

PREFACE

This Report on the audit of expenditure incurred by the Government of Uttar Pradesh has been prepared for submission to the Governor under Article 151 of the Constitution. The report covers significant matters arising out of the compliance and performance audits of various departments including autonomous bodies. Audit observations on the Annual Accounts of the Government would form part of a Report on State Finances, which is being presented separately.

This Report starts with an Introduction outlining the audit scope, mandate, and the key audit findings which emerged during the year-long audit exercise. Chapter 2 of the Report covers performance audits while Chapter 3 discusses material findings emerging from compliance audits. Chapter 4 includes results of integrated audit of Higher Education Department.

The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 2008-09 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matter relating to the period subsequent to 2008-09 have also been included wherever necessary.

Chapter 1

Introduction

1.1 About this Report

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from compliance audit of the transactions of the Civil and Works departments of the Government of Uttar Pradesh, Centrally sponsored and State plan schemes and audit of autonomous bodies of the State, including performance audit of selected schemes and departments.

The primary purpose of the Report is to bring to the notice of the State Legislature, important results of audit. Auditing standards require that the materiality level of reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of audit are expected to enable the Executive to take the corrective action as also to frame policies and directives that lead to improved financial management of the organizations, thus contributing to better governance.

Compliance audit refers to examination of the transactions relating to expenditure, receipts, assets and liabilities of the audited entities to ascertain whether the provision of the Constitution of India, applicable laws, rules and regulations and various orders and instructions issued by the competent authorities are being complied with.

Performance audit is an independent assessment or examination of the extent to which an organisation, programme or scheme operates economically, efficiently and effectively.

This Chapter provides the auditee profile, the planning and extent of audit and follow-up on audit reports. Chapter 2 of this Report deals with the findings of performance audit and Chapter 3 deals with compliance audit in the various departments and autonomous bodies. Chapter 4 contains results of integrated audit of Higher Education department.

The cases mentioned in the Report are those which came to notice in the course of test audit of account during 2008-09 as well as those which had come to light in earlier years but could not be dealt within previous Reports. Matters relating to the period subsequent to 2008-09 have also been included wherever necessary.

1.2 Auditee profile

There are 72 departments at the Secretariat level, headed by Chief Secretary/Principal Secretaries/Secretaries who are assisted by the Special Secretaries, Deputy Secretaries and Directors and subordinates officers under them and 937 autonomous bodies which are under audit jurisdiction of the Principal Accountant General (Civil Audit), Uttar Pradesh, Allahabad.

The comparative position of expenditure of the Government during 2008-09 and in the preceding two years is given in **Table 1.1**

(Rupees in crore)

Particular	2006-07			2007-08			2008-09		
	Plan	Non-plan	Total	Plan	Non-plan	Total	Plan	Non-plan	Total
Revenue expenditure									
General services	118.82	24,180.50	24,299.32	92.85	26,457.90	26,550.75	211.94	29,557.38	29,769.32
Social services	7,368.44	11,879.62	19,248.06	8,213.70	14,871.87	23,085.57	11,584.22	16,961.79	28,546.01
Economic services	2,211.22	7,198.05	9,409.27	3,437.34	8,600.06	12,037.40	5495.18	8654.17	14,149.35
Grants-in-aid	-	2,742.25	2,742.25	0.03	3549.46	3549.49	-	3,504.21	3504.21
Total (1)	9,698.48	46,000.42	55,698.90	11,743.92	53,479.29	65,223.21	17,291.34	58,677.55	75,968.89
Capital expenditure									
Capital Outlay (2)	13,312.49	671.64	13,984.13	13,719.84	3,230.54	16,950.38	18,087.49	4,258.23	22,345.72
Loans and Advances disbursed (3)	561.86	325.69	887.55	367.44	374.52	741.96	390.33	416.68	807.01
Payment of Public Debt (4)	---	5,912.08	5,912.08	---	5,368.87	5,368.87	---	6,776.49	6,776.49
Total disbursement out of Consolidated Fund (1+2+3+4)	23,572.83	52,909.83	76,482.66	25,831.20	62,453.22	88,284.42	35,769.16	70,128.95	1,05,898.11
Contingency Fund	---	9.57	9.57	---	116.72	116.72	---	---	---
Public Account disbursements	---	52,901.28	52,901.28	---	68,560.32	68,560.32	---	1,00,026.64	1,00,026.64
Total	23,572.83	1,05,820.68	1,29,393.51	25,831.20	1,31,130.26	1,56,961.46	35,769.16	1,70,155.59	2,05,924.75

1.3 Authority for audit

Authority for audit by the C&AG is derived from the Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Principal Accountant General (Civil Audit) conducted audit of expenditure of civil and works departments, autonomous bodies under sections 13, 14, 15, 19 and 20 of the Comptroller & Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The principles and methodology for compliance audit are prescribed in the manuals issued by the Comptroller & Auditor General.

1.4 Organisational structure of the Office of the Principal Accountant General (Civil Audit), Uttar Pradesh.

Under the directions of the C&AG, the Principal Accountant General (Civil Audit), Uttar Pradesh, conducts audit of civil and works departments and autonomous bodies through two groups each for inspection of the civil and works departments, one group each for autonomous bodies and forest department. During 2008-09, 66 audit parties conducted compliance audit of the selected units under various civil and works departments of the State Government, autonomous bodies, externally aided projects, etc.

1.5 Planning and conduct of audit

Audit process commences with the assessment of risk of various Government departments/ organisations/autonomous bodies and schemes/ projects, etc., based on expenditure, critically/complexity of activities, level of delegated

financial powers, assessment of overall internal control and the concerns of stakeholders. Previous audit findings are also considered in this exercise.

After completion of audit of each unit, Inspection Reports containing audit findings are issued to the head of the unit. The units are requested to furnish replies to the audit findings within one month of receipt of the Inspection Report. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of these Inspection Reports are processed for inclusion in the audit reports.

During 2008-09, 15,478 party-days were used to carry out audit of 1,986 units out of 7,073 units of various departments/organisations. The audit plan covered those units/entities which were vulnerable to significant risk, as per the assessment.

1.6 Significant observations of performance audit

Performance audit is undertaken to ensure whether the Government programmes have achieved the desired objectives at the minimum cost and given the intended benefits. In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/activities through performance audits, as well as on the quality of internal controls in selected departments, which impact on the success of programmes and functioning of the departments.

This report contains results of special audit of withdrawals from General Provident Fund (Group D) accounts in the office of the District Judge, Ghaziabad and performance audit of 'Development Programmes in Poorvanchal and Bundelkhand Regions', 'Accelerated Irrigation Benefits Programme', 'Old Age Pension and National Family Benefit Schemes', 'Bhoomi Sena Yojna/Kisan Hit Yojna'. Besides, Integrated Audit of Higher Education department was also conducted. The focus has been on auditing the specific programmes/schemes and offering suitable recommendations, with the intention of providing an aid to the Executive in taking corrective action and improving service delivery to the citizens. The salient features of the performance audits are discussed below.

1.6.1 Audit of withdrawals from General Provident Fund (Group D) accounts in the office of the District Judge, Ghaziabad

Audit of GPF (Group D) accounts maintained in the office of District Judge, Ghaziabad revealed a system failure leading to fraudulent withdrawals during 2001-07. Sanctions to the advances were not accorded by the competent authority. GPF ledgers, broadsheet, pass books, bill register, cash book, etc., were not maintained. Monthly reconciliation of treasury withdrawal was also not carried out. The treasury officer did not exercise prescribed checks facilitating fraudulent drawals.

1.6.2 Development Programmes in Poorvanchal and Bundelkhand Regions

To overcome inter-regional disparities and backwardness, the State Government had been providing special funds for Poorvanchal and Bundelkhand regions every year since 1990. Besides, funds were also provided through Bundelkhand Vikas Package (from 2005-06) and Twelfth Finance Commission Fund (from 2006-07) for the development of these regions. Performance audit revealed that improper planning, inept financial management, deficient implementation of the programme and weak monitoring were the reasons for non-achievement of envisaged benefits as various districts in these regions remained less developed compared to other regions.

1.6.3 Accelerated Irrigation Benefits Programme

The Accelerated Irrigation Benefits Programme was conceived in 1996 by the Government of India in order to provide financial assistance to States to complete within targeted period, various ongoing projects to extend irrigation to more areas. Test check of six out of 10 irrigation projects taken up during 1996-06 under the programme revealed that the targeted benefits of providing irrigation were not achieved due to execution of projects in an unplanned manner. Projects were delayed from two to eight years with the cost overrun of 28 per cent to 916 per cent. Irrigation potential created could not be utilized to the extent of 22 per cent to 55 per cent due to incomplete Distributaries/Minors.

1.6.4 Old age pension and National Family Benefit schemes

Old age pension schemes were launched with the objective of providing financial assistance to destitute old persons aged 60 years and above who were below poverty line. National Family Benefit Scheme was launched to provide one time financial assistance to the families below poverty line whose breadwinner had died between the age 18 to 64 years. A review of implementation of the schemes revealed failures in proper identification and sanction of pensions to the beneficiaries, non-physical verification of pensioners, and transfer of pensions to the banks even after death of the beneficiaries, double payment and delay in payment of pensions. The delay in payments and payments to ineligible persons under the National Family Benefit Scheme were also noticed.

1.6.5 Bhoomi Sena Yojna/Kisan Hit Yojna

The State Government introduced Bhoomi Sena Yojna/Kisan Hit Yojna with the objective of treating *usar*, ravine and wasteland for increasing productivity of food grains, horticulture products and to allot treated *Gram Samaj* land to landless people. Besides, employment to local people was also to be provided under the scheme. Performance audit of the scheme revealed deficiencies like inadequate survey and planning, insufficiency of water for treatment of *usar* land, incomplete works, delay in payment to labourers, non-engagement of local people on execution of works and inadequacy in assessment of productivity of

the treated land. *Gram Samaj* land was not targeted for treatment for allotting it to the landless people.

1.6.6 Integrated Audit of Higher Education department

Higher Education department is responsible for providing quality education to students through universities, Government/Government aided/private graduate and post-graduate colleges. Integrated audit of the department including colleges and Lucknow University revealed inept financial management, deficient manpower management and ineffective academic administration. The department surrendered large amounts due to incorrect budget estimation; ninety five *per cent* graduate and post graduate colleges did not have proper infrastructure for imparting quality education. Colleges were short of regular teachers to the extent of 49 *per cent* during 2004-09 and 17 Government colleges did not have even a single teacher in one to five subjects for one to three years during 2006-09.

1.7 Significant audit observations during Compliance Audit

Audit observed significant deficiencies in critical areas, which impact the effectiveness of the State Government. Some important findings of the compliance audit (32 paragraphs) have also been reported. The major observations relate to:

- Non-compliance with rules and regulations;
- Audit against propriety and cases of expenditure without adequate justification;
- Failure of oversight/governance;
- Persistent and pervasive irregularities; and
- Fraud and detection of fraud.

1.7.1 Non-compliance with rules and regulations

For sound financial administration and control, it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authority. This helps in maintaining financial discipline and prevents irregularities, misappropriation and frauds. This section of non-compliance with rules and regulations brings out observations involving Rs 13.03 crore. Some of these are as under.

A decision to change the site of four new barracks outside the jail premises in District Jail, Muzaffar Nagar, in violation of norms resulted in unproductive expenditure of Rs 1.02 crore.

(Paragraph 3.1.3)

Drawal of Rs 7.63 crore for purchase of bitumen without assessing its requirement and retaining Rs 5.52 crore outside the Government account for 13 months by Construction Division III, Gunnore, District Budaun in violation of financial rules, entailed an interest loss of Rs 40.30 lakh.

(Paragraph 3.1.5)

Provision of PI before the work of premix carpet in contravention of Engineer-in-Chief's orders and technical specifications resulted in an avoidable extra expenditure of Rs 95.44 lakh by Construction Division, Public Works Department, Ferozabad in construction of 28 rural roads.

(Paragraph 3.1.6)

1.7.2 Audit against propriety and cases of expenditure without adequate justification

Authorisation of expenditure from public funds has to be guided by the principles of propriety and efficiency of public expenditure. Authorities empowered to incur expenditure are expected to enforce the same vigilance as a person of ordinary prudence would exercise in respect of his own money. Audit scrutiny revealed instances of impropriety and extra expenditure amounting to Rs 316.34 crore. Some of the important audit findings are as under.

Improper decision of the Government to demolish infrastructures which were created in District Lucknow in 1998 and 2002 at a cost of Rs 32.98 crore rendered Rs 34.72 crore wasteful, inclusive of demolition charges of Rs 1.74 crore

(Paragraph 3.2.2)

Muzaffar Nagar Development Authority suffered a loss of Rs 35.53 lakh on account of injudiciously proceeding with the work of creating infrastructure on a piece of land acquired by the National Highway Authority of India.

(Paragraph 3.2.3)

Incomplete remodeling work of Chhoia Nala by the Eastern Ganga Canal Construction Division-II, Haridwar rendered the expenditure of Rs 3.62 crore on the work unfruitful. Besides, avoidable expenditure of Rs 45 lakh was incurred on clearance of thek.

(Paragraph 3.2.6)

Provision and approval of inadmissible rates in the estimate on untenable grounds and against earlier instructions led to the excess payment of Rs 2.81 crore to a contractor on widening and strengthening of a State Highway under Provincial Division, Public Works Department, Banda.

(Paragraph 3.2.7)

1.7.3 Failure of oversight/governance

Government has an obligation to improve the quality of life of the people in the area of health, education, development and upgradation of infrastructure, public services, etc. Audit noticed instances where the funds released by the Government for creating public assets, remained unutilized/ blocked or proved unfruitful/ unproductive due to indecisiveness, lack of administrative oversight and concerted action at various levels. Cases of failure of oversight/governance noticed in audit amounted to Rs 437.41 crore. Some important findings are as under.

Government's failure to refund unutilized high interest bearing loans taken from NCR Planning Board to finance schemes of Hapur-Pilkhua Development Authority resulted in an avoidable interest payment of Rs 28.51 crore.

(Paragraph 3.3.2)

Due to non-identification of the slum dwellers, Rs 56.49 lakh spent by the Allahabad Development Authority on construction of 70 dwelling units for them rendered the expenditure unfruitful besides, defeating the objective of the scheme.

(Paragraph 3.3.3)

Due to investment of Rs 40.60 lakh in a non-scheduled bank, Kanpur Development Authority suffered an interest loss of Rs 35.18 lakh, besides locking up the principal amount for the last ten years.

(Paragraph 3.3.4)

Improper planning and commencement of work by the Head Works Division, Agra Canal, Okhla on an alignment full of obstructions led to non-completion of canal rendering the expenditure of Rs 100.70 crore unfruitful besides, non-achievement of targeted benefit under Agra Canal System.

(Paragraph 3.3.6)

Inconsistency in the decision of the Medical and Health department in selection of the site for construction of a 100 bed hospital in District Faizabad rendered the expenditure of Rs 81 lakh unfruitful.

(Paragraph 3.3.9)

Unauthorized payment of Rs 15.82 crore as mobilization advance resulted in indirect aid to contractor as well as loss of interest amounting to Rs 1.08 crore under the State Road Project II executed with assistance of World Bank.

(Paragraph 3.3.10)

Approval of technically unsound estimates in State Road Project II – Phase I led to deficient work costing Rs 260.15 crore besides, extra expenditure of Rs 2.31 crore.

(Paragraph 3.3.11)

112 shops constructed at a cost of Rs 92.90 lakh by the Social Welfare department, could not be allotted to the ex-servicemen and dependents of martyred/disabled soldiers due to non-framing of Dookan Avantan Niyamavali rendering the expenditure unfruitful.

(Paragraph 3.3.13)

1.7.4 Persistent and pervasive irregularities

An irregularity is considered persistent if it occurs year after year. It is deemed pervasive when prevalent in the entire system. Recurrence of irregularities, despite being pointed out in earlier audits is indicative of slackness on the part of the executive and lack of effective monitoring. This in turn encourages willful deviations from observance of rules/regulations and results in weakening of administrative structure. Audit observed instances of persistent and pervasive irregularities of Rs 8.22 crore. Some important audit findings are as under.

Prescribed specification/norms were not followed by Rural Engineering Services Department in construction of village link roads costing Rs 8.22 crore under various developmental schemes.

(Paragraph 3.4.1)

1.7.5 Fraud and detection of fraud

Audit of financial transactions, test checked in some departments of the Government and their field functionaries showed instances of fraudulent payments of Rs 2.20 crore as discussed in the following paragraphs.

Irregular provision of extra cartage for earth work in construction of metalled road on service road of Anoop Shahar Branch Canal by the Anoop Shahar Division, Meerut led to fraudulent payment of Rs 1.88 crore to a contractor.

(Paragraph 3.5.1)

Payment of Rs 7.45 lakh was made fraudulently by the Executive Engineer, Fatehpur Division without ensuring execution of work by validation of its quantity under the work of Restoration of Carrying Capacity of Fatehpur Branch.

(Paragraph 3.5.2)

Payment at the higher rates for inferior quality of work and by issuing material from the departmental stores at cheaper rates led to undue aid of Rs 24.90 lakh to a contractor in widening and strengthening of Lumbini-Dudhi road under Provincial Division, Public Works Department, Jaunpur.

(Paragraph 3.5.3)

1.8 Response of the departments to the draft performance reviews and audit paragraphs

The draft performance reviews and audit paragraphs are forwarded to the Principal Secretaries/ Secretaries of the departments concerned drawing their attention to the audit findings and requesting them to send their responses within six weeks. It is brought to their personal attention that in view of likely inclusion of such paragraphs in the Audit Reports of the Comptroller and Auditor General of India, which are placed before Uttar Pradesh Legislatures, it would be desirable to include their comments in the matter. They are also advised to have meetings with the Principal Accountant General to discuss the performance reviews/draft audit paragraphs, proposed for Audit Reports. The performance reviews/draft audit paragraphs proposed for inclusion in this report were forwarded to Principal Secretaries/ Secretaries concerned and their replies and results of discussions have been incorporated in the Report at appropriate places.

1.9 Follow up on Audit Reports

At the end of March 2009, 1026 paragraphs/reviews were pending for discussion in the Public Accounts Committee. These paragraphs/reviews pertained to the periods 1983-84 to 2006-07, except of the years 1997-98 and 2002-03. The discussion by the Public Accounts Committee on the paragraphs/reviews of the Audit Reports for the years 2004-05, 2005-06 and 2006-07 was in progress and those of 2007-08 were yet to be taken up.

CHAPTER 2

PERFORMANCE AUDITS

This chapter contains audit of withdrawals from General Provident Fund (Group D) accounts in the office of the District Judge, Ghaziabad and performance audits on Infrastructure Development Programmes in Poorvanchal and Bundelkhand regions, Accelerated Irrigation Benefits Programme, Old Age Pension and National Family Benefit Schemes and Bhoomi Sena Yojna/Kisan Hit Yojna.

Law and Justice Department

2.1 Audit of withdrawals from GP Fund (Group D) accounts in the office of District Judge, Ghaziabad

Executive Summary

Audit was conducted of withdrawals from GPF (Group D) accounts for the period 2001-08. It revealed the following:

- Unauthorised sanctions were issued for advances/withdrawals by DDOs for an amount of Rs 3.33 crore representing 55 *per cent* of the total sanctions. The balances noted in 338 sanctions issued, out of a total of 352 sanctions representing 96 *per cent* of the cases, differed with that recorded in the GPF (Group 'D') ledger.
- Rupees 1.80 crore were drawn in the name of 49 non-employees. Rupees 32.70 lakh were fraudulently drawn in favour of six fake appointees. Rupees 64.19 lakh were disbursed to 23 Group 'D' employees in excess of balances available in GPF ledgers. Rupees 57.18 lakh were paid to 11 Group 'C' employees from their closed GPF (Group 'D') accounts. The internal control system in the office was totally ineffective as there was no proper record management and adherence to rules was weak.
- A certain employee continued to be entrusted with the work of maintenance of GPF (Group 'D') accounts and preparation of GPF advances/withdrawal bills for 15 years. Initially a ministerial staff handling GPF (Group 'D') related work as a Third Bill Clerk/Bill Clerk, etc. during 1995-2004 and later on discharged duties of Central Nazir/Deputy Nazir during 2004-08. Concentration of the key stages of transactions viz. maintenance of records and the sanction process with a single individual facilitated the fraudulent withdrawals.
- Chief Treasury Officer (CTO), Ghaziabad, passed 144 bills representing 20 *per cent* without numbers. He also passed 147 numbers representing another 20 *per cent* with the same bill number. The CTO accepted 395 numbers representing 54 *per cent*, GPF related bills from the office of the District Judge, Ghaziabad, which were not entered in any Treasury Bill Register. He also accepted 157 bills representing 22 *per cent* of the total bills paid through unauthenticated Treasury Bill Register during 2007-08 itself. Audit has revealed that there is no proper system of reconciliation of transactions between the DDOs and the Treasury.

2.1.1 Introduction

Audit of the General Provident Fund (GPF) Group “D” accounts of District Judge (DJ), Ghaziabad for the period 2001-08 was conducted at the request of State Government from 24 August 2008 to 12 September 2008 and from 16 February 2009 to 07 March 2009. The records relating to GPF drawals made by DJ, Ghaziabad at the District Treasury, Ghaziabad were also examined. The computerized data of the treasury from August 2001 to March 2008, computerized pay bills, employee master of DJ, Ghaziabad were also analysed.

2.1.2 Limitations of audit

As the case was under investigation of the investigating agencies which had taken several records in original, audit had to rely on photocopies of those records. Moreover, DJ, Ghaziabad also did not furnish complete reply to audit memoranda which were issued to him to elicit information and for confirmation of the facts and figures.

2.1.3 Organisational set-up

The DJ is the administrative head of the office and the Drawing and Disbursing Officer (DDO). The DJ, however, had nominated one of the Additional District & Sessions Judges (ADJ) as DDO.

During 2001-08, 12 judges held the charge of DJ, Ghaziabad and nine ADJs worked as DDOs for different periods (*Appendix-2.1.1*).

2.1.4 Audit objectives

Objectives of the special audit were to see whether:

- prescribed system of processing of GPF advance/withdrawal applications for GPF (Group D) accounts and sanction thereof was adhered to;
- internal control mechanism existed and was exercised effectively; and
- the treasury exercised the prescribed checks on the GPF (Group D) advance/withdrawal bills received from DJ, Ghaziabad.

2.1.5 System of maintenance of GPF (Group D) accounts

Unlike other categories of employees¹ maintenance of GPF Group “D” accounts is the responsibility of the Heads of Offices/DDOs who are required to maintain GPF (Group D) accounts in accordance with the instructions contained in Government Order 23 October 1961, 28 February 1962, GPF Rules, 1985 and subsequent orders issued by the Government as well as general financial rules and orders regarding receipt and disbursement of money by the DDO/Government servants. The basic elements of maintenance of the GPF accounts as applicable to Group D employees were (i) GPF Index Register for allotting a unique GPF account number to the subscribers, (ii) subscriber-wise ledger and pass books which would show opening balance of the subscriber each year, month-wise credits and debits, interest earned during the year and

¹ Group A, B, C employees accounts are maintained by the Office of the Accountant General (A&E).

closing balance, (iii) broadsheet to show monthly credits and debits subscriber-wise as well as of the DDO as an accounting unit, (iv) monthly/quarterly statement of credits and debits to be submitted by the DDO to his Head of Department (HOD) quarterly and an annual statement by each HOD to the Accountant General (AG), Accounts and Entitlement (A&E), UP, (v) sanction of withdrawals from GPF account by DDO/HOD in accordance with GPF Rules and (vi) drawal of money from treasury as per financial rules as amended from time to time.

2.1.6 Procedure for sanction of advances/withdrawals from GPF (Group D) accounts

For withdrawals from GPF (Group D) accounts, a subscriber is to apply in the prescribed form stating name, GPF account number, purpose for drawal, amount required supported by documentary evidence through his controlling officer, i.e., presiding officer of the Court, if posted in a Court, or officer-in-charge of the section if posted in any section, to the sanctioning authority, i.e., DJ. While processing the application, the bill clerk will certify the correctness of applicant's details, availability of balance in his GPF account, history of withdrawals of money from GPF in the past and genuineness of the ground of withdrawal and will submit the case to DJ through DDO for sanction. After the DJ's sanction, the DDO gets the bill prepared and passes the bill and enters it in the Bill Register (Form-11C). The passed bill is then entered in the Treasury Bill Register (TBR) for submission to Treasury.

On receipt of the cheque from the treasury, the DDO should ensure entry of the cheque in the Bill Register and on the receipt side of the cash book on the same day. After handing over the cheque to the applicant under proper acquittance with dated signature, an entry is made on the payment side of the cash book.

Irregularities such as unauthorized sanctions, reporting of incorrect balances at the credit of subscribers on applications of advances/withdrawals by the dealing assistant, sanctioning advances/withdrawals by the sanctioning authority without verifying details of applicant from the ledger/pass books of the subscribers and the balances given in the verification reports on the application forms and without ensuring that the debit was raised against the employee at the time of sanction of advance/withdrawal, etc. were noticed as brought out in the succeeding paragraphs.

2.1.6.1 Unauthorised sanctions

As per the GPF rules, no sanction can be accorded on behalf of the sanctioning authority by another authority. DJ was the competent authority to sanction advances and withdrawals in respect of Group 'D' employees. It was, however, observed that 342 sanctions of advances/withdrawals amounting to Rs 3.33 crore, out of 621 sanctions made available to audit, were sanctioned by the DDOs during the period 2001-07. The DDO signed the sanction orders under the seal "For District Judge" which was contrary to the GPF Rules. Year-wise break-up of the unauthorized sanctions is given in **Table 1**.

Fifty five per cent sanctions of GPF advances/withdrawals were accorded by DDO unauthorisedly

Table 1: Number of unauthorized sanctions and amounts

Year	No. of Sanctions	Amount (Rs in lakh)
2001-02	2	1.36
2002-03	64	45.96
2003-04	35	28.06
2004-05	62	77.11
2005-06	113	131.58
2006-07	66	48.96
Total	342	333.03

(Source: DJ, Ghaziabad)

On being asked (February 2009) whether there was any specific authorization to the DDO during that period, the DJ stated (March 2009) that there was no such authorization to any DDO.

2.1.6.2 Sanction to drawals from GPF (Group D) accounts during holidays/last working days of retirement

The District Judge sanctioned five GPF advances amounting to Rs 10.73 lakh on 24 December 2007, 14 advances/withdrawals amounting to Rs 34.46 lakh on 30 December 2007 (Sunday) and 5 advances/withdrawals amounting to Rs 4.20 lakh on 31 December 2007. While 24 December 2007 was the last working day of his service and on the remaining days the District Court, Ghaziabad was on vacation and were also last days of his service before retirement. These 24 sanctions included nine against non-employees, one fake appointee and three against Group C employees having drawn multiple advances from (Group D) GPF accounts.

2.1.6.3 Irregular sanctions

- One GPF sanction for Rs 1.65 lakh was issued in the name of Shri Ashok Kumar Sharma. This was neither signed by any authority in the office of the DJ, Ghaziabad nor date or sanction number noted thereon. The same was paid by the Treasury on 20 November 2007.
- In 17 cases (*Appendix-2.1.2*), sanction to final withdrawals from GPF (Group D) accounts was accorded, wrongly certifying that the subscriber had completed 20 years of service.
- The GPF Rules provide that the advances/withdrawals should be utilized for the purposes for which these were sanctioned. The Government under its order of 12 November 1998 issued instructions, reiterating in subsequent orders also, that the drawals from GPF accounts should not be sanctioned routinely and in a liberal manner and utmost care and vigil should be kept while sanctioning advances/withdrawals. Scrutiny of the sanctions, however, revealed that 330 non-refundable advances amounting to Rs 3.56 crore were sanctioned during 2001-08 for house building/repair of houses/purchase of land but, there was nothing on record to show that the DJ had verified the genuineness of the purpose for which the withdrawals were applied for, as no papers relating to ownership of land, registration of property papers, sanctioned map and estimates from the architect were called for and no utilization certificates were obtained from the payees.

Rupees 1.65 lakh were drawn on unsigned sanction orders and 17 final withdrawals were made on wrong certificates

The above indicated that the required checks were not exercised either at the DDO level or at the DJ level while sanctioning the withdrawals from GPF (Group D) accounts.

2.1.6.4 Irregular issue of sanction orders

Scrutiny revealed that none of 621 sanction orders had any control or identification numbers like file number, despatch number or serial number, etc. Further, the date of sanction was not mentioned in 363 sanction orders (58 per cent) amounting to Rs 3.60 crore issued during February 2002 to February 2008.

2.1.6.5 Non-verification of GPF balances

In ninety six per cent cases, the balances noted on the sanction orders differed with that noted in the ledger

The sanction orders mention the available balance in the GPF subscriber account at the time of sanction. GPF accounts relating to 352 (57 per cent) out of 621 sanction orders could be located in the GPF ledger. Of these, the available balances shown in 338 sanction orders (96 per cent of 352 sanctions) varied from the ledger figures. The available balances mentioned in the sanction orders were inflated in 263 sanctions by Rs 2.79 crore whereas it was reduced in 75 sanctions by Rs 43.40 lakh. This indicated that balances were generally not verified from the GPF ledger while sanctioning the advances/withdrawals.

2.1.7 Fraudulent payments

2.1.7.1 Drawals from GPF (Group D) accounts in the name of non-employees

Based on database relating to GPF (Group D) accounts of the Treasury, Ghaziabad, information furnished by DDO, GPF index register as prepared in 2008, computerised pay bill master and gradation lists of Group 'D' and Group 'C' employees as prepared in 2008, drawals made during the period 2001-08 in favour of 'C' & 'D' employees (including *ad hoc*) and non-employees were analysed. The results of the analysis are given in **Table 2**.

Table 2: Drawals in respect of non-employees

(Rs in lakh)

Year	Total drawals	Amount with-drawn	In the name of Group 'D', Group 'C' and <i>Ad hoc</i> employees		In the name of non-employees	
			Number of drawals	Amount withdrawn	Number of drawals	Amount Withdrawn
2001-02	51	27.59	52	27.59	-	-
2002-03	66	46.46	65	46.17	1	0.29
2003-04	63	48.48	62	46.48	1	2.00
2004-05	65	75.43	60	65.63	5	9.80
2005-06	110	132.47	97	106.03	13	26.44
2006-07	129	109.29	100	85.05	28	23.88
2007-08	244	325.36	166	218.12	77	107.24
Total	728	765.08	602	595.07	125	169.65

(Source: DJ, Ghaziabad and Treasury, Ghaziabad)

Rupees 1.70 crore were drawn in the name of non-employees

As seen from the Table that Rs 1.70 crore; 22 per cent of the total drawals of Rs 7.65 crore during 2001-08 were withdrawn from GPF (Group D) accounts through 125 drawals in the name of 49 non-employees (*Appendix-2.1.3*). Sanction to withdrawals from GPF (Group D) accounts in the name of such a large number of persons who were not employees of the office of DJ indicated that necessary checks were neither exercised at the level of officer-in-charge and *Nazarat/DDO* who forwarded the applications to the DJ for sanction nor at the level of DJ who actually sanctioned the withdrawals.

Scrutiny also revealed that Rs 2.90 crore (38 per cent) out of total drawals of Rs 7.65 crore were drawn in the name of 17 individuals, each ranging between Rs 10.60 lakh and 32.19 lakh, of which Rs 62.27 lakh were drawn in respect of four non-employees².

2.1.7.2 Excess payment due to carry forward of fictitious balances

GPF ledger relating to Group ‘D’ officials is maintained year-wise and closing balance of each year is carried forward to the next year as opening balance. The closing balances of the year 2005-06 in respect of 162 officials were fictitiously increased by Rs 2.83 crore while carrying them over as opening balances in 2006-07. Subsequently, during 2006-08, payments of advances/withdrawals out of fictitiously increased balances to 20 officials, proved to be in excess of actual balances by Rs 51.59 lakh (*Appendix-2.1.4*).

Opening balance was fictitiously increased by Rs 3.23 crore and Rs 64.19 lakh paid to 23 officials in excess of their balances

Further, in GPF ledger Group ‘D’ of 2007-08, 22 new accounts were opened and Rs 41.62 lakh were shown as opening balance against them (*Appendix-2.1.5*). Scrutiny of payrolls revealed that out of 22 subscribers, only 16 (2005-06:15; 2006-07:1) subscribed Rs 1.53 lakh to their GPF accounts which should have been carried over as opening balance in 2007-08. Thus, the balance was fictitiously inflated by Rs 40.09 lakh. Out of this, Rs 12.77 lakh were paid to three Group ‘D’ officials during 2007-08, of which Rs 12.60 lakh was in excess of their balances.

Thus, Rs 3.23 crore were fictitiously carried forward in excess in the opening balance of 184 officials, of which Rs 64.19 lakh were paid to 23 officials in excess of balances at their credit in GPF accounts.

2.1.7.3 GPF withdrawal in favour of fake appointees

Rupees 30.65 lakh were drawn in the name of fake appointees

The DJ had not prepared employees’ gradation list during 2001-08. While preparing the gradation list as on 01 April 2008, the DJ noticed that 16 fake appointments were made during 2001-08 and stopped their salary from the month of May 2008. Scrutiny revealed that Rs 30.65 lakh were drawn in favour of six of these employees between June 2003 and December 2007 fraudulently from GPF (Group D) accounts as given in **Table 3**.

² Shri Dharmender/Dharmender Kumar: Rs 18.73 lakh; Smt.Savitri/Savitri Devi: Rs 16.76 lakh; Smt Shakuntala: Rs 11.05 lakh; Smt Sushma: Rs 15.73 lakh = Total Rs 62.27 lakh

Table 3 : Drawals in the name of fake appointees

(Rs in lakh)			
Sl. No.	Name (S/Shri)	Number of drawals	Amount
1.	Ashok Kumar	5	9.28
2.	Kham Raj	1	1.44
3.	Mahipal Singh	3	6.65
4.	Pawan Kumar	4	7.59
5.	Satendra Kumar	3	4.59
6.	Satish Kumar	1	1.10
Total		17	30.65

(Source: DJ, Ghaziabad)

2.1.7.4 Fraudulent withdrawals by Group 'C' employees from closed Group 'D' GPF accounts

Rupees 57.18 lakh were paid to Group 'C' employees from GPF (Group D) accounts without raising debit in any accounts

As per GPF Rules, the accounts of Group 'D' employees on promotion to Group 'C' should be closed immediately and the balances available in their GPF account transferred to new GPF account as Group 'C', maintained by the office of the AG (A&E), UP. However, GPF balances in respect of 11 Group 'D' employees who were promoted to Group 'C' from July 2000 to July 2003 were not transferred to new GPF account maintained by the AG (A&E), UP although they contributed monthly GPF subscription as Group 'C' employees towards new GPF account numbers. Scrutiny revealed that Rs 57.18 lakh (**Appendix-2.1.6**) was sanctioned and drawn from their GPF (Group D) accounts during January 2003 to January 2008 without raising any debit even against their (Group D) accounts.

2.1.7.5 Fraudulent and excess final payments

At the time of retirement of an official, an office order is issued that he is retiring on the date specified in that order. His retirement benefits and final payment of GPF balance available in his account are paid on the basis of that office order and No Dues Certificate (NDC) furnished by DDO. Out of 8 final payments of GPF during August 2004 to March 2008, four payments were drawn in the name of non-employees/ fake appointees. This showed that the system of obtaining NDC at the time of final payment of GPF was not followed. The details of these four payments are given in **Table 4**.

Table 4: Final payments in the name of non-employees/fake appointee

Name of the non-employees S/Shri	Amount (Rs in lakh)	Month of payment	Remarks
Late Dhirender Singh (payment made to Smt Savitri)	4.58	02/06	Five other GPF drawals amounting to Rs 8.05 lakh were drawn during October 2005 to December 2007 in the name of Smt Savitri.
Amit Chaddha	2.10	12/07	Five other GPF drawals amounting to Rs 4.50 lakh were drawn during January 2006 to February 2008. Another cheque of Rs 60,000 dated 2.2.2008 was issued but not encashed by him.
Haji Iqbal	3.25	10/05	-
Satendra Kumar (fake appointee)	2.05	12/07	Two other GPF drawals amounting to Rs 2.54 lakh were drawn during December 2005 to December 2007

(Source: DJ, Ghaziabad)

Rupees 12 lakh were paid to non-employees/fake employee as final payments fraudulently

Further, in two out of remaining four final payments, an overpayment of Rs 2.76 lakh was made (January 2005). In one case (late Shri Tungeshwar Prasad), the DJ had not debited three earlier withdrawals of Rs 2.35 lakh (2001-02: Rs 0.50 lakh; 2002-03: Rs 1.10 lakh and 2003-04: Rs 0.75 lakh) to his account and in other case (Shri Ratan Lal), an overpayment of Rs 0.17 lakh was made (September 2006) as the DJ had not debited to his account an earlier withdrawal of Rs 0.08 lakh made in 1997-98. Thus, fraudulent payment of Rs 11.98 lakh was made to non-employees/fake appointee and over-payment of Rs 2.93 lakh to the beneficiaries of the deceased employees.

2.1.8 Non-recovery of temporary advances

Of the 621 sanctions for drawals, 146 advances amounting to Rs 72.21 lakh were sanctioned and paid. These were to be recovered during 2001-08 in fixed number of installments starting from the subsequent month of the withdrawals but no recovery in respect of 86 temporary advances was affected/ started till June 2008. Non-recovery of temporary advances over a period of six years indicated gross negligence on the part of the DDO/DJ. The lapse was not pointed out in any Inspection Reports of the DJ and office-in-charge (ADJ) of Accounts Section who had conducted an inspection of Accounts Section during this period. The year-wise number and amount of advances where recovery was not started are given in **Table 5**.

Table 5: Year-wise number of cases in which recoveries of temporary advance not made

Financial Year	No. of cases in which recovery has not started till June 2008	Amount involved (Rs in lakh)
2002-03	8	5.09
2003-04	4	2.00
2004-05	6	2.20
2005-06	9	2.33
2006-07	16	9.23
2007-08	43	32.31
Total	86	53.16

(Source: DJ, Ghaziabad)

2.1.9 Internal control system in the office of the DJ

Effective Internal Control System helps to provide reasonable assurance of adherence to laws, rules, regulations and orders, safeguards against fraud, abuse and mismanagement and ensures reliable financial and management information to higher authorities. The AG (A&E) had highlighted vide his letters dated 16 May 2000, 15 May 2002 and 17 September 2002 addressed to State Government, the improper maintenance of GPF related records such as pass books, etc. The State Government had also issued instructions in its letters of November 1998, November 2003 and February 2005 for proper maintenance of records and observance of rules for sanction of advances/withdrawals. On the basis of these letters/circulars, the High Court had also emphasised (July 1999, October 2000 and April 2002) the inherent risks of overpayments due to incorrect GPF account numbers in withdrawals, poor maintenance of GPF related records, frequent drawals from GPF, etc.

Scrutiny of records, however, revealed that despite these early warnings, record management and Internal Control System was ineffective due to its non-existence or non-adherence by the officers-in-charge as brought out in the succeeding paragraphs.

Record management

2.1.9.1 Improper maintenance of Service Books

Records were either not maintained or maintained improperly

Scrutiny of the records, viz., service rolls/service books, personal files of 25 officials and Gradation list prepared in December 2008 revealed that neither any reference of appointment letter was mentioned in the Service Books nor a copy thereof attached to it. The first page of service book of S/Shri Satender Kumar and Mahipal Singh did not even mention their name, father's name, permanent address and had not been authenticated by a gazetted officer.

2.1.9.2 Poor/non-maintenance of GPF records

The DDO is required to maintain following records in relation to GPF (Group D) accounts:

Index Register- It was not prepared. Indexing was, however, done in the ledger which did not contain ledger folio number, date of receipt of nomination, etc. An Index Register was prepared in 2008 after fraudulent payments came to notice. Even this register was incomplete as date of birth, date of joining service, post held, date of superannuation, date of allotment of GPF index number etc. were not mentioned in many cases.

GPF (Group D) ledger- The ledgers were not maintained properly as advances/withdrawals were not noted. Due to non-posting of the advances/withdrawals in the ledger, balances in individual accounts did not reflect the correct balance. This facilitated excess/fraudulent drawals from GPF accounts. Further, scrutiny of the GPF (Group D) ledger and the treasury's records from 2001-08 revealed that 483 drawals of Rs 6.53 crore on account of advances/withdrawals were not posted in their ledger accounts.

Broadsheet - The broadsheet was not maintained during 2001-08 and required information/returns regarding credits, debits and interest were not sent to the HOD for transmission to AG (A&E), UP.

GPF Pass books - Pass books are required to be prepared for each employee. However, pass books were not prepared in respect of 113 out of 211 Group D employees. Further, complete entries were not made in the pass books which were prepared and maintained.

2.1.9.3 Non-preparation of establishment order book and gradation list and non-maintenance of sanctioned strength statement

Paragraph 127 of Financial Hand Book (FHB) Volume V Part-1 read with GO no A-1/5641/X-15(7)-62 dated 24 February 1965 and Court letter no. 65/XI-35

dated 14 October 1965 provides for maintenance of sanctioned establishment strength and submission of periodical statements to Government and High Court. As per paragraph 404 of General Rule Civil (GRC), a gradation list of the establishment shall be maintained in the prescribed form. Paragraph 346 of GRC prescribes that an establishment order book containing the details of leave, promotion, reversion, etc., of individual officials will be maintained. These instructions aimed at keeping a strict watch on men-in-position, vis-à-vis, sanctioned strength. Neither the establishment order book nor gradation list and sanctioned strength statements were prepared during 2001-08.

2.1.9.4 Segregation of duties

To reduce the risk of error, waste, or wrongful acts and the risk of not detecting such problems, no single individual or team should control all key stages of a transaction or event. Rather, duties and responsibilities should be assigned systematically to a number of individuals to ensure that effective checks and balances exist. Besides, rotation of employees is also necessary as it helps to ensure that one person does not deal with all the key aspects of transactions or events for an undue length of time.

Scrutiny of records, however, revealed that Shri Ashutosh Asthana, a ministerial staff was handling GPF related work of Group D employees during 1995-2004 as third Bill Clerk/Bill Clerk and during 2004 -2008 as Central *Nazir*/Deputy *Nazir*. The Central *Nazir* was also administratively controlling the cadre of process servers (Group D post). Besides, GPF related records which were maintained in Accounts Section till 2004 under the supervision of Officer-in-Charge/Accounts-cum-DDO were maintained in *Nazarat* section when Shri Asthana was transferred to that section. Thus, maintenance of GPF (Group D) ledger and pass books remained with Shri Asthana from May 1995 to February 2008 till the fraudulent drawals from GPF (Group D) accounts came to light. Concentration of the key stages of transaction, viz., maintenance of records as well as sanction process of advances/withdrawals from GPF (Group D) in one hand facilitated the fraudulent withdrawals from GPF (Group D) accounts.

One official remained attached with GPF related work of maintenance of records and preparation of bills for 15 years

Adherence to rules and procedures

2.1.9.5 No entry of bills in Bill Register

Paragraph 139 of the FHB Volume V Part-I provides for maintenance of Bill Register (Form 11-C) in which all the bills are to be entered therein before their transmission to the treasury. This was required to monitor the bills sent to Treasury for reconciliation with DDO's reconciliation statement at the end of each month. Scrutiny revealed that 529 bills (Rs 6.18 crore) out of 728 bills (Rs 7.65 crore) relating to drawals from GPF (Group D) accounts were not entered in the Bill Register during 2001-08.

Seventy three per cent bills were not entered in the Bill Register

2.1.9.6 Treasury Bill Register

The Treasury Bill Register (TBR) which is to contain page count certificate, photograph and the signature of the messenger duly attested by the DDO was to be used for transmission of the bills to treasury from the office of DJ. Scrutiny of TBRs made available to audit, revealed that 394 bills amounting to Rs 4.72 crore out of 728 bills of GPF (Group D) advances/withdrawals during 2001-08 were not entered in the TBRs. Further, the office of the DJ, Ghaziabad used two TBRs in 2007-08 of which, one TBR did not contain page count certificate, photo and specimen signature of the messenger. This TBR was used for transmission of 157 bills of GPF (Group D) payments amounting to Rs 1.76 crore to the treasury.

2.1.9.7 Non-accountal of receipts and payments in cash book

Paragraph 27-A of FHB Volume V, Part I provides for maintenance of a cash book by each of the head of the office for recording in separate columns, all money received by Government servants in their official capacities and their subsequent remittance into the treasury or to the bank, as well as, money withdrawn from the treasury or the bank either by bills or by cheques and their subsequent disbursements on daily basis. No transactions relating to receipt of cheques and cash from the treasury and payment thereof were accounted for in the cash book during the period 2001-08. As per database of the treasury, out of 5,337 cheques amounting to Rs 46.88 crore issued during August 2001 to March 2008, 2,967 cheques amounting to Rs 33.11 crore pertaining to salaries, wages, and contingencies, etc., were issued in the name of the DDO. While salary cheques (Rs 31.16 crore) were sent to bank for credit into employees' bank salary accounts, other cheques amounting to Rs 1.95 crore were encashed and cash disbursed without any record of receipt and disbursement in the cash book.

2.1.9.8 Non-observance of rules and instructions

According to Government order (March 1998), payment of GPF advances/withdrawals was to be made through an account payee cheque. However, Shri Jagdish Chand, Munsarim/Clerk in outlying court at Garhmukteshwar (District Ghaziabad) was paid Rs 2.62 lakh through a bearer cheque on 27 September 2005. The said order was overlooked by both, the treasury and the DDO.

A bill of Rs 0.21 lakh in the name of Deep Sethi, a non-employee was sent by the DJ to the treasury for payment. The treasury passed the bill and issued cheque in the name of Ceep Sethi on 29 December 2006 and showed the cheque delivered to the office of the DJ, Ghaziabad through undated acknowledgement. No objection was recorded to the change of name in the cheque in the office of DJ. The cheque was paid by the bank on 3 January 2007.

One cheque for Rs 0.36 lakh was issued by the treasury on 29 September 2006 in the name of Shri Ravi Kumar. On 16 October 2006, the treasury cancelled the

cheque and issued a fresh cheque in the name of a non-employee Shri Ravi Agarwal purportedly on the basis of an undated and unnumbered letter from the DDO stating that the concerned employee had maintained the bank account in the name of Shri Ravi Agarwal. The cheque was also delivered through this letter rather than through the Warrant Register used for the purpose. Two more drawals were made in the name of Shri Ravi Agarwal on 14 December 2007 and 3 January 2008 for Rs 50,000 each.

Scrutiny of treasury's database relating to withdrawals from GPF (Group D) accounts revealed that 22 cheques were cancelled/lapsed during 2003-2008. Of these, 15 pertained to 12 such persons who were not entitled to these withdrawals as they were either non-employees or Group C employees. In seven out of 15 such cases, fresh cheques for Rs 9.25 lakh were issued and encashed. There was no proper documentation either in the treasury or in the office of the DJ regarding reasons for cancellation, lapsing and renewal of these cheques.

Analysis of data obtained from the Treasury database revealed that 27 bills relating to GPF advances, on initial passing by dealing accountant in the treasury, were objected to at the higher level (Assistant Treasury Officer/Treasury Officer). The vouchers were marked deleted in the database and payments made after re-submission of these bills as per details given in *Appendix-2.1.7*. Of these 27 bills, 5 bills (Rs 6 lakh) pertained to non-employees, 2 Group C employees (Rs 2.40 lakh) and 2 to fake appointees (Rs 2.54 lakh). It would be seen that there was an opportunity of rechecking the claims when bills were returned by the treasury but the DDO submitted the claims again without proper checking at his level which resulted in fraudulent payments.

2.1.9.9 Reconciliation and verification

Monthly reconciliation of drawals from treasury with DDO's records was not carried out

At the end of each month, the CTO is required to send a list of all the drawals during the month called DDO reconciliation statement to the DDO. The DDO is required to reconcile the drawals from the entries made in the bill register and the cash book and return the reconciliation statement back to treasury pointing out discrepancy, if any. On the basis of reconciled figures, DDO is to send monthly expenditure statement to his HOD.

As neither the bills were entered into the bill register (11-C) nor the cheques in the cash book, reconciliation of drawals as per DDO reconciliation statement was not possible.

2.1.9.10 Non-submission of returns

Under Government Order of October 23, 1961 the following reports and returns were due from each DDO and the Department. Scrutiny of records revealed non-submission of returns/reports as shown in **Table 6**.

