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CHAPTER-5 OTHER DEPARTMENT

5.1 Miscellaneous Works Advances

5.1.1 Accounting Set up

'Miscellaneous Works Advances' (MWA) is a suspense head of account, intended to record transactions in the divisions on account of (i) sales on credit, (ii) expenditure incurred on deposit works in excess of deposit received, (iii) losses, retrenchments, errors, etc. and (iv) other items of expenditure, the allocation of which is not known or which are required to be recovered or regularised. Items in the MWA are cleared either by actual recovery, or by transfer, under proper sanction or authority to some other head of account. Recoverable amounts which may become irrecoverable should not be so transferred until ordered to be written off. The Executive Engineers (EEs) are responsible for prompt clearance of the suspense by recovery/transfer of the amounts involved.

5.1.2 Outstanding balances

MWA of Rs.276.11 crore was outstanding in 381 Divisions as of March 2000.

The Public Accounts Committee (PAC) in its 76th Report (December 1996) regretted that effective steps had not been taken to recover outstanding MWA as recommended in its 37th Report (April 1977) and desired that the officers be made personally responsible for recovery/adjustment, which should be completed in the next six months. No action has, however, been taken by the Department against the officials/officers responsible for non-recovery/non-adjustment of MWA, so far (August 2000). Test-check of monthly accounts of 381 Divisions revealed that Rs.276.11 crore (Public Health Engineering Department (PHED): Rs.107.38 crore, Public Works Department (PWD): Rs.95.33 crore and Water Resources Department (WRD): Rs.73.40 crore) was lying outstanding (March 2000) under the head. In 27 divisions test-checked 4261 items pertaining to the period from 1954 to 2000, involving Rs.22.66 crore was outstanding (PHED: Rs.12.39 crore, PWD: Rs.5.98 crore and WRD: Rs.4.29 crore) for recovery/adjustment on account of sales on credit (Rs.6.38 crore), expenditure incurred on deposit works in excess of deposits received (Rs.9.23 crore) and other items (Rs.7.05 crore). Of this, MWA of Rs.24.66 lakh was recovered (PWD) between April-July 2000. Such huge amounts remained outstanding under MWA suspense for a period extending upto 45 years due to non-initiation of action and rigorous pursuance by the EEs concerned for their adjustment, lack of monitoring by higher authorities and wrong booking of transactions not intended to be recorded under the head. These and other irregularities noticed during test-check of 27 divisions are discussed in the succeeding paragraphs. The abnormal delay in recovery/adjustment increased the risk of the amounts becoming irrecoverable and of misclassifications, misappropriations, losses, etc. remaining undetected.

5.1.3 Incorrect reporting in accounts.

Details of outstanding balances of Rs.19.54 crore were not available in divisional registers.

(i) It was noticed that details of unadjusted balances as on March 2000 (Rs.9.53 crore) under MWA appearing in divisional registers fell short of the unadjusted balances (Rs.29.07 crore) reported to the Accountant General (Accounts & Entitlement)-I, Madhya Pradesh [AG (A&E)] in the monthly accounts (March 2000) by Rs.19.54 crore (appendix-X). As a result of details not being available in divisional registers, recovery/adjustment of Rs.19.54 crore would not be possible. When pointed out, the concerned divisions stated (March-May 2000) that differences between the two sets of figures would be reconciled. In view of the fact that the details of MWA were not available and the items were old, such reconciliation hardly seemed possible.

MWA of Rs.1.24 crore remained out of Government account in 10 divisions.

(ii) Test-check of 10 divisions revealed that unadjusted balances under MWA in the monthly account (March 2000) fell short of the details available in the registers by Rs.1.24 crore. Thus, MWA of Rs.1.24 crore remained out of the State accounts and would escape recovery/adjustment.

5.1.4 Irrecoverable MWA

Rs.12 lakh were not accounted for in three divisions.

