

CHAPTER-IV

WORKS EXPENDITURE

Irrigation and Public Health Department

4.1 Accelerated Irrigation Benefit Programme

Introduction

4.1.1 Accelerated Irrigation Benefit Programme (AIBP) was launched by the Government of India (Ministry of Water Resources) during 1996-97 to help the State Governments get over the financial constraints faced by them in ensuring early completion of ongoing multipurpose and irrigation projects by grant of Central loan assistance (CLA). Initially, projects fulfilling the following criteria were required to be selected for implementation under the programme:

Irrigation/multipurpose projects each costing more than Rs 1,000 crore (Rs 500 crore from 1997-98 onwards) where substantial progress had been made and were beyond the resource capability of the states; and,

major and medium projects which were in an advanced stage of completion and could be completed in the next four agricultural seasons, i.e., in a period of about two years, irrespective of the total estimated cost.

From 1999-2000, minor surface irrigation schemes, both new and ongoing, of hilly states including Himachal Pradesh were also made eligible for the grant of assistance under the programme.

The programme was implemented in the State from 1997-98. Status of major/medium irrigation projects and minor irrigation schemes included in the programme between July 1997 and July 2000 was as under:

Table: 4.1

Sr. No.	Name of Project/ Scheme	Date of completion	Percentage/ stage of completion	Expenditure incurred (Rupees in crore)	Estimated potential (In hectares)	Potential created
1.	Major Irrigation Project					
	Shah Nehar	In progress	20	64.76	15,287	655
2.	Medium Irrigation Projects					
	(i) Sidhatha Medium Irrigation Project (ii) Changar Area Project from Anandpur Hydel Project	In progress	5	4.56	5500	145
3.	Minor Irrigation Schemes					
	98 minor irrigation schemes	(i) 5 schemes completed in March 2002	100			
		(ii) 41 schemes in progress	Not available	3.36	8,498	68
		(iii) 1 scheme not found feasible				
		(iv) 51 schemes not yet taken up under AIBP	Not applicable			
		Total:		72.68	29,285	868

Execution of one major and one medium project is being looked after by the Chief Engineer (CE), Shah Nehar Project (SNP) and that of one medium and 25 minor irrigation schemes by 11 divisions. All the major/medium projects and 25 out of 98 minor surface irrigation schemes included in the programme were reviewed by test-check (January 2003 to March 2003) of the records of Engineer-in-Chief (E-in-C), CE, Shah Nehar Project, Superintending Engineer (SE), SNP Circle and 11 divisions¹ for the period 1997-2003. This was supplemented by points noticed during periodical inspection of the divisions. Out of a total expenditure of Rs 72.68 crore incurred under the programme during 1997-2003, expenditure of Rs 72.29 crore (99 *per cent*) was covered in audit. Important points noticed are discussed in the succeeding paragraphs.

Financial outlay and expenditure

4.1.2 Against the budget allotment of Rs 74.84 crore (major project: Rs 65.49 crore, medium projects: Rs 4.67 crore and minor schemes: Rs 4.68 crore) expenditure of Rs 72.68 crore (major project: Rs 64.76 crore; medium projects: Rs 4.56 crore and minor schemes: Rs 3.36 crore) was incurred during 1997-2003 on the construction of the projects/schemes included in the programme. Total CLA of Rs 51.96 crore (major project: Rs 41.22 crore; medium projects: Rs 4.02 crore and minor schemes: Rs 6.72 crore) was received by the department from Government of India during 1997-2003.

4.1.3 For timely completion of the selected projects/schemes during 1997-2003, Rs 231.51 crore (state share: Rs 61.95 crore and CLA: Rs 169.56 crore) were required. Against this, only Rs 74.84 crore (State share: Rs 27.37 crore and CLA: Rs 47.47 crore) were provided in the State budget. Similarly, against anticipated CLA of Rs 169.56 crore to be provided by Government of India under the programme during 1997-2003, Rs 51.96 crore were actually provided. 15 instalments of CLA amounting to Rs 43.71 crore were released by Government of India after delays ranging between 3 to 14 months. In Karsog, Palampur and Shimla-I divisions there were delays of 12 to 36 months in receipt of CLA from SEs during 1999-2003 for 11 minor schemes. The objective of accelerating the pace of execution of works under the programme could thus not be achieved because of less allotment of State share by the State Government and consequent less release of CLA by Government of India.

The E-in-C admitted the facts (April 2003). Reasons for less provision of State share of funds under the programme were however, not furnished.

4.1.4 Against the expenditure of Rs 3.36 crore incurred by the department on execution of the selected minor irrigation schemes during 1999-2003, CLA of Rs 2.52 crore was admissible against which CLA of Rs 6.72 crore was released by Government of India to the State Government. The excess CLA of Rs 4.20 crore received from Government of India had not been refunded by the State Government. The E-in-C stated (April 2003) that Government of

¹ Bilaspur, Karsog, Palampur, Paonta Sahib, SNP Division-I, Sansarpur Terrace, SNP Division-II at Badukhar, Shimla-I, Sidhatha Medium Project at Guglara, Solan, Una-I and Una-II

India did not press for refund of excess amount of CLA. However, the fact remains that instructions of AIBP were not followed.

4.1.5 No establishment cost was permissible under the AIBP funding scheme during 1997-99. It was noticed in audit that the entire expenditure of Rs 2.81 crore incurred on establishment of Shah Nehar Project during 1997-99 (1997-98: Rs 0.99 crore and 1998-99: Rs 1.82 crore) was charged to CLA.

Programme Implementation

Selection of ineligible projects

4.1.6 The guidelines of AIBP provided that the projects which were in advanced stage of completion and could be completed in the next four agricultural seasons, i.e., in a period of about two years, irrespective of the total estimated cost would be eligible for CLA under the programme.

Check of records of E-in-C's office however, revealed that none of the major and medium projects as detailed in **Appendix-XIII**, having irrigation potential of 0.21 lakh hectares and estimated to cost Rs 205.89 crore, included in the programme during 1997-2000, was eligible for the grant of CLA.

The E-in-C stated (May 2003) that these projects were got included in the programme in view of shortage of funds with the State Government and with a view to accelerate the pace of execution of the projects so as to derive the irrigation benefit at the earliest.

Tardy execution of projects/schemes

4.1.7 The programme aimed at accelerating completion of the selected irrigation projects/schemes for creation of the envisaged irrigation potential so as to derive the intended benefits within the stipulated time frame. All the projects/schemes included in the programme between 1997-98 and 2000-2001 were targeted for completion between March 2000 and March 2003. It was, however, noticed that the major and medium projects were still at early stages of execution (physical progress achieved between 5 and 20 *per cent*). One minor flow irrigation scheme, Rathog Sarog (irrigation potential: 36.94 hectares) under Paonta Sahib Division, subsequently, included in the programme, was not found feasible due to the disappearance of its source. The scheme could thus not be taken up for execution. Five minor schemes² had been completed upto March 2002 (potential created: 68 hectares) at a cost of Rs 32.26 lakh. Out of the remaining 92 schemes, 41 schemes were at various stages of execution as of March 2003 resulting in time overrun ranging between 12 and 36 months. 51 schemes though included in the programme had not been taken up for execution.

