CHAPTER-II

COMPLIANCE AUDIT

CHAPTER II

COMPLIANCE AUDIT

2.1 Infructuous/wasteful expenditure and overpayment

ROADS AND BUILDINGS DEPARTMENT

2.1.1 Loss due to incorrect adjustment of price variation on asphalt

Adoption of depot rates instead of ex-refinery rates for adjustment of price variation on asphalt resulted in short recovery/excess payment of ₹ 1.12 crore.

Tenders for the road works for estimated cost above rupees five lakh have provisions for adjustment of price variation on asphalt. The ex-refinery rate of asphalt of Indian Oil Corporation Limited (IOCL), Koyali[1], Vadodara, prevailing at the time of preparation of estimate is fixed as star rate. Further, tender conditions stipulates for procurement of asphalt directly from refinery only. As per tender provisions, the difference between the prevailing ex-refinery rate as per the bill produced and the star rate shown in the tender shall be payable/recoverable for the quantity of asphalt actually used in the works.

Executive Engineers (EE), Roads & Buildings Division, Himmatnagar and Patan awarded contracts for 14 road works in 2008-09 with tender provisions for adjustment of price variation on asphalt. For execution of these road works, the contractors procured 5,045.158 MT asphalt between January 2009 and June 2009 from the depot of Hindustan Petroleum Corporation Limited (HPCL) at Savli, Vadodara.

Audit scrutiny (November 2010/February 2011) revealed that the purchase rates of asphalt brought by the contractors from HPCL's depot at Vadodara was higher by ₹ 1,201 to ₹ 2,403 per MT than the ex-refinery rate of IOCL, Koyali, Vadodara during January to June 2009. Despite explicit tender conditions, the contractors did not procure asphalt from refinery. Further, the adjustment of price variation on asphalt was paid/recovered based on the contractors' actual purchase rates from the HPCL Depot which resulted in short recovery/excess payment of ₹ 1.12 crore (**Appendix-II**). Failure to regulate adjustment of price variation on asphalt based on the ex-refinery rates resulted in loss to the Government.

The Government replied (July 2012) that price variation of asphalt was calculated by the division office as per the actual procurement rates of asphalt. Further, the Department's circulars dated 2 September and 8 December 2008, allow for the import/procurement of asphalt from private refinery subject to

[1] Only Public Sector Refinery situated in Gujarat.

ceiling of ex-refinery rates of asphalt prevailing at Public Sector Oil Companies of Government of India i.e. IOCL, HPCL, etc.

The reply of the Government is contradictory and not acceptable. While reiterating that procurement of asphalt from private refinery is subject to ceiling of ex-refinery rates, the Government has accepted that in the instant case, price variation paid was as per the actual procurement rates of asphalt. Therefore, contractors were allowed price variation on asphalt at rates higher than ex-refinery rates leading to loss of ₹ 1.12 crore.

2.2 Avoidable/excess/unfruitful expenditure

NARMADA, WATER RESOURCES, WATER SUPPLY AND KALPSAR DEPARTMENT

2.2.1 Improper planning led to non-achievement of targeted irrigation benefits

Non-commencement of construction of canals simultaneously with the head works of Machhu-III Water Resources Project led to non-achievement of the targeted irrigation benefits even after investment of ₹ 25.64 crore.

The State Government approved (March 1996) Machhu-III Water Resources Project (MWRP-III) near village Juna Sadulka in Morbi Taluka (Rajkot District). The estimated cost of the project was ₹ 32.65 crore and the administrative approval was given in February 2001. The MWRP-III envisaged construction of head works[2] across the river Machhu, main canal (18.180 kms long) and four minor canals (total length 10.920 kms) to provide irrigation facilities to 1840-hectare land of seven villages[3]. The Executive Engineer, Project Construction Division-IV[4], Rajkot was in charge of the MWRP-III.

