

CHAPTER III Performance Reviews

This Chapter includes 5 performance reviews viz 3.1 Implementation of Child Labour (Prohibition and Regulation) Act, 1986, 3.2 Indian System of Medicines and Homoeopathy, 3.3 Health Care, Drinking Water Supply and Employment Generation Scheme in Betul District, 3.4 Pradhan Mantri Gram Sadak Yozna and 3.5 Simhastha Mela 2004.

Labour Department

3.1 Implementation of Child Labour (Prohibition and Regulation) Act, 1986

Highlights

The Child Labour (Prohibition & Regulation) Act, 1986 (Act) bans employment of children in hazardous occupations and regulates the condition of work where the children are not prohibited from working. The Supreme Court issued directives in 1996 regarding identification of children working in hazardous employment, their withdrawal and rehabilitation. Government of India launched the National Child Labour Project (NCLP) for rehabilitation of children so withdrawn from work. But the districts with higher incidence of child labour like Damoh, Raisen, Sagar and Tikamgarh were not selected for inclusion in the action plan of implementation of NCLP special schools. Action plan for eradication of child labour by 2005 was not implemented by State Government.

Shortfall in inspection of industrial premises ranged from 87 to 94 per cent.

(Paragraph 3.1.8)

Most of the cases of prosecution ended in acquittal due to improper documentation regarding proof of age, witnesses and panchnama which showed the weakness of the enforcement machinery.

(Paragraph 3.1.9)

Against Rs.17.65 crore due from offending employers on account of compensation, only Rs.3.75 lakh could be recovered.

(Paragraph 3.1.7)

Major deviations were noticed in observing GOI guidelines issued by the project societies in running of NCLP Schools.

(Paragraph 3.1.11)

Job to one adult member of the families of 7752 child labourers withdrawn from hazardous work was not provided.

(Paragraph 3.1.7)

3.1.1 Introduction

Extreme poverty, lack of opportunity for gainful employment, intermittency of income and low standards of living are the main reasons for the wide prevalence of child labour. Elimination of child labour and compulsory primary education are among the main concerns of the whole nation. Accordingly the Child Labour (Prohibition & Regulation) Act 1986 (Act) was enacted. To rehabilitate the child labour three NCLPs were started in Gwalior, Ujjain, and Mandsaur districts of Madhya Pradesh. A survey to identify the child labour in hazardous processes and industries was conducted in 1997.

3.1.2. Organisational set up

The Labour Department of Government of Madhya Pradesh headed by the Principal Secretary in the State and the Labour Commissioner (LC) assisted by Assistant Labour Commissioners (ALC) and Labour Officers (LO) in the districts were primarily responsible for implementation of the Act. The field staff comprised of labour inspectors.

3.1.3 Audit objectives

The audit objectives were:

- to check progress of implementation of the Supreme Court Directive
- to examine the enforcement of the regulatory and prohibitory functions under the Act
- to examine the rehabilitation measures undertaken in various projects and
- to examine the adequacy of monitoring and evaluation mechanism

3.1.4 Audit coverage

The review covers the implementation of the Act during the period 1999-2004, based on test check of the records of Labour Commissioner, Indore and Assistant Labour Commissioners and Labour Officers in fifteen* out of 45 districts and three Project Directors of National Child Labour Projects (NCLP) during February to September 2004.

3.1.5 Financial management

The NCLP Scheme for rehabilitation of children was entirely funded by Government of India. The grant aggregating to Rs.4.55 crore was released by

* Bhopal, Chhindwara, Damoh, Gwalior, Indore, Jabalpur, Katni, Mandsaur, Raisen, Satna, Shahdol, Sagar, Tikamgarh, Ujjain and Vidisha.

GOI to three NCLPs (Gwalior, Ujjain and Mandsaur), run by Non-Government Organisations (NGO) during the period (1999-2004) and expenditure out of that was to the tune of Rs.4.45 crore:

Programme management

3.1.6 Inconsistency between the State and Central Acts

Inconsistency in Central Act and State Act.

The Madhya Pradesh Shops and Establishment Act 1958 totally bans employment of children below the age of 14 years while the Child Labour Act 1986, provides that children under the age of 14 years could be engaged in non-hazardous establishment. Thus there was inconsistency between the Central and State Acts, which sometimes made it difficult to enforce them. Of more direct implication is the difficulty that children working with their families are not covered in the Act. This made it difficult to establish violation of the Act in many cases. Many prosecution cases failed because of failure of the prosecution to produce any definitive proof of age of the children. The Act does not have any specific provision in this regard.

3.1.7 Compliance with the Directives of Supreme Court

The Honourable Supreme Court of India in its judgement in December 1996 had given some directions regarding the manner in which the children working in hazardous occupations are to be withdrawn from work and rehabilitated as also the manner in which the working conditions in non-hazardous occupations are to be regulated and improved upon.

➤ Unrealistic survey

Huge difference of child labour found in survey and census data 1991.

The child labour survey conducted in April 1997 in all the districts of Madhya Pradesh found only 11820 child labour employed in State. The GOI expressed its dismay as the census data of 1991, had revealed the number of child labour as 13.53 lakh. The existence of more child labour was also confirmed by the Collectors of Gwalior (50,000) and Ujjain (27,957) in their project reports for establishing NCLP schools.

Survey was not systematic, authentic and realistic.

It was also observed that the State Government had employed the staff of other departments who carried out survey in a haphazard manner without recording the full names and addresses of employers, the exact date of birth of the children supported by certificate of age and without obtaining witnesses with full postal address etc. Thus the survey conducted was not systematic, authentic and realistic. GOI ordered (November 1999) a re-survey of child labour but the same was also not carried out as of September 2004 for want of funds.

➤ Non-recovery of compensation for employing children in hazardous occupations

Against compensation of Rs.17.65 crore only Rs.3.75 lakh was collected.

A Child Labour Rehabilitation-cum-Welfare Fund was to be formed district or area wise and compensation of Rs.20,000 per child from the employers who had employed children in hazardous occupations was to be collected by the Inspectors and deposited in this fund. It was observed that the Child Labour

Rehabilitation-cum-Welfare Fund was not formed as penalties were not recovered in most of the cases. Show cause notices were issued for recovery of compensation of Rs.20,000 per child from the concerned employers but in all the cases the employers contested their liability and against Rs.17.65 crore (for 8826 children), only Rs.3.75 lakh could be realised from the offending employers. The non recovery of penalty was attributed to delay in finalisation of court cases and stay orders issued by different courts.

Job to one adult member of families of 7752 children withdrawn from hazardous work was not provided.

The Government was to provide a job to one adult member of the family of a child labour released from hazardous occupation. Against 8826 children withdrawn from hazardous work, State Government provided jobs to the families of only 1074 child labourers. The State Government did not contribute Rs.5000 per child to the Child Labour Rehabilitation-cum-Welfare Fund in the remaining 7752 cases.

➤ **Non preparation of action plan, Identification and Survey of Hazardous Industries and processes**

Action Plan for eradication of child labour by 2005 was not implemented.

The Government of India was not satisfied with the outcome of child labour survey conducted in 1997 and directed the State Government to re-survey and prepare an action plan for identification of hazardous industries and processes so as to eliminate the child labour problem by 2005. Question (No.5 of 2001) was raised in Lok Sabha asking for the time by which a blanket ban on child labour is likely to take effect alongwith the target set and status of action plan formulated in this regard. Information was furnished (July 2001) by Labour Commissioner in response that action plan would be prepared for all 45 districts and same would be finalised at the state level and would be sent to GOI. On enquiry, the Labour Commissioner replied (September 2004) that the action plan was prepared for all 45 districts. According to the action plan, a survey of child labour was to be conducted and they were to be rehabilitated with the available resources. All the district Collectors requested that additional funds would be needed to carry out the plan. Accordingly proposals for grants were sent to GOI but no grants were released as of September 2004. Hence, neither any survey was conducted nor the action plan implemented.

3.1.8 Regulatory function

➤ **Non-framing of rules**

Sections 3 to 9 of the Act prohibits the employment of children in hazardous occupations and processes and regulates the conditions of work of children in non hazardous establishments. Test check of records revealed short coming in inspection, identification and rehabilitation of children withdrawn from hazardous occupations & processes.

The provisions of the Act, other than part III (regulation of conditions of work of children), were enforced with effect from December 1986. Part III of the Act came into force on 26 May 1993. But this notification of 26 May 1993 enforcing Part-III was not available with the Labour Commissioner and only

during 1997 the directives in this regard were issued by him. As a result regulation of the conditions of work of children working in non hazardous establishments was delayed.

Under Section 18 of the Act, the State Government was empowered to make rules for effecting the provisions of the Act by issue of a notification in official gazette. It was observed that under the above section rules had not been framed so far (September 2004).

➤ **Shortfall in Inspections**

Inspection was an important regulatory function through which the Act is administered. In order to ensure effective enforcement of the Act, the norms of staff pattern and the procedure of regular survey and inspection of occupiers' premises were to be prescribed. But norms for staff pattern were not formulated. The State Government, however, prescribed some conditions for inspection in October 1999. The Labour Commissioner fixed (January 2001) the target of ten inspections per Inspector per month. The position of inspections in the test checked 15 out of 45 districts was as under:

Year	No. of hazardous Establishments *	No. of Non-hazardous establishments*	No. of labour Inspectors available	No. of Inspections required to be carried out as per norms	No. of Inspection Carried out.	Shortfall of inspection (Percentage)
1999-2000	32,838	1,39,980	114	No norms were fixed for inspection	851	--
2000-01	32,838	1,39,980	109	No norms were fixed for inspection	401	
2001-02	32,838	1,39,980	118	14160	1556	89
2002-03	32,838	1,39,980	122	14640	1971	87
2003-04	32,838	1,39,980	119	14280	885	94

* **Figures according to child labour survey conducted in 1997 (later figures not available).**

Shortfall of inspections ranged from 87 to 94 per cent.

The implementation of an important regulatory function under the Act was rendered ineffective as there was overall short fall in inspection which ranged from 87 to 94 per cent annually during 2001-04.

➤ **Delay in Appointment of Inspectors**

Appointment of Inspectors in rural areas delayed.

Under Section 17 of the Act, the Government of Madhya Pradesh was to appoint inspectors for the purpose of securing compliance of the provision of the Act. The State Government appointed inspector in December 1987. The staff of other departments were also declared as inspectors in March 1997 to carry out the orders of Hon'ble Supreme Court. For covering rural areas, all Gram Sabhas were also declared as inspectors in January 2001. But no official Gazette notification was issued. On this being pointed out, LC could not confirm the issue of any such notification. Thus due to non-issuance of notification with regard to declaration of Gram Sabhas as Inspectors under the Act, the implementation of the Act was hampered.

➤ **Non-maintenance of records by employers under Sec 9, 11 and 12**

Provisions of Sections 9,11 and 12 of the Act not adhered to by District Offices.

According to Part III of the Act which regulates the conditions of work for children, every occupier in relation to an establishment, who employs child labour or permits any child to work, should within a period of thirty days from the date of such employment send to the inspector within whose local limits the establishment is situated, a written notice containing full details viz name of establishment, its situation, name and address of occupier and nature of occupation. Apart from this the occupier is also required to maintain records in respect of child labour under Section 11 and also to display promptly a notice of sections 3 and 14 (prohibition of child labour in hazardous work) and the penal provisions. The contravention of the above provisions of the Act attracted penalty under Section 14 (3) (a) to (d). In the test-checked districts, it was observed that the required notices were not being forwarded by the occupiers to the Labour Department under Section 9. During surprise checks, the occupiers were found guilty under the aforesaid provisions. The year wise position in the test check districts was as under:-

Year	Section of the Act.	No. of cases of violation noticed	No. of cases where prosecution was launched	No. of Cases decided	Amount of penalty levied & collected (In Rupees)
1999-2000	3,9,11,12	29	29	22	38,750
2000-01	3,9,11,12	22	22	19	56,500
2001-02	3,9,11,12	22	21	14	37,500
2002-03	3,9,11,12	22	22	29	1,35,500
2003-04	3,9,11,12	31	31	02	6,000

On enquiry regarding non conducting of regular inspections, LC stated (September 2004) that the notification under Part-I Section 1 (3) regarding enforcement of Part-III of the Act was not available with them. Thus due to non-enforcement of the above provisions of the Act, the violation of provisions of the Act was not being detected and employment of child labour and regulation of condition of work could not be enforced and the occupiers escaped penalty under Section 14 (3) (a) to (d) of the Act.

3.1.9 Prohibitory function

Under Sec 3 of the Act, children under the age of 14 years were prohibited from employment in occupations and processes given in schedules part A & B of the Act. Penalties were to be imposed on the defaulting occupier. Yearwise position of court cases of test-checked districts were as under.

Year	Cases pending at the opening of the year	Prosecution launched during the year	Cases decided during the year		No. of cases where appeal made by department	Cases pending at the end of the year
			Convicted	Acquittal		
1999-2000	2393	540	01	271	--	2661
2000-01	2661	60	01	43	--	2677
2001-02	2677	170	04	66	--	2777
2002-03	2777	17	10	15	--	2769
2003-04	2769	24	02	1296	--	1495

Prosecution failed due to inadequate documentation.

The year-wise and district-wise position of Court Cases launched and pending cases were not maintained by LC. Test check of records of district offices revealed that the cases of acquittal were due to reasons of inadequate documentation viz proof of age, lack of witness and panchnama. It was also seen that in Sagar, the ALC failed to launch prosecution in 249 cases out of 890. On this being pointed out, LC stated (September 2004) that the details are being collected from districts. The cases of non-prosecution and failure to obtain conviction rendered the implementation of the Act ineffective.

Cases of child labour lodged under Factories Act not transferred to labour department for action under Child Labour Act 1986.

Under section 15 of the Act, offenders found guilty and convicted of contravention of any of the provisions mentioned under Sec 67 of the Factories Act 1948 was to be penalised under Section 14 (1) & (2) of the Act. It was observed that no such cases were seen in test-checked districts. On enquiry, ALCs replied that the cases of employment of child labour were not transferred by the Deputy Director Industrial Safety who conducted the inspections of factories. This showed the absence of coordination between the enforcement machineries.

3.1.10 Rehabilitation Programme – National Child Labour Project

To release the child labour from hazardous work and to rehabilitate them physically, economically and emotionally through education, the National Policy on child labour was formulated by GOI in August 1987. The major activities undertaken under the NCLP are the establishment of special schools which provide a package of welfare measures including non-formal education, vocational training, nutrition, stipend, health care etc to the children withdrawn from hazardous employment. The children in special schools were to be imparted education on formal/ non-formal syllabus for a maximum period of 3 years after which the children were expected to join the main stream of education in the 6th standard.

➤ **Districts with higher incidence of child labour not considered**

Districts of higher incidence of child labour were not selected for NCLP schools.

In MP, NCLPs were sanctioned for three districts and they started functioning in Mandsaur* (May 1988), Gwalior* (March 2000), and Ujjain*(January 2001). There was no relation between the number of child labour in hazardous occupations as identified during the survey in 1997 and the sanction of projects by GOI. The districts with higher incidence of child labour i.e. Damoh (4079), Raisen (1000), Sagar(890) and Tikamgarh(719) were not selected for inclusion in the action plan. A project level society under the chairmanship of District Collector was constituted to supervise the programme. The project director (secretary of the society) was to be invariably from the State Government on deputation. However, in Gwalior one retired Dy. Collector was appointed. In Ujjain, no regular project director was appointed, but the Superintendent of Nari Niketan was holding dual charge and was managing the office without any staff.

GOI clarified (November 1996) that the State Government and particularly the labour department would be responsible for implementation of projects in districts. For this purpose the labour department was to conduct regular survey, inspection and identification of hazardous establishments and withdraw the child labour where required and rehabilitate them in special schools. An adult member of the family of the child so withdrawn from hazardous work was to be provided with alternative job.

➤ **Improper identification of children for purpose of enrollment**

Labour department failed to withdraw child laboureres from prohibited occupations .

A test check of records of the NCLPs schools of Gwalior and Ujjain revealed that instead of labour department, the project societies conducted survey in urban areas and that too in a haphazard manner without recording the exact address of the occupier. The proof of age from medical officer was also not collected and the children were mostly found to be not covered within the meaning of section 3 of the Act. In fact, the children were found to be working with their parents and helping them in their jobs. Even the children already enrolled in regular schools were found to have been enrolled in special schools. The survey list was not even got verified by labour department and no action for rehabilitation of the families of the children was taken. On this being pointed out, LC stated (September 2004) that the surveys were neither conducted by them nor verified.

➤ **High drop out rate**

The year wise position of children enrolled in schools in the three districts where NCLPs were established was as follows:

* Mandsaur: 19 Gwalior: 180, Ujjain: 18

Name of the District	Year	No of Children enrolled	No of Children Passed	No. of drop out/ Percentage (%)	No. of children admitted in formal Schools	Percentage of dropout/ failure
1.	2.	3.	4.	5.	6.	
Gwalior	2000-01	1590	--	50 (3)	--	
	2001-02	1698	49	513 (30)	49	
	2002-03	1795	283	268 (15)	283	
	2003-04	1820	359	454 (25)	359	
	Total	6903	691	1285 (19)	691	90
Mandsaur	1999-2000	282	55	27 (10)	55	
	2000-01	398	40	55 (14)	38	
	2001-02	404	50	46 (11)	50	
	2002-03	364	14	46 (13)	14	
	2003-04	325	27	64 (20)	27	
Total	1773	186	238 (13)	184	90	
Ujjain	2001-02	1574	15	201 (13)	15	
	2002-03	1575	263	185 (12)	263	
	2003-04	1575	356	113 (7)	356	
Total	4724	634	499 (11)	634	87	
Grand Total		13400	1511	2022 (15)	1509	

Dropouts from schools in Gwalior, Ujjain and Mandsaur ranged from 87 to 90 per cent.

From the above it is evident that failure/dropout cases were 90 per cent in Gwalior and Ujjain and 87 per cent in Mandsaur district. The reasons for dropout were migration of parents and withdrawal of children from schools by their parents. Therefore it was clear that careful selection of children was not made thus defeating the very object of the scheme.

3.1.11 Deficiencies in functioning of NCLP Schools

The project at Mandsaur was started with effect from May 1988 and initially 1299 children, employed in slate pencil industry were identified and 8 schools were operated but presently only 4 schools are in operation. In these schools, the number of child labour was negligible as confirmed by the Collector and the children of the locality who are actually not child labour (within the meaning of section 3 of the Act) were admitted in these schools. Thus, the project was not fulfilling the purpose for which it was meant.

A test check during February 2004 to September 2004 revealed the following.

- In Ujjain and Mandsaur districts stipend at the rate of Rs.100 per month per child was stated to have been disbursed but valid vouchers/receipts were not obtained. Apart from this, the amount of stipend was also deposited in bank recurring deposit accounts and students were not allowed to withdraw the amount till leaving the school.
- Nutrition register was not maintained in the test-checked schools in Gwalior, Ujjain and Mandsaur districts. The actual distribution of supplementary feeding was never correlated with the attendance of children as per records when checked by the inspectors of the society.
- Individual profile of children was not maintained to ascertain the continuance of studies and further advancement.

- Books and stationery were either distributed late or were not distributed. Proper records of distribution were not maintained.
- Class wise attendance registers of children were not maintained.

Regarding implementation of rehabilitation package through NCLP, the entire effort in the state significantly deviated from the guidelines of GOI and the intended beneficiaries were not covered.

3.1.12 Monitoring & Evaluation

A State Co-ordinating Committee under the Chairmanship of Principal Secretary was constituted in February 2001. The meeting was to be held quarterly each year. But only two meetings (1999 and 2002) were held. There was slow progress of prosecution cases in districts and of recovery of penalty was not undertaken by District Officers. Neither the Directorate nor the department prescribed monthly, half yearly or even yearly compilation of data regarding show cause notice issued and number of cases finally sent to prosecution. For monitoring the working of NCLP schools, no roster for inspection of Schools by officials of labour department and District Collectors was prepared.

