Chapter 3

Compliance Audit

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CO-OPERATION DEPARTMENT

3.1 Unfruitful expenditure

Department extended financial assistance as revival package to urban co-operative banks without providing necessary administrative and professional support, resulting in unfruitful expenditure of ₹ 35.54 crore.

Urban Co-operative Banks (UCBs) in the State were formed to promote sustained banking practices among lower and middle income strata of urban population. State Government constituted (May 2008) an Expert Committee on UCBs to look into their problems and to suggest a suitable revival package for them.

After examination of all 48 UCBs in the State, Committee recommended (2009) financial assistance of ₹ 69.80 crore for revival of 10 UCBs whose Capital to Risk (Weighted) Asset Ratio (CRAR)[56] were below the stipulated (Reserve Bank of India norms) nine *per cent.* The committee suggested certain recommendations which were to be implemented by department for revival of the UCBs. Department accepting the recommendations of Expert Committee entered into Memorandum of Understanding (MoU) with eight UCBs[57] and released financial assistance of ₹ 52.47 crore during the year 2009-10 and 2010-11. MoUs also stipulated certain obligations to be fulfilled by the UCBs to improve their financial health. An amount of ₹ 4.50 crore earmarked for one UCB, however, could not be disbursed as it was under liquidation by RBI.

Scrutiny of records revealed that of seven UCBs to whom financial assistance was disbursed, only two UCBs had achieved the required norms of CRAR of RBI after receipt of assistance.

Four out of remaining five UCBs which were provided with financial assistance of ₹ 24.54 crore not only failed to achieve CRAR norms but also deteriorated further compared to the position prior to grant of financial assistance. The remaining one UCB though excluded by Expert Committee for revival package, as its banking licence had already been cancelled, was extended (March and June 2010) financial assistance of ₹ 11 crore. Extension of financial assistance to the UCB whose banking licence still stood cancelled was not judicious and assistance of ₹ 11 crore remained unfruitful.

Audit observed that although department extended financial assistance to UCBs, it did not comply with other recommendations of Expert Committee as discussed below:

- Department was to engage consultants to facilitate the implementation of the revival package, who were to assist UCBs to formulate credit policy, investment policy and recovery policy, computerise their

[56] *An amount of money which a bank has to have in the form of shareholders' capital, shown as a percentage of assets.*

[57] *The Department excluded three UCBs and included one UCB against the recommendation of the Expert Committee for providing financial assistance. The reason for such exclusion and inclusion was not provided to audit.*

banking activities, introduce a scientific asset/liability management system and fund management system. The consultants were to assist the department to devise an internal control system, design a Management Information System (MIS), develop common accounting system software and strengthen the internal control system. Department, however, did not do so to monitor the implementation of revival package. In absence of requisite due diligence, none of these objectives were achieved.

- Full time professional Chief Executive Officers (CEOs) were not appointed by department to implement turn around strategy as required under the MoU, except in one profit making UCB.
- Expenditure on staff of UCBs (other than the profit making UCBs) ranging between 19 *per cent* and 46 *per cent* was far higher than stipulated 17 *per cent* (RBI norms). Consultant to be engaged for revival package was also to analyse staff requirement based on the best industry practices and to work out surplus staff with each bank in order to recommend a VRS package for reduction of surplus staff. Department, however, neither engaged any consultant nor created any VRS fund for the purpose.
- No training was provided to staff of UCBs to upgrade their overall skills.
- Further, department did not monitor compliance with obligations to be fulfilled by the UCBs for their revival.

Thus, inspite of financial assistance, UCBs could not be revived due to non-implementation of other recommendations of Expert Committee resulting in unfruitful expenditure of ₹ 35.54 crore.

Matter was reported to the department in May 2013, reply was yet (February 2014) to be received.

ENVIRONMENT DEPARTMENT

3.2 Wasteful expenditure

Objective of setting up a model facility for management of municipal solid wastes was defeated as the facility was completely ruined within one month of commissioning due to lack of monitoring by West Bengal Pollution Control Board, rendering the entire expenditure of ₹ 4.30 crore wasteful.

