tonnes, yet actual work was executed on the basis of job mix formula⁸, under which the density of BM layer for the roads was 2.13 gm/cm^3 (output 211 M³/450 tonnes) and 2.12 gm/cm^3 (output 212 M³/450 tonnes) respectively.

Audit observed (February, 2011) that payment to the contractor for the BM work was made (October, 2008 and May, 2009) as per provision of the estimate/agreement by considering output 205 M³/450 tonnes instead of actual work done / output received as per job mixed formula (211 M³/212 M³). This resulted in an undue advantage of ₹ 23.57 lakh to the contractor ((**Appendix-3.3**).

On this being pointed out, the EE accepted (February, 2011) that the work of BM was executed on job mix formula as prescribed by the Pant Nagar University while payment was made as per rates provided in the agreement. As such, the Division had extended an undue payment of ₹ 23.57 lakh to the contractor by not considering the actual output of BM as per job mix formula as required under MORTH specifications. Moreover, the chances of recovery from the contractor are remote, as no such provision was made in the agreement.

The matter was referred to the Government (May, 2011), reply was awaited (February, 2012).

3.1.4 Unjust benefit to contractors

Interest free mobilization advance of ₹ 8.48 crore was provided by two PWD divisions, in violation of the Rules framed by the Government, CPWA Code and guidelines of Central Vigilance Commission, which became a source of benefit to the contractors amounting to ₹ 1.12 crore.

Mobilisation Advance (MA) is paid to the contractors to extend financial assistance to mobilize resources and to procure equipment (Plant & Machinery) dedicated to the work for providing momentum to the project.

Provisions of the Uttarakhand Procurement Rules, 2008 in respect of advances to contractors for works provide that the MA shall be subject to payment of interest, till the amount is deducted or adjusted. Besides, the Central Public Works Account (CPWA) Code and the guidelines of Central Vigilance Commission stipulate the following for protecting the Government interest:

- The MA should be interest-bearing and it should not exceed 10 *per cent* of the contracted value of work or ₹ one crore whichever is less;
- MA should be need based and given in installments, based on utilization certificates (UCs) from the contractor for the earlier installments;

⁸ Prescribed by the G.B. Pant University, Pantnagar.

- Insurance and hypothecation to the Department should be ensured in case the advance is for procurement of equipment;
- The recovery of MA should be made in suitable installments commencing from the second running bill or after 10 *per cent* of work is completed, whichever is earlier and the entire amount shall be recovered before 80 *per cent* of the work is completed.

Audit scrutiny of records of the following two PWD divisions revealed contravention of these provisions as shown below:

- (i) An interest free MA of ₹ 6.27 crore (within 10 *per cent* of the contracted value) was paid (October, 2009) by the Executive Engineer (EE), Temporary Division (TD), Rishikesh to contractors against two agreements⁹ executed for construction of 22 km four lane fast track motor road from Doiwalla (Rishikesh) to Thano-Raipur Sahstradhara (Dehradun). Audit found that despite allowing the interest free MA to the contractors, no time frame for recovery of such MA was incorporated in the agreements to avoid any scope of its misuse/undue advantage. Only ₹ 2.15 crore¹⁰ was recovered as of January 2012 and rest of the MA for ₹ 4.12 crore remained unadjusted with the contractors as the repayment of MA depended upon the completion of work and submission of bills by the contractors. The whole process led to delay the progress of work, thus, only 8 and 18 *per cent* of work was achieved against Agreement No. 16 and 17 respectively even after a lapse of one year from the scheduled date of completion (January, 2011).
- (ii) Similarly, an interest free MA of ₹ 2.21 crore (15.12 *per cent* of the contracted value) was given to a contractor in three installments¹¹ (between May, 2010 and November, 2010) by the EE, TD, Berinag against an agreed cost of ₹ 14.61 crore¹². Audit found (November, 2010) that no records were available with the Division which could prove that the subsequent installments were released after getting UCs from the contractor for the earlier installments. MA of ₹ 50 lakh¹³ only was recovered as of January 2012 and ₹ 1.71 crore was still outstanding with the contractor despite the fact that the scheduled date of completion of work was October 2011 but only 35 *per cent* work was completed as of August 2011.

On this being pointed out in audit, the EE-TD, Rishikesh stated (November 2010) that interest free MA was given as per the conditions of agreement and no guidelines were available regarding the recovery of such advance. The EE-TD, Berinag stated (November 2010) that there was no limit fixed for payment of MA. The replies were not acceptable as the acts of these divisions were contrary to the provisions of Uttarakhand Procurement Rules-2008 which is applicable to all

⁹ Agreement No. 16 & 17 dated 19.9.2009 for ₹ 33.87 crore & ₹ 33.72 crore respectively).

¹⁰ ₹ 1.13 crore against agreement no. 16 and ₹ 1.02 crore against agreement no. 17 recovered as of January 2012.

¹¹ ₹ 82 lakh (May, 2010), ₹ 64 lakh (October, 2010), ₹ 75 lakh (November, 2010).

¹² Agreement No. 03/SE/2010-11 dated 09.04.2010 for improvement and strengthening of Berinag-Gangolihat-Rameshwar road (44.30 km) in district Pithoragrah.

¹³ ₹ 2 lakh (December, 2010), ₹ 37 lakh (August, 2011) and ₹ 11 lakh (September, 2011).

Departments of the State Government. Moreover, the CPWA Code should have been followed in the absence of specific provisions/guidelines in respect of mode of payment and recovery of the MA.