MWA outstanding in three divisions at the time of their closure: (i) Dhuty Left Bank Canal Dn No.3, Balaghat (October 1994: amount not available), (ii) Kaliyasot Head Work Canal Dn, Bhopal (Rs.10.73 lakh) and (iii) WR Survey Dn, Chhindwara (Rs.1.27 lakh) was not included in the accounts of the divisions to which the work of these Divisions was transferred viz Wainganga Dn, Balaghat, Water Resources Dn, Bhopal and Chhindwara, respectively. As a result, MWA of at least Rs.12 lakh was lying (May 2000) outside Government accounts and would escape adjustment.

5.1.5 Expenditure incurred in excess of budget allotment in MWA

Contrary to the rules and the PAC recommendation (December 1996) referred to in paragraph 5.1.2 above, an amount of Rs.29.31 lakh incurred in excess of budget allotment by the EE, WR Wainganga Dn, Balaghat (February 1977 to December 1988) was lying unrecovered/unadjusted under MWA (May 2000). Despite PAC's recommendation an amount of Rs.35,284 was further placed under MWA (March 1992: Rs.8,612 and February 1998: Rs.26,672).

5.1.6 Excess expenditure on deposit works

Expenditure of Rs.9.23 crore in excess of deposits was outstanding over 5 to 20 years.

As per para 13.4.3 of Central Public Works Account (CPWA) Code, outlay on deposit works is to be limited to amounts of deposits received and any expenditure incurred in excess of deposits, should be recovered at once. It was noticed in 29 cases that an expenditure of Rs.9.23 crore (PHED: Rs.8.96 crore and PWD: Rs.0.27 crore) was incurred in excess of deposits was lying under MWA for the past 5-10 years (8 cases), 10-15 years (11 cases), 15-20 years (8 cases) and over 20 years (2 cases). Although approval of the Government to execute the work in excess of deposit was required, it was not on record and no steps were taken for the recovery/adjustment of the MWA.

5.1.7 Advances/Dues awaiting recovery/adjustment from

(i) Government officials

Rs.1.71 crore outstanding against 1715 officials/ officers were not shown in their LPC.

Of Rs.1.71 crore outstanding (March 2000) against 1715 individual officials/ officers in the test-checked divisions, Rs.0.99 crore were outstanding against 1383 individuals for the last 6 years and more. The EEs neither mentioned the amount of MWA recoverable from the officials/officers in their Last Pay Certificates (LPCs) at the time of their transfer, nor had any information regarding their present place of postings and whether the employees concerned were still (May 2000) in Government service or had retired/expired. When the EEs of certain WR Divisions approached Engineer-in-Chief (E-in-C), WRD, Bhopal to ascertain present posting of the officials against whom MWA was outstanding, the E-in-C, instructed (February 2000) that enquiring present addresses of officers/officers was a wrong practice and the Divisions should take action at their end for recovery/adjustment of amount. It was not clear how recovery of MWA could be effected from such officials whose addresses/present postings were not known to the Divisions. In addition MWA of Rs.0.16 crore for the period upto March 2000 was outstanding (August 2000) against 34 sub-divisional Officers (SDOs) for unauthorised execution of work. In addition, details of 209 officials against whom Rs.4.64 lakh was outstanding (August 2000) were either illegible or not recorded at all.

(ii) Contractors

No action was taken for recovery of Rs.1.72 crore outstanding against 463 contractors except in 22 cases.

Contractual provisions empower the departments to take over incomplete work from any defaulting contractor and to get them completed from any other agency at the risk and cost of the original contractor. It was, however, noticed that an amount of Rs.1.72 crore (March 2000) was outstanding against 463 contractors on account of extra cost/cost of material issued, for recovery/adjustment for periods extending upto 1957. No action was taken/initiated (except in 22 cases)* for the recovery of the outstanding amount from contractors under Revenue Recovery Act. When pointed out, the EEs inter-alia stated that the cases were being reviewed and action would be taken.