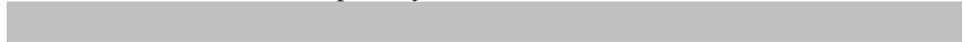
3.1.13 Conclusion

The Child Labour (Prohibition & Regulation) Act bans on engagement of child labour in hazardous establishment. Regular survey and inspection did not take place. Action plan to eradicate child labour from the state by 2005 was not finalised. Identification of hazardous establishments was not done. The conditions of work, health and safety of children in employments where they are not prohibited from working were also not found to be regulated. The Apex Court's directives to withdraw children from hazardous work and rehabilitate them were not followed in toto. The penalties from offending employers were not realised in most of the cases resulting in non formation of the corpus fund for the benefit of the families of working children. Prosecution was not successful due to reasons of inadequate documentation viz. proof of age, lack of witness and panchnama. The labour department did not have effective control over the activities of NCLP schools.

3.1.14 Recommendations

- The machinery for enforcement requires strengthening by issuance of proper notification empowering other functionaries as designated authorities for ensuring regulation of the various provisions under this Act.
- Regular survey and inspection of industrial premises and processes are needed. The periodicity of inspections and quarterly, half yearly and yearly returns should be insisted upon for the purpose of proper monitoring.
- A time bound and regular survey for identification of child labour should be carried out so as to ensure proper focus for directing resources for their rehabilitation and mainstreaming of child labourers.

- Rules to be followed for enforcing the provisions of the Act should be framed and notified on priority.



Medical Education Department

3.2 Indian System of Medicines and Homoeopathy

Highlights

The Director of Indian System of Medicines and Homoeopathy was to implement various programmes and schemes of delivery of health services, imparting education, production of medicines etc. in the systems of Ayurveda, Homoeopathy & Unani with the assistance of District Ayurveda Officers, Principals of colleges and Superintendents of pharmacies in the State.

The performance of hospitals and dispensaries in delivering health services to the patients was affected by non-availability of doctors in dispensaries, inadequacy of medicines, lack of indoor facilities and diet etc. The shortage of teaching staff in colleges had adverse impact on teaching and short supply of raw material brought down the production of medicines in the pharmacies.

The important short comings noticed in the implementation of programmes and schemes were as follows.

The expenditure on medicines, machinery and equipment was only one to three per cent of total expenditure under the Grant “Expenditure Pertaining To Medical Education Department” during 1999-2004.

(Paragraph 3.2.6)

Indoor facilities were not commissioned in Ayurveda hospital, Baihar (Balaghat) even after 12 years of sanction and were closed down in Tamia (Chhindwara), Damoh, Hoshangabad, Jhabua and Khargone.

(Paragraph 3.2.7)

Sanctioned bed strength was not provided ranging between 17 to 50 per cent in five and 67 to 100 per cent in eight hospitals.

(Paragraph 3.2.7)

Four dispensaries had not started functioning and 18 dispensaries were running without the supporting staff. In 193 (36 per cent) dispensaries treatment was given to 22.83 lakh patients during 1999-2004 by compounders and class IV staff in absence of doctors.

(Paragraph 3.2.7)

Inadequate teaching staff adversely affected quality of teaching in colleges and affiliated hospitals were not up to CCIM/CCH norms.

(Paragraph 3.2.8)

The production of medicines was very low in the pharmacies. No production was done in Unani Pharmacy during 2003-04.

(Paragraph 3.2.9)

Department failed to ensure quality control in purchase of medicines worth Rs.5.10 crore.

(Paragraph 3.2.9)

3.2.1 Introduction

The Directorate of Indian System of Medicines and Homoeopathy (ISM&H) was established to implement the State programmes and the Centrally Sponsored Schemes of ISM&H in the State and functioned under the Medical Education Department of the State Government.

There were nine (Ayurveda-7, Unani-1 and Homoeopathy-1) colleges with eight (Ayurveda-7 and Homoeopathy-1) attached hospitals, 22 (Ayurveda-20 and Homoeopathy-2) indoor hospitals at district and tehsil levels, 1623 (Ayurveda-1427, Unani-50 and Homoeopathy-146) dispensaries in rural and urban areas, two (Ayurveda and Unani-one each) pharmacies and six (Compounder-4 and Dai-2) training centres. Besides, 28 non-Government (Ayurveda-7, Unani-3 and Homoeopathy-18) colleges and nine non-Government Dai Training centres were also running in the State.

3.2.2 Objectives

The main objectives of the Medical Education Department in relation to ISM&H were as follows:-

- Providing health services for treatment of diseases through hospitals and Ayurveda, Unani and Homoeopathy dispensaries in the State.
- Imparting education through Ayurveda, Unani and Homoeopathy medical colleges.
- Arranging production, procurement and distribution of medicines.

3.2.3 Organisational set-up

The Medical Education Department is headed by the Principal Secretary at Government level. The Director, as the apex field authority, was responsible for overall implementation of programmes. He is assisted by 45 Superintendent -cum-District Ayurveda Officers (DAOs) who exercise control over hospitals and dispensaries functioning in their respective districts, two Superintendents of pharmacies engaged in production of Ayurveda and Unani

medicines and nine Principals⁵ of colleges who head the institutions imparting education under ISM&H.

3.2.4 Audit objectives

The main audit objectives were to assess:-

- Whether health care services under State programmes and Centrally Sponsored Schemes pertaining to ISM&H were properly delivered in rural and urban areas.
- adequacy and utilisation of facilities and infrastructure for education and training in these systems of medicines.
- the economy and the efficiency in production and procurement of medicines.
- the monitoring and evaluation mechanism, for administering the ISM&H activities in the State.

3.2.5 Audit coverage

Mention was made in paragraph 3.20 of the Report of the Comptroller and Auditor General of India for the year ended March 1998 on the working of the Directorate of Indian System of Medicines and Homoeopathy. It was discussed (August 2004) by the Public Accounts Committee (PAC). However, the recommendations of PAC were awaited (January 2005). Further review covering the period from 1999-2000 to 2003-04 was conducted through collection of information from the Directorate and test check of records of DAOs in 11* districts out of 45, two pharmacies (Bhopal and Gwalior) and four colleges out of nine (Ayurveda-Bhopal and Gwalior, Unani and Homoeopathy-Bhopal) during February-September 2004. The points noticed are discussed in the succeeding paragraphs.

3.2.6 Financial management

➤ Budget allotment and expenditure

The budget allotment, expenditure incurred thereagainst, expenditure on pay and allowances and wages vis-a-vis expenditure on medical facilities under the Grant "Expenditure Pertaining To Medical Education Department" reported by the Directorate were as under.

= *Ayurveda-Bhopal, Burhanpur Gwalior, Indore, Jabalpur, Rewa and Ujjain Unani and Homoeopathy-Bhopal*

* *1. Balaghat. 2. Chhindwara 3. Damoh 4. Gwalior 5. Hoshangabad 6. Jhabua 7. Khargone 8. Mandla, 9. Morena 10. Shahdol and 11. Shajapur.*

(Rupees in crore)

Year	Budget provision	Expenditure	Savings	Expenditure on pay and allowances and wages		Medicines, Machinery and Equipment	
				Amount	As percentage of total expenditure	Expenditure	As percentage of total expenditure
1	2	3	4	5(a)	5(b)	6(a)	6(b)
1999-2000	75.11	74.38	0.73	70.18	94	1.08	1
2000-01	81.14 + 5.10*	74.70 + 5.10*	6.44 -	65.93 -	88	1.80 + 5.10*	2
2001-02	70.28	58.53	11.75	53.52	91	1.27	2
2002-03	67.55	60.66	6.89	54.91	91	1.75	3
2003-04	70.06	62.53	7.53	56.91	91	1.99	3
Total	369.24	335.90	33.34	301.45		12.99	

➤ **Inadequate expenditure on medical facilities**

Expenditure on medicines, machinery and equipment was only one to three per cent

Scrutiny revealed that the expenditure on medical facilities was only one to three per cent of the grant as compared to expenditure on pay and allowances and wages ranging between 88 and 94 per cent during 1999-2004. The total allotment of funds for medicines and equipment during the five years was Rs.17.59 crore and even this was utilised only to the extent of Rs.12.99 crore as shown in the above table. The main reason for this was the delay in finalising purchases.

➤ **Control over expenditure**

To have proper watch over expenditure against budget allotment, the Directorate was required to compile monthly expenditure statements received from the subordinate units in the expenditure control register and to workout upto-date progressive expenditure. This was, however, not done properly and budget allotment and monthwise and progressive expenditure were not recorded in the register. Thus full utilisation of provisions and surrender of savings could not be ensured highlighting the lack of monitoring and proper control over expenditure.

3.2.7 Programme management

➤ **Delivery of health services**

Health services were mainly provided through hospitals and dispensaries in the State.

* Central assistance under Pradhan Mantri Gramodaya Yojana (PMGY) for purchase of medicines for dispensaries in rural areas.

➤ **Working of hospitals**

No new hospital was sanctioned during 1999-2004. There were 27 Ayurveda and three Homoeopathy hospitals in the State with a sanctioned strength of 990 beds. The position of sanctioned and available beds and actual utilisation of beds, staff and expenditure incurred during 1999-2004 in 14 test checked hospitals was as shown in **Appendix XXXI**. Analysis revealed that there had been shortage of staff and underutilisation of available bed capacity due to non-availability of essential facilities in the hospitals as discussed below.

➤ **Shortage of staff**

Services of Specialists and Lady doctors were not provided in hospitals

The Director did not furnish the overall staff position as of March 2004 in the hospitals in the State. In test checked hospitals, as against sanctioned posts of 61 doctors, 114 paramedical and 193 other staff, the posts of 9 doctors, 51 paramedical and 42 other staff respectively were vacant as of March 2004 which adversely affected the quality of health services. Lady doctors were not posted (as of March 2004) in the hospitals in Balaghat, Chhindwara (Tamia), Damoh, Mandla and Morena and specialists in Damoh, Hoshangabad and Mandla districts, though posts had been sanctioned. The Director stated (September 2004) that 20 posts of specialists sanctioned (May 1992) could not be filled due to non-inclusion of terms and conditions of appointment of specialists in recruitment rules. Thus the patients were deprived of the services of lady doctors and specialists.

➤ **Indoor facilities not commissioned and closed down**

Non supply of bedding etc. led to closure of indoor facilities in 6 hospital

The indoor facilities in 30 bedded Ayurveda hospital, Baihar (Balaghat) were not commissioned even after a period of 12 years from its sanction due to non-supply of cots, mattresses, etc., by the Department. Such facilities were closed down in hospitals in Tamia (Chhindwara) (December 2002), Damoh (January 2000), Hoshangabad (January 2002), Jhabua (1986) and Khargone (August 1995) due to shortage of nursing staff, space and basic facilities in buildings, etc. Despite closure of indoor facilities, the staff posted earlier continued there. Expenditure of Rs.15.67 lakh incurred (1999-2004) on wages of ward boys (7), sweepers (5), washer men (4) and water men (2) appointed on the rates fixed by Collector and Rs.4.47 lakh on pay and allowances of staff nurse (1) exclusively meant for indoor patients during the period covered in audit proved infructuous in the absence of any indoor facilities.

➤ **Shortfall in providing bed strength and its utilisation**

Inadequate facilities caused non-utilisation of available bed capacity in the hospitals

In five hospitals (Bhopal- Ayurveda and Homoeopathy, Gwalior, Jhabua and Shahdol) 17 to 50 per cent and in eight hospitals (Balaghat, Betul, Chhindwara- Ayurveda and Homoeopathy, Damoh, Hoshangabad, Mandla and Morena) 67 to 100 per cent of sanctioned bed strength could not be provided so far due to non-availability of sufficient accommodation, furniture,

etc. The available bed capacity in the hospitals was not utilised to the extent of 44 to 100 per cent due to inadequate medicines, nursing staff, non-availability of clinical, laboratory, etc., facilities in the hospitals. This reflected poor facilities in the hospitals. No efforts were made to improve their condition.

➤ **Non-extension of health care services**

Four dispensaries sanctioned earlier have not started functioning

In all 1623 (Rural:1471 and Urban:152) dispensaries were reported functioning in the State. No norms were laid down by the Department for opening new dispensaries. No dispensary was sanctioned by the State Government during 1999-2004 due to limited financial resources as reported by the Directorate. Even three homoeopathy dispensaries (Barwani:2-July 1999, Jhabua : 1-March 1986) and one Ayurveda dispensary (Seoni-September 1990) sanctioned earlier, had not started functioning due to non-posting of doctors and subordinate staff, though the Directorate had savings from budget provisions every year during 1999-2004. Thus health care service under this system was not extended during 1999-2004.

➤ **Shortage and management of staff**

The staff position in the dispensaries in the State as of March 2004 was as under:

Sl. No.	Post	Strength		Shortage	Percentage of shortage
		Sanctioned	In-position		
1	Chikitsa Adhikari (CA)	1298	1140	158	12
2	Assistant Chikitsa Adhikari (ACA)	464	312	152	33
3	Compounder	1632	1365	267	16
4	Dai	1384	744	640	46
5	Dawasaj	1562	1441	121	8

Despite shortages some dispensaries exceeded their sanctioned strengths

Despite shortage of doctors (CA and ACA) in the State, 12 CA were posted in excess of the sanctioned strength in dispensaries located in six districts (Datia:1; Khandwa:1; Rewa:6; Sagar:1; Sidhi:1; and Tikamgarh:2). It was also observed that pay and allowances of a CA transferred (July 1998) from Hoshangabad to Tikamgarh were drawn by DAO, Hoshangabad from November 1999 upto June 2004 although the dispensary at Hoshangabad was running without a doctor since the date of transfer of the CA. The shortage and mismatching of staff affected adversely the performance of dispensaries in rendering health care services and reflected on the quality of manpower deployment and utilisation.

➤ **Irregular attachment of staff to other departments**

In three districts 14 personnel were attached irregularly to other departments

The Government in General Administration Department issued (January 2000) instructions for termination of the practice of attachment of staff to other Departments. It was noticed that despite shortage of staff in the Department,

14 personnel (Compounders:3, Dawasaj/Aushdhalaya Sewak:4, Cook:1, Cook-servant:1, Waterman :3, Staff Nurse:1 and Driver:1) in three (Chhindwara, Hoshangabad and Morena) districts, were attached to other Departments namely Panchayat, Revenue, Tribal Welfare and Public Health and Family Welfare during 1999-2004, involving expenditure of Rs.17.46 lakh on their pay and allowances. Their continued attachment for long periods needed review.

➤ **Ayurveda dispensaries running without supporting staff**

18 dispensaries were without supporting staff

According to norms for running of ayurveda dispensaries, one post of CA, Compounder, Dai, Aushdhalaya sewak and PTS for each dispensary were required to be sanctioned. It was observed that only the post of CA was sanctioned for 18 ayurveda dispensaries (Balaghat : 12 and Hoshangabad : 6) taken over from Janpad Panchayat by the State Government during 1988-89. These dispensaries thus were running without sanction of any supporting staff.

➤ **Treatment by unauthorised /unqualified persons**

In 13 districts 193 dispensaries were running without doctors

The PAC in their 300th Report recommended in respect of para 3.24 of Report of the Comptroller and Auditor General of India for the year ended March 1999-Government of Madhya Pradesh No. 3 (Civil) that the posting of doctors where needed should be ensured in the Health Centres of Public Health and Family Welfare Department. Scrutiny of reports revealed that doctors were not posted in 414 (Rural: 391 and Urban: 23) out of 1561[@] dispensaries as of September 2003. Thus these dispensaries were running without doctors. In the test checked districts (11) and Unani pharmacy, Bhopal out of 486 dispensaries, 170 (Rural: 157 and Urban: 13) (35 per cent) were running without doctors as of March 2004 with the result that treatment was given by Compounder (class III) and "Aushdhalaya sewak/ Dawasaj" Dai, PTS (class IV) though they were not authorised or qualified to do so. In 152 dispensaries treatment was given to 17.97 lakh patients by Compounders and medicines worth Rs.48.56 lakh were issued to the patients. Further, in 18^ψ (Rural: 16 and Urban :2) dispensaries treatment was given to 2.79 lakh patients by class IV employees and medicines worth Rs.5.90 lakh were issued during the period 1999-2004 when doctors were not posted. In Betul district, treatment to 1.86 lakh and 0.21 lakh patients respectively was given by compounders (17 dispensaries) and class IVth employees (6 dispensaries) and medicines worth Rs.5.98 lakh and Rs.1.23 lakh were issued by them to patients in the absence of doctors.

Out of 170 dispensaries in 11 test-checked district, that were without doctors (March 2004), doctors were not posted for one to five years in 96 dispensaries, for five to 10 years in 38 dispensaries and for more than 10 years in 9 dispensaries; the remaining 27 dispensaries were running without doctors for less than one year.

[@] Information made available only of 1561 out of total 1623 dispensaries.

^ψ Balaghat:2, Bhopal:1, Chhindwara:4, Damoh:1, Khargone:3, Mandla:1, Morena :1 and Shajapur:5

The Director stated (September 2004) that proposals of recruitment of doctors had been sent to State Government from time to time.

➤ **Non-availability of essential facilities**

Dispensaries were lacking essential facilities and clinical equipments

Of 1623 dispensaries, 622 were housed in Government, 596 in Panchayat/free/donated and 405 (25 per cent) in rented buildings. The number of dispensaries housed in rented building underlined the need of strengthening infrastructure. Dispensaries (486) in test checked districts lacked essential facilities like electricity (331), water (378), and clinical equipments like stethoscope (463), thermometer (464) and BP apparatus (454).

➤ **Absence of efforts to popularise ISM&H**

Efforts were lacking to popularise adoption of ISM&H

To popularise ISM&H, the Director issued (January 2001) instructions for inspecting at least five dispensaries in rural areas in a month by the DAO, organising four medical camps in *Hats** in rural areas in a month and arranging lectures on ISM&H in schools by doctors. In test check it was observed that the Superintendent Unani pharmacy, Bhopal and the DAO, Khargone did not carry out inspection of dispensaries at all and the short fall was 81 per cent in other districts during 2000-2004. Medical camps were not organised by the Superintendent Unani pharmacy, Bhopal and the DAOs of Balaghat and Hoshangabad. The short fall was 52 per cent in other districts. Lectures were also not arranged in schools during 2000-2004. The shortcomings were attributed to non-availability of vehicle and funds by the units.

➤ **Survey of fake doctors not conducted**

Survey of false doctors not undertaken

State Government issued (August 1997) instructions to conduct survey of unregistered doctors and holders of fake and false degrees to prevent unauthorised persons from practicing medicine and to take action against them under law. Scrutiny revealed that no survey was conducted during 1999-2004 in the State excepting Shahdol district where survey of 113 doctors was conducted during 1999-2000 and 13 unregistered and 75 fake and false degree holders were found engaged in medical profession. However, no action was taken against them. The Directorate attributed (October 2004) non conducting of survey to paucity of funds.

Survey of one district found thirteen unregistered and 75 fake and false degree holder

3.2.8 Teaching activities

Education on ISM&H was imparted through colleges of Ayurveda (7), Unani (1) and Homoeopathy (1). The colleges and their affiliated hospitals were declared (March 1997) as autonomous institutions to be managed and controlled by registered societies.