Thus, interest free MA of ₹ 8.48 crore without time based recovery was paid by these divisions allowing the contractors to retain it for indeterminate period defeating the purpose of MA and benefiting the contractors as it became a source of benefit to them. Going by the conservative rate of interest on borrowing of the State Government (at the rate 7.34 *per cent*), an amount of ₹ 1.12 crore could have been earned (upto December, 2011) as interest on these advances, had the aforesaid provisions/guidelines been followed by the divisions.

The matter was referred to the Government (August, 2011); reply was awaited (February, 2012).

HOUSING DEPARTMENT

3.1.5 Diversion of fund

An aquarium at island of Bhimtal Lake was established at a cost of ₹ 1.48 crore by diversion of fund provisioned for conservation and management of lakes led to damage of objectives of the project.

National River Conservation Directorate (NRCD), Ministry of Environment & Forest, Government of India (GOI) issued (June, 2003) an administrative and financial sanction for a project amounting to ₹ 16.85 crore¹⁴ for conservation and management of four lakes namely Bhimtal, Naukuchiatal, Sattal and Khurpatal in Nainital District under National Lake Conservation Plan. The Nainital Lake Region Special Area Development Authority (NLDA), Nainital was appointed (September, 2003) as the nodal agency for execution of works of the project.

Audit scrutiny of records (January, 2011) of the NLDA, Nainital revealed that a decision to establish an aquarium at an island of Bhimtal Lake was taken (March, 2004) in a meeting of Management and Monitoring Committee of the Project (MMCP)¹⁵ despite the fact that no such provisions was included in the approved project. The NLDA entered into (August, 2005) a memorandum of understanding with a private firm¹⁶ for establishment of aquarium at the island of Bhimtal Lake on turn key basis. The work was completed (May, 2009) after incurring an expenditure of ₹ 1.48 crore diverted from the approved items¹⁷ of the project without approval of the NRCD, GOI.

In reply to audit observation, the Secretary NLDA accepted (January 2011) the fact that permission for diversion of fund was not obtained from the NRCD, GOI.

¹⁴ The cost was to be borne by the Central and State Government in the ratio of 70:30 respectively.

¹⁵ Formed (September, 2003) by State Government under the chairmanship of Commissioner Kumaon.

¹⁶ M/s Aquazona Exports, New Delhi.

¹⁷ Soil Conservation: ₹ 0.80 crore, Dredging and restoration: ₹ 0.25 crore, Low cost sanitation: ₹ 0.25 crore, and Misc. expenses: ₹ 0.18 crore.

Thus, the NLDA/MMCP not only violated the provisions of the GOI sanction *ibid* but also caused to setback the project by diverting the allocated funds for soil conservation, low cost sanitation, dredging and restoration works etc. to the tune of ₹ 1.48 crore.

The Government in its reply (August, 2011) stated that in the island in Bhimtal lake, the existing restaurant was polluting the lake, therefore, in place of the existing restaurant, a decision to establish an aquarium was taken for conservation and beautification of the lake from the funds of its conservation plan. The reply is not tenable as the State Government was aware of the pollution caused by the restaurant; hence, the provision of establishment of the aquarium should have been included in the original project or its approval was to be obtained from the GOI.

UTTARAKHAND PEYJAL NIGAM

3.1.6 Irregular expenditure

In violation of Government order, interest of ₹ 1.81 crore was irregularly utilized on maintenance works instead of depositing the same in Government accounts.

Government order (April, 2003) stipulates that wherever funds drawn from consolidated fund are not spent immediately under special circumstances and kept in interest bearing deposits, the interest earned thereon is to be deposited into Government accounts¹⁸.

Audit Scrutiny of records (July, 2010) of the Managing Director, Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam (Nigam), Dehradun revealed that an amount of ₹ 91.01 crore was provided by the Government to 13 units¹⁹ of the Nigam during the period 2007-08 to 2010-11 for construction of work under various Peyjal Schemes. The amount was kept by these units in the bank accounts (saving accounts/fixed deposits) against which a sum of ₹ 1.81 crore was earned as interest during the said period. Audit observed that the whole amount of ₹ 1.81 crore earned as interest was utilized by the Nigam for maintenance works of the schemes instead of depositing the same in Government account in violation of the Government order.

In reply to audit, the Nigam replied (May & July, 2011) that though there was no Government order which authorized the utilization of interest on maintenance works, yet the interest earned was incurred on maintenance works of the executed schemes in anticipation of release of funds from the Government. The reply was not acceptable as the use of interest on maintenance work was against the Government order *ibid*.

¹⁸ Major Head: 0049-Interest Receipts-04-Interest Receipts of Government of State/UT, 800-Other Receipts, 12- Other Miscellaneous Receipts.

¹⁹ Construction Units- Gangolihat, Almora, Pithoragarh (I & II), Bhikiasain, Dev Prayag, Ghansali, Nainital, Haldwani; Mechanical Units-Almora, Dehradun, Haldwani and Dehradun Unit, Dehradun.

Thus, in violation of Government order, utilisation of interest of ₹ 1.81 crore on maintenance works by the Nigam was irregular and unauthorized.

The matter was referred to the Government (August, 2011); reply was awaited (February, 2012).

3.2 Audit against propriety/Expenditure without justification

Authorisation of expenditure from public funds is to be guided by the principles of propriety and efficiency of public expenditure. Authorities empowered to incur expenditure are expected to enforce the same vigilance as a person of ordinary prudence would exercise in respect of his own money and should enforce financial order and strict economy at every step. Audit has detected instances of impropriety and extra expenditure, some of which are hereunder.

