

CHAPTER–I

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Introduction

1.1 Road Transport is the most cost-effective mode of transportation in India for both freight and passengers, keeping in view its level of penetration in populated areas. Having a well maintained, robust road network spanning across the country is a crucial prerequisite for fast paced economic growth and social integration of the country.

The road network of the country consists of National Highways¹ (NH), State Highways² (SH), District Roads³, Rural Roads⁴, Urban Roads⁵ and Project Roads⁶. The construction and maintenance of NH is mandated with the Ministry of Road Transport and Highways (MoRTH). State Roads are executed through the State Public Works Departments (PWD). District Roads are constructed and maintained by State PWD while Rural Roads are executed by Panchayati Raj Departments, State PWD and National Rural Road Development Agency. Urban Roads are executed by Municipalities and Project Roads are constructed by various Central and State Government Departments.

India has the second largest road networks in the world and Uttar Pradesh, the most populous state in India, is second ranked state of the country in terms of road length after Maharashtra.

Uttar Pradesh had a road network of 4,42,907 km⁷ of various categories of Roads (apart from 1,225 km of Operating Expressways) as depicted in **Chart 1.1** below:

¹ NHs means the highways specified in the Schedule to the National Highways Act, 1956 and are the main highways running through the length and breadth of the Country connecting capitals of States and UTs, major ports, rail junctions, industrial and tourist centres and linkup with border roads and highways of neighbouring countries.

² The State Highways means the arterial roads of a State notified as “State Highways” by the concerned State Government, which provide links with NHs, district headquarters of State, important towns, tourist centres and minor ports.

³ District Roads comprised of Major District Roads (MDRs) and Other District Roads (ODRs) which provide connection between District and Taluk headquarters with the State Highways and National Highways.

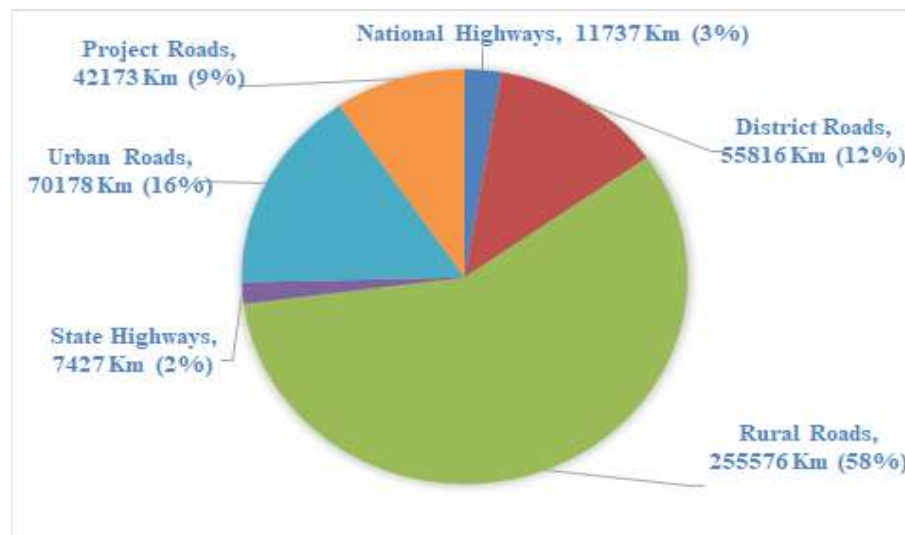
⁴ Rural roads or Village roads mean the roads serving the rural areas or other main roads other than the National Highways, the State Highways and the Major District Roads and the roads connecting the villages or group of villages with each other and connecting nearest road of a higher category.

⁵ Urban Roads consist of Municipal Roads under Urban Development Departments of States and UTs, roads in Railway Zones, roads constructed by Military Engineering Services (MES) and Major and Minor Port Roads.

⁶ Roads within the limits of the area of a development project of a public authority for the exploitation of resources such as forest, irrigation, electricity, coal, sugarcane, steel, etc.

⁷ As per Basic Road Statistics of India published in 2022-23 by Ministry of Road Transport and Highways, Government of India.