* *Weekly market in a village.*

➤ **Shortage of teaching staff**

Sanctioned and working strength of teaching staff in colleges as of March 2004 was as below:

Post	Strength		Shortage
	Sanctioned	In-position	
Principal	9	7	2
Professor	31	22	9
Reader	55	31	24
Lecturer	117	77	40
Demonstrator	67	41	26
Total	279	178	101

Shortage of teaching staff had adverse effect on teaching imparted

In the test checked colleges, as against sanctioned four posts of Principal, 19 Professors, 26 Readers, 61 Lecturers and 43 Demonstrators, vacant posts as of March 2004 were one, nine, seven, 25 and three respectively. The shortage had adverse impact on teaching. This was also admitted by the Principals of Ayurveda and Unani colleges, Bhopal. In Ayurveda colleges Bhopal and Gwalior 17 CA and two ACA were deployed against posts of Lecturer (5) and Demonstrator (14); one ACA out of these was actually working in Ayurveda dispensary " Vidhansabha Parisar, " Bhopal and his pay and allowances were drawn from the college (Bhopal). Most of above doctors were transferred at their request to colleges, whereas many dispensaries particularly in rural areas were being run without doctors.

➤ **Affiliated hospitals not up to CCIM/CCH norms**

As per CCIM norms, the student-bed ratio should be 1:2 up to intake of 50 students in an Ayurveda college and the bed occupancy in the affiliated hospital should not be less than 60 per cent in any case. As per norms of the Central Council of Homoeopathy (CCH), the student-bed ratio should be 1:1.

Bed occupancy in affiliated hospital was as low as 13 and 17 per cent

The sanctioned intake of students in Ayurveda colleges, Bhopal and Gwalior and Homoeopathy college, Bhopal was 50, 45 and 50 respectively. The affiliated hospitals were not up to CCIM/CCH norms as in the hospitals attached to Ayurveda Colleges, Bhopal and Gwalior 25 and 48 beds were available against the requirement of 100 and 90 respectively and bed occupancy was 13 and 17 per cent respectively as against the requirement of 60 per cent. In the hospital of Homoeopathy College, Bhopal, 25 beds were available though 50 were required.

➤ **Setting up of herbal garden**

Herbal garden was incomplete in Bhopal despite utilisation of full grant

GOI sanctioned and released (March 2001) Central assistance of Rs.5 lakh under the Central scheme for development and cultivation of medicinal plants to Principal PKS Ayurveda college, Bhopal for setting up a medicinal plants garden. The Principal utilised the grant on the work of fencing, construction of

shed, installation of tube well, etc. But the electricity connection to the tube well was wanting and the fencing of the garden was also destroyed, alongwith 141 out of 171 plants. Thus the utilisation of grant was largely unfruitful.

Similarly GOI sanctioned (March 2002) and released (April 2002) Central assistance of Rs.3.70 lakh to the Principal, Ayurveda college, Gwalior for setting up the garden of medicinal plants. The assistance was to be utilised during 2002-03. The garden was, however, not set up (December 2004).

3.2.9 Production of medicines and quality control

➤ Deficiencies in functioning of pharmacies

Production of medicines was very low in pharmacies.

The Department has one Ayurveda pharmacy at Gwalior and one Unani pharmacy at Bhopal for manufacturing 'Shastrokta' medicines. The Director was to purchase the raw material required for manufacturing medicines. The Directorate did not schedule the medicines to be manufactured or fix any targets of production. The Superintendents of the pharmacies sent annual work plan (AWP) to the Directorate proposing targets of production of medicines and requirement of raw material. The approval of the Director for the proposed targets was, however, not given.

It was seen that the production in both the pharmacies was very low compared to the targets proposed in AWP. There was no production during 2003-04 in the Unani pharmacy Bhopal. The shortfall in production was attributed to old machines and short supply of raw material and ingredients during 2002-03 by the Directorate. The Directorate stated that raw material was purchased according to availability of budget. Reply of the Directorate was not acceptable as there was saving of funds in the pharmacies under "medicine".

➤ Abnormal delay in strengthening of pharmacy

Strengthening of pharmacy not achieved despite availability of grant

GOI sanctioned (March 2001) grant-in-aid of Rs.90 lakh (Building-Rs.25 lakh and Machinery/Equipment Rs.65 lakh) and released (April 2001) first instalment of Rs.75 lakh each for strengthening Ayurveda pharmacy, Gwalior and Unani pharmacy, Bhopal. The project was to be completed within one year. A sum of Rs.50 lakh was paid to the Public Works Department (PWD) during October 2001 to March 2004 for renovation of buildings of both the pharmacies and Rs.99.02 lakh (November 2003) to Hospital Services Consultancy Corporation India, Noida (HSCC) for supplying machinery/equipment to these pharmacies. The machinery/equipment worth Rs.91.93 lakh were received from HSCC during November 2003 to March 2004. The machines were not installed (December-2004) in Ayurveda pharmacy, Gwalior due to incomplete work of building and electrification. The Superintendent, Ayurveda pharmacy, Gwalior intimated (December 2004) that an amount of Rs.8.36 lakh was required for completing the renovation. Progress reports of the project and utilisation certificate (UC) were not sent to GOI by the pharmacies, though required. Thus the strengthening of the pharmacy at Gwalior was delayed.

The Superintendents of the pharmacies replied that UC would be sent to GOI after work is completed.

➤ **Delay in commissioning Drug Testing Laboratory (DTL) and deficient system of quality control.**

DTL was not functioning even after more than two years of release of grant

GOI sanctioned (March 2002) grants-in-aid of Rs. one crore (Building-Rs.25 lakh, Machinery/Equipment-Rs.65 lakh and Manpower Rs.10 lakh) under the Centrally sponsored scheme of strengthening DTL and released (March 2002) Rs.95 lakh as first instalment to Director for DTL at Gwalior with condition to complete the project within one year and make it functional. The scheme envisaged deployment of prescribed technical manpower in DTL by the State Government and testing of 500 samples of drugs per year.

The Director paid Rs.22.44 lakh (November 2002) to PWD for renovation of the building of the Ayurveda pharmacy, Gwalior where DTL was to be established and Rs.57.36 lakh (November 2003) to HSCC for supply of machinery/equipment. The machinery and equipment worth Rs.52.37 lakh received from HSCC during December 2003-July 2004, were not installed. The renovation work of building was incomplete as of December 2004. The prescribed manpower was also not sanctioned by the State Government. Progress reports of the project were not sent to GOI, though required. Thus DTL was not commissioned (December 2004) though required to be completed by March 2003.

The Drugs and Cosmetics Act 1940 (Act) envisaged testing of samples of ISM&H drugs to ensure quality. The DAO and ex-officio Ayurveda Drug Inspector was responsible for ensuring quality of ISM&H drugs in the district. It was observed in the test checked districts that samples of the drugs were not taken for any testing.

➤ **Lack of quality control while purchasing medicines**

Quality control not ensured in purchase of medicines worth Rs.5.10 crore.

The Director paid Rs.5.10 crore (Rs.2.50 crore October 2003 and Rs.2.60 crore February 2004) to MPLUN for purchase of Ayurveda, Unani and Homoeopathy medicines. Committees constituted for different regions were to physically inspect the medicines being supplied and to check them with the samples already approved. Some samples were also to be got tested from the laboratories. The Committee constituted for Gwalior region took 23 samples of Ayurvedic medicines and handed over the same to MPLUN instead of sending them to a laboratory for testing. The Principal, Government Ayurveda College, Gwalior, the head of the Committee, agreed that the samples were not up to the quality of the approved samples. It was observed that Rs.9.23 lakh worth of the sampled medicines had been actually supplied in eight test-checked districts by the supplier. In Bhopal region too, 74 samples were taken by the Committee but further information about their testing, if any, was not on record.

The Directorate replied that the collected samples were retained with MPLUN and if necessary, would be got analysed by them. The reply indicated total

absence of any quality assurance exercise on the part of the Directorate in purchasing the medicines.

3.2.10 Monitoring and evaluation

There was no monitoring cell in the Directorate to monitor the performance of hospitals, dispensaries, pharmacies etc. and no system of monitoring the execution of programmes through periodical reports was evolved with the result that impact on the health care system in the State was not evaluated. Though the internal audit wing was constituted, targets were not fixed and only 18 units were audited during 1999-2003. As against target of 56 units, only eight units were audited during 2003-04 which showed shortfall of 86 per cent.

Inspection of subordinate units was not carried out by the Director during 1999-2002. As against target of 58, only 12 units were inspected by the Director during 2002-04. In-conducting inspections and shortfall (79 per cent) was attributed to administrative reasons.

3.2.11 Conclusion

The delivery of health services to the patients through hospitals and dispensaries was insufficient due to inadequate medicines, absence of proper indoor facilities, diet and non-availability of doctors in dispensaries in rural areas. The shortage of teaching staff in colleges had adverse impact on teaching. The affiliated hospitals of colleges were not upto CCIM/CCH norms. The production of medicines in pharmacies was very low. Quality of medicines was not ensured as the samples of drugs were not taken and got tested by the drug testing laboratory.

3.2.12 Recommendations

The following recommendations are made:-

- The utilisation of funds provided for medicines, machinery and equipment should be ensured.
- Hospitals and dispensaries should be strengthened by providing adequate clinical facilities, furniture, equipment etc.
- Deployment of doctors in dispensaries where the dispensaries are running without doctors particularly in rural areas should be done on priority.
- Medicines need to be tested to ensure quality and DTL should be brought to function.

**Public Health and Family Welfare, Public Health Engineering,
Rural Development and Mahila Evam Bal Vikas Departments**

**3.3 Health Care, Drinking Water Supply and Employment
Generation Schemes in Betul District**

Highlights

Betul district, situated in the central southern part of the state covered an area of 10043 sq. km. of which more than 53 per cent was arable land. Of 13.95 lakh population, more than 81 per cent was rural and 50 per cent belonged to SC and ST. Most of the villages in the district did not have easy access to medical facilities. Shortage of doctors and paramedical staff further added to already insufficient medical facilities available in district. Supply of potable drinking water remained a dream to the inhabitants of 665 villages of the district as these villages were not covered under any of the drinking water supply schemes launched by the Government of India and the State Government. Government could not provide the minimum employment of 100 mandays per year per family as envisaged under any of the Employment Generation Programmes.

There was shortage of 90* Health Centres in the District. Even the existing Health Centres were functioning with inadequate infrastructure like buildings and equipment etc. Some centres did not have even the basic necessities like water and electricity.

(Paragraphs 3.3.6)

About 37 per cent of posts of specialist / clinical specialists and PGMO were vacant which affected normal functioning of health centres.

(Paragraphs 3.3.6)

Potable drinking water was not available in 665 villages / habitations, while availability in all five towns and 757 villages / habitations was less than the norms. Due to non-closure of 1256 water sources having unsafe water, 1.88 lakh people were allowed to consume contaminated water.

(Paragraphs 3.3.9)

Spray of ineffective pesticides could not control spread of malaria which claimed 30 lives and rendered expenditure of Rs.3.49 crore incurred on spray unfruitful.

(Paragraph 3.3.7)

* CHC, SHC & PHC.

In spite of spending of Rs.99.85 crore during 1999-2004, average employment generated was merely 17 days against the target of 100 days per BPL family per year.

(Paragraph 3.10)

Irregular expenditure of Rs.1.11 crore was incurred on repairs of dwelling units, wells and construction of drains under Sampoorna Gramin Rozgar Yojana.

(Paragraph 3.3.12)

Eight watershed projects (cost:Rs.1.27 crore) under the Draught Prone Area Programme remained incomplete even after five years.

(Paragraph 3.3.13)

3.3.1 Introduction

District Betul is situated in the central southern part of the State along the border of Maharashtra with an area of 10043 sq. km. Out of the total area of 1007800 hectares (ha), 399406 ha (40 per cent) is under cultivation. Area covered by forest is 113211 ha (11 per cent), while 495183 ha (49 per cent) is other type of land. Out of the land under cultivation, area irrigated by all sources during 2002-03 was 99305 ha (less than 25 per cent).

Out of the total population of 13.95 lakh (census-2001) of the district, 50 per cent belonged to scheduled tribes (ST) and scheduled castes (SC), and more than 81 per cent population resided in rural areas.

3.3.2 Organisational set up

The District Collector is the principal administrative authority in the district, responsible for the co-ordination of all plan schemes being implemented in the district. The District Rural Development Authority (now Zila Panchayat) headed by a Chief Executive Officer (CEO) is also responsible for the implementation and co-ordination of a number of plan schemes for which funds are routed through it. The works are, however, executed by the concerned functional departments.

3.3.3 Audit objectives

Audit of the district Betul was taken up to assess

- the quality of health care facilities available in the district,
- the availability of safe drinking water in towns and villages, and
- the extent of coverage of various schemes of gainful employment generation.

3.3.4 Audit Coverage

The review covered inter alia the quantum of investment, programmes, activities undertaken during 1999-2004 in the fields of health care, drinking water supply and employment generation. A study was conducted during February to September 2004 in various offices* of Betul district.

3.3.5 Programme management

Funds allocated and expenditure incurred during 1999-2004 for health care facilities and nutritional support to children and women are given below:-

(Rupees in lakh)

Sl. No.	Department	1999-2004			
		Total Plan & Non Plan		Plan	
		Allotment	Expenditure	Allotment	Expenditure
1.	2.	3.	4.	5.	6.
1.	Public Health and Family Welfare	67.22	47.52	39.09	24.45
2.	Mahila Evam Bal Vikas	15.05	13.73	14.42	13.25
	Grand Total	82.27	61.25	53.51	37.70

Zila Panchayat incurred Rs.99.85 crore during 1999-2004 for employment generation under various central as well as state schemes as shown in **Appendix-XXXII**. As regards drinking water supply, two schemes had been undertaken in urban areas while for the rural areas, the Accelerated Rural Water Supply Programme had been operated.

➤ Implementation

District plan for 2002-03 and 2003-04 was prepared by the District Planning Committee for integrated development of Betul district.

Different developmental schemes as well as programmes for welfare were implemented by various line departments in the district. The activities were analysed under (a) health care facilities, (b) nutritional support to children and women, (c) safe drinking water; and (d) poverty alleviation and employment generation schemes.

3.3.6 Health care facilities

Health care facilities were extended by Public Health and Family Welfare, Medical Education and Women and Child Development departments.

* Chief Medical and Health Officer, Betul, Civil Surgeon, Betul, District Malaria Officer, Betul, District Programme Officer, Women and Child Development, Betul, Chief Executive Officer, Zila Panchayat, Betul, Project Officer, Integrated Child Development Scheme, Bhainsdehi, Betul and Executive Engineer, Public Health and Engineering, Betul.

➤ **Inadequate number of health care institutions**

67 SHCs, 17 PHCs and 6 CHCs were short as per norms.

According to norms laid down by Government of India (GOI), one Sub Health Centre (SHC) for every 5000 population (3000 in tribal and hilly areas), one Public Health Centre (PHC) for 6 SHCs i.e. for every 30,000 population (20000 in tribal and hilly areas) and one Community Health Centre (CHC) for every 80,000 to 1.20 lakh population were required to be established. A CHC was actually meant to serve as a referral institution for 4 PHCs. Betul district had 301 such units (2003-04) for medical and health care which included 6 CHCs, 34 PHCs and 261 SHCs against the requirement of 328 SHC, 41 PHC and 12 CHC. Thus, there was a shortage of 67 SHCs, 17 PHCs and 6 CHCs. Due to lack of transport facilities and non-connectivity of more than 90 per cent villages, people living in interior areas were unable to utilise the services of these units when required. Chief Medical and Health Officer (CMHO) Betul intimated (February 2004) that SHCs and PHCs were opened according to the demand of Zila Panchayat (ZP). However, most of the villages of the district did not have free access to medical facilities.

➤ **Availability and occupancy of beds**

20 to 50 patients were forced to use floor due to inadequacy of beds in D.H.

According to the recommendations of the Working Group in VII five year plan, there should be at least 100 beds for one lakh population; out of these, the CHC and the DH should have 30 and 40 beds respectively. Thus, against the requirement of 1400 beds for a population of 13.95 lakh, there was shortage of 1174 beds. In spite of increasing the beds from 150 to 160 in 1999, there was shortage of beds in the district hospital due to which about 20 to 50 patients per day were not being provided with beds and were forced to avail of alternate means including staying on floors. In spite of overcrowding of indoor patients in DH, no efforts were made to increase the availability of beds.

➤ **Non-availability of facilities for major diseases**

A building was constructed by the Public Works Department (PWD) in 1991 in district hospital and handed over in March 1992. Though provision of Rs. 7 lakh was made in the budget estimate for 1995-96 for purchase of equipment and establishment of intensive care unit (ICU), but neither the equipment/instruments were purchased nor was ICU established. Similarly, the facilities for the treatment of major diseases viz. Heart diseases, Kidney, Cancer, AIDS were not available in the district. The patients suffering from these diseases were referred to Bhopal for treatment.

➤ **Inadequate infrastructure for health care**

Buildings, electricity, drinking water, and clinical facilities were not available in health care units.

Out of 34 PHCs and 261 SHCs, 11 PHCs and 186 SHCs did not have their own buildings and PHCs were functioning in hired buildings, Panchayat buildings, etc. and SHCs even in the residence of workers. A PHC building costing Rs.9.65 lakhs having facilities for 10 beds was constructed at Saikheda (Multai) during 2001-2002 but the building remained unutilised as of August 2004 for want of sanction for opening of PHC. Further, 9 PHCs did not have even electricity facility while drinking water facility was not available in 15 PHCs and 62 SHCs. There was shortfall in the facilities of X-ray (25),

operation theatre (21), labor room (19), delivery room (21) and essential equipment (23) for use and application in PHCs. Six X-ray machines purchased and installed at a cost of Rs. 8.08 lakh in two CHCs and four PHCs between March 1972 and June 1998 were lying idle due to non-sanction of the posts of radiographers in three cases and non-posting of radiographers in three cases. Thus because of inadequate infrastructure, the population of the district was deprived of the required medical facilities.

➤ **Shortage of Clinical Specialists and Medical Officers**

37 per cent posts of clinical specialists were vacant in DH and CHCs.

Of 10 posts of Specialists sanctioned for DH, three posts remained vacant during 1997-2004. Further, out of 22 sanctioned posts of Post Graduate and other Medical Officers, 10 posts were vacant. Similarly, against 14 PGMOs required to be posted in six CHCs, four posts of PGMOs were vacant since 1992. Thus against 46 sanctioned posts of Specialists, PGMOs and Clinical Specialists, there was a shortage of 17 posts (37 per cent). Persistence of vacancy of doctors and specialists affected the functioning of the health centres. The Department failed to address to the acute shortage of doctors and specialists. Audit further observed that under the Minimum Needs Programme, nine PHCs* were functioning without doctors for periods ranging between three and seven years. The compounders were stated to be providing treatment to patients in the absence of doctors, which was neither authorised nor dependable. Hence expenditure of Rs.46.23 lakh incurred on pay and allowances of supporting staff such as compounders, dressers, wardboy, peon, etc. during April 1997 to January 2004 was largely unfruitful.

Nine PHCs were running without doctors.

➤ **Deployment of supporting staff**

Strength of supporting staff in CHCs and PHCs was not as per norms.

The supporting staff sanctioned and deployed in six CHCs and 34 PHCs was not according to norms laid down by GOI as given in *Appendix-XXXIII* and *XXXIV*. While some posts which were not provided in the norms, were sanctioned and filled in there was a dearth of specialists in the centres. Due to non-posting of specialists and non-availability of indoor beds and other facilities according to norms in these CHCs, the expenditure on salary of supporting staff was largely unfruitful. Due to inadequacy of health care institutions, indoor beds, clinical facilities, clinical specialists, medical officers, paramedical and supporting staff, etc., the rural poor could not be freed of the problem of treatment by unqualified medical practitioners.

* Barvi (4/01), Dhanora (4/97), Dunawa (4/03), Hidli (10/02), Hirapur (4/02), Khedikot (4/97), Mandvi (4/97), Mohata (4/97), Vishnoor (4/98),

3.3.7 Malaria Control

➤ Spray of ineffective insecticide

Spray of DDT without ascertaining effectiveness resulted in unfruitful expenditure of Rs.61.65 lakh.