Table 6: Scrutiny of returns/reports

Name of the Report	To whom	Periodicity	Status
Statement of credits and debits	HOD	Monthly	Not sent during 2001-08
Statement of credits and debits	AG	Quarterly	-----do-----
Annual Statement of credits, debits and closing balance	AG	Annual	-----do-----
Statement of interest due on GPF deposits	HOD	Annual	-----do-----
Statement of credits and debits as worked out in Broadsheet	HOD	Monthly	-----do-----

(Source: DJ, Ghaziabad)

The annual return regarding credits, debits and accrued interest due to be sent to HOD and AG (A&E) UP which could bring the fraudulent drawals to light was also not sent. On request by the AG (A&E), Finance Department had issued an order vide number G-2-157/X-2006-37 dated 4 January 2007 directing each department and DDO under him to furnish annual interest due on GPF (Group D) accounts from 2001-02. The Department, however, had not furnished these figures to the AG (A&E), UP as of April 2009.

2.1.10 Role of District Treasury, Ghaziabad

The Chief Treasury Officer (CTO) is required to satisfy himself of the accuracy of every claim before authorizing payment and must follow strictly the rules prescribed for his signature as he will be held responsible for all erroneous and irregular payments.

2.1.10.1 Irregular acceptance of bills by the treasury

According to para 139 of the FHB Volume V, Part-I, particulars of all the bills are to be entered in the Bill Register (Form 11-C) before their transmission to the treasury and serial number of this register was to be noted on the bill as bill number. The bill number is also noted in TBR for submission of the bills to treasury for obtaining cheques. Scrutiny of the statement of drawals received from the CTO, the data extracted from the database of the Ghaziabad treasury and Warrant Register of the treasury revealed that, in disregard to the instructions, the CTO not only accepted 144 GPF (Group D) bills without bill numbers but also passed 147 bills with the same bill numbers (out of total 728 bills) during 2002-03 to 2007-08. This facilitated passing of fraudulent bills at the treasury.

2.1.10.2 Receipt of bills in the treasury without entry in treasury bill register (TBR)

Paragraph 428 of FHB Vol-II prescribes that the bill should be presented to the treasury through TBR noting therein the bill number, date, title of the bill and net amount with full signature of the DDO. The Accountant of the treasury will record his dated signature in the prescribed column in token of having received these bills and will decline to receive bills not noted in TBR. This procedure prevents the bills being lost and unauthorized bills being entertained in the

Treasury accepted 20 per cent bills without bill numbers and other 20 per cent bills with same bill numbers

Fifty four per cent bills were accepted by the treasury without entry in the treasury bill register

treasury. Scrutiny of the TBR and the DDO reconciliation statement revealed that the treasury accepted 395 bills amounting to Rs 4.73 crore during 2001-02 to 2007-08 which were not noted in the TBR. Besides, the treasury Accountant received 157 bills amounting to Rs 1.76 crore presented at the treasury during 2007-08. These were recorded in a TBR in which neither page count certificate nor name of the messenger was recorded nor his signature and photo was put/attested by the DDO. Further, the DDO had not put his full signature against the entries in the TBR as required under the rules.

2.1.10.3 Issue of cheques against irregular bills

Paragraph 428 of FHB, Volume V, Part-II lays down that the bill or other vouchers presented as a claim for money will be received and examined by the Accountant of the treasury and then laid before the Treasury Officer, who, if the claim be admissible, the authority good, the signature true and in order and the receipt a legal quittance, will sign the order for payment. Scrutiny of copies of sanctions and the debit vouchers revealed that the treasury passed 342 bills for Rs 3.33 crore during the period 2001-07 which were prepared on the basis of sanctions accorded by DDO who was not the competent sanctioning authority for drawal of advances/withdrawals from GPF (Group D) accounts. Besides, a bill for Rs 1.65 lakh in the name of Shri Ashok Kumar Sharma was passed on 20 November 2007 by the Chief Treasury Officer, Ghaziabad which was prepared on the basis of sanction not signed by any authority.

On being pointed in audit, the CTO stated (March 2009) that the DJ, Ghaziabad vide his order no. 26/97 dated 2 June 1997 had authorized the DDO for sanctioning advance from GPF (Group D) accounts on his behalf. Shri Bhawar Singh, DJ had authorized (2 June 1999) Shri A.K. Chaudhary, ADJ to accord sanctions on his behalf. Reply was not acceptable as the authorization was irregular in terms of Second Schedule of GPF Rules, which the CTO should have known as he was the bill passing authority.

2.1.10.4 DDO reconciliation statement

The CTO is required to send at the end of each month, a statement of drawals containing the details of all the drawals made by the office of the DJ, Ghaziabad showing bill number, head of account, voucher number and date, gross amount of the bill, cheque number and net amount for reconciliation by the DDO. The DDO is required to reconcile the drawals with his records and certify the correctness of the drawals. The DDO did not furnish the reconciliation statements to audit for the period 2001-08. However, copies of these statements were furnished by the CTO which had purportedly been accepted/ signed by the DDO. The DDO, however, informed (March 2009) that he had not received the reconciliation statements for the above period. The CTO could not furnish the reference number etc. under which these statements had been sent by him to the DJ and received back from him duly accepted. This indicated that proper system of transmission of monthly reconciliation statements to DDO for reconciliation

of monthly drawals with his records and their return to the treasury with proper certification of drawals by the DDO was not followed by the treasury.

2.1.11 Conclusion and Recommendations

2.1.11.1 Fraudulent withdrawals

Fifty five *per cent* sanctions for an amount of Rs 3.33 crore were not accorded by the competent authority during the period 2001-07. Rupees 1.80 crore were drawn and paid in the name of 49 non-employees and Rs 32.70 lakh paid to six fake appointees fraudulently. Rupees 57.18 lakh were drawn in the name of Group 'C' employees who were not entitled to draw the amounts from GPF (Group D) accounts and no debits were raised against any of their GPF accounts. Rupees 64.19 lakh were paid to 23 Group 'D' employees in excess of their actual GPF balances available in the ledger.

Recommendations: The head of the office should ensure that the DDO carries out his duties within his mandate. Authentic list of employees should be put up with GPF advance/withdrawal application to DDO/DJ to verify bonafides of the employees. He should also send annually an establishment return as provided in the financial rules to the respective HODs who will consolidate and will furnish the same to the Finance Department and to the Principal Accountant General (Civil Audit), UP every year by 15 September.

2.1.11.2 Internal control

Non-maintenance/improper maintenance of the vital records like GPF ledger, broadsheet, GPF pass book, bill register, non-accounting of the drawals in cash book, submission of bills to treasury without entry in TBR and through fake TBR, non-reconciliation of the monthly drawals and allowing an official to maintain GPF (Group D) accounts and prepare bills for 15 years facilitated fraudulent payments.

Recommendations: The Government's order of October 1961 and February 1962 for maintenance of GPF (Group D) accounts by the head of the offices/DDOs should be reiterated and enforced for proper maintenance of GPF records by all HODs/Head of offices. Head of the offices/DDOs should ensure submission of details of credits and debits every month to the HOD in form BM 6 with the certificate that credits and debits were tallied/ reconciled with GPF (Group D) ledger, pass books and bill register. All bills presented at the treasury by DDOs should contain the number of bill register and TBR. The DDO should have only one TBR at one time and put his full signature thereon. There should be rotation of employees after every three to four years.

2.1.11.3 Role of treasury

The CTO also failed in exercising necessary checks on the fraudulent bills/sanctions and accepted bills from the office of the DJ directly without entry in the TBR, through fake TBR, bills without bearing number of bill register and accepting the bills accompanying sanctions not accorded by the competent authority and sending the DDO reconciliation statements unsigned without any forwarding letter leaving room for manipulations.

Recommendations: CTO should put his full signature on the monthly DDO reconciliation statement. The DDO should return the same to CTO under his full signature after reconciliation of the figures with his records. DDO should arrange reconciliation through officials other than those involved in preparation of bills.

The report was discussed (November 2009) with Principal Secretary, Finance Department who accepted audit recommendations for implementation. Further action on the part of the Government was awaited (December 2009).

PUBLIC WORKS DEPARTMENT

2.2 Development programmes in Poorvanchal and Bundelkhand Regions

Executive Summary

To overcome inter-regional disparities and backwardness, the Government created (1990-91) *Poorvanchal Vikas Nidhi (Nidhi)* for 29 districts of the eastern UP and *Bundelkhand Vikas Nidhi* for seven Bundelkhand districts for providing additional funds to the schemes/projects important for the development of these regions. Besides, funds received through Bundelkhand Vikas Package from 2005-06 and the Twelfth Finance Commission (TFC) Fund (2006-09) for these regions were also utilized for development purposes.

An expenditure of Rs 2481.90 crore was incurred to augment infrastructural facilities in these regions during 2004-09. A review of these programmes revealed:

- Allocation of funds to these areas was not made taking into account deficiencies and disparities in development.
- Monitoring was weak as regular meetings were not held at Government, divisional and district level.
- Rupees 330.71 crore were diverted to other schemes outside the scope of *Nidhi* defeating the purpose of the *Nidhi* which was meant as an additional effort to develop the regions.
- Delay in sanction/non-sanction of second installment of funds resulted in many projects remaining incomplete for the last one to seven years. Besides, 140 ineligible projects such as *barat ghar*, *rain basera*, *swagat dwar*, etc., were executed under *Nidhis'* programme. Twelfth Finance Commission grants were diverted to construction of ineligible road projects, instead of providing road connectivity to habitations having population less than 500 persons, for which these funds were actually meant.
- Two thousand four hundred twenty five projects executed during 2004-09 in the test-checked districts were neither transferred to administrative departments for maintenance nor were these maintained by the executing agencies.
- Despite additional investment of Rs. 2,481.90 crore during 2004-09 for infrastructure development programme in these regions, all the 15 districts identified as most backward districts in the State during 2008-09 belonged to these regions.

2.2.1 Introduction

The Government created (1990-91) Poorvanchal Vikas *Nidhi* (*Nidhi*¹) for 29 districts² of the eastern UP and Bundelkhand Vikas *Nidhi* for 7 Bundelkhand districts³ for ensuring balanced development of the regions and removing interregional disparities. The aim of creation of two *Nidhis* was to provide additional funds for execution of schemes/projects important for the development of the area. The projects, which were capital intensive and could be completed in two years, were to be executed out of these funds. Besides, infrastructure development programmes were funded in both regions by the Twelfth Finance Commission (TFC) from 2006-07 and in Bundelkhand region through the Bundelkhand Vikas Package (Package) from 2005-06.

2.2.2 Organisational set-up

At Government level, the Principal Secretary, Planning Department was responsible for implementation of the programme up to August 2004 and thereafter, Principal Secretary, Public Works Department (PWD) was nominated as Nodal Officer. Divisional Commissioner (DC) at the divisional level and District Magistrate (DM)/Chief Development Officer (CDO) at district level are responsible for implementation of the projects. The DM as chairman assisted by CDO as Member Secretary and Executive Engineer (EE), Provincial Division (PD), PWD as a member are the Nodal Officers at district level. Projects are to be executed by the nominated Executing Agencies⁴ (EAs).

2.2.3 Audit objectives

Objectives of performance audit were to see whether:

- planning and monitoring were adequate to implement the programme;
- funds were utilized economically and on the intended purposes;
- programmes were implemented efficiently; and
- evaluation was carried out to ascertain the impact of the programmes.

2.2.4 Scope and methodology of audit

Records for the period 2004-09 were examined during March 2009 to July 2009 at the Secretariat (PWD and the Social Welfare Department), office of the Engineer-in-Chief (E-in-C), PWD, DC, Jhansi (out of two DCs in Bundelkhand) and DCs, Gorakhpur and Varanasi (out of eight DCs in Poorvanchal), two

¹ Funds being provided for additional infrastructure development programmes in Poorvanchal and Bundelkhand regions were called *Poorvanchal Vikas Nidhi* and *Bundelkhand Vikas Nidhi*.

² Allahabad, Ambedkar Nagar, Azamgarh, Bahraich, Ballia, Balrampur, Barabanky, Basti, Chandauli, Deoria, Faizabad, Fatehpur, Ghazipur, Gonda, Gorakhpur, Jaunpur, Kaushambi, Maharajganj, Mau, Mirzapur, Kushinagar, Pratapgarh, Sant Kabir Nagar, Sant Ravidas Nagar, Siddharth Nagar, Sonbhadra, Sravasti, Sultanpur, Varanasi.

³ Banda, Chitrakoot, Hamirpur, Jalaun, Jhansi, Lalitpur and Mahoba

⁴ PWD, Irrigation Department, Rural Engineering Services (RES), UP Jal Nigam, UP State Bridge Corporation (UPSBC), etc.

districts⁵ out of seven districts of Bundelkhand region and seven⁶ districts out of 29 districts of Poorvanchal.

Audit objectives were discussed (April 2009) with Principal Secretary, PWD during the entry conference. In exit conference (November 2009) held with Principal Secretary, PWD, the audit findings were discussed in detail. Reply received (November 2009) from Government was incorporated at appropriate places in the review.

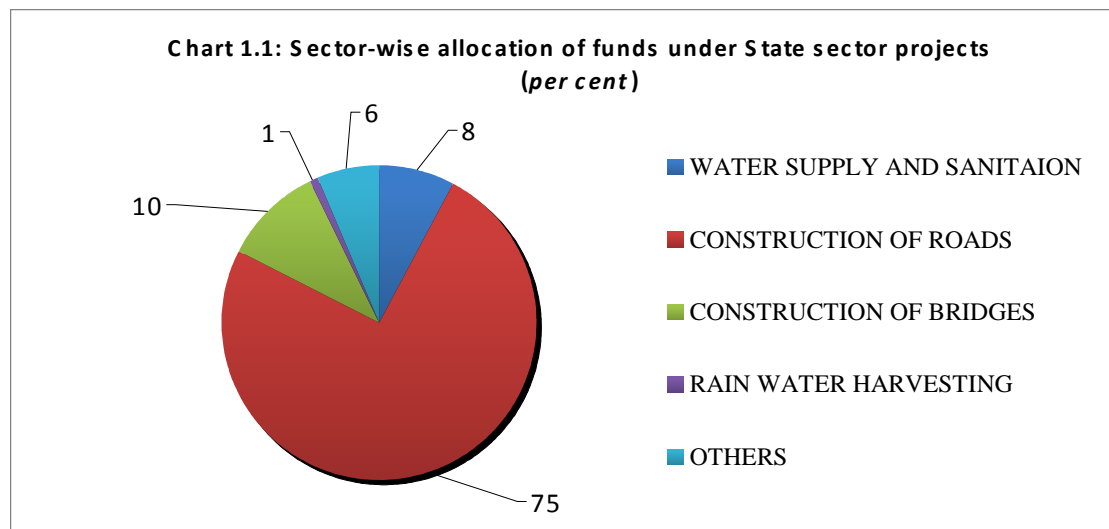
Audit findings

2.2.5 Planning and monitoring

2.2.5.1 Sanctioning of development projects

Seventy five to 83 per cent funds were sanctioned on road projects ignoring other sectors

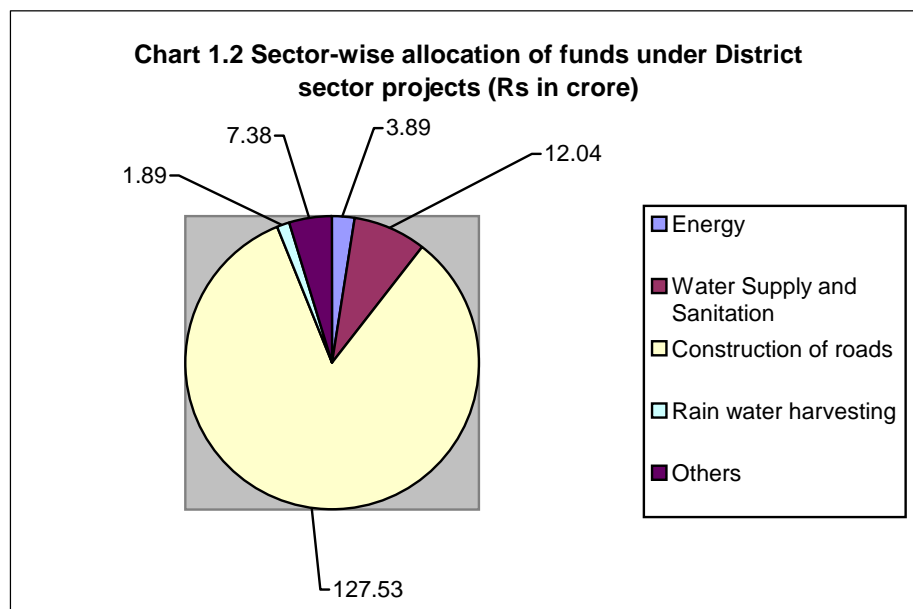
State Planning Institute (SPI), Lucknow had been identifying on year to year basis, the development status of the districts in Uttar Pradesh on the basis of 29/36 indicators set by Government of India (GOI). These indicators as Composite Index of Development (CID) relating to agriculture and allied services, industry, economic and social infrastructure were being used to ascertain the regional disparities and backwardness of the districts. The CID was incorporated in the State Annual Plans for the years 2006-07 to 2008-09 for allocation of funds to these regions. The indicators were, however, not considered while sanctioning the projects under infrastructural development programme. Instead, projects were sanctioned on the basis of proposals of MLAs/MLCs. Seventy five and 83 per cent of funds (**Chart 1.1 and Chart 1.2**) were sanctioned for the projects related to construction of roads which were to be given least priority, as per programme implementing guidelines.



⁵ Hamirpur and Jalaun

⁶ Ghazipur, Gorakhpur Jaunpur Kushinagar., Mahrajganj, Siddarthnagar and Sultanpur

No projects relating to energy, medical and health, rehabilitation and reconstruction of dams, agriculture and education sectors were undertaken in these regions.



Details of sector-wise allocation of projects are given in *Appendix-2.2.1*.

No projects relating to medical and health, agriculture and education sectors were executed even in the district sector.

The department, in reply, stated (September 2009) that it had no data on sector-wise deficiencies and majority of the projects related to roads as proposed by people’s representatives. It further stated that the Government had issued (August 2009) orders to DCs, DMs and CDOs for submitting the proposals taking into account the backwardness of the districts in different sectors. Department’s reply was not tenable as it should have obtained the relevant data from the Planning department to take into account the sector-wise disparities and backwardness for sanctioning the projects.

2.2.5.2 Monitoring

Regular meetings were not held to monitor execution of projects

Project implementation guidelines require monitoring of projects monthly by the CDOs, quarterly by the DCs and biannually by the Government through meetings with the officers involved in implementation/execution of the projects. No regular monthly and quarterly meetings were held to review the progress of the projects by the CDOs and DCs respectively. The Government stated (September 2009) that CDOs/DCs had been asked to monitor the progress of the projects as per standing instructions.

In case of TFC projects, High Level Committee (HLC) was to meet at least once in every quarter for monitoring their physical and financial progress for ensuring adherence to the specific conditions attached to each grant. The HLC was also to review utilisation of grants and to issue directions for mid-course correction. HLC held 10 meetings against 14 due, during October 2005 and March 2009 for

approving projects and budget and monitoring physical and financial progress. Monitoring was not effective as there was delay in release of funds to EAs and in completion of projects. Further, second installment of grant was released in many cases without verifying the actual physical and financial progress reported in utilisation certificates, double drawals were made and budget grants lapsed on regular basis.

2.2.6 Allotment of funds and expenditure

Budget allotments during 2004-09 were made under the grant 56–Public Works Department (Special Area Programme) and grant 83–Social Welfare Department. Year-wise composite figures of allotments and expenditure under both the grants, the Bundelkhand package and the TFC are given in **Table 1**.

Table 1: Allotment and expenditure for 2004-09

Year	Poorvanchal Vikas Nidhi		Bundelkhand Vikas Nidhi		Bundelkhand package		TFC		Total		Saving
	Allotment	Expenditure	Allotment	Expenditure	Allotment	Expenditure	Allotment	Expenditure	Allotment	Expenditure	
2004-05	150.00	148.16	50.00	49.25	-	-	-	-	200.00	197.41	2.59
2005-06	170.00	169.89	51.00	51.00	129.00	128.75	-	-	350.00	349.64	0.36
2006-07	191.25	192.12	56.25	56.25	100.00	106.56	175.00	165.75	522.50	520.68	1.82
2007-08	306.00	306.36	92.80	94.31	45.00	39.49	175.00	168.64	618.80	608.80	10.00
2008-09	430.25	419.00	148.21	168.38	81.62	44.47	174.96	173.52	835.04	805.37	29.67
Total	1247.50	1235.53	398.26	419.19	355.62	319.27	524.96	507.91	2526.34	2481.90	44.44

(Rs in crore)

(Source: Appropriation Accounts)

There was substantial saving under Bundelkhand Package (46 per cent) during 2008-09. The expenditure, however, exceeded (14 per cent) the budget provision under *Bundelkhand Vikas Nidhi* during the year. Reasons for variations were not furnished.

2.2.6.1 Diversion of funds

Rupees 330.71 crore were diverted to other schemes

Social Welfare department at Government level diverted Rs 66.50 crore from the *Nidhis* to Dr. Ambedkar Gramin Samagra Vikas Yojna for maintenance of roads (Rs 47.73 crore), reconstruction of roads (Rs 15.28 crore) and new road works (Rs 3.49 crore). Similarly, Rs 264.21 crore were diverted during 2007-08 (Rs 173.80 crore) and 2008-09 (Rs 90.41 crore) and placed at the disposal of Director, Panchayati Raj, Lucknow for construction of Cement Concrete roads and Drains in the Gram Panchayats. Diversion of the funds from the *Nidhis* for execution of works of the other schemes defeated the purpose of *Nidhis*, which were meant for additional effort as enunciated in the *Nidhis'* guidelines for development of these backward regions.

Thirty three per cent funds were drawn with a delay of two to eight months

2.2.6.2 Avoidable delay in drawal of funds

Records of four test checked districts revealed that the Government released Rs 86.13 crore during 2004-09 for district sector projects under Poorvanchal Vikas Nidhi. As per sanction orders, CDOs were responsible for drawing funds from the treasuries and keeping the same in the Personal Ledger Accounts (PLAs) of District Rural Development Agencies (DRDAs) for immediate necessary action.

However, the CDOs delayed the drawals of Rs 28.57 crore (33 per cent) from the treasury by two to eight months without any reason on record. The Government, in reply, stated (November 2009) that instructions had been issued to CDOs to draw the funds timely from treasuries.

2.2.6.3 Surrender of funds

The Government sanctioned Rs 6.41 crore (May-August 2008) for district sector projects of Hamirpur district with the condition, *inter alia*, that drawal of funds from the treasury be made only if the EAs had utilised 75 per cent of the grant sanctioned in the preceding year. The District Level Committee (DLC) examined (February 2009) the proposals for 2008-09 and recommended (March 2009) 92 projects to the DC for approval. However, due to non-utilisation of 75 per cent of the grant of 2007-08 by the EAs as of March 2009, Rs 6.41 crore was not released to EAs and the amount surrendered on 30 March 2009.

2.2.6.4 Double drawals

**CDO drew
Rs 86.28 lakh
irregularly from
the treasury**

The Government had credited (August 2007) Rs. 70.81 crore to the PLA of UPSBC for various works under TFC. It issued (January 2008) orders for release of second installment of Rs 86.28 lakh out of the above amount for five road projects of Ghazipur district. Records of the PD, Ghazipur, however, revealed that CDO, Ghazipur on the basis of above Government order drew this amount from the Treasury, Ghazipur and disbursed (February 2008) Rs 60.30 lakh to Construction Division (CD) I, Ghazipur for construction of five road projects. The remaining Rs 25.98 lakh was kept in DRDA's PLA. Meanwhile, the UPSBC sent (February 2008) the demand draft of Rs 86.28 lakh to the CDO, Ghazipur as per Government's order of January 2008. On receipt of the DD, CDO realised the erroneous drawal of Rs 86.28 lakh from the treasury and deposited the money (Rs 86.28 lakh) received from the UPSBC into the treasury, Ghazipur on 26 March 2008 as 'receipts' under major head 0575-Other Special Area Programmes.

The CDO, Ghazipur also took back Rs 60.30 lakh on 31 March 2008 given to CD I, Ghazipur and deposited the entire amount Rs 86.28 lakh (drawn in January 2008) into the Treasury, Ghazipur on 3 May, 2008 as 'receipts'. Thus, Rs 86.28 lakh were drawn twice and deposited into Government Account as 'receipts' leaving no funds for completion of five ongoing projects. This indicated serious financial mismanagement by CDO/EE, PD, Ghazipur. The Government stated (November 2009) that the funds would be arranged through supplementary budget for execution of envisaged projects.

2.2.6.5 Freezing of money kept in PLA

Finance department issued (August 2008) orders for freezing unspent balances of the projects kept in the PLAs as on 31 March 2007. This order could be relaxed by the Finance Department, if approached by nodal offices/CDOs on or before 15 September 2008. However, concerned nodal officers/CDOs approached the Government between December 2008 and February 2009. Approval of the Government had not been received as of July 2009. Scrutiny

revealed that 251 projects taken up from 2002-03 to 2006-07 at a cost of Rs 21.75 crore in five districts were lying incomplete due to freezing of their unspent balance of Rs 5.24 crore in their PLAs. Fate of the incomplete projects remained undecided as of July 2009 due to delay in approaching to the Government by the concerned Nodal Officers/CDOs. In reply, the Government stated (November 2009) that frozen amounts would be released in consultation with Finance Department on case to case basis.

2.2.6.6 Submission of false utilisation certificates

Executing agencies obtained the second installment of the projects by submitting false UCs against first installment

The CDO, Jaunpur released (August 2008) Rs 2.50 crore as first installment for Mariyahu Urban Water Supply Scheme to EE, Jal Nigam III, Jaunpur, which spent Rs 1.43 crore only by March 2009. The EE, however, submitted UC for Rs 2.50 crore to CDO on 25 February 2009 for obtaining remaining grant of Rs 1.07 crore. This was released in March 2009. Similarly, for a project of Rs. 2.68 crore EE, CD, UP Jal Nigam, Jaunpur had received first installment of Rs. one crore against which UC was submitted for Rs 72 lakh on 6 January 2009 and obtained second installment of Rs 1.68 crore. The monthly account of January 2009 of the division revealed an expenditure of Rs 1.10 lakh only.

The above indicated that the CDO did not keep proper control over financial and physical progress of the works executed by the EAs as second installment should have been released only after verifying the physical progress. In reply, the Government stated (November 2009) that all CDOs had been asked to verify financial and physical progress of the works before releasing second installment.

2.2.7 Project implementation

The programme was to be implemented through State sector projects as well as District sector projects. Projects costing above Rs 10 lakh (covering two or more districts were to be given priority) were to be sanctioned by the Government as State sector projects on the recommendations of DCs and projects costing Rs 1 lakh to Rs 10 lakh were to be sanctioned by the DCs as District sector projects on the recommendations of District Level Committee (DLC) headed by DM. The projects for both the sectors were to be proposed by people's representatives. DLC was to select the executing agencies.

2.2.7.1 Execution of projects without technical sanctions

Construction of 16 projects commenced without technical sanctions

As per Financial Hand Book, Volume-VI, no works should be commenced before Technical Sanction (TS) of the detailed estimate of the works. Records of the EE, PD, Jaunpur, however, revealed that out of 34 projects sanctioned in 2006-07, TSs in respect of 16 projects costing of Rs 4.13 crore were not accorded, as of May 2009. Of these, 12 projects had been completed and four projects were in progress. In reply, the Government stated (November 2009) that action would be taken against the officers responsible for execution of works without TS.

2.2.7.2 Award of work to ineligible executing agencies

Projects worth Rs 25.49 crore were given to ineligible executing agencies

According to revised instructions (February 2004) of the Government, PWD and RES were the EAs for construction of roads and bridges. Zila Panchayat (ZP) and other local bodies would be allotted construction of roads belonging to them. The concerned MLAs/MLCs while proposing 695 road works costing Rs 25.46 crore, during 2004-09 in six test-checked districts, proposed the name of ineligible EAs such as Uttar Pradesh Co-operative Processing and Cold Storage Federation Limited, Uttar Pradesh Project Corporation Limited (UPPCL), Samaj Kalyan Nirman Nigam (SKNN), Cane Development Department (CDD), etc., which were not eligible for construction of roads under the guidelines. These proposals were accepted by DLCs and, approved by the concerned DCs (**Appendix-2.2.2**). These EAs were paid centage charges of Rs 76 lakh, which could have been avoided had the work been given to approved EAs.

Construction of 600 metre 'kharanja' work from Badwalia to Haraia Chitaini Tola at a cost of Rs 2.79 lakh under district sector (2006-07) was assigned to BDO, Padrauna, and Rs 2.09 lakh (February 2007) released to him without taking consent of ZP, Kushinagar as the road belonged to ZP, Kushinagar. BDO constructed (July 2007) 'kharanja' road covering 420 metre length at a cost of Rs 2.06 lakh. The executed work was, however, dismantled (July 2008) by ZP, Kushinagar stating that the quality of work was poor. The ZP re-constructed 'kharanja' road in August 2008. Thus, non-adherence to the provisions of the guidelines regarding allotment of road works to ZP, the Government had to incur a loss of Rs 2.06 lakh.

The Government in reply stated (November 2009) that all CDOs and DCs had been asked to select EAs strictly according to the guidelines.

2.2.7.3 Execution of ineligible projects under the Nidhis

One hundred forty ineligible projects were taken for execution

As per the guidelines, official and housing buildings, maintenance and repair works, memorial buildings, purchase of stocks, payment of compensation for land acquisition, construction of bridle road and religious places, beautification and renovation projects, etc. could not be financed from the *Nidhi*. Records of PDs of six test-checked districts revealed that 140 projects such as *barat shala*, *shamshan ghat*, *swagat dwar*, grave yard, etc., worth Rs 5.70 crore were sanctioned by the DCs under District sector projects of the *Nidhi* and Rs 3.91 crore were spent on these works as of March 2009, as detailed in **Appendix-2.2.3**.



Shamshan Ghat, Orai, Jalaun



Dhanutal Gate at Orai, Jalaun

In reply, the Government stated (November 2009) that all CDOs and DCs had been asked to ensure sanction to projects under District sector according to the guidelines.

2.2.7.4 Execution of ineligible projects under the TFC's grants

Ineligible road projects of SHs/MDRs/ODRs/Border roads were taken up whereas habitations less than 500 population for which funds were actually received were deprived of the connectivity

While approaching the TFC for special package to overcome disparities and backwardness in Bundelkhand and Poorvanchal, the Government proposed construction of all weather roads for 3800 habitations (Bundelkhand: 800 and Poorvanchal: 3000) and upgradation of *Kharanja* roads to black top roads in 1600 habitations (Bundelkhand: 200 and Poorvanchal 1400) in the population range of 250-499. The TFC sanctioned Rs 700 crore for the period 2006-07 to 2009-10 for the identified proposed projects of Poorvanchal and Bundelkhand regions.

Records of the Secretariat, E-in-C, PWD, Lucknow, CE, PWD, Gorakhpur and PD, Gorakhpur revealed that four projects of widening and strengthening of State Highway (SH), Major District Road (MDR) and Other District Roads (ODRs) in Gorakhpur were sanctioned (August 2006) for Rs 26.27 crore by the Government under TFC grant whereas in Gorakhpur district itself, 292 villages having population less than 500 were not connected by all weather roads (August 2009). In addition, four SH/Border road/MDRs projects of Ambedkar Nagar, Ballia, Varanasi and Sonebhadra districts were sanctioned at a cost of Rs 168.21 crore by the Government during 2008-09 under the TFC grant and released Rs 54.11 crore ignoring 781 unconnected habitations in these districts as detailed in **Table 3**.

Table 3: Details of the roads executed under the TFC

(Rs in crore)				
Name of the district	Name of the road	Classification of road	Sanctioned cost	Amount released
Varanasi	Varanasi-Adlapur-Chunar road	SH	8.61	1.29
Sonebhadra	Border road Robertsganj-Pannuganj-Khaliyari Road	Border road	63.41	19.02
Ballia	Widening and strengthening of Sighagar Ghat to Rasara road	MDR	19.63	5.89
	Widening and strengthening of Rasara Nagara Turtipar road	MDR	39.70	11.91
Ambedkar Nagar	Widening and strengthening of Maya-Tanda road km 1.00 to km 33.50	SH	36.86	16.00
Total			168.21	54.11

(Source: E-in-C, PWD, Lucknow)

Thus, due to execution of ineligible projects, 1073 habitations of the five districts having population of less than 500 remained unconnected by all weather roads despite specific allotment of funds for such roads. In Poorvanchal and Bundelkhand regions, total unconnected habitations of less than 500 populations numbered 6572 as of August 2009. The Government stated (November 2009) that widening and strengthening of SHs/MDRs was also part of infrastructure development. Reply was not tenable as TFC grant was obtained for specific purpose, i.e., construction of village roads for villages having population of less than 500.

2.2.7.5 Incomplete projects

One hundred fifty six projects were incomplete for the last one to seven years due to non-release of second installment

According to programme implementation guidelines, the projects sanctioned were to be completed within a period of two years and funds were to be utilised first for completion of incomplete projects. Records of the E-in-C, PWD, however, revealed that 156 projects of Poorvanchal region, sanctioned during 2000-01 to 2006-07 and due for completion during 2002-03 to 2007-08 were incomplete as of March 2009. The second installment of funds of these projects was released in 2008-09. Records of the E-in-C, PWD revealed that due to delay in sanctioning the second installment, 21 projects in five districts had to be revised with cost overrun of Rs 3.97 crore (*Appendix-2.2.4*).

Records of five⁷ test-checked districts revealed that the Government sanctioned (1999-2007) 49 road projects costing Rs 39.57 crore and released (2000-07) Rs 20.07 crore as first installment. Out of the released amount, Rs 19.73 crore were actually disbursed to EAs which were spent by them by March 2009. Due to non-release of the second installment of Rs 19.53 crore, all these 49 projects were lying incomplete as of March 2009. The Government stated (September 2009) that in previous years, it had given priority to sanctioning new projects instead of releasing second installments for ongoing projects. From 2008-09, priority was completion of incomplete projects and accordingly, funds for incomplete projects of 2001-07 were released in 2008-09. The funding of the projects was against the project implementation guidelines issued by the Government. Some more incomplete works are discussed below.

Incomplete bridges

Approach roads of four bridges were not constructed for the last one to three years

Records of the RES, Gorakhpur and PD, Kushinagar, revealed that construction of four bridges was left incomplete after spending of Rs 2.36 crore due to non-acquisition of land/land dispute for approach roads for the last one to three years. Details are given in **Table 2**.

Table 2: Details of incomplete bridges

(Rs in crore)

Sl. No.	Name of work and executing agency	Amount Sanctioned and released	Date of allotment/ stipulated date of completion	Amount released by CDO to EAs	Expenditure incurred	Reason for works lying incomplete
1.	Bridge between Gram Kakrakhor and Gopalpur Padaria, RES, Gorakhpur	0.35	23.09.2004/ 22.09.2006	0.31	0.28	Non-acquisition of land for approach roads
2.	Bridge on Gurra Nala near Poochhiya Brahmsthan, RES, Gorakhpur	0.51	14.02.2004/ 13.02.2006	0.45	0.45	Non-acquisition of land for approach roads
3.	Bridge near Gram sabha Gayghat RES, Gorakhpur	0.35	17.08.2004/ 16.08.2006	0.35	0.32	Land dispute
4.	Bridge on Bansi river on Padrauna-Kharasal-Babuiya-Mudadeeh-piprasi (Bihar) road, PD, Kushinagar	1.71	21.09.2006/ 20.09.2008	1.39	1.31	Non-acquisition of land for approach roads.
	Total	2.92			2.36	

(Source: RES, Gorakhpur and PD, Kushinagar)

⁷ Ghazipur, Gorakhpur, Hamirpur, Siddharthnagar and Sultanpur



Construction of 4x5 m RCC bridge near Gram sabha Gaayghat and approach road



Construction of Bridge on Padrauna-Kharasal-Babuiya-Mudadeeh-piprasi(Bihar), Kushinagar

In reply, the Government stated (November 2009) that the concerned district officers had been asked to arrange land for approach roads. It further stated that action would be taken against the officials responsible for construction of bridges without ensuring availability of land for the approach roads.

Incomplete Nala

The Government sanctioned (August 2005) Rs 82.33 lakh, on the basis of preliminary estimates, for construction of *Nala* Part-II (3300 metre) on north side of PWD road from Baidaula Chauraha to Dumariaganj town under the State sector to solve water logging problem in the area.

The work was assigned to RES, Siddharthnagar for execution. The amount was released to EA in four installments⁸. RES prepared four detailed estimates as and when funds were received and executed the work from November 2005 to March 2007. The *Nala* was, however, constructed in parts incurring an expenditure of Rs 69.53 lakh and was not functioning from chainage 930 to 1710 metre due to three gaps (50 metres).



SBI ATM existed at chainage 1081-1100 m



Mezban Hotel existed at chainage 1641-1660 m

Construction of *Nala* taken up to solve water logging problem remained incomplete even after 4 years of its start due to non-acquisition of land

The EE, RES did not initiate any action for acquisition of land measuring 50 metres in front of SBI ATM, the LML showroom and Mezbaan Hotel as of June 2009. Thus, Rs 33.76 lakh spent on construction of *Nala* from chainage 930 to 1710 remained unfruitful (July 2009).

The Government, in reply, stated (November 2009) that efforts were being made to acquire land to complete construction of *Nala* for solving the water logging problem. It further stated that action would be taken against the officer

⁸ 1st Installment: Rs 10.00 lakh (October 2005); 2nd installment: Rs 14.79 lakh (July 2006); 3rd Installment: Rs 33.76 (July 2006) and 4th Installment: Rs 23.78 lakh (February 2007).

responsible for start of work without ensuring availability of land in entire reach rendering the expenditure unfruitful.

Incomplete road

The Government sanctioned (May 2005) construction of Supa to Nanayacha Link Road (length: 3.450 km) and two culverts in Madhogarh block of Jalaun District at the cost of Rs 49.80 lakh as a State sector project. A part of the alignment of the road fell in the forest area. The project was assigned to RES, Jalaun for execution. Work on non-forest land was started (June 2006) and completed upto 1750 metres with one culvert by July 2007 at a cost of Rs 23.93 lakh. As clearance for acquisition for forest land was not obtained from the forest authorities, the project was stopped (July 2007) midway. The portion of road constructed also remained unutilised as there was no village on the constructed portion of the road. In reply, the Government stated (November 2009) that efforts would be made to obtain the forest land to complete the road. It further stated that action would be taken against the officer responsible for start of work without ensuring availability of land in entire reach rendering the expenditure unfruitful.

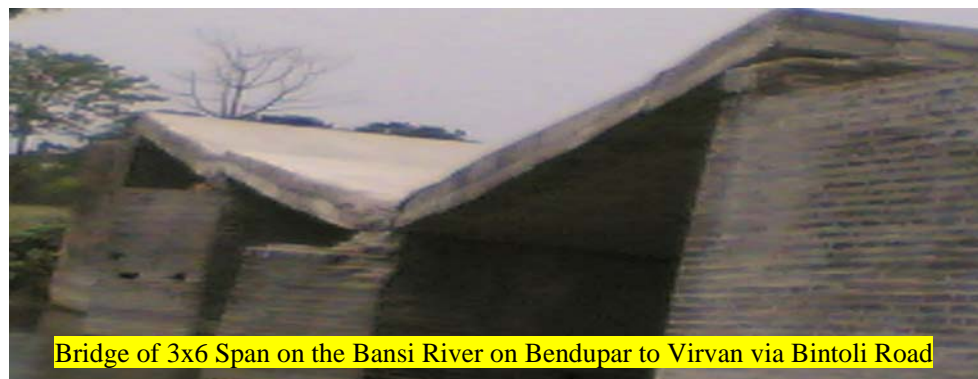
Thus, a total of Rs. 3.30 crore spent on incomplete works remained unfruitful for the last one to three years.

2.2.7.6 Abandoned projects

One bridge and one road were abandoned after spending Rs 29.37 lakh

The Government sanctioned (2000-01) Rs 12.05 lakh for construction of a minor bridge of 12 metre span as a State sector project on the Bansi River on Bendupar to Virvan road to connect Bendupar to Bintoli villages. On the directions of the CDO, Kushinagar, the Engineer of the Zila Panchayat (ZP), Kushinagar suggested (May 2002) an 18 metre span bridge and revised the estimate to Rs 20.84 lakh. The estimate was sanctioned by the DC, Gorakhpur and work given to ZP, Kushinagar, in violation of provision of implementation guidelines, according to which State sector project, was required to be sent to the Government for revised sanction and approval for change of EA. As per the guidelines, bridges were to be constructed by UPSBC or PWD.

The work was delayed by the contractor and the structure erected in June-July 2007 plunged into the river in July 2007. The project was abandoned after spending Rs 15.66 lakh on the construction.



Bridge of 3x6 Span on the Bansi River on Bendupar to Virvan via Bintoli Road

In respect of another case, it was noticed that on the proposal by EE, PD, Gorakhpur, the Government accorded (November 2004) administrative and financial sanction for Rs 29.43 lakh for construction of a 4X5 m RCC bridge on a drain between Gram Sabha Sectaour tola and Karmahia with approach road of 1 km on both sides. RES, Gorakhpur was the executing agency. EE, RES accorded technical sanction in April 2005 for Rs 29.43 lakh. The EE drew up six agreements with one contractor for execution of work with stipulation to complete the project by July 2005. While the pile cap work of the bridge was in progress (May 2005), it came to notice that the proposed bridge was within the alignment of the four lane National Highway Gorakhpur bypass. The work was, therefore, abandoned (May 2005) after spending Rs 13.71 lakh. This indicated that RES had not carried out survey properly and had not consulted National Highway Authority of India (NHAI) for any proposed construction work in the alignment of the bridge.

The Government in reply stated (November 2009) that separate committees had been constituted to look into the lapses in the above cases and action would be taken on the basis of their findings.

Box 2.2.1

Payments in violation of guidelines

As per the guidelines of the Nidhi, Nigams were to be paid centage charges at the rate of 12.5 *per cent* of the estimated cost of works after reducing it by 5 *per cent* in respect of departmental works. These instructions were also applicable to the Package and the TFC grant projects. The UPSBC was, however, paid 12.5 *per cent* centage charge without reducing the cost by 5 *per cent* which resulted in excess payment of Rs 25 lakh in five projects of Poorvanchal. Besides, an amount of Rs 26 lakh was sanctioned in excess in two projects of Bundelkhand (*Appendix-2.2.5*). In reply, the Government stated (November 2009) that centage charges were being charged by the UPSBC as per orders of the Finance department (March 1999). Reply was not acceptable as centage charges were paid in violation of implementation guidelines of the *Nidhis*.

2.2.7.7 Fictitious works

Test-check of running account bills in the PD, Jaunpur revealed that the name of the road and the scheme initially mentioned in the bills were overwritten and the name of roads sanctioned under TFC recorded thereon. Other details such as agreement number and the name of contractors, items of works and measurement books numbers were not changed. By overwriting the name of roads and the scheme in the running bills, Rs 5.96 lakh were paid by debit to TFC though actual work was not carried out on these roads. These bills originally related to the road works executed under 'Rashtriya Sam Vikas Yojna'. The details of these bills are given in **Table 4**.

Table 4: Details of the payments made on fictitious works

Voucher number and date	Name of the road before overwriting	Name of the road sanctioned under TFC recorded after cutting	Amount (Rs in lakh)
312/26.0 3.2007	Repair of Jaunpur Malni-Kuthan Road	Approach Road from Pilkicha Amar Deo Yadav to Tarva	0.59
313/26.0 3.2007	Repair of Jaunpur Malni-Kuthan Road	----do	2.64
393/28.0 3.2007	Repair of Jaunpur Malni-Kuthan Road	----do---	0.34
394/28.0 3.2007	Repair of Jaunpur Malni-Kuthan Road	----do----	0.84
395/28.0 3.2007	Repair of Jaunpur Malni-Kuthan Road	----do---	0.42
396/28.0 3.2007	Repair of Jaunpur Malni-Kuthan Road	Akabarpur approach road from Sauraya to Hajipur	1.13
		Total	5.96

(Source: PD, Jaunpur)

The Government in reply stated (November 2009) that action would be taken against the persons responsible for making payment for fictitious works.

2.2.7.8 Shortcomings noticed in test-checked projects

Audit scrutiny of 80 randomly selected projects in eight⁹ test-checked districts revealed the following irregularities in 36 projects:

- In four cases, tender notices of work costing more than Rs 2 lakh were issued by AE which were beyond his financial powers.
- In four cases, tenders were accepted with the delay of more than four months from the date of opening of tender. In reply, EE, CD-Banshi, Siddharthnagar stated (May 2009) that delay occurred due to negotiation with contractors. Reply was not correct as the agreement was drawn at price quoted by the contractors.
- In nine cases, short term tenders were invited by EAs. In reply, EAs stated that in the interest of work short term tenders were invited. Reply was not tenable as agreements were actually executed after one to 15 months.
- As per specification, village road was to be constructed on 3 metre width but EE, Devkali Pump Canal Division, Irrigation Department, Ghazipur and EE, UPSKNN, Ghazipur constructed two roads (cost: Rs 22.79 lakh) with only 2.50 and 2.46 metre width respectively.
- In 11 cases, multiple bonds were executed for one project. In reply, EAs stated (May-June 2009) that funds were released in installments therefore, multiple bonds were executed. Reply was not tenable as one agreement should have been executed to get competitive offers.

⁹ Gorakhpur, Ghazipur, Hamirpur, Jalaun, Jaunpur, Kushinagar, Maharajganj and Siddharth Nagar. RES, Sultanpur and CD-I, PWD, Sultanpur did not furnish the records.

- In two cases in the office of EE, PD, Jaunpur, bitumen of Rs 5.87 lakh was debited directly to road projects and paid to Indian Oil Corporation, Mathura.

In reply, the Government stated (November 2009) that necessary instructions had been issued to all concerned to follow financial rules and standard specifications of the concerned departments strictly for execution of work.

2.2.8 Non-transfer and non-maintenance of assets

Two thousand four hundred twenty five projects executed during 2004-09 were without maintenance

As per guidelines, while planning for various projects under the *Nidhis*, prior consent of the concerned administrative departments should be obtained for maintenance of the created assets from their departmental budgets. Records of PDs, PWD and implementing agencies of the test-checked districts, however, revealed that out of the 6763 projects (Rs 264.94 crore) sanctioned during 2004-09, 5648 projects (Rs 148.29 crore) were completed (*Appendix-2.2.6*). Of these, 2425 projects executed at a cost of Rs 79.21 crore by RES, Cane Development, UPPCL, UP Samaj Kalyan Nirman Nigam, etc., (*Appendix-2.2.7*) without taking consent of the concerned administrative departments for their maintenance. Even after completion of these projects, CDOs did not approach the administrative departments to take over the projects for maintenance. These projects were, therefore, neither transferred to concerned administrative departments nor maintained by the executing agencies. Even in case of works executed earlier than 2004-05, these works were neither transferred nor maintained by any department.

The Government stated (November 2009) that road policy framed was under approval and that roads would be maintained as per new road policy.

2.2.9 Evaluation

The *Nidhi* was established to remove disparities and backwardness of Bundelkhand and Poorvanchal. Evaluation could be the key factor to ascertain the effectiveness of the programme. No evaluation was carried out at any level, during 2004-09, to see to what extent, disparities and backwardness of these regions had been overcome. Evaluation Division of the Planning department which was responsible to evaluation of State plan schemes also did not evaluate the impact of the programme for the last 10 years. In reply, the Government stated (November 2009) that evaluation would be carried out to ascertain the effectiveness of the programme.

2.2.10 Impact of the programmes

There was no impact of additional funds in these regions as all the 15 districts identified as most backward in the State during 2008-09 belonged to these regions

Despite additional investment of Rs 2,481.90 crore in Bundelkhand and Poorvanchal during 2004-09 to increase infrastructural facilities to overcome regional disparities and backwardness, these regions remained backward as per State Annual Plan documents for 2006-07 to 2008-09. According to these data, in 2003, eight out of the total nine most backward districts in the State belonged to these regions. Whereas in 2008-09, all the 15 districts identified as most backward districts in the State belonged to these regions, besides downgrading three districts from High Medium Developed Districts to Medium Developed Districts.

2.2.11 Conclusion and Recommendations

2.2.11.1 *Injudicious sanction of project and inadequate monitoring*

The Department did not consider the comparative disparities and backwardness of each district as the basis for allocating funds to them under *Nidhis*. Eighty four *per cent* of total grant was utilised for construction of roads and bridges ignoring other sectors of infrastructure development. Regular meetings at district and divisional levels were not held to monitor the projects and to remove the bottlenecks.

Recommendation: Funds should be allocated to each district on the basis of their indexed backwardness and deficiencies in different areas of development. People's representatives should be apprised of the disparities and backwardness in the district as recommendations for projects are given by them. Monitoring should be more effective through monthly progress reports and meetings at all levels, viz., Government, Divisional and district levels.