With a view to set up a model facility for management of Municipal Solid Wastes (MSW) under the provision of Municipal Solid Wastes (Management and Handling) Rules, 2000, the Central Pollution Control Board (CPCB) invited (May 2002) proposals from West Bengal State Pollution Control Board (WBPCB). Accordingly, WBPCB with the help of the Kolkata Metropolitan Development Authority (KMDA) selected North Dum Dum and New Barrackpore Municipality for setting up the model facility.

An MoU was entered in March 2003 among CPCB, WBPCB, KMDA and the respective Municipalities for setting up the facility in two phases viz Phase-I and Phase-II. The project was to be implemented by KMDA. CPCB was to contribute 50 *per cent* of cost, KMDA 25 *per cent* and 12.5 *per cent* each by the two Municipalities. CPCB accorded (March 2003) administrative approval for ₹ 5.03 crore which was revised to ₹ 5.52 crore in December 2006 to be completed in two phases. The work *inter alia* included procurement of primary and secondary collection equipments, construction of two Sanitary Land Fills (SLFs) and a vermi-compost plant. The project was completed (March 2009) at a cost of ₹ 4.30 crore without second cell of Sanitary Land Fill.

Scrutiny of records revealed that the Municipalities had to suspend operation of dumping of wastes in the compost yard of the model facility on 6 April

Dilapidated building of model facility

Dilapidated Vermi Compost plant of model facility

2009, within a month of its starting operation due to local resentment on account of foul odour emanating from the dumping of wastes at the facility. WBPCB reported (January 2011) to CPCB that the model facilities created at a cost of ₹ 4.30 crore was completely ruined by the local miscreants. Audit noticed that adequate measures to operationalise and protect public assets could not be ensured on the part of the authorities as detailed below:

- MoU envisaged that WBPCB was to monitor and provide necessary support to the Municipalities for smooth operation and maintenance by imparting training[58] to the operational staff of the Municipalities. Scrutiny revealed that no such training was imparted by the private agency entrusted for the construction of the plant. As a result, Vermi-compost plant could not be put to use to treat the biodegradable wastes. Municipalities started dumping municipal wastes without segregation of biodegradable wastes at the composting yard of the facilities which led to the emanation of foul stench and consequent public agitation.

[58]*As per the MoU, the training was to be imparted by the private agency entrusted with construction of the project*

- MoU also envisaged constitution of Citizens' Monitoring Committee for effective implementation of the project. Scrutiny, however, revealed that no Citizens' Monitoring Committee was constituted (December 2013) for ensuring appropriate participation of local people for effective implementation and functioning of the project.

- WBPCB was required to constitute a Monitoring Committee which would meet quarterly to review the progress and suggest measures as may be necessary for smooth implementation of the project. A Monitoring committee, though constituted in June 2007, convened its first meeting only on 29 January 2009. Committee met again only after the forced closure of the project on 9th June 2009. WBPCB stated (April 2013) that a Working Committee was formed by the Monitoring Committee to monitor the progress of the work and that after commissioning of the project their monitoring role had ended. However, the fact remains that as per MoU, performance of created facilities were to be reviewed over a period of time by WBPCB alongwith both Municipalities and KMDA.

Thus, lack of monitoring by WBPCB for proper functioning of the plant led to abandonment of the facility within one month of its starting operation. As a result, the objective of setting up a model facility for management of Municipal Solid Wastes remained unfulfilled rendering expenditure of ₹ 4.30 crore incurred on the model facility wasteful.

Fisheries, Aquaculture, Aquatic Resources and Fishing Harbours Department

3.3 Unproductive expenditure on a minor fishing harbour

Objective of setting up of a fishing harbour, additional jetty and food park constructed at a cost of ₹ 39.81 crore remained underachieved as the department did not ensure navigability of the approach channel through adequate dredging. Besides, ₹ 23.67 lakh remained outstanding from the allottes of packaging rooms.

With a view to facilitate unhindered movement of Mechanised Fishing Vessels (MFVs) during all tide conditions and for unloading and packing of fish in a hygienic way, department[59] proposed (March 2000) to set up a Minor Fishing Harbour (MFH) on a bypass channel (Kalnagini) at Harwood Point, South 24 Parganas. Government of India (GoI) approved (March 2001) the project at an estimated cost of ₹ 13.50 crore, which was revised (March 2006) to ₹ 24.69 crore to be shared equally by the GoI and the State Government. The enhancement of the cost was mainly due to large increase in the quantity of dredging.