Chart 1.1: Various types of roads in the State



Source: Basic Road Statistics published by Ministry of Road Transport and Highways

Uttar Pradesh Public Works Department (Department) executes the construction, improvement, strengthening and maintenance of roads and bridges in Uttar Pradesh. The Department also undertakes the maintenance of National Highways passing through Uttar Pradesh which are not covered by the National Highways Authority for which funds are provided by the Government of India. Position of existing road length of different categories of roads under the jurisdiction of the Department during 2016-17 to 2022-23 is as given in the **Table 1.1** below:

Table 1.1: Cumulative position of different category of roads in the State

Sl. No.	Category of road	Length of roads as on 31 March (Km)						
		2017	2018	2019	2020	2021	2022	2023 ⁸
1	NH	8,328	8,488	11,384	11,487	11,455	11,590	11,766 ⁹
2	SH	7,202	6,892	6,593	8,322	11,060	10,901	11,105
3	MDR	7,486	7,377	7,201	5,550	5,550	6,749	6,749
4	ODR	47,576	49,405	48,616	49,476	50,316	54,244	57,025
5	Rural roads	1,69,051	1,68,692	1,69,512	1,80,135	1,82,626	2,04,148	2,11,597
	Total	2,39,643	2,40,854	2,43,306	2,54,970	2,61,007	2,87,632	2,98,242

Source: Performance Budget 2021-22, 2022-23 and 2023-24 of the Department

Central Road Fund and its utilisation

1.2 The Central Road and Infrastructure Fund (CRIF) Act¹⁰ (earlier called Central Road Fund Act) came into force on the 1 November 2000. CRIF is a non-lapsable fund created under Section 6 of the CRIF Act out of cess/tax imposed by the Government of India (GoI) on the sale of Petrol and High-Speed Diesel for the development and maintenance of NH and other State roads including roads of inter-State and economic importance, development of rural roads, construction of roads either under or over the Railways by means of

⁸ As of 31 January 2023

⁹ Out of this, 7218 Kilometre NH is under National Highway Authority of India and Ministry of Road Transport & Highways (MoRTH), 314 KM is under Project Implementation Unit, MoRTH and 176 Km is common.

¹⁰ The CRF Act, 2000, notified on 27 December 2000, was amended and substituted by the Central Road and Infrastructure Fund (CRIF) Act, through the Finance Act, 2018.

bridges *etc.* The cess collected is initially credited to the Consolidated Fund of India and subsequently transferred to CRF. It was distributed amongst three ministries *i.e.*, Ministry of Rural Development, Ministry of Railways and Ministry of Road Transport and Highways (MoRTH) up to 31 March 2018. After amendment of the Act as CRIF Act *w.e.f.* April 2018, the distribution of amounts collected in the CRIF is decided by Committee headed by Hon'ble Finance Minister as per Section 7A of the CRIF Act, 2000.

The allocation of CRF funds to each State/Union Territory (UT) by MoRTH is finalised at the beginning of the financial year. The funds earmarked for the development of State Roads (other than Rural Roads) are allocated to the States on the basis of 30 *per cent* weightage to fuel consumption and 70 *per cent* weightage to the geographical area of the States/UTs.

The State Governments send work proposals with necessary details to the Central Government for administrative approval after which the financial sanction and execution of work are done by the State Governments through budget provision and utilisation certificates are sent to GoI for reimbursement from CRF.