2.2.11.2 *Improper management of funds*

Fund management was weak as thirty three *per cent* of the sanctions were drawn from treasury with the delay of two to eight months. Besides, double drawals and releasing of second installment on falsely reported financial progress through UCs were noticed. Rupees 330.71 crore were diverted to other schemes.

Recommendations: Timely release of funds to the executing agencies needs to be ensured. Besides, funds should be utilised for specified purposes only.

2.2.11.3 *Incomplete and ineligible projects*

A large number of projects were delayed from one to seven years due to non-release of second installment of the funds required for their completion. Cases of execution of ineligible projects were also observed.

Recommendations: Projects should be completed within time schedule to give benefit to the people as envisaged in the programme and also to avoid cost escalation. Execution of ineligible projects should be strictly prohibited under these programmes.

2.2.11.4 *Non-transfer and non-maintenance of assets*

Due to non-transfer of created assets to the concerned administrative departments, all projects were without maintenance during 2004-09.

Recommendation: Completed projects should be transferred to administrative departments for maintenance to keep them in proper condition as envisaged in programme implementation guidelines.

The audit recommendations were accepted (November 2009) by the Government for implementation.

IRRIGATION DEPARTMENT

2.3 Accelerated Irrigation Benefits Programme

Executive summary

Accelerated Irrigation Benefits Programme (AIBP) was started by the Government of India during 1996-97 to provide loan assistance to the States for ongoing irrigation projects which were in an advanced stage of completion and were beyond the resource capability of the States. This was to create irrigation potential speedily to obtain bulk benefits. Rupees 2000.06 crore were spent on execution of six AIBP projects in the State during 2004-09. Performance audit revealed that the targeted benefits were not achieved due to deficient implementation of the projects:

- Planning and monitoring was not adequate as in Bansagar canal project acquisition of forest land was not ensured before start of the project and restoration of Agra canal in initial chainage could not be done due to improper planning. The State level monitoring committee did not hold regular meetings to redress the bottlenecks to speed up completion of projects.
- Funds were not utilised properly as Rs 93.95 crore was diverted and utilised on non-AIBP projects.
- Memorandum of understanding was signed with the firms for carrying out works without tendering process which deprived the competitive rates to the Department.
- Projects were not executed efficiently as there was time overrun of two to eight years and cost overrun from Rs 29.87 crore (28 *per cent*) to Rs 2,831.69 crore (916 *per cent*). Delay was mainly due to non-acquisition of land.
- Implementation of the programme was not effective as only 45 *per cent* to 78 *per cent* of created potential was utilised due to incomplete Distributaries, Minors, etc.
- Quality control system was not in existence in Lahchura dam, Rajghat canal and Hardoi branch projects. In Bansagar Canal Project, where the system existed, it was not effective.

2.3.1 Introduction

The Government of India (GOI) started (1996-97) the Accelerated Irrigation Benefits Programme (AIBP) with the objective of expediting completion of ongoing irrigation projects, which had spilled over from plan to plan due to financial constraints of the State Governments. Implementation of 10 projects was taken up in the State during 1996-2006 under the programme.

2.3.2 Organisational set-up

The Principal Secretary, Irrigation Department assisted by a Secretary is responsible for implementation and monitoring of the AIBP projects at the Government level. At the Department level, Engineer-in-Chief (E-in-C), Irrigation/Design & Planning assisted by Chief Engineer (CE), Level- I (Project) and at the field level, zonal CEs and Superintending Engineers (SEs) were responsible for implementation and monitoring and Executive Engineers (EEs) for execution of the projects.

2.3.3 Audit objectives

The objectives of performance audit were to ascertain whether:

- planning for projects was done in a systematic manner and monitoring was adequate;
- funds were utilised properly;
- projects were executed in economic and efficient manner;
- programme achieved its objectives of creating and utilising targeted irrigation potential; and
- Quality control mechanism was adequate and effective.

2.3.4 Scope of audit and methodology

The performance audit covered implementation of the AIBP during 2004-09. Out of 10 major¹ irrigation projects taken up under the programme during 1996-2006, six projects, viz., Modernization of Agra Canal (Agra canal), Bansagar Canal Project (BCP), Eastern Ganga Canal (EGC), improving Irrigation Intensity of Hardoi Branch System (Hardoi branch), Modernization of Lahchura Dam (Lahchura dam), and Rajghat Canal were selected for performance audit. Out of 41 divisions, 10 divisions² were selected along with the offices of concerned SEs and CEs for detailed check. Besides, information was collected from 10 other divisions³. Site visits to projects were carried out along with the nominated Assistant Engineers (AEs) of the concerned divisions to ascertain the actual progress of the projects.

Entry conference was held (July 2008) with the Principal Secretary, Irrigation Department in which the audit objectives were discussed. Exit conference was held (November 2009) in which audit findings and recommendations were

¹ Projects that create irrigation potential greater than 10,000 Hectares of culturable command area (CCA).

² Bansagar Canal Construction Division (BSCCD)-II, Mirzapur (MZP), BSCCD-III, MZP, BSCCD-V, MZP, Eastern Ganga Canal Division (EGCD)-I, Najibabad, EGCD-II, Haridwar, Maudaha Dam Construction Division I, Mahoba, Irrigation Construction Division (ICD)-I, Lalitpur, Sharda Canal, Unnao Division, Unnao, Headwork Division, Agra Canal, Okhla, Hardoi Division, Hardoi

³ BSCCD-I, MZP, BSCCD-IV, MZP, BSCCD-VII, MZP, BSCCD-VIII, MZP, EGCD-IV, Bijnore, EGCD-V Najibabad, EGCD-VI, Najibabad, ICD-II, Lalitpur, ICD-III, Lalitpur and ICD, Mathura.

discussed. The Government accepted the recommendations. Reply of the Government has been incorporated at appropriate places in the review.

2.3.5 Planning

The GOI had issued (August 1980) guidelines for preparation of project reports after conducting proper survey. The project authorities ignored the guidelines as brought out in the following paragraphs:

2.3.5.1 Delay in acquisition of forest and wildlife sanctuary land

Inability to fulfill the conditions of MoEF, construction of Adwa Meja Link Channel was delayed

The guidelines envisaged obtaining of clearance of forest land, if any, from the Ministry of Environment and Forest (MoEF) which was to be appended with the Detailed Project Reports (DPRs). However, the same was not obtained before sending (December 1993) DPRs of Bansagar Canal Project (BCP). Under this project a length of 10.6 km of Adwa Meja Link Channel fell under Kaimur Wildlife Sanctuary (KWS). The MoEF approved (December 2002) in principle, transfer of the above land subject to rehabilitation of at least 75 per cent population of 13 villages with the consent of the villagers. The Irrigation Department transferred Rs 86.29 crore to the Forest Department (Rs 85.55 crore) and DM, Mirzapur (Rs 0.74 crore) during 2002-09 for rehabilitation of population and compensatory afforestation, etc. However, rehabilitation of the villagers could not start as they declined to leave KWS. Meanwhile, District administration spent Rs 9.82 crore during 2004-09 on various development works like construction of school buildings, Maha Maya Awas Yojana, installation of hand pumps, electrification of villages, etc., in the above villages. Inability of the department to fulfill the conditions of MoEF since December 2002, delayed the construction of canal.

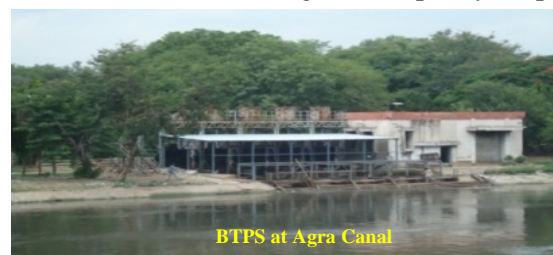


The EE, Bansagar Canal Construction Division (BCCD) II stated (May 2009) that on an appeal (April 2003) in Supreme Court by the Government to delink the condition of villagers' consent for their rehabilitation out of the sanctuary, the Court (August 2009) referred the matter to Indian Board of Wild Life. The case would be heard further by the Supreme Court in January 2010.

2.3.5.2 Designing of the canal for an incomplete stretch

Improper planning resulted in non-functioning of Agra canal to its designed capacity

Modernisation of Agra canal (length 160.90 km.) aimed at increasing its discharge capacity from 2100 cusecs to 4000 cusecs for irrigation of paddy crop. Project authorities instead of preparing plan for the entire length of the canal, prepared plan only for the stretch from 7.100 km. to 160.90 km. and executed the same which increased its discharge capacity in this chainage. Discharge capacity of



the canal remained unchanged in the stretch from 00 km to 7.100 km as its modernisation could not be taken up in the absence of an alternative arrangement for uninterrupted supply of water to Badarpur Thermal Power Station (BTPS). Silt clearance and berm cutting was also not possible in this chainage to maintain continuous supply of water to BTPS. Consequently, Agra canal was not flowing at its designed capacity of 4,000 cusecs.

The Government stated (November 2009) that consultancy services of a firm were hired in March 2009 to suggest alternative arrangement of continuous water supply to BTPS. The report was awaited as of December 2009. Reply indicated apathetic attitude of the project authorities towards modernisation of canal as even seven years after its taking up, it had not been made functional to its designed capacity.

2.3.6 Monitoring

Weak monitoring led to delay in completion of the projects which escalated their cost

The State Level Monitoring Committee (SLMC) was to meet quarterly and render advice to the Project Level Committees. The SLMC held only three⁴ meetings against fifteen due during June 2005 to March 2009. During these meetings, the SLMC issued instructions to complete the works as per targets fixed, which were not followed up.

At project level, a committee was to meet every month, take suitable steps to improve the progress and remove the bottlenecks, if any, and send monthly report to the SLMC. Though, monthly project level meetings were held, no reference was made to the instructions of SLMC. Due to inadequate monitoring, projects were delayed which escalated their cost. During discussion in exit conference (November 2009), the Government stated that the SLMC would be geared up.

Financial management

2.3.7 Funding Pattern

AIBP guidelines (April 2004) envisaged payment of Central Loan Assistance (CLA) in the ratio of 2:1 (GOI: State) with the stipulation that on timely completion of the project, 30 *per cent* of CLA would be converted into grant. However, GOI decided to release 30 *per cent* assistance as grant during 2005-06 and 2006-07 (up to November 2006) and the remaining loan portion was to be arranged by the State. As per revised (December 2006) guidelines, the Central Assistance (CA) was in the form of grant equal to 25 *per cent* of the project cost and remaining 75 *per cent* was to be met by the State. The State was to confirm the provision for the Central and the State shares in its Annual Budget.

2.3.7.1 Allotment of funds and expenditure

Details of year-wise CLA/CA received for six test checked projects from GOI and funds allotted by State Government during 2004-09 are shown in **Table 1**.

⁴ July 2005, July 2006 and November 2006

Table 1: Allotment of funds and expenditure

Year	Central share of grant and loan (in bracket)	Required State's matching share	Allotment by State Government			Expenditure
			Central share	State share	Total	
2004-05	23.28 (54.31)	38.80	66.72	78.92	145.64	141.71
2005-06	62.54	250.16	213.31	100.78	314.09	314.16
2006-07	52.50	203.31	349.52	208.86	558.38	545.44
2007-08	93.00	279.00	309.95	168.41	478.36	476.32
2008-09	169.91	509.73	134.95	389.64	524.59	522.43
Total	401.23 (54.31)	1281.00	1074.45	946.61	2021.06	2000.06

(Source: E-in-C and concerned CEs)

During 2007-08, the CE, Sharda Canal, allotted Rs 12 crore for Hardoi branch to Unnao Division, Sharda Canal, Unnao. The division utilised Rs 11.62 crore and the balance Rs 38.14 lakh lapsed. This amount was not surrendered for utilisation by other divisions of the project.

The State Government did not intimate the reasons for release of more grants on behalf of GOI whereas it did not release its own matching share in full during 2005-06, 2007-08 and 2008-09.

2.3.7.2 Diversion of Funds

Rupees 93.95 crore were diverted during 2004-09 to works/activities not related to the AIBP projects as detailed below:

Rupees 93.95 crore were diverted during 2004-09 to works/activities not related to the AIBP

- Rupees 8.21crore⁵ were diverted during 2004-09 by CEs to Lucknow Division, Sharda Canal, Lucknow to meet the expenditure of the office of E-in-C. On being pointed out in audit, the E-in-C requested (April 2009) the Government for allocation of 0.35 *per cent* of project contingency amount to meet the expenditure of the office of E-in-C. The Government turned down (May 2009) the request stating it to be irregular.
- Rupees 69.70 crore were diverted from five projects⁶ during 2004-09 and utilised by 26 divisions on works not related to AIBP projects.
- Rupees 16.04 crore⁷ were diverted from Agra canal and utilized on renovation work of the existing building of Yamunotri Guest House, Annexe building, Old Inspection House and eight Type-III staff quarters.

During discussion in exit conference (November 2009), the Government stated (November 2009) that the matter would be investigated and action taken against officials responsible for diversion.

2.3.7.3 Creation of liabilities

Financial rules provide that expenditure in a year should be restricted to the allotment of the projects. However, EEs, Irrigation Construction Division (ICD) II, Lalitpur and ICD-II, Jhansi created liabilities of Rs 3.43 crore⁸ during

⁵ BCP: Rs 5.76 crore, Agra Canal: Rs 0.15 crore, EGC: Rs 1.62 crore and Rajghat Canal: Rs 0.68 crore)

⁶ BCP, EGC, Rajghat canal, Lahchura dam and Agra canal

⁷ Head works Division, Okhla, New Delhi: Rs15.80 crore and Lower Khand Agra canal, Agra: Rs 0.24 crore.

⁸ ICD-II Jhansi: Rs 58.99 lakh and ICD-II Lalitpur: Rs 2.84 crore.

2003-08 due to increase in cost of land and labour. Records also revealed that Rs 4.53 crore deducted as security from contractors' bills in 17 divisions⁹ was utilized for expenditure on works. While this was against the rules, it created avoidable liability in the divisions for payments of deposits on becoming due. During discussion in exit conference (November 2009), the Government directed the Department that, in future, expenditure should be limited to the allotment and liabilities should not be created.

2.3.8 Contract management

2.3.8.1 Irregular memorandum of understanding and their injudicious rescinding

MoU signed with the firms without tendering process were subsequently rescinded without taking into account the Government's interest

According to Financial rules, contracts for works can be awarded through tendering process only. Nevertheless, SE, Circles I and II, BCP under instructions (May 2005) of CE, BCP awarded (May 2005 and August 2005) four contracts without inviting tenders to the National Project Construction Corporation Ltd (NPCC), Faridabad, Haryana through Memorandum of Understanding (MoU) to be completed by November 2006. While the works were in progress, the E-in-C issued (February 2007) instructions that the MoU with outside State agencies should be reviewed and rescinded as per rules in public interest. The MoU were rescinded (February 2007) by the SEs on the ground of delay in completion of works. Meanwhile, the NPCC had applied (January 2007) time extension upto November 2007 to the SEs on the ground that major portion of the land required for earth work was not made available till January 2007. Thus, the rescinding of MoU on ground of delay was not based on facts.

Further, for the balance works of three rescinded MoU, 18 agreements were entered into by the SEs after inviting tenders with private contractors between August 2007 and September 2007 with stipulated period of completion in six months but the works were not completed as of August 2009. The balance work of one MoU¹⁰ was not taken up as of August 2009. It was also noticed that against two agreements¹¹, there was cost overrun of Rs 5.65 crore and Rs 7.08 crore (63 to 284 *per cent*) while the works were still (August 2009) in progress.

From the above, it was clear that initially, the contracts were awarded without tendering process in contravention of financial rules depriving the Department of the competitive rates and subsequently, rescinded without taking into account the Government's interest as rescinding not only delayed the work further by about two years, there was cost overrun also.

The SE, Irrigation Construction Circle (ICC), Mahoba had signed (December 2005) a MoU with Engineering Projects (India) Ltd., New Delhi

⁹ BCCD-II, III, V, VI, VII, VIII, Mirzapur, BCCD-I, Allahabad, EGCD-I, V and VI Najibabad, EGCD-II, Haridwar, EGCD-IV and ID, Bijnore, Maudaha Dam Cons. Div-I. Mahoba, Head Works Div. Agra Canal, Okhla, ICD-II and III at Lalitpur.

¹⁰ MoU No. 02/SE-II/2005-06.

¹¹ Agreement No.07/SE-I/2007-08 for Rs2.49 crore and agreement No.08/SE-I/2007-08 for Rs 8.95 crore against which Rs 9.57 crore and Rs 14.60 crore were paid.

without tendering process for construction of Lahchura dam. The work was to be completed by December 2008. However, the work was not completed as scheduled and SE granted time extension for completion of work by 2009-10 which indicated that the department did not follow uniform policy in regard to rescinding of the contracts.

2.3.8.2 Memorandum of understanding with UP Project Corporation Limited

The Government order (March 1996) regarding allotment of works to UPPCL envisaged that only time bound works would be given to UP Project Corporation Limited (UPPCL).

SE, ICC, Jhansi entered into twenty MoU with the UPPCL relating to Rajghat canal during 1997-2006 which were to be completed from September 1999 to October 2006. Of these, 11 works costing Rs 17.31 crore were completed by August 2007 with a delay of seven months to 70 months. MOU for three works (estimated cost: Rs 1.85 crore) were rescinded (December 2007) and the remaining six works (estimated cost: Rs 9.85 crore) had been executed up to 33 to 88 *per cent* only as of March 2008. MOU of these works were finalised up at that stage.

Similarly, for construction of bridges over Agra canal, 10 MoU for Rs 18.49 crore were drawn up with UPPCL during March 2003 to July 2004 for completion within 12 months from the dates of sanction (between November 2004 and October 2006) of estimates by the CE. Due to time overrun of about two to four years, all the 10 estimates were revised (April 2008) to Rs 24.45 crore involving cost overrun of Rs 5.96 crore.

Delay in completion of works by UPPCL indicated that the Government's order to allot only time bound works to UPPCL was not followed.

Execution of projects

2.3.9 Modernisation of Agra canal

Agra canal was taken up (September 1979) for modernisation to increase its capacity to 4000 cusecs from the existing 2100 cusecs for irrigation of paddy and early *kharif* crop. It was taken up under AIBP in 2002-03. The revised estimated cost of the project was Rs 181.67 crore. It was declared completed (March 2008) at a cost of Rs 162.39 crore without its actual completion as shown in **Table 2** to adhere to the date of completion of the project as per MoU signed with MoWR.

Agra canal declared completed did not run to its designed capacity

Table 2: Component-wise physical progress

Sl. No.	Item of Work	Quantity		
		As per project	Executed	Balance
1	Providing energy dissipation device for regulators (in metre)	322	53	269
2	Fluming/construction of new bridges (in nos.)	51	49	2
3	Construction of tail escapes/masonry works for Distributaries and Minors. (in nos.)	69	22	47
4	Earth works (in lakh cubic metre)	248	200	48

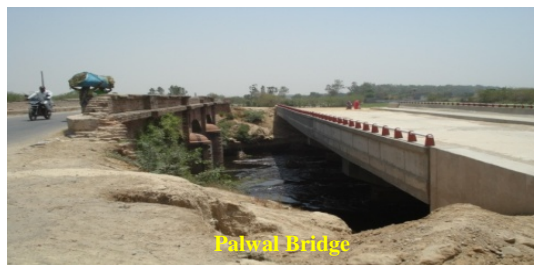
(Source: CE, Ganga, Meerut)

Due to non-restoration/non-modernisation of initial chainage 0.00 km-7.100 km as mentioned at paragraph 2.3.5.2, the Agra canal could not be run to its designed capacity of 4000 cusecs.

Box 2.3.1

Unfruitful expenditure on bridges

Seventeen new bridges were constructed over Agra canal during 2007-09 at a cost of Rs 20.01 crore. Approach roads of these bridges were not constructed which not only resulted in blockage of funds but also deprived connectivity to the villages concerned. During discussion in exit conference (November 2009), the Government stated that proper action would be taken in this regard.



Box 2.3.2

Pollution of Agra canal

Agra canal water was used for irrigation as well as for drinking by cattle of nearby localities but, was polluted as Okhla sewage drain fell into 3.84 km long old Agra channel at km 2.355 which meet Agra canal at km 4.12. The CWC had suggested (March 2005 and April 2008) to check the quality of water and take necessary steps by liasoning with polluting organizations/units to stop disposal of waste material in the canal. During site visit by audit team with the AE of the concerned division (September 2008), six open sewage drains and six hume pipes of sewage drains were also found polluting the canal water between km 2.355 and km 7.100 of Agra canal. The Government stated (November 2009) that the matter was taken up (June 2008 and April 2009) with the Municipal Corporation, Delhi to stop the sewage drains falling in the canal. There was no progress as of November 2009.



2.3.10 Bansagar canal project

The Central Water Commission (CWC) approved the Bansagar Canal Project (BCP) in January 1994 at a cost of Rs 330.19 crore to create additional Irrigation Potential (IP) of 1.50 lakh hectares in Allahabad and Mirzapur districts. The BCP included construction of Bansagar Feeder channel (BFC), Belan Main Canal (BMC), Adwa Meja Link Channel, tunnel lining works, etc. The latest revised cost of the project was Rs 3,140.69 crore for completion by March 2012. The physical progress of various components of BCP which commenced in 1996-97 is shown in **Table 3**.

Table 3: Component-wise physical progress of BCP

Sl. No.	Components	Unit	Estimated quantity	Progress up to March 2004 (percentage of column 4)	Progress up to September 2008 (percentage of column 4)
1	2	3	4	5	6
1.	Land	Hectare	1133	615 (54)	852 (75)
2.	Masonry Work	Number	771	147+77P (19)	510+134P (67)
3.	Building	Number	794	268+41P (34)	395+28P (49)
4.	Earthwork	Lakh Cubic Metre	308	135 (44)	282 (91)
5.	Lining	Km	233	545* Thousand M ²	84 (35)
6.	Tunnel excavation	Metre	2047	-	2047 (100)
7.	Tunnel lining	Metre	2047	-	2047 (100)

* Not mentioned in Km, P=Partial

(Source: CE, BCP, Allahabad)

Nine per cent to 65 per cent works had not been completed even after 12 years of their start

As would be seen from the table, even after lapse of 12 years of its commencement, progress of land acquisition, masonry work, building work, lining of canal and earthwork ranged from 35 per cent to 91 per cent. Non-acquisition of forest/wild life sanctuary land and delay in taking up remedial measures for rock stabilization, de-watering of canal for lining work, etc., were the main reasons for delay in completion of the project. As such, no IP was created against the targetted 1.50 lakh hectares as of March 2009.

2.3.10.1 Delay in taking up of expert advice/remedial measures

The monitoring mission (24-27 March 2008) of CWC noticed six slip zones¹² (length: 1.22 km) in the adjoining hillocks of the Bansagar Feeder Channel (BFC) and suggested obtaining advice from experts such as Geological Survey of India, Indian Institute of Technology, etc., for rock stabilization before start of the lining work in the above zones as these slips often filled the excavated canals which required to be removed for flow of canal water. The department had not taken any corrective measures as of August 2009.



Work on construction of Meja-Jirgo Link Channel was not re-started due to delay in seeking expert advice

Besides, underground water had sprouted up (December 2006) in the length of 6.050 km (chainage: km 41.000 to 45.000 and km 69.100 to 71.150) of Meja-Jirgo Link Channel, after digging of six metre depth while excavation was to be carried up to a depth of 17 metre. The CE, BCP constituted (November 2008) a committee to suggest remedial measure in 10 days. The committee suggested (October 2009) that either underground water taken to any nearby drain or proposal for dewatering be submitted. However, no further action was taken as of November 2009 and construction of canal remained suspended for the last three years.

¹² Area in which portion of hills contains slips located at km 11.400 to 11.600, km 12.600 to 12.800, km 32.200 to km 32.300, km 34.875 to km 34.975, km 60.530 to km 60.600 and km 64.700 to km 65.250.

2.3.10.2 Incomplete construction of BFC

National Highway Division, PWD, Sidhi, MP (NHD) was paid (March 2004) Rs 1.90 crore for construction of provincial road bridge (PRB) on NH-75 intersecting BFC at Km 10.970. The NHD submitted a detailed estimate (August 2009) of Rs 13 crore for PRB and its approach road. Provision for increased amount had been made in the revised project estimates which had not been sanctioned (March 2009). Due to non-construction of PRB, BFC in 250 metre stretch could not be constructed.

2.3.10.3 Sub-standard lining work of the BMC

To carry additional 1000 cusec water from Meja Dam, widening and cement concrete (CC) lining in 14 km length (km 0.00 to km 14.00) of Belan Main Canal (BMC), part of the BCP, was completed (June 2003) at a cost of Rs 25.34 crore. The quality of lining work was found (May 2002) sub-standard by SE, BSCC-I, Mirzapur, as the thickness of the CC lining was 50 mm to 70 mm only against the prescribed 100 mm and there were cracks in different chainages. On being pointed out (March 2003) in audit¹³, the department intimated (March 2003) that cracks had developed due to inadequate thickness of lining work than sanctioned and the concerned contractor had rectified it at his expense. However, it was noticed (July 2008) that during 2005-08, department had incurred Rs 1.92 crore on repair to lining work and other lining related work in the intermittent chainages of km.0.00 to km.14.00 of BMC. During joint physical inspection by the audit team with the AE of the concerned division (July 2008), it was seen that relining work had also cracked and was being repaired. During discussion in exit conference (November 2009), the Government stated that the matter would be investigated and the result intimated to audit.

Execution of sub-standard lining work in BMC led to extra expenditure of Rs 1.92 crore

2.3.11 Eastern Ganga Canal

The construction of EGC was started in 1978-79 for creation of IP of 1.05 lakh hectare. Due to increasing land cost, court cases and decretal amounts of land acquired, further works were stopped (June 1996). The project was taken up under AIBP in 2000-01 for completion by March 2007. The revised date of completion of the project was scheduled to March 2009. The State Expenditure Finance Committee approved (February 2009) the revised estimate of Rs 892.44 crore, against which Rs 796.99 crore was spent as of March 2009. The physical progress as of March 2009 is as shown in **Table 4**.

Non-construction of 5.93 km of canal led to non-utilisation of created IP upto the extent of 55 per cent

Table 4: Component-wise physical progress of EGC

Item	Unit	Estimated quantity	Progress up to March 2004 (per cent)	Progress upto March 2009 (per cent)
Land	Hectare	4532	3010 (66)	4452 (98)
Main canal and branches				
Length	Km.	204	204 (100)	204 (100)
Pucca work	No.	298	290 (97)	298 (100)
Railway Bridge	No.	8	4 (50)	7 (88)
Distributory and Minors				
Length	Km	1368	631(46)	1362 (99)
Pucca work	No.	3527	1183 (34)	3458 (98)

(Source: CE, EGC, Moradabad)

¹³ Inspection Report No. 189/2002-03

Land measuring of 80 hectare was still to be acquired even after 30 years of the start of the project. This led to 32 gaps and non-construction of 5.93 km length of distributaries (Dys) and Minors. As a result irrigation potential of 58 thousand hectare (55 *per cent* of total created IP) was not utilised. In reply, the Government stated (November 2009) that the land was being acquired to complete the gaps and utilize the irrigation potential fully.

2.3.11.1 Non-completion of Kotra distributary

Out of ten road bridges and two railway bridges proposed for construction over Dys/Minors, seven road bridges were completed. One road bridge and one railway bridge were under construction while construction of two road bridges and one railway bridge was not started as of May 2009. The railway bridge over Kotra distributary (length: 28.235 km) had not been completed as a result, 435 metre stretch of the canal could not be constructed and water could not be carried to tail end.

2.3.12 Improving Irrigation Intensity of Hardoi branch system

The project was sanctioned (December 2006) by MoWR for Rs 105.30 crore under AIBP for completion by March 2009 to restore IP of 0.96 lakh hectare. The component-wise physical progress is given in **Table 5**.

Table 5: Component-wise physical progress of Hardoi branch

Sl No	Components	Unit	Estimated quantity	Progress up to March 2009 (<i>per cent</i>)
I	Branch Canals			
1	Works: a. Lining/Boulder pitching b. Restoration of missing outlets	Km No.	21 560	21 (100) 127 (23)
2	Regulators	No.	74	57 (79)
3	Falls	No.	37	17 (46)
4	Cross drainage works	No.	14	1 (1)
5	Bridges	No.	203	42 (21)
6	Escapes	Th cum	781	513 (66)
7	Earth work	Th cum	10,560	10,926 (103)
II	Distributaries & Minors			
8	Works (restoration of missing outlets)	No.	3,760	171 (4)
9	Regulators	No.	272	72 (26)
10	Falls	No.	19	0 (0)
11	Cross drainage works	No.	9	0 (0)
12	Bridges	No.	344	38 (11)
13	Earth work	Th cum	6,593	4,261 (65)

(Source: CE, Sharda, Lucknow)

Owing to delay in completion of works, the created IP could be utilized up to the extent of 68 per cent only

The earth work for restoration of internal section in Dys./Minors was only 65 *per cent*. As a result, the increased quantity of water available in the branches could not reach in full to the Dys. and Minors. Further, the progress in respect of restoration of missing outlets, cross drainage works, bridges was one *per cent* to 23 *per cent* under branch canals and nil to 11 *per cent* under Dys. and Minors though the target date of completion of the project was over. Consequently, IP could be utilized upto the extent of 68 *per cent* only.

Box 2.3.3

Extra payment in disposal of excavated earth

In restoration of Unnao branch, the earth was dumped on its banks creating problem for the local people. On a hue and cry by the people, the EE, Unnao Division, Sharda Canal (UDSC), Unnao incurred additional expenditure of Rs 49.80 lakh (March 2008) for removing the earth for which payment was already made to the contractor. During discussion in exit conference (November 2009), the Government stated that the matter would be investigated and responsibility would be fixed for recovery.

Box 2.3.4

Avoidable Expenditure

The EE, UDSC, Unnao executed (2007-09) earth work (21.51 lakh cubic metre) for restoration of internal section of Purwa Branch (length: km 93.50) and Unnao Branch (length: km 63.50) spending Rs 10.22 crore. The works involved earth work excavation and disposal of excavated soil beyond 200 metre. During 2008-09, the EE spent Rs 1.22 crore (Purwa branch: Rs 78.13 lakh and Unnao branch: Rs 43.69 lakh) for restoration of service road and counter-berm of Purwa branch and Unnao branch taking earth from outside. This expenditure could have been avoided if the work of restoration of service road and counter berm was executed along with the restoration of internal section as the earth taken out from canals at the time of restoration could be used.

The EE replied (July 2009) that the service roads and counter-berm could not be constructed with silt. Reply was not tenable in view of the E-in-C's order (April 2003) which restricted bringing of earth from outside for a service road and bank of the canal, and instead directed to utilize the earth available from silt clearance. During discussion in exit conference, the Government stated (November 2009) that reply given by EE was wrong and appropriate action would be taken.

2.3.13 Modernisation of Lahchura dam project

Due to delay in preparation of drawings, work was delayed

The Lahchura dam project envisaged construction of 346.50 metre new dam at a place 960 metre downstream of the existing Lahchura dam across the river Dhasan which had outlived its life. The project was taken up under AIBP in 2005-06 for completion initially by March 2009, subsequently revised to March 2011 at a cost of Rs 299.36 crore. Rupees 272.71 crore were spent as of March 2009. The component-wise physical progress of the project is given in **Table 6**.



Table 6: Component-wise physical progress of Lahchura dam

Items	Unit	Estimated quantity	Progress up to March 2009 (per cent)
Excavation of spillway pit and head regulators	Th. cum	383	498 (130)
Cement concrete & stone masonry work in spill way and head regulators	Th. cum	233	157 (67)
Spillway gates (18m x 7m)	Nos.	17	-
Afflux bund	Th. cum	300	274 (91)
Building	Nos.	135	74 (55)
Earth work-construction of link channel	Th. cum	87	62 (72)
Roads	Km.	27	20 (74)

(Source: CE, Betwa Project, Jhansi)

Due to change in foundation level, the excavation of spillway pits and head regulators was carried out 30 per cent in excess of the approved quantity in the DPR. The delay in progress of other works was mainly on account of delay in preparation of drawings which necessitated modification due to geological condition of the rocks in foundation of the dam. This indicated improper survey and investigation before preparation of DPR which affected the progress of the project.

2.3.14 Rajghat Canal Project

The Rajghat Canal Project (RCP) envisaged construction of six canals¹⁴ to utilize 22 thousand million cubic feet (TMC) water of Rajghat dam. The project work was started in 1976-77 and taken up under AIBP in January 2000. Against the revised project cost of Rs 527.78 crore, Rs 470.38 crore were spent as of March 2008. The component-wise physical progress achieved is shown in Table 7.

Table 7: Component-wise physical progress of RCP

Item	Units	Estimated quantity	Progress up to March 2004 (per cent)	Progress up to March 2008 (per cent)
Land	Hect.	2060	1292 (62)	2025 (98)
Main Canal and Branches				
Earth work	Th Cum	6517	5901 (91)	6511 (99)
Pucca work	Nos.	169	143 (85)	169 (100)
Lining	Th Sqm	436	103 (24)	192 (44)
Distributaries & Minors				
Earth work	Km	762	482 (63)	761 (99)
Pucca work	Nos.	1181	809 (69)	1172 (99)
Lining	Th Sqm	256	55 (21)	256 (100)

(Source: CE, Betwa Project, Jhansi)

Land measuring 35 hectare was not acquired even after 32 years of start of the project which resulted into non-completion of earthwork of 6.36 thousand cum for construction of main canal and 1.31 km of Dys./Minors. Besides, the lining

¹⁴ Upper and lower Rajghat Canals, Jakhlaun Pump Canal, Baragaon Pump Canal, Jhansi Canal and Extension of Betwa and Gursarai Canal System

work required to prevent water loss due to seepage in main canal and branches was done to the extent of 44 *per cent* only. The project was declared completed in 2007-08 without actual completion of works, apparently to adhere to the date of completion as per MOU signed with MoWR. Twenty two *per cent* IP could not be utilised due to incomplete works.

The left over works were, however, included in another project approved by the State Government (February 2009) for Rs 55.06 crore for construction of additional regulators, cross drainages, bridges, escapes, etc.

2.3.14.1 Inadequate flow of water under railway bridges

According to records of SE, ICC, Jhansi, the Railways were paid Rs 8.95 crore during 1995-04 against the estimated cost of Rs 8.09 crore for construction of eight rail bridges over the canal. Out of five completed rail bridges, of which two were completed in March 2006, did not allow required flow of water. The EE, ICD-I, Lalitpur requested (July 2009) the Railways to take remedial measures for proper flow of water under the railway bridge. The same had not been rectified as of August 2009.

2.3.14.2 Delay in work due to poor co-ordination with National Highway Authority of India

National Highway Authority of India (NHAI) furnished (April 2007) estimates of Rs 11.49 crore for construction of five canal crossing bridges. Construction of road crossing bridge of NH-75 at km 14.507 of Sipri Dy. depended upon construction of a flyover over NH-26 (Jhansi-Kanpur) which was abandoned due to the objection raised by Ministry of Defence as the height of the flyover was likely to come in the way of aircrafts taking off from the adjacent military area. Three canal¹⁵ crossing bridges over NH-26 were delayed due to delay in acquisition of forest land. Reason for non-construction of the remaining one bridge was not furnished by the division. Non-construction of bridges due to one reason or the other for the last six years indicated that the project authorities did not pursue the matters with the concerned departments for remedial action. In reply, the Government stated (November 2009) that the NHAI had taken up the matter with the Ministry of Defense for necessary permission.



¹⁵ Lower Rajghat Canal-km. 49.470, Harshpur Dy.-km.3.60 and Asaupur Mr-km.3.60

Box 2.3.5

Aid to contractor

Government's order (February 2001) envisaged that royalty for earth should be deducted from the bills of the contractor and deposited into the treasury.

Records of the EE, ICD, Matatila, Lalitpur revealed that an agreement for construction of Lower Rajghat canal (chainage: km 41 to 44) was entered into by the SE, ICC, Jhansi. The work of earth filling of 4.78 lakh cubic metre was executed (December 2006) and Rs 7.27 crore paid (December 2006) to the contractor upto 20 running bill. This included payment of Rs 19.12 lakh deducted earlier on account of royalty charges without any justification. The amount of royalty was to be deposited into treasury as revenue. During discussion in exit conference (November 2009), the Government stated that the necessary action would be taken to recover the royalty from the contractor.

2.3.15 Time and cost overrun

The position of sanctioned costs and stipulated dates of completion of the six test checked projects is given in the **Table 8**.

Table 8: Project-wise time and cost overrun

(Rs in crore)

Name of the project	Estimates at the time of taking up in AIBP		Revised estimates		Cost overrun (column 5-3) (per cent to column 3)	Stipulated date of completion		Time overrun (in years) (8-7)
	Sanction date	Cost	Sanction date	Cost		Initial	Revised	
1	2	3	4	5	6	7	8	9
Agra canal	Dec.2002	71.62	Sept. 2006	181.67	110.05 (154)	March 2005	March 2008	3
BCP	Jan. 1994	309.00	July 2009	3140.69	2831.69 (916)	March 2004	March 2012	8
EGCP	Dec.1993	258.48	Feb. 2009	892.44	633.96 (245)	March 2007	March 2009	2
Hardoi branch	Dec. 2005	105.30	May 2008	135.17	29.87 (28)	March 2009	March 2012	3
Lahchura dam	Nov. 2005	99.66	Nov. 2008	299.36	199.70 (200)	March 2009	March 2011	2
Rajghat canal	Jan. 2000	243.00	Dec.2006	527.78	284.78 (117)	March 2004	June 2007	3

(Source: E-in-C and concerned CEs)

There was cost overrun of 28 per cent to 916 per cent and time overrun of two to eight years as of March 2009. Records revealed that cost of projects increased mainly due to improper planning, delay in acquisition of land and preparation of drawings which required upward revision of the projects later on.

2.3.16 Impact of the AIBP projects

The position of proposed, created and utilised IP for the six projects is shown in the **Table 9**.

Table 9: Project-wise proposed IP, created and utilised

(In lakh hectares)

Project	Proposed irrigation potential (IP)	Target of IP up to March 2009	IP created up to March 2009 (per cent with respect to target)	IP utilized 2008-09 (per cent with respect to IP created up to March 2009)	Reasons for short utilisation of IP
Agra Canal	0.50	0.50	0.50 (100)	0.32 (64)	Non-restoration of canal in first 7.120 km of the Agra canal.
Bansagar Canal	1.50	0.50	Nil	--	--
Eastern Ganga Canal	1.05	1.05	1.04 (99)	0.47 (45)	Incomplete work of Dys/Minors.
Hardoi Branch	0.96	0.96	0.71 (74)	0.48 (68)	Incomplete work of Dys/Minors.
Lahchura dam	0.46	0.46	Nil	--	--
Rajghat Canal	1.39	1.39	1.38 (99)	1.07 (78)	Incomplete works.
Total	5.86	4.86	3.64(75)	2.34 (64)	

(Source: Concerned CEs)

As would be seen from the table that no IP was created in two projects and in four projects in which IP was created, it could not be utilised fully due to non-completion of the allied works as of March 2009.

2.3.17 Quality Control

According to the provision of the MOU signed between State Government and MoWR, the State Government was responsible for ensuring quality control of the material such as sand, soil, grit and sieve analysis by an independent agency. The CE, (Betwa Project), Jhansi deputed (April 2009) EE, Investigation and Planning Division, Jhansi (I&P) for collection of samples relating to Lahchura Dam and testing but, EE, I&P neither collected sample nor carried out any test as of July 2009. No quality control arrangements were made for the Rajghat canal and Hardoi branch. In BCP, though quality control system existed but was ineffective as it could not prevent execution of sub-standard work in BMC.

2.3.18 Conclusion and Recommendations

2.3.18.1 Improper planning and inadequate monitoring

AIBP projects were taken up in an unplanned way without observing the procedure laid by Central Water Commission/ GOI for detailed surveys. Adequate effort was not made for clearance for wild life sanctuary land in Bansagar Canal Project. The State Level Monitoring Committee did not hold regular meetings to redress the bottlenecks for speeding up completion of the projects.

Recommendation: While planning major and medium irrigation projects, Central Water Commission/GOI's guidelines should be strictly followed and adequate steps should be taken to obtain clearance of forest /sanctuary land to complete the projects as per schedule. Regular meetings of the State Level Monitoring Committee should be held for effective monitoring.

2.3.18.2 *Deficient implementation of the projects*

Projects were not executed efficiently as there was time overrun of two to eight years and cost overrun from 28 *per cent* to 916 *per cent* mainly due to delay in acquisition of land.

Recommendation: The Government should take adequate steps for acquisition of land in a time bound manner to ensure completion of projects as per schedule and realise envisaged benefits.

2.3.18.3 *Ineffective implementation of the Programme*

In Lahchura dam and Bansagar canal projects, no IP was created despite time overrun of two and eight years respectively. In the remaining four projects in which IP was created, utilisation was from 45 *per cent* to 78 *per cent* only due to non-completion of canals.

Recommendation: The Government should ensure completion of entire project on priority to utilise the created IP.

2.3.18.4 *Quality control*

Quality control system was weak in BCP as sub-standard work was executed in Belan Main Canal. In Lahchura dam, Rajghat canal and Hardoi branch projects, quality control system did not exist.

Recommendation: Quality control in execution of works should be ensured by an independent agency for all the projects in hand.

Social Welfare Department

2.4 Old Age Pension and National Family Benefit Schemes

Executive Summary

Old age pension schemes were launched by the Government of India and the State Government with the objective of providing financial assistance to destitute old persons aged 60 years and above who were below poverty line. National Family Benefit Scheme was introduced (August 1995) to provide one time financial assistance to the families below poverty line whose bread-winner had died between the age of 18 and 64 years. An amount of Rs 3068.39 crore was disbursed under old age pension schemes and Rs 384.95 crore under National Family Benefit Scheme during 2005-09. After universalisation of old age pension scheme, 41.84 lakh persons were paid pension during 2008-09.

The performance audit of implementation of the schemes revealed:

- Survey for identification of beneficiaries was inadequate (2008-09) as, subsequently in less than six months, eligible beneficiaries were found either in excess or less than those identified earlier. Implementation of the schemes suffered due to ineffective monitoring at District/ Directorate/ State level. Old age pension schemes were not dovetailed with other poverty alleviation schemes as envisaged. No database of pensioners was prepared.
- Rupees 2.68 crore paid to ineligible persons during 2001-02 were not recovered from the beneficiaries even after lapse of seven years. Similarly, Rs 3.54 crore disbursed to ineligible persons in test-checked districts during 2007-09 were also not recovered.
- Due to non-submission of information of death of the pensioners by Village *Panchayats* and Municipalities to DSWOs in test-checked districts, Rs 4.21 crore were transferred to bank accounts of 18,461 deceased pensioners during 2007-09. The amount was not got refunded by the DSWOs for the last one to two years.
- Due to inadequate scrutiny of new applications for pension in the offices of the DSWOs, double payments amounting to Rs 47.90 lakh were made to pensioners during 2007-09, recovery of which had not been made as of September 2009.
- Payments were also made to ineligible persons under National Family Benefit Scheme.

2.4.1 Introduction

The State Government introduced (November 1994), Kisan Pension Scheme (KPS) with the objective of providing financial assistance to destitute old persons aged between 60 and 65 years whose income is below Rs 12,000 per

annum in respect of urban areas and land holding was not more than 3.25 acre in rural areas. The Government of India (GOI) also introduced National Old Age Pension Scheme (NOAPS) on 15 August 1995, renamed as Indira Gandhi National Old Age Pension Scheme (IGNOAPS) for persons aged 65 years and above of the same income group as under KPS. The expenditure under IGNOAPS was to be shared in the ratio of 2:1 between Central and State Governments. IGNOAPS and KPS provided universal coverage of all persons Below Poverty Line (BPL) from 19 November 2007 and 1 April 2008 respectively. Monthly pension of Rs 150 was given to each pensioner upto 31 March 2007 and thereafter at the rate of Rs 300.

GOI also introduced National Family Benefit Scheme (NFBS) on 15 August 1995 for one time assistance of Rs 10,000 to BPL households on the death of primary bread-winner of the family if he/she died between the age of 18 and 64 years. The State Government decided (June 2006) to pay an additional amount of Rs 10,000 from its own exchequer (total: Rs 20,000) to the above families.

2.4.2 Organisational set-up

Principal Secretary, Social Welfare Department at Government level, Director, Social Welfare at the Department level and District Social Welfare Officers (DSWOs) at District level were responsible for implementation of the schemes. Village Panchayat in rural areas and Sub-Divisional Magistrate (SDM) in urban areas were the sanctioning authorities for Old Age Pension (OAP) schemes and District Magistrate (DM) for NFBS.

2.4.3 Audit objectives

The objectives of the performance audit were to examine whether:

- planning and monitoring were adequate; and
- schemes were implemented efficiently.

2.4.4 Scope and methodology of audit

Records relating to implementation of the schemes, viz., budget allotment and expenditure, physical progress reports, applications from beneficiaries, pension payment registers, bank advices and verification reports, etc. for 2004-09 were test checked at the Secretariat, the Directorate, Social Welfare, Lucknow and at 18¹ out of 71 DSWOs. Besides, information about erroneous payments under Old Age Pension (OAP) schemes was also collected from Muzaffar Nagar and Sitapur districts.

Entry conference was held (April 2009) with the Principal Secretary, Social Welfare Department in which audit objectives was discussed. Exit conference was also held (November 2009) in which audit findings and recommendations

¹Agra, Allahabad, Aligarh, Azamgarh, Bahraich, Barabanki, Bareilly, Bulandshahar, Fatehpur, Ghazipur, Gorakhpur, Jaunpur, Lucknow, Mau, Mirzapur, Saharanpur, Shahjahanpur, Siddharthnagar.

were discussed. The Government assured to implement the recommendations by Audit.

Audit findings

Old Age Pension

2.4.5 Planning and monitoring

2.4.5.1 Inadequate field survey

Survey carried out to identify the beneficiaries was inadequate

As per survey conducted by the Department, 16.54 lakh beneficiaries were identified during 2008-09 in addition of those who had been receiving OAP in earlier years. Accordingly, the Government fixed (June 2009) district-wise beneficiaries target for all DSWOs. The targets were further revised by the Government in 14 districts based on a fresh survey conducted by the DMs. In Muzaffar Nagar district, DSWO reported (March 2009) to the Directorate, achievement of 0.62 lakh beneficiaries on the basis of target fixed for 2008-09. Subsequently, physical verification (August 2009) of beneficiaries by the DMs revealed that only 0.40 lakh beneficiaries were actually eligible for pension. In Sitapur district, revised target of 1.10 lakh (reduced from 1.46 lakh) beneficiaries during 2008-09 was shown achieved. On physical verification, 0.05 lakh beneficiaries to whom Rs 91.15 lakh had been paid belonged to non-BPL category. The DM, Sitapur ordered (August 2009) re-verification of entire beneficiaries (1.10 lakh). This indicated that survey carried out earlier to identify the beneficiaries was not reliable.

2.4.5.2 Functioning of State Level Committee and District Level Committee

The State Level Committee (SLC) headed by the Chief Secretary, comprising secretaries, Rural Department, Finance, Medical and Health and Social Welfare departments, nominees from the Ministry of Rural Development, Urban Affairs and Employment, GOI, independent experts and representatives of Non-Government Organisation (NGO) was responsible for monitoring of the schemes and reporting to GOI. The District Level Committee (DLC) headed by the DM which would include the concerned Member of Parliament, about one third of members of the Legislative Assembly from the districts, chairperson of *Zila Parishad*, heads of concerned departments at district level, representatives of NGOs was responsible for monitoring and reporting to the State Government. Being the Nodal Agency, the overall responsibility of monitoring of the schemes rested with the Directorate.

Monitoring was weak

No evidence was available on record or provided by the Districts/ Directorate/ Government that the SLC and DLCs were constituted and functioning. The monthly review meetings at Directorate level were limited to only compilation and submission of monthly returns of progress without any follow-up action. The formats prescribed for monthly returns were also inadequate as there was no segregation of ineligible/death cases and the reasons for non-verification of beneficiaries. The schemes grossly suffered due to ineffective monitoring for their systematic implementation.

2.4.5.3 Non-linking of IGNOAPS/NFBS with other poverty alleviation schemes

The National Social Assistance Programme provided opportunities for linking the IGNOAPS/NFBS beneficiaries to other social assistance schemes implemented for poverty alleviation and provision of basic needs to such beneficiaries. Integrated Rural Development/Nehru Rozgar Yojna assistance was to be provided in addition to the family benefit to the families of poor households who suffered the loss of the bread-winner. This was, however, not done.