West Bengal Fisheries Corporation Limited (WBFCL) was entrusted (August 2003) with the task of implementing the project. The scope of the

[59] *Fisheries, Aquaculture, Aquatic Resources and Fishing Harbours Department*

work *inter alia* included construction of a twin jetty with ancillary facilities[60] and dredging of the entrance channel. The work was completed (March 2007) at a cost of ₹ 26.19 crore and handed over (September 2007) to a Fishermens' Co-operative Society[61] (operating agency) for upkeep and maintenance.

Audit noticed that the objectives of construction of the MFH remained un-fulfilled for the reasons discussed in the subsequent paragraphs:

3.3.1 Navigability of the approach channel not maintained through adequate dredging

Project report of Minor Fishing Harbour (MFH) based on hydrographic survey (December 1998) conducted by IIT, Madras envisaged plying of the Mechanised Fishing Vessels (MFVs) during all tide conditions. Estimated volume of dredging in the DPR was 7.6 lakh cum at a cost of ₹ 6.46 crore which owing to change in underwater depth of the channel prompted IIT, Madras to suggest (April 2005) dredging of 16.5 lakh cum again. Department, however, took up dredging of 11.12 lakh cum and incurred ₹ 13.81 crore on dredging (between August 2003 and December 2006).

GoI stipulated (March 2006) that department would monitor siltation of approach channel by conducting necessary surveys/studies regularly and take appropriate mitigation measures including maintenance dredging to ensure smooth operation of the harbour as model studies indicated siltation of 16 *per cent* annually. The DPR proposed 'operation and annual maintenance dredging' to be financed from the revenue generated from the user charges, lease rents and other receipts to be realised from Mechanised Fishing Harbour (MFH).

Scrutiny of minutes of meeting of Harbour Committee (September 2007 to June 2012), however, revealed that the movement of vessels was hampered right from launching (September 2007) of MFH due to huge siltation in approach channel. As a result, fishing vessels could not land their catches during low tide in the approach channel, causing a sharp decrease in production of fish catches by 50 *per cent* (during 2007 to 2012).

Heavily silted Minor Fishing Harbour at Harwood Point, Kakdwip

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[60] *Like net mending shed, gear shed, work shop, communication centre, arrangement for vehicle parking, fish landing area, drainage & sewerage, water supply, fishermen dormitory, canteen, toilet, security room etc*

[61] *Apex fishermens' co-operative society under control of the Department*

Scrutiny revealed that operating agency did not undertake any dredging work from fund generated from MFH in violation of the GoI guidelines. As a result, objective of the project to become self sustainable remained unachieved.

3.3.2 Unfruitful expenditure on extension of jetty and other ancillary facilities

DPR of MFH envisaged berthing of 320 MFVs annually in harbour. With a view to provide additional jetty that would accommodate further 200 MFVs with other ancillary facilities, department took up (April 2009) work of extension of jetty at a cost ₹ 9.81 crore. The project was completed in January 2012 at a cost of ₹ 9.68 crore.

Operating agency did not maintain any record about the total number of MFVs operating in harbour. However, from records of collection of berthing charges maintained by the operating agency, audit calculated that number of vessels operated in the MFH was reduced to 25 in 2012-13 from 131 in 2008-09. Thus, objective of department to augment the capacity of MFH remained unfulfilled in absence of improving navigability of channel and rendered expenditure of ₹ 9.68 crore incurred on extension of jetty unfruitful.

3.3.3 Unfruitful expenditure on auction hall and packing rooms

With a view to provide marketing facilities of catch in harbour, department undertook (October 2004) the work of a Pre-processing Complex and Food Park at a cost of ₹ 16.50 crore. The project *inter alia* included construction of 'auction hall' (104 units) and 'pre-processing weighing and packaging room' (60 units). Auction hall and packaging rooms were completed in August 2010 at a cost of ₹ 3.94 crore and were to be allotted to fishermen on the basis of receipt of applications.