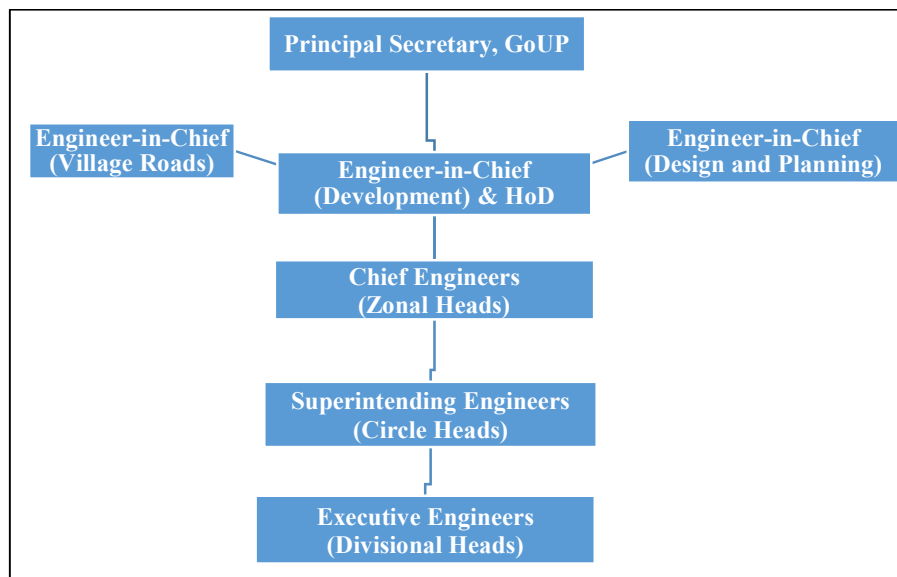
Organisational Structure

1.3 Principal Secretary heads the Department at the State Government level. Engineer-in-Chief (Development) & HoD is assisted by two Engineers-in-Chief¹¹, Chief Engineers, Superintending Engineers and Executive Engineers. The Chief Engineers hold the administrative control of the Department in their respective zones and perform the functions related to according technical sanction above ₹ one crore to the detailed estimates, finalising contracts and inspection of works *etc.* The Circles, headed by Superintending Engineers, are responsible to accord technical sanctions and finalisation of contracts up to ₹ one crore. Circles are further divided into Divisions, headed by Executive Engineers who are directly responsible for execution of works. Presently, there are 18 Zones, 42 Circles and 175 Divisions in UPPWD.

The organogram of the chart of the Department is given in **Chart 1.2** below:

¹¹ Engineer-in-Chief, (Design & Planning) and Engineer-in-Chief (Rural Roads).

Chart 1.2: Organogram of the Public Works Department, GoUP



Audit Objectives

1.4 The objectives of performance audit were to ascertain:

- Adequate planning for identification, selection and prioritisation of roads and effective financial management was in place;
- Projects were formulated with an objective to implement the scheme in an economical, efficient and effective manner;
- Projects were executed in accordance with applicable rules/regulations; and
- Quality control and monitoring system was adequate and road safety measures were effective in road construction and maintenance.

Audit Criteria

1.5 Sources of audit criteria were as follows:

- CRF Act, 2000 as amended from time to time;
- CRF (State Roads) Rules, 2014 (as amended in 2016 and 2017);
- MoRTH specifications and relevant Indian Road Congress (IRC) Codes;
- Uttar Pradesh Public Works Account Rules (Financial Hand Book Vol-VI);
- Uttar Pradesh Public Works Departmental Circulars/Orders; and
- Guidelines and Orders issued by Government of Uttar Pradesh (GoUP).

Scope of Audit and Methodology

1.6 Performance Audit (PA) was conducted during July 2022 to January 2023 covering the works sanctioned under CRF during 2016-17 to 2021-22. GoUP sanctioned 234 works with a sanctioned cost of ₹ 6,492.09 crore during 2016-2022 which were executed by 107 Divisions. Out of this, 109 works¹² (47 per cent) with a sanctioned cost of ₹ 3,390.26 crore (52 per cent) executed

¹² To execute these 109 works, 111 contract bonds were executed.

by 27 Divisions¹³ were test-checked¹⁴ in audit. Audit objectives, criteria, scope methodology *etc.*, were discussed with Principal Secretary, PWD during an Entry Conference held on 19 October 2022. Exit Conference was held on 17 October 2023 with the Government/Department to discuss the audit findings. Replies of the Government/ Department have been suitably incorporated in the report.

Acknowledgement

1.7 Audit wishes to acknowledge the co-operation extended by the Uttar Pradesh Public Works Department, its officers and staff for providing necessary information and records to Audit.

¹³ Provincial Division (PD) Jhansi, PD Sitapur, Construction Division (CD)-1 Barabanki, PD Etah, CD-3 Allahabad, PD Gautam Budh Nagar, PD Kanpur, CD-1 Siddharthnagar, PD Gorakhpur, CD-1 Chitrakoot, PD Lalitpur, PD Agra, CD-3 Jhansi, PD Jaunpur, CD Lalitpur, CD Chandauli, PD Deoria, PD Kaushambi, PD Pratapgarh, CD Sonbhadra, PD Kushinagar, PD Varanasi, CD-2 Bijnore, CD (Building) Gorakhpur, CD-3 Gorakhpur, PD Mahrajganj and CD-1 Allahabad.

¹⁴ The Divisions were selected through Random sampling using IDEA software on the basis of expenditure incurred by the Divisions.