सत्यमेव जयते

Report of the
Comptroller and Auditor General of India

for the year ended 31 March 2017

उत्तराखण्ड शासन

Government of Uttarakhand

Report No.1 of the year 2018

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PREFACE

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2017 has been prepared for submission to the Governor of the State of Uttarakhand. This Report contains three Chapters. Chapters I and II of this Report are placed before the State Legislature under Article 151 (2) of the Constitution of India while Chapter III is submitted to the State Legislature under Section 19 (A) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

Chapter I of this Report relates to audit of expenditure of the Social, General and Economic Sectors (Non-PSUs) of the Government departments conducted under the provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. This Chapter contains significant results of performance audit and compliance audit of departments/autonomous bodies of the Government of Uttarakhand for the year ended 31 March 2017.

Chapter II of this Report contains significant findings of audit of receipts and expenditure of major revenue earning departments under the Revenue Sector conducted under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

Chapter III of this Report relates to the audit of State Public Sector Undertakings in the Social and Economic sectors. Audit of accounts of Government companies (including companies deemed to be Government companies as per the Companies Act) is conducted by the Comptroller and Auditor General under Section 619 of the Companies Act 1956 and Sections 139 and 143 of the Companies Act 2013 and audit of Statutory Corporations is conducted under their respective legislations.

The instances mentioned in this Report are those which came to notice in the course of test audit during the year 2016-17 as well as those which came to notice in earlier years but could not be dealt with in previous Audit Reports. Instances relating to the period subsequent to 2016-17 but pertaining to the year 2016-17 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Overview

OVERVIEW

This Report contains two performance audits *viz.* on (i) Rejuvenation of River Ganga, and (ii) National Rural Drinking Water Programme, and 24 compliance audit paragraphs including one follow-up audit with financial implications of ₹ 877.65 crore.

The total expenditure of the State increased from ₹ 17,775 crore to ₹ 30,391 crore during 2012-13 to 2016-17. The revenue expenditure of the State Government increased by 81 *per cent* from ₹ 13,960 crore in 2012-13 to ₹ 25,272 crore in 2016-17.

The revenue expenditure constituted 79 to 84 *per cent* of the total expenditure during the year 2012-13 to 2016-17 whereas the capital expenditure in the same period was 15 to 20 *per cent.* During this period, revenue expenditure increased at an annual average rate of 15 *per cent* whereas revenue receipts grew at an annual average rate of 13 *per cent* during 2012-13 to 2016-17.

The total revenue receipts of the State Government for the year 2016-17 were ₹ 24,889 crore as compared to ₹ 21,234 crore during the year 2015-16. Out of this, 49 *per cent* was raised through tax revenue (₹ 10,897.31 crore) and non-tax revenue (₹ 1,345.82 crore). The balance 51 *per cent* was received from the Government of India as State's share of divisible Union taxes (₹ 6,411.57 crore) and Grants-in-aid (₹ 6,234.27 crore). There was an increase in revenue receipts over the previous year by ₹ 3,655 crore.

As on 31 March 2017, there were 26 State Public Sector Undertakings (PSUs) and statutory corporations (including four non-working PSUs). The working PSUs registered a turnover of ₹ 7,323.64 crore as per their latest finalised accounts as on 30 September 2017. The PSUs had an investment of (paid up capital, free reserves and long-term loans) of ₹ 10,854.32 crore. This investment consisted of 51.95 *per cent* towards paid up capital, 12.05 *per cent* towards free reserves and 36 *per cent* in long-term loans. The share capital outgo has decreased from ₹ 171.96 crore in 2014-15 to ₹ 93.50 crore in 2016-17. The Government contributed ₹ 192.57 crore towards share capital, loans and Grants/ Subsidies during 2016-17. As per the latest finalised accounts of 22 working State PSUs received up to September 2017, nine PSUs earned a profit of ₹ 211.41 crore and 13 PSUs incurred a loss of ₹ 446.62 crore.

This Report is organised into three chapters. Chapter I deals with the social, general and economic sector, Chapter II with the Revenue sector and Chapter III deals with the social and economic sectors (Public Sector Undertaking). Some of the major audit findings are summarised below.

CHAPTER-I

PERFORMANCE AUDIT

Rejuvenation of River Ganga

The Ganga Action Plan (GAP) for cleaning of the River Ganga was initiated by Government of India (GoI) in 1985. Subsequently, GoI had set up (2009) the 'National Ganga River Basin Authority' (NGRBA) as an empowered planning, financing, monitoring and coordinating authority for the River Ganga, to ensure effective measures for prevention, control and abatement of pollution in Ganga and rejuvenating the river to its natural and pristine condition. As a comprehensive approach to rejuvenating the River Ganga and all its tributaries, GoI approved (13 May 2015) the *Namami Gange* programme. A performance audit on rejuvenation of River Ganga brought out weaknesses in planning, implementation and monitoring mechanism of the programme. Some of the significant findings are given below:

Highlights

The total plan size approved in the Annual Plan of Operation for Forestry Interventions for Ganga was a meagre 4.66 *per cent* of the area planned for the year 2016-17 in the Detailed Project Report.

[Paragraph 1.2.6.5 (i)]

Funds ranging from 25.46 to 58.71 *per cent* were lying unspent during the period 2012-13 to 2016-17 due to their non-utilisation by Executing Agencies.

[Paragraph 1.2.7.1]

The claim of the department in making all the 265 villages in 132 Gram Panchayats of seven districts open defecation free was found to be incorrect as 41 Individual House Hold Latrines out of 1,143 physically verified by audit were not constructed and 34 were still under construction. Further, no significant progress was made by the State in the construction of Community Sanitation Complexes and Solid and Liquid Waste Management structures.

[Paragraph 1.2.8.1]

Municipal garbage was being indiscriminately dumped on the slopes of the hills.

[Paragraph 1.2.8.2]

The Sewage Treatment Plants at Devprayag and Rishikesh were under utilised due to deficient planning and lack of coordination between the Executing agencies.

[Paragraph 1.2.8.3 (a)]

65 out of 112 *Nallas* identified in the priority towns were still to be tapped resulting in discharge of 26.292 million litre per day of untreated sewage into River Ganga or its tributaries.

[Paragraph 1.2.8.4 (a)]

The capacity of the Sewage Treatment Plants at Haridwar and Rishikesh was inadequate for handling the waste discharge of the town resulting in untreated sewage being discharged into the River.

[Paragraph 1.2.8.4 (b)]

The Forest Department failed to achieve the goals set for the year 2016-17 in three out of four interventions by a margin ranging from 3.50 *per cent* in case of advanced soil work to 87 *per cent* in case of urban landscaping.

[Paragraph 1.2.8.7]

Water quality monitoring stations were established at only three towns out of sampled ten towns.

[Paragraph 1.2.10.1]

National Rural Drinking Water Programme

The Government of India (GoI) launched the National Rural Drinking Water Programme (NRDWP) in April 2009 for ensuring sustainability of water availability in terms of potability, adequacy, convenience, affordability and equity while also adopting decentralised approach involving Panchayati Raj Institutions (PRIs) and community organisations. Department of Drinking Water (Peyjal) and Sanitation is the implementing agency. A performance audit of the implementation of the programme in the State of Uttarakhand brought out weaknesses in planning, institutional mechanism, implementation, financial management and monitoring of the programme. Some of the significant findings were as below:

Highlights

Village and District Water Security plans comprising demographic, physical features, water sources, available drinking water infrastructure, *etc*. were not prepared. Further, Comprehensive water security plan for providing definite direction to the programme was not formulated.

[Paragraphs 1.3.6.1 (a) & (b)]

Necessary institutional mechanism was found deficient in the State as State Water and Sanitation Mission was not set up as a Registered Society, important committees such as Village Water and Sanitation Committees and Source Finding Committee were not formed.

[Paragraphs 1.3.6.2 (a) to (e)]

In the year 2012-13 and 2013-14, the State Government did not release its matching share amounting to ₹ 62.84 crore and ₹ 57.85 crore respectively. The overall fund management was also found deficient as during the period 2012-13 to 2016-17, the allocation of funds for different components of the programme was not in consonance with the norms of the programme.

[Paragraph 1.3.7.2]

There was shortfall in achievement of targets of providing piped water supply and household connections by the year 2017. The State was able to provide 55 litres per capita per day water to only 14.71 *per cent* habitation against the goal of 50 *per cent*.

[Paragraph 1.3.8.2]

Piped water supply schemes suffered from poor rate of completion and there were delays ranging from 5 to 12 years in completion of 20 schemes costing ₹ 185.45 crore.

[Paragraph 1.3.8.3]

The Uttarakhand Jal Nigam failed to furnish justification for inadequate allotment/expenditure of funds for sustainability component. The expenditure on the sustainability component was not done as per the norms, as in the district Tehri, an expenditure amounting to ₹ 42.01 lakh was incurred out of Sustainability component on construction of small water schemes and water tanks which were not in consonance with the programme guidelines.

[Paragraph 1.3.8.5]

Monitoring mechanism was found deficient as this function was carried out by the executing agencies instead of the State Water and Sanitation Mission, which was the designated agency for implementation of the programme. Further, the Integrated Management Information System data lacked reliability in absence of requisite checks and verification.

[Paragraphs 1.3.9.3 to 1.3.9.5]

COMPLIANCE AUDIT

Construction of toilets under Swachh Bharat Mission (Gramin)

The planning and implementation of Swachh Bharat Mission (Gramin) by the State was found inadequate as against the target of 546 Community Sanitary Complexes and 4,485 Solid and Liquid Waste Management structures only 63 and 50 respectively were constructed upto March 2017. The declaration of State as Open Defecation Free in May 2017 was incorrect. Failure to update beneficiary data on Government of India portal resulted in non-inclusion of more than one lakh beneficiaries. The financial management was also found inadequate as the State did not release its share of ₹ 10.58 crore during the year 2016-17.

[Paragraph 1.4]

Suspected embezzlement on hiring of vehicles

Payment made without determining authenticity of the claims resulted in suspected embezzlement of ₹ 1.25 crore on hiring of vehicles by the Medical, Health & Family Welfare Department.

[Paragraph 1.6]

Unjustified expenditure of ₹1.69 crore

Award of works at higher rates in disregard of financial norms resulted in excess expenditure of ₹ 1.69 crore by the Superintending Engineer, Public Works Department, Rudraprayag.

[Paragraph 1.7]

Unauthorised excess expenditure

The Executive Engineer, Provincial Division, Public Works Department, Pauri unauthorisedly incurred an excess expenditure of ₹ 0.59 crore in violation of financial rules as well as conditions stated in the Chief Engineer's letter of approval.

[Paragraph 1.8]

Unfruitful Expenditure of ₹0.70 crore

The Executive Engineer, Construction Division, Public Works Department, Pauri awarded work of strengthening of a road at a cost of ₹ 2.83 crore despite issue of notice by National Green Tribunal for violation of Forest (Conservation) Act, 1980. Consequently work had to be subsequently halted after incurring expenditure of ₹ 0.70 crore. As a result, this expenditure was rendered unfruitful.

[Paragraph 1.9]

Unjustified excess expenditure

Unjustified excess expenditure of ₹ 0.80 crore was incurred by the Executive Engineer, Provincial Division, Public Works Department, Champawat due to use of costlier material (Bituminous Macadam) in place of Water Bound Macadam.

[Paragraph 1.10]

Non-achievement of objectives

Due to delay in construction of a bridge, the objectives of social and economic development of the unconnected villages could not be achieved even after a lapse of nine years from the date of initial sanction. An expenditure of ₹ 1.09 crore had already been incurred by the Executive Engineer, Provincial Division, Public Works Department, Ranikhet on the work so far.

[Paragraph 1.11]

Unfruitful expenditure

Due to faulty alignment, the Drinking Water Scheme failed to supply drinking water to the targeted populace resulting in unfruitful expenditure of ₹ 1.42 crore by the Executive Engineer, Construction Division, Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam, Uttarkashi. Further an additional expenditure of ₹ 6.50 lakh was incurred on construction of a Tubewell for providing water to the targeted populace.

[Paragraph 1.12]

Solid Waste Management in Nagar Nigams of Dehradun and Haridwar

Nagar Nigams (NNs), Dehradun and Haridwar did not have any action plan outlining the intended actions, deliverables and time frames for ensuring effective implementation of the programme. The meagre amount spent on infrastructure was largely responsible for non-achievement of intended Solid Waste Management targets in both the NNs. Nine vehicles costing ₹ 1.21 crore, were lying idle in NN Haridwar since June 2013. Plant capacity within the municipal limits of NN Dehradun, was fixed at 200 MT per day whereas 257 MT waste was actually being generated per day. Both the NNs had failed to establish processing units even after 16 years of implementation of Municipal Solid Waste (Management and Handling) Rules 2000. As a result, collection, segregation, storage, transportation, processing and disposal of municipal solid wastes were not carried out as per the prescribed norms. Shortages in equipment, vehicles, dustbins and manpower in both NN's coupled with poor monitoring mechanism contributed to poor management of solid waste.

[Paragraph 1.13]

CHAPTER-II

COMPLIANCE AUDIT

Non imposition of penalty

The Commercial Tax Department did not impose penalty amounting to ₹ 1.21 crore under Section 10-A of the Central Sales Tax Act as the assessees had purchased such goods on concessional form, for which they were not registered.

[Paragraph 2.2]

Unauthorised utilisation of Form-11

Unauthorised use of Declaration Form-11 for purchase of goods, at concessional rates, resulted in loss of revenue amounting to ₹ 26.61 lakh due to short levy of tax. In addition, penalty of ₹ 94.95 lakh was also leviable by the Commercial Tax Department.

[Paragraph 2.3]

Short levy of tax

Short levy of tax due to incorrect application of tax rates by the Commercial Tax Department resulted in loss of revenue of ₹ 89.52 lakh.

[Paragraph 2.4]

Non-imposition of penalty

The Commercial Tax Department did not impose penalty amounting to ₹ 15.96 lakh for delayed deposition of tax by dealers.

[Paragraph 2.5]

Non-levy of tax and penalty

Non-levy of tax due to non-compliance of the provisions laid down in the Uttarakhand Value Added Tax Act, 2005 and suppression of the actual acquisition value of goods resulted in loss of revenue of ₹ 29.59 lakh. In addition, penalty of ₹ 12.57 lakh was also leviable by the Commercial Tax Department.

[Paragraph 2.6]

Working of Distilleries in the State

The Department did not impose fines amounting to ₹ 346.53 crore due to non-adherence of environmental norms by the distilleries which led to manufacturing of alcohol during rainy season and production over and above the daily installed capacity. Not achieving norms of minimum production, fermentation and distillation efficiency prescribed in the rules and loss of Total Reducing Sugar and molasses during transit resulted in loss of excise revenue of ₹ 2.67 crore. The Department also failed to impose duty amounting to ₹ 2.46 crore on higher content of alcohol than prescribed. The incorrect allowance of wastage on re-distillation and adjustment of license fee of Bonded Warehouse Foreign Liquor are other factors which led to loss of excise revenue.

[Paragraph 2.7]

Short levy of stamp duty

Short levy of stamp duty due to non-application of correct rates by the Stamp and Registration Department resulted in loss of revenue of ₹ 14.05 lakh.

[Paragraph 2.8]

Short levy of Penalty

Application of incorrect rates in compounding offences of illegal mining /transport of minerals by the Mining Department resulted in short levy of penalty of ₹ 29.75 lakh.

[Paragraph 2.9]

Short/non-levy of Royalty

Non-application of revised rates on mining licenses and non-detection of brick kilns led to short/non-levy of royalty of ₹ 39.23 lakh by the Mining Department.

[Paragraph 2.10]

CHAPTER-III

COMPLIANCE AUDIT

Award of work without verifying credentials of agency

Uttarakhand Forest Development Corporation could not obtain Forest Stewardship certification after incurring an expenditure of ₹ 22.29 lakh.

[Paragraph 3.2]

Irregular contribution of Employees Provident Fund

Uttarakhand Forest Development Corporation incurred an extra expenditure of ₹ 18.79 lakh by compensating employees for their mandatory EPF contribution of 12 *per cent* which was to be borne by the employees as per the Act.

[Paragraph 3.3]

Cost overrun due to delay in completion of project within the scheduled time frame

Uttarakhand Jal Vidyut Nigam Limited failed to execute the project in a planned manner resulting in cost overrun of ₹ 38.10 crore which could not be reckoned by the Uttarakhand Electricity Regulatory Commission towards fixation of tariff as it was attributed to controllable factors. The Nigam also had to forgo an additional component of project cost of ₹ 34.53 crore further reducing its claim for tariff determination.

[Paragraph 3.4]

Loss due to failure to take an appropriate insurance policy

Uttarakhand Jal Vidyut Nigam Limited could not claim loss of ₹ 2.18 crore as it failed to take Industrial All Risk Policy.

[Paragraph 3.5]

Bill Generation and Revenue collection by Uttarakhand Power Corporation Limited

Uttarakhand Electricity Regulatory Commission levied a penalty on Uttarakhand Power Corporation Limited (UPCL) amounting to ₹ 6.52 crore due to its failure to release new connections in time. The distribution loss of UPCL was ₹ 240.91 crore in six divisions. The Vigilance team of UPCL carried out checks only to the extent of 0.18 *per cent* to 0.54 *per cent* of consumers in 14 divisions. Additional security amounting to ₹ 58.60 crore, initial security amounting to ₹ 2.87 crore and delayed payment surcharge amounting to ₹ 132.58 crore could not be recovered by UPCL.

[Paragraph 3.6]

Chapter-I
Social, General and Economic Sectors (Non-PSUs)

CHAPTER-I

Social, General and Economic Sectors (Non-PSUs)

1.1 Introduction

1.1.1 Budget Profile

There are 63 Government departments and 41 autonomous bodies in the State. The position of budget estimates and expenditure by the State Government during 2012-17 is given in **Table-1.1.1** below.

Table-1.1.1: Budget and Expenditure of the State Government during 2012-17

(₹in crore)

Particulars	2012-13		2013-14		2014-15		2015-16		2016-17	
	Budget Estimates	Expenditure	Budget Estimates	Expenditure	Budget Estimates	Expenditure	Budget Estimates	Expenditure	Budget Estimates	Expenditure
Revenue Expenditure										
General Services	5,443.94	5,372.23	6,804.28	6,182.04	8,157.61	7402.28	8,910.83	8,409.98	11,129.62	9,934.09
Social Services	6,856.51	6,095.84	7,766.53	7,298.01	10,555.22	9,223.69	11,386.47	9,926.69	14,217.69	10,528.57
Economic Services	2,568.74	1,995.29	2,755.73	2,067.95	4,271.41	3,856.47	4,394.41	3,983.21	5,648.75	3,902.66
Grant-in-aid and contributions	847.92	496.86	727.66	668.41	807.79	681.27	1,046.63	766.56	1,254.33	906.18
Total (1)	***15,717.11***	***13,960.22***	***18,054.20***	***16,216.41***	***23,792.03***	***21,163.71***	***25,738.34***	***23,086.44***	***32,250.39***	***25,271.50***
Capital expenditure										
Capital Outlay	3,653.48	3,542.09	4,874.19	3,712.03	4,591.37	4,939.01	4,004.85	4,217.38	5,744.36	4,954.22
Loans and advances disbursed	264.05	272.57	248.66	277.99	212.59	150.97	172.67	83.15	395.22	165.05
Repayment of Public Debt	2,297.13	1,472.21	2,152.79	1,316.81	1,757.79	893.89	2,776.79	1,996.56	2,032.23	1,127.40
Contingency Fund	40.00	32.07	40.00	194.48	180.00	194.15	175.00	385.46	205.00	227.70
Public Accounts disbursements	12,872.30	20,961.24	14,212.33	25,190.33	15,683.06	33,534.94	16,247.59	36,536.73	6,602.72	26,607.34
Closing Cash balance	-	1,945.54	-	2,433.41	-	1,772.02	-	1,462.80	0.00	2,785.95
Total (2)	***19,126.96***	***28,225.72***	***21,527.97***	***33,125.05***	***22,424.81***	***41,484.98***	***23,376.90***	***44,682.08***	***14,979.53***	***35,867.66***
Grand Total (1+2)	***34,844.07***	***42,185.94***	***39,582.17***	***49,341.46***	***46,216.84***	***62,648.69***	***49,115.24***	***67,768.52***	***47,229.92***	***61,139.16***

Source: Annual Financial Statements and Finance Accounts.

1.1.2 Application of resources of the State Government

The total expenditure[1] of the State increased from ₹ 17,775 crore to ₹ 30,391 crore during 2012-13 to 2016-17. The revenue expenditure of the State Government increased by 81 *per cent* from ₹ 13,960 crore in 2012-13 to ₹ 25,272 crore in 2016-17.

The revenue expenditure constituted 79 to 84 *per cent* of the total expenditure during the year 2012-13 to 2016-17 whereas the capital expenditure in the same period was 15 to

[1] Total expenditure includes revenue expenditure, capital expenditure, loans and advances.

20 *per cent.* During this period, revenue expenditure increased at an annual average rate of 15 *per cent* whereas revenue receipts grew at an annual average rate of 13 *per cent* during 2012-13 to 2016-17.

1.1.3 Funds transferred directly to the State implementing agencies

The Government of India (GoI) had transferred significant funds directly to the State implementing agencies for implementation of various schemes/programmes in the past years. The system of direct transfers by GoI to implementing agencies was dispensed with from 2014-15. However, total funds of ₹ 1,629.70 crore was transferred directly by GoI to implementing agencies, including Central implementing agencies, in the State, out of which an amount of ₹ 719.50 crore (44.15 *per cent*) was released to the State implementing agencies. These amounts were not audited as they were routed outside State Budget.

1.1.4 Grants-in-Aid from Government of India

Grants-in-aid received by the State from GoI during 2012-13 to 2016-17 are depicted in **Table-1.1.2** below.

Table-1.1.2: Trends in Grants-in-aid receipt from GoI

(*₹in crore*)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Non-Plan grants	869	981	944	1,043	824
Grants for State Plan schemes	3,040	3,558	4,083	1,173	1,532
Grants for Central Plan schemes	8	13	99	609	843
Grants for Centrally Sponsored Plan schemes	540	523	1,879	2,479	3,035
Total	***4,457***	***5,075***	***7,005***	***5,304***	***6,234***
Percentage of increase/decrease over previous year	*9*	*14*	*38*	*(-) 24*	*18*
Percentage of Revenue Receipts	*28*	*29*	*35*	*25*	*25*

Grants-in-aid from GoI had shown an increase over the period 2012-13 to 2014-15 but it decreased by ₹ 1,701 crore (24.28 *per cent*) during 2015-16 over the previous year. During the current year the receipts under Grants-in-aid from GoI again increased by ₹ 930 crore (17.53 *per cent*) over the previous year. There was increase in Grants for Centrally Sponsored Schemes (₹ 556 crore), Grants for State Plan Schemes (₹ 359 crore) and Grants for Central Plan Schemes (₹ 234 crore). Non-Plan grants declined by ₹ 219 crore.

1.1.5 Planning and conduct of Audit

The audit process starts with a risk assessment of various departments, autonomous bodies, schemes/projects that includes assessing the criticality/complexity of their activities, the level of delegated financial powers, internal controls and concerns of stakeholders besides taking into account the previous audit findings as well as media reports. Based on this risk assessment, the frequency and extent of audit are decided and an Annual Audit Plan is formulated.

After completion of audit, Inspection Reports (IRs) containing audit findings are issued to the heads of the audited entities with a request to furnish reply within one month. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of these IRs are processed for inclusion in the Audit Reports which are submitted to the Governor of Uttarakhand under Article 151 of the Constitution of India.

During 2016-17, compliance audit of 343 drawing and disbursing officers of the State and nine units of autonomous bodies were conducted by the Office of the Accountant General (Audit), Uttarakhand. Besides, two performance audits were also conducted.

1.1.6 Significant audit observations and response of Government to Audit

In the last few years, audit has reported on several significant deficiencies in the implementation of various programmes/activities as well as on the quality of internal controls in selected departments which have had negative impact on the success of programmes and functioning of the departments. The focus was on auditing specific programmes/schemes and offering suitable recommendations to the Executive for taking corrective action and improving service delivery to the citizens.

As per the Comptroller and Auditor General of India's Regulations on Audit and Account, 2007, the departments are required to send their response to draft performance audit reports/draft paragraphs proposed for inclusion in the Comptroller and Auditor General of India's Audit Reports within six weeks. It is also brought to the attention of the concerned Heads of Department that in view of likely inclusion of such paragraphs in the Report of the Comptroller and Auditor General of India to be placed before the Uttarakhand Legislature, it would be desirable to include their comments in the matter. The draft reports and paragraphs proposed for inclusion in the Report are also forwarded to the Additional Chief Secretaries/Principal Secretaries/Secretaries concerned for seeking their replies. Two draft performance audits[2] and 14 draft paragraphs including one Follow-up Audit for the Audit Report for the year ended 31 March 2017 were forwarded to the concerned administrative Secretaries. However, formal reply of the Government has been received in only one case[3] (December 2017).

1.1.7 Recoveries at the instance of Audit

Audit findings involving recoveries that came to notice in the course of test audit of accounts of the departments of the State Government were referred to various departmental Drawing and Disbursing Officers for confirmation and further necessary action under intimation to audit. Recovery of ₹ 70.55 lakh was made by the Executive Engineer, Provincial Division, Public Works Department, Pithoragarh during the year 2016-17 at the instance of audit.

[2] Rejuvenation of River Ganga, National Rural Drinking Water Programme.
[3] Medical, Health and Family Welfare Department.

1.1.8 Responsiveness of Government to Audit

The Accountant General (Audit), Uttarakhand, conducts periodical inspection of Government departments by test-check of transactions and verifies the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed by issue of Inspection Reports (IRs). The heads of offices and higher authorities are required to report their compliance to the Accountant General (Audit) within one month of receipt of the IRs. Serious irregularities are also brought to the notice of the Heads of the Departments by the Office of the Accountant General (Audit), Uttarakhand through a half yearly report on pending IRs.

Based on the results of the test audit, 8,552 audit observations contained in 3,067 IRs were outstanding as on 31 March 2017, details of which are given in **Table-1.1.3** below.

Table-1.1.3: Outstanding Inspection Reports/Paragraphs

Sl. No.	Name of Sector	Inspections Reports[4]	Paragraphs	Amount involved (*₹ in crore*)
1.	Social Sector	1,705	5,452	10,415.13
2.	General Sector	429	843	913.00
3.	Economic Sector(Non-PSUs)	933	2,257	6,947.76
Total		***3,067***	***8,552***	***18,275.89***

The Government sets up audit committees to monitor and expedite the progress of the settlement of the IRs and of the paragraphs in the IRs. During 2016-17, 19 meetings of audit committee were held in which 91 paragraphs were settled. The departmental officers failed to take adequate action on observations contained in IRs within the prescribed time frame resulting in erosion of accountability.

It is recommended that the Government may look into the matter to ensure prompt and proper response to audit observations.

1.1.9 Follow-up on Audit Reports

1.1.9.1 Submission of suo-motu Action Taken Notes (ATNs)

According to the Rules of Procedure for Committee on Public Accounts, administrative departments should initiate *suo-motu* action on all audit paragraphs featuring in the Comptroller and Auditor General's Audit Reports regardless of whether these are taken up for examination by the Public Accounts Committee. The departments are also required to furnish detailed notes, duly vetted by audit, indicating the remedial action taken or proposed to be taken by them within three months of the presentation of the Audit Reports to the State Legislature.

It was, however, noticed that out of 371 audit paragraphs featuring in the Civil Chapters of Audit Reports from 2000-01 to 2015-16, *suo-motu* ATNs in respect of 130 audit paragraphs involving 46 Departments had not been received (as detailed in ***Appendix-1.1.1***) upto 31 March 2017. The Audit Report for the year 2015-16 was placed

[4] Outstanding Inspection Reports / Paragraphs have been taken from 2006-07.

before the Legislative Assembly on 2 May 2017. The related action taken explanatory notes have not been received (December 2017).

1.1.9.2 Action taken on recommendations of the PAC

Action Taken Notes, duly vetted by the Accountant General (Audit), on the observations/ recommendations made by the PAC in respect of the audit paragraphs discussed by them are to be furnished to the Committee within six months from the date of such observations/recommendations. Out of 371 Audit paragraphs featuring in the Civil Chapters of Audit Reports for the years from 2000-01 to 2015-16, only 221 audit paragraphs had been discussed by the PAC up to 31 March 2017. Recommendations in respect of 124 Audit paragraphs were made by the PAC. ATNs on the recommendations of the Committees are pending from the State Government in respect of six paragraphs.

1.1.10 Status of placement of Separate Audit Reports of autonomous bodies in the State Assembly

Several autonomous bodies have been set up by the State Government. A large number of these bodies are audited by the Comptroller and Auditor General of India and their transactions, operational activities and accounts, regulatory issues and internal control, *etc* are scrutinised. The audit of accounts of one autonomous body (Uttarakhand Jal Sansthan) in the State has been entrusted (May 2012) to the Comptroller and Auditor General of India. Separate Audit Report (SAR) of Uttarakhand Jal Sansthan issued by Audit for the year 2014-15 is yet to be placed before the State Legislature.

1.1.11 Year-wise details of performance audits and paragraphs that appeared in Audit Reports

The year-wise details of performance audits and paragraphs that appeared in the Audit Reports for the last two years along with their money value are given in **Table-1.1.4** below.

Table-1.1.4: Details regarding performance audits and paragraphs that appeared in Audit Report during 2014-16

Year	Performance Audit		Paragraphs		Replies received	
	Number	Money value (₹ *in crore*)	Number	Money value (₹ *in crore*)	Performance Audit	Paragraphs
2014-15	03	371.70	12	135.00	03	10
2015-16	02	124.08	17	170.76	02	Nil

Two performance audits and 10 audit paragraphs involving money value of ₹ 151.09 crore have been included in this Chapter. Replies, wherever received, have been suitably incorporated at appropriate places.

PERFORMANCE AUDIT

PEYJAL DEPARTMENT

1.2 Rejuvenation of River Ganga

The Ganga Action Plan (GAP) for cleaning of the River Ganga was initiated by Government of India (GoI) in 1985. Subsequently, GoI had set up (2009) the 'National Ganga River Basin Authority' (NGRBA) as an empowered planning, financing, monitoring and coordinating authority for the River Ganga, to ensure effective measures for prevention, control and abatement of pollution in Ganga and rejuvenating the river to its natural and pristine condition. As a comprehensive approach to rejuvenating the River Ganga and all its tributaries, GoI approved (13 May 2015) the *Namami Gange* programme. A performance audit on rejuvenation of River Ganga brought out weaknesses in planning, implementation and monitoring mechanism of the programme. Some of the significant findings are given below:

Highlights

- ***The total plan size approved in the Annual Plan of Operation for Forestry Interventions for Ganga was a meagre 4.66 per cent of the area planned for the year 2016-17 in the Detailed Project Report.***

  [Paragraph 1.2.6.5 (i)]
- ***Funds ranging from 25.46 to 58.71 per cent were lying unspent during the period 2012-13 to 2016-17 due to their non-utilisation by Executing Agencies.***

  [Paragraph 1.2.7.1]
- ***The claim of the department in making all the 265 villages in 132 Gram Panchayats of seven districts open defecation free was found to be incorrect as 41 Individual House Hold Latrines out of 1,143 physically verified by audit were not constructed and 34 were still under construction. Further, no significant progress was made by the State in the construction of Community Sanitation Complexes and Solid and Liquid Waste Management structures.***

  [Paragraph 1.2.8.1]
- ***Municipal garbage was being indiscriminately dumped on the slopes of the hills.***

  [Paragraph 1.2.8.2]
- ***The Sewage Treatment Plants at Devprayag and Rishikesh were under utilised due to deficient planning and lack of coordination between the Executing agencies.***

  [Paragraph 1.2.8.3 (a)]
- ***65 out of 112 Nallas identified in the priority towns were still to be tapped resulting in discharge of 26.292 million litre per day of untreated sewage into River Ganga or its tributaries.***

  [Paragraph 1.2.8.4 (a)]
- ***The capacity of the Sewage Treatment Plants at Haridwar and Rishikesh was inadequate for handling the waste discharge of the town resulting in untreated sewage being discharged into the River.***

  [Paragraph 1.2.8.4 (b)]

- ***The Forest Department failed to achieve the goals set for the year 2016-17 in three out of four interventions by a margin ranging from 3.50 per cent in case of advanced soil work to 87 per cent in case of urban landscaping.***

[Paragraph 1.2.8.7]

- ***Water quality monitoring stations were established at only three towns out of sampled ten towns.***

[Paragraph 1.2.10.1]

1.2.1 Introduction

The Bhagirathi River, which originates from the Gangotri glacier at *Gomukh* is considered to be the source of River Ganga. The Bhagirathi and the Alaknanda rivers join at Devprayag to form the River Ganga. The river traverses a length of 2,500 km from its origin at the Gangotri glacier to its entry into the Bay of Bengal, out of which a stretch of 294 km falls in the State of Uttarakhand. Though many small streams comprise the headwaters of Ganga in the State, the six longest tributaries in the State are Alaknanda, Dhauliganga, Nandakini, Pindar, Mandakini and Bhagirathi.

GANGA BASIN IN UTTARAKHAND

With growing environmental issues concerning the River Ganga, there has been increase in awareness and understanding about the problems. The entire exercise of Ganga rejuvenation comprises various short-term, medium-term and long-term measures.

Under ***Namami Gange*** the seven main thrust areas covering short and medium-term interventions are (1) Pollution abatement, (2) Maintenance of Flow, (3) River Front Development, (4) Capacity Building, (5) Research and Monitoring, (6) Biodiversity Conservation, and (7) Communication and Public outreach.

The Hon'ble High Court of Uttarakhand passed (02.12.2016) an order in a writ petition[5] wherein directions were issued to the State Government as well as the GoI for taking measures for abatement of pollution in River Ganga and its tributaries.

1.2.2 Organisational Set up

The State Programme Management Group (SPMG), registered (March 2011) as a society, is responsible for management and implementation of the NGRBA programme. The six agencies involved in the implementation of the programme in the State of Uttarakhand are Construction and Maintenance Unit (Ganga) of Uttarakhand Peyjal Nigam for construction of the interception and diversion projects (I&D) and Sewage Treatment Plant (STP); Uttarakhand Jal Sansthan for operation and maintenance (O&M) of these projects; Irrigation Department for River Front Development; State Forest Department for implementation of Forestry Interventions for Ganga; Uttarakhand Environment and Pollution Protection Control Board for prevention of air and water pollution and *Swajal* Directorate under the Peyjal Department for rural sanitation facilities.

1.2.3 Audit Objectives

The Performance Audit was carried out to assess whether:

- there exists adequate planning and institutional and coordination mechanism for abatement of pollution and rejuvenation of River Ganga;
- adequate resources were available on time for the programme and the programme was implemented in an economical, efficient and effective manner;
- the directions of the Hon'ble High Court of Uttarakhand were followed; and
- the monitoring mechanism was adequate for implementation of the programme.

1.2.4 Audit Scope and Methodology

The performance audit of implementation of the programme during the period 2013-14 to 2016-17 was carried out in seven districts[6] falling on the Ganga Basin out of 13 districts during April 2017 to June 2017 and August 2017 to September 2017. Out of 38 Infrastructure Projects being undertaken in 15 towns[7] of Uttarakhand, a sample of 23 projects in ten towns[8], as detailed in ***Appendix-1.2.1,*** was selected for audit on the basis of Probability Proportional to Size With Replacement (PPSWR) method. Besides, one Project, 'Forestry Interventions for Ganga' was also selected for detailed scrutiny. Out of 10,010 beneficiaries in 132 Gram Panchayats (GP) falling in seven Ganga Basin districts, physical verification of 1,362 beneficiaries of Individual House Hold Latrines

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5 No.140 of 2015.

6 Chamoli, Rudraprayag, Pauri, Tehri, Uttarkashi, Haridwar and Dehradun.

7 (1) Muni Ki Reti, Dhalwala, (2) Rishikesh (3) Tapovan, (4) Gopeshwar, (5) Badrinath, (6) Karnprayag, (7) Uttarkashi, (8) Haridwar including Jwalapur area and BHEL, (9) Joshimath, (10) Devprayag, (11) Nandprayag, (12) Kirtinagar, (13) Rudraprayag, (14) Gaucher (15) Srinagar.

8 (1) Muni Ki Reti, Dhalwala, (2) Rishikesh, (3) Tapovan, (4) Gopeshwar, (5) Badrinath, (6) Karnaprayag, (7) Uttarkashi (Badkot), (8) Haridwar including Jwalapur area and BHEL, (9) Joshimath, (10) Devprayag.

(IHHLs) in 16 villages of nine GPs[9] selected on the basis of highest number of IHHLs constructed in GPs was carried out. Besides, physical verification of the selected infrastructure projects implemented in ten selected towns by seven[10] *Nagar Palika Parishads (NPP)/Nagar Panchayats (NP)* was also carried out.

Before commencing the performance audit, audit objectives, criteria, scope and methodology were discussed (April 2017) with the Secretary, Peyjal Department, Government of Uttarakhand in an entry conference. Records were examined at the SPMG, the Uttarakhand Environment Protection and Pollution Control Board (UEPPCB), the Directorate of Urban Development and Project Management Unit (SWAJAL), Uttarakhand Peyjal Nigam (UPJN), Irrigation Department, Uttarakhand Jal Sansthan (UJS), Divisional Forest Offices, seven *Nagar Palika Parishads/Panchayats* and seven[11] District Project Management Units (DPMU). Besides, information obtained from the offices of the seven District Magistrates[12] and Executive Engineer, Uttarakhand Jal Vidyut Nigam Limited (UJVNL) Dehradun was also examined.

An exit conference was held with the Secretary, Peyjal Department and officers of the Executing Agencies (EA) on 29 November 2017 and views of the Government and the Executing Agencies have been suitably included in the report.

1.2.5 Audit Criteria

The audit criteria adopted for achieving the audit objectives were derived from the following sources:

- The Water (Prevention and Control of Pollution) Act, 1974;
- Environment Protection Act, 1986;
- National Ganga River Basin Authority (NGRBA) Programme Framework and guidelines;
- River Ganga (Rejuvenation, Protection and Management) Authorities Order, 2016;
- General Financial Rules;
- Guidelines and instructions issued by Central Pollution Control Board/State Pollution Control Board; and
- Uttarakhand High Court Judgment dated 02.12.2016.

Audit Findings

1.2.6 Planning

Success of any programme depends on putting in place robust institutional and planning arrangements and their efficient and effective working. Institutional arrangements in the context of water pollution control and abatement, and long term river conservation, are

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9 Baleshwar, Chaka, Kevarmalla, Mala, Kinsur, Jhala, Bagodi, Badshahpur and Birpur Khurd.

10 (1) Municipal Corporation, Haridwar (2) NPP, Rishikesh (3) NPP, Muni Ki Reti (Tehri) (4) NPP, Gopeshwar (5) NPP, Karnprayag (6) NP, Badrinath (7) NPP, Uttarkashi (Badkot).

11 DPMU, Chamoli, Rudraprayag, Pauri, Tehri, Uttarkashi, Haridwar and Dehradun.

12 Dehradun, Haridwar, Tehri, Rudraprayag, Chamoli, Pauri and Uttarkashi.

interpreted as structures, approaches, practices or rules set in place by the decision makers and stakeholders at all levels to steer implementation activities such as assessing requirements against identified vulnerabilities and risks; planning for implementation; abatement and conservation measures; and monitoring and evaluation of implementation. The following deficiencies were observed in planning:

1.2.6.1 Delay in submission of Annual Plan

As per NGRBA framework, State level annual planning meeting was to be organised by the SPMG in early September every year with all relevant Urban local Bodies (ULBs) and Executing Agencies (EAs) to prepare the draft annual plan for the State. The SPMG was required to submit to National Mission for Clean Ganga (NMCG) the annual action plans by the end of September for the next financial year. It was noticed that timelines were not adhered to as there was a delay ranging from four to five months in submission of the annual plans (APs) for the period from 2012-13 to 2016-17. The Department in its reply stated that APs could not be framed on time as there was delay in submission of project proposals by EAs. This shows failure of the Department in ensuring timely submission of project proposals by the EAs. The Secretary, Peyjal Department during exit conference stated that required action would be taken to ensure timely submission of APs in future.

1.2.6.2 Non-Constitution of Budget Review Committee

As per the NGRBA framework, the SPMG of each implementing State should have a Budget Review Committee (BRC) consisting of heads of engineering, finance, procurement, monitoring, *etc*. to review the various aspects of the budget and submit its quarterly observations to the head of SPMG. It was noticed that no BRC had been formed in Uttarakhand and the APs and the budget were being prepared by the Finance Wing of the SPMG based on the proposals received from the EAs which was in contravention to the provisions provided in the framework. The Secretary, Peyjal Department during exit conference, stated that the BRC had been formed in September 2017.

1.2.6.3 Framework for coordination of activities

As per the NGRBA framework, a Programme level Tripartite Memorandum of Agreement (MoA) between the NMCG, the SPMG and the concerned ULB was to be executed for ensuring clarity of roles and responsibilities regarding execution, O&M and eventual transfer of investment to the local body. Similarly, a project level tripartite MoA was also to be executed between the SPMG, the EA and the concerned ULB.

Audit noticed that the said MoAs were not found enclosed with the Detailed Project Report (DPR) prepared after the year 2014. On being pointed out, the SPMG stated that a new draft MoA template was circulated (May, 2016) by the NMCG to all the SPMGs. The Secretary, Peyjal Department, during exit conference, stated that the new MoA has not yet been finalised by NMCG.

1.2.6.4 Communication and public outreach

As per NGRBA framework, communication and public outreach (CPO) aims to ensure effective abatement of pollution and conservation of the River Ganga through strategic communication and enhanced public participation and outreach. These activities focus on pollution control messages and sensitization of the public.

Audit observed that prior to 2017-18 no AP for CPO activities had been prepared. However, in May 2017, the SPMG formulated and submitted the AP for CPO activities to the NMCG which was yet to be approved (September 2017). It was further observed that the SPMG also submitted a separate proposal for Information, Education and Communication (IEC) activities for *Char Dham Yatra* 2017 which was approved by NMCG in June 2017. Thus, public participation and outreach activities were only partially initiated.

1.2.6.5 Shortfall in planning in the project-Forestry Interventions for Ganga

The DPR for "Forestry Interventions for Ganga" (FIG) was prepared by Forest Research Institute (FRI), Dehradun and is to be implemented for the period of five years (2016-17 to 2020-21). It consisted of four components *i.e.* natural landscaping, agricultural landscaping, urban landscaping and conservation activities. The DPR was formally approved and adopted on 22.03.2016. The Project Management Unit (PMU), FIG, Uttarakhand was responsible for implementation of the programme through 21 forest divisions of the State as per Annual Plan of Operations (APOs) which are being prepared by the concerned divisions and consolidated by the PMU and forwarded to NMCG for approval.

Scrutiny of the records of PMU, FIG, Uttarakhand revealed various shortcomings in planning as discussed below:

i) Mis-match between plan size of DPR and approved annual action plan of operation 2016-17

The targets mentioned in the DPR of FIG were required to be achieved through five APOs. Hence, the financial allocation for each APO was required to be commensurate with the annual targets approved in the DPR.

Audit found that, as per directions of NMCG, the APO for 2016-17, covering 9,674 hectare (ha) area[13] at a cost of ₹ 84.47 crore was proposed against the coverage area of 32,633 ha targeted in the DPR during the same period at a cost of ₹ 358.91 crore. However, the NMCG further cut the proposed plan size and approved coverage of just 1,521 ha area at a cost of ₹ 15.93 crore with a cut of 92 *per cent* in natural landscaping, 98 *per cent* in agriculture landscaping and urban landscaping each, and 95 *per cent* in the case of conservation interventions as can be seen from the **Table-1.2.1** below:

[13] 2,650 ha Advance Soil Work (ASW) for Natural Landscaping, 5,280 ha for Agriculture Landscaping, 170 ha for Urban Landscaping and 1,574 ha for Conservation Intervention.

Table-1.2.1: Shortfall in targets between DPR and approved APO for the year 2016-17

Components/Activity	Targets as per DPR for 2016-17 (Hectare)	Targets as per approved APO 2016-17 (Hectare)	Shortfall in Hectare (*per cent*)
Natural Landscape (advance soil work and eco task force)	12,149.50	1,000	11,149.50 *(92)*
Agriculture Landscape	15,100.00	300	14,800.00 *(98)*
Urban Landscape	1,079.58	21	1,058.58 *(98)*
Conservation Interventions	4,304.00	200	4,104.00 *(95)*

Hence, the total plan size approved in the 2016-17 APO was a meagre 4.66 *per cent* of the area planned for the year in the DPR. Such a vast mis-match between plan sizes of DPR and approved APO would ultimately affect the outcome planned for the first year of implementation (2016-17) and the subsequent activities and outcomes.

Project Director, PMU, FIG, Uttarakhand attributed (May 2017) the modest size of approved APO to non-availability of sufficient funds with the NMCG.

ii) Delayed submission of APOs

The APO for the year 2016-17 was to be submitted by 20 April 2016 which was extended to 10 May 2016. However, the State Forest Department was able to submit it only on 10 June 2016. The same was approved by NMCG on 14 July 2016. Since, the process of preparing APOs was delayed, the Department did not include activity of planting of saplings in the APO and, instead, planned for advance soil work only for the next year (July 2018). Plantation is carried out in the month of July-August in the State and advance soil work for the same is done 3-4 months prior to plantation. Hence, during the first year (2016-17) of implementation period, the State of Uttarakhand had to restrict itself to advance soil works only and the actual achievement, *i.e.* plantation, under the component of natural landscaping was nil.

The Project Director, PMU, FIG, Uttarakhand corroborated (May 2017) the audit observation.

iii) Non-formation of State Level Programme Steering Committee (SPSC)

The apex body of FIG at the State level *i.e.* State Level Programme Steering Committee (SPSC), which was responsible for approving the APOs and taking decision on matters related to implementation of the project, was not established by the State Government even after the first year of the implementation period. Hence, the APOs of the programme were submitted to the NMCG without approval by the SPSC and there was no scope for receiving and incorporating valuable inputs from other stakeholders such as representatives of other line departments, civil societies, NGOs, *etc.* which were to be a part of the SPSC.

iv) Functioning of Project Management Unit

Project Management Unit (PMU) for Forestry Interventions for Ganga (FIG) at the Forest Department was working with just the Chief Conservator of Forests (CCF)/Project Director (PD) in command. The post of Project Coordinator (Conservator of Forests) and four posts of Project Managers remained vacant. The impact of such vacancies can be seen in delays in preparation of APO 2016-17, short achievements of physical targets and lack of monitoring of the works being executed as stated in ***paragraphs 1.2.6.5 (ii), 1.2.8.7 and 1.2.10.3.***

v) Non-constitution of CPIC and DIC under FIG

Circle Project Implementation Committee (CPIC) and Division Level Implementing Committee (DIC) were not formed in any of the implementing circles/divisions. Hence, the task of preparing APOs was left to the Divisional Forest Officers (DFOs) without guidance from the CPIC and inputs from other stakeholders which were required as per the norms of the DPR.

1.2.7 Financial Management

At the time of formation (February 2009) of the NGRBA, the Central and the respective State Governments shared the cost of river conservation and pollution control measures in the ratio of 70:30. After the launching (July 2014) of the *Namami Gange* programme, 100 *per cent* Central Government assistance is being provided to the SPMG for the entire life cycle cost of treatment of assets created by the State, and for 15 years' Operation & Maintenance. In another significant development post 2014, the SPMG was given the flexibility to utilise the funds available in the Mother account as per the needs of the different projects/activities. It channelises funds to the EAs through a sub-project specific zero balance bank account (Child account) for each project in the same bank with which the SPMG maintains its Mother account. Each EA maintains a project specific Child account for the purpose. Operation of the Mother and Child accounts is depicted in the following flow chart:-

NMCG
- Releases lump sum funds to SPMG on the basis of quarterly demands raised by it.

SPMG
- Issues credit limit from the Mother Account to the various Child Accounts which are maintained project wise by the EAs.

EAs
- Expenditure from the zero balance Child Accounts maintained by EAs is reimbursed automatically from the credit limit authorized by the Mother Account of the SPMG.

1.2.7.1 Availability and Utilisation of funds

The NMCG releases funds to the SPMG on a lump sum basis for the projects approved by it. During the period from 2012-13 to 2016-17, the status of availability and utilisation of funds under various components is given in the **Table-1.2.2** below:

Table-1.2.2: Availability and Utilisation of funds

(₹ in crore)

Year	Opening balance	Funds received during the year					Total funds available	Funds utilised	Unspent balance	Percentage of unutilised funds
		Central share	State share	Interest	Other	Total				
2012-13	0.02	12.85	2.40	0.06	0.10	15.41	15.43	9.63	5.80	37.59
2013-14	5.80	17.05	8.68	0.24	0	25.97	31.77	23.68	8.09	25.46
2014-15	8.09	4.25	13.92	0.22	4.25*	22.64	30.73	13.62	17.11	55.68
2015-16	17.11	30.26	0	1.15	0.01	31.42	48.53	20.04	28.49	58.71
2016-17	28.49	35.37	5.98	0.80	0.01	42.16	70.65	39.86	30.79	43.58
Total		***99.78***	***30.98***	***2.47***	***4.37***	***137.60***	***197.11***	***106.83***		

Source: SPMG, Project Management Unit (Swajal) and CEO Namami Gange.

Note: The amounts shown in the table includes Non-EAP, EAP, DPR fund, NGP fund, Ghat beautification fund, Rural Sanitation fund and Forestry fund

**The amount of ₹ 4.25 crore was returned by Peyjal Nigam to SPMG on account of saving from the funds directly released by NMCG to Peyjal Nigam.*

It is evident that there were unspent balances ranging from 25.46 to 58.71 *per cent* throughout the audit period. The SPMG stated that non-utilisation of funds by the EAs was due to limited resources and slow pace of work.

During exit conference, Secretary, Peyjal Department, agreed with the facts and stated that required action would be taken.

1.2.7.2 Linkage between GoI and State share

In March 2011, under the NGRBA Framework, SPMG was established in Uttarakhand for implementation of the approved annual action plan. Since 2012-13, the NMCG is receiving the NGRBA funds from the Ministry of Environment and Forest (MoEF) budget and transferring the same to the SPMG in the State. The State Government was also required to release its share of funds to the SPMG within two months of the receipt of the instalment from the NMCG under the NGRBA framework. It was noticed that the State was releasing its share on a lump-sum basis including its share of earlier years, without indicating the period to which the share relates, which was in contravention to the provision of NGRBA guideline. The status of State share against Central share is depicted in the **Table-1.2.3** below:

Table-1.2.3: Status of State share against Central share

(₹ in lakh)

Year	EAP[14] release				Non-EAP Release			
	Central share	Date	State share	Date	Central share	Date	State share	Date
2012-13	60.00	02.05.2012	16.67	13.06.2012	820.00	14.11.2012	189.87	07.02.2013
	94.70	01.03.2013	9.04	09.11.2012	310.00	22.03.2013		
			24.29	08.01.2013				
2013-14	527.00	28.02.2014	-	-	313.00	30.04.2013	300.00	22.05.2013
			-	-	181.00	30.04.2013	568.00	25.03.2014
			-	-	174.00	26.09.2013		
			-	-	236.00	23.10.2013		
			-	-	59.00	23.10.2013		
			-	-	215.00	30.12.2013		
2014-15	25.35	03.07.2014	27.16	07.11.2014	300.00	18.06.2014	664.00	14.10.2014
			27.84	07.02.2015	100.22	30.01.2015	297.00	07.02.2015
			226.00	07.02.2015				
2015-16					211.00	21.01.2016		
					485.00	01.03.2016		
2016-17			56.77	21.09.2016	36.00	02.06.2016	318.72	02.09.2016
					518.90	28.07.2016	181.28	15.09.2016
					535.00	07.02.2017	41.11	22.12.2016

Source: SPMG.

In the absence of description/bifurcation, the State share *vis-à-vis* specific central share could not be analysed. On being pointed out, the SPMG stated that due to financial constraints and limited resources, State share could not be released on time. It further added that due to non-release of State share, the works were interrupted and targets could not be achieved in time. The Secretary, Peyjal Department, during exit conference, directed SPMG to take up the matter with the State Government.

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14 Externally Aided Programme.

1.2.7.3 Preparation of accounts

As per the NGRBA framework, the NMCG could release subsequent fund instalments only after (i) submission of audit report of previous financial year by the SPMG to the NMCG and (ii) reasonable utilisation of the first instalment of the reporting year. Audit noticed that in the absence of an internal auditor, the consolidated financial statements along with annual audit report were not being prepared by the SPMG. On being pointed out, the SPMG stated that the unaudited trial balance, income and expenditure and receipt & payment statements were submitted to NMCG as and when required. The procedure laid down in the NGRBA framework was, therefore, not being adhered to since funds were being released by NMCG without adhering to procedural requirements.

1.2.7.4 Accrual of Interest

As per the instructions of the Ministry of Finance, GoI, the State Governments are required to credit the interest earned on the GoI funds parked in bank accounts to the concerned accounting head[15]. During test-check of the records of nine sampled forest divisions out of 11 implementing divisions involved in FIG, it was noticed that the divisions opened Child accounts (Saving Accounts) in the concerned banks (Union Bank of India) for maintaining the funds released from Chief Conservator of Forests/Project Director (CCF/PD) *Namami Gange* and earned interest of ₹ 5.20 lakh up to July 2017. Audit observed that no directions were issued either by NMCG or CCF/PD *Namami Gange* regarding accounting of the interest amount which was lying in the bank accounts.

1.2.7.5 Other Irregularities

- It was noticed that NMCG in June 2011 issued instruction to SPMG for opening of two separate bank accounts (Mother account) one each for Non-EAP and EAP funds in the Union Bank of India, with link to EAs through zero balance Child account in the same bank. The purpose was to avoid delay in transferring funds to EAs for execution of works. In response, SPMG in August 2011 opened both the bank accounts with UBI. Instructions were issued by the SPMG to EAs to link Child account with Mother Account in November 2012 but the EAs opened the Child account after a delay of three years in June 2014. Till then, the SPMG provided the funds through cheque, which defeated the purpose of zero balance Child account.
- Presently, the following Mother accounts were maintained by SPMG.

Table-1.2.4: Details of Mother Accounts maintained by SPMG

Sl. No.	Name of Programme	Name of Bank	Date of Opening
1.	Non-EAP	Punjab National Bank	18.06.2014
2.	EAP	Bank Of India	24.09.2013
3.	Ghat Beautification	Axis Bank	02.03.2016
4.	National Ganga Plan	Axis Bank	02.03.2016

It was noticed that the Mother Account for Ghat beautification and National Ganga Plan was opened by SPMG in Axis Bank, which was a private bank. The Superintending

[15] Major Head 0049 (Interest Receipt)-01 (Interest from State Governments)-800 (Miscellaneous receipt).

Engineer, Irrigation Division Uttarkashi (EA) had informed SPMG (May 2017) that the Child account could not be opened by the EA as there was no branch of the Axis Bank in Uttarkashi. Thus, opening of Mother Account in a private bank hampered the opening of Child account of the EA in the same bank thereby defeating the objective of avoiding any delay in release of money for execution of works.

- Audit noticed a difference of ₹ 7.42 lakh (Non-EAP) between the balance shown in the records of SPMG and the actual balance lying in the bank account (Mother Account). On being pointed out, the SPMG stated that the reconciliation would be done with the EAs and corrective measures would be taken.
- It was also noticed that the EAs were not reconciling their expenditure figures shown in physical and financial progress report with the work abstract/ledger. On being pointed out, the SPMG stated that necessary instructions had been issued in the review meeting and through correspondence.

The Secretary, Peyjal Department, during exit conference, directed the SPMG to open the accounts in the light of instructions issued by NMCG. Further, SPMG stated that the difference in amount would be reconciled with the bank.

1.2.8 Implementation of Programme

1.2.8.1 Rural Sanitation

For rejuvenation and development of River Ganga, the State Government forwarded (July 2014) to the Ministry of Drinking Water and Sanitation, GoI, the State Action Plan (SAP) for complete sanitation coverage of Gram Panchayats (GPs) falling in the Ganga basin in the State of Uttarakhand. As per the SAP, 265 villages in 132 GPs in seven districts located along the River Ganga and its tributaries were to be declared as *open defecation free* (ODF) by the year 2019. The SAP aimed at constructing 10,010 Individual House Hold Latrines (IHHLs), 132 Community Sanitation Complexes (CSCs) and 132 Solid and Liquid Waste Management[16] (SLWM) units in the 132 GPs for improving cleanliness in the rural areas.

The physical targets and achievements in the construction of IHHLs, CSCs and SLWM structures are depicted in the **Table-1.2.5** below:

Table-1.2.5: Detail of physical targets and achievements of IHHLs, CSCs and SLWM

Sl. No.	Name of the Component	Target	Achievement	Achievement (in *per cent*)
1.	IHHLs	10,010	10,010	100
2.	CSC	132	10	08
3.	SLWM	132	02	02

It is evident that there was insignificant progress in the construction of CSCs and SLWM structures. The Department, however, declared (May 2017) all the 265 villages in the

16 SLWM includes construction of pits, vermi compost pits, drains, installation of dustbins and biogas plant and treatment of garbage/manure.

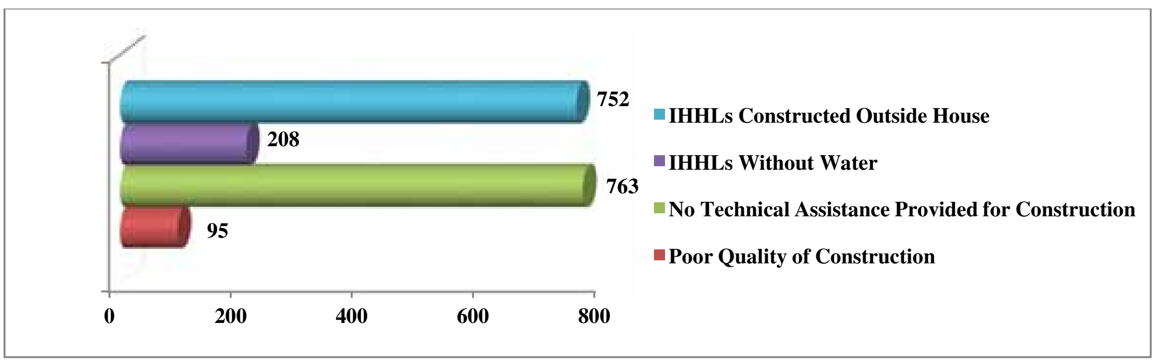
132 GPs along the River Ganga as ODF despite the fact that 41 out of 1,143 IHHLs physically verified by Audit were actually not constructed and 34 IHHLs claimed to have been completed were still under construction. Further, as per paragraph 14.4 of guidelines of *Swachh Bharat* Mission (*Gramin*), an independent agency was required to be engaged for monitoring of sanitary status in the rural areas. However, in Uttarakhand, officials from *Swajal* carried out the prescribed physical verification in contravention of the above guidelines.

The Secretary, Peyjal Department, during exit conference, stated that initially the focus was on construction of IHHL and now the funds have been released and the DPRs of CSCs and SLWM have been prepared.

1.2.8.1 (a) Results of field verification

Out of 10,010 (as of 19 May 2017) beneficiaries of IHHLs, a sample of 1,362 beneficiaries was selected by audit for physical verification. However, repetition of names of 44 beneficiaries (43 beneficiaries repeated twice and one beneficiary repeated thrice) and non-availability of 174 beneficiaries at the time of physical verification reduced the effective sample size to 1,143. Physical verification revealed that 41 out of a sample of 1,143 beneficiaries (3.6 *per cent*) had still not initiated construction of IHHLs and construction of 34 IHHLs (three *per cent*) was yet to be completed. Hence, the actual number of beneficiaries with completed IHHLs was 1,068 only. Yet the Department declared (May 2017) all the 265 villages in the 132 GPs along the River Ganga as ODF. The result of physical verification of these 1,068 beneficiaries (as per the parameters given in ***Appendix-1.2.2***) is given in the **Chart-1.2.1** below:

Chart-1.2.1: Results of of physical verification



As can be seen from the above, 71 *per cent*[17] IHHLs were constructed without technical assistance, 70 *per cent*[18] IHHLs were constructed outside the residential premises, 19 *per cent*[19] IHHLs were without water facilities and construction quality of nine *per cent*[20] IHHLs was found below standard.

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[17] 763 out of 1,068 IHHLs.
[18] 752 out of 1,068 IHHLs.
[19] 208 out of 1,068 IHHLs.
[20] 95 out of 1,068 IHHLs.

1.2.8.2 Unscientific disposal of Municipal Garbage

The Draft Urban Municipal Waste Management Action Plan for the State of Uttarakhand was prepared in 2015. The Plan was revised (August 2017) in accordance with Solid Waste Management Rules 2016 and it was to be implemented by 92 ULBs in the State. During the scrutiny of the records and joint physical inspection of ten selected towns in seven NPPs, it was observed that disposal of the municipal solid waste was not being done as per prescribed scientific methods[21] except in Gopeshwar and *Muni ki Reti*. Neither segregation of garbage in degradable and non-degradable categories was being made nor was manure being made out of degradable garbage. It was further observed in three[22] out of ten selected towns that un-segregated municipal garbage was being indiscriminately dumped on the slopes of the hills which would ultimately fall into the River Ganga and its tributaries particularly during rainy season.

Dumping site on the bank of river Alaknanda at Badrinath

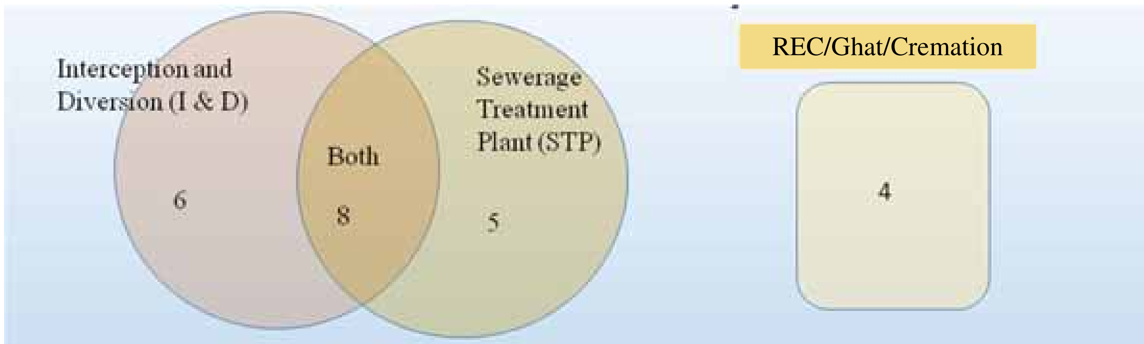
Dumping site on the bank of river Alaknanda at Karnprayag

1.2.8.3 Interception and Diversion Projects and Sewage Treatment Plants (STPs)

Interception and diversion of raw sewage is an important aspect of pollution abatement. STPs treat the intercepted/diverted sewage preventing spread of pollution. In the State, the Uttarakhand Peyjal Nigam (UPJN) is responsible for construction of sewerage network and STPs. The Uttarakhand Jal Sansthan (UJS) connects the establishments and households to the sewerage network laid and is also responsible for its operation and maintenance. The 23 sampled infrastructure projects including five completed (C) projects as on 31 March 2017 are shown below:

21 Collection, segregation, processing and disposal of Municipal solid waste which included construction of landfill and compost plant.

22 (1) NPP, Karnprayag (2) NP, Badrinath (3) NPP, Badkot.



I&D

- Ahbab Nagar, Haridwar (C)
- Triveni Ghat, Rishikesh (C)
- Repair & Reconstruction Devprayag (C)
- Devprayag
- Sarai, Haridwar
- Jagjeetpur, Haridwar

Both(I&D and STP)

- Tapovan (C)
- Gangotri
- Kirtinagar, Tehri
- Gopeshwar
- Karnprayag
- Rudraprayag
- Muni-ki-Reti, Dhalwala
- Rishikesh

STP

- Devprayag (C)
- Upgradation Gyansu, Uttarkashi
- Upgradation, Srinagar
- Jagjeetpur, Haridwar
- Sarai,Haridwar

River Front Development/Ghat/Cremetoria

1. Devprayag to Uttarkashi 2. Uttarkashi to Maneri 3. Rudraprayag to Karnprayag 4. Karnprayag to Vishnuprayag

The following deficiencies were noticed:

(a) Underutilisation of Sewage Treatment Plants

(i) The work of Sewage Treatment Plant (STP) at Devprayag, having treatment capacity of 1.4 million litre per day (MLD) for treating the sewage of three areas[23] was awarded (October 2011) to a contractor for an amount of ₹ 2.83 crore with a completion period of 12 months. Scrutiny of the records revealed that the work could not be started till February 2013 due to land dispute. Further, the land development work for the project which started in February 2013 came to a halt in June 2013 due to floods and was resumed in November 2013. Finally, the project was completed in May 2016. It was also noticed that out of three areas, the sewage load of only one area[24] was being treated at the STP as two separate STPs (75 KLD and 150 KLD) for treatment of sewage load of other two areas had been proposed (2014) and

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[23] *Shanti Bazar, Sangam Bazar* and *Bah Bazar.*
[24] *Bah Bazar* (0.05 MLD).

sanctioned in 2015. As a result, only 0.05 MLD (3.57 *per cent*) sewage was being treated against the total capacity of 1.4 MLD. Further, joint physical inspection (July 2016) by the officers of UPJN (Ganga) and UJS revealed that the operation of STP could not be tested due to low input sewage.

On being pointed out, the Department stated that the *Shanti Bazar* and *Sangam Bazar* sewer networks could not be connected due to damage caused by the natural calamity. It further stated that it was technically unviable to reduce the capacity of the STP at Devprayag after commencement of work. As only 10 households of *Bah Bazar* area were connected (May 2017) to the sewer network after being handed over to UJS, the Department needs to ensure that all the sewer connections of the area are connected to the STP so that the entire sewage can be treated.

(ii) An STP with a treatment capacity of 3.5 MLD at Tapovan in Rishikesh was completed and is operational since May 2016. Scrutiny of records revealed that the STP was not handed over by UPJN to the UJS for O&M till June 2017. It was further noticed that all the establishments/houses in the project area were not connected with the STP. As a result, only 0.29 MLD sewage was being treated against the total capacity of 3.5 MLD. On being pointed out, Project Manager (PM), Construction and Maintenance Unit (Ganga), stated that connections had to be made by the UJS. The Secretary, Peyjal Department, during exit conference, stated that the administrative heads of both UPJN and UJS had been instructed to undertake special drive to increase connections.

(b) Inordinate delay in completion of project

The Scheme of Sewerage System and an STP having treatment capacity of one MLD at Gangotri Dham at Uttarkashi was completed in October 2017 against the target date of 30 April 2014. Scrutiny of records of the PM, Uttarkashi revealed that the current daily average load of sewage generated in the town was 0.75 MLD. Due to inordinate delay in completion of the project, 0.75 MLD of untreated sewage for an additional period of three years was being discharged daily into Bhagirathi River, which is considered to be the source of River Ganga.

During exit conference, the Department stated that the delay was due to natural calamity and tough hilly conditions. The Department is required to factor in the difficult terrain conditions of the area before working out the targeted date of completion of any project. This contention was accepted by the Secretary, Peyjal Department during exit conference.

(c) Non-realisation of penalty

The Scheme of Sewerage System and STP for Gangotri Dham at Uttarkashi was awarded (July 2011) to a contractor at ₹ 6.92 crore (₹ 4.74 crore for construction and ₹ 2.18 crore for O&M). The contractor had submitted TDR (Term Deposit Receipt) for ₹ 69.21 lakh issued by the West Bengal State Cooperative Bank Limited, Coochbehar, West Bengal as security deposit against the contract bond which was verified by the division from the concerned bank. As per the agreement, the date of start of the work was July 2011 with date of completion as July 2012. The work was not completed within the stipulated time by the contractor and several extensions were given with final date of completion as September 2015. It was noticed that the contractor did not complete the work even by the extended date and the General Manager (GM), Construction Division (Ganga), Haridwar rescinded the bond on 17 November 2015. A penalty of ₹ 69.21 lakh[25] was imposed by PM, UPJN, Uttarkashi. The TDR submitted by the contractor as security deposit was found to be fake at the time of realisation (August 2015). On being pointed out, PM, UPJN Uttarkashi while accepting the facts stated that the amount of penalty could not be recovered due to fake TDRs. This resulted in loss of ₹ 69.21 lakh to the State exchequer. GM, Construction Division (Ganga), during exit conference, stated that a departmental investigation was going on.