Scrutiny revealed that none of the auction halls could be allotted (as of April 2013) as fishermen were not interested due to high rate of siltation in approach canal and there was no scope of auction at this place due to its infrastructure bottlenecks. All the 60 packaging rooms were allotted, but ₹23.67 lakh (out of ₹ 1.50 crore) was still outstanding from the allottees. Project officer of the operating agency stated (April 2013) that none of the packaging rooms were utilised for packaging but partially being utilised as godowns, thereby not fulfulling the project objectives. Thus, ₹ 3.94 crore incurred on construction of auction hall and packaging rooms also remained unfruitful.

Matter was reported to the Government in June 2013, reply has not been received (February 2014).

Irrigation and Waterways Department

3.4 Avoidable expenditure

Four Divisions under Irrigation and Waterways department allowed execution of extra quantity of boulders in different river bank protection works due to erroneous preparation of estimate resulting in avoidable expenditure of ₹ 7.56 crore.

Indian Standard (IS) Code 14262:1995 lays down guidelines for planning and design of revetment used for embankments and bank protection works.

Scrutiny of records in four divisions[62] under Irrigation and Waterways department (I&WD) revealed that there was violation of relevant IS code and calculation inaccuracies in the estimates approved by the Chief Engineers which led to extra expenditure on cost of boulders and other related items in the work of construction of revetment[63]/aprons[64] as detailed in the following paragraphs:

3.4.1 Erroneous calculation of anticipated scour depth below Low Water Level

With a view to check erosion to right bank of river Ganga-Padma, Ganga Anti Erosion Division-II, I&WD took up the bank protection work[65] in May 2010 and completed the work in April 2012 at a cost of ₹ 10.15 crore. Work *inter alia* included bank protection work of 1100 m of the river with 45 cm thick boulder pitching on the slope of river bank and launching of apron by boulder sausage crates[66].

As per IS Code 14262:1995 quantity of boulders required to be launched in apron is to be calculated based on the anticipated scour depth[67] below Low Water Level (LWL) and slope of the apron to be 2 (H): 1 (V).

Audit scrutiny of approved estimate revealed that division erroneously calculated anticipated scour depth below LWL as 26.31 m instead of 24.47 m. Audit further noticed that slope of apron was considered as 2.5 (H): 1 (V)[68] instead of 2 (H): 1 (V) in violation of IS code.

Due to inaccurate calculation of anticipated scour depth and provision of flatter slope, 89600 numbers of sausage boulder crates for launching apron were provided in tender against the actual requirement of 68205. Records revealed that 88359 sausage boulders crates were laid in apron. Thus, department had to bear an extra expenditure of ₹ 1.90 crore on laying of 20154 extra sausage boulder crates.

Department stated (August 2013) that the scour depth of 24.47 m was considered in the work and furnished a statement of calculation prepared by the concerned Executive Engineer in July 2013. Reply was, however, unfounded as work was completed in April 2012 and scour depth of 26.31 m was considered in approved technical note of the estimate.

[62] Ganga Anti Erosion Division-I & II, Kakdwip and Burdwan Irrigation Division.
[63] Revetments are usually built to preserve the existing shoreline and to protect the slope.
[64] Layers of stone along the slope of the scour (the removal of material from the bed of a channel by flowing water) to provide a strong layer to prevent further scooping out of the river bed materials.
[65] At village Paschim Beechapara about 97 km downstream from Farakka Barrage.
[66] Galvanized wire net caging filled with boulders with adequate weight and size.
[67] 1.5 times of the scour depth calculated on the basis of data of the river.
[68] H means horizontal length and V means vertical length.

3.4.2 Error in calculation of anticipated scour depth below High Flood Level

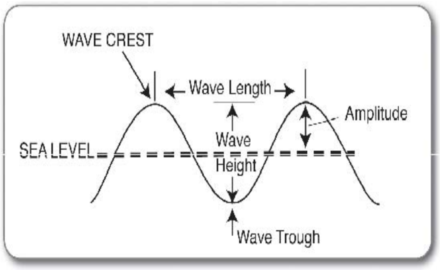
Work of 'Renovation and Strengthening of right bank of river Ganga/Padma'[69] commenced in February 2009 and completed in March 2010 at a cost of ₹ 11.59 crore. Work *inter alia* included laying of 45 cm thick slope pitching and apron at toe by launching of boulder sausage crates.

