

## **Chapter-IV**

### **Works Expenditure**

#### **Section-A-Reviews**

#### **Irrigation and Public Health Engineering Department**

#### **4.1 Accelerated Irrigation Benefit Programme**

*Accelerated Irrigation Benefit Programme (AIBP) was introduced in the State in 1996-97 to complete ongoing major and medium irrigation projects.*

#### **Highlights**

- **Central Loan Assistance (CLA) of Rs 32.36 crore (52 per cent) only was utilised during 1996-97 to 2002-03 resulting in accumulation of unspent balance of Rs 30.15 crore at the end of March 2003. Interest on the unspent balance worked out to Rs 76.57 lakh.**

**(Paragraph: 4.1.4)**

- **Time and cost overrun of nine projects under implementation ranged from 12 to 48 months, and Rs 33 lakh to Rs 35.24 crore, respectively.**

**(Paragraph: 4.1.5)**

- **CLA and State funds aggregating Rs 4.49 crore were diverted during 1996-2003 to works/items not related to the programme.**

**(Paragraph: 4.1.6)**

- **Absence of a suitable monitoring mechanism precluded any chances of timely intervention at higher levels. This not only affected the execution of work but also resulted in slackening of financial controls.**

**(Paragraph: 4.1.7)**

#### **Introduction**

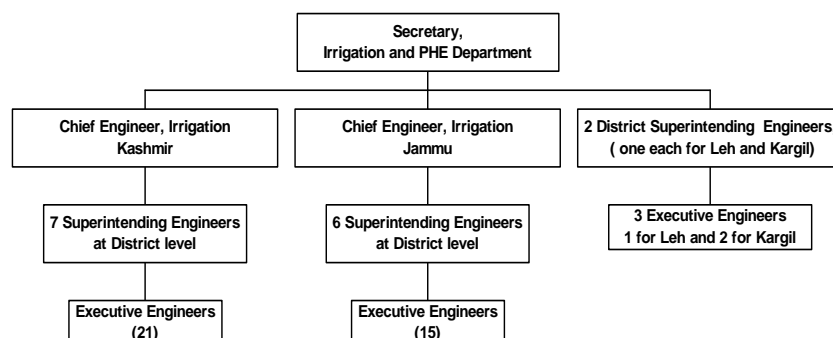
**4.1.1** Accelerated Irrigation Benefit Programme (AIBP) was introduced in the State in 1996-97 with a component of Central Loan Assistance (CLA) from the Government of India (GOI). The main objectives of the scheme are:

- (i) to accelerate completion of ongoing major and medium irrigation projects, and, (ii) to realise bulk benefits from the completed projects.

Twenty three irrigation projects were proposed by the State Government to Government of India for financing under the programme.

### Organisational set-up

4.1.2 The organisational structure for implementation of the programme is set out in the chart:



### Audit coverage

4.1.3 A review on the implementation of the programme based on the test-check of records of Chief Engineers (Jammu & Kashmir) and five<sup>II</sup> divisions out of eight divisions was conducted during the period from December 2002 to April 2003 covering an expenditure of Rs 31.40 crore (52 per cent) of the total expenditure. The results of the test-check are brought out in the succeeding paragraphs.

### Funding and expenditure

4.1.4 The expenditure on the programme was shared by the Central and State Governments in the ratio of 50: 50 up to 29 March 1999 and thereafter in the ratio of 75: 25. The CLA was to be released in the form of reimbursement on quarterly basis which was modified (March 1997) to two equal instalments. The second instalment was to be released only when the State Government had released its share.

Year-wise details of funds received from Central and State Governments and expenditure thereof during 1996-97 to 2002-03 was as under:

Table No 4.1

(Rs in crore)

Year	Releases				Expenditure			Closing balance
	Opening balance	CLA	Alloca-tion State Government	Total available funds	CLA	State Govern-ment	Total expendi-ture	
1996-97	-	1.30	3.00	4.30	1.30	3.00	4.30	-
1997-98	-	-	3.48	3.48	-	3.48	3.48	-
1998-99	-	-	4.10	4.10	-	4.10	4.10	-
1999-2000	-	4.68	2.22	6.90	2.39	2.22	4.61	2.29
2000-01	2.29	10.46	3.72	16.47	7.99	3.72	11.71	4.76
2001-02	4.76	11.07	4.23	20.06	13.79	4.23	18.02	2.04
2002-03	2.04	35.00	6.98	44.02	6.89	6.98	13.87	30.15
<b>Total</b>		<b>62.51</b>	<b>27.73</b>		<b>32.36</b>	<b>27.73</b>	<b>60.09</b>	

<sup>II</sup> Irrigation Divisions: Jammu I, Jammu II, Kathua, Akhnoor and Sopore

CLA of Rs 32.36 crore (52 per cent) only was utilised during 1996-97 to 2002-03 resulting in accumulation of unspent balance of Rs 30.15 crore at the end of March 2003. The incidence of interest on the unspent balance worked out to Rs 76.57<sup>€</sup> lakh. Out of the expenditure of Rs 32.36 crore (CLA), Rs 23.43 crore (72 per cent) was spent in the last quarter of the financial years 1996-97 to 2002-03. No assistance was released by the Central Government during 1997-98 and 1998-99 due to delay in submission of project reports to Central Water Commission. No records to indicate details of repayment of CLA and interest thereon were maintained at State/departmental level.

Under the provisions of the scheme, unutilised funds would lapse to the Government on expiry of financial year. However, out of unspent balances, Rs 2.29 crore in 1999-2000, Rs 2.61 crore in 2000-01 and Rs 1.67 crore in 2001-02 were revalidated by the State Government. No evidence of approval of Government of India could be found. In one case, unspent balance of Rs 1.50 crore pertaining to the year 1999-2000 was revalidated twice (August 2000 and August 2001). In two cases, Rs 57.50 lakh were released in subsequent years without any revalidation.

### **Cost and time overrun**

**4.1.5** Details of nine projects under execution in eight divisions was as follows:

**Table No 4.2**

S.No	Irrigation Division	Scheme	Revised <sup>▼</sup> estimated cost	Date of start
<b>Major Irrigation Schemes</b>			(Rs in crore)	
1.	I and II Jammu	Modernisation of Ranbir Canal	84.40	1996-97
2.	Akhnoor	Modernisation of New Pratap Canal	21.68	1996-97
3.	Kathua	Modernisation of Kathua Canal	15.68	1999-2000
<b>Medium Irrigation Schemes</b>				
4.	Sopore	Modernisation of Zaingeer Canal	13.66	2001-02
5.	Leh	Modernisation of Igophy Canal	46.82	2000-01
6.	Pampore	Lethpora LIS <sup>Ⓜ</sup>	9.06	2000-01
7.	Tral	Tral LIS	70.33	1999-2000
8.	Tral	Rajpora LIS	29.13	2000-01
9.	Sopore	Rafiabad LIS	35.60	2001-02

The position of cost and time overrun and irrigation potential developed was as under:

<sup>€</sup> Worked out on minimum unspent balance during 2000-01, 2001-02, 2002-03 at 12.5 per cent, 12 per cent, 11.5 per cent respectively.