(d) Payment of interest free Mobilisation Advance

Rule 48 of the Uttarakhand Procurement Rules, 2008 strictly prohibits provision of interest free mobilisation advances (MA) to the contractors without sanction of the Government. However, it was found that an interest free MA amounting to ₹ 40.14 lakh for the construction of 3.5 MLD STP at Tapovan, Rishikesh was provided to the contractor. On being pointed out, the Department stated that the advance was given as per the agreement with the contractor. Scrutiny of records further revealed that the agreement was silent about the interest component. In the absence of any specific clause in the agreement and in violation of extant rules mentioned above, the payment of interest free MA to the contractor was irregular and resulted in an undue favour to the contractor.

(e) Extra burden on State exchequer due to faulty DPR

The Administrative Approval and Expenditure Sanction for construction of a 3.5 MLD STP at Tapovan area in Rishikesh was accorded by the GoI (March 2011) with a project cost of ₹ 23.02 crore (70:30 Ratio). It was observed that the DPR was prepared by the EA without carrying out any geological survey at the construction site. The geological survey carried out (November 2011) subsequently recommended construction of an RCC protection wall to safeguard the STP from soil erosion. The State Government constructed the RCC wall at a cost of ₹ 29.75 lakh. This resulted in an extra burden of ₹ 20.82 lakh[26] to the State exchequer. The Secretary, Peyjal Department, during exit conference, accepted the observation.

1.2.8.4 Discharge of sewage and drains opening into the Ganga and its tributaries

One of the major components for pollution in the River Ganga and its tributaries is the drains opening into the river. Audit observed the following:

a) The UPJN had identified (2015) 112 *Nallas* in the priority towns[27] discharging 56.871 MLD of sewage into the River Ganga and its tributaries[28]. During scrutiny of

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[25] @ 0.50% per week of the contracted value (₹ 692.08 lakh) or maximum 10 *per cent* of the contracted value whichever is less.

[26] ₹ 29.75 lakh x 70 *per cent*= ₹ 20.82 lakh.

[27] Haridwar (including BHEL Ranipur), Rishikesh, Gopeshwar, Tehri (Tapovan-Rishikesh), Srinagar, Joshimath, Uttarkashi (Badkot), Muni ki Reti, Dhalwala, Gaucher, Karnprayag, Rudraprayag, Kirtinagar, Nand Prayag, Badrinath, Devprayag.

[28] Alaknanda and Bhagirathi.

the records of the SPMG, it was noticed that only 47 *Nallas* having discharge of 30.579 MLD had been tapped till the date of audit (June 2017). Thus, the remaining 65 *Nallas* were still discharging 26.292 MLD of sewage into the River Ganga or its tributaries.

There were 22 *Nallas* in Haridwar out of which 17 *Nallas* had been tapped and handed over to Jal Sansthan, Haridwar. Joint physical verification (June 2017) of remaining five[29] *Nallas* revealed that three[30] out of five *Nallas* were partially tapped and the sewage was over flowing without any treatment into the *Gang Nahar*. Two *Nallas* (Ramrakha and Matra Sadan) were not tapped at all and were discharging untreated water into *Gang Nahar* and River Ganga.

Matra Sadan Nalla discharging into river Ganga in Haridwar

Pandeywala Nalla discharging into Gang Nahar Haridwar

It was informed by the Assistant Engineer (AE), UPJN, Haridwar, that water of *Gang Nahar* was being used for irrigation purposes and its branches merge with River Ganga and River Yamuna near Kanpur and Agra respectively. Further, the water of the *Gang Nahar* was also supplied to Meerut, Ghaziabad, Noida and Delhi for drinking purposes. GM, Construction Division (Ganga), during exit conference, stated that the DPRs for 60 *Nallas* had been approved and DPRs for remaining five *Nallas* were under process at NMCG level.

b) Scrutiny of records of the Maintenance Division (Ganga), UJS, Haridwar, revealed that two STPs having capacity of 18.0 MLD and 27.0 MLD at Jagjeetpur, Haridwar were handed over to the UJS in April 2011. Against a sewage load of 80 MLD being pumped into these STPs, only 45 MLD of sewage was being treated by these STPs. As a result, 35 MLD of the untreated sewage was being discharged into the river as

Untreated sewage mix with treated sewage at Jagjeetpur, Haridwar

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29 (1) Kasawan *Nalla*, (2) Ramrakha *Nalla*, (3) Pandey Wala *Nalla*, (4) Matra Sadan *Nalla* (5) Lal Mandir *Nalla*.

30 (1) Kasawan *Nalla* (2) Pandey Wala *Nalla* (3) Lal Mandir *Nalla*.

observed during the physical verification of the site. The Project Manager, Construction and Maintenance Division, UPJN (Ganga) stated that the DPRs of STPs of 18 MLD and 27 MLD at Jagjeetpur were prepared in 1989 and 2005 on the basis of population census of 1981 and 2001 respectively. It was further added that the capacity had become inadequate because the quantum of waste water generated had gone up due to permanent resident population increasing considerably and surpassing the projected estimates and increase in floating population of tourists and visitors.

Similarly, in Rishikesh, approximately 16 MLD sewage was reaching the *Lakadghat* Oxidation Pond, whereas the capacity of the Oxidation Pond was only 6 MLD. Consequently, 16 MLD sewage, which was partially treated, was being discharged into open drains which flowed into the *Soung* River, a tributary of River Ganga. The PM, Maintenance Division (Ganga), Haridwar, during exit conference, agreed with the facts and stated that STPs of 68 MLD at Haridwar and 26 MLD at Rishikesh had been sanctioned and the work for STP at Haridwar had been awarded (October, 2017) and the tendering process for STP at Rishikesh was in progress.

Mixing of industrial waste of SIDCUL with the treated water at Sarai, Haridwar

c) During scrutiny of the records of UJS, Haridwar it was noticed that 18.0 MLD sewage was being treated in the STP at Sarai and the treated sewage was being discharged into the *Sukhi* river which flows for around eight kilometres before falling into the River Ganga. A physical verification of the discharge route of the treated sewage revealed that enroute, the industrial waste from the State Industrial Development Corporation of Uttarakhand Limited (SIDCUL), Haridwar was also being let into this channel carrying the treated water, thus polluting the treated water. The Biochemical Oxygen Demand (BOD) level of water at this point was tested and found to be 22 mg/litre, which is significantly higher than the accepted norm of 10 mg/litre. During exit conference, Chief Engineer, Peyjal Nigam, however, stated that as per revised parameters the BOD level upto 20 mg/l is permissible. The SPMG stated that as per directions of National Green Tribunal (NGT), a notice had been issued to SIDCUL.

d) During scrutiny of the records of UJS (Maintenance Division-Ganga) Haridwar, it was observed that the sewage of five colonies of Haridwar was being collected at the Sewage Pumping Station (SPS) in *Brahmpuri*. The collected sewage was being transported from *Brahmpuri* SPS through a rising main having a length of 1,100 metres to the manhole line near the *Dam Kothi*.

It was noticed that the said rising main was prone to frequent ruptures and during this period the SPS had to be closed which led to overflow of the sewage. The rising main ruptured 53 to 60 times during the years 2011-12 to 2016-17. Further, every single repair took around 24 to 36 hours. Keeping in view the pumping capacity of SPS, number of ruptures and the average time taken to repair, it was informed by the division that around 260 million-litre untreated sewage was discharged during the years 2011-12 to 2016-17 into the *Laltaro* River which finally merges with the River Ganga.

On being pointed out, the Executive Engineer (EE), UJS, Haridwar agreed with the facts and stated that the rising main being too old had become prone to damage and was being replaced.

1.2.8.5 Flaring of Methane Gas

The UPJN constructed an STP of 18.0 MLD capacity at Jagjeetpur, Haridwar under Ganga Action Plan (GAP-I). The STP was handed over to the UJS in the year 2011. Scrutiny of records of the EE, Maintenance Unit (Ganga), UJS, Haridwar revealed that 350 to 400 cubic metre methane gas released per day was being flared in open air in the premises of the STP from the year 2011. As per the Environment Protection Act 1986, No Objection Certificate (NOC) to operate the STP was to be obtained from the UEPPCB. It was noticed that the Jal Sansthan had neither obtained the consent to operate the STP nor NOC from the UEPPCB from the date of taking over in the year 2011.

On this being pointed out, the Department stated that application for NOC had been made with the UEPPCB in May 2016. Cross verification with the records of Regional Officer, UEPPCB, Roorkee revealed that the online application was accepted (May 2016) and the Department was directed to deposit fee which was not done till date.

The plant was, therefore, running for the last five years without consent to operate and regularly flaring methane gas without following the extant air pollution control norms. The Secretary, Peyjal Department during exit conference, directed the Department to take necessary action.

1.2.8.6 Reuse of treated water and sludge

As per the Central Public Health and Environmental Engineering Organisation manual, provision for reuse of the treated water and the sludge from STPs in agriculture, horticulture, *etc.* should be made by the Implementing Agencies.

Dumped sludge at Sarai, Haridwar

During scrutiny of records of UPJN, Rishikesh and UJS, Haridwar, it was observed that provisions for reusing the treated water from 3.5 MLD STP at Rishikesh and 18 MLD STP at Sarai, Haridwar had not been made and the treated water was being discharged into River Ganga or its tributaries. It was also observed that provision for reuse of sludge was also not made by both the units and sludge was being dumped alongside the STPs, causing threat to the environment. The Secretary, Peyjal

Department during exit conference, stated that the treated water was now being provided to the farmers as and when required by them. Further, it was also stated that private partners had been consulted for sale of sludge.

1.2.8.7 Physical progress under Forestry Interventions for Ganga

Under APO 2016-17, the NMCG approved implementation of forestry interventions in 1,521 ha area. The progress of interventions is given in **Table-1.2.6** below:

Table-1.2.6: Targets and Achievements

Landscape/activity	Targets as per approved APO	Achievements	Percentage of shortfall
Natural Landscape: Advanced Soil work (Hectare) Plants in Nursery (Lakh)	 1,000.00 27.45	 965.00 19.55	 3.50 29.00
Agriculture Landscape (Hectare)	300.00	304.00	-
Urban Landscape (Hectare)	21.00	2.75	87.00
Conservation Interventions (Hectare)	200.00	171.14	14.00

The Department failed to achieve the goals set for the year 2016-17 in three out of the four targeted interventions by a margin ranging from 3.50 *per cent* in the case of advanced soil work to 87 *per cent* in the case of urban landscape.

Urban landscaping was to be taken up in four districts, namely Tehri, Uttarkashi, Dehradun and Haridwar. Physical verification was taken up by Audit in Uttarkashi and Dehradun. In Uttarkashi although plantation was found to have been carried out as per provisions in the DPR, there were shortfall in the achievements *vis-à-vis* targets. Target for Uttarkashi Division was five hectares (three hectares for avenue plantation and two hectares for eco-park). Against this, only two hectares were brought under avenue plantation by March 2017 because of delayed release of funds. No activity was taken up for development of eco-park. In Dehradun avenue plantation had not been taken up. Out of three hectares targeted for development of eco-park only 0.75 hectares were developed.

On being pointed out, the Project Director, PMU, FIG, Uttarakhand stated (May 2017) that targets could not be achieved due to delay in establishment of programme management unit, arrangement of staff and issuance of technical guidelines.

1.2.8.8 Plantation issues under Forestry Interventions for Ganga

(i) Paragraph 5.5.2 of the DPR Volume-I approved by NMCG provided that pits for plantation works should be dug sufficiently well before planting operation according to the standard practice in the plantation area, and the period between pit digging and scheduled planting time should not be more than four months so that soil run off through wind and water could be minimised. In Uttarakhand, the regular planting activity is conducted in July-August during the monsoons and, therefore, the ideal time for pit digging should be April or later.

During audit of the nine test-checked divisions, seven divisions reported digging of pits during January-March 2017. The pits for natural plantation were, therefore, dug 1-3 months prior to the recommended time which was in violation of the programme guidelines.

(ii) DPR (Paragraph 5.5.2 of Volume-I) provided application of organic manure to boost plant growth in nurseries and plantations. Eco-friendly measures were to be adopted without resorting to use of synthetic chemicals.

In the nine test-checked divisions, four[31] divisions reported that a mixture of organic manures and synthetic chemicals were applied for the plantation. Use of synthetic chemicals by the divisions was in violation of provisions of the DPR.

(iii) The activities of Bio-remediation and Bio-filtration, Industrial Plantation, Riparian Wildlife Management, Wetland Management and River Front Development, which were part of Urban Landscape and Conservation interventions, were not attempted at all despite the fact that these activities were crucial for mitigating the risk of pollution from contaminants flowing out from urban and peri-urban agglomerations and industrial clusters.

(iv) A target of five hectares was set for avenue plantation[32] for the Haridwar division for the year 2016-17, for which an amount of ₹ 12 lakh was allotted in February 2017. However, no plantation was done by the division and the amount allotted was surrendered in May 2017. On being pointed out, the division while accepting the facts stated that the National Highway Authority of India expressed its inability to provide the location. The reply is not acceptable as work of widening of National Highway was going on for the last several years and availability of locality should have been confirmed prior to preparing the APO.

1.2.8.9 Payment of wages through electronic mode under forestry interventions

Government of India issued instructions (November 2016) that all the field offices and contractors should open bank accounts for the employed workers and make payments through Direct Benefit Transfer (DBT)/electronic mode. The need for organising camps was also stressed for opening bank accounts of labourers. The instructions were forwarded (December 2016) by Project Director, PMU, FIG, Uttarakhand for strict compliance by the divisions.

Audit found that in seven[33] out of the nine test-checked divisions, works were got executed through contractors and ₹ 5.27 crore was paid as labour cost.

Two divisions[34] had executed all the works on departmental labour basis. However, the Divisions paid ₹ 82.43 lakh in cash claiming that bank accounts were not available with the labourers. This violated the instructions regarding payment of wages through DBT.

The Divisional Forest officers (DFOs) replied that payment had been made to contractors through electronic mode. However, none of the divisions had laid down conditions in the contracts that payment of wages to labourers would be made through DBT. No assurance, therefore, could be gained on whether the labourers received their wages through DBT.

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[31] Uttarkashi, Soil Conservation Uttarkashi, Tehri Dam II and Chidiyapur range of Haridwar.
[32] Roadside Plantation.
[33] Uttarkashi, Soil Conservation Uttarkashi, Tehri Dam II, Rudraprayag, Tehri, Dehradun, Haridwar.
[34] Narendra Nagar Forest Division, Tehri Dam I Forest Division.

1.2.9 Compliance with directions of Hon'ble High Court of Uttarakhand

The Hon'ble High Court of Uttarakhand passed (02.12.2016) an order in a writ petition relating to cleanliness of River Ganga wherein directions were issued for taking measures for abatement of pollution in River Ganga and its tributaries. The directions of the Hon'ble High Court were, *inter alia*, related to STPs at Haridwar and Rishikesh; setting up of STP by Bharat Heavy Electricals Limited and Hydroelectric Projects; status of operation of defaulting industries which were served with closure notices; discharge of untreated sewage by industry/hotel/commercial establishment/ashrams; drains opening into River Ganga; ban of sale, use and storage of plastic carry bags; and bathing of cattle. The details of the findings are given in ***Appendix-1.2.3.***

1.2.10 Monitoring and Evaluation

Effective monitoring and reporting of the programme is a key factor in achieving the objectives of the programme. Audit observed the following:

1.2.10.1 Water Quality Monitoring of River Ganga

The UEPPCB, which is a statutory organisation constituted under Section-4 of the Water (Prevention and Control of Pollution) Act, 1974 to implement Environmental laws and rules within the State of Uttarakhand, was monitoring the quality of water. During the scrutiny of records of the UEPPCB, it was observed that water quality monitoring at the monitoring stations was not being done at the entry and exit points of a particular town. It was, therefore, difficult to compare the water quality of a town at the entry and exit point. This lacuna also prevented measuring the effectiveness of the STPs and I&D projects in controlling water pollution originating from these towns. As per the UEPPCB's water quality monitoring report, the status of water quality was as under:

- Gangotri to Rishikesh stretch: 'A' grade
- Rishikesh to Haridwar: 'B' grade
- Haridwar downstream: 'C' grade

The report corroborates the fact that the water quality in the River worsened downstream. As a majority of active STPs are in Rishikesh and Haridwar, it also indicated that despite the operation of STPs, the pollution in the river in Rishikesh-Haridwar stretch continued unabated on account of various implementation issues as discussed.

Further, during the scrutiny of records of the UEPPCB, it was observed that out of sampled ten towns[35], water quality monitoring stations were established at only three stations[36]. The Secretary, Peyjal Department, during exit conference, stated that the NMCG had assigned the programme to the Central Pollution Control Board.

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[35] 1. Badkot (Uttarkashi), 2. Gopeshwar 3. Badrinath (Puri) 4. Karnprayag 5. Haridwar including BHEL and Rainipur 6. Rishikesh 7. Tehri Tapovan, Rishikesh 8. Muni Ki Reti, Dhaalwala 9. Devprayag 10. Joshimath.

[36] Rishikesh, Haridwar and Devprayag.

1.2.10.2 Budgetary monitoring

As per the NGRBA framework, the SPMG had to hire private firms of Chartered Accountants as internal auditors to assess the effectiveness of internal controls and to provide independent assurance on the adequacy of internal controls.

Audit noticed that internal auditors had not been appointed by the SPMG (June 2017). On being pointed out, the SPMG, while accepting the facts, stated that proposals were invited in September 2012 and May 2015 for appointing internal auditors but the selection was put in abeyance as the NMCG indicated that it would deploy its own internal audit team. The Secretary, Peyjal Department, during exit conference stated that the post of internal auditor had been filled in November 2017. The mechanism to assess the effectiveness of internal control was, therefore, not in place till November, 2017.

Further, it was also observed that the expenditure incurred by the EAs was not being reconciled with the records of SPMG regularly. On being pointed out, the SPMG stated that necessary instructions were being issued to the EAs for reconciliation of accounts on a regular basis.

1.2.10.3 Monitoring of Forestry Interventions for Ganga works

Paragraph 6.6 of the DPR Volume-I stipulated that detailed mechanism for an overall 25 *per cent* of in-house monitoring shall be finalised by the PMU in consultation with the State Project Steering Committee (SPSC). However, in absence of setting up of SPSC, no system of in-house monitoring and evaluation was in place in the State. None of the five modes of concurrent monitoring methods *viz.* IT enabled monitoring, remote sensing based monitoring, online monitoring through data reports portal, on ground monitoring and participatory monitoring could be taken up by the PMU as well as divisions. In absence of any monitoring, no assurance could be derived about the quality of the works undertaken and successful achievement of objectives.

On being pointed out, the Project Director, PMU, FIG, Uttarakhand stated (May 2017) that in-house mechanism of monitoring could not be established due to non-constitution of SPSC.

1.2.11 Capacity Building

Keeping in view the importance of capacity building in Urban Development Department, it was observed that two training programmes, which were a part of a Central Programme, were organised (November 2016 and April 2017) in 24 towns. The aim of the training programmes was to facilitate preparation of City Sanitation Plans[37] (CSPs) under a technical cooperation programme with an international firm [Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)]. However, it was observed that the said CSPs were yet to be finalised. On being pointed out, the Department replied that the CSPs would be ready by December 2017. It was also observed that 12 out of 15 priority

[37] Plan to strengthen/revitalise existing sanitation work by generating awareness regarding proper sanitation and providing trainings/orientation programmes to staff, elected representatives and all stakeholders with ultimate aim of keeping city clean and garbage free.

towns had been covered under these training programmes. Secretary, Peyjal Department, during exit conference, informed that the City Sanitation Plan was yet to be finalised.

- As per paragraph 5.5.4.2 [D(b)] Volume-I of the DPR, for Forestry Intervention, local level trainings for communities, division level training for forest department personnel, State level inception workshop and exposure trip within State and outside State were to be undertaken. It was found that only five local level trainings against targeted 50 trainings were organised during 2016-17 in the State. Also, only four out of the 11 implementing divisions organised division level training for the personnel of the department. Hence, the level of dissemination of awareness among general public as well as department personnel remained low. On being pointed out, the department replied that the said trainings were imparted from contingency funds as no budget was available for capacity building.

1.2.12 Human Resource Development

Staff Strength vis-à-vis Person-in-Position

The staff strength and person in position of the SPMG, as on 31 March 2017, is depicted in **Table-1.2.7** below:

Table-1.2.7: Details of Sanctioned Strength and Person-in-Position

Sanctioned strength		**Person-in-Position**		**Excess (+)/Shortage (-)**	
Technical	Non-Technical	Technical	Non-Technical	Technical	Non-Technical
8	11	4	9	(-) 4	(-) 2

It was observed that four key positions *viz.* River Front Development Specialist, Social Management Specialist, Assistant Manager (Civil) and Assistant Manager Technical had not been filled up till the date of audit (September 2017). The Secretary, Drinking Water during exit conference, stated that the posts had now been filled up.

The UEPPCB also lacked sufficient human resources to ensure compliance with various Environmental Acts and Rules. There was an acute shortage of staff in each cadre. The shortage in Scientific and Technical cadre ranged between 71 and 56 *per cent* due to which it was difficult for the UEPPCB to enforce the Environment Protection Acts and Rules in the areas adjoining River Ganga and its tributaries in an effective manner.

1.2.13 Achievement of Sustainable Development Goals

The objective of Sustainable Development Goals (SDGs) is to produce a set of universally applicable goals that balance the three dimensions of sustainable development: environmental, social, and economic. In total, 17 goals have been set as SDGs which are to be achieved by 2030.

The sixth goal of SDGs pertains to the concept of 'clean water and sanitation'. It aims at ensuring availability and sustainable management of water and sanitation for all. However, instances of unscientific disposal of garbage in the catchment area of River Ganga, delays in completions of sanitation related infrastructure projects and non-tapping of *Nallas* leading to discharge of untreated sewage in River Ganga and its tributaries, as detailed in preceding paragraphs, indicate that more efforts are needed to achieve the goal of clean water and sanitation.

1.2.14 Conclusion

Annual Plan was not being submitted as per the prescribed timeline provided in the NGRBA framework. Prior to 2017-18, no AP for Communication and Public Outreach activities had been prepared. The total plan size approved in the APO for Forestry Interventions for Ganga was a meagre 4.66 *per cent* of the area planned for the year 2016-17 in the DPR. State share was being released on lump-sum basis which was in contravention to the NGRBA framework. The claim of the department in making all the 265 villages in 132 GPs in seven districts ODF was found to be incorrect. Lack of coordination between EAs led to poor utilisation of STPs resulting in discharge of untreated sewage into River Ganga. Out of 112 *Nallas* identified, 65 *Nallas* remained untapped resulting in discharge of 26.292 MLD untreated sewage into the River Ganga and its tributaries. Delay in commissioning STPs and inadequate capacity of existing STPs to treat sewage load led to discharge of untreated sewage into the Ganga and its tributaries. The municipal garbage and sludge from operational STPs was being dumped on the hill slopes and at the STP sites respectively. The water quality monitoring stations were yet to be set up in majority of the priority towns which made it difficult to ascertain the quality of water along the entire length of the River Ganga. There was persistent shortfall in human resources and monitoring and evaluation mechanism had been far from effective.

1.2.15 Recommendations

The Government may ensure:

i. timely submission of proposals from the Executing Agencies so that the Annual Plan is submitted to National Mission for Clean Ganga in time;

ii. execution of project level Memorandum of Agreements between the State Programme Management Group, Executing Agency and the concerned Urban Local Body for formalising coordination arrangements in the State;

iii. better planning, execution and monitoring of Annual Plan in line with the targets set in the DPR for forestry intervention;

iv. construction of targeted Community Sanitation Complexes and Solid Liquid Waste Management structures. It may ensure 100 *per cent* construction of Individual House Hold Latrines. Declaration of ODF should be based on physical verification by an independent monitoring agency;

v. scientific disposal of municipal garbage after proper segregation;

vi. capacity upgradation of Sewage Treatment Plants so that untreated sewage do not flow into the River; and

vii. tapping and preventing the discharge of sewage from all the identified *Nallas* of priority towns into the River Ganga and its tributaries.

The matter was referred to the Government (September 2017); Reply was awaited (December 2017).

1.3 National Rural Drinking Water Programme

The Government of India (GoI) launched the National Rural Drinking Water Programme (NRDWP) in April 2009 for ensuring sustainability of water availability in terms of potability, adequacy, convenience, affordability and equity while also adopting decentralised approach involving Panchayati Raj Institutions (PRIs) and community organisations. Department of Drinking Water (Peyjal) and Sanitation is the implementing agency. A performance audit of the implementation of the programme in the State of Uttarakhand brought out weaknesses in planning, institutional mechanism, implementation, financial management and monitoring of the programme. Some of the significant findings were as below:

Highlights

- ***Village and District Water Security plans comprising demographic, physical features, water sources, available drinking water infrastructure, etc. were not prepared. Further, Comprehensive water security plan for providing definite direction to the programme was not formulated.***

[Paragraphs 1.3.6.1 (a) & (b)]

- ***Necessary institutional mechanism was found deficient in the State as State Water and Sanitation Mission was not set up as a Registered Society, important committees such as Village Water and Sanitation Committees and Source Finding Committee were not formed.***

[Paragraphs 1.3.6.2 (a) to (e)]

- ***In the year 2012-13 and 2013-14, the State Government did not release its matching share amounting to ₹ 62.84 crore and ₹ 57.85 crore respectively. The overall fund management was also found deficient as during the period 2012-13 to 2016-17, the allocation of funds for different components of the programme was not in consonance with the norms of the programme.***

[Paragraph 1.3.7.2]

- ***There was shortfall in achievement of targets of providing piped water supply and household connections by the year 2017. The State was able to provide 55 litre per capita per day water to only 14.71 per cent habitation against the goal of 50 per cent.***

[Paragraph 1.3.8.2]

- ***Piped water supply schemes suffered from poor rate of completion and there were delays ranging from 5 to 12 years in completion of 20 schemes costing ₹ 185.45 crore.***

[Paragraph 1.3.8.3]

- ***The Uttarakhand Jal Nigam failed to furnish justification for inadequate allotment/expenditure of funds for sustainability component. The expenditure on the sustainability component was not done as per the norms, as in the district Tehri, an expenditure amounting to ₹ 42.01 lakh was incurred out of Sustainability component on construction of small water schemes and water tanks which were not in consonance with the programme guidelines.***

[Paragraph 1.3.8.5]

- ***Monitoring mechanism was found deficient as this function was carried out by the executing agencies instead of the State Water and Sanitation Mission, which was the designated agency for implementation of the programme. Further, the Integrated Management Information System data lacked reliability in absence of requisite checks and verification.***

[Paragraphs 1.3.9.3 to 1.3.9.5]

1.3.1 Introduction

In 2009, the Accelerated Rural Water Supply Programme was modified as the National Rural Drinking Water Programme (NRDWP). The programme is being implemented through its six components *viz.* (i) Coverage (for providing safe and adequate drinking water supply to unserved, partially served and slipped back habitations), (ii) Sustainability (to encourage States to achieve drinking water security at the local level), (iii) Water Quality (to provide potable drinking water to water quality affected habitations), (iv) Operation and Maintenance (expenditure on running, repair and replacement costs of drinking water supply project), (v) Water Quality Monitoring and Surveillance (to carry out water quality surveillance at the field level as well as setting up and operating water quality testing laboratories in the State) and (vi) Support (to support different activities which will be required to be carried out in order to enable the rural communities to have access to assured availability of potable drinking water). The main objectives of the programme are ensuring drinking water security to every rural household by utilising multiple sources of water, ensuring sustainability of the system and source, institutionalisation of water quality programme through community participation, creation of awareness among masses, training of manpower and ensuring transparency in implementation through Integrated Management Information System (IMIS).

Programme implementation strategy

For the Twelfth Plan Period (2012-17), the GoI recommended (i) the need to increase drinking water supply service in rural areas from 40 lpcd[38] to 55 lpcd; (ii) focus on piped water supply (PWS) and (iii) conjoint[39] approach on drinking water supply and sanitation. The Ministry prepared a Strategic Plan for the rural drinking water sector having the following timeline:

To ensure that ***(By the year 2017)***

- at least 50 *per cent* of rural households were provided with piped water supply;
- at least 35 *per cent* of rural households had piped water supply with a household connection; less than 20 *per cent* would use public taps and less than 45 *per cent* would use hand pumps or other safe and adequate private water sources;
- all services met set standards in terms of quality and number of hours of supply every day;

[38] Litres per capita per day.

[39] Combined approach for works to be carried out for both drinking water and sanitation related projects.

- all households, schools and anganwadis in rural India had access to and used adequate quantity of safe drinking water;
- Panchayati Raj Institutions and local communities were provided support and environment to enable them to manage at least 60 *per cent* of rural drinking water sources and systems.

1.3.2 Organisational arrangements

In Uttarakhand, the State Government is implementing the programme through the State Water and Sanitation Mission (SWSM), under the Ministry of Peyjal. There are three Executing Agencies (EAs) *viz.* the Uttarakhand Peyjal Sansadhan Vikas evam Nirman Nigam (UJN) carrying out the works of coverage and sustainability component, the Uttarakhand Jal Sansthan (UJS) carrying out the works of operation and maintenance and water quality monitoring and surveillance component and *Swajal* carrying out the works of coverage and support component. In Uttarakhand, no areas have been identified as water quality affected area. The UJN has been nominated as nodal agency for carrying out the works under the programme.

1.3.3 Audit objectives

The performance audit was taken up with the objective to ascertain whether:

- planning was adequate and necessary institutional mechanism existed for effective implementation of the programme;
- fund management was economical and effective;
- implementation of the programme was effective and efficient; and
- adequate and effective mechanism existed for monitoring and evaluation of the programme.

1.3.4 Audit Scope and Methodology

The performance audit of the programme was carried out during April 2017 to August 2017 and covered the period from 2012-13 to 2016-17. Out of 13 districts in the State, four districts[40] were selected for audit.

The implementation of the programme in the State was reviewed by test-check of the records of SWSM, Uttarakhand and eight divisions (two from each selected district) of UJN selected from above four selected districts[41] by Probability Proportional to Size Without Replacement (PPSWOR) method. For conducting beneficiary survey, 70 habitations from 20 Gram Panchayats (GPs) were selected after selection of 10 blocks from four selected districts on the basis of PPSWOR method with size measure as

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[40] 25 *per cent* of the districts from each region (Kumaon and Garhwal) (subject to a minimum of two) were selected by Probability Proportional to Size Without Replacement method on the basis of expenditure incurred. Almora and Nainital from Kumaon region and Pauri and Tehri from Garhwal region were selected.

[41] Almora (had four divisions), Tehri (had four divisions), Nainital (had three divisions) and Pauri (had five divisions).

number of drinking water supply schemes taken up. Two GPs from each block were selected by Simple Random Sampling Without Replacement (SRSWOR) method. 60 habitations got selected from 15 GPs (four habitations from each GPs) and 10 habitations from five GPs having less than four habitations, by SRSWOR method. Further, records of the concerned divisions of the UJS and Swajal in the selected districts were also scrutinised.

The audit objectives, criteria and scope/methodology of the performance audit were discussed with the Secretary, Peyjal Department, in an entry conference held on 20 April 2017. The audit findings were discussed with the Secretary, Peyjal Department and other officers of the Department in an exit conference on 29 November 2017. The views of the Government/Executing Agencies have been suitably included at appropriate places in the report.

1.3.5 Audit criteria

The audit criteria were derived from the following sources:

- Guidelines of NRDWP issued in 2009 and 2013; strategic plans, notifications, orders and circulars issued by the Ministry of Drinking Water and Sanitation;
- State Government orders relating to implementation of the NRDWP;
- Physical and financial progress reported under Management Information System (MIS) available on website of the programme (*indiawater.gov.in*).

Audit Findings

1.3.6 Planning

1.3.6.1 Preparation of Comprehensive Water Security Plans

(a) In order to ensure active participation of the villagers in planning, implementation, operation and maintenance of the rural water supply schemes, the programme guidelines provide for making Village Water Security Plans (VWSPs) which, *inter alia*, have to include the demographic, physical features, water sources, available drinking water infrastructure and other details of the village. The VWSPs of the districts were to be consolidated at district level which would form the basis for formulation of the District Water Security Plans (DWSPs).

It was observed that the VWSPs were not being prepared in the State and consequently, the DWSPs had also not been formulated. Non-preparation of VWSPs and DWSPs defeated the main objective of decentralised planning of the programme.

(b) The programme guidelines also envisage preparation of Comprehensive Water Security Plan (CWSP) to provide a definite direction to the programme and also ensure regular monitoring of the progress towards the goal of achieving drinking water security to every rural household. The State Government was required to prepare a State specific policy framework for implementation of the various schemes and based on this framework and the broad goal set by the State, a five year CWSP was to be prepared.

Further, during each financial year, the sub-goal and the priorities were also required to be fixed in consultation with the Centre.

It was observed that the Department had neither prepared any policy framework nor formulated any five year CWSP as envisaged in programme guidelines. The Department, therefore, failed to provide a long term direction to the programme. Also, it could not ensure regular monitoring of the progress made by the State in achieving drinking water security to every rural household. However, Annual Action Plans (AAPs) were being prepared by the UJN each year to implement the programme. It was noticed that only 16 *per cent*[42] of the schemes approved by State Level Scheme Sanctioning Committee were taken up for execution during the period 2012-13 to 2016-17.

The Managing Director (MD) UJN, stated that the VWSPs which were to be prepared by the Village Water Sanitation Committees (VWSCs) with the help of NGOs could not be prepared as the community was not equipped to collect the required data for preparation of VWSPs and NGOs could not be engaged due to paucity of funds. Resultantly, the VWSPs, DWSPs and the CWSP could not be prepared.

1.3.6.2 Institutional Mechanism for delivery of the Programme

Rural drinking water is a State subject and was included in the Eleventh Schedule of the Constitution of India among the subjects that may be entrusted to Panchayats by the States. Government of India supplements the efforts of the State Governments with technical and financial assistance for provision of safe drinking water in the rural areas of the country. The existing institutional set-up *vis-à-vis* envisaged institutional mechanism for delivery of the programme is given in **Table-1.3.1** below:

Table-1.3.1: Institutional mechanism required for delivery of the programme

Sl. No.	Name of Institution	Level	Present status
1.	***State Water and Sanitation Mission (SWSM)***	State	Existing
2.	***State Level Scheme Sanctioning Committee (SLSSC)***	State	Existing
3.	***Source Finding Committee (SFC)***	State	Not Existing
4.	***State Technical Agency (STA)***	State	Not Existing
5.	***Water and Sanitation Support Organisation (WSSO)***	State	Not Existing
6.	***District Water and Sanitation Mission (DWSM)***	District	Existing
7.	***Block Resource Centre (BRC)***	Block	Not Existing
8.	***Village Water and Sanitation Committee (VWSC)***	Village	Existing

(a) State Water and Sanitation Mission

The programme guidelines provide that the SWSM was required to be set up at the State level as a Registered Society, under the aegis of the Department implementing rural water supply in the State, for providing policy guidance, convergence of water supply activities including coordination with various State Government Departments, besides monitoring and evaluation of physical and financial performance and management of the water supply projects. In the State, the SWSM was formed in February 2010 comprising of two

[42] The SLSSC approved 4,787 schemes during the period 2012-13 to 2016-17 and 2,668 schemes were included in Annual Action Plans (AAPs) of the State out of which only 772 schemes were taken up for execution.

committees; namely apex committee with eight members and executive committee with 16 members including five nominated members representing various[43] fields.

It was observed that the SWSM was not set up as a Registered Society. Without registering as a society, as required under programme guidelines, the SWSM was handling financial issues of the programme. Further, the Mission was neither monitoring the implementation nor evaluating the physical and financial progress of the programme. Instead, the monitoring of the programme was assigned to the UJN. UJN acted as a nodal agency as well as an executing agency of the programme. Thus, there is conflict of interest in the responsibilities assigned to UJN and this lacuna had a direct impact on transparency and reliability of data as mentioned in ***paragraph 1.3.9.3 to 1.3.9.5.***

In the exit conference, the MD UJN and Executive Engineer (EE) SWSM claimed that the programme was being collectively monitored by both the EAs. However, the reply is not tenable as SWSM was actually not involved in monitoring of the programme which was against the provisions of the guidelines.

(b) Source Finding Committee and State Level Scheme Sanctioning Committee

The programme guidelines provide for setting up two committees namely Source Finding Committee (SFC) and State Level Scheme Sanctioning Committee (SLSSC) at the State level. SFC was required to review the functioning/performance of existing water supply schemes for ensuring availability of potable drinking water in adequate quantity in the rural habitations of the State and all the Rural Water Supply (RWS) projects/schemes and support activities under the programme were to be approved by SLSSC after approval of SFC. Besides, the progress, completion and commissioning of the approved schemes were also to be reviewed by the SLSSC. For carrying out assigned functions, meeting of the SLSSC was required to be held at least twice in a year. It was observed that neither the SFC was constituted nor the work of SFC delegated to any other agency. 4,787 schemes, amounting to ₹ 1,676.40 crore were approved by SLSSC without any inputs of the SFC which were considered instrumental for delivery of the programme as per the programme guidelines. The SLSSC which was constituted in February 2010, met only seven times during the period 2012-13 to 2016-17 instead of 10 times as required. In its reply, SWSM stated that due to non-availability of members, the stipulated meetings could not take place.

(c) District Water and Sanitation Mission

The programme guidelines provide that a District Water and Sanitation Mission (DWSM) shall be constituted at the district level[44], to analyse and consolidate the VWSPs, prepare

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[43] Information Education and Communication (IEC), Human Resource Development (HRD), MIS, Media and Non-Government Organization (NGO).

[44] To be headed by chairman of Zila Parishad (ZP) and all MPs/MLAs and MLCs of the District, Chairperson of the Standing Committees of the ZP, District Collector, District Officers of Education, Health, Panchayati Raj, Social Welfare, ICDS, PHED, Water Resources, Agriculture, Information and Public Relation as members of DWSM.

DWSPs, converge the related programme and review the status of the progress of the schemes under the programme through quarterly meetings. DWSMs were constituted in May 2005 in all the 13 districts of the State.

It was observed that DWSMs were not performing the monitoring function as envisaged in the programme and the entire programme was executed and monitored by UJN which was designated as the nodal agency for executing the programme. Further, in absence of VWSPs, analysis, consolidation and preparation of DWSPs were not carried out by the DWSM.

(d) Block Resource Centre

As per guidelines of the programme, Block Resource Centre (BRC) was required to be set up in each block to provide operational flexibility for implementing the programme and to provide support to GPs on water and sanitation issues. However, no BRCs were set up in Uttarakhand (December 2017) and no other agency had been engaged in place of the BRCs.

In exit conference, the MD UJN stated that due to insufficient funds for support activities, BRCs could not be established. The reply was not tenable as funds remained unutilised at the end of each year as indicated in ***paragraph 1.3.7.2.***

(e) Village Water and Sanitation Committee

A Village Water and Sanitation Committee (VWSC)[45], was required to be set up as a standing committee/sub-committee in each GP for planning, monitoring, implementation, operation and maintenance of the water supply scheme to ensure the active participation of villagers. It was observed that VWSCs were not set up in 1,291 (16 *per cent*) out of 7,971 GPs in the State.

In the exit conference, the MD UJN accepted the audit observation and assured that VWSCs would be established in rest of the GPs.

The various shortcomings in the delivery mechanism and lack of monitoring by SWSM and DWSMs had an adverse impact in the implementation of the programme during 2012-13 to 2016-17 as discussed in subsequent paragraphs.

1.3.7 Financial Management

1.3.7.1 Introduction

NRDWP is a centrally sponsored scheme and prior to 2015-16, funding was shared between Centre and States in 50:50 ratio for programme fund (Coverage, Water Quality and Operation & Maintenance). 100 *per cent* funding was provided by Government of India for Sustainability component (under programme fund), Support and Water Quality Monitoring and Surveillance (WQM&S) (under Support fund). From April 2015, the

[45] To consist of six to 12 persons (at least 50 *per cent* members should be women) comprising members of Panchayat, SCs, STs and poor sections of the village.

funding was shared in the ratio of 90:10 between the Centre and State. In addition, the GoI provides Additional Central Assistance for restoration of damaged rural drinking water supply systems caused due to natural calamities. The assistance is provided out of two *per cent* of the total Central Rural Water Supply outlay earmarked for contingencies arising due to natural calamities/disaster.

1.3.7.2 Fund flow and Financial performance

As per the funding pattern of the scheme, GoI released its share to the State, which in turn released the funds to SWSM including its own share. SWSM maintained two separate accounts, one for programme[46] and another for support[47] activities. The funds were further released to executing agencies (EAs) as per their demand.

During the period 2012-17, the details of fund released by the GoI and State Government to SWSM are given in **Table-1.3.2** below:

Table -1.3.2: Details of receipt and expenditure under NRDWP fund

(*₹ in crore*)

Year	Opening Balance	Receipt		Misc. Receipt (Bank interest and other receipts)	Total	Expenditure		Total Expenditure	Closing Balance (percentage)
		Centre	State			Centre	State		
2012-13	239.26	74.28[48]	0.00	8.72	322.26	147.99	0.00	147.99	174.27 (*54*)
2013-14	174.27	79.83[49]	0.00	8.88	262.98	138.71	0.00	138.71	124.27 (*47*)
2014-15	124.27	111.48[50]	99.76	6.99	342.50	145.00	24.16	169.16	173.34 (*51*)
2015-16	173.34	60.06[51]	41.65	5.73	280.78	99.79	68.95	168.74	112.04 (*40*)
2016-17	112.04	88.19[52]	9.78	10.97	220.98	103.16	40.76	143.92	77.06 (*35*)
Total		***413.84***	***151.19***	***41.29***		***634.65***	***133.87***		

Source: Accounts of SWSM.

It is evident from the above table that;

- In the years 2012-13 and 2013-14, the State Government did not release its matching share for components under Programme Fund amounting to ₹ 62.84 crore and ₹ 57.85 crore respectively. There were unspent balances ranging from ₹ 77 crore (35 *per cent* of total available fund) to ₹ 174 crore (54 *per cent* of total available fund) during the years 2012-13 to 2016-17.

The component-wise allocation of the programme fund at the State level was to be done as depicted in **Chart-1.3.1** below:

46 **Programme Fund** includes coverage, water quality, operation and maintenance and sustainability components.

47 **Support Fund** includes support and Water Quality Monitoring & Surveillance components.

48 Programme Fund: ₹ 62.84 crore (excluding ₹ 7.66 crore for Sustainability), Support Fund: ₹ 3.78 crore and Sustainability: ₹ 7.66 crore.

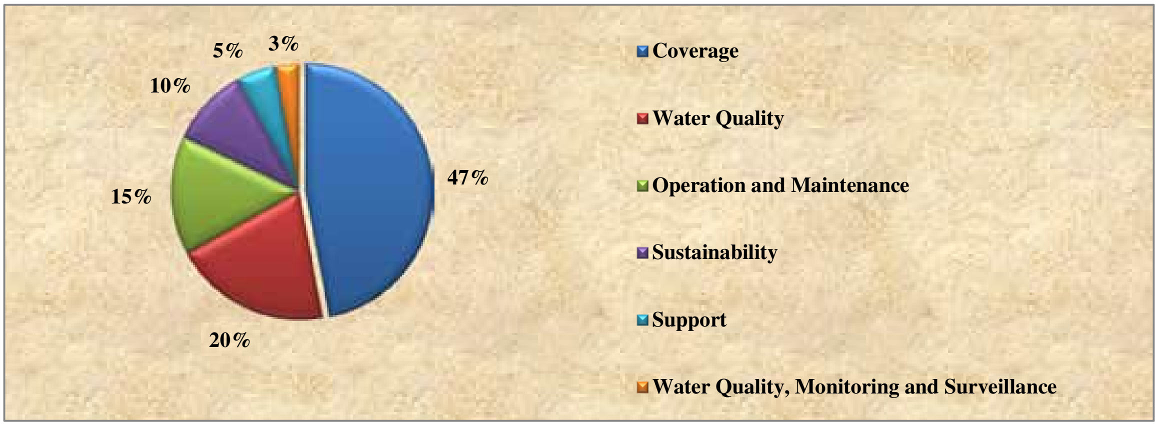
49 Programme Fund: ₹ 57.85 crore (excluding ₹ 7.90 crore for Sustainability), Natural Calamity: ₹ 14.08 crore and Sustainability: ₹ 7.90 crore.

50 Programme Fund: ₹ 95.75 crore (excluding ₹ 10.64 crore for Sustainability), Support Fund: ₹ 2.54 crore, Sustainability: ₹ 10.64 crore and WQM & S Fund: ₹ 2.55 crore.

51 Programme Fund: ₹ 50.94 crore (excluding ₹ 5.66 crore for Sustainability), Support Fund: ₹ 2.16 crore, Sustainability: ₹ 5.66 crore and WQM & S Fund: ₹ 1.30 crore.

52 Programme Fund: ₹ 60.03 crore (excluding ₹ 6.67 crore for Sustainability), Support Fund: ₹ 2.45 crore and Sustainability: ₹ 6.67 crore, WQM & S Fund: ₹ 2.72 crore and Natural Calamity: ₹ 16.32 crore.

Chart-1.3.1: Details of Component-wise allocation of the programme fund at the State level



The allocation of funds to the various components of the scheme was not in consonance with the programme guidelines as given in **Table-1.3.3** below:

Table-1.3.3: Component wise allocation of fund (*₹ in crore*)

Year	Total fund	Coverage, Water Quality		O&M		Sustainability		WQM&S		Support	
		Actual release	percentage	Actual release	Percentage	Actual release	percentage	Actual release	Percentage	Actual release	Percentage
2012-13	83.00	57.10	*69*	12.23	*15*	8.28	*10*	2.07	*2*	2.30	*3*
2013-14	88.71	52.73	*59*	12.94	*15*	8.62	*10*	0.46	*0.5*	-0.12[@]	*0*
2014-15	218.23	191.56	*88*	34.16	*16*	-12.94[*]	*00*	2.62	*1*	2.83	*1*
2015-16	107.44	90.68	*84*	17.20	*16*	-4.15[#]	*00*	1.39	*1*	2.32	*2*
2016-17	108.94	62.22	*57*	13.87	*13*	7.43	*7*	3.03	*3*	2.89	*3*

Source: Information collected from SWSM.

@ In the year 2013-14, ₹ 0.44 crore was transferred from Support component to WQM & S component and ₹ 0.32 crore was received as a miscellaneous receipt in Support component.

* In the year 2014-15, ₹ 10.64 crore was released for sustainability component while ₹ 23.58 crore was transferred to coverage component.

\# In the year 2015-16, ₹ 5.66 crore was released for sustainability component while ₹ 9.81 crore was transferred to coverage component.

It was observed that:

- allocation for coverage and water quality components ranged from 57 *per cent* to 88 *per cent*, instead of keeping the allotment to 67 *per cent* as per provisions of the guidelines;
- allocation to O&M component ranged from 13 *per cent* to 16 *per cent* against the norm of 15 *per cent*;
- allocation to WQM&S component ranged from 0.5 *per cent* to three *per cent* against the norm of three *per cent*; and
- allocation to support component was always below the norm of five *per cent* and in the year 2013-14, no funds were allotted.

The EE, SWSM accepted the facts during exit conference and stated that allocation of funds could not be exercised at the State level as per guidelines since component wise regulation of funds falls under the purview of GoI. The reply of the Government is not tenable as the guidelines provide that component-wise funds should be allocated at the State level in the prescribed percentage as mentioned above.

1.3.7.3 Short release of Support Fund by the GoI

In the financial year 2016-17, the GoI allocated ₹ 4.89 crore to the State for Support Fund under the programme out of which only ₹ 2.45 crore had been released (May 2016). Audit scrutiny revealed that GoI did not release the balance amount to State as it failed to contribute its own share for this component. Thus, failure of the State to release its matching share for Support Fund resulted in, the State being deprived of the central grant amounting to ₹ 2.44 crore.

The Director, Water and Sanitation Support Organisation (WSSO), during exit conference, accepted the facts.

1.3.7.4 Delayed release of funds by the State Government to SWSM

As per the terms and conditions of GoI, the State Government had to release the central share including state share to the SWSM within 15 days of receiving the central share. In case of delay in transferring the central share to the SWSM, the State Government had to pay a penal interest at the rate of 12 *per cent* per annum and the interest amount along with the principal had to be transferred to SWSM. During the period 2014-17, the GoI had released ₹ 150.15 crore (as detailed in ***Appendix-1.3.1***) to the State, which was transferred to the SWSM by the State after a delay ranging from eight to 267 days (beyond 15 days). On account of delay in transferring funds, the State was liable to pay an interest amounting to ₹ 2.45 crore to the SWSM. However, the State did not pay any interest to the SWSM till date (December 2017).

The Secretary Peyjal Department, during exit conference, agreed with the facts and stated that required action would be taken.

1.3.7.5 Accounts of SWSM

The programme guidelines provide that the accounts of SWSM were to be audited by a Chartered Accountant selected from a panel approved by the CAG, and the audit certificates were to be furnished in a format comprising Auditor’s report, receipt and payment account, income and expenditure account, balance sheet, notes on accounts and auditor’s observations. During the scrutiny of accounts of SWSM, it was observed that the state matching share was not reflected separately. Instead all the releases under Externally Aided Programme, State and District Plan were treated as State share in receipt and payment account and income and expenditure account of SWSM. Thus, the figures for State share as shown in accounts pertained to multiple funds. The actual receipt of State’s matching share could not, therefore, be worked out from the Balance Sheet of the SWSM.

During exit conference, the EE assured that required action would be taken.

1.3.7.6 Non-utilisation of funds earmarked for mitigating natural calamities

During the period 2012-17, the details of funds released by the Centre and the State are given in **Table-1.3.4** below.

Table-1.3.4: Details of funds provided for Natural Calamity (*₹ in crore*)

Financial Year	Opening Balance	Receipt		Misc. Receipt (Bank interest and other receipt)	Total Available Fund (TAF)	Expenditure		Closing Balance (percentage of TAF)
		Central	State			Central	State	
2012-13	41.05	0.00	0.00	1.02	42.07	30.68	0.00	11.39 (*27*)
2013-14	11.39	14.08	0.00	0.00	25.47	9.12	0.00	16.35 (*64*)
2014-15	16.35	0.00	0.00	0.00	16.35	11.06	0.00	5.29 (*32*)
2015-16	5.29	0.00	0.00	0.00	5.29	1.61	0.00	3.68 (*70*)
2016-17	3.68	16.32	1.81	1.37	23.18	2.01	0.00	21.17 (*91*)

***Source:** Information collected from UJN.*

It was noticed that funds ranging from 27 *per cent* to 91 *per cent* were lying unutilised, as executing agencies neither utilised these funds nor surrendered these to the Government.

The SWSM stated that during 2016-17 the GoI had released ₹ 16.32 crore in February 2017 and hence this could not be utilised. However, there were large balances pertaining to the period 2012-13 to 2015-16 which were neither utilised nor surrendered.

1.3.7.7 Other Miscellaneous irregularities

Construction Division (CD), UJN, Almora transferred (September 2015) a sum of ₹ 40 lakh to CD, UJN, Bhikiyasain on loan basis. After a period of two months, the borrowing division returned only ₹ 30 lakh to CD, UJN, Almora. It was observed that even after a lapse of two years, the balance amount of ₹ 10 lakh was lying with the borrowing division without intimating its utilisation. In reply, the division stated (June 2017) that the matter was being taken up with the concerned division. Audit could not ascertain the utilisation of this amount in absence of any specific reply.

The Secretary, Peyjal Department, during exit conference, directed the officers concerned to reconcile and resolve the issue on priority.

1.3.8 Implementation

1.3.8.1 Coverage of habitations

The programme aimed to provide safe and adequate drinking water supply from either a public or a community source within a distance of 100 metre from each household to un-served, partially served and slipped back[53] habitations.

The position of coverage (as per 40 lpcd) of habitations in the State with drinking water facilities during 2012-17 is given in **Table-1.3.5** below:

[53] Habitation which becomes partially covered from fully covered habitations and not covered from partially covered and fully covered habitations.

Table-1.3.5: Status of coverage of Habitations in the State with drinking water facilities

Year	Total number of habitations	Number of fully covered habitation (as per 40 lpcd)	Percentage of fully covered habitation	Number of partially covered habitation	Percentage of partially covered habitation
2012-13	39,142	26,997	*69*	12,145	*31*
2013-14	39,142	2,483	*6*	36,659	*94*
2014-15	39,142	24,195	*62*	14,947	*38*
2015-16	39,309	21,323	*54*	17,986	*46*
2016-17	39,209	21,345	*54*	17,864	*46*

Source: Information collected from UJN.

During the period 2012-17, the Executing Agencies (EAs) incurred an expenditure of ₹ 537.90 crore[54] on the 'Coverage Component' while the coverage of fully covered habitations decreased from 69 *per cent* of total habitations in 2012-13 to 54 *per cent* of total habitations in 2016-17.

Further, it was noticed that during the year 2012-13 to 2014-15, there were wide variations in the numbers of fully covered and partially covered habitations. Also, total number of habitations was shown to have declined in 2016-17. These indicate that reliability of data was not beyond doubt. No information was available regarding number of uncovered habitations.

In exit conference, the MD UJN accepted that data pertaining to the period 2012-13 to 2014-15 were incorrect and stated that these could not be rectified due to problem in software. However, despite this submission, no effort was made by the UJN for ensuring data integrity.

1.3.8.2 Targets and achievements

As per the strategic plan, the following targets were fixed by the GoI which were to be achieved by the State by December 2017.

- at least *50 per cent* of rural households to be provided with piped water supply (PWS);
- at least 35 *per cent* of rural households to have piped water supply with a household connection; and
- all households, schools and anganwadis in rural India to have access to adequate quantity of safe drinking water.

Further, as per goal set by the Ministry for Twelfth Five Year Plan, 50 *per cent* of the rural population should be provided with piped water supply of 55 lpcd.

It was noticed that against the target of providing piped water supply (PWS) to 50 *per cent* households, the executing agency, UJN was showing its progress in terms of the number of habitations and rural population of the State instead of households. The achievements as on 31 March 2017 in respect of targets/goals are described below:

[54] 2012-13: ₹ 97.00 crore, 2013-14: ₹ 97.48 crore, 2014-15: ₹ 109.11 crore, 2015-16: ₹ 134.76 crore and 2016-17: ₹ 99.55 crore.

Targets	Achievements
At least *50 per cent* of rural households to be provided with piped water supply.	95 *per cent* and 74 *per cent* in respect of habitations and rural population respectively.
At least 35 *per cent* of rural households to have piped water supply with a household connection.	13.80 *per cent*
All schools in rural areas to have access to adequate quantity of safe drinking water.	95 *per cent*
All anganwadis in rural areas to have access to adequate quantity of safe drinking water.	69 *per cent*
As per goal set by the Ministry for Twelfth Five Year Plan, 50 *per cent* of the rural population should be provided with piped water supply of 55 lpcd.	14.71 *per cent* habitations were getting 55 lpcd.

With respect to providing 55 lpcd drinking water, the MD UJN, in exit conference, stated that priority was to provide 40 lpcd drinking water to every habitation and 55 lpcd would be considered subsequently.

1.3.8.3 Poor rate of completion of Multi and Single Village schemes

During the period 2012-17, 243 Piped Water Supply Schemes were undertaken under the programme as detailed in **Table-1.3.6** given below:

Table-1.3.6: Status of PWS schemes under NRDWP during 2012-17

Type of Schemes	No. of Schemes	No. of completed Schemes	Percentage of completion
Multi Village Scheme (MVS)	89	22	*25*
Single Village Scheme (SVS)	154	72	*47*
Total	***243***	***94***	***39***

Source: Information collected from SWSM.

During the years 2012-17, the overall percentage of completion of various schemes was only 39 *per cent*. Besides, completion of 20 schemes[55] costing ₹ 185.45 crore was

[55] 18 MVS costing ₹ 181.52 crore, 2 SVS costing ₹ 3.93 crore, total cost ₹ 185.45 crore.

pending for the last five to 12 years. Execution of MVS was poor and recorded completion percentage of only 25. Reasons for delay as stated by the UJN were paucity of funds (in 34 *per cent* schemes), source and land dispute (in 20 *per cent* schemes), delay in transfer of land by Forest Department (in 10 *per cent* schemes), and non-execution of work of distribution lines by the PRIs (in 36 *per cent* schemes).

On this pointed out in exit conference, the Secretary, Peyjal Department stated that due to paucity of funds, the schemes could not be completed within scheduled time. The reply was not tenable as SWSM had unspent funds at the end of each financial year during 2012-17 as brought out in **Table-1.3.2**.

Poor completion rate of MVS can be attributed to poor planning and lack of coordination, since it involves several agencies like Forest Department, private landowners and PRIs, *etc.*

Non-completion of above schemes within the stipulated time adversely affected the achievement of the targets fixed and the State failed to supply the required quantity of water as per the set standards within the scheduled time.

1.3.8.4 Schools and Anganwadis

Under the programme implementation strategy, all government schools and anganwadis of rural areas were required to be provided with adequate quantity of safe drinking water by the year 2017. Scrutiny of records of SWSM and executing agencies revealed that this issue was not taken up on priority. As against 16,985 government schools[56] of rural areas, 888 schools were running without water facilities as on December 2017. Similarly, against the requirement of providing water facilities to 17,069 anganwadis, UJS was able to provide water facilities to 11,857 anganwadis[57] (69 *per cent*) only.

As such, 888 Government schools and 5,212 anganwadis were yet to be provided with water facilities. The SWSM/UJN stated that this matter was not included in the Annual Action Plans.

In the exit conference, the Secretary, Peyjal Department accepted the facts and assured that appropriate action would be taken.

1.3.8.5 Sustainability

Sustainability implies ensuring availability of safe drinking water in adequate quantity throughout the year with optimum cost. Sustainability of drinking water sources and schemes is a process which facilitates the existing/new drinking water supply projects to provide safe drinking water in adequate quantity, even during distress periods, through conjunctive use of groundwater, surface water and roof water harvesting. The programme guidelines provide that 10 *per cent* of the available NRDWP funds was to be utilised each year towards sustainability component. Further, the guidelines also provide

[56] As per information provided by the Education Department, Government of Uttarakhand.

[57] As per information provided by the Women Empowerment and Child Development Department, Government of Uttarakhand.

that States which proposed to utilise less than 10 *per cent* funds against the sustainability component, had to furnish justification to the Ministry of Drinking Water and Sanitation, GoI. The details of expenditure incurred towards the sustainability component during the period 2012-17 are given in **Table-1.3.7** below:

Table-1.3.7: Details of total fund received from Centre/State, allocation and utilisation in respect of sustainability

(*₹in crore*)

Year	Opening balance of Sustainability component	Total fund released (Central + State) for all components	Fund released for sustainability out of total available fund	Percentage of fund made available for sustainability	Actual expenditure	Closing balance
1	**2**	**3**	**4**	**5 (4 *100/3)**	**6**	**7=(2+4)-6**
2012-13	42.77	83.00	8.28	*10*	3.09	47.96
2013-14	47.96	88.71	8.62	*10*	7.87	48.71
2014-15	48.71	218.23	-12.94*	*00*	16.29	19.48
2015-16	19.48	107.44	-4.15*	*00*	6.03	9.30
2016-17	9.30	108.94	7.43	*07*	5.76	10.97
Total		***606.32***	***7.24***		***39.04***	

Source: Information collected from SWSM.

* In the years 2014-15 and 2015-16, ₹ 10.64 crore and ₹ 5.66 crore were released for sustainability component. However, ₹ 23.58 crore and ₹ 9.81 crore respectively were transferred to coverage component from this component.

It was observed that

- In the year 2016-17, the allotment was below the norm of 10 *per cent.* Besides, the actual expenditure was also lower than the allotment in 2012-13, 2013-14 and 2016-17. During 2013-14 and 2014-15, funds were diverted from this component to coverage component. During the period 2012-17, ₹ 39.04 crore were spent on sustainability which was six *per cent* of the total available fund. An important aspect of the programme which aimed to provide safe drinking water in adequate quantity throughout the year was, therefore, not paid adequate attention. The UJN failed to furnish justification for inadequate allotment/expenditure of funds for sustainability. It was noticed that, five existing water supply schemes in selected districts became non-functional due to drying of sources. Inadequate focus on sustainability component could impact availability of safe drinking water throughout the year in long run.

Audit scrutiny further revealed that even the expenditure on sustainability component was not done as per the norms, as in the district Tehri, an expenditure amounting to ₹ 42.01 lakh was incurred (during 2012-17) out of funds meant for sustainability component on construction of small water schemes and water tanks which were not in consonance with the programme guidelines.

1.3.8.6 Water Quality Monitoring, Surveillance and Laboratories infrastructure

The GoI provides financial assistance to the State for monitoring and surveillance of quality of water in habitations and for setting up and upgrading water quality testing laboratory at State, district and sub-district level. For this purpose, three *per cent* of NRDWP funds was to be allocated. The details of funds received and utilised are given in **Table-1.3.8** below:

Table-1.3.8: Details of total fund received from Centre/State, allocation and percentage of allocation in respect of WQM & S

(₹ in crore)

Year	Total fund released (Central + State)	Fund allotted for WQM & S	Percentage of Allotment
2012-13	83.00	2.07	*2*
2013-14	88.71	0.46	*0.5*
2014-15	218.23	2.62	*1*
2015-16	107.44	1.39	*1*
2016-17	108.94	3.03	*3*

Source: Information collected from SWSM.

It is evident that the allotment towards WQM&S was below the norm of three *per cent* (except in 2016-17) of the total NRDWP funds. The meagre allotment of funds under this component had a direct impact on water quality monitoring as State referral laboratory was still under construction (date of start of construction: December 2016; scheduled date of completion: December 2018); all the 13 district laboratories were equipped to carry out water testing on only 19 parameters against the requirement of 34 and the testing of vital parameters such as Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD), Lead, Nickel, Zinc, Oil & Grease, *etc*., were not being carried out. Further, as per the norms of the programme, each source should be tested once in a year for detecting chemicals and twice in a year, pre and post monsoon, for detecting bacteriological contamination. However, the periodicity of testing of water samples of each source was not followed in four selected districts (as detailed in ***Appendix-1.3.2***). During 2012-17, the shortfall in water testing was 95 *per cent* in Almora, 92 *per cent* in Nainital, 91 *per cent* in Pauri and 93 *per cent* in Tehri. Moreover, these laboratories were also not accredited with the National Accreditation Board for Testing and Calibration Laboratories.

In exit conference, the Chief General Manager, UJS claimed that the district level laboratories were required to carry out water testing for only 19 parameters. This contention of UJS indicates lack of awareness on the mandated requirement. Water testing on 19 parameters is actually required to be carried out by sub-district level laboratories and district level laboratories are mandated to test water quality on 34 parameters as prescribed by Uniform Drinking Water Quality Monitoring Protocol which was to be followed as per NRDWP guidelines.

1.3.8.7 Work Execution

Unratified expenditure

The construction work of *Laxmoli Hadim ki dhar* water supply scheme (under MVS) was undertaken by the CD, UJN, *Muni ki Reti*, Rishikesh, at an estimated cost of ₹ 21.81 crore under the order issued by State Government in September 2012. Consequently, ₹ 1.35 crore was released (May 2011) to CD, *Muni ki Reti* and the division incurred total expenditure of ₹ 26.23 lakh[58]. In 2013, this work was transferred (August 2013) to the CD, Devprayag. While taking over the work, CD, Devprayag noticed that

[58] Cartage: ₹ 1.33 lakh, Contingency: ₹ 8.06 lakh, Work charge: ₹ 3.93 lakh and Centage: ₹ 12.91 lakh.

actually no work had been executed by the previous division and it claimed refund (April 2014) of amount shown as spent by previous division. However, even after lapse of three years there has been no further progress on the matter. On this being pointed out, CD, Devprayag stated that the matter would be pursued further with CD, UJN, *Muni ki Reti*, Rishikesh.

In the exit conference, the Secretary, Peyjal Department and MD, UJN assured that corrective action would be taken under intimation to audit.

1.3.9 Internal control Mechanism

Effective monitoring and reporting of the programme is a key factor in achieving the objectives of the programme. Audit observed the following shortcomings.

1.3.9.1 Project Monitoring and Evaluation

As per the programme guidelines, the State Government was required to take up evaluation and monitoring studies through reputed organisations/institutions on the implementation of the Rural Water Supply (RWS) programme and corrective measures were required to be taken based on the reports on these studies. It was observed that no independent agency was engaged by the Department for such studies. As a result, the implementation of the programme could not be reviewed at the apex level and corrective actions, could not be suggested to the State Government. Further, this deprived the State Government of an important feedback mechanism and affected overall implementation of the programme in the State as discussed in ***paragraphs 1.3.8.1 to 1.3.8.7***.

1.3.9.2 Convergence with other programmes and schemes

The programme guidelines provide for convergence with other programme/schemes[59] implemented by the State and convergence of all the related programmes at district level. However, it was observed that no convergence with other programmes/schemes implemented by the State had been provided by enabling the EAs to carry out water tests in PHCs under NRHM or utilise the services of labour for execution of the schemes under MGNREGS, *etc* as per provisions of the guidelines.

1.3.9.3 Integrated Management Information System

The GoI had developed an online monitoring system called "Integrated Management Information System" (IMIS) for effective monitoring and to ascertain whether the objectives of the programme were being achieved. In the State, the UJN had been nominated as a Nodal Agency for planning, implementing and monitoring of the programme and all the data regarding physical and financial progress of the programme were being uploaded online by the UJN at divisional and State level. The following deficiencies were noticed in the data uploaded on IMIS.

[59] MGNREGS, Integrated Watershed Management projects of Department of Land Resources, Ministry of Rural Development, Central and State Finance Commission funds, NRHM, various Watershed and Irrigation schemes of the Ministry of Agriculture, various schemes of the Ministry of Water Resources *etc*.

1.3.9.4 Comparison of financial data of SWSM with IMIS data

It was observed that there was a mismatch of financial figures as depicted in IMIS and as per the accounts of SWSM which needed reconciliation. As per IMIS, the details of Central and State receipts and expenditure thereof are given in **Table-1.3.9** below:

Table-1.3.9: Details of release and expenditure as per IMIS

(₹in crore)

Year	Opening Balance	Release		Misc.	Total	Expenditure		Total Exp.	Closing Balance
		Centre	State			Centre	State		
2012-13	239.27	74.28	40.74	8.72	363.01	147.99	114.80	262.79	174.27
2013-14	174.27	87.61	77.18	1.03	340.09	138.59	52.71	191.30	124.32
2014-15	124.32	111.48	131.34	0.00	367.14	138.05	72.32	210.37	97.76
2015-16	97.76	60.06	45.21	5.73	208.76	99.79	82.14	181.93	63.75
2016-17	63.75	88.19	9.98	0.68	162.60	99.95	106.30	206.25	52.66
Total		***421.62***	***304.45***			***624.37***	***428.27***	***1,052.64***	

Source: indiawater.gov.in (IMIS data).

While comparing the above data with the data of financial accounts of SWSM as depicted in **Table-1.3.2** above, it was observed that there were differences in figures of Central Release, State Release and Expenditure in almost all the years. Further, the following deficiencies were also noticed in IMIS data:

- During the period 2012-17, State's matching share was not included in the opening and closing balances of IMIS.
- The year-wise release (Central release for the year 2013-14) and expenditure related to the State's share were not matching with actual release and expenditure as per the accounts of the SWSM.
- In the years 2013-14, 2014-15 and 2016-17, expenditure from Central share and the miscellaneous receipt of the programme was not matching with the accounts of SWSM.

The IMIS data, therefore, did not represent true and fair picture of the accounts of the grants released by the Centre and the State. The audit observation in this regard was accepted by the MD UJN and EE SWSM and it was stated that necessary corrections would be carried out.

1.3.9.5 Analysis of physical data in IMIS

Audit observed instances of mismatch of physical data in the IMIS with data obtained from other agencies/physical survey conducted by audit as discussed below:

- The data regarding the total number of schools in rural areas were shown in the IMIS as 6,545, while as per records of Education Department, the total number of schools were 16,985.
- The data of number of schools without water facilities had been shown in the IMIS as 1,239, while as per records of Education Department, the number was 888.
- As per IMIS data, five anganwadis out of 10 were with water facilities. However, as per Department of Women Empowerment and Child Development, Uttarakhand, there were 17,069 anganwadis in the State, out of which 5,212 anganwadis were without water facilities.

