

CHAPTER-IV

WORKS EXPENDITURE

SECTION - A - REVIEW

Public Works Department

4.1 Review of Public Works Department and manpower management

Highlights

Against the all India average density of more than 80 kms/100 sq km area, the State Government could achieve road density of 40.66 km/100 sq km area as of February 2002. Out of 22,634 kms long roads constructed, 11,286 kms long roads could be used during fair weather only. Roads were constructed without obtaining technical sanction and there were huge excesses over the norms fixed for repairs and maintenance of roads. A number of road works remained incomplete due to various reasons resulting in idle investment and denial of intended benefits to the beneficiaries. Effective monitoring of execution of the roads had not been done. Important points noticed as a result of test-check of records are as under:

- *Budget estimates were not prepared on realistic basis. Persistent excesses occurred in revenue section during 1999-2002, which contributed to revenue deficit of the State Government.*

(Paragraph 4.1.4 (a))

- *Due to non-release of Rs 35 lakh for payment of compensation to 1,397 daily waged workers declared surplus in June 2000 in Dharampur Division, the workers could not be retrenched and wages of Rs 5.02 crore had to be paid to them.*

(Paragraph 4.1.5 (c) (iv) (c))

- *Out of 952 road works taken up for construction by 17 divisions upto March 2002, 644 works remained incomplete after incurring an expenditure of Rs 83.45 crore. Cost overrun of Rs 3.47 crore in case of 24 completed works and Rs 29.59 crore in case of 157 works in progress respectively occurred. Time overrun in these cases ranged between four and 349 months.*

(Paragraph 4.1.6 (c))

The abbreviations used in this review have been listed in the Glossary in Appendix-XVIII (Page-184-185).

- *Expenditure of Rs 3.96 crore incurred on construction of seven bridges and three roads remained unfruitful as these could not be put to use due to various reasons.*

(Paragraph 4.1.6 (f))

- *Investment of Rs 10.62 crore on the construction of 66 roads and two bridges remained idle because the works remained incomplete due to various lapses of the department.*

(Paragraph 4.1.6 (g))

- *In 11 divisions, Rs 6.36 crore were spent during 1999-2002 on construction of 169 roads under scheduled caste component plan without identifying predominantly scheduled caste inhabited villages.*

(Paragraph 4.1.6 (j) (i))

- *Rupees 71.53 crore was spent by 15 divisions on maintenance of roads during 1999-2002 over and above the norms fixed.*

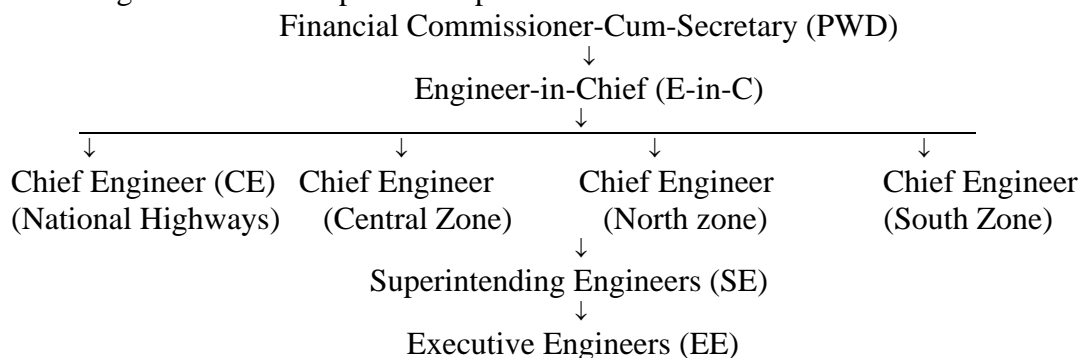
(Paragraph 4.1.6 (l) (ii))

4.1.1 Introduction

The Public Works Department (PWD) is responsible for planning, construction and maintenance of roads, bridges and buildings (residential and non residential) for various Government departments and execution of civil engineering works on behalf of local bodies, Public Undertakings, Boards, etc., as deposit works. Construction of roads and bridges is the main activity of the department. Total motorable length of roads to connect 16,997 villages (excluding isolated villages) was worked out to 39,045 kilometers. Construction of roads was taken up both in Central (National Highways) and State Sectors (State highways, district roads and other rural roads).

4.1.2 Organisational set up

Organisational set up of the department is as under:



4.1.3 Audit coverage

Working of Buildings and Roads wing of the department covering a few activities was reviewed by test-check (February-April 2002). Records concerning "Budgetary procedures and expenditure control systems" and "Human Resource Management" for the period 1999-2002 were examined in the offices of the E-in-C, CE (North Zone), Dharamsala and 15 out of 71 divisions¹. "Programme Implementation" and "Material Management" aspects for the same period were reviewed in other 17 divisions². This was supplemented by information supplied by E-in-C as also points noticed during periodical inspection of various other divisions. About 27 per cent of total expenditure of the department for the aforesaid period was covered in audit. Important points noticed in audit are discussed in the succeeding paragraphs.

4.1.4 Budgetary procedure and expenditure control

Funds for construction and repairs and maintenance of Government buildings, roads and bridges are provided under various major heads³ of accounts under four grants⁴. Budgetary control in respect of building works of various Government departments was exercised by the PWD up to 1999-2000. From 2000-2001 onwards, heads of various departments were declared as controlling authorities in respect of capital heads of account. The SEs being the controlling officers of divisions under their control, send budget proposals through the respective zonal CEs to E-in-C who is responsible for preparation and submission of budget estimates (BEs) to the Finance Department (FD) through the administrative department.

(a) Budget provision and expenditure

Total expenditure of the department (Rs 2,144 crore) for the period 1999-2002 was 16 per cent of total expenditure (Rs 13,468 crore) of the State Government. Overall position of funds allotted to the department and

1 Dharampur, Dharamshala, Ghumarwin, Hamirpur, Karchham, Kasauli, Nurpur, Paonta Sahib, Rampur, Salooni, Shimla, Solan, Tauni Devi, Theog and Una

2 Arki, Barsar, Bilaspur, Kalpa, Karsog, Kullu, Kumarsain, Mandi, Nirmand, Palampur, Rajgarh, Rampur, Sarkaghat, Shimla-I, Shimla-II, Solan and Sundernagar.

3 "2059", "2216", "3054", "4059", "4216" and "5054".