<sup>▼</sup> Under the process of approval.

<sup>Ⓜ</sup> Lift Irrigation Scheme.

Table No 4.3

Name of the Scheme	Estimated cost (original)	Expenditure up to March 2003	Cost* Overrun (Rs in crore)	Time * overrun (months)	Status	Intended irrigation potential	Irrigation potential developed	Potential Utilised
	(Rs in crore)		Percentage in brackets			(In hectares)		
<b>Major Irrigation Schemes</b>								
Modernisation of Ranbir Canal	31.81	50.31	18.50 (58)	48	NA	74800	64645	59540 <sup>#</sup>
Modernisation of New Pratap Canal	1.25	9.51	8.26 (660)	48	60 per cent on main canal and 30 per cent on distribution canal	12042	11125	7444 <sup>*</sup>
Modernisation of Kathua Canal	8.62	8.95	0.33 (4)	24	65 per cent	14385	14310	14140 <sup>#</sup>
<b>Medium Irrigation Schemes</b>								
Zaingeer Irrigation canal	6.43	10.83	4.40 (68)	Nil	NA	7100	5500	5500 <sup>&amp;</sup>
Igophey canal	5.95	41.19	35.24 (592)	12	NA	4373	3928	1092 <sup>§</sup>
Lethpora LIS	2.77	7.98	5.21 (188)	24	81.70 per cent	3198	1406	455 <sup>§</sup>
Tral LIS	6.13	12.13	6.00 (98)	12	NA	6000	Nil	Nil
Rajpora LIS	2.13	7.47	5.34 (250)	12	NA	2429	Nil	Nil
Rafiabad LIS	10.60	21.55	10.95 (103)	Nil	NA	2932	Nil	Nil
<b>Total</b>	<b>75.69</b>	<b>169.92</b>	<b>94.23 (124)</b>					

(Source: Departmental records)

Time and cost overruns ranged from 12 to 48 months, and Rs 33 lakh to Rs 35.24 crore, respectively.

## Implementation

### 4.1.6 Implementation of the projects suffered because of following reasons:

Government of India did not adhere to schedule for release of assistance. There were delays in release of CLA at different levels. Rs 30.08 crore (53 per cent) were released by the Central Government in March during the years 2000-01 to 2002-03. This was one of the main reasons resulting in high unspent balance.

There was also delay in release of CLA by the State Government to implementing agencies which ranged between 21 days and 209 days during the period 1996-97 to 2002-03.

€ Based on original estimated costs: revised costs of the projects have not been approved.

▲ Time overrun calculated on the basis of expected date of completion as per AIBP Guidelines.

# Position ending March 2002.

\* Position ending March 2003.

& Position ending February 2003

§ Position ending January 2003.

CLA and State funds were diverted to works/items not related to the programme during the period 1996-2003 as detailed below:

**Table No 4.4**

(Rs in lakh)

Name of the project	Name of the division	Diversion from		Total	Works/items on which diverted
		CLA	State's share		
Modernisation of Ranbir Canal	(i) ID No I Jammu	31.53	122.72	154.25	Office building/Guest house, maintenance of canal, clearance of past liability
	(ii) ID No II Jammu	54.86	141.77	196.63	
Modernisation of New Pratap Canal	ID Akhnoor	4.09	34.91	39.00	Office building, maintenance of canal
Modernisation of Kathua Canal	ID Kathua	6.91	36.01	42.92	Office buildings, maintenance of canal
Rafiabad Lift Irrigation Scheme	ID Sopore	14.19	1.68	15.87	Office buildings, liability of past years, purchase of computer and diesel generating set
<b>Total</b>		<b>111.58</b>	<b>337.09</b>	<b>448.67</b>	

Out of eight projects identified for approval at the time of launch of AIBP, one scheme (Lethpora) was brought under its ambit in 1999-2000, two schemes (Tral and Rajpora) in 2000-01 and one scheme (Rafiabad) in 2001-02. In addition, five ineligible modernisation schemes were also covered under the programme.

CLA of Rs 1.30 crore was released (February 1997) by Government of India for three schemes (Marvel, Lethpora and Koil) in anticipation of approval by the Central Water Commission (CWC). The CLA was, however, diverted by State Government to Pratap and Ranbir Projects without concurrence of Government of India.

The programme also suffered due to the deficiencies in project proposals leading to prolonged correspondence between the State Government and CWC and inability of the Department to furnish necessary clarifications to CWC within the stipulated time. Eight<sup>#</sup> more schemes referred to CWC (November 1997 and April 2002) for release of funds under the programme had not been cleared (March 2003) as the queries raised by CWC (six projects) were not settled by the Department and the remaining two projects were pending approval with CWC. Six other schemes were deleted (February and May 2001) due to non-furnishing of reply to comments of CWC in time.

Chief Engineer, Irrigation Division, Jammu awarded (March 2000) the work on four stretches of a distributory of Ranbir Canal to Jammu and Kashmir Project Construction Corporation (JKPCC) at a negotiated cost of Rs 68.80 lakh which was revised to Rs 92.54 lakh (September 2001) for completion in three months. Rupees 62.80 lakh were advanced to JKPCC (Government company)

<sup>#</sup> Modernisation of Dadi canal, Nandi canal, Mav Khul, Ahji canal, Martand canal, Babul canal, Lar canal and Kandi canal project

between March 2000 and March 2002. The Company left the work incomplete as the Department did not release the balance amount of Rs 29.74 lakh to the Company.

Three divisions (Sopore, Jammu-I and Jammu-II) made advance payment of Rs 1.41 crore to JKPCC for execution of two works. Utilisation certificates for Rs 80.80 lakh were awaited (March 2003). These advances were paid to the agency in the month of March (March 2000, March 2001 and March 2002) to avoid lapsing of funds.

#### **Non-existence of monitoring mechanism**

**4.1.7** One of the preconditions for financial assistance was institution of a three<sup>&</sup> tier monitoring mechanism. Audit could not find existence of any such mechanism at the State level. Absence of a suitable monitoring mechanism precluded any chances of timely intervention at higher levels. It not only affected the execution of work but also resulted in slackening of financial controls. The programme also envisaged public participation by involving user groups and NGOs. Audit could not find any evidence of such participation.