- During the beneficiary survey, it was observed that the number of households of 66 habitations was found to be at variance with IMIS data. The actual number of households was more in 54 habitations (ranging from one to 67) and it was less in 12 habitations (ranging from one to 49) than the numbers shown in IMIS. In district Pauri, five habitations[60] of two GPs of Pabo block had slipped back into 'Not Covered (NC)' habitations as the existing water supply scheme was non-functional due to obsolescence, while in IMIS, the above habitations were shown as 'Partially Covered (PC)' habitations. Further, the names of four habitations[61] which were shown in IMIS were not found in the concerned GPs.

It was also observed that although the UJN was planning, implementing and monitoring the programme and updating the data in IMIS, there were no further checks to ascertain the reliability of the data entered by the field units. In absence of any counter checks or verification, there was no mechanism to ensure reliability of data. The MD UJN and EE SWSM, during exit conference, stated that necessary corrections would be carried out.

1.3.10 Achievements of sustainable development goals

The objective of Sustainable Development Goals (SDGs) is to produce a set of universally applicable goals that balance the three dimensions of sustainable development: environmental, social, and economic. In total, 17 goals have been set as SDGs which are to be achieved by 2030.

The 6th goal of SDGs pertains to the concept of 'clean water and sanitation'. It aims at ensuring availability and sustainable management of water and sanitation for all. However, non-availability of proper institutional mechanism for implementation of NRDWP, shortfall in achievement of targets, poor completion rate of projects as detailed in preceding paragraphs, indicate that more efforts are needed to achieve the goal of ensuring availability of clean water to the rural communities.

1.3.11 Conclusion

The National Rural Drinking Water Programme suffered from weaknesses in planning and deficiencies in institutional delivery mechanism. Village and District Water Security Plans comprising demographic, physical features, water sources, available drinking water infrastructure and other details of the village, and five year comprehensive water security plan were not formulated and the State had not ensured community participation in implementation of the programme during 2012-17. Financial management was not efficient as there were instances of delay in release of funds and distribution of funds among the components of the programme in violation of guidelines. Five *per cent* rural schools and 31 *per cent* rural anganwadis were still without drinking water facilities and

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60 Habitation Barsudi, Gaire, Rajibata and Rikhot (GP Chaufinda) and habitation Moltha (GP Barsudi).

61 Kaparkhali from GP Daseeli (Almora district), Kandoli talli from GP Kandoli and Nisjat from GP Gajeli (Pauri district) and Khyaldhar from GP Chachkanda (Tehri district).

the State was far behind the goal of providing 55 lpcd to 50 *per cent* rural population by 2017. Water Quality testing was inadequate as the State laboratory was still under construction and the water quality testing laboratories in districts were not equipped for carrying out water testing for 34 parameters as required as per programme guidelines. The achievement against targets fixed for testing of drinking water source for bacteriological and chemical contamination was negligible in selected districts. Internal control mechanism including conducting evaluation and monitoring studies by reputed organisations/institutions had not been put in place. The data in Integrated Management Information System regarding financial and physical progress of the programme were not reliable.

1.3.12 Recommendations

The State Government/Department may consider:

- Strengthening institutional mechanism as envisaged in the programme guidelines. It may ensure preparation of village and district water security plans to achieve decentralised planning and comprehensive Water Security Plan delineating deliverables with specific timelines;
- Strengthening the monitoring and evaluation mechanism under the ambit of State Water and Sanitation Mission for periodical review of progress of the scheme;
- Setting up of adequate water quality testing laboratories and strengthening of the existing laboratories at all levels to ensure water quality tests as per the programme guidelines; and
- Ensuring the reliability of Integrated Management Information System data by introducing counter checks/verification by any agency/authority other than executing agencies.

The matter was referred to the Government (September 2017); Reply was awaited (December 2017).

COMPLIANCE AUDIT

PEYJAL DEPARTMENT

1.4 Construction of toilets under Swachh Bharat Mission (Gramin)

The planning and implementation of Swachh Bharat Mission (Gramin) by the State was found inadequate as against the target of 546 Community Sanitary Complexes and 4,485 Solid and Liquid Waste Management structures only 63 and 50 respectively were constructed upto March 2017. The declaration of State as Open Defecation Free in May 2017 was incorrect. Failure to update beneficiary data on Government of India portal resulted in non-inclusion of more than one lakh beneficiaries. The financial management was also found inadequate as the State did not release its share of ₹10.58 crore during the year 2016-17.

1.4.1 Introduction

Government of India (GoI) launched (2012) the "*Nirmal Bharat Abhiyan*" (NBA) in place of the on-going Total Sanitation Campaign (TSC) programme with the objective of covering the rural communities more comprehensively through new strategies and adopting a saturation approach[62]. Subsequently, the Prime Minister of India launched the *Swachh Bharat Mission (Gramin)* [SBM (G)] on 2 October, 2014 to accelerate efforts towards achieving universal sanitation coverage and put greater focus on rural sanitation. The SBM (G) aims to achieve the status of *Swachh Bharat*, *i.e.* improving the level of cleanliness in the rural areas through Solid and Liquid Waste Management (SLWM) activities and making the Village Panchayats (VPs) Open Defecation Free (ODF) by the year 2019. The Government of Uttarakhand declared on 31 May 2017 that it had achieved the ODF status.

A compliance audit focusing on the implementation of Mission activities in Uttarakhand during the period 2014-15 to 2016-17 was carried out during April 2017 to June 2017 to assess the achievements of the State. Out of total 13 Districts, two districts; one each in Kumaon and Garhwal region[63] with maximum achievement[64] and two districts one each in these regions[65] with minimum achievement were selected as sample for audit scrutiny. Further, in each selected district, two blocks and in each block, five VPs were selected using similar criteria. For physical verification, a sample of 400 beneficiaries was randomly selected from 40 VPs of eight blocks[66] in the selected districts. Besides, scrutiny of records of the State Project Management Unit (SPMU), Dehradun was also carried out.

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62 Approach to adopt community led and community saturation by placing emphasis on awareness generation, triggering behavior change and demand generation for sanitary facilities in houses, schools, anganwadis, places of community congregation and for solid and liquid waste management activities.

63 Kumaon region: Almora, Garhwal region: Tehri.

64 Achievement in respect of construction of Individual House Hold Latrines (IHHLs) against the target.

65 Kumaon region: Udham Singh Nagar, Garhwal region: Haridwar.

66 Udham Singh Nagar: Sitarganj and Bajpur, Haridwar: Narsan and Bahadarabad, Almora: Hawalbagh and Lamgarh, Tehri: Narendra Nagar and Bhilangana.

1.4.2 Planning

To assess the status of sanitation and hygiene practices in the State, a Base Line Survey (BLS) was conducted in 2013-14. On the basis of the BLS, a Project Implementation Plan (PIP) was submitted (June 2016) to GoI, which determined that 4,89,108 Individual Household Latrines (IHHLs), 831 Community Sanitary Complexes (CSCs) and 7,900 Solid and Liquid Waste Management (SLWM) facilities were required to be constructed in the State during the Mission period. The GoI, Ministry of Drinking Water and Sanitation instructed (May 2015) all the States to update the data of baseline survey by 30 June 2015.

Audit revealed that the SPMU forwarded (August 2015) a list of 1,79,868 households, which were identified based on revised survey conducted between June 2015 and August 2015 to GoI for inclusion in the list of already identified beneficiaries. These additions were not included in the PIP by GoI as the revised data was furnished after the deadline prescribed by the GoI was over (30 June 2015). Further, as per the SBM (G) guidelines, the States were also required to update the data of the beneficiaries in the month of April every year. The SPMU failed to carry out this annual updating of data on time. This resulted in non-inclusion of these 1,79,868 additional households. As a result, the targets set were lower than that required to achieve the Mission targets. On this being pointed out, the SPMU stated that a letter was sent to GoI for updating the BLS data and action was awaited from GoI. The reply was not acceptable as SPMU furnished the list of additional beneficiaries to GoI after the set deadline.

1.4.3 Funding Pattern

All the components, except CSCs, under SBM (G), are funded by the GoI and the State Government in the ratio of 90:10. In the case of CSCs, the ratio is 81:9, and the remaining ten *per cent* is financed by VPs. The provision of incentives for construction of IHHL and CSCs was ₹ 12,000 and ₹ two lakh respectively. Key components under SBM (G) along with their respective percentage share against the total allocation as well as funding pattern for each sub-component are given in **Table-1.4.1** below:

Table-1.4.1: Funding Pattern

Component	Amount Earmarked as *per cent* of the SBM (G) Project	Contribution Share (*per cent*)		
		GoI	State	Beneficiary House Hold/Community
IEC, Start Up Activity and Capacity Building	Up to 5% of total project Cost	90	10	00
IHHL	₹ 12,000	90	10	00
CSC	Maximum Unit Cost ₹ two lakh	81	09	10
SLWM	VPs with 150 families: ₹ 7 lakh, VPs with 300 families: ₹ 12 lakh, VPs with 500 families: ₹ 15 lakh, VPs with more than 500 families: ₹ 20 lakh	90	10	00
Administrative Charge	Up to 2% of the Project Cost	90	10	00

As per provision of the GoI guidelines, the SPMU issued direction that the payment of Incentive money (IM) to the families should be made after construction of the IHHL units and in the case of families belonging to economically weaker section, the IM will be provided to the VPs in the form of a lump-sum advance.

1.4.3.1 Availability and Utilisation of Funds

The year wise details of availability and utilisation of funds under the Mission during the years 2014-15 to 2016-17 are given in **Table-1.4.2** below:

Table-1.4.2: Availability and Utilisation of funds

(₹ in crore)

Year	Opening balance	Receipt					Expenditure (in *percentage*)	Balance (in *percentage*)
		GoI	State	Interest	Other	Total		
2014-15	13.08*	40.52	7.17	0.40	0.04	61.21	55.24 (*90.25*)	5.97 (*9.75*)
2015-16	5.97	49.37	5.49	0.49	0.01	61.33	51.18 (*83.45*)	10.15 (*16.55*)
2016-17	10.15	216.69	10.82	0.97	(-) 0.01[67]	238.62	183.46 (*76.88*)	55.16 (*23.12*)

* ***SBM (G) programme started in October 2014. Opening balance and allotment for the year 2014-15 includes amount of the earlier programme (NBA).***

As is evident from the above table, the unspent balances increased from nine *per cent* in 2014-15 to 23 *per cent* in 2016-17. The Department in its reply attributed the reason for unspent balances to receipt of funds at the end of the financial year. It further stated that construction of IHHLs was given priority over construction of CSC and SLWM. The reply is not acceptable as even if the funds had been received at the end of the financial year, these could have been utilised in the next year. However, this was not done as seen from rise in unspent balances in the above table. Besides, the Department failed to reimburse the incentive money to 2,02,953 beneficiaries, which was 45 *per cent* of the total IHHLs constructed. In the selected four districts alone, 1,36,910 beneficiaries were yet to receive incentive money amounting to ₹ 159.85 crore.

1.4.3.2 Non-release/Delay in release of State Share

As per paragraph 13.1.1 of the guidelines of SBM (G), the State was required to contribute its share of 10 *per cent* for the implementation of the programme within 15 days from the release of the Central share. It was observed that during the period 2014-17, the GoI released ₹ 306.58 crore against which the State Government had to release ₹ 34.06 crore. Against the State share, the State Government released only ₹ 23.48 crore as of April 2017 and an amount of ₹ 10.58 crore was yet to be released by the State Government for the year 2016-17. Further, in the year 2016-17, the State released its share with delays ranging from 10 days to 110 days.

1.4.3.3 Non-submission of Utilisation Certificates

Paragraph 5.4.3 of the SBM (G) guidelines stipulates that funds, in the form of advances, were to be provided to the VPs to accelerate the construction of IHHLs. As per the Memorandum of Understanding (MoU) entered into between the District Project Management Units (DPMU) and the VPs, the latter was required to construct IHHLs within 15 to 30 days of receipt of the funds and also submit Utilisation Certificates (UCs) to the concerned DPMU accordingly. It was observed that UCs amounting to ₹ 9.96 crore were still pending in the selected districts as of June 2017.

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[67] The minus figure in the year 2016-17 is because the SPMU partly returned the registration fee of NGOs which was collected in the years 2014-15 and 2015-16.

On this being pointed out, the respective DPMUs confirmed the facts and stated that the UCs would be obtained from the concerned VPs.

1.4.4 Implementation of Mission programmes

There are mainly four components of activities under the SBM (G); (i) IHHL (ii) CSCs (iii) SLWM structures and (iv) Information, Education and Communication (IEC).

1.4.4.1 Individual Household Latrine

To make the VPs hygienic, annual targets were prepared under the IHHL component. Incentive @ ₹ 12,000 per IHHL was made available to:

- All the Below Poverty Line (BPL) households
- Above Poverty Line (APL) households, restricted to
  - Scheduled Castes/Scheduled Tribes,
  - Small and marginal farmers,
  - Landless labourers with homestead,
  - Households with physically handicapped head of the family and
  - Women headed households.

As per the approved PIP, 4,89,108 IHHLs were required to be constructed in the State out of which 4,50,804 toilets (92 *per cent*) were reported constructed till March 2017. The State was declared ODF in May 2017. However, as mentioned above, 1,79,868 beneficiaries were not included in the PIP, and therefore the actual coverage was only 67.39 *per cent*. Reliability of data in respect of construction of IHHLs was also doubtful as it was observed that district Almora was declared ODF on 22 December 2016 whereas a sum of ₹ two crore was released between 26 December 2016 and 3 January 2017 to 241 VPs for construction of 5,672 toilets, which had not been completed till June 2017. This indicates that district Almora had not achieved ODF status in December 2016.

1.4.4.1 (a) Results of physical survey of Individual Household Latrine

During physical verification of 40 VPs, it was observed that 253 out of 400 (63.25 *per cent*) IHHLs[68] were without water facilities and 27 households[69] were using their toilets partially due to various misconceptions. Further, in the physically verified 40 VPs, information obtained from *Gram Pradhans* revealed that 1,694 households[70] (4.12 *per cent*) out of 41,150 households residing in the villages were without toilets and were not covered under the Mission. This indicates that ODF status had not been fully achieved.

1.4.4.2 Community Sanitary Complexes

Community Sanitary Complexes (CSCs) are an integral component of SBM (G). CSCs comprising an appropriate number of toilet seats, bathing cubicles, washing platforms, washbasins, *etc.* can be set up in a village at a place acceptable and accessible to all.

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68 Haridwar-55, New Tehri-56, Udham Singh Nagar-87 and Almora-55.
69 Haridwar-11, New Tehri-04, Udham Singh Nagar-11 and Almora-01.
70 Haridwar-857, Tehri-170, Udham Singh Nagar-504 and Almora-163.

Ordinarily, such complexes are to be constructed only if there is lack of space for construction of IHHLs and the Community/VP makes a specific demand for the same, and is ready to shoulder the responsibility for their operation and maintenance. As per the PIP, 831 CSCs were to be constructed by the year 2019, out of which, as per Annual Implementation Plan (AIP) for the years 2014-15 to 2016-17, 546 CSCs were to be constructed by the end of March 2017. It was noticed that only 63 CSCs were constructed as of March 2017, which was only 11.54 *per cent* of the target. In the selected districts, only 42 (19.72 *per cent*) out of 213 CSCs were constructed. Thus, without construction of the CSCs and without ensuring their usage, the basic spirit and goal of the SBM was not achieved. On this being pointed out, the SPMU stated that emphasis was laid on the construction of IHHLs in the State, and efforts were made to cover more and more households with individual latrine facilities which resulted in low physical progress under the CSC component. Reply of the department was not acceptable as 831 CSCs were to be constructed only in those VPs where the beneficiaries did not have land available for the construction of individual latrines.

1.4.4.2 (a) Results of physical survey of the CSCs

Physical verification of seven CSCs in three selected districts[71] was carried out. No deficiencies were found in three CSCs. The shortcomings noticed in the other four CSCs were as below:

- One CSC having two toilet seats in Makhdumpur village of Narsan block, and another having six toilet seats in Jaswahwala village of Bahadarabad block, both in district Haridwar, were constructed in the years 2014-2015 and 2015-16 respectively, in inaccessible locations and were without water supply and electricity connection.
- A CSC having six seats was constructed in 2014-15 at Dhimri village of Gadarpur block in district Udham Singh Nagar. It had no water supply and electricity connection, and was not being used.
- In the year 2016-17, a CSC having two seats was constructed in Mall Village Panchayat of Hawalbagh block in district Almora, which was being used for storage purpose.

1.4.4.3 Solid and Liquid Waste Management

As per the SBM (G) guidelines, SLWM was one of the key components aimed at improvement in the general quality of life in the rural areas. SLWM was to be undertaken in project mode in each VP. Under this component, activities like constructing common compost pits, low cost drainage, soak channels/pits, reuse of wastewater, and system for collection, segregation and disposal of household garbage were to be taken up.

As per the PIP, 7,900 SLWM structures were to be constructed by the year 2019, out of which 4,485 SLWM structures, as per the Annual Implementation Plans for the years 2014-15 to 2016-17, were to be constructed by the end of March 2017. It was noticed that

[71] Haridwar, Udham Singh Nagar and Almora.

only 50 SLWM structures, which constituted only 1.11 *per cent,* were constructed as of March 2017. In the selected districts, only 27 out of 1,512 (1.79 *per cent*) SLWM structures[72] were constructed. On this being pointed out, the Department stated that construction of IHHLs was accorded priority by the State Government. Reply of the Department is not acceptable as SLWM is also a key component for collection, segregation and safe disposal of household garbage and for setting up decentralised systems like household composting and biogas plants and these had a direct linkage with other interventions planned under the SBM. As such, SLWM should have been accorded equal priority.

1.4.4.4 Open Defection Free Status

The Ministry of Drinking Water and Sanitation, GoI, has defined that Open Defecation Free (ODF) status can be achieved only when there are no visible faeces found in the environment/village and every household as well as public/community institution use safe technology option for disposal of faeces.

The Government of Uttarakhand declared the State as ODF on 31 May 2017. However, considering the fact that 1,79,868 households were not included in the target of construction of IHHL and there were significant shortfalls in construction of CSCs and SLWMs, as explained in ***paragraphs 1.4.2, 1.4.4.2 and 1.4.4.3*** above, the declaration of status of ODF in the State was, therefore, incorrect.

1.4.4.5 Information, Education and Communication

Information, Education and Communication (IEC) activities are important components of the programme which envisage bringing about community-wide behaviour change through information and awareness generation to trigger demand for sanitary facilities for households in the rural areas. Under this intervention, construction and use of toilets in a sustained manner was to be emphasised by creating public awareness through various activities such as Song and Drama, Puppet shows, Banners and other activities by DPMUs, apart from appointment of *Swachhta Doot*[73], and formation of Village Water and Sanitation Committee in each village to educate the villagers. Scrutiny of records revealed that IEC activities were not fully carried out in the selected districts. An amount of ₹ 1.40 crore (24.69 *per cent*) of the earmarked funds were utilised on IEC activities such as awareness meetings, hoardings, distribution of IEC material, songs and dramas, *etc*. against a total allocation of ₹ 5.67 crore during the period 2014-15 to 2016-17. Further, it was also observed that in the selected districts, neither *Swachhta Doots* were appointed nor were Village Water and Sanitation Committee formed. The impact of inadequate IEC activities was visible during physical survey wherein 27 households out of 400 households (6.75 *per cent)* were not using the toilet due to various misconceptions.

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72 Vermi compost pits, Garbage pits, Soak pits and outlet drains.

73 *Swachhta Doot* was to be nominated by the GP/Village Water and Sanitation Committee for identifying the beneficiaries and for creating awareness about the programme.

1.4.5 Achievements of sustainable development goals

The objective of Sustainable Development Goals (SDGs) is to produce a set of universally applicable goals that balance the three dimensions of sustainable development: environmental, social, and economic. In total, 17 goals have been set as SDGs which are to be achieved by 2030.

The sixth goal of SDGs pertains to the concept of 'clean water and sanitation. It aims at ensuring availability and sustainable management of water and sanitation for all. However, inadequate planning, deficiencies in financial management, implementation and monitoring and non-inclusion of eligible beneficiaries in the program, as detailed in preceding paragraphs, indicate that more efforts are needed to achieve the goal of ensuring availability of proper sanitation facilities to the rural community.

1.4.6 Monitoring and Evaluation

1.4.6.1 Non-formation of Monitoring Units

As per paragraph 14.3 of the SBM (G) guidelines, supervision is necessary for effective implementation of the Mission programme. Dedicated specialised monitoring units with specialists at both the State and the district levels were to be formed for monitoring the Mission activities. Monitoring Report was to be prepared by these units on quarterly basis. Scrutiny of records in the selected districts revealed that neither the requisite monitoring units were constituted nor were the quarterly monitoring reports generated, which indicate inadequate monitoring of the programme.

The selected DPMUs accepted that they did not constitute the monitoring units but did not furnish reasons for the same.

1.4.6.2 Periodic Evaluation

As per paragraph 16.1 of the guidelines, States were required to conduct periodical evaluation studies on the implementation of Mission programme. Evaluation studies were to be conducted through reputed institutions, the names of which were required to be furnished to the GoI. Scrutiny of records revealed that periodic assessment was not taken up by the SPMU as envisaged in the guidelines. On this being pointed out, the SPMU accepted the fact that the third party inspections, as envisaged in the guidelines were not carried out. It however stated that a third party inspection was carried out by the Academy of Management Studies (AMS) from 15 June 2015 to 15 October 2015.

The reply of the SPMU is not acceptable as the said report was not related to the periodic evaluation under SBM (G). It pertained to a survey of a World Bank sponsored project named Uttarakhand Rural Water Supply and Sanitation Project and the survey covered only one component *i.e.* IHHL.

1.4.7 Conclusion

The planning and implementation of Swachh Bharat Mission (Gramin) by the State of Uttarakhand was found wanting. The State Programme Management Unit failed to update the beneficiary data on Government of India portal on time which resulted in non-inclusion of more than one lakh beneficiaries. There was considerable shortfall in the implementation of two vital components *viz*. Community Sanitary Complexes and Solid and Liquid Waste Management. The declaration of the State as Open Defecation Free in May 2017 was incorrect. The Information, Education and Communication activities were not carried out in the selected districts adequately. The financial management was found deficient as the State did not release its share during the year 2016-17. Moreover, it could not establish dedicated specialised monitoring units.

The audit findings were referred to the Government (July 2017); Reply was awaited (December 2017).

DEPARTMENT OF ENERGY

1.5 Follow-up audit of the performance audit of Hydropower Development through Private Sector Participation

1.5.1 Introduction

A Performance Audit on "Hydropower Development through Private Sector Participation", covering the period from 1993 to March 2009, was brought out as a Stand-alone Audit Report for the year ended 31 March 2009. The Report was placed before the State Legislative Assembly in September 2010. The audit findings have not been taken up for discussion by the Public Accounts Committee as of June 2017.

1.5.2 Objective, scope and methodology of audit

A follow-up audit was conducted from April to May 2017 with the objective of assessing the implementation of 13 recommendations accepted by the Government in the exit conference (November 2009) against 23 observations included in the Stand-alone Audit Report 2009. Audit involved test-check of records in the offices of the Government of Uttarakhand (GoU), the Managing Director, Uttarakhand Jal Vidyut Nigam (UJVN) Limited and the Uttarakhand Environment Protection and Pollution Control Board (UEPPCB). Physical verification of five[74] out of 13 hydropower projects, selected in the earlier Performance Audit, was also conducted as part of audit. The period covered in audit was from 2009-10 to 2016-17.

Audit Findings

1.5.3 Implementation of audit recommendations

The status of action taken by Government against 23 accepted audit observations reported in earlier Report has been arranged in following three categories:

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[74] Rajwakti, Deval, Birahiganga, Bhilangana-III & Birahiganga-II.

A. *Insignificant or no progress*

Audit findings made in earlier Report	Recommendation made	Current status as informed by the Department	Audit findings/comment
(i) The Srinagar hydropower project developer had been given terms that were more favourable than the terms of the standard Implementation Agreement (IA) being entered into by the GoU with other project developers. (*Para 4.3* of previous audit report).		GoU has prepared a draft State Water Policy, 2016 in which it is proposed that "the ownership of water does not vest in an individual but in the State". After implementation of the said policy, the conditions will be uniform for all projects in future.	The draft policy is yet to be approved. Further, no attempt has been made by the State Government to moderate the terms of IA entered into with the promoters of various hydropower projects before 2016. In case of Srinagar Project, the project proponent is yet to carry out all the changes made/instructions issued by the Union Government/State Government (June 2017).
(ii) Given the current policy of the State Government of pursuing hydro-power projects indiscriminately, the potential cumulative effect of multiple run-of-river power projects can turn out to be environmentally damaging. Presently, 42 hydro-power projects are in operation, 203 are under construction or clearance stage, while several others are at the conceptual stage. (*Para 5.3.2* of previous audit report).	1. The head pond, weir and intake associated with the diversion ought to be designed to minimise impacts, including those affecting aquatic life, sediment movement and flooding.	1. GoU had issued orders (April/May 2013) regarding maintaining minimum water flow in the case of two rivers (Saryu & Ramganga) valleys. For other river (Alaknanda & Bhagirathi) valleys, the matter is still pending before the Hon'ble Supreme Court. The Ministry of Environment, Forest & Climate Change (MOEF&CC) has formed a committee to examine the environmental issues related to hydroelectric projects in the State. Report of the committee is still awaited.	1. The recommendation is still not implemented. During physical verification of five projects, it was verified that there was no downstream river flow in the diversion reach.
	2. In accordance with the Government of India (GoI) guidelines, an additional 1 *per cent* free power from the project may be provided and earmarked for Local Area Development Fund.	2. Local Area Development Fund policy for hydropower projects in Uttarakhand has been prepared. Approval of the same is under consideration.	2. The recommendation is yet to be implemented as the policy is yet to be approved.
(iii) No specific measures had been planned/designed in any project to cope with the risk of flash floods. (*Para 5.7* of previous audit report).		During examination/ approval of Detailed Project Report (DPR), estimation of design, flood and flood frequency analysis has been	The follow up on this observation is still in progress.

		done as per the standard guidelines and calculation/ formulas. After disaster 2013, MOEF, GoI has constituted a committee to give recommendations regarding environment safeguard and disaster mitigation plan, which is under progress.	

B. *Partial Implementation*

Audit findings made in earlier Report	Recommendation made	Current status as informed by the Department	Audit findings/comment
(i) The core competence of several of the entities allotted projects by single stage clearance based on technical and financial strength of the prospective developers such as in steel production, tourism, sugar manufacture, water supply projects, general construction *etc.* and they had no prior experience of working in the power sector. (*Para 3.2.1* of previous audit report).		The projects were allocated by the erstwhile Uttar Pradesh Government. After creation of Uttarakhand, the State continued with the same developers by entering into a fresh IA with them. Hence, there is no scope to amend/change the ownership of the original developers. However, provision has been made for change in ownership of projects in the New Hydropower Policy, 2015.	The Department has provided for necessary safeguards in the new policy. Audit found no evidence of any effort made by the State Government to ensure that promoters of existing projects bring in necessary expertise for operating hydropower projects.
(ii) There were instances of undue extensions, without charging for liquidated damages, for implementing the projects in the garb of capacity revision, implying loss of royalty and deprivation of anticipated benefits from electricity. In addition, the Government also faced the prospect of incurring huge financial losses on account of upfront premium. (*Para 3.4* of previous audit report).	On account of the implications for upfront premiums and financial capabilities of the developers, the Government should consider and frame guidelines for dealing with all such cases where huge increases in capacities are proposed. A uniform and firm policy for granting extensions and terminating agreements needs to be put in place.	GoU has formed a new policy on capacity enhancement in the year 2012, in which there is a provision of upfront premium to be paid on pro-rata basis.	The Department has implemented the audit recommendation for new projects. However, audit observed that the government is yet to enquire into the cases reported by audit where promoters proposed huge increases in capacities of the projects.
(iii) The State's policy on hydropower projects was silent on the vital issue of	1. The individual and cumulative impact on the	GoU had issued orders (April/May 2013) regarding maintaining minimum water	The recommendation has not been fully implemented. During physical verification

maintaining downstream flow in the diversion reach. (*Para 5.3.1* of previous audit report).	downstream river flow should be seriously considered to ensure that the projects do not result in disastrous impact on the environment. 2. Minimum flow in the diversion reach should be computed and prescribed taking into account the groundwater recharge potential of the river, irrigation, ecology and silt load factor.	flow in the case of two rivers (Saryu & Ramganga) valleys. For other river (Alaknanda & Bhagirathi) valleys, the matter is still pending before the Hon'ble Supreme Court. The Ministry of Environment, Forest & Climate Change (MOEF&CC) has formed a committee to examine the environmental issues related to hydroelectric projects in the State. Report of the committee is still awaited.	of five projects, it was observed that there was no downstream river flow in the diversion reach.
(iv) Out of total 48 projects allotted during 1993 to 2006, only five projects (10 *per cent*) were completed and operational after lapse of 15 years. Consequently, the envisaged power generation worth 2,005.05 Mega Watt (MW) could not be achieved. (*Para 4.1* of previous audit report).	Reasons behind delays in implementation of hydro projects should be thoroughly examined so as to put in place a more responsive monitoring mechanism for avoiding delays in upcoming projects.	Presently, out of 53 projects (2,588.45 MW) allocated to the private developers, 18 projects (881.65 MW) are under operation and remaining 35 projects (1,706.80 MW) are in various stages of being set up *viz.* under construction & under development/initial stages. GoU had taken review meetings with project developers from time to time and given directives to complete the projects within specified time.	There is an increase in the number of operational hydro projects in the State. But a significant number (35) of projects are still in development/under construction stages. The GoU has not been able to push the developers to fast track the projects in the State. As a result, Uttarakhand is a power deficit State despite huge hydropower potential.
(v) No evidence of any punitive action being undertaken against any of the developers for defaulting on IA conditions. The Liquidated Damages (LD), as a consequence of undue delays in commissioning of projects, were not recovered in a single case. (*Para 4.2.1* of previous audit report).	Executive should prescribe procedure to fix accountability in cases of violation of conditions stipulated in the IAs.	Notices had been issued to various developers to deposit liquidated damages. Replies have been submitted by the developers though none of the developers has deposited the LD. The matter was discussed at Government level and it was decided (January 2013) to make a policy for granting time extension. However, policy could not be finalised.	None of the developers has deposited the required Liquidated Damages since the matter was pointed out seven years ago. Even the policy for granting time extension to developers to comply with State Government directives has not been approved.
(vi) Out of eight projects which were under construction/operation, the Consent to Establish (CTE) the projects from the Board		As per the Environment Protection Act, there is no statutory requirement for environmental clearance for the projects upto 25 MW.	Although there is significant improvement on the issue of according CTE, consents are yet to be issued to remaining seven projects. Given the

was obtained only by five. Besides, Consent to Operate (CTO) was only obtained by one project even though four projects were operational. (*Para 5.1* of previous audit report).		However, as per Water (Prevention and Control of Pollution) Act 1974, Consent to Establish is necessary whereas Consent to Operate is not mandatory in case of white category. Presently, out of 22 projects which were under construction/ operational, the CTE has been given in case of 15 projects.	sensitivity attached to riverine ecology in the State, slow progress in the matter only underscores the lack of urgency on part of the government in this critical area.
(vii) The plantation activity was highly deficient, as 38 *per cent* of projects reported hardly any plantation; posing severe hazards both for natural ecology and stabilisation of hill slopes. (*Para 5.4.1* of previous audit report).		Out of eight projects (related to the period 1993-2009), plantations were done in all the projects except Loharkhet. Presently (2009-2017), plantations were done in 18 projects out of 28 projects.	Afforestation and plantation activities were still deficient. 10 out of 28 projects had not undertaken the mandatory plantation activities. Thus, the danger posed by unstable hill slopes persisted in the project areas. Damage caused to natural ecology because of project activities was still to be made good.
(viii) Forest land clearances were received with delays ranging from 85 days to 295 days in many cases. (*Para 6.1.2* of previous audit report).	The State Government may urgently constitute a nodal authority for addressing the problems of land acquisition, forest clearance and resettlement & rehabilitation for all the projects.	Standard Operating Procedure has been prepared and uploaded on the website of the Forest Department. Further, through video conferencing, departments and project proponents were informed to rectify the shortcomings in the process. Despite remedial action taken by the Department, there were still delays ranging from 125 to 171 days in six cases at the State level, and six to 3,248 days in 27 cases at MOEF, GoI level.	Delays were still observed in obtaining forest land clearances at the levels of the State Government as well as the MOEF, GoI.

C Full Implementation

Audit findings made in earlier Report	Recommendation made	Current status as informed by Department	Audit findings/ comment
(i) The authorities had not diligently carried out the Pre-feasibility (PFR) studies based on the ground survey of the river basin, its topography and hydrology for accurate evaluation of the hydropower potential of a river/stream as significant alterations ranging	Pre-feasibility studies should be carried out with due diligence so that reliable data can be obtained for computation of power potential of projects.	New notification was issued in 2012 for capacity enhancement. GoU made necessary provisions in the policy in 2015 whereby projects are being bid after preparation and approval of Detailed Project Report.	The Department has implemented the audit recommendation for the new projects.

from 22 *per cent* to 329 *per cent* in the capacity of 85 *per cent* of projects, raised serious doubts on the credibility of PFR studies. (*Para 3.1* of previous audit report).			
(ii) Projects allotted during 2003-06 were awarded to applicants with core interest in sectors other than power. (*Para 3.2.2* of previous audit report).		Technical marking criteria for technical qualification of the bidders have been modified (November 2014) whereas past experiences were elaborated. After modification, no such instances were noticed.	The Department has provided the required safeguards for new projects.
(iii) No specific institutional mechanism to verify the basis of capacity enhancement as variations were noticed in the norms for computing the power potential in the capacity enhancement proposals of project developers. (*Para 3.3* of previous audit report).	Sufficient data on stream flows and biota should be collected for a reasonable period of time prior to construction and this baseline data should be used in planning and mitigation processes.	New notification was issued (September 2012) by GoU for capacity enhancement of project to save revenue loss and strengthening of the ***Urja Cell*** within the Department of Energy to examine technical feasibility of project.	The Department has implemented the audit recommendation.
(iv) The failure of the nodal agency to enforce the conditions of regular and timely submission of quarterly progress reports by the project developers resulted in non-assessment of the progress of projects by the Government to avoid delays in their implementation. (*Para 4.2.2* of previous audit report).	A proper monitoring mechanism needs to be put in place to ensure that lapses on the part of Independent Power Producers during civil construction and operations are avoided.	GoU has issued orders (2008 & 2015) for strengthening of Urja Cell to examine technical feasibility and monitoring of projects. Regular inspection and monitoring of projects are being performed by the officers of the UJVN Limited and the ***Urja Cell***.	The Department has implemented the audit recommendation.
(v) Negligence towards environmental and safety concerns was yet another consequence of weak monitoring by the nodal agency in ensuring adherence to prudent utility practices. (*Para 4.4* of previous audit report).		GoU conducted Cumulative Environmental Impact studies for various rivers and made provisions in IAs for maintaining Safety and Quality Assurance.	The Department has implemented the observation. During joint physical inspection, it was verified that channel of Rajwakti Project was now covered.
(vi) The execution phase was found characterised by generation losses of 10.57 million units of power worth ₹ 2.64 crore, mainly attributable to grid failure, transmission obstruction due to low voltage and hindrances by local people indicating inadequate maintenance of		The Department is continuously coordinating with various operational project developers and prepares monthly generation reports. Transmission issues were also sought from the developers and discussed with the concerned officials to rectify the same. As per the	The Department has implemented the observation.

grid infrastructure. (*Para 4.5* of previous audit report).		Uttarakhand Electricity Regularity Commission (UERC) Regulations 2013, Uttarakhand Power Corporation Limited (UPCL) may bear the claim of deemed generation if found justified. However, if UPCL raises any objection, then the developer may submit their petitions before UERC.	
(vii) Negligence of environmental concerns was obvious as the muck generated from excavation and construction activities was being openly dumped into the rivers contributing to increase in the turbidity of water. The projects seemed oblivious of the fact that such gross negligence of environmental concerns lead to deterioration of water quality and adverse impact on the aquatic biota. (*Para 5.3.3* of previous audit report).	There is an urgent need for UEPPCB to strengthen its monitoring mechanism to ensure appropriate and timely action against projects that violate and are negligent of environmental concerns.	MOEF & CC has issued standard terms of reference for Environment Impact Assessment/Environment Management Plan (EIA/ EMP) report for projects/ activities requiring environment clearance under EIA Notification 2006. UEPPCB had also issued directives for proper muck disposal at the time of issuance of consent.	The Department has implemented the audit recommendation. During joint physical verification of five projects, it was verified that no muck was being dumped near the river banks in case of these projects.
(viii) Stone crushers had been established within the project premises of two projects namely Bhilangana-III and Srinagar. (*Para 5.3.4* of previous audit report).		GoU has issued Uttarakhand Stone Crusher License Policy 2016 for all the hydropower projects including specifying minimum distance from the river for installation of stone crushers.	The Department has implemented the observation. During joint physical verification of five projects, it was verified that no stone crusher was established within the project premises in these cases.
(ix) Negligence in applying appropriate construction norms and structuring the project without appropriate technical counter measures may expose projects to enhanced seismic vulnerability. (*Para 5.5* of previous audit report).		Geological Survey of India/ *Urja* Cell examines the Detailed Project Report (DPR) of hydro projects and issues necessary directions/ approval for safe design of project component according to seismicity. Regular follow-up/monitoring is being done by the officials of UJVN/Urja Cell through correspondence (seeking quarterly progress reports etc.) except in one case at Srinagar, Pauri, where official visits to the site were made.	While Urja Cell and UJVNL do monitor through correspondence and tours as intimated to audit, no records of the same are maintained. As a result, audit could not verify the same.

(x) Safety measures adopted by the project developers vary greatly despite the projects being situated in the same seismic zone. In the absence of adequate checks, the implementation of the same cannot be guaranteed. (*Para 5.6* of previous audit report).		The response of the State Government is the same as above.	The Department has initiated action on the audit observation.
(xi) In the absence of a well-laid down policy, land acquisition proved to be a major obstacle, derailing project development from its time schedule. (*Para 6.1.1* of previous audit report).	The State Government may urgently constitute a nodal authority for addressing the problems of land acquisition, forest clearance and resettlement & rehabilitation for all the projects.	To reduce delay in land acquisition, State Government issued Resettlement and Rehabilitation Policy 2013 for hydroelectric projects.	The Department has implemented the recommendation.
(xii) In a certain case, grid infrastructure for power evacuation was not installed well in time resulting in energy losses and deferment of royalty payments to the Government. (*Para 6.2* of previous audit report).	It is an essential requirement that reliable grid infrastructure should be made available well before the expected synchronisation of the hydropower projects to avoid energy losses in absence of evacuation facilities.	Meetings were convened for providing transmission facilities to the developers before commission of projects. UPCL and Power Transmission Corporation of Uttarakhand Limited (PTCUL) have planned their transmission systems to ensure evacuation and transmission of power from the hydro projects.	The Department has implemented the audit recommendation.

1.5.4 Conclusion

Of the total recommendations and observations made by the audit, the extent of implementation of the accepted audit observations and recommendations by the Government was 52 *per cent;* 35 *per cent* recommendations were partially implemented; and 13 *per cent* were not implemented as on June 2017. Although the State Government had made progress in addressing some of the concerns raised in audit; yet significant amount of work remains to be done on policy matters regarding water rights, local area development fund, ensuring downstream river flow, timely completion of projects, recoveries of liquidated damages, issuance of consent to establish/operation, reducing risks from damages due to flash floods, plantation, and delay in forest land clearances.

The matter was referred to the Government (June 2017); Reply was awaited (December 2017).

MEDICAL, HEALTH & FAMILY WELFARE DEPARTMENT

1.6 Suspected embezzlement on hiring of vehicles

Payment made without determining authenticity of the claims resulted in suspected embezzlement of ₹1.25 crore on hiring of vehicles.

Article 46-A of the Financial Handbook Volume-V provides that, as a general rule, every payment, for whatever purpose, must be supported by a voucher setting forth full and clear particulars of the claim.

Scrutiny of records (August 2013) of the Chief Medical Officer (CMO), Udham Singh Nagar revealed that payment of 18 bills of hiring of taxis amounting to ₹ 6.96 lakh was made against dubious bills. The matter was reported (December 2013) to the Director General, Medical, Health and Family Welfare (DG, MH & FW). Further, during the course of audit of CMO Dehradun (May 2015), it was noticed that 41 bills of hiring of taxis amounting to ₹ 18.60 lakh were also paid against dubious bills. Considering the gravity of the matter, the audit coverage was widened and records of two more CMOs[75] along with further information obtained from the CMO Udham Singh Nagar and Dehradun were examined (August 2016 to November 2016). Scrutiny of records revealed that the bills for hiring of taxis, amounting to ₹ 1.25 crore[76] (including ₹ 6.96 lakh and ₹ 18.60 lakh as stated above), were passed by the DDOs without ascertaining the authenticity of the bills and payments were made to the travel agencies. Further, audit noticed the following shortcomings:

- Amount of ₹ 58.44 lakh was paid against 183 bills where no vehicle registration number was mentioned;
- Payment of ₹ 48.52 lakh was made against 142 bills where no vehicle registration number and date of journey were mentioned;
- Payment of ₹ 3.11 lakh was made against bills where the same vehicle was running in two or three different locations in different districts at the same time and on the same date; and
- In case of bills involving 37 vehicles, where registration numbers of the vehicles were mentioned, the registration numbers of vehicles were cross checked by obtaining relevant information from the Regional Transport Office (RTO), Dehradun. It was found that payments of ₹ 3.68 lakh involving 12 vehicles were made against bills where the vehicles were registered as Scooter/Three Wheeler/Private car and payments of ₹ 11.12 lakh were made for 21 vehicles which were not even registered with the RTO.

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[75] Tehri and Haridwar.

[76] Dehradun ₹ 22.64 lakh, Haridwar ₹1.78 lakh, Tehri ₹ 17.41 lakh, Udham Singh Nagar ₹ 82.76 lakh.

The above irregularities indicate that payments were made by the DDOs against claims preferred by travel agencies, without checking the authenticity of the claims as per extant financial rules, resulting in suspected embezzlement of ₹ 1.25 crore.

The matter was referred to the Government (March 2017) which stated (April 2017) that a departmental inquiry was set up (April 2014) and another State level inquiry headed by Joint Secretary, Medical Education was also set up in May 2016. It was further stated that on the basis of inquiry, departmental disciplinary proceedings had been initiated and charge sheets were issued to the concerned Medical Officers. However, financial loss of ₹ 1.25 crore to the exchequer was yet to be recovered (August 2017).

PUBLIC WORKS DEPARTMENT

1.7 Unjustified excess expenditure of ₹1.69 crore

Award of works at higher rates in disregard of financial norms resulted in excess expenditure of ₹1.69 crore.

District Magistrate, Rudraprayag accorded (April 2014) administrative and financial sanction of ₹ 15.09 crore for improvement of the *Rudraprayag-Gaurikund*, National Highway-107 (Km 1 to 25) by BM[77] and BC[78] that was damaged in natural disaster of June 2013 to be executed in five parts. Technical Sanctions (TS) of ₹ 10.24 crore (₹ 2.51 crore, ₹ 2.74 crore and ₹ 4.99 crore) in three parts (for Km 1 to 18) and of ₹ 4.85 crore (₹ 2.38 crore and ₹ 2.47 crore) in two parts (for Km 19 to 25) were accorded (April 2014) by the Chief Engineer, Garhwal Region (CE) and the Superintendent Engineer (SE), Rudraprayag respectively.

Scrutiny of records (December 2015) of the Executive Engineer (EE), Provincial Division (PD), Public Works Department (PWD), Rudraprayag revealed that due to urgency pertaining to execution of the said works before the commencement[79] of the *Char Dham Yatra*[80], the SE proposed (April 2014) to award the works at the rates quoted by firms which were ready to commence the work immediately. The proposal was accepted (22.04.2014) by the CE. Two agreements[81] were accordingly entered into (22.04.2014) by the SE the very same day. Within less than a week of entering into the agreements at the rates quoted by selected firms, the Department finalised (26.04.2014) the revised Schedule of Rates (SOR) for the year 2014-15 on the basis of the prevalent market rates following due process. It was, however, observed that rates of Prime Coat, Tack Coat, BM and BC, which were finalised in various parts of the improvement work before the revision of the SOR, were higher by 15 to 31 *per cent* than the revised SOR.

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77 Bituminous Macadam.
78 Bituminous Concrete.
79 April-May.
80 Pilgrimage to four holy destinations (Badrinath, Kedarnath, Gangotri and Yamunotri) in Uttarakhand.
81 Agreement No.-02/SE/2014-15 for Km 1 to 10 and Agreement No.-03/SE/2014-15 for Km 11 to 25.

The Department, thus, failed to apply due diligence in ascertaining the prevailing market rates while finalising the agreements for the improvement works.

This resulted in an unjustified expenditure of ₹ 1.69 crore[82] as the works were awarded and executed at rates higher than the prevailing market rates on the basis of which the SOR was subsequently revised within less than a week of awarding of the work.

On this being pointed out, the Division stated (December 2015) that the Government had granted permission to the SE to enter into agreements on the basis of selection through quotation at market rates. The reply was not acceptable as there was no evidence on record that showed that due diligence was ensured to compare the rates quoted by the contractors with those prevailing in the market as the selected contractors had quoted their rates on 11 April 2014, and on the very same day, the SE had sought approval of the Government to execute the agreements with these contractors. Moreover, though the works were cited as urgent and to be completed within 20 days, the same took two to three months to execute, well into the duration of the *Char Dham Yatra*. Further, the Engineer-in-Chief intimated (16.06.2017) that all the Regional Chief Engineers had been instructed (17.02.2014) to survey the market and submit the basic rates of resources prevailing in their region by 30.03.2014 for revision of the SOR 2014-15. This shows that the SE was well aware of the prevailing market rates as on March 2014. Despite this, the SE proposed the award of works at higher rates in April 2014.

The Department, therefore, failed to comply with prudent financial norms, and incurred an unjustified expenditure of ₹ 1.69 crore on the works by accepting higher rates in undue haste.

The matter was referred to the Government (April 2017); Reply was awaited (December 2017).

1.8 Unauthorised excess expenditure

The division unauthorisedly incurred an excess expenditure of ₹0.59 crore in violation of financial rules as well as conditions stated in the Chief Engineer's letter of approval.

Paragraph 317 of the Financial Hand Book (FHB) Volume-VI stipulates that in case of works, the excess over the amount to which expenditure sanction has been given requires revised expenditure sanction of Government. Further, for the purposes of above rule, the

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Sl. No.	Item of work	Agreement Rate (*in ₹*)	SOR (May 2014)	Difference in Rate	Executed quantity	Amount (*in ₹*)
1.	Prime Coat	60.00	45.80	14.20 (31%)	32,587.28	4,62,739.38
2.	Tack Coat	16.00	13.20	2.80 (21%)	54,763.60	1,53,338.08
3.	BM	12,000.00	9,869.00	2,131.00(22%)	626.83	13,35,774.73
		12,100.00	9,869.00	2,231.00 (23%)	1,866.065	41,63,191.02
4.	Tack Coat	13.00	10.90	2.10 (19%)	1,50,042.35	3,15,088.94
5.	BC	16,400.00	14,293.33	2,106.67 (15%)	1,998.36	42,09,885.06
		16,500.00	14,293.33	2,206.67 (15%)	2,841.333	62,69,884.29
Total						***1,69,09,901.50***

Chief Engineer is authorised to sanction excess over the original expenditure up to 10 *per cent* (modified to 15 *per cent* as per delegation of financial powers, 2010) subject to the condition that the increase is purely related to rise in the cost of material and labour.

The Government of Uttarakhand accorded an administrative approval and financial sanction (March 2013) of ₹ 4.60 crore[83] for the construction of Pauri-Devprayag optional road (*Vaikalpik Marg*-12 Km) at *Kot* block in Pauri-Garhwal under the State Scheme. The Technical Sanction (TS) for the same amount was accorded (September 2013) by the Chief Engineer, Garhwal Region (CE), Public Works Department (PWD), Pauri for the said work.

Scrutiny of records (November 2016) of the Executive Engineer (EE), Provincial Division, PWD, Pauri revealed that the division entered into 12 agreements with the contractors (September, November and December 2013) to execute the above work. The work was started in September 2013 and completed in July 2014. Further, it was noticed that an expenditure of ₹ 0.84 crore[84] was incurred on 13 extra items out of which ₹ 0.72 crore was incurred on nine[85] items which were included in approved Detailed Estimate (DE) but were not part of the Schedule 'B'[86] of the agreements and the remaining ₹ 0.12 crore was incurred on four[87] other items which were neither part of the approved DE nor were included in the Schedule 'B' of the agreements. An expenditure of ₹ 5.12 crore was incurred on the work, which exceeded the actual sanctioned cost of ₹ 4.53 crore[88] for work. In the process, the division incurred an excess expenditure of ₹ 0.59 crore on extra items which were not part of the Schedule 'B' of the contracts signed with the contractors. The division sought (November 2014) the approval of CE for the excess expenditure (13.02 *per cent* of sanctioned cost for work). The CE accorded (December 2014) approval subject to the condition that the excess expenditure would relate only to price escalation in material and labour. However, as there was no change in rates of material and labour, the payments made were against the conditions contained in the approval accorded by CE and in violation of extant provision stipulated in paragraph 317 of the FHB Vol-VI.

83 ₹ 4.53 crore were provisioned for work and ₹ 0.07 crore for contingency.

84 Actual expenditure incurred on extra items: ₹ 0.84 crore (₹ 0.59 crore was the expenditure incurred in excess of sanctioned amount and balance amount of ₹ 0.25 crore was met from saving of other items executed as per agreements).

85 Earth work in Hill side cutting, construction of 1 m span scupper, construction of Catch pit, cement plum masonry 40 *per cent* plum & 60 *per cent* 1:3:7 cement concrete, Excavation in foundation for Retaining Wall, Random Rubble Stone Masonry laid dry, Random Rubble Stone Masonry laid in 1:6, Hand packed stone filling, construction of *katcha* Drain.

86 Schedule 'B' is a part of the agreement containing the quantity and rates of the items to be executed by the contractor.

87 Laying of G.I. wire crates, Tack Coat @ 40 *per cent* Kg/sqm, PCC 1:2:4, Providing concrete for plain/reinforced concrete in open foundation.

88 Excluding the sanctioned amount for contingency in the approved estimate.

On this being pointed out, the division stated (November 2016) that the excess expenditure was approved by the CE. The reply is not acceptable as the CE is authorised to approve excess expenditure upto 15 *per cent* where the cost escalation was purely related to increase in the unit rate of the items. Further, the CE had accorded approval subject to the condition that the excess expenditure would purely relate to rise in cost of material and labour. However, the unit rate of none of the items included in approved estimates had increased. The increase in cost of the work was purely on account of execution of additional items.

The division, therefore, unauthorisedly incurred an excess expenditure of ₹ 0.59 crore in violation of the extant financial rules and the conditions contained in the approval accorded by the CE.

The matter was referred to the Government (April 2017); Reply was awaited (December 2017).

1.9 Unfruitful Expenditure of ₹0.70 crore

The Division awarded work of strengthening of a road at a cost of ₹2.83 crore despite issue of notice by National Green Tribunal for violation of Forest (Conservation) Act, 1980. Consequently work had to be subsequently halted after incurring expenditure of ₹0.70 crore. As a result, this expenditure was rendered unfruitful.

Government accorded administrative approval and financial sanction (December 2011) of ₹ 3.72 crore for strengthening including widening of *Premnagar-Gadoli-Buakhal* bypass motor road using Bituminous Macadam (BM) and Semi Dense Bituminous Concrete (SDBC) in district Pauri-Garhwal. Technical Sanction (TS) of ₹ 3.13 crore was accorded (May 2012) by the Chief Engineer, Garhwal Region (CE), Public Works Department (PWD), Pauri for the above work.

Scrutiny of records (December 2016) of the Executive Engineer (EE), Construction Division, PWD, Pauri, revealed that the National Green Tribunal (NGT) had issued a notice on 10 May 2012 to the respondents[89] while admitting an application alleging gross violation of the Forest (Conservation) Act, 1980 in the construction of the said motor road. Section 2 of the Forest (Conservation) Act, 1980 states that no State Government or other authority can issue orders directing any forest land or portion thereof to be used for any non-forest purpose without prior approval of the Central Government. In this case the work which involved 750 metres of forest land on different stretches of the road was approved without obtaining prior approval of Central Government. The matter was scheduled for hearing on 12 July 2012. Despite receiving the notice on 01 June 2012, the Division entered into an agreement on 07 June 2012 for an amount of ₹ 2.83 crore with the contractor for execution of the above work with the scheduled dates of start and

[89] Respondent-1 (Union of India), Respondent-2 (State of Uttarakhand), Respondent-3 (District Magistrate, Pauri), Respondent-4 (CD, PWD Pauri), Respondent-5 (DFO, Pauri), Respondent-6 (Nagarpalika, Pauri) and Respondent-7 (Sub Registrar, Pauri).

completion as June 2012 and June 2013 respectively. The work was started on 07 June 2012. A month later, the NGT directed (04 July 2012) that the respondents shall not undertake any further construction of the road. It, however, permitted maintenance of the existing road. Subsequently, the NGT, in its order dated 13 September 2012, directed that the broadening of the existing road shall be discontinued till the next hearing. In compliance of the NGT order, the Division directed the contractor to stop (21 September 2012) broadening of the road but allowed it to continue with the work of soling. However, just three days later the Division paid (24 September 2012) secured advance of ₹ 0.41 crore without interest to the contractor for the material (soling, inter, grit and maxphalt) brought to the site and the contractor continued to execute the work till 07.11.2012 on the existing road. The measurement of the work executed by the contractor was taken (January 2017) after lapse of five years, and payment of ₹ 0.70 crore made (March 2017) after adjusting the secured advance.

On this being pointed out, the Division stated (December 2016) that they had already sent the letter of acceptance of tender to the contractor due to which they had to enter into the agreement with the contractor. The reply was not acceptable as the Department had received the notice from NGT before entering into the agreement with the contractor. The Division should not have commenced the work till the matter was disposed off by the NGT. Moreover, it was clearly mentioned in the e-tender Notice that the Department reserved the right to reject the tender without assigning any reason thereafter. Initiating a work and making secured advance and related payments even as the NGT was deliberating upon the merits of the application challenging the said work was not prudent and it led to an unfruitful expenditure of ₹ 0.70 crore.

The matter was referred to the Government (May 2017); Reply was awaited (December 2017).

1.10 Unjustified excess expenditure

Unjustified excess expenditure of ₹0.80 crore due to use of costlier material (Bituminous Macadam) in place of Water Bound Macadam.

Government of Uttarakhand (GoU) accorded (September 2013) financial and administrative approval of ₹ 13.94 crore for improvement of Champawat-Khetikhan motor road (length-30 Km) in Champawat district by Bituminous Macadam (BM) and Semi Dense Bituminous Concrete (SDBC) under the State Plan. Chief Engineer (Kumaon Region), Public Works Department (PWD), Almora accorded (December 2013) Technical Sanction of the same amount for the work. The division entered into an agreement[90] with the contractor at an amount of ₹ 13.44 crore to execute the work. As per the agreement, the stipulated date of completion of work was June 2015.

Scrutiny of records (September 2016) of the Executive Engineer (EE), Provincial Division (PD), PWD, Champawat revealed that as per the provisions of the Detailed Estimate, the bituminous works were to be executed in 3.75 metre width over the entire

[90] CB No. 08/SE-III dated 28.12.2013.

length (30 km) of the road. An additional quantity (10 *per cent*) of BM had also been provisioned for Profile Corrective Course (PCC) as per requirement. Further, a provision for laying Water Bound Macadum (WBM) (1,761 cum) for filling pot holes was also made in the estimate. However, as per the 9th running bill paid (August 2016) to the contractor, against the provision of 1,761 cum WBM, only 603.52 cum (34 *per cent*) WBM work had been executed. In addition, the Department had also incurred an expenditure of ₹ 3.96 lakh on patch repair during the course. Further, the executed quantity of BM was in excess by 20.40 *per cent* (over and above the 10 *per cent* allowed for PCC) of requirement as detailed in the **Table 1.10.1** below:

Table-1.10.1: Details of unjustified excess use of Bituminous Macadam

Sl. No.	Particulars	Calculation	Quantity
1.	Quantity of BM executed as per 9th bill		7,947.38 cum
2.	Quantity of BM as per area covered by tack coat	1,20,016.47 sqm. x 0.050 m= 6,000.82 cum	6,000.82 cum
3.	Add 10 *per cent* for PCC	6,000.82 x 10/100= 600.08 cum	600.08 cum
4.	Excess quantity of BM	7,947.38-6,600.90	1,346.48 cum
5.	***Expenditure incurred on additional quantity of BM executed***	***₹1,346.48 x @ ₹7,582.26[91]***	***₹1,02,09,361.44***
6.	***If BM was replaced with WBM (@₹1,504 per cum)***	***1,346.48 cum x₹1,504*** (+) ***9 per cent above***	***₹20,25,105.92*** ***₹1,82,259.53***
		Total	***₹22,07,365.45***
		Unjustified excess Expenditure (row 5-6)	***₹80,01,995.99***

6,600.90 cum of BM should have been used including 10 *per cent* additional provision for PCC involving expenditure of ₹ five crore[92]. Instead, 7,947.38 cum of BM was used. Thus, 1,346.48 cum BM was used in excess of provision resulting in excess expenditure of ₹ 0.80 crore.

On this being pointed out by the audit, the EE stated (September 2016) that the variation in the quantity of BM was due to excessive undulation and depressions on the existing PC[93] and P_1P_2[94] road that could not be corrected by using WBM.

The reply of the division is not acceptable as clause 501.8.2.4 (ii) of Ministry of Road Transport and Highways data book stipulates that the PCC shall be constructed as an integral part of the overlay course *i.e.* using BM if its maximum thickness is not more than 40 mm. In other cases, the PCC shall be constructed as a separate layer, adopting such construction procedures and using such equipment as approved by the Engineer, to lay the specified type of material for the course. In this case, since the thickness was 100 mm (more than 40 mm) for each chainage of the road, use of BM instead of WBM was a violation of the above clause. Besides, the excess quantity of BM pointed out by audit is after allowing 10 *per cent* additional provision for PCC and is based on the area covered by the tack coat. Further, in the technical sanction it was clearly stipulated that WBM was to be used for filling work of the damaged portion of the road for which the Department had made a provision.

91 Rate of BM= ₹ 6,956.20 per cum and the bond was executed @ 9 *per cent* above.
92 Quantity of BM (6,600.90 cum) x @ (₹ 7,582.26) = ₹ 5,00,49,740 (Say ₹ five crore).
93 Premix Carpet.
94 Painting-1 and Painting-2 on road.

Moreover, the Department did not execute eight items[95] of work included in the above said agreement and also included in the Detailed Estimate amounting to ₹ 1.24 crore which was partly used to meet the expenditure on excess quantity of BM used.

The use of costlier material *i.e.* 1,346.48 cum BM in excess of the provision costing ₹ 0.80 crore was, therefore, unjustified.

The matter was reported to the Government (June 2017); Reply was awaited (December 2017).

1.11 Non-achievement of objectives

Due to delay in construction of a bridge, the objectives of social and economic development of the unconnected villages could not be achieved even after a lapse of nine years from the date of initial sanction. An expenditure of ₹1.09 crore had already been incurred on the work so far.

Government of Uttarakhand accorded (March 2008) administrative approval and financial sanction of ₹ 1.81 crore for the construction of a 70 metre span suspension bridge at *Tamadhaun-Golna-Khalduwa* motor road of *Golna* village in *Seyalde-Deghat* of Almora district.

Scrutiny of records (November 2016) of the Executive Engineer (EE), Provincial Division (Division), Public Works Department, Ranikhet revealed that the execution of the project was held up due to opposition by local people in handing over land for the project. To resolve the issue, a committee[96] visited (January 2010) the proposed site after two years of sanction of the project, and recommended construction of a 72 metre span Steel Girder bridge instead of 70 metre span Suspension Bridge. As the projected length of the bridge had increased, as also the rates of materials and labour had gone up, the division forwarded a fresh estimate of ₹ 3.56 crore (June 2011) to the Government for approval. However, before approval of the revised estimates by the Government and before finalising the design of the superstructure, the Superintending Engineer (Almora)

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Sl. No.	Item	Quantity	Rate	Amount (*in* ₹)
1.	Providing and laying Mechanically Woven Double Twisted Hexagonal Shaped Gabions	80 Nos	5,064.30	4,05,144.00
2.	Low Porosity providing and applying primer coat with Bitumen emulsion (SS-1) on prepared granular base	2,888 sqm	29.30	84,618.40
3.	RCC grade M 20 Providing and laying in position cement concrete of specified grade 1 Cement 1.5 Coarse sand and 3 Graded Stone Aggregate 20mm nominal size	193 cum	5,197.50	10,03,117.50
4.	Construction of KC Type concrete drain-pucca drain *etc*	4,300 Rmt	1,149.00	49,40,700.00
5.	Construction of U-shaped pucca drain (size 45 x 45 cm with 15 cm bottom & 20 cm side) etc	3,560 Rmt	1,564.00	55,67,840.00
6.	Construction of U-shaped pucca drain (size 75 x 75 cm with 15 cm bottom, 20 cm kharanza & 20 cm side) *etc*	140 Rmt	2,798.00	3,91,720.00
7.	Providing and fixing of retro-reflectorised cautionary sign as per IRC 67 made of encapsulated lens type reflective sheeting vide Clause 1701.2.3 fixed over aluminium sheeting 1.5 cm thick 600 mm x 600 mm square	10 Nos	2,497.80	24,978.00
8.	Providing and fixing of retro-reflectorised cautionary sign as per IRC 67 made of encapsulated lens type reflective sheeting vide Clause 1701.2.3 fixed over aluminium sheeting 1.5 cm thick 600 mm circular	3 Nos	2,356.20	7,068.60
Total				***1,24,25,186.50***

96 SE, 1st circle, PWD, Almora; SE, 2nd circle, PWD, Nainital and EE, PD, PWD, Ranikhet.

accorded (8 December 2011) a partial technical sanction of ₹ 1.42 crore for construction of abutment (substructure), approach road and protection works based on previous approved estimates. The division entered into an agreement[97] (22 December 2011) for an amount of ₹ 1.24 crore for the same with the stipulated date of completion as December 2012. The above work was completed with a delay of 18 months (June 2014) and an amount of ₹ 1.09 crore was paid to the contractor (March 2015). In the interregnum, the Government revoked the earlier approval and accorded (24 December 2011) a revised administrative and financial approval of ₹ 3.42 crore. In a related development, the superstructure design of the 72 m Span Steel Girder bridge prepared by the Construction Division, Kapkot, which was to be adopted for construction, was not found legible and could not be used for erecting the bridge. The Division, thereafter, obtained the design of the superstructure from Indian Institute of Technology (IIT), Banaras Hindu University (BHU) in December 2013. The design of the superstructure envisaged use of much larger quantities of structural steel[98] than planned for. Further, the prices of materials had also increased in the interregnum. This necessitated a further revised estimate of ₹ 4.97 crore which was again sent (September 2015) to the Government for approval. The same had not been received till date (May 2017).

On this being pointed out, the Division stated (November 2016) that the work would be completed after the receipt of the Government approval of the revised estimate.

The reply was not acceptable as the bridge could not be constructed despite receipt of the initial sanction nine years ago. The work on substructure had been initiated without awaiting necessary government approvals and designs. The substructure is lying idle for more than three years since its completion, leaving it prone to the vagaries of nature.

Thus, the objective of ensuring social and economic development of the unconnected villages, could not be achieved even after a lapse of nine years from date of initial sanction.

The matter was reported to the Government (June 2017); Reply was awaited (December 2017).

UTTARAKHAND PEYJAL SANSADHAN VIKAS EVAM NIRMAN NIGAM

1.12 Unfruitful expenditure

Due to faulty alignment, the Drinking Water Scheme failed to supply drinking water to the targeted populace resulting in unfruitful expenditure of ₹1.42 crore. Further an additional expenditure of ₹6.50 lakh was incurred on construction of a Tubewell for providing water to the targeted populace.

The Government of Uttarakhand accorded (March 2010) administrative approval and financial sanction of ₹ 2.43 crore[99] for construction of Sangrali-Pata drinking water

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97 11/SE-01/11 dated 22/12/2011.

98 In the approved DPR the load was 210.38 ton whereas it was 247.00 ton in the design provided by the IIT (BHU).

99 ₹ 1.92 crore (Source, Gravity main and CWR) + ₹ 0.45 crore (Distribution) + ₹ 0.06 crore (Catchment and Total Sanitation Programme).

scheme in Uttarkashi district with instructions that all standard technical formalities such as inspection of the site, preparation of a detailed estimate including drawing/design of the work, conducting a geological survey, obtaining technical sanction, *etc.* should be ensured before the commencement of work. The objective of the scheme was to supply drinking water to 2,314 habitants of Sangrali, Pata and Bagyalgaon gram panchayats. The work was to be commenced in October 2010 and was scheduled to be completed by April 2012.

Audit scrutiny of the records (March 2017) of the Executive Engineer (EE), Construction Division, Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam, Uttarkashi revealed that the main components of the work namely construction of Source, Gravity main and Clear Water Reservoirs (CWR) were to be executed through the engaged contractors for which an amount of ₹ 1.92 crore was sanctioned. The Nigam commenced the work in October 2010, which was completed in July 2014. Audit observed that the Nigam had undertaken the work without carrying out any detailed physical and geological inspections of the work site. This resulted in faulty alignment of the gravity main and consequently 19,736.95 metres of water supply pipe (gravity main) out of total constructed 23,232.75 metres could not be used as the gravity main failed to discharge water from the source up to the CWR. As a result, the target population of the said gram panchayats could not get drinking water through the constructed water supply pipe line on which an expenditure of ₹ 1.42 crore had been incurred. The Department had not fixed any responsibility for the faulty execution of the work. The division had to construct a Tubewell at a cost of ₹ 6.50 lakh as an alternative arrangement for supply of water to the targeted populace.

On this being pointed out in audit, the EE accepted the facts and stated (March 2017) that the water supply through the said drinking water scheme was not feasible as the pipe lines were laid at a very sharp gradient. The EE further informed that a departmental enquiry was in progress and the responsibility would be fixed after the enquiry.

Failure to carry out prior physical and geological inspection of the site before commencing the construction at the work-site, resulted in grave faults in the alignment of the main supply line leading to failure of the entire scheme, thereby rendering an expenditure of ₹ 1.42 crore incurred on the work unfruitful.

The matter was referred to the Government (June 2017); Reply was awaited (December 2017).

URBAN DEVELOPMENT DEPARTMENT

1.13 Solid Waste Management in Nagar Nigams of Dehradun and Haridwar

Nagar Nigams (NNs), Dehradun and Haridwar did not have any action plan outlining the intended actions, deliverables and time frames for ensuring effective implementation of the programme. The meagre amount spent on infrastructure was largely responsible for non-achievement of intended Solid Waste Management targets in both the NNs. Nine vehicles costing ₹1.21 crore, were lying idle in NN Haridwar since June 2013. Plant capacity within the municipal limits of NN Dehradun, was fixed at 200 MT per day whereas 257 MT waste was actually being generated per day. Both the NNs had failed to establish processing units even after 16 years of implementation of Municipal Solid Waste (Management and Handling) Rules 2000. As a result, collection, segregation, storage, transportation, processing and disposal of municipal solid wastes were not carried out as per the prescribed norms. Shortages in equipment, vehicles, dustbins and manpower in both NN's coupled with poor monitoring mechanism contributed to poor management of solid waste.

1.13.1 Introduction

Government of India (GoI) notified the "Municipal Solid Waste (Management and Handling) Rules 2000" (MSW Rules) in September 2000 for managing the increasing quantum of waste generated due to urbanisation. The State of Uttarakhand also prepared (March 2015) an Action Plan for Solid Waste Management (SWM) for collection, segregation, storage, transportation, processing and disposal of municipal solid waste in compliance with the direction of the National Green Tribunal (NGT).