Tender for the construction of head works was awarded to firm K[5]for ₹ 13.78 crore in July 2004 with stipulated completion by July 2007. Firm K stopped the work from October 2005 after completing work[6] of ₹ 2.91 crore. This was due to submergence of the land for dam work because of heavy flow of water in Nava Sadulka check dam situated in the downstream of the proposed Machhu III Dam. The Government rescinded the contract (September 2008) of firm K to avoid any contractual complications and awarded (February 2009) the balance work[7] to firm J[8] for ₹ 19.37 crore with stipulated completion by February 2012. The work was completed in

[2] Earthen Dam, Spillway and Masonry dam, Head Regulator and Spillway Bridge.
[3] Naranka, Derala, Meghpar, Sarvad, Navagam, Motibarar and Motabhela.
[4] Earlier it was with Project Construction Division-III, Rajkot, now closed.
[5] M/s Ketan Constructions Limited, Rajkot.
[6] Foundation work and small quantum of excavation, masonry and concrete works related to spillway.
[7] Since the design for the dam work of previous contract was prepared prior to the occurrence of earthquake in 2001, the new items of work viz., earthquake proof design and dewatering were also included in the contract awarded to firm J.
[8] M/s.J.K.Transport &Construction Company, Rajkot.

June 2012. The total cost incurred (November 2012) by the Department for the project was ₹ 25.64 crore and it had the deposits of ₹ 16.11 crore with its Mechanical Wing for taking up installation of radial gates and other allied electro mechanical works which are under progress (November 2012).

We observed that out of 7.99 Million Cubic Meters (MCM) projected utilisable water from MWRP-III, 5.04 MCM would be utilised through canal distribution system. Therefore, to reap the maximum benefit of MWRP-III at the earliest possible time, the Department should have commenced the canal works simultaneously with the headwork. However, the Department commenced the geological survey and investigation works for canal construction only in April 2012. Further, it had neither finalised modalities/design nor had taken up the land acquisition procedure for canal construction[9] indicating unclear future about utilisation of public investment of ₹ 25.64 crore (July 2012).

The Government stated (July 2012) that after finalisation of canal alignment in December 2005 attempts were made for acquisition of land for canal work. Initially, the local farmers represented for dropping the canal work and release of the water for irrigation by using check dams in the river Machhu. Later, they had suggested for laying piped canal instead of construction of open canal. The technical and financial viability of the option suggested was being evaluated for taking suitable decision and thereafter, the land acquisition process would be taken up. In the meantime, water stored in the dam constructed was recharging the ground water and was also available for lift irrigation to local farmers.

The reply is not acceptable as the geological and investigation work for canal construction was started in April 2012 i.e. 16 years after the project received 'in principle' approval from the Government. The fact, therefore, remains that the non-synchronisation of canal work with the head works led to delay in the delivery of envisaged benefits of the project. Further, the delay in completion of the project also indicates deficiencies in the management of project activities by the Department.

2.2.2 Unproductive expenditure on incomplete spreading channel work

Commencement of construction of spreading channel without ensuring the acquisition of required land led to unproductive expenditure of ₹ 2.23 crore and irregular parking of Twelfth Finance Commission funds of ₹ 4.00 crore.

Para 232 of the Gujarat Public Works (GPW) manual, Volume-I, stipulates that work may be commenced if the possession of the land is obtained for more than 50 *per cent* of the length/area and that the officer concerned is confident that the remaining 50 *per cent* of length/area can also be acquired without much difficulty or obstruction and the contract period for the work is not less than 12 months.

[9] Underground pipeline or open cut method.

State Government approved (January 2008) a project for construction of 22.80 km long spreading channel (SC)[10] joining Vasoj Tidal Regulator (TR) and Panch Pipalva TR in Una Taluka with the objective of improving the quality of water in saline affected area of about 2,400 hectares (ha) covering seven villages[11] of Junagadh district. As per plan, the flood water during monsoon from the above TRs and also diversion of post monsoon flow of water from Sangawadi River would fill the SC so as to recharge the ground water and counter the advance of salinity in the affected area.