4 No.10- Public Works, 17-Roads and Bridges, 28-Water supply, Sanitation, Housing and Labour Development and 31-Tribal Development.

expenditure incurred thereagainst during 1999-2002 was as under:

Table: 4.1
(Rupees in crore)

Year	Budget provision		Expenditure		Variation Excesses(+)/Savings (-)	
	Plan	Non Plan	Plan	Non Plan	Plan	Non Plan
1999-2000						
Revenue	12.63	299.88	13.04	415.43	(+) 0.41	(+) 115.55
Capital	290.22	--	293.81	---	(+) 3.59	---
2000-2001						
Revenue	13.03	321.50	12.91	424.26	(-) 0.12	(+) 102.76
Capital	279.33	0.14	253.99	---	(-) 25.34	(-) 0.14
2001-2002						
Revenue	86.92	387.61	84.44	465.32	(-) 2.48	(+) 77.71
Capital	240.98	---	180.69	---	(-) 60.29	---
Total	923.11	1009.13	838.88	1305.01	(-) 84.23	(+)295.88

Source: Appropriation Accounts figures

Excesses ranged between 20 and 39 *per cent* in revenue section under Non-Plan during 1999-2002 and contributed to the persistent revenue deficit of the State Government during this period. The budget estimates were also not framed on realistic basis.

Following points were also noticed in the divisions test-checked:

(i) Excess expenditure in Ghumarwin division ranged between 29 and 132 *per cent* over and above the sanctioned budget under various heads during 2000-2002. In three divisions⁵ savings ranged between 16 and 180 *per cent* under revenue section during 2000-2001. EEs stated (March-April 2002) that excess/savings were due to regularisation of work charged staff and execution of less works. The replies are not tenable as regularisation of work charged staff could have been foreseen and provision of funds made before incurring expenditure.

(ii) As per provisions of the budget manual, re-appropriation is not permissible from Plan to Non-Plan and vice-versa. It was noticed that in three

⁵ Dharampur, Dharamshala and Salooni.

divisions⁶, expenditure of Rs 71.28 lakh was transferred by the EEs from Plan to Non-Plan heads during 1999-2001.

(iii) In four divisions⁷, Rs 79.31 lakh representing payment to be made to contractors for work done by them was withheld for want of letter of credit (LOC) during 1999-2002 and charged to final heads of account by contra credit to Public Works Deposits. This resulted in fictitious utilisation of budget and inflation of balances under deposit head.

EEs stated (February-April 2002) that this was done due to less receipt of LOC. The fact remains that prescribed procedure was not adopted.

(iv) Test-check of records of Shimla Electrical Division-II revealed (February 2002) that Rs 3 crore was advanced to Himachal Pradesh State Electricity Board (HPSEB) for supply of power to newly constructed buildings during 1985-2000 and charged to final heads of account instead of placing under "Misc. Works Advances" (MWA) pending receipt of utilisation certificates (UCs)/Completion Certificates (CCs). Out of funds advanced to HPSEB, UCs/CCs for Rs 2.74 crore had not been received as of February 2002. EE stated (March 2002) that such irregularities would be avoided in future.

(v) Test-check of records of Theog Division revealed (April 2002) that sales tax amounting to Rs 19.36 lakh deducted from the bills of various contractors during 1993-2002 was credited to deposit head instead of remitting it to the State Excise and Taxation Department for crediting to Government account. This resulted in concealment of revenue and accumulation of balances under deposit head.

(b) Unrealistic estimation

(i) It was noticed that estimation of funds by E-in-C was 14 to 252 *per cent* less as compared to the actual expenditure in four heads of account and 10 to 96 *per cent* higher in five heads of account during 1999-2002 as detailed in Appendix-XV. E-in-C stated (May 2002) that field units had been instructed and budget estimates would be prepared on realistic basis in future.

(ii) In the following cases, variations ranged between 28 and 97 *per cent* in the budget demanded by the head of Department and budget allocated by the

6 Nurpur, Solan and Tauni Devi.

7 Ghumarwin, Hamirpur, Kasauli and Theog.

FD during 1999-2001 as detailed below:

Table: 4.2
(Rupees in lakh)

Head of account	Year	Budget demanded by E-in-C	Budget allocated by FD	Expenditure	Variation
Grant No 28 Water Supply, Sanitation, Housing and Urban Development					
2216-Housing (i) 04,05 and 06 (21-Maintenance) (Non-plan)	2000-2001	560.00	236.00	253.00	324.00 (58)
Grant No 17-Roads and Bridges					
3054-Roads and Bridges-03-337	1999-2000	37.00	1.00	1.00	36.00 (97)
Grant No 10-Public Works					
2059-Public Works 08-001-052	2000-2001	625.00	447.00	447.00	178.00 (28)
2059-Public Works-80-052-01	2000-2001	122.00	45.00	14.00	77.00 (63)

Figures in parenthesis represent percentage.

This was indicative of unrealistic estimation.

(c) Delay/non-submission of budgetary returns

It was noticed in audit that submission of budget estimates, statement of excesses and surrenders and proposals for supplementary appropriations to the administrative department (AD)/FD was delayed by 6 to 120 days during 1999-2002. It was further noticed that nominal rolls* for 1999-2002 were not submitted to FD/AD and provision of Rs 1.14 crore made for vacant posts was surrendered and re-appropriated to other heads of account on the last day of respective financial years. Liability statement was also not submitted to FD due to non-maintenance of liability registers, as required. Thus Engineer-in-Chief failed to exercise adequate budgetary control.

(d) Expenditure control systems and non-operational Letter of Credit Scheme

State Government introduced (September 1981) "LOC" Scheme to regulate drawal of funds and restrict expenditure thereagainst. Under the scheme, the Chief Engineers are required to assess the requirement of funds on quarterly basis in consultation with their Superintending Engineers and Executive Engineers. The requirement so assessed is to be intimated to FD who would determine and communicate the amounts to be spent during specific quarters by the Chief Engineers.

* Details of pay and allowances of staff in position.

It was noticed in audit that requirement of funds during 1999-2002 was also not assessed by the E-in-C in consultation with his Zonal, Circle and Divisional Offices as required. The requirement of funds was sent to FD on the basis of prescribed percentage of sanctioned budget. There were delays ranging from five to 38 days in submission of these requirements to FD during 1999-2002. It was also noticed that the E-in-C stopped sending quarterly demands from 2nd quarter of 2001-2002 and submitted monthly demands to the FD (except for October 2001, January and February 2002). Proper procedure was thus not followed which resulted in non-release of full LOC by the FD and LOC of one quarter was authorized in subsequent quarters. LOC was thus issued on *ad hoc* basis.

4.1.5 Human Resource Management

(a) Staff position

The department had 353 offices⁸ as of March 2002. The sanctioned strength of various categories of staff of the department as on 31 March 2002 was as under:

Table: 4.3

(In numbers)

Category of staff	Sanctioned strength	In position	Vacant	Percentage shortfall
Technical	2444	2201	243	10
Non-technical	2193	2090	103	5
Class-IV	1365	1205	160	12
Total	6002	5496	506	

Source: Departmental figures

E-in-C stated (April 2002) that vacant posts could not be filled up due to ban on direct recruitment since 1989.

