

## **CHAPTER-II**

### **ECONOMIC SECTOR**

***Performance Audit of “Accelerated Irrigation Benefits Programme”***

***Performance Audit of “Construction of Roads and Bridges funded by North Eastern Council and Non Lapsable Central Pool of Resources”***

### **COMPLIANCE AUDIT**

## CHAPTER-II

### ECONOMIC SECTOR

#### 2.1 Introduction

The findings based on audit of State Government units under Economic Sector feature in this chapter.

During 2012-13, against total budget provision of ₹17,429.74 crore, total expenditure of ₹10,722.01 crore was incurred by 18 departments under Economic Sector. Department-wise details of budget provision and expenditure incurred thereagainst are shown in *Appendix – 2.1*.

Besides, the Central Government has been transferring a sizeable amount of funds directly to the implementing agencies of the State Government for implementation of flagship programmes of the Central Government. During 2012-13, out of total major releases<sup>1</sup> of ₹13,255.49 crore, ₹7,017.49 crore were directly released to different implementing agencies under Economic Sector. Details are shown in *Appendix – 2.2*.

#### 2.1.1 Planning and conduct of Audit

The audits were conducted during 2012-13 involving expenditure of ₹4,684.34 crore of the State Government under Economic Sector. This chapter contains two Performance Audit Reports on “Accelerated Irrigation Benefits Programme” and “Construction of Roads and Bridges funded by North Eastern Council and Non Lapsable Central Pool of Resources” and seven Compliance Audit Paragraphs.

The major observations detected in audit during the year 2012-13 are given below.

### PERFORMANCE AUDIT

#### Irrigation Department

#### 2.2 Performance Audit of “Accelerated Irrigation Benefits Programme”

*Accelerated Irrigation Benefits Programme (AIBP) was launched (1996-97) with the main objective of accelerating the completion of ongoing irrigation/multipurpose projects on which substantial investment had already been made and were beyond the resource capability of the State Governments. Subsequently Minor*

<sup>1</sup> Release worth ₹one crore and above.

*Irrigation Projects (MIPs) were included for implementation under AIBP in 1999-2000. Eleven major<sup>2</sup>/medium<sup>3</sup> and 1,383 MIPs<sup>4</sup> were included under AIBP in the State (up to 2012-13) of which, seven major/medium (64 per cent) and 712 minor irrigation projects (51 per cent) were completed up to March 2013. Against the targeted potential of 1,344.70 thousand hectare, irrigation potential of 380.77 thousand hectare (28 per cent) could only be created (March 2013) since inception of the scheme in the State.*

*During 2008-13, irrigation potential of 258.45 thousand Ha (26 per cent) was achieved against the target of 985.47 thousand Ha. Implementation of the programme suffered due to lack of proper survey and investigation before selection of the projects, non-release/delay in release of funds, land acquisition problems, taking up of new projects without completing the ongoing projects etc.*

### Highlights

**Not a single major/medium project was completed within the stipulated period. The projects remained incomplete for 33 to 38 years since inception of the scheme/projects.**

(Paragraph-2.2.8.1)

**Without completing the ongoing schemes, new Minor Irrigation Schemes (MIS) were taken up without financial sanction from Ministry of Water Resources (MoWR), Government of India (GoI).**

{Paragraph-2.2.8.2 (d)}

**Delay in completion of selected MI schemes ranged from 12 to 36 months due to irregular flow of funds and issues relating to land acquisitions.**

{(Paragraph-2.2.10.3 (a))}

**Water charges of ₹0.14 crore (1.96 per cent) only was realised against the demand of ₹7.08 crore during 2008-13 in the State.**

{Paragraph-2.2.10.3 (m)}

**During 2008-13, irrigation potential of 258.45 thousand hectare (26 per cent) only was achieved against the target of 985.47 thousand hectare.**

(Paragraph-2.2.11)

### 2.2.1 Introduction

Due to financial constraints faced by different State Governments, a large number of irrigation projects had spilled over from one plan period to subsequent plan periods. Consequently, it increased the gap between the target and achievement of irrigation

<sup>2</sup> Major irrigation projects have a Culturable Command Area of more than 10,000 hectares.

<sup>3</sup> Medium irrigation projects have a Culturable Command Area of 2,000 -10,000 hectares.

<sup>4</sup> Minor irrigation projects have a Culturable Command Area up to 2,000 hectares.

potential in the States. To reduce the gap, the Government of India (GoI) introduced Accelerated Irrigation Benefits Programme (AIBP) in 1996 aimed at providing financial assistance to the States for accelerating completion of major and medium irrigation projects costing ₹1,000 crore and above which were in advanced stage of completion. Subsequently, minor irrigation project (MIP) with irrigation potential of more than 20 Hectare (Ha) but less than 2,000 Ha were included for implementation under AIBP in 1999-2000. Extension, Renovation and Modernization (ERM) of irrigation projects were included from November 2006.

The State of Assam with a geographical area of 78.44 thousand Sq. Km has crop area of 39 lakh Ha, out of which the ultimate irrigation potential has been assessed at 27 lakh Ha. Of the 27 lakh Ha irrigation potential, 17 lakh Ha was proposed to be irrigated through Minor Irrigation Schemes (MIS) which consisted 10 lakh Ha was proposed to be covered from ground water sources and seven lakh Ha from surface water sources. The remaining 10 lakh Ha was planned to be covered by Major and Medium (M&M) projects from surface water sources. Till March 2013, 11 M&M and 1,383 MIS were approved under AIBP.

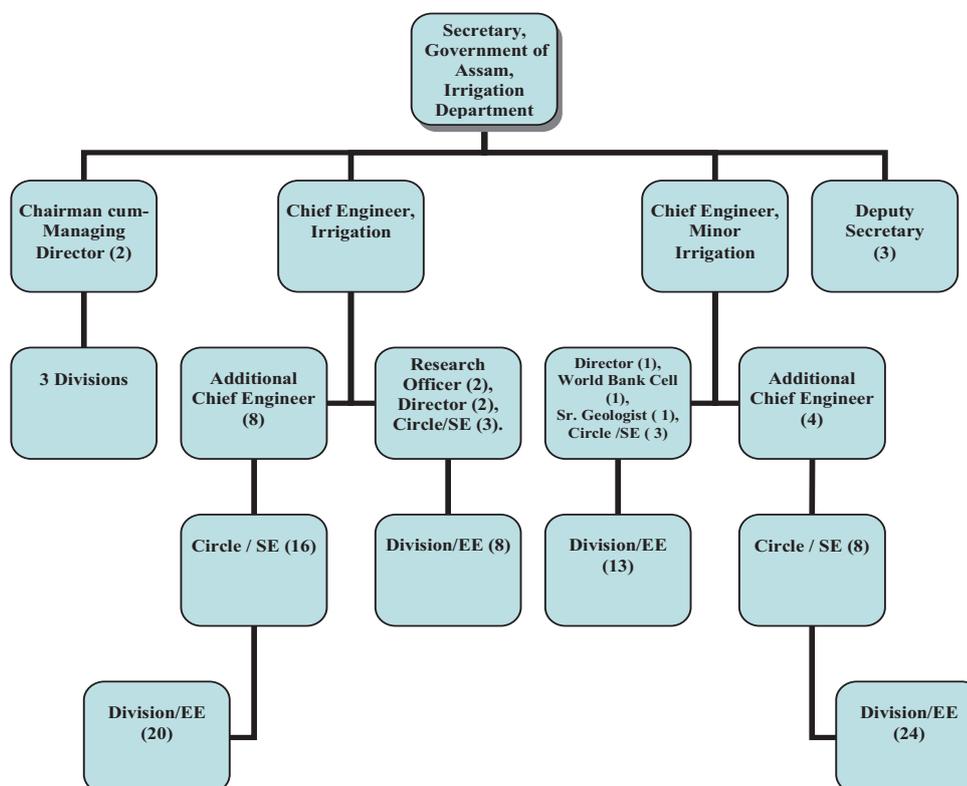
As of March 2008, against targeted potential of 359.23 thousand Ha, the actual potential achieved was 122.32 thousand Ha. In this context, it is stated that in the earlier performance audit on AIBP (included in C&AG's Civil Audit Report 2007-08) covering the period 2003-08, number of deficiencies in planning, execution and monitoring were pointed out and specific recommendations were made so that the department could take remedial measures to address the issues. However, this Report is yet to be discussed by the Public Accounts Committee.

Despite being pointed out in the earlier Report, it was however, observed during the course of current (2008-13) performance audit that some deficiencies like improper selection of MI projects, non-release of funds in timely manner, non-acquisition of land prior to commencement of work, inadequate monitoring etc., persisted underlying the fact that remedial action on the recommendations made in the earlier Report to overcome the deficiencies was not taken. This was also reflected by the performance of the Department in creation of irrigation potential in the State being during 2008-13, the irrigation potential created was to the extent of 258.45 thousand Ha (26 *per cent*) against the target of 985.47 thousand Ha.

### **2.2.2 Organizational set up**

The Irrigation Department, Government of Assam, headed by the Secretary, is primarily responsible for selection of projects and implementation of the programme. The organizational structure of the Department is given in the Chart.

**Chart**



Source: Information furnished by CE (Irrigation), GoA.

### 2.2.3 Programme Objectives

The objectives of AIBP are:

- To accelerate implementation of Major/Medium and Minor irrigation projects which are beyond the resource capability of the State Government.
- Expeditious completion of the projects which were in advanced stage of completion.
- To derive bulk benefits from completed irrigation projects.

### 2.2.4 Scope of Audit

The performance audit of AIBP was carried out during April–June 2013 and covered the implementation of the programme during 2008-13. Records in the offices of the Chief Engineer (Irrigation), Irrigation Department, Finance Department, Directorate and District Agriculture Offices, Central Water Commission, Guwahati were test-

checked. Further, 19<sup>5</sup> out of 64 executing divisions, two<sup>6</sup> out of four ongoing major/medium projects and 110 minor irrigation schemes (out of the 522 completed and 665 ongoing during 2008-13) (*Appendix-2.3*) were selected for the detailed scrutiny through Simple Random Sampling Without Replacement (SRSWOR) method.

During the course of audit, the Department/Divisions failed to produce number of records as mentioned in succeeding paragraphs indicating deficiencies in systematic record keeping and lack of documentation both at the controlling as well as field level units. As such, attempt on the part of Audit to examine the relevant records was constrained to that extent and therefore, audit is unable to provide any assurance regarding the assertions made by the authorities regarding achievement of the objectives envisaged as per the Scheme.

### 2.2.5 Audit Objectives

The main objectives of the performance audit were to ascertain:

- Whether planning process leading to approval of DPR was done in a systematic manner;
- Whether planning for prioritization of projects including funding for the on-going projects was adequate, efficient and was done in an effective and systematic manner;
- Whether adequate funds were released on time and utilized properly;
- Whether projects were executed in economic, efficient and effective manner;
- Whether the monitoring, internal control and evaluation mechanism was adequate and effective;

### 2.2.6 Audit Criteria

The audit findings were benchmarked against the following sources of criteria:

- AIBP guidelines;
- Guidelines issued by Central Water Commission (CWC) for preparation of Detailed Project Reports (DPRs);
- District Development Programme;
- Detailed Project Reports of selected projects;
- Other circulars/instructions issued by State Government, Ministry of Water

<sup>5</sup> (1) Borolia Irri Divn, (2) Dhansiri Project weir Divn, (3) Dhansiri Canal-I Divn. (4) Dhansiri Canal-II Divn., (5) Dhakuakhana, (6) Dhemaji (7) Diphu, (8) Guwahati, (9) Jorhat, (10) Kokrajhar, (11) Mangaldoi, (12) Mankachar, (13) Morigaon, (14) Nalbari, (15) Nagaon, (16) Rangiya, (17) Silchar, (18) Sivsagar and (19) Sukla Irri Division.

<sup>6</sup> (1) Borolia Irri Divn, Tamulpur and (2) Dhansiri Irrigation Project in Udalguri district.

Resources (MoWR) and CWC;

- Guidelines for monitoring and evaluation;
- Delegation of Financial Power Rules, 1999.

#### **2.2.7 Audit Methodology**

The performance audit commenced with an entry conference on 21 March 2013 with the Under Secretary, Irrigation Department and Under Secretary, Finance Department, Government of Assam along with CE (Irrigation) and other officials wherein the audit methodology, scope of audit, audit objectives and criteria were explained. Information and documents available in test-checked divisions and response to audit questionnaires were analysed. Photographic evidence and physical verification were also taken into consideration to substantiate the audit observations.

The Exit Conference with the Secretary, Under Secretary and CE of Irrigation Department along with other officials were held on 10 October 2013 wherein audit findings were discussed and the report was finalized after taking into account the views of the department duly incorporating the same at appropriate places.

### ***Audit findings***

#### **2.2.8 Planning**

Planning is an integral part of programme implementation. The Department had not prepared any perspective plan. Moreover, no Annual Plan for implementation of AIBP in the State could also be produced, though called for (June 2013).

##### **2.2.8.1 Major and Medium projects**

The guidelines and subsequent instructions issued by GoI envisaged that major and medium project can be included under AIBP keeping in view the following main criteria:

- Projects on which considerable investment (*75 per cent* or more) had been made and which are in the advance stage of completion (*75 per cent*);
- Projects (major/medium) which can be completed within next four years.
- No new projects can be included under AIBP, if the current projects are incomplete.

Of the eleven projects included under AIBP between 1996-97 and 2001-02, seven<sup>7</sup> had been completed between 2001-02 and 2007-08 *i.e.*, prior to the period covered by this audit. Against the target of creating irrigation potential of 160.69 thousand Ha in

---

<sup>7</sup> 2001-02: 1, 2004-05: 1, 2005-06:1, 2006-07: 2, 2007-08: 2.

eleven major and medium projects under AIBP, actual potential created was only 51.98 thousand Ha till March 2008. During 2008-13, the potential created was only 20.38 thousand Ha. Particulars of the four ongoing major and medium projects are given below:

Table-8

Name of the project	Estimated Cost		Actual year of commencement of work	Expenditure prior to AIBP (percentage) (₹ in crore)	Year of inclusion in AIBP	Percentage of physical progress at the time of take over	Physical progress likely to be achieved in creation of potential (In thousand hectare)	Expenditure <sup>8</sup> as on 31 March 2013 (₹ in crore)	Present physical status of the project (In per cent)	Due date of completion
	Original	Last Revised								
1	2	3	4	5	6	7	8	9	10	11
Dhansiri (Major)	15.83	374.96	1975-76	103.56 (28)	1996-97	80	21.2580	230.49	83	2000-01
Borolia (Medium)	6.77	84.97	1980-81	28.80 (34)	1996-97	37	2.1500	57.25	70	2000-01
Buridihing (Medium)	1.14	27.39	1980-81	7.55 (28)	1996-97	42	1.91	10.21	85	2000-01
Champamati (Major)	15.32	138.63	1980-81	35.28 (25)	1996-97	50	9.5750	142.64	80	2000-01

Source: Information furnished by CE (Irrigation).

It would reveal from the above Table that:

- In none of the four ongoing projects the selection criteria of financial progress of 75 per cent was achieved before its inclusion in AIBP.

So far as physical progress is concerned, only one project viz., 'Dhansiri' was shown to have achieved 80 per cent physical progress before its inclusion under AIBP. The financial progress (28 per cent) and physical progress (80 per cent) of Dhansiri project were, however, not compatible to each other and seems improbable in view of the fact that ₹126.93 crore spent on the project after inclusion under AIBP during 1996-2013 had enhanced physical progress of only three per cent (83 per cent as of March 2013) during AIBP period. Inflated physical achievement during the time of inclusion was exhibited to facilitate selection under AIBP. This also indicates that all the four projects were taken up under AIBP despite not having fulfilled the selection criterion. This including other factors, e.g., inadequate funding, land acquisition problem etc., are the primary reasons for non-completion of these projects in last 33 to 38 years since inception resulting in both time and cost overrun.

- As per clause (4) and (6) of AIBP guidelines, State Governments should create targeted irrigation potential in four financial years for major/medium projects and in the event of failure to comply with the agreed date of completion, the grant component released will be treated as loan and recovered as per usual terms of recovery of Central Loan. Thus, there was the risk of conversion of the grant of ₹195.55 crore to loan component to be payable by the State.

<sup>8</sup> Expenditure includes central loan, central grants and State share.

In reply, the Department stated (October 2013) that proposals for extension of time were forwarded to GoI from time to time and as GoI was releasing grants from time to time question of conversion of grant to loan component does not arise. The reply is not tenable because against scheduled time of four years for completion, the projects were continuing for more than 17 years under AIBP indicating serious lapses in all aspects of project formulation and execution and thus, chances of conversion of grant as loan cannot be ruled out.

### **2.2.8.2 Minor Irrigation projects (MIS)**

The guidelines and subsequent instructions issued by GoI envisaged that Minor Irrigation project can be included under AIBP on the following main criteria:

Surface Minor Irrigation (MI) schemes which are approved by State Technical Advisory Committee (TAC)/ State Planning Department will be eligible for assistance under the programme provided that-

- Individual schemes should create irrigation potential between 20 and 2000 ha;
- Proposed MI schemes have benefit cost ratio of more than one;
- The development cost of these schemes per ha is less than ₹one lakh;
- State Government will be required to enter into a Memorandum of Understanding (MoU) with the MoWR which *inter alia* includes year-wise phasing of project with target of completion within two years.

Till 31 March 2013, total 1,383 MIS were approved under AIBP of which 712 were completed (190 up to March 2008 and 522 during 2008-13) and 665 were under progress and ongoing. Six projects were not commenced. The details are as under:

**Table-9**

Year	No of ongoing Scheme in the beginning of the year	Approved	Total	Number of Projects		
				Completed	Ongoing	Not started
Up to March 2008		289	289	190	93	6
2008-09	99	320	419	104	309	6
2009-10	315	505	820	204	610	6
2010-11	616	Nil	616	36	574	6
2011-12	580	Nil	580	99	475	6
2012-13	481	269	750	79	<b>665</b>	<b>6</b>
<b>Total</b>	-	<b>1,383</b>	-	<b>712</b>		

**Source:** Records of (i) CE (Irrigation), Assam, (ii) Addl. CE (Zone-IV), Irrigation, Diphu, (iii) Addl. CE (Zone-VI), Irrigation, Haflong & (iv) Head of Irrigation Department, BTC.

The Additional CE, N.C. Hills proposed to drop the six projects under hill areas as these projects did not take off. Present status was, however, not available on record.

#### **(a) Irregularities noticed in selection/approval of MIS**

AIBP guidelines envisaged that irrigation proposals should be prepared after survey and investigation with an assessment of hydrological, meteorological and ecological

aspects of the project. A DPR is to be prepared for every project identifying the source of water, seasonal discharges of water and after factoring in the conjunctive use of surface water in consultation with Agriculture Department. Issues relating to environmental and forest clearance, detailed cost estimates, calculation of BC Ratio and other economic parameters such as Culturable Command Area (CCA), Annual Irrigation and intensity of irrigation are also required to be considered while conceiving the project.

However, in all the cases of selected MIS, the basic and supporting records were not found regarding:

- Identification of MIS through Investigation & Survey,
- Consideration of 25 years data on occurrence of flood,
- Records showing consultation with the Agriculture Department.

In approved estimates of all the MIS, the Ground water potential, its present stage of utilization and future prospect were not discussed. More over in none of the cases, Environment and Forest Clearance Certificates were obtained from the concerned department.

In reply, the Department stated (October 2013) that after approval of the projects by GoI based on concept paper submitted, detailed survey and investigation were conducted and DPRs were prepared. However, details of records of survey and investigation and collection of other data could not be furnished during audit.

Further, out of 110 selected projects/schemes, the following basic records/documents in respect of parameters considered in the estimates, could not be made available to Audit:

- In 94 cases, records relating to hydrology, meteorological aspects and soil surveys etc;
- Records with reference to the specific IS Code in connection with preparation of estimates, drawings and specifications in 72 cases;
- In 95 selected projects, records in respect of the length of main canals and types of canals etc., in Canal System of the projects; and
- In 44 cases records relating to target and achievement schedule/fund flow schedule.

Thus, it is evident that while formulating planning for these projects, essential inputs were not taken into consideration.

**(b) Approval of MI schemes without clearance of State TAC**

As per guidelines of AIBP, the MI Schemes to be included under AIBP require clearance of State TAC constituted for this purpose. The State TAC in Assam was

formed only in April 2011 and thus, 1,114 MI schemes approved upto April 2011 were not cleared by State TAC. This violated a significant provision of the guidelines.

**(c) Non-execution of individual MoU and non-production of MoU**

The State Government was required to enter into an MoU with the MoWR for each individual project under the programme indicating cost, potential, year-wise phasing of expenditure towards creation of targeted irrigation potential along with target date of completion, so that achievement of an individual project can be properly monitored. Instead of signing the MoUs for each individual project separately, these were signed in lots clustering together a number of projects at a time except in one case (Kaloo Flow Irrigation Scheme) as shown in *Appendix-2.4*. As a result of signing the MoUs in lots, achievement of an individual project as per utilization certificate could not be verified with the concerned MoU. Thus, signing of MoUs for efficient implementation of the projects had not served the intended purpose.

**(d) Execution of MIS under AIBP without Financial Sanction from the MoWR**

During the period from July 2010 to February 2011, total 100 Minor Irrigation Schemes were administratively approved by the GoA under AIBP. Subsequently, Technical Sanction was also accorded and in 39 cases work orders were also issued during December 2010 to March 2011. MoWR justifiably deferred (June 2011) approval of these 100 projects on the grounds that TAC had not cleared the projects and priority was to complete the ongoing projects first, before approval of new projects. However, in May 2012 MoWR accorded its approval in respect of 36 out of 100 projects without adhering to the guidelines.