#### **Other points**

**4.1.8** Financial rules prohibit execution of work through mates on hand receipts, except in case of emergency. Detailed check of records revealed that works costing Rs 3.30 crore were executed through mates. Department could not provide convincing reasons for doing so.

Executive Engineers of the divisions are required to purchase cement and other key material from the Stores Procurement Department (SPD). Test-check of records revealed that two divisions (Irrigation Division No I and II Jammu) purchased (May 1999 to July 2002) cement from agencies other than SPD at higher cost resulting in avoidable extra expenditure of Rs 20.84 lakh.

With effect from April 1999, Executive Engineers had to deduct four *per cent* service tax plus surcharge at five *per cent* thereon at source, from the contractor's bills. Test-check revealed that in two divisions (Jammu-I and Jammu-II) service tax of Rs 13.55 lakh was short deducted during 1999-2003. On this being pointed out (August 2003) in audit, Government stated (September 2003) that the service tax will be recovered from the contractor's subsequent bills.

#### **Conclusion**

**4.1.9** The above deficiencies which came to the notice of Audit while conducting test-check of records of a few selected divisions, indicate that implementation of these projects has been poor. The Department squandered a

<sup>&</sup> Central level, State level and Project level

valuable opportunity to complete the ongoing projects and optimise benefits from the completed projects. The Department, thus, has not utilised optimally borrowed resources and saddled Finance Department with yet another liability of repayment of loan and interest.



## 4.2 Minimum Needs Programme

*Minimum Needs Programme aims at upgradation and completion of ongoing rural water supply schemes. Poor planning, time/cost overruns, premature failure of water supply schemes and consequential unfruitful expenditure were some of the defects noticed.*

### Highlights

- Administrative cost of the programme was excessive and ranged between 46 and 59 per cent of the total expenditure during the period 1998-2003.

(Paragraph: 4.2.4)

- Funds aggregating Rs 2.62 crore were diverted by five test-checked divisions for activities/items outside the purview of the programme.

(Paragraph: 4.2.8)

- 411 Water Supply Schemes and 135 Mohras in test-checked divisions, were taken up for execution without administrative approval and technical sanction. There was cost overrun of Rs 9.79 crore in execution of 93 schemes and 12 Mohras.

(Paragraphs: 4.2.11 and 4.2.13)

- Due to depletion/failure or non-development of water source, unsafe drinking water and defective/non-laying of distribution system, 16 water supply schemes could not be made functional rendering expenditure of Rs 7.19 crore thereon unfruitful.

(Paragraph: 4.2.12)

- Poor planning and inadequate provision of funds caused abnormal delay in completion of water supply schemes ranging between 2 and 18 years in 17 schemes of two divisions.

(Paragraph: 4.2.14)

- 74 schemes completed at a cost of Rs 24.43 crore became partly or fully defunct within 2 to 10 years of their completion against an average life of 20 years due to source depletion, defective laying of distribution system and providing of inadequate infrastructure.

(Paragraph: 4.2.15)

- There was no inbuilt system for monitoring receipt of material by the user divisions against the funds allotted directly to the Procurement



**Division by the Department. Adjustment accounts of material valuing Rs 1.60 crore issued from March 1995 to May 2002 for various schemes were not rendered as of March 2003.**

**(Paragraphs: 4.2.16 and 4.2.17)**

- **The programme was neither monitored nor evaluated at any level by any external or internal agency of the Department.**

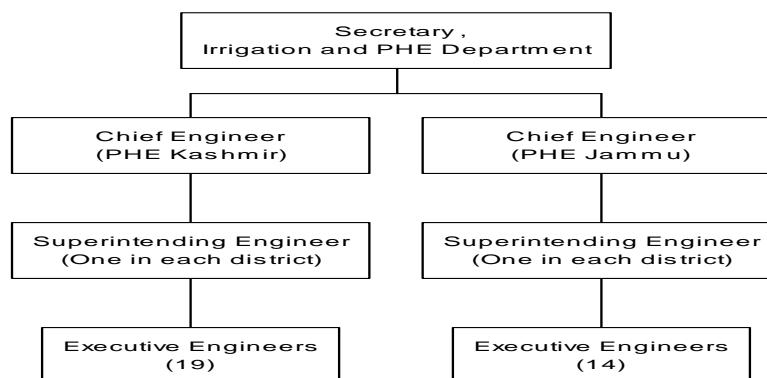
**(Paragraph: 4.2.19)**

## Introduction

**4.2.1** Rural Water Supply Programme in State was implemented under Minimum Needs Programme (MNP) by the State Government up to 1976-77. After introduction of Accelerated Rural Water Supply Programme (ARWSP) by the Central Government during 1997-98, rural water supply schemes are being implemented under both these programmes. The main objective of the programme is qualitative and quantitative upgradation of water supply schemes necessitated by factors like, schemes having outlived their designed period, rapid growth in population, source depletion, etc. Completion of ongoing rural water supply schemes is also undertaken under the programme.

## Organisational set up

**4.2.2** The organisational structure for implementation of MNP is given in the following chart.



## Audit coverage

**4.2.3** Implementation of MNP for the period from 1998-99 to 2002-03 was reviewed in audit from December 2002 to March 2003 by test-check of records of two Chief Engineers and 10<sup>β</sup> Executive Engineers (six districts) covering

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<sup>β</sup> Akhnoor, Kathua, Rural Jammu, Nowshera, Rajouri, Reasi, Samba, Udhampur, Rural Srinagar and Awantipora

expenditure of Rs 134.15 crore (39 *per cent*) out of total expenditure of Rs 348.09 crore incurred on the programme.

Important points noticed during test-check are brought out in the succeeding paragraphs.

### Allocation of funds and expenditure

**4.2.4** Funds for the programme are provided under district plan through District Development Commissioners (DDCs). The position of allocation of funds and expenditure thereagainst under the programme during 1998-99 to 2002-03 was as follows.

Table No 4.5

(Rs in crore)

Year	Allocation	Expenditure	Administrative expenditure	Percentage utilisation
1998-99	66.85	66.08	30.14 (46)	99
1999-2000	67.20	66.43	34.10 (51)	99
2000-2001	64.48	63.70	37.84 (59)	99
2001-02	75.43	72.58	37.61 (52)	96
2002-03	78.80	79.30	42.51 (54)	101
<b>Total</b>	<b>352.76</b>	<b>348.09</b>	<b>182.20 (52)</b>	<b>99</b>

(Figures in brackets represent percentage to total expenditure)

(Source: Departmental records)

Between 46 and 59 *per cent* of the total expenditure on the programme was incurred on administrative expenses during 1998-2003, leaving less funds for programme implementation. Following further points were observed.