(b) Offices/divisions opened in excess of the norms fixed

(i) As per provisions of Punjab PWD (B&R) Manual, as adopted by the State Government, opening of circles, divisions and sub-divisions was required to be based on fixed criteria of one circle for three to four divisions and one division for three to four sub-divisions for the smooth and efficient working of the department. In disregard of the said criteria, the Government formed three circles⁹ for six divisions. Similarly, 10 divisions¹⁰ were functioning for just 17 sub-divisions (three divisions over one sub-division each and seven divisions for two sub-divisions each).

8 E-in-C: 1, CEs: 4, Chief Architect:1; Circles: 19; Divisions: 71, Sub-Divisions: 254 and LAOs: 3.

9 Mechanical circle, Shimla: 2 divisions; NH circles, Narkanda and Shahpur: 2 NH divisions each.

10 Bangana: Dodrakawar; Kullu-II; Medical College, Shimla; Nahan; Nalagarh; Palampur; Rohru; Sarkaghat and Taklech.

(ii) As per Government directions (May 1988) norms (works component¹¹) for creation of a division should be revised after every two years and as and when there was a rise of 10 *per cent* in Industrial Price Index (IPI). It was noticed that these norms were not revised by the Government/department.

(iii) Deployment of work charged staff

(a) In pursuance of the judgment (April 1994) of the Supreme Court of India, Government formulated (October 1994) a scheme for appointment of daily wage workers employed on muster rolls who had completed 10 years or more of continuous service with minimum of 240 days in a calendar year as on 31 December 1993 as work-charged employees with effect from January 1994. Further employment of workers on daily wage basis was to be made with prior approval of the Finance Department. The scheme was to be operated by EEs of the concerned divisions.

(b) Against 29,240 work charged posts created upto March 1998 22,940 posts were utilised and 6,300 posts remained unutilised. Norms for the creation of these posts were not evolved by the Government and set criteria for their allotment to the divisions was not prescribed. These posts were allotted on *ad hoc* basis and no mechanism was devised to ensure optimum utilisation of their services on departmental works. Registrar to E-in-C confirmed the position and stated (April 2002) that posts were allotted to the field units as per their requirement. The plea is not tenable as no such requirements from field offices were called for/on record.

(c) With a view to utilising 30,000 surplus daily waged and work-charged beldars, Government directed (May 1999) E-in-C to get seven types of works relating to construction/repair and maintenance done departmentally through these beldars and relax this condition only in rarest of the rare cases. Contrary to Government directions, 919 construction and repair and maintenance works were got executed through contractors in 11 divisions¹² during 1999-2002 at an expenditure of Rs 68.47 crore without obtaining relaxation, as required. Departmental labour was thus not fully utilised. EEs stated (February-April 2002) that the works were got executed from the contractors due to shortage of staff/non-availability of skilled labour. The contention is not tenable as the department had already deployed workcharged staff/daily waged labour in excess of norms and should have restructured and trained the existing staff.

(iv) Deployment of daily waged staff

(a) As per the scheme, no daily wage worker was to be engaged on or after 1 January 1994 without prior approval of the FD. There were 42,932 daily wage workers in the department as on 1 January 1994 who were to be regularised subject to fulfillment of conditions of the scheme. Of these, 29,240 daily wage workers were converted into work-charged employees upto

11 Building and Roads Division: Rs 1.40 crore; Mechanical Division: Rs 0.60 crore and Electrical Division: Rs 0.48 crore.

12 Barsar, Bhawanagar, Bilaspur, Dharampur, Hamirpur, Nirmand, Palampur, Rampur, Sarkaghat, Tauni Devi and Theog.

31 March 1998 thereby leaving a balance of 13,692 workers for regularisation. E-in-C informed (December 1999) the Legislative Assembly that there were 40,394 daily wage workers as on 31 March 1999. The department had, thus deployed 26,702 additional daily wage workers during the period from January 1994 to March 1999. Prior approval of FD had not been obtained in these cases, as required. Information regarding daily wage workers employed during April 1999-March 2002 was not available with the E-in-C.

E-in-C stated (April 2002) that workers had to be engaged on break basis of 89 days in accordance with the instructions issued (January 1993) by FD in the exigencies of work and some of them completed 240 days in a year and had to be continued. Continued employment of these workers would make them eligible for being converted into work charged employees on fulfillment of the conditions laid down under the scheme.

(b) In four test-checked divisions¹³, EEs engaged 7,420 daily wage workers (1999-2000: 1,749; 2000-2001: 3,021 and 2001-2002: 2,650) on muster rolls and paid wages of Rs 10.94 crore (1999-2000: Rs 2.30 crore; 2000-2001: Rs 4.33 crore and 2001-2002: Rs 4.31 crore) without obtaining approval of FD, as required.

(c) In Dharampur Division (Mandi district), 1,397 daily wage workers declared surplus by EE since June 2000 had neither been retrenched nor efforts made to transfer them to other divisions, as required. EE sent (October 2001) a case for retrenchment of surplus workers and demanded Rs 35 lakh for payment of compensation to them. Funds were not made available by E-in-C. Meanwhile, wages of Rs 5.02 crore were paid to them for the period from June 2000 to March 2002. The details of work done by them were not supplied. EE stated (April 2002) that action to transfer or retrench the workers could not be taken as funds demanded for the purpose were not received. Action of the department thus, lacked financial propriety. A recurring monthly liability of Rs 22.82 lakh on account of wages had also been incurred by the department.

(d) Non-filling up of posts in tribal areas

It was noticed in audit that 16 to 20 posts of Junior Engineers remained vacant for three to 36 months during 1999-2002 in six divisions¹⁴ of tribal areas¹⁵ in contravention of Government instructions of July 1998. Works thus suffered in tribal areas because of non-posting of Junior Engineers.

(e) Training

Training needs of technical and non-technical manpower deployed in the department were neither assessed by E-in-C nor training provided to update their skills during 1999-2002. E-in-C admitted (April 2002) the facts.

13 Dharampur, Salooni, Sarkaghat and Tauni Devi.

14 Bharmour, Kalpa, Karchham, Killar, Kaza and Udaipur.

15 Chamba, Kinnaur and Lahaul and Spiti

Reasons for not doing so called for in April 2002 had not been intimated (May 2002).

4.1.6 Programme implementation

To connect 16,997 villages of the State, construction of roads was taken up by the department under Central and State sectors. State sector programme of “District and Other Rural Roads” was test-checked in audit and following points were noticed:

(a) Roads requirement and development of roads

A requirement of total length of 39,045 kms of roads was assessed by the State Government on the basis of providing road density of 70.13 kms per 100 sq kms and 7.55 kms per 1,000 population. The villages were divided into five categories on the basis of population by taking into account their topography and location.

As of February 2002, 7,888 census villages had been connected by the department by constructing 22,634 kms of roads. The road density achieved was thus to the extent of 40.66 kms per 100 sq kms area against the All India average density of more than 80 kms/100 sq kms area. It was noticed that work on 22,634 kms long roads had not been completed in all respects to make them all weather roads. Of this 11,286 kms of roads could be used only during fair weather. The department had, thus, not fulfilled its responsibility of providing all weather communication link to the villages of the State.