E-in-C and implementing units attributed the tardy progress of the projects to lack of adequate funds as State's share, lack of adequate infrastructural facilities by creation of additional divisions and sub-divisions and shortage of staff in the existing divisions and also of inspection vehicles. The bottlenecks were also pointed out by the Central Water Commission (CWC) during inspection of projects in 2002-2003.

Work held up due to non-acquisition of land

4.1.8 Construction of minor and sub-minor distributaries of left bank canal of SNP between RDs 2,250 metre and 23,900 metre was awarded by the Executive Engineer, Badukhar, Division to two contractors in October 1999 (Rs 47.74 lakh) and March 2000 (Rs 90.6 lakh) with stipulated period of completion of six months. The works were commenced by contractors in April-May 2000 and total payment of Rs 23.37 lakh was made for part work done by them upto October 2000 and February 2001. Thereafter no work could be done because private land falling in the alignment of the distributaries had not been acquired.

Executive Engineer stated (March 2003) that the works were awarded for execution for which land was voluntarily offered by the people and that the proceedings for acquisition of the land were also in progress. Thus, failure of the division to ensure lawful transfer of title of land before award of works had delayed their completion for periods ranging between 30 and 36 months.

Unfruitful expenditure on lift irrigation schemes under Shah Nehar Project (SNP)

4.1.9 The programme guidelines emphasised phased completion of the selected projects so as to expedite accrual of irrigation benefits with comparatively smaller investment. It was noticed that requisite irrigation facility has not been provided from the following lift schemes/tubewells constructed under the SNP.

4.1.10 Construction of LIS, Jakhbar Bhanoli (Kangra district) was technically sanctioned (December 1998) for Rs 1.97 crore. The scheme to be completed in two years, was designed to lift water from the right bank main canal of SNP at RD 2,998 metres and was to be constructed in three phases. Construction of the scheme was commenced by SNP Division No.-I, Sansarpur Terrace during 1999-2000 and expenditure of Rs 1.41 crore had been incurred upto August 2002. All the vital components including construction of pump house, rising main, installation of pumping machinery and distribution system (constructed between 75 and 95 per cent) for all the three phases had been completed upto December 2000. The right bank canal has also been constructed upto the point from where the water is to be lifted for the scheme.

Test-check of the records of the division revealed (October 2002) that the scheme had not been commissioned as the pumping machinery of second phase was to be accommodated by constructing additional pump house. The construction of the additional pump house was necessitated due to insufficient space in the pump house already constructed for installation of pump sets of the three phases. EE stated (February 2003) that the work of additional pump house was in progress and the relocation work was expected to be completed by December 2003.

Failure of the department to construct the pump house of adequate size in the first instance thus resulted in non-commissioning of the scheme and expenditure of Rs 1.41 crore remaining unfruitful.

4.1.11 Two tubewells³ (irrigation potential: 124.97 hectares) were drilled and developed at km 9/410 of right bank canal of SNP by Division-I, Sansarpur Terrace between May 2000 and April 2001 at a cost of Rs 21.15 lakh. No irrigation from the tubewells has so far been provided for want of power connection and non-construction of distribution system even though payment for supply of power (SOP) had been made by the division during March 1998 (Rs 50 lakh) and August 1999 (Rs 14.78 lakh) for all the 44 tubewells under the project. It was further noticed that an estimate for providing distribution system for the two tubewells sent by the division to the SE for Rs 25.25 lakh in May 2002 had not been finalised.

Non-levy of compensation

4.1.12 SNP Division No. I, Sansarpur Terrace awarded (June 2001-December 2001) five works relating to the construction of main right bank canal, aquaduct and a bridge over the canal to various contractors at the tendered cost of Rs 1.90 crore. The works were to be completed between three and 12 months. The contractors neither completed the works within the respective stipulated periods of time nor applied for any extension of time. Compensation of Rs 19 lakh was leviable in terms of clause 2 of the agreements in these cases action for which had not been taken. This resulted in undue financial aid to the contractors.

While admitting the facts, EE stated (February 2003) that the matter would be looked into and requisite action taken.

Repayment of CLA and interest

4.1.13 The CLA granted to the State Governments by Government of India was repayable in 20 equal annual instalments together with interest on the outstanding balance commencing from the following year. However, 50 per cent of the loan was granted initial grace period of five years after which the repayment of loan was to be effected in 15 equal annual instalments. In the event of non-repayment of the principal and interest in time, interest at penal rates, as given below, was recoverable:

Table: 4.2

Sr. No.	Year of grant of CLA	Annual percentage rate of interest chargeable	
		Normal rate	Penal rate
1.	1997-98 to 2000-2001	12.50	15.25
2.	2001-2002	12.00	14.75
3.	2002-2003	11.50	14.25

It was noticed that principal amount of loan received to the extent of Rs 3.12 crore became due for repayment between 1998-99 and 2002-2003 but the same had not been repaid. Accordingly, the department had become liable to pay interest of Rs 10.04 lakh at the additional penal rate of 2.75 per cent per annum on principal alone, which was avoidable. Reasons for default in re-payment of loan and interest thereon were not furnished by E-in-C.

These points were referred to the Government in June 2003; their reply had not been received (August 2003).

4.2 Unfruitful expenditure on lift irrigation scheme, Daulatpur Jalari

Faulty planning of the department in selection of suitable site and provision of unsuitable RCC pipes in lift irrigation scheme, Daulatpur Jalari in Kangra district resulted in unfruitful expenditure of Rs 1.65 crore.

Construction of Lift Irrigation Scheme, Daulatpur Jalari (Kangra district) was administratively approved (December 1989) by the State Government and technically sanctioned (July 1990) by the Chief Engineer, USAID¹ for Rs 57.15 lakh. Intended to provide irrigation to a culturable command area (CCA) of 172 hectares of Daulatpur and Jalari villages, the scheme was to be completed in two years. The source of the scheme was Baner *khad*. The scheme was taken up for execution by Dharamshala Division in February 1989 and was commissioned in May 1992. It was subsequently transferred to Shahpur Division in 1996. Expenditure of Rs 165.13 lakh² had been incurred on construction, improvement and maintenance of the scheme as of August 2002.

Test-check of records of Shahpur division revealed (September 2002) that the scheme was lying defunct ever since its commissioning because RCC pipes provided in the distribution system could not withstand the pressure of water and burst at joints. Water level of sump well at the source of the scheme went down due to change of course of the *khad*. The pump house was also damaged in 1995 by floods in the *khad*. To make the scheme functional, an improvement estimate was approved (March 1996) by the Chief Engineer (North), Dharamshala for Rs 20.66 lakh. The estimate provided for replacement of 4990.180 running metres RCC pipes already laid in the distribution system by AC pressure pipes, reconstruction of pump house, laying of 35 metres long additional rising main of 400 mm dia MSERW³ pipes and provision of submersible pump.