POLICE DEPARTMENT

3.2.1 Avoidable expenditure

Irregular selection of construction agency for the construction of Police Training Academy, Narendra Nagar without cost effective comparison of estimates led to an avoidable expenditure of ₹ 2.23 crore.

The State Government decided (April, 2005 & November, 2005) that all construction work of buildings costing above ₹ eight crore should be got executed through State Public Works Department, Irrigation Department, Uttarakhand Peyjal Sansadhan Evam Nirman Nigam (UPJN) as well as the Uttar Pradesh Rajkiya Nirman Nigam Limited (UPRNN) on competitive basis by obtaining estimates through tenders, whereas preference was to be given to the construction agencies of Uttarakhand.

Accordingly, the Police Headquarters Uttarakhand (PHq), Dehradun called for (February, 2007) estimates for construction of Police Training Academy (PTA) at Tehri from the above mentioned construction agencies but only three agencies²⁰ submitted their estimates. The estimates were forwarded (February/ March 2007) by the PHq to the Government who accepted the lowest estimate of UPRNN (ex-State agency) for an amount of ₹ 15.52 crore and issued (March, 2008) an administrative approval/financial sanction of ₹ 14.50 crore²¹ with the instruction to complete the work by March 2010 within the sanctioned amount and no further revision of estimate would be accepted.

Audit scrutiny (January, 2010) of the issue at PHq revealed the followings deficiencies:

- Though, the first installment of sanctioned fund of ₹ five crore had been made available to the UPRNN in March 2008, yet a memorandum of understanding of the work between the PHq and UPRNN was executed belatedly (January, 2009) after a lapse of nine months of financial sanction

²⁰ UPJN, Irrigation Department and UPRNN.

²¹ Released in two instalments (₹ 5 crore in March, 2008 & ₹ 9.50 crore in October, 2009) through the PHq.

and October 2011 was fixed as the scheduled date of completion of the work in violation of instructions of the Government sanction. The work was started in January 2009 and an expenditure of ₹ 13.61 crore had been incurred (November,2011) on the ongoing work.

- No comparative statement of required works included by these executive agencies in estimates was prepared by the PHq. The lowest/selected estimate of UPRNN amounting to ₹ 15.52 crore was short by 12 items costing ₹ 2.62 crore (*Appendix-3.4*) than the estimate of UPJN of ₹ 17.11 crore which was as per the requirement of the Department. Despite the fact, the Government was assured by the PHq that the estimates had been prepared in accordance with all requirements of the PTA.
- A comparison of both the estimates with reference to common items showed that the cost offered by the UPJN (₹ 12.24 crore) was lesser by ₹ 2.23 crore (*Appendix-3.5*) than the cost offered by UPRNN (₹ 14.47 crore).
- The UPRNN submitted (March,2008) a fresh proposal for four²² left over items as 'extra items' costing ₹ 3.41 crore only after 16 days of issue of financial sanction (04 March 2008) which was also forwarded (20 March 2008) by the PHq to the Government for sanction. This was, however, objected (May 2008) by the Government for unjustified extra items and has not been sanctioned yet (June,2011).

Hence, the above facts showed that the selected estimate of UPRNN was incomplete and comparatively higher than the estimate of UPJN and no intended exercise to ascertain the financial viability of these estimates was done either by the PHq or by the Government for selection of construction agency for execution of the work. This erroneous process led to loss of ₹ 2.23 crore to the Government in respect of awarded works to the UPRNN which could have been avoided, had a cost effective comparison been made for the purpose. Further, no preference was given to the construction agency of Uttarakhand State by the Department.

On this being pointed out in audit, no specific reply was given by the PHq on account of loss to the Government but instead informed (April 2011) that the decision of selection of the construction agency had been taken at Government level. However, the Government in its reply (October 2011) stated that as per requirement of PHq, a list of items of work was made available to the construction agencies but UPJN had wrongly included 12 extra items in the estimate on their own. The reply was not acceptable in view of the fact that the PHq had provided a certification to the Government that all the estimates received, were prepared as per the requirement of the Department and the Department admitted in its earlier reply (June,2011) to audit that these 12 items are essential to be executed²³ and will be taken up in future.

²² Internal road, Drain, Boundary wall and Barbed wire fencing.

²³ In fact, out of the 12 items, one item of work (External Water Supply) had been allotted to the UPJN which had been completed and proposals for four items are pending for sanction at Government level.

Thus, the selection of construction agency of UPRNN for construction of the PTA was irregular and this process led to an extra expenditure of ₹ 2.23 crore which could have been avoided.

PUBLIC WORKS DEPARTMENT

3.2.2 Excess expenditure

Two road works with inflated estimated rates were put into tender before its technical sanction by competent authority which resulted in avoidable excess expenditure of ₹ 38.75 lakh to the works.

Government sanctioned (March, 2003) ₹ 9.31 crore for repair and renovation works of 51 km length (three stretches²⁴) of Dhanachuli–Okhalkanda–Khanshayu–Patlot motor road in district Nainital. The technical sanction (TS) of the entire work was accorded (August, 2005) by the Chief Engineer (CE), Kumaon Region, Almora for ₹ 8.76 crore.