The CE (MI) could furnish (July 2013) details of administrative approval in respect of only 68 out of the 100 projects. The information furnished, disclosed that in case of the 68 projects administrative approval of ₹271.51 crore was accorded (between February 2010 and February 2011) by GoA, against which considerable physical progress ranging from one *per cent* to 84 *per cent* were achieved in respect of 34 projects till March 2013. Information furnished also indicated that out of these 34 projects, 26 projects had not been approved by MoWR till March 2013 and as a result, no funds could be disbursed to the contractors though physical progress ranging from one to 40 *per cent* had been achieved against these projects. Execution of projects without GoI's approval and without any planning for the provision of funds indicated serious lapses in planning process.

In fact, the chronology of planning process *i.e.*, (i) completion of ongoing projects, (ii) conceiving new projects, (iii) approval by TAC and GoI, and (iv) execution of the projects as per the relevant MoU was totally disregarded.

**(e) Anomalies in Technical Sanctions**

In accordance with the Delegation of Financial Power Rules, 1999 (DFP Rules), the power to accord technical sanction is vested with the Chief Engineer, Additional

Chief Engineer, Superintending Engineer and Executive Engineer as per prescribed financial limits amended from time to time. DFP Rules do not confer any power to the Officer on Special Duty (OSD) to accord TS. A retired CE of the Irrigation Department was reemployed as OSD with delegation (18 March 2009) of power equivalent to CE for a period of two years with effect from April 2009 to March 2011<sup>9</sup>. During audit of 15 selected divisions, it was noticed that during his tenure out of 110 selected MIS, 55 Technical Sanctions aggregating ₹252.12 crore were accorded. In the absence of any provision in Delegation of Financial Powers Rules, the TS accorded by the OSD were thus, irregular, especially in view of the fact that there was an existing CE (MI), exclusively for the execution of MI projects.

Scrutiny of records in test-checked divisions revealed that 46 items of works worth ₹12.25 crore in respect of 25 irrigation schemes, though included in the approved estimates, were not considered in the concerned Technical Sanctions. This was due to non-conduct/poor conduct of survey and investigation before preparation of the estimates. Provisions of significant items like hydraulic structure, canal system, distributaries, land acquisition, guide bundh etc., were removed from the estimates while according TS. It was further noticed that in 26 irrigation schemes, 47 technically sanctioned items worth ₹3.94 crore were not at all included in the AA. Items like RCC bridge, land acquisition, aqueduct, cross drainage, staff quarters, rest houses, repair of SE's quarter etc., were included afresh in TS without their provision in the AA. It was also observed that 19 out of these 26 schemes were approved by the OSD.

Removal of items of work from the estimates administratively approved by the GoI/GoA and incorporation of fresh items in TS, which were not included in the AA, indicated lapses in preparation of plan and estimates of the schemes. This happened as a result of conceiving the schemes without due survey and investigation.

## **2.2.9 Financial Management**

### **2.2.9.1 Funding Pattern**

With effect from December 2006, 90 *per cent* of the cost of the projects was to be borne by the GoI as Grants and the remaining 10 *per cent* was to be borne by the State Government. The Grants received from the GoI was to be released to the implementing department within 15 days of its receipt.

### **2.2.9.2 Release and expenditure**

Year-wise break up of funds released by the GoI and subsequent releases of Central Share and State Share by the State Government for major/medium projects and expenditure thereagainst during the period 2008-13 are shown in the Table.

<sup>9</sup> Vide Notifications dated 23 February 2009 and 01 April 2010.

**Table-10**  
**Funds released for the major/medium Irrigation Projects**

(₹ in crore)

Year	Fund released by the GoI*	Funds released by State Government to implementing department under			Expenditure incurred	Central Grants retained by the GoA
		Central Share	State Share	Total		
2008-09	83.25	36.94	22.41	59.35	59.35	46.31
2009-10	12.00	63.81	15.87	79.68	79.68	(-) 51.81
2010-11	0.00	0.00	10.72	10.72	10.72	0.00
2011-12	96.46	52.76	6.11	58.87	58.87	43.70
2012-13	46.96	46.96	4.50	51.46	51.46	0.00
<b>Total</b>	<b>238.67</b>	<b>200.47</b>	<b>59.61</b>	<b>260.08</b>	<b>260.08</b>	<b>38.20</b>

Source: Information furnished by CE (Irrigation).

\*GoI fund of ₹15.96 crore released prior to 2008-09 was not released by the State Government.

- As reflected in the Report of C&AG for the period ended 31 March 2008, there was an unreleased Central Share of ₹15.96 crore till 2007-08 by the State. The accumulation of unreleased Central Share with the State Government thus, amounted to ₹54.16 crore (earlier balance ₹15.96 crore + current balance ₹38.20 crore).

Non-release of funds was one of the main reasons for the projects remaining incomplete over three decades and thereby depriving the beneficiaries of the intended benefits.

In respect of Minor irrigation projects, year-wise details of funds released and expenditure there against are indicated in the Table:

**Table-11**  
**Details of funds released against the minor Irrigation Projects**

(₹ in crore)

Area of operation	Year	Fund released by GoI (MoWR data)	Fund released by the GoA to CE/ Autonomous Council		Funds released by CE /Autonomous Council to implementing units		Expenditure incurred	
			Central Share	State Share	Central Share	State Share	Central Share	State Share
General	2008-13	1371.06	1217.38	84.57	1217.38	84.57	1217.38	84.57
KAAC <sup>10</sup>	2008-13	198.18	162.64	Nil	162.64	Nil	162.64	Nil
BTC	2008-13	459.10	358.32	39.81	315.12	39.81	315.12	39.81
DHAC	2008-13	21.04	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total</b>		<b>2049.38</b>	<b>1738.34</b>	<b>124.38</b>	<b>1695.14</b>	<b>124.38</b>	<b>1695.14</b>	<b>124.38</b>
<b>Sub-total</b>			<b>1,862.72</b>		<b>1,819.52</b>		<b>1,819.52</b>	

Source: Records of (i) CE (MI), Irrigation, Assam, (ii) Addnl. CE (Zone-IV), Irrigation, Diphu, (iii) Addnl. CE (Zone-VI), Irrigation, Haflong, (iv) Head of Irrigation, BTC.

Details of funds released by GoI for Minor Irrigation Projects during the period 2008-13 could not be furnished by the Finance Department, GoA, though called for. However, details of GoI releases were taken from MoWR website. In the absence of

<sup>10</sup> KAAC: Karbi Anglong Autonomous Council; BTC: Boroland Territorial Council; DHAC: Dima Hasao Autonomous Council.

detailed particulars about receipt of funds from GoI, the quantum of delay in release of funds could not be worked out in audit. The above Table indicates that:

- Against release of Central Share of ₹2,049.38 crore by GoI during 2008-13, GoA released ₹1,738.34 crore to the implementing units, retaining ₹311.04 crore, although as per guidelines the entire fund ought to be released to the implementing units within 15 days of receipt from GoI. Non-release of funds in a time bound manner retarded the pace of implementation as stated by the department in the Exit Conference (October 2013).
- Against release of ₹358.32 crore to BTC by the State, the Council released ₹315.12 crore to the implementing divisions, retaining ₹43.20 crore in council fund. Reasons for non-release of funds were not furnished.
- GoI released ₹21.04 crore for implementation of 30 MI Schemes in DHAC area during 2012-13. Neither the Central share nor any portion of the State share was, however, released to the Council/implementing division by GoA, although execution of all the schemes had already commenced.

**(a) Short release of State Share**

Against releasable State share of ₹227.70 crore with respect to Central share of ₹2,049.38 crore released by GoI during 2008-13 the State had released only ₹124.38 crore during the corresponding period. Thus, ₹103.32 crore being the balance State share was not available for programme implementation. In the Exit Conference (October 2013), the Under Secretary from Finance Department had not offered any comment on the matter.

**(b) Admissible quantum of Central share not released**

In accordance with the provision of the guidelines, the central share is required to be released in two installments (1<sup>st</sup> installment: 90 *per cent* and 2<sup>nd</sup> installment: 10 *per cent*). Second installment would require to be released on receipt of intimation of incurring 70 *per cent* expenditure of the approved outlay. However, it was noticed that during 2008-13, total 571 minor irrigation schemes were approved for an amount of ₹2,402.49 crore in respect of general area, and Central Assistance released amounted to ₹1,217.38 crore (62.56 *per cent*) only as against due release of ₹1,946.02 crore (81 *per cent* of the approved amount). Short release of GoI share of funds naturally delayed the completion, which was also admitted by the department in the Exit Conference (October 2013).

**(c) Irregular submission of Utilization Certificates (UCs)**

In accordance with the guidelines, the UCs must contain progress of physical achievement of irrigation potential as agreed to in the MoU. In case, the physical achievement in a particular year was less than that agreed to as per MoU, further grant would be released only on achieving the prescribed physical target. The final target date of completion would, however, not be changed as mentioned in the MoU. It was, therefore, necessary to furnish individual UCs in respect of each project so that the

quantum of progress achieved in each project can be ascertained from the UCs and accordingly the release of funds can be regulated effectively, commensurate to the achievement.

Scrutiny, however, revealed that UCs were issued in a composite manner showing achievement of number of schemes at a time, instead of showing individual project-wise achievement of irrigation potential. Thus, the UCs submitted were irregular and did not serve the purpose as envisaged in the scheme guidelines.

**(d) Non-submission of Statements of Expenditure (SoE)**

The Department was required to submit audited Statements of Expenditure incurred on the various component of the AIBP project within nine months of completion of the financial year. The release of central assistance in the following years would not be considered by the GoI if audited statement of expenditure was not furnished. Scrutiny, however, revealed that the State continued to receive AIBP funds although audited SoEs were never forwarded to GoI rendering the expenditure incurred susceptible to the risk of misutilisation etc., as the requirements prescribed in the guidelines were not observed.

**(e) Non-maintenance of Register of Works and Assets Register**

The Register of Works provides a watch on the progress of works and helps in controlling excess expenditure/ inadmissible expenditure. Scrutiny in this regard revealed that except a few test-checked divisions, Register of Works has not been maintained by most of the divisions. As a result, item-wise expenditure as approved could not be verified in audit.

In none of the selected divisions 'Assets Register' had been maintained. Consequently, value of assets created and actual value of assets under the division could not be ascertained.

**(f) Rush of Expenditure**

In 15 test-checked Minor Irrigation Divisions, as much as 41.35 *per cent* of total expenditure (₹766.74 crore) was incurred in the month of March alone during 2008-13. In seven divisions it was noticed that in 12 cases, entire expenditure of the respective years was incurred only in the months of February or March whereas, in other 12 cases noticed in nine Divisions, entire expenditure incurred under the scheme was registered in two different months of the year during the period under review. Details are indicated in *Appendix-2.5 A, B, C*.

The position of expenditure in March *vis-a-vis* total expenditure during 2008-13 in 15 test-checked divisions is mentioned in the Table.

**Table-12**  
**Rush of expenditure in the month of March in test-checked divisions**  
(₹ in crore)

Year	Total expenditure	Expenditure in March	Percentage
2008-09	120.96	61.66	50.97
2009-10	226.53	101.59	44.85
2010-11	150.82	64.62	42.84
2011-12	136.24	79.39	58.27
2012-13	132.19	9.78	7.40
<b>Total</b>	<b>766.74</b>	<b>317.04</b>	<b>41.35</b>

**Source:** Information furnished by respective divisions.

AIBP guidelines envisaged release of funds to the implementing divisions within 15 days of its receipt. The Department, however, did not adhere to the provision of the guidelines as about 50 per cent of the grants were released at the fag end of the year leading to rush of expenditure.

**(g) Project remaining incomplete due to non-release of funds**

A significant example of non-completion of work due to non-release of funds came to notice in Majuli under Jorhat Division. The work “Lift Irrigation Scheme from river Tuni in Kamargaon area” at Majuli approved in 2009-10, was awarded (February 2011) to 22 contractors at the total tendered value of ₹89.97 lakh with due date of completion in March 2012. After completion of 75 per cent of the work valued at ₹65.48 lakh, the contractors were paid only ₹14.92 lakh and the aggrieved contractors stopped (December 2011) the work. Joint physical verification conducted (15 June 2013) by audit with departmental staff disclosed incomplete pump house without electric connection and non-completion of the ancillary works. Thus, due to non-release of funds by the Finance Department, the work remained incomplete and the intended benefits could not be extended to the farmers.



*Incomplete pump house of LIS from River Tuni in Komargaon Area, Majuli (15-06-2013)*

**(h) Non-provision/non-deduction of Labour Welfare Cess**

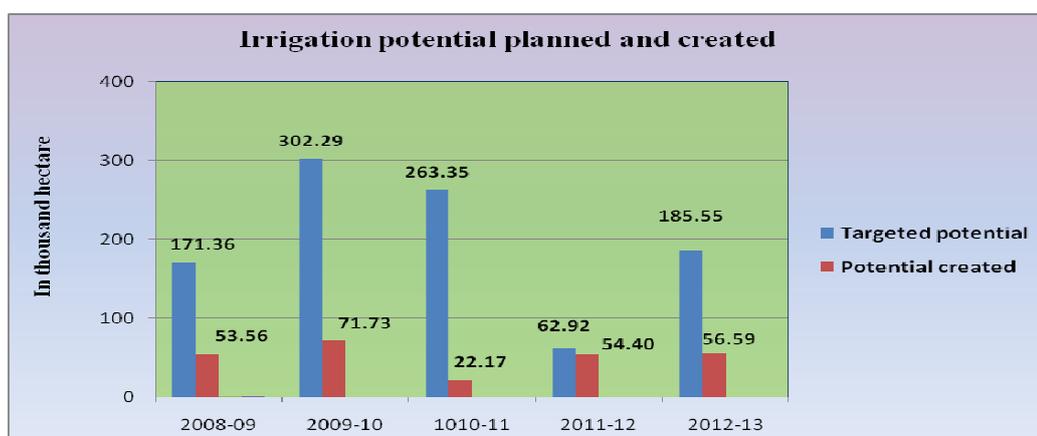
In accordance with the Buildings and other Construction Works Act, 1996 one per cent of the total estimated value of work, in respect of works valuing ₹10 lakh and above is required to be deducted at source and to be deposited to the account of Assam Building and other Construction Workers Welfare Board, Guwahati. It was noticed in 15 test-checked Minor Irrigation Divisions that in spite of having provisions in the estimates, Cess amounting to ₹1.78 lakh was not recovered from the contractors’ bills in one Division. In six other Divisions, in 42 approved estimates aggregating ₹159.41 crore, provision of Labour Welfare Cess was not included and ₹1.59 crore was not deducted from the contractors’ bills (details in *Appendix -2.6*).

Thus, despite stipulation, statutory deduction of ₹1.61 crore was neither effected at source from the contractors bills nor deposited to the Board's account.

### Programme Implementation

During 2008-13, against the target of creating irrigation potential of 985.47 thousand Ha, the department could create potential of only 258.45 thousand Ha constituting 26 per cent of the targeted potential during this five years.

A graphic representation of the irrigation potential targeted and created during 2008-13 is given in the chart below:



Source: Departmental records.

Till 31 March 2013, 11 major/medium projects and 1,383 minor projects were included under AIBP, of which seven major/medium and 712 minor projects were completed and six minor projects were yet to commence. Four major/medium and 665 minor projects were ongoing as of March 2013. The details are discussed in succeeding paragraphs:

#### 2.2.10 Major and Medium Irrigation Projects

Eleven major and medium projects were approved for execution in the State under AIBP, of which seven were completed between 2001-02 and 2007-08. The status of the four ongoing projects is detailed below:

Table-13

Name of Irrigation project	Original Estimated cost	Expenditure March 2008	Expenditure March 2013	Actual year of commencement	Year of inclusion in AIBP	Expected date of completion	₹ in crore	
							Time since inception Before AIBP After AIBP (March 2013)	Cost overrun with reference to original Estimated cost
Dhansiri (Major)	15.83	195.36	230.49	1975-76	1996-97	December 2013	38 years 17 years	214.66
Borolia (Medium)	6.77	64.53	57.25	1980-81	1996-97	March 2015	33 years 17 years	50.48
Buridihing (Medium)	1.14	17.42	10.21	1980-81	1996-97	NA	33 years 17 years	9.07
Champamati (Major)	15.32	72.94	142.64	1980-81	1996-97	NA	33 years 17 years	127.32
<b>Total</b>	<b>39.06</b>	<b>350.25</b>	<b>440.59</b>	--	--	--	--	<b>401.53</b>

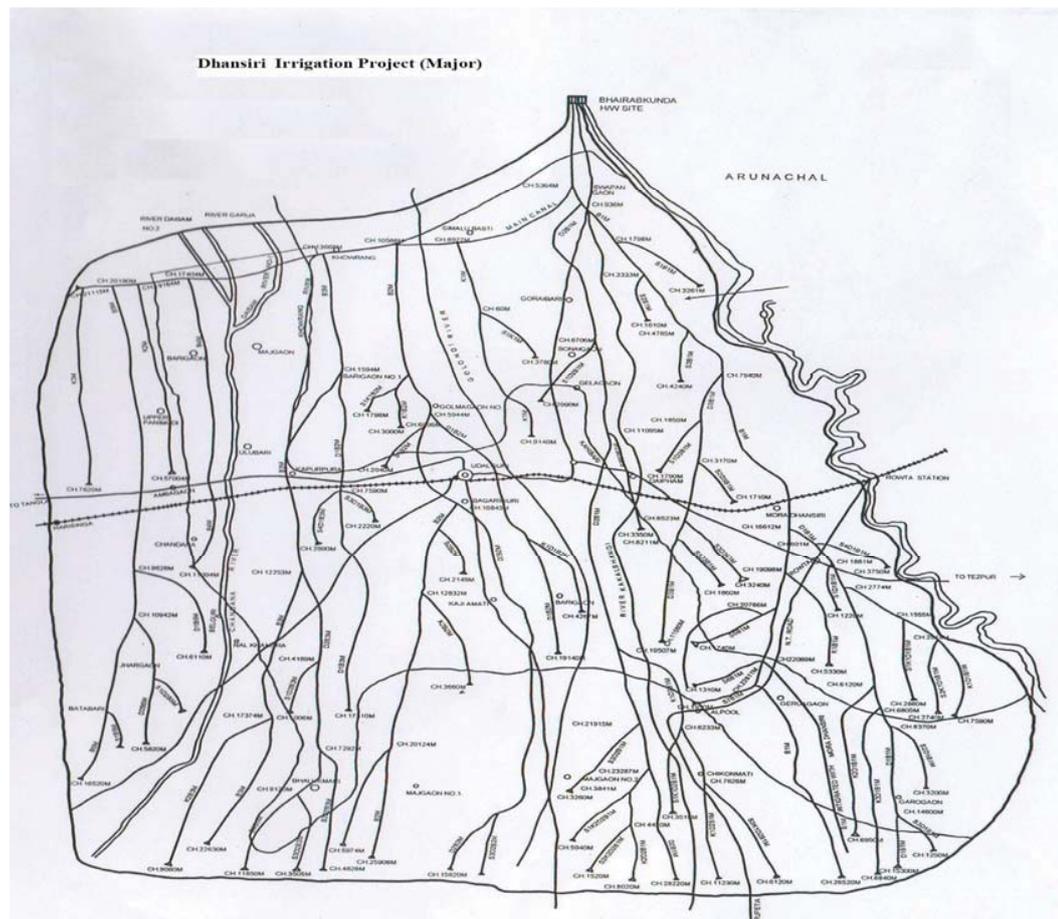
Source: Information furnished by the CE (Irrigation).

Of the above four ongoing projects (two Major and two medium projects), two projects viz; Dhansiri (Major) and Borolia (Medium) were selected for detailed scrutiny in audit.

### Major Irrigation Project

#### 2.2.10.1 Dhansiri Irrigation Project

Dhansiri Irrigation Scheme, a major irrigation project of Assam is located in the district of Udalguri. The head work of the project is located at Bhairabkunda at the



Source: Irrigation Department, Assam.

foothills of the Himalaya where the rivers Bhairabi and Jampani meet. The project was administratively approved (September 1975) by the State Government for ₹15.83 crore with the target date of completion in 1981. The project was included under AIBP during 1996-97. Due to initial delay of four years on model test and preparation of plan and design and subsequent delays for land acquisition, frequent bandh calls, poor fund allocation, court cases etc., the estimated provisions undergone series of revisions, 1<sup>st</sup> in November 1993 (₹158.32 crore) second in August 2007 (₹371.46 crore) with target date of completion in March 2010. The Department failed to complete the project even in the extended time and third revision was proposed for ₹496.89 crore during 2012-13 with probable date of completion in December 2013.

Thus, till March 2013, time and cost overrun were 32 years and ₹481.06 crore respectively and the project was not completed even after 38 years of its commencement. The project was located in a place where ethnic violence, frequent bandh calls and other law and order problems were common. Besides there were delays in investment clearance, poor budgetary allocation and consequent inadequate allotment retarded the pace of implementation.

According to the original sanction, proposed Culturable Command Area was 41,683 Ha and generation of irrigation potential was 83,366 Ha at 200 *per cent* intensity of irrigation. The cost per Ha of annual irrigation increased from ₹1,899 per Ha to ₹59,604 per Ha due to the time overrun.