(iii) Suppliers/firms

Rs.2.07 crore outstanding against 584 suppliers were not adjusted.

MWA of Rs.2.07 crore was outstanding for recovery/adjustment on March 2000 against 584 suppliers/firms. Non-adjustment of outstanding items indicated the supplies were either not received or not adjusted in the MWA suspense account on receipt. On this being pointed out, the EEs stated that the items being very old, require verification. Supplies might have been received but adjustments not carried out. They further stated that action would be taken against defaulting officers in due course.

* Kanhargaoon Tank Project Dn, Chhindwara - 5 cases
 PWD Maint.) Dn I, Bhopal - 2 cases
 PWD (B&R) Dn II, Jabalpur - 15 cases

(iv) Other divisions/departments

Materials for Rs.6.38 crore were supplied to other Divisions/ Departments in violation of Government instruction.

Despite Government instructions (April 1984) to transfer material to other Divisions/Departments on cash and carry basis, material worth Rs.6.38 crore was supplied to other divisions/departments on credit till March 2000 by the EEs. There was no Government sanction relaxing the instructions. Booking such transactions under MWA to 'Sales on Credit' was thus unauthorised for which no reasons were on record. The receiving Divisions/Departments failed to make payment, leaving the amount outstanding.

(v) Land Acquisition Officers

Advances to LAOs for Rs.0.47 crore were outstanding for 2 to 39 years.

Paragraph 10.5.13 of Central Public Works Accounts Code (CPWA) provides for the opening of a suspense account for Major estimates to record transactions of temporary character which, inter-alia, include advance payments to Land Acquisition Officers (LAOs) for land acquisition. Despite this provision, it was noticed that advances of Rs.0.47 crore given to LAOs (Chhindwara: Rs.4.99 lakh, Balaghat: Rs.21.75 lakh and Seoni: Rs.20.10 lakh) between June 1961 and September 1998 were incorrectly debited to MWA and lying unadjusted (May 2000) for the past 25 to 39 years (3 cases) and 2 to 15 years (8 cases). In one case, an advance of Rs.1.49 lakh was defalcated (1986) and the departmental enquiry initiated was closed due to death of the LAO concerned. A proposal for its write off submitted (February 1997) by the Superintending Engineer, Pench WR Circle, Chhindwara to Chief Engineer (CE), Wainganga Basin, Seoni was awaiting sanction (May 2000).

5.1.8 Fictitious recoveries of Tools & Plants (T&P)

One division placed outstanding recovery of T&P for Rs.10.23 lakh under MWA and reported as recovered to Government.

Mention was made in paragraph 1.11 of the C&AG's Report for the year 1990-91 that T&P worth Rs.50.76 lakh were not received back from the officials to whom these were issued nor were these handed over by them to their successors on their transfer. The E-in-C, WRD, Bhopal instructed (January 1993) that the value of T&P not returned/handed over should be mentioned in the LPC of the official concerned at the current rates by the Division concerned. It was however, noticed that the CE, Wainganga Basin, WRD, Seoni advised (October 1994) that the outstanding recovery on account of T&P mentioned in paragraph 1.11 *ibid* be adjusted through transfer entry by placing the amount recoverable under MWA against the official concerned and in respect of officials who have been transferred, revised LPCs be issued. It was, however, noticed that the EE, WR Dn, Chhindwara placed (October 1994 to November 1995) an amount of Rs.10.23 lakh being the cost of T&P recoverable from officials concerned under MWA without issuing revised LPCs or recovering the cost of T&P which was still (August 2000) lying outstanding. Thus simply by placing the amount under MWA against the concerned officials without effecting actual recovery for the shortage of T&P and non-issuing of revised LPCs, showed as though the recovery was effected, while actually it remained to be recovered, but was fictitiously reported as recovered (May 1995) to Government.