### Rush of expenditure

**4.2.5** Expenditure incurred by nine<sup>#</sup> divisions in last quarter of financial years<sup>ψ</sup> 1998-2003 ranged between 28 and 100 *per cent*. The expenditure incurred in March alone ranged between 10 and 56 *per cent*. Rush of expenditure particularly in last quarter and in the month of March is regarded as poor financial management.

### Overbooking of expenditure

**4.2.6** Expired cheques are to be destroyed and new cheque in lieu thereof issued with its fact recorded on the date of its issue in red ink in the cash book. No monetary effect of the cheque is to be given in the cash book. Audit scrutiny of the records of Chief Engineer, Kashmir, however, revealed that Rs 4.04 crore on account of fresh cheques issued in lieu of time barred cheques of 1998-99 were charged again in the cash book against the allocations of 1999-2000. This resulted

<sup>#</sup> Rural Jammu, Nowshera, Akhnoor, Kathua, Reasi, Samba, Rajouri, Rural Srinagar and Awantipora.

<sup>ψ</sup> 1998-99: four divisions; 1999-2000: eight divisions; 2000-02: seven divisions.

in overstatement of the expenditure, curtailing availability of funds for execution of works during the period.

#### **Non-availing of loan facility**

**4.2.7** Funds allocated under the district sector included loan component during 2000-01. The Government sanctioned (March 2001) loan component of Rs 3.92 crore from LIC<sup>β</sup> for execution of 40 water supply schemes in five ♦ districts of the State. The assistance could not be availed of during 2001-03 due to non-preparation/submission of the detailed project reports by the concerned Executive Engineers to Government/LIC. Consequently, the amount was not released by the LIC resulting in delay in completion of envisaged schemes designed to cover a population of 3.55 lakh.

#### **Diversion of funds**

**4.2.8** Funds aggregating Rs 2.62 crore were diverted during the period from 1998-99 to 2002-03 to activities/items outside the scope of the programme as detailed below:

**Table No 4.6**

(Rs in crore)

<b>Name of Divisions</b>	<b>Amount</b>	<b>Remarks</b>
Rural Jammu, Kathua, Rajouri, Udhampur and Reasi	2.42	Payment of wages to daily wagers
Udhampur	0.20	Diverted to ARWSP

The diversion was attributed (March 2003) by the Chief Engineer, Kashmir/Executive Engineers (Reasi and Rural Jammu) to modification of district plans by the District Development Commissioners and allotment of insufficient funds to meet the wages of daily wagers.

#### **Programme planning**

**4.2.9** The Department had no mechanism for identification of villages/habitations with inadequate or without safe drinking water for being taken up under the programme. Action plans were prepared to the extent funds were allocated by the District Development Boards. As the schemes were sought to be completed within three years, funding of the schemes should have been done in such a manner to ensure their completion within the said period. Audit scrutiny of records of three divisions (Udhampur, Nowshera and Awantipora), however, revealed that annual allocation/expenditure on 18 schemes during the period 1998-2003 ranged between 2 and 28 *per cent* only of their estimated costs. Consequently, nine schemes were still under execution and the remaining nine were completed after a delay of 3 to 19 years.

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<sup>β</sup> Life Insurance Corporation of India

♦ Budgam, Anantnag, Pulwama, Baramulla and Kupwara

The criteria for taking up execution/upgradation of water supply schemes under MNP or ARWSP had also not been laid down.

The Department had not maintained consolidated records at the appex level indicating year-wise position of ongoing schemes, new schemes taken up and completed, population targeted and actually covered, etc.

#### **Non-achievement of targets**

**4.2.10** The targets in the two divisions (Jammu and Kashmir) were not fixed uniformly. In Kashmir Division, targets were fixed in terms of schemes and habitations; these were fixed in terms of villages, *Mohras*<sup>α</sup> and schemes in Jammu Division. The position of targets fixed for completion/upgradation of schemes and coverage of villages, *Mohras*/habitations during 1998-99 to 2002-03 (December 2002) and achievement thereagainst is given in *Appendix-9*. The shortfall in achievement of targets ranged between 6 and 100 *per cent* (Jammu Division) and 7 to 40 *per cent* (Kashmir Division) during the period 1998-2003 which was attributed by the two Chief Engineers to non-availability of funds.

#### **Unauthorised execution of schemes**

**4.2.11** Financial rules prohibit execution of works without administrative approval and technical sanction by the competent authority. 411 water supply schemes and 135 *Mohras* were taken up in 10 test-checked divisions for execution (estimated cost: Rs 110.63 crore) without administrative approval and technical sanction incurring expenditure of Rs 100.76 crore.

#### **Unplanned execution of water supply schemes**

**4.2.12** Various components of water supply schemes are to be executed on land without encumbrances and laying of water conductors is to be done from source to sink. In six divisions, ten schemes could not be made functional due to non-development of water source, unsafe drinking water and defective/non-laying of distribution system even after incurring expenditure of Rs 5.89 crore on their completion/upgradation as detailed below:

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<sup>α</sup> Hamlet

**Table No 4.7**

Name of Water Supply Scheme	Year of completion	Expenditure (Rs in lakh)	Year of upgradation	Expenditure on upgradation (Rs in lakh)	Remarks
Jasmota (Akhnoor)	1997-98	101.79	2000-01	(Under ARWSP) 33.58 (November 2002)	Defective laying of gravity main and only one village covered partly out of eight villages targeted.
(i) Palpora (ii) Shanglipora Palpora (iii) Bakshipora Kreshbal (Rural Srinagar)	1998-99 to 1999-2000	89.05	2001-02	(under ARWSP) 21.84 (November 2002)	Water of the tube wells dug under the schemes was unsafe for human consumption.
(i) Bani Khad (ii) Bupneir Gorh (Samba)	(i) 1994-95 (ii) 1998-99	78.43	1998-99	(under ARWSP) 41.12 (October 2002)	Improvement/augmentation of water supply could not be achieved due to non-development of tube wells.
Khanyara-II (Kathua)	1978-79	19.76	1992-93	5.82 (January 2003)	Drinking water facilities could not be provided due to inadequate availability of water from the source.
Kachachkote (Awantipora)	1996-97	33.15	1997-98	24.21 (2000-01)	Scheme is defunct due to depletion of source of water and laying of gravity mains on the disputed alignment.
(i) Kothian (Lift) (ii) Sombroh (Lift) (Nowshera)	(i) 1994-95 (ii) 1988-89	111.60	1997-98	(i) 7.00 (March 2002) (ii) 22.00 (March 1999)	Dispute over source of water/non-development of source of water.
<b>Total</b>		<b>433.78</b>		<b>155.57</b>	

These schemes could not be made functional despite being taken up for upgradation under MNP/ARWSP. The objective of supplying drinking water was thus not achieved even after lapse of 6 to 25 years rendering expenditure of Rs 5.89 crore thereon unfruitful. In addition, six water supply schemes executed by five<sup>¶</sup> divisions during 1987-88 to 2001-02 failed to bring envisaged improvement in water supply due to depletion/failure or non-development of water sources rendering the investment of Rs 1.30 crore thereon unfruitful.