So far as financial progress is concerned, expenditure aggregating to ₹334.05 crore (Up to March 2008: ₹103.56 crore + during 2008-13: ₹230.49 crore) was incurred against the project since its inception. Instances of injudicious, irregular, inadmissible expenditure including diversion of project funds were noticed during the course of audit as detailed below:

**(a) Unfruitful expenditure on silt ejector**

With the objective of supplying silt free water to the farmers' fields and also for generation of hydel power, which require silt free water, two silt ejectors were proposed to be constructed in the main canal. There was, however, no report of deposition of silt in the farmers' fields and volumetric analysis of the water to ascertain the quantum of silt was found on record. Against technical sanction of ₹6.84 crore (September 2003), the work was awarded (November 2003) to a contractor at tendered value of ₹5.86 crore to construct the ejector at Ch. 80 M of main canal to be completed within May 2006. Subsequently, tendered value was increased (March 2009) to ₹16.05 crore through supplementary tender agreement for increase in the scope of work. Records disclosed that the work remained suspended since 2003-04 to 2006-07 due to non-sanction of revised proposal of the project by TAC, CWC, New Delhi. Meanwhile, the contractor was allowed time extension up to December 2007 and thereafter up to April 2009. Till April 2013, against physical progress of 80 *per cent*, the contractor was paid ₹12.97 crore. The contractor stopped the work before its completion on the ground of poor payments.

The incomplete ejector served no purpose. The work of second ejector was not even considered and commenced. Thus, the expenditure of ₹12.97 crore incurred towards the construction of incomplete ejector remained unfruitful. In reply, the Government stated (October 2013) that the work was resumed by the contractor and expected to be completed by March 2014. The fact, however, remains that the work could not be completed even after more than seven years from the due date of completion (March 2006) for lapses attributable to the department.

**(b) Inadmissible Expenditure**

The main objectives of AIBP were to accelerate the completion of ongoing major and medium projects. Test-check, however, disclosed that during 2008-2013, ₹25.29 crore was spent by the department for clearance of debris and silt from canals (₹3.94 crore),

restoration of damaged canals (₹20.97 crore) and repair of staff quarters (₹0.38 crore) etc., which could legitimately not be spent from AIBP funds being the same is meant for new construction and completion of the ongoing projects.

**(c) AIBP funds utilised for clearance of past liabilities**

Before inclusion of the Dhansiri irrigation project under AIBP, it was being financed from the state plan. It was however, observed that bill value amounting to ₹24.10 lakh was paid for the work orders issued during 1993-94 to 1995-96 from the AIBP funds by the department. Thus, AIBP funds were utilised for clearance of past liabilities related to the project, which was irregular, unauthorised and inadmissible (*Appendix-2.7*).

**(d) Avoidable expenditure on interest payment**

Interest payments for delayed payment were noticed in two cases. In both the cases, due to long pendency of bills preferred, contractors had approached the High Court, and as per instruction of the High Court huge payments being the interest on principal amounts were made to the contractors. Particulars of the aforesaid payments are given in Table below:

**Table-14** (₹ in lakh)

Sl. No.	Contractor	Principal Amount	Period of interest claimed	Ref. of payment voucher	Amount of interest paid
1.	'X'	Principal: 688.81	4.2.2000 to 24.3.2007	1&2 of November 2008	486.68
		Security Deposit: 6.81	w.e.f March 1990	4 of June 2009	13.56
2.	'Y'	Principal: 2.57	September 1994 to March 2007	1 of March 2009	2.13
<b>Total</b>					<b>502.37</b>

Source: Information furnished by the division.

Thus, funds to the extent of ₹5.02 crore spent towards discharge of liability on account of interest payment was extra and avoidable and the funds to the extent were not available for regular execution of works under the scheme.

**(e) Physical infrastructure**

The physical infrastructure of the project consists mainly of headwork and canal system. The headwork comprise of construction of barrage on the path of the river to head-up and regulate flow of water with sluice gates. The head regulator, which is also part of the head work is constructed in the mouth of the main canal to regulate the flow of water in the canal system. The details of provision of construction and actual execution are indicated in Tables below:

**Table -15**

Sl. No.	Particulars		Provision as per original estimate	Provision as per latest revised estimate
1.	<b>Barrage</b>	i) Length	418.17 M	160.00 M
		ii) River sluice.	26 bays of 12.191M	4 bays of 16.00 M
		iii) Under sluice.	5 bays of 10.06M	2 bays of 16.00 M
		iv) Spillway.	-	3 bays of 16.00 M
		v) Divide wall	-	2 Nos of 2.00 M each
2.	<b>Head Regulator</b>	i) Length	21.33M	37.05M
		ii) No of bays	5 No of 3.05M each	6 No of 5.00M each
		iii) Design capacity	57.08cumecs	68.00cumecs
3.	<b>Canal system</b>	i) Length of RB canal(Lined)	20 km	21.20 km
		ii) Design discharge		
		iii) No of Branch Canal	52.70 cumecs	56.63 cumecs
		iv) Length of Distributaries, Minors & Sub-Minors.	5 Nos 415.615 km	5 Nos 414.41 km
4.		<b>B.C. Ratio</b>	5.10	1.11
5.		<b>Cost per Ha of Annual Irrigation</b>	₹1,899 per Ha	₹59,604 per Ha

Source: Information furnished by the division.

**Table-16**

Sl. No.	Component	Physical progress achieved	
		Prior to inclusion under AIBP	Position upto March 2013
1.	Head Works	100 per cent	100 per cent
2.	Appartinent works of Head Works	20 per cent	81 per cent
3.	Main and Branch Canals	78 per cent	91 per cent
4.	Distributaries system upto check outlay	70 per cent	83 per cent
		Financial progress achieved	
		<b>₹89.34 crore</b>	<b>₹334.05 crore</b>

**Source:** Information furnished by the division.

However, as per consolidated statement of provision, execution and actual workable canal length under the project as on 31 March 2013 are as under:

**Table -17**

Sl. No.	Type of Canal	No. of Canals	Design Length of Canals (In Km)	Length of Canals executed (in Km)	Usable length of Canals as on 31 March 2013	Loss of executed length of canals Col. 5-6 (In Km)	Loss of executed length of canals (In per cent)
1.	Main Canal	1	021.20	021.20	018.50	2.70	12.73
2.	Branch Canal	5	102.67	85.63	058.05	27.58	32.20
3.	Distributaries, Minors and Sub-minors	51	414.41	377.81	178.68	199.13	52.71
<b>Total</b>		<b>57</b>	<b>538.28</b>	<b>484.64</b>	<b>255.23</b>	<b>229.41</b>	<b>47.34</b>

**Source:** Information furnished by the division.

It could be seen from the above that out of canal length of 484.64 km executed so far, 229.41 km canal length has already become inoperable. On this being pointed out in audit, the division stated that the canals and the structures were constructed long ago and some of these canals and structures were not in operable condition. As a result, out of created potential of 45,258 Ha, potential to the extent of 18,773 Ha had already been lost which includes loss due to urbanisation also.

**(f) Head Water Discharge**

Original Design capacity of the Head Regulator was 57.08 cumecs, which was enhanced (August 2007) to 68 cumecs. It was, however, seen from the records that the discharges of water through Head Regulator were much lesser than the designed capacity.



*Head Regulator at up stream*

*Head Regulator at down stream*

*(4 April 2013)*

Month-wise details of water discharged through Head Regulator during the period from 2008-09 to 2012-13 are given in Table 18:

Table-18

(In Cubic meter per second)

Year Month	2008-09	2009-10	2010-11	2011-12	2012-13
April	4.37	5.29	3.97	4.24	9.82
May	5.87	4.91	5.33	5.17	8.31
June	6.18	8.92	5.32	5.29	7.48
July	6.11	8.26	5.81	5.52	10.20
August	5.75	5.82	4.84	7.57	9.74
September	6.34	6.38	5.25	6.37	6.56
October	5.75	4.44	5.51	5.45	7.05
November	3.16	4.13	3.98	4.67	4.98
December	3.05	3.91	3.97	3.74	4.87
January	2.66	3.28	5.24	3.58	4.36
February	2.30	3.14	3.97	3.73	4.88
March	2.99	2.92	4.07	4.47	4.91

Source: Information furnished by the division.

It was seen from the above Table that during the last five years, Head Water Discharge ranged between 2.30 to 10.20 cumecs (3.38 to 15 per cent) against designed capacity of 68 cumecs. Under-utilisation of the Head water discharge was due to the following reasons:

- Out of 484.64 Km of canal system so far constructed since inception (1975 onwards) of the scheme, 229.41 Km length of canal had already been damaged in intermittent portions reducing the carrying capacity of canals.
- Siltation of existing canals.
- Less demand of water in Rabi crop season.

**(g) Creation and Utilisation of Potential and collection of water charge**

The position of creation and utilisation of irrigation potential under the project is given in the Table:

Table – 19

(₹ in lakh)

Year	Potential created (AIA <sup>11</sup> ) in Ha	Potential utilised (AIA)		Recoverable water charges	Water charges recovered	Short realisation
		Crop	Area			
Upto 03/2008	26100					
2008-09	5000	Kharif	3700	10.39	0.14	10.25
2009-10	5158	Kharif	5800	16.30	0.11	16.19
2010-11	5000	Kharif	6500	18.27	0.06	18.21
2011-12	4000	Kharif	7500	21.09	0.27	20.82
		Ahu/ Early Ahu	1200	9.00	nil	9.00
2012-13	Nil	Kharif	8300	23.34	0.29	23.05
		Ahu/Early Ahu	1500	11.25	0.06	11.19
<b>Total</b>	<b>45,258</b>	--	<b>34,500</b>	<b>109.64</b>	<b>0.93</b>	<b>108.71</b>

Source: Information furnished by the division.

<sup>11</sup> Annual Irrigated Area.

The Table indicates that there was gap between the potential created and potential utilized. The Department stated that due to non-maintenance of canal structure, utilizable potential gradually dwindled. Besides, there was less demand of water for Rabi Crops as most of the farmers do not follow multiple cropping pattern in the State. Regarding non-realisation of water charges, the Department stated (October 2013) that there was a general tendency of beneficiaries to get free water from Government irrigation schemes. The efforts on the part of the department to realize water charges, however, were not very satisfactory.

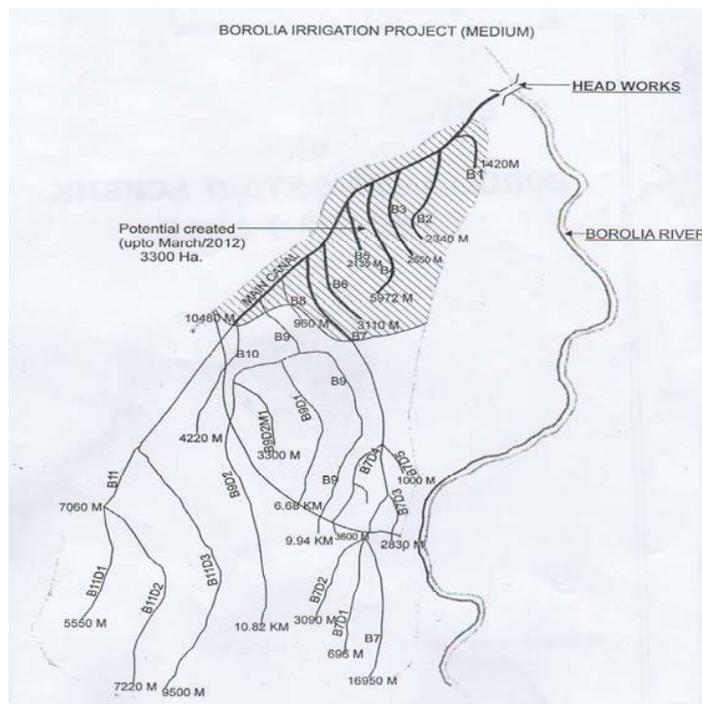
**Against targeted potential of 41.68 thousand hectare, the achievement was shown as 22.63 thousand hectare against which utilization of potential was 13.24 thousand hectare. Against the projected head water discharge of 68 cumecs, actual discharge ranged between 2.30 (three per cent) and 10.20 (15 per cent) cumecs during 2008-13 indicating poor supply of water. Further, study conducted through remote sensing satellite indicated achievement of potential of 14.20 thousand hectare against departmental claim of 26.37 thousand hectare in 2007 under Dhansiri project.**

**Thus, it can be inferred that the achievement claimed by the Department was inflated and water supplied to the command area was inadequate.**

### Medium Irrigation Project

#### 2.2.10.2 Borolia Irrigation Project

Borolia Irrigation Scheme, a medium irrigation project is located in Baksa and Kamrup districts of Assam on the northern bank of the river Brahmaputra. The water source of the project is Borolia river which is perennial one originating from the foothills of Bhutan. The canal system was provided only on the right bank of the river Borolia.



The project was administratively approved by the State Government in March 1980 for ₹6.77 crore. The estimate was first revised in December 1995 for

**Source:** Irrigation Department, Assam.

₹33.37 crore followed by second time revision in December 2005 for an amount of ₹84.97 crore. Third revision proposed in 2012-13 at ₹150.47 crore was yet to be approved. Commencing from 1980-81, the project continued for 33 years with cost overrun of ₹143.70 crore (considering 3<sup>rd</sup> revision).

Since inception, an expenditure of ₹64.62 crore was incurred up to 2007-08 and during the period of 2008-13 expenditure to the extent of ₹19.78 crore was incurred on the project. Instances of unfruitful/unproductive expenditure, incomplete works including poor discharge of water at the Head Regulator were noticed during the course of audit as detailed below:

**(a) Unfruitful expenditure on incomplete Aqueduct**

The work construction of aqueduct on river Ghogra at Ch. 9,180 M of Branch Canal No.7 was awarded (June 2008) to a contractor at ₹226.15 lakh to be completed within three months (September, 2008). The tender value of the work was enhanced to ₹281.95 lakh due to inclusion of two supplementary tender agreements. Scrutiny revealed that the construction could not be completed even after a lapse of more than four years from the proposed date of completion. Total value of work done by the contractor was ₹165.09 lakh (31 March 2013) and payment of ₹155.01 lakh was already made their against by the department.



*Aqueduct' on river Ghogra at Ch 9,180 of Branch Canal-7 (9 May 2013)*

Construction of this aqueduct had no justification because the branch canal was completed up to 4,350 M where as the aqueduct was to be constructed at Ch. 9,180 M. Thus, without completion of the branch canal No. 7 from 4,350 to 9,180 M, the aqueduct would serve no purpose. Physical verification on 9 May 2013 confirmed the above position. Thus, expenditure of ₹1.55 crore became unfruitful due to bad planning by the

Department. The Department also admitted (October 2013) this defect in execution.

**(b) Unproductive expenditure**

The main canal of Borolia Irrigation Project was constructed during 1990-93. Due to non-utilisation and maintenance for a prolonged period, the canal was damaged and was not in the designed shape. With a view to creating potential of 6,951 Ha during pre-kharif and kharif crop season, the work of “Re-shaping of main canal from Ch 5,160 m to 10,120 m” was taken up and completed during 2008-09. For actual creation of potential of 6,951 Ha, construction of Branch canals B-7 to B-11 on the same chainage of the main canal was essential. Scrutiny of divisional records, however, revealed that the Branch canals were not constructed due to non-settlement of Land Acquisition cases. Thus, the very purpose of re-shaping the main canal was frustrated leading to the expenditure of ₹17 lakh incurred on re-shaping, unproductive.

**(c) Statutory deductions not effected**

Scrutiny revealed that the obligatory deductions as per details given in the Table were

not made from the corresponding bills/vouchers while making payment to the contractor by the department.

**Table-20**

Sl. No.	Particulars of deduction	Amount to be recovered
1.	Labour cess @ 1 per cent on paid amount of ₹155.01 lakh	₹1,55,010
2.	Forest royalty as per utilisation statement	₹2,56,452
3.	Security deposit @ 8 per cent of paid amount	₹12,40,080
<b>Total</b>		<b>₹16,51,542</b>

**Source:** Information furnished by the division.

Thus, contractors were extended undue financial benefit of ₹16.52 lakh which was otherwise required to be recovered from the contractors.

**(d) Physical Infrastructure**

According to the project proposal, the potential to be created under the scheme was as under:

- a) Gross Command Area (GCA): 12,712 Ha;
- b) Cultivable Command Area (CCA): 9,717 Ha;
- c) Net Irrigated Area (NIA): 8,907 Ha;
- d) Annual Irrigated Area (AIA): 13,562 Ha; and
- e) Intensity of Irrigation: 152.26 per cent.

The physical infrastructure created under the project till March 2013 was as under:

**Table-21**

Sl. No.	Name of work	Estimated Qty	Percentage of progress
1.	Barrage	1 number	100
2.	Main Canal	10.480 Km	100
3.	Branch Canal	57.759 Km	39
4.	Minor & Sub-minor	59.796 Km	NIL
5.	Canal Structure	575 number	a) 304 number: 100 b) 3 number: 80 c) 268 number: to be taken up

**Source:** Information furnished by the division.

The main reason for non-creation of requisite physical infrastructure and eventual creation of potential was inability to acquire land for the creation of distribution network.

- Status of pending Land Acquisition under the project as on 31 March 2013 is given below:

**Table-22**

Sl. No.	Land Acquisition required for the items	Estimated length (In Km)	Area of land required (in Bigha)	Estimated value (₹ in lakh)	Value assessed by the district authority	Amount deposited to the district authority
1.	Branch Canal No B7	12.630	285.24	111.19	NIL	NIL
2.	Branch Canal No B10	4.220	63.09	24.59	NIL	NIL
3.	Branch Canal No B11	7.060	158.32	61.71	NIL	NIL
<b>Sub-total:</b>		<b>23.910</b>				
4.	Distributaries & Minors/Sub-minors	59.796	837.50	326.46	NIL	NIL
5.	Water Courses	-	165.70	64.59	NIL	NIL
<b>Total</b>		<b>83.706</b>	<b>1,509.85</b>	<b>588.54</b>		

**Source:** Information furnished by the division.

Due to non-acquisition of land, the work related to 23.910 km of branch canal and 59.796 Km of Minor & Sub-minor canal could not be executed. As a result benefit of water supply was totally denied to the targeted beneficiaries. For transmission of irrigation water from head regulator to the field of the farmers, it is required to be channelized through main canal to the branch canal and then to minor and sub-minor canals for ultimate supply to farmers field. Any breach in this chainage of canals would disrupt the water supply chain.

**(e) Discharges of water through Head Regulator**



• **Poor discharge of water at the Head Regulator**

During the period 2008-13, only in the years 2010-11 and 2011-12 in the months of June, July and August, Head Water Discharge ranged between 25.70 to 51.14 Cusec against the designed discharge of 401.88 Cusec (Cubic feet per second) which was 6.39 to 12.72 per cent of the required quantity. This indicated poor supply of water to the field as compared to the projected potential.

• **Operation of canals**

Register containing information regarding Canal-wise daily Operation has not been maintained by the project authority. On this being pointed out, the project authority stated that canals were in operation only in the months of June to August during the years 2010-11 and 2011-12 for a total 66 days in each year. The Department also stated (October 2013) that the farmers go for kharif crop only and in other seasons there was no demand for irrigation water. The reply was, however, not tenable for the reason that there is in fact, no necessity of water for irrigation in Kharif season due to adequate monsoon rain in Assam unless there is draught situation in a particular year. Therefore, the supply of water in monsoon season raises question mark on actual supply of water.

**(f) Status of Outlet for water distribution**

Designed provision of outlets for irrigation could not be furnished to Audit. It was however, stated (7 May 2013) that 258 numbers of temporary Hume pipe outlets were provided to Main Canal and Branch Canals B-1 to B-7. Of these 37 outlets were in damaged condition and as a result, flow of water was affected in these canals.

**(g) Lifting of water**

There are three lift points at Branch Canal B-1, B-2 and B-3 constructed in 2011, where five pump sets of 20 HP were installed in each of the pump house. It was stated that all the three lift points were in operation since July 2011 and runs only in the month of July and August. Average discharges during these two months were Lift-1: 0.03 cusec, Lift-2: 0.12 cusec and Lift-3: 0.17 cusec respectively. Reasons for non-functioning of the lift points during the remaining months were not on record.



*Discharge point of lift point 1*



*Discharge point of lift point 2  
(9 May 2013)*



*Discharge point of lift point 3*

Lifting of water only in monsoon season had no practical necessity as due to adequate rainfall, the fields in Assam are naturally saturated with rain water during the period.

**(h) Collection of Water Charges**

The Division had not maintained any record relating to the beneficiaries as required under the Assam Irrigation Act. Regarding operation of canals, a few records for the month of June, July and August during the years 2010-11 and 2011-12 were only maintained. As per those records, no Water Charges were collected from the beneficiaries. Particulars of potential created and water charges recovered are given below:

**Table-23**

Year	Cumulative potential created (in Ha)	Potential utilized (in Ha)	Water charges realized (in Ha)
Up to March 2008	1700	Could not be furnished	NIL
2008-09	3000		
2009-10	3300		
2010-11	3300		
2011-12	3000		
2012-13	3300		

**Source:** Information furnished by the division.

Due to non-availability of records in connection with supply and utilisation of water, outstanding amount of water charges could not be worked out in audit. However, as per departmental projection, water charges amounting to ₹49.32 lakh were to be recovered till March 2013.

**(i) Gap between Irrigation Potential and Utilization**

Against the targeted potential of 8,907 (NIA) Ha as contemplated in the DPR, the Department could create 3,300 (37.05 *per cent*) Ha only till March 2013 without any utilisation.

The main reasons behind the non-completion of the designed irrigation potential have been cited by the department as (i) Problem in land acquisition, (ii) Very poor fund flow; and (iii) Law and order problem in the district.

**Against targeted irrigation potential of 8.91 thousand hectare, the achievement in creation was 3.30 thousand hectare only. During test-check, it was found that the project was delayed due to land acquisition problem since its inception. Regarding utilization of potential, the Department also could not furnish the data which was vital for assessing the performance of a project.**

**2.2.10.3 Minor Irrigation Projects**

**(a) Status of Minor Irrigation (MI) Projects**

Records disclosed that up to the end of March 2013, 1,383 MI Projects (prior to 2008-09: 289 and during 2008-13: 1,094) were approved by GoI, of which 712 projects (sanctioned prior to 2008-09: 190 and during 2008-13: 522) were completed and 671 projects (sanctioned prior to 2008-09: 99 and during 2008-13: 572) remained incomplete.