A theme based compliance audit on the implementation of Solid Waste Management (SWM) by the *Nagar Nigams* (NN) of Dehradun and Haridwar during the period 2014-15 to 2016-17 was carried out from April 2017 to July 2017 by test-check of records of both the NNs. Besides, information was also collected from the Urban Development Directorate (UDD), Dehradun and the Uttarakhand Environment Protection and Pollution Control Board (UEPPCB).

1.13.2 Planning

1.13.2.1 Non-preparation of Action Plan

As per paragraph 26.1 of the Manual of "Municipal Solid Waste Management" (Manual), planning is a conscious process for meeting future requirements and objectives. Further, it should guide intended actions specifying time frames and priorities. Scrutiny of records revealed that there was no action plan in place in the State for the first fifteen years since the MSW rules came into effect (2000). It was only in March 2015 that the State framed the action plan, that too on the directions of the NGT.

On this being pointed out, the Department stated that there was no provision in the MSW Rules 2000 regarding preparation of an action plan. The reply of the department should be seen in light of the fact that the Manual on SWM clearly advocates preparation of an action plan for the execution of SWM.

1.13.2.2 Public Information, Education and Communication Programs (IEC)

Paragraph 18.3.1 of the Manual provides for involvement of public in large scale through awareness programs for successful implementation of the program.

It was observed that adequate emphasis was not given by NNs for creating public awareness towards segregation and consignment of the waste. Against the allocation of ₹ 1.40 lakh in 2015-16, NN Dehradun spent only ₹ 1.14 lakh during the year. Meanwhile, NN Haridwar neither had budgetary provision nor incurred any expenditure on the activity during the period.

1.13.2.3 Underestimation of composting plant capacity

For setting up of a solid waste processing unit, composting sites and scientific landfills, NN Dehradun awarded (October 2016) the contract for developing the necessary infrastructure at Sheeshambada to a firm on BOT (Build, Operate and Transfer) mode. The project was required to be completed by July 2017 at an estimated cost of ₹ 36 crore (State share: ₹ 21.97 crore and remaining share to be contributed by the firm).

Scrutiny of records revealed that the plant capacity was fixed at 200 MT per day (October 2016) whereas 257 MT waste was being generated per day during 2016-17 within the municipal limits of NN Dehradun. Further, solid wastes of nearby urban areas[100] were also planned to be disposed off in this plant. Thus, the plant at Sheeshambada, Dehradun which is yet to be completed (June 2017), would not be in a position to cater to the needs of solid waste management in Dehradun. This indicates inadequate planning. Out of ₹ 21.97 crore to be borne by the State on its construction, an expenditure of ₹ 10.76 crore had been incurred by the State till date.

On this being pointed out, NN Dehradun replied that the capacity of plant would be increased from 200 MT to 300 MT per day in future. However, no evidence of any initiative taken by the NN could be produced to audit though repeatedly called for.

1.13.3 Financial Management

Nagar Nigams of Dehradun and Haridwar are funded from the Central Finance Commission (CFC), the State Finance Commission (SFC), the *Swachh Bharat* Mission (SBM), Jawaharlal Nehru National Urban Renewal Mission (JnNURM) (80 *per cent* Central Share and 20 *per cent* State Share for JnNURM projects related with SWM) other agencies like Mussoorie Dehradun Development Authority (MDDA), and its own resources[101]. Scrutiny of records of both the NNs revealed the following:

[100] Nagar Palika Parishad Mussoorie, Nagar Palika Parishad Vikas Nagar and block Sahaspur.

[101] **Own Sources** – All types of taxes, rents from lease, fees, penalties and road cutting charges *etc.*

1.13.3.1 Availability and utilisation of funds

Year-wise details of availability and utilisation of funds[102] in the two test-checked ULBs during the years 2014-15 to 2016-17 are depicted in the **Table-1.13.1** below:

Table-1.13.1: Availability and utilisation of funds in Nagar Nigam Dehradun and Haridwar

DEHRADUN *(₹ in crore)*

Year	Opening Balance	Funds received from					Expenditure			Closing Balance
		Central Government	State Government	Own resources	Others	Total	Exp. on Salary (Percentage of Total Expenditure)	Exp. on Infrastructure Development for SWM (Percentage of Total Expenditure)	Total Exp.	
2014-15	6.33	1.87	17.95	9.76	0.00	35.91	27.40 (*93*)	2.05 (*7*)	29.45	6.46
2015-16	6.46	2.55	25.51	10.77	1.00	46.29	32.43 (*91*)	3.20 (*9*)	35.63	10.66
2016-17	10.66	7.11	22.41	10.36	0.00	50.54	32.76 (*80*)	8.08 (*20*)	40.84	9.70
Total		***11.53***	***65.87***	***30.89***	***1.00***	***132.74***	***92.59 (87)***	***13.33 (13)***	***105.92***	

HARIDWAR *(₹ in crore)*

Year	Opening Balance	Funds received from					Expenditure			Closing Balance
		Central Government	State Government	Own resources	Others	Total	Exp. on Salary (Percentage of Total Expenditure)	Exp. on Infrastructure Development for SWM (Percentage of Total Expenditure)	Total Exp.	
2014-15	1.67	1.61	8.65	3.17	0.00	15.10	12.00 (*92*)	1.00 (*8*)	13.00	2.10
2015-16	2.10	4.68	8.84	2.90	4.97	23.49	11.83 (*74*)	4.21 (*26*)	16.04	7.45
2016-17	7.45	0.45	7.37	2.91	0.21	18.39	10.27 (*59*)	7.08 (*41*)	17.35	1.04
Total		***6.74***	***24.86***	***8.98***	***5.18***	***56.98***	***34.10 (74)***	***12.29 (26)***	***46.39***	

Source: Information collected from NNs Dehradun and Haridwar.
Note: Year-wise details of above funds have been provided in Appendix-1.13.1.

Analysis of funds received and expenditure incurred revealed that both the NNs did not rationalize expenditure incurred on various heads intended for SWM to ensure cohesive implementation of the programme. Neither the Government/Directorate issued any instructions in this regard nor the Action Plan contained any clear directions on utilisation of funds earmarked for SWM. It is seen from the table that, NNs, Dehradun and Haridwar spent only 7, 9 and 20 *per cent* and 8, 26 and 41 *per cent* of their total expenditure on SWM related infrastructure development during the years 2014-15 to 2016-17 respectively. Expenditure on salary accounted for more than 90 *per cent* of total expenditure in Dehradun NN during 2014-15 and 2015-16. During 2016-17, it accounted for around 80 *per cent* of total expenditure. Haridwar NN spent around 92 *per cent*, 74 *per cent* and 59 *per cent* of total expenditure on salary during the three years. The meagre amount spent on infrastructure was largely responsible for non-achievement of intended SWM targets in the two NNs as mentioned in the succeeding paragraphs.

1.13.3.2 Non-submission of Utilisation Certificates (UCs)

Scrutiny of records of the NNs Dehradun and Haridwar revealed that utilisation certificates amounting to a total of ₹ 139.90 crore[103] were not submitted by the NNs of Dehradun and Haridwar as detailed in **Table-1.13.2** below:

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[102] **Central funds**- CFC, SBM, Municipal Solid Waste Management and JnNURM; **State funds-** Avsthapana/Dustbin Purchase, SFC, Grants for Sanitation and Chief Minister's Grant (CMG); **Own Resources;** and **Others**- Mussoorie Dehradun Development Authority (MDDA), Kaanvad Mela, Vidhayak Nidhi, Ardh Kumbh Mela and Char Dham Yatra.

[103] NN, Dehradun: ₹ 96.75 crore and NN, Haridwar: ₹ 43.15 crore.

Table-1.13.2: Status of pending UCs during 2014-15 to 2016-17

(₹ in crore)

Year	NN Dehradun				NN Haridwar			
	Funds available	Expenditure	UCs sent	UCs Pending	Funds available	Expenditure	UCs sent	UCs Pending
2014-15	35.91	29.45	1.87	27.58	15.10	13.00	0.94	12.06
2015-16	46.29	35.63	0.83	34.80	23.49	16.04	1.68	14.36
2016-17	50.54	40.84	6.47	34.37	18.39	17.35	0.62	16.73
Total	***132.74***	***105.92***	***9.17***	***96.75***	***56.98***	***46.39***	***3.24***	***43.15***

With respect to funds received from Central Government during the period 2014-15 to 2016-17, it was found that the NNs received ₹ 18.27 crore from GoI (**Table-1.13.1**), out of which UCs for only ₹ 12.41 crore pertaining to 13th and 14th CFC were submitted.

Non-submission of UCs is a major internal control failure, as it cannot be vouched if funds were indeed spent for intended purposes. On this being pointed out, both the NNs replied that due to negligence UCs were not being sent on regular basis. It was assured that they would be furnished on regular basis in future.

1.13.4 Implementation of MSW

The MSW Rules envisage collection, segregation, storage, transportation, processing and disposal of municipal solid waste. The MSW rules are to be implemented by every municipal authority within its territory. The parameters prescribed in MSW Rules 2000 and the execution there against are shown below:

Process	**Parameters prescribed in MSW Rules**	**Nagar Nigam Dehradun**	**Nagar Nigam Haridwar**
Collection	• 100 *per cent* door to door collection	• Collection 200 MT out of 257 MT	• Collection 180 MT out of 237 MT
Segregation	• Biodegradable • Non biodegradable	• Not being done	• Not being done
Storage	• Separate community bins for biodegradable and Non biodegradable waste	• Single bin	• Single bin
Transportation	• Covered vehicles	• 7 *per cent* vehicles covered	• 46 *per cent* vehicles covered
Processing and disposal	• Processing of recyclable waste • Compost Unit for manufacturing of manure from biodegradable waste • Scientific landfill for inert waste	• Being set-up • Environment Clearance received in December 2014 • Work awarded in October 2016 • Waste being dumped into trenching ground	• Being set-up • Contract given in October 2012 • Environment Clearance received in May 2015 • Waste being dumped into trenching ground

1.13.4.1 Shortfall in Collection of Municipal Solid Waste

Schedule II of MSW Rules, 2000 provides that littering of MSW shall be prohibited in cities. Further, the municipal authorities shall ensure collection of wastes on regular basis and at pre-informed timings. Burning of the wastes shall also be prohibited. Stray animals shall not be allowed to move around the waste dumping site.

Generation and collection of waste in the municipal areas of NNs Dehradun and Haridwar for the period from 2014-15 to 2016-17 is depicted in **Table-1.13.3** below.

Table-1.13.3: Details of generation and collection of wastes in municipal areas of NN Dehradun and Haridwar during the periods from 2014-15 to 2016-17

Items	Dehradun			Haridwar		
	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Population of Municipality area (as per Census 2011)	5,75,000			2,31,338		
Solid waste generated per day (in MT)	257	257	257	190	210	237
Solid waste collected per day (in MT)	200	200	227	135	150	180
Shortfall in collection (in *per cent*)	*22*	*22*	*12*	*29*	*29*	*24*

Source: Information collected from NNs Dehradun and Haridwar.

It is evident from the above table that 12 to 22 *per cent* of waste in NN Dehradun and 24 to 29 *per cent* of waste in NN Haridwar was not collected during 2014-17. The uncollected waste was left in common community bins. Also, this waste was found scattered in various public places, posing severe threat to public health and environment apart from spoiling the overall ambience of the cities.

On this being pointed out, both the NNs accepted the facts. Further, NN Dehradun attributed the shortfall to insufficient resources (shortage of man power, bins, vehicles, *etc*). On the other hand, NN Haridwar attributed the shortfall in lifting of solid waste to non-completion of scientific landfill and compost plant.

Non-utilisation of procured vehicles

NN Haridwar had signed (October 2012) an agreement with M/s K.R.L. Waste Management Private Limited (Firm) for Integrated Solid Waste Management in BOT (Build, Operate and Transfer) mode. Under the project, the Firm was to make arrangements for storage of waste at source, regular street sweeping and drain cleaning, secondary storage of waste in covered containers, transportation of waste, and treatment and disposal of waste which included construction of landfill and compost plant. The concession period was for 15 years. The total capital cost of the project was ₹ 16.72 crore which was to be paid in installments by the NN. Till date (December 2017) NN had paid ₹ 9.58 crore to the firm.

Photograph No. 1: Vehicles procured for SWM, were lying idle at compost plant campus in Haridwar

Scrutiny of records of NN Haridwar revealed that construction of landfill had not yet been started (July 2017) in NN Haridwar. Meanwhile, the firm procured (June 2013) 22 vehicles from above funds for collection and transportation of solid waste in 30 wards of the NN. It was however observed that the firm was collecting waste from only 22 out of the 30 wards of the city. In remaining eight wards, the collection was being done by the NN itself. Further, out of 22 vehicles, nine vehicles costing ₹ 1.21 crore were lying idle since their purchase due to non-collection of waste from the eight wards of the NN. These vehicles were parked in open at the compost plant campus as depicted in Photograph No. 1. As a result, there was shortfall in collection of waste.

On this being pointed out, NN Haridwar replied that the vehicles would be utilised once collection of wastes from the remaining eight wards[104] commences after setting up of the scientific landfill (SLF) and compost plant. The reply is not tenable as in spite of lapse of more than four years, NN Haridwar could not ensure collection of waste from all 30 wards by the firm as was required as per terms of agreement. It also failed to ensure utilisation of all the vehicles for collection of waste. Besides, with passage of time, the road worthiness of these nine idle vehicles parked in the open would suffer.

1.13.4.2 Non-segregation and storage of Municipal Solid Waste

In Nagar Nigam Dehradun and Haridwar, the work of collecting waste was being done by outsourced agencies. Segregation of garbage at source is primarily meant to keep the two broad categories of solid waste in different containers *viz.* biodegradable waste in one container and non-biodegradable waste in another container. Broadly, the solid waste generated can be categorised into four types: (a) domestic and trade waste (b) construction waste (c) bio-medical waste and (d) industrial waste. MSW Rules prohibit manual handling of solid waste and envisage adoption of proper precautions for ensuring safety of workers. Audit, however, observed that segregation of waste at source was not being implemented in the test-checked NNs.

Photograph No. 2: Nagar Nigam, Dehradun

Photograph No. 3: Nagar Nigam, Haridwar

Solid waste collected by agencies in NN Dehradun and Haridwar was being dumped at roadsides in single overflowing bins without segregating the same into biodegradable, recyclable and other categories. Stray animals were found in the dumping area as depicted in Photograph No. 2 and 3. Manual handling of waste without use of proper safety kits like masks, gloves and gumboots was also observed as depicted in Photograph No. 4.

Photograph No. 4: Nagar Nigam, Dehradun

[104] (i) Balmiki Basti, (ii) Maidaniyan (Jwalapur), (iii) Gaughat, (iv) Khadkhadi, (v) Bhupatwala, (vi) Mehtan (Jwalapur), (vii) Loghamandi and (viii) Kassawan (Jwalapur).

On this being pointed out in the course of audit, NN Dehradun replied that underground bins in the city were under construction in order to minimise the scattering of the waste in the open. The NN Haridwar replied that users were dumping solid waste outside the bins, which was again being put inside by the *Safai* workers. Reply is not acceptable and indicates failure of the NN's to monitor performance of the outsourced agencies and impose penalty for non-performance/inadequate performance.

1.13.4.3 Shortage of covered vehicles for transportation of Municipal Solid Waste

Primary transportation of solid waste involves movement from source of generation to the intermediate storage facility. Secondary transportation involves carriage of solid waste from intermediate storage facility to the waste treatment plants/land fill sites. Further, Schedule II of MSW Rules provides that vehicles used for transportation of wastes shall be covered so as not to be visible, or be exposed to open environment. The vehicles shall be so designed that multiple handling of wastes, prior to final disposal, is avoided.

Both the NNs were found transporting solid waste in uncovered vehicles, resulting in spilling of the waste along the way as depicted in Photograph No. 5 and 6.

Photograph No. 5: Nagar Nigam, Dehradun

Photograph No. 6: Nagar Nigam, Haridwar

Out of total available vehicles, only 58 and 64 *per cent* vehicles were operational in NNs Dehradun and Haridwar respectively. Further, only 7 and 46 *per cent* were covered vehicles in Dehradun and Haridwar respectively, as depicted in **Table-1.13.4** below.

Table-1.13.4: Details of vehicles which were on road, off road, covered and uncovered

Name of Districts	Number of Vehicles	On Road (in *per cent*)	Covered vehicles in *per cent* of on road vehicles
Dehradun	99	57 (*58*)	04 (*07*)
Haridwar	61	39 (*64*)	18 (*46*)

Source: Information collected from NN Dehradun and Haridwar.

On this being pointed out, both the NNs accepted the facts and replied that concerned personnel have been instructed to cover the vehicles transporting waste and further stated that tarpaulins had been provided for this purpose.

1.13.4.4 Processing and Disposal of Municipal Solid Waste

(i) As per MSW Rules, suitable technology has to be adopted to make use of waste so as to minimise the burden on landfills. Biodegradable wastes should be processed by composting, vermin-composting, anaerobic digestion or any other appropriate biological processing for stabilisation

Photograph No. 7: Trenching Ground at Dehradun

of wastes. Mixed waste containing recoverable resources should be recycled.

Photograph No. 8: Trenching Ground at Dehradun

It was observed that processing of wastes was not being carried out in both the NNs and all collected solid waste was being dumped at the trenching grounds without carrying out mandated segregation.

On this being pointed out, both the NNs replied that processing of wastes would be carried out after setting up of Scientific Landfills[105] (SLF) and compost plants. However, audit found that the work for setting up of such plant was not yet started in NN Haridwar and in NN Dehradun, it was still incomplete. The work had started in October 2016 and due date of completion had already expired in July 2017. As a result, the available trenching grounds were overburdened and waste also remained uncollected.

Photograph No. 9: Trenching ground at Haridwar

Photograph No. 10: Waste burning in trenching ground at Haridwar

(ii) All the collected solid waste was being dumped in trenching grounds without segregation and processing by both the NNs. Contrary to the provisions mentioned in Schedule III of Municipal Solid Wastes (Management and Handling) Rules, 2000, which provide keeping away waste land-fills from habitation clusters, the present trenching ground in Dehradun was located in an inhabited area *i.e.* at *Sahastradhara* Road as depicted in Photographs No. 7 and 8.

(iii) On physical verification of the trenching grounds in both the NNs, it was observed that there was no fencing to restrict the entry of stray animals as depicted in Photographs No. 8 and 9.

(iv) Audit found that solid waste was being disposed off by burning it in the trenching ground at Sarai Village of NN Haridwar (Photograph No. 10) and near Rock Valley apartment of NN Dehradun. This not only violated the instructions issued by the NGT (December 2016) and the State Government's directives but also posed environment hazards.

On this being pointed out, both the NNs confirmed the facts about non-starting/non-completion of SLFs and compost plants and stated that waste would be managed properly

[105] A scientific landfill is developed for controlled disposal and scientific treatment of municipal solid waste (MSW).

only after setting up of the SLF. The reply should be seen in light of the fact that the NN's do not yet have SLF and compost plants although they cater to towns having population exceeding five lakh and two lakh. NN, Haridwar has not yet started developing an SLF. The NN's have not taken measures to fence the existing trenching grounds to prevent entry of stray animals.

1.13.5 Shortfall in Training

Paragraph 19.5.1 of the MSW manual provides that short and medium term courses should be designed by the Nagar Nigams for sanitary workers and supervisory staff. Concerted efforts should also be made by the local bodies with regard to providing special training to unqualified staff and refresher courses for the entire staff.

Scrutiny of records of both the Nigams revealed that during the period 2014-15 to 2016-17, no funds were allocated and no training courses were organised to enhance the capability of the staff engaged in the execution of SWM work.

On this being pointed out, both Nigams replied that no proposal was received from the UDD in this regard. Reply is not tenable as the local body itself is responsible for conducting the required training courses and should have made necessary arrangements for imparting the trainings.

1.13.6 Shortage of manpower, equipment, bins and vehicles

Sufficient manpower, equipment, bins and vehicles are basic requirements for proper functioning of any SWM project. Status of these requirements in both the Nigams is depicted in **Table-1.13.5** below.

Table-1.13.5: Status of manpower, equipment, bins and vehicles required for proper management of solid waste

Descriptions		Requirement		Availability		Shortage (in percentage)	
		NN Dehradun	NN Haridwar	NN Dehradun	NN Haridwar	NN Dehradun	NN Haridwar
Manpower		1,215	1,000	785	817	430 (*35*)	183 (*18*)
Dustbins	Dumper placer (DP-8.1 MT)	90	-	60	-	30 (*33*)	-
	4.5 / 3.5 Cum bins	-	275	-	207	-	68 (*25*)
	Compactor placer (CP-1.1 MT)	190	100	90	40	100 (*53*)	60 (*60*)
Vehicle		145	80	99	61	46 (*32*)	19 (*24*)
Equipment		16	225	7	178	9 (*56*)	47 (*21*)

Source: Information collected from records of NN Dehradun and Haridwar.

The above table depicts shortages in equipment, vehicles, dustbins and manpower that ranged from 32 to 56 *per cent* in NN Dehradun and 18 to 60 *per cent* in NN Haridwar. Shortage of manpower, vehicles and other equipment were major contributory factors for ineffective solid waste management as already discussed in the above paragraphs.

On this being pointed out, the Nigams replied that the shortage was due to lack of funds and the matter was being pursued with the State Government. The reply was not acceptable as both the Nigams had sizeable unspent balances at the end of each year as described in ***paragraph 1.13.3.1***.

1.13.7 Contract Management

The shortcomings observed by Audit in the contracts signed by the NNs with the firms contracted for proper management of solid waste and execution of other related deliveries are described below:

1.13.7.1 Contract Management related to NN Dehradun

(i) Agreement without ensuring Environment Clearance:

GoI accorded (May 2008) sanction of ₹ 24.60 crore for SWM in the city of Dehradun under the Jawaharlal Nehru National Urban Renewal Mission (JnNURM) scheme. NN Dehradun (Nigam) received ₹ 15.99 crore[106] for this purpose during the period from October 2008 to March 2014. Without ascertaining environment clearance of land, the NN signed (March 2011) an agreement with a firm for managing solid waste in the city for a period of 15 years and also transferred ₹ 9.66 crore to it.

Scrutiny of records revealed that the Nigam failed to get necessary environment clearance from the Ministry of Environment and Forests (MoEF) for the land even after two and half years of signing of the agreement. As a result, the firm, after giving due notice to the Nigam as per the terms and conditions of the agreement, exit the contract agreement (February 2014). The firm had also purchased (May 2011 to July 2012) 60 vehicles at the cost of ₹ 3.06 crore. Additional ₹ 6.60 crore were also spent by the firm during the currency of the agreement. However, the details of this expenditure of ₹ 6.60 crore were not available with the NN. The balance amount of ₹ 6.33 crore was lying idle with the Nigam since March 2014. This defeated the very purpose for which funds were provided to the Nigam.

(ii) Irregularity in payment: Despite termination of the agreement, the Nigam continued to engage the manpower which had been previously engaged by the firm for collection of wastes and also paid them remuneration amounting to ₹ 1.51 crore for the period from August 2014 to May 2015 by transferring funds in favour of the firm. This was irregular since the agreement with the firm had terminated in February 2014.

On this being pointed out, the NN Dehradun replied that since manpower was required on an urgent basis for collection of waste, workers had to be hired and payment was made through the firm.

1.13.7.2 Contract Management related to NN Haridwar

Sub-Standard work: A piece of forest land located in the *Shyampur* range near *Chandighat* (as depicted in Photograph No. 11) falling within the jurisdiction of the Forest Division, Haridwar was being used as dumping site by the NN Haridwar till January 2016.

Photograph No. 11: Dumping site at Chandighat, Haridwar

[106] ₹ 12.79 crore Central Share and ₹ 3.20 crore State Share (80:20).

This was objected to by the Forest Department. Thereafter, the NN Haridwar stopped dumping waste at this site and started dumping it at its own land at *Sarai*. A provision of ₹ 60.00 lakh was made for providing soil cover at the *Chandighat* site. The work was awarded to a firm (August 2016) which completed the assignment in September 2016.

Physical verification of the site revealed (July 2017) that the soil cover at the dumping site was inadequate as the dumped waste was visible at several places. Since this dumping site is very near to the catchment of river *Ganga*, the possibility of waste being washed into the river in the rainy season cannot be ruled out.

On this being pointed out, the NN Haridwar replied (July 2017) that the work was supervised by a Project Implementation Unit of the NN and the matter regarding execution of inferior quality work would be taken up with the executing firm.

1.13.8 Impact on Environment

MSW Rules-2000 provides management of leachate collection and its treatment through periodical monitoring of ground water in and around the dumping site. Checks on ambient air quality also need to be carried out by the concerned authority.

It was observed that neither of the two NNs nor the State Pollution Control Board (SPCB) had carried out any quality tests of the ground water and ambient air parameters in the areas surrounding the existing trenching grounds. No provision for leachate management had been made at the respective trenching grounds. In absence of checking and monitoring of these parameters, the impact of waste generated pollution on environment and human health could not be established.

On this being pointed out, the SPCB replied that the waste processing facilities and the waste disposal sites were under construction in both the NNs, and as and when the facilities are developed and commissioned, the State Pollution Control Board would commence monitoring of ambient air and water quality parameters as per stipulated procedures and requirements. The reply is not acceptable as monitoring of ground water and ambient air quality is the responsibility of NNs and SPCB irrespective of existence of waste processing facilities and waste disposal sites.

1.13.9 Achievement of Sustainable Development Goals

The objective of Sustainable Development Goals (SDGs) is to produce a set of universally applicable goals that balance the three dimensions of sustainable development: environmental, social, and economic. In total, 17 goals have been set as SDGs which are to be achieved by 2030.

The eleventh goal of SDGs pertains to the concept of 'sustainable cities and communities'. It aims at making our cities and human settlements inclusive, safe, resilient and sustainable. However, the current system of collection and disposal of waste in both the NNs, as detailed in preceding paragraphs, indicates that there was shortfall in collection of waste as well as non-disposal of waste in scientific ways, both of which pose serious threats to the environment. Neither any quality tests of the ground water and ambient air parameters in the areas surrounding the existing trenching grounds was carried out nor provision for leachate management had been made at the respective trenching grounds. These are matters of concern and indicate that more efforts are needed to make these cities clean, resilient and sustainable.

1.13.10 Monitoring Mechanism

MSW Rules stipulate that Annual Reports in prescribed form should be furnished by the Municipal Authority to the Secretary in charge of the Department of Urban Development, indicating *inter-alia,* the quantity and composition of solid waste, storage facilities, transportation, details of slums, *etc.*, with a copy to the State Pollution Control Board on or before 30 June every year. The State Board, in turn, was required to prepare the annual report with regard to implementation of MSW Rules, 2000 and forward it (by 15 September each year) to the Central Pollution Control Board. Scrutiny of the test-checked records revealed no evidence of compliance with the above procedure.

On this being pointed out, the NNs acknowledged that Annual Reports were not being sent due to lack of awareness and would be furnished in future.

1.13.11 Non-Compliance with recommendations made in the Performance Audit (2008)

Following recommendations were made in the performance audit of "Management of Waste" published in the CAG's Audit Report (2008):

- Segregation should be given greater publicity through awareness campaigns organised in conjunction with residents' associations and NGOs, so that segregated plastic waste is sent to recycling plants, biodegradable waste is composted and rest is dumped in sanitary landfills as per specifications.
- A time-bound plan should be drawn up for setting up waste processing and disposal facilities. Meanwhile, steps to improve the existing dumpsites to monitor and minimise air, water and soil contamination around the sites should be taken.

Records of both the NNs revealed that the above recommendations were not being complied with as reported in ***paragraphs 1.13.4.2 and 1.13.4.4*** of this report even after lapse of eight years.

Conclusion

The ULBs were not complying with the MSW Rules. Segregation of solid waste was not being done at source and door to door collections in all wards were also not being carried out. Appropriate technology was not adopted for disposal and processing of wastes due to non-setting up/non-completion of SLFs and compost units. The solid wastes were collected partially, transported in open vehicles and dumped without segregation. The staff engaged at the trenching ground did not use safety kits. The monitoring mechanism was also deficient which resulted in delay and poor implementation of the programme.

The matter was referred to the Government (August 2017); Reply was awaited (December 2017).

Chapter-II
Revenue Sector

CHAPTER-II

Revenue Sector

2.1 Introduction

2.1.1 Trend of revenue receipts

Tax and non-tax revenue raised by the Government of Uttarakhand during the year 2016-17, the State's share of net proceeds of divisible Union taxes and duties and Grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are mentioned in **Table-2.1.1** below.

Table-2.1.1: Trend of Revenue Receipts

(₹in crore)

Sl. No.	Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
1.	**Revenue raised by the State Government**					
	• Tax revenue	6,414.25	7,355.34	8,338.47	9,377.79	10,897.31
	• Non-tax revenue	1,602.88	1,316.54	1,110.44	1,219.66	1,345.82
	Total	***8,017.13***	***8,671.88***	***9,448.91***	***10,597.45***	***12,243.13***
2.	**Receipts from the Government of India**					
	• Share of net proceeds of divisible Union taxes and duties[1]	3,272.88	3,573.38	3,792.30	5,333.19	6,411.57
	• Grants-in-aid	4,457.21	5,075.27	7,005.34	5,303.79	6,234.27
	Total	***7,730.09***	***8,648.65***	***10,797.64***	***10,636.98***	***12,645.84***
3.	**Total revenue receipts of the State Government (1 and 2)**	**15,747.22**	**17,320.53**	**20,246.55**	**21,234.43**	**24,888.97**
4.	***Percentage of 1 to 3***	***51***	***50***	***47***	***50***	***49***

Source: Finance Accounts.

During the year 2016-17, the revenue raised by the State Government (₹12,243.13 crore) was 49 *per cent* of the total revenue receipts. The balance 51 *per cent* (₹12,645.84 crore) of the receipts was received from the Government of India as share of net proceeds of divisible Union taxes and duties and Grants-in-aid.

2.1.2 The details of tax revenue raised during the period 2012-13 to 2016-17 are given in **Table-2.1.2** below.

[1] Note: For details, please see Statement No.14: Detailed accounts of revenue by Minor Heads in the Finance Accounts (Vol.-II) of Government of Uttarakhand. Figures under the "Share of net proceeds assigned to States" under the Major Heads-0020-Corporation Tax, 0021-Taxes on Income and Expenditure, 0032 - Taxes on Wealth, 0037 - Customs, 0038-Union Excise Duties and 0044-Service Taxes booked in the Finance Accounts under 'A-Tax Revenue' have been excluded from the revenue raised by the State Government and included in the 'State's share of net proceeds of divisible Union Taxes and duties' in the above table.

Table-2.1.2: Details of Tax Revenue raised

(₹ in crore)

Sl. No.	Head of revenue	2012-13		2013-14		2014-15		2015-16		2016-17		Percentage of increase (+) or decrease (-) in actual of 2016-17 over actual of 2015-16
		BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	
1.	Taxes on sales and trade	4,088.10	4,289.41	4,847.22	4,902.91	5,459.01	5,464.84	6,209.81	6,105.43	7,323.31	7,153.76	(+) 17.17
2.	State excise	942.15	1,117.92	1,149.25	1,269.29	1,345.40	1,486.66	1,799.33	1,735.39	2,199.27	1,905.54	(+) 9.80
3.	Stamps Duty and Registration Fees	573.95	648.40	640.40	686.71	708.79	714.06	777.22	870.67	1,202.34	777.58	(-) 10.69
4.	Motor Vehicles Tax	275.00	304.29	320.00	368.83	360.00	393.70	435.00	470.87	610.00	556.40	(+) 18.16
5.	Taxes and duties on electricity	60.00	2.71	100.00	64.66	100.00	192.65	175.00	114.76	350.00	188.56	(+) 64.31
6.	Land revenue	8.55	10.59	8.15	21.65	9.05	39.26	17.12	27.88	26.76	159.51	(+) 472.13
7.	Other taxes and Duties on Commodities and Services	17.50	23.13	24.41	23.47	25.01	25.26	27.01	28.37	379.70	126.53	(+) 346.00
8.	Others	15.00	17.80	22.00	17.82	16.00	22.04	23.00	24.42	25.30	29.43	(+) 20.52
	Total	*5,980.25*	*6,414.25*	*7,111.43*	*7,355.34*	*8,023.26*	*8,338.47*	*9,463.49*	*9,377.79*	*12,116.64*	*10,897.31*	*(+) 16.20*

Source: Finance Account.

The State's own tax revenue increased from ₹ 6,414.25 crore in 2012-13 to ₹ 10,897.31 crore in 2016-17 (69.89 *per cent).* The increase was 16.20 *per cent* over the year 2015-16. The revenue from Taxes on Sales and Trade not only comprised a major share of tax revenue (65.65 *per cent*) but also registered an increase of 17.17 *per cent* over the previous year.

The respective Departments reported the following reasons for the variations:

Taxes on sales and trade: The increase of 17.17 *per cent* over the previous year in the revenue receipt was due to effective control on taxpayer by monitoring units and inflation.

Stamp and Registration Fees: The decrease in the Stamp Duty and Registration Fee of 10.69 *per cent* during 2016-17 as compared to the year 2015-16, was due to decrease in the registration of instruments as compared to 2015-16.

Tax and duty on electricity: The increase of 64.31 *per cent* in revenue receipt in 2016-17 over the year 2015-16, was due to better realisation of electricity bills from consumers.

Other departments did not furnish any reason for variation (December 2017).

2.1.3 The details of non-tax revenue raised during the period 2012-13 to 2016-17 are indicated in **Table-2.1.3** below.

Table -2.1.3: Details of Non-Tax Revenue raised

(₹ *in crore*)

Sl. No.	Head of revenue	2012-13		2013-14		2014-15		2015-16		2016-17		Percentage of increase (+) or decrease (-) in actual of 2016-17 over actual of 2015-16
		BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	
1.	Power	84.00	150.04	122.55	121.11	122.55	45.01	143.00	168.57	351.30	130.08	(-) 22.83
2.	Interest receipts	35.00	114.76	44.83	51.12	33.10	108.17	51.00	89.22	96.60	71.77	(-) 19.56
3.	Forestry and wild life	296.71	238.20	309.34	362.70	342.06	351.24	415.86	357.47	506.75	318.21	(-) 10.98
4.	Public works	16.16	18.13	9.15	15.51	19.11	28.29	24.92	13.96	27.41	51.08	(+) 265.90
5.	Miscellaneous general services	11.00	25.85	3.55	48.74	21.00	8.26	24.00	(-) 5.50	26.40	(-) 6.16	(-) 12.00
6.	Other administrative services	11.82	38.72	3.73	32.38	19.13	33.50	32.90	43.19	36.19	38.90	(-) 9.93
7.	Police	10.11	10.98	11.21	13.39	11.47	16.51	16.01	11.18	17.61	17.43	(+) 55.90
8.	Medical and Public Health	23.16	30.00	22.10	44.04	24.52	37.78	37.95	76.86	99.27	78.70	(+) 2.39
9.	Co-operation	2.21	1.38	2.23	9.78	2.01	1.17	2.50	2.26	2.75	2.87	(+) 26.99
10.	Major and Medium Irrigation	2.37	7.65	2.42	6.75	2.42	9.22	5.75	7.92	9.70	6.97	(-) 11.99
11.	Non Ferrous Mining and Metallurgical industries	131.00	109.85	151.00	249.99	301.00	223.72	501.00	272.65	551.10	335.17	(+) 22.93
12.	Other Non-tax receipts	584.63	857.32	534.15	361.03	909.09	247.57	813.17	176.38	1,068.34	300.80	(+) 70.54
	Total	*1,208.17*	*1,602.88*	*1,216.26*	*1,316.54*	*1,807.46*	*1,110.44*	*2,068.06*	*1,219.66*	*2,793.42*	*1,345.82*	*(+) 10.34*

Source: Finance Accounts.

Non-tax revenue showed a decreasing trend during the period 2012-13 to 2014-15. However, it showed an increasing trend from 2015-16 to 2016-17. The increase during 2015-16 and 2016-17 was ₹ 109.22 crore (9.84 *per cent*) and ₹ 126.16 crore (10.34 *per cent*) respectively over the previous years.

The respective Departments reported the following reasons for variations:

Co-operation: The main reason for increase of 26.99 *per cent* of revenue receipt over the previous year was due to increase in deposited arbitration fees, RTI fees and revenue recovery by co-operatives/institutions.

Public Works: The increase of 265.90 *per cent* in revenue receipt was due to more receipt under "other receipts".

Forestry and wild life: The decrease of 10.98 *per cent* in revenue receipt as compared to last year, was due to decrease in transit fee of forest produce and less sale of leesa (Resin).

Other departments did not furnish any reason for variation (December 2017).

2.1.4 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2017 in some principal heads of revenue amounted to ₹ 7,648.31 crore of which ₹ 1,279.93 crore were outstanding for more than five years as detailed in **Table-2.1.4** below.

Table-2.1.4: Arrears of Revenue

Head of revenue	Total Amount outstanding as on 31 March 2017 (*₹ in crore*)	Amount outstanding for more than five years as on 31 March 2017 (*₹ in crore*)	Replies of the Department
Taxes/ VAT on Sales and Trade	7,435.65	1,263.87	Recovery of ₹ 653.33 crore (2,456 cases) is subjudice and recovery certificates have been issued for remaining ₹ 6,782.32 crore.
Taxes and Duties on Electricity	177.99	0.00	Regular correspondence is being made with the Uttarakhand Power Corporation Limited for the recovery of pending duty.
Co-operation	3.29	3.28	Demand for recovery has been processed through the district level officer.
Stamp Duty and Registration Fees	21.92	9.7	Recovery of ₹ 13.65 crore is subjudice. In rest of the cases (₹ 8.27 crore), demand for recovery has been processed.
Taxes on Vehicles	8.64	2.44	Nineteen cases (₹ 0.15 crore) are subjudice. In remaining cases, recovery certificates have been issued.
State Excise	0.60	0.60	Two cases amounting to ₹ 0.25 crore are subjudice. In other cases action is being taken to recover the amount (₹ 0.35 crore).
Entertainment Tax	0.22	0.04	Cases amounting to ₹ 0.02 crore are subjudice. In remaining cases, recovery certificates have been issued.
Total	***7,648.31***	***1,279.93***	

Source: Departmental figures.

2.1.5 Arrears in assessments

The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and the number of cases pending for finalisation at the end of the year as furnished by the Commercial Tax Department in respect of Sales Tax/VAT are given below in **Table-2.1.5** below.

Table-2.1.5: Arrears in Assessments

Head of revenue	Opening balance	New cases due for assessment during 2016-17	Total assessments due	Cases disposed of during 2016-17	Balance at the end of the year	Percentage of disposal (col.5 to 4)
1	2	3	4	5	6	7
Taxes/VAT on sales and Trade	1,07,228	94,061	2,01,289	76,088	1,25,201	*37.80*

Source: Information provided by the Commercial Tax Department.

The number of new cases due for assessment during 2016-17 exceeded the number of cases disposed of during the year. The Department, therefore, needs to intensify its efforts for early disposal of assessment cases to prevent accumulation of pending cases.

2.1.6 Evasion of tax detected by the Commercial Tax Department

The details of cases of evasion of tax detected by the Commercial Tax Department, cases finalised and the demands for additional tax raised in 2016-17 as reported by the Department are given in **Table-2.1.6** below.

Table-2.1.6: Evasion of Tax

(₹ in crore)

Head of revenue	Cases pending as on 31 March 2016	Cases detected during 2016-17	Total	Number of cases in which assessment/investigation completed and additional demand with penalty raised		Number of cases pending for finalisation as on 31 March 2017
				Number of cases	Amount of demand	
Taxes/VAT on sales and Trade	343	2,174	2,517	1,941	68.56	576
Entertainment Tax	122	382	504	411	0.07	93

Source: Departmental figure.

The number of cases pending at the end of the year has increased in the case of Taxes/VAT on sales and Trade and decreased in the case of Entertainment Tax as compared to the number of cases pending at the start of the year. The amount of recovery made against the demands raised was not intimated by the Department (December 2017).

2.1.7 Refund cases

The number of refund cases pending at the beginning of the year 2016-17, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2016-17, as reported by the Commercial Tax Department, are given in **Table-2.1.7** below.

Table-2.1.7: Details of Refund Cases

(₹ in crore)

Particulars	Sales tax / VAT	
	No. of cases	Amount
Claims outstanding at the beginning of the year	737	23.36
Claims received during the year	4,227	54.15
Refunds made during the year	3,936	43.31
Balance outstanding at the end of year	1,028	34.20

Source: Departmental figure.

Section 36 (3) of Uttarakhand VAT Act, 2005, provides for payment of simple rate of interest of nine *per cent* per annum if the refund is made after two months. To avoid interest liability, it is recommended that the State Government may ensure disposal of refund claims in time.

2.1.8 Response of the Departments towards audit

The Accountant General (Audit), Uttarakhand, conducts periodical inspection of Government departments to test-check the transactions and verify the maintenance of important accounts and other records as prescribed in the applicable rules and procedures. The irregularities detected during the inspection and not settled on the spot are incorporated in Inspection Reports (IRs) which are issued to the Heads of the Offices inspected with copies to the next higher authorities for taking corrective action. The Heads of the Offices are required to comply with the observations contained in the IRs, within four weeks from the date of receipts of the IRs. Serious irregularities are reported to the Heads of the Department and the Government.

There were 2,431 paragraphs involving ₹ 583.02 crore relating to 1,091 IRs that remained outstanding at the end of June 2017. The details along with the corresponding figures for the preceding two years are mentioned in **Table-2.1.8** below.

Table-2.1.8: Details of Pending Inspection Reports

Details of IRs	June 2015	June 2016	June 2017
Number of IRs pending for settlement	922	977	1,091
Number of outstanding audit paragraphs	1,985	2,150	2,431
Amount of revenue involved *(₹in crore)*	188.66	264.99	583.02

2.1.8.1 The department-wise details of IRs and outstanding audit paragraphs as on 30 June 2017 and the amounts involved are mentioned in **Table-2.1.9** below.

Table-2.1.9:Department-wise details of IRs and paragraphs

Name of the Department	Nature of receipts	Numbers of outstanding IRs	Numbers of outstanding audit observations	Money value involved *(₹ in crore)*
Finance	Taxes on Sales, Trade and luxury tax	530	1,403	159.91
	Entertainment	15	14	0.12
Excise	State Excise	87	133	135.38
Transport	Taxes on motor vehicles	118	296	125.57
Stamp and Registration	Stamp and registration fees	309	470	12.60
Forest	Forest	32	115	149.44
Total		***1,091***	***2,431***	***583.02***

The large pendency of the IRs was due to non-receipt of the replies which is indicative of the fact that the Heads of Offices and the Departments did not initiate necessary action to rectify the defects, omissions and irregularities pointed out in the IRs by the Accountant General.

The Government may consider putting in place an effective system for ensuring prompt and appropriate responses to the outstanding audit observations.

2.1.8.2 Departmental audit committee meetings

The Government sets up audit committees to monitor and expedite the progress of the settlement of the IRs and of the paragraphs in the IRs. During the year 2016-17, only one meeting of departmental audit committee was held for settlement of paragraphs related to Forest Department wherein 83 paragraphs involving an amount of ₹ 30.65 crore were settled.

In view of the large number of pending IRs and audit paragraphs, the Government may consider instructing all departments to regularly hold meetings of the audit committees, in consultation with the Accountant General, to expedite their settlement.

2.1.8.3 Response of the Departments/Government to the draft audit paragraphs

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the Accountant General to the Principal Secretaries/Secretaries of the concerned Departments drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of the replies from the Departments/Government is invariably indicated at the end of such paragraphs included in the Audit Report.

Nine draft paragraphs including one[2] Theme Based Compliance Audit were sent to the Principal Secretaries/Secretaries of the respective Departments between February 2016 and July 2017. Out of these nine draft paragraphs, Government reply has been received for one sub-para and one draft paragraph which was incorporated in the paragraph. The remaining eight draft paragraphs have been included in this Chapter without the response of the Government as the replies are awaited (December 2017). However, the response from the concerned auditee units has been received and the same has been suitably incorporated in the report.

2.1.8.4 Follow up on the Audit Reports-summarised position

The Public Accounts Committee (PAC) notified in December 2002 that after the presentation of the Report of the Comptroller and Auditor General of India in the Legislative Assembly, the Departments shall initiate action on the audit paragraphs *suo-motu* irrespective of whether these are taken up for discussion by PAC and the action taken notes thereon should be submitted by the Government within three months of tabling of the Report for consideration of the Committee. Inspite of these provisions, the action taken notes on audit paragraphs of the Reports were being delayed inordinately. Twenty six paragraphs were included in the Audit Reports for the years 2010-11 to 2015-16. The Audit Reports were placed before the State Legislative Assembly between December 2012 and May 2017. The action taken notes from the concerned departments on nine paragraphs were received late with an average delay of seven months in respect of each of these Audit Reports and action taken notes in respect of seventeen paragraphs from five departments had not been received (December 2017).

No paragraph relating to Revenue was discussed in the PAC during the year 2016-17.

2.1.9 Analysis of the mechanism for dealing with the issues raised by Audit

To analyse the system of redressal of issues highlighted in the IRs by the Government, the action taken on the paragraphs included in the IRs of the last five years for Commercial Tax Department was evaluated.

The summarised position of IRs relating to the Commercial Tax Department issued during the last five years, paragraphs included in these reports, and their status as on 31 March 2017 are tabulated in **Table-2.1.10** below.

Table-2.1.10: Position of IRs *(₹in crore)*

Year	Opening Balance			Addition during the year			Clearance during the year			Closing balance		
	IRs	Para-graphs	Money Value	IRs	Para-graphs	Money Value	IRs	Para-graphs	Money Value	IRs	Para-graphs	Money Value
2012-13	402	1,023	81.30	37	151	23.79	27	78	11.20	412	1,096	93.89
2013-14	412	1,096	93.89	35	140	21.26	36	156	10.38	411	1,080	104.77
2014-15	411	1,080	104.77	44	135	8.83	17	100	13.12	438	1,115	100.48
2015-16	438	1,115	100.48	46	199	42.23	06	59	2.06	478	1,255	140.65
2016-17	478	1,255	140.65	52	265	44.57	06	94	39.73	524	1,426	145.48

[2] Theme based Compliance Audit on "Working of Distilleries in the State".

As against 402 IRs with 1,023 outstanding paragraphs at the beginning of 2012-13, the number of outstanding IRs rose to 524 with 1,426 paragraphs at the end of 2016-17 while only 487 paragraphs were cleared during the period 2012-13 to 2016-17.

2.1.10 Action taken on the recommendations accepted by the Departments/ Government

Performance audits conducted by the Accountant General are forwarded to the concerned Department/Government for their information with a request to furnish their replies. These are also discussed in exit conference and the Department's/Government's views are included while finalising the performance audits for the Audit Reports.

Four performance audits on Commercial Tax Department, one on Transport Department, one on Mining Department and one on Stamp and Registration Department featured in the last six years' Audit Reports. A total of 33 recommendations had been made to the Government for consideration in the light of the audit findings. The details of Action Taken Notes (ATNs) on the recommendations are given in **Table-2.1.11** below**.**

Table-2.1.11: Action Taken on Recommendations accepted by Government

Year of Audit Report	Name of Performance Audit	No. of Recommendation	Status
2009-10	Transition from Sales Tax to VAT	08	ATN received on 07.08.2014 Pending for discussion
2010-11	Cross Verification of Declaration Forms in Inter State Trade and Commerce	08	ATN received on 30.10.2013. Pending for discussion
2011-12	Administration of VAT	07	ATN not received
2013-14	Levy and collection of Taxes on Motor Vehicles Tax	03	ATN not received
	Receipt of Minor Minerals	02	
2014-15	Pendency of cases in the Revenue Department	02	ATN not received
2015-16	Levy and collection of Stamp Duty & Registration Fees	03	ATN not received

2.1.11 Audit Planning

During the year 2016-17, out of total 331 auditable units, 168 units were planned and audited. The units were selected on the basis of risk analysis.

Besides the compliance audit mentioned above, one Theme Based Compliance Audit on "Working of Distilleries in the State" was also taken up to assess the working of distilleries in Uttarakhand during 2014-15 to 2016-17.

2.1.12 Results of audit

Position of local audit conducted during the year

Test-check of the records of 168 units of the Department of Commercial Tax, State Excise, Motor Vehicles, Stamp and Registration, Entertainment Tax, Forest and Mines & Minerals Department conducted during the year 2016-17 revealed under assessment/ short levy/loss of revenue and other irregularities involving ₹ 681.30 crore in 460 paragraphs as categorised in **Table-2.1.12** below.

Table-2.1.12: Category-wise Audit observations

Sl. No.	Categories	No. of paras	Amount (₹ *in crore*)
Sales Tax/Value Added Tax			
1.	Irregular allowance of exemption	14	2.13
2.	Irregular allowance of concessional rate of tax	119	26.44
3.	Other Irregularities	132	15.97
	Total	***265***	***44.54***
Mines & Minerals			
1.	Short levy/Non-levy of Royalty, short levy of penalty on illegal mining of minor minerals and other miscellaneous irregularities.	62	92.00
	Total	***62***	***92.00***
Forest			
1.	Revenue loss due to short extraction of leesa as per prescribed norms, Loss of revenue due to leakage of stored leesa, Non-recovery of interest on delayed deposit of lease rent and other miscellaneous irregularities.	23	36.74
	Total	***23***	***36.74***
Motor Vehicle Tax			
1.	Non-deposit of amount in Accident Relief Fund, Loss of Revenue due to short deposit of One Time Tax, Loss of Revenue due to non-deposit of trade tax, Loss of Revenue in lieu of fitness fee and other miscellaneous irregularities.	74	109.26
	Total	***74***	***109.26***
Stamp Duty and Registration Fee and State Excise, Entertainment & luxury tax			
1.	Short levy of stamp duty and registration fee due to consideration of incorrect category of locality	12	0.068
2.	Other Irregularities	23	45.77
3.	"Working of Distilleries in the State"	01	352.92
	Total	***36***	***398.76***
	Grand Total	***460***	***681.30***

During the course of the year, the concerned departments accepted under-assessment and other deficiencies of ₹ 8.31 crore involved in 90 paragraphs which were pointed out in audit during 2016-17. The Departments collected ₹ 0.80 crore relating to 83 paragraphs during 2016-17. Out of this, ₹ 0.19 crore in 10 paragraphs pertained to the audit findings pointed out during the current year and the rest pertained to the previous year's findings.

2.1.13 Coverage of the Revenue Chapter

The Revenue Chapter contains nine paragraphs including one Theme Based Compliance Audit[3] involving financial effect of ₹ 357.65 crore, out of which, the Departments/ Government have accepted audit observations involving ₹ 1.18 crore in five cases. These are discussed in succeeding paragraphs of Chapter II.

[3] Theme based Compliance Audit of "Working of Distilleries in the State".

COMPLIANCE AUDIT

COMMERCIAL TAX DEPARTMENT

2.2 Non-imposition of penalty

The department did not impose penalty amounting to ₹1.21 crore under Section 10-A of the CST Act as the assessees had purchased such goods on concessional form, for which they were not registered.

Section 8(1) of the Central Sales Tax (CST) Act 1956 prescribes the rates of tax on sales in the course of inter-State trade or commerce. Section 8 (3) (b) of the Act defines goods as the class or classes of goods specified in the certificate of registration of the registered dealer. Further, Section 8 (4) of CST Act states that the provision of Section 8 (1) shall not apply to any sale in the course of inter-State trade or commerce unless the dealer furnishes to the prescribed authority, a declaration in the prescribed manner (Form-C[4]).

Further, as per Section 10 (b), if such goods are not covered by the registration certificate under the CST Act or if as per Section 10 (d), the goods purchased from outside the State at a concessional rate of tax are used for purpose other than that for which the registration certificate is granted, the dealer is liable to be prosecuted under Section 10-A of CST Act. However, if the Assessing Authority (AA) deems it fit, he, in lieu of prosecution, may impose penalty up to one and a half times of the tax payable on the sale of such goods.

Scrutiny of the records of office of one DC[5] (June 2015) and two AC[6] (June 2016 and January 2017) revealed that a penalty of ₹ 1.21 crore (as detailed in ***Appendix-2.2.1***) was not imposed in the following four cases related to two dealers:

(1) In first two cases (*Serial Number 1 and 2 of the* ***Appendix-2.2.1***), the dealer purchased the goods at concessional rates by issuing Form-C. However, the goods were not covered under relevant Central Registration Certificates during the periods 2009-11 and 2012-13 respectively, and hence was liable for prosecution as per Section 10 (b) of the Act. Thus, penalty amounting to ₹ 0.16 crore[7] was to be imposed by the Department.

(2) In the third case *(Serial Number 3 of the* ***Appendix-2.2.1***), the dealer had purchased demo vehicles at concessional rates, which is not for the purpose of sale. In the fourth case *(Serial Number 4 of the* ***Appendix-2.2.1***), the *Peyjal Nigam*, Almora issued Form-C for goods purchased during 2010-11 to 2012-13 despite direction[8] (October 2009) issued by Commissioner, Commercial Tax, Uttarakhand that Form-C

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4 Form issued by purchasing dealer to selling dealer for availing concession rate of tax in interstate trade.
5 Deputy Commissioner (Assessment)-IV, Commercial Tax, Dehradun.
6 Assistant Commissioner (Assessment)-Sector-I, Commercial Tax, Almora and Assistant Commissioner (Assessment)-Sector-IV, Commercial Tax, Roorkee.
7 ₹ (0.04 + 0.07 + 0.05) crore.
8 Letter No. 2955/Com. Tax Uttara/Com.anubhag/Com.tax/09-10, dated 16.10.2009.

should not be issued by *Peyjal Nigam* since it is not a manufacturer. The Nigam did not fulfill the requirement of Section 8 (3) (b). As such, in these cases penalty (amounting to ₹ 1.05 crore[9]) was to be imposed by the Department.

The AAs, while finalising assessment of these cases between November 2013 and March 2016, did not detect irregular purchase of goods at concessional rates of tax against Form-C. The omission on the part of AAs resulted in non-levy of penalty of ₹ 1.21 crore.

On this being pointed out, the AAs stated (June 2015, June 2016 and January 2017) that the matter would be looked into and action taken would be intimated accordingly.

The matter was reported to the Government (May 2017); Reply was awaited (December 2017).

2.3 Unauthorised utilisation of Form-11

Unauthorised use of Declaration Form-11 for purchase of goods, at concessional rates, resulted in loss of revenue amounting to ₹26.61 lakh due to short levy of tax. In addition, penalty of ₹94.95 lakh was also leviable.

Section 4 (7) (b) of the Uttarakhand VAT Act, 2005 provides for grant of Recognition Certificate [10] by the Assessing Authority to a dealer for purchase of goods at concessional rate for use in manufacturing, packaging of manufactured goods or for inter-state trade. As per Section 58 (1) (xxix) of the Act, penalty[11] is leviable for furnishing false or wrong form of declaration or certificate. Section 63 of the Act also provides for levy of an amount which would have been payable as tax on such transactions, had such certificate or declaration not been issued.

Scrutiny of the records of three offices[12] of the Commercial Tax Department revealed (May 2015, December 2015 and March 2017) that four purchasers (as detailed in ***Appendix-2.3.1***) had issued Form-11[13] to the sellers during the Assessment Years 2008-09 to 2012-13 for the purchase of goods worth ₹ 2.35 crore, availing concessional rates of tax against these purchases. However, the purchasers were not entitled to purchase the goods on concessional rates by virtue of either not being covered under the respective Recognition Certificates, or not using these goods in manufacture of taxable goods in the State which is a requirement as per Section 4 (7) (b). Hence, the concessional rates of VAT allowed in these cases were irregular, which resulted in loss of revenue amounting to ₹ 26.61 lakh which is required to be recovered. Besides, a penalty

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9 ₹ (0.12 + 0.93) crore.

10 A certificate issued to a dealer giving details of goods which can be purchased at concessional rates.

11 A sum not exceeding 40 *per cent* of the value of goods involved or three times of tax leviable on such goods under provisions of this Act, whichever is higher would be imposed as penalty.

12 Deputy Commissioner (DC) (Assessment)-II, Commercial Tax, Rudrapur; Assistant Commissioner (AC) (Assessment) Sector-IV, Commercial Tax, Dehradun and Deputy Commissioner (DC) (Assessment)-I, Commercial Tax, Vikas Nagar.

13 Manufacturers who are registered with Commercial Tax Department are given special benefit under Section 4 (7) for purchasing raw material *etc* on concessional rate against Form-11.

of ₹ 94.95 lakh was also leviable on the purchasers due to violation of the extant provisions of the Act.

On this being pointed out the AC, Dehradun stated that notice for recovery[14] of the differential tax and penalty had been issued (June 2016) while the DC, Rudrapur informed (February 2017) that notice for recovery[15] was issued in September 2016. However, no reply was given (March 2017) by DC, Vikas Nagar in the matter. The status of recovery is awaited (October 2017).

The matter was referred to the Government (May 2017); Reply was awaited (December 2017).

2.4 Short levy of tax

Short levy of tax due to incorrect application of tax rates resulted in loss of revenue of ₹89.52 lakh.

Sections-4 (2) (b) (i) (b) and (d) of the VAT Act stipulate four *per cent* rate of tax in respect of goods specified in Schedule II (B) and 12.5 *per cent* rate of tax in respect of goods not specified in any of the schedules. Further, 0.5 *per cent* additional tax on goods specified in Schedule II (B) and one *per cent* additional tax on the goods not specified in any Schedule was also leviable with effect from 01 April 2010. The rates were further revised with effect from 28 May 2012 to five *per cent* in respect of goods specified in Schedule-II B and 13.5 *per cent* in respect of unclassified goods.

Test-check of the records of five Assessing Authorities[16] (AAs), revealed that the AAs while assessing (from March 2014 to May 2015) seven dealers for the assessment years 2009-10 to 2012-13, levied tax at the rate of 4 and 4.5 *per cent* instead of 12.5 and 13.5 *per cent* on goods sold which were not classified in any of the schedules. This resulted in short levy of tax amounting to ₹ 89.52 lakh (as detailed in ***Appendix-2.4.1***).

On this being pointed out, DC (A)-II, Rudrapur raised (March and November 2016) demand of ₹ 25,12,956 in three cases[17] out of five cases, DC (A)-III, Rudrapur raised (August 2016) demand of ₹ 5,09,499 in one case and AC (A)-IV, Roorkee raised (September 2017) demand of ₹ 1,77,104 in all two cases[18] while DC (A)-II, Rudrapur (in remaining two cases) and AC (A)-II, III, Haridwar (in two cases) stated that action would be taken after detailed scrutiny of the cases pointed out by audit.

The matter was referred to the Government (June 2017); Reply was awaited (December 2017).

[14] Amount of tax: ₹ 4,27,437 and penalty of ₹ 16,28,332.

[15] Amount of tax: ₹ 5,39,383 and penalty of ₹ 18,99,564.

[16] Deputy Commissioner (Assessment)-II and III CT Rudrapur, Assistant Commissioner.(Assessment), Sector-III CT Haridwar, Sector-IV CT Roorkee, Sector-II CT Haridwar.

[17] ₹ (5,36,419+8,98,666+10,77,871) = ₹ 25,12,956.

[18] ₹ (68,770+1,08,334)=₹ 1,77,104.

2.5 Non-imposition of penalty

The Department did not impose penalty amounting to ₹15.96 lakh for delayed deposition of tax by dealers.

As per Notification dated 31 December 2010 issued by the State Government, dealers having gross turnover of more than ₹ 50 lakh in the preceding year shall make payment of tax on monthly basis by e-payment by 25th of the succeeding month. The notification came into force with effect from 1 April 2011.

Further, Section 58(1) (vii) (b) of the Uttarakhand Value Added Tax Act, 2005 stipulates that if the Assessing Authority is satisfied that any dealer has, without any reasonable cause, failed to pay within the time allowed, the tax due under the provision of the Act, he shall impose by way of penalty, in addition to tax, a sum not less than ten *per cent* of the amount due.

Scrutiny of the records of two Deputy Commissioners[19] revealed that four dealers[20] (whose gross turnover was more than ₹ 50 lakh) deposited their admissible tax with a delay ranging between 3 and 39 days without any reasonable justification. However, the Department failed to impose even the minimum penalty (at the rate of 10 *per cent* of the amount of tax due) amounting to ₹ 15.96 lakh on the dealers (as detailed in ***Appendix-2.5.1***) as per Section 58 (1) (vii) of the Uttarakhand Value Added Tax Act, 2005.

On this being pointed out, DC (A)-I, Haridwar raised (March 2017) demand in all three[21] cases and DC (A)-II, Haridwar stated (May 2015 and December 2016) that action would be taken after investigation and intimated to audit accordingly.

The matter was reported to the Government (June 2017); Reply was awaited (December 2017).

2.6 Non-levy of tax and penalty

Non-levy of tax due to non-compliance of the provisions laid down in the Uttarakhand Value Added Tax Act, 2005 and suppression of the actual acquisition value of goods resulted in loss of revenue of ₹29.59 lakh. In addition, penalty of ₹12.57 lakh was also leviable.

Section-4(2) (b) (i) (b) and (d) of the Uttarakhand Value Added Tax Act, 2005 stipulates four *per cent* rate of tax in respect of goods specified in schedule II (B) of the Act and 12.5 *per cent* rate of tax in respect of goods other than those included in any of the schedules. With effect from 01 April 2010, an additional tax at the rate of 0.5 *per cent* and one *per cent* respectively was leviable. In addition, as per Section 58(1) (14) (xiv) of UVAT Act, 2005 as amended vide Notification No.1314/XXXVI (4)/2008 dated 31 March 2008, any dealer who maintains or produces false accounts, registers or

[19] Deputy Commissioners (Assessment) (DC) (A)-I and II Haridwar.
[20] TIN No.:05007113617, TIN No.:05009645705, TIN No.:05005891902 and TIN No.: 05002157305.
[21] ₹ (7,75,253+2,88,495+1,27,115)= ₹ 11,90,863.

documents, would invite a penalty for a sum of not less than fifty *per cent* but not exceeding two hundred *per cent* of the amount of tax which have been avoided.

During scrutiny of the records of office of one DC[22] and one AC[23] of Commercial Tax Department, non-levy of tax was noticed due to non-compliance of the above provisions laid down in the Uttarakhand VAT Act, 2005 which resulted in loss of revenue of ₹ 29.59 lakh in the following cases of three dealers:

(a) Test-check of the records of DC (A), CT, Vikasnagar, revealed that a dealer[24], during the assessment year 2011-12, had declared in his balance sheet, a sale of ₹ 30.34 lakh and ₹ 7.96 lakh towards sale of Plant and Machinery and old vehicles respectively. Such sale was liable to be taxed at the stipulated rates (4.5 *per cent* tax was to be levied for old/used vehicles as it is listed in Schedule II B and 13.5 *per cent* for Plant and Machinery being unclassified goods) provided in the Act. However, the Assessing Authority (AA) did not levy any tax on such sale which resulted in the non-levy of tax of ₹ 4.46 lakh[25].

(b) Further, out of the two assessment cases pertaining to AC (A), CT, Sector-I, Rishikesh (April 2014) pertaining to the Assessment year 2007-08, one[26] of the assessees had purchased machinery worth ₹ 70.06 lakh but only an amount of ₹ 26,655 had been shown as addition (Plant and Machinery) in the balance sheet.

    Similarly in another case[27], an assessee had purchased Plant and Machinery worth ₹ 2.13 crore but had shown an addition (Plant and Machinery) of ₹ 0.82 crore in the balance sheet. Hence, both the dealers had suppressed the actual acquisition value of plant and machinery by ₹ 0.70 crore[28] and ₹ 1.31 crore[29] respectively which resulted in non-levy of tax at the rate of 12.5 *per cent* on ₹ 2.01 crore[30] amounting to ₹ 25.13 lakh. In addition, as per Section 58 (1) (14) (xiv), submission of false accounts also renders both the dealers liable to pay a total penalty of ₹ 12.57 lakh[31] at a minimum rate of 50 *per cent* of the total tax due on them.

On this being pointed out, DC (A), CT, Vikasnagar stated (March 2016) that required action would be taken after scrutiny of case while AC (A), CT, Sector-I, Rishikesh

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22 Deputy Commissioner (Assessment) (DC) (A), Commercial Tax, Vikasnagar.
23 Assistant Commissioner (Assessment) (AC) (A), Commercial Tax, Sector-I, Rishikesh.
24 TIN No.: 05006812820.
25 ₹ 4.10 lakh (Sale of Plant & Machinery: ₹ 30.34 lakh x 13.5 *per cent*) + ₹ 0.36 lakh (Sale of old Vehicle: ₹ 7.96 x 4.5 *per cent*).
26 TIN No.:05003546830.
27 TIN No.:05003515693.
28 ₹ 70.06 lakh- ₹ 0.26 lakh=₹ 69.80 lakh=₹ 0.70 crore (say).
29 ₹ 2.13 crore - ₹ 0.82 crore = ₹ 1.31 crore.
30 ₹ 0.70 crore +₹ 1.31 crore.
31 50 *per cent* of ₹ 25.13 lakh.

reassessed (July 2015) both the cases and a demand[32] was created (without penalty) which was yet to be recovered.

Non-levy of tax due to non-compliance of the provisions laid down in the Uttarakhand VAT Act, 2005 and suppression of the actual acquisition value of goods in the above cases, therefore, resulted in loss of revenue of ₹ 42.16 lakh[33].

The matter was reported to the Government (June 2017); Reply was awaited (December 2017).

EXCISE DEPARTMENT

2.7 Working of Distilleries in the State

The Department did not impose fines amounting to ₹ 346.53 crore due to non-adherence of environmental norms by the distilleries which led to manufacturing of alcohol during rainy season and production over and above the daily installed capacity. Not achieving norms of minimum production, fermentation and distillation efficiency prescribed in the rules and loss of Total Reducing Sugar and molasses during transit resulted in loss of excise revenue of ₹2.67 crore. The Department also failed to impose duty amounting to ₹2.46 crore on higher content of alcohol than prescribed. The incorrect allowance of wastage on re-distillation and adjustment of license fee of Bonded Warehouse Foreign Liquor are other factors which led to loss of excise revenue.

2.7.1 Introduction

The State Excise Department is responsible for the levy and collection of duties and fees on production, manufacture, possession, storage, transport, purchase and sale of liquor. State Excise is regulated under Uttaranchal Excise Act 2002 and the rules framed thereunder. Distilleries are licensed units where alcohol is produced mainly from fermenting and distilling molasses obtained as a byproduct during the manufacturing of sugar. Chemical examination of molasses and alcohol received from a distillery is conducted in the designated Laboratory in Dehradun to ensure production of alcohol as per norms. Excise duty leviable on liquor produced in distilleries forms a major part of excise revenue. Receipts from Excise Duty constitute the second largest source of revenue for the State Government after Commercial Taxes. Apart from excise duty, licensing fee from the distiller for manufacturing, bottling and wholesale vending of liquor also forms part of excise revenue.

Uttarakhand has four distilleries. Audit of records of the Excise Commissioner, all four distilleries[34] operating under the jurisdiction of the District Excise Officers (DEOs) of the concerned districts and also the three concerned DEOs[35] were test-checked between March 2017 and June 2017 to assess the working of distilleries in the State during the

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[32] ₹ 25.13 lakh.

[33] Tax: ₹ (4.46+ 25.13) lakh + Penalty: ₹ 12.57 lakh = ₹ 42.16 lakh.

[34] Distilleries at Kashipur, Bazpur, Dehradun and Laksar.

[35] Udham Singh Nagar, Dehradun and Haridwar.

period 2014-15 to 2016-17. Audit was taken up with a view to ascertain whether the distilleries achieved the minimum operational efficiency as prescribed in the Excise Manual, distilleries adhered to environmental norms; re-distillation wastage was monitored as per extant provisions; and a suitable internal control mechanism existed in the Department for ensuring compliance with Act and Rules.

Results of Audit

2.7.2 Non-adherence to Rules

2.7.2.1 Non-levy of minimum guaranteed duty on higher strength of country liquor and excise duty on foreign liquor

Under Rule 790 framed under the Act, the apparent strength of spirit, as indicated by the hydrometer after addition of colour and flavoring materials, is to be displayed on the label affixed on the sealed bottles.

According to the Government notifications, the rates of minimum guaranteed duty on Country Liquor (CL) were prescribed as ₹ 140, ₹ 170, and ₹ 200 per Bulk Litre (BL) for 36 *per cent* volume by volume (v/v)[36] in the years 2014-15, 2015-16 and 2016-17 respectively.