#### **Cost overrun**

**4.2.13** The table below indicates cost overrun of Rs 9.79 crore in 93 schemes and 12 *Mohras* noticed in test-check of records of nine divisions.

<sup>¶</sup> Rural Jammu, Samba, Kathua, Rural Srinagar and Awantipora

Table No 4.8

(Rs in lakh)

Name of the Division	No of schemes/ Mohras		Original Estimated cost		Revised Estimated cost		Expenditure		Cost overrun	
	Schemes	Mohras	Schemes	Mohras	Schemes	Mohras	Schemes	Mohras	Schemes	Mohras
Udhampur	14	11	106.10	51.67	251.81	66.63	190.37	70.07	84.27 (79)	18.40 (36)
Rural Jammu	25	-	597.92	-	1039.41	-	835.82	-	237.90 (40)	-
Nowshera	2	1	44.50	1.50	154.16	16.00	51.99	2.82	7.49 (17)	1.32 (88)
Akhnoor	7	-	175.17	-	359.17	-	283.96	-	108.79 (62)	-
Rural Srinagar	9	-	411.23	-	602.83	-	640.16	-	228.93 (56)	-
Samba	2	-	81.68	-	166.21	-	85.13	-	3.45 (4)	-
Rajouri	1	-	7.81	-	16.81	-	16.80	-	8.99 (115)	-
Kathua	6	-	113.31	-	272.79	-	257.03	-	143.72 (127)	-
Reasi	27	-	566.96	-	936.21	-	703.03	-	136.07 (24)	-
<b>Total</b>	<b>93</b>	<b>12</b>	<b>2104.68</b>	<b>53.17</b>	<b>3799.40</b>	<b>82.63</b>	<b>3064.29</b>	<b>72.89</b>	<b>959.61 (46)</b>	<b>19.72 (37)</b>

(Figures in brackets indicate percentage of cost overrun)

The overall cost overrun of these schemes/Mohras was 46 and 37 per cent above the original estimates. The cost overrun of the individual schemes ranged between 15 and 517 per cent which was likely to increase with their completion. Executive Engineers of six<sup>♦</sup> divisions attributed cost overrun to inadequate funding of the schemes leading to time overrun and consequential escalation in the cost of labour/material.

#### Delay in completion of water supply schemes

**4.2.14** The basic objective of the programme is to provide safe and adequate drinking water within a fixed time-frame. 17 water supply schemes in two divisions (Rural Jammu & Kathua) taken up for execution between the years 1978 to 1993 were completed after delay of 2 to 18 years. 37 more schemes taken up during the period from 1987-88 to 1997-98 in three divisions (Rural Jammu, Kathua and Akhnoor) were incomplete as of November 2002, despite incurring expenditure of Rs 9.53 crore. The main reason for slow progress was improper planning and inadequate provision of funds for execution of the schemes by the Department.

#### Premature failure of water supply schemes

**4.2.15** The average life span of rural water supply schemes is 20 years. 74 schemes of five divisions<sup>▲</sup> executed between the years 1977-78 and 1996-97 at a

♦ Rural Jammu, Akhnoor, Samba, Rural Srinagar, Reasi and Rajouri  
▲ Udhampur, Nowshera, Akhnoor, Reasi and Rajouri

cost of Rs 24.43 crore became partly or fully defunct within 2 to 10 years of their completion due to source depletion, defective laying of distribution system and providing of inadequate infrastructure viz. non-construction of filtration plants, sump, service reservoir and overhead tank. This necessitated upgradation/improvement of 50 of these schemes during 1995-96 to 2001-02 at a cost of Rs 6.88 crore, out of which only 16 schemes were completed and 34 schemes were under execution (December 2002). The remaining 24 schemes were not taken up for their upgradation/improvement.

#### **Unreconciled store accounts**

**4.2.16** The Department adopted (1999-2000) the system of making allotment of funds directly to the Procurement Divisions for procurement of stores for its user divisions. These user divisions were required to lift the material against the annual allotment of funds made in their favour by the Department. Allotment of Rs 10.44<sup>&</sup> crore was made by Chief Engineer/Superintending Engineer, Jammu during the period 1999-2003 in favour of seven Divisions<sup>▼</sup>. The receipt of material thereof had not been monitored/reconciled (March 2003) by these user divisions.

#### **Unadjusted material at site accounts**

**4.2.17** Adjustment account of material (cost: Rs 1.60 crore) issued from stores of four divisions<sup>\*</sup> for various water supply schemes under the programme during the period from March 1995 to May 2002 was not rendered as of March 2003. The amount included outstanding of Rs 1.21 crore against 11 Junior Engineers of two<sup>β</sup> divisions transferred to other divisions and Rs 39 lakh against 36<sup>ξ</sup> water supply schemes. No action was taken (January 2003) by these divisions to retrieve the material or recover the cost thereof. Material at site accounts were not maintained by other five divisions<sup>▲</sup>.

#### **Non-replacement of worn out machinery and equipment**

**4.2.18** The Department had not formulated plans for phasing out/replacement of worn out machinery<sup>≠</sup> and equipment installed in various water supply schemes under the programme. In five<sup>π</sup> mechanical divisions, out of 190 units of worn out machinery (cost: Rs 4.05 crore) requiring replacement since 1998-99, only 47 units were actually replaced at a cost of Rs 1.06 crore during 1998-2003.

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<sup>&</sup> Mechanical Procurement Division, Jammu: Rs 9.66 crore, Drilling Division, Jammu: Rs 0.37 crore and Mechanical Division, Jammu: Rs 0.41 crore.

<sup>▼</sup> Rural Jammu, Samba, Udhampur, Akhnoor, Nowshera, Kathua and Rajouri.

<sup>\*</sup> Rural Jammu (Rs 88.60 lakh); Nowshera (Rs 19.36 lakh); Rural Srinagar (Rs 19.32 lakh) and Rajouri (Rs 32.55 lakh).

<sup>β</sup> Rural Jammu (three JEs): Rs 88.60 lakh; Rajouri (eight JEs): Rs 32.55 lakh.