Audit scrutiny (June, 2010) of records of the Executive Engineer (EE), Temporary Division, PWD, Bhawali, Nainital revealed that the tender for the work was floated (May, 2005) before TS (August, 2005) of the competent authority (CE) contrary to prevailing system of tendering. Only a single tender at 30 *per cent* above the floated rates was received which was finally agreed upon at 27 *per cent* above after negotiation with the contractor. Accordingly, the work was awarded (October, 2005) to the contractor for ₹ 8.66 crore which was completed in June 2010 at a cost of ₹ 10.13 crore²⁵.

Audit observed that rates floated by the division in the tender for Bituminous Macadam (BM) and Semi Dense Bituminous Concrete (SDBC) were higher than approved rates of TS despite the fact that the tender was accepted at 27 *per cent* above. This resulted into excess expenditure of ₹ 17.74 lakh to the work as per details given below:

Table-3.2.1

Name and stretch of the road	Item of work	Rates (₹) floated into tender	Approved rates (₹) as per TS	Difference (₹)	Executed quantity (M ³)	Amount (₹)
Dhanachuli - Okhalkanda	BM	2,931/M ³	2,856/M ³	75/M ³	5,071.904	3,80,392.80
	SDBC	3,611/M ³	3,522/M ³	89/M ³	2,092.510	1,86,233.39
Okhalkanda - Khanshayu	BM	2,931/M ³	2,856/M ³	75/M ³	3,533.930	2,65,044.75
	SDBC	3,611/M ³	3,522/M ³	89/M ³	1,717.830	1,52,886.87
Khanshayu - Patlot	BM	2,931/M ³	2,856/M ³	75/M ³	3,662.160	2,74,662.00
	SDBC	3,611/M ³	3,522/M ³	89/M ³	1,544.030	1,37,418.67
Total :						13,96,638.48
Add: 27 per cent						3,77,092.39
Grand total :						17,73,730.87

Similarly, it was also noticed in audit (June, 2011) of the EE, Provincial Division, PWD, Didihat, Pithoragrah that improvement and strengthening work of

²⁴ Dhanachuli to Okhalkanda (19 km): ₹ 3.42 crore; Okhalkanda to Khanshayu (16 km): ₹ 2.94 crore and Khanshayu to Patlot (16 km): ₹ 2.95 crore.

²⁵ The excess expenditure was duly approved by the competent authority (CE).

Thal-Munsyari motor road (57 km in three stretches)²⁶ in district Pithoragrah was put into tender (November, 2004) before its TS (December, 2004) of ₹ 9.20 crore by the CE, Kumaon Region, Almora. A single tender at 2.50 per cent above the Departmentally floated rates was received for the work and the division entered into an agreement with a contractor for ₹ 9.17 crore. The work was started in January 2005 and got completed in September 2008 at a cost of ₹ 9.28 crore.

Audit found that rates floated by the division in tender for BM and SDBC works were higher than the rates approved by the competent authority (CE) in TS which resulted in excess expenditure of ₹ 21.01 lakh to the work as per details given below:

Table 3.2.2

Name of the road	Item of work	Rates (₹) floated into tender	Approved rates (₹) as per TS	Difference (₹) (Col. 3-4)	Executed quantity (M ³)	Amount (₹) (Col. 5 X 6)
Thal - Munsyari	BM	4,945/M ³	4,841.75/M ³	103.25/M ³	11196.893	11,56,079.20
	SDBC	6,112/M ³	5,887.70/M ³	224.30/M ³	3983.575	8,93,515.87
Total :						20,49,595.07
Add: 2.50 per cent						51,239.88
Grand total :						21,00,834.95

Thus, the above details showed that an excess expenditure of ₹ 38.75 lakh was incurred by these divisions on the works by adopting an irregular process of tendering which could have been avoided, if the tender of these works were invited after TS by the competent authority.

On this being pointed out in audit, both the divisions replied (June, 2010 and June, 2011) that the tender was finalised with the approval of tender advisory committee²⁷. The reply was not acceptable as contrary to the provisions, the tenders with inflated rates were invited before the works were technically sanctioned by the competent authority, which resulted in an avoidable excess expenditure of ₹ 38.75 lakh.

The matter was referred to the Government (July, 2011); reply was awaited (February, 2012).

3.2.3 Undue benefit extended to contractors through double loading of contractor's profit

Double loading of contractor's profit for certain items of material in the cost estimates pertaining to road works under Construction Division (PWD), Pauri led to undue benefit of ₹ 1.61 crore to contractors.

Government sanctioned (September/December, 2006) ₹ 29.23 crore for improvement and strengthening of two roads of district Pauri (Tehri-Muradabad State Highway from km 120 to 143 for ₹ 8.71 crore & from km 144 to 167 for ₹ 8.94 crore and Satpuli-Ekeshwar-Chubatakhali motor road from km 0.0 to km 35 for ₹ 11.58 crore) under State Plan and technical sanctions (TS) for entire amount

²⁶ Sanctioned by the Government in February 2004 (km 01 to 50 = 50 km, km 60 = 01 km, and km 65 to 70 = 6 km) for ₹ 9.60 crore.

²⁷ Consisting of the Chief Engineer-Kumaon, Superintending Engineer and Executive Engineer.

of the roads were accorded (November/December, 2006) by the Chief Engineer, PWD, Garhwal Region, Pauri. The works were awarded (December, 2006) to three contractors and were completed between October 2009 and March 2010.