5.1.9 Non-maintenance/irregular maintenance of accounts record.

(i) A detailed account showing the nature of transactions with their voucher numbers and reasons of debiting them under MWA are to be kept by the divisional office in respect of (i) sales on credit (ii) losses, retrenchment, errors etc. and other items in Form CPWA-67 of Suspense Register. Test check revealed that these records relating to MWA were not maintained in the prescribed form and only consolidated figures of balances under MWA were shown in the Suspense Register. This would not enable a proper watch to be kept on recovery/transfer and also facilitate incorrect booking including losses/misappropriations under MWA.

(ii) Para 22.4.15 and 22.4.16 of CPWA Code require that details of MWA be prepared in the prescribed Form 70 and submitted with the monthly account to AG (A&E). It was, however, noticed that EEs of 79 divisions (PHED: 21, PWD: 32 and WRD: 26) have not submitted the Schedule of MWA in Form-70 and the list of items outstanding under suspense head for more than six months with the account of March 2000, thereby neglecting the maintenance of records in respect of MWAs.

Recommendations

- 1 CEs should ensure that the detailed accounts of transactions recorded under MWA are now compiled with reference to relevant vouchers by Divisions under a time bound programme.
- 2 Prompt steps should be taken to recover/adjust the amount lying outstanding against various serving/retired officers and suppliers. Action taken and progress of recovery/adjustment should be reviewed quarterly by the CEs.
- 3 The transactions booked under the head should be reviewed monthly by the EEs to expedite clearance and ensure that un-authorised transactions are not booked under the head.
- 4 Transactions lying unadjusted for more than one year should be thoroughly investigated to ensure that misappropriation of money and material has not taken place.
- 5 E-in-C should help in the recovery process from individual officers by supplying their present information to divisions concerned.

The matter was reported to Government in June 2000; reply had not been received (October 2000).

5.2 Drawal of funds without immediate requirement and booking of expenditure without cash transactions through ‘nil’ payment vouchers

Owing to deficient expenditure control mechanism, Rs.40.15 crore were irregularly retained in Deposit and shown as spent during 1996-97 to 1998-99 to avoid lapse of budget grant. The amount was actually spent during subsequent years without revised budget appropriation and in violation of Financial Rules.

The Finance Department (FD), Government of Madhya Pradesh (GOMP) issued (December 1984) directions to the Engineer-in Chiefs (E-in-Cs) and Chief Engineers (CEs) to plan their contracts and works in such a manner that there would be no pending bill for any year for payment after 15 March. It was also enjoined upon that no cheques should be issued after this date. In January 1996, the FD further stipulated that the expenditure booked should in no case exceed the available allotment even if whole or part of the amount was to be credited in deposit. Para 284 of Madhya Pradesh Treasury Code stipulates that no money should be drawn from Government Treasury unless required for immediate use.

The Accountant General (Accounts and Entitlement) I (AG (A&E) I), Madhya Pradesh noticed that in violation of these instructions, Rs.40.15 crore were drawn and kept in deposit by the Works Departments during the years 1996-97 to 1998-99. A test-check of vouchers of such diversion of funds under 3 major heads of account revealed as under:

The Executive Engineer (EE), Water Resources Division, Datia on the directions of the Department of Water Resources, GOMP, drew Rs.11.95 crore on 31 March 1999 without any immediate requirement. The expenditure was booked to the Central Assistance under Accelerated Irrigation Benefit Programme under Grant No. 23, Major Head 4701; Capital Out Lay on Major and Medium Irrigation Scheme, Rajghat Project, by crediting the same to Major Head 8443 Civil Deposits, Public Works Deposits as detailed below:

Name of Division	Grant No.	Major Head	Name of Project	Amount (Rs. in crore)	8443 Civil Deposit (Rs. in crore)	Remarks
Water Resources Division, Datia	23	4701	Rajghat Project, Assistance under Accelerated Irrigation Benefit Programme	11.50	11.50	Allotment released by FD on 26 March 1999. WRD ordered it under the head “8443 Civil Deposit”
Water Resources Division, Datia	23	4701	Government share to Betwa River Board, Jhansi	0.45	0.45	Payment to BRB kept in 8443 Civil Deposit.
Total				11.95	11.95	

Executive Engineers of the following divisions also carried out similar transactions on the grounds of non-availability of drawing and disbursing

powers due to ban on payments after 15 March. Particulars of the divisions, Grants, Major Heads and the amount involved etc. of the vouchers test-checked are given below:

(Rupees in crore)

Name of Division	Grant No.	Major Head	Name of Project	Amount	8443 Civil Deposit	Remarks
PWD NVDA ISP Dn. 2, Barwaha	48	4801	Indira Sagar Project	1.43	1.38	Amount of contractors and suppliers bills, after adjusting the deductions, kept in Civil Deposit.
PWD NVDA ISP Reh Dn. 2, Khandwa	48	4801	Indira Sagar Project	0.16	0.16	-do-
PWD NVDA SSP Dn. 2, Barwani	48	4801	Sardar Sarovar Project	0.72	0.66	-do-
MPPWD Bridge Dn, Rewa	24	5054	Roads and Bridges	0.04	0.04	-do-
MPPWD Bridge Dn, Rewa	42	5054	Roads and Bridges	0.39	0.37	-do-
Total				2.74	2.61	

Scrutiny of the vouchers revealed that the divisions did not plan the works so as to make the payments before 15 March 1999. The Divisions, by booking the expenditure to the service head and crediting to Civil Deposit avoided the lapse of budget grant, bypassing the Letter of Credit (LOC) system. The very purpose of issue of LOCs for each work to have strict control of expenditure was defeated by booking the expenditure without any cash transaction. The cash transactions were effected in the subsequent financial years without affecting the budget provision by withdrawing the amounts from Civil Deposits and making payment to the contractors and suppliers.

Under the financial rules, instead of booking the expenditure of Rs.40.15 crore over the period 1996-99, the amount should have been allowed to lapse to Government and provided for in the budget for the subsequent year.

Matter was reported to Government in March 2000; reply was awaited (October 2000).

NARMADA VALLEY DEVELOPMENT DEPARTMENT

5.3 Excess payment of price escalation on steel

Payment of inadmissible price escalation to a contractor and higher payment for hydraulic hoists resulted in excess payments of Rs.12.96 lakh and Rs.70.81 lakh

The work of design, fabrication, supply and erection of gates and hoists for diversion and goose neck tunnel of Indira Sagar Project, was awarded (August 1988) by the EE Narmada Development (E/M) Division No.15, Narmada Nagar on item rate contract for Rs.1.42 crore (i.e. 142.10 percent above the estimated cost) plus sales tax for completion by February 1990. Owing to the delay in approval of design head, number of grooves etc., by the Central Water Commission and the construction work by Civil Division, the CE, Indira Sagar Project, Khandwa accorded (April 2000) permission for completion of work by June 2000. Payment of Rs.2.19 crore had been made till March 2000.

As per agreement, the contractor was required to supply the hydraulic hoists of suitable capacity for operation of 6500 x 8000 mm tunnel gates at a cost of Rs.20.69 lakh per set. The capacity of hydraulic hoist was decided (November 1993) by CWC as 280 and 123 tonnes. The contractor was paid Rs.1.12 crore for the hydraulic hoist on the basis of actual cost of procurement plus 10 percent (sanctioned February 1993) by NVDA. This resulted in excess payment of Rs.70.81 lakh in violation of the agreement.

According to the contract, any increase in prices by Steel Authority of India Limited (SAIL) or any authority empowered by the Government of India after August 10, 1987 would be reimbursed on production of documentary evidence. It was seen (April 1997) in audit that although the increase in steel prices (including Excise Duty, Sales Tax etc on the base date price and actual purchase invoice rates of SAIL) worked out to Rs.27.37 lakh, the payment on this account to contractor was for Rs.40.33 lakh, which entailed an excess payment of Rs.12.96 lakh.