<sup>ξ</sup> Rural Srinagar (31 schemes): Rs 19.32 lakh; Nowshera (five schemes): Rs 19.36 lakh.

<sup>▲</sup> Reasi, Samba, Udhampur, Akhnoor and Awantipora.

<sup>≠</sup> Booster Pumps, Sub-pumps, Mono block, etc.

<sup>π</sup> Udhampur, Akhnoor, Kathua, Rajouri and Rural Jammu.

Non-replacement of worn out machinery caused abnormal interruptions in the water supply. Superintending Engineer, Mechanical Rural Circle, Jammu stated (January 2003) that non-replacement of worn out machinery reduced the efficiency of water supply schemes to the extent of 25 to 80 *per cent*.

#### **Non-monitoring of the programme**

**4.2.19** The programme was neither monitored nor evaluated at any level by any external or internal agency. The State Government revived (February 1997) its Monitoring Cell in the office of the Chief Engineer, Kashmir which again remained non-functional during May 1999 to October 2002 when the Cell was again restarted by the Government. Physical inspection of 16 schemes was conducted (January 2003) by the Cell in six divisions of Kashmir province, but no follow-up action was taken (March 2003). No such inspections were conducted in Jammu Division by the Monitoring Cell.

#### **Conclusion**

**4.2.20** The programme largely failed to achieve its targets. Poor planning, inadequate allocation of funds, defective selection of water sources and unplanned/unauthorised execution of water supply schemes affected the programme resulting in cost/time overruns and premature failure of the schemes.

#### **Recommendations**

**4.2.21** A mechanism for identification of problem villages/habitations should be laid down. The schemes should be taken only after their technical sanction/administrative approval and arranging funds for their execution. Funding of the schemes requires to be done in such a manner so as to ensure their completion within stipulated period to avoid time and cost overruns.

The above points were referred to Government/Department in July 2003; reply had not been received (October 2003).



## **Section-B-Audit Paragraphs**

### **Irrigation and Public Health Engineering Department**

#### **4.3 Unfruitful expenditure on a tube well**

**Executive Engineer, Mechanical Division (South), Jammu failed to execute the ancillary works for commissioning the tube well rendering the expenditure of Rs 16 lakh unfruitful, besides incurring avoidable expenditure of Rs 2.88 lakh on water supply through tankers. The cost of finance on the idle asset worked out to Rs 7.68 lakh.**

The Executive Engineer, PHE (Mechanical) Ground Water Drilling Division, Jammu drilled (March 1999) a tube well with a discharge of 3000 gallons per hour, at a cost of Rs 16 lakh, for providing drinking water to three\* housing colonies at Channi Rama, Jammu. The well was handed over (March 1999) to Executive Engineer, Mechanical Division (South), Jammu for execution of connected ancillary civil and mechanical works like, construction of ground service reservoir, distribution system and pumping machinery. These works were not taken up by the division as a result of which the tube well was lying in cap-sealed condition (June 2003).

On this being pointed out (January 2003) in audit, the Executive Engineer, Mechanical Division (South), Jammu attributed the delay to non-according of administrative approval and technical sanction to the execution of ancillary works by the Chief Engineer. It was, however, observed that proposal for administrative approval was submitted by the Executive Engineer only in November 2002. Meanwhile, the people of the area were provided water through tankers at a cost of Rs 2.88 lakh (1999-2003) which was avoidable. The yield and life of the tube well lying in cap-sealed condition for a prolonged period was also likely to get adversely affected.

Thus, non-execution of ancillary works by the Executive Engineer for commissioning the tube well, rendered the expenditure of Rs 16 lakh unfruitful, besides incurring avoidable expenditure of Rs 2.88 lakh. The cost of finance on the idle asset worked out to Rs 7.68 lakh.

The matter was referred to Government/Department in August 2003; reply had not been received (October 2003).

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\* Channi Rama, Dorian *Mohalla* and Bhalla Enclave

#### 4.4 Infructuous expenditure on a water supply scheme

**Failure of the Chief Engineer to assess local requirements before taking up execution of drinking water supply scheme for the Basohli town resulted in infructuous expenditure of Rs 13.81 lakh on laying/dismantling of pipes, besides idle investment of Rs 5.71 lakh on pipes not retrieved from the abandoned site.**

Water supply to various areas including Basohli town in Tehsil Basohli got affected as the sources, distribution networks, etc. of the existing water supply schemes got submerged following the construction of Ranjit Sagar Dam. The Chief Engineer, Public Health Engineering, Jammu approved (November 1997) an alternate arrangement (estimated cost: Rs 73.92 lakh) for water supply to Basohli town which included construction of intake structure at the Behani Nallah (source) and laying of 21.5 kms of new independent gravity main from the source. The work on the alternate scheme for Basohli town was taken up by the Executive Engineer in December 1997. The people served by the source, apprehending likely shortage of water in their area, opposed its tapping for the said scheme and damaged 1600 metres of gravity main. Following repeated protests by the people, the Department, finally decided (May 1999) to abandon the work and look for some alternate source.

Thus, failure of the Chief Engineer to understand local sentiments before taking up the scheme for execution, resulted in infructuous expenditure of Rs 13.81 lakh on laying/dismantling of pipes and cost of damaged/missing pipes. Pipes costing Rs 5.71 lakh were yet to be retrieved from the site rendering the investment idle.

The matter was referred to Government/Department in July 2003; reply had not been received (October 2003).

### Power Development Department

#### 4.5 Injudicious purchase of 11 KV isolator sets by Chief Engineer Procurement and Material Management (PDD) Jammu

**Chief Engineer, Procurement and Material Management (PDD), Jammu purchased 11 KV isolator sets without assessing the actual requirement, which resulted in locking of Rs 18 lakh due to their non-utilisation. The interest cost on the locked amount worked out to Rs 5.11 lakh.**

Financial rules provide that purchase of stores should be made in accordance with definite requirements of public service as purchases in advance/excess of requirement involved locking of Government money.

Test-check (June 2002) of the records of the Executive Engineer, Electric Central Stores Division, Pampore, Srinagar revealed that the Chief Engineer, Procurement and Material Management, Jammu placed (September 1995) an order for supply of 500 sets of 11 KV isolators (cost: Rs 21 lakh) with a Srinagar based firm notwithstanding the fact that 202 such sets were already available in stock of the Division. The firm which was to complete the supply during 1995-96, failed to make delivery up to 1997-98. Though there was no demand during the period from 1995-96 to 1997-98, the Chief Engineer instead of cancelling the contract extended the delivery period twice up to July 1998 and November 2000. The isolators were received in 1998-99 (200 sets) and 2000-01 (300 sets) for which payment of Rs 18 lakh was made (July 1998 to November 2001) to the firm. Out of a total 702 isolator sets, only 19 sets were issued to user divisions during 1998-2002 leaving 683 sets in stock (May 2002).