Of the 110 test-checked projects approved for execution at the cost of ₹382.41 crore, 68 projects were completed during 2008-13 incurring expenditure of ₹144.94 crore (approved outlay ₹170.26 crore) and the remaining 42 projects (approved outlay: ₹212.15 crore) remained incomplete at various stages of execution after incurring an expenditure of ₹101.13 crore mainly due to non-release of funds and issues relating to land acquisition.

In respect of 9 completed and 12 incomplete projects, time over-run ranged between 12 and 36 months.

**(b) Inclusion of inadmissible items in estimate leading to violation of AIBP norms**

AIBP was conceived with the objective of speedy execution of both ongoing and new scheme and to generate bulk irrigation potential. The estimate under AIBP was required to be prepared including the items which are directly connected with enhancement of irrigation potential. Scrutiny, however, revealed that estimates relating to the scheme were approved including items such as purchase of vehicles, construction of office and residential buildings, construction of Inspection bungalows, approach roads, meeting old liabilities etc., which were not directly connected towards enhancement of irrigation potential. Out of 110 projects test-checked, in 39

projects expenditure on the in-admissible items aggregating ₹3.92 crore was incurred (Details in *Appendix – 2.8*). The funds to that extent were thus not available for execution of works meant for the enhancement of irrigation potential which resulted in non-completion of regular projects.

**(c) Unproductive expenditure**

According to AIBP guidelines, land acquisition process should be completed before commencement of the execution of the scheme. Contrary to the above provision, in 14 test-checked projects with total approved estimates of ₹100.56 crore, land acquisition process of the projects sites was not completed, though physical progress ranging from 29 to 90 *per cent* were achieved after incurring expenditure ₹62.72 crore. This led to non-completion of the projects besides unproductive expenditure of ₹62.72 crore (*Appendix-2.9*). Few such examples are cited in the succeeding paragraphs-

- The project Bullut kanwarpur LIS under Guwahati Irrigation Division was approved for ₹4.95 crore in March 2010 with stipulation to complete the project by March 2014 with a target for creation of irrigation potential of 350 hectares. The Division constructed pump house on a plot of Government land which



*Bullut kanwarpur LIS (28 May 2013)*

was under encroachment by a villager. The department entered into an agreement with the villager to vacate the land against payment of ₹0.50 lakh. Till March 2013, expenditure of ₹2.49 crore was incurred on the project with physical progress of 79 *per cent*. However, neither the land could be vacated nor the pumps could be installed (June 2013) leading to unproductive expenditure of ₹2.49 crore spent so far without creating any irrigation potential.

- The work of project “Balupara FIS” under Mangaldoi Irrigation Division approved in 2009-10 at an estimated cost of ₹27.96 crore commenced in March 2010 with due date of completion in March 2012. Till the date of audit (May 2013), only 80 *per cent* of Head work was completed at a cost of ₹ 16.85 crore. In the Administrative Approval, canal works were approved for an amount of ₹2.54 crore (9.09 *per cent* of cost). However, in re-casted TS, canal work was reduced to ₹72.43 lakh (2.59 *per cent* of total cost) without any recorded justification. This canal work with reduced scope also could not be executed due to land acquisition issue rendering the expenditure incurred so far (₹16.85 crore) under the project unproductive.



*Dilapidated temporary shed at "Balupara FIS" site  
(21 May 2013)*

Besides, an expenditure of ₹5.20 lakh was incurred by the Department for construction of a temporary shed at the project site. During physical verification (21 May 2013), a dilapidated shed of *Torja wall*<sup>12</sup> with GCI sheet roof of about 150 square feet could be found at the site, which would hardly be costing about ₹0.50 lakh. This had *prima-facie* resulted in fictitious expenditure of ₹4.70 lakh on the construction of temporary shed.

**(d) Construction of head work without canal system**

For creating irrigation potential, water is required to reach the farmers' fields through canal system from the headwork. Projects approved for the construction of head work alone without canal system would thus, lead to unproductive expenditure.

- Laboc Flow Irrigation Scheme (FIS) under Silchar Irrigation Division was approved for ₹4.50 crore in December 2009 with the stipulation to complete the work by March 2012 to create irrigation potential of 320 hectare. Scrutiny of estimates however, revealed that the work involved the construction of headwork alone without any canal system. Till the date of audit (June 2013), physical progress of 94 *per cent* was achieved after incurring an expenditure of ₹4.26 crore without creating any irrigation potential.



*Laboc Flow Irrigation Scheme (4 June 2013)*

- Mantakata FIS being also a headwork under Guwahati Irrigation Division was approved for an amount of ₹9.90 crore in December 2009 to create irrigation potential of 720 Ha. The work was completed at a cost of ₹8.31 crore without creating any irrigation potential.



*(28 May 2013)*

Thus, the projects were ill conceived by the Department without creation of irrigation potential leading to unproductive expenditure of ₹12.57 crore incurred against the head works alone. The Department stated (October 2013) that the canal system would be constructed through a separate phase of work by obtaining the separate sanction. The reply was not tenable as there is no guarantee that the canal system would be completed within a reasonable period.

<sup>12</sup> Wall made of bamboo.

(e) **Construction of delinked canal system**



*ELIS Janji Lahing (17 June 2013)*

Improvement of the work “Electric Lift Irrigation Scheme (ELIS) Janji Lahing” under Jorhat Irrigation Division was taken up (December 2010) at an

approved cost of ₹235.89 lakh with the stipulation to complete the work by March 2012. Against estimated main canal length of 1,540 M the work was done up to 870 M and against the estimated branch canal length of 700 M on both right and left sides, actual execution of work was done up to 620 M on each side. Total bill value of the work done was ₹1.46 crore against which payment of ₹14.18 lakh was made with committed liability of ₹1.32 crore. Physical verification (17 June 2013) of the work disclosed that the branch canal was completed with intermittent gaps in the canal systems rendering the canal non-functional. Thus, the entire expenditure of ₹1.46 crore including the committed liability proved to be unproductive as the canal remained non-functional.

(f) **Fictitious expenditure**

• **Fictitious expenditure on non-existent canal and unproductive expenditure on aqueduct**

Aqueducts are constructed in canal system to cross over rivulets, streams, drains etc., on the path of the canal. Remodeling of Sonajuli Flow Irrigation Scheme (FIS) under Mangaldoi Irrigation Division had estimated provisions of ₹4.75 crore. The right main canal length of the FIS was 3,880 M with two aqueducts at Ch 720 M and 960 M respectively. The project was shown as completed in March 2013 and irrigation potential of 1,800 Ha Net Irrigated Area (NIA) was stated to have been achieved. Till the date of audit (May 2013), payment of ₹4.52 crore was made with committed liability of ₹23 lakh.

Joint physical verification of the completed project on 21 May 2013 revealed that in the right canal system there was no canal beyond the syphonic aqueduct at Ch 720 M.



*Siphoned aqueduct at Ch 720 M of MC (R) (21 May 2013)*

Further, an isolated aqueduct at 960 M could be seen without any canal system to carry the water beyond the point. From the available audit evidence and joint physical

verification it is evident that the remaining 3,160 M (3,880 M–720 M) of canal length was not completed. Thus, the claim of the department that 3,880 M of canal length had been completed was not true and hence the corresponding expenditure of ₹52.80 lakh<sup>13</sup> was fictitious. Further, the expenditure incurred on the two aqueducts constructed at a cost of ₹27.82 lakh remained unproductive besides non-creation of targeted irrigation potential.

Superintending Engineer, Mangaldoi circle in his reply stated (forwarded by Government in October 2013) that the inspection of the site was conducted on 22 October 2013 and found the position of right canal system as under:

**Table 24**

Chainage	Position found during inspection by SE
Ch 0 to 720 M	Constructed with concrete lining as found by audit
Ch 720 to 960 M	Heavy jungle covering on the canal area
Ch 960 to 1,200 M	Earthen canal was found
Ch 1,200 to 1,440 M	Heavy jungle covering on the canal area
Ch 1,440 to 1,800 M	Work of canal not carried out
Ch 1800 to 2,900 M	Earthen canal is discernable with intermittent jungle covering
Ch 2,900 to 3,880 M	Not inspected due to thick jungle

**Source:** Information furnished by the Department.

The Report of the inspection underlines the audit observation.

- **Less execution of canal**



*Baharghat ELIS (19 April 2013)*

“Baharghat ELIS” under Nalbari Irrigation Division was approved in 2008-09 for an estimated cost of ₹30.09 lakh to irrigate 180 Ha of cultivable land. As per plan and estimates, three canals aggregating 1,141 Running Metre (RM) (Canal 1: 614 RM, Canal 2: 320 RM and canal 3: 207 RM) were to be constructed. The work was shown as completed in January 2010. Payment of ₹29.70 lakh was made till March 2013 against the value of work done of ₹31.09 lakh (@ ₹5,063.99 per RM) in respect of Canal-1.

During joint physical verification (19 April 2013), it was found that canal No. 1 was constructed up to the length of 369 RM instead of 614 RM as was claimed resulting in fictitious expenditure of ₹ 12.41 lakh (245 x ₹5,063.99) being the cost of non-existent canal of length 245 RM (614 RM – 369 RM). On this being pointed out, EE stated (April 2013) that canal No. 1 could not be completed up to the estimated length due to public obstruction and the remaining length was adjusted by enhancing the length of canal No. 2 and 3 to that extent. Records in support of the assertion could not be furnished to Audit rendering the construction of additional length of 245 RM of canal Number 2 and 3 doubtful.

<sup>13</sup> 1,670.77 per RM.

**(g) Poor source of water**

The primary requirement for conceiving an irrigation project is the availability of water for discharge through head regulator to the canal system for eventual distribution to the cultivable land of the beneficiaries. To achieve this objective, perennial source of water should be identified through survey and investigations followed by collection of hydrological data before confirming sustainability of the source. Test-check in this regard revealed that:

- Records showing conduct of survey and investigation in respect of none of the MI projects could be produced to Audit though called for;
- There were no records showing collection of hydrological data of the source; and
- No record regarding confirmation of sustainability of the source before formulation of the projects could be produced though called for in audit.

As a result of conceiving the projects without proper survey and investigations, there was dearth of water supply to make the projects viable. This fact was confirmed during physical verification (May/June 2013) of the site as would be evident from the following instances:

**Table-25**

Name of scheme	Name of the executing Division	Estimated cost (₹ in lakh)	Upto date Expenditure (₹ in lakh)	Targeted potential (In Ha)	Created potential (In Ha)	Audit observations on site verifications
Upper Sarlangchar FIS	Diphu Irrigation Division	295.19	122.22	198	123	No river was found in head work area
Bordong IS	Guwahati Irrigation Division	203.00	160.04	175	62	Water level at headwork was too low to pass through cross regulator.
Dakhin Patgaon FIS	Kokrajhar Irrigation Division	162.99	147.91	110	Nil	-do-
Baharghat ELIS	Nalbari Irrigation Division	95.00	66.43	176	80	Source of water not available due to diversion of river.
Korah ELIS	Dhemaji Irrigation Division	194.24	59.35	600	Nil	

**Source:** Information furnished by the respective divisions and result of physical verification.

The above MI Projects were non-functional for want of viable water source, rendering the expenditure of ₹5.56 crore incurred thereon unfruitful. Moreover, the claim of the Department for creation of potential of 265 Ha remained doubtful.

**(h) Poor Quality/Polluted water**

The water being supplied from irrigation projects through irrigation canals should be quality water. In the following two instances it was noticed that polluted water was being supplied through the projects.

- The project “FIS from Puthimari river at village Bagomati” under Sukla Irrigation Division, Goreswar was approved for ₹9.87 crore in 2008-09 with stipulation for completion in March 2011. The project was completed in March 2012 at a cost of ₹9.28 crore. During physical verification of the project (6 May 2013) it was noticed that blackish water was flowing through the canals. Audit collected sample of the water and got the same tested in PHE Laboratory. As per the test report, quality of the water was unsatisfactory. On this being pointed out in audit, the Division stated that they would get the quality of water tested and furnish the report, which was awaited.



*FIS from Puthimari river at village Bagomati (6 May 2013)*



*Hazongbari FIS (Ph-I) (28 May 2013)*

- In another instance, during the field visit of the project “Hazongbari FIS (Ph-I) under Guwahati Irrigation Division on 28 May 2013, it was noticed that the main canal at Ch 700 M to 750 M overlapped with a public drain and thereafter continues to branch canal for eventual distribution of water to fields, generating potential health hazards. The Division stated (June 2013) that the public drain in that area was not polluted, however this fact was not substantiated through any record in support.

**(i) Idle expenditure**

A project is deemed to have entirely completed when all the components *i.e.*, civil, mechanical and electrical part of works are completed. If any part of a project remains incomplete then the entire project can not become functional and the expenditure incurred would be unfruitful. It was, however, noticed in some test-checked divisions that projects remained incomplete for non-completion of one or the other part of the project. Particulars of such cases are given in the Table:

**Table-26**

Sl. No.	Name of the scheme/division	Target date of completion of the scheme	Percentage of physical progress/date of completion of civil work	Percentage of physical progress of Mechanical works	Percentage of physical progress of Electrical works	Expenditure incurred for the completed part (₹ in lakh)
1.	Kanyamoti ELIS/Mankachar	31/03/2011	3/2011	Nil	Nil	16.83
2.	Hatirhar ELIS/Cachar	31/03/2010	3/2010	Nil	Nil	16.02
3.	Laipulia ELIS/Dhemaji	31/03/2012	3/2013	--	Nil	159.80
4.	Banskandi ELIS/Dhemaji	31/03/2013	3/2013	--	Nil	147.74
<b>Total</b>						<b>340.39</b>

**Source:** Information furnished by the respective divisions.

The four projects as mentioned in the Table above remained non-functional due to non-completion of Mechanical and Electrical works though the major part of the projects *i.e.*, Civil works were already completed. Thus, the expenditure of ₹340.39 lakh incurred on the Civil works remained idle. Besides, the targeted beneficiaries were deprived of getting the irrigated water.

**(j) Workmanships quality/defects**

• **Unfruitful expenditure due to defective construction of gate at Headwork**

Godhapara FIS under Sukla irrigation Division, Goreswar was approved for an amount of ₹360 lakh in March 2010. The FIS was completed in March 2013 against the due date of March 2012. Till the date of audit (March 2013), expenditure incurred was ₹3.60 crore with creation of irrigation potential of 250 Ha. During physical verification



*Fully closed Cross Regulator of the Headwork      Head Regulator at the Headwork  
(6 May 2013)*

of the scheme, it was noticed that there was huge loss of water due to leakages at the Cross Regulator for defective workmanship. As a result, sufficient water could not pass through the Head Regulator though it was open. Further, the Distributaries, Minors and Sub-minors were not created for proper distribution of water, which indicates deficiency in the planning of the project.

During discussion, the divisional officers admitted the fact and assured to undertake necessary rectification.

• **Non-specified execution of work**

As per the approved plan and estimate of Kakojan FIS, Jorhat Irrigation Division, Earthen Afflux Bund was to be constructed in upper section of the river from Ch 100 m to 680 m of both left and right bank by obtaining earth from private land through Truck carriage. The quantity of earth required for the Earthen Afflux Bund was 32,565.37 cum and involvement of cost was ₹46.62 lakh. The specified height of the Bund was 2.90 m. The work was completed in March 2013 and payment of ₹46.62 lakh was made to the contractor on the basis of measurement entered in MBs.

During joint physical verification (17 June 2013) of the site, it was noticed that the height of the Afflux bund was only two feet instead of 2.90 m rendering the entries made in MBs fictitious. Thus, the Earthen Afflux Bund executed at a cost of ₹46.62 lakh was not as per specification.

In reply (October 2013), the Department cited instances of flood for loss of height of the bundh, which was however, not tenable in the absence of official records of occurrence of flood during this period in the region.

**(k) Poor distribution of water due to non-availability of distributaries, Minors and Sub-Minors**

Distributaries, Minors and Sub-Minors are required for easy transportation of water from outlet to each individual field. Non-existence of these distributaries, Minors and Sub-Minors lead to poor transportation of water. Thus, an efficient canal communication system with distributaries, Minors and Sub-Minors is required for optimum utilization of water.



24 April 2013

In the course of audit, it was noticed that in none of the 15 selected divisions (in respect of 110 Minor Irrigation Projects) there was any provision of distributaries, Minors and Sub-Minors. Records of the department/division revealed that 26.194 thousand Ha of potential was created under the 15 test-checked divisions. However, in the absence of distributaries, Minors and

Sub-Minors, the irrigation potential stated to be created could not be utilised by the farmers.

It was also noticed that in most of the selected divisions, water was being supplied only in kharif season which lies between July and October when south-west monsoon causes medium to heavy rainfall in Assam. To ascertain the requirement of irrigation water during the kharif season over and above the monsoon rains, if any, no post evaluation assessment was carried out by the division.

**(I) Maintenance of projects**

For the assured and quality service of supply of irrigation water, proper maintenance of assets is required. The Government however, could not provide the necessary funds to the implementing authority for proper maintenance of created assets. A few such cases of improper maintenance of assets are discussed below:

- **Wooden structure in place of iron gate at Cross Regulator**

The Upper Langkantang FIS under the Karbi Anglong Irrigation Division, Diphu was approved for ₹255.67 lakh in January 2010 with stipulation of completion by March 2014. Till the date of audit (March 2010), after incurring the expenditure of ₹66.70 lakh, physical progress to the extent of 50 *per cent* could be achieved with creation of 93 Ha irrigation potential. It was, however, noticed during physical verification (27 June 2013) that none of the two spill way iron gates provided in the estimates, were constructed in the Head work and instead, temporary wooden gates were provided (Photograph below).



*Head work of Upper Langkantang FIS*



*Wooden gate at cross regulator of the U.L.FIS*

(27 June 2013)

In reply to an audit query, the concerned sub-division stated that the iron gates were stolen by the miscreants. It would be in the interest of the beneficiaries to replace the temporary wooden gates by iron gates.

- **Damaged and Idle Canals Samuguri LIS**

The Samuguri Lift Irrigation Scheme under Nagaon Irrigation Division was administratively approved for an amount of ₹108.96 lakh in June 2009 and completed in February 2012 incurring an expenditure of ₹104.86 lakh with a liability of ₹4.10 lakh. As per departmental records, the scheme created irrigation potential of 230 Ha. However, during field visit in June 2013, it was noticed that major portion of the Main canal and Branch canals of the project within the radius of two km of the Head Work were either in damaged condition or were not in a position to carry water for the irrigation purpose. This would be evident from the photographs.



*Damaged and Idle Main as well as Branch Canals under the schemes  
(18 June 2013)*

Thus, the expenditure of ₹104.86 lakh incurred on the project remained unfruitful.

- **Shapeless canals**

Scrutiny of records revealed that under three Minor Irrigation schemes viz., Banskandi Anua ELIS (civil work completed in March 2013), Algapur ELIS (civil work in progress 90 per cent) and Binnakandi FIS, (civil work in progress 95 per cent) earthen canals were prepared during the period from January 2009 to March 2013 by incurring an expenditure of ₹88.16 lakh by the Silchar Irrigation Division. However, during physical verification carried out in May/June 2013, it was noticed that all the constructed earthen canals were either dilapidated, silted or damaged and were not in workable condition as depicted in the photographs below:



*Banskandi Anua ELIS*



*Algapur ELIS.  
(4 June 2013)*



*Binnakandi FIS*

There was no scope for future utilization also without re-construction of the same. Thus, consideration of non-durable and purely temporary items in plan and the estimates by the Division led to damage of all canals even prior to functioning of the schemes in certain cases, which resulted in wasteful expenditure of ₹88.16 lakh.

- (m) **Outstanding revenue**

Test-check of 15 Minor Irrigation Divisions disclosed that there were huge outstanding amount of water charges due for recovery during the period of 2008-13 as given in the Table.

**Table -27**

Particulars	Realizable amount (₹in lakh)	Amount realized (₹in lakh)	Amount outstanding (₹in lakh)	Percentage of realisation
Position of the State	708.17	13.90	694.27	1.96
Position of 15 Test- checked Division	508.23	5.93	502.30	1.17

**Source:** Information furnished by the Department.

It may be seen that against the total demand of ₹5.08 crore in the test-checked divisions towards water charges, the amount realized was ₹5.93 lakh only (1.17 per cent) during 2008-13 whereas in the State as a whole, only 1.96 per cent of the outstanding water charges, could be recovered during the period.

On this being pointed out, the Department/Divisions, failed to furnish the list of users against whom the water charges were outstanding. Thus, the basis on which the demands for water charges were raised, remained doubtful.

• ***Non-availability of Beneficiaries list and irregular collection procedure***

In all the project reports, good returns were projected and satisfactory BC Ratio<sup>14</sup> was also worked out by the respective division. However, in none of the selected divisions there was any list of beneficiaries as required to be maintained under Assam Irrigation Act, 1983. As per available records, after creation and corresponding utilization of potential, a very nominal payment of ‘Water Charge’ was levied on the unrecorded beneficiaries. Due to non-maintenance of records as per prescribed Rules, Audit could not ascertain the actual number of beneficiaries, area of land benefitted, crops grown etc. Audit observed that 12 divisions could not collect “Water charges” for the supply of irrigation water due to non-maintenance of relevant records. However, these divisions explained that majority of the beneficiaries were poor and reluctant to pay the water charges. In case of Mangaldoi, Morigaon and Nagaon Irrigation Division, it was noticed that without maintaining the mandatory basic records, “Water Charges” were collected from the beneficiaries, which was susceptible to pilferage. Particulars of realizable, already realized and outstanding amount of “Water Charges” in respect of these divisions are given below:

**Table -28**

(₹ in lakh)

Sl. No.	Name of Division	Water Rate for 2008-09 to 2012-13		
		To be collected	Actually Collected	Outstanding amount
1.	Mangaldoi Irrigation Division	52.02	1.77	50.25
2.	Morigaon Irrigation Division	29.35	4.35	25.00
3.	Nagaon Irrigation Division	21.81	0.32	21.49
<b>Total</b>		<b>103.18</b>	<b>6.44</b>	<b>96.74</b>

**Source:** Information furnished by the respective divisions.

List of beneficiaries against whom the above mentioned amount of water charges (₹96.74 lakh) were outstanding, could not be produced to Audit.