As per IS code, anticipated scour depth is to be taken as 1.5 times the scour depth below High Flood Level (HFL)[70] and quantity of stone required is accordingly calculated. Audit scrutiny of approved work estimate revealed that anticipated scour depth below HFL was considered two times the scour depth below HFL in violation of the IS Code.

Thus, non-consideration of actual depth of scour resulted in excess execution of 112260 boulder sausages crates in apron against the requirement of 59000. As a result, department had to bear extra expenditure of ₹ 4.37 crore on laying of 53260[71] number of boulder sausage crates.

Department stated (August 2013) that the higher factor of safety was considered to avert greater loss, which might have occurred, had work failed due to strict adherence to the codal provision. However, decision of department should be based on technical standards and not on apprehension.

3.4.3 Error in calculation of Wave Height



As per IS code (Section 8.2 of IS 10430:2000) free board[72] shall be measured from the full supply level to the top of lining. IS code (12094:1987) stipulated that top of embankment should be so fixed that there is no danger of overtopping even with intense wave wash or any unexpected rise in river level. The height of the wave depends upon the wind velocity and the fetch[73].

Executive Engineer, Kakdwip Irrigation Division, I&WD took up the work of raising and strengthening of Sundarban Embankment[74] in February 2009 and completed the work in May 2011 at a total cost of ₹ 11.94 crore. Scope of work *inter alia* included laying of 25 cm thick brick block pitching in the slope of embankment.

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[69] *Mouza- Boira (500 metre) and Bilbora Copra (500 metre)*
[70] *Any flood level of the river, which is higher than danger level and corresponds to return period of more than 10 years.*
[71] *112260-59000*
[72] *The distance measured above the full supply level and upto the top of lining.*
[73] *The fetch is the length of water over which a given wind has blown. When it reaches shore it is the main factor that creates storm surge which leads to coastal erosion and flooding.*
[74] *At mouza – Patibonia from chainage 6.80 km to 8.24 km facing Bay of Bengal*

Audit scrutiny of the sanctioned estimate revealed that wave height was calculated as 1.60 m instead of 0.98 m and accordingly effective freeboard was fixed at 2.80 m in violation of the IS code. Considering actual wave height of 0.98 m, audit calculated the required height of the freeboard to be 1.90 m. Thus, due to erroneous calculation of wave height the embankment was raised by 0.90[75] metre in excess of requirement resulting in excess execution of free board with brick blocks lining at a cost of ₹ 0.82 crore.

Department admitted (August 2013) that inadvertent error crept in during calculation of wave height.

3.4.4 Error in calculation of thickness of launching apron

Burdwan Irrigation Division, I&WD took up bank protection work of the right bank of river Bhagirathi[76] in December 2009 and completed it in March 2010 at a cost of ₹ 1.15 crore. The work *inter alia* included dry boulder pitching and launching of loose boulder in apron.

As per IS code, adequate quantity of stones for apron is required to be provided to ensure complete protection of the whole of the scoured face according to the levels and slopes. Average thickness of the apron should be equal to average thickness of protection layer (pitching).

Scrutiny of approved estimate revealed that thickness of pitching and apron was considered as 0.225 m and 0.60 m respectively. The volume of boulder required for launching in apron was estimated by considering the thickness of apron as 0.60 m instead of 0.225 m in violation of IS code. As a result, 8659 cum of boulders were laid in apron against requirement of 3185 cum resulting in excess execution of boulder work by 5474 cum[77]. Thus, due to excess provision of thickness of apron the department had to incur an extra expenditure of ₹ 0.47 crore.

Department stated (August 2013) that in order to ensure economy lesser thickness of pitching was provided and thickness of apron was kept more than the actual thickness of pitching for safety and sustainability. However, decision of department should be based on technical standards.