Thus, purchase of additional isolators without assessing the actual requirement was injudicious resulting in locking of Rs 18 lakh. The interest cost of borrowing such funds amounted to Rs 5.11<sup>ψ</sup> lakh (May 2002).

The matter was referred to Government/Department in March 2003; reply had not been received (October 2003).

#### **4.6 Unfruitful expenditure on purchase of energy meters**

**Chief Engineer, System and Operation purchased energy meters without ensuring their suitability with the existing transmission system rendering the expenditure of Rs 50.63 lakh made thereon unfruitful.**

To monitor transmission losses, the Department conceived (November 1994) a project for providing solid state energy meters on feeders emanating from 220, 132 KV grid/receiving stations in the State. The number of meters as per the decision (September 1996) of the Contract Committee-II of the Department was not to exceed 180 and these were to be purchased from two identified firms in the ratio of 70:30.

Test-check (January 2002) of the records of the Load Despatch and Meter Testing Division (LDMTD), Jammu revealed that the Chief Engineer, System and Operation (S&O) in violation of the instruction of the Contract Committee placed orders (August 1997/September 1997) for supply of 299<sup>ζ</sup> Trivector Static Energy Meters (TSEMs) with a Pune based firm<sup>&</sup> for completion in two months. The firm supplied 126 meters (cost: Rs 21.25 lakh) in November 1997 which were commissioned between January and June 1998. Notwithstanding the unsatisfactory performance of these meters, the Department accepted (December 1998 to March 1999) further supply of 173 meters

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<sup>ψ</sup> Worked out at the minimum borrowing rate (overdraft) of the State Government

<sup>ζ</sup> Jammu: 149; Kashmir: 150

<sup>&</sup> One of two identified firms

(cost: Rs 29.38 lakh) even 13 months after the stipulated date of supply. Of these, 145 meters were installed (April to December 1999) at various grid/receiving stations, which also did not perform satisfactorily. The remaining 28 meters (cost: Rs 4.74 lakh) were lying unutilised in the divisional stores (July 2003). On this being pointed out in audit, the Chief Engineer (S&O) stated (June 2003) that due to defective functioning of the meters, implementation of the programme had been stopped.

Thus, purchase of TSEMs by the Chief Engineer (S&O) without ensuring their suitability with the existing transmission system resulted in unfruitful expenditure of Rs 50.63 lakh, besides non-achievement of the intended objective.

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

#### **4.7 Purchase of stores in excess of requirement**

**Chief Engineer, Electric Planning and Designs Wing (PDD), Jammu purchased feeder control and relay panels in excess of requirements resulting in locking of Rs 17.13 lakh for over four years.**

Financial rules of the Government provide that purchase of stores for public service should be made in accordance with definite requirements of public service and that purchases in advance or in excess of requirements should be avoided as it involves locking of Government money.

Chief Engineer, Electric Planning and Designs Wing, Jammu purchased (January 1999) seven duplex type 132 KV feeder control and relay panels (cost: Rs 29.97 lakh) from a Tamil Nadu based firm against actual requirement of three feeder panels for Grid station Miran Sahib (two) and Kalakote bay at Gladni (one) projected (March 1998) by the Executive Engineer, Transmission Line Maintenance Division (TLMD)-II Gladni, Jammu. Out of seven feeder panels, three panels were installed leaving four panels (cost: Rs 17.13 lakh) unutilised (March 2003) in stores. On this being pointed out in audit (December 2002) the Executive Engineer, TLMD-II Gladni stated (March 2003) that the remaining four panels would be installed in near future.

Thus, purchase of feeder panels in excess of the requirements in violation of financial rules by the Chief Engineer, resulted in locking of Rs 17.13 lakh for over four years. The cost of locked amount to Government worked out to Rs 8.83 lakh<sup>€</sup>.

The matter was referred to the Government/Department in April 2003; reply had not been received (October 2003).

<sup>€</sup> Calculated at the minimum borrowing rate of 12 per cent per annum during 1999-2003.

#### **4.8 Idle investment on construction of receiving stations**

**Failure of the Executive Engineer, Sub-Transmission Division, Udhampur to submit reimbursement claims to Rural Electrification Corporation, resulted in non-release of balance funds under the scheme and consequent non-completion of the work and idle investment of Rs 96.45 lakh. Cost of idle investment amounted to Rs 78.44 lakh.**

To improve the existing transmission system and to save energy losses, Rural Electrification Corporation (REC) approved “System Improvement Scheme Assar-Ded-Peth” for completion by March 1999. The scheme estimated to cost Rs 2.42 crore, was to be financed through a loan<sup>^</sup> from REC. Twenty *per cent* of the loan was to be released by the REC on completion of the loan documents by the Executive Engineer, Sub-Transmission Division, Udhampur and the balance on reimbursement basis. The scheme involved construction of two new receiving stations (at Assar and Ded-Peth) and augmentation of the existing receiving station at Kishtwar in Doda District.

Audit scrutiny (October 2002) of the records of Executive Engineer, Sub-Transmission Division, Udhampur revealed that the work on the scheme was taken up during 1995-96 and only one receiving station (Ded-Peth) had been completed (cost: Rs 95.55 lakh) ending March 1998. The remaining work (Assar) had not been completed as of March 2003, owing to non-submission of reimbursement claims to REC and consequent shortfall in availability of funds. A total expenditure of Rs 1.92 crore was incurred on the scheme, out of which Rs 1.71 crore were funded by REC.

Failure of the Executive Engineer to submit reimbursement claims to REC rendered the investment of Rs 96.45 lakh idle. The cost of idle investment amounted to Rs 78.44 lakh. The objective of saving power losses assessed at Rs 18.96<sup>\*</sup> lakh during the period from April 1999 to March 2003 was also not achieved.

The matter was referred to Government/Department in July 2003; reply had not been received (October 2003).

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<sup>^</sup> Annual interest rate 16 *per cent*; repayable in seven years.

<sup>\*</sup> Calculated at purchase cost of power for 1999-2000.

## Roads and Buildings Department

### 4.9 Idle investment on an incinerator

**The Superintending Engineer (R&B), Kargil failed to plan and complete the civil works of the incinerator which resulted in idle investment of Rs 26.40 lakh for over five years, besides non achievement of intended objectives.**

With a view to providing cleaner environment in Kargil town, the Superintending Engineer, Public Works Department (R&B), Kargil proposed (March 1996) installation of two incinerators to Tourism Department, for scientific disposal of the non-biodegradable garbage produced in the town. The incinerators were proposed to be run by Notified Area Committee (NAC), Kargil or through Mechanical Division, Kargil. Installation of only one incinerator was approved and funds aggregating Rs 26.40\*lakh provided by the Tourism Department.