<sup>14</sup> Benefit cost ratio.

Of the 110 MI projects test-checked in audit, 68 were completed and 42 were ongoing as on March 2013 generating potential of 26.20 thousand hectare against projected target of 44.58 thousand hectare. During test-check, it was found that certain projects shown as completed were not actually completed for the reasons of missing canal link, construction of only head work without canal network, non-completion of mechanical and electrical works, non-construction of distributaries carrying water to the farmers' fields etc., rendering the claim of creation of irrigation potential doubtful.

### 2.2.11 Target and achievement of Irrigation schemes and its Potential

The targets set for creation of irrigation potential under AIBP in the State and in the test-checked projects *vis-a-vis* achievements made there against are shown in the following two Tables.

**Table-29**  
**Target and Achievement of Irrigation Potential (overall position)**

*(In thousand Ha)*

Year	No of Major/Medium projects		No of Minor projects		Targeted Irrigation Potential	Irrigation Potential created
	Taken up	Completed	Taken up	Completed		
Up to March 2008	11	7	289	190	359.23	122.32
March 2008 to March 2013	Nil	Nil	1,094	522	985.47	258.45
<b>Total as on 31 March 2013</b>	<b>11</b>	<b>7</b>	<b>1,383</b>	<b>712</b>	<b>1344.70</b>	<b>380.77</b>

Source: Departmental records.

**Table-30**  
**Target and Achievement of selected Irrigation Projects**

*(In thousand hectare)*

Type of irrigation project	No of projects selected	Status of project as on 31 March 2013		Targeted Irrigation Potential	Irrigation Potential created
		Completed	Ongoing		
Major	1	-	1	41.68	22.63
Medium	1	-	1	8.91	3.30
Minor	110	68	42	44.58	26.20
<b>Total</b>	<b>112</b>	<b>68</b>	<b>44</b>	<b>95.17</b>	<b>52.13</b>

Source: Departmental records.

Table 29 shows that since inception till March 2013, against the targeted potential of 1,344.70 thousand hectare, the achievement was only 380.77 thousand hectare (28 per cent) whereas in the test-checked projects (Table 30), 52.13 thousand hectare (54.78 per cent) irrigation potential was created against the target of 95.17 thousand hectare. Therefore, performance of the projects included under AIBP in creating irrigation potential has not reached the desired level due to abnormal delay in completion of the projects.

### **2.2.12 Participatory Irrigation Management (PIM)**

AIBP guidelines recommend that Water Users Association (WUA) should be formed for each scheme and that ownership of the schemes should rest with these groups who would in turn be responsible for its day to day water management and maintenance along with minor repairs.

Test-check of records and information furnished by the CE disclosed formation of WUA in respect of selected projects as under:

- Dhansiri: There were four WUAs formed without any visible activity;
- Borolia: No WUA was formed in this project;
- Selected 110 MIS: WUA was formed only in case of four MIS without any visible activity.

The above position indicates that Participatory Irrigation Management is currently in a nascent stage in Assam. In most of the projects, WUAs were not formed and wherever formed there were no visible activities. Thus, a significant aspect of the guidelines was not observed leading to absence of any arrangement for day to day running of the irrigation schemes/projects after their completion.

### **2.2.13 Monitoring**

As per AIBP Guidelines, a comprehensive periodical physical and financial monitoring of major/medium projects was required to be carried out by the Central Water Commission/Ministry of Water Resources and Ministry of Programme Implementation with emphasis on quality control. The status reports of monitoring visits to be carried out by the Central Water Commission was required to be submitted to MoWR at least twice a year for the period ending March and September. The release of subsequent installments as per the guidelines is based on physical and financial verification and the recommendations of Central Water Commission to the satisfaction of MoWR.

Monitoring of the minor irrigation schemes has to be done by the State Government themselves through agencies independent of construction agencies. These schemes would also be monitored periodically on sample basis by Central Water Commission and assessed against predetermined targets by the MoWR.

Out of four ongoing M&M Irrigation Schemes, only two were monitored during the period covered by audit (2008-13). Dhansiri Irrigation Project (March 2010 and March 2011) and Borolia Irrigation Project (February 2009 and March 2011) were monitored two times each during the last five years. No monitoring was, however, conducted for other two ongoing schemes by the Government. In case of minor irrigation schemes, only five MIS were monitored during 2008-13. Monitoring reports

of CWC pointed out insufficient flow of funds, delay in acquisition of land, law and order situation in the State. However, follow up action on the monitoring reports was not carried out by the Government/Department.

As regards monitoring by the State Government, the Monitoring Committee and Sub Committee of the Irrigation Department were constituted only in May 2011. Thus, efforts by the State for monitoring commenced only from May 2011. The Chief Engineer (MI), Assam stated (July 2013) that no MIS was monitored by the State Government through agencies independent of construction agencies.

The above position indicates that monitoring efforts both by the CWC and the State Government were inadequate.

#### **2.2.14 Evaluation**

During test-check of 15 Minor Irrigation divisions, it was noticed that no evaluation study after completion of a project was conducted till the date of audit. As a result, the authentication of the potential generated and its eventual utilisation towards the benefit of the farmers remained un-assessed. To ascertain the impact of irrigation potential created through 110 test-checked (68 Completed; 42 ongoing) MIS, the matter was taken up with concerned area District Agriculture Officers (DAOs). Response in this regard received from the concerned DAOs in respect of 50 selected completed MIS revealed that-

- No change in cropping pattern (in terms of increase in number of seasonal crops in a year) and productivity (in terms of increase in quantity produced) through 29 completed MIS was reported by the respective DAOs.
- 10 MIS were not functioning during winter season for Rabi Crop.
- Against created irrigation potential of 1689 Ha through eight MIS, potential to the extent of 287 Ha (17 *per cent*) could only be utilized due to their partial functioning.
- Three MIS though completed but stated to be non-functional without creating any irrigation potential.

#### **2.2.15 Conclusion**

The Department targeted for creation of 985.47 thousand hectares irrigation potential during 2008-13 under AIBP through two major, two medium and 1,193 minor projects. Against the target, irrigation potential to the extent of 258.45 thousand Ha (26 *per cent*) only could be created. Audit observed that the implementation of the programme suffered due to lack of proper survey and investigation before selection of the projects, non-release/delay in release of funds, land acquisition problems, taking up of new projects without completing the ongoing projects etc. This was coupled

with poor performance of the programme in the State at various stages of planning, execution and monitoring. Physical verification showed that a good number of schemes shown as completed were in fact either damaged/defective or incomplete. In many cases, the potential created could not be utilized to the fullest extent. Evaluation of AIBP scheme was not done to ascertain its success and utilisation of the irrigation potential created under the scheme.

<b>2.2.16</b>	<b>Recommendations</b>
---------------	------------------------

- Planning process should be strengthened and all inputs collected through survey and investigation should be taken into consideration before selection of projects and finalization of DPR.
- Regular and timely flow of funds to the implementing divisions should be ensured for completion of the projects in a time bound manner.
- Infrastructure facilities created should be properly maintained and the data base of the assets created should be kept.
- The potential created should be optimally utilised to the benefit of the farmers.
- Monitoring of the projects/schemes should be effectively carried out periodically as per the provisions of the scheme guidelines.

## Public Works Department

### 2.3 Performance Audit of “Construction of Roads and Bridges funded by North Eastern Council and Non Lapsable Central Pool of Resources”

*Government of India (GoI) established North Eastern Council (NEC) in 1972 for balanced development of North Eastern States. One of the objectives of setting of NEC was to develop infrastructure, specially construction of roads and bridges with inter-State connectivity. Subsequently, GoI created (1998) Non-lapsable Central Pool of Resources (NLCPR) for funding specific programmes for socio-economic upliftment of North Eastern States ensuring speeding up the execution of infrastructure projects.*

*Performance audit of construction of roads and bridges funded by NEC and NLCPR revealed that the projects were taken up without adequate planning and prioritization and the work management was deficient. Most of the works were spilled over beyond stipulated dates of completion. During audit period (2008-13), 32 projects<sup>15</sup> under NEC and 122 projects<sup>16</sup> under NLCPR were taken up for execution of which, 21<sup>17</sup> and 58 projects<sup>18</sup> under NEC and NLCPR respectively could be completed. Of the remaining incomplete projects, five NEC projects were due for completion prior to April 2008 and five NEC and 30 NLCPR projects were due for completion within March 2013.*

*Since the State had not carried out a gap analysis, the extent of achievement of the objective of reducing the gap between the required and available infrastructure of roads and bridges in the State and its impact on the economy and social upliftment of the inhabitants of the State could not be assured.*

#### *Highlights*

**In the absence of Survey and Investigation, estimates proposed lacked accuracy and mostly inflated.**

(Paragraph 2.3.6.1)

**Perspective plan after carrying out infrastructural gap analysis was not prepared.**

(Paragraph 2.3.6.2)

<sup>15</sup> Road length: 781.50 Km and 142 bridges.

<sup>16</sup> Road length: 310.816 Km and 199 bridges.

<sup>17</sup> Road length: 441.70 Km and 65 bridges.

<sup>18</sup> Road length: 118.555 Km and 77 bridges.

**Central Share of ₹42.80 crore (including ₹27.23 crore pertaining to the years prior to April 2008) was not released by Government of Assam (GoA) which adversely affected the smooth implementation of the NLCPR projects.**

{Paragraph 2.3.7.2 (i) (b)}

**Extraordinary delay in rescinding the work without invoking penal provision of bid document and non-allotment of the work to new contractor contributed to delay in completion of the NLCPR projects for more than four years from the scheduled date of completion rendering the expenditure of ₹2.47 crore unproductive.**

{Paragraph 2.3.8.4(a)}

**Non-allotment of funds by GoA for maintenance and upkeep of projects led to damage of three road projects constructed under NEC.**

(Paragraph 2.3.9)

**Neither GoA nor any other independent agency undertook monitoring and evaluation of the implementation of the NEC/NLCPR funded projects through impact studies and social audit.**

(Paragraph 2.3.10)

### **2.3.1 Introduction**

North Eastern Region (NER), being in a remote corner with communication bottleneck is deficient in social and physical infrastructure and therefore, all the states included in NER are categorized as Special Category States (SCS) and their Development plans are centrally financed with 90 *per cent* grants and 10 *per cent* loans. With a view for speedy development of infrastructure in NER by increasing the flow of budgetary financing for new infrastructure projects/ schemes, first, North Eastern Council (NEC), a regional body was established (1972) to look after balanced development of NER. Subsequently, Non-lapsable Central Pool of Resources (NLCPR) was created (1998-99) by GoI for funding specific infrastructure projects.

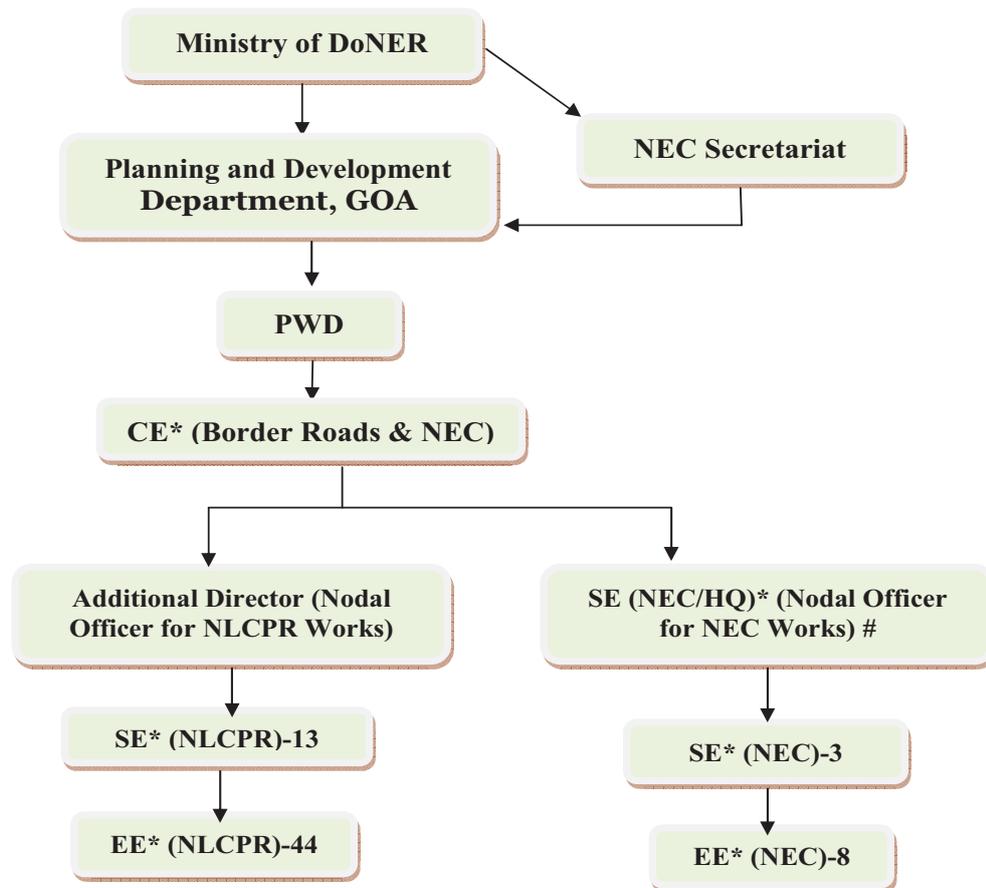
NEC, constituted in 1971 by an Act of the Parliament, is the nodal agency for socio-economic development of the NER. One of the objectives of NEC is to develop infrastructure, which includes construction of roads and bridges in NER with inter-state connectivity. The NEC, functioning as a regional planning body is responsible for scrutiny of schemes/ projects proposed by NE State Governments for inclusion in the regional plan for their approval by Planning Commission. Besides, sanction of estimates, release of funds and monitoring and evaluation of physical and financial performance are also included in the functions of NEC.

The GoI further created a Non-lapsable Central Pool of Resources (NLCPR) in the Union Budget from the year 1998-99 onwards in the public account titled “Central

Resource Pool for Development of NER” from 10 *per cent* unspent balances provided in the budget of Central Ministries/Departments for specific infrastructure projects in the North Eastern Region (NER). At the central level, the Ministry of Development of North Eastern Region (DoNER) took charge of NLCPR in August 2002.

### 2.3.2 Organisational set up

The organization structure for implementation of NLCPR/NEC funded projects on Roads and Bridges in Assam is as under:



\* CE-Chief Engineer, SE-Superintending Engineer, EE-Executive Engineer.

# Nodal Officers of both NLCPR and NEC functioned from the O/o the CE (Border Roads and NEC).

Source: Information collected from the department.

### 2.3.3 Audit Objectives

The objectives of the Performance review on roads and bridges funded by NLCPR & NEC were to assess whether:

- Projects were selected after critical assessment of gap between infrastructure urgently required and those which were available;

- The mechanism in place for approval of the projects was strictly adhered to and appropriate checks applied at each stage, prior to approval and after the release of funds;
- Adequate funds were released in a timely manner and utilised efficiently for specific purpose;
- Projects were executed efficiently and economically to achieve the intended objectives;
- There was a mechanism for adequate and effective monitoring and evaluation of projects.

#### **2.3.4 Audit Criteria**

The audit findings were benchmarked against the following sources of criteria:

- Guidelines of the Government of India in respect of NLCPR funded schemes, the North Eastern Council Act, 1971 and Amendment Act 2002;
- Detailed Project Reports;
- Conditions and norms for release of funds; and
- Prescribed monitoring mechanism and reports.

#### **2.3.5 Audit Scope and Methodology**

The Performance Audit commenced with an entry conference held in April 2013 wherein Deputy Secretary, PWD; Deputy Secretary, Finance and other departmental officials were present. The audit objectives, criteria and scope of the performance audit were explained and inputs of the departmental officers were obtained. Eight NEC projects (out of 32) and 16 NLCPR projects (out of 122) were selected for detailed scrutiny based on Probability Proportional to Size without Replacement (PPSWOR) method. Expenditure covered in audit amounted to ₹228.86 crore (eight Projects-*Appendix-2.10*) against total expenditure of ₹670.33 crore (32 projects) under NEC. Similarly expenditure covered in audit was ₹124.48 crore (16 projects-*Appendix-2.11*) against total expenditure of ₹337.21 crore (122 projects) under NLCPR. Information and documents available in test-checked divisions and responses to audit questionnaires were analysed. Photographic evidences and physical verification were also taken into consideration to substantiate the audit observations.

The Exit Conference was held on 5 September 2013 with the Under Secretary, PWD including CE (PWD), Nodal Officer and other officials wherein audit findings were discussed and the report was finalized after taking into account the views of the department and duly incorporating the same at appropriate places.

**Audit Findings****2.3.6 Planning****2.3.6.1 Survey and Investigation (S&I)**

Section 4(3)(d) of the NEC Act envisaged the need for conducting survey and investigation (S&I) before preparation and inclusion of new projects in the Regional Plan. S&I was also required in respect of NLCPR projects. Scrutiny, however, revealed that in none of the test-checked projects S&I was conducted by the Department. In the absence of S&I, proposed estimates lacked accuracy and were mostly inflated which was evident from the fact that most of the projects were completed with abnormal time over-run but without any corresponding cost over-run. Rather there were savings on the sanctioned cost. Out of eight NEC projects test-checked in audit, six were completed at a cost of ₹206.87 crore against sanctioned cost of ₹210.08 crore with time over-run ranging from 11 to 38 months. Similarly, out of 16 NLCPR projects test-checked, 11 were completed at a cost of ₹112.31 crore against sanctioned cost of ₹123.16 crore with time over-run in eight projects ranging from four to 38 months. The savings thus achieved were utilised unauthorisedly in repair, renovation, construction of Inspection Bungalow etc.

In reply, CE, PWD (Roads) in respect of NLCPR projects stated (September 2013) that there was no fund available for engaging consultants for S&I for the preparation of DPR and admitted that consultants with their modern survey instruments and sophisticated design software could do a better job of S&I. It was further stated that S&I was done by the Engineer in-charge of the project in-house with the limited resources.

Thus, planning and sanctioning process was affected due to the absence of scientific survey and investigation apart from violation of the relevant section of NEC Act.

**2.3.6.2 Prioritisation of projects**

Both NEC Act and NLCPR guidelines envisaged preparation of priority list for selection of projects for execution. In this connection, for the better selection of the schemes, inputs from the District Infrastructure Index (DII) data were required to be used. DII was however, not available in the State and priority list for NEC funded schemes was not prepared. It was intimated (July 2013) by CE, PWD that projects were selected mainly on the criteria of inter-State connectivity. Thus, the basis of selection and prioritisation of projects under NEC was not found on record.

NLCPR guidelines further prescribe that:

- (i) There should be an NLCPR Committee at the State level to prioritise the projects and to recommend them to the GoI (MoDONER) for approval and sanction of funds.
- (ii) The State Government is to prepare a Perspective Plan, after a thorough analysis of gaps in infrastructure projects in the State of for funding under NLCPR. Projects should be taken up for implementation strictly from the Perspective Plan according to the priority assigned in the Plan.

(iii) The State Government should also prepare the Annual Profile of Projects (APP) which should be comprehensive and contain “Gap Analysis” of all major sectors, shelf of projects and priority list and submit it to the GoI through Planning and Development Department (PDD) latest by 31 December for the next financial year.

(iv) Normally, the duration of project should not exceed a maximum 3-4 years (2-3 years prior to July 2004) and long gestation period was not to be encouraged.

Audit observed that there were no records showing approval of the projects by the NLCPR committee. Perspective plan after carrying out infrastructural gap analysis was also not prepared. Projects were approved and funds were released on the basis of proposals sent by PDD to GoI. Thus, prescribed planning process was not adhered to.

Additional Director (Design) stated (June 2013) that proposals/estimates of roads and bridges under NLCPR were framed by the concerned EEs of the implementing divisions mainly on the basis of importance of the project in improving the road network, number of people to be benefited, effect on socio-economic development etc. CE, PWD (Roads) also admitted (September 2013) that fair and justified method was necessary for prioritisation of the projects.

#### **2.3.6.3 Sanction of Projects not in conformity with the NEC objective**

As envisaged under Section 4(1)(b) of the NEC Act, the main objective of NEC was to create communication infrastructure having inter-state connectivity. Audit scrutiny however, revealed that three road projects<sup>19</sup> were executed at a total cost of ₹112.03 crore without fulfilling the above criteria of inter-state connectivity.

Thus, selection of these NEC projects disregarding main criteria, indicates serious lapses in planning process.

#### **2.3.6.4 Sanction of Projects not in conformity with the NLCPR guidelines**

According to NLCPR guidelines, projects of less than ₹three crore were not to be generally funded. Each location specific project would be counted as one. The practice of clubbing many projects into one, to increase the size of the project to make the same admissible for funding under NLCPR Scheme is not permissible as per the Guidelines.

Audit scrutiny revealed that two road projects *viz.*, (i) Improvement of roads in Jorhat Town (approved cost ₹2.50 crore) and (ii) Construction of three RCC Bridges on Jonai Silapathar Link Road (approved cost ₹1.90 crore) were completed at the cost of ₹2.27 crore and ₹1.85 crore respectively.