2.4.5.4 Non-computerisation of data of pensioners

Computerisation of pensioners' data was not done

With a view to proper implementation of the OAP schemes, the Government had decided to post one additional clerk when the number of pensioners increased by 600 limited to three clerks for 1500 and above. Over the years, due to increasing population and universalisation of pension to all old age destitutes of BPL families, the number of pensioners increased to over 41 lakh during 2008-09. Due to limited number of clerks in the districts, records were not maintained properly which resulted in double payment of pension, delay in payment of pension, etc. The Department had not taken any step for computerisation of the pensioners' data to ease the problems of manpower shortage and maintenance of records manually and for facilitating a system of proper reporting and monitoring. In reply to an audit query regarding non-computerisation, the Director stated (October 2009) that it could not be done for want of funds for this purpose.

2.4.6 Budget allotment and expenditure

Year-wise position of budget allocation and expenditure thereagainst during 2004-09 is detailed in **Table 1**.

Table 1: Budget allotment and expenditure

(Rs in crore)				
Year	Funds required	Allotment	Expenditure	Savings
2004-05	227.10	227.10	224.64	2.46
2005-06	290.16	261.79	232.42	29.37
2006-07	360.00	359.99	358.86	1.13
2007-08	1080.00	875.15	872.71	2.44
2008-09	1516.40	1451.15	1379.76	71.39
Total	3473.66	3175.18	3068.39	106.79

(Source: Directorate, Social welfare)

The increase in allotment of funds and expenditure there against was mainly due to universal coverage of BPL beneficiaries by the GOI (2007-08) and the State Government (2008-09).

2.4.6.1 Irregular disbursement of pension

SDM, Sadar Tehsil, Agra disbursed pension through individual cheques amounting to Rs 8.51 lakh to 1,043 pensioners between October 2007 and March 2009. This was in violation of Government's order of July 2007 which stated that pension should not be paid directly to the pensioner and instead, should be credited to his bank account on six monthly basis. The DSWO, Agra

Pension was disbursed irregularly through individual cheques

despite being aware that payment was made irregularly, did not take up the matter with SDM, Sadar for correction.

2.4.6.2 Non-reconciliation of figures by the DSWOs

The DSWOs were required to reconcile every month the departmental figures of expenditure with those of the banks. However, reconciliation was not done in any of the test checked DSWOs. Due to non-reconciliation of figures of expenditure, irregularities including cases of non-transfer of pension to the beneficiary's account by the bank would remain undetected. Reasons for non-reconciliation were not on record.

Implementation of the scheme

2.4.7 Physical target and achievements

Physical targets and achievement there against for the State as a whole during 2004-09 are given in **Table 2**.

Table 2: Physical target and achievement

Year	Target	Achievement	Excess (+)/ Shortfall(-)
	(Number in lakh)		
2004-05	12.62	12.61	(-) 0.01
2005-06	16.12	14.61	(-) 1.51
2006-07	20.00	21.79	(+) 1.79
2007-08	30.00	25.58	(-)4.42
2008-09	42.12	41.84	(-)0.28
Total	120.86	116.43	(-) 4.43

(Source: Directorate, Social Welfare)

2.4.7.1 Physical verification of pensioners

Physical verification was inadequate during 2004-07

According to the guidelines, the DMs were responsible for carrying out *cent per cent* physical verification of the pensioners through the Tehsil/Block/officials working under them on six monthly basis in April and October each year to ascertain that the pensioners were physically available, eligible for pension and were getting the same. The position of physical verification during 2004-09 is given in **Table 3**.

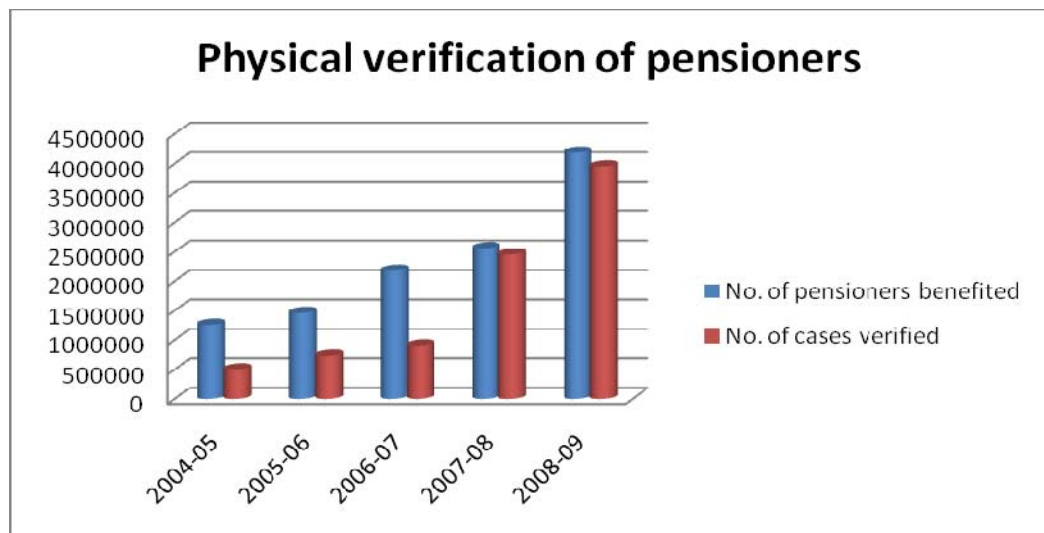
Table 3: Physical verification of pensioners

Year	Number of pensioners benefited (in lakh)	Number of cases verified (in lakh) (percentage to total number of pensioners)	District-wise position of verification of cases done			
			Nil	Up to 50%	50% to 90%	90% and above cases
2004-05	12.61	5.02 (40)	27	15	08	20
2005-06	14.61	7.29 (50)	19	12	29	10
2006-07	21.79	9.08 (42)	19	24	20	07
2007-08	25.58	24.54 (96)	--	--	08	62
2008-09	41.84	39.52 (94)	--	01	08	61

(Source: Directorate, Social Welfare)

A graphical presentation of physical verification of pensioners is given in **Chart 1**.

Chart 1



The Government had also directed (April 1997) to conduct a minimum 2 *per cent* random physical verification of the beneficiaries by the Deputy Director (Divisional) and 5 *per cent* by CDO, Additional District Development Officer (Social Welfare)/ DSWO/ SDM of the concerned district. The DSWOs of the test checked districts stated (April-September 2009) that random verification of beneficiaries under OAP schemes was done but no separate report of verification of pensioners was prepared. No record was, however, made available to audit to ascertain whether the random verification was actually done or not.

Reports of physical verification conducted during 2004-07 were not made available to audit. Reports for 2007-09 made available to audit, where 94 to 96 *per cent* physical verification was carried out, revealed incorrect reporting of performance and payment of pension to ineligible persons, brought out as under:

Incorrect reporting of physical verification of the beneficiaries

DSWO, Agra and Fatehpur made incorrect reporting of physical verification

- The DSWO, Agra reported (April 2009) to the Directorate *cent per cent* physical verification of 36,566 pensioners involving payment of Rs 13.16 crore during 2008-09. Records, however, revealed that physical verification of only 235 pensioners was done leaving 36,331 cases involving Rs 13.08 crore (99 *per cent*) unverified. Out of 235, two cases of death and one who had left the village were detected but pension had been paid into their bank accounts.
- The DSWO, Fatehpur also reported (April 2009) to the Directorate *cent per cent* physical verification of 42,668 pensioners during 2008-09, whereas verification reports of 22,635 pensioners (53 *per cent*) from Malwan, Amauli, Khajuha and Deomai blocks had not been received in the office of the DSWO from the BDOs (July 2009).

Payment to ineligible persons

Due to inadequate certification of eligibility, old age pension was paid to ineligible persons

As per OAP Rules each beneficiary was required to apply for pension in a prescribed format in which the declaration in respect of seven conditions of his eligibility, viz., State domicile since birth, no other source of livelihood, declaration about property, etc., is to be given by him for grant of pension. With effect from 1 April 2008, a certificate regarding fulfilling of three additional conditions, viz., serial number of BPL list, non-getting other pension and age more than 60 years was to be given by the *Gram Pradhan* and *Gram Panchayat Vikas Adhikari* (in rural areas) and by the Executive officer/Municipal Commissioner on the recommendation of *lekhpal* of the concerned Tehsil in urban area. In case any ineligible pensioner is detected subsequently, the surveyor and the sanctioning authority will be held responsible for loss and amount made good from them.

Records relating to sanction of pension in 3600 cases² in the test-checked districts revealed that no documentary evidence in support of the eligibility criteria, certified by the authorities as mentioned above, was enclosed with the application forms. It was also noticed that, out of these 3600 pensioners, 2,323 (65 per cent) had adult sons, as per information recorded on their application forms, and were thus, not eligible for pension. These ineligible beneficiaries were paid Rs 91.52 lakh as pension during 2007-09. Records of DSWO, Bulandshahar also revealed that, in Karanpur Kala village of Anupshahar block, payment of Rs 0.91 lakh was made to 16 (out of 71 pensioners) deceased/ineligible persons during 2008-09 but no action was initiated against the sanctioning authority as of July 2009. Further, physical verification of pensioners conducted by the department revealed that 6,672 persons who were not eligible for pension on different grounds (**Appendix-2.4.1**) were paid pension amounting to Rs 2.62 crore in the 17 test- checked districts alone during 2007-09.

The DSWOs stated (April-September 2009) that the list of ineligible persons who had been sanctioned pension by the *village panchayats* would be sent to CDO/DM for taking necessary action against the sanctioning authorities. Reply showed slackness on the part of DSWOs who did not initiate action for recovery even after lapse of one to two years after cases were detected during physical verification.

Earlier also in 2001-02, the department had detected 17,884 ineligible pensioners during physical verification in 47 districts. The Director had instructed (March 2002) the DMs to recover the amount (Rs 2.68 crore) paid to these ineligible persons according to revenue recovery procedure and lodge a First Information Report (FIR) against the defaulting officials/officers of the Social Welfare department and Revenue department and to initiate departmental proceedings against them. The Directorate did not have any information either about the recovery or action taken by the DMs against official/officers responsible (March 2009).

² @ of 200 cases per DSWO

2.4.7.2 Transfer of pensions after death

Payment of old age pension was continued even after death of beneficiaries

According to scheme guidelines, payments were to be stopped after receipt of information from *village panchayats/municipalities* about the death of a pensioner. Pension released in such cases was to be got refunded by the respective banks. Records of DSWOs of the test checked districts revealed that intimation of death of a pensioner was not received in time, in any case during 2007-09 from *panchayats/municipalities*. As a result, the DSWOs continued to transfer the pension in such cases also, to the banks which credited the pension to pensioner's accounts, as was evident from the physical verification report conducted by the department. An amount of Rs 4.21 crore was transferred to 18,461 such accounts as detailed in **Appendix-2.4.2**.

Failure on the part of the DSWOs to obtain death certificates of pensioners from the *panchayats/municipalities* in time, Rs 4.21 crore were transferred unnecessarily to banks during 2007-09. After verification that the 18,461 pensioners had died during 2007-09, effective steps were also not taken by the DSWOs for seeking refund of the amount lying with the banks for the last one to two years.

2.4.7.3 Avoidable payment of pension to the beneficiaries of other schemes

Old age pension was paid to the persons getting benefits under other schemes

Persons drawing pension from other sources, viz, widow pension, pension for physically handicapped, etc., were not eligible to get OAP. Records in 14 test checked districts revealed that 204 persons were paid Rs 8.90 lakh under OAP scheme in addition to widow pension, pension for physically handicapped and retiring/family pension during 2007-09 as detailed in **Appendix-2.4.3**. No effective action was taken for recovery of the amount as of September 2009.

2.4.7.4 Double payment of pension

Improper maintenance of records led to double payment of pension

A unique pension number was to be allotted to each pensioner as per OAP Rules. Further, DSWO was required to maintain block-wise Old Age Pension Register (OAP-8) with unique pension number, year of sanction, name, father/husband name, age, caste and payment details of each pensioner. OAP-8 was to facilitate cross checking of new applications for pension to prevent double sanction to the same pensioner. Records of the test-checked districts, however, revealed that OAP-8 was not maintained in any district properly. In the absence of complete details of beneficiaries including the unique pension number in OAP-8, cross checking of details of new applicants with the OAP-8 was not possible in the office of the DSWO. Cross checking of beneficiaries in the physical verification lists with those appearing in the bank advice, revealed double payment of Rs 47.90 lakh to 1,070 pensioners during 2007-09 as detailed in **Appendix-2.4.4**. The DSWOs, in their reply stated (April-September 2009) that due to shortage of clerks proper maintenance of records was not possible.

2.4.7.5 Excess payment/delay in payment

The scheme guidelines provided that pension would be payable to a pensioner from the following month of its sanction by the competent authority. Test-check, however, revealed:

- A total of 27792 beneficiaries were paid pension of Rs 2.38 crore from the month of sanction (2,149 beneficiaries) in Agra and Barabanki districts. Pension was paid from April 2008 (25643 beneficiaries) in Sitapur district though the pension was sanctioned in these cases in June 2008.
- In Allahabad and Bulandshahar districts³, payment of pension in respect of 1,876 applicants sanctioned during December 2001 to April 2008 was made with the delay of one to 32 months for no reason on record. Delay in payment of pension deprived of social security money to the destitute and defeated the objective of the scheme.

2.4.7.6 Non-payment of pension

Eight hundred fifty three persons were not paid old age pension after a lapse of one to five years from the date of sanction

The responsibility for verification of the eligibility of the applicants and to forward the pension documents to the DSWOs rests with the pension sanctioning authorities, viz, village *panchayats* in rural areas and SDM in urban areas. Sanctions submitted for payment without proper documents are to be returned by the DSWOs to the sanctioning authorities to remove the discrepancies noticed. Retention of sanctions by the DSWOs without any valid reasons denied payment of pension to eligible persons.

Test check of records of the four DSWOs⁴ revealed that 853 sanctions received during 2004-09 were not considered for payment for want of bank account number/verification reports of the persons. These were not even returned to the sanctioning authority for completion (March 2009). This resulted in non-payment of pension to 853 old destitutes for the last one to five years.

2.4.8 Evaluation

The scheme was not evaluated during 2004-09 to assess the shortcomings in its implementation for remedial measures.

2.4.9 National Family Benefit Scheme

Thirty four per cent beneficiaries were paid family benefit with a delay of one to 44 months

The scheme was introduced by the GOI on 15 August 1995 for one time Central assistance of Rs 10,000 to BPL households on the death of primary breadwinner of the family if he/she died between the age of 18 and 64 years. The Government directed (June 2006) that the lump sum family benefits to the beneficiaries would be released within one month from the date of receipt of the application as to save the household from starvation, due to the death of the earning member. In case of non-availability of funds, DM was authorized to draw the amount from treasury to be recouped subsequently on receipt of

³ Allahabad: 1760 and Bulandshahar: 116.

⁴ Agra: 485 cases, Allahabad : 95 cases, Lucknow : 234 cases, and Mau: 39 cases.

allotment. The Government decided (June 2006) to pay an additional amount of Rs 10,000 from its own exchequer (total assistance: Rs 20,000) to the above families. During 2005-09, Rs 384.95 crore was disbursed to 2.20 lakh families. Scrutiny of records revealed:

- A total of 57,337 beneficiaries (34 *per cent*) out of 1.67 lakh beneficiaries during 2006-09 were paid the lump sum assistance with a delay of one to 44 months against the prescribed time limit of one month. Delay in payment defeated the objective of the scheme to save the families of the deceased from starvation/hardship.
- Annual income ceiling of Rs 19,884 for rural house-holds and Rs 25,546 for urban households was fixed for payment of one time assistance. The GOI's guidelines envisaged that the sanctioning authority shall have the right to recover payments made on the basis of false or mistaken information about eligibility. In Agra, payment in 22 cases involving Rs 4.40 lakh was made during 2007-08 to the families of the deceased persons whose age or yearly income was above the prescribed limit.

In reply, DSWO stated (June 2009) that applications duly sanctioned by the SDM were received and as such payment was made. The reply was not tenable as eligibility age, income, etc., given in the applications of the beneficiaries was to be scrutinized by DSWO before making payments. No action was taken against officials responsible for payment to ineligible persons.

2.4.10 Conclusion and Recommendations

2.4.10.1 *Improper survey and inadequate monitoring*

Survey conducted to identify the eligible persons for grant of pension under old age pension schemes was unreliable. Monitoring was weak as State Level Committee (SLC) and District Level Committee (DLC) were not constituted. Dovetailing of old age pension schemes with other poverty alleviation schemes, as envisaged, was not done. No data base of pensioners was prepared.

Recommendations: Identification of pensioners should be made after proper survey of old poor destitute. SLC and DLC should be constituted for effective monitoring. The Government should ensure linking of old age pension schemes with other poverty alleviation schemes to extend medical facility, etc to old destitute. A database having all relevant fields, viz, name, father/husband's name, age, caste, village, date of sanction and pension number of each beneficiary should be prepared at the district level to streamline and ensure timely payment of pension to eligible persons.

2.4.10.2 *Implementation of the old age pension schemes*

In a large number of cases, excess and double payment of pension was found besides, payment to ineligible persons. Hundred *per cent* physical verification required to be done every six month to weed out ineligible/bogus beneficiaries, was not carried out in any year.

Recommendations: Responsibility of erring officials who had sanctioned pension to ineligible persons or had paid excess and double pension, should be fixed and recovery affected from them to prevent recurrence of such cases. Physical verification of payment of pension should be carried out at least once in a year in hundred *per cent* cases for weeding out ineligible pensioners.

2.4.10.3 Implementation of National Family Benefit Scheme

There was delay of one to 44 months in payment of assistance to 34 *per cent* beneficiaries. Delay in payment defeated the objective of the scheme to save the families of the deceased from starvation/hardship. Payments to ineligible persons were also noticed.

Recommendations: The Government should ensure payment of lump sum assistance to beneficiaries within one month to save them from starvation/hardship. DSWOs should ensure thorough scrutiny of applications to prevent payments to ineligible persons.

The matter was referred to the Government (October 2009); their reply had not been received.

Agriculture Department

2.5 Bhoomi Sena Yojna/Kisan Hit Yojna

Executive Summary

The State Government introduced Bhoomi Sena Yojna in the State in 2005-06 with the objective to treat *usar*, ravine and wasteland to increase productivity of food grains and horticulture crops, construction/renovation of ponds for fish farming and to allot treated community land to landless people besides, providing employment to local people. Funding of Bhoomi Sena Yojna was stopped from October 2007 and a new scheme, Kisan Hit Yojna, with the same objectives launched in its place in October 2007.

A total area of 62.27 lakh hectares of problematic land including agricultural/non-agricultural, ravine and wasteland, *usar* land, waterlogged land had been identified for treatment in April 2005. The Government spent Rs 526.21 crore for treatment of 5.47 lakh hectare of land during 2005-09. Performance review of the scheme revealed:

- The data of ravine land available in various districts of the State was not validated prior to start of the scheme.
- Target for the treatment of land was fixed without taking any work plan from the Bhoomi Sanrakshan Adhikaris. No provision for treatment of *Gram Samaj* land for allotment to the agricultural landless labourers was made in work plan. Inadequate monitoring at State and districts levels affected adversely the treatment of different kinds of land. *Zila Samiti* meetings were also not held regularly which delayed approval of the projects and their execution.
- Incorrect financial progress was reported each year to the Directorate by Bhoomi Sanrakshan Adhikaris as they reported expenditure without obtaining utilization certificates from Site Implementing Committees.
- Partial treatment of 988 hectares *usar* land due to non-availability of water for mixing of gypsum and stoppage of drain work on 47 projects mid way affected adversely the target fixed for treatment of land.
- Due to improper planning of the projects, three Bhoomi Sanrakshan Adhikaris employed daily labourers from outside violating the scheme guidelines. Payment to daily labourers was delayed by 15 to 222 days in 19 test checked Bhoomi Sanrakshan Adhikaris against the prescribed one week for payment.
- BSAs did not furnish the details of treated land to District Magistrates for their entries in Revenue records to update the data of different kinds of land.
- Performance of six Bhoomi Sanrakshan Adhikaris out of nine in converting the non-agricultural land into agricultural land was below the norm ranging from 26 to 80 *per cent*. The shortfall in productivity of food grains was from 10 to 62 *per cent* during 2008-09 on the treated land in seven out of nine BSAs.

2.5.1 Introduction

The Government launched Bhoomi Sena Yojna (BSY) in the State in 2005-06 with a view to treating *usar* (sodic land), ravine and waste land to increase productivity of foodgrains, horticulture products and constructing/renovating of ponds for recharging the ground water and fish farming. The scheme also envisaged allotment of treated land under Government/panchayat control to landless people and providing employment to rural people. Agriculture Department was the nodal Department for implementation of the scheme.

Funding of BSY was stopped with effect from October 2007 and a new scheme, Kisan Hit Yojna (KHY), with same objectives, launched in its place in October 2007.

2.5.2 Organisational set up

Agriculture Production Commissioner assisted by the Principal Secretary, Agriculture at the Government level, Director of Agriculture assisted by Additional Director of Agriculture, Soil Conservation (SC) at the Directorate level, Joint Director, Agriculture assisted by Deputy Director (SC) at divisional level and Bhoomi Sanrakshan Adhikari (BSA) at District level were responsible for implementation and monitoring of the scheme. At block level, Soil Conservation Inspector and at village level, Site Implementation Committee (SIC) assisted by Assistant Soil Conservation Inspector were responsible for execution of the scheme.

2.5.3 Audit objectives

The performance audit of the scheme was to assess whether:

- planning and monitoring of the implementation of the scheme were adequate;
- funds earmarked for the schemes were utilised optimally;
- projects were executed economically and efficiently; and
- evaluation of the scheme was carried out for mid-way correction.

2.5.4 Scope of audit and methodology

The performance audit seeks to assess the implementation of the scheme during 2005-09. Records of Agriculture Department in the Secretariat, Directorate of Agriculture, Lucknow, 19¹ (out of 97) offices of BSAs in the State and three² (out of 16) divisional offices were scrutinised from March 2009 to August 2009. Besides, records of 95 SICs (five SICs in each BSA) working under 19 BSAs were also test checked. Government's reply was received and incorporated at appropriate places in the review.

¹ Azamgarh, Banda-I, Barabanki (Gomti), Bareilly, Bijnor, Chandauli, Chopan, Jaunpur-II, Jagdishpur at Sultanpur, Kushinagar, Mathura, Mau, Mahamayanagar, Mirzapur, Moradabad, Muzaffarnagar, Pilibhit, Sant Kabirnagar and Sant Ravidasnagar (Bhadohi)

² Azamgarh, Banda and Bareilly

Audit findings
2.5.5 Planning and monitoring**2.5.5.1 Improper assessment of ravine land**

The Department had not carried out any survey on problematic areas before commencement of the BSY/KHY. However, an area of 62.27 lakh hectares of problematic land including agricultural/non-agricultural, ravine and waste land, *usar* land, waterlogged area was exhibited in the State work plan (2005-06) which was based on Agricultural Statistics booklet 2000-01, Wasteland Atlas of India-2000 and National Remote Sensing Agency-2003. The Director Agriculture stated (October 2009) that the data was validated by the BSAs before implementing the scheme. Test checked BSAs, except BSA Bareilly, stated (April-August 2009) that no such survey was conducted by them.

Though the data of Agricultural Statistics booklet 2000-01, Wasteland Atlas of India-2000 and National Remote Sensing Agency-2003 did not show ravine land in Bareilly, Mahamayanagar, Muzaffarnagar and Pilibhit, targets were fixed and achieved for treatment of 9,020 hectares³ of ravine land during 2005-09. This indicated that the assessment data was not validated by a proper survey of the Department.

2.5.5.2 Non-provision for treatment of Gram Samaj land

The scheme aimed at providing land ownership to the socially backward and landless agricultural labourers by allotment of *Gram Samaj* land. However, provision for treatment of *Gram Samaj* land and allotment of such land to landless rural people was not made under the annual work plan at the State level in any year during 2005-09. BSAs had also not selected *Gram Samaj* land for allotment to the landless. The Director of Agriculture at State level and BSAs at district level had also not made any effort to obtain details of unallotted *Gram Samaj* land from Revenue Department for making provision under State work plan.

The Government replied (December 2009) that no physical target for allotment of such land was possible under the scheme. Reply was not tenable because as per scheme objectives, the Department was responsible for treatment of degraded *Gram Samaj* land and its allotment through Revenue Department.

2.5.5.3 Fixation of targets

The BSAs had not prepared work plans as per their requirements to give feed back to the Directorate for fixation of targets and budget allotment. The Director of Agriculture prescribed physical target for treatment of category-wise problematic land to the BSAs on his own. On the basis of these targets, funds were allotted as per prescribed scale of Rs 10,000 per hectare under BSY and

Gram Samaj land was not treated for allotment to landless labourers

³ Bareilly: 1,690 hectares (Rs 2.39 crore); Mahamayanagar: 2,705 hectares (Rs 3.51 crore); Muzaffarnagar: 2,995 hectares (Rs 3.98 crore) and Pilibhit: 1,630 hectares (Rs 2.14 crore).

Rs 15,000 per hectare under KHY for treatment of ravine land without considering the actual fund requirements of the BSAs. In 13 test checked BSAs⁴, works were completed at an average cost of Rs 5060 to Rs 14921 per hectare resulting in saving of Rs 3.39 crore. These savings were utilised on treatment of excess area under those projects without approval of the Government (*Appendix-2.5.1*). Thus, fixation of targets at the Directorate level without obtaining work plans from the BSAs and allotment of funds at uniform rate to all BSAs led to excess treatment of unapproved area.

2.5.5.4 Low priority of coverage for usar land

At the beginning of BSY on 1 April 2005, 5.62 lakh hectares of *usar*, 9.09 lakh hectares of ravine and 7.38 lakh hectares of waterlogged area were required to be treated. **Table 1** below indicates the year-wise target for treatment of different types of land and its percentage to total area.

Table 1: Targets for treatment of land

Year	Usar land		Ravine land		Waterlogged area	
	Target (hectares)	Per cent to total area	Target (hectares)	Per cent to total area	Target (hectares)	Per cent to total area
2005-06	9,300	1.65	18,868	2.08	22,200	3.00
2006-07	6,700	1.19	74,482	8.19	63,041	8.54
2007-08	5,000	0.89	82,710	9.09	85,366	11.56
2008-09	5,000	0.89	70,000	7.70	64,000	8.67
Total	26,000		2,46,060		2,34,607	
	4.6 per cent of total area		27 per cent of total area		32 per cent of total area	

(Source: Directorate of Agriculture)

Against 27 per cent and 32 per cent of ravine and waterlogged area, less than 5 per cent *usar* land was targeted. *Usar* land was given least importance compared to ravine and waterlogged area.

The Government replied (December 2009) that as U.P. Bhoomi Sudhar Nigam (Nigam) was carrying out the treatment of *usar* land under other schemes, priority was not given to *usar* land under BSY/KHY. The reply was not tenable as the Nigam implemented the said schemes only up to 2005-06 whereas the area of *usar* land targeted for treatment was reduced from 1.65 per cent (2005-06) to 0.89 per cent (2008-09) of the total area.

2.5.5.5 Monitoring of the scheme

Monitoring of the scheme was to be done at State, Division and District level. A State level committee under the chairmanship of Agriculture Production Commissioner (APC), a committee under the chairmanship of Commissioner at the Division level and, a committee under the chairmanship of District Magistrate at District level were constituted. Periodicity of meetings for monitoring at State level was not prescribed in the guidelines. At division level, monthly and at district level, fortnightly meetings were required to be held to ascertain progress of the work and issue of necessary instructions.

⁴ Azamgarh, Banda-I, Barabanki (Gomti), Bijnore, Kushinagar, Chandauli, Chopan, Mathura, Mau, Mirzapur, Muzaffarnagar, Sant Kabirnagar and Sant Ravidasnagar

Monitoring was weak as number of meetings held was much less than the prescribed norms

At State level, no meeting was organised during 2007-09. At divisional level, monthly meetings were organised in the test checked three divisions, viz., Azamgarh, Banda and Bareilly. At district level, 13 BSAs held 1 to 16 meetings during 2005-06 to 2008-09 against 24 meetings required in a year. Non-holding of meetings at different levels as prescribed resulted in deficient monitoring of the scheme.

2.5.5.6 Non-holding of meetings of Zila Samitis regularly

Zila Samiti meetings were not held as scheduled which delayed approval of the projects

Bhoomi Evam Jal Sanrakshan Adhiniyam, 1963 (Act) provided establishment of *Zila Samiti* headed by the District Magistrate (DM). The *Zila Samiti* was responsible for consideration and approval of the projects and to ensure their proper implementation. The meetings of *Zila Samiti* were to be conducted at least once in two months or as often as the Chairman of the *Zila Samiti* required. Records revealed that against the minimum prescribed six meetings in a year, only one to two meetings were held during 2005-06 to 2008-09 in test checked BSAs, except four meetings (2006-07) in Sant Kabirnagar and three meetings (2007-08) in Azamgarh. In the absence of regular meetings, timely approval of the projects by the *Samitis* could not be obtained and avoidable delays in execution of the projects occurred.

The Government replied (December 2009) that the meetings could not be held as prescribed due to engagements of the Chairman, *Zila Samiti*. Fact however, remained that non-holding of meetings regularly not only violated the provisions of the Act but also delayed the approval of the projects.

2.5.6 Financial performance

2.5.6.1 Allotment and expenditure

Year-wise provision of budget allotments and expenditure thereagainst during 2005-06 to 2008-09 is given in **Table 2**.

Table 2: Budget allotment and expenditure

(Rs in crore)

Year	Name of the Scheme	Allotment	Expenditure
2005-06	BSY	40.00	40.00
2006-07	BSY	113.85	113.85
2007-08	BSY	11.20	11.20
	KHY	190.66	190.66
2008-09	KHY	170.54	170.50
Total		526.25	526.21

(Source: Directorate of Agriculture)

BSA reported incorrect expenditure to the Directorate

Scrutiny of records in 19 test checked BSAs revealed that the allotted amounts were shown as utilised at the end of each financial year by the BSAs, whereas the amounts as per details given in **Table 3** were lying unutilised with SICs at the end of the respective financial years.

Table 3: Transfer of funds to SICs

(Rs in crore)

Year	Amount received by the test checked BSAs and transferred to SICs		Balance at the end of financial year with SICs	
	Amount	No. of SICs	Amount	No. of SICs
2005-06	6.81	173	0.43	46
2006-07	23.72	443	1.22	111
2007-08	55.01	702	8.39	248
2008-09	49.19	637	1.77	135
Total	134.73	1955	11.81	540

(Source: BSAs)

Thus, the financial progress was misreported to that extent by the test checked BSAs.

2.5.6.2 Non-receipt of utilization certificates from SICs

Scrutiny revealed that seven test checked BSAs had transferred Rs 47.37 crore to 870 SICs' bank accounts during 2005-06 to 2008-09 for execution of works and furnished utilization certificates (UCs) to the Director of Agriculture without obtaining UCs from SICs and without ensuring utilisation of funds at the SICs level.

2.5.7 Project management

2.5.7.1 Physical targets and achievements

The position of physical targets and achievements during 2005-09 is as indicated in **Table 4**.

Table 4: Physical target and achievement

(Area in lakh hectares)

Year	Name of the scheme	Target for treatment	Achievement	Excess treatment
2005-06	BSY	0.51	0.53	0.02
2006-07	BSY	1.45	1.55	0.10
2007-08	KHY	1.74	1.85	0.11
2008-09	KHY	1.40	1.54	0.14
Total		5.10	5.47	0.37

(Source: Directorate of Agriculture)

Excess land was to be treated by the BSAs with Government's prior approval so that the Government could release funds next year for the second phase, i.e., crop production for additional treated land also. Records in 13 test checked BSAs, however, revealed that 3,352 hectares of ravine land had been treated in excess of their targets without Government's approval. Consequently, funds for the second phase for crop production were not made available in respect of additional land treated.

Government replied (December 2009) that assistance for crop production was made available to the beneficiaries on proportionate basis from available funds. The reply confirmed that assistance for crop production was given below norms and hence, enhanced crop productivity after treatment of land, could not be ensured.

2.5.7.2 Treatment of *usar* land

According to scheme guidelines, treatment of *usar* land was to be done in two years. In the first year, land development works including bunding, leveling, construction of water and field drains, construction of link drains, boring work and procurement of gypsum were to be undertaken. In the second year activity like mixing of gypsum, arrangement for green manures and cultivation of paddy crop was to be undertaken. One tube well for every four hectares of *usar* land to provide water/irrigation was necessary for the treatment. Where necessary, the boring work for tube well was to be carried out by Minor Irrigation (MI) Department by dovetailing from free boring scheme. Records, however, revealed:

- BSA, Chandauli was allotted 400 hectares of *usar* land for treatment during 2005-06. The first year's work of treatment of *usar* land was carried out in 2005-06 at a cost of Rs 49 lakh. However, treatment with gypsum, green manures and cultivation of paddy targeted for the second year, could not be done in 328 hectares for want of irrigation facility either of the farmers themselves or by the MI Department even after lapse of more than three years (August 2009). As a result the objectives of treatment of *usar* land, even after incurring an expenditure of Rs 40 lakh could not be achieved.
- BSA, Mau carried out development work of 400 hectares of *usar* land in 2005-06 at a cost of Rs 49.56 lakh. No boring for irrigation was carried out rendering the development work infructuous.
- BSA, Azamgarh, Mau and Sant Ravidasnagar were allotted 700 hectares for treatment during 2008-09. Out of 700 hectares, 260 hectares land which was developed during 2008-09 at a cost of Rs 27.30 lakh did not have water facility for treatment with gypsum. Sixty five borings proposed by the MI Department were not undertaken till the gypsum mixing period (June 2009) was over. It was observed that BSAs, Mau and Sant Ravidasnagar did not transfer Rs 1.40 lakh and Rs 0.14 lakh to MI Department for boring work and the money was lying in SIC's bank accounts (July 2009). BSAs, Mau and Sant Ravidasnagar replied (August 2009) that the funds were not transferred to MI Department for want of estimates from that Department.

It would be seen from the above that the Department did not have proper planning and coordination with MI Department for installation of tube wells which were necessary for treatment of *usar* land. This resulted in unfruitful expenditure of Rs 1.17 crore. The Government replied (December 2009) that gypsum mixing was made from rain water. Reply was not tenable as mixing of gypsum was scheduled in the month of June, when rain water was not available.

Short procurement of gypsum

BSY and KHY guidelines provided that, on an average, five metric tonne (MT) gypsum per hectare were required for reclamation of *usar* land.

Due to non-mixing of gypsum in *usar* land, expenditure incurred on the first phase of work became unfruitful

Records revealed that required quantity of gypsum was not made available to the BSAs as per prescribed norms for treatment of *usar* land during 2005-09. The details of year-wise gypsum required and actual supplies at State level were as in **Table 5**.

Table 5: Supply of gypsum

Year	No. of BSAs to whom gypsum supplied	Target (in hectare)	Required quantity of gypsum (in MT)	Actual quantity supplied (in MT)	Short supply (in MT)
2005-06	30	9,300	46,500	41,936	4,564
2006-07	26	6,700	33,500	30,719	2,781
2007-08	28	5,000	25,000	24,565	4345
2008-09	28	5,000	25,000	22,809	2,191

(Source: Directorate of Agriculture)

The Government replied (December 2009) that the mixing of gypsum was done by providing gypsum to the farmers as per requirement of the land and efforts were made for the complete supply of gypsum. It was clear from the reply that required quantity of gypsum was not used for treatment which, in turn, affected proper treatment of *usar* land.

2.5.7.3 Treatment of waterlogged areas

According to scheme guidelines, water drains were required to be constructed/renovated to drain out the water from waterlogged areas. The construction/renovation of drains was to be planned beginning from the waterlogged area to the water drains.

Records of BSAs, Mathura, Moradabad, Sant Kabirnagar and Pilibhit revealed that BSAs had taken up 47 projects involving 8,442 hectare area for construction/renovation of water drains during 2007-09. Against this, 6,567 hectares only was covered and remaining 1,875 hectares (22 per cent) were left incomplete involving all the 47 projects, at the end of the each year, as detailed in **Table 6**.

Table 6: Non-coverage of planned area

Name of BSA	Year	Target of the projects (in hectares)	No. of projects	Planned area (in hectares)	Total area actually treated (in hectares)	Expenditure (Rs in lakh)	Area left from construction (in hectares) (column 5-6)
1	2	3	4	5	6	7	8
Mathura	2007-08	1537	9	1,681	1,537	76.85	144
	2008-09	2686	15	3,371	2,686	134.30	685
Moradabad	2007-08	370	4	1,008	370	18.50	638
	2008-09	1033	9	1,259	1,033	51.63	226
Sant Kabirnagar	2007-08	474	4	552	474	22.50	78
Pilibhit	2007-08	467	6	571	467	23.35	104
Total		6,567	47	8,442	6,567	327.13	1875

(Source: BSAs)

Due to incomplete work on waterlogging projects, Rs 3.27 crore became unfruitful

Due to 22 per cent of works remaining incomplete, the objective of solving the problem of water logging and increasing the crop production could not be achieved. Besides, the expenditure of Rs 3.27 crore made thereon remained unfruitful. The incomplete works were not taken up even during the next year. The Government replied (December 2009) that the construction/renovation of drains was completed in the required length. Reply was not correct as the projects shown in the above table remained incomplete as noticed in test check.

Execution of works without No Objection Certificate

To avoid duplicacy of works, District Magistrate, Pilibhit instructed the Executive Engineer, Irrigation to prepare a master plan in respect of construction of water drains. The Departments engaged in construction of drains were to obtain 'No Objection Certificate' (NOC) from Irrigation Department before selection of works of water drains.

BSA, Pilibhit took up (June 2008) five projects of construction of drains costing Rs 18 lakh after approval from *Zila Samiti* without taking NOC from the Irrigation Department. The work was discontinued after spending Rs 3.49 lakh on two projects (up to 15 January 2009) as these projects had also been taken up under National Rural Employment Guarantee Scheme by Rural Development Department. Thus, due to non-obtaining of NOC, Rs 3.49 lakh spent by the Department became unfruitful.

The Government replied (December 2009) that the selected projects were approved by the *Zila Samiti* of which, Executive Engineer of Irrigation Department was also a member. It was further stated that such works were also executed by the *Gram Panchayat, Kshetra Panchayat* and *Zila Panchayat* but no NOC was obtained by them. The Government's reply showed that BSA contravened the implementation guidelines of the scheme despite the Government being aware of such violations.

2.5.7.4 Employment to local labourers

Non-engagement of local labourers in execution of work

The scheme aimed at providing employment on the daily wages to the local labourers habitating in the project area. Records of four test checked BSAs revealed that during January 2007 to March 2007 and January 2008 to March 2008, the number of labourers engaged on various projects under these BSAs ranged from 69 to 1540 against 46 to 396 beneficiaries actually residing in the project area as per details given in **Table 7**.

Table 7: Engagement of outside labourers

Name of BSA	No. of projects	Year	Date of start	Date of completion	No. of labourers engaged per day	No. of labourers actually available in project area
Chopan	16	2006-07	1-1-2007	28-3-2007	69-738	46-125
Jaunpur-II	7	2007-08	1-1-2008	29-3-2008	114-408	69-175
Sant Ravidasnagar	8	2007-08	14-3-2008	31-3-2008	293-1540	170-396
Azamgarh	3	2007-08	15-3-2008	31-3-2008	200-861	106-140

(Source: BSAs)

Labourers were engaged from outside of the project area in violation of guidelines

As will be seen from the Table, a large number of labourers outside the project area were engaged on the projects in violation of the scheme guidelines.

The Government replied (December 2009) that due to importance of the work, the labourers were engaged from outside to complete the work before the end of the financial year. Reply was not tenable as by formulating plans at the beginning of the year, as per the guidelines and executed projects during April to March, engagement of labourers from outside the project area could have been avoided.

Delay in payment to labourers

Labourers were paid with a delay of 15 to 222 days

As per scheme guidelines, daily labourers were required to be paid on weekly basis and muster rolls prepared accordingly. However, in 19 test checked BSAs, in spite of availability of funds, 123 SICs delayed payment of Rs 8.11 crore for 15 to 222 days during 2005-09.

The Government replied (December 2009) that the delay in payment to labourers occurred due to insufficiency of funds at SIC level, time taken in setting right sub-standard works and the Chairman of the *Samiti* being outside for a long time. Reply was not tenable as BSAs were responsible to ensure the payments to labourers on weekly basis. Moreover, funds were available with the SICs.

2.5.7.5 Renovation of ponds for water farming

As per scheme guidelines, ponds were to be renovated, *inter alia*, for water farming, viz., fisheries/*singhada* (water chest nut) production, recharging of underground water and irrigation purposes.

Ponds were not utilized for fish farming

Scrutiny revealed that eight BSAs had renovated 108 ponds in 204 hectares area, at a cost of Rs 1.52 crore but the ponds were not utilised for fisheries/*singhada* production to increase the income of beneficiaries. The ponds were used only for water recharging and irrigation. Government replied (December 2009) that the main objective of renovation of ponds was water recharging and irrigation. Reply was not tenable as water farming was also to be done in the renovated ponds to augment the income of the beneficiaries as per the scheme guidelines.

2.5.7.6 Non-entry of completed projects in revenue records

Uttar Pradesh Bhoomi Evam Jal Sanrakshan Adhiniyam, 1963 (Act) provided that BSA would prepare scheme-wise details of works executed within three months of their completion in the prescribed *pro forma* (Number 16) for submission to DM concerned alongwith a map indicating the land where work was done. After necessary verification, DM would send the same to concerned Sub-Divisional Magistrate (in-charge of the sub-division concerned) to make necessary entry in the village revenue records.

Records, however, revealed that the test checked BSAs had not sent the required details of executed works to the DM for entry in the revenue records.

Government replied (December 2009) that action was being taken to furnish the details of treated land under *pro forma* number 16. The Department by ensuring necessary entries in revenue records, the chances of duplicity of works by executing agencies could have been eliminated.

2.5.7.7 Physical verification of projects

The Government prescribed norms for periodic inspection and physical verification of the executed projects by the officers of different levels. Details of month-wise norms for inspection and physical verification of the projects and actually carried out there against are given in **Table 8**.

Table 8: Physical verification and inspection of projects

Physical verification of works was not carried out by the authorities as prescribed

Name of officer	Prescribed norms per month	Actually conducted
1	2	3
Director	Main projects	Nil
Additional Director	2 projects	Nil
Joint Director	3 projects	Nil
Joint Director (Extension)	2 projects	2 projects
Deputy Director	one project of each unit	one project of each unit
BSA	100 per cent	100 per cent

(Source: Directorate of Agriculture and BSAs)

It would be seen from the above table the physical verification was not done by the Director, Additional director and Joint Director during 2005-09.

2.5.7.8 Impact of the Kisan Hit Yojna on crop production

The scheme aimed at increasing the area of agricultural land by 15 per cent after treatment of non-agricultural land and to increase productivity of *Kharif* (main crop paddy) and *Rabi* (main crop wheat) crops by four and five quintals respectively per hectare under BSY/KHY.

Conversion of treated land into agricultural land was much below the norm

Director of Agriculture did not have complete data either of the land converted into agricultural land after its treatment or the data on increase in productivity of the land. Test checked BSAs also did not have complete data for the period 2005-09. However, as per information furnished by nine out of 19 BSAs test checked, shortfall in conversion of non-agricultural land into agricultural land in six BSAs ranged between 26 and 80 per cent of the prescribed norms (**Appendix-2.5.2**). In remaining three districts, achievement was in excess by 13 per cent to 217 per cent.

As regard increase in productivity, records of nine test checked BSAs revealed shortfall in seven BSAs ranging from 10 to 62 per cent during 2008-09 against the target of four quintals in *kharif* and five quintals in *rabi* on the land treated during 2007-08⁵ (**Appendix-2.5.3**).

⁵ Data in respect of 2006-07 and 2007-08 were not made available by BSAs to audit.

2.5.8 Evaluation of the scheme

Evaluation by the Department in every six months was also envisaged in the work plan of KHY but no such evaluation was carried out as of December 2009.

2.5.9 Conclusion and Recommendations

2.5.9.1 Improper planning and inadequate monitoring

The data of ravine land available in various districts of the State was not validated before start of the scheme. Targets for the treatment of land were fixed without taking any work plan from the Bhoomi Sanrakshan Adhikaris. No provision for treatment of *Gram Samaj* land for allotment to landless labourers was made in the work plan. Inadequate monitoring at the State and districts level affected adversely the treatment of different kinds of land. *Zila Samiti* meetings were also not held regularly which delayed approval of the projects and their execution.

Recommendations: Proper survey should be carried out to ascertain various types of land in different districts of the State. Treatment of *Gram Samaj* land should be included in the annual work plan which should be prepared taking inputs from BSAs. Monitoring should be strengthened and *Zila Samiti* meetings should be held regularly for approval of the projects without delay.

2.5.9.2 Deficient implementation

Usar land was treated inadequately due to non-availability of water. This not only affected adversely the targets of treatment of land for bringing more area under cultivation but also led to unfruitful expenditure on these projects. Revenue records were not updated with details of treated land in absence of which updated position of problematic land was not available

Recommendations: Water availability for mixing of gypsum should be ensured before taking up the projects for treatment of *usar* land to bring the area under cultivation as planned and also to avoid unfruitful expenditure on first phase of work. BSAs should ensure submission of details of treated land to DM for entry in Revenue records.

2.5.9.3 Engagement of labourers

Due to improper planning for execution of projects, labourers were engaged from outside of the project area, in violation of programme implementation guidelines. There was also delay in payment to labourers from 15 days to 222 days against the prescribed one week.

Recommendations: Projects should be formulated at the beginning of the year for execution during April to March to ensure engagement of local labour throughout the year. Payment to labourers should also be ensured by the BSAs in one week as envisaged in the scheme.

Chapter 3

Audit of Transactions

Audit of transactions of the Government departments, their field formations as well as that of the autonomous bodies brought out several instances of lapses in management of resources and failures in the observance of the norms of propriety and economy. These have been presented in the succeeding paragraphs under broad objective heads.

3.1 Non-compliance with rules and regulations

For sound financial administration and financial control it is essential that expenditure conforms to financial rules, regulations and orders passed by the competent authority. This not only prevents irregularities, misappropriation and frauds, but helps in maintaining good financial discipline. Some of the audit findings on non-compliance with rules and regulations are hereunder.

IRRIGATION DEPARTMENT

3.1.1 Irregular drawals and retention of Government funds outside the Government account

Rupees 1.26 crore were irregularly drawn from time to time and retained as Bank Drafts outside the Government account for one to 11 years entailing interest burden of Rs 15.59 lakh.

Financial rules prohibit drawal of money from treasury unless it is required for immediate disbursement. The rules also require the drawing officer to ensure that any money which is not likely needed during the year be promptly surrendered, so as to allow its re-appropriation for other purposes.

Records (June 2009) of the Executive Engineers (EEs) of four divisions¹ revealed that the budget allotments were made during the years 1998-2008 to these divisions for payment of land compensation to land owners. The EEs withdrew Rs 1.26 crore² from the treasuries and prepared Bank Drafts (BDs) in favour of land owners for payment of land compensation. The BDs prepared and revalidated from time to time were lying with the EEs as of June 2009. This irregular drawal and retention of amounts in the form of BDs outside the Government account for one to 11 years entailed interest burden of Rs 15.59 lakh, at the average borrowing rates of interest of the respective years.

On this being pointed out, the Government stated (July 2009) that BDs were prepared in favour of land owners towards cost of their land acquired by the department. The amount could not be disbursed as some land owners demanded increase in compensation and several others did not turn up for registration of

¹ Sharada Sahayak Khand -23, Azamgarh, Sharada Sahayak Khand- 32, Azamgarh, Irrigation Construction Division-II, Jhansi and Saryu Drainage Division-I, Gonda

² 1998-99 : Rs 0.35 lakh; 1999-00 : Rs 0.15 lakh; 2000-01 : Rs 0.22 lakh; 2001-02 Rs 0.03 lakh; 2002-03 : Rs. 1.71 lakh; 2003-04 : Rs.0.81 lakh; 2004-05 : Rs. 2.3 lakh; 2005-06 : Rs 19.66 lakh; 2006-07: Rs 48.32 lakh; 2007-08 : Rs 51.76 lakh; and 2008-09 Rs 1.14 lakh = **Rs 1.26 crore**

their land. It was also stated (August 2009) that the amount would be refunded. The reply was not tenable as drawal of money from the treasury without immediate requirement and its retention for one to eleven years outside the Government account was in violation of financial rules. The BDs had not been refunded as of September 2009.

3.1.2 Non-observance of financial rules leading to unfruitful expenditure

Non-observance of financial rules and provisions of the Forest (Conservation) Act, 1980 rendered the expenditure of Rs 1.45 crore on an incomplete Minor unfruitful.