On this being pointed out, the CE admitted the excess payment and stated (June 2000) that the recovery had been effected from 24th running bill paid to the contractor in March 2000. He further stated that responsibility for making excess payment was yet to be fixed as of June 2000.

The matter was reported to the Government in February 2000; reply had not been received (October 2000).

Housing And Environment Department

5.4 Construction of State level sports complex at Bhopal.

Award of work on defective estimates based on concept plan only without detail drawings, adoption of costlier specification and incorrect and exorbitant fixation of rates for extra item resulted in extra cost of Rs.1.37 crore, and excess payment of Rs.0.61 crore.

Sports and Youth Welfare Department (user Department) accorded (June 1991) administrative approval (AA) for construction of a State level sports complex in Bhopal comprising an athletic stadium, an indoor hall, play fields and tier parking at a cost of Rs.5.45 crore. AA was subsequently revised (November 1994) to Rs.8.15 crore.

Technical sanction (TS) for Rs.5.45 crore accorded in September 1991 was revised by the Superintending Engineer to Rs.25.35 crore in July 1997 on the basis of concept plan prepared by a private architect 'A'. The revised TS not only exceeded the amount of revised AA by Rs.17.20 crore but also was not based on detailed estimates. Scrutiny revealed that the detailed estimates, although required, could not be prepared by the Department as component-wise increase in cost in revised estimates and comparative statement regarding escalation of the cost of estimates had not been submitted by architect 'A'.

The Department attributed (February 1999) the increase in cost to change in the Schedule of Rates (SOR) and adoption of revised specifications to meet international standards. It was further noticed that increase in cost was also attributable to (i) engaging of private architect (Rs.0.53 crore), (ii) unauthorised payment to contractor Rs.0.46 crore, (iii) extra cost of Rs.1.37 crore, and (iv) excess payment of Rs.0.61 crore as detailed in subsequent paragraphs.

The Government stated (August 2000) that the comparative statement regarding escalation of the cost of revised estimates was not submitted by the Architect. The reply is not tenable since the cost comparison of both the estimates was to be done before submission for revised Administrative Approval.

(a) Expenditure in excess of deposit

According to Works Department Manual and instructions, expenditure in excess of deposit should not be incurred. The Executive Engineer (EE) incurred an expenditure of Rs.18.72 crore (March 2000), which exceeded the

deposit of Rs.14.82 crore by Rs.3.90 crore. The excess expenditure of Rs.3.90 crore was rendered possible by issue of letter of credit (LOC) in excess of the deposit received from Sports and Youth Welfare Department by SE, contrary to financial propriety.

The Government (August 2000) assured that necessary funds would be given to the Capital Project Administration (CPA).

(b) Defective estimates and irregular sanction of extra items.

Audit scrutiny revealed that out of the total payment of Rs.13.48 crore on the construction of athletic stadium and indoor hall, Rs.5.94 crore (31 per cent) was paid as extra items without the approval of the Government as required under the rules. Rs.3.58 crore were paid on SE's sanction and the balance (Rs.2.36 crore) were paid by the EE on his own authority. Both these payments were highly irregular and call for detailed investigation to fix the responsibility.

This happened largely because several items which were essential for the construction of the athletic stadium and indoor hall of international standards were either not included in the detailed estimates proposed in April 1991 and sanctioned (November 1994) by the Sports and Youth Welfare Department or were included but not adequately specified. The estimates were, therefore, grossly defective and it was somewhat intriguing that these essential items were either excluded from the estimates or not adequately specified therein. In addition, minor changes were made in the nomenclature of some of the items and these were treated as extra items.