PASCHIMANCHAL UNNAYAN AFFAIRS DEPARTMENT

3.5 Unfruitful expenditure on employment generation scheme

Broiler chicken rearing scheme introduced by Paschimanchal Unnayan Affairs department failed due to infrastructure bottlenecks and non-provision of penal clause against non-supply of chicks by the private agency. Consequently, the expenditure of ₹ 8.72 crore on construction of 448 sheds remained unfruitful.

Paschimanchal Unnayan Affairs Department (PUAD) envisaged (June 2007) a broiler chicken rearing scheme with objective to create self employment for

[75] *2.80-1.90*
[76] *Mouza Kasthusali for a length of 700 m*
[77] *8659-3185*

poorest of poor women in remote areas of five backward districts[78]. Accordingly, District Magistrates (DMs) of the districts on behalf of PUAD entered (between October 2007 and November 2007) into separate Memoranda of Understanding (MoU) with a private company for chicken rearing activities. MoU, envisaged rearing of broiler chicken in poultry sheds to be constructed by Government along with necessary infrastructure like tubewell, feed godown, poultry equipment etc. The contract farming of broiler chicken was to be done by selected women self help groups (SHGs) under technical guidance of the private company. Company was to provide chicks, feed and services for rearing of broiler chicken in the units and would pay for employment and rearing charges to SHGs. In lieu of such services, private company had the exclusive right to marketing and selling of all broiler chicken raised by the SHGs.

During the year 2006-07 and 2007-08, DMs of five districts received ₹12.36 crore from PUAD, for construction of 541 poultry sheds and other required infrastructure/equipment. As of September 2013, 511 sheds were constructed at a cost of ₹ 9.95 crore.

Audit scrutiny revealed that till 2008-09, with the help of the private company, SHGs started operation in 114 sheds. Other sheds could not be made operational as those were not provided with requisite infrastructure by the PUAD. Records revealed that Company made correspondence with concerned authorities for remedial measures to start operation in other sheds. However, no step has been taken by PUAD. As on July 2013 only 63 sheds were operational in Bankura and Birbhum districts and remaining 448 sheds could not be made operational at all.

Dilapidated condition of the broiler chicken rearing sheds in Bankura district

Audit scrutiny of test check of records of four districts[79] revealed that, out of total 471 sheds constructed in these districts 238 sheds were without

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[78] *Bankura, Purulia, Pascim Midnapore, Birbhum, Burdwan*

[79] *Bankura, Birbhum, Purulia and Paschim Midnapore*

electricity, 98 sheds were without water supply and 213 sheds were without poultry equipments.

District authorities stated (March 2013) that sheds could not be operationalised due to non-cooperation of the private company to supply chicks and poultry equipment and failure of department to provide necessary infrastructures like electricity connections. Audit, however, observed that there was no clause in the agreement by which the PUAD could take any penal action against the private company for non-compliance to the provisions of MoUs.

Thus, due to failure in providing adequate infrastructure and non-provision of penal clause against non-supply of chicks by the private company, expenditure of ₹ 8.72 crore[80] incurred on construction of 448 sheds remained unfruitful and the objective to generate income for the poorest of the poor women remained unfulfilled as on July 2013.

Matter was reported to PUAD in May 2013, had not offered any comments so far.

Power and Non-Conventional Energy Sources Department

3.6 Irregularities in installation of biogas plants and drawal of central subsidy

Objective of National Biogas and Manure Management Programme (NBMMP) remained unfulfilled even after three and half years of its commencement due to lack of monitoring by WBREDA. Besides, the work was awarded to the NGOs without identification of beneficiaries, advance subsidy paid and materials worth ₹ 7.67 crore given to NGOs in violation of guidelines.

National Biogas and Manure Management Programme (NBMMP) was a 100 *per cent* centrally sponsored scheme introduced by the Ministry of New and Renewable Energy (MNRE), GoI in 1989 to provide clean bio-gaseous fuel mainly for cooking purposes for reducing the use of LPG and other conventional fuels and to improve sanitation in villages by linking sanitary toilets with biogas plants. The programme under scheme envisaged installation of biogas plants through Central Financial Assistance (CFA) ranging between ₹ 8000 and ₹10000, Additional Subsidy for Latrine Link (ASLL) at the rate of ₹ 500 per plant to each beneficiary and Turn Key Job Fee (TKJF) payable to an agency, usually an NGO, at the rate of ₹ 700 (₹ 800 for hilly districts) per plants for five-year trouble free functioning.