The work relating to procurement of plant and equipment (Rs 10.90 lakh), civil and electrical components (Rs 11.64 lakh), installation (Rs 4.84 lakh) and successful commissioning was completed by the Executive Engineer, Mechanical Division, Kargil in March 1998. Due to non-completion of flooring of the incinerator shed, the incinerator was handed over to NAC Kargil only in April 2003 that too after being pointed out by Audit (February 2003). The machine had, however, not been put to use as construction of the garbage dumping pit had not been completed (September 2003). This rendered the investment of Rs 26.40 lakh on the incinerator idle for over five years, besides non-achievement of intended objectives. The cost of idle investment to the Government worked out to Rs 19.48<sup>&</sup> lakh.

The matter was referred to Government/Department in February 2003; reply from the Government had not been received (October 2003).

### 4.10 Locking of money

**Executive Engineer, R&B Division, Udhampur irregularly advanced Rs 1.03 crore to Small Scale Industries Development Corporation mainly to avoid lapsing of funds which resulted in locking of Rs 68.94 lakh. The cost of locked up funds amounted to Rs 17.96 lakh.**

Designated purchasing officers of the Government are authorised to make advance payments to Government owned corporations/undertakings for purchase of stores against documents of cost, freight and incidental charges of

\* 1995-96: Rs 10.90 lakh; 1996-97: Rs 5.50 lakh and 1997-98: Rs 10 lakh.

& Worked out at the minimum borrowing rate (overdraft) of State Government during 1996-2003.

stores without obtaining prior sanction of the competent authority subject to availability of funds.

Audit scrutiny (August 2002) of records of the R&B Division, Udhampur revealed that Executive Engineer, R&B Division (not the designated officer), unauthorisedly advanced Rs 1.03 crore to Jammu and Kashmir Small Scale Industries Development Corporation (a Government company) from February 2000 to March 2002 for supply of cement, BA wire crates and R.C.C hume-pipes with accessories. Of this, Rs 67.56 lakh were advanced in March 2001 and March 2002 to avoid lapse of funds. As of March 2003, cement and BA wire crates for Rs 34.13 lakh only were received (May 2002 to November 2002) thereby locking Rs 68.94 lakh with the company.

Thus, advancing of the money by the Executive Engineer, mostly to avoid lapsing of funds and subsequent incomplete supply of material by the company, resulted in locking of Rs 1.03 crore up to April 2002 and at least Rs 68.94 lakh thereafter. The cost of locked funds worked out to Rs 17.96 lakh (March 2003).

The matter was referred to the Government/Department in August 2003; reply had not been received (October 2003).

#### **4.11 Wasteful expenditure due to defective planning**

**Executive Engineers, R&B Division, Basohli and Suru Valley Division, Sankoo executed works on two foot suspension bridges without obtaining administrative approval and later abandoned them, resulting in wasteful expenditure of Rs 12.80 lakh.**

Executive Engineers, R&B Division, Basohli and Suru Valley Division, Sankoo without obtaining administrative approval executed works on two foot suspension bridges and later abandoned them resulting in wasteful expenditure of Rs 12.80 lakh as discussed below:

Executive Engineer, R&B Division, Basohli took up (1997-98) the construction of two abutments (estimated cost: Rs 7.83 lakh) of foot suspension bridge (estimated cost: Rs 95 lakh) over Bheeni nallah, at village Ladnoo (Tehsil Billawar) through a contractor for completion in six months. The work could not be completed within the stipulated period due to change in design, shortage of blasting material, poor performance of contractor, etc. and was abandoned in April 2001, after incurring expenditure of Rs 6.75<sup>≠</sup> lakh. Subsequently, it was decided (November 2001) to construct a 230 metre span girder motorable bridge under Central Road Fund Programme, 10 metres downstream of the existing site, rendering the expenditure of Rs 6.75 lakh infructuous.

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<sup>≠</sup> Includes unpaid liability of Rs 0.63 lakh.

Similarly, Executive Engineer, Suru Valley Division, Sankoo took up construction of abutments (estimated cost: Rs 7.37 lakh) of 120 feet span foot suspension bridge (estimated cost: Rs 15.83 lakh) over Itchoo nallah at Pattoo Barsoo in October 1997. After executing works up to Rs 6.05 lakh, work was stopped (October 1997) following the demand of the local people for relocating the bridge in proximity to their villages. The work was abandoned and construction of 20 metre span steel girder motorable bridge, 200 metres upstream of the existing site taken up during 2001-02 by the Division. This rendered the expenditure of Rs 6.05 lakh on the foot span bridge wasteful.

The matter was referred to Government/Department in August 2003; reply had not been received (October 2003).

#### 4.12 Injudicious purchase of wheel loaders

**Chief Engineer, Mechanical Engineering Department, Jammu without assessing actual requirement of Mechanical Divisions Jammu, Khellani (Doda) and Udhampur purchased three wheel loaders which resulted in idle investment of Rs 41.73 lakh.**

Chief Engineer, Mechanical Engineering Department, Jammu without assessing the actual requirement placed an order (November 1998) with Bharat Earth Movers Limited for supply of three BL-06 wheel loaders one each for Jammu, Khellani (Doda) and Udhampur Mechanical divisions, at a cost of Rs 38.25 lakh (excluding excise duty and central sales tax). The supply was to be made by the firm within 2 to 4 weeks which was extended up to March 1999.

Audit scrutiny (October 2001/January 2002) of records revealed that the wheel loaders were received by the Mechanical Division, Jammu in March 1999 and by the mechanical divisions, Khellani (Doda) and Udhampur in April 1999 against which payment of Rs 41.73<sup>‡</sup> lakh was made by the respective divisions. The loaders were not put to use except for a brief period of 169 hours (Jammu Division: 137 hours; Udhampur Division: one hour; Khellani (Doda): 31 hours) against 21166<sup>\*</sup> hours available (March 2003). Non-utilisation of the machines was attributed by the divisions to low demand.

Thus, purchase of the wheel loaders by the Chief Engineer without assessing their actual requirement resulted in idle investment of Rs 41.73 lakh for over four years. The cost of idle investment to the Government worked out to Rs 13.54<sup>▲</sup> lakh.

The matter was referred to the Government/Department in March 2003; reply had not been received (October 2003).

<sup>‡</sup> Including Excise Duty and CST.

<sup>\*</sup> Based on the norm of 2000 working hours per annum.

<sup>▲</sup> Worked out at the minimum borrowing rate (overdraft) of the State Government .