Test-check of records of two distilleries[37] revealed that during the period 2014-15 to 2016-17, 4,99,84,094.16 BL[38] of country spirit were issued for bottling. It was observed that the labels affixed on these bottles indicated that the alcoholic content of the country liquor was 36 *per cent* v/v. However, the actual strength of the liquor after addition of colour and flavor materials was found to be 36.10 *per cent* v/v as per records of Excise Department. The actual strength was, therefore, higher by 0.1 *per cent* v/v in all cases. Thus, by not imposing guaranteed duty on the basis of actual alcohol content, the Department lost out on guaranteed duty by ₹ 2.31 crore[39] (as detailed in ***Appendix-2.7.1 A***).

Further, the rates of excise duties were ₹ 110, ₹ 135 and ₹ 155 per Alcoholic Litre (AL) for the year 2014-15, 2015-16 and 2016-17 respectively in case of Indian Made Foreign Liquor (IMFL). In test-check of records of one distillery,[40] audit observed that 1,10,97,638.28 BL of IMFL were issued for bottling. The labels affixed on these bottles indicated the alcoholic content of the IMFL as 42.8 and 37.5 *per cent* v/v. However, the actual strength of the liquor after addition of colour and flavor materials was observed to be 42.9 and 37.6 *per cent* v/v as per records of Excise Department. The actual strength was higher by 0.1 *per cent* v/v in all cases. As excise duty was not imposed on the basis

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[36] Volume by volume is a measure of concentration of a substance in solution expressed as the ratio of the *volume* of the solution to the total *volume* of the solution multiplied by 100%.

[37] Distilleries at Bazpur and Kashipur.

[38] Distillery at Bazpur: 2,28,24,691.20 BL, Distillery at Kashipur: 2,71,59,402.96 BL.

[39] Distillery at Bazpur: ₹ 1.06 crore, Distillery at Kashipur: ₹ 1.25 crore.

[40] Distillery at Kashipur.

of actual alcohol content, there was a short collection of duty by ₹ 0.15 crore (***Appendix-2.7.1 B***).

On this being pointed out, the Government replied (December 2017) that a margin of 0.3 *per cent* v/v is permitted, under provisions of Rules 790 and 805 framed under the Act, to maintain the strength of liquor. The Government further added that the liquor has been manufactured under this permitted margin and there was no loss of revenue. However, contention of the Government was not relevant as this was not the case of permissible strength but related to presence of higher alcohol content than guaranteed, and additional excise duty was chargeable.

2.7.2.2 Non-achievement of minimum efficiencies and minimum yield of alcohol

Audit noticed that distilleries had not achieved minimum Fermentation Efficiency (FE)[41], Distillation Efficiency (DE)[42] and minimum yield of alcohol as prescribed under Rule 710 of the Act which resulted in loss of excise revenue of ₹ 2.67 crore as detailed in the **Table-2.7.1** below:

Table-2.7.1: Details of loss of revenue due to non-achievement of minimum FE/DE and minimum yield of alcohol

Sl. No.	Statutory Provision	Nature of deficiency/deviation	Revenue involved (*₹in crore*)	Reply of the Department
1.	Rule 710 framed under the Act provides that the distillers shall maintain a minimum fermentation efficiency (FE) of 84 *per cent* of the fermentable sugars (FS) present in the molasses.	Audit observed that three distilleries[43] should have produced 2,36,12,604 AL[44] of alcohol in wash[45] during the period 2014-15 to 2016-17 from 2,81,10,242 AL[46] of alcohol in 63 batches[47] of FS[48] by maintaining 84 *per cent* fermentation efficiency. However, the actual alcohol present in wash was 2,34,36,785 AL[49]. This resulted in short production of 1,75,819 AL[50] of alcohol. Further, in Distillery at Bazpur, different columns of Fermentation and Distillation register (PD 9A) were found blank and records were not being maintained properly. This had an implication on calculation of alcohol produced, involving excise duty (as detailed in ***Appendix-2.7.2 A***).	2.41	On this being pointed out, the Government (in the case of RBNS, IGL and Doon Valley Distilleries) replied (December 2017) that fermentation efficiency conformed to the stipulated limit of 84 *per cent*. Further, regarding Bazpur distillery, it was stated (December 2017) by the Government that instructions have been issued for completion of PD 9A Register. However, reply of the Government is not acceptable as fermentation efficiency in 63 batches was found below 84 *per cent* by audit.

41 The percentage of fermentable sugars in molasses.
42 The per cent of alcohol present in the wash.
43 Distilleries at Laksar, Kuanwala and Kashipur.
44 Distillery at Kashipur: 2,20,34,927 AL, Distillery at Laksar: 11,48,140 AL and Distillery at Kuanwala: 4,29,537AL.
45 A saccharine solution from which spirit is obtained by distillation.
46 Distillery at Kashipur: 2,62,32,056 AL, Distillery at Laksar: 13,66,833 AL and Distillery at Kuanwala: 5,11,353 AL.
47 Distillery at Kashipur: 55 batches, Distillery at Laksar: 03 batches and Distillery at Kuanwala: 05 batches.
48 The fermentable sugar in molasses contains glucose from which alcohol is prepared in Distilleries.
49 Distillery at Kashipur: 2,18,65,296 AL, Distillery at Laksar: 11,45,555 AL and Distillery at Kuanwala: 4,25,934 AL.
50 Distillery at Kashipur: 1,69,631 AL, Distillery at Laksar: 2,585 AL and Distillery at Kuanwala: 3,603 AL.

2.	Rule 710 framed under the Act provides that the distillers shall maintain minimum distillation efficiency (DE) of 97 *per cent* of alcohol present in wash.	Audit observed that in two distilleries[51], 3,98,666.29 AL[52] of alcohol should have been produced during the period April 2014 to March 2017 from 4,10,996.18 AL[53] of alcohol present in wash. However, the actual production of alcohol was 3,87,207.20 AL[54]. This resulted in short production of 11,459.09 AL[55] of alcohol involving excise revenue. Further, in Distillery at Bazpur, different columns of Fermentation and Distillation register (PD 9A) were found blank and records were not being maintained properly. This had an implication on calculation of alcohol produced, involving excise duty. (as detailed in ***Appendix-2.7.2 B***).	0.16	On this being pointed out, the Government (in case of RBNS Distillery) claimed (December 2017) that distillation efficiency of the distillery conformed to the parameter of 97 *per cent*. However, the reply is not acceptable as no evidence was produced in support of the claim. In case of M/s Doon Valley distillery, the Government stated that alcohol percentage in wash as shown in records had clerical mistakes and actual distillation efficiency was as per norms. The reply of the Government is not acceptable as audit observation is based on the records maintained by the Department.
3.	The Act and rules do not provide for any loss of Total Reducing Sugar (TRS) in transit as well as any loss of molasses while transferring them from the sugar factory to the distillery through a pipeline. Rule 710 framed under the Act provides that 52.5 litres of alcohol should be produced per quintal of FS present in molasses.	Audit observed that in two distilleries[56], 20,197.55 quintals[57] of molasses were transferred through pipeline from the sugar factory to the distillery during the period from 2014-15 to 2016-17. Audit observed that reduction in percentage of TRS during transportation of molasses ranged between 0.04 and 0.72 *per cent*. The distillers received 80.82 quintals[58] of TRS less from which 3,733.80 AL[59] of alcohol, involving excise revenue of ₹ 5.56 lakh[60], could have been produced (as detailed in ***Appendix-2.7.2 C***). Further, it was also revealed that 3,255 quintals of molasses were transferred to one distillery[61] by Sugar Mill via pipeline. But the distillery received only 3,225 quintals of molasses *i.e.* there was a short supply of 30 quintals of molasses from which 654.19 AL of alcohol could have been produced involving excise revenue of ₹ 0.88 lakh (as detailed in ***Appendix-2.7.2 D***).	0.06	On this being pointed out, the Government (in case of RBNS Distillery) replied (December 2017) that the loss of TRS and molasses was due to clerical error while in the case of Bazpur Distillery, it was stated that results of any experiment may vary when they are repeated. The reply is not acceptable as data of TRS and molasses is recorded only after measurement and, cannot be set aside by terming them as clerical error and it indicate loss in transit that require investigation. Besides, any amount of loss of molasses and TRS is not permitted under Act and Rules.
4.	Rule 710 framed under the Act provides that 52.5 litres of alcohol should be produced per quintal of FS present in the molasses.	Scrutiny of records in one distillery[62] revealed that one composite sample of molasses was sent to the laboratory in July 2016 for determination of sugar content in 10,571 quintals of molasses consumed by the distillery. Based on the report of the laboratory and the prescribed norms, 3,977.87 quintals of	0.04	On this being pointed out, the Government informed (December 2017) that the matter has been referred to Commissioner for penalizing the distillery.

[51] Distilleries at Laksar and Kuanwala.
[52] Distillery at Laksar: 2,60,798.37 AL and Distillery at Kuanwala: 1,37,867.92 AL.
[53] Distillery at Laksar: 2,68,864.30 AL and Distillery at Kuanwala: 1,42,131.88 AL.
[54] Distillery at Laksar:2,53,048.90 AL and Distillery at Kuanwala: 1,34,158.30 AL.
[55] Distillery at Laksar: 7,749.47 AL and Distillery at Kuanwala: 3,709.62 AL.
[56] Distillery at Laksar and Distillery at Bazpur.
[57] Distillery at Laksar: 19,255.70 quintal, Distillery at Bazpur: 941.85 quintal.
[58] Distillery at Laksar: 80.25 quintal, Distillery at Bazpur: 0.57 quintal.
[59] Distillery at Laksar: 3,707.70 AL, Distillery at Bazpur: 26.10 AL.
[60] Distillery at Laksar: ₹ 5.53 lakh, Distillery at Bazpur: ₹ 0.03 lakh.
[61] Distillery at Laksar.
[62] Distillery at Bazpur.

		FS content was present in molasses, out of which 2,08,838.18 AL of alcohol should have been produced. However, only 2,06,101.20 AL was produced by the distillery. This resulted in shortfall of 2,736.98 AL of alcohol involving excise revenue. (2,736.98 AL X ₹ 155)		
		Total	***2.67***	

2.7.2.3 Inadmissible re-distillation wastage

Rule 760 framed under the Act provides that two *per cent* wastage is allowed in the process of re-distillation of spirit subject to certain conditions. The Rule, however, does not provide for any wastage of Rectified Spirit (RS) in manufacturing of ethanol during the process of re-distillation.

Scrutiny of records of one distillery[63] revealed that the distillery manufactured 3,51,209.70 AL of ethanol through the process of re-distillation of 3,52,615.50 AL of RS. Distillery claimed wastage of 1,405.80 AL of RS in the process of re-distillation. The Officer in-charge Excise incorrectly allowed the wastage claimed though it was not allowable as per the above rules. This resulted in loss of excise duty of ₹ 2.18 lakh.

On this being pointed out, the Government replied (December 2017) that Rule 760 of Excise Manual provides for 1.5 *per cent* wastage during the process of re-distillation while the wastage at distillery was only 0.4 *per cent* which was within the permissible limit. The reply of the Department was not admissible as the above said rule did not provide for the wastage in the process of manufacture of ethanol by re-distillation.

2.7.2.4 Short levy and adjustment of license fee of Bonded Warehouse Foreign Liquor

The Excise Policy of Uttarakhand for the year 2015-16 had prescribed bond license fee of ₹ eight lakh for sale of 25,001-50,000 cases and ₹ 12 lakh for sale of 50,001-1,00,000 cases of liquor. The Act and rules do not provide for any adjustment of license fee for any consecutive year.

Scrutiny of records of DEO, Udham Singh Nagar, for the year 2015-16 revealed that the Department granted license for Bonded Warehouse Foreign Liquor (BWFL-2)[64] to a firm of Bazpur for sale of one lakh cases of foreign liquor for which the firm had paid license fee amounting to ₹ 12 lakh. Further, at the time of renewal of the license for the year 2016-17, an amount of ₹ four lakh was adjusted from the paid fee for the year 2015-16 towards the renewal fee owing to the reason that sale of only fifty thousand cases was made by the licensee firm in the year 2015-16. This undue adjustment resulted in short levy of license fee of ₹ four lakh.

On this being pointed out, the Government stated (December 2017) that the warehouse could sell only 50,000 cases, and hence, was chargeable with only ₹ eight lakh. The reply further added that excess license fee of ₹ four lakh deposited by the warehouse was

63 Distillery at Laksar.

64 The BWFL-2 license is granted to a person or firm or company who is manufacturer of foreign liquor to establish and run a Bonded Warehouse of Foreign Liquor.

adjusted in the next year. However, reply of the Government was not tenable as adjustment of license fee deposited for a specific year against committed quantity of sale was not permissible.

2.7.2.5 Blockade of revenue

As per Rule 705 framed under the Act, on expiry of license of distiller or if the license is cancelled or suspended, the distiller shall be bound to pay the duty on, and to remove all spirit remaining within the distillery in accordance with the rules in force.

Scrutiny of the information provided by the Office of Excise Commissioner revealed that two Distilleries[65] stopped production of IMFL in May 2010 and September 2011 respectively. The distillers had 46,785.97 AL[66] IMFL in their Foreign Liquor (FL-3[67]) stock (April 2017). However, the Department had not taken any action towards disposal of the stock which resulted in blockade of revenue of ₹ 72.52 lakh[68] to the State Exchequer.

On this being pointed out, the Government stated (December 2017) that the distilleries have PD-2 license in force and revenue would be collected when liquor is issued from FL-3 by the distilleries. Reply of the Government is not acceptable as both the distilleries have stopped production since May 2010/September 2011 and even FL-1 and FL-3 licenses of one distillery[69] have expired.

2.7.2.6 Non-realisation of compounding fee

Issue of spirit is made on Form PD 25. (Production and Distillation) and an advice in Form PD 26 is sent with PD 25. The receiver of the spirit has to send form PD 26 back to issuer certifying that spirit has been received. As per order[70] of the Excise Commissioner, Uttar Pradesh, it was prescribed that if the PD 26 Forms are not received back within the specified period of three months, the excise duty at the prescribed rate will be charged from the issuer.

Scrutiny of records of one Distillery[71] revealed that two PD 26 forms, on which 42,547 AL spirit was exported out of the district during August and November 2014, were not received even after the expiry of the prescribed period of three months. The licensee had not furnished the required certificate of delivery till the date of audit (March 2017).

On this being pointed out, the Government accepted (December 2017) that Forms could not be provided to audit at that time and claimed that the Forms have been received. However, reply of the Government is not acceptable as non-return of the Forms to the

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65 Distilleries at Kuanwala and Bazpur.
66 Distillery at Kuanwala: 31,575.35 AL and Distillery at Bazpur: 15,210.62 AL.
67 FL-3 is a form by which license is granted for bottling. FL-1 is Manufacturers license for the wholesale vend of foreign liquor.
68 Distillery at Kuanwala: 31,575.35 AL @ ₹ 155 = ₹ 48.94 lakh and Distillery at Bazpur: 15,210.62 AL @ ₹ 155 = ₹ 23.58 lakh.
69 Distillery at Kuanwala.
70 Order No. 1162-90/9-390 dated 15 April 1987.
71 Distillery at Laksar.

issuer within stipulated time was a clear violation of the above mentioned order and this has resulted in non-levy of excise duty amounting to ₹ 46.80 lakh.

2.7.3 Non-adherence to Environmental Norms

2.7.3.1 Unauthorised production during rainy season

The PD-2 license[72] for manufacturing of alcohol is granted with the condition that the licensee shall make effective arrangements for the disposal of wastes and effluents from the manufacture of alcohol and shall make all such arrangements as prescribed by the State Government in this behalf under the provision of sub-section (2) of section 12 of the Factories Act, 1948. The sub-section (2) of section 12 of the Factories Act, 1948 provides that the State Government may make rules prescribing the arrangements to be made under sub-section (1)[73] or requiring that the arrangements made in accordance with the sub-section shall be approved by such authority as may be prescribed.

According to the specific conditions of environmental clearance accorded by the Ministry of Environment and Forest, Government of India (GoI)/Central Pollution Control Board (CPCB) and Consolidated Consent to Operate and Authorisation (CCA) given by the Uttarakhand Environment Protection and Pollution Control Board (UEPPCB), distilleries will not be operated during the rainy season. If a distillery operates during the rainy season, rain water gets mixed with the spent washes which may either leachate or overflow and contaminate the surface and sub-surface water bodies. Section-15 of the Environment Protection Act, 1986 stipulates that whoever fails to comply with or contravenes any of the provisions of the Act, or the Rules made or orders issued thereunder, shall, in respect of each contravention, be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ one lakh, or with both. Further, as per Section 60 (1) (d) of the State Excise Act, whoever, in contravention of the Act or of any license, permit or pass obtained thereunder, works any distillery will be punishable with imprisonment which may extend to two years and with fine of ₹ 5,000 or not less than 10 times of the duty due, whichever is greater.

Test-check of records of three distilleries[74] revealed that on the basis of CCA given by UEPPCB, the distilleries obtained the PD-2 license. The distilleries, however, in contravention of the provisions of the Act, unlawfully produced 17.76 lakh[75] AL of Alcohol during rainy season (July to September) in the period 2014-17 for which a fine of ₹ 257.84 crore[76] (as detailed in ***Appendix-2.7.3***) was leviable. Further, contravention

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72 For issuing License to distillers to work in a premises owned by them other than Government.

73 Effective arrangements shall be made in every factory for the treatment of wastes and effluents due to the manufacturing process carried on therein, so as to render them innocuous, and for their disposal.

74 Distilleries at Laksar, Bazpur and Kuanwala.

75 Distillery at Laksar: 9.07 lakh AL, Distillery at Kuanwala: 0.48 lakh AL and Distillery at Bazpur: 8.21 lakh AL.

76 Distillery at Laksar: ₹ 137.52 crore, Distillery at Kuanwala: ₹ 7.49 crore and Distillery at Bazpur: ₹ 112.83 crore.

of relevant provisions of Environment Protection Act, 1986 also attracted an additional fine of up to ₹ 25 lakh[77] (as detailed in ***Appendix-2.7.3***).

On this being pointed out by audit, the Government replied (December 2017) that Excise Act did not have provisions for ceasing operations of distilleries in rainy season. Besides, it was also added that enforcement of instructions of CPCB/UEPPCB was their own responsibility.

Reply of the Government shows both, disregard for accountability and disregard for environmental norms on its part. The reply does not have merit for consideration as conditions of PD-2 license clearly express that all arrangements would be made for the disposal of wastes and effluents from the manufacture of alcohol as prescribed by the State Government and penalty of ₹ 258.09 crore (as detailed in ***Appendix-2.7.3***) was required to be levied under Section 60 (1) (d) of the State Excise Act along with provisions all other Acts/rules.

2.7.3.2 Production in excess of daily production capacity

As per Section 60 of the Act, unlawful manufacturing by any distillery will be punishable with imprisonment which may extend to two years and with fine of ₹ 5,000 or not less than 10 times of the duty due, whichever is higher. The CCA as given by the UEPPCB under Environment Protection Act, 1986, also provides for limits on daily production by the distilleries.

If a distillery is operated beyond its permitted daily production capacity, the treatment facility associated and synchronised with the production capacity will not work effectively and pollutants may get discharged into water bodies, adversely affecting the environment. As per the directions issued (May 2006) by the Ministry of Environment, GoI in its Environmental Clearance accorded to a Distillery at Laksar, and the CCA issued by the UEPPCB for the years 2014-15, 2015-16 and 2016-17 to this distillery, the production was restricted to 60 kilolitres per day (KLPD). As per order[78] of the Excise Commissioner, Uttar Pradesh, it was prescribed that the distilleries manufacturing in excess of their daily installed capacity (based on annual licensed capacity) will be dealt with as per Rules.

Scrutiny of records of distillery at Laksar revealed that the distillery unlawfully produced (from 2014-15 to 2016-17) 2.74 lakh BL (2.68 lakh AL) of alcohol in excess of its daily installed capacity for which a fine of ₹ 41.14 crore was leviable (as detailed in ***Appendix-2.7.4***).

Further, in its directions issued (September 2005) to Distillery at Bazpur, the CPCB had restricted the production of distillery to 20 KLPD and the same had been communicated by the officer-in-charge posted at distillery to the Excise Commissioner while renewal of its P.D. 2 license in 2014-15, 2015-16 and 2016-17. However, the distillery unlawfully produced (from 2014-15 to 2016-17) 3.50 lakh BL (3.33 lakh AL) of alcohol in excess of

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77 Distillery at Laksar: ₹ 10.00 lakh, Distillery at Kuanwala: ₹ 2.00 lakh and Distillery at Bazpur: ₹ 13.00 lakh.

78 Order No. 8639-8851/9/233 (Bazpur)/ALD dated 27 November 1996.

its daily installed capacity for which a fine of ₹ 46.61 crore was leviable (as detailed in ***Appendix-2.7.4***).

Further, on account of contravention of provisions of Environment Protection Act, 1986, a fine of up to ₹ 69 lakh[79] (as detailed in ***Appendix-2.7.4***) was also leviable on above two distilleries.

On this being pointed out by audit, the Government replied (December 2017) that alcohol was produced within the annual production limit as per Production and Distillation (PD-2) license. However, the reply overlooks the daily limits prescribed under the instructions of the GoI as well as those of the Excise Commissioner, and hence, was not acceptable.

2.7.4 Lack of stipulated checks and Internal Controls

2.7.4.1 Testing of samples of Molasses

Rule 710 framed under the Act provides for the officer in-charge of the distillery to draw composite samples of molasses consumed in three successive out-turns and divide it into three equal parts. The distiller shall send one part to the Chemical Examiner of the State Government or any officer authorised by the Excise Commissioner or agency authorised by the State Government for determination of the percentage of FS. If the testing of samples of molasses is not carried out, this will result in non-determination of percentage of FS present in molasses and minimum quantity of alcohol which should have been produced by the distillers on the basis of minimum recovery as prescribed in rule.

In the test-check of records of one distillery[80], audit observed that 26 samples of molasses were not sent for testing during the period from 2014-15 to 2016-17 and reports of 18 samples were not received by the distillers. In the case of three distilleries[81], in the year 2016-17, reports of 11 batches of molasses were not received by the distillers. The reports of the samples of molasses sent to laboratory by all the distillers were not received even after expiry of 14 days.

The Government stated (December 2017) that reports of most of the samples sent by one distillery (M/s RBNS distillery) have been received and instructions have been issued to the Department officials to provide remaining reports. The fact remains that Audit could not ascertain the recovery of alcohol in above cases (*i.e.* 52.5 litre of alcohol per quintal of fermentable sugars present in the molasses consumed for production of alcohol) as either the samples were not sent to laboratory or related laboratory reports were not received by the distillers.

2.7.4.2 Non-supply of excise locks and excise instruments

Rules 735 and 736 framed under the Act provide that the charging and discharge pipes of stills, all spirit safes, all mandoors, cocks or other openings in stills, spirit vats, spirit

79 Distillery at Laksar: ₹ 27 lakh and Distillery at Bazpur: ₹ 42 lakh.
80 Distillery at Laksar.
81 Distilleries at Kuanwala, Bazpur, and Kashipur.

receivers and other receptacles for spirit shall be secured by an excise lock of a pattern approved by the Excise Commissioner. The doors of all rooms which are used for the storage of spirit shall be provided with double lock, the key of which should not be interchangeable, and of which one lock should be an excise lock in the charge of the inspector and the other a distillery lock in the charge of the proprietor. Further, Rule 817 provides that a Stock register of Government property in Form PD 4 must be maintained and kept in distillery. The details of excise locks and each excise instrument *i.e.* hydrometers, saccharometers, thermometers, alcoholmeters and test glasses, *etc*. must be entered in the register.

From the information provided by all the four distilleries[82], it was noticed that as against the required numbers of fifty four excise locks, in three distilleries[83] no locks were provided and in one distillery ten locks were provided. As regards instruments, no instruments were provided in Laksar. The distillers were using their own locks and instruments. Therefore, the possibility of pilferage of spirit and alcohol cannot be ruled out.

The Government informed (December 2017) that concerned excise officers had placed demand for excise locks and other instruments.

2.7.4.3 Non-compliance of Policy

The Excise Policy 2015-16 of the State provides for mixing of extract of fruits produced in the State with country liquor. The Distiller has to file an affidavit/certificate stating that the fruits used were products of Uttarakhand only. Further, the Excise Policy 2015-16 provides for 1/4th supply of country liquor by all the distilleries at the State level.

From the information provided for the period 2015-16 by all the distilleries and office of the Excise Commissioner, it was revealed that the distillers were not mixing extract of fruits with country liquor. Further, the Department did not give any direction or fixed targets for distilleries regarding 1/4th supply of country liquor at State level.

The Government accepted (December 2017) audit observation.

2.7.4.4 Non-maintenance of G-6 Register

All the receipts of the Excise Department are entered in G-6 register. The Laboratory under the Department is also required to maintain a G-6 register and verify/reconcile its receipts.

In the test-check of records of Office of Excise Commissioner, audit noticed that the laboratory was conducting chemical examination of samples of molasses and alcohol received from distilleries for which testing fees were being paid by the distilleries through challans. These transactions were to be entered in G-6 register. However, G-6 register was not being maintained by the laboratory. Due to non-maintenance of the G-6 register by the laboratory, audit was unable to verify the correctness of the remittance of Government receipts into the Government account.

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[82] Distilleries at Laksar, Bazpur, Kuanwala and Kashipur.
[83] Laksar, Bazpur and Kashipur.

The Government accepted (December 2017) audit observation and stated that required arrangements are being made for maintenance of G-6 Register at district level.

2.7.4.5 Inspection by the Assistant Excise Commissioner (or District Excise Officer)

As per the orders of Excise Commissioner, Uttarakhand, Dehradun dated 04.01.2004, the Assistant Excise Commissioner (AEC) or DEO has to conduct inspections according to the prescribed standards.

Audit scrutiny of the records of the DEOs[84] revealed that during the period from 2014-15 to 2016-17, the AECs (or DEOs) did not conduct inspections of distilleries, bonded warehouses or Sugar Mills falling under their jurisdiction which resulted in instances of lack of internal controls and non-compliance of guidelines as discussed in above paragraphs.

The Government accepted (December 2017) audit observation and stated that instructions have been issued for conducting inspections as required under norms.

Conclusion

The Department did not impose duty on higher content of alcohol as prescribed and no action was initiated on loss of Total Reducing Sugar and molasses during transit. The distilleries failed to achieve norms of minimum production, fermentation and distillation efficiency. Besides, it also incorrectly allowed wastage on re-distillation and adjustment of license fee of BWFL-2. Further, the Department failed to impose fines on distilleries for production of alcohol during rainy season and non-adherence to environmental norms. It was also noticed that essential security measures like excise locks were not provided to distilleries by the Department.

GEOLOGY AND MINING DEPARTMENT AND STAMP AND REGISTRATION DEPARTMENT

2.8 Short levy of stamp duty

Short levy of stamp duty due to non-application of correct rates resulted in loss of revenue of ₹14.05 lakh.

Section 33 (1) of the Indian Stamp Act (IS Act), 1899 stipulates that every person having authority to receive evidence, and every person in charge of a public office, except an officer of police, before whom any instrument, chargeable, in his opinion, with duty, is produced or comes in the performance of his functions, shall, if it appears to him that such instrument is not duly stamped, impound the same. Further, as per Circular issued (September 2013) by the Inspector General, Registration, the person so impounding the instrument shall send copy of the document to the Collector. Section 35 further strengthens the above arrangement by providing that instruments not duly stamped shall be inadmissible in evidence. Article 35 of Schedule 1B of the IS Act and Section 17 (1) (d) of Indian Registration Act (IR Act), 1908 provides for payment of stamp duty

[84] DEO, Haridwar, DEO, Udham Singh Nagar and DEO, Dehradun.

on leases for terms exceeding one year and up to 30 years and compulsory registration of such leases respectively.

(a) Scrutiny of the records of the District Mining Officer (DMO), Dehradun and DMO, Chamoli revealed that rent agreements submitted by two screening plant owners (Dehradun) and three stone crusher owners (Chamoli) were not stamped as per the applicable rates[85]. Instead, the rent agreements were executed on stamps valued at ₹ 50 (one agreement) and at ₹ 100 (20 agreements) only. The DMOs, instead of impounding these rent agreements as provided for in the aforementioned rules, allowed these agreements which led to loss of stamp duty valuing ₹ 5.92 lakh (as detailed in ***Appendix-2.8.1***) to the exchequer.

On this being pointed out, the DMOs stated that the departmental rules and policies do not have any provision regarding calculation of stamp duty. However, the reply is not acceptable as chargeability of instruments comes under the purview of the Indian Stamp Act, 1899 and the DMOs, by virtue of being authorised to receive the instruments, were responsible to ensure that these instruments were duly stamped.

(b) Scrutiny of the records of DMO, Chamoli revealed that two lease deeds, one for a period of one year and nine months and the other for the period of one year and eight months, were not stamped as per the actual applicable rates[86]. Instead, these deeds were short stamped leading to short payment of ₹ 8.13 lakh (as detailed in ***Appendix-2.8.2***) in stamp duty to the Government.

On being pointed out, the DMO, Chamoli stated that the lease instruments are registered by the sub-registrars of the Stamp and Registration Department and the matter of short payment of stamp duty should be taken up with them. However, the DMO cannot be absolved of his duty to impound/disallow short stamped lease deeds presented to him as provided in the above mentioned rules.

The above cases were reported to the Government (July 2017); Reply was awaited (December 2017).

MINING DEPARTMENT

2.9 Short levy of penalty

Application of incorrect rates in compounding offences of illegal mining/transport of minerals resulted in short levy of penalty of ₹29.75 lakh.

Rule 13 (2) (b) of Uttarakhand Minerals (Prevention of Illegal Mining, Transportation and Storage) (Amendment) Rules, 2015 provides for levying of penalty of ₹ 25,000 on people found guilty of illegal mining/transportation of minor minerals. The penalty was subsequently revised (31 July 2015) to ₹ 2.00 lakh.

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85 Average annual rent ranging between ₹ 9,930 and ₹ 30,000 per year.

86 Two *per cent* of three times of the annual lease rent.

Test-check of the records of the District Mining Officer (DMO), Dehradun revealed that 17 vehicles were seized by police for offences related to illegal mining during July and August 2015. The penalty was recovered from them at the pre revised rates of ₹ 25,000, instead of ₹ 2.00 lakh. Hence, the penalty was short levied which resulted in a loss of revenue of ₹ 29.75 lakh (as detailed in ***Appendix-2.9.1)***.

On this being pointed out, the DMO, Dehradun replied (November 2016) that the compounding of the said offences was carried out by the District Magistrate who was authorised under Rule 75 of Uttarakhand Minor Minerals Concession Rules-2001 for compounding such offences. Thus application of incorrect rates by the District Magistrate in compounding offences of illegal mining/transport of minerals, resulted in short-levy of penalty of ₹ 29.75 lakh.

The matter was referred to the Government (April 2017); Reply was awaited (December 2017).

2.10 Short/non-levy of royalty

Non-application of revised rates on mining licenses and non-detection of brick kilns led to short/non-levy of royalty of ₹39.23 lakh.

(i) Rule 54 of the Uttarakhand Minor Mineral Concession Rules-2001 provides for deposit of royalty by a holder of license for mining minor minerals, as applicable at the time of approval of license, within 15 days of intimation regarding approval of such license. Rates of soil and RBM (River Bed Material) were ₹ 50 per ton and ₹ 194.50 per cubic metre respectively with effect from 26 February 2016 whereas their earlier rates were ₹ 8 per cubic metre and ₹ 90 per cubic metre respectively.

Test-check of the records of District Mining Officer (DMO), Dehradun revealed that royalty was short levied in seven cases of mining licenses as lower rates were applied instead of revised higher rates applicable at the time of grant of license in March 2016. This resulted in loss of royalty amounting to ₹ 30.88 lakh (as detailed in ***Appendix-2.10.1***).

On being pointed out, DMO, Dehradun attributed (October 2016) short levy of royalty to forwarding of proposals for grant of license before revision of rates on 26 February 2016.

The reply is not acceptable as the revised rates of royalty were required to be applied, as evident from aforementioned rule, where licenses were approved after revision of rates.

(ii) Composition scheme[87] (October 2009) for payment of royalty on soil used by brick kilns required that number of working brick kilns be determined by the Department by collecting information pertaining to brick kilns registered in the Commercial Tax Department, Pollution Control Board and from information submitted by the *Patwaris*.

Test-check (October 2016) of the records of the District Mining Officer (DMO), Dehradun revealed that the above mentioned mandatory exercise for identification of

[87] In this scheme the royalty amount is fixed on the basis of production capacity of the brick kilns.

working brick kilns was not undertaken by the Department. This led to non-detection of working brick kilns (two in 2012-13, two in 2013-14, four in 2014-15 and three in 2015-16) as evident from the information collected by audit from the Commercial Tax Department. Audit scrutiny of records[88] revealed that no royalty was recovered from the non-detected brick kilns in the above mentioned years. This resulted in non-levy of royalty, as applicable[89], to the tune of ₹ 8.35 lakh during 2012-13 to 2015-16 (as detailed in ***Appendix-2.10.2***).

The Government (May 2017) in respect of Composition scheme replied that since brick kiln owners did not apply for this scheme during the period in question; the District Magistrate did not issue mining license. The reply is not justified because as per condition 9 of the Composition scheme it was the responsibility of the Government to obtain certified information of working brick kilns registered from the Commercial Tax Department/Pollution Control Board and on the basis of enquiry from the *Tehsil*. Non-application of revised rates on mining licenses and non-detection of brick kilns, therefore, led to short/non-levy of royalty of ₹ 39.23 lakh[90].

The matter (in case of first part of the paragraph) was referred to the Government (April 2017); Reply was awaited (December 2017).

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[88] Register related to deposit of royalty.

[89] The amount of charges ranged between ₹ 69,000 and ₹ 81,600 per annum on the basis of production capacity of brick kiln.

[90] ₹ (30.88+8.35) lakh.

Chapter-III
Social and Economic Sectors
(Public Sector Undertakings)

Chapter-III

Social and Economic Sectors (Public Sector Undertakings)

3.1 Functioning of State Public Sector Undertakings

3.1.1 Introduction

State Public Sector Undertakings (PSUs) consist of State Government companies and statutory corporations. State PSUs are established to carry out activities of commercial nature and occupy an important place in the State's economy. As on 31 March 2017, there were 22 working PSUs. Of these, no company was listed on the stock exchange. During the year 2016-17, no PSU was either incorporated or closed down. Details of the State PSUs in Uttarakhand as on 31 March 2017 are given in **Table-3.1.1** below.

Table-3.1.1: Total number of PSUs as on 31 March 2017

Type of PSUs	Working PSUs	Non-working PSUs[1]	Total
Government Companies	19	04[2]	23
Statutory Corporations	03[3]	-	03
Total	***22***	***04***	***26***

The working PSUs registered a turnover of ₹ 7,323.64 crore ***(Appendix-3.1.2)*** as per their latest finalised accounts as of 30 September 2017. This turnover was equal to 3.75 *per cent* of the Gross State Domestic Product for 2016-17. The working PSUs incurred an aggregate loss of ₹ 235.23 crore as per their latest finalised accounts as of 30 September 2017. They had 20,693 employees ***(Appendix-3.1.2)*** as at the end of March 2017. As on 31 March 2017, working PSUs had paid up capital of ₹ 5,636.99 crore and the four non-working PSUs had paid up capital of ₹ 0.35 crore.

3.1.2 Accountability framework

The audit of Government companies is governed by Section 139 and 143 of the Companies Act, 2013 (Act). According to Section 2 (45) of the Act, a Government company means any company in which not less than 51 *per cent* of the paid up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary company of such a Government Company. Further, as per sub-Section 7 of Section 143 of the Act, in case of any company covered under sub-Section (5) or sub-Section (7) of Section 139, the Comptroller and Auditor General of India (CAG) may cause an audit to be conducted of the accounts of such Company, and Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 shall apply to such audit. The audit of the financial

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1 Non-working PSUs are those which have ceased to carry on their operations.

2 Kumtron Limited, Uttar Pradesh Hill Phones Limited, Uttar Pradesh Hill Quartz Limited and UPAI Limited (under liquidation since 31 March 1991).

3 Uttarakhand Parivahan Nigam, Uttarakhand Forest Development Corporation and Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam.

statements of a Company in respect of the financial years that commenced on or after 31 March 2014 shall be governed by the provisions of the Companies Act, 2013.

3.1.3 Statutory Audit

The financial statements of Government companies (as defined in Section 2 (45) of the Companies Act, 2013) are audited by statutory auditors, who are appointed by CAG under Section 139 (5) or (7) of the Act. The statutory auditors shall submit a copy of the Audit Report to the CAG which, among other things, includes the directions issued by the CAG, the action taken thereon and its impacts on the accounts. The financial statements are subject to supplementary audit by CAG within 60 days from the date of receipt of the Audit Report under Section 143 (6) of the Act.

Audit of statutory corporations is governed by their respective legislations. Out of the three statutory corporations, CAG is the sole auditor for the Uttarakhand Parivahan Nigam and the Uttarakhand Forest Development Corporation. In respect of Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam, the audit was entrusted to the CAG initially from 2003-04 to 2008-09 and then extended upto 2018-19 under Section 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

3.1.4 Role of Government and Legislature

The State Government exercises control over the affairs of these PSUs through its administrative departments. The Chief Executive and Directors to the Board are appointed by the Government.

The State Legislature monitors the accounting and utilisation of Government investment in the PSUs. For this purpose, the Annual Reports together with the Statutory Auditors' Reports and the comments of the CAG, in respect of State Government companies and Separate Audit Reports in case of statutory corporations, are to be placed before the State Legislature under Section 394 of the Act or as stipulated in the respective Acts. The Audit Reports of CAG are submitted to the Government under Section 19A of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

3.1.5 Stake of State Government in the Public Sector Undertakings

The State Government has substantial financial stake in these PSUs which is mainly of three types:

- **Share Capital and Loans**- In addition to Share Capital Contribution, State Government also provides financial assistance by way of loans to the PSUs from time to time.
- **Special Financial Support-** State Government provides budgetary support by way of grants and subsidies to the PSUs as and when required.
- **Guarantees-** State Government guarantees the repayment of loans with interest availed by the PSUs from financial institutions.

3.1.6 Investment in State PSUs

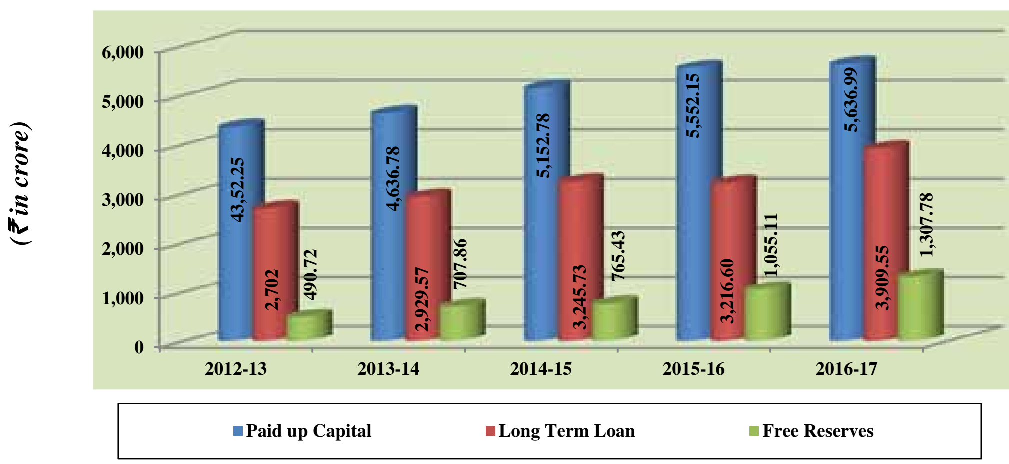
As on 31 March 2017, the Investment (paid up capital, free reserves and long-term loans) in all PSUs was ₹ 10,854.32 crore as per details given in **Table-3.1.2** below.

Table-3.1.2: Total Capital Employed in PSUs *(₹in crore)*

Type of PSUs	Government Companies				Statutory Corporations				Grand Total
	Paid up Capital	Long Term Loans	Free Reserves	Total	Paid up Capital	Long Term Loans	Free Reserves	Total	
Working PSUs	2,968.39	3,829.78	970.23	7,768.40	2,668.25	79.77	337.55	3,085.57	10,853.97
Non-working PSUs	0.35	-		0.35	-	-		-	0.35
Total	***2,968.74***	***3,829.78***	***970.23***	***7,768.75***	***2,668.25***	***79.77***	***337.55***	***3,085.57***	***10,854.32***

As on 31 March 2017, 99.99 *per cent* of the total Investment in State PSUs was in working PSUs and the remaining 0.01 *per cent* in non-working PSUs. The total Investment consisted of 51.95 *per cent* towards paid up capital, 12.05 *per cent* towards free reserves and 36 *per cent* in long-term loans. The Investment has grown by 49.70 *per cent* from ₹ 7,250.93 crore in 2012-13 to ₹ 10,854.32 crore in 2016-17 as shown in the **Graph-3.1.1** below.

Graph-3.1.1: Total Investment in PSUs



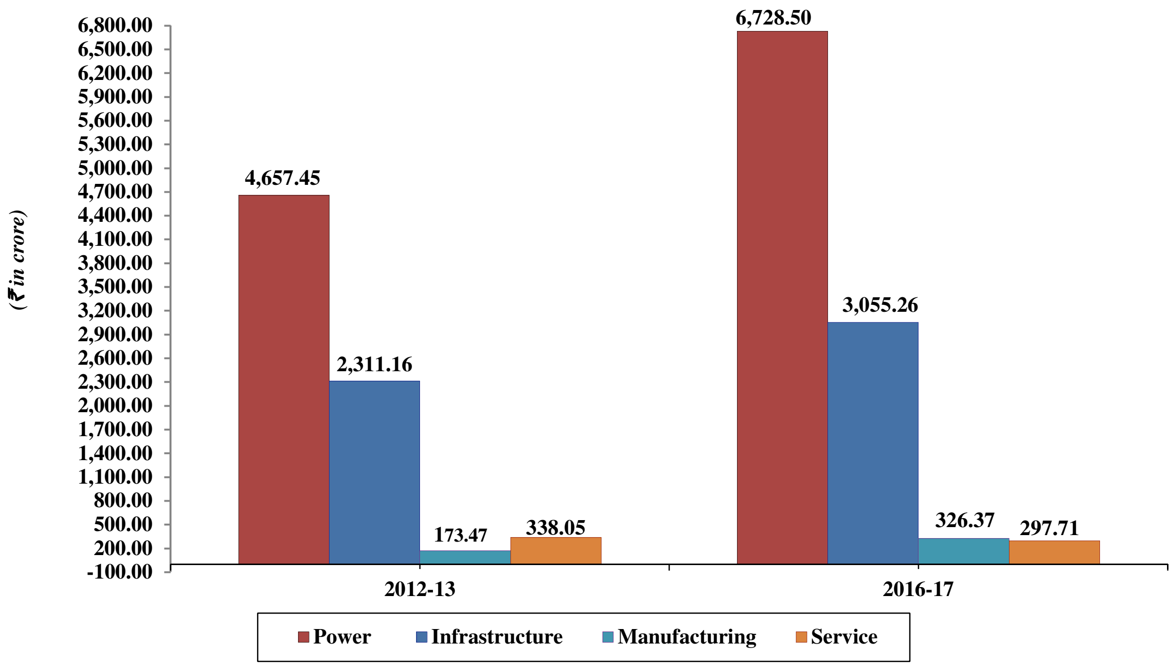
3.1.6.1 The sector wise summary of Investment in the PSUs as on 31 March 2017 is given in **Table-3.1.3** below.

Table-3.1.3:Sector-wise Investment in PSUs

Name of Sector	Government companies		Statutory corporations	Total no. of PSUs	Total Investment
	Working	Non-Working	Working		*(₹in crore)*
Power	3	-	-	3	6,728.50
Manufacturing	6	3	-	9	326.37
Finance	3	-	-	3	31.67
Miscellaneous	2	-	1	3	391.63
Service	2	-	1	3	297.71
Infrastructure	2	-	1	3	3,055.26
Agriculture & Allied	1	1	-	2	23.18
Total	***19***	***4***	***3***	***26***	***10,854.32***

The Investment in four significant sectors at the end of 31 March 2013 and 31 March 2017 is indicated in **Graph-3.1.2** below.

Graph-3.1.2: Sector wise Investment in PSUs



During the period 2012-13 to 2016-17, the highest growth in Investment was in the Manufacturing sector, ₹ 173.47 crore in 2012-13 to ₹ 326.37 crore (88.14 *per cent*) in 2016-17. The investment in power sector increased by ₹ 2,071.05 crore (44.47 *per cent*) while it increased in infrastructure sector from ₹ 2,311.16 crore in 2012-13 to ₹ 3,055.26 crore (32.19 *per cent*) in 2016-17. The Investment in Service sector decreased (11.93 *per cent*) from ₹ 338.05 crore in 2012-13 to ₹ 297.71 crore in 2016-17 due to repayment of loan by the Companies/Corporations.

3.1.7 Special support and returns during the year

The State Government provides financial support to PSUs in various forms through its annual budget. The summarised details of budgetary outgo towards share capital, loans, grants/subsidies, loans written off and interest waived in respect of State PSUs are given in **Table-3.1.4** below for three years ending 31 March 2017.

Table-3.1.4: Details regarding budgetary support to PSUs

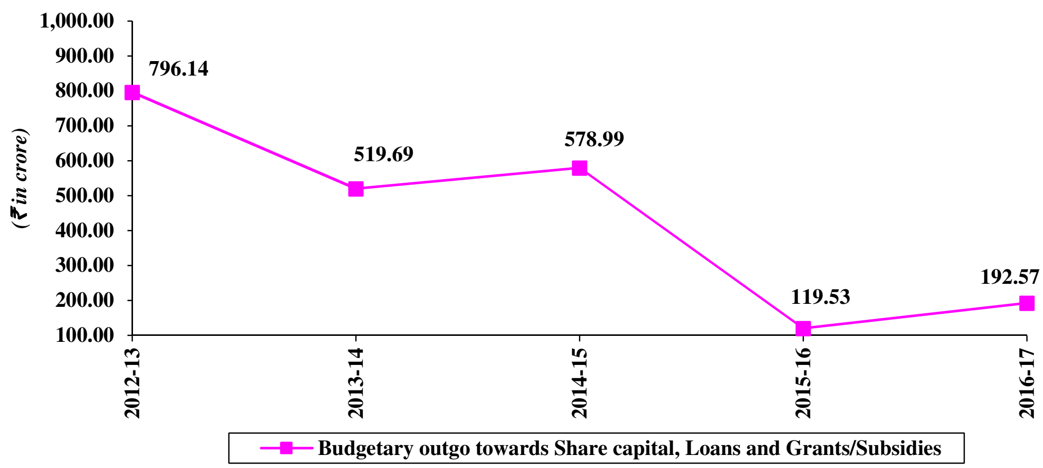
(₹ in crore)

Sl. No.	Particulars	2014-15		2015-16		2016-17	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Share Capital outgo from budget	4	171.96	4	57.76	3	93.50
2.	Loans given from budget	5	374.43	3	17.35	2	29.84
3.	Grants/Subsidy from budget	3	32.60	4	44.42	7	69.23
4.	**Total Outgo (1+2+3)**		**578.99**		**119.53**		**192.57**
5.	Waiver of loans and interest	-	-	-	-	-	-
6.	Guarantees issued	2	57.87	4	509.52	5	683.40
7.	Guarantee Commitment	4	1,471.97	4	852.55	3	2,245.31

Source: Information provided by the PSUs/Companies.

The details regarding budgetary outgo towards share capital, loans and grants/subsidies for the past five years are given in the **Graph-3.1.3** below.

Graph-3.1.3: Budgetary outgo towards Share capital, Loans and Grants/Subsidies



The budgetary outgo of the State Government towards share capital, loans and grants/subsidies had shown a fluctuating trend. It decreased from ₹ 796.14 crore in 2012-13 to ₹ 519.69 crore in 2013-14, ₹ 578.99 crore in 2014-15, ₹ 119.53 crore in 2015-16 and ₹ 192.57 crore in 2016-17.

The amount of Guarantee commitments as on 31 March 2015 was ₹ 1,471.97 crore (four PSUs) which decreased to ₹ 852.55 crore (three PSUs) as on 31 March 2016 and then increased to ₹ 2,245.31 crore as on 31 March 2017, due to the guarantee given by the State Government on Restructured Accelerated Power Development Reforms Programme (R-APDRP) loan to the Uttarakhand Power Corporation Limited. During the current year, loans aggregating ₹ 683.40 crore of five[4] PSUs were guaranteed by the State Government.

In order to enable PSUs to obtain financial assistance from banks and financial institutions, State Government provides guarantee and charges guarantee fee from zero *per cent*[5] to one *per cent*. Only one PSU, namely Uttarakhand Jal Vidyut Nigam Limited paid guarantee fee of ₹ 4.89 crore during 2016-17.

3.1.8 Reconciliation with Finance Accounts

The figures in respect of share capital, loans and guarantees outstanding as per the records of State PSUs should agree with the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of the differences. The position in this regard as at 31 March 2017 is given in **Table-3.1.5** below.

[4] Uttarakhand Power Corporation Limited (₹ 233.70 crore), Uttarakhand Jal Vidhyut Nigam Ltd (₹ 423.45 crore), Kichha Sugar Company Limited (₹ 6.25 crore), Uttarakhand Alpsankhyak Kalyan Tatha Waqf Vikas Nigam (₹ 5.00 crore) and Uttarakhand Bahudeshia Vitta Evam Vikas Nigam Limited (₹ 15.00 crore).

[5] Guarantee fee for Uttarakhand Bahudeshia Vitta Evam Vikas Nigam Limited is zero *per cent*.

Table-3.1.5: Share Capital, loans, guarantees outstanding as per the Finance Accounts *vis-à-vis* records of PSUs

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Share capital	3,123.73	3,205.11	81.38
Loans	494.45	626.17	131.72
Guarantees	988.83	2,245.31	1,256.48

There was a mismatch between figures furnished by the State PSUs and those depicted in the Finance Accounts. The concerned PSUs and the Finance Department were requested (October 2017) to take necessary action to reconcile the differences.

3.1.9 Arrears in finalisation of accounts

3.1.9.1 The financial statements for every financial year are required to be finalised by the companies within six months from the end of the relevant financial year *i.e.* by 30 September in accordance with Section 96 (1) of the Companies Act, 2013. Failure to do so may attract penal provisions under Section 99 of the Act. In case of Statutory corporations, their accounts are finalised, audited and presented to the State Legislature as per the provisions of their respective Acts.

The details of progress made by working PSUs in finalisation of accounts as of 30 September 2017 are given in **Table-3.1.6** below.

Table-3.1.6: Position relating to finalisation of accounts of working PSUs

Sl. No.	Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
1.	Number of Working PSUs/Other Companies	20	21	21	21	22
2.	Number of accounts finalised during the year	10	23	16	16	42
3.	Number of accounts in arrears	150	148	153	158	138
4.	Number of Working PSUs with arrears in accounts	20	20	20	18	19
5.	Extent of arrears (numbers in years)	1 to 26 years	1 to 27 years	1 to 28 years	1 to 29 years	1 to 30 years

The administrative departments have the responsibility of overseeing the activities of these entities and to ensure that the accounts are finalised and adopted by these PSUs within the stipulated period. The concerned Departments were regularly updated on the status of the arrears. In addition, the Accountant General also took up the matter with the Chief Secretary and the Secretary (Finance), Government of Uttarakhand in July 2016, August 2017 and October 2017 for liquidating the arrears of accounts. However, no significant improvement has been noticed. As a result, the net worth of those PSUs whose accounts were in arrear could not be assessed in audit (December 2017).

3.1.9.2 The State Government had invested (share capital, loans and grants) ₹ 127.06 crore in six PSUs for which accounts have not been finalised as detailed in ***Appendix-3.1.1***. In the absence of finalisation of accounts and their audit, it could not be ensured whether the investments made and expenditure incurred have been properly accounted for and whether the purpose for which the amount was invested had been achieved.

3.1.9.3 As on 30 September 2017, there were also arrears in finalisation of accounts by non-working PSUs as depicted in **Table-3.1.7** below.

Table-3.1.7: Position relating to arrears of accounts in respect of non-working PSUs

Name of non-working companies	Period for which accounts were in arrears	No. of years for which accounts were in arrears
UPAI Limited	Since 1989-90	28
Kumtron limited	Since 1990-91	27
Uttar Pradesh Hill Phones Limited	Since Formation (1987-88)	30
Uttar Pradesh Hill Quartz Limited	Since Formation (1989-90)	28

Out of four non-working PSUs, one PSU namely UPAI Limited was in the process of liquidation since 31 March 1991 and the remaining three non-working PSUs[6] had arrears of accounts for 27 to 30 years.

3.1.9.4 In respect of Statutory Corporations, the Uttarakhand Parivahan Nigam, Uttarakhand Forest Development Corporation and Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam have finalised their accounts upto 2015-16.

3.1.10 Placement of Separate Audit Reports

The status of placement of Separate Audit Reports (SARs), issued by the CAG (up to 30 September 2017) on the accounts of Statutory corporations, in the State Legislature is given in **Table-3.1.8** below:

Table-3.1.8: Status of placement of SARs in Legislature

Sl. No.	Name of statutory corporation	Year up to which SARs placed in Legislature	Year for which SARs not placed in Legislature	
			Year of SAR	Present Status
1.	*Uttarakhand Parivahan Nigam*	2009-10	2010-11 to 2014-15	Not yet placed
2.	*Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam*	2013-14	-	-
3.	*Uttarakhand Forest Development Corporation*	2009-10 & 2010-11	2011-12 to 2015-16	Not yet placed

The concerned administrative departments were also informed in (December 2016 and October 2017) of the arrears in finalisation of accounts. However, no remedial measures were taken. As a result, the net worth of these PSUs could not be assessed in audit.

3.1.11 Impact of non-finalisation of accounts

Delay in finalisation of accounts raises the risk of fraud and leakage of public money apart from violation of the provisions of the relevant statutes. In view of the arrears of accounts, the actual contribution of the PSUs to the GSDP for the year 2016-17 could not be ascertained.

3.1.12 Performance of PSUs as per their latest finalised accounts

3.1.12.1 The financial position and working results of working Government companies and statutory corporations are detailed in ***Appendix-3.1.2.*** The ratio of PSU turnover to Gross State Domestic Product (GSDP) shows the contribution of PSUs in the State economy. The details of working PSUs turnover and GSDP for a period of five years ending 31 March 2017 are given in **Table-3.1.9** below.

Table-3.1.9: Details of working PSUs turnover *vis-à-vis* GSDP

(₹in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Turnover[7]	4,042.00	5,103.24	5,741.42	7,173.33	7,323.64
GSDP[8]	1,31,835	1,49,817	1,61,985	1,84,091	1,95,192
Percentage of Turnover to GSDP	*3.07*	*3.41*	*3.54*	*3.90*	*3.75*

6 Kumtron limited, Uttar Pradesh Hill Phones Limited and Uttar Pradesh Hill Quartz Limited.

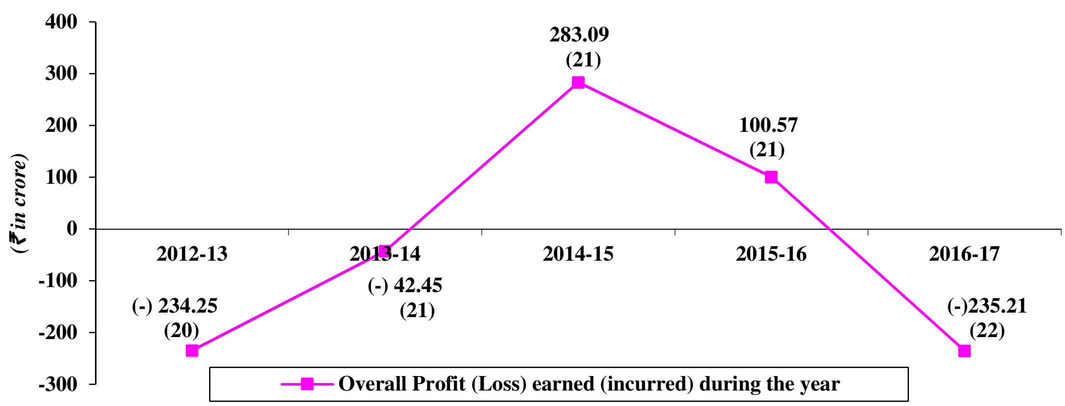
7 Turnover as per the latest finalised accounts as of 30 September 2017.

8 GSDP figures taken from the Report on State Finance for the year ended March 2017.

During the last five years, the turnover of working PSUs increased from ₹ 4,042.00 crore in 2012-13 to ₹ 7,323.64 crore in 2016-17 and its percentage to the GSDP also increased from 3.07 *per cent* in 2012-13 to 3.75 *per cent* in 2016-17.

3.1.12.2 Overall profits earned and losses incurred by working State PSUs during 2012-13 to 2016-17 are given in **Graph-3.1.4** below.

Graph-3.1.4: Profit/(-) Loss of working PSUs



(Figures in brackets show the number of working PSUs in respective years)

During the year 2016-17, out of 22 working PSUs, nine PSUs earned a profit of ₹ 211.41 crore and 13 PSUs incurred a loss of ₹ 446.62 crore. The contributors to profit were Uttarakhand Jal Vidyut Nigam Limited (₹ 74.59 crore), State Industrial Development Corporation of Uttarakhand Limited (₹ 50.88 crore) and Power Transmission Corporation of Uttarakhand Limited (₹ 39.17 crore). Losses were incurred by Uttarakhand Power Corporation Limited (₹ 288.78 crore), Doiwala Sugar Company Limited (₹ 36.04 crore), and Uttarakhand Parivahan Nigam (₹ 34.94 crore).

3.1.12.3 Some other key parameters of PSUs are given in **Table-3.1.10** below.

Table-3.1.10: Key Parameters of State PSUs (***₹ in crore***)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Return on Equity[9] (*per cent*)[$]	0.07	10.87	(-)11.17	3.51	(-)6.94
Return on Investment[10] (*per cent*)[$]	8.37	3.41	5.42	10.61	5.92
Debt	2,702.00	2,929.57	3,245.73	3,216.60	3,909.55
Turnover[$]	4,042.00	5,103.24	5,741.42	7,173.33	7,323.64
Debt/Turnover Ratio	0.67:1	0.57:1	0.57:1	0.45:1	0.53:1
Interest Payments	276.93	281.65	358.33	391.13	428.73
Accumulated Profits/Losses	(-)2,081.42	(-)2,034.59	(-)1,883.90	(-)1,948.47	(-)2,510.27

([$] Figures pertain to working PSUs only as per latest finalised accounts as of 30 September of the respective years).

3.1.12.4 The State Government had not formulated any dividend policy under which PSUs would be required to pay a minimum return on the paid up share capital contributed

9 Return on Equity = Net Profit after tax minus preference dividend/Shareholders funds where shareholders' funds = Paid up capital + Free Reserves and Surplus-Accumulated Loss-Deferred Revenue Expenditure.

10 Return on Investment = Net Profit before dividend, tax and Interest/Investment where Investment = Paid up capital + Free Reserves + Long term loans.

by the State Government. During the year 2016-17, one PSU, Uttarakhand Jal Vidyut Nigam Limited paid dividend amounting to ₹ 12.21 crore against the profit of ₹ 181.90 crore for previous year 2015-16.

3.1.13 Winding up of non-working PSUs

3.1.13.1 There were four non-working PSUs/companies as on 31 March 2017. Of these, one PSUs liquidation process, namely, UPAI Limited commenced on 31 March 1991. The number of non-working PSUs/companies at the end of each year during past five years has remained at four.

3.1.13.2 The stages of closure in respect of non-working PSUs are given in **Table-3.1.11** below.

Table-3.1.11: Closure of non-working PSUs

Sl. No.	Particulars	Companies	Statutory Corporations	Total
1.	Total No. of non-working PSUs	04	-	04
2.	Of (1) above, the No. under	-	-	-
(a)	liquidation by Court (liquidator appointed)	01	-	01
(b)	Voluntary winding up (liquidator appointed)	-	-	-
(c)	Closure, *i.e.* closing orders/instructions issued but liquidation process not yet started.	03	-	03

During the year 2016-17, no company/corporation was finally wound up. The only company *i.e.* UPAI Limited which had taken the route of winding up by Court order is under liquidation for more than 25 years. The Government may take a decision regarding commencement of liquidation process in respect of other three non-working PSUs.

3.1.14 Accounts Comments

Thirteen working companies forwarded 34 audited accounts to the Accountant General during the year 2016-17. Of these, 33 accounts of 12 companies were selected for supplementary audit. The details of aggregate money value of comments of CAG and statutory auditors are given in **Table-3.1.12** below.

Table-3.1.12: Impact of audit comments on working Companies (*₹in crore*)

Sl. No.	Particulars	2014-15		2015-16		2016-17	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	5	22.94	7	34.73	11	55.14
2.	Increase in loss	2	0.76	5	192.62	20	189.51
3.	***Total***		***23.70***		***227.35***		***244.65***
4.	Non-disclosure of material facts	2	72.39	1	0.31	16	5.25
5.	Errors of classification	3	290.27	10	172.29	15	199.83

As a result of the accounts comments, there would be an overall decrease in profit/ increase in loss in 12 PSUs by ₹ 244.65 crore during the year 2016-17.

During the year, the statutory auditors had given qualified certificates for 15 accounts and adverse certificates for 19 accounts[11]. CAG gave qualified reports containing comments for 33 accounts during the supplementary audit and Non Review Certificate was issued in respect of one company[12]. The compliance of the Companies with the accounting

[11] State Infrastructure and Industrial Development Corporation of Uttarakhand Limited (2013-14), Uttar Pradesh Hill Electronics Corporation Limited (1998-99 to 2013-14) and Garhwal Mandal Vikas Nigam Limited (2006-07 & 2007-08).

[12] Bridge, Ropeway, Tunnel and other Infrastructure Development Corporation of Uttarakhand Limited earlier known as Uttarakhand State Infrastructure Development Corporation Limited.

standards remained poor. There were 123 instances of non-compliance in 20 accounts during the year.

Similarly, three working statutory corporations *viz.* Uttarakhand Parivahan Nigam, Uttarakhand Peyjal Sansadhan Evam Vikas Nirman Nigam and Uttarakhand Forest Development Corporation forwarded their eight accounts pertaining to the years 2011-12 to 2015-16 to the Accountant General between October 2016 and September 2017. These accounts pertained to sole audit by CAG which was completed. The details of aggregate money value of comments of CAG and statutory auditors are given in **Table-3.1.13** below.

Table-3.1.13: Impact of audit comments on Statutory Corporations

Sl. No.	Particulars	2014-15		2015-16		2016-17	
		No. of accounts	Amount (*₹ in crore*)	No. of accounts	Amount (*₹ in crore*)	No. of accounts	Amount (*₹ in crore*)
1.	Decrease in profit	2	49.49	-	-	5	165.34
2.	Increase in loss	6	87.40	2	12.66	3	48.33
3.	Non-disclosure of material facts	-	-	2	11.73	4	38.49
4.	Errors of classification	2	0.88	-	-	4	145.97

The impact of comments which was ₹ 137.77 crore in 2014-15, decreased to ₹ 24.39 crore in 2015-16 and increased to ₹ 398.13 crore in 2016-17.

3.1.15 Response of the Government to Audit

Paragraphs pertaining to the PSUs

For the Report of the Comptroller and Auditor General of India for the year ended 31 March 2017, six compliance audit paragraphs including one Theme Based Compliance Audit[13] were issued to the Principal Secretaries of the respective Departments with a request to furnish replies within six weeks. However, replies in respect of five audit paragraphs[14] were awaited from the State Government (December 2017).

3.1.16 Follow up action on Audit Reports

The Reports of the Comptroller and Auditor General of India (CAG) represent the culmination of the process of statutory audit. It is, therefore, necessary that they elicit appropriate and timely response from the executive. All Administrative Departments are required to submit replies/explanatory notes to paragraphs/performance audits included in the Audit Reports of the CAG within a period of three months of their presentation to the Legislature, in the prescribed format, without waiting for the report to be discussed by the Committee on Public Undertaking (COPU). The status of receipt of explanatory notes is given in **Table-3.1.14** below.

Table-3.1.14: Explanatory notes not received as on 30 September 2017

Year of the Audit Report (Commercial/PSU)	Date of placement of Audit Report in the State Legislature	Total Performance audits (PAs) and Paragraphs in the Audit Report		Number of PAs/Paragraphs for which explanatory notes were not received	
		PAs	Paragraphs	PAs	Paragraphs
2010-11	December 2012	01	04	01	04
2011-12	September 2013	01	02	01	02
2012-13	November 2014	01	02	01	02
2013-14	November 2015	-	06	-	06
2014-15	November 2016	-	06	-	06
2015-16	May 2017	-	02	-	02
Total		***03***	***22***	***03***	***22***

[13] Bill Generation and Revenue Collection by UPCL.

[14] In case of remaining one paragraph recovery of ₹ 21.25 lakh was effected (2017-18) by the Company.

3.1.17 Discussion of Audit Reports by Committee on Public Undertakings

The status as on 30 September 2017 of performance audits and paragraphs that appeared in Audit Reports (PSUs) and were discussed by the COPU is depicted in **Table-3.1.15** below.

Table-3.1.15: Performance Audits/paragraphs that appeared in Audit Reports *vis-à-vis* discussed as on 30 September 2017

Period of Audit Report	Number of Performance Audits/paragraphs			
	Appeared in Audit Report		Paragraphs discussed	
	PAs	Paragraphs	PAs	Paragraphs
2010-11	01	04	01	02
2011-12	01	02	01	-
2012-13	01	02	01	01
2013-14	-	06	-	-
2014-15	-	06	-	-
2015-16	-	02	-	-
Total	***03***	***22***	***03***	***03***

3.1.18 Compliance to Reports of Committee on Public Undertakings

Action Taken Notes (ATN) to 17 paragraphs pertaining to six Reports of the COPU presented to the State Legislature between March 2011 and March 2017 had not been received (December 2017) as given in **Table-3.1.16** below.

Table-3.1.16: Compliance to COPU Reports

Year in which the COPU meeting held	No. of meetings held	Total number of COPU Reports	Total no. of recommendations in COPU Report	No. of recommendations where ATNs not received
2014-15	05	02	07	No ATNs were received.
2015-16	06	02	08	
2016-17	01	02	02	
2017-18	No meeting was held			
Total	***12***	***06***	***17***	

It is recommended that the Government may ensure: (a) sending of replies to draft paragraphs/performance audits and ATNs on the recommendations of COPU as per the prescribed time schedule and (b) revamping of the system of responding to audit observations to ensure timely response.

3.1.19 Recoveries at the instance of audit

Audit findings involving recoveries that came to notice in the course of test-audit of accounts of the PSUs were referred to the PSUs/State Government through Audit Inspections Reports for further investigation. In case of recovery, the same was required to be intimated to Audit. As a result, recovery of ₹ 0.67 crore on account of non-deduction of work contract tax was made by the Uttarakhand Power Corporation Limited during the year 2016-17.

3.1.20 Disinvestment, Restructuring and Privatisation of PSUs

During the year 2016-17, there was no case of privatisation of Government Companies and Statutory Corporations. The State Government has not prepared any policy on disinvestment of Government equity invested in the State PSUs.

3.1.21 Coverage of this Chapter (PSUs Chapter)

The PSUs Chapter contains five paragraphs[15] including one Theme Based Compliance Audit[16] with financial implication of ₹ 368.91 crore.

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15 In case of one paragraph recovery of ₹ 21.25 lakh was effected (2017-18) by the Company.

16 Bill Generation and Revenue Collection by UPCL.

COMPLIANCE AUDIT

UTTARAKHAND FOREST DEVELOPMENT CORPORATION

3.2 Award of work without verifying credentials of agency

Corporation could not obtain Forest Stewardship certification after incurring an expenditure of ₹22.29 lakh.

With a view to create brand value and enhance revenue earning potential of produce from its forests, the Uttarakhand Forest Development Corporation (Corporation) planned (April 2010) to get Forest Management Certification under the Forest Stewardship Council (FSC) for timber rich areas of Dehradun, Kalsi, Ramnagar and Haldwani .

The Corporation approved[17] the proposal for FSC certification, which projected increase in revenue of the Corporation from ₹ 203.16 crore to ₹ 242.38 crore (increase of 19.31 *per cent*), post obtaining FSC certification. In pursuance of this objective, the Corporation entered into an agreement (20 June 2012) with an agency[18] for providing consultancy and conducting certification, at a contract value of ₹ 52.89 lakh.