MNRE placed (between November 2009 and August 2011) ₹ 28.83 crore with West Bengal Renewable Energy Development Agency (WBREDA)[81], for installation of 48000 biogas plants for the programme years 2009-12. WBREDA, for the programme years 2009-11, made advance of ₹ 5.78 crore to 34 NGOs (as on July 2013) alongwith materials valuing ₹ 1.89 crore on

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[80] *₹9.95 crore X448/511*

[81] *A nodal agency associated with the activities for harnessing non-conventional energy sources in the State*

submission of prospective list of 19895 beneficiaries. Balance fund of ₹ 21.47 crore was still lying (May 2013) with the WBREDA for a period ranging between two and three years. Scrutiny, however, revealed that WBREDA reported (between December 2010 and December 2012) to GoI full utilisation of the amount received from the GoI through Utilisation Certificates.

Audit observed several irregularities as well as violation of MNRE guidelines in identification of beneficiaries, selection of agency, implementation and monitoring as depicted below:

Preparation of District Plan/Micro Plan and Selection of NGOs

As per guidelines, the NBMMP programme was to be implemented on "Cluster of Villages/Area Approach" for selection of beneficiaries. WBREDA being implementing agency was required to prepare District and Micro plans for raising peoples' involvement in assessing the demands for biogas plants and proper identification/selection of beneficiaries based on the maximum cattle population and availability of kitchen waste and other suitable biomass feed materials.

Records revealed that WBREDA did not prepare any such plan, rather it issued provisional allotment orders to NGOs for identification of the beneficiaries and installation of 48000 plants. NGOs submitted (March 2013) prospective list of only 19895 beneficiaries without furnishing any details[82] on criteria used for selection of beneficiaries as stipulated in guidelines. As a result, basis of selection of beneficiary could not be ascertained in audit.

Further, as per guidelines NGOs were to be selected through competitive bidding on pilot basis for installation of the biogas plants. However, WBREDA selected NGOs on the basis of their experience in an earlier 'Improved Chullah Programme[83]' implemented by WBREDA and recommendation of the District Magistrates/Sabhadhipatis. It was also observed that majority of the poor performing NGOs of the NBMMP under old subsidy (2006-09) were again selected in the new scheme.

Irregular release of advance payments to NGOs

MNRE's directive stipulates that CFA is to be disbursed directly to the beneficiaries through ECS or account payee demand draft/cheque after completion of installations of biogas plants. Further, as per guidelines, appliances like pipelines, double burner biogas stoves of the approved quality were to be provided under the programme to beneficiaries after completion of construction of plants.

WBREDA, however, contrary to MNRE directives, made (August 2011 to February 2013) advance payment of ₹ 5.78 crore (50 *per cent* of CFA and TKJF) to NGOs on submission of district wise prospective beneficiary list

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[82] Cattle population, availability of kitchen waste and other suitable bio mass feed materials.
[83] An MNRE programme launched in 1993 and continued till 2002-03.

only. Mechanical hardware accessories and ovens of ₹ 1.89 crore were also issued (August 2011 to February 2013) to NGOs even before submission of beneficiary list.

WBREDA was not in a position to assess the number of completed plants even after three years of issue of work orders because none of the NGOs submitted any completion report of plants installed as required under programme guidelines. Thus, WBREDA extended undue benefit of ₹ 7.67 crore[84] to NGOs without ensuring actual commissioning of plant and disbursement of CFA to actual beneficiaries as per MNRE guidelines.

Monitoring

Programme guidelines stipulate involvement of Biogas Development and Training Centre (BDTC) of IIT, Kharagpur in formulation of annual action plans including allotment of targets to NGOs and reviewing of performance of NGOs. BDTC was also to provide support for training, monitoring, evaluation and preparation of technical guidelines/material for implementation of programme. Further, physical verification of 1000 biogas plants installed on a random basis per programme year was also to be conducted by BDTC.