According to the work plan for 1999 for control of malaria, population under high risk area of 901 villages of the district was estimated at 8.82 lakh and the requirement of insecticides/pesticides was assessed at 1.323 tonne for spray in two rounds at a cost of Rs.18.98 lakh. Though Rs.61.65 lakh were spent on spray of DDT 50% during 1999-2001 as many as 16764 positive cases of malaria were detected during 2000-01. Thirty persons died of malaria during August-December 2000. Positive cases noticed during 2001-02 rose to 18440. CMHO replied (June 2004) that DDT 50% was not so effective. Thus, spray of DDT (50%) during 1999-2001 without ascertaining its effectiveness had not only failed to control malaria, but had also resulted in unfruitful expenditure of Rs.61.65 lakh.

➤ Spray of ineffective insecticide (Deltamelathrine 2.5%)

Spray of ineffective insecticides resulted in unfruitful expenditure of Rs.2.87 crore.

Director Health Services (DHS) requested (July 2002) GOI for allotment of Deltamelathrine insecticide 10% instead of 2.5% demanded previously. This was on account of bio-assay test which revealed that Deltamelathrine 2.5% was ineffective. However, 35 tonnes of Deltamelathrine 2.5% (valuing Rs.2.86 crore) was received from GOI of which 17.70 tonnes was also sprayed in six blocks as of September 2002. In the meeting of the District Planning Committee held on 30th September 2002, public representatives communicated their severe dissatisfaction about the ineffectiveness of insecticides. Accordingly CMHO, Betul requested the DHS to change the insecticide. In the mean time DMO, Betul further utilised 16.16 tonnes of Deltamelathrine 2.5% (valuing Rs.1.32 crore) for spray up to October 2003. Expenditure of Rs.10.67 lakh was also incurred on payment of wages for spray. Thus, the total expenditure of Rs.2.87 crore incurred on spray of ineffective insecticide was unfruitful. The DMO, Betul intimated (March 2004) that this insecticide was utilised for spray during 2003-04 due to non-receipt of any instructions from the DHS for use of Deltamelathrine 10% instead of 2.5%.

3.3.8 Nutritional support to children and women

The scheme of Integrated Child Development Services was implemented in the district through 10 projects. The objectives were to improve the nutritional and health status of children in the age group upto six years, laying the foundation for proper psychological, physical and social development of the children, reducing the incidence of mortality, morbidity, malnutrition and school dropouts and enhancing the capability of the mothers.

➤ Inadequate coverage of beneficiaries

The number of beneficiaries identified (I) and assisted (A) during 1999-2004 were as under:-

(Number in Lakh)

Category	1999-2000		2000-01		2001-02		2002-03		2003-04	
	I	A	I	A	I	A	I	A	I	A
Children –0-6 Years	1.21	0.61	1.34	0.87	1.30	0.87	1.29	0.89	1.28	0.91
Percentage of Shortfall		50		35		33		31		29
Expectant and nursing mothers	0.24	0.11	0.24	0.15	0.24	0.16	0.26	0.18	0.23	0.18
Percentage of shortfall		54		37		33		31		22

Reasons for shortfall in assisting beneficiaries were not intimated by the District Programme Officer (DPO), Betul.

➤ **Providing of Panjiri to infants**

Panjiri (1361 tonne) valuing Rs.1.70 crore was provided to infants.

Supplementary nutrition containing 300 calories and 10 grams of protein per child, 500 calories and 15-20 gms of protein per pregnant woman/ nursing mothers and 600 calories and 20 gms of protein per severely malnourished child was to be provided to beneficiaries subject to the ceiling of Rs.two per day per pregnant woman/ nursing mother and malnourished child and Re.one per day per child in all other cases. It was noticed that instead of providing weaning food to the infants (upto one year of age), 1361 tonnes (80 gm panjiri per day per infant) of Rs.1.70 crore was shown to be provided to 56723 children in all projects during 1999-2004. Consumption of panjiri by infants was neither advisable nor feasible. The DPO, Betul intimated (June 2004) that though it was not justified, panjiri was distributed to the children in compliance of orders of Government. Since consumption of Panjiri by infants was not justified, the expenditure (Rs.1.70 crore) was improper and wasteful.

3.3.9 Safe drinking water

➤ **Inadequate planning for supply of drinking water to the towns**

GOI launched (1993) the Centrally sponsored “Accelerated urban water supply programme” for towns with population less than 20000 (1991 census). Towns with supply of water of less than 70 litre Per Capita Daily (LPCD) were to be given priority. The towns with population in excess of 20000 with supply of less than 135 LPCD were to be taken up under the Urban Water Supply Schemes by the State Government. According to 1991 census, there were five towns (excluding Sarni where drinking water supply was maintained by Madhya Pradesh State Electricity Board (MPSEB) and the Western Coal Fields Limited) in the district with population ranging between 9605 and 63694 with availability of drinking water between 25 LPCD to 42.50 LPCD as shown in **Appendix-XXXV**. The availability of potable water in all the towns during 2004 ranged between 21 and 68 LPCD. Drinking water supply schemes (costing Rs.7.70 crore) were taken up at Multai (Rs.5.75 crore) and Bhainsdehi (Rs.1.95 crore) in 1995 and 1997 respectively. It was observed that Rs.1.35 crore (Multai Rs.0.90 crore and Bhainsdehi Rs.0.45 crore) were spent up to March 2004 mainly on procurement of materials and advance payment. The physical progress of both the schemes was nil even after lapse of about 8

to 10 years. Thus defective planning and execution by the department had deprived 1.60 lakh urban population of adequate potable water.

➤ **Non-prioritization of villages for potable water**

Due to non-prioritization, 7.38 lakh inhabitants of 1422 villages were deprived of minimum potable water.

GOI launched (February 1986) the National Drinking Water Supply Mission to cover the ongoing Centrally sponsored scheme of Accelerated Rural Water Supply Programme (ARWSP) to provide safe and potable water of 40 LPCD to all villages and habitations. Though 1528 villages were covered during 1996-2004, 1422 remained to be covered as of March 2004. Information was not made available to show the names of villages and habitations already covered, to be covered, and new additions. Thus, 1422 villages and habitations with 7,38,380 population (census 2001) including 665 in the category of not covered were still awaiting facility of 40 LPCD potable water due to defective implementation of the schemes.

➤ **Non testing and non closure of water sources having unsafe water**

1256 sources of water with contamination were not closed.

The progress report (June 2004) revealed that testing of 7812 water sources out of 7868 was done during July 1990 to June 2004 in the District of Betul. The balance of 56 sources were not tested. Further, of 1274 sources of water found unsafe for drinking in the tests in the departmental laboratory, only 18 sources were closed. The inhabitants were consuming contaminated water from 1256 sources of water which was hazardous to health. Executive Engineer, PHE, Betul stated (July 2004) that the water sources would be closed after alternate arrangements are made.

3.3.10 Anti poverty and employment generation programmes

Employment generated under rural development schemes was only 17 days per BPL family per annum.

The Rural Development Department was implementing various Centrally sponsored schemes in rural areas for providing gainful wage employment[#] for poverty alleviation. Rs.99.85 crore were spent on various schemes during 1999-2004 vide details given in *Appendix-XXXII*. ZP was the nodal agency for implementation, release of funds and monitoring of various schemes. Out of 195935 families living in rural areas in the district, 87148 families (44.48 per cent) were below the poverty line (BPL) out of which, 56981 families (more than 65 per cent) belong to SC/ ST. Employment generated in five schemes during 1999-2004 was 73.10 lakh mandays i.e. 17 days per year per BPL family against the prescribed 100 days as detailed in *Appendix-XXXII*.

3.3.11 Swarnajayanti Gram Swarajgar Yojana (SGSY)

GOI launched (April 1999) SGSY with the objective that the rural poor families living below poverty line would be able to earn a net monthly income of at least Rs.2000 within three years with the help of income generating assets to be provided with loan and subsidy and aimed to cover 30 per cent of the poor families of each block in a period of five years. The funds (shared by the Central and the State Government in the ratio of 75:25) were to be utilised

[#] Providing 100 days during lean agriculture season in manual work to all adult in rural areas who were in need of work.

on subsidy (59 per cent), infrastructure (20 per cent), training (10 per cent), revolving fund (10 per cent) and risk fund (1 per cent). Against the available funds of Rs.10.77 crore, Rs.10.46 crore were spent during 1999-2004.

Only 30 per cent of targeted beneficiaries were assisted.

Against 26145 families (30 per cent of 87148 BPL families), required to be assisted during 1999-2004, only 7748 families (30 per cent of target) were assisted, out of which 38 per cent were women and 1 per cent of the disabled category against the targets 40 and 3 per cent respectively laid down in the scheme. The CEO, ZP, Betul intimated (August 2004) that beneficiaries were covered/ assisted according to funds made available.

There was underspending of Rs.83 lakh on training while Rs.13.75 lakh were misutilised.

Against the funds of Rs.1.05 crore received for training during 1999-2004, only Rs.22 lakh were spent on imparting training to all 7748 beneficiaries where as according to reports sent to Government, training was given only to 6659 beneficiaries at a cost of Rs.11.04 lakh. It was also noticed that as per the annual accounts of SGSY for the year 2001-02, Rs.13.75 lakh were utilised on administrative/office expenses from funds earmarked for training.

Chilling centre was not established.

An amount of Rs.29 lakh was paid to Dugdha Mahasangha, Bhopal during 1999-2000 for establishing a chilling centre which was not established and the swarojgaris were deprived of the benefit. CEO intimated (August 2004) that Dugdha Mahasangha was requested to establish the centre or refund the amount with interest.

3.3.12 Sampoorna Gramin Rozgar Yojana (SGRY)

SGRY was implemented during 2002-04 at a cost of Rs.23.40 crore with the objectives of providing additional wage employment to all rural poor in need of wage employment, food security, improving nutritional levels, creating durable community, social and economic assets and promoting infrastructural development in rural areas. The scheme was financed by Central and State Government in the ratio of 75:25. Employment provided during 2002-04 was 26.48 lakh mandays. Against central share of Rs.17.84 crore received during 2002-04, state share of Rs.5.70 crore was released, which fell short of the states due share by Rs.0.25 crore

➤ Taking up of works in disregard of the scheme guidelines

Of 1200 works, 546 works were executed in contravention of guidelines and expenditure of Rs.7.94 crore was reported without actual verification.

Of 1200 works executed at a cost of Rs.7.94 crore during 2002-04 under stream I*, the details of expenditure on various works were not available. The CEO intimated (August 2004) that verification of actual expenditure was under progress with completion reports. The reply indicated that expenditure was reported to the authorities without actual verification and showed ineffective monitoring. According to the guidelines works of soil and moisture conservation, minor irrigation, rejuvenation of drinking water resources and augmentation of ground water, traditional water harvesting structures, desiltation of village ponds /tanks were to be executed on priority basis, under stream I. The work of construction of rural link roads, farm roads, drainage,

* *Rojgar Ashwashaan Yozna (implemented upto 31-03-2002), now known as Stream I.*

etc. did not enjoy that priority works. However, 1200 works executed during 2002-04 included 500 works relating to construction of roads and culverts which were not priority items. Further, 46 works executed related to renovation of canals which were required to be financed out of State resources and showed diversion of SGRY resources. CEO intimated that works were sanctioned by the General Body of ZP and renovation of canals was done as the SGRY resources include state share. Reply was not tenable as the works were to be sanctioned as per guidelines.

➤ **Insufficient coverage of individual beneficiary schemes**

Expenditure of Rs.1.11 crore was incurred on inadmissible items of works.

Under stream I, annual allocation to the extent of 22.5 per cent, inclusive of food-grains was to be earmarked for individual beneficiary schemes for SC/ST persons living below the poverty line. Out of total expenditure of Rs.4.80 crore during 2002-03 expenditure under individual beneficiary schemes for SC/ST was Rs.81.31 lakh (16.94 per cent) only which was short by Rs.26.68 lakh. Out of the total expenditure of Rs.2.66 crore on individual beneficiary schemes for SC/ST during 2002-04, Rs.1.11 crore (42 per cent) were spent on repairs of dwelling units, wells and construction of drains which were not provided under the scheme while expenditure of Rs.26.86 lakh (10 per cent) was incurred on construction of latrines which was to be taken up only in exceptional circumstances. The CEO intimated (August 2004) that the proper percentage of expenditure could not be maintained during 2002-03 as it was a new scheme and expenditure on repairs of wells and dwelling units and construction of latrines were incurred due to the willingness and desire of beneficiaries.

➤ **Need based infrastructure not created**

While no expenditure was incurred during 2002-03, details of works of Rs.5.23 crore executed during 2003-04 were not available.

Under stream II^s, minimum 50 per cent of the allocation inclusive of food grains was to be earmarked for creation of need based village infrastructure in SC/ST habitations. Against the total expenditure of Rs.4.82 crore during 2002-03, no expenditure was incurred on need based infrastructure in SC/ST habitations. Out of the total expenditure of Rs.7.98 crore during 2003-04, expenditure on need based infrastructure in SC/ST habitations was Rs.5.23 crore (66 per cent) but details of works executed were not maintained. Gram Panchayats were permitted to spend upto a maximum 15 per cent of funds of Rs.7.98 crore on maintenance of public assets created under wage employment programmes. Rs.1.71 crore were spent on maintenance of assets against the permissible amount of Rs.1.20 crore during 2003-04. This excess expenditure of Rs.0.51 crore did not have proper authorisation under the scheme.

Excess expenditure of Rs.0.51 crore on maintenance of assets.

➤ **Misutilisation of funds earmarked for wages**

Purchase of seed and spray pumps of Rs.74 lakh from cash part of labourers.

Though wages were payable in the shape of foodgrains and cash to the labourers, expenditure of Rs.74 lakh was incurred on purchase of hybrid seeds and spray pumps for 5000 beneficiaries through Madhya Pradesh Agro

^s *Jawahar Gram Samridhi Yozna (implemented upto 31-03-2002) now known as Stream-II.*

Industries Development Corporation, Betul which were reportedly sub-standard. It was irregular to purchase seeds and spray pumps from the cash part of the wages of labourers. Relevant records were also not made available to audit for scrutiny. The CEO intimated (August 2004) that relevant records were submitted to Government for investigation about the sub standard quality of seeds and sprayers and the issue was pending with Government. Thus the beneficiaries were deprived of the benefits of employment of 1.33 lakh mandays.

3.3.13 Drought Prone Area Programme (DPAP)

Watersheds of approximately of 500 hectares each in every village was to be identified and developed. These were to be taken up in a phased manner and batches over a period which should not ordinarily exceed four years. According to the prescribed funding pattern, funds were to be released in instalments in the first year (25 per cent), the second year (40 per cent), the third year (25 per cent) and one instalment in the fourth year (10 per cent). Funds provided under the project were divided amongst the project components of watershed treatment/development (80 per cent), community organisation (5 per cent), training (5 per cent) and administrative overheads (10 per cent). Out of allotted fund of Rs.20.61 crore during 1999-2004, expenditure of Rs.19.44 crore was incurred under the programme. Audit observed:

➤ **Non completion of work and release of funds against norms**

Eight watershed projects (area : 3830 ha) sanctioned during November-December 1997 (Rs.1.27 crore) could not be completed even in five years. The CEO intimated that these watersheds could not be completed due to general elections. The reply was not tenable as these projects were to be completed in four years. It was further observed that Rs.7.49 crore were released to Project Implementation Agencies and watershed committees during 2001-04 in one instalment for executing of works selected for six to eight batches against the norm of release of funds in instalments. The CEO intimated that releases were made due to availability of sufficient funds. The reply was not tenable as it was in disregard of the norms laid down by GOI.

➤ **Non refund of unspent amounts and excess expenditure**

Against sanctioned project cost of Rs.11.53 crore for watershed development under phase I, total expenditure incurred was Rs.10.87 crore. Thus there was a saving of Rs.0.66 crore which was to be refunded to ZP but the same was not done (September 2004). Further it was also observed that against permissible limit of Rs.9.22 crore for watershed treatment activities, expenditure incurred was Rs.10.51 crore i.e. excess was of Rs.1.29 crore while the area treated was 36623 ha i.e. 1486 ha less than the target of 38109 ha. No reasons for non refund and less coverage of area were advanced.

Saving of Rs.0.66 crore not refunded to ZP and excess expenditure of Rs.1.29 crore on watershed treatment.

3.3.14 Conclusion

Due to inadequacy of health care institutions, indoor beds, clinical facilities, clinical specialists, medical officers, paramedical and supporting staff, inhabitants of rural areas were deprived of proper health care facilities. Identified beneficiaries (2.70 lakh) were not provided nutritional support. Neither urban nor rural population of the district could be provided safe drinking water as per norms. Towns with supply of less than 70 litre per capita water daily were not given priority under the Accelerated Urban Water Supply Programme. Rural Development Department could provide employment of merely 17 days per BPL family per annum against the norm of 100 days. Funds of Rs.74 lakh earmarked for wages was misutilised for purchase of hybrid seed and spray pumps depriving the beneficiaries of employment.

3.3.15 Recommendations

- Deployment of clinical specialists and doctors as per staffing pattern to provide adequate health care to the patients need immediate action. Facilities in the district hospital need to be improved by construction of additional wards.
- Sufficient funds need to be provided to extend nutritional support to all identified beneficiaries for health care facilities.
- Alternative arrangement for supply of drinking water needs to be made so that the existing unsafe drinking water sources could be closed at the earliest.
- Under various drinking water supply scheme launched by Government of India and State Government, priority needs to be given to the villages/habitations still awaiting facility of minimum potable water.
- Guidelines of the schemes for providing gainful wage employment needs to be followed and steps initiated to ensure that the funds earmarked for wages are not misutilised.
- Maintenance of proper records of infrastructure and assets created out of the scheme funds should be ensured.

Rural Development Department

3.4 Pradhan Mantri Gram Sadak Yojana

Highlights

The Pradhan Mantri Gram Sadak Yojana (PMGSY) was launched by Government of India (GOI) on the 25th December 2000 with the object of providing connectivity by way of all weather roads (AWRs) to unconnected rural habitations with a population of 1000 persons or more and between 500 and 999 persons by the end of March 2003 and 2007 respectively. For implementation of the scheme in the State, the Government of Madhya Pradesh (GOMP) established (23 December 2000) Madhya Pradesh Rural Road Development Authority (MPRRDA). GOI released Rs.1206.93 crore during March 2001 to March 2003 against the sanctioned amount of Rs.2065.38 crore to provide connectivity for 3367 unconnected habitations. After a period of more than four and half years the MPRRDA could provide new connectivity to 1159 habitations only by incurring expenditure of Rs.1088.31 crore as of July 2004. The dismal performance was mainly due to poor planning & implementation, incorrect selection of roads and ineffective monitoring.

Some important findings of the review are given below:

MPRRDA received only Rs.1206.93 crore as against sanctioned Additional Central Assistance (ACA) of Rs.2065.38 crore due to short fall in expenditure (Rs.531.15 crore) during 2001-03.

(Paragraph 3.4.4)

An expenditure of Rs.143.39 crore was incurred on the works under 33 packages as against sanctioned amount of Rs.125.27 crore resulting in unauthorised expenditure of Rs.18.12 crore.

(Paragraph 3.4.6)

Payment of advances without any provision in agreements constituted undue financial aid to contractors worth Rs.9.36 crore.

(Paragraph 3.4.7)

Incorrect selection of roads for construction/upgradation under phases I & II against the criteria of the guidelines resulted in diversion of ACA for Rs.200.48 crore and blocking of funds of Rs.9.36 crore.

(Paragraph 3.4.9)

Execution of extra thickness of crust due to adoption of incorrect design criteria for rural roads resulted in avoidable cost of Rs.2.56 crore.

(Paragraph 3.4.11)

Extra cost of Rs.22.24crore due to execution of primer coat without assessing its requirement and adoption of higher specification for tack coat and CD work.