Financial rules provide that no work should be commenced on land unless it has been duly made over by the responsible civil officer. The guidelines for diversion of forest land for non-forest purposes under the Forest (Conservation) Act, 1980 also stipulate that in case, construction work involves forest land in some stretches, the work even on non-forest land/reaches should not be started unless sanction for the use of forest land for non-forest purposes is obtained from the Government of India (GOI).

Records (September 2008) of the Executive Engineer (EE), Etawah Division Lower Ganga Canal, Etawah revealed that the Government accorded (June 2006) administrative approval and financial sanction to Rs 1.95 crore for construction of Ratha Minor System for irrigating 120 hectare during *Kharif* by this Minor.

The construction of Ratha Minor was started in September 2006 in intermittent reaches without acquiring 1.004 hectare land at its head (km 0.000 to km 0.200) which belonged to Scheduled Caste (SC) farmers and km 4.400 to km 6.200 (3.471 hectare) of forest land falling in its alignment. Due to these gaps at the head and middle portion of the Minor, the expenditure of Rs 1.45 crore incurred on the Minor was rendered unfruitful as water could not be made available to the farmers in its command area.

On this being pointed out, the Government stated (June 2009 and August 2009) that the matter for transfer of land of SC farmers was under process. As regards the forest land, acceptance of GOI had been received in principle in February 2007. The fact remained that the land of SC farmers in question had not been acquired yet and final approval of GOI had also not been received as conditions laid there had not been complied with by the department till August 2009.

Thus, commencement of work by the EE in contravention of financial rules/guidelines for diversion of forest land for non-forest purposes under the Forest (Conservation) Act, 1980 rendered the expenditure of Rs 1.45 crore on the Minor unfruitful, besides denying intended benefit of irrigation facilities to the farmers in the command area.

JAIL ADMINISTRATION AND REFORMS DEPARTMENT

3.1.3 Unfruitful expenditure due to non-observance of norms

Expenditure of Rs 1.02 crore on construction of four barracks and a circular wall without 18 feet high outer protective wall in disregard to the norms was rendered unfruitful.

As per the norms fixed (December 1995) by the Government, the jail should be encircled by two walls i.e. the main outer wall and the circular boundary wall of 18 and 16 feet height respectively.

Records of the Superintendent, District Jail, Saharanpur revealed (October 2008) that with a view to expanding the capacity of the existing District Jail, Saharanpur, the Government sanctioned (March 2004) construction of four barracks (capacity: 180 prisoners) with a 16 feet high circular wall at a cost of Rs 1.02 crore by December 2004 in the jail premises, encircled by the existing 18 feet high main outer wall. The construction work was assigned (March 2004) to the Uttar Pradesh Project Corporation Limited (UPPCL) and the amount transferred (March 2004) to its Personal Ledger Account. The site of the construction was inspected in April 2004 jointly by the Jail Superintendent, Saharanpur, the Assistant Engineer, UPPCL and the Assistant Engineer, Jails. It was decided to construct the barracks outside the existing 18 feet outer wall. The UPPCL completed and handed over (October 2005) the barracks (cost: Rs 1.02 crore) to the department. These barracks were not utilised for housing the jail inmates for over four years as these were constructed outside the wall of 18 feet due to which the security arrangements were incomplete.

Thus, due to improper decision of constructing the barracks and circle wall outside the existing outer wall, the expenditure of Rs 1.02 crore thereon was rendered unfruitful.

The Government, admitting the facts, stated (September 2009) that disciplinary action would be taken against the officers responsible for it. Action taken in this regard was awaited in audit (December 2009).

MEDICAL AND HEALTH DEPARTMENT

3.1.4 Purchases in violation of delegated financial powers

Chief Medical Officer, Gonda made irregular purchase of medicines and other items valuing Rs 63.57 lakh without requisite financial powers and from an unapproved firm resulting in extra expenditure of Rs 7.95 lakh.

The Chief Medical Officer (CMO) is competent to make purchases up to Rs one lakh as per Government order of March 2003. For purchases exceeding Rs one lakh, approval of higher authorities³ was necessary. Besides, as per the

³ Rupees 1-10 lakh, approval of the Head of the Department and above Rs 10 lakh, approval of the Administrative Department was necessary

State Drugs Purchase Policy (April 2004), CMO can purchase medicines at the rates approved in Central Medicine Store Depot's (CMSD) contracts. In cases, where no CMSD's rate contract exists, purchases may be made at Director General Supplies & Disposals' (DGS&D)/ Employees State Insurance Corporation's (ESIC) approved rate.

Test check of vouchers of CMO, Gonda and subsequent information collected revealed (April-May 2008) that the CMO placed two purchase orders (November 2007 and December 2007) for purchase of office furniture⁴ and various other items⁵ at a total cost of Rs 30 lakh with the Uttar Pradesh Upbhokta Sahkari Sangh (UPUSS) beyond his competence. The CMO also placed (August 2007 to December 2007) orders with this firm for purchase of medicines at a total cost of Rs 33.57 lakh for which rates were not approved by the CMSD. Of these, nine orders⁶ each costing over Rs one lakh were not within the competence of the CMO. The firm made the supplies including medicines during 2007-08 against which the payments were released to the UPUSS. In certain cases, rates paid to the firm were expensive than those of the DGS&D/CMSD/ESIC resulting in extra expenditure of Rs 7.95 lakh (*Appendix 3.1*).

Thus, CMO, Gonda in violation of the delegated financial powers made purchases costing Rs 63.57 lakh from an unapproved firm irregularly and at higher rates than those of the CMSD/ESIC/DGS&D.

The Government stated (September 2009) that the CMO had exceeded his financial powers and action was being taken against him. Action taken in this regard was awaited in audit (December 2009).

PUBLIC WORKS DEPARTMENT

3.1.5 Interest burden on funds drawn prematurely in violation of financial rules

Drawal of Rs 7.63 crore for purchase of bitumen without its immediate requirement and retention of Rs 5.52 crore outside the Government account for 13 months in violation of financial rules entailed interest burden of Rs 40.30 lakh.

Financial rules provide that ordinarily, material should be purchased only for work-in-progress and no stock reserve should be kept except with the specific sanction of, and within the money limit prescribed by the Government. Fictitious stock adjustments are strictly prohibited, specially debiting expenditure to a work by way of issue of materials not issued/required. Further, unspent money at the end of a financial year is to be surrendered, instead of making irregular drawal to keep it outside the Government account.

⁴ Moulded chairs (Rs 2.50 lakh).

⁵ Auto clove single drum (November 2007: Rs 3.01 lakh and December 2007: Rs 3.48 lakh), Instrument Sterilizer (November 2007: Rs 3.41 lakh and December 2007: Rs 4.01 lakh), Suction Apparatus Manual (November 2007: Rs 4.23 lakh and December 2007: Rs 1.52 lakh), Dressing Drums (Rs 2.51 lakh) and Stethoscopes (Rs 1.09 lakh)

⁶ Citrizen (10 mg): Rs 1.10 lakh, sterilizer rubber gloves: Rs 1.30 lakh, PCM (500 mg): Rs 1.68 lakh, Citrizen (10 mg): Rs 1.10 lakh, Metronidazole (400 mg): Rs 1.20 lakh, Gentamycin (80 ml): Rs 1.25 lakh, Povidone Iodine (15 gm): Rs 1.56 lakh, BB lotion (400 ml) Rs 1.40 lakh, Ointment Povidone (15 gm) Rs 1.48 lakh=
Rs 12.07 lakh

Records revealed (May 2007) that the Executive Engineer (EE), Construction Division (CD)–III, Gunnore, district Budaun, in violation of above provision drew Rs 7.63 crore on 31 March 2006 and prepared (April 2006) 82 Bank Drafts (BDs) for purchase of bitumen from M/s Indian Oil Corporation Ltd (IOC), Mathura. The bitumen was not immediately required as no supply order had been placed with the IOC for its procurement. The entire amount was debited (March 2006) directly to 36 road works to avoid lapse of the budget grant. The BDs for Rs 89.90 lakh and Rs 6.73 crore were handed over to IOC in June 2006 and September 2006 respectively as advance payment and supply orders for Rs 2.11 crore were issued in August 2006 and September 2006. Bitumen for Rs 2.11 crore was received up to March 2007 and for the remaining amount (Rs 5.52 crore) it was received between May 2007 and March 2008 and consumed up to July 2008.

It was thus, evident that the money was drawn from treasury without any immediate need and placing any supply order. Complete quantity of bitumen was received only up to March 2008 and consumed up to July 2008. This irregular drawal and retention of Rs 5.52 crore out of Government account for 13 months resulted in interest burden of Rs 40.30 lakh to the Government at the average borrowing rate of interest of 6.74 *per cent* during 2006-07.

Thus, drawal of Rs 7.63 crore for purchase of bitumen without immediate requirement resulted in retention of Rs 5.52 crore outside the Government account for 13 months entailing interest burden of Rs 40.30 lakh.

The Government, while accepting the facts during discussion (September 2009) assured that the department would ensure timely procurement of bitumen in future and take administrative action against the erring officers. Action taken was awaited (December 2009).

3.1.6 Avoidable extra expenditure due to non-adherence to instructions

Provision of first coat painting before the work of Premix Carpet with seal coat over WBM in contravention of E-in-C orders and technical specifications resulted in an avoidable extra expenditure of Rs 95.44 lakh.

As per directions (April 2005) of the Engineer-in-Chief (E-in-C), PWD, Lucknow if the work of premix carpet (PC) is provided as wearing coat in construction of rural roads, it should be done directly over top coat/Water Bound Macadam after applying prime coat followed by seal coat. These instructions were also in conformity with the Indian Road Congress (IRC) guidelines.

Records of the Executive Engineer (EE), Construction Division, PWD, Firozabad revealed (May 2008) that in construction of 28 rural roads during 2006-07 and 2007-08, the division made a provision of first coat painting (P₁) work instead of prime coat before the work of PC. An expenditure of Rs 42.18 lakh was incurred on P₁ in respect of 8 completed road works whereas in 20 other road works which were in progress, it worked out to Rs 53.26 lakh. This provision and payment of Rs 95.44 lakh there upon till March 2008 as detailed in the *Appendix 3.2* and *Appendix 3.3* was in contravention of E-in-C's existing orders and technical specifications.

Thus, non-adherence of E-in-C orders issued (April 2005) in conformity with IRC specifications resulted in avoidable extra expenditure of Rs 95.44 lakh.

On this being pointed out, the Government in its reply (August 2009) and also during discussion (September 2009) stated that the work of P₁ was done as per instructions issued by the E-in-C in September 2005. The reply was not tenable as the extant instructions of E-in-C were applicable to the construction of roads up to a length of 5 km in Vidhan Sabha constituencies only.

3.2 Audit against propriety and cases of expenditure without adequate justification

Authorisation of expenditure from public funds has to be guided by the principles of propriety and efficiency of public expenditure. Authorities empowered to incur expenditure are expected to enforce the same vigilance as a person of ordinary prudence would exercise in respect of his own money and should enforce financial order and strict economy at every step. Audit has detected instances of impropriety and extra expenditure.

AGRICULTURE AND OTHER ALLIED DEPARTMENTS (DAIRY DEVELOPMENT)

3.2.1 Unfruitful and injudicious expenditure on support facilities and milk chilling plant

Rupees 92 lakh as support to DUSS, Mau were not fruitfully utilised and decision to install a milk chilling plant at a cost of Rs 40 lakh was injudicious as the milk in requisite quantity was not available.

With a view to encouraging people in dairy farming, the department proposed a project under Integrated Dairy Development Project (cost: Rs 1.60 crore) in the year 2000 to the Government of India (GOI) for strengthening/revitalising existing Dugdh Utpadak Sahkari Sangh (DUSS), Mau at a cost of Rs 1.32 crore. The GOI approved (December 2000) it and released (December 2000 to April 2006) Rs 1.32 crore.

Records of DUSS, Mau revealed (November 2008) that 150 *samities* were to be formed with the objective of ensuring availability of 5,420 litre milk per day for the plant. The DUSS, Mau formed (2002-07) these *samities* and spent Rs 92 lakh on deworming of cattle, training of field staff, supply of kits, etc. The number of functional *samities* was highest (122) in 2005-06 which declined to 53 in 2006-07. The availability of milk from these *samities* also did not exceed 1,900 litres any time during the period. Nevertheless, a 5000 litre capacity plant was installed (December 2006) at a cost of Rs 40 lakh. The plant was underutilised resulting in increase in cost of processing of milk and a loss of 68 paise per litre⁷. The plant was closed in March 2007.

Thus, the expenditure of Rs 92 lakh did not yield desired results. Installation of a milk chilling plant at a cost of Rs 40 lakh without ensuring availability of requisite quantity of milk was not judicious.

The Government stated (October 2009) that action will be taken to transfer the

⁷ while the total receipts from sale of 1821 litre milk was Rs 22,761, expenditure stood at Rs 24,014 inclusive of Rs 3,984 due to operation of the plant.

chilling plant to other place for use. The reply was not tenable as the plant continued to be non-functional for about three years and its condition was likely to deteriorate.

HOUSING AND URBAN PLANNING DEPARTMENT

3.2.2 Improper demolition of infrastructure

Improper decision led to demolition of the infrastructure created at a cost of Rs 32.98 crore within six to ten years of their construction.

Records of Lucknow Development Authority (LDA) revealed (November 2008) that the Government, constructed a sports complex in 1998 on 15 acre of land with necessary infrastructure⁸ at a cost of Rs 6.72 crore for development of sports. Adjacent to it, Government also developed (2002) the Samajik Parivartan Shodh Sansthan Evam Sanghralaya (Sansthan) on seven acres of land and its infrastructure comprising, *inter alia*, administrative building, library, *Sampada* memorial and shared resources building at a cost of Rs 26.26 crore.

In May 2007, the LDA proposed the Government to construct a gallery (cost: Rs 488.75 core⁹) for installing statues of legendary personalities at the Sansthan and also give it a long lasting stability. A committee¹⁰ constituted (May 2007) to examine the proposal, recommended (May 2007) that the complex of the Sansthan should be re-planned keeping in view utility of the buildings. Government accepted (August 2007) it and released (2007-08¹¹) Rs 366.83 crore.

In March 2008, Government formulated a policy stipulating that the structures built by different departments could be demolished under recommendations of a Technical Committee after ascertaining their Net Present Values (NPVs). A decision on demolition was to be taken at appropriate level depending upon the NPVs of the structures and their age. The Committee, contrary to its earlier recommendations and without exploring the possibility of alternative site, recommended demolition of the buildings of the Sansthan and the sports complex as these were not integrating with the new project and the height of the sports complex was an obstruction to the view of the new structures. The demolitions were recommended by the Committee without ascertaining their NPVs. The Government issued (April 2008 and May 2008) demolition orders and the LDA dismantled (May 2008) these, incurring an expenditure of Rs 1.74 crore. The process involving constitution of the Technical Committee, obtaining its recommendations by the LDA and issue of demolition order by the Government was completed in a single day.

The decision of demolition of the buildings constructed at a cost of Rs 32.98 crore, within six to 10 years of their construction and without ascertaining their NPVs, for paving the way for installing statues of legendary personalities at the Sansthan and also give it a long lasting stability was improper.

⁸ A multi-purpose sports hall with wooden flooring, a gymnasium, an Olympic size swimming pool with filtration plant, four synthetic tennis courts, a 200 bedded sports hostel, etc.

⁹ Qualitative improvements and renewals at a cost of: Rs 366.83 crore; gallery at a cost of Rs 121.72 crore.

¹⁰ Chairman: Engineer-In-Chief, PWD; Members: Engineer-In-Chief, Irrigation, Chief Conservator of Forests, MD, UPRNN, Director, Horticulture and Chief Engineer, LDA.

¹¹ October 2007: Rs 114.09 crore; December 2007: Rs 135.94 crore and March 2008: Rs 116.80 crore.

The Government stated (May, June 2009) that the approval of the Cabinet was obtained and that the retention of structures was not justified in view of the requirement of the new project as their age had no relevancy. The reply was not acceptable as the Government policy on demolition did not spell out as to how the structures were to be graded for demolition, particularly with regard to their age. Demolition, within a short period, of major structures built at huge capital cost on the pretext of changed requirements indicated lack of proper planning for such structures built to stay for an appropriate minimum period.

3.2.3 Wasteful expenditure due to an injudicious decision

Injudicious decision of Muzaffarnagar Development Authority of creating infrastructure on a piece of land acquired by the National Highways Authority of India led to wasteful expenditure of Rs 35.53 lakh.

Muzaffarnagar Development Authority (MDA) decided (February 2002) to develop Transport Nagar on 11.416 hectare land which was acquired at a cost of Rs 10.85 crore in January 2004. Subsequently in November 2005, the National Highways Authority of India (NHAI) acquired¹² 1.86 hectare land of the proposed Transport Nagar for construction of National Highway (NH).

Records of the MDA revealed (November 2008) that it started building the infrastructure in November 2005 to develop the Transport Nagar. While the work was in progress, the NHAI in January 2006 informed the MDA that 1.86 hectare land¹³ of the proposed Transport Nagar was acquired¹⁴ by it for construction of NH and requested it to stop the construction activity. No work had been executed on this piece of land by February 2006. The MDA, disregarding the NHAI's assertion, created infrastructure like sewerage and overhead tank, etc., from March 2006 to November 2007 at a cost of Rs 60.71 lakh¹⁵ and requested (February 2006) the NHAI to divert the alignment of the proposed NH. The NHAI declined to divert the alignment, as provision of 5.5 metre wide road was made all along the alignment, for smooth flow of highway traffic. The MDA demanded a compensation of Rs 60.71 lakh from the NHAI against which compensation of Rs 25.18 lakh only was paid. This resulted in wasteful expenditure of Rs 35.53 lakh on the assets created by the MDA.

Thus, injudicious decision of creating infrastructure on 1.86 hectare land while being fully aware that the land had been acquired by the NHAI led to wasteful expenditure of Rs 35.53 lakh.

The Government stated (August 2009) that the infrastructure was created in anticipation that the NHAI would divert the alignment. The reply was not tenable as upon publication of declaration as per Section 3D (2) of National Highway Act, 1956, land vested absolutely with the Central Government free from all encumbrances.

¹² Gazette Notification (November 2005), under Sub-Sec. 3(1) of Section 3(A) of the National Highways Act, 1956.

¹³ Khasra no: 211, 212, 217, 585.

¹⁴ under Sub-Section 3(1) of Section 3(A) of the National Highways Act, 1956

¹⁵ sewerage (Rs 16.04 lakh), drainage (Rs 5.02 lakh), WBM (Rs 19.44 lakh) and overhead tank (Rs 11.08 lakh) earth filling (Rs 3.16 lakh), water supply (Rs 1.65 lakh) and others (Rs 4.32 lakh) at an expenditure of Rs 60.71 lakh.

IRRIGATION DEPARTMENT
3.2.4 Delay in execution of a project and cost overrun

Construction of parallel Deoband Feeder Channel without ensuring availability of land rendered it incomplete, even after incurring an expenditure of Rs 263.67 crore with a cost overrun of Rs. 201.54 crore due to delay in acquiring land.

Eastern Yamuna Canal (EYC) takes off from Left Bank of Hathni Kund Barrage constructed on river Yamuna in district Saharanpur. The EYC had a total Irrigation potential of 2.21 lakh hectare which was reduced to 1.53 lakh hectare due to regular drop in the water availability in Yamuna river because of scanty rains for last several years in the Yamuna basin and directions of the Supreme Court to make water available for Delhi State for drinking purposes. To overcome this problem, it was proposed to augment the supply of water in EYC by providing 1000 cusec of water which would be available from Tehri Dam Reservoir. The Chief Engineer, Madhya Ganga, Aligarh accorded (December 2003) technical sanction for the construction of Parallel Deoband Branch Feeder Channel (PDBFC) 55 Km¹⁶ long with 1100 cusec capacity at its head. Expenditure Finance Committee (EFC) approved (December 2003) the project for Rs 85.27 crore. Government accorded (February 2004) administrative and financial sanction to the project. The work was started in June 2004 with target date of completion in December 2006.

Records of the Executive Engineer (EE), Upper Ganga Canal Modernisation Division VI, Roorkee revealed (March 2009) that the work was executed in full length, except in 190 metre stretch (km 44.935 to 45.125) by incurring an expenditure of Rs 256.14 crore as of December 2008. The EE failed to acquire this stretch of land by the targeted date (December 2006) because of stay order of the High Court granted in August 1984 on a writ petition filed by one of the land owners against the orders of Deputy Director Consolidation. The fact of stay order being known to the division while framing the original project in October 2003, after a detailed survey and investigation, the EE made futile efforts to get the land through personal negotiations and also through special land acquisition officer. This delayed the completion of the project as a result of which the project cost was revised twice (October 2005: Rs 241.13 crore and January 2008: Rs 286.81 crore) leading to cost overrun of Rs 201.54 crore. The revised date of completion of the project was June 2008. The project remained incomplete as of June 2009.

On this being pointed out, the Government stated (July-August 2009) that the stretch of land in question has now been purchased (June 2009) from concerning cultivators and ninety-eight *per cent* work of construction of project has been completed (June 2009) except some safety works. The canal has been made operational though water being released is 600 cusec against targeted 1000 cusec of water. The reply was not tenable as lackadaisical approach in acquiring the land not only delayed the construction of the feeder channel but also resulted in cost overrun of Rs 201.54 crore.

¹⁶ Upper Ganga Canal Construction Division-I, Roorkee: km 0.0 to 37.0 and Upper Ganga Canal Construction Division-VI, Roorkee: km 37.0 to 55.00.

3.2.5 Idle investment on pumping machinery

Procurement of pumps, electric motors, etc., without synchronising it with the completion of civil works of the pump house rendered the investment of Rs 9.84 crore idle.

In a project constituting civil as well as mechanical works, it is a fundamental principle that the purchase of mechanical components, viz. pumps and motors should be synchronised with the completion of civil works of the project to ensure their commissioning in a time bound manner.

The Chief Engineer (Sone) Irrigation department, UP, Varanasi accorded (December 2002) technical sanction to Bhupauli Pump Canal Capacity Enhancement Project. Its administrative and financial sanction was accorded by the Government in May 2003. The project was to be completed by March 2005. The revised project estimate was sanctioned in May 2008 for Rs 85.62 crore. The mechanical components of the project increased from Rs 14.06 crore to Rs 27.59 crore. The Superintending Engineer (SE), Central Equipment and Store Purchase Organisation IDUP, Lucknow purchased pumps, electric motors and other equipment between March 2004 and July 2006 at a cost of Rs 9.84 crore.

Records of the Executive Engineer, Lift Irrigation Division, Varanasi revealed (March 2009) that the above pumps, electric motors, etc. were lying uninstalled in the division since last three to five years due to non-completion of the civil works of pump house which was being constructed by other divisions. This resulted in investment of Rs 9.84 crore on the pumping machinery lying idle.

On this being pointed out, the Government in its reply stated (June 2009) and during discussion in August 2009 that the machinery could not be installed due to non-completion of pump house, the completion of which was expected by March 2010. The reply indicated that purchase of the pumps and electric motors, etc. was not synchronised with completion of the construction of pump house, etc., the target date of completion of which had been extended by more than four years.

3.2.6 Incomplete remodelling and widening of a Nala

Incomplete remodelling and widening work of Chhoia Nala rendered the expenditure of Rs 3.62 crore unfruitful besides, avoidable expenditure of Rs 45 lakh on clearance of *thek* due to obstructions in flow of water in the incomplete three km of Nala.

Eastern Ganga Canal Project envisaged remodeling and widening of Chhoia Nala to increase the discharge capacity for flushing out water in its catchment area and of three escapes¹⁷ of Eastern Ganga Canal. Initially, the Chhoia Nala (length: 54.200 km) terminated near Bitraula farm in Bijnore district. The project was extended up to 64.200 km as river Ganga in due course of time

¹⁷ Nazibabad escape 7.5 cumecs, Kumhara escape 25.71 cumecs and Nahtaur escape 13.20 cumecs

changed its course and had gone 10 km away from Bitraula farm increasing the length of the Nala to 64.200 km. Chief Engineer (Eastern Ganga), Moradabad (CE) approved (June 2001) the remodelling and widening of Chhoia Nala up to 54.200 km length only.

Records of the Executive Engineer, Eastern Ganga Canal Construction Division-II, Haridwar (EE) revealed (April 2008) that the work executed at a cost of Rs 3.02 crore was not able to flush the water from Nala as it fell 10 km short of river Ganga at Bitraula Farm. Further scrutiny revealed, that a provision of 3.45 lakh cubic metre of earthwork for widening of Nala in 10 km stretch was included (August 2007) in the revised project for extending the Nala up to the river Ganga. The EE entered into (December 2007) two agreements for construction of seven km of Nala only and earth work of 1.69 lakh cubic metre was executed at a cost of Rs 60 lakh. No work was carried out in the remaining last three km, as according to the department this portion of land was plane and there was possibility of water flowing up to river Ganga without causing any damage. However, due to obstruction in flow of water in three km stretch, damage to crops was caused due to submergence of the catchment (forest) area by chemically polluted water of paper mills in the rainy season. The polluted water inundating the forest was also having deleterious effect on flora and fauna besides, creating *thek*¹⁸. The EE spent Rs 45 lakh during 2006-08 for removal of *thek*.

Thus, the expenditure of Rs 3.62 crore incurred on Chhoia Nala remained unfruitful as the Nala was not remodeled and widened in last three km stretch. Besides, an avoidable expenditure of Rs 45 lakh was also incurred on clearance of *thek*.

In reply, Government confirmed (August 2009) the facts and figures but stated that further construction of drain towards river Ganga was not required and as regards polluted water, a letter would be written to the District Magistrate. The reply of the Government is not correct as the Government had approved (February 2009) the revised estimates for increasing the height and bed width of the remaining three km stretch of the Nala.

PUBLIC WORKS DEPARTMENT

3.2.7 Excess payment to a contractor

Provision and approval of inadmissible rates in the estimate on untenable grounds and in violation of departmental instructions led to the excess payment of Rs 2.81 crore to a contractor.

As per departmental instructions, rates of various items of work for widening and strengthening of State Highways were to be analysed as per Standard Data Book¹⁹ published by Indian Road Congress (June 2003) for estimation purposes. Overhead charges featuring in the said data book comprised, *inter alia*, the payment of State taxes such as toll tax, value added tax (VAT), forest tax etc.

¹⁸ *Thek* is an obstruction created by silt to prevent the flow of water.

¹⁹ Standard data book for analysis of rates.

and, therefore, these were not allowed separately as reiterated (September 2008) by Engineer in chief (E-in-C).

Records of the Executive Engineer (EE), Provincial Division (PD), Banda, revealed (February 2009) that Government sanctioned (October 2007) Rs 18.90 crore for widening and strengthening of Fatehpur- Kartal State Highway from Chainage km 23.61 to km 59. The Chief Engineer (CE), Jhansi while according (December 2007) technical sanction (TS) ignored the departmental instructions, *ibid* and allowed forest tax on stone ballast and grit in addition to the provision of overhead charges in which it was already included. As the bid from a contractor was accepted for the above work by the SE, Banda at 15.4 *per cent* above the estimated rate, the excess payments of Rs 79.59 per cum was made to the contractor aggregating Rs 1.62 crore (**Appendix 3.4**). Moreover, the forest tax was payable to the contractor on production of receipts of actual payments by him to the Forest department. However, the division had paid the forest tax to the contractor without obtaining receipts from him. The Divisional Forest Officer of the region confirmed (August 2009) that the contractor had not paid any forest tax during the period from December 2007 to February 2009.

Besides, in case of departmental supply of bitumen, trade tax was to be paid to Oil Companies at the rate of four *per cent*, while in case of purchase by the private parties, it was payable at the rate of 20 *per cent* under Uttar Pradesh Trade Tax, Act. The Government issued notification on 20 December 2007 for implementation of VAT in the State from January 2008 wherein VAT on bitumen was brought down to four *per cent* and was uniformly applicable to the Government departments and private contractors.

However, the CE, Banda approved the rate of trade tax at 20 *per cent* in the detailed estimate (29 December 2007) in violation of the extant instructions irrespective of the fact that Notification for implementation of VAT was already issued on 20 December 2007 and was effective from 1 January 2008, wherein rates were brought down to four *per cent*. The SE, Banda, justified the higher rates on the ground that the trade tax was payable at 20 *per cent* of the cost of the bitumen and executed (31 December 2007) an agreement for construction of the said segment of the road. The EE supplied 173.32 MT of bitumen to the contractor against total requirement of 1,625.55 MT. The balance quantity of the bitumen was arranged by the contractor and EE, PD, Banda paid for the same at 20 *per cent* VAT instead of four *per cent* admissible during the above period. This resulted in undue benefit of Rs 1.19 crore to the contractor (**Appendix 3.5**).

During discussion, the Government stated (September 2009) that the above cases would be examined and action would be taken against erring officials. Action, if any, taken against the defaulting officers was not intimated (December 2009).

3.3 Failure of oversight/governance

The Government has an obligation to improve the quality of life of the people for which it works towards fulfillment of certain goals in the area of health, education, development and upgradation of infrastructure and public services etc. However, Audit noticed instances where funds released by Government for

creating public assets for the benefit of the community remained unutilised/ blocked and/or proved unfruitful/ unproductive due to indecisiveness, lack of administrative oversight and concerted action at various levels. A few cases have been discussed below.

ANIMAL HUSBANDRY DEPARTMENT

3.3.1 Non-appointment of veterinary staff leading to unfruitful expenditure on completed infrastructure

Due to non-appointment of veterinary doctors, pharmacists and extension officers, an expenditure of Rs 25.90 crore on 164 new veterinary hospitals and 26 new veterinary centres was rendered unfruitful. Besides, the objective of providing veterinary services was also not achieved.

With a view to extending veterinary health services in the State, the Government sanctioned (2006-07) Rs 27.16 crore²⁰ for construction of 174 new veterinary hospitals in 46 districts²¹ and 26 new veterinary centres in 10 districts²². The construction was assigned to four agencies²³ for completion between October 2006 and September 2007.

Records of the Directorate revealed (June 2007) that the agencies completed 148 hospitals and 26 centres (cost: Rs 23.52 crore) during 2007-08 and 16 hospitals (cost: Rs 2.38 crore) during 2008-09 and handed over these to the department in the respective years of their completion. The construction of the remaining 10 hospitals was not taken up. In August 2009, the Government sanctioned additional 444 temporary posts of veterinary doctors, pharmacists and extension officers to make these hospitals/centres functional. The posts were sanctioned up to February 2010 but no appointments were made as of September 2009. As a result, the hospitals and centres remained non-functional.

Thus, due to non-appointment of veterinary doctors, pharmacists and extension officers, the expenditure of Rs 25.90 crore spent on 164 veterinary hospitals and 26 veterinary centres was rendered unfruitful. Besides, the objective of providing veterinary services as stipulated by Government was not achieved.

The Government replied (July 2009) that the requisite manpower was provided in April 2008 to make these new veterinary hospitals and veterinary centres functional two days in a week. The reply was not tenable as none of 41 hospitals and 12 centres in nine test checked districts were functional during May 2008 to August 2009.

²⁰ 174 hospitals: Rs 25.87 crore (170 @ Rs 14.91 lakh; 3 @ Rs 7 lakh; 1 @ Rs 31.79 lakh) and 26 centres: Rs 1.28 crore @ Rs 4.93 lakh.

²¹ Agra, Mathura, Etah, Mainpuri, Firozabad, Aligarh, Hathras, Meerut, Baghpat, Ghaziabad, G.B.Nagar, Bulandshahar, Saharanpur, Muzzafernagar, Moradabad, J.P. Nagar, Bijnore, Rampur, Badaun, Bareilly, Lucknow, Unnao, Hardoi, Raebareilly, Kheri, Banda, Mirzapur, Sonbhadra, Allahabad, Kaushambi, Pratapgarh, Azamgarh, Mau, Ballia, Faizabad, Barabanki, Jaunpur, Ghazipur, Siddharthnagar, Gorakhpur, Kushinagar, Kanpur Nagar, Etawah, Auraiya, Farrukhabad, and Kannauj.

²² Agra, Mathura, Mainpuri, Hathras, Etah, Meerut, Bulandshahar, Muzzafernagar, Hardoi and Mau.

²³ UPPCL, Pacsfed, UP Jal Nigam, Cane Development Department.

HOUSING AND URBAN PLANNING DEPARTMENT

3.3.2 Avoidable payment of interest

Government's failure to observe principles of financial management by taking timely action to refund high interest bearing loans resulted in avoidable interest payment of Rs 28.51 crore.

Principles of financial discipline and management²⁴ provide that State should get full value out of money spent and the controlling officers be guided by this while taking action involving Government money.

The Government obtained (March 1998) interest bearing loans of Rs 56.93 crore²⁵ from the National Capital Region Planning Board (NCRB) to finance three schemes²⁶ of Hapur-Pilkhua Development Authority (HPDA) in National Capital Region. The principal amount with interest was repayable in five to seven equal yearly instalments²⁷. In August 1998, the Government allotted Rs 40.76 crore to the HPDA with the direction to utilise it by March 1999. The amount was kept in the PLA of HPDA in the treasury.

Records of the department revealed (June 2008) that HPDA did not draw the amount from the treasury on the ground that execution of the schemes could not be taken up due to change in sites and the non-acquisition of land. In June 1999, the HPDA submitted a proposal to the Government requesting for refund of the loans as the schemes could not be taken up for the execution. The Government did not refund the loans to the NCRB. In December 2001, in a meeting between the NCRB and HPDA it was, however, decided to refund the loan and the decision was communicated (December 2001) to the Government. The Vice Chairman, HPDA reminded the Government again in March 2002.

Though the Government was aware of non-drawal of the amount by the HPDA from the treasury and the funds lying idle, it did not refund Rs 56.93 crore to the NCRB. It retained the amount and refunded²⁸ the principal (Rs 56.93 crore) in yearly installments upto 2003-04 with interest thereon (Rs 28.27 crore) for the periods July 1999 to March 2004. Besides, it also paid (March 2008) 2.75 *per cent* penal interest of Rs 24.02 lakh on account of delay in payment of instalments.

Thus, retaining high interest bearing loan of Rs 56.93 crore by the Government in disregard to the principles of financial management resulted in an

²⁴ Chapter XIX of the State Budget Manual.

²⁵ Anand Vihar Residential Scheme: Rs 46.15 crore at the interest rate of 14 *per cent per annum*, Bus Stand Scheme: 2.22 crore at the interest rate of 13 *per cent per annum* and Transport Nagar Scheme: Rs 8.56 crore at the interest rate of 15 *per cent per annum*.

²⁶ Anand Vihar Residential Scheme, Bus Stand Scheme and Transport Nagar Scheme.

²⁷ Anand Vihar Residential Scheme: Rs 9.23 crore per annum, Bus Stand Scheme: 0.32 crore per annum and Transport Nagar Scheme: Rs 1.71 crore per annum.

²⁸ During April 2001 to April 2003, Rs 33.78 crore (out of Rs 56.93 crore), on account of principals was refunded in three equal yearly instalments and during April 1999 to April 2003 Rs 35.40 crore on account of interest in five instalments. In March 2004, the remaining principal of Rs. 23.15 crore was refunded together with interest of Rs 2.92 crore due thereon.

avoidable interest payment of Rs 28.51 crore for the period from July 1999 to March 2004.

The Government, in reply, stated (August 2009) that action will be taken against the responsible officers.

3.3.3 Non-identification of the beneficiaries resulting in unfruitful expenditure

Expenditure of Rs 56.49 lakhs on construction of 70 dwelling units for slum dwellers who were not identified rendered the expenditure unfruitful besides, defeating the objective of the scheme.

With the objective of rehabilitating the slum dwellers, Government of India (GOI) launched (2001-02) Valmiki Ambedkar Malin Basti Awas Yojna²⁹ for construction of dwelling units³⁰ by the development authorities on land to be provided free of cost by the Nagar Nigams. The construction cost (50 per cent) was recoverable from the slum dwellers and GOI was to provide remaining amount as subsidy. The District Urban Development Agency (DUDA) was responsible for identification of slum dwellers and State Urban Development Agency, Lucknow (SUDA) was the nodal agency at the State level.

Records revealed (January 2008) that SUDA sanctioned (2005-06) 65 dwelling units³¹ (cost ceiling: Rs 40 thousand) for construction by the Allahabad Development Authority (ADA) in District Allahabad and released subsidy of Rs 6.50 lakh to it. The Nagar Nigam, Allahabad, however, did not provide any land for the construction because of its poor financial position. Consequently, the ADA did not construct the units. Despite this, SUDA increased the target by 100 more dwelling units for construction by the ADA at an estimated cost of Rs 72.73 lakh and released (January 2006) additional subsidy of Rs 6.50 lakh. Against the target of 165 dwelling units, ADA constructed (March 2007) 84³² dwelling units on its own land³³ at a total cost of Rs 67.79 lakh (unit cost: Rs 80.07 thousand) which was in excess of the cost ceiling by Rs 17.39 lakh. Of 84 units, 14 slum dwelling units were allotted and the remaining 70 were lying vacant as DUDA, Allahabad had not identified slum dwellers as of December 2009. The Government intimated (May 2009) that excess cost of Rs 17.39 lakh would be recovered from the slum dwellers.

Thus, construction of dwelling units without identifying the slum dwellers rendered the expenditure of Rs 56.49 lakh (proportionate cost) on 70 units unfruitful. Besides, the slum dwellers were saddled with extra cost on account of development charges defeating the objective of providing dwelling to slum dwellers at subsidised cost.

²⁹ VAMBAY

³⁰ with a cost ceiling of Rs 0.40 lakh on 17.935 sq. mt land and Rs 60000 on 21 sq. mt land.

³¹ with a cost ceiling of Rs 0.40 lakh each.

³² Trivenipuram Avas Yojna: 15; Naini Avas Yojna: 36 and Kalandipuram Yojna: 33

³³ 1764 square metre

3.3.4 Lack of action against defaulters

Kanpur Development Authority suffered an interest loss of Rs 35.18 lakh due to investment of money in a non-scheduled bank besides, locking up of principal amount of Rs 40.60 lakh for an indefinite period. No action was taken against the defaulters.

With a view to earning interests on surplus funds, the Kanpur Development Authority (KDA) was required to invest money in scheduled banks per Section 20 (3) of the UP Urban Planning and Development Act, 1973³⁴.

Records of KDA revealed (January 2008) that it obtained (June 1996 to December 1999) a loan of Rs 2.21 crore in six installments³⁵ from the Housing Urban Development Corporation (HUDCO) for a housing scheme. Five of these six installments (Rs 1.79 crore³⁶) were invested in FDs of three scheduled banks. The last installment of Rs 42.60 lakh was invested (February 1999) in a FD of a non-scheduled bank³⁷ by the Chief Accounts Officer (CAO) in violation of the provision of the Act. The KDA could realise (August 1999) Rs 2 lakh only against Rs 42.60 lakh invested, as the bank became bankrupt and its license was cancelled by the RBI in August 2000.

The Government instituted (June 2000) an inquiry by the Commissioner, Kanpur Zone, Kanpur. The VC was held (August 2000) responsible for administrative lapses and control over fund management. The Government also instituted (October 2001) a departmental enquiry by the Commissioner, Housing against the CAO. The CAO was exonerated on the plea that the rate of interest of cooperative bank was one *per cent* more than that of the nationalised bank. The decision to invest the amount in a non-scheduled bank, besides being in violation of the Act exposed the investment to higher risk and, therefore, not prudent. The Government had not taken action against the defaulters.

Thus, due to investment of money in a non-scheduled bank, the KDA suffered an interest loss of Rs 35.18 lakh³⁸ (March 2009) besides, locking up of the principal amount of Rs 40.60 lakh for an indefinite period.

3.3.5 Non-framing of rules/regulations for regulating rent for use of open land

Lucknow Development Authority had not framed rules/regulations to regulate assessment and recovery of the rent for use of its open land.

Records of Lucknow Development Authority (LDA) revealed (November 2008) that a contractor illegally occupied 28,600 square metre open land of LDA in January 2005 and installed a hot mix plant. However, no action was taken

³⁴ Under the Act, the Development Authority should invest surplus money in any Scheduled Bank.

³⁵ Four installments of Rs 42.60 lakh each (June 96 to February 1999) and two installments of Rs 25.40 lakh each (March 1999 and December 1999)

³⁶ June 1996: Rs 42.60 lakh, February 1998: Rs 42.60 lakh, September 1998: Rs 42.60 lakh, March 1999: Rs 25.40 lakh and December 1999 Rs 25.40 lakh.

³⁷ Federal Cooperative Bank Limited.

³⁸ Rs. 2.11 lakh for the periods February 1999 to August 1999 @ of 8.5 *per cent* per annum on Rs. 42.60 lakh and Rs. 33.07 lakh for the periods September 1999 to March 2009 on Rs. 40.60 lakh @ 8 *per cent* per annum.

against him. In July 2006, the contractor requested the LDA for permission in respect of only 5,000 square metre of land. The LDA granted the permission in August 2006 without verifying the actual area under the contractor's possession. A security deposit of Rs 2 lakh and monthly rent of Rs 10 thousand was fixed on *ad hoc* basis, recoverable from January 2005 onwards. However, as the department had not framed rules/regulations for determination of rent for use of its open land, no agreement was entered with him. Consequently, the contractor did not pay the amount.

In June 2007, another committee³⁹, constituted for determination of rent, worked out (June 2007) a recovery of Rs 58.34 lakh⁴⁰ for 30 months from January 2005 to June 2007 @ Rs 1.94 lakh⁴¹ per month against the contractor for 28,600 square metre area. In December 2008, the contractor filed a petition before the High Court challenging the recovery. The High Court, however, dismissed his petition with liberty to make a representation to the Vice Chairman, LDA. The contractor represented (December 2008) to the Vice Chairman that 5000 square metre land was used for 11 months and the fixation at the commercial rate was not justified. The Vice Chairman constituted (February 2009) another sub-committee⁴² which accepted the contention of the contractor on the ground of the absence of agreement with him and ultimately fixed the lease rent of Rs 1.87 lakh for the demanded 5000 square metre area which the contractor paid.

Thus, non-framing of rules/regulations for regulating determination and recovery of rent for use of open land led to lapses on the part of the LDA which provided an opportunity to the contractor to delay the payment of security deposit and the rent.

In view of above, it is advisable that the department should frame rules/regulations to regulate and recover lease rent for use of open land by the private persons so that its misuse is avoided and lease rent becomes a source of income.

IRRIGATION DEPARTMENT

3.3.6 Unfruitful expenditure on Parallel Hindon Cut Canal

Improper planning and start of work on an alignment full of obstructions led to non-completion of canal rendered the expenditure of Rs 100.70 crore unfruitful besides, non-achievement of the intended benefits.

With a view to utilising 1000 cusecs of additional water from Tehri Dam for ensuring availability of sufficient water during Rabi season in Agra Canal

³⁹ comprising of two Sr. Asstt. Cost Accountant, Dy. Cost Accountant, Asstt. Engineer, Zone 2, Asstt. Engineer Zone 3 Joint Secretary and Financial Controller.

⁴⁰ for 30 months for the periods January 2005 to June 2007

⁴¹ Cost of acquisition: Rs 23 square feet.

Acquisition expenditure : Rs 2.30 square feet.

Rate in square metre: Rs 272.33.

Rent for commercial use: Rs 272.33 X 2= Rs 544.66

Interest for one month @ 15 per cent p.a. = Rs 6.80

One month rent for 28600 square meter: Rs 1,94,480

⁴² Chief Engineer, In-charge, Joint Director, Land Development, Executive Engineer, Zone 1 and, two Asstt. Engineers.

system, a project for the construction of a Parallel Hindon Cut Canal⁴³ (PHCC) (length: 13.450 km) was taken up at an estimated cost of Rs. 103.78 crore in the year 2005-06 on Government land. The project was to be completed by March 2008.

Expenditure Finance Committee (EFC) sanctioned (May 2005) the project for Rs 82.27 crore and Chief Engineer (Ganga), Irrigation department, UP, Meerut (CE) accorded (January 2006) technical sanction. The project was revised due to change in specification, inclusion of additional earth work, fencing work and construction of bridge and the same was approved (December 2006) by EFC for Rs 103.78 crore and TS accorded (January 2007) by CE.

Records of the Executive Engineer, Head Works Division, Agra Canal, Okhla, New Delhi (EE) revealed (February 2009) that the alignment of PHCC passed through densely populated areas of Delhi and Ghaziabad. The canal could not be completed as of December 2009 due to obstructions such as construction of Metro rail, objections by local people, drinking water/ sewage lines, and electric poles of high tension line which resulted in 13 gaps (length: 625 metre). As a result of these gaps in its alignment, the canal had not been made functional. An expenditure of Rs 100.70 crore had been incurred on construction of the canal as of August 2009.

On this being pointed out, the Government accepted the facts and stated that the water would be available after clearance of obstructions and completion of the project. Except for the metro railway the other obstructions could have been identified/ visualised while sanctioning the alignment of canal by the competent authority and effective steps taken to get them cleared for timely completion of the project.

Thus, lack of proper planning and delay/failure in getting the obstructions removed resulted in non-completion of the project even after spending Rs 100.70 crore (97 per cent of its estimated cost) on it.

3.3.7 Avoidable extra expenditure on interest

Defective handling of the arbitration case by the department led to avoidable extra payment of Rs 54.18 lakh as interest.

Records of the Executive Engineer (EE), Tons Pump Canal Division, Allahabad revealed (May 2006) that an agreement was executed (June 1988) by the Superintending Engineer (SE), Irrigation Works Circle, Allahabad with a firm⁴⁴ for construction of a weir over river Tons in district Allahabad by June 1991. During execution of work, disputes arose regarding payment of certain claims which were rejected by the SE. The firm requested for arbitration. The Chief Engineer, Sone, Irrigation department Uttar Pradesh (IDUP), Varanasi appointed (August 1995) the Chief Engineer IDUP, Lucknow as the sole arbitrator for deciding the claims who awarded (July 1997) Rs 59.48 lakh in favour of the firm.

The department filed (August 1997) a case against the arbitrator's award for

⁴³ PHCC of 1600 cusec capacity.

⁴⁴ M/s F.C.C. Project Private Limited, Kanpur

treating it as unlawful, in the court of Civil Judge (Senior Division), Allahabad who returned (September 1998) the petition being beyond its jurisdiction and directed to file the case in the competent court. Then a revision petition was filed (November 1998) in the court of District Judge (DJ) who rejected (December 1999) the revision petition and upheld the judgment of Civil Judge. A fresh petition against the award was filed (December 2000) in the court of DJ, which was not allowed (October 2002) as it was time barred. The department filed (January 2003) a petition in the High Court, Allahabad against the judgment of DJ (October 2002), who upheld (September 2003) the judgment of the DJ. The department again filed (December 2003) a special leave petition (SLP) in the Supreme Court against the judgment of High Court. The Supreme Court dismissed (January 2004) the SLP finding no reason to interfere in the matter.

The defective handling of the case by the department delayed payment of award by over seven years making it liable for payment of interest which was avoidable. Besides, effective steps for obtaining funds from the Government in time were not made. The Government allotted (November 2004) Rs 1.14 crore which were paid to the firm in November 2004 including interest (Rs 54.18 lakh).

On this being pointed out, the Government while accepting the facts and figures stated (July 2009) that delay was due to procedural lapses. The reply was not tenable as the department failed initially to pursue the case in the proper court within the stipulated time of four months which rendered the case time barred and further in making effective efforts (February 2004) to obtain the funds from the Government which resulted in avoidable extra expenditure on interest of Rs 54.18 lakh.

MEDICAL AND HEALTH DEPARTMENT

3.3.8 Non-completion of a building for a Primary Health Centre

The building of the Primary Health Centre at Gopalganj in District Azamgarh constructed at a cost of Rs 32.49 lakh remained locked up for over thirteen years due to non-appointment of land owner's son.

The Government, in November 1994, decided to construct a building for a Primary Health Centre (PHC) at Gopalganj in District Azamgarh on a piece of donated land at a cost of Rs 36.68 lakh. The amount was released (1994-2008)⁴⁵ to the Uttar Pradesh Jal Nigam (Nigam) which was entrusted with the work.