Scrutiny of records revealed that though replacement work of pipes was completed by March 1998, other components of the work like construction of pump house and erection of submersible pumping sets had not been taken up for execution. In the process expenditure of Rs 3.62 lakh incurred on re-excavation of trenches, dismantling of RCC pipes, etc., had gone waste. The expenditure on improvement works had also exceeded the sanctioned estimate by 53 per cent.

The Executive Engineer stated (September 2002) that the remaining components of the work could not be completed because of paucity of funds. There was however, nothing on record to indicate that sufficient funds had been demanded by the division to complete various components of the improvement work.

1 United States Agency for International Development.

2 Construction: Rs 104.78 lakh, improvement: Rs 31.70 lakh and maintenance: Rs 28.65 lakh.

3 Mild steel electric resistance welded.

Even after spending Rs 165.13 lakh on construction, improvement and maintenance of the scheme, only 6.06 per cent (10.43 hectares) of the total CCA of 172 hectares per crop could be irrigated during *Rabi* season from 1999 to 2002. No irrigation was provided to the CCA during *Kharif* season during the aforesaid period. This happened due to the faulty planning of the department in selection of site, laying unsuitable pipes in the distribution system etc. The investment was rendered largely wasteful and the beneficiaries were deprived of the intended irrigation facility. The actual cost of the scheme per hectare also escalated from Rs 33,227⁴ to Rs 79,351⁵ (138.81 *per cent*) which is likely to increase further on completion of the unexecuted components.

The matter was referred to the Government in May 2003; their reply had not been received (August 2003).

4.3 Unfruitful expenditure on construction of Ghapen Ghat kuhl

Lackadaisical approach to construction of Ghapen Ghat kuhl in Lahaul and Spiti district led to a time overrun of 10 years and escalation of project cost by 58 *per cent*, besides the investment of Rs 43.47 lakh so far remaining largely unfruitful.

Construction of 6.270 kms long Ghapen Ghat kuhl in Sissue Gram Panchayat of Lahaul and Spiti district, designed to irrigate 243 hectares of culturable command area (CCA), was administratively approved (July 1990) by the Deputy Commissioner for Rs 27.49 lakh. The scheme, stipulated for completion in three working seasons and taken up for execution in August 1990, had not been completed as of October 2003 after incurring an expenditure of Rs 43.47 lakh. The source of the scheme was Sissue Nallah which had sufficient discharge of water to meet the irrigation demand.

Test-check of the records of Lahaul Division at Keylong conducted in July-August 2001 and information collected (November 2003) revealed that *patra* cutting* and *katcha* channel had been completed for the full length of 6,270 Rmt. However, stone lining had been done in a stretch of 5,375 Rmt. Head works of the scheme and three outlets provided in the approved estimate had also not been completed. Due to non-completion of the lining work of the entire channel of the scheme and head works, required amount of water could not be supplied to the CCA. It was also noticed that water was being tapped from Fardang Nallah located at RD[#] 1550 of the kuhl. Since sufficient water was not available in Fardang nallah, only 110 hectares of land could be irrigated during 2002 and 2003.

Executive Engineer stated (August 2001) that water for the kuhl could not be supplied from Sissue Nallah as *katcha* channel between Sissue Nallah and Fardang Nallah had loose deposits of soil at various RDs which led to

4 Estimated cost per hectare = $57,15,000 \div 172 = \text{Rs } 33227$.

5 Actual cost per hectare = $(1,04,77,949 + 31,70,495) \div 172 = \text{Rs } 79351$.

**Patra* cutting: Trace cutting for an irrigation channel in hilly areas.

Reducing distance.

excessive seepage of water. He further stated (November 2003) that permanent head weir would be completed in June 2004. The reply of the EE is not acceptable as geological investigations of the strata should have been conducted before starting the scheme. No reasons were available on record for the inordinate time and cost overruns.

Lackadaisical approach of the department in the implementation of the project as well as its failure to establish the reliability of the strata resulted in inordinate delay of about 10 years in the completion of the scheme and cost overrun of 58 *per cent* which is likely to go up further. The investment of Rs 43.47 lakh so far has remained largely unfruitful and about 55 *per cent* of the CCA had been denied the benefits of irrigation.

The matter was referred to the Government in December 2002; their reply had not been received (August 2003).

4.4 Unfruitful expenditure on sewerage scheme, Una

Failure of the department to properly assess the requirement of private land for the construction of sewerage scheme, Una resulted in unfruitful expenditure of Rs 141.08 lakh and cost overrun of 60 *per cent*.

The work, "Providing sewerage scheme to Una town" was administratively approved (June 1995) by the State Government for Rs 4.93 crore. The scheme, to be completed in four years, was divided into four independent zones (A, B, C and D) in so far as their construction and functioning was concerned. The work relating to zone C had been completed and that relating to zones A and B was in progress as of September 2002. The work of Zone D, technically sanctioned (February 1997) for Rs 88.28 lakh (laying of sewerage network: Rs 55.05 lakh and treatment plant: Rs 33.23 lakh) was taken up for execution by Una Division No. I in May 1997. Expenditure of Rs 141.08 lakh had been incurred on this zone till 2002-2003.

Test-check of records of the division revealed (September 2002) that the work of zone D was held up since December 2000 and had not been completed as of September 2002. Scrutiny of records revealed that private land acquired by the department for the construction of treatment plant and the connecting sewer lines fell short of actual requirements. This necessitated acquisition of additional private land measuring 554.20 sqm adjoining the piece of land already taken over. However, owners of the land raised objections regarding demarcation and location of exact points of boundaries and got stay orders from the court in April 2001.

The Chief Engineer, Irrigation and Public Health Department, Dharamshala stated (January 2003) that the balance work would be completed after the decision of the court and no action could be taken till then. This eventuality could have been avoided had the department properly assessed the requirement of land in the first instance.

Failure of the department to properly assess the requirement of land for the treatment plant and sewer lines and take appropriate steps for the acquisition of the same thus resulted in unfruitful expenditure of Rs 141.08 lakh and denial of intended benefits to the beneficiaries. The expenditure on the work

completed so far has already resulted in cost overrun of 60 *per cent* which is likely to escalate further on actual completion of the work. No justification for the cost overrun had been furnished by the department. Action to revise the estimate had also not been initiated.

The matter was referred to the Government in May 2003; their reply had not been received (August 2003).

4.5 Wasteful expenditure on a flow irrigation scheme

Wrong planning of the department in the construction of flow irrigation scheme Kuthal (Chamba district) resulted in wasteful expenditure of Rs 32.07 lakh.

Designed to irrigate 52 hectares of land of village Kuthal, construction of flow irrigation scheme (FIS), Kuthal (Chamba district) was administratively approved (May 1997) for Rs 11.89 lakh which was revised to Rs 45.78 lakh in August 1997. The *kuhl** was to be constructed in 2.210 kms with source from Godwa *nallah*. To be completed in two years the work was taken up for execution in September 1997 by Killar Division in anticipation of technical sanction.