(b) Targets and achievements

Physical and financial targets and achievements for the construction of roads, bridges and village connectivity during the period 1999-2002 (upto February 2002) were as follows:

Table: 4.4

(Rupees in lakh)

Period	Physical targets					Achievements					Budget	Expenditure
	Motorable (In kms)	Cross drainage (In kms)	Metalling and tarring (In kms)	Bridges	No. of villages	Motorable (In kms)	Cross drainage (In kms)	Metalling and tarring (In kms)	Bridges	No. of villages		
1999-2000	350	280	320	35	30	674	642	835	57	67	19,361	20,073
2000-2001	375	375	425	35	30	732	671	922	53	64	22,357	21,811
2001-2002	375	450	600	35	30	557	723	777	58	43	15,707	17,350
Total:	1,100	1,105	1,345	105	90	1,963	2,036	2,534	168	174	57,425	59,234

Source: Departmental figures

From the above details, it would be seen that physical achievements were substantially higher than the targets in all the three years. The annual targets, thus, do not appear to have been fixed on a realistic basis.

(c) Delay in completion of works

Details of the number of works taken up, completed and those remaining incomplete as of March 2002 in the 17 divisions test-checked were as under:

Table: 4.5

(Rupees in crore)

Period	Number of roads taken up	Estimated cost	Works completed		Works remaining incomplete as of 31 March 2002	
			Number	Expenditure	Number	Expenditure
Upto March 1999	895	341.87	305	60.37	590	74.70
1999-2000	38	26.66	1	0.13	37	6.67
2000-2001	14	6.07	2	1.11	12	0.37
2001-02	5	3.92	-	-	5	1.71
Total:	952	378.52	308	61.61	644	83.45

Source: Departmental figures

Delay in completion of works has an inevitable impact on costs. The works should, thus, be completed within the time schedule.

It was noticed in audit that cost overrun of Rs 3.47 crore in case of 24 completed works and Rs 29.59 crore in case of 157 works in progress respectively occurred. Time overrun in these cases ranged between four and 349 months.

(d) Expenditure on road works without sanction

Five road works were taken up for execution by Kumarsain Division between 1982-83 and 1997-98 without obtaining administrative approval and expenditure sanction as required and expenditure of Rs 27.32 lakh incurred on them upto March 2002. Of these, two works had been completed and the remaining three were in progress. The expenditure had not been got regularised.

In 16 divisions¹⁶, 940 road works sanctioned between March 1962 and November 2001 at an estimated cost of Rs 369.46 crore were taken up for execution between March 1970 and November 2001 without obtaining

¹⁶ Arki, Barsar, Bilaspur-II, Kalpa, Karsog, Kullu-I, Kumarsain, Mandi-II, Nirmand, Rajgarh, Rampur, Sarkaghat, Shimla-I, Shimla-II, Solan and Sundernagar.

technical sanction. An expenditure of Rs 138.46 crore was incurred on their execution. Further, Rs 16.69 crore was spent on execution of 146 road works in 13 divisions¹⁷ over and above the amount of administrative approval and expenditure sanction. Revised estimates to get the excess expenditure regularised had not been got sanctioned as of April 2002. EEs stated that the excess over the sanctioned amount was due to escalation in cost of material and wages.

(e) Planning

(i) Non-prioritising of the roads keeping in view the benefits to the people

Funds were being provided to the department to cater to the basic needs of the people which necessitated prioritisation of road works to derive maximum benefits commensurate with immediate and long term costs.

Test-check of records of Kalpa Division revealed that three road works sanctioned between June 1988 and November 1998 at an estimated cost of Rs 132.68 lakh were still in progress. Detailed position showing the length of road, road actually constructed, distance of first village from the starting point of the road and expenditure incurred was as under:

Table: 4.6

(Rupees in lakh)

Sr. No.	Name of road	Length of sanctioned road	Distance of first village from starting point of the road	Road length constructed upto February 2002	Expenditure as of February 2002
1.	Gymthing valley road	8.450	10.450	8.231	67.92
2.	Thangi to Kannu Charan road	5.000	7.000	3.375	82.18
3.	Link road from Khab to Tashigang	7.500	15.500	2.500	54.59
Total:					204.69

Source: Departmental figures

The roads would not serve any useful purpose even after their completion because no village would be connected by them.

EE stated (March 2002) that the quantum of job required to be executed was on much higher side due to tough topography of the area and therefore, the entire job was divided in phases and sanction was obtained accordingly. As soon as the first phase of the job was completed, formalities for the next phase would be over and job taken up accordingly. The contention is not tenable as

17 Arki, Barsar, Bilaspur-II, Kalpa, Karsog, Kullu-I, Kumarsain, Mandi-II, Nirmand, Rampur, Sarkaghat, Solan and Sundernagar.

the road projects should have been prioritised and got sanctioned by keeping in view the benefits of the public commensurate with immediate and long term costs.

(ii) Non-ensuring of the benefits through prudent and cost effective selection of road and bridge projects

(a) Construction of roads should have been made after ensuring maximum benefit, by committing minimum resource through prudent and cost effective selection of the road projects.

In Kumarsain Division, eight road works sanctioned between March 1977 and July 1998 at an estimated cost of Rs 1.15 crore were taken up for execution between 1983 and 1998. While three roads had been completed, the work on the remaining roads was held up due to dispute over alignment, involvement of private/forest land and paucity of funds. An expenditure of Rs 26.20 lakh had been incurred on the above road works. According to the annual plan of the State Government for the year 2000-2001, atleast 50 *per cent* villages having population of below 200, 75 *per cent* villages having population of 200 to 499 and all villages having population of 500 and above were to be connected by motorable road by the end of March 2002. It was noticed in audit that no village falling in the aforesaid categories would be connected by any of the above roads.

(b) Construction of a foot bridge on Karla Bhartha road on Sutlej river was sanctioned (August 1992) at an estimated cost of Rs 23.48 lakh and stipulated for completion in one year. The work was taken up for execution by Arki division in March 1997. Civil works of the bridge had only been completed upto January 2001 after incurring an expenditure of Rs 22.44 lakh. Super structure work of the bridge was still in progress. In October 1995 Government decided to construct Kol Dam Project, work on which is in progress. It was noticed in audit that the deck level (600 mtrs) of the foot bridge would be submerged in the Kol dam reservoir. The investment of Rs 22.44 lakh on the construction of the bridge would, thus, go waste.

(f) Defective and improper planning

Following cases of defective and improper planning in the construction of roads and bridges were noticed during test-check:

(i) Bridges not put to use due to non-construction of roads

In Kalpa, Kumarsain and Kangra Divisions, construction of five bridges estimated to cost Rs 2.41 crore was completed between August 1997 and February 2002 at a cost of Rs 2.78 crore as detailed in Appendix-XVI.