Records of the Chief Medical Officer (CMO), Azamgarh revealed (August 2007) that a private land owner in District Azamgarh had offered (1994) his land to CMO for construction of the PHC building subject to appointment of his son in the department. The CMO, without entering into an agreement with the land owner and getting the land transferred to the department handed it over (January 1995) to the Nigam. The Nigam commenced (January 1995) the construction on

⁴⁵ 1994-95: Rs 26.01 lakh, 1997-98: Rs 5.49 lakh and 2007-08: Rs 5.18 lakh

the land. Subsequently, an agreement was entered into with the land owner in May 1995 accepting the condition of appointment of his son. While the construction work was in progress, the land owner asked for (March 1996) appointment of his son to the post of a class IV in terms of the agreement drawn with him. The appointment was not made. Consequently, the land owner locked up the incomplete building in June 1996. By that time, the Nigam had completed 80 per cent work⁴⁶ at a cost of Rs. 32.49 lakh. In 1998, the Directorate instructed the CMO to appoint the land owner's son which was also not followed. The Directorate again instructed (March 2005) the CMO to initiate appointment of the land owner's son. The CMO again did not take action and the incomplete building continued to be locked up as of June 2009 for the last thirteen years. Due to locking up of the building for a prolonged period, physical condition of the building had deteriorated requiring Rs 10 lakh on its repairs.

Thus, inability of the department to appoint the son of the land owner resulted in locking up of Rs 32.49 lakh on an incomplete building of a PHC. The Government while admitting (September 2009) the facts and figures did not spell out the course of action to break the dead lock in the matter and complete the PHC building.

3.3.9 Unfruitful expenditure on construction of a hospital

Due to inconsistency in selection of site for a 100 bed hospital in Tehsil Milkipur, District Faizabad, the expenditure of Rs 81 lakh spent on partly constructed structure was rendered unfruitful. Besides, the objective of providing medical facilities to the people remained unachieved.

The department in a follow up to the Chief Minister's declaration (August 2004) to provide medical facilities to the people of Tehsil Milkipur (district Faizabad) sanctioned Rs 9.01 crore⁴⁷ for construction of 100 bed hospital. The amount was transferred to the Personal Ledger Account of Uttar Pradesh Nirman Nigam Limited (UPRNNL) to whom the work was allotted (July 2005) by the Government. The work was to be completed by December 2008.

Records of the Chief Medical Officer, Faizabad revealed (December 2008) that the Government had earlier instructed (November 2004) the District Magistrate, Faizabad to arrange requisite land free of charge for construction of the proposed hospital. A committee comprising CMO, Junior Engineer/Assistant Engineer of the department identified (January 2006) Kumarganj as a suitable site, among others evaluated by it. In July 2006, the Government approved this site for the hospital. Subsequently in August 2006, the Government, at the intervention of the local MLA, changed it to another site in village Mewapur which lay in the river bed and had a population of 100 to 150 persons only. The site as such was not a suitable place even for a Community Health Centre (CHC) for which the mandated population should be one to 1.5 lakh. However,

⁴⁶ comprising the main building and four staff quarters

⁴⁷ March 2006: Rs 50 lakh; April 2006: Rs 8.51 crore.

while the construction was going on, the Government, at the intervention (June 2007) of the District President of a political party, stopped (June 2007) the construction of the hospital at village Mewapur by which time Rs 81 lakh⁴⁸ had already been spent on the construction. In March 2008, the Government decided to construct the proposed hospital at the earlier selected site of Kumarganj and construct a CHC at the site of village Mewapur and adjust Rs 81 lakh in its construction. The construction of the 100 bed hospital at Kumarganj was in progress and an expenditure of Rs 2.96 crore had been incurred on it. The UPRNN had not submitted the estimate for construction of the CHC at the village Mewapur as of June 2009.

Thus, due to inconsistency on the part of the Government in regard to the selection of the site, the expenditure of Rs 81 lakh on the incomplete structure was rendered unfruitful apart from the delay in realisation of the objective of providing medical facilities to the people. The Government decision to adjust Rs 81 lakh on the construction of a CHC was also not justified by the norms.

The matter was referred (April 2009) to the Government; the reply was awaited (December 2009). However, during discussion (September 2009), the Government admitted the facts and figures.

PUBLIC WORKS DEPARTMENT

3.3.10 Delay in appointment of the Engineer

Delay in appointment of the “Engineer” resulted in an unauthorised payment of mobilisation advance of Rs 15.82 crore to the contractors and interest burden of Rs 1.08 crore to the Government.

With a view to cater to the needs of the high priority core road network in the State on a sustainable basis, the Government implemented (April 2002) the State Roads Project-II with the assistance of the World Bank (WB) for civil works including up-gradation of roads.

According to loan conditions (4.5.3) of the WB, the contracts for up-gradation of road were to be executed as per its procurement guidelines. Further, the Supervision Consultant named as “Engineer” was to be engaged by the Public Works department (PWD) one month prior to execution of the contracts to supervise the works of up-gradation package of roads. The selection of “Engineer” was to be done through international competitive bidding process. The Engineer’s responsibility, *inter alia*, was to ensure that all works are executed in full compliance with the detailed engineering designs and technical specifications. As per sub clause 60.7 of the WB bid documents, advances to the contractors were to be paid under specific certification by the “Engineer”.

Records of the CE, WB Projects (Roads), Uttar Pradesh, PWD, Lucknow and two PWD Divisions⁴⁹ associated with the project revealed (July-August 2008) that the CE entered into four contract bonds (March 2003) with two⁵⁰

⁴⁸ Rupees 0.30 crore towards the cost of material lying at site

⁴⁹ Executive Engineer, PWD, Azamgarh and Kanpur

⁵⁰ IRCON International Ltd and Larsen and Toubro Ltd

contractors in respect of four⁵¹ up-gradation packages . The dates of start of works under these contract bonds were 01, 05, 16 January 2004. Further, the Government initiated the process of ‘procurement’ of the “Engineer” in July 2001 and opened financial bids of shortlisted Engineers in February 2003. The agreements with the Engineers could, however, be entered into in October 2003 only without assigning any reason for the delay i.e. six months after the execution of contracts of civil works. On further scrutiny it was found that the divisions unauthorisedly paid (March 2003) Rs 15.82⁵² crore (*Appendix 3.6*) as mobilisation advance to contractors within two to seven days of execution of contract before appointment of “Engineer” and getting his mandatory certificates for payment of advance.

This, unauthorised payment of the interest free mobilisation advance to the contractors for a period of nine months without the certificate of the “Engineer” resulted in indirect aid to them as they could get a minimum of Rs 41 lakh as interest on this amount of Rs 15.82 crore as per Savings Bank rate of interest (3.5 *per cent*). The Government was also subjected to an interest burden of Rs 1.08 crore⁵³, as the Government had to bear on the market borrowings during the intervening period of nine months. Moreover, failure to make appointment of “Engineer” prior to the execution of contracts for works led to delay in start of works.

On this being pointed out, the Government stated (May 2009) that best efforts were made to engage the “Engineer” before execution of contracts for works but due to unavoidable circumstances the agreement for supervision consultancy could be drawn up on 30 October 2003⁵⁴. The Government attributed the delay to complaints received during its tendering process and doubts over tax liability of “Engineer”. The reply of the Government is not tenable as the Government was well aware of the need to engage “Engineer” one month prior to execution of contracts for civil works as per WB guidelines and was functional requirement. Moreover, though WB approved short listing of “Engineer” in July 2001, the Government obtained (March 2002) technical and financial bids for supervision consultancy work only two months prior to submission of technical and financial bids for civil works (May 2002). However, the Government could have managed tendering process more effectively by disposing of complaints received against technical evaluation and the tax liability of the “Engineer” could have been ascertained before calling tenders. The delay in finalising contract with “Engineer” occurred despite existence of Project Governing Board and Project Steering Committee headed by the Chief Secretary and Principal Secretary PWD respectively.

⁵¹ UPG-01, UPG-02, UPG-03, UPG-04

⁵² UPG 01 - 5.50 crore, UPG-02 5.20 crore, UPG -03, 0.92 crore and UPG 04, 3.20 crore

⁵³ Rs 1.08 crore (average rate of interest 9.13 *per cent* per annum in 2003-04)

⁵⁴ Scott Wilson as Construction Supervision Consultancy (Engineers)

3.3.11 Defective technical sanctions

Approval to technically unsound estimates for the rehabilitation of roads under the externally aided State Roads Project II led to deficient works costing Rs 260.15 crore besides, extra expenditure of Rs 2.31crore.

With a view to improving the quality of the State's road network to meet the rapidly growing traffic demand for road transportation, the State Roads Project (SRP) II-Phase I was taken up in 2001 by the Government with the financial assistance from the World Bank (WB). The WB projected an eight year life cycle for rehabilitation works as most of these roads were likely to get congested and would require widening after that time horizon.

Records of the Chief Engineer, WB Projects (Road), Public Works department, Lucknow (CE) revealed (April-August 2008) that non-observance of the criteria for the designed life of eight years in the detailed estimates of 12 Road Maintenance Contract (RMC) packages out of 16 RMC packages led to the early failure of the rehabilitation works. Besides, change in design entailing extra quantities in the remaining four RMC packages during the execution stage led to extra expenditure as discussed in succeeding paragraphs:

- The rehabilitation works were grouped in 16 RMC packages. The designed life of 12 RMC packages was reduced by the CE from eight to five years and accordingly the thickness of the overlay design was kept at 60 *per cent* of total requirement as approved by WB. The Government accorded (January 2002) administrative and financial sanction and the CE accorded (February 2002) technical sanction to these estimates. The contract bonds (CBs) for 12 RMC packages⁵⁵ were signed between March and August 2002. The works of these packages were completed between June 2004 and March 2005 at a cost of Rs 260.15 crore as detailed in *Appendix 3.7*. However, depressions, cracks and undulations developed in the rehabilitated roads within a short period (May 2005) of their completion and were extensively damaged by October 2006, mainly due to inadequacy of the crust thickness.
- The CBs for rehabilitation of remaining four RMC packages⁵⁶ were signed in November 2004. The estimates (2002) of these RMC packages were also provided 60 *per cent* crust thickness. The CBs, *inter alia*, provided that the contractors would be eligible for charging higher rates in case the quantity of a particular item of work exceeded 25 *per cent* of estimated quantity and also if the change exceeded one *per cent* of the total contract price. It was observed in respect⁵⁷ of three packages that quantities of earth work, Wet Mix Macadam and Granular Sub Base increased the prescribed limit as the works were got executed with 100 *per cent* crust thickness. This led to the increase in the quantity of works

⁵⁵ RMC: 01,03,04,06,07,08,12,14,15,17,18 and 19

⁵⁶ RMC 02, 10,11 and 13

⁵⁷ RMC 02, 10 & 13executed through CB No.31,32 & 34respectively

of these packages after their commencement due to midway change in the design criteria resulting in extra cost. Therefore, higher rates were given to the contractor as per condition of the CBs. As of January 2009 extra expenditure of Rs 2.31⁵⁸ crore had been incurred.

Thus, TS to the structurally unsound estimates led to execution of deficient work costing Rs 260.15 crore. Besides, extra expenditure of Rs 2.31 crore was incurred as estimates were not revised timely. Moreover, the objective to improve the quality of the State's road network to cater to the traffic need for subsequent eight years was also not achieved even with external borrowings from WB.

The Government during discussion (September 2009) accepted the technical deficiencies in the execution of the project works as it was a new experience for them and assured to provide the crust thickness as per designed life strictly in future constructions. Action, if any against the defaulting officials was not intimated (December 2009).

RURAL DEVELOPMENT DEPARTMENT

3.3.12 Ineffective implementation of "Rural Soft" Application

Inadequate input and validation checks along with incomplete and erroneous data rendered the software unusable

'Rural Soft' a web-based Application developed by NIC using Active Server Page (ASP) as front end tool and Structured Query Language (SQL) server as back end database, was started in 2002-03 to strengthen the monitoring of Rural Development Schemes being implemented through the Rural Development department (RDD) by the Commissioner, Rural Development department (CRD), Government of India (GOI), District Rural Development Agencies (DRDAs), Divisional Commissioners and District Economic and Statistical Officers. The software had provision for capturing data relating to physical and financial progress of the different schemes such as Indira Awas Yojana (IAY), Swarnjayanti Gram Swarajgar Yojana (SGSY), Sampoorna Grameen Rozgar Yojana (SGRY) (upto 2007-08), National Rural Employment Guarantee Act (NREGA), National Project on Bio Gas Development, Vidhayak Nidhi being coordinated by DRDAs.

The following deficiencies were noticed when the office of CRD and eight districts⁵⁹ were test checked during February 2009 – July 2009:

1. Adhoc development of software even without conducting proper User Requirement Study (URS), resulted in not harnessing the functional potential of application, manual reports are still being prepared for monitoring and compilation for various purposes.
2. Manual entry of Opening Balances instead of automatic carry over of Closing Balances of previous month resulted in data entry errors as given below:

⁵⁸ RMC 10: Rs 1.99 crore; RMC 02: Rs 0.32 crore

⁵⁹ Agra, Kanpur Dehat, Ghazipur, Sultanpur, Mahoba, Ghaziabad, Bareilly and Sant Kabir Nagar

Sl. No.	Scheme	Inflation	Deflation
1	IAY	138 cases ranging from Rs. 0.01 lakh to Rs. 6.64 crore aggregating to Rs 38.55 crore in respect of 59 districts during February 2003 to May 2009	131 cases ranging from Rs. 0.01 lakh to Rs. 4.51 crore aggregating to Rs 17.79 crore in respect of 58 districts during February 2003 to May 2009
2	SGSY	60 cases ranging from Rs 0.01 lakh to Rs. 6.00 crore aggregating to Rs 29.62 crore in respect of 37 districts during January 2006 to May 2009	33 cases ranging from Rs. 0.01 lakh to Rs. 3.40 crore aggregating to Rs 10.05 crore in respect of 26 districts during January 2006 to May 2009
3	Vidhayak Nidhi	52 cases ranging from Rs 0.01 lakh to Rs. 2.18 crore aggregating to Rs 14.71 crore in respect of 35 districts during January 2005 to May 2009	32 cases ranging from Rs. 0.01 lakh to Rs. 13.00 crore aggregating to Rs 25.68 crore in respect of 25 districts during January 2005 to May 2009
4	DRDA Administration (Expenditure Data)	130 cases ranging from Rs 0.01 lakh to Rs. 0.29 crore aggregating to Rs 4.30 crore in respect of 57 districts during January 2006 to May 2009	25 cases ranging from Rs. 0.01 lakh to Rs. 21.09 lakh aggregating to Rs 0.78 crore in respect of 19 districts during January 2006 to May 2009

Programmed automatic carry over besides ensuring the correctness, avoids duplicate data entry. Reply of the department (September. 2009) that the controls were not introduced to keep the interface simple is not tenable in audit, because providing controls should not make the system complex.

- Analysis of monthly data as obtained from CRD revealed missing records that ranged from 5 under SGSY scheme to 223 records under IAY scheme.

On being pointed out in audit, the CRD stated (September 2009) that data received from the Rural Soft were further analysed and the Monthly Progress Report (MPR) are prepared on separate excel sheet. If some data were found missing or incomplete the same were obtained from the concerned districts through other media. Reply confirms that reports generated by Rural Soft were incomplete and CRD instead of ensuring that all data were fed in Rural Soft and correct reports generated, resorted to other sources to generate MPR.

- Similarly an analysis of SHG database revealed the following discrepancies:

Sl. No.	Scheme	Inflation	Deflation
1	Total number of SHGs formed since 01 April 1999	47 cases ranging from 1 to 2000 in respect of 26 districts during January 2006 to May 2009	94 cases ranging 1 to 3174 in respect of 42 districts during January 2006 to May 2009
2	Total number of SHGs passed grade I since 01 April 1999	54 cases ranging from 1 to 463 in respect of 24 districts during January 2006 to May 2009	74 cases ranging 1 to 976 in respect of 34 districts during January 2006 to May 2009
3	Total Number of SHGs passed grade II since 01 April 1999	59 cases ranging from 1 to 242 in respect of 32 districts during January 2006 to May 2009	64 cases ranging 1 to 1860 in respect of 29 districts during January 2006 to May 2009
4	Total Number of SHGs with economic activities since 01 April 1999	40 cases ranging from 1 to 2754 in respect of 20 districts during January 2006 to May 2009	85 cases ranging from 1 to 308 in respect of 40 districts during January 2006 to May 2009
5	Total Number of women SHGs since 01 April 1999	57 cases ranging from 1 to 686 in respect of 27 districts during January 2006 to May 2009	72 cases ranging 1 to 1058 in respect of 35 districts during January 2006 to May 2009

On being pointed out in audit, the CRD stated (September 2009) that “with a view to keep the interface simple, such controls were not introduced.” Reply was not acceptable because basic computation functions should be installed into the software so that human errors are minimized.

5. Besides this the controls were not set in to exhibit the amount of Division. In input form of the system, amounts are supposed to be fed in lakh in Indian Rupee but in three districts (Siddharthnagar, Balrampur and Bagpat) in respect of IAY, amounts were fed in rupees instead of in lakh in 10 cases during February 2003 to December 2003. Further, in Azamgarh district total expenditure during the month of December 2008 in respect of DRDA Administration were also fed in rupees instead of in lakh. In these two cases expenditure for the month of March 2003 was inflated by Rs. 47,959.92 crore (Rs. 47960400 lakh instead of Rs 479.60 lakh).

On being pointed out in audit, the CRD stated (September 2009) that data received from the RuralSoft were further analysed and the MPR are prepared on separate excel sheet. Reply confirms that RuralSoft application failed to generate reliable reports.

Thus, Rural Soft as a Management Information System was designed and implemented without proper URS and SRS documents. Non-preparation of URS resulted in non-inclusion of all requirements of stakeholders. Consequently, out of five stakeholders, two stakeholders (Divisional Commissioners and District Economic and Statistical Officers) were not enlisted as user of the RuralSoft. Further, due to inadequate input and validation checks along with incomplete and erroneous data rendered the software unuseful. Hence, the objective of monitoring Rural Development Scheme implementation was not achieved.

SOCIAL WELFARE DEPARTMENT

3.3.13 Non-framing of allotment rules leading to non-allotment of shops

Due to non-framing of *Dookan Avantan Niymavali*, 112 shops constructed at a cost of Rs 92.90 lakh were not allotted rendering the expenditure unfruitful. The objective of making the ex-servicemen and the dependents of martyred/ disabled soldiers financially self-reliant was also not achieved.

With a view to making the ex-servicemen and dependents of martyred/ disabled soldiers self reliant, the Government approved⁶⁰ construction of 158 shops in 12 districts⁶¹ at an estimated cost of Rs 1.50 crore. These shops were to be constructed in the premises of the offices of the District Soldier and Rehabilitation Officer by March 2008 and allotted after the *Dookan Avantan Niymavali*⁶² was notified by the Government.

⁶⁰ March 2004 to December 2005..

⁶¹ Basti: 7, Ballia:10, Deoria:18, Etawah: 27, Faizabad: 6, Farrukhabad: 15, Gonda: 29, Gorakhpur: 10, Hardoi: 8, Meerut: 4, Sultanpur: 18, Sitapur: 6..

⁶² Rules for Allotment of Shops to the Ex-servicemen.

Records of the Director, Soldier Welfare and Rehabilitation, Lucknow revealed (June 2008) that the Government sanctioned⁶³ Rs. 1.50 crore and deposited it in the Personal Ledger Account (PLA) of the Uttar Pradesh Samaj Kalyan Nirman Nigam (Nigam). The Nigam completed⁶⁴ 112 shops at a cost of Rs 92.90 lakh and handed over these to the department between May 2005 and July 2008. Of the remaining 46 shops, construction of seven was in progress and that of 39 had not been taken up due to non-availability of land. None of 112 shops handed over to the department were allotted to the ex-servicemen and dependents of martyred/ disabled soldiers as the *Niyamavali* was pending approval of the Government, as of November 2009.

The expenditure of Rs. 92.90 lakh on construction of 112 shops was, thus rendered unfruitful. Besides, the objective of making the ex-servicemen and dependents of martyred/disabled soldiers financially self reliant was also not achieved.

The Government, in reply, stated (April 2009) that the shops will be allotted immediately after the *Dookan Avantan Niyamavali* is prepared which is presently in process. Delay in preparation of the *Niyamavali* resulted in non-achievement of the objective of the scheme.

STATE EXCISE DEPARTMENT

3.3.14 Delay in disposal of unused building

Due to lackadaisical approach, the infrastructure with land valued at Rs 1.83 crore was not disposed of and the department was continuously incurring expenditure on its watch and ward.

With a view to establishing Excise Training Institute for providing training to the departmental personnel, the Government purchased (March 1990) a fully furnished building⁶⁵ at a cost of Rs 1.10 crore from Gas Authority of India Limited at Jais, district Rae Bareilly.

Records of the Assistant Commissioner, State Excise department, Rae Bareilly revealed (January 2009) that the building purchased was in a dilapidated condition. In November 1996, the Excise Commissioner submitted a proposal for its repairs/maintenance (estimated cost: Rs 47.45 lakh) to the Government. It was revised (September 1998) to Rs 70.96 lakh. The Government, however, did not accord technical and financial sanctions on the ground that the building was remotely located. It also lacked basic facilities like transport, communication, power and water and only four training courses were organised (1990-2000) as the trainees complained of unsafe location of the institute. Ultimately, the Government decided (June 2000) to close the institute and issued instructions for valuation and disposal of its assets. The infrastructure with land was valued at Rs 1.83 crore (November 2000) by the District Magistrate, Rae Bareilly. The

⁶³ March 2004 to December 2005.

⁶⁴ March 2005 to February 2008.

⁶⁵ Area: 9487.50 Square Metre; covered area of 2203.67 Square Metre with inventory of 3075 items like furniture, electric items, crockery/cutlery and various other miscellaneous items.

building had not been disposed of as of November 2009. The department also incurred Rs 14.26 lakh on watch and ward of the building as of November 2009.

Thus, lackadaisical approach of the department, the infrastructure with land valued at Rs 1.83 crore was not disposed of and the department was continuously incurring expenditure on its watch and ward.

The Government stated (July 2009) that the disposal of the asset was delayed as the departmental officers were occupied in implementation of the New Excise Policy (2001-02). The reply was not acceptable as the Government did not take action for disposal of the building for over nine years as of June 2009.

YOUTH WELFARE DEPARTMENT

3.3.15 Idle investment on an incomplete sports hostel

Government's lackadaisical approach in not releasing funds for completion of sports hostel rendered investment of Rs 55 lakh on its construction idle. Besides, the objective of providing training to the sports persons remained unachieved.

With a view to developing sports infrastructure and providing training to the outstanding sports persons in rural areas, the Government following up the Chief Minister's declaration (September 2005), constructed two stadia (indoor and outdoor) at village Panjokhara in Muzaffar Nagar district at a cost of Rs 81 lakh⁶⁶. The construction agencies⁶⁷ completed the work and handed over⁶⁸ these stadia to the department.

Records of the District Youth Welfare Officer, Muzaffar Nagar revealed (February 2009) that while the construction of the stadia was going on, the Government sanctioned (October 2006) construction of a 80 bed sports hostel⁶⁹ at a cost of Rs 1.09 crore. The proposed hostel building comprised two floors. The Government allotted (October 2006) the work to the Uttar Pradesh Project Corporation Limited (UPPCL) and released (October 2006) Rs 40 lakh to it for completion by July 2007. The UPPCL commenced (November 2006) the work and incurred Rs 55 lakh up to March 2007⁷⁰ on construction of super structure of the ground floor of the hostel. No further funds were released by the Government as a result of which only 50 per cent of the work was completed and the remaining work was lying incomplete (November 2009) even after more than two years of its scheduled date of completion. Consequently, training was not imparted to the sportspersons.

Thus, delay on the part of the Government either to complete the construction of the hostel by releasing the required funds or to transfer the incomplete building to other departments for its proper use, resulted in idle investment of Rs 55 lakh. Besides, the objective of imparting training to rural sports persons was not achieved.

⁶⁶ Outdoor stadium: Rs 41.86 lakh and Indoor stadium: Rs 39.04 lakh

⁶⁷ Outdoor stadium: Uttar Pradesh Project Corporation Limited and indoor stadium: Samaj Kalyan Nirman Nigam limited.

⁶⁸ indoor stadium: March 2006 and outdoor stadium: November 2007.

⁶⁹ Boys: 48 and girls: 32.

⁷⁰ The UPPCL incurred Rs 15 lakh from its own source.

The Government stated (November 2009) that the aforesaid incomplete sports hostel would be developed as a training centre for the *Prantiya Rakshak Dal*.

3.4 Persistent and pervasive irregularities

An irregularity is considered persistent if it occurs year after year. It becomes pervasive when it is prevailing in the entire system. Recurrence of irregularities, despite being pointed out in earlier audits is not only indicative of non-seriousness on the part of the executive but is also an indication of lack of effective monitoring. This in turn encourages willful deviations from observance of rules and regulations and results in weakening of the administrative structure. The case reported in audit about persistent irregularities has been discussed below.

RURAL ENGINEERING SERVICES DEPARTMENT

3.4.1 Non-observance of specifications in construction of village roads

Village link roads under various developmental schemes costing Rs 8.22 crore were constructed without following the prescribed specifications/norms.

Rural Engineering Service (RES) department constructs village link roads and buildings as deposit works in rural areas as per Public Works department (PWD) specifications under various developmental schemes of Government of India and the State Government. As per specifications/norms and instructions issued (September 2005) by the Engineer-in-Chief (E-in-C), PWD, Lucknow and also as per Indian Road Congress specifications, when the alignment of road passes through black cotton soil area, a buffer layer of blanket coat of medium sand or non-plastic moorum of specified grade, whichever is cheaper in the area, should be laid over the compacted sub-grade layer below the base layer in the entire formation width of the road.

District Rural Development Agency (DRDA) Banda accorded (2005-07) sanction to the construction of 12 village link roads (VLRs) under Bundelkhand Development Fund at a cost of Rs 5.52 crore, five VLRs under Rashtriya Sam Vikas Yojna at the cost of Rs 3.41 crore and two VLRs under Samagra Vikas Yojna at the cost of Rs 1.72 crore, all passing through black cotton soil areas and entrusted (2006-08) these works to the Executive Engineer (EE), RES Division, Banda for execution.

Estimates of these roads revealed (June 2008) that the provision of blanket coat was made only in 3.60 metre width against the entire formation width of six metre, in violation of above specifications/norms and instructions of E-in-C. Construction of 11 roads with these specifications was completed at a cost of Rs 4.93 crore and that of eight roads was in progress incurring an expenditure of Rs 3.28 crore as of December 2009.

Non-adoption of prescribed norms/PWD specifications in construction of these roads rendered the execution of works costing Rs 8.22 crore technically unsound

as these would not be able to sustain the seasonal changes due to variation in moisture content in black cotton soil area.

The Director-cum-Chief Engineer, RES accepted (June 2009) the omission but did not spell out future course of action to avoid recurrence of such lapses/omissions.

The matter was referred to the Government in February 2009. Their reply had not been received (December 2009).

3.5 Fraud and detection of fraud

Audit of financial transactions, test checked in some departments of the Government and their field functionaries showed instances of fraudulent payments as discussed in the following paragraphs :

IRRIGATION DEPARTMENT

3.5.1 Fraudulent payment to a contractor

Irregular provision of extra cartage for earth work led to fraudulent payment of Rs 1.88 crore to the contractor.

The Government accorded (November 2006) administrative and financial sanction of Rs 13.50 crore for construction of a metal road (length: 90.109 km) over the damaged service road of Anoop Shahar Branch canal. The Chief Engineer (Ganga), Irrigation department, UP, Meerut (CE) accorded (January 2007) technical sanction for Rs 13.11 crore.

Records of the Executive Engineer, Anoop Shahar Division, Ganga Canal, Meerut (EE) revealed (February 2009) that the Superintending Engineer, Irrigation Works Circle-I, Meerut (SE) entered into (3 February 2007) an agreement⁷¹ for the above work with a firm⁷² for Rs 12.72 crore for completion by August 2007. The EE while preparing the estimate certified that the soil for earthwork was not available within a distance of one km and provided a rate of Rs 160.75 per cubic metre for earthwork including carriage charges of Rs 106.26 per cubic metre for transportation over a distance of above one km. The contractor, however, unauthorisedly lifted the soil for earthwork from reserve forest land, a prohibited area which was available within admissible⁷³ lead of 30 metre of banks of the canal. Carriage charges at the rate of Rs 106.26 per cubic metre were allowed as per the measurement recorded by the Junior Engineer, verified by Assistant Engineer and paid by the EE. Thus, EE ignoring the above facts paid (March 2008) Rs 1.88⁷⁴ crore for carriage of 1.77 lakh cubic metre of soil which the contractor had not actually transported.

The Government accepted (September 2009) that the contractor unauthorisedly lifted the earth for construction of road from reserve forest land which was

⁷¹ Agreement No. 3/SE/2006-07 dated 3-2-2007 and the date of start of work was also 3.2.07

⁷² M/s Aakash Engineers, Bareilly

⁷³ Lead of 30 metre is included in the rate for excavation of earth.

⁷⁴ 1.77 lakh cum x Rs 106.26 lakh = Rs 1.88 crore

within a lead of 30 metre of the banks of the canal. It further stated that a penalty @ 1.5 per cent on the total executed earth work has been imposed on the contractor and unauthorisedly dug earth has been made good by him by bringing earth from farmers' land from a minimum distance of one km. The reply is not tenable as the Junior Engineer in charge of work had falsely recorded inflated distance of one km in the measurement book and officers responsible to supervise the work overlooked it which facilitated fraudulent payment to the contractor. Excavation of earth from the prohibited area and payment at full rates showing cartage from a longer distance was a willful action and could not be made good by refilling the dug areas and imposing a meagre amount (Rs 4.27 lakh) of penalty, which too after the facts were highlighted in audit.

3.5.2 Suspected fraudulent payment

Suspected fraudulent payment of Rs 7.45 lakh was made without execution of work and validation of its quantity in violation of the financial rules.

Financial rules provide that payments for all work done which is susceptible to measurement should be recorded in measurement books (MB). Further, before the bill of a contractor is prepared, the entries in the MB relating to description and quantities of work should be scrutinised by the Assistant Engineer (AE) and calculations of "contents or area" should be checked arithmetically under his supervision. The bill should then be prepared from the measurement book entries.

The Chief Engineer, Ram Ganga, Irrigation department, UP, Kanpur accorded (February 2006) technical sanction to the project 'Restoration of carrying capacity of Fatehpur branch of Lower Ganga Canal System' for Rs 129.73 crore along with its distributaries and Minors. It included earthwork of 29000 cubic metre for raising and strengthening of banks of Nawajipur Minor from km 0 to 11.400.

Records of Executive Engineer, Fatehpur Division, Lower Ganga Canal, (EE), Fatehpur revealed (September 2008) that the then EE sanctioned (September 2006) four estimates (cost: Rs 7.85 lakh) for the above work of Nawajipur Minor. The AE entered into four agreements with two contractors at a total cost of Rs 7.40 lakh⁷⁵. Out of these, three agreements for Rs 5.48 lakh were made with an unregistered contractor by splitting up the work to keep these below Rs 2 lakh and within the financial powers of the AE. Further, Rs 7.45 lakh were fraudulently drawn and paid to the contractors as revealed from the following facts:

- Rs 7.45 lakh were paid to the contractor on the basis of abstract of costs ignoring the fact that detailed measurements of the works were not recorded in the concerned MBs.

⁷⁵ Agreement No.38,40 & 42/AE-I/2006-07 (with ineligible contractor) – Rs 5.48 lakh
Agreement No.41/AE-I/2006-07 for Rs1.91 lakh

- The Nawajipur Minor, on which work was shown to be executed, was under the jurisdiction of another Junior Engineer (JE). The JE who prepared abstract of cost and prepared the bill for payment was not authorised by the competent authority to execute the work. The then JE concerned of the Nawajipur Minor also confirmed that no work of raising and strengthening of banks of Nawajipur Minor from 0.00 to 11.400 km falling under his jurisdiction was carried out during the period in question.

On this being pointed out, the Government while confirming the facts and figures stated (July 2009) that the site of work has been visited by special Technical Audit Cell for spot verification on 6 October 2008, the report of which was awaited (December 2009).

Thus, award of work to an ineligible contractor by the AE, preparation of bills by the JE for work not within his jurisdiction and payment of Rs 7.45 lakh to the contractor without quantity validation of the work by the EE through detailed measurements in the concerned MB, indicated suspected fraudulent drawal.

PUBLIC WORKS DEPARTMENT

3.5.3 Undue aid to a contractor

Payment at higher rates to a contractor for inferior quality of bitumen and issuing material from the departmental store at cheaper rates led to undue aid of Rs 24.90 lakh to the contractor.

Financial rules provide that every precaution must be taken to prevent any official from having personal interest, direct or indirect, in a tender, contract or agreement, or from assisting a contractor in the preparation of tender or from standing as security for him.

Records of the Executive Engineer (EE), Provincial Division, Jaunpur revealed (August 2008) that the Government sanctioned (February 2004) widening and strengthening of kilometre 228 to 236.40 of Lumbni- Dudhi road at a cost of Rs 6.88 crore. The Chief Engineer (CE), Azamgarh Zone accorded (December 2004) technical sanction (TS) to the detailed estimate (DE) providing, *inter alia*, overlay of Bituminous Macadam (BM) and Semi Dense Bituminous Concrete (SDBC). The Superintending Engineer, Azamgarh Circle, Azamgarh (SE) invited (April 2005) short term tenders as per specifications approved by the CE. In the bill of the quantity (BOQ) of the tender, the rate for BM and SDBC was, however, inflated by Rs 221⁷⁶ and Rs 31⁷⁷ per cum respectively from those approved in TS on the plea of increase in the cost of labour and material. A contract bond⁷⁸ (CB) was drawn with the contractor at the negotiated rate of 2.1 *per cent* over and above the quoted rates in BOQ on the basis of sole tender

⁷⁶ As per TS: Rs 3256 per cum, As per tender: Rs 3477 per cum

⁷⁷ As per TS: Rs 4279 per cum, As per tender: Rs 4310 per cum

⁷⁸ CB no. 08/SE/ 05-06 dated 07.11.2005 for Rs 2.81 crore

received in the bidding process. As per TS as well as the contract bond, the Crumbed Rubber Modified Bitumen (CRMB)-55 grade was to be used in the SDBC.

The contractor was also to arrange bitumen from his own source for which a provision of 20 per cent trade tax was made in the TS. The contractor used the bitumen of the lower grade (80/100 grade) in the SDBC work, which was arranged from the departmental stores. However, payments to the contractor were made for use of CRMB 55 in SDBC and also without adjusting the differential trade tax on bitumen payable on Government supply (4 per cent) and that procured by the contractor directly, as per contractual conditions. This resulted in aid of Rs 24.90⁷⁹ lakh to the contractor.

Inviting short term tenders, revising the bill of quantity on higher side, payment to the contractor at the higher rates against use of the cheaper/inferior grade bitumen and its supply from the departmental store to benefit the contractor by 16 per cent on account of trade tax differential was indicative of irregularities. The entire sequence of events was indicative of fraud to drain out the Government money in a preplanned manner and points to the fact of major negligence in scrutiny.

The Government, during discussion (September 2009), assured to investigate the facts and take appropriate action against the erring officers after fixing the responsibility. The results of the proposed investigation were awaited (December 2009)

79

Sl No.	Name of Item	Rate mentioned in the BOQ of CB and as paid	Approved rate in TS	Analysed rate for 80/100 Bitumen actually used (Appendix 3.8 and 3.9)	Difference in rate	Quantity executed	Extra burden to the Government
1	BM	3477	3256	2864.90	612.1	2100	1285410.00
2	SDBC	4310	4279	3225.35	1084.65	1063	1152982.95
Total							2438392.95
Add 2.1 percent as per CB							51206.25
Grand Total							2489599.20

Chapter 4

Integrated Audit of a Government Department

4. Higher Education Department

Executive Summary

Higher Education Department is responsible for providing quality education to the students through universities, Government/Government aided/private graduate and post-graduate colleges. Administrative and financial activities of the universities were controlled directly by the Higher Education Department and that of the Government and Government aided and unaided colleges through the Director of Higher Education at Allahabad. Integrated audit conducted during March 2009 to July 2009 covering the period 2004-09 revealed the following:

- Non-adherence to the provisions of budget manual in preparation of budget estimates led to inflated estimation and surrender of Rs 230.60 crore at the closing (31 March) of the respective financial years.
- Both Government and Government aided colleges were short of regular teachers to the extent of 27 *per cent* to 49 *per cent* and 12 *per cent* to 24 *per cent* respectively during 2004-09 and 17 Government colleges did not have even a single teacher in one to five subjects for one to three years during 2006-09.
- The department failed in developing basic facilities in Government aided colleges despite availability of funds during 2007-09, due to non-framing of implementable policies for execution of the scheme.
- Ninety five *per cent* graduate and post graduate colleges did not have proper infrastructure for imparting quality education. There was lack of governance as computerisation of office related work could not be done for the last three years due to non-development of software.
- Internal audit was weak as 88 *per cent* to 96 *per cent* units remained unaudited during 2004-09 and response to external audit was also poor as only five *per cent* audit paragraphs were settled during 2004-09.

4.1 Introduction

Higher education is being provided by the universities (Government and private), Government graduate/post graduate colleges and private graduate/ post graduate colleges (aided/unaided). The Government laid emphasis on qualitative development of educational institutions and higher education in the State.

There are 12 State Universities, one Open University, one Deemed University and six private universities in the State. The universities exercised administrative and financial powers vested in them subject to prior approval of the Government in respect of grant of financial benefits to their employees, increase in posts, etc. One hundred twenty five Government colleges, 335

Government aided colleges and 1,901 self financed colleges were under the control of Director of Higher Education, Uttar Pradesh, Allahabad.

4.2 Organisational set-up

At State level, Principal Secretary/Secretary, Higher Education department (HED) is the supervisory officer for formulation and implementation of higher education policy and proper functioning of the department. Administrative and financial activities of the universities are controlled directly by HED. The Director controlled the activities of the Government, Government aided and unaided colleges. He is assisted by one Joint Director (Administration), two Joint Directors (Education) and a Finance Controller at the Headquarter and by eight Regional Higher Education Officers (RHEOs) with one Finance and Accounts Officer in each RHEO in the field.

4.3 Scope of audit and methodology

The integrated audit covering the period 2004-09 was conducted during March 2009 to July 2009 by test check of records at Secretariat at Lucknow, Directorate at Allahabad, 2 RHEOs, Agra and Lucknow and 12 District Inspector of Schools¹ (DIOSs), 13 Government colleges and Lucknow University. The audit objectives were discussed at an entry conference held (April 2009) with the Secretary of the HED. Exit conference was held in November 2009. Government reply was received and incorporated in the review at appropriate places.

4.4 Audit objectives

The objectives of the audit were to assess whether:

- budget and expenditure controls were effectively exercised;
- proper system for assessment of manpower, their sanction and appointment were in place and implemented effectively;
- project management was efficient and effective;
- proper control was exercised over universities by the Government, and
- a proper monitoring system was in place and effective.

Audit findings

4.5 Budgetary control

The position of budget allotment and expenditure there against during 2004-09 is indicated in **Table 1**.

¹ Firozabad, Mau, Ghazipur, Hardoi, Pratapgarh, Mathura, Basti, Mordabad, Bulandshahr, Aligarh, Bagpat and Maharajganj.

Table 1: Budget allotment and expenditure

(Rs in crore)				
Year	Allotment	Expenditure	Saving	Capital expenditure and its percentage to total expenditure in bracket
(1)	(2)	(3)	(4)	(5)
2004-05	623.22	621.21	2.01	4.34 (1)
2005-06	766.10	763.84	2.26	147.67 (19)
2006-07	799.66	797.88	1.78	30.80 (4)
2007-08	825.18	796.14	29.04	35.17 (4)
2008-09	1,008.73	813.22	195.51	20.37 (3)
Total	4,022.89	3,792.29	230.60	238.35 (6)

(Source: Directorate of Higher Education)

The department did not surrender the savings of Rs 230.60 crore in time

The savings during 2007-08 occurred mainly due to over estimation of salaries (Rs 13.96 crore) and excess allotment of funds to Dr. Ram Manohar Lohia Law Institute, Lucknow (Rs 10.09 crore) by the Government. During 2008-09, saving of Rs 195.51 crore (19 *per cent*) was mainly due to over estimation of salaries, non-fixation of pay of employees according to recommendations of Sixth Pay Commission and non-utilisation of funds of Twelfth Finance Commission fully.

The Director, HED stated (November 2009) that Rs 36.75 crore pertaining to establishment of new colleges by the private management, development of infrastructure facilities in Government aided colleges, etc., could not be spent due to election code of conduct. Reply was not tenable as election code of conduct was in force only from 2 March 2009 whereas funds could have utilized well before the election code of conduct coming into force.

Except in 2005-06, when Rs 117 crore were given for major construction works to Dr. Ram Manohar Lohia Law University at Lucknow, the share of capital expenditure was negligible ranging between one *per cent* and 5 *per cent* only. Very low level of capital expenditure indicated that the efforts of the Government were not focused on improving the infrastructure for providing quality higher education.

Besides, Budget Manual stipulates that all final saving must be surrendered to the Finance department by 25 March, so that these could be utilized elsewhere. The department surrendered entire savings (Rs 230.60 crore) during 2004-09 at the closing (31 March) of the each financial year leaving no time for their utilization.

4.5.1 Inflated budget estimates for salaries

Unrealistic assessment of budgetary requirement led to excess provision of Rs 193.80 crore for salaries

Budget Manual stipulates that budget estimates on account of staff salaries should be prepared on the basis of men-in-position rather than that on the sanctioned strength. Records at Directorate showed that estimates of salaries prepared during 2004-09 were based on the sanctioned strength which included vacant posts also. These inflated estimates were submitted to Government which forwarded these to the Finance Department (FD). The FD also did not curtail the demand for the vacant posts and the budget for salaries was provisioned more

than its actual requirement year after year. Details under the head ‘Salaries’ are given in **Table 2**.

Table 2: Budget allotment and expenditure on salaries

(Rs in crore)

Year	Budget provision	Actual expenditure	Excess provision (column 2- 3)	Re-appropriation	Saving/ Surrender
1	2	3	4	5	6
2004-05	454.73	437.36	17.37	15.88	1.49
2005-06	500.94	484.86	16.08	15.63	0.45
2006-07	617.28	543.27	74.01	72.79	1.22
2007-08	605.05	571.16	33.89	19.93	13.96
2008-09	669.53	617.08	52.45	-	52.45
Total	2,847.53	2,653.73	193.80	124.23	69.57

(Source: Directorate of Higher Education)

4.5.2 Drawal of funds to avoid lapse of budget

Financial rules provide that no money should be withdrawn from the treasury unless it is required for immediate disbursement. In contravention to this, Director, Higher Education withdrew Rs 55.47 crore (2005-06: Rs 8.01 crore; 2006-07: Rs 26.82 crore and 2007-08: Rs 20.64 crore) earmarked for purchase of computers, vehicles and construction of buildings, etc. and deposited the same in Personal Ledger Account (PLA) of U.P. Rajarshi Tandon Open University, Allahabad at the close of the respective financial years (31 March) to avoid their lapsing. Out of the unspent balance of Rs 19.97 crore under the PLA, the department deposited Rs 6.92 crore in the receipt head during 2008-10 and Rs 13.05 crore were still lying unutilized as of March 2009. These drawals also inflated the expenditure of the respective years to that extent. Thus, non-observance of financial rules eroded the reliability of financial reporting of the department.

4.5.3 Irregular transfer of money to Management Fund

The Government prohibited (March 1986) colleges to transfer the student funds and other fee to the Management Fund for utilization. Lucknow Christian College transferred Rs 4.43 lakh from other fee funds to the Management account during 2004-09 and did not refund it as of July 2009. The Government in reply stated (November 2009) that necessary instructions had been issued (November 2009) to all colleges to ensure the compliance of Government orders in respect of utilization of students funds and other fee funds.

4.5.4 Fraudulent drawal

According to Government orders (March 1991), the Principal and the Manager of the college are responsible for timely deposit of subscriptions of saving-cum-group insurance scheme of teaching and non-teaching staff with Life Insurance Corporation (LIC), Kanpur. Records revealed that the Principal, Khardeeha Post-graduate College, Ghazipur was given a cheque of Rs 24,900 in his name for remittance to LIC. The Principal, however, drew (October 2007) Rs 2,24,900 against this cheque by prefixing 2 before 24,900 from joint salary payment

**Withdrawal of
Rs two lakh
fraudulently**

account of the college and deposited it in the college account handled by Principal alone. The amount was drawn by the Principal and misappropriated. The Principal was suspended and a First Information Report was lodged by the college against him in November 2008. Further progress was awaited as of November 2009.

The above irregularities indicated ineffective departmental control over budgetary and financial management.

4.6 Personnel management

4.6.1 Shortage of teachers in colleges

The Government decided (May 1984) the work load of teachers at 24 periods in a week, i.e., on an average four periods per day with 70 students in each class/section to maintain quality of education in graduate and post graduate colleges. U.P. Public Service Commission (UPPSC) was responsible for selection/recruitment of teachers for Government colleges and U.P. Higher Education Service Commission (HESC) for Government aided colleges. Records revealed that a large number of teaching posts in Government and Government aided colleges were lying vacant during 2004-09 as detailed in the **Table 3**.

Table 3: Sanctioned post and person-in-position

Year	Number of posts sanctioned	Persons -in- position	Shortages (2 – 3) and <i>per cent</i> to column 2 in bracket	Number of teachers appointed on contract basis	Total number of teachers available	Shortages as <i>percentage</i> to column 2 in bracket
1	2	3	4	5	6	7
Government Colleges						
2004-05	1,404	1,015	389 (28)	Nil	1,015	389 (28)
2005-06	1,449	1,051	398 (27)	263	1,314	135 (9)
2006-07	1,768	1,041	727 (41)	429	1,470	298 (17)
2007-08	1,958	1,014	944 (48)	765	1,779	179 (9)
2008-09	2,098	1,067	1,031 (49)	765	1,832	266 (13)
Government aided Colleges						
2004-05	12,687	11,148	1,539 (12)	692	11,840	847 (7)
2005-06	12,953	10,917	2,036 (16)	814	11,731	1,222 (9)
2006-07	12,588	10,365	2,223 (18)	1,056	11,421	1,167 (9)
2007-08	12,588	10,028	2,560 (20)	1,082	11,110	1,478 (12)
2008-09	12,588	9,523	3,065 (24)	1,166	10,689	1,899 (15)

(Source: Directorate of Higher Education)

Shortage of teachers in colleges was up to the extent of 49 per cent. Seventeen Government colleges did not have any teacher in one to five subjects for one to three years

The shortage of regular teachers in Government colleges was 389 (28 *per cent*) in 2004-05 which increased to 1031 teachers (49 *per cent*) in 2008-09. In Government aided colleges, it went up from 1539 (12 *per cent*) in 2004-05 to 3065 teachers (24 *per cent*) in 2008-09. To cope up with the shortage of teachers, the department appointed teachers on contract basis in Government colleges which reduced the shortage to 13 *per cent* at the end of 2008-09. In Government aided colleges, in spite of appointment of teachers on contract

basis, the shortage rose to 15 per cent during 2008-09 from 7 per cent in 2004-05.

Further, records of 18 Government colleges made available to audit, revealed that against the requirement of three to 39 teachers in different subjects², only one to 16 teachers including teachers on contract basis were available leaving a shortage of one to 27 teachers during 2006-09. In 17 out of these 18 colleges, there was no subject teacher in one to five subjects for one to three years during 2006-09 (*Appendix-4.1*).

In view of large number of vacancies in both Government and aided colleges and non-availability of even a single teacher in several subjects in Government colleges, attainment of the objective of quality education was difficult. The Principals of concerned colleges replied (November 2009) that in the absence of teachers in several subjects, classes could not be run. The Government, in reply, stated (November 2009) that action was being taken by HESC for selection of teachers.

4.6.2 Delay in appointment of teachers

To fill up the teachers' vacancies in aided colleges, the Directorate sent proposals to HESC for selection of 2,947 teachers for different subjects from June 2003 to May 2008. The HESC, however, selected only 723 candidates as of April 2009. The details are as given in **Table 4**.

Table 4: Details of notifications for appointment of teachers in Government aided colleges

Notification number and date	Number of posts notified	Number of posts filled up by the HESC	Date of selection
37 dated 18 June 2003	838	Nil	-
38 dated 29 November 2004	281	Nil	-
39 & 39 dated 03 February 2005 and 27 January 2006	157	58	22 May 2007
40 dated 9 December 2005	245	179	27 September 2006
41 dated 18 January 2007	552	486	--
42 dated 18 August 2007	337	Nil	-
43 dated 21 January 2008	32	Nil	-
44 dated 08 May 2008	505	Nil	-
Total	2947	723	

(Source: Directorate of Higher Education)

There was delay in selection of teachers in Government aided colleges

Records revealed that, in respect of selection of 1,119 teachers, notified (June 2003 and November 2004) by the Directorate, the High Court had stayed selection process and passed (April 2009) final order on the writ petition filed by the aggrieved persons for re-calculation of vacancies adhering to the provisions of Uttar Pradesh Public Services (Reservation of Scheduled Castes, Scheduled Tribes and Other backward classes) Act, 1994. The department approached

² Hindi, English, Mathematics, Economics, Political science, Sociology, Education, History, Physics, chemistry Zoology, Botany

(July 2009) the Supreme Court against the judgment of High Court. Further progress was awaited (December 2009).