(Paragraph 3.4.11)

Extra cost of Rs.2.70 crore was incurred due to unauthorised execution of costlier earth work.

(Paragraph 3.4.11)

Excess/inadmissible payment of Rs.3.46 crore was made and undue financial aid of Rs.2.69 crore was extended to contractors due to incorrect computation, incorrect application of rates and award of additional work at higher rates.

(Paragraph 3.4.10,11,12)

3.4.1 Introduction

Rural road connectivity is a key component of rural development in promoting access to economic and social services and thereby generating increased agricultural income and productive employment opportunities as 40 per cent of the habitations in the country are still not connected by all weather roads. With a view to redressing this situation, Government of India (GOI) launched (25th December, 2000) a cent per cent Centrally Sponsored programme named "Pradhan Mantri Gram Sadak Yojna" (PMGSY); fifty per cent of the cess on High Speed Diesel was earmarked for this programme.

In Madhya Pradesh the total length of roads is meagre as compared to the national standard. As against the national average of 74.90 km per 100 sq km, it is 45.10 km per 100 sq km. The average of Water Bound Macadam - class-I and Bituminous roads are 18.71 km and 8.48 km per 100 sq km against the national average of 35.55 km and 21.4 km per 100 sq km respectively.

3.4.2 Organisational Set up

Ministry of Rural Development (MORD), GOI assisted by National Rural Road Development Agency (NRRDA), is the prime authority and the co-ordinating Ministry to frame the policy and guidelines for implementation of the programme. The planning and implementation of the individual schemes is the responsibility of the State Government. Government of Madhya Pradesh (GOMP) established (23 December 2000) an Executive Agency named Madhya Pradesh Rural Road Development Authority (hereinafter referred to as the Authority) registered under MP Society Registration Act 1973, headed by a Chief Executive Officer (CEO) who is assisted by 2 Chief General Managers (CGM). At the field level, the construction of road works is being executed through 27 Project

Implementation[‡] Units (PIUs) each headed by a General Manager (GM). The Authority also engaged consultancy services for (i) survey/investigation and preparation of detailed project reports (DPRs) and (ii) supervision and quality control of civil works.

As per guidelines, the GM was required to be not below the rank of Executive Engineer (EE). However, 18 Assistant Engineers (AE) of various Departments were posted as Assistant General Manager (AGM) and heads of PIUs. Of these, two had experience of work less than 8 years[§] as AE against the required experience of more than 15 years as prescribed (18 June 2002) by the Empowered Committee, headed by Chief Secretary.

In reply Government accepted (February 2005) the fact and stated that 2 AEs having less experience would be replaced as soon as EEs and AEs of requisite experience are available.

3.4.3 Objective and scope of Audit

The audit objective was to make an assessment of:

- the methodology of selection of roads
- efficacy of the planning and implementation process
- the extent to which specifications for construction of rural roads had been followed and
- effectiveness of system of supervision, quality control and monitoring.

The review is based on test check of records of 13 PIUs^{**} out of 33 relating to the period 2000-04, conducted during February 2004 to September 2004 and December 2004 to January 2005. Information and data were also collected from the office of the CEO, MPRRDA.

3.4.4 Financial Outlay and expenditure

Funds for execution of works under PMGSY were provided by GOI as cent per cent Additional Central Assistance (ACA). However, the cost of implementation of the programme viz. establishment & administrative expenses, formulation of block /district-wise Master Plan, DPRs, work of supervision and quality control, cost over run, if any, and tender premium etc was to be borne by the GOMP.

The ACA was to be released in suitable installments. The position of funds received from GOI and expenditure incurred by the Authority between 2000-2004 is detailed below:-

[‡] *There are 33 PIUs since July 2004.*

[§] *AGM, PIU Chhatarpur-7 years & 4 months; AGM, PIU Mandla-7 years & 6 months.*

^{**} *Ujjain, Dewas, Hoshangabad, Biaora, Guna, Chhindwara, Seoni, Shahdol, Sagar, Dhar, Jhabua, Bhopal and Shivpuri.*

(Rupees in crore)

Year	Phase*	ACA sanctioned by GOI	Receipt			Cumulative Expenditure	Percentage of shortfall in expenditure
			Released by GOI	Interest earned	Cumulative Total		
2000-01	I	217.64	213.00	Nil	213.00	Nil	--
2001-02	I	Nil	4.64				
	II	513.68	<u>228.00</u> 232.64	15.11	460.75	26.23	94.40
2002-03	II	Nil	324.49				
	III	609.19	<u>145.90</u> 470.39	26.21	957.35	426.20	55.48
2003-04	III	Nil	290.90				
	IV	724.87	<u>Nil</u> 290.90	26.15	1274.40	914.92	28.21
Total		2065.38	1206.93	67.47	1274.40	914.92	-

* Phase corresponds to batches of works sanctioned by Government of India

The authority failed to utilise the available ACA due to improper planning, delay in fixing of agencies and slow progress during 2001-03.

The above figures indicate that the Authority could get only Rs.1206.93 crore as against sanctioned ACA of Rs.2065.38 crore due to underutilisation of available funds during 2001-04. This was mainly due to improper planning & implementation, delay in fixing of agencies for construction and slow physical progress. Shortfall in progressive expenditure during 2001-02 and 2002-03 against the released amount was 94.40 per cent and 55.48 per cent respectively. The Government stated (February 2005) that MPRRDA, being a newly created organisation, took time to establish PIUs. However, the time allowed for completion was also unrealistic looking to the magnitude of road work. The reply of the Government was not acceptable as appropriate action was not taken to implement this time bound programme.

3.4.5 Diversion of ACA

An amount of Rs.56.72 crore was diverted to liquidate the liability of the State.

The guidelines, *inter-alia*, stipulated that the ACA should exclusively be utilised only on works excluding tender premium (TP) and would not be diverted to any other purpose.

Test check of records revealed that:

- An amount of Rs.54.50 crore was utilised unauthorisely for payment of TP during the years 2001-04. However, this amount was adjusted from the State funds in March 2003 (Rs.8.82 crore) and March 2004 (Rs.45.68 crore) without adjusting the interest thereon. This incorrect procedure for payment of TP continued as the initial debit was being made to ACA instead of GOMP funds.

- An amount of Rs.14.23^{††} lakh was also diverted & utilised (January 2003 to May 2004) for payment to the Madhya Pradesh State Electricity Board on account of the cost of shifting electric lines and poles for construction of roads, though it was the liability of the State Government in terms of the guidelines. In reply the Government stated (February 2005) that shifting of electric lines and poles was part of the works. The reply is not tenable in view of the guidelines, which clearly stipulated that it was the responsibility of the state to provide the land free from all hindrances for the purpose of construction of the roads.
- GOI approved road-wise cost estimates. The expenditure on each road was therefore to be limited to the sanctioned amount and excess, if any, was to be borne by GOMP while saving was to be credited to GOI. But in 322 completed roads taken under 58 packages of 13 PIUs, the saving on roads was diverted & utilised on other road works under the same package instead of being credited to GOI. For illustration, in PIU Sagar, the saving of Rs.2.08 crore on 20 roads was diverted and utilised on 25 roads where excess expenditure to the tune of Rs.3.55 crore had been incurred as detailed in **Appendix-XXXVI**.
- As per guidelines, the GOI provided funds for office and travelling expenses @ Rs.35,000 pm and Rs.10,000 pm respectively per dedicated PIU for implementation of the programme. It was, however, seen that against the admissible amount of Rs.1.46 crore an amount of Rs.1.89 crore was adjusted under ACA for the year ended March 2003. Thus, an excess amount of Rs.43 lakh, to be borne by State Government, was diverted and adjusted against ACA.

Excess booking of Rs.43 lakh in ACA towards office and travelling expenses on dedicated PIUs.

In reply the Government stated (February 2005) that the expenses were adjusted against 45 districts instead of 27 PIUs. The reply is not acceptable as the guidelines clearly laid out the limits for office and travelling expenses for each PIU. As only 27 dedicated PIU were established during the period, the excess expenditure of Rs.43 lakh was to be borne by the State Government.

3.4.6 Unauthorised expenditure

As per the guidelines, any increase in the cost of the project sanctioned by the GOI for any reason would be borne by the State Government.

Audit scrutiny of records of 12 PIUs revealed that as against the sanctioned cost of Rs.125.27 crore, an expenditure of Rs.143.39 crore excluding tender premium had been incurred on the works executed under 33 packages. Thus an amount of Rs.18.12 crore was incurred on the works in excess of sanctioned cost and unauthorisely charged to ACA as detailed in **Appendix-XXXVII**. The increase in cost was mainly due to unrealistic estimates, change in scope of work & inclusion of extra items.

A sum of Rs.18.12 crore was spent unauthorisely in excess of amount sanctioned by GOI.

^{††} Guna-Rs.1.44 lakh (01/2003), Seoni-Rs.5.03 lakh (06/2003), Sagar- Rs.6.69 lakh (08/2003 to 04/2004), Dhar-Rs.0.60 lakh (01/2003) and Chhindwara-Rs.0.47 lakh (05/2004)

On this being pointed out, the Government admitted the fact and stated (February 2005) that revised sanction from GOI was still awaited.

3.4.7 Irregular/ Unauthorised payment of advances

There were no provisions for payment of Mobilisation, Machinery and Secured advances in agreements under Phase-I & II (March 2001 to July 2002) of the programme. Thereafter, the Authority introduced (May 2002) these provisions in tender documents for Phase-III & IV (September 2002 to July 2004).

Rs.9.36 crore was advanced to contractor without any provision in agreement.

It was, however, seen in test check that these provisions were applied irregularly and outside the scope of the agreements even for ongoing contracts under Phase-I & II in 5 PIUs. The payment of advances made during June 2002 to June 2003 thus, resulted not only in irregular aid of Rs 9.36 crore^{**} to 13 contractors but also the element of competitive bidding was lost as revision in the terms of agreements had been carried out after finalisation of contract.

Government stated (February 2005) that these provisions had been applied for the ongoing agreements under the approval of the Empowered Committee (12th & 13th meetings). The reply is not correct as no approval for ongoing agreements was accorded by the EC. Further, introduction of the provision of advances midway during implementation was undue aid to the contractors as the contracts finalized by them were after considering all aspects including non-availability of advances.

3.4.8 Planning

➤ Targets and achievements

In Madhya Pradesh the position of habitations along with road length already connected and those requiring connectivity before commencement of the programme (December 2000) is given below:

Population based category of habitations	Total habitations		Connected habitations				Unconnected habitations	
			BT		WBM			
	No.	Road length (km)	No.	Road length (km)	No.	Road length (km)	No.	Road length (km)
1000 and above	10489	27704	3855	4779	2676	10200	3958	12725
500 to 999	15225	39613	2284	2586	3112	8621	9829	28406
250 to 499 For hilly and tribal areas	26092	61311	1883	1944	2994	8194	21215	51173

^{**} Dhar-package-1104-Rs.0.44 crore(06/2002 to 03/2003), Shahdol-packages-3802,3803,3804, 3805,4402,5401 and 6001-Rs.7.51 crore(06/2002 to 06/2003), Seoni-one package Rs.1.06 crore (06/2002 to 10/2002) ,Dewas-packages-3903 and 3905-Rs.0.30 crore(01/2003) and Bhopal-packages- 2905 and 3503-Rs.0.05 lakh(08/2002 and 12/2002)

Though the priorities of habitations for covering under the programme were fixed, yet an overall implementation schedule was not prepared. However, the Authority took up the project in a phased manner under the sanction of GOI and new connectivity for 1159 habitations with road length of 5750 km (including upgradation) was provided as of July, 2004 as detailed below:

Phase (Year of sanction)	Projects sanctioned by GOI (Target including upgradation)			Achievements			Shortfall		
	No. of Habitations	No. of roads	Length (km)	No. of Habitations	No. of roads	Length (km)	No. of Habitations	No. of roads	Length (km)
Phase I (2000-01)	183	387	1726.60	169	353	1584.90	14	34	141.70
Phase II (2001-02)	1169	801	4048.23	766	683	3397.12	403	118	651.11
Phase III (2002-03)	836	572	2915.00	224	172	768.20	612	400	2146.80
Phase IV (2003-04)	1179	743	3526.00	0	0	0	1179	743	3526.00
Total	3367	2503	12215.83	1159	1208	5750.22	2208	1295	6465.61

The Authority failed to provide connectivity upto July 2004 even for the habitations targeted for completion by the end of March 2003, mainly due to incorrect selection of roads and delay in fixing of agencies.

As per programme, 6531 roads with length of 12725 km were to be constructed by the end of March 2003 to provide connectivity to 3958 habitations each having population of more than 1000 persons. Against this, MPRRDA could provide connectivity only for 481 habitations by completing 303 roads (1301.5 km). However, 1159 habitations were connected by completing 1208 roads (5750 km) as on July 2004. Thus, the construction of works was delayed and lagging behind the schedule mainly due to lack of planning, non-establishment of required PIUs (17 in January 2001, 10 in February 2002 and 6 Nos. in July 2004) timely against the norm of one PIU for each district, abnormal delay in fixing of agencies (for Phase-I upto June 2002), non-preparation of DPRs timely (prepared after awarding of works), incorrect selection of roads, local hindrances on account of land disputes and failure of contractors to give prorata progress of work. For most of these factors, responsibility rested with the Authority as is evident from the time extensions sanctioned with only nominal penalties to the contractors. The Authority failed to take timely action to check the slippages. As a result, out of Rs.460.75 crore received during the period 2000-02 only Rs.26.23 crore were spent as of March 2002. Further, out of Rs.496.60 crore (including interest) received during 2002-03, expenditure incurred up to March 2003 was only Rs.399.97 crore. Moreover, out of 387 roads taken under phase-I, 34 remained incomplete as of July 2004.

Thus, non-achievement of objectives of the programme as per schedule has deprived the inhabitants from the benefits.

3.4.9 Incorrect Selection of roads

Selection of roads for construction/ upgradation was in contravention of the laid down criteria and also led to diversion of ACA of Rs.200.48 crore.

- According to the guidelines and manual for preparation of Master Plan, priority was to be given to new connectivity. It was, however, seen in audit that 427 roads in all 45 districts had been selected for upgradation under phase I and II (March 2001 to July 2002) of the programme even though 3958 habitations with population of more than 1000 persons did not have the desired connectivity. As a result, the basic objective of the programme was vitiated and a substantial part of ACA of Rs.190.27crore^{§§} was diverted to upgradation of roads as of July 2004.
- Although, the guidelines stipulate selection of roads only with length greater than 0.5 km, it was seen that four PIUs constructed nine roads which had length less than 0.5 km by showing these roads in DPRs as roads of lengths greater than 0.5 km. This resulted in diversion of ACA of Rs.50.82 lakh as given in **Appendix-XXXVIII**.
- 7 roads passing through forest area were selected without obtaining prior clearance from Forest Authorities. Consequently, the Forest Department either disallowed start of the work (3 Nos.) or stopped the ongoing works (4 Nos.). This resulted not only in time over run but also blocking of funds of Rs.3.76 crore (**Appendix-XXXVIII**).
- 13 roads selected and taken up during November 2001 to March 2004 under the programme could not be completed due to encroachment or land dispute; as a result, the proposed connectivity could not be provided even after incurring (November 2001 to June 2004) expenditure of Rs.5.60 crore (**Appendix-XXXVIII**).
- As per guidelines, the Major District Roads (MDR) were not to be taken up under the programme even if the roads happened to be in rural areas. However, 5 MDRs were selected and taken up for upgradation by denoting these as Other District Roads (ODR) and an expenditure of Rs.9.70 crore (**Appendix-XXXVIII**) incurred thereon.

Government while admitting (February 2005) the facts, stated that the selection of roads for upgradation was done with the approval of GOI to achieve connectivity. The reply is not tenable in view of the provisions of the guidelines.

3.4.10 Implementation

➤ **Injudicious increase of SOR on adhoc basis**

As per guidelines, the tender premium over the approved estimated cost was to be borne by the State Government. However in order to meet this liability the

^{§§} *Though the actual expenditure on upgradation of roads was not compiled, an expenditure of Rs.129.95 crore (68.56 per cent) and Rs.60.32 crore (10.70 per cent) under Phase I & II respectively on up-gradation was shown in the progress report submitted by MPRRDA to GOI.*

Empowered Committee in its 16th meeting (11 February 2003) decided to revise the rates of all items of SOR (Roads) relating to the works of PMGSY (except earth work) in a manner so that the awarded rates are not more than the rates of SOR.

Injudicious increase of SOR (Roads) on adhoc basis to save the liability of State on account of TP

It was, however, seen in audit that instead of analysing the rates at current prevailing market rates, the rates under Chapters-III to VII^{***} of SOR were increased (September 2002) by 10 per cent on adhoc basis. As a result, the tenders for the works under Phase-III & IV (2002-03 and 2003-04) were received upto 25 percent below SOR, indicating that the adhoc increase was not reasonable. The scheme guidelines provide for expenditure up to the sanctioned amount and in the event of expenditure exceeding the sanctioned amount revised sanction was required to be obtained. Due to adoption of SOR with unreasonable increase of 10 per cent the need for obtaining revised sanction was obviated as seen in the test check of 3 PIUs^{†††}. Resultantly, though the tenders were awarded with tender percentage ranging between 8 and 10.8 per cent below the sanctioned amount, the MPRRDA was not required to obtain revised sanction up to sanctioned amount in the event of escalation in cost as noticed in the instant cases.

Government while agreeing (February 2005) that increase of SOR was on adhoc basis, stated that PMGSY is cent per cent centrally funded scheme and actual expenditure on work was only being debited to ACA. Saving due to lower tender premium was to be either surrendered to GOI or utilised as per their directions. The reply did not attend to the audit contention that by adoption of unreasonable SOR, the sanctioned amounts were higher, and the need for obtaining revised sanction in the event of increase in cost was obviated as expenditure remained lower than sanctioned amount.

➤ **Award of additional works at higher rates-Excess payment**

Agreement provided that the contractor was bound to carry out any altered, additional and substituted work upto 25 per cent of contract amount at his tendered rates.

Execution of extra work at higher rates against the provisions of agreements resulted in excess payment of Rs.39.15 lakh

It was seen in audit that under package MP-5901 (PIU Ujjain), though the additional works of Cross Drainage (CD) was of value within 25 per cent of the contract amount, yet the contractor was paid for at higher rates treating

*** Chapter III – Non-bituminous/sub-base and basis, Chapter IV – Bituminous base and Surface courses, Chapter V – Supply of materials, Chapter VI – Transportation of material and Chapter VII- Miscellaneous.

†††

(Rs.in lakh)

Package	PIU	Sanctioned Amount(lakh)	Tender Percentage	Contracted Amount	Value of work done	Physical Progress(%)
3806	Shahdol	360.87	(-) 9	328.39	358.11	93.31
2208	Khargone	381.25	(-) 8	350.75	362.27	63.75
0715	Chhindwara	202.48	(-) 10.8	180.61	197.00	95.73

these as extra items instead of at tendered rates. This resulted in excess payment of Rs.20.09 lakh (approx.).

Similarly, in PIU Sagar, under packages MP-4801 & 4802, additional CD works of value much less than 25 per cent of contract amount was executed at higher rates through separate contractors as extra items instead of original contractor. This resulted in extra payment of Rs.19.06 lakh.

Government in reply stated (February 2005) that the cost of additional works was more than 25 per cent of the cost of CD works provided in the agreements and thus treated as extra items. The reply is not correct as the agreement stipulated computation of extra work on the total amount tendered and not on the cost of items where the additional work has been carried out.

➤ Unfruitful expenditure on DPR for consultancy services

The preparation of unrealistic DPRs and their delayed submission resulted in unfruitful expenditure of Rs.43.90 lakh

The Authority awarded the works of preparation of DPRs and supervision & quality control of Civil works to consultants. Scrutiny in audit revealed that as per the agreements, the consultants were provided three months to complete the job for preparation of DPR and final report.