On this being pointed out, Government stated (August 2000) that sports complex was a unique construction work of international standards. Many additions and alterations were made (during construction) in the estimates prepared on the basis of concept plan and drawings were supplied late by the architect. The reply only strengthens the audit contention that the estimates were prepared without adequate care to include the essential items any sports complex will have. The reasoning that major changes were necessary due to adoption of "international standards" thus does not hold good because the detailed estimates prepared in 1991 clearly mentioned that the facilities would be of "international standards". Thus it was not a sudden decision to have "international standards" for the stadium and there is no explanation as to why the items which were paid for as extra items were not included in the estimates ab-initio.

Had adequate care been taken while framing the original estimates and the items which were later executed as extra items included or adequately specified therein, these would have been subject to competitive bidding leading to lower rates with substantial savings in expenditure. In the absence of component wise detailed estimates, the likely savings cannot be computed. Scrutiny, however, revealed that in the case of the extra items, changes were made (i) from Kota stone flooring to glossy teak stone; (ii) from centering and shuttering to centering, shuttering and staging with specified material upto specified heights; (iii) in the size and thickness of door and widow frames and

shutters; (iv) by combining earthwork and brick work; (v) by increasing the height of trusses; (vi) in the expansion joints; (vii) in the gauge of GI wire netting; (viii) in water proofing material; (ix) in finishing of wall surfaces; and (x) from cheap items of kitchen, water supply, toilet and sanitary items to costlier ones, etc. Payment of Rs.4.56 crore out of Rs.5.94 crore could have been avoided as the changes in flooring, size and thickness of door and window frames and shutters, expansion joints, finishing to wall surfaces, water supply, kitchen, toilet and sanitary items and combination of earthwork and brick work as similar items were available in the SOR and the contractors were bound to provide centering and shuttering including staging at all heights within the agreed rates.

(c) Construction of athletic stadium

The construction of athletic stadium was entrusted (March 1993) to contractor 'B' by the Government at 18.30 percent below SOR for completion in 18 months at a cost of Rs.3.38 crore. The work remained incomplete (August 2000) even after incurring an expenditure of Rs.9.66 crore due to delay in supply of drawings, increase in scope of work and slow progress of work by the contractor. The expenditure increased due to change in SOR, change of specifications and incorrect and exorbitant fixation of rates of extra items as discussed below:

(i) ***Excess payment due to sanction of extra items at higher rates***

Preparation of sub-base for foot ball ground was sanctioned (May 1996) by the SE as an extra item at Rs.626.50 per sq. m (Rs.94.50 per sq. m for hard soil and Rs.532 per sq. m for laying of brick bed) against rate of Rs.9 per sq. m for hard soil provided in road SOR and that of laying bricks identical to brick masonry at Rs.194.20 per sq. m. Thus the rate payable as per SOR was Rs.203.20 per sq. m as against the sanctioned rate of Rs.626.50 per sq. m. This led to excess payment of Rs.0.33 crore for 7743.60 sq. m quantity of work executed.

The Government stated (August 2000) that the work was not a combination of two items and did not find place in SOR. It was executed as per instructions of architect and drawings in accordance with the provision of specifications.

The reply is not tenable as the rate analysis prepared by the EE for sanction of extra items was based on the two components mentioned above. These were provided in SOR and MOST specifications.

(ii) ***Unauthorised payment for glossy teak stone (dolomite) flooring***

Agreement provided for Kota stone flooring in tread and riser of tier at Rs.300 per sq. m. But as per architectural drawing, it was substituted by 10 mm thick glossy teak stone, mirror polished tiles on tread at Rs.1800 per sq. m and on riser of tiers, skirting dado wall at Rs.1840 per sq. m by the EE, which required prior approval of Government.

Unauthorised execution of costlier specification for 2783.13 sq. m flooring on tread and 1134.84 sq. m on riser of tier resulted in extra cost of Rs.0.59 crore.