Test-check of records of the division revealed (September 2001) that the construction of the *kuhl* upto a length of 1.410 kms was completed by October 1999 at a cost of Rs 32.07 lakh. No work was executed thereafter in the remaining length of 800 metres as the people of the village did not allow the *kuhl* to pass through their fields. Meanwhile, the department proposed a new scheme named "FIS, Parmar *nallah* to Sach and Kuthal" covering 79.76 hectares of culturable command area of Sach and Kuthal villages. The scheme was administratively approved (September 2001) for Rs 67.51 lakh but the work had not been taken up for execution as of May 2002. It was further noticed in audit that alignment of *kuhls* of both the above schemes was separate and no credit for the already constructed *kuhl* had been given in the estimate of the new scheme. The expenditure of Rs 32.07 lakh incurred on the *kuhl* would thus go waste.

Chief Engineer, Dharamshala stated (February 2002) that prior consent of local people was obtained before execution of the *kuhl* of Kuthal village but subsequently they objected to the construction of the *kuhl* through their fields. The contention is not acceptable as the work had been executed without obtaining written consent of the people of the area.

Thus, due to poor planning the expenditure of Rs 32.07 lakh was rendered wasteful besides denial of intended benefits to the beneficiaries.

The matter was referred to the Government in March 2003; their reply had not been received (August 2003).

**Kuhl*: A small irrigation channel in hilly areas.

4.6 Underutilisation of irrigation potential

Irrigation potential of eight lift/flow irrigation schemes could be utilised between 2 and 8 per cent only resulting in unfruitful expenditure of Rs 2.82 crore.

Test-check of records of seven divisions¹ revealed (December 2001-December 2002) that irrigation potential of eight irrigation schemes² completed/commissioned between 1986-87 and 1998-99 at a cost of Rs 2.48 crore and designed to irrigate 579.93 hectares of land was grossly underutilised. Further, Rs 34.64 lakh were also spent on the running and maintenance of these schemes during 1997-2002. However, the underutilisation of irrigation potential ranged between 92 and 98 per cent of culturable command area (CCA) per crop during 1997-2002, as detailed below:

Table: 4.3

Year	Crop	Potential created	Potential utilised	Percentage shortfall
		(In hectares)		
1997-98	<i>Kharif</i>	478.72	37.26	92
	<i>Rabi</i>	478.72	9.41	98
1998-99	<i>Kharif</i>	478.72	30.81	94
	<i>Rabi</i>	478.72	14.28	97
1999-2000	<i>Kharif</i>	579.93	35.39	94
	<i>Rabi</i>	579.93	25.86	96
2000-2001	<i>Kharif</i>	579.93	36.55	94
	<i>Rabi</i>	579.93	22.25	96
2001-2002	<i>Kharif</i>	579.93	38.46	93
	<i>Rabi</i>	579.93	34.18	94

Of these, lift irrigation scheme, Niun Pallian was completed during 1997 by Ghumarwin division at a cost of Rs 23.96 lakh. It was noticed that water level of source had gone down owing to which the scheme was not functioning properly during summer season. However, estimate for improvement of source prepared (September 1997) for Rs 13.02 lakh had not been sanctioned as of December 2002.

Flow irrigation scheme, Bhanota was remodelled during 1991-92 by Chamba division at a cost of Rs 22.82 lakh. It was noticed that a portion of the irrigation channel involving CCA of 48.33 hectares was damaged due to heavy rains in 1990 and had not been restored as of September 2002.

Concerned Executive Engineers attributed (December 2001-December 2002) under-utilisation of irrigation potential to less demand of water for irrigation and non-adoption of the desired cropping pattern by the beneficiaries.

Construction of the schemes without ascertaining demand of water for irrigation coupled with abnormal delay in restoration of damages/improvement of source of the scheme resulted in unfruitful expenditure of Rs 2.82 crore spent on construction and maintenance of the schemes.

The matter was referred to the Government in April 2003; their reply had not been received (August 2003).

1 Arki, Barsar, Chamba, Ghumarwin, Indora, Padhar and Rampur.

2 Lift irrigation schemes: Manlog Kalan, Neri Bhukhar, Niun Pallian and Balkhore; Flow irrigation schemes: Ropa, Dawarch Bathara and Bhanota; Sprinkler irrigation scheme: Khanni Grima.

Public Works Department

4.7 Unfruitful expenditure on a bridge in Hamirpur district owing to non-construction of approaches

Failure of the department to initiate timely action for acquisition of private land resulted in non-utilisation of a bridge over Garli *khad* completed in November 2001 at an expenditure of Rs 41.12 lakh.

Construction of 3.5 kms long Malehra-Rappar road (Hamirpur district) was completed by Barsar Division at an expenditure of Rs 5.47 lakh and was opened (May 1997) for vehicular traffic. In order to make it an all weather road, construction of 56.114 metres span bridge over Garli *khad* at km 0/881 of the road was administratively approved (July 1999) for Rs 42.78 lakh by the Chief Engineer (Central Zone), Mandi. The work was taken up for execution by Barsar Division in June 2000 without obtaining technical sanction and the bridge completed (November 2001) at a cost of Rs 41.12 lakh.

Test-check of records of the division revealed (February 2002) that construction of Malehra side approach to the bridge had been held up since March 2001 as the owners of private land falling in the alignment did not allow execution of work. It was further noticed that notification under section 4 of Land Acquisition Act, for acquisition of land was issued in March 2001. Action to issue declarations that land is required for public purpose under section 6 and Government directions to the Collector for acquisition of land under section 7 of the Act, required to be taken within a period of one year from the date of publication of notification under section 4, had not been taken as of January 2003. The notification issued under section 4 had thus been rendered null and void. The bridge completed in November 2001 could also not be put to use due to non-construction of approaches.

The Superintending Engineer, 8th Circle, Hamirpur stated (June 2002) that the owners of the land had agreed in the beginning to donate land for the construction of Malehra side approach and land acquisition proceedings were not initiated to save government money. The contention is not tenable as neither any written undertaking was obtained from the interest holders nor timely land acquisition proceedings initiated despite a provision in the sanctioned estimate of the work.

Failure of the department to take timely action for acquisition of private land and complete the proceedings within the time frame given in the Land Acquisition Act led to stoppage of work. This resulted in unfruitful expenditure of Rs 41.12 lakh incurred on construction of the bridge besides denial of intended benefit to the public.

The matter was referred to the Government in March 2003; their reply had not been received (August 2003).

4.8 Unfruitful expenditure on the construction of Reoghati-Umla-Dwar link road

Lack of co-ordination between two divisions involved in the construction of a road work resulted in non-completion of the road and unfruitful expenditure of Rs 20.38 lakh.

Construction of 5/7 metres wide and 9.500 kms long Reoghati-Umla-Dwar motorable road to link two existing roads (Gumma-Jashla-Reoghati and Tikkar-Umla-Dwar) was administratively approved (January 1996) by the State Government for Rs 25.18 lakh. The proposed road from km 0/0 to 5/200 fell under the jurisdiction of Jubbal Division and from km 5/200 to 9/500 under Rohru Division.