It was noticed that these bridges could not be put to use as roads had not been constructed/completed. The road (length: 23 kms) beyond Parlog bridge was to be constructed by Karsog Division. Execution of the road from Karsog side was taken up in October 1977 and had 8.250 kms long road constructed at an expenditure of Rs 24.59 lakh. The constructed bridge could, thus, not be utilised for the intended purpose.

In the case of the motorable Baily bridge over Giabang *nallah*, 600 metres road portion was yet to be constructed to link Parla Giabang village for which motorable bridge had been constructed over Giabang *nallah*.

The construction of Baily bridge over Rekta *khad*, the bridge had been constructed at RD 5/020 while Gymthing valley road (length: 8.450 kms) had been opened for traffic upto 4/900 kms. The road from km 5/020 to km 8.00 had been executed in patches.

55 metre span motorable bridge over Manooni *khad* on 24 kms long Old Kangra Bohar Kawalu road (Kangra district) completed in August 1997 had not been put to use due to the bridge not being connected by road from either side.

RCC T-beam bridge constructed at km 1.200 of Dadhamb Durgella road over Chambhi *khad* (Kangra district) could not be opened to vehicular traffic as out of the total road length of 6.250 kms only five kms had been constructed.

Faulty planning and failure of the department to complete the connected roads had, thus, rendered the expenditure of Rs 2.78 crore on the completion of the bridges unfruitful.

(ii) Roads not put to use due to non-construction of bridges as per the width of the constructed roads

In two divisions, two roads of jeepable width were constructed at a cost of Rs 27.60 lakh. It was noticed in audit that motorable bridges were not constructed on the rivers falling on the alignment of these roads as detailed in Appendix-XVI.

In view of the fact that foot bridges would not be utilised for plying of vehicles, investment of Rs 27.60 lakh made on construction of jeepable roads remained unfruitful.

While EE, Kaza stated (September 2001) that proposal for construction of motorable/jeepable bridge was not approved by higher authorities, EE, Kalpa stated (March 2002) that motorable bridge proposed in 1999 had not been approved so far.

(iii) Non-utilisation of roads due to non-construction of bridges

In three divisions, construction of three roads sanctioned between August 1988 and June 1995 was taken up between November 1994 and May 1996 and Rs 90.71 lakh were spent on their construction as detailed in Appendix-XVI. Audit scrutiny revealed that bridges to be constructed on each of these roads were not provided for in the estimates of the roads.

It was noticed in audit that work in case of bridge over Trella *nallah* was in progress and construction of bridges in the remaining two cases had not commenced so far.

In the absence of construction of bridges, constructed portions of the roads could not be put to use and expenditure of Rs 90.71 lakh incurred thereon remained unfruitful.

(g) Unfruitful expenditure due to various lapses of the department**(i) Non-obtaining of sanction for transfer of forest land and non-acquiring of private land**

(a) Contrary to the provisions, construction of 41 road works (estimated cost: Rs 10.17 crore) stipulated to be completed within periods ranging between one year and eight years was taken up by 16 divisions¹⁸ between September 1981 and June 2001 without obtaining approval of Government of India as required for the use of forest land falling along the alignments of these roads. These works on which Rs 2.98 crore had been spent were held up for various periods since 1989 onwards. The cases, for obtaining sanctions of Government of India were either still to be initiated or were under process within the department.

(b) In 11 divisions¹⁹, construction of 21 roads (estimated cost: Rs 5.97 crore) stipulated to be completed within six months to six years was taken up between 1975 and April 2000 and were lying incomplete after spending Rs 2.94 crore. The works were held up mainly due to non-acquisition of private land/dispute over the land falling in the alignment. It was noticed that proceedings under the Land Acquisition Act to acquire private land had been started in respect of seven road works during 1998-2001. Delay in completion of these roads ranged between two and 247 months.

18 Barsar, Bilaspur, Chamba, Chenab valley division, Ghumarwin, Karchham, Karsog, Kalpa, Kullu-I, Kumarsain, Nirmand, Plampur, Rampur, Shimla-I, Shimla-II and Sundernagar.

19 Arki, Barsar, Chamba, Jawali, Kalpa, Karchham, Kumarsain, Palampur, Sarkaghat, Solan and Sundernagar.

(ii) Non-utilisation of roads/bridge due to failure of the department to execute the balance work

(a) In three divisions, construction of three roads and one bridge sanctioned between October 1978 and March 1996 at an estimated cost of Rs 52.04 lakh and stipulated to be completed between one year and three years was taken up for execution between March 1979 and March 1998. An expenditure of Rs 93.72 lakh had been incurred on these works. It was noticed that the constructed portions of the roads and the bridge could not be opened for traffic due to non-removal of slips/execution of the balance work as detailed below:

Table: 4.7

(Rupees in lakh)

Name of the division	Name of the road/bridge	Particulars of A/A and E/S		Physical stage of the road/bridge (In kms)	Period upto which work was executed	Expenditure incurred	Remarks
		Month and year	Amount				
Rajgarh	(i) Churwadhar Bhayanaghat Lanecheta road (km 0/0 to 5/0)	October 1978	8.40	3/720	March 1994	23.98	Rocky portion of 255 mtrs awarded to contractor in 3/94 not executed.
	(ii) Dalog ka ghat Neri Naun road (km 0/0 to 5/0)	September 1989	13.92	2.690	March 1997	5.81	Valley side land slide and slips in the first km were not removed.
Chamba	Widening of Churi Basu Kothi Nirakula road from jeepable to motorable standard	March 1986	17.70	04-500 (In patches)	December 1998	50.02	Rocky portion of 80 metres in the first km not executed.
Kullu-I	15.75 mtrs span RCC-T Beam bridge over Bathad <i>nallah</i> on Banjar Bathad Bashleo pass road	March 1996	12.02	Bridge completed except approaches	Bridge work completed in May 2001	13.91	Bridge work completed in May 2001 but approaches not constructed.
Total			52.04			93.72	

Failure of the department to complete the works, thus resulted in idle investment of Rs 93.72 lakh.

(b) Construction of 5/7 metres wide link road from Leo bridge to Hango from km 5/0 to 17/0 was sanctioned in November 1990 at an estimated cost for Rs 67.56 lakh. The road, stipulated to be completed in 10 years, was taken up for execution in July 1992 and completed in September 2001 upto the length of 15.512 kms as per the site requirements at an expenditure of Rs 2.82 crore. The Chief Engineer in his inspection note of August 2001 pointed out that the road had steep gradient and the formation width was not upto standards. An estimate of Rs 47.56 lakh for improvement of the road from km 5/570 to km 6/870 was prepared by Pooh Sub-division and sent to the division in February 2002 which was lying in the divisional office as of March 2002. The EE while confirming the facts stated (March 2002) that the

road portion from km 5/570 to 6/870 passed through rocky strata and considerable time was required to construct the road to motorable standard. The contention is not tenable as the gradient of the road was very steep and the formation width was not upto the standards. Expenditure of Rs 2.82 crore incurred on the construction of the above road had thus remained largely unfruitful.