However, in 5 PIUs the consultants did not submit DPRs and final reports within the stipulated period of 3 months as detailed below:-

PIU	Agreement No./ consultant	Date of Work Order of DPR	Due date of submission of DPR	Actual date of submission of final DPR	Date of NIT for work	Date of issue of work order for road work	Amount paid to consultants (Rupees in lakh)
Guna	14/2001 Mahendra Raj	7.12.2001	6.3.02	July 02	Dec. 2001	April 2002	7.32
Khargone	10/2001 Sungrace Engg.	22.11.2001	21.2.02	23.2.02 Khargone 23.3.02 Barwani	30.1.02	April 2002	9.66
Shivpuri	5/2002 Innovative CADD	11.1.2002	10.4.02	6.4.02	31.1.02	April 2002	3.49
	8/2002 Technogem Consultants	10.12.2001	9.3.02	6.4.02	31.1.02	May 2002	3.08
Chhindwara	16/2001 Artefact Project	10.12.2001	9.3.02	29.4.02	31.1.02	April 2002	14.85
Mandsaur	7/2001 Technogem Consultants	10.12.2001	9.3.02	11.6.02	24.12.01	April 2002	5.50
						Total	43.90

It is evident that the funds sanctioned by GOI and the works put to tender were based on the provisions of Preliminary Project Reports (PPRs), as the tenders for execution of work were invited much before the submission of DPRs by the consultants. Moreover, the DPRs so prepared were also not based on realistic data as the cost estimation and provisions of DPRs varied widely during actual execution.

Thus, expenditure of Rs.43.90 lakh spent on preparation of DPRs proved unfruitful. In reply the Government while admitting (February 2005) the facts stated that the DPRs were utilised for execution of works and as such

expenditure was not unfruitful. The reply was not acceptable as the tenders called for were based on PPRs, while as per guidelines tenders were to be prepared after approval of DPR.

3.4.11 Execution

➤ Adoption of incorrect design criteria

Avoidable cost of Rs 2.56 crore on construction/ up gradation of rural roads under Phases-I, II and III due to consideration of CBR value of 5 per cent instead of 7 per cent for designing the crust of roads.

According to MORT&H specifications and the Rural Road Manual (SP-20), the crust thickness of the road should be designed on the basis of California Bearing Ratio (CBR) value of soil to be used in sub-grade and the projected traffic intensity. It was, however, noticed that arbitrary provisions for designing the crust thickness were made (April 2002) by the Authority by considering CBR value of 5 per cent instead of actual CBR value of sub-grade (more than 7 per cent) for construction of roads under Phases-I, II & III (March 2001 to September 2003) of the programme. However, this criterion had been corrected (July 2003) for the works under Phase-IV.

Audit scrutiny of records in 6 PIUs revealed that the thickness of crust for construction of new roads was designed at 360 mm and above taking into account CBR value 5 per cent or below, though according to the Manual, considering the CBR value of 7 per cent of soil actually used in construction of the sub-grade, the thickness of crust worked out to 300 mm only. Further, in upgradation of roads, extra layers of sub base/base course were laid without considering the thickness of the existing crust provided in DPRs. The execution of extra thickness of crust resulted in avoidable cost of Rs.2.56 crore^{***}.

In reply the Government stated (February 2005) that in the works of Phases I & II the crust was designed without considering CBR value of transported soil as 7 per cent for sub-grade. The reply is an admission of audit finding that proper CBR value of the actual soil used in sub-grade was not considered.

➤ Execution of superfluous item of primer coat- Extra cost

Laying of primer coat over entire WBM surface of roads without assessing its requirement resulted in avoidable cost of Rs.20.76 crore.

As per IRC specifications, primer coat is required to be laid where the existing granular base is extremely porous & absorptive or when the laying of bituminous course is considerably delayed. Therefore, its requirement was to be assessed and executed under prior specific permission of competent authority. Normally, the item for providing and laying of tack coat over granular surface (not primed) as provided in SOR (Roads) is applied directly. Notwithstanding these provisions, the primer coat was laid indiscriminately over the entire surface of all roads (5750 km), just before application of tack coat (primed). The extra cost could have been avoided as instead of primer followed by tack coat (primed), only tack coat (not primed) over granular surface could have been given. The execution of superfluous item of primer

^{***} Dewas – Rs.0.45 crore, Hoshangabad - Rs.0.29 crore, Biaora - Rs.0.35 crore, Chhindwara-Rs.0.28 crore, Seoni-Rs.0.03 crore and Shahdol-Rs.1.16 crore.

coat, resulted in an approximate extra cost of Rs.20.76 crore^{§§§} (excluding T.P) upto July 2004.

Government stated (February 2005) that the primer coat was required to bound the loose particles and for water proofing of granular base. The reply is not convincing as the primer coat was laid over the entire surface without assessing its requirement as was mandated in the IRC specifications. Further, specific permission of the competent authority as mandated was not taken before the use of primer coat.

➤ **Adoption of costlier specifications and application of incorrect rate**

An item for providing and fixing of NP-3 hume pipes of different diameters with the specifications of IS-458-1971 in construction of CDs based on SOR (Bridge), was provided in the schedule of items of work for the agreements under Phases-I and II. But pipes of these specifications were not available due to revision of specifications to IS-458-1988. Looking to the lighter specifications of the new standard, the rates were analysed and it was decided (May 2002) by the CGM to use NP-3 pipes of new standard by reducing the rates to the extent of Rs.350 per RM & Rs.528 per RM (SOR-1990) and Rs.452 per RM & Rs.722 per RM (SOR-2001) for 1000 mm and 1200 mm diameters respectively. However, the use of NP-4 pipes of higher specifications was also allowed without any deduction treating it as equivalent to NP-3 old standard.

Extra cost of Rs.1.02 crore due to use of NP-4 Hume pipes of higher specifications

It was seen in audit of 13 PIUs that NP-4 pipes of higher specifications instead of NP-3 were utilised in construction of CDs under Phases-I & II, which resulted in avoidable extra cost of Rs.1.02 crore^{****}, besides an excess payment of Rs.17.08 lakh^{####} on account of use of NP-3 of new standard without reduction in rates.

It was further observed that in subsequent Phases-III & IV, the specifications of IS-458-1971 only were replaced by IS-458-1988 in the nomenclature of items without reducing the rates of SOR as already decided by the Authority. This also resulted in an excess payment of Rs.60.92 lakh^{*****}.

^{§§§} Phases I & II-4982 km (length) X 1000 X 3.75 m (width) @ Rs.9.50 = Rs.17.75 crore.

Phase III- 768 km (length) X 1000 X 3.75 m (width) @ Rs.10.45 = Rs.3.01 crore.

^{****} Ujjain-Rs.8.67 lakh, Dewas-Rs.13.30 lakh, Hoshangabad-Rs.6.76 lakh, Bioara-Rs.9.66 lakh, Guna-Rs.8.92 lakh Chhindwara-Rs.22.36 lakh, Seoni-Rs.4.84 lakh, Shahdol - Rs.2.38 lakh, Sagar-Rs.0.62 lakh, Jhabua-Rs.2.14 lakh, Bhopal-Rs.4.72 lakh and Shivpuri-Rs.17.73 lakh.

^{####} Guna-Rs.1.89 lakh, Dhar-Rs.11.79 lakh and Jhabua-Rs.3.40 lakh

^{*****} Dewas-Rs.2.62 lakh, Bioara-Rs.6.41 lakh, Guna-Rs.4.75 lakh, Chhindwara-Rs.8.95 lakh, Seoni-Rs.7.64 lakh, Shahdol-Rs.5.16 lakh, Sagar-Rs.4.82 lakh, Dhar-Rs.6.09 lakh, Jhabua-Rs.5.47 lakh, Bhopal-Rs.2.21 lakh and Shivpuri-Rs.6.80 lakh.

Government stated (February 2005) that the NP-4 hume pipes of new specifications had been utilised treating it as equivalent to NP-3 of old specification and payments for NP-3 of new standard under Phase-III & IV were made as per the amended schedules of the items.

The reply is not acceptable in view of the use of costlier NP-4 hume pipes of higher specifications against required NP-3 hume pipes.

➤ **Execution of tack coat against the specifications- Extra cost**

Extra cost of Rs.45.50 lakh due to execution of tack coat with bitumen instead of bitumen emulsion as per specifications.

As per MORT&H specifications, tack coat for laying bituminous course should be applied with bitumen emulsion only. It was, however, seen in audit that in various PIUs tack coat was applied with bitumen (costlier item) instead of bitumen emulsion in the works of Phase-I. The application of costlier item beyond the scope of specifications resulted in an extra cost of Rs.45.50 lakh****.

Government stated (February 2005) that tack coat was applied as per provisions of approved DPRs. The reply is not tenable in view of MORT&H specifications which clearly mandated laying of tack coat with bitumen emulsion only.

➤ **Unauthorised execution of costlier item of Earth work**

Execution of costlier item of earth work without approval resulted in unauthorised payment of Rs.2.70 crore.

Guidelines provided that after clearance from the State Technical Agency (STA) and the Ministry, no change should be made in the works. Accordingly the earth work(E/W) for embankment/sub-grade was to be executed under the items 2.2(Excavation of soil for embankment @ Rs.43/cum.) and 2.3(Construction by utilisation of available excavated soil @ Rs.43.20/cum.) of SOR(Roads) as per approved DPRs for Phase-I based on detailed survey and investigation.

It was, however, seen in test check of records of 12 PIUs that embankment/sub-grade was constructed by the costlier selected soil under the item 2.4 (Construction of embankment with selected soil @ Rs.133/cum.) without approval of the STA/GOI in place of the approved items 2.2 and 2.3. This resulted not only in unauthorised execution but also in extra payment of Rs.2.70 crore††††.

In reply the Government stated (February 2005) that the E/W under item 2.4 was executed and paid for with a lead of more than 250 m.

**** Ujjain-Rs.5.31 lakh, Dewas-Rs.4.41 lakh, Guna-Rs.10.53 lakh, Chhindwara-Rs.6.34 lakh, Sagar-Rs.13.55 lakh & Dhar-Rs.5.36 lakh.

†††† Ujjain-Rs.0.32 crore, Dewas-Rs.0.61 crore, Biaora-Rs.0.25 crore, Guna-Rs.0.14 crore, chhindwara-Rs.0.02 crore, Shahdol-Rs.0.23 crore, Sagar-Rs.0.23 crore, Dhar-Rs.0.36 crore, Jhabua-Rs.0.33 crore, Bhopal-Rs.0.19 crore and Shivpuri-Rs.0.02 crore.

The reply is not tenable in view of execution of costlier item without approval of STA/GOI.

3.4.12 Excess/Inadmissible payment

➤ **Incorrect mode of measurements and non-exercise of prescribed checks**

Incorrect computation of quantity of earth work and non-checking of its measurements by the engineers of PIUs resulted in excess payment of Rs.1.08 crore & undue financial aid to contractor of Rs.2.69 crore.

In accordance with the procedure prescribed in IRC specifications (MORT&H and SP-20), the measurements of earth work (E/W) should be taken and recorded in Measurement Books (MB) based on initial and executed levels by plotting cross-sections at suitable intervals to determine the payable quantity. The measurements should be taken and recorded in MB by the consultants which should be checked up to the prescribed percentage by the Engineers of the consultants and the PIUs in terms of the guidelines before authorising payments. Notwithstanding these provisions, the Authority issued various instructions from time to time regarding taking and recording measurements and use of software for ease of billing. A clause was also included in the agreements to authorise GM for immediate release (without checking) of 75 per cent of billed amount as certified by the consultant.

Audit scrutiny revealed that the running payments were made on the basis of either lump sum or percentage of estimated quantity provided in DPRs instead of actual measurements. The levels and measurements actually taken at the field were not found on record. However, after completion of work, the overall quantity of road section was computed by software using various methods of measurements. The levels and measurements as fed in the computer, were not found checked except checking of abstract of quantity pasted/recorded in MBs. The register of check measurements was also not maintained by the Engineers of the consultants & the PIUs to verify the percentage of checking of measurements.

Thus, incorrect mode of measurements/incorrect computation of quantity of earthwork and non-exercise of checks on measurements resulted in excess payments of Rs.96.08 lakh besides undue financial aid of Rs.2.69 crore to contractors as illustrated below:

PIU	Package	Amount (Rs in lakh)	Nature	Reasons
Seoni	MP-3602,3607, 3603,2603	34.44	Excess payment	Non-deduction of utilised earth, previous paid quantity, culvert portion etc from overall quantity of earthwork and incorrect determination of quantity.
Biaora	4502, 4504	3.79	Excess payment	Non-deduction of utilised earth, double payment for compaction of hard shoulder and false payment of hard shoulder for PCC.
Sagar	4802	15.50	Excess payment	Incorrect determination of quantity due to non deduction of laid sub-base/ base/ wearing courses from overall quantity to arrive at net payable quantity.
Jhabua	2602,1903	17.92	Excess payment	Double payment for PCC and incorrect determination of executed quantity.
Guna	1303	0.56	Excess payment	Non deduction in rates for non use of sensor paver finisher as provided in SOR.
Shivpuri	4013	11.65	Excess payment	Incorrect determination of payable quantity and double payment.
Chhindwara	0705, 0703,0706, 0705, 0707	12.22, 223.12	Excess payment, Undue aid	Non deduction of utilised earth. Recording of measurements on percentage basis.
Shahdol	6001	45.75	Undue aid	Payments on lump sum measurements on separate sheet instead of MB.

Further, in 5 PIUs, an excess payment of Rs. 12.17^{****} lakh was also made to the contractors due to application of incorrect item for moorum filling in haunches^{§§§§} @ Rs. 467 per cum instead of the item for granular soil in filling between the returns/wings and behind the abutments @ Rs.165 per cum.

On this being pointed out, the Government accepted (February 2005) the excess payment and agreed to recover the same from the contractors.

➤ **Incorrect payment of lead**

Inadmissible payment of Rs.92.65 lakh on account of lead of soil without provisions.

There was no provision in DPRs for separate payment for lead of material as the SOR (roads) provided complete items. Moreover, as per agreement, lead on any account would not be payable. It was, however, observed that inadmissible payments of Rs.92.65^{*****} lakh were made to the contractors on account of lead of soil. Government stated (February 2005) that the payment

**** Hoshangabad- Rs.3.15 lakh, Biaora-Rs.1.64 lakh, Guna-Rs.2.70 lakh, Chhindwara-Rs.2.88 lakh and Dhar-Rs.1.80 lakh.

§§§§ Space between two adjacent rows of pipes.

***** Seoni-Rs.21.20 lakh, Shahdol-Rs.33.07 lakh, Sagar-Rs.5.55 lakh, Dhar-Rs.4.98lakh. and Shivpuri-Rs.27.85 lakh.

was made for lead of soil in excess of 250 m to save the cost of work. The reply is not acceptable as the lead was not payable at all in view of provisions of SOR (Roads) and agreements.

➤ **Non-recovery of excavated rock**

Non-recovery of cost of excavated rock from contractors.

As per mandatory provision of SORs (Bridge and roads), all excavated rock should be issued to the contractor at the rate of Rs.200 and Rs. 100 per cum respectively for utilisation in the work.

The test check of records of 7 PIUs, however, revealed that huge quantity of rock was excavated but recovery for it was not effected from the contractors. This has resulted in excess payment of Rs.28.34 lakh^{††††} to the contractors.

In reply the Government agreed (February 2005) to recover the excess payment.

3.4.13 Monitoring and Quality Control

Effective monitoring of the programme is the key factor to achieve the objectives and benefits timely. Therefore, the PMGSY envisaged a three tier system of monitoring. It was being done through an online management & monitoring system for which the PIUs were equipped with necessary hardware. Besides, quality control monitoring is also being exercised through PIUs, STA and National Quality Monitors (NQM) as envisaged in guidelines of GOI. The NRRDA have prescribed periodical reports and returns for monitoring the performance and progress of the project which were being submitted by the Authority to the designated authorities.

160 & 18 roads graded as average and poor respectively by the NQMs during inspection of 1478 roads indicated poor performance of the consultants/PIUs.

Audit noticed (August 2004) that the NQMs inspected 1478 roads upto July 2004, of which 160 and 18 roads were graded as average and poor respectively, which indicated poor performance of the consultants. The Government replied (February 2005) that most of the cases, graded as poor or average in earlier inspection were rectified in subsequent inspections. The reply is not convincing in view of status report of September 2004 which also indicated that 131 and 9 roads were still graded as average and poor respectively which entailing poor and average construction of roads as graded by NQMs.

3.4.14 Conclusion

The progress in connecting the habitations in the State was tardy mainly on account of misutilisation of funds for the purpose of upgradation of existing roads coupled with delay in setting up of project implementation units. This was compounded by incorrect selection of roads. The Yojana fund was also diverted to meet the expenditure that was required to be debited to state funds. Work was also initiated on the basis of defective project reports. Cases of deviation from specifications, adoption of incorrect design criteria and

^{††††} Ujjain-Rs.1.69 lakh , Guna-Rs.0.43 lakh, Chhindwara-Rs.1.88 lakh, Seoni-Rs.16.04 lakh, Sagar-Rs.1.45 lakh, Dhar-Rs.4.09 lakh and Jabua-Rs.2.76 lakh.

application of costlier specifications were noticed and these resulted in escalation of cost. The above deficiencies were indicative of inadequate monitoring and lack of proper quality assurance system.

3.4.15 Recommendations

- Monitoring of the project implementation needs to be strengthened for proper utilisation of funds.
- In order to verify the checking done in terms of the prescribed percentages, the check measurement registers should be maintained by the Engineers of PIU and Consultants. The software for computation of quantities of items should be standardized.
- Tender premium excess and excess expenditure against sanctioned amount should be charged to State funds.
- Ad hoc enhancement of SOR should be reviewed.
- Work should be executed strictly as per MORT&H specifications.

Urban Administration and Development Department

3.5 Simhastha Mela 2004 Ujjain

Highlights

Simhastha Mela at Ujjain, held on the banks of river Kshipra every twelfth year when the 'Brahspati' enters the 'Singh' Rashi (Leo sign of the Zodiac), is the one of the largest spiritual gathering known to humanity. On this occasion pilgrims congregate in lakhs to Ujjain to have a holy dip in the sacred river Kshipra. The last Simhastha was held during April-May 2004 and was attended by nearly 2.75 crore people.

In order to provide the best of amenities to the pilgrims during the Simhastha Mela 2004, Government of M.P sanctioned action plan amounting to Rs.265.28 crore for different activities like maintenance of law and order, construction of roads, bridges, stop dams, ghats etc and for development of facilities related to accommodation, public health, electricity, drinking water, sanitation etc. An expenditure of Rs.239.54 crore was incurred till June 2004.

Significant findings of the review are given below:

Unauthorised expenditure of Rs.26.50 crore was incurred on 114 works without sanction of Ministerial sub committee.

(Paragraph 3.5.5)

An amount of Rs.2.76 crore was drawn in March 2004 of which only an amount of Rs.54 lakh was utilised by the time of completion of Simhastha Mela and the balance of Rs.2.22 crore has not been returned back to the Government.

(Paragraph 3.5.5)

Executing the pumping main with costlier DI Pipe instead of PSC pipe resulted in enhancement of capital cost by Rs.8.48 crore.

(Paragraph 3.5.7)

Extra expenditure of Rs.3.62 crore due to allotment of work at higher rates.

(Paragraph 3.5.10)

Unfruitful investment of Rs.26.22 crore in construction of 8 roads owing to inadequate quality surveillance.

(Paragraph 3.5.10)

Failure of Unhel-Ujjain (26.6 km) road constructed at a cost of Rs. 4.05 crore between June 2002 and April 2004 to last its designed life due to inadequate quality control and lack of supervision.

(Paragraph 3.5.10)

Due to non adherence to the specification extra expenditure of Rs.1.04 crore was incurred.