Construction of road from Reoghati side was taken up (April 1996) by Jubbal Division without obtaining technical sanction. Formation work upto km 5/200 was completed by November 1997 after incurring expenditure of Rs 18.14 lakh. The completed road portion had, however, not been opened for vehicular traffic so far. Construction of the road beyond km 5/200 was also taken up by Rohru Division in May 1997 in anticipation of technical sanction. It was noticed in audit that the road in a length of 4.190 kms was not constructed upto the required width of 5/7 metres. Expenditure of Rs 2.24 lakh had been incurred on the construction of the road as of June 1998. Further execution of the road remained suspended since July 1998 reportedly owing to non-availability of funds. Scrutiny of records however, revealed (May 1999) that out of Rs 15 lakh received from the Deputy Commissioner (DC), Shimla for the construction of the road, Rs 8.99 lakh only were utilised by Jubbal Division during 1997-99 and the balance amount of Rs 6.01 lakh remained unutilised as of June 2002 under PW deposits. Allocation of funds was thus not made by the DC keeping in view the priority of the road.

The Executive Engineer, Jubbal Division stated (June 2002) that the unutilised amount of Rs 6.01 lakh would be utilised for soling and retaining structures for which estimates were being processed and the unutilised amount could not be spared for Rohru Division. Meanwhile, the Executive Engineer, Rohru Division intimated (September 2002) that no budget provision had been made for the work and the same would be resumed on availability of adequate funds.

Lack of co-ordination between two divisions of the department coupled with paucity of funds resulted in non-completion of the road. The expenditure of Rs 20.38 lakh incurred on the construction of the road had thus remained unfruitful.

The matter was referred to the Government in January 2003; their reply had not been received (August 2003).

4.9 Idle investment on construction of road and bridge

Poor planning of the department in the construction of Killar-Punto road and bridge thereon in Pangli valley resulted in unfruitful expenditure of Rs 35.39 lakh and idle investment of Rs 47.93 lakh.

Construction of 5 kilometres long jeepable road from Killar to Punto in Pangli valley (Chamba district) was administratively approved (March 1991) for Rs 7.74 lakh. The work, stipulated to be completed in three years, was started by Killar division in June 1991 without obtaining technical sanction. Expenditure of Rs 35.39 lakh was incurred on formation work from km 0/0 to 1/280 as of July 2002. There was time overrun of more than eight years and cost overrun of Rs 27.65 lakh (357 *per cent*) which would increase further as only 26 *per cent* road portion has so far been constructed.

Test-check of records of the division revealed (August 2002) that Rs 71 lakh were available for the work during 1991-2003 of which only 50 *per cent* funds were utilised during the aforesaid period. It was also noticed in audit that the entire alignment of the road was passing through forest land. Approval of Government of India for the use of forest land for non-forestry purposes, required under the provisions of Forest Conservation Act 1980, had not been obtained as of January 2003.

Administrative approval for the construction of jeepable suspension bridge over river Chanderbhaga at km 1/500 of the road was accorded (April 1992) for Rs 18.50 lakh which was revised (October 1994) to Rs 32.96 lakh for constructing a motorable bailey bridge in two years. However, scope of the road remained jeepable. An expenditure of Rs 75.19 lakh had been incurred on the construction of the bridge upto 1997-98 which included Rs 74.60 lakh on procurement of bailey bridge. Scrutiny of records revealed that actual execution of the bridge had not commenced as of August 2002 and some components of the bailey bridge valued at Rs 27.26 lakh had been utilised (October 2000) on another bridge.

The Executive Engineer, while admitting the facts stated (August 2002) that Killar being the remotest area of the State, material had to be procured in advance. The contention is not tenable as the materials had not been utilised even after more than four years of their procurement.

Failure of the department to obtain permission of Government of India for the use of forest land for non-forestry purposes and complete the road and the bridge despite availability of sufficient funds thus resulted in unfruitful expenditure of Rs 35.39 lakh. Further, investment of Rs 47.93 lakh on the bridge remained idle.

The matter was referred to the Government in January 2003; their reply had not been received (August 2003).

4.10 Unfruitful and infructuous expenditure owing to unplanned execution of road works

Unplanned execution and inadequate investigation of alignment of road works resulted in unfruitful expenditure of Rs 40.63 lakh which included infructuous expenditure of Rs 8.29 lakh.

Construction of 3 kms long motorable road from Goshal village to Mooling bridge and 4.230 kms long jeepable link road from Mooling bridge to Mooling and Bargul villages via Shipting (Lahaul and Spiti district) was administratively approved (October 1980) for Rs 9.46 lakh. The work, to be completed in about three working seasons, was taken up for execution in 1981 by Chenab Valley Division, Udiapur without obtaining technical sanction. An expenditure of Rs 40.63 lakh had been incurred on construction of 4.903 kms motorable road from Goshal to Mooling bridge (3 kms), link road from Mooling bridge to Mooling village (1.300 kms) and link road from bifurcation point to Bargul village (0.603 km) as of November 2000. No work was executed thereafter. The constructed portion of the road had not been opened for vehicular traffic as of August 2002.

It was noticed (July-August 2002) in audit that the major variations between the approved estimate and the actuals were due to time overrun of 19 years and construction of 1.903 kms long motorable road instead of jeepable road from Mooling bridge to Mooling village.

It was also noticed in audit that no proper survey was done before preparing the original estimate. Lack of proper survey was evidenced by the fact that the completed road included one kilometre road to Mooling village which was abandoned due to risk of glaciers after incurring expenditure of Rs 8.29 lakh.

Even after an expenditure of Rs 40.63 lakh and time overrun of 19 years, the road remains still incomplete. Lack of proper planning in the initial stages and absence of mid course corrections during the course of execution resulted in denying the benefits of the road to the concerned people for more than 19 years leading to wasteful and unfruitful expenditure of Rs 40.63 lakh.

The matter was referred to the Government in March 2003; their reply had not been received (August 2003).

4.11 Unfruitful expenditure on a road and avoidable extra expenditure on a bridge in Kangra district

Failure of the department to acquire private land resulted in avoidable expenditure of Rs 20.41 lakh on the construction of a bridge, infructuous expenditure of Rs one lakh on construction of approaches and unfruitful expenditure of Rs 32.04 lakh on construction of road in Kangra district.

Construction of 3.500 kms long Jandpur-Nagta-Bharwana-Battan road (Kangra district) was completed by Baijnath Division in June 1996 at a cost of Rs 25.96 lakh. Rupees 6.08 lakh were also spent on repair and maintenance of the road from April 1999 to October 2002. The road had however not been opened for vehicular traffic as of December 2002.

It was noticed (December 2002) in audit that construction of a bridge over Awa *khad* at km 1/225 was necessary for utilisation of the road. No provision for the construction of the bridge was made in the approved estimate of the road. Administrative approval for the construction of 25 metre span bridge was subsequently accorded (January 2000) for Rs 24.19 lakh. It was also noticed that no provision for acquisition of private land falling in the alignment of the bridge existed in the approved estimate. The department however, spent Rs one lakh on construction of approaches of the bridge. In the meantime, owners of private land objected to the construction of the bridge. Consequently, alternative site for the construction of 40 metres span steel truss bridge at km 1/170 was finalised. The work awarded (July 2002) to a contractor for Rs 54.43 lakh was in progress as of December 2002.