(iii) Non-ensuring the availability of funds

Construction work of 150.25 metres RCC slab type bridge over Manjuhi *khad* on Maira Palli road sanctioned in January 1996 for Rs 88.79 lakh and stipulated to be completed in two years was awarded to a contractor in October 1997 for Rs 74.51 lakh. The work was started by the contractor in October 1997 who executed the work of sub-structure upto October 1999 at an expenditure of Rs 55.39 lakh. Thereafter, the work was lying in an abandoned state due to paucity of funds. EE stated (February 2002) that Rs 34.50 lakh had been demanded from the competent authority for completion of balance work. Execution of work without ensuring the availability of adequate funds resulted in unfruitful expenditure of Rs 55.39 lakh.

(h) Undue favour to contractors due to non-invoking the clauses of the agreement

(i) Recoveries for non-stacking of useful stones

In 11 divisions²⁰, execution work of 33 roads was awarded between 1990-91 and 2001-02 to 94 contractors. As per the agreements, useful quantities of stones based on the blasting and jumper work respectively were to be stacked by the contractors. Based on the blasting and jumper work done by the contractors, 1,18,758 cum of serviceable stones should have been stacked against which only 31,872 cum of useful stones were actually stacked. Recoveries for less stacking/handing over of 86,886 cum of stones amounting to Rs 1.12 crore were to be made from the concerned contractors as per provisions of agreements. It was noticed that an amount of Rs 2.43 lakh had only been recovered from one contractor and the balance amount of Rs 1.09 crore had not been recovered as of April 2002.

(ii) Compensation for delay in completion of works not levied

In 16 divisions²¹, 216 road works were awarded to 211 contractors between 1997-98 and 2001-2002 at a tendered cost of Rs 7.35 crore and were stipulated to be completed between one month to 30 months. The works were not completed by the concerned contractors within the stipulated time and no action for levy of compensation under clause 2 of the agreements was taken. Failure to do so conferred undue benefit of Rs 73.46 lakh on the contractors.

20 Arki, Bilaspur-II, Chopal, Dharampur, Karsog, Karchham, Kalpa, Kullu-I, Kumarsain, Mandi-II and Sundernagar.

21 Arki, Barsar, Bilaspur-II, Karsog, Kalpa, Kullu-I, Kumarsain, Mandi-II, Nirmand, Palampur, Rajgarh, Rampur, Sarkaghat, Shimla-II, Solan and Sundernagar.

(i) Outstanding recoveries for works executed on behalf of other agencies

Construction of Darla Sulli road was completed by Arki division during 1993-94 on behalf of M/s Gujrat Ambuja Cement Limited at a cost of Rs 1.02 crore. The firm had deposited Rs 78.80 lakh upto 1995-96 and the balance amount of Rs 23.22 lakh had not been recovered from them. EE stated (April 2002) that the company was being requested to deposit the balance amount.

(j) Irregular implementation of special programmes

(i) Scheduled caste (SC) component plan

A special component plan for construction of roads to connect predominantly SC villages having more than 50 *per cent* SC population was launched in the State in 1981-82. An expenditure of Rs 6.36 crore had been incurred during 1999-2002 on 169 roads under the above plan in 11 divisions²² test-checked. It was noticed in audit that survey to identify the villages predominantly inhabited by SC population was not conducted before undertaking these works so as to ensure the flow of benefits to the intended target groups. The following points were noticed in audit:

(a) In two divisions²³, eight works sanctioned between August 1981 and December 1999 at an estimated cost of Rs 3.48 crore were taken up for execution between August 1981 and January 2002 under the aforesaid plan and were in progress as of March 2002 after incurring an expenditure of Rs 1.23 crore. Delay in completion of these works ranged between three and 256 months and SC population of the villages being covered under the roads as per 1991 census ranged between 0 and 47.41 *per cent*.

(b) In two divisions²⁴, construction of six road works to motorable standards, providing/laying cross drainage and metalling and tarring sanctioned between October 1979 and March 1985 at an estimated cost of Rs 29.22 lakh were taken up for execution under the plan. The works were in progress after incurring an expenditure of Rs 69.75 lakh. Scrutiny of records revealed that the roads were originally sanctioned under other state schemes. Execution of these works under above plan was, thus irregular. EE stated that the works under SCCP were executed as per budget provisions.

22 Arki, Bilaspur-II, Karsog, Kullu-I, Kumarsain, Nirmand, Rampur, Sarkaghat, Shimla-II, Solan and Sundernagar.

23 Arki and Karsog

24 Kullu and Rajgarh

(ii) Backward area sub plan

The Principal Advisor (Planning) issued instructions (August 1999) that unspent balances of Backward Area Sub-plan (BASP) should be formally surrendered at the close of the financial year.

In six divisions²⁵, out of the total funds of Rs 10.41 crore (unspent balance of 1998-99: Rs 2.62 crore and funds provided during 1999-2002: Rs 7.79 crore) received under the BASP for 153 road works, only Rs 7.40 crore were utilised and the balance amount of Rs 3.01 crore was lying unutilised (March 2002) in Public Works Deposits. This resulted in exhibition of inflated expenditure under the service heads during respective financial years and keeping the unspent money outside the normal budgetary process.

(k) Undue financial aid to contractor due to unrealistic preparation of working estimate

SE, Kullu approved (April 1999) working estimate for widening of Bali Chowki Thachi road (Kullu district) from km 19/660 to 20/660 for Rs 11.02 lakh which included 24,594 cum²⁶ of cutting in earthwork. The work was awarded (September 1999) to a contractor by Kullu division No 1 for Rs 23.24 lakh which worked out to Rs 94.49 per cum and 110.92 per cent above the amount put to tender. Gross final payment of Rs 26.24 lakh was made (February 2002) to the contractor for executing 27768.31 cum of cutting in earthwork.

Test-check of records of the division revealed (April 2002) the following points:

(i) The work from km 19/660 to 19/705 involving 3237.02 cum²⁷ of cutting in earthwork valued at Rs 3.35 lakh had already been got done through departmental labour in December 1998 as per entries recorded in measurement book. The total quantity of work to be done thus works out to 21356.98 cum. The working estimate thus did not reflect the correct volume of work to be done.

(ii) The contractor did not execute 1968.15 cum of earthwork from km 20/132 to 20/147 and km 20/580 to 20/660. The deviation of 8379.48 cum (43.22 per cent) is indicative of the fact that working estimate was not prepared after recording detailed measurements.