The Corporation released (December 2012) ₹ 14.86 lakh as first installment of the consultancy and certification contract. The matter was *suo-motu* considered by the Quality Council of India[19] (QCI) which intimated (April 2013) the Corporation that the same body should not be entrusted with the task of providing consultancy and certification due to inherent conflict of interest. The Corporation ignored the suggestion of QCI and released further ₹ 7.43 lakh (July 2013) to the Agency. The Corporation approached (February 2014) the FSC, to ascertain the status of accreditation of the Agency, who informed (February 2014) that the Agency was a sub-contractor of Scientific Certification System (SCS) (an accredited body) and was not directly accredited to the FSC. This implies that the agency was not competent to issue forest stewardship certificate.

Audit observed (February 2016) that the Corporation failed to verify the credentials and status of accreditation of the Agency with the FSC prior to award of work. Since, the Agency was not a directly accredited body, the payment of ₹ 22.29 lakh[20] was rendered unfruitful and the Corporation could not avail the benefits envisaged in the proposal.

On this being pointed out, the Management accepted (April and August 2017) the observation and stated that the work of FSC accreditation was carried out for the first time by the Corporation and attributed this irregularity to lack of experience. It was

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[17] In its 38th Board meeting held in December 2011.

[18] Green Initiatives Certification & Inspection Agency.

[19] An Autonomous Body set up by the Government of India to establish and operate national accreditation structure and promote quality.

[20] ₹ 14.86 lakh + ₹ 7.43 lakh.

further intimated that the process for cancellation of the agreement was underway. The Corporation had also issued (March 2016) orders to follow standards and directions of Quality Council of India while inviting and accepting tenders in future, to prevent recurrence of such irregularities.

The matter was referred to Government (April 2017); Reply was awaited (December 2017).

3.3 Irregular contribution of Employees Provident Fund

Corporation incurred an extra expenditure of ₹18.79 lakh by compensating employees for their mandatory EPF contribution of 12 per cent which was to be borne by the employees as per the Act.

As per the Employees' Provident Fund Act, 1952 (Act), it is mandatory for the employers to deduct 12 *per cent* from the wages drawn[21] by labourers as Employees' Provident Fund (EPF) contribution and deposit the same with the Employees' Provident Fund Organization (EPFO) along with the employer's share of contribution.

In order to carry out its day to day activities related to cutting, loading, and unloading of timber, the Corporation engages labour departmentally, who are entitled to benefits of provident fund in terms of the Act, *ibid*.

Audit observed (February 2017) that since inception (2001), the Corporation had neither been recovering the employees' share of contribution from the actual wages paid to the labourers engaged departmentally nor depositing its own share towards EPF.

The Corporation decided (December 2014) to bear the EPF contribution amount of all labourers (12 *per cent)* on its own account and book the same as Labour Welfare Expenses, to ensure that EPF deduction was made in respect of all departmentally engaged labourers.

The Corporation, therefore, ended up bearing both the employer's as well as the employees' shares of provident fund. This resulted in an extra expenditure of ₹ 18.79 lakh[22] on account of employees' share of EPF that was borne by the Corporation during the period December 2014 to February 2015.

The Corporation accepted (April 2017) the audit observation and stated that it had issued an office order (31 March 2017) to discontinue the compensation of employees' share of EPF with effect from 1 April 2017. However, the fact remains that the Corporation had already borne an extra expenditure of ₹ 18.79 lakh on account of payment of employees' share of EPF which was not recoverable.

The matter was referred to the Government (April 2017); Reply was awaited (December 2017).

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[21] Upto a maximum of ₹ 15,000 per month. For workers drawing wages more than ₹ 15,000 per month the scheme was optional.

[22] ₹ 6.74 lakh (December 2014) + ₹ 4.83 lakh (January 2015) + ₹ 7.22 lakh (February 2015).

UTTARAKHAND JAL VIDYUT NIGAM LIMITED

3.4 Cost overrun due to delay in completion of project within the scheduled time frame

Uttarakhand Jal Vidyut Nigam Limited failed to execute the project in a planned manner resulting in cost overrun of ₹38.10 crore which could not be reckoned by the UERC towards fixation of tariff as it was attributed to controllable factors. The Nigam also had to forgo an additional component of project cost of ₹34.53 crore further reducing its claim for tariff determination.

One of the main functions of project management is to forecast and track costs to avoid cost overruns. Project management should concretely focus on timely completion of the project as any delay in the same can lead to increased costs. Further, in case of cost overruns, the controllable expenditure claims are not reckoned towards tariff determination as per Clauses 14 and 15 of the Uttarakhand Electricity Regulatory Commission (UERC), (Terms and Conditions for determination of tariff) Regulation, 2011.

Audit observed (February 2017) that the Uttarakhand Jal Vidyut Nigam Limited (Nigam) took over (November 2001) the proposed hydro project of Maneri Bhali - II (Project) from the Government of Uttar Pradesh and Uttar Pradesh State Electricity Board (UPSEB)[23]. The Nigam signed supplementary agreements[24] with the original contractors in July 2002. Audit noticed that the project execution suffered delays (***Appendix-3.4.1)*** ranging from 25 months to 30.5 months. As a result, the project could not be completed by the scheduled date (January 2006). It was eventually commissioned in March 2008. Scrutiny of project documents revealed that there was an avoidable delay in grouting work of Head Race Tunnel (HRT) and other non-critical construction activities. Audit also noticed that the Nigam did not deploy adequate resources (additional dumpers) required in the construction of the Head Race Tunnel from Dharasu Adit (12-16 kms). There were delays in construction of the control room and switchyard. Bharat Heavy Electricals Limited (BHEL), a major contractor, could not start its part of the work due to delay of 25 months in civil works. Audit observed that the Nigam did not face fund shortage at any point of time nor did it face any problems in respect of acquisition of land or resistance from the public. The delays were, therefore, attributable to poor planning and slow execution of work by the Nigam. After commissioning of the project, during 2007-08 to 2013-14, UERC provided provisional tariff to the Nigam. The Nigam approached (November 2014) the Uttarakhand Electricity Regulatory Commission

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[23] The original estimate of the project was ₹ 43.33 crore and was approved by Central Water and Power Commission (CWPC) in 1972. It was revised to ₹ 45.71 crore in 1973. By 1993, an expenditure of ₹ 153 crore had been incurred on the project. A revised estimate of ₹ 1,249.18 crore was approved by Central Electricity Authority (CEA) on 21.02.2000. The same was funded by Power Finance Corporation at a cost of ₹ 1,714.41 crore.

[24] Erstwhile UPSEB awarded the contract before creation of Uttarakhand State (November 2000) and UJVNL signed supplementary agreement with the same contractor in July 2002.

(UERC) for the true up[25] of previous period and final tariff determination. The Commission approved (April 2015) project cost of ₹ 1,889.22 crore only against ₹ 1,958.13 crore claimed by the Nigam treating the delay of last six months as avoidable and controllable as detailed in ***Appendix-3.4.2***. The Nigam filed a review petition (No. 58 of 2015) before the UERC against this award which was turned down (January 2016). The Nigam, subsequently, reduced its claim from ₹ 1,958.13 crore to ₹ 1,923.60 crore[26] forgoing claim of ₹ 34.53 crore. The UERC finally approved ₹ 1,885.50 crore[27] as project cost towards tariff determination.

The Management accepted the facts and stated (March 2017) that the UERC had approved only ₹ 1,885.50 crore out of the claimed amount of ₹ 1,923.60 crore and that they were regularly taking up the issue with the UERC. However, the fact remains that the Nigam had failed to complete the project as per schedule despite availability of funds and with no other recorded hurdles in project execution as ascertained from scrutiny of documents. Further, it also had to bear on its own account, cost overrun of ₹ 38.10 crore[28] which could not be reckoned towards fixation of tariff as it was attributed to controllable factors. The Nigam also had to forgo an additional component of project cost of ₹ 34.53 crore further reducing its claim for tariff determination.

The matter was referred to the Government (August 2017); Reply was awaited (December 2017).

3.5 Loss due to failure to take an appropriate insurance policy

Uttarakhand Jal Vidyut Nigam Limited could not claim loss of ₹ 2.18 crore as it failed to take Industrial All Risk Policy.

As a prudent business practice, the Uttarakhand Jal Vidyut Nigam Limited (Nigam) takes Industrial All Risk (IAR) policy for its commissioned projects. Such a policy covers loss of an asset as well as indemnifies loss of revenue due to consequent reduction in the turnover of the project for a maximum period of six months. Kaliganga-I (4 MW) Small Hydro Project (SHP) of the Nigam was commissioned in July 2012 and commenced its commercial operation from September 2012. However, major project structures were damaged/washed away in June 2013 due to a natural calamity resulting in cessation of power generation.

Audit revealed (February 2017) that instead of taking an IAR policy for the SHP after its commissioning in July 2012, as is the usual practice, M/s SCL-BFL Joint Venture (the Contractor[29]) and the Nigam took a Standard Fire and Special Perils policy (for the period from 31.08.2012 to 30.08.2013) for the project. This policy did not indemnify loss of revenue

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25 True up of tariff means refixing of the provisional tariff on the basis of revised expenditure/investment figures. The impact of the true-up is reflected in the current year tariff.

26 Items of Reduced claim: ₹ 18.81 crore as penalty on late payment of guarantee fee, ₹ 12 crore paid as guarantee fee after date of commissioning and ₹ 3.72 crore wrongly included as R & M (Repair & Maintenance) expenses = ₹ 34.53 crore.

27 ₹ 1,889.22 crore - ₹ 3.72 crore wrongly included as R&M expenses = ₹ 1,885.50 crore.

28 ₹ 1,923.60 crore - ₹ 1,885.50 crore = ₹ 38.10 crore [₹ 30.16 crore {Interest during Construction (IDC)} + ₹ 7.94 crore {Price Variation (PV)}].

29 Responsible for operation and maintenance of the SHP for one year after commissioning.

due to cessation of power generation. The project was severely affected in the natural calamity in June 2013 resulting in total loss of generation of power. During its period of operation from July 2012 to June 2013, the project had generated a total of 11.60 MUs with an average monthly generation of 0.966 MUs. However, upon damage to the SHP, the Nigam could not claim revenue loss of ₹ 2.18 crore[30] from the insurance company as the existing policy did not indemnify loss of power generation.

The Management stated (March 2017) that an insurance policy was taken by the contractor which was valid for a period of one year of operation and maintenance. So it was not appropriate to take two different policies as insurance premium would have increased for the same property/project. Further, the loss of generation was due to stoppage of project operation due to silt etc. which is an exclusion in the IAR policy as well.

Reply of the Management is not acceptable. The project was badly damaged due to a natural disaster as per the report of the Nigam team that visited (September 2013) the site of the SHP. The report states that the power house, the control room, the switch yard, the approach road and the office building were completely washed away due to flash flood and landslides, which indicates that the generation loss in the SHP was not due to silt alone as stated by the Management. Further, the Nigam had departed from its practice of taking an IAR Policy and instead settled for a Standard Fire and Special Perils policy after commissioning of the said SHP in July 2012.

Thus, failure to take an Industrial All Risk Policy disregarding its own standard practice deprived the Nigam of claiming revenue loss of ₹ 2.18 crore from the insurance company consequent upon loss of the SHP and the power generated by it.

The matter was referred to the Government (May 2017); Reply was awaited (December 2017).

UTTARAKHAND POWER CORPORATION LIMITED

3.6 Bill Generation and Revenue collection by Uttarakhand Power Corporation Limited

UERC levied a penalty on UPCL amounting to ₹6.52 crore due to its failure to release new connections in time. The distribution loss of UPCL was ₹240.91 crore in six divisions. The Vigilance team of UPCL carried out checks only to the extent of 0.18 per cent to 0.54 per cent of consumers in 14 divisions. Additional security amounting to ₹58.60 crore, initial security amounting to ₹2.87 crore and delayed payment surcharge amounting to ₹132.58 crore could not be recovered by UPCL.

3.6.1 Introduction

Uttarakhand Power Corporation Limited (UPCL) incorporated on 12 February 2001 under the Companies Act, 1956, is the state power distribution utility. It supplies power to over 1.89 million consumers of the State.

[30] 0.966 MUs (9,66,787.50 Units) x 6 months x at the rate of ₹ 3.75 per unit = ₹ 2.18 crore. It is the practice of the Nigam to take insurance policy covering generation loss for period of six months. Therefore, loss has been calculated for a period of six months.

UPCL has categorised its consumers, based on their domestic, non-domestic, agricultural and industrial loads, into nine categories. The billing data of the consumers of UPCL are maintained on two different platforms relating to Key Consumer Cell (KCC)[31] and non-KCC. The non-KCC[32] platform caters to 18.66 lakh consumers whereas 23,000 consumers are billed using KCC platform.

3.6.2 Billing and Revenue collection process of UPCL

UPCL purchases power from the power generators and distributes the same to the end consumers, through its 36 distribution divisions. These divisions raise electricity bills on the consumers, as per their jurisdiction. Consumers can deposit their electricity bills in any division or through online payment process. The amounts, thus collected, are transmitted to central accounts of UPCL.

3.6.3 Scope and methodology of audit

For analysing bill generation and revenue collection activities of UPCL, audit selected 14 distribution divisions[33] out of 36 distribution divisions, on the basis of weighted stratified sampling[34] and the data sets received were analysed[35] using data analytics.

Thereafter, the records pertaining to consumers were reviewed, during June to August 2017 covering the period from 2014-15 to 2016-17.

Audit Findings

3.6.4 Release of connections

Uttarakhand Electricity Regulatory Commission (UERC) (Release of new LT connections, Enhancement and reduction of loads) Regulation, 2013 provide that the licencee *i.e.*, UPCL shall be under obligation to energise the connection through a correct meter, within 30 days from the date of application for connection. Further, the distribution divisions and test-divisions of UPCL are jointly responsible for release of new connections in time.

3.6.4.1 Delay in release of new connections

The *ibid* Regulations, 2013 provide that if the licensee fails to provide connection to an applicant within specified period it shall be liable to pay penalty at the rate of ₹ 10 per ₹ 1,000 (or part thereof) of the amount deposited by the applicant subject to a maximum of ₹ 1,000 for each day of default.

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31 For consumers with sanctioned load of 5 KW or above.

32 For consumers with load below 5 KW.

33 Rudrapur, Sitarganj, Haldwani Urban, Haldwani Rural, Tehri, Dehradun Rural, Dehradun South, Roorkee Urban, Roorkee Rural, Haridwar Urban, Haridwar Rural, Kotdwar, Kashipur and Bazpur.

34 Weighted stratified sampling was done by assigning weights based on criticality of various risk parameters like arrear, defects in meter, realisation gap, commercial and industrial consumer, connected load, total number of consumers.

35 As on March 2017, the number of consumers in 14 sampled divisions was 10,39,127, which is 54.98 *per cent* of the total consumers of UPCL. The revenue of the sampled divisions was ₹ 4,230.01 crore against the total revenue of ₹ 5,572.89 crore which is 75.90 *per cent* of the total revenue of UPCL.

Scrutiny of the records revealed that in seven divisions[36], 6,337 connections were released after the due date of release of connection during 2014-15 to 2016-17. This delay resulted in accumulation of penalty of ₹ 2.72 crore on UPCL in respect of these divisions (***Appendix-3.6.1***). UERC levied (January 2016) a penalty of ₹ 6.52 crore on UPCL because of failure to comply with the above regulation. The UPCL paid penalty of ₹ 0.65 crore. It was also noticed that one of the divisions[37] failed to provide connections to essential services[38] for more than five years and residents of the area were deprived from availing the benefit of Government welfare measures.

3.6.4.2 Non-compliance with UERC load regulation

UERC (Release of HT and EHT connections, Enhancement and Reduction of Load) Regulation, 2008 provides that industrial connection above 88 KVA should be released on 11 KV line and all steel/furnace consumers shall be sanctioned load at 33 KV or above and through independent feeder only. In this regard, it was noticed that:

- In two divisions[39] of UPCL, the connections of steel consumers[40] were released on 11 KV Line instead of 33 KV line independent feeder.
- In Dehradun (Rural) division, the load of a consumer[41] was enhanced from 40 KVA to 175 KVA but the connection was released on 0.4 KV Line instead of 11 KV line. Similarly, in Haridwar (Urban), a connection was released to a consumer[42] on 0.4 KV Line with a contracted load of 119 KV instead of 11 KV line.

This resulted in violation of UERC Regulation as well as loss to the UPCL in form of centage charges at the rate of 18 *per cent* of the construction cost which was recoverable from the consumers. Further, the new lines which could have been developed at the cost of consumers would have also augmented the distribution network of UPCL.

3.6.5 Loss of energy in distribution

3.6.5.1 A substantial amount of energy is lost by way of distribution losses. The distribution losses should not exceed the norms[43] fixed by the UERC.

The details in respect of input energy received, energy billed/sold, energy not billed and billing efficiency of UPCL during 2014-15 to 2016-17 are given in **Table-3.6.1** below:

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36 Haldwani (Rural), Kashipur, Rudrapur, Tehri, Haridwar Urban, Haridwar Rural and Rural Dehradun.
37 New Tehri.
38 Havel Ghati Pumping Peyjal Yojana (load 810 KW) pending from March 2012 and Ghantakaran Peyjal Yojana (load 1,493 KW) is pending from March 2015.
39 Sitarganj and Haldwani (Rural).
40 M/s Kumaon Ispaat Udyog limited and M/s Pal Alloy and Steel Casting Pvt. Ltd.
41 M/s Samiksha Industries.
42 M/s Gurukul Pharmacy.
43 15.5 *per cent* in 2014-15, 15.0 *per cent* in 2015-16 and 15.0 *per cent* in 2016-17 was, fixed by UERC.

Table-3.6.1: Details in respect of input energy received, energy billed/sold, energy not billed and billing efficiency during 2014-17

Sl.No.	Particulars	2014-15	2015-16	2016-17
1.	Input Energy (in MUs)	11,888.23	12,559.59	12,780.31
2.	Energy Billed/Sold (in MUs)	9,685.16	10,298.14	10,571.68
3.	Energy not Billed (in MUs)	2,203.07	2,261.45	2,208.63
4.	Billing Efficiency (in *per cent*)	81.47	81.99	82.72

Source: Information compiled from data of UPCL

It was evident from the above that the billing efficiency of UPCL ranged between 81.47 *per cent* and 82.72 *per cent* during the last three years. Also, the average power purchase cost (including repair and maintenance expenses, administrative expenses, *etc*) increased from ₹ 4.58 per unit to ₹ 5.13 per unit during 2014-15 to 2016-17, against which per unit realisation ranged between ₹ 4.61 per unit and ₹ 4.89 per unit. As a result, UPCL had to bear the losses on the billed energy which ranged between nine paisa per unit and 27 paisa per unit during the same period. This is reflected in the accumulated losses of the UPCL, which increased from ₹ 1,955.09 crore in 2014-15 to ₹ 2,339.50 crore in 2016-17.

It was also noticed that the overall distribution loss of UPCL ranged between 16.68 *per cent* and 18.64 *per cent* during 2014-15 to 2016-17 which was in excess of the norms fixed by UERC. Out of the selected units, distribution losses of six divisions[44] ranged between 23.39 *per cent* and 26.99 *per cent.* The losses above the acceptable norm amounted to ₹ 240.91 crore during 2014-15 to 2016-17 (***Appendix-3.6.2***). The reasons of distribution loss are discussed below:

3.6.5.2 Loss of energy and revenue due to theft/pilferage

Section 135 of Electricity Act, 2003 provides that theft of energy is a punishable offence. Further, Section 163 of Electricity Act, 2003 provides that the licensee may enter in the premises of a consumer for inspection and testing of apparatus.

It was observed that the Vigilance team of UPCL carried out checks of only 11,306 consumers during 2014-15 to 2016-17 in selected 14 divisions. The percentage of checking with respect to the total number of consumers ranged between 0.18 *per cent* and 0.54 *per cent* only. Theft cases detected as percentage of checked cases was, however, significant and ranged between 41.01 *per cent* and 60.60 *per cent* (***Appendix-3.6.3***). An assessment of ₹ 15.60 crore was made on the defaulting consumers against which ₹ 10.78 crore was realised and remaining amount of ₹ 4.82 crore was still pending for realisation as on March 2017.

Scrutiny of records further disclosed that the size of the vigilance team of UPCL was not commensurate with the size of the organisation and the consumer base. UPCL has sanctioned strength of only 12 officers for vigilance work *i.e.*, DIG/SSP (1 post), DSP (2 posts), Inspector (3 posts) and Sub Inspector (6 posts). The post of DIG/SSP was lying vacant since the constitution of Vigilance Cell in September 2003. The other posts were vacant from time to time. At present (November 2017), only three Inspectors and one Sub

[44] Sitarganj, Haldwani, Bazpur, Roorkee Urban, Roorkee Rural and Tehri.

inspector is posted. Had the UPCL strengthened its vigilance team and fixed norms for checking, it could have plugged the leakage of revenue due to theft more effectively.

3.6.5.3 Poor maintenance of Distribution Transformer Metering

UPCL envisaged metering and automatic data logging for all installed Distribution Transformers (DTR) so as to acquire energy data for accurate billing purpose and take corrective action pertaining to distribution losses at DTR level.

It was noticed that in four divisions[45], 573 meters/modems were installed against which only 284 (49.56 *per cent*) meters/modems were working/communicative. The remaining 289 (50.44 *per cent*) meters/modems were not working/communicative (***Appendix-3.6.4***) which adversely affected the recording of energy inflow/outflow and measurement of distribution losses. In the absence of communicative meters/modems, the accuracy of distribution losses at DTR level could not be ascertained.

3.6.6 Quality metering

UPCL installs electric meters at consumer's premises to measure electric energy delivered to consumers for billing purposes. Good quality meters are required for credibility, accuracy and consistency in recording power consumed by consumers. In this regard, following points were noticed:

3.6.6.1 Non-replacement of defective meters

Clause 3.1.4 of UERC Electricity supply code 2007 provides that identified defective meter (IDF) shall be replaced by UPCL within 15 days and it shall necessarily be rectified within a maximum period of three months.

Scrutiny of the billing records for the month of July 2017 revealed that 32,507 consumers of selected 14 divisions were billed on IDF basis during the month of July 2017 and in these cases electricity bills amounting to ₹ 81.50 crore[46] were generated on assessment basis. The meters of the consumers were defective since the last 1 to 115 months. It was noticed that absence of co-ordination between the Test Division (responsible for replacement of defective meter) and Distribution Division (responsible for billing) left scope for overuse of power by the concerned consumers and recurring loss to the UPCL. The UPCL did not follow the norms of UERC supply code and billing was done on

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[45] Sitarganj, Haldwani (Urban), Kotdwar and Dehradun (Rural).

[46] Central Dehradun (No. of cases: 508 amount of assessment: ₹ 15.27 lakh), South Dehradun (No. of cases: 99 amount of assessment: ₹ 13.44 lakh),Rural Dehradun (No of cases: 1,921 amount of assessment: ₹ 52.12 lakh), Rudrapur (No. of cases: 9,371 amount of assessment: ₹ 1,893.47 lakh), Sitarganj (No. of cases: 2,969 amount of assessment: ₹ 3,024.66 lakh), Kashipur (No. of cases: 519 amount of assessment: ₹ 379.45 lakh), Bazpur (No. of cases: 756 amount of assessment: ₹ 82.39 lakh), Rural Haldwani (No. of cases: 1,203 amount of assessment: ₹ 334.97 lakh), Urban Haldwani (No. of cases: 1,210 amount of assessment: ₹ 204.60 lakh), Rural Roorkee (No. of cases: 3,009 amount of assessment: ₹ 700.87 lakh), Urban Roorkee (No. of cases: 4,072 amount of assessment: ₹ 840.25 lakh), Rural Haridwar (No. of cases: 1,644 amount of assessment: ₹ 403.65 lakh), Urban Haridwar (No. of cases: 630 amount of assessment: ₹ 96.00 lakh) and Kotdwar (Number of cases: 4,596 amount of assessment: ₹ 109.11 lakh).

assessment basis and not on actual basis. Due to absence of actual meter reading, the loss could not be quantified.

3.6.6.2 Non-replacement of mechanical meters

UERC vide its order dated 11 April 2015 directed UPCL to replace all mechanical meters with electronic meters by 31 December 2015. The electronic meters are accurate and tamper proof and, therefore, are helpful in reduction of line loss because of their inherent accuracy. It was noticed that in seven divisions out of 14 sampled divisions, 21,123[47] mechanical meters were pending for replacement as on March 2017. Non-replacement of the mechanical meters affected the quality of metering. The UPCL could not replace the mechanical meters because of lack of coordination between test division and distribution division.

3.6.6.3 Inadequate meter reading through MRI

In the premises of consumers with heavy load, UPCL installs Time of Day (ToD) meters with modem and an attached sim (in these types of electricity meters, the consumption data is communicated to the central servers for billing purposes automatically) or ToD meters without modem & sim (in these type of meters electricity consumption data is recorded using an electronic meter reading instrument). Clause 3.1.2 of UERC Supply code 2007 provides that Time of Day (ToD) meters[48] without modem and sim, wherever installed, shall be read only through a Meter Reading Instrument[49] (MRI). The MRI of a meter details the working and health of a meter. Also, if the meter is tampered or if the meter is recording less energy than consumed, the same can be detected through MRI.

It was noticed that reading through MRI of low and high tension consumers was due for 4,540 consumers in March 2015, 4,951 consumers in March 2016 and of 5,112 consumers in March 2017, in five divisions[50]. Against this, the divisions were able to do reading through MRI of only 2,805 (61.78 *per cent*), 2,917 (58.45 *per cent*) and 2,894 (56.61 *per cent*) consumers respectively **(*Appendix-3.6.5*).** Shortage of MRI left scope for leakage of revenue due to short billing or meter tampering.

3.6.6.4 Insufficient number of Automatic Meter Reading Instruments

In the Tariff order of 2016-17, UPCL had stated that installation of Automatic Meter Reading[51] (AMR) instruments is one of the essential requirements for reduction of line losses. UPCL had also committed that all connections above 5 KW shall be billed by AMR meters. AMR records electricity consumption and sends the same using SIM and Modems to a server for real time recording of power consumption by consumer. This process of meter reading through AMR instrument reduces human intervention and the chance of errors in billing.

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[47] Haldwani Urban (766), Rudrapur (95), Sitarganj (3,612), Kashipur (463), Kotdwar (12,228), Haridwar Urban (2,282) and Bazpur (1,677).

[48] "Time of day" meter allows electric rates to be changed during a day, to record usage during peak hours (high rates) and off-peak (low rates).

[49] MRI is hand held portable machine used for meter reading and for checking health of meter.

[50] Rudrapur, Haldawani Urban, Roorkee rural, Roorkee urban and Bazpur.

[51] AMR captures the consumption data and transmits it to the power company.

Scrutiny of records revealed that in 12 divisions[52], out of 12,149 Key Consumer Cell consumers above 5 KW, billing of only 2,385 consumers (19.63 *per cent*) was done through AMR and 9,764 consumers were billed manually in 2016-17 (***Appendix-3.6.6***).

3.6.7 Billing Efficiency[53]

UERC issues tariff for each year and bills of consumers are required to be prepared as per the prescribed tariff for each category of consumers. Under billing of power consumed is a loss for UPCL whereas overbilling is against the interest of the consumers. Any abnormal billing should be analysed and corrective measures should be initiated.

3.6.7.1 Non-realisation of Initial Security Deposit

As per UERC LT Regulation 2013, UPCL collects security deposit from all categories of consumers at the time of releasing connections. During scrutiny of the records of 14 divisions[54], it was observed that as on March 2017, there were 800 consumers of different categories to whom connections were released without the required initial security deposit. This resulted in non-realisation of ₹ 2.41 crore and violation of UERC regulations (***Appendix-3.6.7***).

The Management stated that initial security deposit of some consumers might not have been recorded in the system at the time of transfer of data from manual to computerised system and in some cases it was not yet deposited. It further added that initial security deposit of these connections would be reconciled and realised. The reply indicates poor data management by the UPCL besides lack of control over realisation of revenue.

3.6.7.2 Non-levy of shunt capacitor surcharge

As per General conditions of Supply, a surcharge of five *per cent* on the current energy charges shall be levied on the consumers with inductive load who do not have Electronic Tri Vector Meters[55] or who have not installed shunt capacitors[56] of appropriate ratings and specifications.

It was noticed that in Rudrapur Division, connections of Public Water Works were billed on assessment basis and meter number and meter make of these consumers were not available on record. This means the Tri Vector meters were not installed. As such, the division should have levied five *per cent* surcharge on the electricity charges for the period from 2014-15 to 2016-17. This resulted in under billing of ₹ 24.98 lakh[57].

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52 Haldwani Rural, Haldwani Urban, Rudrapur, Bazpur, Sitarganj Kotdwar, Tehri, Dehradun Rural, Roorkee Urban, Roorkee Rural, Haridwar Urban and Haridwar Rural.

53 Billing efficiency refers to total unit billed against total units input.

54 Rudrapur, Sitarganj, Haldwani Urban, Haldwani Rural, Tehri, Dehradun Rural, Dehradun South, Roorkee Urban, Roorkee Rural, Haridwar Urban, Haridwar Rural, Kotdwar, Kashipur and Bazpur.

55 The Trivector Meter is designed for metering of HT/LT consumers. The meter has advanced data and tamper attempt recording capabilities.

56 Shunt capacitor is an electronic device which is used for reducing line losses and improving voltage stability.

57 Electricity charge for 2014-15 - ₹ 72,73,728 + Electricity charge for 2015-16 - ₹ 4,12,30,796 + Electricity charge for 2016-17 - ₹ 14,48,208= ₹ 4,99,52,732 x5 *per cent* = ₹ 24.98 lakh.

The division stated (June 2017) that correspondences were being made with Test Division to install meters on connections of State Tube-wells. It further stated that instructions had been issued to the concerned Sub divisional officers and Junior Engineers to charge shunt capacitor surcharge in bills after installation of meters.

3.6.8 Revenue collection by UPCL

The power supplied by the divisions of UPCL is billed on the basis of the tariff fixed by UERC. Efficient realisation of the bills raised is vital as it is the only major source of revenue for the UPCL. Non-realisation of electricity bills on time results in accumulation of arrears and adversely affects the financial health of the company.

3.6.8.1 Non-recovery of electricity dues

Clause 4.1 of UERC electricity supply code 2007 provides that the UPCL may issue a disconnection notice in writing, as per Section 56 of the Electricity Act 2003, to the consumer who defaults on his payment of dues, giving him 15 clear days to pay the dues. It may disconnect the supply of the consumer on expiry of the said notice period. If the consumer does not clear all the dues including arrears within six months of the date of disconnection, such connections shall be disconnected permanently.

Scrutiny of records of UPCL relating to electricity dues of domestic, non-domestic, private tube-well, low tension and high tension industrial consumers disclosed that uncollected electricity dues had increased from ₹ 1,353.30 crore in 2014-15 to ₹ 1,420.47 crore in 2016-17 as detailed in **Table-3.6.2** below:

Table-3.6.2: Details of electricity dues of domestic, non-domestic, private tube-well, low/high tension industries during 2014-17

(₹in crore)

Sl. No.	Particulars	2014-15	2015-16	2016-17
1.	Balance outstanding at the beginning of the year	1,346.47	1,353.30	1,317.42
2.	Revenue assessed/Billed during the year	3,918.63	4,525.40	5,047.65
3.	Total amount due for realisation (1+2)	5,265.10	5,878.70	6,365.07
4.	Total amount adjusted/waived off/rebate	107.37	56.28	31.94
5.	Amount realised during the year	3,804.43	4,505.00	4,912.66
6.	Balance outstanding at the end of the year	1,353.30	1,317.42	1,420.47

Source: Information compiled from the records of UPCL.

The Management stated that efforts were being made for realisation of dues from the consumers. The reply is not convincing as UPCL did not take effective steps to realise the dues from the defaulting consumers by issue of Recovery Certificates (RCs) under section 170 of Electricity Act, 2003. Scrutiny of the records in respect of RCs revealed that during 2014-15 to 2016-17, UPCL issued RCs to private consumers amounting to ₹ 43.54 crore only against which it could realise only ₹ 1.29 crore (2.96 *per cent*) as detailed in ***Appendix-3.6.8***.

3.6.8.2 Non-realisation of delayed payment surcharge

In the event of electricity bill not being paid in full within 15 days' grace period after the due date, a surcharge of 1.25 *per cent* on the principal amount of the bill which has not been paid, shall be levied from the original due date for each successive month or part thereof until the payment is made in full in accordance with Section 56 of the Electricity Act, 2003.

It was noticed that the UPCL failed to recover the delayed payment surcharge amounting to ₹ 132.58 crore as on March 2017 from 4,429 different consumers[58] with connected load of 1,65,388 KW. This resulted in extra burden on the already strained financial resources of the UPCL. It was also observed that during 2014-15 to 2016-17, UPCL had to pay ₹ 57.89 crore in form of interest on overdraft to meet its expenses. Had the UPCL recovered the delayed payment surcharge from the concerned consumers, it could have lessened its financial burden in the form of payment of interest to that extent.

3.6.8.3 Non-recovery of additional Security

Paragraph 2.3.1 of UERC Regulations 2007 provides that security amount should be reviewed as per the consumption pattern of the consumers for the adequacy of security deposit of the previous year. A consumer is required to maintain a sum equivalent to estimated average consumption of two billing cycles. The differential amount is demanded as additional security by giving a notice to the consumers for making payment. Audit noticed that in 14 divisions[59], UPCL failed to recover the additional security amount of ₹ 57.53 crore (since April 2016) in respect of 3,431 large and heavy consumers as on 31 March 2017 (***Appendix-3.6.9***). The divisions neither recovered the additional security nor disconnected the electricity supply of such consumers. The Management replied that the demand notices had been issued for recovery. However, recovery of the additional security amount was still pending (August 2017) and the UPCL failed to protect its financial interest.

3.6.9 Other Issues

3.6.9.1 Non-installation of prepaid meters

As per order issued by the UERC dated 11 April 2012, on retail tariff of UPCL for 2012-13, approval was accorded for implementation of pre-payment metering with effect from October 2012. As per UERC, the use of pre-payment meters was expected to provide better services to the consumers and improve the cash flow of the UPCL.

Audit noticed that UPCL placed (July 2014) a supply order[60] for 5,000 single phase and 1,000 three phase pre-payment meters and associated accessories amounting to ₹ 3.90 crore. Out of the above, 1,000 single phase and 200 three phase meters with associated accessories amounting to ₹ 77.99 lakh[61] were received in first phase in 2014-15. These meters were issued by UPCL to its five Test Divisions[62] for use during release of new temporary connections.

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[58] Public lamp (1,325), Jal Sansthan (1,268), Jal Nigam (74), State tube-well (1,376), Pump canal (156), Lift irrigation (29), Railway traction (02), Recycling plant (109) and World bank tube-well (90).

[59] Rudrapur, Sitarganj, Haldwani (Urban), Haldwani (Rural), Kashipur, Bazpur, Tehri, Kotdwar, Dehradun (South), Dehradun (Rural), Haridwar (Urban), Haridwar (Rural) Roorkee (Rural) and Roorkee (Urban).

[60] Order number 999/UPCL/CE/CCP-II/23/2012-13 (Secure) dated 31 July 2014.

[61] Cost of single phase pre-payment meters : ₹ 4,039.78 x 1,000 = ₹ 40,39,780/-, Cost of three phase pre-payment meters ₹ 9,360.05 x 200 = ₹ 18,72,010/-, In-house display unit @ ₹ 640.62 x 1,200 = ₹ 7,68,744/-, Pilfer-proof meter box (single phase & three phase) @ ₹ 932.35 x 1,200 = ₹ 11,18,820/-.

[62] Divisions at Rudrapur, Haridwar, Dehradun Urban, Dehradun Rural and Roorkee.

It was noticed that out of 1,200 pre-payment meters received, only 622 meters were installed by UPCL during 2014-15. Due to difficulties faced in calibrating new tariff rates effective from April 2015 in pre-payment meters, UPCL decided (18 April 2015) to discontinue further installation of these meters. UPCL was unable to use the pre-payment meters due to its failure to envisage and build in the basic requirement of annual tariff revision in these meters rendering the expenditure of ₹ 77.99 lakh unfruitful. Besides, UPCL was also deprived of the additional benefits of improved cash flows expected through the use of pre-payment meters.

Conclusion

The UPCL was forced to bear losses in the distribution of the power supply. The reasons of distribution losses above the norms were non-replacement of mechanical meters, inadequate vigilance, non-replacement of defective meters in time and non-compliance with UERC Supply Code in metering. UPCL also could not realise the required initial and additional security amounts from the consumers; shunt capacitor charges; delayed payment surcharges; and electricity charges during the last three years which resulted in increase in arrears.

The matter was referred to the Government (September 2017); Reply was awaited (December 2017).

S. Alok

Dehradun **(S. ALOK)**
The 21 March 2018 **Accountant General (Audit)**
Uttarakhand

Countersigned

New Delhi **(RAJIV MEHRISHI)**
The 23 March 2018 **Comptroller and Auditor General of India**

APPENDICES

Appendix-1.1.1

(Reference: Paragraph 1.1.9.1; Page 4)

Position regarding receipt of ATNs on the paragraphs included in the ARs

Audit Reports	Year	Department (s)	ATNs pending as of 31 March 2017	Date of presentation in the State Legislature	Due date for receipt of ATNs
Civil/Social, General and Economic Sectors (Non-PSUs)	2000-01	Medical Health & Family Welfare	01	23.06.2003	22.09.2003
		Agriculture	01		
		Irrigation Department	01		
		Environment Department	01		
		Finance Department	01		
	2002-03	Irrigation Department	01	12.01.2005	11.04.2005
		Financial & Social Welfare	01		
	2003-04	Irrigation Department	01	05.10.2005	04.01.2006
		Panchayati Raj	01		
		Medical Health & Family Welfare	01		
	2004-05	P.W.D	01	19.04.2006	18.07.2006
	2005-06	Medical Department	01	27.06.2007	26.09.2007
		Food & Civil Supplies	01		
		Sports & Youth Welfare	01		
		Rural Development Department	01		
	2006-07	Peyjal Department	01	07.03.2008	06.06.2008
		Information Department	02		
		Civil Aviation Department	01		
	2007-08	Urban Development Department	01	13.07.2009	12.10.2009
		Technical Education Department	01		
		Information & Public Relations	01		
	2008-09	Uttarakhand Peyjal Nigam	02	22.09.2010	21.12.2010
		Revenue Department	01		
		Rural Engineering Services	01		
		Energy Department (P.P.P)	01		
		Rural Development Department	01		
	2009-10	Tourism Department	01	29.03.2011	28.06.2011
		Rural Development Department	01		
		Uttarakhand Peyjal Nigam	02		
	2010-11	P.W.D	03	11.12.2012	10.03.2013
		Uttarakhand Peyjal Nigam	01		
		Police Department	01		
		Animal Husbandry	01		
		AYUSH Department	01		
	2011-12	Election Department	01	18.09.2013	17.12.2013
		Department of Labour	01		
		Women Empowerment & Child Development	01		
		Social Welfare Department	02		
		Department of Sports	01		
		Department of Higher Education	01		
		P.W.D	02		
		Horticulture Department	01		
		Rural Development Department	01		
	2012-13	Medical Health & Family Welfare Department	02	27.11.2014	26.02.2015
		Irrigation Department	01		
		Home Department	01		
		Medical Education Department	02		
		P.W.D	01		
		Technical Education Department	01		
		Sports & Youth Welfare Department	01		
		Rural Development Department	02		
		Peyjal Department	01		
	2013-14	Drinking Water And Sanitation Department	01	03.11.2015	02.02.2016
		Dairy Development Department	01		
		Forest Department	01		
		Higher Education Department	01		
		Medical Education Department	01		
		Home Department	01		
		Medical, Health & Family Welfare Department	02		
		P.W.D	01		
		Chief Minister Office	01		
		Peyjal Department	01		
		Sericulture Department	01		
		Social Welfare And Education Department	01		
		Urban Development Department	01		
		Uttarakhand Renewal Energy Development Agency	01		
		Geology And Mining Department	01		

	2014-15	Education Department	01	07.11.2016	06.02.2017
		Elementary Education Department	01		
		Agriculture Department	01		
		Civil Aviation Department	01		
		Culture Department	01		
		Forest Department	01		
		Medical, Health & Family Welfare Department	01		
		Home Department	01		
		Industrial Development Department	01		
		Rural Development Department	01		
		P.W.D	03		
		Revenue Department	01		
		Social Welfare Department	01		
	2015-16	Elementary Education Department	01	02.05.2017	01.08.2017
		Home Department	01		
		AYUSH Department	01		
		Commissioner, Food Safety and Standards	01		
		Forest Department	02		
		Higher Education Department	01		
		Horticulture Department	01		
		Land Revenue Department	01		
		Medical, Health & Family Welfare Department	02		
		P.W.D	03		
		Social Welfare Department	01		
		Tourism Department	01		
		Urban Development Department	01		
		Women Empowerment and Child Development	02		
State Finances	2000-01	Finance and Misc. Departments	All Chapters	23.06.2003	22.09.2003
	2001-02	Finance and Misc. Departments	All Chapters	19.07.2004	18.10.2004
	2002-03	Finance and Misc. Departments	All Chapters	12.01.2005	11.04.2005
	2003-04	Finance and Misc. Departments	All Chapters	05.10.2005	04.01.2006
	2004-05	Finance and Misc. Departments	All Chapters	19.04.2006	18.07.2006
	2005-06	Finance and Misc. Departments	All Chapters	27.06.2007	26.09.2007
	2006-07	Finance and Misc. Departments	All Chapters	07.03.2008	06.06.2008
	2007-08	Finance and Misc. Departments	All Chapters	13.07.2009	12.10.2009
	2008-09	Finance and Misc. Departments	All Chapters	22.09.2010	21.12.2010
	2009-10	Finance and Misc. Departments	All Chapters	29.03.2011	28.06.2011
	2010-11	Finance and Misc. Departments	All Chapters	11.12.2012	10.03.2013
	2011-12	Finance and Misc. Departments	All Chapters	18.09.2013	17.12.2013
	2012-13	Finance and Misc. Departments	All Chapters	27.11.2014	26.02.2015
	2013-14	Finance and Misc. Departments	All Chapters	03.11.2015	02.06.2016
	2014-15	Finance and Misc. Departments	All Chapters	07.11.2016	06.02.2017
	2015-16	Finance and Misc. Departments	All Chapters	02.05.2017	01.08.2017
Nainital District	2011-12	Miscellaneous Departments	All Chapters	18.09.2013	17.12.2013
	2012-13	Miscellaneous Departments	All Chapters	27.11.2014	26.02.2015

Appendix-1.2.1

(Reference: Paragraph 1.2.4; Page 8)

Details of projects selected for audit

Sl. No.	Name of Projects
1.	Sewerage Scheme of Ahbabnagar Haridwar
2.	Sewerage Scheme at Triveni Ghat
3.	Sewerage system & 3.5 MLD STP at Tapovan Area
4.	Devprayag 1.4 MLD STP
5.	Devprayag Reconstruction & Restoration
6.	Devprayag Interception & Diversion (I&D)
7.	Sewerage Scheme & 1 MLD STP at Gangotri
8.	Jagjeetpur 68 MLD STP
9.	Sarai 14 MLD STP
10.	Interception and Diversion Jagjeetpur, Haridwar
11.	I&D Sarai, Haridwar
12.	Rudraprayag I&D with STP
13.	Muni ki Reti I&D with STP
14.	Gopeshwar I&D with STP
15.	Gyansu STP Upgradation
16.	Upgradation of 3.5 MLD Srinagar
17.	Rishikesh I&D and STP
18.	I&D and STP at Karnprayag
19.	I&D and STP at Kirtinagar
20.	Development of Ghats and Crematoria in the stretch from Devprayag to Uttarkashi
21.	Development of Ghats and Crematoria in the stretch from Rudraprayag to Karnprayag
22.	Development of Ghats and Crematoria in the stretch from Karnprayag to Vishnuprayag
23.	Development of Ghats and Crematoria in the stretch from Uttarkashi to Maneri

Appendix-1.2.2
(Reference: Paragraph 1.2.8.1 (a); Page 17)

Questionnaire for beneficiary survey

During beneficiary survey, questionnaire was set to ascertain the following aspects:

- location of IHHL;
- availability of water;
- technical assistance provided for construction of IHHL;
- connectivity to sewer line;
- maintaining of overall cleanliness;
- quality of constructed IHHL;
- IEC activities to promote use of toilets *etc*.

Following information was obtained from the beneficiaries during physical survey:

- Is the IHHL located inside the house or outside?
- Is the water facility available in the IHHL or not?
- From whom the technical assistance was sought for construction of pits and toilet room in the IHHL?
- Quality of the constructed IHHL (Good/Very Good/Bad/Very Bad).
- Is the IHHL connected to some sewer leading to drain?
- Is village maintaining over all cleanliness?
- Was any Information, Education and Communication (IEC) activities taken up to make user understand the need and promote use of toilets for clean Ganga?

Appendix-1.2.3
(Reference: Paragraph 1.2.9; Page 27)

Details of the audit finding on compliance with the directions issued by Hon'ble High Court of Uttarakhand

<table>
<tr><th>Sl. No.</th><th>Issues</th><th colspan="2">Our Observations</th></tr>
<tr><td>1.</td><td>Whether the capacity of Sewage Treatment Plants at Haridwar and Rishikesh, has been enhanced within a period of three months from the date of court judgement (i.e. 2 December 2016), taking into consideration the sewage load in these two towns?</td><td colspan="2">There are three STPs in Haridwar and one STP in Rishikesh. The sewage load of Haridwar and Rishikesh is 107.2 MLD and 16 MLD respectively against which 63 MLD and 6 MLD are being treated as on date. The balance sewage of 44.2 and 10 MLD respectively of these towns is being discharged into the river without being treated.
A 40 MLD treatment capacity STP was sanctioned for Jagjeetpur, Haridwar in the year 2015 but the same was cancelled in March 2016 and new STPs of 68 MLD and 14 MLD capacities were sanctioned in March 2017 on the orders of the NMCG. Similarly, for enhancement of treatment capacity of existing STP in Rishikesh, 26 MLD capacity treatment STP was sanctioned in March 2017. The time line provided for completion of these new STPs is 24 months. As of date, bidding for construction is under process.
Further, upgradation of present STP of 27 MLD capacity at Jagjeetpur and tertiary treatment of 18 MLD STP at Sarai, Haridwar, has also been sanctioned.</td></tr>
<tr><td rowspan="6">2.</td><td rowspan="6">Whether Bharat Heavy Electricals Ltd. (BHEL) has installed Sewage Treatment Plant of 11 MLD capacity, as per the direction issued by Uttarakhand Environment Protection & Pollution Control Board (UEPPCB) on 21 December 2015?</td><td colspan="2">From review of records, it was observed that in connection with setting up of STP, BHEL-Haridwar failed to comply with orders or commitments made before various legal authorities:</td></tr>
<tr><td>Date of order</td><td>Description of order passed by legal authorities</td></tr>
<tr><td>10 December 2015</td><td>National Green Tribunal (NGT) directed BHEL, Haridwar to install STP by January 2016.</td></tr>
<tr><td>2 December 2016</td><td>Hon'ble High Court of Uttarakhand directed BHEL to install STP having capacity of 11 MLD as per directions issued by the UEPPCB on 21 December 2015 within six months from 02 December 2016, if not already installed.</td></tr>
<tr><td>17 March 2017</td><td>Hon'ble High Court of Uttarakhand mentioned in its order that BHEL through its General Manager has undertaken to complete the STP within a period of nine months (i.e. by 17 December 2017).</td></tr>
<tr><td colspan="2">BHEL stated (June 2017) that continuous efforts were in process for setting up the STP within nine months from the date of order (dated 17 March 2017) of the Court.</td></tr>
<tr><td>3.</td><td>Whether all the 21 Hydroelectric Projects located in the mainstream of the River Ganga have installed Sewage Treatment Plants of appropriate capacity during construction phase and thereafter, at operational phases, within a period of six months from the date of Court judgement (i.e. 2 December 2016)?</td><td colspan="2">The status is as below:
a. Eight[1] Hydroelectric Projects have installed STPs.
b. Six[2] Hydroelectric Projects are using Septic Tanks/Soak Pits.
c. One [3] Hydroelectric Project was washed away in natural calamity in the year 2013.
d. Six[4] Hydroelectric Projects have not started construction yet.</td></tr>
</table>

[1] Vishnuprayag, Singloi Bhatwari, Srinagar, Koteshwar, Tehri, Maneri Bhali II, Birahi Ganga, Bhilangana III.
[2] Vanala, Rajwakti, Gangnani, Badyar, Bhilangana & Deval.
[3] Hanuman Ganga Ext II.
[4] JhalaKoti, Kakora Gad, Jalandhari Gad, Siyangad, Melkhet, Nayar Valley Project.

Sl. No.	Issues	Our Observations
4.	Whether NMCG got Sewage Treatment Plant of 40 MLD capacity installed at Jagjeetpur within three months from date of Court judgement (*i.e.* 2 December 2016)?	A new STP with a total capacity of 68 MLD was sanctioned in March 2017 and work has been awarded. The target date for completion is twenty four months (March, 2019).
5.	Action taken by UEPPCB against the 180 defaulting industries which were issued Show cause notices during 2015-16.	1. Out of 180 defaulting industries to whom show cause notices were issued, in 109 cases, the notices were revoked between December 2015 and May 2017. 2. Out of 109, 67 defaulting units complied with the directions of the UEPPCB. However, 42 (Sl. No. 68 to Sl. No. 109 of ***Appendix-1.2.4***) defaulting units neither submitted their compliance to the show cause notice nor approached the UEPPCB for inspection for watching compliance within the time prescribed in the show cause notices. Further, these units were *suo-motu* inspected by the concerned Regional Officers after the expiry of compliance periods as indicated in the show cause notices issued to these units and on their recommendations, the show cause notices were revoked by the UEPPCB. 3. In remaining 71 cases, closure notices were issued to 32 (Sl. No. 110 to Sl. No. 141 of ***Appendix-1.2.4***) defaulting industries for non-compliance. In three cases, units were self-closed (Sl. No. 142 to Sl. No 144 of ***Appendix-1.2.4***) and in 32 cases, (Sl. No. 145 to Sl. No. 176 of ***Appendix-1.2.4)***, correspondence between defaulting units and the UEPPCB was still on. Case files of four units (Sl. No. 177 to Sl. No. 180 of ***Appendix-1.2.4***) were not made available to Audit by the UEPPCB. 4. Site visits to five units[5] declared as closed out of 16 units (as detailed in ***Appendix-1.2.5***) and located in Haridwar district was carried out as a sample check. All the five units were found closed.
6.	Status of operation of 44 defaulting industries which were served closure notices by the UEPPCB during 2014-15.	1. Of the 44 closure notices, 23 notices were revoked (Sl. No. 1 to Sl. No. 23 of ***Appendix-1.2.6***), including one case where unit was operational under NGT Orders). 2. In 17 cases (Sl. No. 24 to Sl. No. 40 of ***Appendix-1.2.6***), where the defaulter units were declared as closed by the UEPPCB, evidence of action taken for closure was available in 11 cases (Sl. No. 24 to Sl. No. 34 of ***Appendix-1.2.6***) whereas, in remaining six cases (Sl. No. 35 to Sl. No. 40 of ***Appendix-1.2.6***), closure notices were issued but no evidence of follow up activities was available in the files of the UEPPCB. 3. In four cases (Sl. No. 41 to Sl. No. 44 of ***Appendix-1.2.6***), the matter was under process. 4. Site visits to nine units[6] declared as closed out of 13 (Sl. No. 1 to Sl. No. 9 of ***Appendix-1.2.7***) units located in Haridwar district

[5] M/s Rachna Enterprises, Peeth Bazar, Bahadarabad, M/s Jain Poly Packaging Solutions, Bahadarabad, M/s Hotel Polaris Restaurant 48 Civil Lines, Roorkee, M/s Hotel Amber, 48 Civil Lines, Bus Stand, Roorkee, M/s Hotel Highway, Aadarsh Nagar, Haridwar Road, Roorkee.

[6] M/s Baba Brickfield, Jhabreda; M/s Roshan Brick Field, Nagla, Landhora, Roorkee; M/s Savera Brick Field, Bijola, Landhora, Roorkee; M/s United Engineers, Begampur; M/s Anchal Brick Field, Bijholi, Landhora; M/s Akbar Khan Brick field, Kaliyar, Roorkee; M/s Chand Brick Supply, Nagla, Landhora; M/s Shabri Brick Field, Station Road, Landhora, Haridwar; M/s Indian Bhatta, Bijholi, Haridwar.

Sl. No.	Issues	Our Observations
		was carried out as a sample check. It was found that seven out of nine units (Sl. No. 1 to Sl. No. 7 of ***Appendix-1.2.7***) were operating as on date (June 2017).
7.	Status of operation of 106 defaulting industries which were served Closure notices during 2015-16.	1. Out of 106 closure notices issued, 60 (Sl. No. 1 to Sl. No. 60 of ***Appendix-1.2.8***) cases were revoked (including 18 cases where units were operational under NGT Orders). 2. In remaining 46 cases (Sl. No 61 to Sl. No. 106 of ***Appendix-1.2.8***) where the defaulter units were declared as closed by the UEPPCB, records regarding actual closing down of nine units, (including one sealed unit and one self-closed) were found in the files, whereas, in 37 cases (Sl. No. 70 to Sl. No. 106 of ***Appendix-1.2.8***), closure notices were issued but no evidence of follow up activities was available in the files of the UEPPCB. 3. Site visits to six units[7] declared as closed out of 18 (***Appendix-1.2.9***) units located in Haridwar district was carried out as a sample check and it was found that all the units were closed as on date.
8.	Whether any action was taken by the State Government against UEPPCB under Section 62 of the Water (Prevention and Control of Pollution) Act of 1974 in respect of non-discharging of statutory duties under the State Act?	The State Government issued a notice under Section 62 of the Water (Prevention and Control of Pollution) Act, 1974, to the UEPPCB in March 2017 wherein the Board was asked to file its reply within a period of 45 days. The UEPPCB filed the reply to the Additional Secretary, Government of Uttarakhand in May 2017.
9.	Initiation of criminal proceedings against the defaulters for contravention of the provisions of Water (Prevention and Control of Pollution) Act, 1974 as well as the Environment (Protection) Act, 1986.	Scrutiny of records of the UEPPCB revealed that court cases were filed against 37 units, out of which six cases were settled after imposing penalty of ₹ 5.30 lakh by the Court which was deposited by the said units. Proceedings are in progress in remaining 31 cases. Moreover, five FIRs have been lodged against defaulters for contravention of provisions.
10.	Closure of ashrams permitting untreated sewage into the River Ganga.	The UEPPCB instructed the District Magistrate and SSP, Haridwar (February 2017) to seal and close down five ashrams permitting untreated sewage into the River Ganga. The Municipal Commissioner, Haridwar had constituted a committee to conduct joint inspection and submitted report in March 2017 which stated that all the five ashrams have set up their septic tanks which are being cleaned by the Jal Sansthan. Thus, as per the findings of this committee, these five ashrams were not permitting untreated sewage into the River Ganga as on date.
11.	Action by UEPPCB against industry/hotel/ commercial establishment/educational institution discharging untreated sewage into the River Ganga.	Three hotels discharging untreated sewage into the River Ganga were identified. These were issued closure notices during December 2015 to January 2016. The closure notices were revoked after corrective measures were taken by these hotels. The hotels are operational as on date.
12.	Action taken by UEPPCB against drains opening into the River Ganga.	During the scrutiny of the records of the EAs and as per the information provided by the SPMG, it was noticed that all the drains opening into the River Ganga and its tributaries have been identified

[7] M/s Sharp Industries, IIE Ranipur, Haridwar; M/s Raltronics India Pvt. Ltd, Haridwar; M/s Tex Plas Textiles India Pvt. Ltd, Bahadurpursaini; M/s STP Enterprises, Madhupur, Roorkee; M/s Raja Ice Factory, Dudhpur, Haridwar; and M/s Nazma Ice Factory, Dudhpur, Haridwar.

Sl. No.	Issues	Our Observations
		in the priority towns. There are 112 *Nallas* discharging 56.871 MLD of sewage into the River Ganga and its tributaries viz, Alaknanda and Bhagirathi. Out of these 112 *Nallas*, 47 *Nallas* (Sl. No. 1 to Sl. No. 15 of ***Appendix-1.2.10***) having a discharge of 30.579 MLD have been tapped till the date of audit. Thus, a discharge of 26.292 MLD is still falling into the river or its tributaries without any treatment. Further, the Member Secretary, UEPPCB, vide letter no 10073-2083 dated 27 February 2017, directed the MD, Peyjal Nigam to seal all the drains falling into the River Ganga in compliance with the Hon'ble High Court directions. Action taken report was to be submitted to the UEPPCB. The Chief Engineer, Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam has intimated that the DPRs for up gradation and Interception and Diversion of drains along the Ganga River have been approved by the NMCG and the tendering is in process. Hence, it was stated that the directions issued shall be complied after completion of these projects.
13.	Relocation of most polluting units situated on the banks of the River Ganga.	As per the directions of the State Government vide letter No: 172(1) X-3-17-15(10)/2017 dated 7 March 2017, a survey was to be conducted by the UEPPCB within two weeks and a report submitted to the Government regarding most polluting units situated on the banks of the River Ganga. During scrutiny of the records and information provided by UEPPCB, Audit was informed that no 'Most Polluting Unit' was situated on the banks of the River Ganga. However, the survey was still in progress.
14.	Fines imposed in respect of littering/defecating and urinating in open within a radius of 500 metres on both sides of the River Ganga.	The State Government has promulgated the "Uttarakhand Anti Littering and Anti Spitting Act, 2016" with effect from 30 November 2016 in which specific provision has been made for prohibiting littering, urinating or defecating by pets or humans in open. Contravention of the Act invokes a penalty of ₹ 5,000 or imprisonment up to six months or both. Besides, the State Government has also issued directions vide letter No:172(2)/X-3-17-15(10)/2017 dated 7 March 2017 to the District Magistrates (DMs) of Uttarkashi, Rudraprayag, Tehri, Pauri, Haridwar and the Member Secretary, UEPPCB for compliance of the order of Hon'ble High Court of Uttarakhand. The DMs of Haridwar, Pauri, Rudraprayag and Tehri had issued instructions to SDMs and DM, Haridwar had nominated Mobile Magistrates as well. Campaigning for mass awareness is being conducted through wall writings, hoardings and regular announcements.
15.	Total ban of sale, use and storage of plastic carry bags in the State.	During scrutiny of the records of UEPPCB, it was noticed that Secretary, Urban Development Department vide GO No 94 dated 13 January 2016 in compliance with NGT's orders and Chief Secretary, Govt. of Uttarakhand vide GO No. 88 dated 25 January 2017 in compliance of Hon'ble High Court of Uttarakhand order, issued letters to all the Municipal Corporations/Councils, District Forest Officers/Senior Superintendents of Police and the Transport Commissioner, Uttarakhand regarding imposing a total ban on sale, use and storage of bags/ packing materials made of plastic and thermocol in the State. A penalty of ₹ 5,000 shall be imposed on any person violating the direction imposed. Scrutiny of the records of the Urban Development Department revealed that ULB's have imposed/ collected a fine of ₹ 57.94 lakh in their respective territories while enforcing the ban. Awareness is being created through public meetings, wall writings, announcements and Pole kiosks.

Sl. No.	Issues	Our Observations
16.	How is the State Government ensuring that people do not use soap, oil and shampoo while taking a bath in the River Ganga?	The Government of Uttarakhand issued directions vide order no. 172(3)/X-3-17-15(10)/2017 dated 7 March 2017 to the District Magistrates of Uttarkashi, Rudraprayag, Tehri, Pauri and Haridwar prohibiting use of soap, oil and shampoo while taking bath in the River Ganga. Mobile Magistrates have been posted and awareness campaigns are being carried out.
17.	What steps has the State Government taken to ban bathing of cattle in the River Ganga?	As per the directions of the Government of Uttarakhand vide no. 172(3)/X-3-17-15(10)/2017 dated 7 March 2017, issued to the District Magistrates of Uttarkashi, Rudraprayag, Tehri, Pauri and Haridwar, bathing of cattle in the River Ganga has been banned. The concerned DMs issued directions to SDMs to enforce the ban. In Haridwar, Mobile Magistrates have been posted.
18.	What steps has the State Government taken to prohibit begging in all the holy places in the State of Uttarakhand?	The State Government vide no. 201/XVII-2/17-321(saka)/2002 dated 9 March 2017 issued directions to all the District Magistrates prohibiting begging in all holy places in the State. The DMs have issued orders to the respective SSPs, Municipal Councils and Revenue Officers for ensuring strict compliance.
19.	How is the State Government ensuring whether sufficient number of skimmers are provided to clean the Ganga at Haridwar, Rishikesh and downstream?	During scrutiny of the records and information provided by SPMG, it was noticed that the NMCG had awarded a contract for installation of skimmers at Haridwar and Rishikesh to M/s Ashwath Infratech in December 2016 with instructions to deploy the skimmers by 01.01.2017. Respective Urban Local Bodies are responsible for coordinating with the contractor. One skimmer each at Rishikesh and Haridwar was deployed on 1 May 2017. Presently, the skimmer deployed at Rishikesh has been shifted to Delhi due to high velocity of water at Rishikesh. In Haridwar, trial run is in progress. Further, in Haridwar, Municipal Commissioner has nominated nodal officer along with seven officials for daily verification of the skimmer. Designated place for disposal of collected waste has also been identified. A tripartite agreement between SPMG, concerned ULB and the Contractor is yet to be executed.
20.	Number of skimmers deployed in all the towns on the banks of the River Ganga with effect from December 2016.	Two skimmers one each at Haridwar and Rishikesh respectively were deployed in May 2017. However, one skimmer which was deployed in Rishikesh has since been shifted to Delhi on the instructions of NMCG on 25 May 2017.
21.	Whether the Municipal Bodies situated on the banks of the River Ganga have a framework for disposal of garbage on the scientific lines?	The State's Solid Waste Management (SWM) Action Plan (2016-21) has been prepared in 2015, which is now being revised as per SWM Rules, 2016 to cover 92 ULBs. With the support of Deutsche Gesellschaft Für Internationale Zusammenarbeit (GIZ) GmbH, German Technical Cooperation Programme, a City Sanitation Plan (CSP) is being prepared for 12 towns out of above 92 towns. The CSP will cover all the urban liquid and solid waste, and provide complete solution for generation, collection, treatment and disposal of waste. 12 of the 15 priority towns are being covered under this programme.
22.	As per the provision of the Municipal Solid Wastes (Management & Handling) Rules, 2000, have the Waste to Energy Plants been set up by the Municipal Bodies for disposal of garbage within six months from the date of court judgement (*i.e.* 2 December 2016).	Waste to Energy Project of 550 MT capacity has been proposed at Roorkee. Project is under review in Ministry of New & Renewable Energy, Govt of India. This proposed plant will collect waste from 18 ULBs *i.e.* Roorkee, Manglore, Landura, Bhagwanpur, Jhabrera, Laksar, Haridwar, BHEL Haridwar, Shivalik Nagar, Rishikesh, Muni ki Reti, Swargashram, Narendra Nagar, Doiwala, Dehradun, Herbertpur, Vikasnagar, Mussoorie (Related to State Infrastructure and Industrial Development Corporation of Uttarakhand).

Sl. No.	Issues	Our Observations
23.	Whether any directions have been issued by the State Government for prohibiting operation of new water based industries like Sugarcane, Pulp/ Paper Industries, Distilleries, Textile Industries etc. within a radius of two kilometres from the banks of the River Ganga with effect from December 2016?	Government of Uttarakhand vide its letter no. 172(4)/x-3-17-15(10)/2017 dated 7 March 2017, has prohibited setting up of new water based industries like Sugarcane, Pulp/Paper Industries, Distilleries, Textile Industries, etc. within a radius of two kilometres from the banks of the River Ganga. Directions have been issued to concerned District Magistrates for neither accepting such applications nor permitting to set up such industries. Further, UEPPCB has also been directed not to issue Consolidated Consent and Authorisation (CCA) to such industries.
24.	Whether new commercial establishments (employing more than 50 persons), hotels (having capacity of more than 50 guests), Ashrams (housing more than 100 devotees) operating have set up Effluent Treatment Plant or Sewage Treatment Plant?	Government of Uttarakhand vide letter no. 172(4)/X-3-17-15(10)/2017 dated 7 March 2017 has issued directions to the Department of Industry, State Infrastructure and Industrial Development Corporation of Uttarakhand (SIIDCUL), District Magistrate, UEPPCB and State Level Environment Impact Assessment Authority (SEIAA) to comply with the Court directions and not to permit or issue Consolidated Consent and Authorisation (CCA) under Water Act and environmental clearance respectively in such cases without ensuring compliance with Hon'ble High Court orders.
25.	Whether State Government has taken action on the new commercial establishments, Hotels and Ashrams which do not have ETP or STP?	Government of Uttarakhand has issued directions to Industry Department/SIDCUL/UEPPCB vide No. 172(4)/x-3-17-15 (10)/2017 dated 07.03.2017 to comply with the directions.
26.	Have any directions to construct sufficient number of toilets, based on the technology employed in the toilets used in aeroplanes been issued by the Municipal Corporation, Haridwar as well as the Municipal Council, Rishikesh to maintain hygiene in the religious places?	During the scrutiny of records at Haridwar, it was noticed that 53 toilet complexes and 12 bio digester complexes were proposed under BHEL Corporate Social Responsibility Funds out of which six bio digester complexes are in working condition. Construction of five complexes has been completed and one location is yet to be identified. In Rishikesh no toilet has been constructed so far.
27.	Whether "River Conservation Zones" (where no construction activity should be permitted on the banks of the River Ganga from the highest flood plain by private as well as Governmental agencies) have been identified by the State Government in respect of the River Ganga?	Notification no. 381/11-2017/06(65)/2016 dated 28.02.2017 and notification no. 382/11-2017/06(66)/2016 dated 28.02.2017 have been issued under the Uttarakhand Flood Plain Zoning Act, 2012. Notifications have been issued notifying 60 Km reach of the River Ganga in Uttarkashi and Haridwar District as River Conservation Zones and 'no objections' have been invited from all concerned. Works in this flood plain zoning area have been categorized as prohibited and restricted.
28.	Have any declarations been issued by the State Government prohibiting construction activity in "River Conservation Zones"?	Notification no. 381/11-2017/06(65)/2016, dated 28.02.2017 and notification no. 382/11-2017/06(66)/2016 dated 28.02.2017 have been issued under the Uttarakhand Flood Plain Zoning Act, 2012. Any construction works in the notified flood plain zone have been categorized as prohibited and restricted.