The Executive Engineer (EE), Salinity Control Division, Bhavnagar (SCDB), in charge of execution of this project, awarded (December 2008) the contract for the construction of SC for ₹ 6.55 crore (i.e. 24.85 *per cent* below the estimated cost of ₹ 8.71 crore) to a contractor [12] with stipulated completion of work by March 2010. Funds of ₹ 6.58 crore were received (2008-10) for this project under Twelfth Finance Commission (TFC). The contractor could execute work in 9.76 km only in different chainages[13] of SC valuing ₹ 2.23 crore till May 2010. As the private land required for continuing the work was not acquired, the Government rescinded (July 2011) the contract.

We observed (February 2011) that for the construction of SC, total 91.30 ha land was to be acquired which included 64.57 ha private land, 23.41 ha Government waste land and 3.32 ha forest land. However, at the time of issuing the work order (December 2008), the Department was not in possession of private land. In fact, EE, SCDB initiated land acquisition procedure only in December 2008 and during contract period only 16 ha private land, where owners had given their consent, could be handed over to the contractor. Acquisition of private land was yet to be completed (September 2012). Further, the EE, SCDB transferred (September – October 2009) fund of ₹ 4.00 crore to Mechanical Wing of the Department[14] for execution of remaining earthwork of the project. This fund remained unutilised as the action to acquire the private land was in progress (September 2012).

As the works was commenced with availability of only 29 *per cent*[15] of total land required and also without ensuring the acquisition of remaining land, the SC of 9.76 km constructed at different stretches did not ensure the feeding of flood water throughout the channel from both ends of TRs/the river to achieve the envisaged benefit. Thus, the expenditure of ₹ 2.23 crore incurred on SC remained unproductive. Further, TFC grant of ₹ 4.00 crore remained unutilised for more than two years. (September 2012).

The Government stated (July 2012) that the work order was issued as the farmers of 40 ha private land had given their oral consent for the acquisition, but later they did not allow the execution of SC work. Regarding retention of

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[10] Construction of narrow channels near the coastal line connecting two reservoirs.

[11] Vasoj, Olwan, Paladi, Tad, Kob, Bhingran and Chikhali of Una Taluka.

[12] M/s BM Chapalkar and Sons, Nasik.

[13] Chainage 0 to 700; 10,930 to 11,875; 11,900 to 13,590; 13,620 to 13,860; 13,910 to 14,610; 14,700 to 14,830; 14,940 to 15,180; 15,210 to 16,440, 17,010 to 20,220 and 22,110 to 22,785 meters.

[14] As per the direction of the Department (September 2009) funds were transferred to Irrigation Mechanical Division No.3, Gandhinagar.

[15] Government land -23.41 ha and Forest land-3.32 ha.

TFC grant, it was replied that the fund could be utilised on the same work after acquisition of land.

The reply is not acceptable as commencement of work without ensuring acquisition of required land was in violation of the provisions of GPW manual. Also parking of grant amount under deposits on the plea of utilising it in future was in violation of Rule 193 (2) of the Gujarat Treasury Rules, 2000.

2.2.3 Avoidable expenditure due to inefficient use of electrical energy

Failure to conduct energy audit led to non-detection of inefficient use of electrical energy in operation of Chinchai Lift Irrigation Pumping Station and consequent avoidable expenditure of ₹ 79.63 lakh on electricity charges.

As per Gujarat Use of Electrical Energy (Regulation) Order, 1999, every consumer[16] whose contracted load is 75 kilo-watts or more is required to get energy audit done within two years from the date of becoming a consumer and thereafter every three years. The purpose of energy audit is to verify leakage or wastage or inefficient use of electrical energy in operating the electrical installation/apparatus so as to take corrective steps for preventing its occurrence.