Against the remaining 1671 vacancies notified (February 2005 to May 2008), 665 posts (40 *per cent*) only were filled up as of November 2009. On being enquired about the reason for abnormal delay in selection of teachers at HESC level, the Secretary, HESC replied (October 2009) that though the HESC was always inclined to complete the selection process speedily but due to legal wrangling it was delayed. The HESC had delayed the selection process even in cases not involving judicial process.

Besides, against 3065 vacancies in Government aided colleges as of March 2009, the Directorate had notified 2224 vacancies only to the HESC, which indicated that Directorate was also not notifying exact number of vacancies for further action.

4.6.3 Pending court cases

Counter affidavit in 569 court cases was pending for one to more than five years at Directorate level

As of June 2009, 3396 cases involving service matters, honoraria, colleges' affiliation, admissions and selection of lecturers etc. were pending in the High Court³. Out of these, 889 cases related to admissions and affiliation matters and the concerned universities being the primary respondent were responsible for filing the Counter Affidavit (CA). In remaining 2507 cases, CA in 569 cases was pending for one to more than five years at Directorate level. Year-wise details of cases are given in **Table 5**.

Table 5: Pending court cases

Year	Number of cases pending at the end of June 2009	Number of cases in which CA not filed by Directorate as of June 2009
Upto 2004	1,710	228
2005	259	59
2006	183	63
2007	514	65
2008	317	96
2009 (upto June 2009)	413	58
Total	3,396	569

(Source: Directorate of Higher Education)

Huge number of court cases indicated that department was not keen to attend to the problems of staff and others, as a result of which the aggrieved parties approached courts for relief. On this being pointed out, the Government stated (November 2009) that CA could not be filed due to shortage of staff. The Government further stated that no specialized legal cell was set up in the Directorate to look after the court cases properly, in the absence of which, the court cases could not be pursued effectively. Reply confirmed the apathetic attitude of the department for pursuing court cases.

³ Information in respect of cases pending in other courts/benches were not made available by the department.

4.7 Project management

The forthcoming paragraphs would reveal deficiencies in implementation of development schemes/projects.

4.7.1 Development and extension of basic facilities in Government aided colleges

The department failed to utilize the funds in developing basic facilities in Government aided colleges

The Government sanctioned Rs 20 crore (2007-08: Rs 10 crore and 2008-09: Rs 10 crore) for the development and extension of basic facilities and infrastructure in aided colleges. As per the criteria laid (July 2008) by the department, grant at the rate of Rs 10 lakh was to be given to each aided college which had received the non-recurring grant before 1980. The grants were to be given only to those colleges which would spend 65 *per cent* of the total expenditure from their own resources. The scheme involved construction of building and lab for different professional courses in addition to digitalization/renewal of library, strengthening of lab, on line education/e-library, computer lab and existing courses, etc. The department revised the criteria (August 2008) by deleting digitization/renewal, strengthening of lab, on line education/e-library computer lab etc. The colleges were still not prepared to incur 65 *per cent* from their sources as they did not have sufficient financial resources.

Thus, the department could not utilize the grant of 2007-08 which was lying locked up in a PLA (June 2009). The entire grant for 2008-09 was surrendered at the end of financial year. As such, department failed in developing basic facilities in Government aided colleges, despite availability of funds.

4.7.2 Execution of Asevit⁴ Yojna

With a view to encouraging private management/institutions to open self financing colleges in unserved areas, the Government decided (May 1999) to pay grants up to Rs 50 lakh for construction of college buildings, library and purchase of equipment with the conditions, *inter alia*, that the land of the college should be at one place and registered in the name of college and mortgaged in favour of Government for 15 years.

Due to recommendation of ineligible cases by the RHEOs, grant of Rs 20 lakh under Asevit yojna was irregularly paid to two colleges

Records revealed that RHEO, Varanasi certified (2004-05) transfer of land to the Lodi Kisan Mahavidyalaya, Chhitauni, Atraulia, Azamgarh although the transfer had actually not taken place and first installment of Rs 10 lakh was released (April 2005) to the college. In May 2008, the Principal of the college informed the Director that the land was under dispute and hence no construction work was carried out. Similarly, RHEO, Varanasi sent a report to the Director, HE, stating that land had been transferred to Raj Bali Singh Smarak Mahavidyalaya, Halia, Mirzapur in 2005-06 and on that basis, the Director certified that the land was transferred in the name of the college. Accordingly, Rs 10 lakh as first installment was released (January 2007) to this college also. In May 2008, the Revenue department pointed out that the land was transferred

⁴ Unserved

irregularly to the college as the same belonged to a scheduled caste and the land could be transferred only with the permission of DM, Mirzapur.

Orders to recover the amounts along with interest thereon from both Lodi Kisan Mahavidyalaya and Raj Bali Singh Smarak Mahavidyalaya were issued in September 2008 and February 2009 respectively by the Director, HED. No recovery had, however, been effected as of August 2009. The department also took no action against the officers responsible for recommending ineligible cases for release of the grant.

4.7.3 Non-construction of buildings for State Administrative and Management Institute and U.P. Higher Education Service Commission

The department failed to construct buildings for State Administrative and Management Institute and UPHEC despite availability of funds

The National Policy on Education-1986 expressed the need of training educational administrators and heads of institutions in specialized institutions at the National and State levels and also imparting pre- induction training to personnel selected to head the institutions. To fulfill these objectives Government decided (August 2007) to establish a State Administrative and Management Institute at Allahabad and allotted Rs 2 crore in 2007-08 for construction of building on land to be provided by Small Industries department of U.P. Government free of cost. Commissioner, Allahabad division sent (February 2008) a proposal to the Government for transfer of land situated at Karchana Tehsil for construction of the above Institute. Order of the Government for transfer of the above land was, however, awaited as of November 2009. Meanwhile, the allotted amount of Rs 2 crore was surrendered (March 2009). The Government in reply stated (November 2009) that the proposal for transfer of land was under consideration.

The Government also sanctioned (July 2008) Rs 3.40 crore for construction of non- residential/residential building for HESC, Allahabad on the proposal of the Director, HE, as the Commission was functioning in a private rented building with insufficient accommodation. The amount was to be paid to the executing agency after ensuring availability of land for the construction. The department could not arrange the land and the money was surrendered at the end of the 2008-09.

4.7.4 Non-functional law faculty and underutilization of hostel building

The Government issued (April 2000) instructions to State universities that recognition for law courses would be given only to new law colleges and not to a law faculty in the existing colleges. Recognition was to be given after fulfillment of the norms, *inter alia*, construction of lecture hall, common room, library, administrative office, principal's office, examination room, etc.

Law faculty could not be made functional for want of affiliation to the university since the last three years and a hostel building was underutilized

The Government in contravention of its April 2000 order sanctioned (March 2005) Rs 2.73 crore for introduction of law faculty in the Chaudhary Charan Singh Postgraduate College (CCSPGC), Heonra, (District Etawah) to be affiliated to the Chatrapati Sahuji Maharaj University, Kanpur. The total intake capacity of the law faculty was fixed at 500. The building was completed (January 2006) at a cost of Rs 2.44 crore by Uttar Pradesh Rajkiya Nirman

Nigam (Nigam). The law faculty was, however, not functional as of November 2009 as it could not be affiliated to university for want of certified copy of *Khatauni* of the college land and balance sheet of the society which managed the college funds. Expenditure of Rs 2.44 crore incurred on construction of the building proved unfruitful for over 3 years.

The Government also, sanctioned (2003-05) Rs 12.63 crore for construction of a 450 bedded hostel for the above college. The hostel building was completed (June 2005) at a cost of Rs 12.46 crore. Against the intake capacity of 450 students, actual number of students in the hostel ranged between 99 and 389 (2005-06:324; 2006-07:389; 2007-08:147 and 2008-09:99) indicating under utilization of the hostel. On this being pointed out, Principal of the college stated (July 2009) that the shortfall was due to irregular session of B.Ed. classes in previous years. Reply was not tenable as there was no shortfall in actual intake of B.Ed. students against intake capacity of 230 students during 2005-09.

4.8 Failure of Oversight/Governance and Monitoring

4.8.1 Lack of quality assurance in institutions

Ninety five per cent colleges did not have requisite infrastructure for quality education

To ensure that the graduate and post graduate colleges were maintaining requisite standards and imparting quality education to the students, the Government issued (March 2004 and August 2004) instructions that all colleges should get accreditation of the National Assessment and Accreditation Council (NAAC), an autonomous body established by the University Grant Commission (UGC). RHEOs were responsible for submission of report to Government after getting the rating done by the NAAC.

Out of 2361 colleges (Government colleges: 125, aided colleges: 335 and unaided colleges: 1901), only 121 colleges (15 Government colleges; 103 aided colleges and 3 unaided/self financed colleges) were accredited by the NAAC (June 2009) during the last five years. The Government in reply stated (November 2009) that as the remaining colleges did not have sufficient infrastructure, they were not accredited by NAAC. Thus, 95 per cent colleges did not have requisite infrastructure for quality education indicating lack of oversight.

4.8.2 Computerisation

Eight hundred twelve computers purchased at a cost Rs 5.49 crore were not utilized for the intended purposes for the last one to three years

With a view to computerize the working of the Directorate, RHEOs and Government colleges, 187 computers at a cost of Rs 1.65 crores were purchased during 2006-08 and provided to them. As the department neither developed software for maintaining the personnel information system, monitoring of pension cases, court cases, college information system, etc., nor deployed the trained staff, these computers could not be used for intended purposes. Instead, these were used for typing work during the last three years.

Further, to impart computer awareness amongst the students in Government colleges, 625 computers along with allied peripherals⁵ were purchased (March 2009) at a cost of Rs 3.84 crore and made available (March 2009) to all Government colleges. The scheme could not be implemented for want of cable network, laboratories and faculty members in the colleges as of November 2009. Rupees 30.75 lakh allotted for cable networking were remitted (September 2009) into the departmental receipt head by the Directorate as the work awarded to a PSU⁶ for completion by 20 March 2009 had not been completed as of September 2009 due to which all 625 computers remained idle (November 2009). As the department failed to provide logistic support, computers remained idle which indicated lack of governance.

4.8.3 Audit of Boy's Fund accounts

According to Government order (July 1986), Boy's Fund Accounts (BFAs) were to be audited by a Chartered Accountant every year (minimum once in two years) and audited statement to be presented before Management Committee of the colleges. Records of 85 aided colleges in DIOSs revealed that the BFA was not audited in 49 colleges (58 *per cent*) during 2004-09. The Government, in reply, stated (November 2009) that necessary instruction was being issued to colleges for the audit of BFAs by a Chartered Accountant.

Box: 4.1

Weak monitoring of Lucknow University

The Government released Rs 122.10 crore as grants to the university. Records in HED and in Lucknow University revealed:

- No date had been prescribed for finalization of annual accounts and their submission to the Government. The accounts for the years 2006-07 to 2008-09 were still open (November 2009).
- The cash book had not been maintained properly even after directions (March 2009) of the Executive Council.
- The University had not conducted bank reconciliation in any of the eight accounts operated by it. Bank statements and the cash books revealed a variation of Rs. 16.39 lakh as on 31 March 2009.
- Temporary advances of Rs 5.78 crore made during 1996 to March 2009 were outstanding as of August 2008.
- The University neither reconciled the amount lying under the head '8338' with the treasury nor transferred the balances to the head '8009'. Consequently the Treasury, pending reconciliation refused (2007-08) payment of GPF claims aggregating to Rs 48.59 lakh in respect of 67 employees.

⁵ MS office Professional software: 140, Uninterrupted Power Supply (UPS) equipment: 42. and Line Interactive UPS: 373.

⁶ M/s Uttar Pradesh Small Industries Corporation Limited, Kanpur

- Despite refusal of the Government to approve pay revision of 37 different categories of posts, the university paid Rs. 2.81 crore (*Appendix 4.2*) to these employees as of March 2009. Besides, four incumbents working as Drawing Master, Clay figure Modular and Stone carver were irregularly allowed the pay scale of lecturers.
- Three hundred and seventy eight employees were appointed in excess of the sanctioned strength by the university up to November 1997, that too without adhering to the proper procedure for their selection.
- Data relating to admissions to PhD from 2004-05 to 2008-09 revealed that 53 supervisors had 9 to 53 scholars (*Appendix 4.3*) under them against the prescribed norms⁷.
- Physical verification of the 5.5 lakh books costing Rs 14.72 crore (March 2008) had not been done since last three decades.

The above indicated that the HED did not monitor effectively functioning of the university.

4.8.4 Inventory control

Physical verification of stores and stock was not done during 2004-09

According to financial rules, physical verification of stores and stock was to be done annually by the department. The Directorate did not conduct physical verification of its store and stock during 2004-09. As a result, shortage of stores and unserviceable stock, if any, could not be ascertained. For permanent and semi-permanent assets acquired by department, a separate register of assets was required to be maintained. The fixed assets register was not maintained either at the Directorate and RHEO levels or in Government colleges.

The Government in reply stated (November 2009) that necessary instructions had been issued for physical verification of stores and stock and maintenance of fixed assets register.

4.8.5 Internal Audit

Internal audit was not effective

Internal Audit is an integral component of an organisation's management processes, to provide reasonable assurance that the operations are carried out effectively and efficiently, financial reports and operational data are reliable and the applicable laws and regulations are complied with so as to achieve organisational objectives.

The department had an Internal Audit Wing (IAW) functioning under the supervision of Finance Controller in the Directorate with one post of Finance and Accounts Officer, five posts of Auditors and eight posts of Junior Auditors for conducting audit of Government and aided colleges. The department had neither framed any internal audit manual nor chalked out any schedule/ calendar

⁷ A maximum of six candidates under one lecture, eight under one Reader and 10 under one Professor.

for internal audit. Records of IAW revealed that 88 per cent to 96 per cent colleges were not audited during 2004-09 as indicated in the **Table 6**.

Table 6: Un-audited units

Year	Total number of units	Total number of units audited	Total number of units unaudited	Percentage of unaudited units
2004-05	460	19	441	96
2005-06	463	56	407	88
2006-07	459	45	414	90
2007-08	460	50	410	89
2008-09	460	24	436	95

(Source: Directorate of Higher Education)

The department did not furnish the position of paragraphs raised by internal audit and their settlement. Action taken on the audit reports by the department/college administration was also not made available to audit.

On this being pointed out, the Director, HED replied (July 2009) that shortage of staff was the main reason for shortfall in audit. This indicated that proper attention was not given to internal audit which was ineffective. The Government in reply stated (November 2009) that annual calendar for conduct of internal audit was being prepared by IAW.

4.8.6 Lukewarm response to external audit

The position of outstanding audit paragraph in Inspection Reports (IRs) issued by Principal Accountant General (Civil Audit), U.P., Allahabad during 2004-09 was as in **Table 7**.

Table 7: Settlement of audit paragraphs

Year	Opening balance		Addition during the year		IRs/paragraphs settled during the year		IRs/paragraphs outstanding at the close of the year	
	IRs	Paragraphs	IRs	Paragraphs	IRs	Paragraphs	IRs	Paragraphs
	2004-05	66	124	37	75	11	22	92
2005-06	92	177	50	105	04	10	138	272
2006-07	138	272	12	29	-	-	150	301
2007-08	150	301	10	41	19	48	141	294
2008-09	141	294	07	23	10	17	138	300

(Source: Directorate of Higher Education)

There was inadequate response to external audit.

The number of outstanding paragraphs increased from 177 (2004-05) to 300 (2008-09). No paragraph was settled during 2006-07. Besides, out of 29 IRs issued during 2006-09, first reply was not received in respect of 17 IRs (58 per cent) as of March 2009. This showed inadequate monitoring and poor response to Audit. In reply, Government stated (November 2009) that necessary instructions had been issued for effective action.

4.8.7 Control mechanism

The Directorate, HE had not maintained basic records/register like Index register of files, records of proposed, sanctioned, running and incomplete schemes/projects, register of 'asevit chhetra' containing details of applications received for sanction of grants. In reply, the Government stated (November 2009) that necessary action was being taken in this regard.

4.9 Conclusion and Recommendations

4.9.1 Ineffective budgetary and expenditure control

Budgetary controls were inadequate leading to overestimation of budget grants and eventual savings in all the five years which were surrendered on the last day of respective financial years leaving no time for utilisation elsewhere.

Recommendations: Budget preparing process should be strengthened to avoid inflated provisions and funds should be surrendered timely for utilisation elsewhere.

4.9.2 Personnel management

There was shortage of 12 to 49 *per cent* regular teaching staff during 2004-09 in Government and Government aided colleges impacting the quality of education imparted to students. Large number of cases relating to service matters, recognition of colleges, etc. were pending in the High Court, Allahabad, for which, Counter Affidavits (CAs) were not filed in 569 cases and 228 of these were more than five years old.

Recommendations: A time frame for selection of teachers by HESC should be prescribed and adhered to fill up the vacancies in the colleges. A mechanism should be evolved to redress the grievances of employees in service matters, hindrances in recognition of colleges, etc. to avoid legal cases. Legal cell in the Directorate should be strengthened to file CAs timely.

4.9.3 Deficient projects management

The State Administration and Management Institute could not be established as the Government did not make the land available for construction and the fund was surrendered. The department failed to extend basic facilities such as buildings, computer lab, on-line e-library, on-line education, etc. in Government aided colleges, despite availability of funds.

Recommendations: The Government should make the funds and land available on priority basis for establishment of the State Administration and Management Institute to fulfill the need of training to educational administrators and heads of institutions and also for imparting of pre-induction training to personnel selected to head the institutions. The Government should make a pragmatic policy for extension of basic facilities to Government aided colleges.

4.9.4 Failure of governance/lack of monitoring

Ninety five *per cent* of the colleges in the State did not have NAAC accreditation. Internal audit was weak as 88 *per cent* to 96 *per cent* units remained unaudited during 2004-09. Response to external audit was also poor as only five *per cent* audit paragraphs were settled during 2004-09.

Recommendations: The department should ensure necessary infrastructure in the colleges for quality education and should get all the colleges accredited by NAAC. Internal Audit wing should be strengthened to cover all units in a cycle of two to three years.



(AJIT KUMAR PATNAIK)
Principal Accountant General (Civil Audit)
Uttar Pradesh

Allahabad
The

Countersigned



(VINOD RAI)
Comptroller and Auditor General of India

New Delhi
The

Appendix-2.1.1

(Reference: paragraph 2.1.3; page12)

Period of charges held by District Judges and DDOs in office of DJ, Ghaziabad

Sl. No.	District Judge S/Shri	Period	Sl. No.	DDOs S/Shri	Period
1	R. P. Mishra	9.3.1999 to 30.6.02	1.	Subash Chandra, ADJ	03.9.98 to 05.6.99
2	A. K. Agrawal, ADJ	1.7.02 to 19.7.02	2.	K.K. Chhabra, ADJ	14.6.99 to 1.8.01
3	R. S. Tripathi	20.7.02 to 21.12.02	3.	R. P. Shukla, ADJ	2.8.01 to 25.8.02
4	A. K. Agrawal, ADJ	22.12.02 to 13.1.03	4.	D. S. Tripathi, ADJ	26.8.02 to 15.1.03
5	R. P. Yadav	14.1.03 to 31.7.04	5.	Km. Ujjwala Garg, ADJ	16.1.03 to 24.7.03
6	Chandra Prakash, ADJ	1.8.04 to 3.9.04	6.	Smt. Sadhana Chaudhari, ADJ	25.7.03 to 25.6.04
7	R. N. Mishra	4.9.04 to 15.1.06	7.	Ali Zamin, ADJ	25.6.04 to 30.6.05
8	Ali Zamin, ADJ	16.1.06 to 12.2.06	8.	Shri Prakash, ADJ	1.7.05 to 5.6.07
9	A.K. Singh	13.2.06 to 19.11.06	9.	D.K. Srivastava, ADJ	16.6.07 to 31.3.08
10	Ali Zamin, ADJ	20.11.06 to 29.11.06			
11	R. S. Chaubey	30.11.06 to 31.12.07			
12	Arun Kumar	1.1.08 to 3.2.08			
13	Shyam Shankar Tewari	4.2.08 to 12.3.08			
14	NK Jain	15 ¹ .3.08 to 31.3.08			

¹ Information regarding DJ's charge on 13 and 14.03.2008 not furnished by DJ, Ghaziabad

Appendix 2.1.2

(Reference: paragraph 2.1.6.3; page 14)

List of employees whose length of service was wrongly certified

Sl. No.	Name of the employee S/Shri	Date of advance drawn	Length of service as per GPF sanction order (in years)	Actual length of service (in years)
1.	Mohan Singh	17-07-05	27	18
2.	Rajendra Pal	27-09-05	20	15
3.	Brij Mohan	24-01-06	25	17
4.	Arvind	10-02-05	20	14
5.	Sharvan Kumar	27-12-04	24	14
6.	Sharda Devi	02-09-04	20	15
7.	Sapan Kumar Chatterjee	25-07-05	20	15
8.	Salekh Chandra	22-07-05	25	15
9.	Mahendra Yadav	01-07-01	20	16
10.	Anokhe Lal	22-04-00	20	13
11.	Narendra Singh-II	31-03-04	20	16
12.	Ved Pal	01-07-01	20	14
13.	Veg Raj	30-10-05	20	18
14.	Indra Bahadur	22-07-99	20	12
15.	Ratan Singh	10-06-05	25	18
16.	Ved Prakash	01-06-00	20	13
17.	Shakuntla Devi	22-04-03	25	18

Appendix 2.1.3
(Reference: paragraph 2.1.7.1; page 16)

List of payment to non-employees

(Amount in rupees)

SL. No.	Voucher Number	Voucher Date	Cheque Number	Cheque Amount	GPF Account Number as recorded in the sanction	Cheque issued in the name of
1.	B20140088	24/10/2007	BK0589267	108000	DJ-109	AMI CHAND
2.	B20140046	27/10/2005	AJ0465787	200000	DJ-19	AMI CHAND
3.	B20140008	04/07/2007	BJ0704609	45000	DJ-248	AMI CHAND
4.	B20140021	06/12/2007	BK0520099	210000	DJ-102	AMIT CHADDA
5.	B20140084	24/10/2007	BK0589272	205000	DJ-126	AMIT CHADDA
6.	B20140033	27/01/2006	AW0818165	48000	DJ-174	AMIT CHADDA
7.	B20140031	23/06/2006	AW0870822	38850	DJ-177	AMIT CHADDA
8.	B20140029	29/12/2006	BJ0323221	98000	DJ-42	AMIT CHADDHA
9.	B20140007	05/09/2007	BK0052901	90000	DJ-210	AMRISH TYAGI
10.	B20140021	01/01/2008	BK0522655	265000	DJ-59	AMRISH TYAGI
11.	B20140023	06/12/2007	BK0520151	108000	DJ-127	ANIL GARG
12.	B20140004	04/07/2007	BJ0704605	134000	DJ-207	ANIL KUMAR GARG
13.	B20140023	19/06/2007	BK0061105	60000	DJ-239	ARUN KUMAR KAUSHIK
14.	B20140006	05/10/2006	BH0344840	60000	DJ-56	ARUN KUMAR KAUSHIK
15.	B20140085	24/10/2007	BK0589273	72000	DJ-81	ARUN KUMAR KAUSHIK
16.	B20140013	11/08/2007	BJ0708489	108000	DJ-89	ARUN KUMAR KAUSHIK
17.	B20140020	01/01/2008	BK0522654	242000	DJ-73	ARUN KUMAR VERMA
18.	B20140007	04/07/2007	BJ0704608	80000	DJ-287	ARUN VERMA
19.	B20140027	29/12/2006	BJ0323223	21000	DJ-295	CEEP SETHI
20.	B20140035	03/01/2008	BK0523011	50000	DJ-178	CHANCHAL KUMAR
21.	B20140036	14/12/2007	BK0520938	50000	DJ-239	CHANCHAL KUMAR
22.	B20140028	29/12/2006	BJ0323222	54000	DJ-278	CHANCHAL KUMAR
23.	B20140009	05/10/2005	AJ0462303	250000	DJ-49	DHARMENDER
24.	B20140003	04/06/2007	BJ0702670	100000	DJ-171	DHARMENDER KUMAR
25.	B20140017	11/08/2007	BJ0708493	100000	DJ-185	DHARMENDER KUMAR
26.	B20140035	13/10/2007	BK0588065	208000	DJ-22	DHARMENDER KUMAR
27.	B20140055	26/11/2007	BK0593768	200000	DJ-256	DHARMENDER KUMAR
28.	B20140009	05/06/2004	AG0709157	250000	DJ-68	DHARMENDER KUMAR

Audit Report (Civil) for the year ended 31 March 2009

29.	B20140028	22/09/2004	AG0723135	250000	DJ-76	DHARMENDER KUMAR
30.	B20140005	29/04/2006	AW0864985	80000	DJ-79	DHARMENDER KUMAR
31.	B20140005	04/06/2003	AG0662378	200000	DJ-99	DHARMENDER KUMAR
32.	B20140010	23/06/2005	AJ0449679	160000	DJ-99	DHARMENDER KUMAR
33.	B20140052	30/11/2006	BJ0316253	75000	DJ-78	DHARMENDRA KUMAR
34.	B20140001	02/07/2007	BJ0704351	18000	DJ-289	DHIRAJ SINGH
35.	B20140035	27/01/2006	AW0818167	23000	DJ-102	GAURAV
36.	B20140058	29/09/2006	BH0344434	32000	DJ-165	GAURAV GARG
37.	B20140033	23/06/2006	AW0870820	69800	DJ-174	GAURAV GARG
38.	B20140008	01/05/2006	AW0865105	100000	DJ-53	GEETA DEVI
39.	B20140030	18/10/2005	AJ0464382	325000	DJ-17	HAJI IQBAL
40.	B20140005	04/07/2007	BJ0704606	120000	DJ-278	HAMENDER TYAGI
41.	B20140011	05/10/2006	BH0344845	100000	DJ-37	HAMENDER TYAGI
42.	B20140026	01/01/2008	BK0522660	241000	DJ-67	HAMENDRA TYAGI
43.	B20140037	13/11/2007	BK0592644	170000	DJ-119	HAMENDRE TYAGI
44.	B20140011	08/06/2004	AG0709218	100000	DJ-149	MITHLESH KUMAR
45.	B20140033	16/10/2002	AG0628911	29000	DJ-71	MITHLESH KUMAR
46.	B20140019	08/05/2006	AW0865815	50000	DJ-51	MOBEEN
47.	B20140054	26/11/2007	BK0593767	210000	DJ-113	MOBIN
48.	B20140062	18/10/2007	BK0588721	207000	DJ-19	MOBIN
49.	B20140014	11/08/2007	BJ0708490	40000	DJ-204	MOBIN
50.	B20140046	14/01/2008	BK0524186	225000	DJ-274	MOBIN
51.	B20140054	29/09/2006	BH0344430	75000	DJ-122	RAJAN SHARMA
52.	B20140037	03/01/2008	BK0523013	50000	DJ-159	RAJAN SHARMA
53.	B20140034	23/06/2006	AW0870819	63100	DJ-191	RAJAN SHARMA
54.	B20140043	14/12/2007	BK0520945	50000	DJ-246	RAJAN SHARMA
55.	B20140030	29/12/2006	BJ0323220	56000	DJ-287	RAJAN SHARMA
56.	B20140037	27/01/2006	AW0818169	12000	DJ-53	RAJEY BABU
57.	B20140011	09/08/2007	BJ0708361	120000	DJ-192	RAM BABU
58.	B20140041	14/12/2007	BK0520943	200000	DJ-225	RAM BABU
59.	B20140025	16/07/2007	BJ0706141	100000	DJ-242	RAM BABU
60.	B20140011	11/09/2007	AJ0719526	80000	DJ-271	RAM BABU
61.	B20140031	12/11/2007	BK0592510	207000	DJ-279	RAM BABU
62.	B20140100	31/10/2007	BK0590680	150000	DJ-88	RAM BABU
63.	B20140054	31/10/2006	BJ0312512	133000	DJ-76	RAM BABU VERMA
64.	B20140037	14/12/2007	BK0520939	50000	DJ-119	RAVI AGARWAL

65.	B20140038	03/01/2008	BK0523020	50000	DJ-128	RAVI AGARWAL
66.	B20140013	23/06/2005	AJ0449682	200000	DJ-83	REETU
67.	B20140028	19/07/2007	BJ0706399	25000	DJ-218	SACHIN
68.	B20140006	05/09/2007	BK0052900	60000	DJ-249	SACHIN
69.	B20140031	29/06/2007	BK0070330	60000	DJ-265	SACHIN
70.	B20140011	06/11/2007	BK0592275	80000	DJ-65	SACHIN GOEL
71.	B20140004	01/07/2006	AW0871743	30000	DJ-187	SANJAY KUMAR TYAGI
72.	B20140024	19/06/2007	BK0061106	135000	DJ-287	SANJEEV KUMAR
73.	B20140027	01/01/2008	BK0522661	237000	DJ-108	SANJEEV KUMAR TYAGI
74.	B20140015	12/09/2007	AJ0719673	150000	DJ-24	SANJIVE KUMAR
75.	B20140043	29/01/2007	BJ0325995	100000	DJ-38	SANJIVE KUMAR
76.	B20140029	12/11/2007	BK0592508	215000	DJ-140	SATYA PAL CHOUDHARY
77.	B20140063	18/10/2007	BK0588722	205000	DJ-36	SAVITRI
78.	B20140008	29/04/2006	AW0864988	95000	DJ-129	SAVITRI DEVI
79.	B20140022	10/10/2005	AJ0463610	318000	DJ-72	SAVITRI DEVI
80.	B20140030	12/11/2007	BK0592509	205000	DJ-114	SHAKUNTLA
81.	B20140012	11/09/2007	AJ0719527	90000	DJ-118	SHAKUNTLA
82.	B20140040	15/10/2007	BK0588187	215000	DJ-120	SHAKUNTLA
83.	B20140046	19/10/2006	BH0347072	154000	DJ-139	SHRI KANT YADAV
84.	B20140014	06/07/2007	BJ0704740	150000	DJ-268	SHRI KANT YADAV
85.	B20140026	11/12/2007	BK0520643	200000	DJ-228	SMT ASHA SHARMA
86.	B20140036	30/06/2007	BJ0704149	100000	DJ-275	SMT GEETA
87.	B20140019	07/11/2007	BK0592319	200000	DJ-252	SMT GEETA DEVI
88.	B20140021	10/10/2007	BK0587723	210000	DJ-27	SMT GEETA DEVI
89.	B20140027	11/12/2007	BK0520644	200000	DJ-209	SMT JAYA
90.	B20140036	31/08/2007	BK0052224	108000	DJ-242	SMT KAMLESH
91.	B20140045	19/10/2006	BH0347071	150000	DJ-31	SMT KAMLESH
92.	B20140021	21/05/2007	BK0073491	140000	DJ-79	SMT KAMLESH
93.	B20140022	21/05/2007	BK0073492	130000	DJ-171	SMT LAXMI
94.	B20140035	31/08/2007	BK0052223	90000	DJ-238	SMT LAXMI
95.	B20140010	12/07/2006	AW0873347	150000	DJ-149	SMT MEDHA SINGH
96.	B20140023	16/07/2007	BJ0706139	100000	DJ-288	SMT MEGHA
97.	B20140028	11/12/2007	BK0520645	200000	DJ-178	SMT MITHLESH SHARMA
98.	B20140037	31/07/2007	BJ0707466	36000	DJ-243	SMT POONAM
99.	B20140001	01/10/2007	BK0586408	210000	DJ-29	SMT PUSHPA
100.	B20140003	29/04/2006	AW0864983	85000	DJ-141	SMT REETU

Audit Report (Civil) for the year ended 31 March 2009

101.	B20140029	01/01/2008	BK0522663	275000	DJ-130	SMT SAVITA
102.	B20140017	18/02/2006	AW0821138	458185	DJ-11	SMT SAVITRI
103.	B20140016	11/08/2007	BJ0708492	125000	DJ-46	SMT SAVITRI
104.	B20140002	04/06/2007	BJ0702669	125000	DJ-61	SMT SAVITRI
105.	B20140009	04/12/2007	BK0519831	200000	DJ-79	SMT SAVITRI
106.	B20140051	20/12/2007	BK0521586	215000	DJ-102	SMT SHAKUNTLA
107.	B20140007	09/08/2007	BJ0708357	85000	DJ-109	SMT SHAKUNTLA
108.	B20140102	31/10/2007	BK0590682	175000	DJ-109	SMT SHAKUNTLA
109.	B20140024	16/07/2007	BJ0706140	120000	DJ-123	SMT SHAKUNTLA
110.	B20140035	23/12/2005	AJ0461986	200000	DJ-57	SMT SHEELA
111.	B20140033	01/01/2008	BK0522667	240000	DJ-101	SMT SHEELA PAL
112.	B20140015	11/08/2007	BJ0708491	90000	DJ-106	SMT SUSHMA
113.	B20140008	08/11/2006	BJ0313251	75000	DJ-123	SMT SUSHMA
114.	B20140064	18/10/2007	BK0588723	210000	DJ-143	SMT SUSHMA
115.	B20140010	05/10/2006	BH0344844	90000	DJ-29	SMT SUSHMA
116.	B20140008	05/10/2005	AJ0462302	200000	DJ-71	SMT SUSHMA
117.	B20140014	23/06/2005	AJ0449683	250000	DJ-72	SMT SUSHMA
118.	B20140022	22/09/2004	AG0723129	250000	DJ-82	SMT SUSHMA
119.	B20140016	12/07/2004	AG0712317	130000	DJ-93	SMT SUSHMA
120.	B20140026	20/06/2007	BK0061123	100000	DJ-92	SMT.PUSHPA
121.	B20140058	30/11/2006	BJ0316259	150000	DJ-99	SMT.SAVITRI
122.	B20140065	18/10/2007	BK0588724	215000	DJ-80	SRHI KANT YADAV
123.	B20140007	01/05/2006	AW0865104	70000	DJ-119	SUSHMA
124.	B20140002	02/07/2007	BJ0704353	75000	DJ-238	SUSHMA
125.	B20140005	04/09/2006	AW0878505	133000	DJ-43	SUSHMA
	TOTAL			16964935		

Appendix 2.1.4

(Reference: paragraph 2.1.7.2; page16)

Details of drawals (2006-07 & 2007-08) by increasing the opening balance in 2006-07 pertaining to GPF Group D of the District Judge, Ghaziabad

(Amount in rupees)

Sl. No.	Name of Official	GPF account number	Actual balance	Increased balance	Increased amount	Amount drawn	Excess
1.	Lokesh Kumar	127	112354	312354	200000	190000	77646
2.	Satya Pal	138	113041	213041	100000	990000	876959
3.	Ganesh Narayan	38	35594	235594	200000	100000	64406
4.	Smt Shakuntla Devi	154	95529	295529	200000	160000	64471
5.	Tara Chandra	66	82580	282580	200000	100000	17420
6.	Charan Das	73	24843	224843	200000	40000	15157
7.	Kalva Singh	68	122929	222929	100000	525000	402071
8.	Ram Keval	110	117632	317632	200000	130000	12368
9.	Rakesh Kumar Sharma	161	76133	376133	300000	80000	3867
10.	Narendra Singh	162	45150	245150	200000	769000	723850
11.	Manudev Sharma	277	37224	237224	200000	180000	142776
12.	Lallan Pandey	288	34949	234949	200000	632000	597051
13.	Prem Chandra	292	35648	235648	200000	130000	94352
14.	Rajeev Shukla	300	13272	213272	200000	912000	898728
15.	Mahendra Singh	95	116015	396015	280000	190000	73985
16.	Gopal Singh	131	13512	334532	321020	200000	186488
17.	Vinod Kumar	258	44249	244249	200000	120000	75751
18.	Shiv Charan	99	-6373	361698	368071	95000	101373
19.	Rajendra Kumar	86	69362	267162	197800	780000	710638
20.	Har Pal Singh	112	30526	230526	200000	50000	19474
	Total		1214169	5481060	4266891	6373000	5158831

Appendix 2.1.5
(Reference: paragraph 2.1.7.2; page 16)

**Details of excess draws in 2007-08 by recording fictitious opening balance
in 2007-08 against new accounts**

(Amount in rupees)

Sl. No.	Name of Subscriber	GPF account number	Fictitious balance	Amount drawn	Deposits upto March 2007	Excess payment
1.	Rekharani	301	195307	-----	8880	-----
2.	Mahendra Kumar	302	190885	-----	9600	-----
3.	Sanjay Kumar	303	185749	-----	9600	-----
4.	Navin Kumar	304	180778	-----	9600	-----
5.	Madan Singh	305	199853	-----	9600	-----
6.	Azad Kumar	306	175545	-----	9600	-----
7.	Pavan Kumar	307	190450	-----	9600	-----
8.	Kalam Singh	308	172980	-----	9600	-----
9.	Nishant Choudhary	309	188822	-----	11500	-----
10.	Laxman Singh	310	192358	-----	9600	-----
11.	Anoop Kumar	311	198669	-----	9600	-----
12.	Vijay Kumar	312	199678	-----	9600	-----
13.	Shobhnath Singh	313	190853	-----	9600	-----
14.	Satendra Singh	314	192982	-----	9600	-----
15.	Kamlesh Srivastava	315	189763	-----	11500	-----
16.	Sandip Sharma	319	185680	-----	-----	-----
17.	Vanshidhar	321	190856	-----	-----	-----
18.	Rakesh Kumar	322	190953	-----	-----	-----
19.	Rajeev Swaroop Srivastava	317	185763	-----	-----	-----
20.	Arvind Ojha	318	190888	502000	6000 4000 (4/07 to 11/07)	492000
21.	Satish Kumar	316	185478	110000	3500 (4/07 to 10/07)	106500
22.	Mahipal Singh	320	187986	665000	4000 (4/07 to 11/07)	661000
Total			4162276	1277000	153080 11500	12,59,500

Appendix 2.1.6

(Reference: paragraph 2.1.7.4; page 17)

Details of withdrawals from closed GPF (Group D) accounts from
January 2003 to January 2008

Sl. No.	Name of subscriber and date of promotion S/Shri	Month from which Group D GPF account stand closed	Date of payment from Group D GPF account	Amount of payment (Rs. in lakh)
1	Kiran Pal Singh 18-07-2000	August 2000	17-01-2003	0.32
			22-03-2006	1.23
2	Dilip Rai 18-07-2000	August 2000	17-1-2003	0.65
			22-03-2006	0.12
3	Bheem Singh I 18-07-2000	JUNE 2001	17-01-2003	1.38
			22-03-2006	0.25
4	Bheem Singh Yadav 15-07-2003	August 2003	12-06-2006	2.44
5	Ashok Kumar 23-10-2003	November 2003	04-07-2007	1.00
			16-10-2007	2.08
			13-11-2007	2.00
			13-12-2007	1.90
			08-01-2008	2.30
6	Rajesh Kumar Tyagi 23-10-2003	November 2003	20-11-2003	0.80
			08.06.2004	2.50
			18-10-2004	2.50
			01-12-2006	1.00
			19-01-2006	3.40
			18-06-2007	0.60
			10-08-2007	1.20
			16-10-2007	2.07
			07-11-2007	2.25
			29-12-2007	2.20
03-07-2006	1.00			
7	Mahmood Ali 18-07-2000	August 2000	17-01-2003	0.99
			31-03-2006	0.30
8	Jagdish Kumar 18-07-2000	August 2000	17-01-2003	0.66
			22-03-2003	0.19
9	Jitendra Kumar 10-07-2003	August 2003	19-11-2003	1.00
			23-09-2004	2.50
			07-06-2004	2.50
			16-05-2005	1.50
			30-06-2005	2.00
01-05-2006	0.75			
10	Subhash Chandra 18-07-2000	August 2000	01-02-2006	0.20
			29-09-2006	0.40
			19-05-2006	1.21
			25-07-2007	0.60
			08-11-2007	0.70
11	Sanjay Pratap Singh 17-07-2000	July 2000	21-01-2003	0.41
			23-10-2007	2.08
			16-11-2007	2.05
			17-12-2007	1.95
Total				57.18

Appendix 2.1.7
(Reference: paragraph 2.1.9.8; page 22)

Statement of bills objected to and passed after re-submission

(Amount in rupees)

Sl. No	Bill registration number	Voucher number and date	Gross amount	Bill entry date	Cheque name	GPF account number	New voucher number and date	Employee status
1	332	B20140019 10/10/2005	225000	10/10/2005	ISHWAR NATH	..	25 10/10/2005	Group D
2	0	B20140009 01/05/2006	50000	01/05/2006	BAL KISHAN	..	13 02/05/2006	Group D
3	0	B20140001 01/05/2006	20000	01/05/2006	DEVI SINGH	..	4 01/05/2006	Group D
4	278	B20140007 12/08/2006	100000	12/08/2006	JILEY SINGH	..	B22350033 08/12/2006	Group D
5	39	B20550097 24/08/2006	100000	24/08/2006	SATYA PAL	..	23 24-08-06	Group D
6	16	B20140044 28/11/2006	150000	28/11/2006	RAJENDRA KUMAR	DJ-59	53 30-11-06	Group D
7	0	B20140045 28/11/2006	150000	28/11/2006	RAM ASHISH	DJ-112	54 30-11-06	Group D
8	0	B20140047 28/11/2006	150000	28/11/2006	SATYAPAL	DJ-37	56 30-11-06	Group D
9	0	B20140048 28/11/2006	30000	28/11/2006	GAURI SHANKAR	DJ-123	57 30-11-06	Class-III
10	0	B20140049 28/11/2006	150000	28/11/2006	SMT SAVITRI	DJ-99	58 30-11-06	Outsider
11	01	B20550005 01/05/2007	100000	01/05/2007	LOKESH KUMAR SHARMA	..	2 01/05/2007	Group D
12	210	B20550161 23/07/2007	25000	23/07/2007	TRILOK SINGH	DJ-	31 23/07/2007	Group D
13	0	B20140050 28/11/2006	100000	28/11/2006	RADHAY SHYAM	DJ-71	59 30-11-06	Group D
14	0	B20140051 28/11/2006	75000	28/11/2006	DHARMENDRA KUMAR	DJ-178	52 30-11-06	Outsider
15	0	B20140046 28/11/2006	100000	28/11/2006	RAJENDRA TYAGI	DJ-195	55 30-11-06	Group D
16	271	B20140031 11/10/2007	50000	11/10/2007	CHANDRA KUMAR	DJ-225	36 13-10-07	Group D
17	270	B20140030 11/10/2007	30000	11/10/2007	SURENDRA KUMAR	DJ-140	37 13-10-07	Group D
18	270	B20140032 11/10/2007	210000	11/10/2007	SATISH CHANDRA	DJ-71	38 13-10-07	Class-III
19	181	B20140043 19/10/2006	50000	19/10/2006	PREM CHANDER	..	50 19-10-06	Group D

20	0	B20140047 20/11/2007	110000	20/11/2007	SATISH KUMAR	..	48 20-11-07	Fake appointee
21	0	B20550022 03/01/2008	50000	03/01/2008	RAVI AGARWAL	..	38 01/03/2008	Outsider
22	297	B20140094 30/10/2007	144000	30/10/2007	PAWAN KUMAR	DJ-229	100 31-10-07	Fake appointee
23	292	B20140095 30/10/2007	150000	30/10/2007	RAM BABU		101 31-10-07	Outsider
24	293	B20140096 30/10/2007	160000	30/10/2007	VED PRAKASH	DJ-68	101 31-10-07	Group D
25	294	B20140097 30/10/2007	175000	30/10/2007	SMT SHAKUNTALA	DJ-109	102 31-10-07	Outsider
26	295	B20140098 30/10/2007	144000	30/10/2007	NARRENDRA SINGH	DJ-169	103 31-10-07	Group D
27	0	B20550197 29/01/2008	50000	29/01/2008	MOHAN LAL	DJ-50	73 29-01-08	Group D
		Total	28,48,000					

Appendix-2.2.1
(Reference: paragraph 2.2.5.1; page 30)

Statement showing sector-wise number of State and District sector projects and expenditure incurred thereon during 2004-09 in test-checked districts

(Rs in crore/work in number)

Sector	Hamirpur	Jalaun	Kushi-nagar	Jaunpur	Maharaj-ganj	Sultan-pur	Gorakh-pur	Siddarth-nagar	Ghazipur	Total
State Sector										
Energy	0	0	0	0	0	0	0	0	0	0
Water supply and sanitation	3.46 (20)	3.46 (20)	0	0	0	0	0	1.65 (2)	0	8.57 (42)
Medical and health	0	0	0	0	0	0	0	0	0	0
Rehabilitation and reconstruction of dams	0	0	0	0	0	0	0	0	0	0
Construction of roads	19.51 (10)	13.75 (21)	3.84 (11)	4.86 (19)	1.82 (6)	7.92 (44)	8.73 (10)	13.52 (36)	9.50 (25)	83.45 (182)
Construction of bridges	-	-	2.04 (2)	1.68 (2)	2.42 (3)	-	2.99 (1)	-	2.36 (1)	11.49 (9)
Rain water harvesting	1.02 (2)	0	0	0	0	0	0	0	0	1.02 (2)
Agriculture	0	0	0	0	0	0	0	0	0	0
Education	0	0	0	0	0	0	0	0	0	0
Others	3.50 (1)	3.50 (1)	0	0	0	0	0	0	0	7.00 (2)
Total	27.49 (33)	20.71 (42)	5.88 (13)	6.54 (21)	4.24 (9)	7.92 (44)	11.72 (11)	15.17 (38)	11.86 (26)	111.53 (237)
District Sector										
Energy	0	0.10 (5)	0.08 (5)	0.79 (28)	1.48 (21)	0.33 (18)	0	1.04 (37)	0.07 (1)	3.89 (115)
Water supply and sanitation	0.54 (8)	0.61 (13)	0.80 (31)	3.77 (116)	0.40 (12)	5.52 (2608)	0.19 (2)	0	0.21 (86)	12.04 (2876)
Medical and health	0	0	0	0	0	0	0	0	0	0
Rehabilitation and reconstruction of dams	0	0	0	0	0.68 (7)	0	0	0	0	0.68 (7)
Construction of roads	12.85 (207)	21.09 (714)	15.31 (628)	20.79 (496)	10.76 (326)	10.18 (228)	15.07 (294)	9.72 (173)	11.76 (251)	127.53 (3317)
Construction of bridges	0	0	0	0	0	0	0	0	0	0
Rain water harvesting	1.89 (23)	0	0	0	0	0	0	0	0	1.89 (23)
Agriculture	0	0	0	0	0	0	0	0	0	0
Education	0	0	0	0	0	0	0	0	0	0
Others	0.79 (11)	1.18 (29)	0	0.58 (13)	0.28 (4)	0.67 (17)	1.17 (27)	0.04 (2)	2.67 (85)	7.38 (188)
Total	16.07 (249)	22.98 (761)	16.19 (664)	25.93 (653)	13.60 (370)	16.70 (2871)	16.43 (323)	10.80 (212)	14.71 (423)	153.41 (6526)

Appendix-2.2.2

(Reference: paragraph 2.2.7.2; page 34)

Details of ineligible Executing Agencies which constructed roads during 2004-09 in six test-checked districts

(Rs in lakh)

District	Name of Executing Agency	Number of Projects	Expenditure incurred
Hamirpur	PACSFED	12	55.34
	UPPCL	62	392.92
Jaunpur	Samaj Kalayan Nirman Nigam	53	181.44
	Cane Department	225	755.50
Sultanpur	Cane Department	35	208.15
Jalaun	UP Samaj Kalyan Nirman Nigam	89	213.51
	U P P C L	110	348.18
Ghazipur	UP Samaj Kalyan Nirman Nigam	58	192.67
	PACSFED	25	77.46
	Cane Department	23	104.84
Gorakhpur	PACSFED	3	15.67
Total		695	2545.68

Appendix 2.2.3

(Reference: paragraph 2.2.7.3; page 34)

District-wise details of the ineligible projects

(Rs in lakh)

Name of District	Number of Projects	Amount sanctioned	Amount spent as of March 2009
Hamirpur	6	56.45	46.83
Jaunpur	10	75.56	54.35
Sultanpur	29	119.76	11.52
Jalaun	26	115.79	86.85
Ghazipur	63	189.80	178.93
Gorakhpur	6	12.25	12.25
Total	140	569.61	390.73

Appendix-2.2.4

(Reference: paragraph 2.2.7.5; page 36)

District-wise number of projects revised with cost overrun

(Rs in lakh)