While confirming the facts, the Executive Engineer stated (December 2002) that dispute at the original bridge site could not be anticipated as the land owners objected only when its execution was started. The contention is not tenable as is evident from the fact that the department had neither made any provision for acquisition of private land in the estimate of the bridge nor taken any action to acquire the land.

Failure of the department to acquire private land falling in the alignment of the bridge thus necessitated shifting the site of the proposed bridge involving extra avoidable expenditure of Rs 20.41 lakh¹ due to increase in scope of work. Besides expenditure of Rs one lakh incurred on the construction of approaches at the original site had been rendered infructuous. Abnormal delay in the construction of the bridge had also rendered the expenditure of Rs 32.04 lakh on construction and maintenance of the road unfruitful and deprived the public of the intended benefits.

The matter was referred to the Government in February 2003; their reply had not been received (August 2003).

4.12 Avoidable payment of interest and compulsory land acquisition charges for road construction in Mandi district

Failure of the department to follow the provisions of Land Acquisition Act resulted in avoidable burden of Rs 46.67 lakh on State exchequer.

The Land Acquisition Act, 1894 as amended in 1984 (effective from 29 April 1982) provides that if any land is needed for a public purpose, a preliminary notification under Section 4 and declaration under Section 6 should be made to that effect. Possession of land taken over in anticipation of acquisition proceedings would result in avoidable payment of enhanced interest charges and compulsory acquisition charges (from existing 15 to 30 *per cent*).

Test-check of records of Sarkaghat division revealed (June 2002) that possession of 1.93 hectares of land for the construction of Plassi Triphalghat road (Mandi district) was taken over by the department in four localities in April 1969 without issuing notifications as required under the Act. The notifications under Section 4 were subsequently published in November and

December 1994 and declarations under Section 6 were issued in July 1995. Four awards of Rs 56.71 lakh were announced (June 1997) by the Land Acquisition Officer (LAO), Mandi for the acquisition of the aforesaid land. The amount of awards was deposited by the division with the LAO in November 2000 who disbursed Rs 55.94 lakh to the interest holders between May 2001 and July 2001 leaving unutilised balance of Rs 0.77 lakh as of March 2003 outside the government account. The proceedings in these cases were initiated after a lapse of over 25 years from the date of taking possession of land. This resulted in avoidable payment of interest of Rs 43.43 lakh*. Besides, Rs 3.24 lakh had to be paid on account of additional compensation and compulsory acquisition charges under the amended provisions of the Act.

The Executive Engineer stated (June 2002 and February 2003) that land acquisition proceedings could not be initiated as the control of the road remained with different divisions prior to 1983. He also stated that land acquisition was a lengthy process and sometimes it was not practicable to first acquire the land and start the execution work thereafter. The contention is not tenable as it was mandatory to start land acquisition proceedings immediately after taking possession of land and there was no justification for abnormal delay of 25 years for doing so.

Failure of the department to follow the provisions of the Act thus resulted in avoidable burden of Rs 46.67 lakh on the State exchequer.

The matter was referred to the Government in April 2003; their reply had not been received (August 2003).

4.13 Avoidable expenditure on providing of renewal coat to roads

Failure to adopt economical specifications for providing renewal coat to roads resulted in avoidable expenditure of Rs 2.71 crore.

Mention was made in paragraph 4.12 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 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 nine divisions¹ revealed (June 2001 and January 2003) that the suggestions of the study group adopted by the Ministry of Surface Transport (MOST) for renewal treatment of roads by MSS or PC

*	(Rs in lakh)
Assessed value of land and trees	8.70
Amount of additional compensation	1.95
Total:	10.65
Interest on Rs 10.65 lakh @ 9 per cent from 1.4.1969 to 31.03.1970	0.96
Interest on Rs 10.65 lakh @ 15 per cent from 01.04.1970 to 31.10.1996	42.47
Total interest:	43.43

treatment of one time laid one layer were not effected by the divisional officers and renewal coat over an area of 10,15,569 square metres of road surface was executed in 121 cases between 1996-97 and 2002-2003 with the conventional method of PC and SC at a cost of Rs 7.58 crore. Had the divisions adopted specifications approved by the Engineer-in-Chief for renewal of road surfaces, the actual cost could have come down to Rs 4.87 crore.

In respect of Bangana Division the Superintending Engineer, 15th Circle, Una stated (April 2002) that different specifications are used keeping in view the site conditions and decision regarding use of MSS or PC should be left to the authorities sanctioning the estimate. The Superintending Engineer, 9th Circle, Nurpur in respect of Dehra division stated (July 2002) that the item of PC and SC had to be executed to give more strength to the surface of the road in view of the intensity of vehicular traffic as well as excessive rains in the hilly terrain. The contentions are not tenable as these factors had already been taken into account by the study group while fixing the norms for laying renewal treatment of roads by MSS or PC treatment of one time laid one layer. Replies from the remaining divisions had not been received. Failure to adopt proper specifications in these cases thus resulted in extra expenditure of Rs 2.71 crore.

The matter was referred to the Government in April 2003; their reply had not been received (August 2003).

4.14 Unfruitful expenditure on incomplete works

Due to non-completion of works, Rs 4.33 crore spent on ten roads and six building works remained largely unfruitful.

Forest (Conservation) Act 1980, prohibits use of forest land for non-forest purposes without prior approval of the Government of India. Government of India also clarified (March 1982) that diversion of forest land for non-forestry activities in anticipation of approval was not permissible and that request for *ex-post-facto* approval would not be entertained.

Contrary to these provisions, construction of eight road works (estimated cost: Rs 2.77 crore), stipulated to be completed within a period of three to six years from the dates of their commencement, was taken up by five divisions¹ between 1979-80 and 1996-97 without obtaining technical sanction as detailed in **Appendix-XIV**. These works on which Rs 1.83 crore had been spent were held up for various periods between 1996 and November 2001 for want of permission of Government of India for the use of forest land for non-forest purposes. Even out of these eight roads works, two works² were taken up for execution in anticipation of administrative approval.

Delay in completion of these roads ranged between 7 months to 19 years and expenditure of Rs 1.83 crore thus remained largely unfruitful.

1 Bajjnath, Chamba, Mandi-II, Salooni and Udaipur.

2 Sungal to Kalotha road: Rs 28.63 lakh and Sach Lindi Behi road: Rs 6.78 lakh.

In two divisions,³ two road works (estimated cost: Rs 33.89 lakh), to be completed within a period of three years from the dates of their commencement as detailed in **Appendix-XV**, were taken up for construction during 1991-95 without obtaining technical sanction and were lying incomplete after spending Rs 19.67 lakh. These works were held up mainly because of non-acquisition of private land falling in the alignment. It was noticed that proceedings to acquire private land had not been started as of August 2002. Delay in completion of these works ranged between 63 to 87 months.

In five divisions⁴, six building works as detailed in **Appendix-XVI**, were sanctioned between July 1986 and January 1999 at an estimated cost of Rs 2.48 crore. The works, stipulated to be completed within one year to two years from the dates of their commencement were taken up for execution between March 1987 and April 1999. These works were lying incomplete due to various reasons after spending Rs 2.30 crore. Delay in completion of these works ranged between 24 and 168 months.