The Chinchai Lift Irrigation Scheme (CLIS) of the State Government envisaged irrigation of the land in 18 villages of Valsad Taluka through the construction of feeder canal, intake pump house and distribution network system by laying underground pipelines. The Executive Engineer (EE), Damanganga Canal Distributory Division-2, Valsad (DCDD) is in charge of execution of the scheme.

The civil work of CLIS, including providing and commissioning of eight vertical turbine pumps, was completed in June 2005. The EE, DCDD estimated the requirement of power supply as 1,000 KVA to cater to the demand for water in 3,420 hectare of command area by operating three motor pumps at a time and also keeping in view the future demand for water in 483 hectare at command area of Chinchai and Kosamkuva. Accordingly, agreement for 1,000 KVA power supply was made (October 2005) with Dakshin Gujarat Vij Company Limited (DGVCL). As per the provisions in the tariff of DGVCL for supply of power to High Tension (HT) consumers, monthly billing of demand (MBD) charges is recoverable on highest of (a) actual maximum demand established during the month or (b) 85 *per cent* of the Contract Demand (CD) or (c) 100 KVA. Further, power factor adjustment (PFA) charges are also leviable, if consumer failed to maintain the power factor at a minimum 90 *per cent*.

The power supply for CLIS commenced from December 2005. However, between December 2005 and March 2012 actual maximum demand remained below 500 KVA except 629 KVA recorded in October 2006. The actual power

[16] whom electrical energy is supplied for a purpose other than residential or industrial.

demand registered was less than the CD as the construction of distribution system under CLIS was not progressing well[17]. Therefore, MBD charges were payable on 850 KVA (85 *per cent* of 1,000 KVA) as per DGVCL tariff. Moreover, minimum power factor, except in three months[18], remained less than 90 *per cent*.

We observed that the EE, DCDD had not got the energy audit done, as per Government directives *ibid,* of CLIS pumping station since its commencement. As a result, the actual requirement of power could not be assessed and losses on account of non maintenance of minimum PF could not be prevented. In fact, considering the actual power demand registered during the period December 2005 to March 2012, the maximum CD of 650 KVA was sufficient to serve requirement of the division, which could have saved ₹ 32.86 lakh as MBD charges[19]. Further, having a CD of 1,000 KVA (indicating high inductive load) in the absence of demand led to non-maintenance of PF to the desired level of 90 *per cent*. Consequently, DGVCL levied and recovered PFA charges of ₹ 46.77 lakh during the period December 2005 to March 2012.

The Government stated (June 2012) that the actual usage of energy remained less than envisaged due to less demand of water from farmers. Further, EE, DCDD intimated (July 2012) that the reduction of CD to 500 KVA, was now made in July 2012.

Thus, the fact remains that the Department's failure to conduct the energy audit of CLIS led to non-reduction of CD based on the actual requirement and non-initiation of other corrective steps for maintaining PF at the prescribed level over a long period. This led to incurring avoidable expenditure of ₹ 79.63 lakh towards MBD and PFA charges.

ROADS AND BUILDINGS DEPARTMENT

2.2.4 Avoidable expenditure to facilitate inauguration of incomplete bypass road

Imprudent decision of the Department to construct alternate route and install ultramodern road furniture to facilitate inauguration of incomplete bypass road had resulted in avoidable expenditure of ₹ 2.24 crore.

The State Government approved (May 1997) construction of the Godhra bypass road[20], including major bridge across river Meshri, connecting Halol-Godhra-Shamlaji State Highway with a view to divert continuous flow of traffic out of Godhra city. The Executive Engineer (EE), Roads & Buildings (R&B) Division, Godhra was in charge of this work. The work of construction

[17] Which in turn led to lesser demand for water and lesser use of pumps.
[18] December 2008, February 2010 & October 2011.
[19] Actual demand charges paid (-) demand charges recoverable if CD was fixed at 650 KVA.
[20] 10.220 km bypass road around Godhra town.

of the bypass road was entrusted to firm R[21]in January 2006 and completed in June 2008. Tender for the construction of bridge across river Meshri was awarded to firm S[22] in July 2008 with stipulated completion by October 2009.