Audit scrutiny of records (October 2010) of the Executive Engineer (EE), Construction Division (PWD), Pauri revealed that contractor's profit (CP) at the rate of 10 *per cent* on materials (like grit, stone dust and bitumen) were applied twice by the divisional authorities for preparation of estimates of the above works; first time for making rate analysis for collection of raw materials from quarry etc. and second time for analysing the rates of bituminous macadam (BM) and semi-dense bituminous concrete (SDBC) item of the works. Besides, none of the higher authority (SE/CE) had rectified the error of these estimates while recommending / according the TS. The act of the responsible authorities was against the prescribed procedure of the Ministry of Road Transport & Highways (MORTH) as well as the PWD which provides that only 10 *per cent* CP of total cost of work should be included in rate analysis.

Thus, the double loading of CP in estimated rates of these items of works (BM & SDBC) resulted into extra payment of ₹ 1.61 crore to the contractors, as the agreed rates of the works were entirely based upon the estimated rates of the division (details are as per (*Appendix-3.6*).

On this being pointed out, the division did not comment upon extra payment/undue benefit to the contractors but the facts regarding application of CP twice while preparing estimates was accepted (October, 2010) by the PWD. Thus, an undue benefit of ₹ 1.61 crore was extended to the contractors by inflating the rates of certain items of work in the estimates.

The matter was referred to the Government (May, 2011); reply was awaited (February, 2012).

3.3 Failure of Governance/Oversight

The Government has an obligation to improve the quality of life of the people for which it works towards fulfillment of certain goals in the area of health, education, development and upgradation of infrastructure and public service *etc.* However, Audit noticed instances where the funds released by Government for creating public assets for the benefit of the community remained unutilised/blocked and/or proved unfruitful/unproductive due to indecisiveness, lack of administrative oversight and concerted action at various levels. A few such cases are discussed below:

PUBLIC WORKS DEPARTMENT

3.3.1 Unfruitful expenditure on construction of bridges

An expenditure of ₹ 1.71 crore incurred on construction of two bridges at km 25 & 30 of a 32 km long road remained unfruitful after a lapse of six years because the road connectivity was available for first 18 km and the rest portion of road (14 km) was yet to be sanctioned.

Government accorded (January, 2002) administrative and financial sanction of ₹ 6.94 crore for construction of 32 km (0-32 km) Ghat-Sutol-Kanol Light Vehicle Road (LVR) length along with seven bridges at km 4, 13, 15, 16, 18, 25 and 30 with the objectives to reduce the distance by 32 kms for famous Nanda Devi Rajjat Yatra organized annually in the State and to provide road connectivity for local habitant of 10 villages. Technical sanction (TS) was accorded (April, 2002)) by the Chief Engineer, PWD, Garhwal for construction of only 18 km (km 0-18) LVR and the seven bridges at a cost of ₹ 6.06 crore.

Audit scrutiny of records (May, 2010) of the Executive Engineer (EE), Provincial Division (PD), PWD, Karanparyag (Chamoli) and further information collected (June/July 2011) revealed that the construction work of 18 km long LVR including first five bridges was completed by October 2003 at a cost of ₹ 5.22 crore and this portion²⁸ of the road was open to traffic since 2005. The construction of rest of the two bridges at km 25 and 30 was held-up since June 2005 after incurring an expenditure of ₹ 1.71 crore as against the scheduled date of completion of April 2005. It was also noticed in audit, the Division in its reports (January & February, 2009) to the Superintending Engineer informed that these two incomplete bridges would not be fit for use despite their completion due to followings reasons:

- 8.05 tonnes iron was short utilized for bridge at km 25 by the contractor and the construction of bridge was tilted due to which it was not possible to rectify.
- only two stringers were erected in place of three for bridge at km 30 and only 17 cm slab was laid against 23 cm which is not appropriate for class-B loading.

Despite these, no penal action was taken against the contractor.

Thus, the expenditure incurred on construction of these two bridges not only remained unfruitful for last six years without road connectivity but their future use are also doubtful in the light of above deficiencies.

Apart from above, a revised estimate of ₹ 3.17 crore for construction of remaining portion of road (km 19 to 32) was submitted (April, 2006) by the Division to State Government for its financial sanction which was awaited (May, 2011) from the Government after expiry of five years.

On this being asked by audit as to why the TS was accorded for 18 km only against the sanction of 32 km, the EE replied that due to increase in span of bridges (from total 266 metres to 282 metres) and cost of labour/material, the TS was given by the CE for 18 km road only. Reply was not acceptable due to the following facts:

- the question of cost escalation does not arise as the TS was accorded just after three months in April 2002 from the date of Government sanction (January, 2002).

²⁸ Covered only four villages out of the ten.

- the expenditure of ₹ 1.71 crore incurred on the construction of two unusable bridges could not serve any purpose without construction of connecting road.
- the need for additional fund could be anticipated well in time and submitted to Government accordingly.

Thus, the expenditure of ₹ 1.71 crore incurred on construction of two incomplete bridges without road connectivity remained unfruitful after a lapse of six years and defeating its very objective to reduce the distance of the Nanda Devi Rajjat Yatra.

The matter was referred to the Government (July, 2011); reply was awaited (February, 2012).

3.3.2 Wasteful expenditure on road work

A road work executed without survey, had to be carried out afresh after consultation with IIT-Roorkee which resulted in wasteful expenditure of ₹ 28.72 lakh.

Government accorded (March, 2009) an administrative approval & financial sanction of ₹ 6.27 crore for renovation of 18.4 km Roorkee-Laksar road under provisions of the Twelfth Finance Commission. Technical sanction (TS) was accorded (March 2009) for the entire amount. The work was proposed to be carried out by two divisions of the PWD: (i) km 1 to 9 by Construction Division (CD), Roorkee and (ii) km 10 to 18.400 by Provincial Division (PD), Haridwar but the entire work was under coverage of single agreement²⁹ with probable date of completion by September 2009.