(Paragraph 3.5.11)

Undue financial aid of Rs.3.10 crore to contractors on account of payment of secured advances on maxphalt and down graded metal without provision in agreements.

(Paragraph 3.5.11)

3.5.1 Introduction

The Simhashta Mela 2004 was held between 5 April to 4 May 2004. Accordingly, the period from 21 March to 19 May 2004 was notified as 'Mela' period. The Mela area, spread over 2152 hectares, consisting of the entire Ujjain city and 14 villages and 4 railway stations (Chintaman Ganesh, Pingleshwar, Vikram Nagar and Naikhedi) was divided into 5 Zones and 19 sectors to accommodate three crore of devotees, 'sants' and 'akhadas'.

3.5.2 Organisational Setup

In order to provide the frame work for proper management and to ensure smooth conduct of the Simhashta Mela 2004 at Ujjain, various Committees^s were constituted to formulate policy and to guide and advise the District Administration and Mela Officer (MO). Government delegated (September 2001) financial powers to the HPC for according administrative sanctions.

Responsibility of execution of works pertaining to the Simhashta Mela 2004 were entrusted to 18 implementing agencies comprising Government Departments, local and autonomous bodies as detailed below:

^s

<i>Name of Committee</i>	<i>Chairman</i>
1. <i>Central Committee</i>	<i>Chief Minister</i>
2. <i>Ministerial Sub Committee</i>	<i>Chief Minister</i>
3. <i>Secretaries Level Committee</i>	<i>Chief Secretary</i>
4. <i>Local Committee</i>	<i>Minister Incharge of Ujjain District</i>
5. <i>Funds Management Committee</i>	<i>Minister, Public Works Department</i>
6. <i>High Power Committee</i>	<i>Commissioner, Ujjain</i>

Name of Department	Responsibility given
Urban Administration and Development	Release of funds including overall supervision and monitoring of the arrangements for the fair.
Public works	Construction/ improvement of roads and bridges outside of the municipal limit of Ujjain city.
Public Health Engineering	Storage and supply of drinking water and sanitation facilities.
Water Resources	Provision of adequate water to river Kshipra for Simhastha Snans and construction of ghats on the bank of river Kshipra.
Medical and Health	To provide medical and health facilities.
Home Department	Maintain law and order, control of traffic and the crowd apart from Bomb detection and watch on antisocial elements in Mela area.
School & Higher education	To maintenance of school/college buildings for housing the force and providing volunteer service.
Tourism Department	To explore possibility for development of tourism.
General Administration	Acquisition of land for Mela and overall administrative control.
Dharmasva	Renovation and maintenance of religious buildings within mela area
Public relations	To provide wide publicity to the event and generate revenue through advertisements.
II- Local and autonomous bodies	
Municipal corporation	Construction and maintenance of roads and providing civil amenities.
MP State electricity board	Supply and maintenance of electricity.
EPCO	Preparation of study reports for maintenance of environment in Ujjain
Development authorities and Nagar panchayats	Construction work relating to Simhastha.
Samiti Mahakaleshwar Temple	Improvement and renovation of temple.
Kalidas Academy	Cultural activities.

3.5.3 Audit Coverage

Funds for managing the mela were provided to 23 Government Departments (Offices) and 11 Local and Autonomous bodies. Out of these records of 16 offices^{****} for the period 2001-04 were test checked during October 2003 to January 2004 and May to July 2004. The works allotted to the Municipal Corporation, Vikas Pradhikaran and Autonomous bodies were not covered in this review.

3.5.4 Audit Objective

The main objective of this review were to examine:

- the methodology of preparation of action plan and release of funds.
- the effectiveness of expenditure on works.
- the system of quality assurance of construction works.
- the utility and use of infrastructure created after Simhastha Mela 2004.

3.5.5 Financial Management

The Action Plan containing departmental proposals for making the arrangements during the mela and the estimated amount required for implementation of the plan were submitted by the departments to Ministerial Sub Committee (MSC) for sanction, through the MO and Commissioner, Urban Administration and Development Department (CUAD). The complete Action Plan for Rs.265.28 crore was sanctioned (2001-2004) by the MSC, expenditure of Rs.239.54 crore had been incurred till June 2004.

Audit observed that:

Though the Simhastha mela ended in May 2004, the accounts of expenditure were not finalised as of September 2004. The MO stated that due to non receipt of accounts from the concerned departments, the accounts could not be finalised.

An amount of Rs.4.04 crore^{§§§§} provided as advances during 2002-2004 to employees and associated agencies working with the Commissioner, Public Relation, the District Public Relations Officer, Ujjain and the Superintendent

^{****} 1. Commissioner Urban Administration and Development Bhopal, 2. Commissioner Jansampark Bhopal, 3. Mela Officer Ujjain, 4. Chief Medical and Health Officer, Ujjain, 5. Superintendent of Police Ujjain, 6. Principal, Polytechnic Ujjain, 7. Principal Ayurvedic College, Ujjain 8. MPSEB, 9. CE, PWD Ujjain, 10. EE PWD Division No.1, 11. Division No.II, 12. Bridge Division, 13. Water resources division, 14. PHE Project Division, 15. PHE Rural Division, 16. PHE (Mechanical) Division Ujjain.

^{§§§§} 1). Commissioner, Public Relation Rs. 1.92 crore 2) District Public Relation Officer, Ujjain Rs. 0.20 crore 3) Superintendent of Police, Ujjain Rs.1.92 crore.

of Police, Ujjain was not finally adjusted as of August 2004. Non-adjustment of advances within the prescribed time limit of three months was a violation of the provisions of the Treasury Rules.

➤ **Execution of works without obtaining sanction of MSC**

Unauthorised expenditure of Rs.26.50 crore on execution of unsanctioned works.

One hundred fourteen works costing of Rs.26.50 crore as per details given in **Appendix-XXXIX**, were not included in the sanctioned action plan but were executed by the departments without obtaining the sanction of the MSC. Of these, 84 works costing Rs.13.16 crore were executed by diverting the savings from other sanctioned works and 30 works costing Rs.13.34 crore were executed without availability of budget provisions, in disregard of the provisions of the Financial Code. The MSC accorded ex-post-facto approval for 107 works costing Rs.17.67 crore in January 2005 and recommended allotment of Rs.10.79 crore to the 18 implementing agencies.

➤ **Irregular advance payment**

An advance payment of Rs.1.24 crore was made without competent sanction.

With the object of meeting the immediate local requirements and timely completion of the essential works during Simhastha Mela 2004, the Government had created a Contingency Fund at State Level with a grant of Rupees three crore, under 'Simhastha Mela 2004 Contingency Fund Rules 2004' (March 2004). Expenditure was to be incurred from the Fund on the items approved by the "Funds Management Committee" under the chairmanship of the Minister of Public Works. A test-check of records of the Commissioner, Ujjain (July and September 2004) revealed that an amount of Rupees three crore was drawn from the treasury and kept in a current account opened (March 2004) in a Bank for the purpose. An amount of Rs.1.24 crore was sanctioned and paid (May 2004) by the Commissioner, Ujjain, to the District Commandant, Home Guards, Ujjain as an advance, for payment of honorarium and diet money etc, to the home guards for their deployment during the mela, without the approval of the Fund Management Committee. The amount of advance was not recouped by the department as of September 2004. The remaining amount of Rs.1.76 crore was, however, remitted into treasury (July 2004) at the instance of audit. Thus, the advance payment of Rs.1.24 crore, paid without obtaining the sanction of competent committee, was irregular.

➤ **Non-receipt of utilisation certificates**

Utilisation Certificates for Rs.25.16 crore were not received.

Government sanctioned (March 2004) Rs.30 crore as a grant -in -aid to Local and Autonomous Bodies for making arrangements for Simhastha Mela. Of this, Rs.29.79 crore were actually released to the Local and Autonomous Bodies (March 2004).

According to the sanctions issued by HPC the utilisation certificate for the grant-in-aid was required to be furnished after completion of event. Audit

observed (September 2004) that utilisation certificates for Rs.25.16 crore ***** were not furnished as of September 2004 by 8 institutions although the Simhastha mela concluded in May 2004.

➤ **Blocking of Simhastha funds**

Drawal of Rs.2.76 crore in anticipation of requirement.

An amount of Rs.2.76 crore drawn from the treasury (March 2004) for execution of works was deposited in bank accounts (March 2004). Of this, only Rs.0.54 crore were utilised (April and May 2004) and the remaining amount of Rs.2.22 crore was lying unutilised in the bank. Despite completion of Simhastha Mela in May 2004, the amount has not been remitted back to Government.

On this being pointed out the MO replied that the amount was deposited in bank to meet the requirement of funds during Simhastha Mela 2004.

➤ **Amount not deposited in Treasury**

The amount of Rs.1.10 crore received from the Indian Oil Corporation (IOC) (February, April and June 2004) was not credited into the treasury but kept in a bank account, out of which a payment of Rs.0.76 crore on purchase and erection of the signages was made in contravention of the provision of the treasury rules. The remaining amount Rs.0.34 crore was lying in the bank account (September 2004).

3.5.6 Improvement of infrastructure – construction of hospital

➤ **Unfruitful investment due to non completion of hospital building**

Unfruitful investment of Rs.1.03 crore due to non completion of hospital building.

For construction of hospital building and providing Ayurvedic Medical facilities in the Mela Area an amount of Rs.1.15 crore was approved by the MSC (June 2002).

Test-check of the records of the Principal, Ayurvedic college, Ujjain (September 2004) revealed that the construction work of the hospital building was not completed within the scheduled period (October 2003). The construction agency required further funds of Rs.0.55 crore on account of changes of design and increase of 1094 sq metre in the construction area (April 2004). Non-completion of the hospital building during the period of Simhastha-2004 deprived the pilgrims of the benefit of Ayurvedic treatment. Besides, the investment of Rs.1.03 crore remained unfruitful.

The department confirmed the non completion of construction of hospital.

Municipal Corporations Dewas:Rs.0.50 crore, Ujjain: Rs.16.41 crore, Nagar Panchayat Omkarkeshwer :Rs.0.30 crore, Maheshwear:Rs.0.30 crore, Barnagar:Rs.0.22 crore, Ujjain Development Authority:Rs.2.16 crore, Indore Development Authority:Rs5.00 crore and Collector Ujjain :Rs.0.27 crore.

3.5.7 Improvement of infrastructure-supply of drinking water

➤ Irregularities in execution of augmentation of Ujjain Water Supply Scheme

In order to provide drinking water for the projected population of 6.36 lakh of Ujjain city in the year 2011 at 135 litre per capita daily (LPCD) and fulfillment of the requirement of water for pilgrims visiting the Simhastha mela 2004, the augmentation of the existing (56 MLD) water supply scheme (Gambhir Project Phase-II) for additional supply of 27.50 MLD of water was administratively and technically approved (December 2001) by the Commissioner, Ujjain and the CE for Rs.29.55 crore and subsequently revised to Rs.23.93 crore. Audit observed that the project was designed only for 8 years against the norms of 30 years and taken up without clearance from Central Public Health Environmental Engineering Organisation (CPHEEO), GOI. An amount of Rs.21.85 crore was spent on the scheme as of June 2004.

On this being pointed out, the EE stated that the technical comments of CPHEEO were followed while preparing the scheme and, it was an augmentation scheme designed to meet the additional requirement. Reply was not tenable as the clearance from CPHEEO is mandatory and augmentation schemes are also required to be designed for a period of at least 30 years.

It was also observed that as per the existing procedure, the cost of the project was to be borne by the Municipal Corporation and the State Government in the ratio of 70:30. It was, however, observed that the entire cost of the project was borne by the State Government and charged to Simhastha Mela. The Chief Engineer stated that the scheme was prepared for Simhastha Mela and was not an augmentation scheme. The reply was incorrect as the scheme was providing drinking water to Ujjain city since April 2004 and the corporation was realising revenue from supply of water from this augmentation scheme.

As per the project report, after completion and commissioning, the scheme was to be handed over to the Municipal Corporation for operation and maintenance. The Simhastha Mela HPC rejected (January 2004) the demand of the PHE department for additional funds of Rs.1.25 crore for operation and maintenance of the scheme. However, the division incurred an expenditure of Rs.1.95 crore during January to July 2004 by diverting funds provided for construction works. The said amount was neither reimbursed nor was the scheme taken over by the Municipal Corporation as of August 2004 on the ground of non-availability of funds and manpower. Moreover, the Commissioner, Ujjain demanded (July 2004) additional grant for operation and maintenance from Government which had not been sanctioned as of September 2004.

Execution of pumping main with costlier DI pipe resulted in enhancement of capital cost by Rs.8.48 crore.

According to the DPR and Manual on water supply and treatment, PSC pipes were recommended (June 2001) suitable for the pumping main. However, the provision of PSC pipes was changed (December 2001) to DI Pipe in the estimates on the ground that it can take more variation in internal pressure, water hammer, and has less maintenance cost. The department had procured 16794 M of DI pipes of 800 mm dia and 2349 M of 600 mm dia at an

aggregate cost of Rs.14.30 crore as against the cost of PSC pipes of Rs.5.82 crore. Thus, executing the pumping main with costlier DI pipes instead of the economical alternative of PSC pipes resulted in enhancement of capital cost by Rs.8.48 crore. The Chief Engineer stated that the decision to use DI pipes in place of PSC pipes was taken at Government level. The reply was not tenable as the decision for use of PSC pipes was taken in the Ministerial level committee headed by H'ble CM, which could not be changed in favour of DI pipes by the department without the approval of the Ministerial level Committee.

Incorrect application of rates resulted in excess payment of Rs.22.85 lakh.

According to the conditions of supply order the firm was to supply pipes through road transport but payment to the supplier was to be limited to the railway freight of Rs.1874.20 per MT. Audit scrutiny revealed that payment at the rate of Rs.2342.80 per MT was made resulting in excess payment of Rs.22.85 lakh.

Extra cost of Rs.11.62 lakh due to non-utilising the agency of DGSD and irregular payment of Rs.7.35 lakh towards excise duty.

Rules provide that purchase should be made through the Director General of Supplies and Disposals (DGSD). The EE, however, procured an additional quantity of 1298 M (800 mm dia) DI pipes in November 2003 at a cost of Rs.1.08 crore through MPLUN at higher rates as compared to the rates of DGSD resulting in extra cost of Rs.11.62 lakh. Further, the pipes were exempted from Central excise duty (CED) yet payment of Rs.7.35 lakh was made to the supplier on account of CED.

3.5.8 Water Supply arrangements at various sites of Panchkoshi Yatra

The Commissioner, Ujjain accorded administrative approval for Rs.2.08 crore in November 2003 and March 2004 for water supply arrangements at various sites of Panchkoshi Yatra held between 14 April to 19 April 2004. Allotment of Rs.1.90 crore provided to EE, PHE Division Ujjain during 2003-05 was spent by June 2004 and further allotment of Rs.17.68 lakh for clearance of pending liability was demanded which was not provided as of August 2004.

Extra cost of Rs.15.96 lakh on purchase of MS stands at higher rates

Audit scrutiny revealed that the requirement of MS stands for HDPE water storage tanks was sent to the CE by the EE/SE on 12 November 2003 and the CE placed the supply orders to the MPLUN between December 2003 and January 2004. The MPLUN in turn issued supply orders on 9 February 2004 which were actually dispatched on 6 March 2004. Consequently, the firm was unable to fabricate and supply the stands in scheduled time upto 8 March 2004. SE placed revised supply orders between 17 March 2004 and 22 March 2004 without taking approval from CE and MO and procured 122 MS stands of higher specifications at a cost of Rs.19.10 lakh from M/s Dewas Udhyog, Dewas at higher rates compared with the rates of MPLUN. Thus, the delayed action on the part of the CE and MPLUN resulted in an extra cost of Rs.15.96 lakh. EE stated that the material was purchased from a Small Scale Industry Unit and the MS stands of MPLUN did not have the bearing capacity necessary to avoid casualties. The reply was not correct as the original orders were placed after considering all aspects and the orders were cancelled only due to non supply of the stands in time.

3.5.9 Improvement of infrastructure - Ghats

➤ Construction and extension of Ghats

Seventy three works relating to construction, extension and development of *Ghats* with total length of 3505 M on the banks of the river Kshipra and stop dams for storage of water in river Kshipra at estimated cost of Rs.7.78 crore were executed and an expenditure of Rs.7.36 crore was incurred till June 2004.

➤ Extra cost due to acceptance of higher rates.

Extra cost of Rs.22.60 lakh due to acceptance of tender at higher rates.

Administrative approval for Rs.97.34 lakh for construction of 12 *Ghats* on the Right Bank of Kshipra between Ganesh *Ghat* and Railway over Bridge and Rs.29.76 lakh for construction of a *Ghat* at Ram *Ghat* between RD 0 to 70 M were accorded in May 2003. NIT of these works and construction of Saidana *Ghat* in 5 groups were floated on 5 May 2003. The Executive Engineer accepted the tender for one group for construction of Saidana *Ghat* at 1.45 percent above the Unified current schedule of rates (UCSR) in May 2003. In the remaining four groups, the District Planning Committee (DPC) on the recommendation of the EE approved (May 2003) the tenders at higher rates ranging between 19.23 and 19.46 percent above UCSR as compared with the rate of 1.45 percent above UCSR accepted for Saidana *Ghat*. This resulted in extra cost of Rs.22.60 lakh.

EE stated that these works were to be completed before the rainy season, so there was no time to recall the tender and the time for completion was very short. The reply was not tenable as the division had been asked by Mela Committee for submitting the proposals as early as in 2001-02. The division, however, submitted proposals in May 2003. Thus, inordinate delay on the part of the department and acceptance of tender at higher rates, resulted in extra cost of Rs.22.60 lakh.

➤ Irregular award of piece work

Extra cost of Rs.18.02 lakh on execution of work through piece workers.

After approval of DPC (January 2002), the EE issued 27 work orders valuing Rs.42.59 lakh for the work of Karkraj and Angareshwar stop dams on piece work system without invitation of tenders during January 2002 to September 2003 and payment of Rs.40.55 lakh was made.

The award of work on piece work basis in contravention of the manual provisions and without invitation of tender was irregular and led to extra cost of Rs.18.02 lakh as compared with prevailing market rates of 14.21 percent below UCSR 1998 (Ruda Kheda tank-Agt No.11 of 2002-03).

EE stated (August 2004) that these works were carried out due to urgency and after approval of DPC. The reply was not tenable as the DPC was not competent to approve piece work orders valuing Rs.42.59 lakh. Further, though the approval for piece work was received in January 2002, orders were issued upto September 2003 which indicates that there was no urgency of

work. The case was also not submitted (September 2004) for approval to MSC.

➤ **Inadmissible payment**

Irregular payment of Rs.12.20 lakh for construction of ring bunds.

The work of construction and development of Ghats estimated to cost Rs.1.84 crore and Rs.23.46 lakh respectively was entrusted to two contractors in February and April 2002 on item rate tenders. Rs.1.70 crore and Rs.21.13 lakh were paid to these contractors as on September 2003. As per UCSR, protection work is the responsibility of these contractors and no extra rate was prescribed for such works. These were to be constructed from excavated material for which the rate of wet excavation and lead were already provided. It was, however, observed that construction and removal of ring bund* was taken as a separate item though separate rate had not been prescribed in UCSR for this. Payment of Rs.12.20 lakh was made to the contractors for construction of ring bund which was inadmissible. When pointed out in audit the EE stated that the construction and removal of ring bund was a separate item and necessary for executing the work. The reply was not acceptable as the construction of ring bund was subsumed in the work of construction and this material required with lead for the same work had already been covered in the item rate tender under protection work.

3.5.10 Improvement of infrastructure - Construction of roads

To cope with the unprecedented traffic anticipated during the mela, it was planned to (i) construct and improve outer and inner ring roads within the radius of 10 and 5 Km of Ujjain city and (ii) improve the link roads connecting Ujjain. This envisaged constructing, improving, widening, strengthening and black topping of 37 roads (320 kilometres length) at an estimated cost of Rs.61.22 crore. An expenditure of Rs.69.51 crore was incurred till June 2004.