In the meantime (September 2008), the Gujarat State Road Development Corporation Limited entered into a Concession Agreement (CA) with a concessionaire[23] for construction of additional two lanes for Halol-Godhra-Shamlaji State Highway to make it four lane divided carriageway on Build, Operate and Transfer (BOT) basis. The CA *inter alia* included construction of additional two lane road and new river bridge parallel to the bypass road *ibid* under construction by the State R&B Department.

The Government (November 2008) decided to celebrate State level Republic Day function (26 January 2009) at Godhra. Inauguration of the Godhra bypass road was to be a part of this function. Since the bridge work was not likely to be completed before the scheduled inauguration date, it was decided to construct an alternate road across river Meshri[24] by strengthening the nearest passing village road. It was also directed to install ultra modern road furniture[25]at par with express highway standards on the completed bypass road. These additional works of construction of alternate road and installation of road furniture were completed (January 2009) by firm R at a cost of ₹ 2.24 crore. The bypass road, before completion of bridge, was inaugurated on 17 January 2009. Firm S completed the construction of bridge in April 2010.

Our scrutiny revealed (September 2011) that the alternate road constructed for the purpose of inauguration at a cost of ₹ 1.13 crore was utilised as temporary diversion of bypass road till the bridge work was completed (April 2010). We also noticed that expenditure of ₹ 1.11 crore incurred on ultramodern road furniture on the bypass road was unwarranted as this was included in the scope of work of concessionaire as per the CA. The State Government was aware that CA had been executed for the development of two lane Halol-Godhra-Shamlaji State Highway including bypass road under construction to be converted into four lane BOT road by the Concessionaire.

Thus, in order to facilitate inauguration of the incomplete bypass road, the Department incurred ₹ 2.24 crore. The concessionaire completed BOT road and commenced toll collection for its use from April 2012. The free passage of this bypass road, inaugurated by incurring additional expenditure of ₹ 2.24 crore *ibid,* was available to the public only for limited period of 15 months (January 2009 to March 2010).

[21] M/s. RK Construction Company, Godhra.
[22] M/s. Shantilal B. Patel, Vadodara.
[23] L&T Halol-ShamlajiTollwayPrivate Limited.
[24] Alternate route Mhuliya-Tajpur-Gadkapur village Road (1.4 km long) was strengthened and widened to inaugurate the bypass road for traffic before completion of bridge.
[25] Doubling/Overhead Gantry, Solar Traffic Flasher, Concrete Delineator, Crash Barrier, Cat Eye, Thermoplastic Lining, Rubble Pitching, Cautionary Board, Gardening, and Danger Sign Board.

The Government stated (August 2012) that the diversion road was prepared by strengthening the nearby village road to make the bypass road available for traffic pending completion of bridge work on Meshri river. The alternative road constructed remained useful to public. Further, the expenditure incurred for construction of alternative road was ₹ 60 lakh only.

The reply is not acceptable. The divisional records revealed that the decision for constructing alternate route connecting the bypass road was taken (November 2008) only to facilitate the inauguration. No evidence was given to show that the alternate route is useful to the public. Final bills, details of excess work executed by firm 'R', made available to audit indicated that an expenditure of ₹ 1.13 crore was incurred for the construction of alternative road work. Moreover, the reply does not give the reason for incurring expenditure of ₹ 1.11 crore towards installation of road furniture on the bypass road, though the same had already been included in the scope of work entrusted to the Concessionaire.

2.2.5 Avoidable expenditure in execution of two road works

Preparation of estimates for construction of road works without taking into account relevant factors led to avoidable expenditure of ₹ 84.57 lakh.