(iii) The value of net estimated quantity (19388.83 cum) at quoted rates of the contractor worked out to Rs 18.20 lakh against which gross value of work actually done worked out to Rs 26.24 lakh resulting in deviation of

25 Arki, Karsog, Kullu-I, Kumarsain, Nirmand and Sundernagar.

26 Pick work: 1,314 cum, jumper work: 4,331 cum, blasting work in hard rock: 7,476 cum and half tunneling: 11,473 cum.

27 Half tunneling work: 1357 cum and blasting work: 1880.02 cum.

Rs 8.04 lakh (44.18 per cent). The SE approved (February 2002) deviation of Rs 3 lakh by wrongly calculating the tendered amount of the work at Rs 23.24 lakh. The actual deviation of Rs 8.04 lakh was beyond the delegated powers of the SE and required approval of higher authority before finalisation of the bill. No such approval had been obtained.

(iv) The working estimate provided for 11,473 cum of half tunnelling in earthwork. After deducting a quantity of 1,357 cum involved in km 19/660 to 19/705 which was got done through departmental labour, net quantity of 10,116 cum work in half tunnelling remained to be executed. The contractor did not execute half tunnelling and instead full cutting was done on the plea that half tunnelling was not possible because of fissured rock and risk of casualty involved. Calculated on the basis of difference between the rates applicable for half tunnelling and blasting work, undue benefit of Rs 4.33 lakh was given to the contractor.

(v) Himachal Pradesh Schedule of Rates (HPSR), 1999 was made applicable from May 1999. According to the provisions, of HPSR, recovery at the rate of Rs 170 per cum of stones handed over short is required to be made instead of at the rate of Rs 44 per cum stipulated in the agreement. Since the amended provision was not incorporated in the agreement finalised in September 1999, less recovery of Rs 4.60 lakh was made from the contractor resulting in loss to the Government to that extent. Responsibility for the lapse had not been fixed as of February 2002.

(I) Management of repairs and maintenance works

(i) Irregular expenditure out of maintenance funds on special repair work which were original nature of work

In contravention of the provisions of financial rules, 169 works of 118 roads were taken up and executed during 1999-2002 as special repair works at an expenditure of Rs 3.88 crore in seven divisions²⁸. Even though these works were of original nature, the expenditure was irregularly met out of funds meant for maintenance and repairs of roads.

(ii) Irregular and excess expenditure on maintenance of roads

In 15 divisions²⁹, Rs 118.44 crore was spent on annual repairs and maintenance of 10665.174 kms of unmetalled and 5735.765 kms of metalled length of 1,001 roads during 1999-2002. According to the norms fixed by Engineer-in-Chief in June 1997, total expenditure of Rs 46.91 crore could have been incurred on the repair and maintenance of the roads. The irregular expenditure had not been got regularised as of April 2002. EEs stated that the excess expenditure on repairs of roads was due to inadequate yardstick, large labour strength and escalation in labour and material costs. The reply is not tenable as expenditure should have been restricted to the norms fixed.

28 Arki, Bilaspur, Karsog, Kullu, Kumarsain, Mandi and Sundernagar.

29 Arki, Barsar, Bilaspur-II, Kalpa, Kullu, Kumarsain, Mandi, Nirmand, Palampur, Rampur, Sarkaghat, Shimla-I, Shimla-II, Solan and Sundernagar.

(iii) Avoidable expenditure on providing of renewal coat to roads

Mention was made in paragraph 4.12 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2001 (Civil) – Government of Himachal Pradesh regarding avoidable expenditure on providing of renewal coat to roads owing to adoption of conventional method of premix carpet (PC) and seal coat (SC) separately instead of mix seal surface (MSS) or PC treatment of one time laid one layer.

Test-check of records of 13 divisions³⁰ further revealed (February and April 2002) that renewal coat over an area of 6,07,790 sqms of “District and other Rural roads” surface was executed in 131 cases between 1995-96 and 2001-2002 with the conventional method of PC and SC at a cost of Rs 4.67 crore instead of MSS method which was economical. This resulted in extra expenditure of Rs 1.18 crore for which reasons were not on record.

(m) Monitoring and evaluation

A separate planning and monitoring cell was created (1968) in the office of the E-in-C and reorganised during 1984 for monitoring the periodical reports on physical and financial achievements received from the CEs.

No norms prescribing the periodicity of inspections of works by the CEs, SEs and EEs to ensure quality of the works, adherence to specifications and schedules, etc., had been prescribed. In 17 divisions³¹, number of inspections conducted by CEs, SEs and EEs varied from one to nine, ten to 22 and 265 to 405 respectively during 1999-2002. While, no inspection notes were issued for 1000 inspections (CEs: 2 and EEs: 998), the number of inspection notes issued by the CEs, SEs and EEs during a year ranged from nil to 9,10 to 22 and nil to 5.

Thus, effective monitoring of execution of the roads had not been done by the department.

4.1.7 Material management and inventory control**(a) Irregularities in procurement of bitumen through Himachal Pradesh Agro Industries Corporation**

Mention was made in paragraph 5.1 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2000 (Civil)-Government of Himachal Pradesh regarding avoidable payment of handling charges and general sales tax on procurement of bitumen through Himachal Pradesh Agro Industries Corporation (HPAIC) between April 1997 and December 1999. Further scrutiny of records of the department/HPAIC revealed (January-March 2002) that the department procured 2,29,860 drums (35,973 tonnes) of bitumen valued at Rs 46.11 crore through HPAIC from

30 Barsar, Bilaspur-I, Bilaspur-II, Kalpa, Karchham, Kullu, Nirmand, Palampur, Rampur, Rajgarh, Shimla-I, Sundernagar and Taunidevi.

31 Arki, Barsar, Bilaspur-II, Kalpa, Karsog, Kullu-I, Kumarsain, Mandi, Nirmand, Palampur, Rampur, Rajgarh, Sarkaghat, Shimla-I, Shimla-II, Solan and Sarkaghat.

January 2000 to March 2002. The cost of bitumen also included handling charges of Rs 2.01 crore (January 2000 to March 2002) at the rate of five *per cent* of cost of bitumen and general sales tax of Rs 1.23 crore (January 2000 to June 2001). Earlier, the Government on the basis of a proposal of January 2000 of Himachal Pradesh Civil Supplies Corporation (HPCSC) had decided (March 2000) that service charges would not be paid and the concept of sale in transit introduced to avoid double taxation. The supplier was to pay commission/service charges for handling the procurement of bitumen. The payment of handling charges of Rs 1.76 crore from April 2000 to March 2002 and general sales tax of Rs 1.02 crore from April 2000 to June 2001 was, thus, against the decision of the Government and lacked justification. The total payment of Rs 3.24 crore thus, escalated the cost of material and increased the cost of works to that extent. Fictitious revenue of Rs 1.23 crore was also generated in the process.