The Divisional Officers had thus committed public funds without any accountability as a result of which Rs 4.33 crore had remained largely unfruitful and the beneficiaries deprived of the intended benefits.

The matter was referred to the Government in April 2003; their reply had not been received (August 2003).

4.15 Unfruitful expenditure on Khakhri-Kherna road in Chamba district due to improper planning

Rs 56.71 lakh spent on construction of a motorable road proved unfruitful and funds of Rs 27.40 lakh provided for construction of the bridge remained unutilised due to non-finalisation of the site.

Administrative approval and expenditure sanction (A/A and E/S) for construction of four kilometres long Khakhri-Kherna road from km 0/0 to 4/0 (Chamba district) was accorded (March 1986) for Rs 7.88 lakh. The A/A and E/S was subsequently revised (October 1997) to Rs 103.75 lakh for construction of the same road from km 1/0 to 10/0 thereby leaving the initial reach of one km from km 0/0 to 1/0 which fell under the jurisdiction of Chamba Division. A/A and E/S for construction of motorable bridge at Khakhri at RD 1/021 of the road over Baira *nallah* was also accorded (June 1989) for Rs 15.45 lakh. Construction of the road was started by Churah Division during 1986-87 without obtaining technical sanction. The work was transferred to Salooni Division on its creation in October 1994. An expenditure of Rs 56.71 lakh had been incurred on the construction of the road from km 1/042 to 5/600 as of September 2002.

Test-check of records of Salooni Division revealed (October 2002) that construction of the motorable bridge at Khakhri over Baira *nallah* essential for utilisation of the constructed road was not taken up by the division. Instead, revised estimate of Rs 60 lakh for construction of 42 metres span steel truss

3 Kasauli and Mandi-II.

4 Jubbals, Karsog, Kaza, Rampur and Shimla Medical College.

motorable bridge at the proposed site under Backward Area Sub-Plan (BASP), was sent (June 2002) to the Deputy Commissioner, Chamba which was approved in September 2002. Funds of Rs 27.40 lakh provided under BASP during 2001-02 for the construction of the bridge remained unutilised and were not surrendered before the close of the financial year as required under instructions of the Planning Department. Thus the road constructed at a cost of Rs 56.71 lakh could not be utilised as of October 2002.

The Executive Engineer stated (October 2002) that construction of the road in the initial reaches as also the bridge at RD 1/021 could not be started as the area fell under the jurisdiction of Chamba Division. He also stated that the matter had been resolved and the detailed estimate of Rs 19.66 lakh for the construction of road from km 0/450 to 1/0 was under process. However, fact remains that there was lack of co-ordination between the two divisions (Chamba and Churah) in so far as construction of road in the initial reaches is concerned. Processing of estimate for the construction of bridge at Baira *nallah* had also been inordinately delayed resulting in non-utilisation of the constructed portion of the road and unfruitful expenditure of Rs 56.71 lakh. Funds to the tune of Rs 27.40 lakh meant for the construction of the bridge also remained unutilised.

The matter was referred to the Government in May 2003; their reply had not been received (August 2003).

4.16 Miscellaneous Works Advances

Mention was made in the Report of the Comptroller and Auditor General of India (Civil) – Government of Himachal Pradesh for the year ended 31 March 1991 vide paragraph 4.7 regarding outstanding balances under Miscellaneous Works Advances (MWA).

The Public Accounts Committee (Ninth Vidhan Sabha) vide its 76th report presented to the State Legislature on 19 August 1999 had *inter alia*, observed that the department should be vigilant in disposal of all cases involving recovery of large amounts and steps be taken to effect recovery from the concerned officials. In cases where recovery is not possible disciplinary action be taken against the concerned officials. The department should discourage the practice of making advance payments to the firms and make recovery from the concerned firms in a time bound manner. It was further recommended that items which were 25-30 years old and where recovery was not possible, action to write off such items be initiated.

The department had not taken any action on the recommendations of the PAC as of April 2003.

Notwithstanding the aforesaid recommendations, balances under MWA are still increasing.

Further check of records of 16 divisions¹ for the period 1998-2003 during January-March 2003 and supplemented by information obtained from the Engineer-in-Chief revealed the following points:

¹ Bilaspur, Barsar, Dehra, Ghumarwin, Hamirpur, Mandi-II, Nahan, Nirmand, Rampur, Mechanical Rampur, Solan, Shimla-II, Shimla-III, Mechanical Shimla (Dhali), Theog and Una.

Position of outstanding Balances

4.16.1 The position of outstanding balances under the head during 1998-2003 was as under:

Table: 4.4

(Rupees in crore)

Sr. No.	Year	Opening balance	Addition	Clearance	Closing balance
1.	1998-99	25.14	57.16	51.61	30.69
2.	1999-2000	30.69	54.01	56.51	28.19
3.	2000-2001	28.19	53.06	52.43	28.82
4.	2001-2002	28.82	45.44	45.53	30.73
5.	2002-2003 (upto December 2002)	30.73	30.41	34.39	26.75

MWA is a transitory suspense head under which various items are recorded temporarily pending recovery/adjustment. Accumulation of heavy balances under the head is indicative of hidden expenditure which has not been charged to concerned service heads over long periods and actual expenditure had thus been concealed.

4.16.2 In 16 test-checked divisions, Rs 9 crore comprising 4,728 items were outstanding as of December 2002. Category-wise break up of these items was as under:

Table: 4.5

(Rupees in lakh)

Sr. No.	Category	Number of items	Amount
1.	Advance payments to firms/suppliers awaiting receipt of material or adjustment	778	427.44
2.	Recoveries from departmental officials on account of shortages/non-accounting of stores, etc.	218	13.94
3.	Outstanding recoveries against other divisions/departments	564	292.56
4.	Recoveries from various firms/suppliers/contractors on account of short/non-supply of materials, excess payments, etc.	174	47.67
5.	Recoveries from Assistant Engineers/Junior Engineers on account of unauthorised/irregular expenditure incurred by them	281	45.93
6.	Amount recoverable on account of hire charges of vehicles/machinery	689	44.58
7.	Amount recoverable on account of telephone trunk call charges	1621	5.48
8.	Expenditure incurred on deposit works in excess of deposits received	42	10.72
9.	Amount recoverable on account of tour travelling advance, etc., debited to MWA	12	0.14
10.	Miscellaneous items recoverable from different government/non-government agencies	349	11.60
	Total:	4728	900.06

Contrary to the rules, expenditure of Rs 5.62 lakh on trunk call charges (Rs 5.48 lakh) and tour travelling advances (Rs 0.14 lakh) had been debited to

MWA without any recorded reasons. The outstanding recoveries related to the period from March 1969.