Appendix-1.2.4

(Reference: Appendix 1.2.3; Sl. No.5, Page 148)

Present Status of 180 Industries/Units to whom Show Cause Notices were issued during 2015-16

Sl. No.	Name and location of the Defaulting Industry
1.	M/s Himalaya Grits, Haldwani, Nainital
2.	M/s Hotel Ganga Beach Resort & Hotel, Laxmanjhula, Rishikesh, Dehradun
3.	M/s Shri Radhey Enterprises, IP-42, Raipur Ind. Estate, Bhagwanpur, Haridwar
4.	M/s J.D. Talc, Motinagar, Haldwani, Nainital
5.	M/s Hotel Invitation, Rampur Chungi, Roorkee, Haridwar
6.	M/s Hotel All Season, Manglore Road, Roorkee, Haridwar
7.	M/s Hotel Pacific Garden, Manglore Road, Roorkee, Haridwar
8.	M/s Hotel Valley, Adarsh Nagar, Roorkee, Haridwar
9.	M/s Sheel Chand Agro Oil Pvt. Ltd., Lalpur, Udham Singh Nagar
10.	M/s Cooper Pharma Ltd., Selaqui, Dehradun
11.	M/s Kent Industries, Lakeshwari, Haridwar
12.	M/s Suraksha Pharma, Roorkee, Haridwar
13.	M/s Panchwati Nutrients, Roorkee, Haridwar
14.	M/s Pulse Pharmaceuticals Pvt. Ltd., Karondi, Haridwar
15.	M/s Britania Industries Ltd., IIE Pantnagar, Udham Singh Nagar
16.	M/s Miter & Miter Engineers Pvt. Ltd., IIE Pantnagar, Udham Singh Nagar
17.	M/s AICA Laminates India Pvt. Ltd., IIE Pantnagar, Udham Singh Nagar
18.	M/s Sunmax Auto Engineering Pvt. Ltd., IIE Haridwar
19.	M/s Sagar Pulp and Paper Mills Ltd., Jhabreda Road, Manglore, Haridwar
20.	M/s Megic Wire (Unit-2), Salempur Ind. Estate, Roorkee, Haridwar
21.	M/s Raj Rajeshwari Technofeb, Dev Bhoomi Ind. Estate, Haridwar
22.	M/s Surin Automotive Pvt. Ltd., ESIPL, Sitarganj
23.	M/s Parle Biscuits Pvt. Ltd., ESIPL, Sitarganj
24.	M/s Gujrat Ambuja Exports Ltd., ESIPL Sitarganj, Udham Singh Nagar
25.	M/s Balaji Action Buildwell, ESIPL Sitarganj, Udham Singh Nagar
26.	M/s Uttaranchal Pulp and Paper Mills Ltd., Mendate, Manglore, Haridwar
27.	M/s Sagar Pulp & Papers Mills Ltd., Manglore-Devband Rd., Manglore, Haridwar
28.	M/s Galfar Engineering & Contracting Pvt. Ltd., Buchpuri, Udham Singh Nagar
29.	M/s Corbett Rattan, Dhikuli, Ramnagar, Nainital
30.	M/s Krishna Wilderness Retreat, Dhikuli, Ramnagar, Nainital
31.	M/s Myrica Resorts, Dhikuli, Ramnagar, Nainital
32.	M/s Kan Whizz Hum Tum Resorts, Dhikuli, Ramnagar, Nainital
33.	M/s La Parle Resorts, Dhikuli, Ramnagar, Nainital
34.	M/s Corbett Tiger Den, Bel Parav, Kaladungi Road, Ramnagar, Nainital
35.	M/s Corbett Aroma Havens, (Park), Dhikuli, Ramnagar, Nainital
36.	M/s The Monal Nest, Dhikuli, Ramnagar, Nainital
37.	M/s Jpee Drugs, IIE Haridwar
38.	M/s Bolt Master India Pvt. Ltd., IIE Pantnagar, Udham Singh Nagar
39.	M/s Amar Polypack Pvt. Ltd., IE Haridwar
40.	M/s Dixon Technology Pvt. Ltd., Selaqui, Dehradun
41.	M/s Hotel Shiva Palace, Mayapur, Haridwar
42.	M/s Sundram Fastners Ltd., IIE Pantnagar, Udham Singh Nagar
43.	M/s Radhu Products, Pvt. Ltd., IIE Pantnagar, Udham Singh Nagar
44.	M/s Eurasia Door devices, IIE Pant Nagar, Udham Singh Nagar
45.	M/s Pankaj Gas Cylinders, IE Pant Nagar, Udham Singh Nagar
46.	M/s SLG Bright Wires, IIE Pant Nagar, Udham Singh Nagar
47.	M/s Piyush Industries, Saleempur, Haridwar
48.	M/s Corbett Jungle Treasure, Dhikuli, Ramnagar, Nainital
49.	M/s Country Inn, Dhikuli, Ramnagar, Nainital

50.	M/s Camp Hornbill, Kyari, Ramnagar, Nainital
51.	M/s Clarks Inn Corbett, Kyari, Ramnagar, Nainital
52.	M/s Wild Crest, Dhikuli Ramnagar, Nainital
53.	M/s Ramganga Resort, Jamaria, Almora
54.	M/s Platidum Safari Lodge, Bhakrakot, Almora
55.	M/s Jukaso Manu Maharani, Dhikuli, Ramnagar, Nainital
56.	M/s Treff Hotel, Dhikuli, Ramnagar, Nainital
57.	M/s Corbett Comfortable Resort, Ramnagar, Nainital
58.	M/s Corbett River Creek, Jhadgaon, Almora
59.	M/s Jungle Paradise Retreat, Dhikuli, Ramnagar, Nainital
60.	M/s P.M. Tools and Abrasives, Raipur Ind. Area, Bhagwanpur, Haridwar
61.	M/s Jindal Refinery Pvt. Ltd., Kashipur, Udham Singh Nagar
62.	M/s Raj Deluxe, Sabzi Mandi, Vishnu Ghat, Haridwar
63.	M/s Hotel Trishul, Railway Road, Haridwar
64.	M/s Hotel Sachin International, Shravan Nath Nagar, Haridwar
65.	M/s Monal Resort, Rudraprayag
66.	M/s Amana Metal Finishers Pvt. Ltd., Ranipur, Haridwar
67.	M/s Arham Technochem, Roorkee, Haridwar
68.	M/s International Sales Corporation, IIE Haridwar
69.	M/s Project Director, Construction and Maintenance Div. Jal Nigam, DGVR Camp. Ashutosh Nagar, Rishikesh, Dehradun
70.	M/s LRC Speciality Surfactants, Lakeshwari, Bhagwanpur, Haridwar
71.	M/s ITC (Food Division), IIE Haridwar
72.	M/s Godwin Hotel, Haripur, Dehradun
73.	M/s Hotel Dynasty, 48 Civil Line, Roorkee, Haridwar
74.	M/s Hotel Prem Dynasty, 48, Civil Lines, Roorkee, Haridwar
75.	M/s Hotel Grand President, 48 Civil Lines, Roorkee Haridwar
76.	M/s Hotel Solitare, Makhanpur, Bhagwanpur, Haridwar
77.	M/s Hotel Raj Palace, Haridwar Road, Roorkee, Haridwar
78.	M/s Hotel Suvidha & Guest House, 48 Civil Line, Roorkee, Haridwar
79.	M/s Hotel Royal Palace, 22 Civil Lines, Roorkee, Haridwar
80.	M/s Hotel Sagar & Restaurant, 19 Civil Lines, Roorkee, Haridwar
81.	M/s Hotel Maya Palace, Rampur Changi, Roorkee, Haridwar
82.	M/s Hotel Blue Saffoir, Rampur Chowk, Roorkee, Haridwar
83.	M/s Hotel Surya Farms, Manglore Road, Roorkee, Haridwar
84.	M/s Hotel Aryan, Manglore Road, Roorkee, Haridwar
85.	M/s Patanjali Ayurved Ltd., Old Ind. Area, Haridwar
86.	M/s Kotek Health Care, Roorkee, Haridwar
87.	M/s Avina Milk Products, Bahgwanpur, Haridwar
88.	M/s Roop Polymers Ltd., IIE Pantnagar
89.	M/s Metalman Micro Turners, IIE Pantnagar, Udham Singh Nagar
90.	M/s Endurance Technologies Pvt. Ltd., IIE Pantnagar
91.	M/s Nipman Fastners Ind. Pvt. Ltd., Salempur Mehdood, Haridwar
92.	M/s Sagar Stone Crusher, Devrampur, Haldwani, Nainital
93.	M/s Country Club Wild Exotica, Dhikuli Ramnagar, Nainital
94.	M/s Rosewood Resort, Dhikuli, Ramnagar, Nainital
95.	M/s Shree Cement Ltd., Akbarpur, Laksar, Haridwar
96.	M/s Pyrax Polymers, Sunehra Rd. Roorkee, Haridwar
97.	M/s E-Durables, C-5 UPSIDC Selaqui, Dehradun
98.	M/s Emkay Automobiles Industry Ltd., IIE Pantnagar, Udham Singh Nagar
99.	M/s Lucas TVS Ltd., IIE Pantnagar, Udham Singh Nagar
100.	M/s Jim's Jungle Retreat, Dhela, Ramnagar, Nainital
101.	M/s Corbett Wild Irish Spa & Resort, Kyari, Ramnagar, Nainital
102.	M/s Hridesh Spa & Resort, Dhikuli, Ramnagar, Nainital

103.	M/s Euro Life Healthcare Pvt. Ltd., Bhagwanpur, Haridwar
104.	M/s Hotel Shiv Murti, Railway Road, Haridwar
105.	M/s Bharat Bhoomi Tourist Complex, Haridwar Road, Rishikesh, Dehradun
106.	M/s Hotel Chotiwala, New Bypass Road, Bhupatwala, Haridwar
107.	M/s Hotel Chotiwala, Dhudhari Chowk, Haridwar
108.	M/s Sarovarpartica, Badrinath, Chamoli
109.	M/s Krishna Cottage, Swargashram Rishikesh, Pauri
110.	M/s Jain Gramodhyog, Jaspur Khurd, Kashipur,Udham Singh Nagar
111.	M/s Hotel The Amaris, Natraj Chowk, Rishikesh, Dehradun
112.	M/s Deccan Valley Housing Society, Rishikesh, Dehradun
113.	M/s Ranjana Minerals and Chemicals, Motinagar, Haldwani, Nainital
114.	M/s Guru Nanak Minerals, Motinagar, Haldwani, Nainital
115.	M/s Hotel Park Prime, Dhudhan Chowk, Haridwar
116.	M/s Kumaon Minerals, Motinagar, Haldwani
117.	M/s Raj Bags, Katiya, Kashipur, Udham Singh Nagar
118.	M/s Hotel Polaris Restaurant, 48 Civil Lines, Roorkee, Haridwar
119.	M/s Hotel President, 48, Civil Lines, Roorkee, Haridwar
120.	M/s Hotel Urvashi, Civil Line Bus Stand, Roorkee, Haridwar
121.	M/s Hotel Amber, 48, Civil Line, Roorkee, Haridwar
122.	M/s Hotel Motel Punjab, RamnagarChowk, Roorkee, Haridwar
123.	M/s Hotel Highway, Aadarsh Nagar, Haridwar Road, Roorkee, Haridwar
124.	M/s Hotel Siddharth, Ramnagar Chowk, Roorkee, Haridwar
125.	M/s Anand Lodge, 32 Civil Line, Near Nilam Talkez, Roorkee, Haridwar
126.	M/s Keshav Polymers and Traders, Roorkee, Haridwar
127.	M/s Shanti Gramodhyog Sansthan, Haridwar
128.	M/s Mahashakti Gramodhyog Sansthan, Banjerawala, Roorkee, Haridwar
129.	M/s Micro Turners, IIE Pantnagar, Udham Singh Nagar
130.	M/s Windlas Auto Pvt. Ltd. (Unit-1), IIE Pantnagar, Udham Singh Nagar
131.	M/s Tex Zipper, Dev Bhoomi Ind Estate, Bantakhedi, Haridwar
132.	M/s Deshmesh Rosin Company, Bhujiaghat, Nainital
133.	M/s Jindal Research Labs Ltd., Mahuakhedaganj, Udham Singh Nagar
134.	M/s Bharat Construction Company, Vill. Pora, Teh. Purola, Uttarkashi
135.	M/s Shivalik Infrastructure Pvt. Ltd., Tyuni, Distt. Dehradun
136.	M/s Avanti Metal Industries, IIE Pantnagar, Udham Singh Nagar
137.	M/s Corbett Country Resort, Dhikuli, Ramnagar, Nainital
138.	M/s Dharamveer, Behind Bal Kunj School, Govindpur Dadupur, Haridwar
139.	M/s Daksh Plater, Behind Bal Kunj School, Govindpur, Dadupur, Haridwar
140.	M/s Uday Palace, Peepalkoti, Chamoli
141.	M/s Rama Hotel, Srikot, Pauri Garhwal
142.	M/s Jain Poly Packaging Solution, Bahadarabad, Haridwar
143.	M/s Rachna Enterprises, Peeth Bazar, Bahadarabad, Haridwar
144.	M/s Mari Mant Hotel, DhudhachariChowk, Bhupatwala, Haridwar
145.	M/s Omaxe Rivera, Plot No. B- IIE, Pantnagar, Udham Singh Nagar
146.	M/s Neel Metal Products Ltd., IIE, Haridwar
147.	M/s Ganga Kinare, 237, Veerbhadra Road, Rishikesh, Dehradun
148.	M/s Bharat Heavy Electricals Ltd (BHEL) Haridwar
149.	M/s Country Inn, Motichur
150.	M/s Hotel Regenta, Motichur, Dehradun
151.	M/s Hotel Divine International, 48 Civil Lines, Roorkee, Haridwar
152.	M/s Hotel Premhans, 48, Civil Lines, Roorkee, Haridwar
153.	M/s Hotel Kazri, 48 Civil Line, Roorkee, Haridwar
154.	M/s Bharat PG Guest House, Rampur Chungi, Roorkee, Haridwar
155.	M/s Anand Guest house, Ramnagar Chowk, Roorkee, Haridwar

156.	M/s Hotel Stayam Palace, Rampur Chungi, Roorkee, Haridwar
157.	M/s Hotel Godavari, Manglore Road, Roorkee, Haridwar
158.	M/s Hotel Vishal, Manglore Road, Roorkee, Haridwar
159.	M/s Hotel Prakash, 19 Civil Line, Roorkee, Haridwar
160.	M/s R.G. Buildwell Engineer Ltd., Rudraprayag
161.	M/s Pacific Estate (Apartment), Dehradun
162.	M/s Jindal ESIPL CETP (Sitarganj) Ltd. Sitarganj, Udham Singh Nagar
163.	M/s Halax Health Care, Karondi, Roorkee, Haridwar
164.	M/s Roots Corporation Ltd., Udham Singh Nagar
165.	M/s Surya Smelters Pvt. Ltd., Sunhera Road, Rajputana, Roorkee, Haridwar
166.	M/s Global Energy Solutions, Dineshpur, Gadarpur, Udham Singh Nagar
167.	Station Master, Northern Railways, Kathgodam, Nainital
168.	M/s Jivanta Laboratories Pvt. Ltd., IIE Haridwar
169.	M/s Uttaranchal Metal Pvt. Ltd., Plot No.-11, 12, 13 Sector-02 IIE, Distt. Haridwar
170.	M/s Hotel Astha Palace, Mayapur, Haridwar
171.	M/s The Corbett View Resort, Dhela, Ramnagar, Nainital
172.	M/s Sunshine Industries, Govindpur Dadupur, Bahadarabad, Haridwar
173.	M/s Natraj Enterprises, Behind Bal Kunj, Govindpur Dadupur, Haridwar
174.	M/s Neel Kanth Dham, Rishikesh Road, Haridwar
175.	M/s Hotel Sachin International, Rudraprayag
176.	M/s Hotel Hayat Palace, Manglore Road, Roorkee, Haridwar
177.	M/s Divine Resort, Laxman Jhulla Road, Rishikesh
178.	M/s Mahadev Thermopack, Mahuahedaganj,Udham Singh Nagar
179.	M/s Naman Buildcon Ltd., Kanwali, Central Hope Town, Dehradun
180.	M/s Komal Metal Finishers, IIE Pantnagar, Udham Singh Nagar

Appendix-1.2.5

(Reference: Appendix 1.2.3; Sl. No.5, Page 148)

List of Industries declared as closed

Sl. No.	Name of Industry	Date of Show Cause
1.	M/s Rachna Enterprises, Peeth Bazar, Bahadarabad	30.03.2016
2.	M/s Jain Poly Packaging Solution, Bahadarabad	11.12.2015
3.	M/s Hotel Polaris Restaurant, 48 Civil Lines, Roorkee	08.06.2015
4.	M/s Hotel Amber, 48, Civil Line, Roorkee	18.06.2015
5.	M/s Hotel Highway, Aadarsh Nagar, Haridwar Road, Roorkee	18.06.2015
6.	M/s Dharamverr, Behind Bal Kunj School, Govindpur Dadupur	21.03.2016
7.	M/s Daksh Plater, Behind Bal Kunj School, Govindpur, Dadupur	21.03.2016
8.	M/s Natraj Enterprises, Behind Bal Kunj, Govindpur Dadupur	30.03.2016
9.	M/s Hotel Urvashi, Civil Line Bus Stand, Roorkee	18.06.2015
10.	M/s Hotel Motel Punjab, Ramnagar Chowk, Roorkee	18.06.2015
11.	M/s Hotel Siddharth, Ramnagar Chowk, Roorkee	18.06.2015
12.	M/s Anand Lodge, 32 Civil Line, Near Nilam Talkez, Roorkee	18.06.2015
13.	M/s Keshav Polymers and Traders, Roorkee	12.08.2015
14.	M/s Shanti Gramodhyog Sansthan, Haridwar	01.09.2015
15.	M/s Mahashakti Gramodhyog Sansthan, Banjerawala, Roorkee	02.09.2015
16.	M/s Tex Zipper, Dev Bhomi Ind. Estate, Bantakhedi	12.10.2015

Appendix-1.2.6

(Reference: Appendix 1.2.3; Sl. No.6, Page 148)

Present Status of 44 defaulting industries which were served Closure Notices during 2014-15

Sl. No.	Name of the defaulting industry
1.	M/s Iqbal Ice Factory, Bhagwanpur, Haridwar
2.	M/s Tirupati LPG Industries Ltd., Selaqui, Dehradun
3.	M/s Vanguard Laboratories, Selaqui, Dehradun
4.	M/s Devanshu Appliances Pvt. Ltd., Selaqui, Dehradun
5.	M/s E-Durables Unit-2, Selaqui, Dehradun
6.	M/s PMV Nutrients Pvt. Ltd., Mahuakhedaganj, Kashipur
7.	M/s Arham Technochem, Devbhoomi Ind. Estate, Bantakhedi
8.	M/s Himalaya Brick Field, Tikola, Roorkee
9.	M/s Eli Pharmaceuticals, Sisona, Bhagwanpur
10.	M/s Anishaka Polysurf, Devbhoomi Ind. Estate, Bantakhedi
11.	M/s Ganesh Brick Field, Roorkee
12.	M/s UP Bone Mills, Roorkee, Haridwar
13.	M/s Tejas Stone Crusher, Bhogpur, Haridwar
14.	M/s Om Sai Screening Plant, Bhogpur, Haridwar
15.	M/s Shreejee Stone Crusher, Bhogpur, Haridwar
16.	M/s Kosi Mineral & Stone Crusher, Ladhpura, Bazpur, Udham Singh Nagar
17.	M/s B.R. Papers Ltd., Lalpur, Jaspur, Kashipur
18.	M/s Shubham Chemicals Pvt. Ltd., Lalpur, Kichha
19.	M/s GS Pharmabutor Pvt. Ltd. IIE Pantnagar
20.	M/s Rama Penel Pvt. Ltd., IIE Pantnagar
21.	M/s U & K Steel, Sunhera, Roorkee
22.	M/s Hanuang Toys and Textile Ltd., Lakeshwari
23.	M/s Multiwal Duplex Pvt. Ltd., Kashipur
24.	M/s Shree Shyam Pulp & Board Mill Ltd. (Unit-1), Kashipur
25.	M/s Roshan Brick Field, Nagla, Landhora
26.	M/s Savera Brick Field, Bijola, Landhora, Roorkee
27.	M/s Anchal Brick Field, Bijholi, Landhora
28.	M/s Akbar Khan Brick Field, Kaliyar, Roorkee
29.	M/s Chand Brick Supply, Nagla, Landhora
30.	M/s Baba Brick Field, Jhebreda
31.	M/s Shabri Brick Field, Station Road, Landhora, Haridwar
32.	M/s Indian Bhatta, Bijholi, Haridwar
33.	M/s JBM Enterprises, Shiv Ganga Ind. Estate, Lakeshwari
34.	M/s JMJ Paper Products Pvt. Ltd., Khempur-Shikarpur
35.	M/s Swasti RMC, Brahmanwala, Haridwar-Bye-pass, Dehradun
36.	M/s Apple Formulation Pvt. Ltd., Kishanpur, Bhagwanpur
37.	M/s Nijam Udhyag, Manglore, Roorkee
38.	M/s United Engineers, Begampur
39.	M/s Riddhi Vinayak Techno Concreate Products, Majra
40.	M/s Rava Hitech Rudrapur Pvt. Ltd., Rudrapur
41.	M/s Daffohills Laboratory Pvt. Ltd., Selaqui, Dehradun
42.	M/s Daffohills Laboratories Pvt. Ltd., Selaqui Dehradun
43.	M/s PMV Malting (P) Ltd., Mahuakhedaganj
44.	M/s Skymap Pharmaceuticals, Devbhoomi Ind. Estate, Bantakhedi

Note: M/s Daffohills Laboratory Pvt. Ltd., Selaqui, Dehradun appears twice in the list since UEPPCB served closure notice two times.

Appendix-1.2.7

(Reference: Appendix 1.2.3; Sl. No. 6, Pages 148 & 149)

List of closed Industries which were served Show Cause Notices during 2014-15

Sl. No.	Name of the defaulting industry	Date on which the Closure notice was issued
1.	M/s Baba Brick Field, Jhebreda	01.08.2014
2.	M/s Roshan Brick Field, Nagla, Landhora	02.07.2014
3.	M/s Savera Brick Field, Bijola, Landhora, Roorkee	02.07.2014
4.	M/s Anchal Brick Field, Bijholi, Landhora	01.08.2014
5.	M/s Chand Brick Supply, Nagla, Landhora	01.08.2014
6.	M/s Shabri Brick Field, Station Road, Landhora, Haridwar	06.09.2014
7.	M/s Indian Bhatta, Bijholi, Haridwar	06.09.2014
8.	M/s United Engineers, Begampur	16.07.2014
9.	M/s Akbar Khan Brick Field, Kaliyar, Roorkee	01.08.2014
10.	M/s Apple Formulation Pvt. Ltd., Kishanpur, Bhagwanpur	02.07.2014
11.	M/s Nijam Udhyag, Manglore, Roorkee	02.07.2014
12.	M/s JMJ Paper Products Pvt. Ltd., Khempur-Shikarpur	10.02.2015
13.	M/s JBM Enterprises, Shiv Ganga Ind. Estate, Lakeshwari	24.02.2015

Appendix-1.2.8

(Reference: Appendix 1.2.3; Sl. No.7, Page 149)

Present status of 106 defaulting industries which were served Closure Notices during 2015-16

Sl. No.	Name of the defaulting industry
1.	M/s VIP Industries Ltd., IIE Haridwar
2.	M/s Khatema Fibres Ltd., Khatima
3.	M/s Konark Industries, Mahuakhedaganj, Kashipur
4.	M/s Omkar Infratech Ltd., Ratanpuri, Bazpur, Kashipur, Udham Singh Nagar
5.	M/s Just In Agri Food (P) Ltd., Mahuakhedaganj
6.	M/s Mega County, Mussoorie Diversion, Dehradun
7.	M/s Project Manager, Construction and Maintenance Unit, Rishikesh
8.	M/s KVN Auto Engineering Pvt Ltd. Lalpur
9.	M/s Rudra Auto Tech Engineering Pvt. Ltd., IIE Pantnagar
10.	M/s Shree Radhey Enterprises, Raipur Ind. Estate, Raipur
11.	M/s DPS Polymers, Bhagwanpur
12.	M/s Sameer Bright Bar Industries, Rudrapur
13.	M/s Shri Guru Stone Crusher Pvt. Ltd., Kanauri, Bazpur
14.	M/s Asha Stone Crusher, Bazpur
15.	M/s Hari Har Stone Crusher Pvt. Ltd., Kanori, Bazpur
16.	M/s Redission Blu Hotel Haridwar, IIE Haridwar
17.	M/s Gagan Brick Supply, Roorkee
18.	M/s Gagan Brick Supply, Tanda Bhaneda, Roorkee
19.	M/s Alpha Ingots, Gangnoli. Laksar
20.	M/s Shri Bankey Bihari Ispat Pvt. Ltd., Kishanpur, Kichha
21.	M/s Van Health Care, Karondi, Haridwar
22.	M/s Panchwati Prayogshala, Roorkee
23.	M/s HMI Manufacturing Corporation, Haridwar
24.	M/s JMD Heat Treatment, Bhagwanpur
25.	M/s Iqbal Ice Factory, Bhagwanpur, Haridwar
26.	M/s Apple Industries, Old Ind. Area, Haridwar
27.	M/s Micro Turner, Begumpur, Haridwar
28.	M/s Tech Hard India, Bahadarabad Ind. Area
29.	M/s Verizon Energy System, Industrial Area
30.	M/s Makino Automotive, Bahadarabad Ind. Area
31.	M/s Avanti Bufa Pvt. Ltd., Raipur, Bhagwanpur, Roorkee
32.	M/s Mahakali Stone Crusher, Haldwani
33.	Raj Rajeshwari Techno feb, Devbhoomi Ind. Estate, Bantakhedi
34.	M/s Hotel Shiv Sai, Indira Basti, Haridwar
35.	M/s Vivek Hotel, Indira Enclave, Shantikunj, Haridwar
36.	M/s Dexbio Pharma Pvt. Ltd., Raipur, Bhagwanpur
37.	M/s Mitter & Mitter Engineers Pvt. Ltd., IIE Pantnagar
38.	M/s Kashi Vishwanth Textile Pvt. Ltd., Kashipur
39.	M/s Mitter & Mitter Engineers Pvt. Ltd., IIE Pantnagar
40.	M/s Sundram Fastner Ltd., IIE Pantnagar
41.	M/s Verizon Energy System, Industrial Area, Haridwar
42.	M/s Uttaranchal Pulp and Paper, Manglore
43.	M/s Alps Industries Ltd., IIE Haridwar
44.	M/s Sai Auto Industries, Shimla Pistaur, Rudrapur
45.	M/s Surin Automotive Pvt. Ltd., Kishanpur
46.	M/s Bharat Glass and Aluminium Works, Begumpur
47.	Multiwal Pulp and Board Mill Pvt. Ltd., Bazpur Road, Kashipur
48.	Multiwal Duplex Pvt. Ltd., Kundeshwari Road, Kashipur, Udham Singh Nagar
49.	M/s Euresia Doordevices, IIE Pantnagar
50.	M/s Radhu Products Pvt. Ltd., IIE Pantnagar
51.	M/s Arham Technochem, Bantakhedi, Bhagwanpur
52.	M/s Sunmax Auto Engineering Pvt. Ltd., IIE Haridwar
53.	M/s Pankaj Gas Cylinders, IIE Pantnagar
54.	M/s SSV Hi Tech Rudrapur

55.	M/s Takshi Auto Components Pvt. Ltd., IIE Ranipur
56.	M/s ANG Auto Ltd., Eldeco-Sidcul Ind. Park, Sitarganj
57.	M/s Ferro Terro India Pvt. Ltd., Lakeshwari, Bahgwanpur
58.	M/s Needle Eye Plastic Industries Pvt. Ltd., Bazpur
59.	M/s Aman Metal Finisher, IIDC Ranipur, Haridwar
60.	M/s Ashish Agri Food Pvt. Ltd., Mahuakhedaganj
61.	M/s Shri Sai Enterprises, Kichha Road, Rudrapur
62.	M/s Windals Auto Parts Pvt. Ltd. (Unit-3), Rudrapur
63.	M/s Shree Shyam Pulp and Board Mill Pvt. Ltd., Unit-2, Kashipur
64.	M/s Quede Export, IIE Pantnagar
65.	M/s SLG Bright Wires, IIE Pantnagar
66.	M/s R.R. Enterprises, IIE Pantnagar, Udham Singh Nagar
67.	M/s Sharp Industries, IIE Ranipur
68.	M/s P.N. Pulp & Paper Kicha Road, Udham Singh Nagar
69.	M/s Tex Plas Textile India Pvt. Ltd., Bahadurpur Saini
70.	M/s Hillways Construction Com. Pvt. Ltd., Rudraprayag
71.	M/s Rudradham Recyclers Pvt. Ltd., Rorkee, Haridwar
72.	M/s The Artigo Residency, Mussoorie Diversion
73.	M/s Seema Construction, Shyampur, Haridwar
74.	M/s Hotel Tapovan Resort, Laxman Jhulla Road, Rishikesh
75.	M/s Raltronics India Pvt. Ltd. IIE Ranipur
76.	M/s Raja Ice Factory, Dudhpur, Haridwar
77.	M/s Sheetla Finishers, Dadupur, Haridwar
78.	M/s Nazma Ice Factory, Dadupur, Haridwar
79.	M/s Sabri Brick Field, Godharana Road, Akbarpur Road
80.	M/s Bansal Impex, Kichha Road, Rudrapur, Udham Singh Nagar
81.	M/s STP Enterprises, Madhupur, Roorkee
82.	M/s Durga Engineering , Lakeshwari, Haridwar
83.	M/s Scaff India, Raipur, Haridwar
84.	M/s Indian Bhatta, Bijholi
85.	M/s Agrawal Aluminium, Sitarganj
86.	M/s T.S. Enterprises, Garhi Maychak, Shyampur, Rishikesh
87.	M/s GS Enterprises, Mohbewala Ind. Area
88.	M/s Sagar Chemicals, Haldwani
89.	M/s P.N. Paper Industy Ltd., Kichha
90.	M/s Shree Shyam Pulp and Board Mill Pvt. Ltd., Unit-1, Kashipur
91.	M/s Tex Zippers, Devbhoomi Ind. Estate, Bantakhedi, Haridwar
92.	M/s Park Prime Hotels, Haridwar
93.	M/s Medglobe Theraputics Ltd., Raipur, Bhagwanpur, Roorkee
94.	M/s Micro Turner, IIE Pantnagar
95.	M/s Micro Turner, IIE Haridwar
96.	M/s Keshav Polymer & traders, Lakeshwari, Bhagwanpur
97.	M/s Aftab Battery Udhyog, Kelakheda, Bazpur
98.	M/s Parul Fabricators, Sitarganj
99.	M/s Lotte Electronics, Kishanpur, Kichha
100.	M/s Ganpati Metal Products, Bhurani, Rudrapur
101.	M/s Suransh Power Pvt. Ltd., Ramnagar
102.	M/s Narendra Precision Fastners, IIE Pantnagar
103.	M/s Windals Auto Pvt. Ltd., Bhagwada, Kichha
104.	M/s Avanti Metal Industries, IIE Pantnagar
105.	M/s B.A. International, Roorkee
106.	M/s Dashmesh Rosin Company, Dogda, Bhujiaght, Nainital

Note: M/s Gagan Brick Supply, Roorkee, M/s Mitter & Mitter Engineers Pvt. Ltd., IIE Pantnagar, M/s Verizon Energy System, Industrial Area, Haridwar and M/s Windals Auto Pvt. Ltd., Bhagwada, Kichha appears twice in the list since UEPPCB served closure notice two times.

Appendix-1.2.9
(Reference: Appendix 1.2.3; Sl. No.7, Page 149)

List of closed Industries which were served Closure Notices during 2015-16

Sl. No.	Name of the defaulting industry	Date on which the Closure notice was issued
1.	M/s Sharp Industries, IIE Ranipur	06.02.2016
2.	M/s Raltronics India Pvt. Ltd. IIE Ranipur	23.03.2015
3.	M/s Tex Plas Textile India Pvt. Ltd., Bahadurpur Saini	06.02.2016
4.	M/s STP Enterprises, Madhupur, Roorkee	18.05.2015
5.	M/s Raja Ice Factory, Dudhpur, Haridwar	16.06.2015
6.	M/s Nazma Ice Factory, Dadupur, Haridwar	16.06.2015
7.	M/s Rudradham Recyclers Pvt. Ltd., Rorkee, Haridwar	01.05.2015
8.	M/s Seema Construction, Shyampur, Haridwar	23.05.2015
9.	M/s Sheetla Finishers, Dadupur, Haridwar	16.06.2015
10.	M/s Sabri Brick Field, Godharana Road, Akbarpur Road	22.06.2015
11.	M/s Durga Engineering , Lakeshwari, Haridwar	01.09.2015
12.	M/s Scaff India, Raipur, Haridwar	01.09.2015
13.	M/s Indian Bhatta, Bijholi	06.09.2014
14.	M/s Medglobe Theraputics Ltd., Raipur, Bhagwanpur, Roorkee	08.01.2016
15.	M/s Keshav Polymer & traders, Lakeshwari, Bhagwanpur	22.01.2016
16.	M/s R.R. Enterprises, IIE Pantnagar, Udham Singh Nagar	06.02.2016
17.	M/s B.A. International, Bhagwanpur, Roorkee	06.02.2016
18.	M/s Tex Zippers, Devbhoomi Ind. Estate, Bantakhedi, Haridwar	21.12.2015

Appendix-1.2.10

(Reference: Appendix 1.2.3; Sl. No.12, Page 150)

Details of *Nallas* discharging sewage into the River Ganga

Sl. No.	Name of the town	Total *Nallas*	Discharge from *Nallas* (MLD)	Tapped *Nallas*	Discharge tapped from *Nalla* (MLD)	Name of River in which *Nallas* fall	Remarks, if any.
1.	Uttarkashi	4	0.380	4	0.38	Bhagirathi	
2.	Srinagar	17	2.270	7	1.52	Alaknanda	
3.	Devprayag	4	0.128	1	0.029	Ganga	
4.	Tapovan	5	0.390	5	0.39	Ganga	Out of these five drains, two are carrying Natural unpolluted Water
5.	Muni-ki-Reti Dhalwala	15	7.570	9	0.37	Ganga	
6.	Rishikesh	5	8.210	4	8.20	Ganga	
7.	Haridwar	22	31.49	17	19.69	Ganga	
8.	Badrinath	6	0.549	-	-	Alaknanda	
9.	Joshimath	7	3.620	-	-	Alaknanda	
10.	Gopeshwar	7	1.580	-	-	Alaknanda	
11.	Nandprayag	3	0.091	-	-	Alaknanda	
12.	Karnprayag	7	0.202	-	-	Alaknanda	
13.	Gauchar	0		-	-	Alaknanda	
14.	Rudraprayag	8	0.362	-	-	Alaknanda	
15.	Kirtinagar	2	0.029	-	-	Alaknanda	
Total		***112***	***56.871***	***47***	***30.579***		

Appendix-1.3.1

(Reference: Paragraph 1.3.7.4; Page 40)

Details of penal interest which the State Government is liable to pay due to delayed release of fund to the SWSM

Year	Sanction order of GoI	Sanction Date	Sanctioned Amount (₹ *in lakh*)	State Government Release order	Release date	delay in release beyond 15 days	Penal interest @ 12 *per cent* (₹ *in lakh*)
2014-15	W-11020/27/2013/NRDWP/Water/162	24-09-2014	2,981.42	926/*unttis*(2)/14-2 (91*pe.*)/2014	08-12-2014	60	58.81
	W-11020/27/2014/NRDWP/Water/383	14-01-2015	1,843.40	214/*unttis*(2)/15-2 (91*pe.*)/2014	06-02-2015	8	4.85
	W-11020/27/2012/NRDWP/Water/403	17-02-2015	255.35	485/*unttis*(2)/15-2 (91pe.)/2014TC	21-03-2015	17	1.43
	W-11020/27/2012/NRDWP/Water/402	17-02-2015	254.68	485/*unttis*(2)/15-2 (91*pe.*)/2014TC	21-03-2015	17	1.42
	W-11020/27/2014/NRDWP(MDI)/Water/441	18-02-2015	1.07	468/*unttis*(2)/15-2 (91*pe.*)/2014TC-3	24-03-2015	19	0.01
	W-11020/27/2014/NRDWP/Water/510	11-03-2015	962.83	1533/*unttis*(2)/15-2 (91*pe.*)/2014	18-12-2015	267	84.52
2015-16	G-11011/08/2015/Water-I/20	16-06-2015	137.35	1003/*unttis*(2)/15-2 (91*pe.*)/2014	28-07-2015	27	1.22
	G-11011/08/2015/Water-I/20	16-06-2015	1,316.61	1002/*unttis*(2)/15-2 (91*pe.*)/2014	28-07-2015	27	11.69
	G-11011/08/2015/Water-I/49	03-07-2015	19.86	1105/*unttis*(2)/15-2 (91*pe.*)/2014	19-08-2015	32	0.21
	G-11011/08/2015/Water-I/49	03-07-2015	190.40	1533/*unttis*(2)/15-2 (91*pe.*)/2014	18-12-2015	153	9.58
	G-11011/08/2015/Water-I/49	03-07-2015	364.51	1106/*unttis*(2)/15-2 (91*pe.*)/2014	19-08-2015	32	3.83
	Q-16011/2/2015-Stat(MDI)/154	16-02-2016	55.63	939/*unttis*(2)/16-2 (91*pe.*)/2014	10-06-2016	100	1.83
	Q-16011/2/2015-Stat(MDI)/154	16-02-2016	155.81	941/*unttis*(2)/16-2 (91*pe.*)/2014	10-06-2016	100	5.12
2016-17	G-11011/4/2016/Water-I/20	12-04-2016	64.44	940/*unttis*(2)/16-2 (91*pe.*)/2014	10-06-2016	44	0.93
	G-11011/4/2016/Water-I/20	12-04-2016	429.18	939/*unttis*(2)/16-2 (91*pe.*)/2014	10-06-2016	44	6.21
	G-11011/4/2016/Water-I/20	12-04-2016	1,202.06	941/*unttis*(2)/16-2 (91*pe.*)/2014	10-06-2016	44	17.39
	G-11011/4/2016/Water-I/97	20-05-2016	146.78	1045/*unttis*(2)/16-2 (91*pe.*)/2014	04-07-2016	30	1.45
	G-11011/4/2016/Water-I/97	20-05-2016	244.63	1045/*unttis*(2)/16-2 (91*pe.*)/2014	04-07-2016	30	2.41
	G-11011/4/2016/Water-I/59	20-05-2016	53.63	1046/*unttis*(2)/16-2 (91*pe.*)/2014	04-07-2016	30	0.53
	G-11011/4/2016/Water-I/59	20-05-2016	1,000.57	1045/*unttis*(2)/16-2(91*pe.*)/2014	04-07-2016	30	9.87
	W-11020/189/2015/Water-I/107	16-11-2016	51.82	2103/*unttis*(2)/16-2 (91*pe.*)/2014	26-12-2016	25	0.43
	W-11020/189/2015/Water-I/107	16-11-2016	345.15	2102/*unttis*(2)/16-2 (91*pe.*)/2014	26-12-2016	25	2.84
	W-11020/189/2015/Water-I/107	16-11-2016	966.73	2101/unttis(2)/16-2 (91*pe.*)/2014	26-12-2016	25	7.95
	W-11032/1/2017/Water-I/175	13-02-2017	1,632.20	274/*unttis*(2)/16-2 (91*pe.*)/2014	16-03-2017	16	8.59
	W-11020/78/2015/Water-I/174	13-02-2017	125.04	274/*unttis*(2)/16-2 (91*pe.*)/2014	16-03-2017	16	0.66
	Q-16011/1/2016-Stat(MDI)/189	17-02-2017	8.05	218/*unttis*(2)/16-2 (91*pe.*)/2014	16-03-2017	12	0.03
	Q-16011/1/2016-Stat(MDI)/189	17-02-2017	45.46	275/*unttis*(2)/16-2 (91*pe.*)/2014	16-03-2017	12	0.18
	Q-16011/1/2016-Stat(MDI)/189	17-02-2017	160.24	274/*unttis*(2)/16-2 (91*pe.*)/2014	16-03-2017	12	0.63
Total			***15,014.90 (₹150.15 crore)***	***Total penal interest payable***			***244.62 (₹2.45 crore)***

Source: Information collected from SWSM.

Appendix-1.3.2

(Reference: Paragraph 1.3.8.6; Page 46)

Details of testing of water quality in four test-checked districts

District	Year	Number of water sources in all the Gram Panchayats	Number of water sources where water quality testing was conducted			Total Test required	Test carried out	Shortfall	Shortfall (in percentage)
			Both Pre and post monsoon	Either Pre or post monsoon	Neither Pre nor post				
1	2	3	4	5	6	7 (2*Col 3)	8 (2*Col 4 + Col 5)	9 (Col 7 - Col 8)	10 (Col 9*100/Col 7)
Almora	2012-13	3,341	0	189	3,152	6,682	189	6,493	*97*
	2013-14	3,356	0	531	2,825	6,712	531	6,181	*92*
	2014-15	3,370	0	624	2,746	6,740	624	6,116	*91*
	2015-16	3,385	0	155	3,230	6,770	155	6,615	*98*
	2016-17	3,400	8	179	3,213	6,800	195	6,605	*97*
Total		***16,852***	***8***	***1,678***	***15,166***	***33,704***	***1,694***	***32,010***	***95***
Nainital	2012-13	1,518	5	267	1,246	3,036	277	2,759	*91*
	2013-14	1,533	0	367	1,166	3,066	367	2,699	*88*
	2014-15	1,548	25	211	1,312	3,096	261	2,835	*92*
	2015-16	1,563	0	14	1,549	3,126	14	3,112	*100*
	2016-17	1,578	14	349	1,215	3,156	377	2,779	*88*
Total		***7,740***	***44***	***1,208***	***6,488***	***15,480***	***1,296***	***14,184***	***92***
Pauri Garhwal	2012-13	3,141	6	516	2,619	6,282	528	5,754	*92*
	2013-14	3,156	1	328	2,827	6,312	330	5,982	*95*
	2014-15	3,171	37	746	2,388	6,342	820	5,522	*87*
	2015-16	3,186	39	388	2,759	6,372	466	5,906	*93*
	2016-17	3,202	38	479	2,685	6,404	555	5,849	*91*
Total		***15,856***	***121***	***2,457***	***13,278***	***31,712***	***2,699***	***29,013***	***91***
Tehri Garhwal	2012-13	2,570	0	287	2,283	5,140	287	4,853	*94*
	2013-14	2,585	1	317	2,267	5,170	319	4,851	*94*
	2014-15	2,599	37	666	1,896	5,198	740	4,458	*86*
	2015-16	2,614	19	157	2,438	5,228	195	5,033	*96*
	2016-17	2,629	38	330	2,261	5,258	406	4,852	*92*
Total		***12,997***	***95***	***1,757***	***11,145***	***25,994***	***1,947***	***24,047***	***93***

Source: Information collected from UJS.

Appendix-1.13.1

(Reference: Paragraph 1.13.3.1; Page 78)

Year-wise details of funds received by NN Dehradun and Haridwar

DEHRADUN										*(₹ in crore)*
Year	**Opening Balance**	**Budget Allotment**					**Expenditure**			**Closing Balance**
		Central Share	**State Share**	**Own Share**	**Others**	**Total**	**Exp. on Salary (Percentage of Total Expenditure)**	**Exp. on Infrastructure Development for SWM (Percentage of Total Expenditure)**	**Total Exp.**	
2014-15	6.33	1.87[1]	17.95[7]	9.76[13]	0.00	35.91	27.40 (*93*)	2.05 (*7*)	29.45	6.46
2015-16	6.46	2.55[2]	25.51[8]	10.77[14]	1.00[19]	46.29	32.43 (*91*)	3.20 (*9*)	35.63	10.66
2016-17	10.66	7.11[3]	22.41[9]	10.36[15]	0.00	50.54	32.76 (*80*)	8.08 (*20*)	40.84	9.70
Total		***11.53***	***65.87***	***30.89***	***1.00***	***132.74***	***92.59 (87)***	***13.33 (13)***	***105.92***	

HARIDWAR										*(₹ in crore)*
Year	**Opening Balance**	**Budget Allotment**					**Expenditure**			**Closing Balance**
		Central Share	**State Share**	**Own Share**	**Others**	**Total**	**Exp. on Salary (Percentage of Total Expenditure)**	**Exp. on Infrastructure Development for SWM (Percentage of Total Expenditure)**	**Total Exp.**	
2014-15	1.67	1.61[4]	8.65[10]	3.17[16]	0.00	15.10	12.00 (*92*)	1.00 (*8*)	13.00	2.10
2015-16	2.10	4.68[5]	8.84[11]	2.90[17]	4.97[20]	23.49	11.83 (*74*)	4.21 (*26*)	16.04	7.45
2016-17	7.45	0.45[6]	7.37[12]	2.91[18]	0.21[21]	18.39	10.27 (*59*)	7.08 (*41*)	17.35	1.04
Total		***6.74***	***24.86***	***8.98***	***5.18***	***56.98***	***34.10 (74)***	***12.29 (26)***	***46.39***	

Source of Funds	**Year**	**Details of funds**	
		NN Dehradun	**NN Haridwar**
Central Funds	2014-15	CFC: ₹ 1,87,15,193[1]	Municipal Solid Waste Management: ₹ 5,61,250 + JnNURM Salary: ₹ 20,65,790 + CFC: ₹ 1,34,64,398 = ₹ 1,60,91,438[4]
	2015-16	SBM: ₹ 1,72,08,000 + CFC: ₹ 83,14,382 = ₹ 2,55,22,382[2]	SBM: ₹ 2,90,000 + Municipal Solid Waste Management: ₹ 3,07,60,450 + JnNURM salary: ₹ 25,672 + CFC: ₹ 1,56,61,906 = ₹ 4,67,38,028[5]
	2016-17	SBM: ₹ 64,53,000 + CFC: ₹ 6,46,97,467 = ₹ 7,11,50,467[3]	SBM: ₹ 2,38,322 + Municipal Solid Waste Management: ₹ 14,89,323 + JnNURM salary: ₹ 5,281 + CFC: ₹ 27,97,000 = ₹ 45,29,926[6]
State Funds	2014-15	Avsthapana (Dustbin purchase): ₹ 31,50,000 + SFC: ₹ 17,63,66,749 = ₹ 17,95,16,749[7]	SFC: ₹ 8,65,12,993[10]
	2015-16	Grants for sanitation :₹ 2,35,00,000 + CMG : ₹ 1,50,00,000 + SFC: ₹ 21,66,08,809 = ₹ 25,51,08,809[8]	SFC: ₹ 8,84,36,263[11]
	2016-17	SFC: ₹ 22,40,73,834[9]	SFC: ₹ 7,36,95,704[12]
Own resources	2014-15	₹ 9,76,14,789[13]	₹ 3,16,57,899[16]
	2015-16	₹ 10,76,87,920[14]	₹ 2,89,96,340[17]
	2016-17	₹ 10,35,54,120[15]	₹ 2,90,49,337[18]
Other resources	2014-15	-	-
	2015-16	MDDA: ₹ 1,00,00,000[19]	Kaanvad Mela: ₹ 13,10,305+Vidhayak Nidhi: ₹ 5,00,000+Ardhkumbh Mela: ₹ 4,73,86,000+Dustbin purchase: ₹ 5,00,000 = ₹ 4,96,96,305[20]
	2016-17	-	Kaanvad Mela: ₹ 16,01,750+Chardhaam: ₹ 5,00,000 = ₹ 21,01,750[21]

Appendix-2.2.1

(Reference: Paragraph 2.2; Page 98)

Statement showing details of non-levy of penalty in respect of the four cases related to two dealers

Sl. No.	Tin No. of the dealer [under commercial Tax unit]	Goods purchased	Assessment year (Assessment done in year)	Amount of unauthorized Purchase of goods by issuing Form 'C' *(in ₹)*	Rate of Tax *(in percentage)*	Tax leviable *(in ₹)*	Penalty under Sec. 10-A read with Sec.10(b)/10(d) (one and half times of col-7) *(in ₹)*	Class of Violation [Section of CST Act, 1956]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	0500961780 ***[DC (A)-IV,CT, Dehradun}***	Chemical, Anti Rust & Teflon	2009-10 (2014-15)	18,99,957	*12.5*	2,37,495	3,56,242.50	Dealers purchased goods which are not covered under their Central Registration Certificate **[Section 10-A read with Section 10 (b)]**
		Gen-set, Anti Rust and Teflon	2010-11 (2014-15)	34,70,173	*13.5**	4,68,473	7,02,709.50	
2.	05008095257 ***[AC (A)-Sector IV,CT, Roorkee]***	Crusher Bucket	2012-13 (2015-16)	25,98,040	*13.5*	3,50,735	5,26,102.00	
3.	0500961780 ***[DC (A)-IV,CT, Dehradun]***	Demo Vehicle	2010-11 (2014-15)	59,87,233	*13.5*	8,08,276	12,12,414.00	Dealers purchased goods on concessional rate for a purpose and did not utilize the goods for the same purpose **[Section 10-A read with Section 10 (d)]**
4.	05008095257 ***[AC (A)-Sector I, CT, Almora]***	Pumping set, Chain pulley, Penal pump set, Base plate & valve	2010-11 (2013-14) 2011-12 (2014-15) 2012-13 (2014-15)	1,14,26,185 1,31,94,664 2,11,93,092 4,58,13,941	*13.5*	61,84,882	92,77,323.00	
					Total	***80,49,861***	***1,20,74,791.00***	

* ***New rate was effective from 1st April 2010.***

Appendix-2.3.1

(Reference: Paragraph 2.3; Page 99)

Statement showing details of unauthorised utilisation of Form-11 by four dealers related to three offices of Commercial Tax Department

(Amounts in ₹)

Sl. No.	Name of Office	TIN no. of Dealer	Assessment Year (Assessment /Reassessment done in)	Amount of Form-11	Goods Purchased	Differential Rate of Tax (%)	Amount of Differential Tax	Penalty (40 *per cent* of value of goods or three times of tax whichever is higher)	Class of violation
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
1.	D C (A)-II, CT Rudrapur	05004695213	2011-12/ (Jan-2015)	22,88,043	Electric Goods and Spare Parts etc.	11.50 (13.50-2.00)	2,63,125	9,26,657	Manufacturing of exempt goods **(Accepted)**
			2012-13/ (Jan-2015)	3,99,572			45,951	1,61,827	
		05007612585	2011-12/ (Sep-2014)	20,02,667	Chemicals		2,30,307	8,11,080	Goods not covered under Recognition Certificate **(Accepted)**
2.	A C (A) Sector - IV, CT Dehradun	05006694189	2008-09/ (Nov-2012/ June 2016)	23,21,783	Wood	10.50 (12.50-2.00)	2,43,787	9,28,713	Manufacturing of exempt goods **(Accepted)**
			2009-10/ (Jan-2014)	17,49,048			1,83,650	6,99,619	
3,	D C (A)-I, CT Vikas Nagar	05005088160	2012-13/ (Mar-2016)	1,47,33,953	Gas charging machine	11.50 (13.50-2.00)	16,94,405	59,67,251	Goods not covered under Recognition Certificate
			Total	***2,34,95,066***			***26,61,225***	***94,95,147***	

Appendix-2.4.1

(Reference: Paragraph 2.4; Page 100)

Details of short levy of tax in ten cases of seven dealers related to two DCs and three ACs

Name of Unit	TIN no. of Dealer	Assessment Year	Assessment done in	Name of Goods	Value of Goods *(in ₹)*	Differential Tax Rate *(in ₹)*	Tax Payable *(in ₹)*	Tax Paid *(in ₹)*	Short levy of tax *(in ₹)*	Remarks
D.C.(A)-II CT Rudrapur	05008069067	2009-10	Mar-14 (Revised in March 2017, Sep 2016)	Epoxide Resin	63,10,811	8.5 % (12.5-4)	7,88,851	2,52,432	5,36,419 **(Accepted)**	Unclassified Goods *i.e.* goods not specified in Schedule II B
		2010-11	Mar-14 (Revised in March 2017, Sep 2016)	-do-	99,85,180	9% (13.5-4.5)	13,47,999	4,49,333	8,98,666 **(Accepted)**	
		2011-12	Mar-15 (Revised in March 2017, Sep 2016)	-do-	1,19,76,343	9% (13.5-4.5)	16,16,806	5,38,935	10,77,871 **(Accepted)**	
	05007507146	2010-11, 2011-12	July-14, Jan-15	Telecommunication Equipment Parts	5,69,83,326	9% (13.5-4.5)	76,92,749	25,64,250	51,28,499	
D.C.(A)-III CT Rudrapur	05009859008	2010-11	Feb-15	Cutting Tools	56,61,101	9% (13.5-4.5)	7,64,249	2,54,750	5,09,499 **(Accepted)**	
A.C.(A) Sector-III CT Haridwar	05008256665	2010-11	Feb-15	Resin Powder	58,88,853	9% (13.5-4.5)	7,94,995	2,64,998	5,29,997	
A.C.(A) Sector-IV CT Roorkee	5011657776	2011-12	Jan-15	Resin Powder	7,64,111	9% (13.5-4.5)	1,03,155	34,385	68,770 **(Accepted)**	
	05009816813	2011-12	Nov-14	Resin Powder	12,03,707	9% (13.5-4.5)	1,62,500	54,167	1,08,334 **(Accepted)**	
A.C.(A) Sector-II CT Haridwar	05010793215	2011-12	Mar-15	Electrical Goods	10,54,665	9% (13.5-4.5)	1,42,380	47,460	94,920	
								Total	***89,52,975***	

Appendix-2.5.1
(Reference: Paragraph 2.5; Page 101)

Statement showing non-imposition of penalty due to late deposit of tax

(Amounts in ₹)

<table>
<tr><th>Sl. No.</th><th>Name of Unit</th><th>Dealers TIN No.</th><th>Month / quarter for which tax is due</th><th>Admitted tax</th><th>Due date of deposit of tax (as per notification)</th><th>Actual date of deposit of tax</th><th>Amount of Penalty (10 % of due tax) 10% of Column 5</th></tr>
<tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td></tr>
<tr><td rowspan="3">1.</td><td rowspan="9">DC (A)-I, CT, Haridwar</td><td rowspan="2">TIN No.: 05007113617</td><td>April-2012</td><td>35,52,208</td><td>25/05/2012</td><td>29/05/2012</td><td>3,55,221</td></tr>
<tr><td>February-2013</td><td>42,00,322</td><td>25/03/2013</td><td>29/03/2013</td><td>4,20,032</td></tr>
<tr><td colspan="5">Total (1)</td><td>7,75,253 (Accepted)</td></tr>
<tr><td rowspan="3">2.</td><td rowspan="2">TIN No.: 05009645705</td><td>July-2012</td><td>12,86,647</td><td>25/08/2012</td><td>05/09/2012</td><td>1,28,665</td></tr>
<tr><td>August-2012</td><td>15,98,297</td><td>25/09/2012</td><td>28/09/2012</td><td>1,59,830</td></tr>
<tr><td colspan="5">Total (2)</td><td>2,88,495 (Accepted)</td></tr>
<tr><td rowspan="3">3.</td><td rowspan="2">TIN No.: 05005891902</td><td>May-12
September-2012
October -2012
November-2012
December-2012
January-2013
February-2013</td><td>2,13,225
1,62,318
1,18,154
1,27,102
1,62,550
2,22,620
2,65,191</td><td>25/06/2012
25/10/2012
25/11/2012
25/12/2012
25/01/2013
25/02/2013
25/03/2013</td><td>03/07/2012
31/10/2012
30/11/2012
24/01/2013
28/01/2013
30/03/2013
30/03/2013</td><td>21,322
16,232
11,815
12,710
16,255
22,262
26,519</td></tr>
<tr></tr>
<tr><td colspan="5">Total (3)</td><td>1,27,115 (Accepted)</td></tr>
<tr><td rowspan="2">4.</td><td rowspan="2">DC (A)-II, CT, Haridwar</td><td>TIN No.: 05002157305</td><td>April-2011
May-2011
June-2011
July-2011
August-2011
September-2011
October-2011
November-2011
February-2012
March-2012</td><td>3,12,983
6,12,978
4,37,760
2,09,257
2,90,176
2,57,095
3,16,033
7,44,958
5,65,360
3,02,446</td><td>25/05/2011
25/06/2011
25/07/2011
25/08/2011
25/09/2011
25/10/2011
25/11/2011
25/12/2011
25/03/2012
25/04/2012</td><td>02/06/2011
29/06/2011
01/08/2011
02/09/2011
29/09/2011
03/12/2011
30/11/2011
04/01/2012
29/03/2012
28/04/2012</td><td>31,298
61,298
43,776
20,926
29,018
25,709
31,603
74,496
56,536
30,245</td></tr>
<tr><td colspan="5">Total (4)</td><td>4,04,905</td></tr>
<tr><td colspan="7">Grand Total (1+2+3+4)</td><td>₹15,95,768</td></tr>
</table>

Appendix-2.7.1 A

(Reference: Paragraph 2.7.2.1; Page 104)

Non-levy of minimum Guaranteed Duty on Higher Strength of Country Liquor

Name of Distillery	Year	Bottled *(in BL)*	Duty not paid on liquor *(in AL)*	In form of 36% v/v *(in BL)*	Rate 36% v/v *(in ₹)*	Minimum guarantee duty *(in ₹)*
Bazpur Distillery, Bazpur Udham Singh Nagar	2014-15	91,94,500.80	9,194.50	25,540.28	140	35,75,639.20
	2015-16	70,77,124.80	7,077.12	19,658.68	170	33,41,975.60
	2016-17	65,53,065.60	6,553.07	18,202.96	200	36,40,592.00
Total (A)		***2,28,24,691.20***	***22,824.6912***	***63,401.92***		***1,05,58,206.80***
IGL Kashipur, Udham Singh Nagar	2014-15	99,10,997.28	9,911.00	27,530.55	140	38,54,276.72
	2015-16	1,08,42,941.88	10,842.94	30,119.28	170	51,20,278.11
	2016-17	64,05,463.80	6,405.46	17,792.96	200	35,58,591.00
Total (B)		***2,71,59,402.96***	***27,159.40296***	***75,442.786***		***1,25,33,145.83***
Total (A + B)		***4,99,84,094.16***	***49,984.0942***	***1,38,844.706***		***2,30,91,352.60 Say ₹2.31 crore***

Appendix-2.7.1 B

(Reference: Paragraph 2.7.2.1; Page 105)

Non-levy of Excise Duty on Higher Strength of Foreign Liquor

Name of Distillery	Year	Bottled *(in BL)*	Duty not paid on liquor *(in AL)*	Rate of Duty *(in ₹)*	Excise Duty *(in ₹)*
IGL Kashipur, Udhamsingh Nagar	2014-15	27,09,492.12	2,709.49212	110	2,98,044.1332
	2015-16	43,29,415.80	4,329.4158	135	5,84,471.133
	2016-17	40,58,730.36	4,058.73036	155	6,29,103.2058
Total		***1,10,97,638.28***			***15,11,618.472 Say ₹0.15 crore***

Appendix-2.7.2 A
(Reference: Paragraph 2.7.2.2, Table 2.7.1 Sl. No. 1; Page 105)

Non-achievement of Fermentation Efficiency

SL. No.	Name of Distillery	Year	OT No.	Molasses Consumed *(in Qtl)*	FS % age as per report	FS Present in Molasses *(in Qtl)*	Alcohol Produce as per Norms (64.4 AL per quintal of FS) *(in AL)*	Alcohol would have been produced by maintaining 84% FE *(in AL)*	Actual Alcohol in Wash *(in AL)*	Difference *(in AL)*	Rate of Duty *(in ₹)*	Duty Involved *(in ₹)*
	1	2	3	4	5	6	7	8	9	10	11	12
1.	IGL, Kashipur (Batch Plant)	2014-15	60, 61, 62	24,677	44.47	10,973.86	7,06,716.71	5,93,642.03	5,90,295.30	3,346.73	110	3,68,141
2.		2014-15	77, 78, 79	21,972	44.49	9,775.34	6,29,532.08	5,28,806.94	5,28,547.70	259.24	110	28,517
3.		2014-15	92, 93	15,560	44.37	6,903.97	4,44,615.80	3,73,477.27	3,73,210.20	267.07	110	29,378
4.		2014-15	95, 96, 97	24,776	44.48	11,020.36	7,09,711.49	5,96,157.65	5,96,031.10	126.55	110	13,921
5.		2014-15	122, 123, 124	24,851	44.49	11,056.21	7,12,019.92	5,98,096.73	5,94,167.10	3,929.63	110	4,32,259
6.		2014-15	125, 126, 127	24,839	44.41	11,031.00	7,10,396.39	5,96,732.97	5,90,242.70	6,490.27	110	7,13,930
7.		2014-15	137, 138, 139	23,932	42.79	10,240.50	6,59,488.38	5,53,970.24	5,50,135.60	3,834.64	110	4,21,810
8.		2014-15	140	1,850	42.68	789.58	50,848.95	42,713.12	42,204.60	508.52	110	55,937
9.		2014-15	143, 144, 145	22,981	41.69	9,580.78	6,17,002.16	5,18,281.82	5,13,872.30	4,409.52	110	4,85,047
10.		2014-15	146, 147, 148	21,997	42.63	9,377.32	6,03,899.48	5,07,275.56	4,99,645.40	7,630.16	110	8,39,318
11.		2014-15	149, 150, 151	24,773	42.61	10,555.78	6,79,791.93	5,71,025.22	5,64,701.80	6,323.42	110	6,95,576
12.		2014-15	165, 166	13,680	40.23	5,503.46	3,54,423.08	2,97,715.39	2,93,822.40	3,892.99	110	4,28,229
13.		2016-17	20, 30, 40	25,040	41.49	10,389.10	6,69,057.78	5,62,008.54	5,61,067.60	940.94	155	1,45,845
14.		2016-17	33	6,739	41.27	2,781.19	1,79,108.33	1,50,451.00	1,49,227.80	1,223.20	155	1,89,596
15.		2016-17	36, 37, 38	25,963	41.43	10,756.47	6,92,716.73	5,81,882.05	5,74,868.40	7,013.65	155	10,87,116
16.		2016-17	45, 46, 47	20,205	40.95	8,273.95	5,32,842.22	4,47,587.46	4,43,938.90	3,648.56	155	5,65,527
17.		2016-17	48, 49, 50	26,149	40.97	10,713.25	6,89,933.00	5,79,543.72	5,70,451.10	9,092.62	155	14,09,356
18.		2016-17	51, 52, 53	22,117	41.03	9,074.61	5,84,404.57	4,90,899.84	4,89,307.50	1,592.34	155	2,46,812
19.		2016-17	55, 56, 57	24,091	40.09	9,658.08	6,21,980.47	5,22,463.60	5,17,897.30	4,566.30	155	7,07,776
20.		2016-17	58, 59, 60	26,142	40.03	10,464.64	6,73,922.98	5,66,095.31	5,59,529.90	6,565.41	155	10,17,638
21.		2016-17	61, 62, 63	26,154	39.91	10,438.06	6,72,211.15	5,64,657.37	5,58,166.50	6,490.87	155	10,06,085
22.		2016-17	64, 65, 66	24,129	39.89	9,625.06	6,19,853.74	5,20,677.14	5,12,954.90	7,722.24	155	11,96,948
23.		2016-17	105, 106, 107	25,032	43.11	10,791.30	6,94,959.41	5,83,765.91	5,76,540.90	7,225.01	155	11,19,876
24.		2016-17	110, 111, 112	16,340	43.15	7,050.71	4,54,065.72	3,81,415.21	3,80,595.60	819.61	155	1,27,039
25.		2016-17	113, 114	9,660	43.29	4,181.81	2,69,308.82	2,26,219.41	2,23,069.90	3,149.51	155	4,88,174
26.		2016-17	115	8,160	43.11	3,517.78	2,26,544.77	1,90,297.61	1,88,714.20	1,583.41	155	2,45,429
27.		2016-17	116, 117, 118	14,403	43.17	6,217.78	4,00,424.72	3,36,356.76	3,31,945.10	4,411.66	155	6,83,808
28.	IGL, Kashipur (ENA Plant)	2014-15	91	8,825	43.49	3,837.99	2,47,166.72	2,07,620.04	2,04,662.00	2,958.04	110	3,25,385
29.		2014-15	92	8,200	43.53	3,569.46	2,29,873.22	1,93,093.51	1,90,209.10	2,884.41	110	3,17,285
30.		2014-15	113, 114	13,840	43.93	6,079.91	3,91,546.33	3,28,898.92	3,28,101.80	797.12	110	87,683
31.		2016-17	67	1,325	39.89	528.54	34,038.14	28,592.04	28,553.90	38.14	155	5,911
32.		2016-17	91, 92	14,614	42.97	6,279.64	4,04,408.55	3,39,703.18	3,37,506.60	2,196.58	155	3,40,470
33.		2016-17	100	8,040	42.97	3,454.79	2,22,488.35	1,86,890.21	1,83,949.10	2,941.11	155	4,55,872
34.		2016-17	101, 102, 103	19,938	43.39	8,651.10	5,57,130.72	4,67,989.81	4,61,668.10	6,321.71	155	9,79,865
35.		2016-17	119, 120, 121	18,613	43.07	8,016.62	5,16,270.27	4,33,667.03	4,30,761.70	2,905.33	155	4,50,326
36.		2016-17	122, 123, 124	16,938	43.15	7,308.75	4,70,683.31	3,95,373.98	3,94,651.30	722.68	155	1,12,015

37.	**IGL, Kashipur (PARAJ/Continuous Plant)**	2014-15	61, 62, 63	24,717	44.48	10,994.12	7,08,021.43	5,94,738.00	5,92,549.60	2,188.40	110	2,40,724
38.		2014-15	64, 65, 66	24,711	44.47	10,988.98	7,07,690.42	5,94,459.95	5,90,711.60	3,748.35	110	4,12,319
39.		2014-15	76	8,226	44.47	3,658.10	2,35,581.78	1,97,888.70	1,96,465.60	1,423.10	110	1,56,541
40.		2014-15	77, 78, 79	23,812	44.51	10,598.72	6,82,557.65	5,73,348.42	5,72,418.40	930.02	110	1,02,302
41.		2014-15	92, 93, 94	20,205	42.77	8,641.68	56,524.10	4,67,480.24	4,60,962.80	6,517.44	110	7,16,918
42.		2014-15	99, 100, 101	16,503	40.29	6,649.06	4,28,199.38	3,59,687.48	3,57,085.60	2,601.88	110	2,86,207
43.		2015-16	50, 51	13,551	41.23	5,587.08	3,59,807.78	3,02,238.53	3,02,059.10	179.43	135	24,224
44.		2015-16	76, 77	6,724	42.11	2,831.48	1,82,347.08	1,53,171.55	1,52,767.60	403.95	135	54,533
45.		2016-17	08, 09	15,430	41.65	6,426.60	4,13,872.72	3,47,653.08	3,45,978.00	1,675.08	155	2,59,638
46.		2016-17	10, 11, 12	24,212	41.11	9,953.55	6,41,008.83	5,38,447.41	5,35,386.90	3,060.51	155	4,74,380
47.		2016-17	18, 19, 20	24,042	41.39	9,950.98	6,40,843.36	5,38,308.42	5,32,455.40	5,853.02	155	9,07,218
48.		2016-17	27, 28, 29	13,566	40.97	5,557.99	3,57,934.57	3,00,665.04	2,97,400.00	3,265.04	155	5,06,081
49.		2016-17	39, 40, 41	21,234	39.99	8,491.48	5,46,851.09	4,59,354.92	4,57,725.30	1,629.62	155	2,52,591
50.		2016-17	42, 43, 44	20,334	39.85	8,103.10	5,21,839.58	4,38,345.24	4,36,812.70	1,532.54	155	2,37,544
51.		2016-17	61, 62, 63	18,076	43.01	7,774.49	5,00,677.00	4,20,568.68	4,18,652.90	1,915.78	155	2,96,946
52.		2016-17	70, 71, 72	21,181	43.25	9,160.78	5,89,954.39	4,95,561.69	4,93,055.60	2,506.09	155	3,88,444
53.	**IGL, PARAJ/Cont.(Bacardi)**	2014-15	03, 04, 05	2,283	44.55	1,017.08	65,499.73	55,019.77	54,476.70	543.07	110	59,738
54.		2016-17	01, 02, 03	2,984	41.39	1,235.08	79,539.00	66,812.76	66,733.60	79.16	155	12,269
55.		2016-17	31, 32, 33	2,880	43.09	1,240.99	79,919.88	67,132.70	66,382.90	749.80	155	1,16,220
Total (rounded off) - A				***9,61,216***	***2,333***	***4,07,330***	***2,62,32,056***	***2,20,34,927***	***2,18,65,296***	***1,69,631***	***7,495***	***2,33,28,734***
56.	**RBNS Sugar Mills, Disttl. Div., Luxar, Haridwar**	2015-16	77, 78, 79	19,200	42.91	8,238.72	5,30,573.57	4,45,681.80	4,45,180.80	501.00	135	67,635
57.		2016-17	44, 45, 46	12,885	43.71	5,632.03	3,62,702.96	3,04,670.48	3,03,012.40	1,658.08	155	2,57,003
58.		2016-17	47, 48, 49	16,800	43.77	7,353.36	4,73,556.38	3,97,787.36	3,97,361.70	425.66	155	65,978
Total (rounded off) - B				***48,885***	***130***	***21,224***	***13,66,833***	***11,48,140***	***11,45,555***	***2,585***	***445***	***3,90,615***
59.	**Doon Valley Disttl, Kuanwala, Dehradun**	2014-15	22, 23, 24	4,128	37.23	1,536.85	98,973.42	83137.68	82,394.56	743.12	110	8,1743
60.		2014-15	73, 74, 75	4,238	37.79	1,601.54	1,03,139.19	86,636.92	83,918.03	2,718.89	110	2,99,078
61.		2015-16	25, 26, 27	3,957	39.45	1,561.04	1,00,530.75	84,445.83	84,411.38	34.45	135	4,651
62.		2016-17	25, 26, 27	4,324	41.11	1,777.60	1,14,477.21	96,160.85	96,067.91	92.94	155	14,406
63.		2016-17	22, 23, 24	3,780	38.71	1,463.24	94,232.53	79,155.32	79,141.64	13.68	155	2,121
Total (rounded off) - C				***20,427***	***194***	***7,940***	***5,11,353***	***4,29,537***	***4,25,934***	***3,603***	***665***	***4,01,999***
Grand Total (A + B + C)							***2,81,10,242***	***2,36,12,603***	***2,34,36,784***	***1,75,819***		***2,41,21,348 Say ₹2.41 crore***