➤ **Improper planning**

Following the experience gained from Simhastha 1980 and 1992, the Commissioner Ujjain had recommended that administrative sanctions for various works for Simhastha Mela 2004 should be issued so as to leave at least a span of 3 years for their timely execution. Administrative sanctions for various roads works were however, issued only 1 to 26 months before the commencement of the Mela as detailed below:

* *Ring bund: Temporary structure constructed for protection of main pillars/piers which are submerged in water.*

Sl.No.	Month of A.A Sanction	Description of works	No. of works	Length in Km	Amount of AA (Rs.in crore)	Period available for completion
1	February 2002	Road works	20	154.80	34.54	26 months
2	June 2002	Road works	12	131.10	22.26	21 months
3	February 2004	Road works	1	7.00	2.04	2 months
4	March 2004	Road works	4	27.60	2.38	1 month

This caused a serious strain on the implementing agencies and the roads could only be completed in April 2004 against the targeted month of January 2004.

The delay in submitting the proposals and according administrative sanction coupled with delay in invitation of tenders by implementing agencies left little time to obtain competitive rates which led to allotment of work at higher rates as discussed below:

➤ **Extra cost due to allotment of work at higher rates**

The Chief Engineer, West Zone, Indore invited tenders (April 2002) in 5 packages estimated to cost Rs.30.73 crore even before the sanction of estimates between November 2002 and April 2003. The Government accepted the lowest tenders which ranged between 9 and 9.99 percent above SOR in May 2002 on the grounds of urgency. The contractors executed the work and was paid Rs.36.72 crore till May 2004.

Audit scrutiny revealed that MSC in its meeting held on 9 June 2001 had directed PWD department to submit the proposals for construction of roads within 15 days. The department however submitted the proposals on 19 February 2002 i.e. after a lapse of 7 months. HPC accorded administrative approval on 20 February 2002. The works were finally entrusted to contractors in June 2002 for completion between September 2003 and December 2003. These works were actually completed between 31 March and 20 April 2004, after commencement of the Simhastha Mela.

The delay on the part of the department in finalisation of proposals and award of contract left only 18 months (June 2002 to December 2003) time for construction of roads for the executing agencies. Thus, the Public Accounts Committee's (PAC) recommendations (April 2002) regarding availability of at least 36 months' time for construction of roads was not adhered to.

Scrutiny in audit revealed that the prevailing rates ranged between 12.52 percent below and 1 percent above SOR without escalation payment. Thus acceptance of tenders at 9 and 9.99 percent above with escalation payment was on the higher side and resulted in extra cost of Rs.3.62 crore as per details given in **Appendix-XL**.

CE stated that the location of works and also the time of acceptance of packages 1 to 5 are quite different. The reply was not acceptable as due to the insufficient time left with department, the department was not able to get

competitive rates. Further, the location of works with lower rates was in Ujjain District and the period for the finalisation of tenders was also contemporary and similar (May-June 2002).

➤ **Poor quality of construction due to delayed sanction**

It was seen that the time available for construction of various works after these were sanctioned was less than 36 months. The compact time frame on account of delayed sanction had an adverse impact on quality of construction. Test check revealed that 9 road works executed at a cost of Rs.30.27 crore were found to have serious deficiencies in quality as per details given below:

Sl. No.	Name of the Road	Date of sanction	Date of commencement	Date of completion	Length (in Km)	Expenditure (Rs. in lakh)
1	Ujjain -Dewas -Maxi - road via lalpur	20 Feb 2002	12-Jun-02	20-Apr-04	8.80	306.47
2	Ujjain -Indore road to Ujjain -Dewas road	20 Feb 2002	13-Jun-02	31-Mar-04	3.60	147.77
3	Jaisinghpura -Diversion road	20 Feb 2002	30-Dec-02	31-Mar-04	3.60	63.47
4	Maxi to Agar road via Pingleshwar	20 Feb 2002	12-Jun-02	20-Apr-04	12.40	478.55
5	Agar road to Unhel road via Jaithal	20 Feb 2002	4-Jun-02	25-Mar-04	13.00	483.71
6	Unhel road to Badnagar via Dharm Badla	20 Feb 2002	4-Jun-02	26-Mar-04	15.40	496.43
7	Badnagar to Jawasia road	20 Feb 2002	12-Jun-02	31-Mar-04	7.50	237.45
8	Jawasia to Indore road	20 Feb 2002	12-Jun-02	31-Mar-04	11.20	408.59
9	Unhel Ujjain road	March 2004	March 2004	20-Apl-04	26.60	405.00
			Total		102.10	3027.44

Illustrative cases of damaged roads are discussed below:

➤ **Unfruitful expenditure due to inadequate quality surveillance**

Investment of Rs.26.22 crore in construction of 8 roads proved unfruitful owing to inadequate quality surveillance.

Construction work of eight roads as mentioned at Sl.No. 1 to 8 of the above table with a total length of 75.50 km was completed (April 2004) for Simhastha Mela 2004 at a cost of Rs.26.22 crore. The Government, with a view to assuring quality surveillance in construction, had directed (March 2002) that a private consultant be engaged for the purpose. Accordingly, the work of consultancy services was entrusted (September 2002) to a consultant for 0.96 per cent of the cost of civil work. The consultant was required to conduct various tests of construction materials as well as of the works executed by the civil contractors at prescribed frequencies as laid down by the MORT&H by establishing well equipped laboratories at each work site.

Audit observed that the consultant did not conduct the prescribed tests on construction materials and works but payment of Rs.41.43 lakh as of March 2004 was released to him on the basis of certificates recorded in the measurement books. Scrutiny in audit revealed that the roads were not of standard quality and several potholes developed during the first rainy season itself. The committee consisting of three senior officers constituted by the Government to investigate the quality of works executed also disclosed in their report (September 2004) that the roads were completely damaged and

were beyond repairs. Further, the representative of Chief Technical Examiner (Vigilance) also confirmed technical defects in construction of roads.

Thus, expenditure of Rs.26.22 crore on construction of roads proved unfruitful owing to inadequate quality surveillance. The agreement entered into with the consultant also did not provide for a clause for damages nor was any action initiated against the civil contractors and the consultants.

➤ **Wasteful expenditure on Unhel-Ujjain Road**

Administrative approval for widening and improvement of 26.60 km long Unhel-Ujjain road as mentioned at Sl.No.9 of above table for Rs.1.81 crore was accorded by Government in July 2000. The work was entrusted to a contractor at an aggregate tendered cost of Rs.1.49 crore between October 2000 and February 2001 in three groups for completion within 18 months. The contractor executed work for Rs.1.97 crore against which payment of Rs.1.75 crore was made between December 2001 and March 2004.

Extra expenditure of Rs.20.18 lakh due to execution of PCC on newly constructed WBM.

➤ The agreements and estimates provided laying 20 mm Open Graded Premix Carpet (OGPC) on newly constructed Water Bound Macadam (WBM) widened portion of 2 M width. Audit observed that the Profile Corrective Course (PCC) was also laid on the surface which was unwarranted and not provided in the estimates and agreements and resulted in extra expenditure of Rs.20.18 lakh.

Contractor and defaulting officers were not penalized for premature failure of road.

➤ The WBM and Black Topping (BT) were designed for a period of 15 and 5 years as per sanctioned estimates based on IRC specifications. It was, however, reported that the road was badly damaged and completely washed out in a few stretches. The Additional Collector, Ujjain, appointed to investigate the reasons for damage, stated (March 2003) that improper drainage system, ineffective quality control and lack of supervision led to failure of road within a year of construction. Government directed (July 2003) disciplinary action against defaulting Officers. However, no action had been taken against them and the contractors till date (September 2004).

Inadequate quality control and lack of supervision resulted in premature failure of road.

➤ In order to rectify the defects and provide smooth traffic during Simhastha Mela, the Commissioner Ujjain accorded administrative approval for Rs.2.23 crore in March 2004 for strengthening and improvement of the same 26.60 km long Unhel-Ujjain road. The work (estimated to cost Rs.2.10 crore) was entrusted to two Indore based contractors, without invitation of tender, at 9.50 and 9.99 percent above SOR executing the packages II and IV of Simhastha roads. The work was completed within a period of one month against the normal requirement of one year and payment of Rs.2.07 crore was made to the contractors up to May 2004. The Chief Engineer, however, did not accord technical sanction for the work as of September 2004. It was noticed in audit that the road was again damaged in the very first rainy season. Thus, the road on which an amount of Rs.4.05 crore was spent between June 2002 to April 2004 did not last for its designed life due to inadequate quality control and lack of

supervision by departmental officers. No penal action had been initiated against the defaulters as of September 2004.

➤ **Change in design in construction of outer ring roads**

Execution of work without approved design caused damage to roads constructed at a cost of Rs.21.16 crore.

The PWD submitted proposals for construction of seven outer ring roads of 71.20 km length for Rs.29.69 crore in February 2002 to the Central Committee of Simhastha. The proposals were based on the crust design, prepared by the Government Engineering College, Ujjain. Audit observed that in order to reduce the cost, as recommended by the committee, the height of road embankment of 900 mm with side slope of 2:1 was reduced to 600 mm with side slope of 1:1 and 50 mm BM followed by SDBC was replaced by 20 mm thick OGPC. This was done without the approval of the institution which had designed the crust. This revision was also administratively approved (February 2002) by the Commissioner Ujjain for Rs.20.69 crore. The change in design and execution of work at a cost of Rs.21.16 crore resulted in damage to roads in the very first rainy season (July-November 2004)

Incorrect estimation led to cost over run of Rs.6.01 crore.

Scrutiny in audit revealed that the cost was revised to Rs.24.38 crore in October 2003 and again to Rs.26.70 crore in March 2004. It was further noticed that though the Commissioner Ujjain accorded the revised administrative approval yet funds were not provided. The increase in cost by Rs.6.01 crore (26.70 – 20.69) was mainly due to initial inadequate provision for land acquisition and cross drainage, non-provision of shifting utilities and incorrect estimation. The Government directed (May 2003) taking disciplinary action against officers who had prepared the estimates. The directions had not been complied with as of September 2004.

➤ **Deficiencies in construction of Panchkoshi roads**

Unwarranted reduction in scope of work led to damage to earth work and sub-base.

In order to provide smooth traffic to foot pilgrims for Panchkoshi yatra, the Commissioner Ujjain accorded Administrative Approval (AA) for construction of 7 Panchkoshi roads for Rs.10.85 crore in June 2002. The works were entrusted to a contractor in December 2002 for completion by November 2003. The contractor constructed the embankment and granular sub base for which Rs.4.55 crore was paid to him in March 2004. Audit observed that during the currency of contracts the scope of work was reduced and revised AA for Rs.6.89 crore was accorded by Commissioner in October 2003 by curtailing WBM and asphaltting work and deleting the work of cross drainage. Due to reduction in the scope of work, the possibility of damage to earth work and granular sub base constructed at a cost of Rs.4.55 crore could not be ruled out.

EE stated that the scope of work was reduced as per orders of higher authorities. The reply was not acceptable as the instructions were not in conformity with specifications and revised technical sanction was also not accorded by CE (February 2005). The CE further stated (February 2005) that Government had not accorded sanction of execution of WBM and asphaltting work on these roads.

3.5.11 Irregularities in construction of roads

<p>Excess payment of Rs.24.67 lakh due to use of bulk bitumen</p>	<p>➤ Non-recovery of cost difference between packed and bulk bitumen</p> <p>➤ As per terms of the agreement the contractors were required to use packed bitumen in all bituminous work. Scrutiny in audit revealed that two contractors used 721.79 MT of bulk bitumen instead of packed bitumen on Unhel-Ujjain road in February-March 2004 and payment was made without recovery of the cost difference of Rs.24.67 lakh between packed and bulk bitumen at the rate of Rs.3418.20 per MT. The EE stated that different rates are applicable to bulk and packed bitumen. The reply is not tenable as the contractors had tendered their rates by considering packed bitumen which is costlier than bulk bitumen.</p>
<p>Incorrect calculation resulted in excess payment of Rs.6.19 lakh</p>	<p>➤ As per terms of the contract the variation in the prices of bitumen shall be worked out on the basis of prices operative during the period of procurement of bitumen. Scrutiny in audit revealed that during the execution of the work of Ujjain-Maxi road the price variation in bitumen was paid with reference to the prices of bitumen on the date of consumption rather than the date of procurement. This resulted in excess payment of Rs.6.19 lakh. The divisional officer admitted the excess payment; the recovery was awaited in audit as of August 2004.</p>
<p>Unwarranted laying of tack coat resulted in excess payment of Rs.4.31 lakh.</p>	<p>➤ Excess payment on account of tack coat</p> <p>➤ Application of tack coat is not necessary when a freshly laid bituminous course is followed by another bituminous course. Therefore the work was required to be so planned that MSS was to be laid directly over the freshly laid bituminous macadam layer so that application of tack coat could be avoided. Contrary to this, in the work of Ujjain –Maxi road additional tack coat was laid over 52773 sqm area soon after BM and prior to wearing course of MSS, resulting in excess payment of Rs.4.31 lakh. On this being pointed out in audit, the EE admitted the mistake; recovery however, had not been effected (August 2004).</p>
<p>Non inclusion of provision for departmental supply led to an excess payment of Rs.36.45 lakh.</p>	<p>➤ Excess payment due to violation of instructions</p> <p>According to the stores purchase rules, RCC hume pipes were reserved for exclusive purchase through the agency of MPLUN. The Engineer-In-Chief (E-in-C) directed (February 2001) that a provision to be made for departmental supply of RCC hume pipes in the tender documents for construction of pipe culverts.</p> <p>Executive Engineers, however, did not include the provision for departmental supply of pipes in 9 agreements and the contractors arranged 4225 metres pipes during May 2002 to March 2004 in construction of culverts which resulted in excess payment of Rs.36.45 lakh.</p> <p>EE stated that the procurement of pipes was to be done by the contractors as per provisions of the agreement. The reply is not tenable as the provisions of the agreements was not in conformity with the instructions of E-in-C.</p>

Moreover the condition for procurement of pipes through MPLUN as per provision of SOR was not followed.

➤ **Application of tack coat by bitumen instead of emulsion**

Application of bituminous tack coat resulted in excess expenditure of Rs.81.23 lakh.

Public Work Division No.I and II, Ujjain executed the work of tack coat over an area of 16.23 lakh sqm with bitumen using 5 kg and 10 kg per 10 sqm over existing bituminous and WBM surface instead of 2.5 kg and 4 kg emulsion per 10 sqm respectively as per MORT&H specifications during 2002-2004. Thus, application of bituminous tack coat instead of emulsion tack coat resulted in excess expenditure of Rs.81.23 lakh as detailed in **Appendix-XLI**.

The Chief Engineer, in response, stated that tack coat with bitumen was executed as per the SOR and the agreement. The reply is not tenable because provisions made in the agreement were not conforming to the specifications.

➤ **Unwarranted execution of surface dressing**

Unwarranted execution of surface dressing resulted in extra cost of Rs.23.07 lakh.

“Surface Dressing” according MORT&H specifications is a wearing course and does not reinforce the road structure. Notwithstanding this, surface dressing in 96928 sqm* area was got executed by Public Works Division No.I and II Ujjain soon after bituminous macadam (BM) and mix seal surfacing (MSS) through three contractors during, 2002-04 at a cost of Rs.23.07 lakh. This was an avoidable and extra cost. When pointed out in audit, the EEs stated that single course surface dressing was got done to avoid deterioration of WBM surface. The reply was not tenable as BM and MSS were done immediately after surface dressing and was not as per the specifications of MORT&H.

➤ **Unauthorised financial aid to contractor**

Payment without provision in agreement resulted in undue financial aid of Rs.3.10 crore.

According to agreement, secured advance on imperishable material brought to site by contractor shall be sanctioned by divisional officer. No advance was payable on perishable material. Scrutiny in audit, however, revealed that the divisional officer sanctioned and paid Rs.3.10 crore towards secured advance on perishable material[#] to 6 contractors between March 2003 and February 2004. An amount of Rs.4.60 lakh was outstanding for recovery as of August 2004. Payment of secured advance of Rs.3.10 crore on perishable material was irregular and resulted in unauthorised financial aid for periods up to 353 days (**vide Appendix-XLII**). Besides this the Government had suffered a loss of interest of Rs.13.73 lakh calculated at the rate of 12 percent per annum, this being the rate indicated in the indenture bond furnished by the contractors.

* Ujjain Maxi road: 14245 sqm, Mahidpur Maxi road:31380 sqm and Inner ring roads:51303 sqm.

Mexphalt-2302.31 MT-Rs.264.19 lakh and stone crusher dust and down graded metal-24707 cum-Rs.46.03 lakh.

On this being pointed out in audit, the EE stated that the packed maxphalt and down graded metal do not come under the category of perishable items. The reply is not tenable as secured advance on such items is not admissible under the provisions of CPW Account Code.

➤ **Unauthorised payment in the absence of approval for time extension**

It was observed that Government had directed (November 2001) that no running payments should be made to contractors till time extension was sanctioned. EEs in contravention to this released Rs.14.87 crore in respect of works executed by contractors during extended period without sanction of time extension by CE. When pointed out in audit the EEs stated that payment were released in the interest of work. The reply was contrary to Government instructions, therefore cannot be accepted in audit.

3.5.12 Improvement of infrastructures – construction of bridges

➤ **Extra cost due to acceptance of tender at higher rates**

Acceptance of tender at higher rates resulted in extra cost of Rs.34.55 lakh.

The tender for the work of construction of bridge across river Kshipra on Jaisinghpura diversion road estimated to cost of Rs.1.99 crore was invited on percentage rate in November 2001. On the recommendations of the department, Government accepted the tender of a contractor at 2.34 per cent above SOR in January 2002. Scrutiny in audit revealed that the prevailing rates ranged between 21.65 and 15.02[⊗] per cent below SOR. Thus, acceptance of tender at 2.34 per cent above SOR was on the higher side and resulted in extra cost of Rs.34.55 lakh.

When this was pointed out in audit the EE stated that the tender was accepted on percentage rate whereas prevailing rates were on lumpsum basis. The reply was not tenable as the evaluation of reasonability of rates were conducted on the basis of SOR. Further, the rates of bridges were subsequently accepted on percentage rate ranging between 18.57 and 15.09 per cent below SOR in November and September 2002.

3.5.13 Conclusion

Deviations were made from the action plan and works were executed without sanction of MSC. Although the Mela ended in May 2004, the accounts were not rendered by the implementing agencies in many cases. Advances granted were not adjusted or recovered which indicating lack of financial control. Inadequate quality control and lack of monitoring by the supervisory staff and the consultant led to poor quality of road infrastructure. The permanent works were required to be completed well before the Simhastha Mela but most of the road works were completed after the start of the Mela in April 2004.

⊗ *E-In-C No.401 dt 14.12.2001- Bridge across parvati river in Km 22/8-21.65 percent below SOR –Government Memo No.53/131/19/2001 dt 26.12.2001 Bridge across Kalisindh river -15.02 percent below SOR – Submersible bridge Across Kai river - 15.09 percent below- H.L Bridge across Uttawadi River -18.575 percent below SOR.*

Administrative sanctions were issued late which caused serious strain on implementing agencies and led to allotment of work at higher rates. There were many technical as well as financial irregularities on which Government had ordered administrative action but such action had not been initiated in many cases.

3.5.14 Recommendations

In view of the various deficiencies noticed in audit the following recommendations are suggested for consideration of the Government.

- Effective financial control should be exercised on maintenance and finalisation of accounts and an effective system should be evolved for timely adjustment of advance payments.
- Adequate quality control measures should be ensured in all construction work.
- Different works of permanent nature for the next Simhastha should be executed well in advance of the event.