Although as per approved project report, eight town roads were to be improved. But while executing the projects, instead of improving eight town roads, 79 bye lanes within the town were constructed in violation of DPR and without GoI’s approval.

---

<sup>19</sup> 1. Improvement of Pandit Hemchandra Goswami Path under Jorhat NEC Division (₹30.22 crore), 2. Improvement of Hajo Nalbari Sarthebari Road (₹ 65.41 crore), and 3. Improvement of Rampur Belsor Road under Guwahati NEC Division (₹16.40 crore).

Thus, apart from selection of projects below ₹three crore in violation of the provisions of the guidelines, deviation from the approved DPR was also observed.

### 2.3.7 Financial Management

#### 2.3.7.1 Funding pattern and fund flow

Till 2004-05, funding pattern both for NEC and NLCPR projects was in the proportion of 90 *per cent* grant and 10 *per cent* loan from GoI. From 2005-06, on the recommendation of Twelfth Finance Commission (TFC), funding pattern for implementation of both NEC and NLCPR projects was changed to 90 *per cent* Central Share and 10 *per cent* State Share.

Funds are released by the North Eastern Council (NEC)/Ministry of Development of North Eastern Region (DONER), GoI to the Planning & Development Department (P&D)/Finance Department (FD), GoA. FD in turn releases Fixation of Ceiling (FOC) to the concerned executing divisions with intimation to CE, PWD (Border Roads), Assam who issues budget allocation to the executing divisions authorising the expenditure to be incurred.

#### 2.3.7.2 Receipt and Utilisation of fund

The details of funds released by NEC/DONER, State Government and the expenditure incurred there against during the period from 2008-09 to 2012-13 are given below:

**Table 31**  
**NEC projects**

(₹ in crore)

Year	Funds released by NEC	Funds to be released by State Finance Department (including 10 per cent State Share)	Funds released by State Finance Department			Expenditure incurred by the executing divisions	(-) shortfall/ (+) excess in utilisation of available fund by the executing divisions
			Central Share	State Share	Total		
2008-09	121.85	195.08*	130.81	1.15	131.96	131.96	NIL
2009-10	98.97	109.97	110.37	13.90	124.27	124.27	NIL
2010-11	63.05	70.05	79.36	8.97	88.33	88.33	NIL
2011-12	40.50	45.00	69.27	13.57	82.84	81.47	(-) 1.37
2012-13	47.85	53.16	51.22	7.08	58.30	58.30	NIL
<b>Total</b>	<b>372.22</b>	<b>473.26</b>	<b>441.03</b>	<b>44.67</b>	<b>485.70</b>	<b>484.33</b>	<b>(-) 1.37</b>

Source: Information furnished by CE PWD (Border Roads) and PWD Secretariat Budget Branch  
\*Include unspent Central Share (₹53.72 crore) pertaining prior to 2008-09.

**Table 32**  
**NLCPR projects**

(₹ in crore)

Year	Fund released by DONER	Funds to be released by Finance Department, GoA (including 10 per cent State Share)	Funds released by State Finance Department			Expenditure incurred by the executing divisions	(-) shortfall/ (+) excess in utilisation of available fund by the executing divisions
			Central Share	State Share	Total		
2008-09	32.49	66.36*	51.94	2.43	54.37	54.37	NIL
2009-10	58.78	65.31	46.39	5.62	52.01	52.01	NIL
2010-11	93.90	104.33	41.98	2.57	44.55	44.55	NIL
2011-12	51.18	56.87	92.31	5.55	97.86	97.86	NIL
2012-13	79.62	88.47	67.78	11.03	78.81	78.81	NIL
<b>Total</b>	<b>315.97</b>	<b>381.34</b>	<b>300.40</b>	<b>27.20</b>	<b>327.60</b>	<b>327.60</b>	<b>NIL</b>

Source: Information furnished by CE PWD (Border Roads) and PWD Secretariat Budget Branch.  
\* Include unspent Central Share (₹27.23 crore) pertaining prior to 2008-09.

While availability of adequate fund was not a constraint for the progress/execution of the sanctioned projects, there were deficiencies noticed in financial management leading to excess/short release of Central/State share, delay in release of fund, discrepancy relating to fund received from GoI and release of fund by GoA.

**(i) Excess/Short release of Central Share/State Share by the State Finance Department**

**(a)** It would appear from Table 31 that during 2008-13, Finance Department (FD) was to release ₹473.26 crore (Central Share: ₹425.94 crore including unspent balance of ₹53.72 crore and State Share: ₹47.32 crore) for implementation of NEC projects. Against this, FD released ₹485.70 crore (Central Share: ₹441.03 crore and State Share: ₹44.67 crore) during the period resulting in excess release of ₹12.44 crore (excess Central Share: ₹15.09 crore and less State Share: ₹2.65 crore). Source from which the excess central fund was released was not on record.

**(b)** Similarly, Table 32 indicates that during 2008-13, FD was to release ₹381.34 crore (Central Share: ₹343.20 crore including unspent balance of ₹27.23 crore and State Share: ₹38.14 crore) for implementation of NLCPR projects. Against this, only ₹327.60 crore (Central Share: ₹300.40 crore and State Share: ₹27.20 crore) was released during the period resulting in short release of ₹53.74 crore (Central Share: ₹42.80 crore and State Share: ₹10.94 crore). It was further revealed that Central Share of ₹42.80 crore (including ₹27.23 crore pertaining to the years prior to April 2008) was not released by GoA and remained with state exchequer and thus, was not available for programme implementation, which adversely affected the smooth implementation of the scheme. The reason for the short release of fund was not on record.

**(ii) Discrepancies between figures of Nodal and Finance Department**

According to Nodal and the Finance Department, funds released by NEC during 2008-13 were ₹372.22 crore and ₹386.53 crore respectively showing a difference of ₹14.31 crore (*details in Appendix 2.12*). Besides, regarding release of central share, where FD had shown release of ₹364.56 crore, PWD had shown receipt of ₹441.03 crore leading to an unexplained excess of ₹76.47 crore received by the Public Works Divisions.

Similar difference of ₹9.92 crore was noticed regarding release of central share between Nodal (₹300.40 crore) and FD (₹290.48 crore) in NLCPR projects (*details in Appendix 2.13*). The differences were not reconciled. The differences highlight the deficiencies in record keeping by two main functionaries of the Government. In the Exit Conference (September 2013) FD did not offer any comment.

FD did not maintain any records showing release of State share separately for NEC and NLCPR projects as there was no sub-head wise budget provision during the years 2008-13.

**(iii) Delay in release of funds**

According to NLCPR guidelines funds released by GoI should reach the implementing divisions within 30 days of release by GoI and the Nodal Officer should issue a certificate to this effect to the Ministry of DONER.

Scrutiny of 16 NLCPR projects (test-checked) revealed that the State Government received ₹123.17 crore between July 2004 to March 2013 in respect of these projects but released ₹114.31 crore to the implementing divisions during November 2005 to March 2013 retaining the balance of ₹8.86 crore. In all the 16 projects, there were delays of one to 53 months in releasing funds from the date of release by the GoI (*Appendix 2.14*).

Similarly, State Government received ₹160.33 crore between February 2008 and July 2012 for implementation of eight NEC projects (test-checked) but released ₹157.59 crore to the implementing divisions during March 2008 to March 2013 leaving a balance of ₹2.74 crore with the State Government. In all the selected projects, there were delays of one to 26 months in releasing funds to the implementing agencies from the date of release by the GoI (*Appendix 2.15*).

Short and delayed release of funds affected the progress of work to some extent and thereby delayed the completion of the projects.

**(iv) Locking up of funds in unadjusted advances**

According to APWD Manual, an advance payment for work actually executed may be made on the certificate of an officer not below the rank of Sub-Divisional Officer to the effect that the quantity of work paid for has actually been done. The expenditure would be booked under the suspense head of account 'Miscellaneous Public Works Advance (MPWA)' for watching eventual recovery and adjustment within one month.

Scrutiny of records revealed the following:

**(a)** Guwahati NEC Division paid (July 2011 to December 2012) total advance payment of ₹3.44 crore on unmeasured works without obtaining requisite certificate in support of work actually done and expenditure charged to the project "Upgradation/Improvement of Mairang Ranigodown Azara Road" instead of MPW Advance. Out of the said advance, ₹2.28 crore was adjusted after a gap of six to eight months. Balance amount of ₹1.16 crore remained unadjusted as on May 2013. In the Exit Conference (September 2013) the EE stated that the balance of ₹1.16 crore was subsequently adjusted but record to that effect was not produced.

**(b)** Bongaigaon Rural Road Division paid (27 March 2008) an advance payment of ₹2.21 crore on un-measured item of work and booked as expenditure under the project "Construction of RCC Bridge on Jogighopa Chapar Road". Advance payment was adjusted on 10 February 2009, after a period of over 11 months. CE, PWD (Roads) stated (September 2013) that advance was given as per financial rules but did not offer any comment about booking the expenditure to work instead of under MPWA, which was an internal control lapse.

**2.3.8 Execution of projects**

**2.3.8.1 NEC projects**

The details of projects sanctioned, projects executed and projects remained incomplete prior to March 2008 and during 2008-13 are indicated in the Table below.

**Table 33**

Period	Opening Balance Incomplete projects		Projects sanctioned		Projects completed		Closing Balance Incomplete projects	
	No.	Road length and bridges	No.	Road length and bridges	No.	Road length and bridges	No.	Road length and bridges
1989-08	-	-	50	1038.99 Km 178 bridges	23	405.34 Km 45 bridges	27	633.65 Km 133 bridges
2008-13	27	633.65 Km 133 bridges	5	147.85 Km 9 bridges	21	441.70 Km 65 bridges	11	339.80 Km 77 bridges

Source: Information furnished by CE, PWD (Border Roads).

It would be revealed from above Table that:

- During 2008-13, five new projects were taken up for execution in addition to the 27 ongoing projects, of which, 21 projects (sanctioned prior to 31 March 2008) consisting of 12 roads creating 441.70 km of road and 65 bridges were completed as of March 2013 after incurring an expenditure of ₹376.30 crore (details in *Appendix-2.16*).
- Balance 11 projects (6 spilled over + 5 new) remained incomplete after incurring an expenditure of ₹294.02 crore against sanctioned cost of ₹508.48 crore, although five of these were due for completion prior to April 2008 and five during 2008-13 (details in *Appendix-2.17*).

Test-check of eight projects (out of 32) revealed that six of these were completed during 2008-13 after incurring an expenditure of ₹206.87 crore (sanctioned cost ₹210.08 crore) with time over-run ranging from 11 to 38 months (details in *Appendix-2.18*). The remaining two test-checked projects with due dates of completion in November 2011 and August 2012 respectively, were not completed after incurring an expenditure of ₹21.99 crore. The physical achievements of these two incomplete projects were 90 and 88 *per cent*, whereas financial progress were 67 and 55 *per cent* respectively (details in *Appendix-2.10*).

**2.3.8.2 NLCPR projects**

The details of projects sanctioned, projects executed and projects remained incomplete prior to March 2008 and during 2008-13 are indicated in the Table.

Table 34

Period	Opening Balance Incomplete projects		Projects sanctioned		Projects completed		Closing Balance Incomplete projects	
	No.	Road length and bridges	No.	Road length and bridges	No.	Road length and bridges	No.	Road length and bridges
1998-08	-	-	91	150.703 Km 160 bridges	24	41.04 Km 40 bridges	67	109.663 Km 120 bridges
2008-13	67	109.663 Km 120 bridges	55	201.153 Km 79 bridges	58	118.555 Km 77 bridges	64	192.261 Km 122 bridges

Source: Information furnished by CE, PWD (Border Roads).

It would be revealed from above Table that -

- During 2008-13, 55 new projects were taken up in addition to 67 ongoing projects, of which 58 projects (46 projects sanctioned prior to March 2008 and 12 projects sanctioned during 2008-13) were completed as of March 2013 after incurring an expenditure of ₹196.93 crore.
- Balance 64 projects (21 spilled over + 43 new) remained incomplete after incurring an expenditure of ₹151.28 crore against sanctioned cost of ₹436 crore, although three of these were due for completion prior to 2008 and 30 during 2008-13.

Test-check of 16 projects (out of 122) revealed that 11 of these were completed during 2008-13 after incurring an expenditure of ₹112.31 crore (sanctioned cost ₹123.16 crore) with time over-run ranging from four to 38 months in case of eight projects and three projects were completed before scheduled time. Of the remaining five test-checked projects, two were due for completion in July 2008 and January 2009. Physical achievements of these two incomplete projects were 59 and 75 per cent against the financial achievement of 47 and 69 per cent (details in *Appendix-2.II*). Reasons for delay in completion of the projects were slow progress of work and subsequent cancellation of work order by the division. CE, PWD (Roads) admitted (September 2013) the facts pointed out by audit and further added that time overrun occurred due to remoteness of site, natural calamities, bandh calls and shortage of quarry materials.

### 2.3.8.3 Unproductive expenditure (NEC projects)

(a) NEC accorded (February 2010) administrative approval of the project "Construction of Mankachar Mahendraganj Road" (Road length 8.20 Km) under Guwahati NEC division at an estimated cost of ₹12.12 crore with the stipulation to complete the work within two years (March 2011). The work was divided into two packages (I&II) and was awarded (May 2010) to one contractor at the total tendered cost of ₹10.03 crore<sup>20</sup>. The work remained incomplete with the physical progress of

<sup>20</sup>

Packages	Length of the road in Km	Name of contractor	Tendered cost (₹ in crore)	Payment made
G-11 <sup>th</sup> -1	1 <sup>st</sup> to 4 <sup>th</sup> Km	Sri Bimal kumar Agarwala	4.87	4.27
G-11 <sup>th</sup> -2	5 <sup>th</sup> to 8.20 Km	-do-	5.16	3.53
<b>Total</b>			<b>10.03</b>	<b>7.80</b>

Source: Divisional records.

90 per cent (package I) and 96 per cent (package II) due to land acquisition problem. The contractor was paid a total amount of ₹7.80 crore against work value of ₹8.16 crore as of May 2013.



*Mankachar Mahendraganj Road Ch 1,816 M*

*Mankachar Mahendraganj Road Ch 4,576 M*

*(18 May 2013)*

Scrutiny also revealed that the process of land acquisition was started in October 1994, when value of the land was assessed as ₹7.79 lakh by Deputy Commissioner (DC), Dhubri and the Division was requested (29 June 2000) for placement of fund to DC. Subsequently, assessments were made in another two cases of land acquisition and the Division was requested (June 2003) for placement of the required fund of ₹8.21 lakh being the value of land. It was, however, not possible for the Division to make the payment as there was no provision of funds in respect of acquisition of land for the project, which was sanctioned only in February 2010. The State Government should have taken appropriate steps for making provision of the required fund in time.

Finance department belatedly released the amount of ₹16 lakh (₹15.95 lakh in March 2012 and ₹0.05 lakh in December 2012) as demanded by the Division after a lapse of more than 11 years from the date of placing demand for funds by the DC.

Further scrutiny revealed that the road work for a total road length of one kilometer (700 m in package I and 300 m in package II) could not be taken up for the reason that the land owners were not willing to vacate the land before getting the land compensation at current prices, which would naturally be much higher than the rates fixed earlier.

Thus, due to inordinate delay in payment of land compensation to the land owners, the project remained incomplete even after a lapse of more than two years from the stipulated date of completion rendering the entire expenditure of ₹7.80 crore incurred so far unproductive, besides depriving the users from the intended benefit of inter-state connectivity.

**(b)** NEC accorded (February 2007) administrative approval of the project “Construction of Wokha-Merapani Road” (Road length 28.778 km and three bridges) under Jorhat NEC Division for ₹34.83 crore. The road and bridge works were divided into five packages and awarded (August and November 2007) to five contractors at a

total bid price of ₹22.38 crore with the stipulation to complete the work within May 2009. Subsequently tender value was enhanced to ₹26.57 crore through supplementary tender agreement by deleting quantity of work valued at ₹1.83 crore and adding additional items of work, valued at ₹6.02 crore. Technical sanction for ₹34.83 crore was accorded by CE in June 2009.

Scrutiny revealed that construction of a stretch of the road measuring 2.013 Km (Ch. 26.765 Km to 28.788 Km) could not be taken up due to border dispute with Nagaland as of May 2013. This disputed portion was deleted from the scope of work and the project was shown as completed (February 2011) at a cost of ₹34.60 crore and handed over to Golaghat Rural Road Division (September 2012).

Non-completion of the project in its entirety due to border dispute indicated lapses in proper survey and investigation and overall planning by Government/ NEC. As a result of non-construction of remaining portion of road length, NEC's objective of providing inter-State connectivity was frustrated. In Exit Conference (September 2013), the EE stated that the Nagaland Government had constructed the remaining portion of the work in their part but documents confirming the fact was not furnished.

#### 2.3.8.4 Unproductive expenditure (NLCPR projects)

(a) The NLCPR project “Construction of RCC Bridge No 1/1, 3/1 and 5/1 on Bahir Jonai Berachapari Road including approaches and protection work” under Dhemaji Rural Road division, Silapather was approved (February 2006) by GoI for ₹5.52 crore with the objective of providing inter-district/inter-state connectivity for the economic development of Dhemaji district. The Chief Engineer, PWD accorded (November 2006) technical sanction for the same amount. The project was allotted (March 2007) to a contractor being the lone bidder at the tendered value of ₹5.34 crore with the time schedule to complete the work within 24 months (March 2009) from the date of issue of the work order.



*Bridge no 5/1 on Bahir Jonai Bera Chapori Road (5 June 2013)*

Contractor commenced the work on 9 March 2007 but abandoned the work in February 2011 after executing work valued at ₹2.47 crore in spite of getting three time extensions up to December 2010 as requested by him. Audit observed that:

- Against GoI's release of ₹3.96 crore (₹1.74 crore in February 2006 and ₹2.22 crore in December 2010), GoA released ₹2.47 crore (June 2008 and March 2011) after delay of 28 to 32 months and retained ₹1.49 crore as of date (June 2013).

- Payment of Running bills of the contractor were delayed from three months to 11 months since submission of the bills.
- Drawings and designs of the projects were made available to the contractor in a phased manner with the fact that the last drawing was handed over after 14 months of work order.

The EE terminated (November 2012) the work order belatedly without forfeiting security deposit (₹19.77 lakh), which was deducted from bills and without invoking penal provision of the bid document for delay in execution of the project. Performance security of ₹10.67 lakh in the form of bank guarantee was also allowed to be expired on 4 May 2011.

Balance work (₹2.71 crore as per estimate) was not allotted to any other contractor though notice inviting tender was issued in March 2013. The contractor served (April 2013) notice for appointment of arbitrator for settlement of his claim of ₹1.02 crore, which included loss due to delayed payment (₹0.29 crore), the loss of profit (₹0.42 crore), security money (₹0.31 crore). The arbitrator was, however, not yet appointed.

The work remained incomplete till date of audit (June 2013) with the physical progress ranging from 40 to 100 *per cent* in respect of bridge proper only. In the absence of approaches to the bridge proper, which were already completed but could not be utilised. Therefore, the entire amount remained unproductive.

Thus, due to short release of funds by GoA and consequent delay in payment of contractor's bill, slackness in monitoring the progress of work, extraordinary delay in rescinding the work and non-allotment of the work to new contractor contributed to delay in completion of the project for more than four years from the scheduled date of completion (March 2009). Expenditure to the tune of ₹2.47 crore incurred so far on this project remained un-productive. Besides, non-forfeiture of security deposit (₹19.77 lakh) and performance security (₹10.67 lakh) led to a loss of ₹30.44 lakh due to lapses on the part of the department. Moreover, the desired objective of providing inter-district/inter-state connectivity for economic development of the district also remained unachieved.

CE, PWD (Roads), in reply stated (September 2013) that delay occurred due to remoteness and location of the site in flood prone area and hence, no penalty was imposed. The reply was, however, silent about the departmental inaction in management of the project.

**(b)** Administrative approval was accorded (May 2006) by GoI for the NLCPR project "Construction of RCC bridges 27/2, 28/2, 29/1, 30/2, 32/2, 35/1 and 45/1 including approaches on Dhubri-Kachugaon road under NLCPR in Kokrajhar district" for an amount of ₹5.16 crore with an objective of providing inter-district connectivity in an attempt to improve socio-economic condition of the local rural habitations.

Technical sanction was accorded (July 2006) by CE, PWD Border Roads for the same amount. The work was allotted (December 2006) to a contractor at a bid price of ₹5.16 crore with the stipulation to complete the work within June 2008. The contractor commenced the work on 27 December 2006 but the project remained incomplete with the overall physical progress of 75 per cent and financial progress of 69 per cent (₹3.57 crore) as of June 2013.

Scrutiny of records (June 2013) of the EE, Kokrajhar Rural Road division revealed that the contractor executed the work at a very slow pace and the physical progress of the work was 32 per cent even after a lapse of about one year from the stipulated date of completion. In view of the slow progress of work the division also served (May and July 2008) show cause notices to the contractor for delay in execution of work.

It was, however, not found on record whether the contractor had applied for any extension of time or the period up to which extension of time was granted by the



*Bridge No. 30/2 on Dhubri Kachugaon Road  
(13 June 2013)*



*Bridge No. 32/2 on Dhubri Kachugaon Road  
(13 June 2013)*

division. The contractor submitted (May 2012) work programme for the balance work (two bridge work and approaches to all the seven bridges) but did not execute the work. Ultimately, the work was rescinded (November 2012) by forfeiting security deposit (₹11.81 lakh) but without invoking the risk clause in the agreement to get the balance work done at the risk and cost of the defaulting contractor. Performance security of ₹10.33 lakh furnished by the contractor in the form of bank guarantee valid up to August 2008, was allowed to be expired by the department.