Scrutiny of records, however, revealed that WBREDA did not involve BDTC in any of activities provided in the programme guidelines. BDTC expressed (September 2010) lack of co-operation from WBREDA. WBREDA stated (April 2013) that BDTC was not involved in formulation of action plans/training process since the selected NGOs had their own set up of trained manpower. However, programme guideline stipulated involvement of BDTC in project implementation.

Thus, WBREDA failed to implement NBMMP programme even after three and half years of its commencement. Works were awarded to the NGOs without judging their past performance. Identification of eligible beneficiaries were not done as per the programme guidelines. Non-involvement of BDTC also affected the monitoring of work. Advance payment of ₹ 7.67 crore was made to the NGOs in violation of the programme guidelines. Further, ₹ 21.47 crore was still lying in the bank account of WBREDA for two to three years, though utilisation of it had already been reported to MNRE.

WBREDA stated (August 2013) that they were in process of taking remedial measures as per the audit observation.

Transport Department

3.7 Undue benefit to the contractors

HRBC allowed higher rate of tram rails in different works related to the improvement of tram track resulting in undue benefit of ₹ 4.03 crore to the contractors.

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[84] *₹5.78 crore + ₹1.89 crore*

With a view to de-reserve[85] tram track and ensure better riding surface for movement of traffic as well as tram, Hooghly River Bridge Commissioners (HRBC) took up (January 2006, February 2006 and October 2007) a project for improvement of 27.61 km tram track of different roads in Kolkata in phases (Phase I and II, Additional Phase and Phase-III) at a total cost of ₹ 108.74 crore. All works were completed and up-to-date expenditure incurred on the project was ₹ 106.92 crore.

The scope of work *inter alia* included improvement of tram tracks by laying three types[86] of steel tram rails. Audit scrutiny of tender documents of all the works revealed that rates (per line metre) of three items were ₹ 3887, ₹ 2927 and ₹ 4025 respectively. HRBC could not furnish analysis of the rates of these items for the contracts under Phase-I, II and Additional Phase. However, analysis of rates of these items under Phase III furnished by HRBC revealed that the rates of those items were arrived at considering base price of tram rails of Steel Authority of India (SAIL) in November 2006 (₹ 27369/MT)[87].

Audit noticed that though the work under Phase-I, II and Additional Phase were awarded (January 2006 and February 2006) one and half years before the work under Phase-III, same rates of three items of steel trams rails were allowed in the contracts. However, base price of SAIL steel was only ₹ 21620/MT in January 2006 compared to ₹ 27369/MT which was considered for arriving the rates under Phase-III work. Therefore, prevailing rate (₹ 21620/MT in January 2006) of tram rails of SAIL should have been adopted in the rate of laying tram rails works under Phase-I, Phase-II and Additional Phase. Audit calculated that the rate (line/m) of items of laying tram rails would have been ₹ 3500, ₹ 2572 and ₹ 3632 respectively based on the base price in January 2006.

Thus, non-adoption of applicable rates of SAIL at the time of awarding contracts under Phase-I, Phase-II and Additional Phase resulted in undue benefit of ₹ 4.03 crore to contractors.

HRBC accepted (August 2013) that prevailing rates of SAIL were not considered while arriving at rates of tram rails items for Phase I, II and Additional Phase in the estimates and stated that the rates were arrived at considering enhancement of 15 *per cent* of the rates of Calcutta Transport Infrastructure Development Project (package-IV), the estimate of which were prepared earlier (2002-03) and having similar nature of tram track improvement work.

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[85] *Opening of dedicated corridors of tram lanes to all traffic*
[86] *New tram rails-Straight with check rail, New tram rails-Straight without check rail and New tram rails- Any radius*
[87] *One line metre tram rails is made up of 0.054 MT of steel*

However, HRBC should have considered prevailing (January 2006) base price of SAIL steel (₹ 21620/MT) while fixing rate of items of tram rails in Phase I, II and Additional Phase. Further, it is pertinent to mention that for calculation of escalation on steel materials in the additional works of Phase-II, HRBC considered the same base price of steel.

Kolkata
The

(MAUSUMI RAY BHATTACHARYYA)
Accountant General
(Economic and Revenue Sector Audit),
West Bengal

Countersigned

New Delhi
The

(SHASHI KANT SHARMA)
Comptroller and Auditor General of India