The tender conditions for road works of the Roads and Buildings (R&B) Department of the State Government stipulates that payment for quantities in excess of 30 *per cent* of the tendered quantities of the work shall be made as per the rates entered in the Schedule of Rates (SOR) of the year during which the excess quantities is first executed irrespective of the rates tendered by the contractor. Therefore, all the requirements for work are required to be considered while estimating the quantity involved in the execution of work as stipulated in Para 143(1) of the Gujarat Public Works (GPW) Manual, Volume-I, so that any need may not arise to increase the quantity of work after the award of contract. However, in the following cases, the Department awarded the works without properly assessing the quantities involved in the works. Subsequently, it had awarded sizable quantities of works (in excess of 30 *per cent* of tendered quantity) to the same contractors as 'excess quantities' at higher rates based on the subsequent years' SOR resulting in avoidable expenditure of ₹ 84.57 lakh **(Appendix-III)**. Though the contractors got the original works by quoting 13 to 15 *per cent* below the estimated cost, the subsequent assignment of sizable excess quantities of works at the rates which were higher by 4 to 109 *per cent* to the tendered rates not only benefited the contractors but also defeated the very purpose of inviting competitive tenders, as discussed below in detail:

i) Improvement and widening of urban road passing through Kadi Town, Kadi-Chhatral Road 0/0 to 1/0 km.

The Superintending Engineer (SE), R&B Circle-2, Ahmedabad approved (June 2007) the estimates of the above work based on SOR of 2005-06 for ₹ 1.41 crore. The Executive Engineer (EE), R&B Division, Mehsana awarded (September 2007) the work at a tendered cost of ₹ 1.20 crore and the work was completed in May 2009 at a total cost of ₹ 3.15 crore. However, while the execution of work was in progress, it was decided to increase the length of the road from 1 km to 2.4 km on the plea that the request in this regard was received (March 2008) from the Minister of Urban Development Department.

As a result of enhancement of the length of the road, there was a substantial increase in quantities of 17 items of the work. Accordingly, the execution of quantities in excess of 30 *per cent* of the tendered quantities was entrusted to the same contractor reckoning the relevant item rate in the SOR of the year 2008-09 during which these excess quantities were first executed. The rates of SOR of 2008-09 for the 14 items of work were 4 to 109 *per cent* above the tendered rates. The cost of this excess work at tendered rate was ₹ 1.04 crore only, which got executed at a cost of ₹ 1.54 crore resulting in excess expenditure of ₹ 0.50 crore.

The Government replied (July 2012) that the scope of work was increased at the request of the Minister, Urban Development Department, so that the improvement work of Kadi-Chhatral road could be extended upto the nearest municipal limit.

The reply is not acceptable as the fact remains that the R&B Department failed to assess and consider the local requirements while deciding the scope of work initially. Further, as the excess work awarded was 1.4 times higher than the original work, the Department should have evaluated the reasonability of cost in getting the excess quantities of works executed through the ongoing contract *vis-a-vis* awarding the same through re-invitation of the tender. Review of the 20 road works executed during 2009-11 by the EE, R&B division, Mehsana revealed that there was a trend of receiving tendered costs below estimated cost ranging between 6 and 42 *per cent*. This clearly indicated the possibility for getting the additional work done at a cheaper rate compared to the SoR applied, if the tenders included the additional works.

ii) Widening and strengthening Sanand-Chekhla-Kadi Road 2.8 to 11.6 km.

The Chief Engineer, R&B Department approved (November 2007) the estimates of the above work based on SOR of 2006-07 for ₹ 5.79 crore. The EE, R&B Division, Ahmedabad awarded (March 2008) the work at a tendered cost of ₹ 5.06 crore and the work was completed in September 2009 at a total cost of ₹ 6.30 crore. The required crust thickness for strengthening of existing road portion was not properly assessed and provided for in the tender. During the progress of the work, sample of the existing old road surface was sent (June 2008) for taking up the California Bearing Ratio (CBR) test and based on the test results, crust thickness was redesigned. This led to substantial increase in quantities of four items of the work.