Information collected from HPCSC revealed (June 2002) that 24,320 drums (3873 tonnes) of bitumen were also procured by the department through them during 2000-01 and handling charges of Rs 18.57 lakh paid at the rate of 4 *per cent* of basic cost of bitumen. There was thus no uniformity in the rate of payment of handling charges even though both HPCSC and HPAIC are controlled by the State Government.

(b) Injudicious procurement of bridge material

Construction of 65 metres span steel truss bridge over river Sutlej at Tashigang on Khab Tashigang road (Kinnaur district) was sanctioned (March 1998) at an estimated cost of Rs 54.17 lakh. The drawings of the bridge were received from CE (Design) in May 1999 but due to cloud burst in July 1999 revision of drawings became necessary. Test-check of records of Kalpa division revealed that the work of construction of the bridge was awarded (October 1999) to a Bombay based firm for lump sum amount of Rs 91.00 lakh pending finalisation of revised drawings. Payment of Rs 51.61 lakh was made to the firm between April 2000 and March 2001 for procurement and fabrication of 76.030 tonnes of bridge material which was lying in the custody of the contractor at Bhabanagar. Further, due to unprecedented flood in Sutlej river in the night of 31 July and 1 August 2000, CE (Design) directed (August 2000) review of entire hydraulic data. While the revised hydraulic data was still (March 2002) to be prepared and submitted, EE requested (September 2001) the State Geologist for soil investigation of the site of the proposed bridge and give his report so as to evolve suitable design of the bridge. The report of the State Geologist had not been received as of March 2002. The award of work and subsequent procurement of material without finalisation of revised drawing necessitated due to cloudburst of July 1999 was, thus, injudicious.

EE stated (March 2002) that the work was awarded on the basis of working drawings received (May 1999) from CE (Design). The plea is not tenable as cloudburst in July 1999 had already necessitated revision of drawings. Award of work without taking ground realities into account, thus, resulted in blocking of funds of Rs 51.61 lakh.

(c) Unnecessary procurement of material

It was noticed in audit that material like, steel, bitumen, barbed wire, spare parts of bridge, RCC collars, CGI sheets, etc., valued at Rs 54.96 lakh procured between July 1986 and March 2001 were lying unutilised either in the stores or material at site accounts of 20 works of six divisions³². Of this, material valued at Rs 24.89 lakh pertained to 16 works which had already been completed between July 1995 and February 2002 and the material was not required for use on these works. This resulted in blocking of funds.

(d) Splitting up of purchase orders

In nine test-checked divisions, stores valued at Rs 1.01 crore were purchased in 1,156 cases during 1999-2002 by splitting up supply orders to avoid sanction of higher authorities. This deprived the Government of the benefit of competitive rates.

(e) Receipt and issue of stores**(i) Fictitious adjustment of cost of material**

Material costing Rs 2.80 crore was fictitiously booked by 10 divisions³³ against 77 works between March 1998 and March 2001 even though these were not required for consumption on works. The cost of the material was subsequently written back to stock in the succeeding financial years between 1999-2000 and 2001-2002.

The concerned EEs stated (February and April 2002) that the fictitious booking was done to avoid lapse of funds. The contention is not tenable as rules prohibit fictitious stock adjustments.

(ii) Non-accounting/short receipt of material

In Karsog division, 100 tonnes of bitumen costing Rs 14.64 lakh debited to the accounts of a work in February 2001 was not accounted for in the material-at-site account. In the same division, 4.38 tonnes of bitumen costing Rs 0.61 lakh was not received from HP State Civil Supplies Corporation, advance payment for which had been made in November 2000.

(f) Irregularities in maintenance of records

It was noticed that out of 17,807 bin cards issued by 15 divisions³⁴ test-checked, 8,650 closed bin cards had not been returned to the divisional office as of April 2002, as required.

Priced store ledgers were lying incomplete in all the 17 divisions test-checked and bin cards balances had not been reconciled with the priced stores ledgers as required under the rules.

32 Kalpa, Karsog, Kumarsain, Mandi, Rajgarh and Sundernagar

33 Barsar, Bilaspur-II, Karsog, Kullu-I, Nirmand, Palampur, Sarkaghat, Shimla-I, Solan and Sundernagar.

34 Arki, Barsar, Bilaspur-II, Kalpa, Karsog, Kullu-I, Nirmand, Palampur, Rajgarh, Rampur, Sarkaghat, Shimla-I, Shimla-II, Solan and Sarkaghat.

4.1.8 Sanction, procurement and utilisation of vehicles and machinery

(a) Injudicious procurement and diversion of machinery/vehicles

One truck and one Gypsy were purchased (September and December 1998) by the Executive Engineer, Mechanical Division, Shimla at a total cost of Rs 8.83 lakh for newly created Dodra Kwar division on the basis of sanction accorded by the Government in March 1998. As Dodra Kwar is not linked by road from either end, these vehicles were supplied to other divisions (Gypsy: Sarkaghat and truck: Kasauli) on the orders of Engineer-in-Chief and were being used by these divisions as of May 2002. Procurement of these vehicles to utilise the available funds of Rs 8.83 lakh meant for the remote area was injudicious.

(b) Irregular expenditure on repairs

Contrary to Government instructions, jobs such as overhauling, repairs, providing and fitting of spares parts, fabrication of body, etc., of various types of machinery/vehicles amounting to Rs 55.29 lakh were got carried out by Mechanical divisions, Kullu and Shimla from private agencies between 1999-2000 to 2001-2002 even though the divisions had their own workshops equipped with mechanical staff. Repairs from outside agencies were attributed (September 2001 and May 2002) by the EEs to non-availability of requisite facilities in the workshops. The plea is not tenable as action should have been taken in time to equip the workshop to provide requisite facilities and repairs done in the mechanical workshops itself.

(c) Short/less recovery of hire charges of machinery from contractors

In six divisions³⁵, 12 air compressors and one road roller were let out to 40 contractors on hire between February 1999 and February 2002. Against the total recovery of Rs 51.59 lakh for 15,543 hours, only Rs 11.53 lakh was recovered. Action to recover the balance amount had not been taken. EEs stated that the works were in progress and recovery would be made from the bills to be paid to the contractors. The contention is not tenable as recoveries should have been made from the running bills paid to the contractors.

(d) Unserviceable/idle machinery

In 14 divisions³⁶, 58 machines and vehicles purchased between 1967 and 1994 at a cost of Rs 43.35 lakh (value of 20 machines and vehicles not available) were lying unserviceable/idle in the divisions. Delay in disposal of machinery/vehicles resulted in unnecessary occupation of space and loss of value due to deterioration by prolonged retention.

These points were referred to Government in June 2002; reply had not been received (August 2002).

35 Arki, Karsog, Kumarsain, Nirmand, Palampur and Sarkaghat.

36 Bilaspur-II, Kalpa, Karsog, Kullu, Kumarsain, Mandi-II, Nirmand, Rajgarh, Rampur, Sarkaghat, Shimla-I, Shimla-II, Solan and Sundernagar.