Audit scrutiny of records (August, 2010) of the Executive Engineer (EE), CD, Roorkee revealed that after incurring an expenditure of ₹ 1.70 crore³⁰ by the Haridwar division in km 10 to 18.400, the work was transferred (November, 2009) to Roorkee division as per direction of the SE (August, 2009). It was clearly mentioned in the handing over charge report that Bituminous Macadam (BM) work done by the PD, Haridwar under km 9.00 to 14.881 and km 17.550 to 18.440 was damaged and both edges of the road were depressed, at various places. The SE in his inspection (October, 2009) of the road also found that km 15 to 19 of the road is water logged area for which direct BM and Semi-dense Bituminous Concrete (SDBC) work would not be suitable for future and directed the division to take suggestions from IIT, Roorkee for that portion of the road. It was also observed in audit that neither the TS of work was obtained from the competent authority³¹ (Chief Engineer, Garhwal Region, Pauri) nor the detailed survey of work was conducted as provisioned fund for the survey work (₹ 2.21 lakh) was found unspent.

²⁹ No. SE-9th/PDD/2008-09 dated 02-03-2009 (Amounting to ₹ 5.87 crore with M/s R.G. Buildwell Engineers Ltd., Ghaziabad).

³⁰ On Tack coat (37030.97 sqm), BM (2131.54 cum) and BUSG (18.30 cum).

³¹ SE was empowered to accord a TS for works amounting upto ₹ one crore only.

The IIT-Roorkee suggested (October, 2009) to increase the crust thickness of road by providing an additional layer of Water Bound Macadam (WBM) subsequently by BM/SDBC. By considering the suggestions of IIT-Roorkee, a revised estimate within the earlier sanctioned limit (₹ 6.27 crore) was prepared/sanctioned (November/December 2009) and the remaining works like SDBC and protection works of the road (km 5-18.4) amounting to ₹ 2.67 crore were covered under Kumbh Mela 2010³². The work was completed by December 2010 after incurring an expenditure of ₹ 8.30 crore. Hence, the whole work done (Tack Coat and BM) by the Haridwar division previously had to be carried out afresh by Roorkee division to increase the desired crust thickness of the road.

On this being pointed out, the EE accepted (August 2010 and November 2011) the facts and stated that the work was executed again on the basis of suggestions given by IIT, Roorkee. Thus, the expenditure of ₹ 28.72 lakh³³ incurred on earlier work of the road without survey was wasteful which could have been avoided.

The matter was referred (June, 2011) to Government; reply was awaited (February, 2012).

MEDICAL HEALTH AND FAMILY WELFARE DEPARTMENT

3.3.3 Unfruitful expenditure

A trauma care centre, constructed at a cost of ₹ 55.82 lakh was non-operational for over two years. This not only endangered the life of accident victims of accident prone area but also rendered the entire expenditure unfruitful.

The vicinity of Vikas Nagar is known as prone to accidents. With a view to establish the TCC with an objective to provide immediate treatment to accidental cases to save the lives of victims being the monthly average of accident victims was high as per records of the CHC, Vikas Nagar, Dehradun, Government sanctioned (December, 2006) ₹ 55.82 lakh for construction of a Trauma Care Centre (TCC) at Community Health Centre (CHC), Vikas Nagar, Dehradun with allotment of the work to Uttarakhand Peyjal Nigam, Rishikesh Unit (executing agency).

Audit scrutiny of records (June, 2010) of the Chief Medical Officer (CMO), Dehradun and further information collected in June 2011 revealed that the construction of TCC was completed and handed over to the Department in

³² The fund was sanctioned by the State Government in December 2009 and its TS was accorded (December, 2009) by the C.E. (Garhwal Region), Pauri.

³³

Items of work	Portion of the road	Executed quantity	Rate/unit (in ₹)	Amount (in ₹)
Tack coat	km 14.00 to 14.881 & km 17.550 to 18.400 (881 m + 850 m) = 1731 metre length x 5.50 (width)	9,520.50 sqm	09.91 per sqm	94,348
BM	50 mm in km 14.00 to 14.881 & 75 mm in km 17.550 to 18.440 = 881 m x 5.50 x 0.050 m = 242.275 cum and 850 m x 5.50 x 0.075 m = 350.625 cum	592.90 cum	4,685.20 per cum	27,77,855
Total				28,72,203

February 2009 by the executing agency but the TCC remained non-functional due to non-availability of staff and equipments even after a lapse of more than two years.

Audit observed that a proposal for creation of posts of specialists, paramedical and other supporting staff as well as procurement of essential equipments to the TCC was submitted by the CMO belatedly in July 2009 through the Directorate of Medical Health and Family Welfare, Dehradun to the Government. The Government, however, sanctioned 33 posts for the TCC (January, 2011) but neither any staff was posted nor any essential equipment were procured as of May 2011. Meanwhile, the victims of accidents were continuously being referred³⁴ to hospitals at Dehradun and Herbertpur putting their lives at risk due to distance involved in reaching hospitals.

On this being pointed out (June, 2010 and June, 2011), the CMO accepted (June 2011) the facts but did not propose any solution to meet the requirements of TCC to make it functional. The Government in its reply (November, 2011) stated that request for recruitment of specialized doctors/surgeons as per requirement of TCC has been made to the Public Service Commission, Uttarakhand and no equipment have been procured so far in absence of any specialized staff. However, at present the services of CHC, Vikas Nagar are being obtained for the TCC.