Appendix-2.7.2 B

(Reference: Paragraph 2.7.2.2, Table 2.7.1, Sl. No. 2; Page 106)

Non-achievement of minimum Distillation Efficiency (DE)

Name of distillery	Period	Alcohol Present in Wash *(in AL)*	Alcohol would have been produced by maintaining 97% Distillation efficiency *(in Al)*	Actual Alcohol produced *(in AL)*	Difference *(in AL)*	Rate of Excise Duty *(₹ per AL)*	Excise Duty Involved
R.B.N.S. Sugar mill Distillery Division Laksar	15.04.2015 to 17.04.2015	1,62,339.00	1,57,468.83	1,51,699.50	5,769.33	135	7,78,860
	04.06.2015 to 05.06.2015	1,06,525.30	1,03,329.54	1,01,349.40	1,980.14	135	2,67,319
Doon valley Distillery Kuanwala Dehradun	18.04.2014 to 20.04.2014	30,154.10	29,249.48	29,234.40	15.08	110	1,658
	30.05.2015 to 02.06.2015	22,273.85	21,605.63	20,625.10	980.53	135	1,32,372
	12.10.2015 to 15.10.2015	31,279.75	30,341.36	28410.00	1,931.36	135	2,60,733
	21.12.2015 to 23.12.2015	32,104.25	31,141.12	31,097.60	43.52	135	5,876
	19.06.2016 to 17.06.2016	26,319.93	25,530.33	24,791.20	739.13	155	1,14,565
Total		***4,10,996.18***	***3,98,666.29***	***3,87,207.20***	***11,459.09***		***15,61,383 Say ₹0.16 crore***

Appendix-2.7.2 C

(Reference: Paragraph 2.7.2.2, Table No. 2.7.1, Sl. No. 3; Page 106)

Transit loss of Total Reducing Sugar (TRS)

Name of Distillery	Year	Molasses received *(in quintal)*	Detail of TRS (in%)			Difference in quintal of TRS	Quantity of FS (88% of TRS) *(in quintal)*	Quantity of Alcohol Produced *(52.5 Al Per Quintal of FS)*	Rate of Excise Duty *(₹/ AL)*	Duty involved *(in ₹)*
			Dispatched	Received	Difference					
R.B.N.S.Sugar Mills, Distillery Division Luxar, Haridwar	2014-15	336.95	46.27	46.23	0.04	0.13478	0.1186064	6.226836	110	685
	2014-15	340.40	46.23	46.10	0.13	0.44252	0.3894176	20.444424	110	2,249
	2014-15	345.80	46.23	46.10	0.13	0.44954	0.3955952	20.768748	110	2,285
	2014-15	355.60	46.23	46.10	0.13	0.46228	0.4068064	21.357336	110	2,349
	2014-15	351.60	46.23	46.10	0.13	0.45708	0.4022304	21.117096	110	2,323
	2014-15	336.75	46.23	46.10	0.13	0.437775	0.385242	20.225205	110	2,225
	2014-15	348.20	46.23	46.10	0.13	0.45266	0.3983408	20.912892	110	2,300
	2014-15	350.00	46.23	46.10	0.13	0.455	0.4004	21.021	110	2,312
	2014-15	352.20	46.23	46.10	0.13	0.45786	0.4029168	21.153132	110	2,327
	2014-15	334.50	46.23	46.10	0.13	0.43485	0.382668	20.09007	110	2,210
	2014-15	349.00	46.23	46.10	0.13	0.4537	0.399256	20.96094	110	2,306
	2014-15	334.70	46.23	46.10	0.13	0.43511	0.3828968	20.102082	110	2,211
	2015-16	6,265.00	47.20	47.00	0.20	12.53	11.0264	578.886	135	78,150
	2016-17	3,325.00	46.92	46.20	0.72	23.94	21.0672	1,106.028	155	1,71,434
	2016-17	5,530.00	46.90	46.20	0.70	38.71	34.0648	1,788.402	155	2,77,202
Total (A)		***19,255.70***				***80.253155***		***3,707.695761***		***5,52,568***
Bazpur Distillery, Bazpur, Udham Singh Nagar	2015-16	941.85	45.56	45.5	0.06	0.56511	0.4972968	26.108082	135	3,525
Total (B)		***941.85***	***45.56***	***45.5***	***0.06***	***0.56511***	***0.4972968***	***26.108082***	***135***	***3,525***
Grand Total (A +B)		***20,197.55***				***80.818265***	***71.120073***	***3733.8038***		***5,56,093 Say ₹5.56 lakh***

Appendix-2.7.2 D

(Reference: Paragraph 2.7.2.2, Table No. 2.7.1, Sl. No. 3; Page 106)

Transit loss of Molasses

Name of Distillery	Year	TRS (%)	Detail of Molasses (in quintal)			Difference in quintal of TRS	Quantity of FS *(88% of TRS in Quintal)*	Quantity of Alcohol Produced *(52.5 Al Per Quintal of FS)*	Rate of Excise Duty *(₹/AL)*	Duty involved *(in ₹)*
			Dispatched	Received	Difference					
R.B.N.S.Sugar Mills Distillery Division Luxar Haridwar	2016-17	47.2	3,255	3,225	30	14.16	12.4608	65,4.19	135	88,316 **Say ₹ 0.88 lakh**
Total of (Annexure C + D)										***₹6.44 lakh (say ₹0.06 crore)***

Appendix-2.7.3

(Reference: Paragraph 2.7.3.1; Pages 109 and 110)

Unauthorised production during rainy season

Sl. No.	Name of Distillery	Year	Period	Out Turn No.	Production *(in AL)*	Excise Duty/AL	Rate of Penalty/AL (10 times of excise duty)	Penalty *(in ₹)*	Fine U/s 15 of Environment Protection Act, 1986	Total Penalty including Fine *(in ₹)*
1	2	3	4	5	6	7	8 (Col. 7*10)	9 (Col.6*Col.8)	10	11 (Col. 9+Col.10)
1.	R.B.N.S. Sugar mills Ltd. Distillery Division, Luxar, Haridwar	2015-16	12.09.15 to 16.09.15	37	1,49,887.10	135.00	1,350	20,23,47,585.00	1,00,000	20,24,47,585.00
2.		2016-17	30-08-16 to 01-09-16	27	1,00,964.00	155.00	1,550	15,64,94,200.00	1,00,000	15,65,94,200.00
3.			01-09-16 to 04-09-16	28	1,91,777.10	155.00	1,550	29,72,54,505.00	1,00,000	29,73,54,505.00
4.			05-09-16 to 06-09-16	29	64,110.30	155.00	1,550	9,93,70,965.00	1,00,000	9,94,70,965.00
5.			07-09-16 to 09-09-16	30	81,691.00	155.00	1,550	12,66,21,050.00	1,00,000	12,67,21,050.00
6.			10-09-16 to 12-09-16	31	80,171.80	155.00	1,550	12,42,66,290.00	1,00,000	12,43,66,290.00
7.			14-09-16 to 15-09-16	32	58,777.00	155.00	1,550	9,11,04,350.00	1,00,000	91,2,04,350.00
8.			17-09-16 to 18-09-16	33	60,500.70	155.00	1,550	9,37,76,085.00	1,00,000	9,38,76,085.00
9.			20-09-16 to 21-09-16	34	59,919.20	155.00	1,550	9,28,74,760.00	1,00,000	9,29,74,760.00
10.			26-09-16 to 27-09-16	35	58,777.00	155.00	1,550	9,11,04,350.00	1,00,000	9,12,04,350.00
Total (A)					***9,06,575.20***			***1,37,52,14,140.00***	***10,00,000***	***1,37,62,14,140.00***
11.	Doon Valley Distillery, Kuanwala, Dehradun	2016-17	03-07-16 to 06-07-16	23	26,015.60	155.00	1,550	4,03,24,180.00	1,00,000	4,04,24,180.00
12.			07-07-16 to 09-07-16	24	22,338.30	155.00	1,550	3,46,24,365.00	1,00,000	3,47,24,365.00
Total (B)					***48,353.90***			***7,49,48,545.00***	***2,00,000***	***7,51,48,545.00***
13.	Bazpur Distillery, Bazpur, U.S. Nagar	2014-15	25-09-14 to 01-10-14	9	82,960.20	110.00	1,100	9,12,56,220.00	1,00,000	9,13,56,220.00
14.		2015-16	12-08-15 to 19-08-15	14	66,968.60	135.00	1,350	9,04,07,610.00	1,00,000	9,05,07,610.00
15.			20-08-15 to 22-08-15	15	58,204.60	135.00	1,350	7,85,76,210.00	1,00,000	7,86,76,210.00
16.			22-08-15 to 25-08-15	16	65,994.10	135.00	1,350	8,90,92,035.00	1,00,000	8,91,92,035.00
17.			25-08-15 to 28-08-15	17	52,224.50	135.00	1,350	7,05,03,075.00	1,00,000	7,06,03,075.00
18.			29-08-15 to 31-08-15	18	55,616.10	135.00	1,350	7,50,81,735.00	1,00,000	7,51,81,735.00
19.			01-09-15 to 06-09-15	19	71,232.90	135.00	1,350	9,61,64,415.00	1,00,000	9,62,64,415.00
20.			06-09-15 to 08-09-15	20	61,495.10	135.00	1,350	8,30,18,385.00	1,00,000	8,31,18,385.00
21.			09-09-15 to 11-09-15	21	66214.80	135.00	1,350	8,93,89,980.00	1,00,000	8,94,89,980.00
22.			12-09-15 to 13-09-15	22	40,375.00	135.00	1,350	5,45,06,250.00	1,00,000	5,46,06,250.00
23.		2016-17	01-07-16 to 05-07-16	2	77,222.50	155.00	1,550	11,96,94,875.00	1,00,000	11,97,94,875.00
24.			05-07-16 to 07-07-16	3	63,902.90	155.00	1,550	9,90,49,495.00	1,00,000	9,91,49,495.00
25.			08-07-16 to 11-07-16	4	59,023.70	155.00	1,550	9,14,86,735.00	1,00,000	9,15,86,735.00
Total (C)					***8,21,435.00***			***1,12,82,27,020.00***	***13,00,000***	***1,12,95,27,020.00***
Grand Total (A+B+C)					***17,76,364.10***			***2,57,83,89,705.00***	***25,00,000***	***2,58,08,89,705.00 (Say ₹258.09 crore)***

Appendix-2.7.4
(Reference: Paragraph 2.7.3.2; Pages 110 and 111)
Production in excess of daily production capacity

Sl. No.	Name Of Distillery and daily production capacity *(in BL)*	Period of Production	Days	Production *(in BL)*	Production would have been as per daily capacity	Excess Production *(in BL)*	Average Strength *(in %)*	Excess Production *(in AL)*	Rate of Penalty/AL @ 10 times of Excise Duty	Penalty *(in ₹)*	Fine U/s 15 of Environment Protection Act, 1986
1.	RBNS Sugar Mills Ltd, Distillery Division, Luxar, Haridwar 60,000	14.05.14/0700 to 16.05.14/1200	3	1,85,008.35	1,80,000	5,008.35	94.36	4,725.88	1,100	51,98,466.97	1,00,000
2.		02.03.16/1545 to 05.03.16/0315	3	1,92,319.70	1,80,000	12,319.70	99.8	12,295.06	1,350	1,65,98,331.81	1,00,000
3.		30.04.16/1545 to 02.05.16/1515	2	1,40,973.70	1,20,000	20,973.70	99.80	20,931.75	1,550	3,24,44,216.53	1,00,000
4.		03.05.16/0330 to 05.05.16/1415	3	1,84,136.90	1,80,000	4,136.90	99.80	4,128.63	1,550	63,99,370.61	1,00,000
5.		06.05.16/0200 to 08.05.16/1300	3	1,84,135.90	1,80,000	4,135.90	99.80	4,127.63	1,550	63,97,823.71	1,00,000
6.		09.05.16/0100 to 11.05.16/1145	3	1,83,933.90	1,80,000	3,933.90	99.80	3,926.03	1,550	60,85,349.91	1,00,000
7.		11.05.16/2330 to 13.05.16/1130	2	1,28,385.00	1,20,000	8,385.00	99.80	8,368.23	1,550	12,97,0,756.50	1,00,000
8.		22.05.16/1200 to 24.05.16/2300	3	1,84,136.10	1,80,000	4,136.10	99.80	4,127.83	1,550	63,98,133.09	1,00,000
9.		25.05.16/1100 to 27.05.16/0800	2	1,53,341.60	1,20,000	33,341.60	99.80	3,3274.92	1,550	5,15,76,121.04	1,00,000
10.		27.05.16/1900 to 28.05.16/0630	1	63,297.00	60,000	3,297.00	99.80	3,290.41	1,550	51,00,129.30	1,00,000
11.		05.12.16/1230 to 07.12.16/1345	2	1,43,131.30	1,20,000	23,131.30	96.73	22,374.91	1,550	3,46,81,105.06	1,00,000
12.		25.01.17/1545 to 27.01.17/1245	2	1,26,036.40	1,20,000	6,036.40	98.27	5,931.97	1,550	91,94,553.93	1,00,000
13.		28.01.17/0200 to 29.01.17/1730	2	1,28,447.40	1,20,000	8,447.40	97.50	8,236.21	1,550	1,27,66,133.25	1,00,000
14.		30.01.17/0800 to 30.01.17/2200	1	64,077.70	60,000	4,077.70	95.20	3,881.97	1,550	60,17,054.12	1,00,000
15.		02.02.17/0600 to 03.02.17/2230	2	1,28,451.20	1,20,000	8,451.20	97.50	8,239.92	1,550	1,27,71,876.00	1,00,000
16.		04.02.17/1100 to 06.02.17/0045	2	1,28,589.20	1,20,000	8,589.20	97.50	8,374.47	1,550	1,29,80,428.50	1,00,000
17.		06.02.17/1215 to 08.02.17/2330	3	1,84,770.00	1,80,000	4,770.00	98.27	4,687.48	1,550	72,65,592.45	1,00,000
18.		09.02.17/1130 to 11.02.17/2145	3	1,87,746.60	1,80,000	7,746.60	96.73	7,493.29	1,550	1,16,14,593.58	1,00,000
19.		12.02.17/1100 to 14.02.17/2215	3	1,88,070.30	1,80,000	8,070.30	96.73	7,806.40	1,550	1,20,99,921.84	1,00,000
20.		15.02.17/0930 to 17.02.17/1645	3	1,87,254.80	1,80,000	7,254.80	97.50	7,073.43	1,550	1,09,63,816.50	1,00,000
21.		18.02.17/0330 to 20.02.17/1415	3	1,88,062.40	1,80,000	8,062.40	96.73	7,798.76	1,550	1,20,88,077.26	1,00,000
22.		21.02.17/0200 to 23.02.17/1230	3	1,88,102.00	1,80,000	8,102.00	96.73	7,837.06	1,550	1,21,47,450.13	1,00,000
23.		23.02.17/2345 to 25.02.17/1000	2	1,21,715.10	1,20,000	1,715.10	99.80	1,711.67	1,550	26,53,088.19	1,00,000
24.		28.02.17/1015 to 02.03.17/2215	3	1,81,485.60	1,80,000	1,485.60	96.73	1,437.02	1,550	22,27,382.36	1,00,000
25.		03.03.17/1000 to 05.03.17/2045	3	1,82,709.50	1,80,000	2,709.50	96.73	2,620.90	1,550	40,62,393.99	1,00,000
26.		06.03.17/0800 to 08.03.17/0400	2	1,53,219.80	1,20,000	33,219.80	97.50	32,389.31	1,550	5,02,03,422.75	1,00,000
27.		30.03.17/0330 to 31.03.17/0315	1	92,831.10	60,000	32,831.10	95.20	31,255.21	1,550	4,84,45,571.16	1,00,000
	Total (A)					***2,74,368.55***		***2,68,346.35***		***41,13,51,160.55 (₹41.14 crore)***	***27,00,000***
28.	Bazpur Distillery, Bazpur, Udham Singh Nagar 20,000	27.03.14/12.30 PM to 29.03.14/7.40 PM	3	73,862.60	60,000	13,862.60	93.93	13,021.14	1,100	1,43,23,254.20	1,00,000
29.		30.03.14/3.15 AM to 01.04.14/10.00 AM	3	73,580.30	60,000	13,580.30	94.27	12,802.15	1,100	1,40,82,363.69	1,00,000
30.		01.04.14/3.35 PM to 04.04.14/10.00 AM	3	74,938.50	60,000	14,938.50	93.97	14,037.71	1,100	1,54,41,479.30	1,00,000
31.		08.04.14/5.45 AM to 10.04.14/2.45 PM	3	72,796.20	60,000	12,796.20	97.90	12,527.48	1,100	1,37,80,227.78	1,00,000
32.		10.04.14/11 PM to 13.04.2014/12.25 AM	3	65,779.80	60,000	5,779.80	97.90	5,658.42	1,100	62,24,266.62	1,00,000
33.		18.04.14/3.10 AM to 20.04.14/11.30 AM	3	60,196.80	60,000	196.80	98.30	193.45	1,100	2,12,799.84	1,00,000

Sl. No.	Name Of Distillery and daily production capacity *(in BL)*	Period of Production	Days	Production *(in BL)*	Production would have been as per daily capacity	Excess Production *(in BL)*	Average Strength *(in %)*	Excess Production *(in AL)*	Rate of Penalty/AL @ 10 times of Excise Duty	Penalty *(in ₹)*	Fine U/s 15 of Environment Protection Act, 1986
34.		24.10.14/11 AM to 26.10.14/3.15 PM	3	62,567.60	60,000	2,567.60	94.40	2,423.81	1,100	26,66,195.84	1,00,000
35.		09.11.14/9.25 AM to 12.11.14/4.10 AM	3	61,016.70	60,000	1,016.70	94.93	965.15	1,100	10,61,668.64	1,00,000
36.		20.12.14/11 AM to 24.12.20/2.05 AM	4	81,367.00	80,000	1,367.00	95.90	1,310.95	1,100	14,42,048.30	1,00,000
37.		26.01.15/11.50 AM to 30.01.15/9.00 AM	4	89,126.00	80,000	9,126.00	95.40	8,706.20	1,100	9576824.40	1,00,000
38.		07.02.15/9.00 AM to 10.02.15/11.30 PM	4	84,307.30	80,000	4,307.30	94.17	4,056.18	1,100	44,61,802.85	1,00,000
39.		14.02.15/8.00 PM to 18.02.15/9.20 AM	4	84,080.00	80,000	4,080.00	94.03	3,836.42	1,100	42,20,066.40	1,00,000
40.		16.05.15/03.00 PM to 18.05.15/3.50 PM	3	63,056.40	60,000	3,056.40	98.97	3,024.92	1,350	40,83,640.76	1,00,000
41.		04.06.15/4.00 PM to 07.06.15/6.10 AM	3	66,840.20	60,000	6,840.20	94.20	6,443.47	1,350	86,98,682.34	1,00,000
42.		30.09.15/2.00 PM to 02.10.15/8.10 PM	3	65,995.70	60,000	5,995.70	94.33	5,655.74	1,350	76,35,254.14	1,00,000
43.		03.10.15/4.00 AM to 05.10.15/End of day	3	76,284.40	60,000	16,284.40	94.40	1,5372.47	1,350	2,07,52,839.36	1,00,000
44.		6.10.15/Start of day to 8.10.15/ End of day	3	61,106.00	60,000	1,106.00	94.27	1,042.63	1,350	14,07,545.37	1,00,000
45.		6.11.15/ Start of day TO 8.11.15/ End of day	3	64,439.50	60,000	4,439.50	94.70	4,204.21	1,350	56,75,678.78	1,00,000
46.		8.11.15/ Start of day to 10.11.15/ End of day	3	60,267.80	60,000	267.80	94.77	253.79	1,350	3,42,621.98	1,00,000
47.		23.11.15/ Start of day to 25.11.15/ End of day	3	66,687.00	60,000	6,687.00	94.73	6,334.60	1,350	85,51,703.39	1,00,000
48.		16.12.15/ Start of day to 18.12.15/ End of day	3	67,468.00	60,000	7,468.00	94.97	7,092.36	1,350	95,74,685.46	1,00,000
49.		27.12.15/ Start of day to 29.12.15/ End of day	3	64,620.40	60,000	4,620.40	95.50	4,412.48	1,350	59,56,850.70	1,00,000
50.		30.12.15/ Start of day to 01.01.16/ End of day	3	66,676.80	60,000	6,676.80	95.20	6,356.31	1,350	85,81,023.36	1,00,000
51.		17.02.16/ Start of day to 19.02.16/ End of day	3	70,368.00	60,000	10,368.00	94.80	9,828.86	1,350	1,32,68,966.40	1,00,000
52.		05.03.16/ Start of day to 07.03.16/ End of day	3	65,400.00	60,000	5,400.00	94.63	5,110.02	1,550	79,20,531.00	1,00,000
53.		14.03.16/ Start of day to 16.03.16/ End of day	3	65,720.70	60,000	5,720.70	94.20	5,388.90	1,550	83,52,794.07	1,00,000
54.		17.03.16/ Start of day to 19.03.16/ End of day	3	72,835.10	60,000	12,835.10	93.87	12,048.31	1,550	1,86,74,877.97	1,00,000
55.		28.03.16/ Start of day to 30.03.16/ End of day	3	67,162.30	60,000	7,162.30	94.23	6,749.04	1,550	1,04,61,004.70	1,00,000
56.		29.06.016/10.00 AM to 02.07.16/07.35 AM	3	69,284.50	60,000	9,284.50	93.83	8,711.65	1,550	1,35,03,051.84	1,00,000
57.		22.10.16/3.10 AM to 24.10.16/10.45 PM	3	78,149.50	60,000	18,149.50	94.40	17,133.13	1550	2,65,56,348.40	1,00,000
58.		28.10.16/8.45 AM to 30.10.16/11.45 AM	3	68,463.50	60,000	8,463.50	94.77	8,020.86	1,550	1,24,32,331.37	1,00,000
59.		31.10.16/7.40 AM to 03.11.16/2.15 AM	3	69,380.60	60,000	9,380.60	94.70	8,883.43	1,550	1,37,69,313.71	1,00,000
60.		03.11.16/10.15 AM to 06.11.16/4.30 AM	3	78,466.00	60,000	18,466.00	94.77	17,500.23	1,550	2,71,25,353.71	1,00,000
61.		06.11.16/12.35 PM to 08.11.16/12 Morning	2	63,281.00	40,000	23,281.00	95.70	22,279.92	1,550	3,45,33,871.35	1,00,000
62.		09.11.16/9.00 AM to 11.11.16/5.30 PM	3	68,671.10	60,000	8,671.10	94.93	8,231.48	1,550	1,27,58,786.61	1,00,000
63.		17.11.16/3.00 PM to 18.11.16/11.00 PM	2	53,882.50	40,000	13,882.50	95.73	13,289.72	1,550	2,05,99,061.74	1,00,000
64.		16.12.16/4.00 AM to 18.12.16/10.20 PM	3	67,882.30	60,000	7,882.30	95.45	7,523.66	1,550	1,16,61,665.79	1,00,000
65.		19.12.16/7.00 AM to 21.12.16/4.20 PM	3	66,703.60	60,000	6,703.60	95.70	6,415.35	1,550	99,43,785.06	1,00,000
66.		31.12.16/8.45 PM to 03.01.17/6.35 AM	3	76,313.70	60,000	16,313.70	95.57	15,591.00	1,550	2,41,66,054.79	1,00,000
67.		03.01.17/3.15 PM to 06.01.17/4.20 AM	3	64,336.00	60,000	4,336.00	95.50	4,140.88	1,550	64,18,364.00	1,00,000
68.		11.01.17/6.50 AM to 13.01.17/8.00 PM	3	71,758.90	60,000	11,758.90	95.80	11,265.03	1,550	1,74,60,790.61	1,00,000
69.		17.01.17/10.25 PM to 20.01.17/10.00 AM	3	65,220.50	60,000	5,220.50	95.87	5,004.89	1,550	77,57,584.69	1,00,000
Total (B)						***3,50,340.80***		***3,32,848.40***		***46,61,18,061.31 (₹46.61 crore)***	***42,00,000***
Total (A+B)											***69,00,000 (₹69 lakh)***

Appendix-2.8.1

(Reference: Paragraph 2.8; Page 114)

Short levy of Stamp Duty in respect of 21 agreements of two screening plant owners (Dehradun) and three stone crusher owners (Chamoli)

Sl. No	Name of unit	Name of Screening Plant/ Stone Crusher	Name of land owner	Area of land (01 Hect.= 12 Bighha or 50 Nali)	Rent (per month/per year) (in ₹)	Period of lease	Consideration Value (Rounded in next thousand) (in ₹)	Due stamp duty (Two *per cent* of value of column 8) (in ₹)	Paid stamp duty (in ₹) (Date of payment)	Balance stamp duty (in ₹)	Remark
1	2	3	4	5	6	7	8	9	10	11 (Col.9-Col.10)	12
1.	D MO Dehradun	Pachwadun screening plan Vikas Nagar Dehradun	Shri Sunit Pal Agarwal	1.4850 Hect. or 17.82 Bighha	27,583[8] per Bighha per month	06 year	2,35,94,000 (Four times of annual average rent)	4,71,880	100 (05.08.2014)	4,71,780	10 *per cent* increase per two year in rent.
2.	-do-	M/S Balaji Associate, Dehradun	Shri Balveer Singh	1.6361 Hect. or 19.63 Bighha	20,000 per Bighha per year	25 year	23,56,000 (Six times of annual average rent)	47,120	100 (17.03.2015)	47,020	-do-
3.	-do-	-do-	Shri Gurmeet Singh	0.1066 Hect. or 1.28 Bighha	40,000 per year on total area	05 year	1,20,000 (Three times of annual average rent)	2,400	100 (11.05.2015)	2,300	-do-
4.	-do-	-do-	Shri Narendra Singh	0.1743 Hect. or 2.09 Bighha	20,000 per Bighha per year	05 year	1,26,000 (Three times of annual average rent)	2,520	100 (22.05.2014)	2,420	-do-
5.	DMO Chamoli	M/S New Era Architectural Industries dwara Smt Kamla Bhatt W/o Late Radha Krishna, Chamoli	Shri Harshpati Dimri S/o Late Sivecharn	0.013 Hect.	30,000 per year on total area	10 year	1,20,000 (Four times of annual average rent)	2,400	50 (10.06.2016)	2,350	-do-
6.	-do-	M/S Nanda Construction Bisht Bawan Ghighrana Vill & Post Lakhi Tehsil Ghat Distt. Chamoli.	Shri Raghuvir Singh Bisht	0.073 Hect. = 3.65 Nali	9,930 average annual rent per Nali per year	30 year	2,18,000 (Six times of annual average rent)	4,360	100 (03.10.2014)	4,260	20 *per cent* increase per five year in rent.
7.	-do-	-do-	Shri Narayan Singh Bisht	0.094 Hect. = 4.7 Nali	-do-	30 year	2,81,000 (Six times of annual average rent)	5,620	100 (03.10.2014)	5,520	-do-
8.	-do-	-do-	Shri Pratap Singh Bisht	0.096 Hect. = 4.8 Nali	-do-	30 year	2,86,000 (Six times of annual average rent)	5,720	100 (03.10.2014)	5,620	-do-

[8] Average annual rent= [₹ 25,000*24 + ₹ 27,500 (increasing @ 10 % after 2 years)*24 + ₹ 30,250 (increasing @ 10 % after 2 years)*24] /72 Months = ₹ 27,583.33 per month.

Sl. No	Name of unit	Name of Screening Plant/ Stone Crusher	Name of land owner	Area of land (01 Hect.= 12 Bighha or 50 Nali)	Rent (per month/per year) *(in ₹)*	Period of lease	Consideration Value (Rounded in next thousand) *(in ₹)*	Due stamp duty (Two *per cent* of value of column 8) *(in ₹)*	Paid stamp duty *(in ₹)* (Date of payment)	Balance stamp duty *(in ₹)*	Remark
1	2	3	4	5	6	7	8	9	10	11 (Col.9-Col.10)	12
9.	-do-	-do-	Shri Avtar Singh Bisht	0.033 Hect. = 1.65 Nali	-do-	30 year	99,000 (Six times of annual average rent)	1,980	100 (03.10.2014)	1,880	-do-
10.	-do-	-do-	Shri Madan Singh Bisht	0.60 Hect. = 3 Nali	-do-	30 year	1,79,000 (Six times of annual average rent)	3,580	100 (03.10.2014)	3,480	-do-
11.	-do-	-do-	Shri Sulabh Singh Bisht	0.050 Hect. = 2.5 Nali	-do-	30 year	1,49,000 (Six times of annual average rent)	2,980	100 (03.10.2014)	2,880	-do-
12.	-do-	-do-	Shri Gulab Singh Bisht	0.085 Hect. = 4.25 Nali	-do-	30 year	2,54,000 (Six times of annual average rent)	5,080	100 (03.10.2014)	4,980	-do-
13.	-do-	-do-	Shri Puran Singh Bisht	0.050 Hect. = 2.5 Nali	-do-	30 year	1,49,000 (Six times of annual average rent)	2,980	100 (03.10.2014)	2,880	-do-
14.	-do-	-do-	Shri Chitar Singh Bisht	0.036 Hect. = 1.8 Nali	-do-	30 year	1,08,000 (Six times of annual average rent)	2,160	100 (03.10.2014)	2,060	-do-
15.	-do-	-do-	Shri Balvant Singh Bisht	0.081 Hect. = 4.05 Nali	-do-	30 year	2,42,000 (Six times of annual average rent)	4,840	100 (03.10.2014)	4,740	-do-
16.	-do-	M/S Abhyuday Uttarakhand Company Ranikhet Distt. Almora Dwara Vill-Sunla Tahsil: Dhali Distt. Chamoli	Shri Maya Ram S/o Shri Bali Ram	0.008 Hect.	20,000 per 0.020 Hect. Per year (₹12, 57,750 average annual rent per Hect.)	10 year	41,000 (Four times of annual average rent)	820	100 (07.02.2016)	720	Five *per cent* increase per year in rent.
17.	-do-	-do-	Shri Narayan Dutt	0.023 Hect.	-do-	10 year	1,16,000 (Four times of annual average rent)	2,320	100 (07.02.2016)	2,220	-do-
18.	-do-	-do-	Shri Madan Mohan	0.021 Hect.	-do-	10 year	1,06,000 (Four times of annual average rent)	2,120	100 (07.02.2016)	2,020	-do-
19.	-do-	-do-	Shri Laxmi Prasad	0.080 Hect.	-do-	10 year	4,03,000 (Four times of annual average rent)	8,060	100 (07.02.2016)	7,960	-do-
20.	-do-	-do-	Shri Gopal Dutt	0.133 Hect.	-do-	10 year	6,70,000 (Four times of annual average rent)	13,400	100 (07.02.2016)	13,300	-do-
21.	-do-	-do-	Smt. Basanti Devi	0.018 Hect.	-do-	10 year	91,000 (Four times of annual average rent)	1,820	100 (07.02.2016)	1,720	-do-
							Total	***5,94,160***	***2,050***	***5,92,110***	

Appendix-2.8.2
(Reference: Paragraph 2.8; Page 114)

Short levy of Stamp Duty due to wrong valuation of property in case of two lease deeds

Sl. No	Name of Unit	Name of lease holder	Annual lease Amount	Period of lease	Consideration Value (Rounded in next thousand) *(in ₹)*	Due stamp duty(Two *per cent* of value of column 6) *(in ₹)*	Paid stamp duty (Date of payment) *(in ₹)*	Balance stamp duty *(in ₹)*
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9 (Col .7 – Col .8)**
1.	D.M.O. Chamoli	Shri Dhan Singh Rana S/o Shri Lal Singh Rana Vill & Post- Lata Tehsil: Joshimath, Distt. Chamoli	73,33,333	04/2015 to 12/2016 (One year and nine month)	2,20,00,000 (Three times of annual lease amount)	4,40,000	1,46,700 (24.04.2015)	2,93,300
2.	-do-	Shri Harish Singh Bhandari S/o Late Shri Murali Singh Bhandri Vill: Baragaun, Tehsil Joshimath, Distt. Chamoli	1,80,00,000	02/2015 to 09/2016 (One year and eight month)	5,40,00,000	10,80,000	5,60,000 (10.02.2015)	5,20,000
					Total	***15,20,000***	***7,06,700***	***8,13,300***

Appendix-2.9.1

(Reference: Paragraph 2.9; Page 115)

Details of short levy of penalty on owners of vehicles found guilty of illegal mining/transportation of minerals

(*Amount in ₹*)

Sl. No.	Vehicle No.	Challan Number and Date	Type of Vehicle	Date of offence committed	Date of fine imposed	Penalty Due	Penalty levied	Penalty short levied
1.	RJ 11R-1560	06, 08-08-15	Tractor	31.07.15	10.08.15	2,00,000	25,000	1,75,000
2.	UK-07CA-9468	0467, 10-08-15	Tractor	05.08.15	10.08.15	2,00,000	25,000	1,75,000
3.	UK-07-CC-1928	221, 11-08-15	Dumper	02.08.15	10.08.15	2,00,000	25,000	1,75,000
4.	Ch. No. RKBB04600HE	225, 11-08-15	Tractor	02.08.15	11.08.15	2,00,000	25,000	1,75,000
5.	UK-07 AR-9527	223, 11-08-15	Tractor	02.08.15	12.08.15	2,00,000	25,000	1,75,000
6.	Engine No. RKZ 2852	397, 12-08-15	Tractor	02.08.15	12.08.15	2,00,000	25,000	1,75,000
7.	UK-07 AL 9681	395, 12-08-15	Tractor	02.08.15	12.08.15	2,00,000	25,000	1,75,000
8.	UA -09A-5181	288, 12-08-15	Truck	10.08.15	12.08.15	2,00,000	25,000	1,75,000
9.	Engine No. 431025 STD06467	277, 13-08-15	Tractor	02.08.15	14.08.15	2,00,000	25,000	1,75,000
10.	UP-07 D 5377	239, 13-08-15	Tractor	10.08.15	13.08.15	2,00,000	25,000	1,75,000
11.	Engine No. 431024 SSN 18002	283, 13-08-15	Tractor	02.08.15	13.08.15	2,00,000	25,000	1,75,000
12.	UA-07 G-7894	322, 18-08-15	Truck	10.08.15	18.08.15	2,00,000	25,000	1,75,000
13.	UP-07 F 0991	61, 19-08-15	Tractor	16.08.15	20.08.15	2,00,000	25,000	1,75,000
14.	UK-07 CC 2064	356, 22-08-15	Dumper	19.08.15	22.08.15	2,00,000	25,000	1,75,000
15.	UK-07 CC -2128	357, 22-08-15	Dumper	19.08.15	22.08.15	2,00,000	25,000	1,75,000
16.	UA-07 T-0759	446, 24-08-15	Dumper	24.07.15	13.08.15	2,00,000	25,000	1,75,000
17.	UK-07 N-3548	319, 21-08-15	Tractor	13.08.15	21.08.15	2,00,000	25,000	1,75,000
							Total	***29,75,000***

Appendix-2.10.1

(Reference: Paragraph 2.10; Page 115)

Details of short levy of royalty

Sl. No.	Name of License Holder/Date of grant of License	Type of Mineral	Approved Quantity in M^3 (Date of deposit of royalty)	Approved Quantity *(in Ton)* @ 2.2 Ton per M^3	Rate per ton and per M^3 *(in ₹)*	Due Royalty *(in ₹)*	Royalty Paid *(in ₹)*	Short Levy of Royalty *(in ₹)*
1	2	3	4	5	6	7	8	9
1.	Shri Sharad Agrawal 01.03.16	Soil	6,242 (29.02.16)	13,732.40	50 per Ton	6,86,620	49,936	6,36,684
2.	Shri Pankaj Nangalia03.03.16	Soil	6,203 (02.03.16)	13,646.60	50 per Ton	6,82,330	49,624	6,32,706
3.	G T M Tower Group Housing Mohkampur 05.03.16	Soil	11,471 (05.03.16)	25,236.20	50 per Ton	12,61,810	91,768	11,70,042
4.	Shri Pradeep Singh 08.03.16	Soil	1,200 (08.03.16)	2,640.00	50 per Ton	1,32,000	9,600	1,22,400
5.	Shri Ghanshyam Godiyal 08.03.16	RBM	128 (08.03.16)	128 (m^3)	194.50 per M^3	24,896	11,520	13,376
6.	Shri Anuj Agrawal 09.03.16	Soil	4,731 (08.03.16)	10,408.20	50 per Ton	5,20,410	37,848	4,82,562
7.	Shri Dayal Singh 09.03.16	Soil	300 (10.03.16)	660	50 per Ton	33,000	2,400	30,600
							Sub Total (A)	***30,88,370***

Appendix-2.10.2

(Reference: Paragraph 2.10; Page 116)

Details of royalty due on owners of brick kilns upto 2015-16

Sl. No.	Name of brick kilns	Annual Composition amount payable *(in ₹)*	Year for which Royalty not paid	Royalty Due *(in ₹)*
1.	**Singhal Traders, Banshiwala**	76,200	2014-15	76,200
2.	**Amar Chandra Batta & Sons, Pitthuwala**	69,000	2014-15, 2015-16	1,38,000
3.	**Vikas Brick Field, Mehuwala**	78,000	2013-14	78,000
4.	**Rakesh Bricks Unit I Saharanpur Road**	81,600	2012-13, 2014-15 and 2015-16	2,44,800
5.	**Rakesh Bricks Unit II Saharanpur Road**	74,400	2012-13, 2013-14, 2014-15 and 2015-16	2,97,600
			Sub-total (B)	***8,34,600***
			Grand Total (A + B)	***39,22,970***

Appendix-3.1.1

(Reference: Paragraph 3.1.9.2; Page 122)

Statement showing investments made by State Government in PSUs whose accounts are in arrears

(Figures in columns 4 & 6 to 8 are ₹ *in crore*)

Sl. No.	Name of the Public Sector Undertaking	Year up to which accounts finalised	Paid up capital	Period of accounts pending finalisation	Investment made by State Government during the year of which accounts are in arrears		
					Equity	Loans	Grants
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A	**Working Government Companies**						
1.	Uttarakhand Seeds & Tarai Development Corporation Ltd.	2014-15	4.08	2015-16	-	10.00	-
2.	Garhwal Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Garhwal Mandal Vikas Nigam Limited)	1993-94	0.50	1994-95	-	-	-
3.	Kumaon Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	1986-87	0.50	1987-88	-	-	-
4.	Uttarakhand Bahudeshia Vitta Evam Vikas Nigam Limited	2006-07	21.33	2007-08	0.40	-	4.16
5.	State Industrial Development Corporation of Uttarakhand Limited	2013-14	28.50	2014-15	-	100.00	-
6.	Bridge, Ropeway, Tunnel and other Infrastructure Development Corporation of Uttarakhand Limited earlier known as Uttarakhand State Infrastructure Development Corporation Limited	2014-15	4.00	2015-16	-	-	-
7.	Trans cables Limited (Subsidiary of Kumaon Mandal Vikas Nigam limited)	1999-2000	1.63	2000-01	-	-	-
8.	Uttar Pradesh Digitals Limited (Subsidiary of Kumaun Mandal Vikas Nigam Limited)	1996-97	0.35	1997-98	-	-	-
9.	Uttar Pradesh Hill Electronics Corporation Limited	2013-14	8.95	2014-15	-	8.00	-
10.	Kichha Sugar Company Limited	2015-16	17.99	2016-17	-	-	-
11.	Doiwala Sugar Company Limited	2015-16	6.00	2016-17	-	-	-
12.	Uttarakhand Project Development and Construction Corporation Limited	2015-16	1.07	2016-17	-	-	-
13.	Kumaon Mandal Vikas Nigam Limited	2005-06	13.42	2006-07	-	-	-
14.	Garhwal Mandal Vikas Nigam Limited	2007-08	5.76	2007-08	-	-	-
15.	Uttarakhand Purv Sainik Kalyan Udham Limited	2014-15	1.00	2015-16	-	-	-
16.	Uttarakhand Alpsankhyak Kalyan Tatha Wakf Vikas Nigam	Ist accounts not received	5.55	--	0.50	-	3.00
	Total A (Working Government Companies)		-	--	***0.90***	***118.00***	***7.16***
B	**Working Statutory corporations**						
1.	Uttarakhand Pey Jal Sansadhan Vikas Evam Nirman Nigam	2015-16	2,429.65	2016-17	-	-	-
2.	Uttarakhand Parivahan Nigam	2015-16	238.60	2016-17	-	1.00	-
3.	Uttarakhand Forest Development Corporation	2015-16	-	2016-17	-	-	-
	Total B (Working Statutory Corporations)		-	-	-	1.00	
	Grand Total (A + B)		-	-	***0.90***	***119.00***	***7.16***

Appendix-3.1.2

(Reference: Paragraphs 3.1.1 & 3.1.12.1; Pages 117 & 123)

Summarised financial position and working results of Government companies and Statutory Corporations as per their latest finalised financial statements/accounts

(Figures in columns (5)) to 12 are ₹*in crore*)

Sl. No.	Sector / name of the Company	Period of accounts	Year in which accounts finalized	Paid-up capital	Loans outstanding at the end of year	Accumulated profit(+)/ loss(-)	Turnover	Net profit (+)/ loss (-)	Net impact of Audit comments	Investment	Return on Investment	Manpower
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
A.	**WORKING GOVERNMENT COMPANIES**											
AGRICULTURE AND ALLIED												
1.	Uttarakhand Seed & Tarai Development Corporation Ltd.	2014-15	2016-17	4.08	12.50	(-)35.74	96.42	(-)26.71	Non review	23.01	0.02	281
Sector Wise Total				**4.08**	**12.50**	**(-)35.74**	**96.42**	**(-)26.71**	**--**	**23.01**	**0.02**	**281**
FINANCE												
2.	Garhwal Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Garhwal Mandal Vikas Nigam Limited)	1993-94	2012-13	0.50	2.85	(-) 0.63	0.54	0.07	(-)0.39	3.35	0.01	01
3.	Kumaon Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	1986-87	2002-03	0.50	-	(-) 0.04	0.10	(-) 0.01	-	0.50	0.0	-
4.	Uttarakhand Bahudeshia Vitta Evam Vikas Nigam Limited	2006-07	2016-17	21.33	5.65	0.50	1.79	0.50	(-)1.18	27.82	0.04	78
Sector Wise Total				**22.33**	**8.50**	**(-) 1.17**	**2.43**	**0.56**	**(-)1.57**	**31.67**	**0.05**	**79**
INFRASTRUCTURE												
5.	State Industrial Development Corporation of Uttarakhand Limited	2013-14	2016-17	28.50	100.00	315.29	29.87	50.88	(-)0.14	538.13	0.06	20
6.	Bridge, Ropeway, Tunnel and other Infrastructure Development Corporation of Uttarakhand Limited earlier known as Uttarakhand State Infrastructure Development Corporation Limited	2014-15	2016-17	4.00	5.00	1.38	43.57	2.52	Non review	10.38	0.30	100
Sector Wise Total				**32.50**	**105.00**	**316.67**	**73.44**	**53.40**	**(-)0.14**	**548.51**	**0.36**	**120**
MANUFECTURE												
7.	Trans cables Limited (Subsidiary of Kumaon Mandal Vikas Nigam limited)	1999-2000	2002-03	1.63	2.75	(-) 5.80	2.80	(-) 0.84	-	4.38	(-) 0.19	-
8.	Uttar Pradesh Digitals Limited (Subsidiary of Kumaun Mandal Vikas Nigam Limited)	1996-97	1997-98	0.35	7.28	(-) 6.95	--	(-) 1.19	-	7.63	0.0	-
9.	Uttar Pradesh Hill Electronics Corporation Limited	2013-14	2016-17	8.95	-	(-)24.93	1.32	(-) 2.21	-	8.95	(-) 0.25	11
10.	Doiwala Sugar Company Limited	2015-16	2016-17	6.00	147.23	(-) 316.88	72.66	(-) 36.04	(-)0.07	153.23	(-) 0.07	608
11.	Kichha Sugar Company Limited	2015-16	2016-17	17.99	132.94	(-)264.28	118.44	(-)29.14	0.51	150.93	0.22	514
12.	Uttarakhand Project Development and Construction Corporation Limited	2015-16	2016-17	1.07	-	0.01	0.07	0.01	(-)0.02	1.07	0.01	-
Sector wise total				**35.99**	**290.20**	**(-)618.83**	**195.29**	**(-)69.41**	**(-)0.42**	**326.19**	**(-)0.28**	**1,133**
POWER												
13.	Uttarakhand Power Corporation Limited	2016-17	2017-18	1,284.02	1404.17	(-) 2,339.50	5,009.55	(-)288.78	(-)2.21	2688.19	0.03	3,108
14.	Uttarakhand Jal Vidhyut Nigam Limited	2016-17	2017-18	1,105.69	1,261.51	388.23	591.18	74.59	(-)2.18	2755.43	0.10	2,757
15.	Power Transmission Corporation of Uttarakhand Limited	2016-17	2017-18	458.05	726.78	106.08	282.48	39.17	--	1284.88	0.10	772
Sector Wise Total				**2,847.76**	**3,392.46**	**(-) 1,845.19**	**5,883.21**	**(-)175.02**	**(-) 4.39**	**6728.50**		**6,637**

Sl. No.	Sector / name of the Company	Period of accounts	Year in which accounts finalized	Paid-up capital	Loans outstanding at the end of year	Accumulated profit(+)/ loss(-)	Turnover	Net profit (+)/ loss (-)	Net impact of Audit comments	Investment	Return on Investment	Manpower
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
SERVICE												
16.	Kumaon Mandal Vikas Nigam Limited	2005-06	2016-17	13.42	-	(-)0.67	100.49	(-)1.51	(-)1.31	13.78	0.07	1,004
17.	Garhwal Mandal Vikas Nigam Limited	2007-08	2016-17	5.76	19.27	4.97	128.07	(-)1.38	(-)0.32	42.66	0.14	1,600
Sector Wise Total				**19.18**	**19.27**	**4.30**	**228.56**	**(-)2.89**	**(-)1.63**	**56.44**	**0.21**	**2,604**
MISCELLANEOUS												
18.	Uttarakhand Purv Sainik Kalyan Udham Limited	2014-15	2016-17	1.00	-	3.59	156.92	6.81	(-)5.05	46.68	0.06	-
19.	Uttarakhand Alpsankhyak Kalyan Tatha Wakf Vikas Nigam	--	--	5.55	1.85	--	--	--	--	7.40	0.0	04
	Sector Wise Total			**6.55**	**1.85**	**3.59**	**156.92**	**6.81**	**(-)5.05**	**54.08**	**0.06**	**04**
Total A (All sector wise working Government companies)				**2,968.39**	**3,829.78**	**(-) 2,176.37**	**6,636.27**	**(-)213.26**	**(-)13.20**	**7768.40**		**10,858**
B.	**Statutory corporations**											
INFRASTRUCTURE												
1.	Uttarakhand Pey Jal Sansadhan Vikas Evam Nirman Nigam	2015-16	2016-17	2,429.65	77.10	(-) 145.97	67.91	(-) 23.87	(-)9.04	2506.75	0.01	2,728
Sector Wise Total				**2,429.65**	**77.10**	**(-) 145.97**	**67.91**	**(-) 23.87**	**(-)9.04**	**2506.75**	**0.01**	**2,728**
SERVICE												
2.	Uttarakhand Parivahan Nigam	2015-16	2017-18	238.60	2.67	(-)415.66	309.12	(-)34.94	(-)6.73	241.27	0.04	4,104
Sector Wise Total				**238.60**	**2.67**	**(-)415.66**	**309.12**	**(-)34.94**	**(-)6.73**	**241.27**	**0.04**	**4,104**
MISCELLANEOUS												
3.	Uttarakhand Forest Development Corporation	2015-16	2017-18	-	-	227.80	310.34	36.86	(-)86.95	337.55	0.03	3,003
Sector Wise Total				**-**	**-**	**227.80**	**310.34**	**36.86**	**(-)86.95**	**337.55**	**-**	**3,003**
Total B (All sector wise working statutory corporations)				**2,668.25**	**79.77**	**(-)333.83**	**687.37**	**(-)21.95**	**(-)102.72**	**3085.57**	**-**	**9,835**
Grand Total (A+B)				**5,636.64**	**3,909.55**	**(-)2,510.20**	**7,323.64**	**(-)235.21**	**(-)115.92**	**10,853.97**	**0.03**	**20,693**
C.	**Non working Government companies**											
AGRICULTURE & ALLIED												
1.	UPAI Limited[9]			0.17	-	(-) 0.05	-	-	-	0.17	-	-
Sector Wise Total				**0.17**	**-**	**(-) 0.05**	**-**	**-**	**-**	**0.17**	**-**	**-**
MANUFACTURE												
2.	Kumtron Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	1989-90	1990-91	0.18		(-) 0.02		(-) 0.02		0.18	-	
3.	Uttar Pradesh Hill Phones Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	-	-	-	-	-	-	-	-	-	-	-
4.	Uttar Pradesh Hill Quartz Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation limited)	-	-	-	-	--	-	-	-	-	-	-
Sector Wise Total				**0.18**		**(-) 0.02**		**(-) 0.02**		**0.18**		**-**
Total C (All sector wise non working Government companies)				**0.35**	**-**	**(-)0.07**		**(-)0.02**		**0.35**		**-**
Grand Total (A+B+C)				**5,636.99**	**3,909.55**	**(-)2,510.27**	**7,323.64**	**(-)235.23**	**(-)115.92**	**10,854.32**		**20,693**
NOTE: Particulars of non working Statutory corporations, if any, may also be added in the similar fashion												

@Capital employed represents Shareholders fund and long term borrowings.

9 Company under liquidation since 31.03.1991.

Appendix-3.4.1

(Reference: Paragraph 3.4; Page 130)

Statement showing innumerable delays in execution of project

Sl No.	Name of work	Contractor Name	Scheduled completion date	Actual completion date/(Delay)	Observations
1.	Construction of barrage intake, sedimentation chambers, fore bay, Flushing conduits and Head Race Tunnel (HRT) up to 4.5 km from Joshiyara end.	Continental Construction Limited	30.09.2005	15.02.2008/ (28.5 months)	There was an avoidable delay in grouting work of HRT and other activities in the construction programme. Also, out of the total delay; the delay from July 2007 to February 2008, (6.5 months) was definitely avoidable. In this context, Nigam admitted before UERC that the delays in the activities related to miscellaneous work, erection of radial gates & stop gates and erection of fore-bay gates were controllable.
2.	Construction of HRT, face II&III from Dhanrigad intermediate Adit from (4.5 km to 12 km) of MBII HEP	M/s Hydel Construction Company (P) Limited	31.10.2005	29.02.2008/ (29 months)	The HRT from face III (downstream) became critical, took longer, and was delayed by total 29 months. Though after re-claiming of RBM zone between 8,580 and 8,640 ft, the face III was inspected after 2.5months, its excavation was started 12.5 months later after its inspection. Had there been no delay in starting excavation of face III, the work would have been completed by December 2006.
3.	Construction of balance civil work of HRT from Dharasu Adit (12 Km to 16 Km)	National Project Construction Corporation Limited	30.09.2005	15.02.2008/ (29.5 months)	The total excavation work was 25,342 cum out of which 24,452 cum excavation was to be done from top. With adequate mobilization 10 months are considered reasonable for this excavation. Extra time for muck disposal could have been reduced by using additional dumpers. Adequate resources were not deployed resulting into delay in excavation work. Had there been adequate deployment of resources, the work would have been completed by June 2007.
4.	Construction of Dharasu Power house and appurtenant works	M/s Shring Construction Company	15.09.2005	15.03.2008/ (30.5 months)	The work for control room, 2nd stage works and switchyard were started with much delay of 09 months, 10 months and 06 months respectively which affected the completion of the power house in time and there was a delay of 30.5 months in the execution of the work.
5.	Electro-Mechanical (E&M) work	Bharat Heavy Electricals Limited	25.01.2006	15.03.2008/ (25 months)	In respect of these work, the erection work of the supply of BHEL was dependent on the civil work which was to be executed by M/s Shring Construction Company and in the absence of any joint agreed schedule between M/s Shring and BHEL, apportionment of responsibilities for delays between them was not possible. The delay in execution of work was by 25 months.

Appendix-3.4.2
(Reference: Paragraph 3.4; Page 131)

Statement showing the claimed amount *vis-à-vis* allowed amount by UERC

(₹ in crore)

Particular	***Claimed***	***Allowed***	***Reasons***
Capital Expenditure	1,494.70	1,494.70	UERC disallowed price variation given to the contractor for the last six months before commissioning of the project considering it to be controllable.
Price Variation	00.00	(7.94)	
Dispute Resolution Board[10]	44.51	44.51	
Sub-Total (a)	***1,539.21***	***1,531.27***	***7.94***
Interest during construction	287.57	257.41	UERC disallowed the IDC for the last six months before commissioning of the project considering it to be controllable. It also disallowed ₹ 18.81 crore paid by the Nigam as penalty due to late payment of guarantee fee of state government.
Excess Guarantee Fee payable	18.81	0.00	
Guarantee fees	40.86	28.86	Amount of ₹ 12 crore not approved by UERC because the payment was made after commissioning date of the MB- II project.
Interest on GoU Loan	5.04	5.04	-----
Re-payment of AGSP[11]	66.64	66.64	
Sub-Total (b)	***418.92***	***357.95***	***60.97***
Total Capital Cost	***1,958.13***	***1,889.22***	Out of the total claimed amount of ₹ 1,958.13 crore, UERC disallowed IDC, Price Variation and Penalty on late payment of Guarantee Fees. Expenditure in respect of payment of guarantee fees (₹12 crore) was deferred.

Note: An amount of ₹3.72 crore was also adjusted as it was wrongly included in R & M expenses.

[10] This was constituted for contractual payments for the work done before Commercial Operation Date.
[11] Accelerated Generation and Supply programme.

Appendix-3.6.1

(Reference: Paragraph 3.6.4.1; Page 134)

Statement showing the penalty amount imposed by UERC due to delay in release of new connections during 2014-15 to 2016-17

Sl. No.	Name of Divisions	Total Number of Application Received	Number of cases of delay release of connection	Amount of Penalty (*₹ in lakh*)
1.	Rudrapur	25,254	1,412	88.88
2.	Haldwani Rural	9,204	430	30.75
3.	Tehri	12,413	487	6.07
4.	Dehradun Rural	11,481	2,278	85.61
5.	Haridwar Urban	4,157	1,105	38.54
6.	Haridwar Rural	1,413	495	12.94
7.	Kashipur	11,107	130	8.84
Total		***75,029***	***6,337***	***271.63***

Source: Information compiled from the records of the UPCL.

Appendix-3.6.2

(Reference: Paragraph 3.6.5.1; Page 135)

Statement showing the Energy received, Sale of energy, Loss of energy, Permissible losses, Avoidable loss of energy in distribution and Total Avoidable Loss

Sl. No.	Particular	Year		
		2014-15	**2015-16**	**2016-17**
1.	Energy received during the period	3,333.712	3,472.858	3,491.098
2.	Sale of energy	2,434.086	2,614.213	2,674.423
3.	Loss of energy (in *percent*)	26.99	24.72	23.39
4.	Loss of energy	899.626	858.645	816.675
5.	Permissible losses (in *percent*)	15.5	15	15
6.	Permissible losses	516.725	520.929	523.665
7.	Avoidable loss of energy in distribution	382.901	337.716	293.01
8.	Minimum cost of energy through rate per unit (Domestic BPL)	2.3	2.4	2.45
9.	***Total Avoidable Loss (in ₹)***	***88,06,72,300***	***81,05,18,400***	***71,78,74,500***

Source: Information compiled from the records of the UPCL.

Appendix-3.6.3

(Reference: Paragraph 3.6.5.2; Page 135)

Statement showing the details of Distribution loss due to theft/ pilferage for the period from 2014-15 to 2016-17

(₹in lakh)

For the year 2014-15

Sl. No.	Name of sub-division	Year of checking	Total number of consumers	Number of checking	Number of theft cases detected/ Assessment made	FIR lodged	Amount assessed	Amount realised	Balance
1.	Haldwani Rural	2014-15	56,102	72	14	9	4.15	2.87	1.28
2.	Kashipur	2014-15	75,994	209	20	0	0.5	0.5	0
3.	Rudrapur	2014-15	84,978	214	214	212	77.462	21.84	55.62
4.	Haldwani Urban	2014-15	40,931	54	33	24	11.82	0.93	10.89
5.	Bazpur	2014-15	26,802	55	29	0	6.06	5.44	0.62
6.	Sitarganj	2014-15	72,884	43	36	36	13.79	5.33	8.46
7.	Kotdwar	2014-15	90,143	150	72	4	28.83	28.83	0
8.	Tehri	2014-15	77,613	110	102	96	10.24	4.31	5.93
9.	Dehradun South	2014-15	77,613	63	59	16	25.83	15.01	10.82
10.	Dehradun Rural	2014-15	79,944	49	31	7	5.87	5.87	0
11.	Roorkee Urban	2014-15	84,281	446	240	359	67.06	56.39	10.63
12.	Roorkee Rural	2014-15	72,236	67	65	65	10.8	10.8	0
13.	Haridwar Urban	2014-15	74,819	103	40	40	24.43	23.57	0.86
14.	Haridwar Rural	2014-15	31,106	101	97	97	26.07	17.47	8.6
Total			***9,45,446***	***1,736***	***1,052***	***965***	***312.912***	***199.16***	***113.71***

For the year 2015-16

Sl. No.	Name of sub-division	Year of checking	Total number of consumers	Number of checking	Number of theft cases detected/ Assessment made	FIR lodged	Amount assessed	Amount realised	Balance
1.	Haldwani Rural	2015-16	57,334	608	27	15	7.29	6.87	0.42
2.	Kashipur	2015-16	50,688	391	39	20	21.05	11.36	9.69
3.	Rudrapur	2015-16	95,350	257	253	238	118.91	63.21	55.7
4.	Haldwani Urban	2015-16	43,243	152	112	77	28.67	19.32	9.35
5.	Bazpur	2015-16	29,275	913	191	126	51.53	36.24	15.29
6.	Sitarganj	2015-16	82,898	210	176	176	39.3	35.08	4.22
7.	Kotdwar	2015-16	93,634	405	323	4	71.73	71.73	0
8.	Tehri	2015-16	79,370	428	377	296	34.03	18.48	15.55
9.	Dehradun South	2015-16	79,370	35	16	12	8.36	7.46	0.9

Sl. No.	Name of sub-division	Year of checking	Total number of consumers	Number of checking	Number of theft cases detected/ Assessment made	FIR lodged	Amount assessed	Amount realised	Balance
10.	Dehradun Rural	2015-16	87,281	60	35	30	11.12	11.12	0
11.	Roorkee Urban	2015-16	89,604	1,015	300	290	121.41	71.49	49.92
12.	Roorkee Rural	2015-16	80,960	98	84	84	17.82	12.13	5.69
13.	Haridwar Urban	2015-16	77,718	565	91	80	72.37	64.34	8.03
14.	Haridwar Rural	2015-16	35,361	188	160	160	32.99	24.48	8.51
Total			***9,82,086***	***5,325***	***2,184***	***1,608***	***636.58***	***453.31***	***183.27***
For the year 2016-17									
Sl. No.	**Name of sub-division**	**Year of checking**	**Total number of consumers**	**Number of checking**	**Number of theft cases detected/ Assessment made**	**FIR lodged**	**Amount assessed**	**Amount realised**	**Balance**
1.	Haldwani Rural	2016-17	67,080	782	51	50	7.93	7.63	0.3
2.	Kashipur	2016-17	51,444	395	95	67	48.96	17.16	31.8
3.	Rudrapur	2016-17	1,00,021	606	605	596	183.3	111.7	71.6
4.	Haldwani Urban	2016-17	45,136	239	135	37	40.52	39.52	1
5.	Bazpur	2016-17	31,002	172	55	15	16.39	2.82	13.57
6.	Sitarganj	2016-17	84,850	317	314	314	51.66	37.8	13.86
7.	Kotdwar	2016-17	96,189	403	319	26	61.51	61.51	0
8.	Tehri	2016-17	83,319	83	73	46	7.12	6.73	0.39
9.	Dehradun South	2016-17	77,637	9	3	3	2.68	1.03	1.65
10.	Dehradun Rural	2016-17	92,355	13	13	3	4.11	3.43	0.68
11.	Roorkee Urban	2016-17	1,04,468	569	236	212	73.1	43.05	30.05
12.	Roorkee Rural	2016-17	86,788	120	111	111	26.14	18.51	7.63
13.	Haridwar Urban	2016-17	80,390	317	114	106	45.66	37.66	8
14.	Haridwar Rural	2016-17	38,448	220	207	207	41.86	36.85	5.05
Total			***10,39,127***	***4,245***	***2,331***	***1,793***	***610.94***	***425.4***	***185.58***

Source: Information compiled from the records of the UPCL.

Appendix-3.6.4
(Reference: Paragraph 3.6.5.3; Page 136)

Statement showing the status of DTR Metering

Sl. No.	Name of Division	Name of Town	Meter/Modem installed	Communicative (percentage)	Non Communicative (Percentage)
1.	Sitarganj	Sitarganj Khatima	72 51	42(*58.33*) 50(*98*)	30(*41.67*) 1(*2*)
2.	Haldwani	Haldwani	309	140(*45.31*)	169(*54.69*)
3.	Kotdwar	Kotdwar	111	34(*30.63*)	77(*69.37*)
4.	Dehradun Rural	Defense colony & MDDA colony	30	18(*60*)	12(*40*)
Total			***573***	***284(49.56)***	***289(50.44)***

Source: Information compiled from the records of the UPCL.

Appendix-3.6.5
(Reference: Paragraph 3.6.6.3; Page 137)

Statement showing the details of MRI due and done of KCC consumers

Sl. No.	Name of Divisions	MRI Due			MRI Done		
		Mar-15	Mar-16	Mar-17	Mar-15	Mar-16	Mar-17
1.	Rudrapur	2,046	2,103	2,158	1,371 (*67*)	1,423(*68*)	1,499 (*69*)
2.	Haldwani Urban	457	487	505	83 (*18*)	106 (*22*)	107(*21*)
3.	Roorkee Rural	725	725	725	489 (*67*)	518 (*71*)	549 (*76*)
4.	Roorkee Urban	836	1,139	1,187	669 (*80*)	669 (*59*)	522 (*44*)
5.	Bazpur	476	497	537	193 (*41*)	201 (*40*)	217 (*40*)
Total		***4,540***	***4,951***	***5,112***	***2,805 (62)***	***2,917 (59)***	***2,894 (57)***

Source: Information compiled from the records of the UPCL.

Appendix-3.6.6
(Reference: Paragraph 3.6.6.4; Page 138)

Statement showing the details of meter reading through AMR or Manual in respect of KCC consumers as on March 2017

Sl. No.	Name of Divisions	Total No. of KCC	Meter reading through AMR	Manually
1.	Rudrapur	2,158	390	1,768
2.	Haldwani Urban	505	78	427
3.	Bazpur	537	68	469
4.	Sitarganj	877	108	769
5.	Kotdwar	666	43	623
6.	Haldwani Rural	635	128	507
7.	Tehri	769	71	698
8.	Dehradun Rural	1,064	332	732
9.	Roorkee Urban	1,193	123	1,070
10.	Roorkee Rural	1,194	292	902
11.	Haridwar Urban	1,223	323	900
12.	Haridwar Rural	1,328	429	899
Total		***12,149***	***2,385***	***9,764***

Source: Information compiled from the records of the UPCL.

Appendix-3.6.7

(Reference: Paragraph 3.6.7.1; Page 138)

Statement showing the details of Initial Security not deposited as on March 2017 in respect of various categories

Sl. No.	Name of Division	No. of Consumers	Amount (₹ *in lakh*)
1.	Rudrapur	412	78.88
2.	Haldwani Urban	48	9.82
3.	Bazpur	17	1.67
4.	Sitarganj	24	5.31
5.	Kotdwar	7	3.70
6.	Haldwani Rural	11	2.26
7.	Tehri	55	55.69
8.	Dehradun Rural	8	15.81
9.	Dehradun South	31	5.72
10.	Kashipur	46	11.83
11.	Roorkee Urban	7	0.95
12.	Haridwar Urban	26	7.68
13.	Roorkee Rural	14	3.00
14.	Haridwar Rural	94	38.58
Total		***800***	***240.90***

Source: Information compiled from the records of the UPCL.

Appendix-3.6.8

(Reference: Paragraph 3.6.8.1; Page 139)

Statement showing the details of RCs issued, realised, returned and pending for realisation during the period from 2014-15 to 2016-17

For the year 2014-15

(₹ in lakh)

Sl. No.	Particulars	Number	Amount
1.	Opening Balance of RCs which was issued to DM offices for recovery u/s 5 and pending with DM offices as on 01.04.2014.	11,413	9,994.90
2.	Number of RCs issued for recovery to DM office against the defaulting consumers under section 5 during the period April-2014 to March-2015	101	33.32
3.	Number of RCs and amount realized by DM office from defaulting consumers during the period April-2014 to March-2015.	31	5.76
4.	Number of RCs returned by DM office due to wrong address of consumers, deceased consumer, *etc*. during the period April-2014 to March-2015.	207	78.27
5.	Number of RCs pending with the DM office due to non-realization as on 31.03.2015.	11,276	9,944.19

For the year 2015-16

Sl. No.	Particulars	Number	Amount
1.	Opening Balance of RCs which was issued to DM offices for recovery u/s 5 and pending with DM offices as on 01.04.2015.	11,276	9,944.19
2.	Number of RCs issued for recovery to DM office against the defaulting consumers under section 5 during the period April-2015 to March-2016	190	55.39
3.	Number of RCs and amount realized by DM office from defaulting consumers during the period April-2015 to March-2016.	24	19.74
4.	Number of RCs returned by DM office due to wrong address of consumers, deceased consumer, *etc.* during the period April-2015 to March-2016.	35	2.5
5.	Number of RCs pending with the DM office due to non-realization as on 31.03.2016.	11,407	9,977.34

For the year 2016-17

Sl. No.	Particulars	Number	Amount
1.	Opening Balance of RCs which was issued to DM offices for recovery u/s 5 and pending with DM offices as on 01.04.2016.	11,407	9,977.34
2.	Number of RCs issued for recovery to DM office against the defaulting consumers under section 5 during the period April-2016 to March-2017	2,685	4,265.53
3.	Number of RCs and amount realized by DM office from defaulting consumers during the period April-2016 to March-2017.	451	103.91
4.	Number of RCs returned by DM office due to wrong address of consumers, deceased consumer, *etc*. during the period April-2016 to March-2017.	899	2,175.45
5.	Number of RCs pending with the DM office due to non-realization as on 31.03.2017.	12,742	11,963.51

Source: Information compiled from the records of the UPCL.

Appendix-3.6.9

(Reference: Paragraph 3.6.8.3; Page 140)

Statement showing the details of Additional Security required as on March 2017 in respect of KCC consumers (RTS-2 & 7)

Sl. No.	Name of Division	No. of consumers	Additional Security required (₹ in crore)
1.	Rudrapur	151	11.67
2.	Haldwani Urban	192	0.97
3.	Bazpur	79	1.73
4.	Sitarganj	179	3.71
5.	Kotdwar	135	2.62
6.	Haldwani Rural	127	1.21
7.	Tehri	272	2.82
8.	Dehradun Rural	457	5.26
9.	Dehradun South	311	1.65
10.	Kashipur	22	4.16
11.	Roorkee Urban	347	2.64
12.	Haridwar Urban	380	1.99
13.	Haridwar Rural	772	15.15
14.	Roorkee Rural	7	1.95
Total		***3,431***	***57.53***

Source: Information compiled from the records of the UPCL.