On this being pointed out, Government stated (August 2000) that this item was replaced on the instructions of the architect, and payment was made as per Government instruction. Reply is not tenable, as the change in item was without any technical requirement.

(iii) Excess payment due to incorrect payment of electric welding

The SOR included full compensation for all operations required in execution of items of steel work in single section to the specifications and nothing extra was payable unless specified otherwise. In violation of this, Rs.0.04 crore were paid to the contractor for 5,63,822 cm welding at Rs.0.90 per cm for 68.031 quintal steel work in single section. The payment of Rs.0.04 crore was inadmissible being part of steel work in single section.

The Government stated in reply that item of steel work in single section did not include any welding and specifications also did not provide welding for steel work in single section. The reply was not tenable in view of SOR stipulation according to which full item was to be completed without any separate payment.

(iv) Non-recovery of secured advance

Secured advance of Rs.0.38 crore (paid upto July 1997) for steel and dolomite stone brought by the contractor to work site was outstanding as of January 1999, since then no payment had been made.

Government had assured (August 2000) in reply that recovery would be effected from subsequent bills of the contractor.

(d) Construction of indoor hall

(i) Unintended/unauthorised aid to contractor

The work of construction of indoor hall including water supply and sanitary fittings at sports complex estimated to cost Rs.0.77 crore was split up and work for Rs.0.25 crore was entrusted (January 1993) by Engineer-in-Chief (E-in-C) to contractor 'D' at 39 percent below SOR. The contractor was eligible to tender for work valuing upto Rs.0.25 crore only. After executing the work up to contracted amount, the contractor refused to continue the work resulting in foreclosure of the contract. Work estimated to cost Rs.0.25 crore, out of the balance work, was awarded (January 1994) to the same contractor after calling for tender at 1.25 percent below SOR against which work of Rs.3.82 crore (including extra item of Rs.2.60 crore) was executed as of August 1997, far in excess of the contractors eligibility of Rs.0.25 crore (maximum) only. This resulted in entrusting of the work to an ineligible contractor as well as extending unauthorised aid of Rs.0.46 crore to the contractor by re-allotting the balance work to him at higher cost. The work was still in progress.

The Government stated (August 2000) that the tenders were invited in small groups.

(ii) Excess payment for item of centering and shuttering

Providing, fixing and removing shuttering of 12 mm thick plywood fixed over pine wood frame by providing MS bars etc. complete as per architectural drawing for column beam and rafter beam was paid for as an extra item without obtaining the sanction of SE, as under:-

S. No.	Height (meter)	Rate (in Rupees)	Quantity (in sq. m)
1.	4.8 to 13.20	1220	870.25
2.	13.20 to 22.00	2412	853.65

The SE had sanctioned (April 1994) a rate of Rs.414 per sq m irrespective of height for similar item in the athletic stadium. The unauthorised provisional payment at exorbitant rates resulted in excess payment of Rs.0.24 crore to the contractor.

The Government stated (August 2000) that centering and shuttering for column beam etc. for different heights was not included in the SOR and separate rate was payable for height beyond 3.5 metre. The reply was not tenable as the payment was made without sanction from competent authority and higher rates were paid as compared to identical item sanctioned by the SE in the athletic stadium.

(iii) Award of work without tender

30 mm and 21 mm thick wooden flooring in 1185.23 sq. m and 730.71 sq. m area was executed in the indoor hall as an extra item at Rs.5390 per sq. m and Rs.4800 per sq m respectively at a cost of Rs.0.99 crore. The work did not form part of the agreement for which tenders should have been invited. Moreover, an item of 38 mm thick teak wood flooring was provided in SOR at Rs.1119 per sq. m, from which the rates for 21 mm/ 30 mm thickness could have been derived; thus bringing down the cost by Rs.0.78 crore.

In reply Government justified the execution on the ground of international standards. Reply is not tenable, as the international standards did not preclude invitation of fresh tenders.