4.16.3 Year-wise position of outstanding balances of the divisions test-checked was as follows:

Table: 4.6

(Rupees in lakh)

Period	Amount
1952 to 1992-93	114.24
1993-94 to 1997-98	137.65
1998-99	51.03
1999-2000	82.95
2000-2001	119.42
2001-2002	123.02
2002-2003 (upto December 2002)	271.75
Total:	900.06

In five divisions², balance of Rs 203.41 lakh (as per MWA Register) did not tally with the total of Rs 179.94 lakh reported by these divisions through their progress reports for the quarter ended December 2002. This showed that either the correct position was not being reported through the quarterly progress reports/monthly accounts or debits and credits had not been updated in the MWA registers. The concerned Executive Engineers stated that discrepancies were due to wrong carrying forward of the figures. It was also stated that variations of figures pertained to very old period and would be reconciled in due course.

Trend analysis

4.16.4 The trend of balances of 10 divisions³ out of 16 selected for test-check under the head during the preceding five years was as follows:

Table: 4.7

(Rupees in crore)

Year	Opening balance	Debit during the year	Credit during the year	Closing balance
1998-99	2.95	9.30	7.48	4.77
1999-2000	4.77	7.19	6.18	5.78
2000-2001	5.78	8.31	9.49	4.60
2001-2002	4.60	7.48	5.83	6.25
2002-2003 (upto 12/2002)	6.25	7.32	7.05	6.52

² Hamirpur, Rampur, Solan, Theog and Una.

³ Barsar, Hamirpur, Mandi-II, Nahan, Nirmand, Mechanical Rampur, Solan, Shimla-III, Theog and Una.

The outstanding balance at the end of December 2002 showed an increase of 121 *per cent* over March 1998. The outstanding items were thus not being pursued vigorously.

Analysis of outstanding amounts

4.16.5 In Barsar division seven supply orders were placed between March 2000 and March 2002 with Himachal Pradesh Agro Industries Corporation (HPAIC)/ Indian Oil Corporation Limited, Panipat Refinery for the procurement of bitumen and the advance payment of Rs 2.28 crore made to them was charged to MWA. It was noticed in audit that the entire amount of Rs 2.28 crore had been cleared from the head MWA as of January 2003 even though material costing Rs 18.98 lakh had not been received. The Executive Engineer stated (February 2003) that the matter regarding short supply of material had been taken up with the concerned corporation. Notwithstanding this contention, action of the division to clear the entire amount from MWA was injudicious.

4.16.6 In Sundernagar Division, advance payment of Rs 43.12 lakh was made to HPAIC and Civil Supply Corporation (CSC) during January 2002 for procurement of bitumen and cement. The cost of material was irregularly charged to six works instead of "MWA" pending receipt of material. The Executive Engineer while confirming the facts stated (October 2002) that the advance payment related to PMGSY and was charged to work directly to reflect the expenditure. The contention is not tenable as codal provisions were not followed.

4.16.7 In Mechanical Division, Rampur Rs 85.04 lakh on account of repair charges of vehicles/machinery of various divisions of the department for the period from 1995-96 to December 2002 classified under MWA were pending recovery. It was also noticed in audit that Rs 2.70 crore for the period 1994-2003 on the same account had been charged to repair and maintenance of workshop by Mechanical Division, Dhalli, Shimla thereby leaving no scope for watching the recovery of expenditure from the concerned divisions/departments.

4.16.8 The payment of premium under Janata Personal Accidental Assurance Scheme in respect of daily waged workers and work charged staff of all the Public Works Divisions of the State was being made by Shimla Division No. III to the New India Assurance Company, Shimla. The amount so deposited was required to be deducted from the pay/wages of the workers by various divisions and remitted to Shimla Division No. III. It was noticed in audit that an amount of Rs 1.43 crore paid by Shimla Division No. III to New India Assurance Company during the period from 1996-97 to February 2003 had not been recovered from different divisions as of March 2003. This resulted in unnecessary accumulation of balances under MWA. The Divisional Officer stated that reminders were being issued to the concerned divisions/circle for remitting the amount.

4.16.9 In Theog Division, Rs 5.77 lakh were outstanding against 5 JEs and 4 AEs for the period from August 1995 to April 2002 on account of

unauthorised expenditure/less progress of work/shortage of stores, etc. These officials have either been transferred (6 officials) or retired (3 officials).

4.16.10 In Nirmand Division, an amount of Rs 17.89 lakh mainly on account of shortage of stores, unauthorised payments, excess payments, issue of material without indents, etc., was outstanding from 1999-2000 to December 2002. The Executive Engineer stated that steps were being taken to recover/reconcile the outstanding.

4.16.11 Six hundred and eighty nine items amounting to Rs 44.58 lakh were outstanding against various departmental officers/officials, other departments/corporation, contractors and firms on account of private use of vehicles and machinery of the divisions. The earliest item pertained to the year 1954-55 (Solan Division). It was noticed in audit that hire charges for private use of vehicles, machinery by the officers/officials, contractors and other private parties were not realised immediately after the use of vehicles/machinery. Further, whereabouts of some of the contractors/private parties, etc., were not known to the divisions. Chances of recovery of outstanding amounts from concerned parties had, thus become very remote.

Expenditure on deposit works in excess of deposits received

4.16.12 Expenditure on 64 deposit works undertaken by six divisions⁴ during the period from 1989 to December 2002 amounted to Rs 10.06 crore against deposits of Rs 7.58 crore. It was noticed in audit that expenditure incurred in excess of deposits received had not been charged to MWA as required under rules.

Mention was made in Paragraph 4.7(6) of the Report of the Comptroller and Auditor General of India for the year 1990-91 regarding non-recovery of Rs 10.91 lakh from Municipal Corporation, Shimla pertaining to the period 1966-71. Out of this, an amount of Rs 6.60 lakh was yet to be recovered. Contrary to the recommendation of PAC neither recovery in full was effected nor the balance amount got written off as of March 2003 by Shimla Division No.II.

Minus Balances

4.16.13 In five divisions⁵ 27 items amounting to Rs 11.38 lakh and pertaining to 1990-2003 represented minus balances. The minus balances were on account of non linking of debits/credits, incorrect incorporation of transfer entries and affording of credit on account of freight charges, etc. This was indicative of improper maintenance of records.

4 Barsar, Hamirpur, Rampur, Solan, Theog and Una.

5 Ghumarwin, Rampur, Mechanical Rampur, Nirmand and Solan.

Defects in maintenance of records

4.16.14 MWA registers had not been maintained properly in any of the divisions test-checked. Year-wise break up of outstanding items was not available and the registers had not been reviewed by the Divisional Officers of 12 divisions⁶ for taking effective steps to clear old outstanding items. Follow up action for the adjustment/recovery of items placed under MWA was lacking.

Monitoring

4.16.15 The position of outstanding under the head is reported by the divisions to the concerned Superintending Engineer through quarterly progress reports for onward transmission to the Engineer-in-Chief.

It was noticed that the system of monitoring did not prove to be effective as the reports submitted by the Divisional Officers merely indicated the increase and decrease in balances. No attempt to analyse and conduct an in-depth study of old items and to find out the constraints in settling the older items had been made with the result that the progress of clearance of older item was almost negligible.

Government had not prescribed any system of monitoring the progress of clearance of outstanding balances. The absence of such a system also contributed to non-clearance of heavy balances.

These points were referred to the Government in April 2003; their reply had not been received (August 2003).