Scrutiny further revealed that tender was invited by CE (Border Roads) to complete the balance work, but the balance work could not be allotted to any other contractor being contractor's quoted rates exceeded by 44.5 per cent over the sanctioned amount. Technical sanction to the estimates of the balance work prepared (January 2013) by the division was not accorded by CE as of June 2013.

Thus, failure of the division to impose penalty as per agreement for delaying completion of the project and getting the balance work done at the risk and cost of the defaulting contractor led to unproductive expenditure of ₹3.57 crore, besides deprival of intended benefit of inter-district connectivity to the villagers.

CE, PWD (Roads), in reply stated (September 2013) that the balance work would be completed within one year.

#### **2.3.8.5 Deficiency in work management**

(a) NEC sanctioned (December 2006) Improvement of Na-Ali road (Road length 50.863 km and 11 bridges) under Jorhat NEC division for ₹52.80 crore. The road and bridge works were divided into 18 packages and allotted (June – September 2007) to 14 contactors for ₹41.08 crore with the stipulation to complete the works within May 2009. The project was technically sanctioned by CE, PWD, Border Road in June 2009. The work was completed in April 2012 at the total cost of ₹51.26 crore with a time overrun of three years.

Scrutiny revealed that in six packages of road work (tendered value: ₹16.82 crore) the contractors executed work value of ₹5.75 crore (34.19 *per cent*) till the stipulated date of completion (May 2009). The contracts were cancelled due to slow progress of work without invoking penal provision of contract agreement valued at ₹2.21 crore (20 *per cent* of balance work).

The balance works (₹11.07 crore) were allotted to six other contractors at the total tendered cost of ₹15.80 crore, which were completed at the cost of ₹15.37 crore.

Thus, due to poor monitoring of the progress of work and inaction on the part of the division to safeguard the interest of the Government by imposing penalty of 20 *per cent* of the balance work not completed by the contractors, the division had to incur an extra avoidable expenditure of ₹4.30 crore (up to date payment to the contractors ₹15.37 crore minus ₹11.07 crore).

Further scrutiny revealed execution of work beyond the scope of DPR and execution of sub-standard work as discussed in paragraph 2.3.8.6 and 2.3.8.7.

(b) Construction of bridge No. 63/1 on Hajo Nalbari Sarthebari Road under Guwahati NEC division was awarded (July 2006) to a contractor at the tendered cost of ₹2.55 crore, which was subsequently enhanced to ₹2.80 crore due to change in the scope of work.

Scrutiny revealed that the contractor executed the work worth ₹2.59 crore. The balance work valued ₹0.21 crore, which included load test of super structure, was left unattended. However, documents suggested that the bridge work was completed on 21 May 2011 and handed over to Barpeta Road division on 24 October 2011.

Thus, due to non-execution of work as per approved estimate and not testing the load bearing capacity of super structure of the bridge, sustainability of the bridge remained doubtful besides putting the commuters at risk.

(c) The NLCPR project “Construction of RCC bridge No. 1/1, 2/1 and 2/2 on Jonai Silapather Link road” under Dhemaji Rural Road division, Silapather was administratively approved (February 2005) by GoA for ₹1.90 crore. Work order was issued to a contractor (April 2005) at the tendered cost of ₹1.79 crore with the stipulation to complete the work within 18 months from the date of issue of work order (October 2006). During execution, a working estimate was prepared and the tendered amount was enhanced to ₹1.90 crore.

Scrutiny revealed that the contractor executed the work valued at ₹1.85 crore up to 3<sup>rd</sup> RA bill against the tendered amount of ₹1.90 crore but the project was shown to have been completed during 2008-09. Neither the final measurement was recorded in the measurement book in support of completion of the project nor was the final bill prepared. The contractor was paid (December 2008) the work value of ₹1.85 crore without recovery of security deposit of ₹14.80 lakh (eight *per cent* of ₹1.85 crore) in violation of contract agreement. Scrutiny of item-wise execution of works up to 3<sup>rd</sup> RA bill disclosed less execution (12 items), excess execution (three items) and non-execution (three items) of certain items of work even with reference to the working estimate.

Thus, failure on the part of the division to safeguard Government interest by deducting security money from the contractor as per tender agreement and slackness in monitoring the progress of work led to non-completion of the project. In reply, CE, PWD (Roads) stated (September 2013) that the work was already completed but did not offer any comment about the deviation from the working estimates and non-effecting legitimate deduction of security deposit to safeguard the Government interest.

#### 2.3.8.6 Execution of work not in conformity with the DPR

The GoI approves the projects for funding under NEC/ NLCPR based on the DPRs submitted by the State Government for each project. In six (three NEC and three NLCPR) out of 24 (eight NEC and 16 NLCPR) projects test-checked in audit it was found that works were not executed as per DPRs. Various items of work, relating to these projects valued at ₹5.07 crore were not executed and extra items valued at ₹9.76 crore beyond the scope of approved DPR were executed without the approval of GoI. The details are shown in the Table below:

Table 35

						(₹ in crore)
Sl. No.	Name of work	Approved cost	Actual expenditure	Work executed less as per DPR	Amount spent beyond DPR	Remarks
1.	Improvement of Na-Ali under Jorhat NEC Division	52.80	51.26	-	2.02	1) Enhancement of carriage way from 5.50 M to 7 M for 1 <sup>st</sup> Km extra cost ₹1.18 crore 2) Repair work done in a span of 11 Km ₹0.84 crore
2.	Improvement of Pandit Hemchandra Goswami Path under Jorhat NEC Division	30.68	30.22	-	1.01	Construction of two storied Inspection Bungalow at a cost of ₹2.53 crore beyond the scope of DPR.
3.	Improvement of Wokha Merapani road under Jorhat NEC Division	34.83	34.60	1.83	1.52	
4.	Improvement of road in Jorhat Town Road	2.50	2.27	-	2.27	Against approval of eight town roads, 79 bye lanes within town area were constructed without GoI approval
5.	Construction of RCC bridge No. 4/1 and 15/1 on Nagaon Buragaon Road	4.34	4.14	1.55	1.12	Design of the bridge changed from well foundation to pile foundation without GoI approval
6.	Construction of RCC bridge No. 2/1 on Kokrajhar Monakacha Road	9.91	9.81	1.69	1.82	Construction of additional items of work such as boulder Apron, boulder pitching and RCC Bridge No. 2/2 etc.
<b>Total</b>		<b>135.06</b>	<b>132.30</b>	<b>5.07</b>	<b>9.76</b>	

Source: Information obtained from the implementing division.

Subsequent to approval of the DPRs, funds were released by GoI in accordance with estimated provisions of approved DPR. Thus, execution of items of works beyond the scope of approved DPR was irregular and unauthorised without GoI's approval for

such deviations. As execution of works beyond the scope of DPR entails curtailment of essential items of works from the items of the approved work, this resulted in physical and financial mismanagement and pointed towards lack of proper survey and investigation before preparation of DPR. In reply, CE, PWD (Roads) stated (September 2013) that changes in design and items were done in the interest of the work without any change in overall cost but had not offered any comment about fresh approval of re-designed and re-casted estimates.

### **2.3.8.7 Sub-standard work**

In the following two cases there was less execution of work as compared to the approved estimates-

(a) Scrutiny of final bills of package No. J-18, J-19 (balance work) and J-20 (original work) at the Ch. 24<sup>th</sup> to 35<sup>th</sup> Km of the project “Improvement of Na-Ali Road (Road length 50.863 km and 11 bridges under Jorhat NEC division)” (approved in December 2006) revealed shortfall in execution of all items of the road works as shown the Table below:

**Table 36**

Sl. No.	Name of item	Unit	Quantity as per DPR	Quantity executed	Less execution
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)
1.	Construction of embankment	Cum	91461.33	54197.776	37263.554
2.	Construction of Sub grade earthen solder	Cum	53767.86	32750.166	21017.694
3.	Turfing with sods	Sqm	25560.00	11808.18	13751.82
4.	GSB	Cum	10038.44	3924.576	6113.864
5.	WBM Gr. II	Cum	10038.44	7721.958	2316.482
6.	WBM Gr. III	Cum	5019.22	4494.647	524.573
7.	PC	Sqm	66834.00	45630.225	21203.775
8.	Tack coat	Sqm	66834.50	58930.225	7904.275
9.	OGPS	Sqm	66923.00	58930.225	7992.775
10.	Seal coat	Sqm	66923.00	58930.225	7992.775

Source: Information obtained from the implementing division.

Construction of roads should conform to prescribed specifications. Shortfall in execution specially of WBM and premix carpeting which should be of standard thickness, results in unspecified/ sub-standard work. Less execution in all the items of road construction in the particular stretch of the road (24<sup>th</sup> to 35<sup>th</sup> Km) resulted in substandard work involving ₹8 crore<sup>21</sup>.

(b) The NLCPR project “Construction of RCC Bridge No. 4/1, 7/1 and 8/1 over field canal and 11/1 over river Sakati on Abhayapuri-Tulungia Road with approaches and protection work” under Bongaigaon Rural Road division was administratively approved (February 2009) for ₹3.38 crore (which included contingency charge of ₹0.03 crore) by GoA (Copy of GoI’s approval letter was not made available to audit). The project was awarded (October 2009) to a contractor at the tendered cost of ₹3.38

<sup>21</sup> J-18: (₹1.05 crore + ₹1.81 crore), J-19: (₹1.26 crore + ₹1.54 crore) & J-20: (₹2.34 crore).

crore. The contractor commenced the work in October 2009 and the project was completed in September 2011 at the cost of ₹3.38 crore. The contractor was paid ₹2.70 crore leaving a balance of ₹68.70 lakh as of June 2013. Scrutiny of records revealed shortfall in execution of 16 components (out of 30) of the bridge work as shown in the Table below:

Table 37

Sl. No.	Name of item	Unit	Quantity as per DPR	Quantity executed	Less execution
1.	Excavation for structure	Cum	4200	3416.42	783.58
2.	Bored cast-in-situ M 35 grade RCC pile	Metre	943.44	930.48	12.96
3.	Cement concrete for reinforcement concrete in pile cap	Cum	655.2	428.28	226.92
4.	Supplying, fitting and placing un-coated TMT bar reinforcement in foundation	Tonne	98.49	17.964	80.526
5.	Supplying, fitting and placing mild uncoated steel reinforcement in foundation	Tonne	1.2	0	1.2
6.	Plain/reinforced cement concrete in sub-structure	Cum	179.26	108.56	70.7
7.	Supplying, fitting and placing TMR bar	Tonne	15.71	0	15.71
8.	Supplying, fitting and fixing in position true to line and level elastomeric bearing	Cubic centimetre	427680	203729.40	223951
9.	Providing and laying cement concrete wearing coat M 30 grade	Cum	38.29	32.14	6.15
10.	Drainage spouts complete	Each	48	28	20
11.	Strip seal expansion joint	Metre	58.96	56.40	2.56
12.	Back filling behind abutment, wing wall and return wall	Cum	800	0	800
13.	Reinforced cement concrete approach slab	Cum	75.04	0	75.04
14.	Providing and laying pitching on slopes	Cum	490.54	220.64	269.9
15.	Providing and laying filter material underneath pitching in slopes complete	Cum	177.91	110.30	67.61
16.	Providing, laying, spreading and compacting stone aggregates of specific sizes to water bound macadam	Cum	319.93	247.33	72.60

Source: Information obtained from the implementing division.

In support of the above deviations, the Division did not prepare any working estimates for getting them approved by the competent authority.

Shortfall in execution of items of work specially of fitting and placing TMT bar which should be of standard specification, resulted in unspecified/ sub-standard work amounting to ₹3.38 crore. In reply, CE, PWD (Roads) stated (September 2013) that the bridges are functioning satisfactorily which, however should not be the only criteria for compromising the quality.

### 2.3.9 Maintenance and upkeep of the projects

It is the sole responsibility of the State Government to maintain and upkeep the projects after completion, for which adequate fund provision under maintenance head would require to be ensured. Scrutiny revealed that GoA neither made any specific budget provision nor provided any fund for maintenance of work completed under NEC and NLCPR. Thus, absence of budgetary provisions for maintenance and upkeep of projects led to damaging of the three road projects under NEC (out of five

completed NEC project and one completed NLCPR road project) as found out during joint physical inspection.

### Three damaged road projects under NEC



*Improvement of Na-ali Ch 10<sup>th</sup> km  
(15 May 2013)*



*Hajo Nalbari Sarthebari Nagaon Road Ch.  
5<sup>th</sup> Km (8 May 2013)*



*Rampur Belsor Bihampur Road 2<sup>nd</sup> km  
(8 May 2013)*

Audit noticed that due to non-release of funds by GoA, Guwahati NEC division spent ₹3.07 crore on the maintenance of two such roads out of NEC fund without seeking approval from NEC as detailed below:

- Eight<sup>22</sup> packages of road length of 40 Km (out of 15 packages) under the project “Upgradation/Improvement of Hajo Nalbari Sarthebari Road (length 64.29 Km)” were completed between October 2007 and December 2009 at a cost of ₹22.95 crore against the stipulated date of completion in September and October 2006. The division spent ₹2.88 crore between March 2010 and February 2011 towards repair work in these eight packages of work by making a separate estimate without NEC's approval.
- The project “Upgradation/ Improvement of Rampur Belsor Bihampur Road” was completed (February 2009) at a cost of ₹16.40 crore. The Division spent (August 2011 to February 2012) an amount of ₹0.19 crore towards repair of the entire road after 30 months of completion of the road without NECs approval.

On this being pointed out in audit, the concerned EE stated (May 2013) that due to non-availability of funds for repair and maintenance of roads, the division incurred the expenditure from the savings of funds from the respective projects to avoid further damage of the roads. Utilisation of savings in the original estimates towards repair and maintenance of roads by Guwahati NEC division was irregular and unauthorized.

---

<sup>22</sup> G-14, G-15, G-16, G-17, G-18, G-19, G-20, G-21.

However, all the 37 bridges jointly inspected (out of 64 completed) were found in good condition except damage of approach road to one of the bridges constructed under NLCPR. Damages noticed were in the nature of removal of hard crust, blacktopping including intermittent pot holes as would be evident from the photograph taken during the joint inspection. In reply, CE, PWD (Roads) stated (September 2013) that the damages occurred after the liability period was over and there was no fund available for the maintenance and upkeep of the projects.



*Approach Road to RCC Bridge on Silapathar Jonai Link Road (4 June 2013)*

### **2.3.10 Quality control/monitoring and evaluation**

Scrutiny of records revealed that separate fund for quality control was provided in the DPR/ estimate of the NEC projects but no such provision was made in the DPR/ estimate prepared in respect of NLCPR projects. In this context, CE (Border Roads) stated (May 2013) that the necessary quality control funds were included in the bid price and the quality control test were being regularly carried out under the supervision of the concerned EEs. The test-checked implementing divisions, however, failed to produce any quality control reports/registers in respect of 17 out of 19 projects (all the eight NEC projects and nine out of 11 NLCPR projects). Thus, in the absence of any records relating to quality control, audit could not ascertain that the standard of execution was maintained through proper quality control measures.

Inspection is an important part of monitoring and supervision. In this context, information furnished disclosed that out of 16 NLCPR projects test-checked in audit, only five projects were inspected by SE, two projects were inspected by CE and one project was inspected by Joint Secretary and Director, Ministry of DoNER. Similarly, out of eight NEC projects test-checked, three projects were inspected by SE and CE. No inspection was conducted in respect of the remaining 16 projects (11 NLCPR projects and five NEC projects). Reports of inspection were, however, not made available though called for in audit. This indicated that in majority of the cases even internal inspection was not conducted and in cases where it was done, details of follow up action taken, if any, were not available on record. Thus, the purpose of inspection and supervision of the projects was not completely fulfilled.

Monitoring and evaluation of the implementation of the NEC/NLCPR project was not undertaken through impact studies, social audit and evaluations by GoA or any other independent agency. No survey was conducted to ascertain the efficacy and effectiveness of the operation of created infrastructure to measure impact on the target population. Assessment study was also not conducted to evaluate the infrastructure created under various projects/schemes. In the Exit Conference (September 2013), the EE stated that an outside agency had recently been engaged to evaluate NEC projects and the evaluation reports were yet to be prepared.

### **2.3.11 Conclusion**

During 2008-13, 21 projects under NEC and 58 projects under NLCPR creating 560.26 Kms of road and 142 bridges could be completed, out of 32 and 122 projects taken up under NEC and NLCPR for execution. The objectives of the NEC/NLCPR funding were not fulfilled as 32 *per cent*<sup>23</sup> of NEC projects and 38 *per cent*<sup>24</sup> of NLCPR projects due for completion during 2008-13 remained incomplete as of March 2013. Projects under execution during 2008-13 were not implemented effectively and economically. Works were not executed according to the sanctioned provisions. The major hurdles in the timely completion of projects were the absence of proper survey and investigation, systematic work plan, short release/delayed release of funds by GoA, delays in payment to contractors and lack of proper initiative by the executing divisions. The contract and works management was not satisfactory. Lack of proper maintenance of completed roads/bridges led to non-fulfillment of the objective of providing all weather road connectivity. Overall impact of the NEC/NLCPR funded road projects were not assessed either by GoA/GoI or by any other independent agency.

### **2.3.12 Recommendations**

- District infrastructure index (DII) data should be prepared for prioritising schemes in the State so that well structured annual plan can be prepared for effective use of available resources on priority works.
- Timely release and optimum utilisation of funds by the State machinery should be ensured.
- The causes attributable to stoppage of works, works remaining incomplete and slow progress of work should be analysed and remedial measures taken in accordance with a time bound monitoring plan to arrest such a situation in future.
- The provisions of sanctioned estimate approved by GoI should be adhered to by the executing divisions.
- Maintenance and upkeep of completed road projects/infrastructure should be ensured by making specific budgetary provisions.
- Proper mechanism should be put in place to ensure effective quality control.

---

<sup>23</sup> 10 NEC projects remained incomplete out of 31 due for completion.

<sup>24</sup> 36 NLCPR projects remained incomplete out of 94 due for completion.

## COMPLIANCE AUDIT

### Industries and Commerce Department

#### 2.4.1 Unproductive expenditure

**General Manager, District Industries and Commerce Centre, Guwahati incurred an expenditure of ₹90.28 lakh towards setting up of Model Common Facility Centre for Brass & Bell Metal Cluster at Hajo, which proved unproductive as the facility could not be put to use due to non-execution of tripartite agreement.**

With a view to improve the productivity and economic condition of the Brass & Bell Metal artisans of Assam by introducing mechanisation in the cluster, the Government of India (GoI) accorded (March 2008) approval for setting up of Model Common Facility Centre (MCFC) for Brass & Bell Metal Cluster at Hajo at a cost of ₹151.74 lakh. The cost was subsequently revised (September 2009) to ₹160.61<sup>25</sup> lakh due to increase in the scope of work with the stipulation to complete the set up by 01 October 2010. The overall responsibility of implementation of the project was vested with the General Manager (GM), District Industries and Commerce Centre, Kamrup.

The first installment of GoI share (₹81.66 lakh) was released to the Government of Assam (GoA) in October 2009 with a condition that the MCFC would have to start functioning within a period of one year. Moreover, a Special Purpose Vehicle (SPV) was to be set up for dealing with the day to day running of the MCFC and its maintenance. After commissioning of the facility, a tripartite agreement was to be signed by GoI, GoA and the SPV before handing over the MCFC to the SPV.

Scrutiny (April 2013) of records of GM, DICC, Kamrup revealed that an existing society by the name of “Brihattar Hajo Pragatishil Karikar Sangtha” registered (September 2007) under Societies Registration Act, XXI of 1860 was selected as the SPV. A departmental building constructed under Priority Scheme at Hajo, Kamrup was earmarked for setting up the proposed MCFC.

Further scrutiny revealed that as per approval of the purchase committee, constituted in August 2008 for the purpose, GM, DICC spent ₹90.28<sup>26</sup> lakh (GoI share: ₹81.66 lakh; State share: ₹8.62 lakh) between June 2010 and November 2011 towards procurement of machinery and equipment etc. Trial run of the machinery was conducted successfully in January 2012. However, the tripartite agreement as envisaged in the terms and condition of release of fund could not be executed as the registration of the SPV had expired (September 2010). Till the date of audit, the machinery and equipment were lying idle in a remote area without any insurance and their warranty period was already expired (September 2012).

<sup>25</sup> GoI share: ₹ one crore; GoA share including beneficiaries' contribution: ₹60.61 lakh.

<sup>26</sup> M & E: ₹80.29 lakh; Consultancy: ₹3.83 lakh; Contingency: ₹2.88 lakh and Power up-gradation: ₹3.28 lakh.

Thus, due to non-execution of the tripartite agreement, the facility at MCFC, though created belatedly, could not be put to use till date (August 2013). This resulted in an unproductive expenditure of ₹90.28 lakh besides frustrating the objectives of introducing mechanisation in the cluster to improve the productivity and economic condition of the poor artisans of Hajo. Moreover, possibilities of deterioration of the costly machinery and equipments due to their prolonged non-use could also not be ruled out.

The matter was reported to Government in June 2013; their reply had not been received (November 2013).

## **Public Works Department**

### **2.4.2 Infructuous expenditure**

**Executive Engineer, Sibsagar State Road Division's injudicious decision to construct the bridge proper without any provision to construct approaches led to an expenditure of ₹1.09 crore incurred on bridge proper being infructuous.**

State Government accorded (July 2002) Administrative Approval (AA) of ₹1.39 crore for the Construction of R.C.C Bridge No.127/1 over river Dorika on Dhodar Ali including approach and protection work. Technical sanction of the work, however, could not be furnished to audit. The work was awarded (April 2003) to a contractor at a tendered value of ₹1.47 crore with the stipulation to complete the work within 12 months from April 2003. Till the date of audit (November 2012), an expenditure of ₹1.09 crore was incurred on the incomplete work.