The contractor executed the quantities in excess of 30 *per cent* of the tendered quantities at SOR of the year 2007-08. The SOR 2007-08 for three items of work (constituting the work in excess of 30 *per cent*) were 44 to 88 *per cent* above the tendered rates. The cost of this excess work at tendered rate was ₹ 0.77 crore only, which got executed at a cost of ₹ 1.12 crore resulting in excess expenditure of ₹ 0.35 crore.

The Government replied (July 2012) that while scarifying the old surface of existing road, constructed by the Panchayat Division, break bedding was found, which necessitated conduct of fresh CBR test. Based on this test report new crust design was finalised. The reply is not acceptable as the Department failed to assess the requirement of CBR test before finalising the tender. This resulted in excess expenditure of ₹ 0.35 crore on account of execution of excess quantities of work at higher rates than the tendered rates.

2.3 Idle investment/idle establishment/blockage of funds

ROADS AND BUILDINGS DEPARTMENT

2.3.1 Blocking up of funds and non achievement of objective

Lack of adequate and timely action related to acquisition of land and obtaining the permission from Railways led to blocking up of funds of ₹ 2.08 crore and also resulted in non achievement of the objective of construction of bypass road.

Vallbhipur-Dhola-Ranghola State Highway No.-39 in Bhavnagar district is an important road connecting Bhavnagar-Ahmedabad and Bhavnagar-Rajkot State Highways. It passes through Dhola village (Bhavnagar District) between 16/8 and 17/6 km. On this road, two railway crossings exist within a short distance of 600 metres in Dhola Village resulting in traffic congestion.

To minimise the traffic congestion, Executive Engineer (EE), R&B Division, Bhavnagar proposed (November 1991) for constructing a bypass road at Dhola village by diversion of existing road as traffic density was 3,689 PCUs[26]. It was also mentioned that traffic detention period would be minimised as the proposed bypass road would have only one railway crossing instead of the present two crossings on the existing road. The Government while approving (January 1992) the alignment of the bypass road instructed the concerned division for initiating prompt action in coordination with concerned authorities related to land acquisition and also for obtaining the permission of the Railways for the proposed railway crossing on bypass road to be constructed.

Most of the private land was acquired between June 1997 and September 1999. The work for construction of bypass road was taken up in July 2009 and completed in December 2009 except at two stretches of land aggregating to 330 meters. In a stretch of 60 meters, clearance from the Railways related to construction of level crossing for the railway lines running across the bypass road was to be obtained. In the remaining stretch of 270 meters of private land acquisition was pending due to ownership dispute which was to be resolved by revenue authorities.

We observed that the division had not initiated timely action for obtaining the permission of Railways and the same was belatedly initiated in September 2011 and the issue was under correspondence with Railways (September

[26] Passenger car unit.

2012). No justification was on record for the delay in initiating action by the division. Further, adequate efforts were not made by the division and the R&B Department in coordination with concerned authorities for clearing the 270 meters of land for taking up the road work. The division, however, imprudently went ahead with the award of the road work and incurred total expenditure of ₹ 2.08 crore (including cost of land ₹ 6.32 lakh) before solving issues mentioned above. Pending permission of Railways and non-completion of road work of 330 meters, the bypass road constructed with a length of 1,700 meters was not put to use leading to blocking up of fund of ₹ 2.08 crore. Further, traffic density in the Vallbhipur-Dhola-Ranghola State Highway No.39 had increased to 15,142 PCUs (October 2011) but the problem of traffic congestion remained unresolved.

The Government stated (October 2012) that considering the public demand and increasing traffic and also in anticipation of clearance from Railway authorities, the work was taken before obtaining the clearance. Regarding the stretch of 270 meters of land pending acquisition was concerned, it was stated that the dispute related to ownership of the land was noticed during the execution of work and the matter had been pending with the revenue authorities.

The reply is not acceptable. The fact remains that the Department's failure to approach the Railways for the clearance before commencement of the work coupled with its failure to expedite the matter pending with revenue authorities for getting the stretch of 270 meters of land led to non-achievement of the objective for taking up the work even after spending ₹ 2.08 crore.