The Government reply was not acceptable as the core issues remained the same as improper planning of the Department defeated the very objectives of the creation of TCC. Besides, the victims of the vicinity are deprived of the intended facility of TCC for want of staff and equipments for a considerable time. Thus, expenditure of ₹ 55.82 lakh incurred thereon is rendered unfruitful on construction of TCC.

ANIMAL HUSBANDRY DEPARTMENT

3.3.4 Idle expenditure on surgical cells and equipment

An expenditure of ₹ 2.33 crore on construction of surgical cells and purchase of equipment remained idle due to improper planning of the Department.

To provide surgical facilities to veterinary hospitals in five districts³⁵, Government accorded administrative approval and financial sanction for ₹ 1.09 crore (February, 2008) for construction of surgical cells and ₹ 1.50 crore (November, 2008) for procurement of surgical equipment/machines.

Audit scrutiny of records of the Chief Veterinary Officer (CVO), Champawat (June, 2010) & Udham Singh Nagar (June, 2011) and further information collected (April, 2011) from the three CVOs (Dehradun, Haridwar & Pithoragrah) as well as from the Director, Animal Husbandry, Dehradun (DAH) revealed that the surgical equipment/machines³⁶ for an amount of ₹ 1.24 crore were procured/delivered to the concerned hospitals by the DAH in March 2009, whereas, the construction of

³⁴ 27 cases between July 2009 and May 2011.

³⁵ Champawat, Udham Singh Nagar, Dehradun, Haridwar and Pithoragrah

³⁶ X-ray, Ultrasound machines & Generators, Drawing Knife, Operation table etc.

surgical cells at an expenditure of ₹ 1.09 crore were completed between June 2010 and March 2011 after a delay of 15 months to 24 months from the date of purchase of equipment.

Audit further observed that the surgical cells were not being utilized in the absence of the surgeon in the hospitals except at Haridwar and no technicians were posted in any of the hospitals for operation of surgical equipment/machines, as a result of which the whole expenditure of ₹ 2.33 crore remained idle for more than two years. Moreover, the warranty period of the equipment had also expired.

On this being pointed out, all the five CVOs accepted (April 2011) that the equipment/machines were lying idle in absence of trained technicians as a result of which 96 cases³⁷ of X-ray and ultrasound were referred to private hospitals in the year 2010-11 by CVOs, Dehradun, Udham Singh Nagar and Haridwar.

However, the DAH informed (February, 2012) that the budget earmarked for construction of surgical cells had already been handed over to the construction agency and the surgical equipment was purchased in anticipation that agency will complete the construction in stipulated time. The DAH further stated that 'No Objection Certificates' (NOCs) were to be obtained from the Bhabha Atomic Research Centre, Kolkata (BARC) and from district authorities before installation of the surgical equipment and the make/model/specifications of the equipment was to be specified at the time of applying for NOC, which could be done only after purchase of equipment. On the issue regarding posting of surgeons and technicians, the DAH also informed that qualified Veterinary Officers were already posted at all five cited units and all the B.V.Sc and A.H. degree holders are authorized to practice veterinary medicine and surgery in the State as per the provisions of the Indian Veterinary Council Act-1984.

The reply of the DAH was not acceptable for the reason being the equipment was to be purchased only after completion of the construction of surgical cells /ensuring other required infrastructure for the same and only details regarding make/model/specifications of equipment after satisfaction of the authorities could be provided for obtaining the NOC from BARC. The reply regarding use of machines/equipment by the Veterinary officers posted in the hospitals was contradictory to the statements of concerned CVOs who stated that the equipment were lying idle in absence of the specialized staff.

Thus, the expenditure of ₹ 2.33 crore on construction of surgical cells and purchase of equipment/machines remained idle due to improper planning of the Department.

The matter was referred to the Government (July, 2011); reply was awaited (February, 2012).

³⁷ Dehradun: 52 cases, Udham Singh Nagar: 18 cases and Haridwar: 26 cases.

SOCIAL WELFARE DEPARTMENT

3.3.5 Blocking of funds due to incomplete school building

Failure of the Department to obtain Central share resulted in blocking of State's share of ₹ 1.50 crore on incomplete construction of residential school buildings being constructed to increase the education in Tribal area.

Government of India (GOI) launched (1990-91) a scheme for establishment of Ashram Schools (with residential facility) in States/UTs to increase education among Scheduled Tribes (ST) on the basis of 50 *per cent* sharing of cost. Under the said scheme, the proposal for setting up a school in ST area was required to be accompanied by a plan duly approved by the competent authority in the State Government and the certificates regarding existence of matching share in State budget and availability of unencumbered cost free land.

Audit scrutiny of records (July, 2010) of the Director, Tribal Welfare (DTW), Dehradun revealed that the State Government submitted (February, 2005) a proposal to the GOI for establishment/construction³⁸ of Rajkiya Ashram Padhati Vidyalaya at Binsore, Tyuni, Dehradun under the said scheme at an estimated cost of ₹ 2.92 crore. Subsequently, the State Government accorded (March, 2005) administrative approval and financial sanction of ₹ 2.71 crore for the construction work and released ₹ one crore to the construction agency³⁹. The work was started in January 2006 and was scheduled to be completed by March 2009 but it was stopped (November, 2007) due to exhaustion of funds and remained suspended till March 2009. Meanwhile, (i) the State Government further released (March, 2009) an amount of ₹ 0.54 crore to the construction agency; and (ii) the GOI revised the scheme guidelines with effect from April 2008 incorporating new clauses therein. The State Government submitted revised proposals to the GOI on various occasions⁴⁰ which were not accepted by the GOI as of June 2011 being incomplete proposals and varied demands of funds from ₹ 2.71 crore to ₹ 3.81 crore.