Scrutiny of records (November 2012) of the Executive Engineer, Sivasagar State Road Division, Nazira, revealed that the site was visited in November 2002 by the Superintending Engineer (SE) along with the Executive Engineer (EE). The report submitted (November 2002) by the SE to the Chief Engineer, disclosed that there was an existing Steel Bridge constructed by Oil and Natural Gas Corporation (ONGC) on the upstream side of the river, which was opened to traffic in January 2000 and was in good condition with sufficient load bearing capacity. In the existing site there was a stone bridge constructed during Ahom era, about 400 years ago, the foundation of which was damaged beyond repair. Since the ancient monument of some archaeological importance was not allowed to be dismantled by public and the steel bridge constructed by ONGC was serving the purpose, SE suggested (November 2002) to drop the construction of RCC bridge. CE however did not take into consideration SE's views and issued work order (April 2003) and formal agreement was entered into between the contractor and the Government. The bridge proper was constructed adjacent to the defunct stone bridge. The site plan of the bridge disclosed that due to retention of ancient stone bridge, the site was pushed adjacent to the

stream running parallel to the road Dhodar Ali which in turn necessitated construction of retention wall not contemplated in the original estimates.

Joint site visit with the JE of the Division during audit (November 2012) revealed that the bridge proper was completed (August 2005) without any approach road on either side of the bridge.



*Bridge proper without any approach and protection work on Sonari side. (November 2012)*



*Incomplete earth work for bridge approach without any retaining wall and protection work on Simaluguri side. (November 2012)*



*Bridge proper without any approach and protection work on Simaluguri side. (November 2012)*



*Existing steel bridge constructed by ONGC on up stream of the bridge. (November 2012)*

In reply to audit enquiry, the EE stated (November 2012) that although the work of the bridge proper was completed by the contractor, it became difficult to execute the earth work for bridge approaches on both Sonari side and Simaluguri side due to presence of a nearby stream flowing parallel to Dhodar Ali. It was felt that if approaches were done without any retaining wall or any protection work towards stream side it would result in blocking the stream threatening flood in the nearby areas and as such the work was left incomplete. A report regarding requirement of retaining wall was sent to the CE (February 2007). The approaches were not completed till date (August 2013). Absence of the provision of retaining wall in the original estimates denotes inadequate survey and investigation leading to defective planning and design by the Engineering authority.

Thus, injudicious decision of the Executive Engineer, Sibsagar State Road Division to construct the bridge proper without any provision to construct approaches resulted in infructuous expenditure of ₹1.09 crore on bridge proper.

The matter was reported to Government in May 2013; their reply had not been received (November 2013).

### **2.4.3 Irregular grant of advance**

**Executive Engineer, Guwahati NH Division extended mobilization advance of ₹3.37 crore to a contractor unauthorisedly. Besides, a loss of ₹64.68 lakh was sustained by providing interest free advance without safeguarding the Government interest.**

The provisions as per CPWD Manual and also CVC guidelines/instructions are applicable on the matters where APWM does not cater any provision. APWM is silent regarding payment of Mobilisation Advance (MA) to contractors. Provisions regarding grant of MA stipulated in CPWD Manual and as per CVC guidelines/instructions are as follows –

- Para 31.5 of CPWD Manual, 2007 provides that MA to contractor is admissible in respect of certain specialized and capital intensive works valuing not less than ₹two crore limited to a maximum of 10 *per cent* of the estimated cost put to tender at 10 *per cent* simple interest against production of bank guarantee for the advance.
- Central Vigilance Commission (CVC) instructed (October 1997 and April 2007) that adequate steps may be taken for ensuring grant of MA for only selected works and it should be interest bearing to preclude undue benefit to the contractor. It should be granted by a Board (with concurrence of Finance) in the organization constituted for the purpose. Interest-free MA is not to be encouraged but if the management feels it necessary in specific cases, it is to be clearly stipulated in the tender document and its recovery is to be time bound and not linked to the progress of work. Part ‘Bank Guarantees’ (BGs) against the MA should be taken in as many numbers as the proposed recovery installments and should be equivalent to the amount of each installment. This is to ensure recovery of advances by encashing the BGs.

Scrutiny of records (April 2013) of the Executive Engineer (EE), NH Division, Guwahati revealed that Government of India (GoI) accorded (October 2008) Administrative Approval (AA) for an amount of ₹4,616 lakh to the work ‘Construction of 4-lane on existing NH-37 from 134 km to 140 km’ including construction of Flyover at Lokapriya Gopinath Bordoloi International (LGBI) Airport Junction. Technical Sanction (TS) was accorded (July 2009) for the same amount by the Chief Engineer (CE), PWD, NH Works. The work was allotted (May 2009) to a contractor at a tendered value of ₹3,368.63 lakh with the stipulation to complete the work within June 2011. The estimate was further revised to ₹5,557.58 lakh due to enhancement of the scope of work, which was administratively approved by GoI in September 2011. Accordingly, the tender was enhanced (December 2011) to ₹4,902.09 lakh due to change in scope of work. Till the date of audit (April 2013), an expenditure of ₹4,583.15 lakh was incurred on the completed work.

A further scrutiny of records of the EE in this regard and information furnished (May 2013) by the division revealed that, the division paid (July 2009) interest-free MA of ₹3.37 crore to the contractor as per the terms of the agreement. While entering into agreement CVC instructions ibid were however, not observed.

On this being pointed out, the Government in reply stated (October 2013) that interest element on MA was not included in the agreement for the reason that the instructions from the Ministry (MoRT&H) in this regard were received only in April 2011.

The reply was not tenable as CVC's instructions in this regard were issued way back in October 1997 and further in April 2007 whereas the work order in the instant case was issued in May 2009.

Thus, irregular MA of ₹3.37 crore was granted to the contractor without observing CVC's instructions. Besides, due to non-inclusion of provision of interest in the agreement towards safeguarding Government interest loss of ₹64.68 lakh as detailed in *Appendix 2.19* was also sustained by the Government.

#### **2.4.4 Undue financial aid**

##### **Executive Engineers of NH Division Guwahati and Kampur NEC Division, PWD extended undue financial aid of ₹3.90 crore to contractors by granting irregular equipment advance.**

(A)(i) Government of India (GoI) accorded (October 2008) Administrative Approval (AA) of ₹46.16 crore for 'construction of four lane on existing NH-37 from 134 km to 140 km including construction of Flyover at Lokapriya Gopinath Bordoloi International (LGBI) Airport Junction'. Technical Sanction (TS) was accorded (July 2009) for the same amount by the Chief Engineer (CE), PWD, NH Works. The work was allotted (May 2009) to a contractor at a tendered value of ₹33.69 crore with the stipulation to complete the work within June 2011. The AA was however, revised (September 2011) to ₹55.58 crore by GoI. As a result, tender was also subsequently enhanced (December 2011) to ₹49.02 crore due to change in the scope of work. Till the date of audit (April 2013), an expenditure of ₹45.83 crore was incurred on the completed (March 2013) work.

(ii) GoI accorded (July 2010) AA of ₹32.93 crore to another work 'Strengthening of pavement from 6.160 km to 32 km of NH 37' under Guwahati NH Division. TS was accorded (February 2011) for the same amount. The work was awarded (December 2010) to a contractor at a tendered value of ₹30.37 crore with the stipulation to complete the work within January 2013. Till the date of audit (April 2013), an expenditure of ₹29.53 crore was incurred on the completed work.

Scrutiny of records (April 2013) of the Executive Engineer, Guwahati NH Division, Guwahati revealed that one of the pre-requisites for consideration as a bidder was to

provide the evidence of ownership of key equipments<sup>27</sup> and also to demonstrate the availability of the equipments for the construction work. Thus, the provision for equipment advance in the tender agreement was obviously meant for the purchase of equipments other than the key equipments. Also as per terms of the contract, the contractor was to furnish proof that advance payment had been used to pay for the purchase of equipments. In respect of the work at (i) above, the contractor submitted an affidavit against his bid showing the list of equipments owned and possessed by him as on 20 December 2008. Although the equipments were already in contractor's possession according to his own admission in the affidavit, the contractor was granted (July 2009) an equipment advance of ₹168.43 lakh. Similarly, in respect of the work at (ii) above, in spite of having key equipments in his possession at the time of bidding and also as per affidavit submitted (August 2010), the contractor was granted (January 2011) equipment advance of ₹151.85 lakh. Besides, in both the cases invoices of equipments submitted showed pre-requisite equipments were purchased on different dates prior to grant of the equipment advance to the contractors and hypothecation of the equipments to the employer were also not available on record.

**(B)** Similarly, Government of India (GoI) accorded (February 2011) Administrative Approval (AA) of ₹71 crore for "Improvement/upgradation of JowaiNatrang Khanduli-Baithalangso Road (chainage 0 to 59.55 km)" under North Eastern Council's 11<sup>th</sup> Five Year Plan programmes. Technical Sanction (TS) was accorded (February 2012) for the same amount by the Chief Engineer, PWD (Roads). The work was allotted (October 2011) prior to accordance of TS to three contractors<sup>28</sup> with the stipulation to complete the works of different chainages within 14 October 2013. Till the date of audit (April 2013), an expenditure of ₹25.73 crore was incurred on the work with physical progress of 80 *per cent* (Chainage 0 to 20 km), 30 *per cent* (Chainage 21 to 37 km) and 35 *per cent* (Chainage 38 to 59.55 km) respectively.

Scrutiny of records (May 2013) of the EE, PWD, Kampur NEC Division revealed that possession of key equipments<sup>29</sup> was also pre-requisite for a bidder (bids invited September 2011). Scrutiny revealed that though as per the affidavit, the 2<sup>nd</sup> contractor

---

<sup>27</sup> Motor Grader, Bull Dozer etc.

<sup>28</sup> (i) 1<sup>st</sup> contractor (M/s Rangkumon Warisa) : Chainage 0 to 20 km

(ii) 2<sup>nd</sup> contractor (M/s Suman Construction): Chainage 21 to 37 km

(iii) 3<sup>rd</sup> contractor (M/s Napoleon Kather) : Chainage 38 to 59.55 km.

<sup>29</sup>

1) Hot Mix Plant, 2) Excavator cum Loader, 3) Static Roller, 4) Vibratory Roller, 5) Water Tanker with sprinkler, 6) Mechanical broom hydraulic, 7) Concrete mixer with weighing and water necessary facility, 8) Tippers, 9) Truck, 10) Bitumen boiler, 11) Vibrator with all accessories and 12) Piling Rigs with accessories.

was in possession of pre-requisite equipments with ownership/lease basis<sup>30</sup>, the contractor was granted (March 2012) an equipment advance of ₹70 lakh for purchase of key equipments. The amount remained unadjusted till the date of audit (May 2013) although the contractor was already paid ₹3.13 crore. Further, in order to protect the interests of the Government, of the equipment purchased by the contractor should have been insured and hypothecated in the name of Government. Even the bonafides of the purchase of equipments remained doubtful as supporting documents *e.g.*, invoices could not be furnished by the EE.

In reply, the Government stated (July 2013) against the observation at 'A' above that possession of key equipment is a pre-requisite for technical qualification of the bidder and equipment advance was granted according to the provision of standard bidding document. The reply was not tenable being the possession of the equipments was pre-requisite and also an eligibility criterion for the qualification of the bidder and therefore, the bidder (contractor) was not entitled for any equipment advance in respect of these equipments.

Thus, providing advance for key equipments, possession of which were pre-requisite for a bidder resulted in extension of undue financial benefit of utilisation of public money to the tune of ₹3.90 crore (₹1.68 crore + ₹1.52 crore against 'A' and ₹0.70 crore against 'B' above) irregularly to the contractors by the EE, Guwahati NH Division and EE, Kampur NEC Division.

#### 2.4.5 Unproductive expenditure

**Executive Engineer, Nagaon State Road Division incurred an expenditure of ₹62.88 lakh towards a bridge project, which remained incomplete for more than five years and thus proved unproductive.**

Government of Assam, Public Works Department accorded (September 2004) Administrative Approval for "Construction of RCC bridge No. 12/1 over river Kapili on Amsoi-Chaparmukh Road including approaches and protection work under RIDF-

30

Type of equipment	Availability as per declaration
1) Hot Mix Plant	2 (Lease)
2) Excavator cum Loader	1 (Own) + 3 (Lease)
3) Static Roller	1 (Own) + 3 (Lease)
4) Vibratory Roller	2 (Lease)
5) Water Tanker with sprinkler	2 (Lease)
6) Mechanical broom hydraulic	1 (Lease)
7) Concrete mixer with weighing and water necessary facility	2 (Own) + 4 (Lease)
8) Tippers	8 (Lease)
9) Truck	4 (Lease)
10) Bitumen boiler	2 (Lease)
11) Vibrator with all accessories	12 (Lease)
12) Piling Rigs with accessories	2 (Lease)

Source: Departmental records.

IX of NABARD” for ₹4.87 crore. The work was allotted (March 2005) by the Chief Engineer (CE), PWD (ARIASP & RIDF), Assam to a contractor at a tendered value of ₹4.85 crore with the stipulation to complete the work within September 2007. The tendered value was revised (July 2005) to ₹4.09 crore due to change in the scope of work. Technical Sanction was accorded (November 2005) for ₹4.87 crore by the CE after allotment of the work. As of September 2012, an expenditure of ₹62.88 lakh was incurred on the work with a physical progress of 18 *per cent*.

Scrutiny of records (September 2012) of the Executive Engineer (EE), Nagaon State Road Division revealed that although the contractor commenced the work immediately (March 2005), but it was executed at a very slow pace without adhering to the work programme submitted by him towards completion of the work. In view of slow progress of work, the division served (August 2006) show cause notice to the contractor for delay in execution of work. Even after due date of completion (September 2007), the physical progress was only 18 *per cent* and the contractor did not apply for any extension of time. Ultimately, the work was withdrawn (January 2008) from the contractor stating that the balance work would be executed through another contractor at the risk and cost of the defaulting contractor as per agreement by forfeiting the security deposit. It was, however, observed that:

- (i) Validity of performance security of ₹9.70 lakh furnished by the contractor in the form of bank guarantee was allowed to expire (28 June 2008) and thus, could not be forfeited.
- (ii) Payment of ₹20.50 lakh was released to the contractor after the work was withdrawn from him due to unsatisfactory performance.
- (iii) No action was taken by the Division to get the work completed at the risk and cost of the defaulting contractor.

The work remained incomplete till the date of Audit (September 2012).

On this being pointed out by Audit regarding status of completion of balance work, EE stated (September 2012) that another tender was invited to complete the balance work. But the balance work could not be allotted to any contractor as rates quoted by the contractors exceeded the sanctioned amount. Further, it was stated that new estimates for completion of balance work was submitted (July 2012) to the CE for sanction under RIDF-XVII, but no sanction was accorded till date (September 2012).



Incomplete Bridge 12/1



Incomplete Bridge 12/1

(September 2012)

Thus, failure of the Division to protect the interest of the Government by forfeiting the contractor's Security Deposit and invoking the risk clause as per the Agreement to get the balance work done at the risk and cost, led to unproductive expenditure of ₹62.88 lakh even after a lapse of five years from the stipulated date of completion.

The matter was reported to Government in March 2013; their reply had not been received (November 2013).

#### 2.4.6 Wasteful expenditure

**Executive Engineer of Guwahati City Division-I incurred expenditure of ₹78.59 lakh on "Special Repair to M.G. Road", which was rendered wasteful due to execution of another work in the same chainage within the same month of execution.**

Scrutiny (January 2013) of records of the Executive Engineer (EE), Guwahati City-I Division revealed that the State Government accorded (February 2011) Administrative Approval (AA) of ₹78.61 lakh to the work "Special Repair to M.G. Road (Ch. 0.00 m to 3,000.00 m) providing Tack Coat (TC), Bituminous Macadam (BM) and Semi-Dense Bituminous Concrete (SDBC) under the head of account 3054 – Capital outlay on Roads and bridges – Non-plan for the year 2010-11. Technical Sanction (TS) for the same amount was accorded in September 2011. The work was awarded (September 2011) to a contractor at a tendered value of ₹78.59 lakh with the stipulation to complete the work within March 2012. The work was completed on 13 February 2012 after incurring an expenditure of ₹78.59 lakh<sup>31</sup>.

31

Sl. No.	Item of work	Quantity executed	Chainage of execution	Rate	Amount (₹)
1	2	3	4	5	6
1.	Tack Coat	28,888 m <sup>2</sup>	0 m to 1,473 m, 2,024 m to 2,774 m & BM area	₹10/m <sup>2</sup>	₹2,88,880
2.	BM	137.20 cum	BM area	₹6,903.26/cum	₹9,47,127
3.	SDBC	722 cum	0 m to 1,623 m and 2,024 m to 2,774 m	₹9,022.91/cum	₹65,14,541
Add: 1.4 per cent as per tender					₹1,08,508
<b>Total</b>					<b>₹78,59,056</b>

Source: Departmental records.

Further scrutiny revealed that prior to completion of the above “Special repair work”, State Government accorded (February 2012) AA for ₹140 lakh to the work “Repair & Rehabilitation of M.G. road under the head of account 3054 – Non-plan for the year 2011-12” in the same chainages (Ch. 0 m to 2,800 m) of the same road. In February 2012, TS for the same amount was also accorded. The work was awarded (February 2012) to a contractor at a tendered value of ₹118.78 lakh with the stipulation to complete the work by 2 April 2012. The work commenced on 17 February 2012 and got completed in March 2012 at an expenditure of ₹93.68 lakh, of which expenditure on TC and SDBC was ₹92.32 lakh<sup>32</sup>.

Thus, execution of same items of work viz., TC and SDBC in the same chainages of the same road within a month rendered the earlier expenditure of ₹78.59 lakh incurred under the work “Special Repair to MG Road” wasteful.

On this being pointed out, the Commissioner and Special Secretary, PWD (Roads), Assam in reply stated (November 2013) that the two works were done on the same road contemporarily but these were executed in different stretches with different items of works.

The reply was not acceptable as similar items of work *i.e.*, TC and SDBC were executed in both the works on the same stretch of the same road rendering the expenditure of ₹78.59 lakh incurred on the earlier work wasteful.

#### **2.4.7 Wasteful expenditure on bridge work**

**Executive Engineer, Karimganj Rural Road Division incurred expenditure of ₹62.05 lakh in construction of an RCC bridge, which remained incomplete even after elapse of eight years since commencement, rendering the expenditure wasteful.**

Government of Assam (GoA) accorded (June 2004) Administrative Approval (AA) of ₹2.06 crore for the construction of RCC Br. No.1/2 over river Kokra on Kaliganj Khagail Road including approaches and protection work under Rural Infrastructure Development Fund-VIII (RIDF-VIII) of National Bank for Agriculture and Rural Development (NABARD). The work was awarded (January 2005) to a contractor at a tendered value of ₹2.06 crore with the stipulation to complete the work within July 2006. However, till the date of audit (August-September 2011), an expenditure of ₹62.05 lakh was incurred with a physical progress of 33 *per cent*.

<sup>32</sup>

Sl. No.	Item of work	Quantity executed	Chainage of execution	Rate	Amount ₹
1	2	3	4	5	6
1.	TC	41,894.93 m <sup>2</sup>	0 m to 2800 m	₹12/m <sup>2</sup>	₹5,02,739
2.	SDBC	1047.366 cum	0 m to 2800 m	₹8334.65/cum	₹87,29,429
<b>Total</b>					<b>₹92,32,168</b>

Source: Departmental records.

Scrutiny of records (August-September 2011) of the Executive Engineer (EE), Karimganj Rural Road Division revealed the following:

- i. Work was awarded (January 2005) and its execution commenced (March 2005) by the contractor even before Technical Sanction (TS) was accorded (June 2005) despite the condition (in the AA) that no work should be taken up for execution till a detailed working estimate is prepared and TS for the estimate accorded.
- ii. The TS was accorded with inadequate techno-feasibility study including sub-soil investigation as it could not detect the composition of soil strata at the pier well site upto the design depth.
- iii. While abutment well on the Kaliganj side was achieved till the designed depth of 21.40 m, depth of abutment well on the Khagail side could be achieved (April 2007) only till 15 m against an approved design depth of 21.40 m. No further progress was noticed thereafter as decision on sinking of pier well was pending.
- iv. Pier well sinking could be completed only up to a depth of 14.30 m out of total depth of 25.24 m as per approved design and drawing due to existence of hard clay soil. Efforts of EE to sink the well by applying compressor and extra load of 200 Ton had also not materialized. As the pier well could not be executed as per design the EE ultimately sought (March 2010) for permission to construct the bridge with single span instead of double span as the pier well could not be executed as per design.

The work was stopped in April 2007, hampering other developmental works beyond the proposed RCC bridge as the existing Semi Permanent Timber (SPT) bridge was in a dilapidated condition and unable to bear heavy loads of construction materials. Meanwhile RIDF-VIII had since been closed by GoI and as the contractor stopped work since April 2007, the work was withdrawn (June 2010) from the contractor after forfeiting security deposit of ₹10.30 lakh as per clause of the tender agreement.

Thus, inadequate techno-feasibility study including sub-soil investigation of the work before according TS resulted in non-execution of balance work after incurring an expenditure of ₹62.05 lakh. This resulted in wasteful expenditure of ₹51.75 lakh (₹62.05 lakh - ₹10.30 lakh) besides forfeiting the intended objective of providing connectivity to the people of the area.



*Present condition of construction site, with dilapidated condition of existing SPT bridge  
(25 August 2011)*

The matter was reported to Government in June 2013; their reply had not been received (November 2013).