Further, it was also observed in audit that the Vidyalaya was functioning in a rented building⁴¹ with insufficient space since October 2005 causing difficulties to the students. The construction of school remained incomplete in absence of GOI approval/share despite incurring an expenditure of ₹ 1.50 crore⁴² (up to February, 2011) from State's share.

On this being pointed out, the DTW intimated (April 2011) that the objections of GOI were removed in the proposal submitted during 2010-2011 and Central share is expected to be received during this year. The reply was not acceptable as the

³⁸ School building (single storey); hostel (double storey) for capacity of 175 students; and residential buildings-category-I (2 nos.), category-II (2 nos.) & category-III (1 no).

³⁹ Uttar Pradesh Samaj Kalyan Nirman Nigam Limited.

⁴⁰ Seven times between January 2008 and May 2011.

⁴¹ An expenditure of ₹ 4.22 lakh was incurred on account of rent up to April 2011.

⁴² On foundation work of the school building and work up to laying of lintel for hostel building.

Government failed to obtain Central share for past six years by submitting incomplete and varied proposals to the GOI.

Thus, failure of the Department to obtain the Central sanction/share of the scheme for last six years led to blocking of ₹ 1.50 crore on an incomplete construction work, beside, non-achievement of intended objective of increasing education among STs conceived through the scheme.

The matter was referred to the Government (July, 2011); reply was awaited (February, 2012).

UTTARAKHAND PEYJAL NIGAM

3.3.6 Non-achievement of intended objective

Objective of a work for abatement of pollution to the Ganga River remained unachieved due to stoppage of the work after incurring an expenditure of ₹ 3.19 crore on intercepting and diversion works of Loknath Nala in the upstream of Harki-pauri, Haridwar.

Article-378 of the Financial Hand Book (Vol.-VI) provides that no work should be commenced on the land which has not been duly made over by the responsible civil officers.

The National River Conservation Directorate (NRCD), Ministry of Environment & Forests, GOI accorded (November, 2006) an administrative approval/financial sanction of ₹ 4.48 crore⁴³ for interception and diversion (I&D) works of Loknath Nala at Bhopatwala region of Haridwar city by passing it through a main pumping station across Bhimgoda Barrage and its bridges to a planned 9 mld Sewage Treatment Plant (STP)⁴⁴ at Laljiwala for treatment. The objective of the work was to provide sewage free discharge into the Ganga River by intercepting of Loknath Nala which is currently polluting the water of the Ganga in the upstream of Harki-pauri near Sarvanand Ghat. As per detailed project report (DPR) of the project, 4.64 mld sewage directly flows into the Ganga canal through Loknath Nala during peak season which adversely affected the water quality on the main religious bathing Ghats at Harki-pauri, Brahm Kund etc. The work was scheduled to be completed by October 2009.

Audit scrutiny of records (December, 2010) of the Project Manager (PM), Ganga Pollution Control Unit (GPCU⁴⁵), Haridwar, and further information collected (June, 2011) revealed that the GPCU had to stop the I&D works at Loknath Nala after incurring an expenditure of ₹ 3.19 crore, for the reason being that the Irrigation Department, Government of Uttar Pradesh did not permit the GPCU for erection and laying of 600 mm dia ductile iron (DI) pipes for rising main across the Bhimgoda Barrage and its bridges being in their possession. The project for construction of STP at Laljiwala could also not be commenced due to non-

⁴³ GOI share: ₹ 313.42 lakh & State Government share: ₹ 134.32 lakh.

⁴⁴ Construction of STP at Laljiwala (Bhopatwala) is a separate project sanctioned by the GOI at a cost of ₹ 6.13 crore.

⁴⁵ A unit of Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam.

availability/transfer of required land (measuring 0.4 hectare) which is under possession of the Irrigation Department, Government of Uttar Pradesh, though, on the contrary, it was stated (October,2003) by the GPCU in its DPR to the NRCD, GOI that the required land for the project was already under its possession.

Further scrutiny of the matter revealed that the GPCU incurred an expenditure of ₹ 2.02 crore out of the total expenditure, for purchase of DI pipes for the project but the same were lying unused in a rented field (at the rate of ₹ 2,000 per month) since February 2009 as is evident from the photograph alongside.



*Unutilised DI pipes lying in a field at Jwalapur Sarai,
Haridwar*

Hence, the objective of the project remained unachieved after incurring an expenditure of ₹ 3.19 crore. In reply to audit, the PM-GPCU stated (June & November, 2011) that the project could not be completed for want of land from Irrigation Department, Uttar Pradesh and the transfer of land is not possible presently as a Supreme Court verdict (September, 2009) stayed the status quo maintained as on date. The reply was not acceptable as the work was commenced by the division without having possession of required land which was against the provision of financial rules. Besides, the Department also misled the GOI by submitting false information in the DPR regarding land being in possession of GPCU.

Thus, the intended objective of the work for abatement of pollution to the holy Ganga River in the upstream of main bathing religious Ghats (Harki-pauri, Brahm Kund etc.) at Haridwar could not be achieved and the entire expenditure of ₹ 3.19 crore rendered as unfruitful on the work executed without clear possession of land.

The matter was referred to the Government (June, 2011); reply was awaited (February, 2012).