District	Year of original sanction	No of projects	Original cost	Revised cost	Additional cost
(1)	(2)	(3)	(4)	(5)	(6)
Santkabir Nagar	2000-01	1	127.36	139.63	12.27
Azamgarh	2002-03	4	106.04	148.81	42.77
Ballia	2002-03	6	147.82	207.94	60.12
Sant Kabir Nagar	2002-03	2	133.25	144.60	11.35
Sonebhadra	2001-02	1	104.92	249.16	144.24
Ballia	2002-03	5	158.41	246.86	88.45
Maharajanj	2001-03	2	109.06	147.24	38.18
Total		21	886.86	1284.24	397.38

Appendix 2.2.5

(Reference: Box: 2.2.1 ; page 39)

Details of excess payments/sanctions to UPSBC

(Rs in crore)

Name of District	Name of project, programme and month of sanction	Payment made to UPSBC			Payment admissible to UPSBC on technically approved cost			Excess payment (col.4-col.7)
		Cost of bridge	Centage charges @ 12.5 per cent	Total	Cost of bridge after reducing 5 per cent	Centage charges @ 12.5 per cent	Total	
1	2	3	4	5	6	7	8	9
Jaunpur	Bridge between Laganbari to Dubeypur (Nidhi) (September 2006)	0.99	0.124	1.11	0.94	0.118	1.06	0.006
Kushinagar	Bridge on river Banshi Kharshal Babuiya Muradeeh Piprasi (Bihar boad) (Nidhi) (September 2006)	1.15	0.144	1.29	1.09	0.136	1.07	0.008
Jalaun	Kwari River Bridge on Kanjausa-Kalesshwer Mandir marg (Package) (October 2005)	14.46	1.81	16.27	13.73	1.72	15.45	0.090
-do-	Bridge at Juhikha Ghat (Package) (October 2005)	20.05	2.52	22.57	19.04	2.38	21.42	0.140
Jaunpur	Bridge on Varuna river (Malethu ghat) near Sureri. (September 2006) (TFC)	0.96	0.12	1.08	0.91	0.11	1.02	0.010
	Total		4.718			4.464		0.254
Name of District	Name of project, programme and month of sanction	Amount sanctioned to UPSBC			Amount admissible to UPSBC on technically approved cost			Excess sanction (col.4-col.7)
		Cost of bridge	Centage charges @ 12.5 per cent	Total	Cost of bridge after reducing 5 per cent	Centage charges @ 12.5 per cent	Total	
1	2	3	4	5	6	7	8	9
Hamirpur	Bridge on Manaki Ghat on Kurara Musanagar Marg (Package) (April 2006)	19.49	2.44	21.93	18.51	2.31	20.82	0.13
-do-	Bridge on Jalalpur Pathrehata Kalpi marg (August 2006) (TFC)	19.66	2.46	22.12	18.68	2.33	21.01	0.13
	Total		4.90			4.64		0.26

Appendix-2.2.6
(Reference: paragraph 2.2.8; page 41)

**Details of projects sanctioned and completed in test-checked districts
during 2004-09**

(Rs in crore)

Name of District	Sanctioned projects		Complete projects		Projects under progress/incomplete as of March 2009	
	Number	Amount	Number	Amount	Number	Amount
State sector projects						
Hamirpur	33	27.49	6	2.43	27	25.06
Jalaun	42	20.71	39	19.36	3	1.34
Maharajganj	9	4.24	7	2.58	2	1.66
Jaunpur	21	6.54	14	3.64	7	2.90
Kushinagar	13	5.88	5	1.99	8	3.89
Sultanpur	44	7.92	0	0	44	7.92
Siddharth Nagar	38	15.17	3	0.62	35	14.55
Gorakhpur	11	11.72	5	3.26	6	8.46
Ghazipur	26	11.86	11	4.33	15	7.53
Total	237	111.53	90	38.21	147	73.31
District sector projects						
Sultanpur	2871	16.70	2847	15.56	24	1.14
SiddhrthNagar	212	10.80	153	7.45	53	3.21
Gorakhpur	323	16.43	218	10.56	95	5.71
Ghazipur	423	14.71	270	6.78	153	7.94
Mahrajganj	370	13.60	240	8.45	130	5.15
Jaunpur	653	25.93	470	16.91	183	9.02
Kushinagar	664	16.19	479	10.90	185	5.29
Hamirpur	249	16.07	227	14.54	22	1.53
Jalaun	761	22.98	654	18.93	107	4.05
Total	6526	153.41	5558	110.08	952	43.04
Grand Total	6763	264.94	5648	148.29	1099	116.35

Appendix-2.2.7

(Reference: paragraph 2.2.8; page 41)

Details of the projects completed during 2004-09 in the test-checked districts but not transferred to the concern Administrative Departments

(Rs in lakh)

District	Name of the Executing Agency	Number of Projects	Expenditure
Hamirpur	RES	132	1261.34
	UPPCL	37	231.86
Jaunpur	Samaj Kalayan Nirman Nigam	43	148.70
	RES	21	97.52
	UP Agro	57	228.74
	Cane Department	177	556.82
Kushinagar	RES	172	451.61
Sultanpur	RES	231	984.60
	Cane Department	17	86.80
	UP Agro	690	124.44
Siddarthnagar	RES	109	677.18
Mahranjganj	RES	231	785.47
	UP Samaj Kalyan Nirman Nigam	6	39.10
Gorakhpur	RES	179	736.88
	PACSFED	3	15.67
Ghazipur	RES	99	649.51
	UP Samaj Kalyan Nirman Nigam	68	203.33
	PACSFED	60	139.60
	District Cane Officer	26	108.68
	Devkali Pump Canal Division, Irrigation Department	13	69.87
Jalaun	RES	32	255.88
	UPPCL	11	45.58
	UP Samaj Kalyan Nirman Nigam	8	13.91
	UP Labour & Construction Cooperative Limited	2	3.06
	PACSFED	1	4.57
	Total	2425	7920.72

Appendix-2.4.1
(Reference paragraph 2.4.7.1 page 66)

Payment of pension to ineligible persons

Sl.no.	Name of District	Reasons for ineligibility				Amount (Rs in lakh)
		Property more than prescribed limit	Both husband & wife were pensioners	Non-resident of village	Age below 60 years	
1	Allahabad	2128	13	56	199	86.53
2	Aligarh	131	27	101	45	21.90
3	Azamgarh	25	3	30	13	9.15
4	Bahraich	43	--	124	324	18.83
5	Barabanki	35	--	30	51	4.32
6	Bareilly	24	8	67	21	8.57
7	Bulandshahar	60	15	69	33	9.47
8	Fatehpur	01	28	08	01	1.72
9	Gazipur	----	--	12	---	0.43
10	Gorakhpur	49	03	51	58	5.67
11	Jaunpur	27	07	02	16	1.76
12	Lucknow	778	05	---	---	14.09
13	Mau	68	----	28	38	5.93
14	Mirzapur	39	10	20	84	11.06
15	Saharanpur	14	14	168	154	11.52
16	Shahjahanpur	57	12	138	104	10.48
17	Siddharthnagar	535	30	271	167	40.66
	Total	4014	175	1175	1308	262.09

Appendix-2.4.2
(Reference paragraph 2.4.7.2; page 67)

Transfer of pension to pensioners' accounts after their death

Sl. No.	Name of District	No. of cases	(Rs in lakh)
			Amount
1	Agra	2274	32.96
2	Allahabad	5275	190.01
3	Aligarh	590	20.34
4	Azamgarh	219	6.64
5	Bahraich	08	0.45
6	Barabanki	288	7.20
7	Bareilly	1117	20.38
8	Bulandshahar	564	8.74
9	Fatehpur	285	4.60
10	Gazipur	162	6.52
11	Gorakhpur	43	0.81
12	Jaunpur	149	0.45
13	Lucknow	3163	58.30
14	Mau	37	1.21
15	Mirzapur	2332	42.95
16	Saharanpur	1281	4.79
17	Shahjahanpur	211	6.61
18	Siddharthnagar	463	8.33
	Total	18461	421.29

Appendix-2.4.3
(Reference paragraph 2.4.7.3; page 67)

Avoidable payment of pension under other schemes

Sl. No.	Name of District	Number of pensioners drawing			Amount (Rs in lakh)
		Widow pension	Pension for physically handicapped	Retirement/ Family pension	
1	Allahabad	40	07	--	1.69
2	Aligarh	14	03	08	2.06
3	Azamgarh	01	--	--	0.09
4	Bahraich	27	04	--	1.28
5	Barabanki	37	05	01	1.14
6	Bareilly	01	--	---	0.04
7	Bulandshahar	9	--	04	0.65
8	Fatehpur	01	----	--	0.02
9	Ghazipur	01	--	---	0.09
10	Gorakhpur	07	02	--	0.43
11	Jaunpur	01	--	01	0.07
12	Mirzapur	04	01	03	0.40
13	Shahjahanpur	08	--	--	0.29
14	Siddharthnagar	10	03	01	0.65
	Total	161	25	18	8.90

Appendix-2.4.4
(Reference paragraph 2.4.7.4; page 67)

Double payment of pension

(Rs in lakh)

Sl. No.	Name of District	No. of cases	Amount
1	Agra	55	1.10
2	Allahabad	18	0.67
3	Aligarh	28	2.71
4	Azamgarh	42	5.28
5	Bahraich	137	5.65
6	Barabanki	28	0.87
7	Bareilly	20	1.25
8	Bulandshahar	76	4.18
9	Fatehpur	21	0.99
10	Gazipur	08	0.70
11	Gorakhpur	47	1.54
12	Jaunpur	01	0.12
13	Lucknow	05	0.40
14	Mau	83	2.16
15	Mirzapur	35	3.62
16	Saharanpur	291	10.98
17	Shahjahanpur	75	2.45
18	Siddharthnagar	100	3.23
	Total	1070	47.90

Appendix-2.5.1

(Reference: Paragraph; 2.5.5.3; page 74)

Details of target and achievement of treatment of Ravine land in 13 BSAs

Sl. No.	Name of BSA	Year	Physical (in hectares)		Expenditure (Rs in lakh)	Average cost per hectare (in Rs)	Excess treatment (in hectare)	Cost of excess treated land (Rs in lakh)
			Target	Achievement				
1.	Muzaffarnagar	2006-07	620	717	62.00	8647	97	8.39
		2007-08	1060	1168	159.00	13613	108	14.70
2.	Barabanki (Gomti)	2006-07	510	538	51.00	9480	28	2.65
		2007-08	1700	2066	255.00	12343	366	45.18
3.	Mirzapur	2007-08	2000	2663	300.00	11182	663	76.37
4.	Chopan	2007-08	4000	4245	600.00	14134	245	34.63
5.	Chandauli	2007-08	2200	2273	330.00	14518	73	10.60
6.	Banda I	2006-07	817	883	81.70	9253	66	6.11
		2007-08	600	655	90.00	13740	55	7.56
7.	Azamgarh	2007-08	700	1132	57.29	5060	432	21.86
8.	Sant Kabirnagar	2006-07	1150	1350	115.00	8519	200	17.04
9.	Bijnore	2005-06	500	642	50.00	7788	142	11.06
		2006-07	510	724	51.00	7044	214	15.07
		2007-08	600	876	90.00	10274	276	28.36
10.	Mathura	2006-07	710	860	71.00	8256	150	12.38
		2007-08	1350	1447	202.50	13994	97	13.57
11.	Sant Ravidasnagar	2007-08	1500	1530	228.29	14921	30	4.48
12.	Mau	2007-08	100	150	15.00	10000	50	5.00
13.	Kushinagar	2006-07	140	200	14.00	7000	60	4.20
Total			20767	24119	2822.78	--	3352	339.21

Appendix 2.5.2
(Reference: Paragraph 2.5.7.8; page 81)

Shortfall in converting the non-agricultural land into agricultural land
(In hectares)

Sl. No.	Name of BSA	Year	Total area treated	Convertible agricultural land as per norms	Actual converted land	Shortfall(-)/ Excess (+) / (per cent)
1.	Pilibhit	2007-08	4,500	675.00	1,600	(+)925.00 (237)
2.	Azamgarh	2007-09	3,333	499.95	565	(+)65.05 (113)
3.	Chandauli	2007-08	4,273	640.95	2,670	(+)2029.05 (317)
4.	Mau	2005-09	6,353	952.95	668	(-)284.95 (30)
5.	Mathura	2007-08	6,550	982.50	727	(-)255.50 (26)
6.	Moradabad	2005-09	5,732	859.80	174.20	(-)685.60 (80)
7.	Kushinagar	2007-08	2,900	435.00	205	(-)230.00 (53)
8.	Sant Ravidasnagar	2007-08	2,540	381.00	148	(-)233.00 (61)
9.	Barabanki (Gomti)	2007-08	2,366	355.00	142.63	(-) 212.37 (60)

(Source: BSAs)

Appendix 2.5.3
(Reference: Paragraph 2.5.7.8; page 81)

Shortfall in productivity of foodgrains

Sl. No.	Name of BSA	Kharif/ Rabi crops	Productivity (quintal per hectare) (2008-09)	Excess (+)/ Shortfall(-) in productivity (quintal per hectare)	Percentage
1.	Azamgarh	Kharif	5.42	(+)1.42	(+)36
2.	Sant Kabirnagar	Rabi	7.00	(+)2.00	(+)40
3.	Pilibhit	Kharif	3.41	(-)0.59	(-)15
		Rabi	3.41	(-)1.59	(-)32
4.	Chopan	Kharif	3.01	(-)0.99	(-)25
		Rabi	2.20	(-)2.80	(-)56
5.	Kushinagar	Kharif	1.90	(-)2.10	(-)53
		Rabi	1.90	(-)3.10	(-)62
6.	Mau	Kharif	2.20	(-)1.80	(-)45
		Rabi	2.60	(-)2.40	(-)48
7.	Moradabad	Rabi	4.50	(-)0.50	(-)10
8.	Sant Ravidasnagar	Kharif	3.15	(-)0.85	(-)21
		Rabi	4.34	(-)0.66	(-)13
9.	Barabanki (Gomti)	Kharif	3.20	(-)0.80	(-)20
		Rabi	3.05	(-)1.95	(-)39

(Source: BSAs)

Appendix- 3.1

(Reference: Paragraph 3.1.4; page 86)

Details of rates paid to the firm

Sl No.	Name of equipment and unit	Unit	DGS&D rate (Rs)	Amount as per DGS&D rates (Rs)	Local purchase rate (Rs)	Amount paid as per local purchase rate(Rs)	Difference (Rs)
1	Auto clave 14" (or 350 mm)	47 pieces	6751 each	317297	9400 each	4,41,800	124503
2	Dressing drum 350x240 mm ¹	80 pieces	908 each	72640	1566 each	1,25,280	52,640
3	Instrument Sterilizer 500x200x150 mm ²	100 pieces	3750 each	375000	4025 each	4,02,500	27500
TOTAL				7,64,937		9,69,580	204643
Sl No.	Name of medicine	Quantity of medicine purchased	On CMSD rates (Rs)	Amount as per CMSD rates (Rs)	On Local purchase rate(Rs)	Amount paid as per local purchase (Rs)	Difference (Rs)
1	Tab Ofloxacin 200 mg	200x10x10	0.79 each	15800	4.25 each	85000	69200
2	Cap Omeperazole 20 mg	400 x 10 x 10	0.28 each	11200	2.45 each	98000	86800
3	Cap Omeperazole 20 mg	100 x 10 x 10	0.28 each	2800	2.45 each	24500	21700
4	Inj Metoclotromide 5mg/ml	16000	0.98 each	15680	5.00 each	80000	64320
5	Inj Cefotasin Sodium 1gm	500 vial	10.71 each	5355	72.0 each	36000	30645
TOTAL				50835		323500	272665
Sl. No.	Name of medicine	Quantity of medicine purchased	On ESIC rates (Rs)	Amount as per ESIC rates (Rs)	On Local purchase rate(Rs)	Amount paid as per local purchase (Rs)	Difference (Rs)
1	Tab Paracetamol 500 mg	40000 x 10	2.35/10 Tabs	94000	5.60 /10 tabs	224000	130000
2	Tab Citrizine 10 mg	40000 x 10	2.60/10 Tabs	104000	5.50/10 tabs	220000	116000
3	Tab Furazolidone 100 mg	20000	1.70/10 Tabs	3400	3.60/10 tabs	7200	3800
4	Tab Nimesulide	15000	2.60/10 Tabs	3900	12.50/10 tabs	18750	14850
5	Inj Ranitidine 2ml	10000	2.50 per amp	25000	4.95 per amp	49500	24500
6	Cotrimoxazole 60 ml	2000	9.00 each	18000	23.50 each	47000	29000
TOTAL				248300		566450	318150
GRAND TOTAL							795458

¹ Rates for April 2007 not available and therefore the rates for April 2009 applied² Rates for April 2007 not available and therefore the rates for April 2009 applied

Appendix-3.2

(Reference: Paragraph 3.1.6; Page 87)

A- Detail of Avoidable expenditure of 8 completed works on P1

Sl No	Name of work	Bond No	Executed Quantity upto 3/08	Rate (in Rs)	Payment up to 3/08 (in Rs)	Vr No./date
1	2	3	5	6	7	8
1	Nagala Chattu Makrandpur to Jhal Gopalpur via Nagala Beech Km 1-3	90/SE/Dt.1 6-11-06	9000 M ²	65.30	587700	5th Final Bill (F/B), 96 dts 26-03-08
2	Khori to Rupas pur via village Kharia Km 1-3	101/SE/Dt. 8-12-06	9000 M ²	67.70	609300	5th (F/B), 101 dt 26-03-08
3	Nagala Paupi Bumba to Nagala Bhim and Ruhasi Road Km 1-3	107/SE/Dt. 27-12-06	8998.88 M ²	65.50	589426	5th (F/B), 198 dt 26- 03-08
4	Nagala-Meva to Mohabbatpur- Nagala – Keval Thathi Gadanpur-Machiarai Km 1to 4	112/SE/Dt. 9-1-07	12000 M ²	68.70	824400	6th F/B, 69 dt.25-03-08
5	Nagala-Rusia to Gopalpur via Gaharia Prasad pur Km 1-4	116/SE/Dt. 9-1-07& 143/SE/Dt. 20.2.07	24000 M ²	68.70	1648800	7th F/B, 153 dt.29-03-08 8 th F/B,154 dt 29.03.08
6	Khera to Nahar Patari via Padhikara Lusiyani Bridge Km 1 to 8	57/SE Dt 22.08.06	11400 M ²	68.30	778620	6th F/B, 90 dt.26-03-08
7	Pilkhatar to Chirawali Km 1 to 4	59/SE Dt25.08.06	12000 M ²	64.80	777600	5th F/B, 100 dt.26-03-08
8	Sarayan Gokul Road to Tota Work Mustafabad Nagala via Mahanpur Road	55/EE Dt12.06.06	3450 M ²	64.90	223905	3rd F/B, 241 dt.31-03-08
	Total		89848.88 m ²		6039751	
	Less expenditure on prime coat		89848.88 m ²	20.28	1822135	
	Avoidable expenditure on completed works (A)				4217616	

B-Detail of Avoidable Extra Expenditure of 22 works in progress on P1

Sl No	Name of work	Bond No	Executed Quantity upto 3/08	Rate	Payment upto 3/08	Vr No./date
9	Parath Pabari Bhankara to Gaheri Village Km 1 to 4	77/SE/Dt.3-10-06	7200 M ²	68.20	491040	3 rd Running Bill(R/B), 95 dt.26-03-08
10	Khareet Bridge to Surujpur-Nahar Patri Marg Km 1-3	81/SE/Dt.5-10-06	1860 M ²	68.80	127968	3 rd R/B,97 dt.26-03-08
11	Mustafabad Fariha Marg to Pilakhtar via Chirawal	85/SE/Dt.13-10-06	8700 M ²	67.80	589860	6th R/B, 35 dt.18-03-08
12	Eka Vasundhara Marg to NaglaNek Ram Mandir-Nagle Harju-Nagla Kamlay Faranda Km-1to 3	87/SE/Dt.16-11-06	3000 M ²	65	195000	6th R/B, 10 dt.12-03-08
13	Nagla Chattu Makrandpur to Jhal Gopalpur via Nagla Beech Km 1-3	88/SE/Dt.16-11-06	6600 M ²	68.30	450780	6th R/B, 5 dt.10-03-08
14	Mahrajpur to Vidarkha Marg Km 1 to 3	89/SE/Dt.16-11-06	4170 M ²	65.50	273135	6th R/B, 11 dt.12-03-08
15	Mustafabad to Eka via Nagala Maim Kachhwai Zeda	97/SE/Dt.8-12-06	12000 M ²	68.40	820800	5th (R/B), 94 dt 26-03-08
16	Shikohabad- Mustafabad Road to Dinauli-Gorva Km 1-3	102/SE/Dt.8-12-06	6323.17M ²	68	429975	5th (R/B), 33 dt18-03-08
04	Nagala-Meva to Mohabbatour Keval Thathi Gadanpur-Machiarai Km 5to 8	142/SE/Dt.20-2-07	1671 M ²	68.70	114798	3rd R/B, 68 dt.25-03-08
17	Kotala-Hathwant Marg to Bhikanpur-Ranipur,Dadpur-Gaglai Marg Km 5-8	144/SE/Dt.20-2-07	1290 M ²	68.20	87978	5th R/B, 19 dt.17-03-08
18	Mustafabad- Shikohabad Road to Rasaini Kalhari Kachmai Km 5-8	03/SE/Dt.14-5-07	7050 M ²	68.20	480810	5th R/B, 20 dt.17-03-08
19	Kasba Patham to Sangupur-Nizampur Kayampur-Jodhpur Mangaria till 1 Km	20/SE Dt 28.06.06	6000 M ²	65.20	391200	4th R/B, 65 dt.25-03-08
20	Farainda Pathya to Jodhpur Road	23/SE Dt29.06.06	3000 M ²	64.90	194700	4th R/B, 64 dt.25-03-08
21	Khaditpul to Nagala gokul Anchal toKalai via kalhai	28/SE Dt29.06.06	4500 M ²	65.30	293850	4th R/B, 92 dt.26-03-08
22	korai to Pitamber road Km 1 to 4 JasranaKaurara to PallaDoyam	30/SE Dt29.06.06	9300 M ²	64.00	595200	4th R/B, 62 dt.25-03-08
23	Jasarana Mustafabad Milawali Crossing to Chhoti Chhaya Badi Dham	33/SE Dt29.06.06	6000 M ²	64.50	387000	6th R/B, 89 dt.26-03-08
24	Bhadan to Gahana	36/SE Dt 11.07.06	7500 M ²	65.00	487500	6th R/B, 61 dt.25-03-08
15	Mustafabad to Nagala Mess Kachhwai Behra via Eka	54/SE Dt 18.08.06	7890 M ²	68.00	536520	4th R/B, 45 dt.08-03-08
25	Ekaprempur to Ramnagar Km 1	81/EE Dt27.12.06	1860 M ²	68.60	127596	3rd R/B, 97 dt.26-03-08
26	Hathwant Zazmai Road Km 1 to 2 Gopalpur to Amargaon Km 1	98/EE Dt28.12.06	3600 M ²	68.40	246240	4th R/B, 49 dt.09-03-08
27	Gopalpur to Amargaon Km 1Road to Gram Matha Construction Road	121/EE Dt20.02.07	1800 M ²	66.70	120060	4th R/B, 99 dt26-03-08
28	Rupaspur Marg to Village Math Km 1 to 5	71/EE Dt27.12.06	3000 M ²	67.50	202500	5th R/B, 195 dt.31-03-08
	Total		114314.17		7644510	
	Less expenditure on prime coat		114314.17	20.28	2318291	
	Avoidable expenditure on 22 works in progress (B)				5326219	

Total avoidable expenditure (A+B) = Rs 4217616+ Rs 5326219= Rs 9543835 Say Rs 95.44 lakh

Appendix-3.3

(Reference: Paragraph 3.1.6; Page 87)

Calculation of Prime coat cost

Analysis of rate per M2

Sl No.	Reference to MORTH Specifications	Description	Unit	Quantity	Rate (Rs.)	Amount
1	502	Prime coat Providing and applying primer coat with bitumen emulsion on prepared surface of granular base including cleaning of road surface and spraying primer at the rate of 0.60 Kg/Sqm using mechanical means Unit+sqm Taking output=3500 sqm				
		Labour				
		Mate	Day	0.08	70.00	5.60
		Mazdoor	Day	2.00	70.00	140.00
		Machinery				
		Mechanical broom @ 1250 sqm per hour	Hour	2.80	230.00	644.00
		Air compressor 250 CFm	Hour	2.80	206.00	576.00
		Bitumen pressure distributor@1750 sqm per hour	Hour	2.00	516.00	1032.00
		Water tanker 6 Kl capacity @ 1 trip per hour	Hour	1.00	327.60	327.60
		Material				
		Bitumen emulsion @ 0.75 kg per sqm	Tone	2.625	21200.00	55650.00
		Cost of water	Kl	6.00	50.00	300.00
		Total	Nil	Nil	Nil	58675.20
		Overhead charges @ 10% On (a+b+c)		Nil	Nil	5867.52
		Total				64542.72
		Contractor's profit @ 10% on (a+b+c+d)		Nil	Nil	6454.27
		Total				70996.99
		Cost per 3500 sqm (a+b+c+d+e)/3500		Nil	Nil	20.28

Appendix-3.4

(Reference: Paragraph 3.2.7; page 94)

Details of excess payment to contractor as forest tax - Excess payment to contractor as forest tax on executed non-bituminous and bituminous works

Sl.No	Name of work	Executed Quantity (cum.)	Conversion Ratio for loose quantity (loose quantity /executed quantity)	Loose Quantity (Cum) Col.3 X Col.4
1.	Granular sub base Concrete	89792.48	1.33 (299.25/225)	119424.00
2.	Wet Mix macadam	46103.83	1.33 (298.58/225)	61318.00
3.	Bituminous macadam	10536.39	1.41 (290.10/205)	14857.00
4.	Semi Dense Bituminous Concrete.	5082.59	1.48 (289.39/195)	7522.00
			Total	203121.00

Forest tax- per cum	Rs. 57.00
Overhead Charge @ 10%-	Rs. 5.70
Sub Total- (A)	Rs. 62.70
Contractor Profit. @ 10% on (A)	Rs. 6.27
Total	Rs. 68.97
Add 15.4 per cent as per contract bond	Rs. 10.62
Total (excess rate) per cum	Rs. 79.59
Total excess payment (203121 Cum* Rs.79.59)	Rs. 1.62 crore

Appendix-3.5

(Reference: Paragraph 3.2.7; page 94)

Statement of consumption of bitumen in bituminous work up to IVth running bill (10/2008)

1) Name of work - B.M. (bitumen grade 60/70)

Weight of Hot Mix Material - $5823.83 \text{ m}^3 \times 2.2 \text{ density} = 12812.42 \text{ MT}$

Weight of bitumen used in above $12812.42 \text{ MT} \times 3.4\% = 435.62 \text{ MT}$

2) Name of work - SDBC (CRMB grade 55)

Weight of Hot Mix Material - $2810\text{m}^3 \times 2.3 \text{ density} = 6463 \text{ MT}$ Weight of bitumen used in above $6463 \text{ MT} \times 5.00\% = 323.15 \text{ MT}$

3) Name of work - Tack Coat (Bitumen emulsion medium setting)

Work executed by contractor = 228785 m^2

Consumption of bitumen in Per $\text{M}^2=0.25 \text{ Kg.}$

Bitumen arranged by contractor $228785 \text{ m}^2 \times 0.25 \text{ Kg.}=57.19 \text{ MT}$

4) Name of work - Primer Coat (Bitumen emulsion slow setting)

Work executed by contractor: - 116483.50 m^2

Consumption of bitumen in per $\text{M}^2 =0.75 \text{ Kg}$

Bitumen arranged by contractor = $116483.50 \text{ m}^2 \times 0.75 \text{ Kg Per M}^2 =87.36 \text{ MT}$

Payment of Trade tax and contractor profit in respect of bitumen consumed in work executed

1. Upto IV running bill (10/08)

(Rs. in lakh)

Sl.No.	Name of work	Rate of bitumen per MT (in Rs.)	Quantity of bitumen arranged by contractor MT	Excess payment of Trade tax @16% per MT	Excess amount of Trade tax (Col. 4x5)	Inadmissible C.P. on bitumen @ per MT on total executed qty	Total amount C.P. (Col. 4x7)	Total amount of un-authorized aid (Col. 5 + 8)
1-	B.M. (Bitumen grade 60/70)	30051.84	435.62	4808.00	20.94	3862.00	16.82	37.76
2-	S.D.B.C. (CRMB Grade-55)	31268.43	323.15	5003.00	16.17	4009.00	12.95	29.12
3-	Tack Coat (Emulsion Medium Setting)	28360.44	57.19	4538.00	2.59	3602.00	2.05	4.64
4-	Primer Coat (Emulsion Slow Setting)	28711.37	87.36	4594.00	4.01	3645.00	3.18	7.19
	Total				43.71		35.00	78.71

**Statement of consumption of bitumen in bituminous work in
Vth running bill (02/2009)**

1) Name of work - B.M. (bitumen grade 60/70)

Weight of Hot Mix Material - $4713.10 \text{ m}^3 \times 2.2 \text{ density} = 10368.82 \text{ MT}$

Weight of bitumen used in above $10368.82 \text{ MT} \times 3.4\% = 352.54 \text{ MT}$

Bitumen issued by department 113.33 MT

Bitumen arranged by contractor $352.54 - 113.33 = 239.21 \text{ MT}$

2) Name of work - SDBC (CRMB grade 55)

Weight of Hot Mix Material - $2272.51 \text{ m}^3 \times 2.3 \text{ density} = 5226.77 \text{ MT}$

Weight of bitumen used in above $5226.77 \text{ MT} \times 5.00\% = 261.33 \text{ MT}$

Bitumen Issued by department = 59.99 MT

Bitumen arranged by contractor = $261.33 - 59.99 = 201.34 \text{ MT}$

3) Name of work - Tack Coat (Bitumen emulsion medium setting)

Work executed by contractor = 171419.50 m^2

Consumption of bitumen in Per $\text{M}^2 = 0.25 \text{ Kg}$.

Bitumen arranged by contractor $171419.50 \text{ m}^2 \times 0.25 \text{ Kg} = 42.85 \text{ MT}$

4) Name of work - Primer Coat (Bitumen emulsion slow setting)

Work executed by contractor: - 87350.05 m^2

Consumption of bitumen in per $\text{M}^2 = 0.75 \text{ Kg}$

Bitumen arranged by contractor = $87350.05 \text{ m}^2 \times 0.75 \text{ kg Per M}^2 = 65.51 \text{ Kg}$.

2. In Vth running bill (02/09) Rs. in lakh

Sl.No.	Name of work	Rate of bitumen per MT (in Rs.)	Quantity of bitumen arranged by contractor MT (Total qty. - Dept. supply)	Excess payment of Trade tax @7.5% per MT	Excess amount of Trade tax (Col. 4x5)	Inadmissible C.P. on bitumen @ per MT on total executed qty. of bitumen	Total amount C.P. (Col. 4x7)	Total amount of un-authorized aid (Col. 6 + 8)
1-	B.M. (Bitumen grade 60/70)	30051.84	(352.54-113.33)=239.21	2253.88	5.39	@3862.00x352.54 MT	13.61	19.00
2-	S.D.B.C. (CRMB Grade-55)	31268.43	(261.34-59.99)=201.35	2345.13	4.72	@4009.00x261.34	10.47	15.19
3-	Tack Coat (Emulsion Medium Setting)	28360.44	42.85	2127.03	0.91	@3602.00x42.85	1.54	2.45
4-	Primer Coat (Emulsion Slow Setting)	28711.37	65.51	2153.35	1.41	@3645.00x65.51	2.38	3.79
	Total				12.43		28.00	40.43

Total 1+2 (78.71+40.43) = 119.14 lakh

Appendix- 3.6

(Reference: Paragraph 3.3.10; page 104)

List of Mobilization advance paid to contractor up to March 2003 as per voucher

Package no.	Contract price (Rs. in crore)	Vr. no. and Date of payment	Amount of Mobilization advance made in 3/03 Rs. In crore	Date of start of work	Delay in months	Interest of Rate 2003-04
UPG - 01	150.048	7-29.3.03 10 -31.3.03	4.50 1.00	January 2004	9 months	9.13 %
UPG - 02	157.77	11- 20.03.03 17- 31.03.03	5.20 1.00	January 2004	9 months	9.13%
UPG - 03	40.214	13 -31.3.03	0.92	January 2004	9 months	9.13 %
UPG - 04	69.977	8 -29.3.03 11 -31.3.03	2.70 0.50	January 2004	9 months	9.13 %
	Total	260.239	15.82			

1. Calculation: $15.82 \times 9.13 \times 9 \div 100 \times 12 = 1.08$ crore.

2. Saving Bank rate of interest @ 3.5 % of 15.82 crore = 41.00 lakh.

Appendix-3.7

(Reference: Paragraph 3.3.11; page 105)

The package-wise expenditure on 12 RMC packages of Phase I

Sl. No.	Package no.	Name of road	Length in km.	Revised cost (Rs.in lakh)	Total expenditure (Rs. In lakh)	Date of start/date of completion
1	RMC/01	Kairana Muzaffarnagar road	56.00	2445.72	2365.09	<u>21.03.02</u> 28.11.04
2	RMC/03	Meerut Bijnour road	64.00	3002.74	3001.91	<u>11.03.02</u> 14.09.04
3	RMC/04	Bijnour Nazibabad	52.00	2608.02	2606.44	<u>11.03.02</u> 10.07.04
4	RMC/06	Bareilly Badaun road	44.00	2039.34	2039.34	<u>11.03.02</u> 30.06.04
5	RMC/07	Moradabad kashipur road	43.50	1835.40	1853.40	<u>21.03.02</u> 20.07.04
6	RMC/08	Lakhimpur Sitapur road	45.00	2238.17	2217.55	<u>18.03.02</u> 15.01.05
7	RMC/12	Gosaiganj Reedganj road	27.00	1196.00	1196.00	<u>31.08.02</u> 28.01.05
8	RMC/14	Basganj Azamgarh road	33.00	2098.89	2097.79	<u>17.08.02</u> 31.03.05
9	RMC/15	Azamgarh Gazipur road	53.80	2555.90	2531.44	<u>24.08.02</u> 31.03.05
10	RMC/17	Mohammadpur Azamgarh Dohrighat	56.75	2614.71	2550.12	<u>24.08.02</u> 31.03.05
11	RMC/18	Varanasi Dhobi road	30.00	1473.77	1468.88	<u>24.08.02</u> 20.01.05
12	RMC/19	Dhobi Mohammadpur road	40.00	2100.46	2087.00	<u>17.08.02</u> 05.12.04
	Total		545.05	26227.12	26014.96	

Appendix- 3.8

(Reference: Paragraph 3.5.3; Page 115)

Analysed rate for 80/100 Bitumen actually used in Bituminous Macadam work.

Sr. No.	Ref. to MORTH Specification	Description	Unit	Quantity	Rate (In Rs.)	Cost (In Rs.)
5.3	504	Bituminous Macadam				
		Providing and laying bituminous macadam with 100-120 TPH hot mix plant producing an average output of 75 tonnes per hour using crushed aggregated of specified grading premixed with bituminous binder, transported to site, laid over a previously prepared surface with paver finisher to the required grade, level and alignment and rolled as per clauses 501.6 and 501.7 to achieve the desired compaction				
		unit=cum				
		Taking output=205cum (450tonnes)				
		a) labour				
		Mate	day	0.840	66.00	55.44
		Mazdoor working with HMP, mechanical broom, paver, roller, asphalt cutter and assistance for setting out lines, levels and layout of construction	day	16	65.00	1040.00
		Skilled mazdoor for checking line & levels	day	5	66.00	330.00
						1425.44
		b) Machinery				
		Batch mix HMP 100-120 TPH @ 75 tonne per hour actual output	hour	6.00	11167	67002.00
		Mechanical broom hydraulic @ 1250 sqm per hour	hour	2.2	230	506.00
		Air compressor 250 cfm	hour	2.2	206	453.20
		Paver finisher hydrostatic with sensor control @ 75 cum per hour	hour	6	1725	10350.00
		Generator 250 KVA	hour	6	450	2700.00
		Front end loader 1 cum bucket capacity	hour	6	520	3120.00
		Tipper 10 tonne capacity	tonne km	450×L 10	1.74	7830.00
		Add 10 percent of cost of carriage to cover cost of loading and unloading				
		Smooth wheeled roller 8-10 tonnes for initial break down rolling	hour	6.00×0.65	297	1158.30
		Vibratory roller 8 tonnes for intermediate rolling	hour	6.00×0.65	994	3876.60
		Finish rolling with 6-8 tonnes smooth wheeled tandem roller.	hour	6.00×0.65	738	2878.20
						99874.30
		c) Material				
		i) Bitumen @ 3.3 percent of mix	tonne	14.850	14511.60	215497.26
		Weight of mix=205×2.2+450 tonne				
		ii) Aggregate				
		Total weight of mix=450 tonnes				
		Weight of bitumen + 14.85 tonnes				

	Weight of aggregate=450-14.85=435.15 tonnes				
	Taking density of aggregate=1.5 ton/cum				
	Volume of aggregate=290.1 cum				
	Grading II (19 mm nominal size)				
	25-10 mm 40 percent	cum	116.040	882.9	102451.71
	10-5 mm 40 percent	cum	116.040	701.40	81390.46
	5 mm and below 20 percent	cum	58.020	701.40	40695.23
					440034.66
	Any one of the alternative may be adopted as per approved design				
	d) Overhead charges @ input of (a+b+c) 10%		325937.14		32593.71
	e) Contractor's profit @ input on (a+b+c+d) 10% on		133883.45		13388.34
			Total		587316.45

Analysed rate for 80/100 Bitumen actually used in Bituminous Macadam work

Rate per M³ Rs **587316.45**:- 205= Rs. 2864.90

10% over head charges = Rs. 1425.44 (labour) + Rs99874.10 (Machinery) + Rs. 224537.40 (Road material) = Rs. 325836.94×10/100=Rs32583.69

10% Contractor profit = Rs. 1425.44 (labour)+ Rs 99874.10 (Machinery) + Rs32583.69 (10% over head charges)= Rs. 133883.45×10%=13388.34

Appendix- 3.9

(Reference: Paragraph 3.5.3; Page 115)

Analysed rate for 80/100 Bitumen actually used in Semi-Dense Bituminous work

Sl. No.	Ref. to MoRTH Specification	Description	Unit	Quantity	Rate (In Rs)	Cost (In Rs)
5.7	508	Semi-Dense Bituminous Concrete				
		Providing and laying bituminous macadam with 100-120 TPH batch type HMP producing an average output of 75 tonnes per hour using crushed aggregated of specified grading premixed with bituminous binder@ 4.5 to 5 percent of mix and filler, transporting the hot mix to work site, laying with a hydrostatic paver finisher with sensor control to the required grade, level and alignment, rolling with smooth wheeled, vibratory and tandem rollers to achieve the desired compaction as per MoRTH specification clause No. 508 compete in all respects.				
		unit=cum				
		Taking output=195 cum (450 tonnes)				
		a) labour				
		Mate	day	0.840	66.00	55.44
		Mazdoor working with HMP, mechanical broom, paver, roller, asphalt cutter and assistance for setting out lines, levels and layout of construction	day	14.000	65.00	910.00
		Skilled mazdoor for checking line & levels	day	5.000	66.00	330.00
						1295.44
		b) Machinery				
		Batch mix HMP 100-120 TPH @ 75 tonne per hour actual output	hour	6.0	8930	53580.00
		Paver finisher	hour	6.0	1725	10350.00
		Generator 100 KVA	hour	6.0	450	2700.00
		Front end loader 1 cum bucket capacity	hour	6.0	520	3120.00
		Tipper (3km cart)	tonne km	450x3	1.74	2349.00
		Add 10 percent of cost of carriage to cover cost of loading and unloading				234.90
		Smooth wheeled roller 8-10 tonnes for initial break down rolling	hour	3.90	297	1158.30
		Vibratory roller 8 tonnes for intermediate rolling	hour	6.00x0.65	994	3876.60
		tandem roller.	hour	6.00x0.65	738	2878.20
						80247.00
		c) Material				
		i) Bitumen @ 4.5 percent of mix	tonne	20.250	14511.60	293859-90
		Weight of mix=205x2.2+450 tonne				
		ii) Aggregate				
		Total weight of mix=450 tonnes				
		Weight of bitumen + 20.25 tonnes				
		Weight of aggregate=450-20.25=429.75 tonnes				
		Taking density of aggregate=1.5 ton/cum				
		Volume of aggregate=285.5 cum				
		Grading II (19 mm nominal size)				

	13.2-10 mm 20 percent	cum	57.300	915.90	52481.07
	10-5 mm 38 percent	cum	108.870	701.40	76361.41
	5 mm and below 40 percent	cum	114.600	701.40	80380.44
	filler @ 2 percent of weight of aggregates		8.620	657.40	3773.47
					506856.29
	Any one of the alternative may be adopted as per approved design				
	d) Overhead charges @ input of (a+b+c) 10%		294538.83		29453.80
	e) Contractor's profit @ input on (a+b) 10% on		110994.24		11094.42
			Total		628946.95

Rate per M³ Rs. 628946.95-: 195= Rs. 3225.35

10% over head charges = Rs. 1295.44 (labour) + Rs. 80247.00 (Machinery) + Rs. 212996
(Road material) = Rs. 294536.82×10/100=Rs. 29453.68

10% Contractor profit = Rs. 1295.44 (labour)+Rs. 80247.00 (Machinery) + Rs. 29453.80 (10%
over head charges) Rs. 110944.12×10%=11094.42

Note: Rate of Bitumen of grade 80/100 is taken from the analysed rate of Bitumen as annexed in approved by CE in detailed estimate.

Appendix-4.1
(Reference: Paragraph 4.6.1; page 122)

Details showing shortages of teachers in Government colleges

(In numbers)

Sl. No.	Subject	Students			Teachers required			Teachers available			Shortage of teachers		
		2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Government P.G. College, Fatehabad, Agra												
	Hindi	486	525	411	2	2	2	S	2S	1 + S	1	0	0
	English	373	390	332	2	2	2	1	1	1	1	1	1
	Economics	192	222	169	1	1	1	S	Nil	S	0	1	0
	Zoology			14			1			Nil	0	0	1
	Total				5	5	6	3	3	4	2	2	2
2	Government Girls P.G. College, Sirsaganj, Firozabad												
	Hindi	1030	1051	949	4	4	4	S	2	2	3	2	2
	English	914	886	851	4	4	3	2	2	2	2	2	1
	Political Science	415	387	347	2	2	2	1	1	Nil	1	1	2
	Sociology	601	672	680	3	3	3	2	2	2	1	1	1
	Home Science	443	448		2	2		1	1		1	1	0
	Total				15	15	12	7	8	6	8	7	6
3	Government Degree College Sambhal, Moradabad												
	Hindi	306	447	398	2	2	2	S	1+S	1	1	0	1
	English	164	304	339	1	2	2	S	S	S	0	1	1
	Sociology	213	344	342	1	2	2	S	S	S	0	1	1
	Education	89	126	428	1	1	2	S	S	S	0	0	1
	History	45	67	59	1	1	1	S	Nil	Nil	0	1	1
	Maths	60	67	56	1	1	1	Nil	Nil	S	1	1	0
	Total				7	9	10	5	5	5	2	4	5
4	Maharana Pratap Government College, Sikandaramau, Mahamayanagar												
	Hindi	537	295	261	2	2	1	1	1	1	1	1	0
	History	111	99	98	1	1	1	Nil	Nil	Nil	1	1	1
	Education	262	267	259	1	1	1	Nil	1	1	1	0	0
	Total				4	4	3	1	2	2	3	2	1
5	Indira Gandhi Government Girls Degree College, Raibareilly												
	Hindi	896	989	1105	4	4	4	1	1	1	3	3	3
	Sociology	1082	1280	1326	4	5	5	1	1	2	3	4	3
	Political Science	562	666	662	2	3	3	1	1	1	1	2	2
	Home Science	719	730	667	3	3	3	1	1	1	2	2	2
	English	286	329	351	1	2	2	1	1	1	0	1	1
	Total				14	17	17	5	5	6	9	12	11
6	Government Degree College, Badaun												
	Hindi	391	708	703	2	3	3	1	2	2	1	1	1
	English	251	364	395	1	2	2	2	1	2	-1	1	0
	Urdu	135	187	294	1	1	2	1	S	1	0	0	1
	Sociology	238	470	583	1	2	3	1	S	2	0	1	1
	Political Science	291	433	450	2	2	2	Nil	1	2	2	1	0
	Economics	106	215	222	1	1	1	Nil	1	1	1	0	0

Sl. No.	Subject	Students			Teachers required			Teachers available			Shortage of teachers		
		2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Maths		38	41		1	1		Nil	2	0	1	-1
	Physics		38	41		1	1		Nil	1	0	1	0
	Total				8	13	15	5	7	13	3	6	2
7	Ram Murti Gupta Government Degree College Charra, Aligarh												
	Hindi	527	561	540	2	2	2	S	S	S	1	1	1
	Home Science	195	179	139	1	1	1	1	1	Nil	0	0	1
	History	92	115	135	1	1	1	Nil	1	1	1	0	0
	Sociology	285	330	259	2	2	1	1	1	1	1	1	0
	Maths		86	82		1	1		Nil	S	0	1	0
	Bootney		129	155		1	1		1	Nil	0	0	1
	Total				6	8	7	3	5	4	3	3	3
8	Maharana Pratap Government College, Badaun												
	Hindi	881	1044	968	4	4	4	1	1	1 + 2S	3	3	1
	English	648	719	631	3	3	3	1	1	1	2	2	2
	Economics	265	265	265	1	1	1	1	2	1	0	-1	0
	Sociology	666	797	754	3	3	3	S	S	2S	2	2	1
	Political Science	482	614	623	2	3	3	1	1	1 + S	1	2	1
	History	159	132	111	1	1	1	1	Nil	S	0	1	0
	Total				14	15	15	6	6	10	8	9	5
9	Government Degree College, Sangipur, Pratapgarh												
	Hindi	1046	1109	1002	4	4	4	1	1	Nil	3	3	4
	Economics	19	16	16	1	1	1	1	1	Nil	0	0	1
	Sociology	1130	1301	1316	4	5	5	1	S	S	3	4	4
	Political Science	870	1008	1028	4	4	4	1	1	1	3	3	3
	History	608	622	523	2	2	2	1	1	1	1	1	1
	Total				15	16	16	5	5	3	10	11	13
10	Government Degree College, Mangraura, Pratapgarh												
	Hindi	136	381	433	1	2	2	1	1	1	0	1	1
	Sociology	126	352	427	1	2	2	1	1	1	0	1	1
	Education	17	55	107	1	1	1	S	Nil	Nil	0	1	1
	Total				3	5	5	3	2	2	0	3	3
11	Government Degree College, Dhindhui Patti, Pratapgarh												
	Hindi	245	278	276	1	1	1	1	Nil	S	0	1	0
	English	2	6	9	1	1	1	Nil	Nil	1	1	1	0
	Education	64	78	80	1	1	1	Nil	Nil	Nil	1	1	1
	Total				3	3	3	1	0	2	2	3	1
12	Swami Karpatri ji Maharaj Government Degree College, Raniganj, Pratapgarh												
	Hindi	758	943	1059	3	4	4	1	1	Nil	2	3	4
	Sanskrit	309	339	260	2	2	1	1	1	1	1	1	0
	Economics	48	97	90	1	1	1	S	S	Nil	0	0	1
	Sociology	737	972	1094	3	4	4	1	1	1	2	3	3
	History	542	554	502	2	2	2	1	1	1	1	1	1
	Political Science	650	750	773	3	3	3	1	1	1	2	2	2
	Total				14	16	15	6	6	4	8	10	11

Audit Report (Civil) for the year ended 31 March 2009

Sl. No.	Subject	Students			Teachers required			Teachers available			Shortage of teachers		
		2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	2	3	4	5	6	7	8	9	10	11	12	13	14
13	Government Girls P.G. College, Bindki, Fatehpur												
	Hindi	1323	1533	1732	5	6	7	1	Nil	1+S	4	6	5
	Sanskrit	520	562	593	2	2	3	S	Nil	1	1	2	2
	English	435	453	505	2	2	2	1	1	Nil	1	1	2
	Sociology	1189	1446	1660	5	6	6	2	1	1	3	5	5
	Political Science	498	668	729	2	3	3	1	1	Nil	1	2	3
	Economics	103	113	113	1	1	1	Nil	Nil	S	1	1	0
	Total				17	20	22	6	3	5	11	17	17
14	Ramabai Ambedkar Government Degree College, Gajraula, J.P.Nagar												
	Hindi	905	1003	854	4	4	4	S	1	Nil	3	3	4
	English	818	1121	1102	3	4	4	1	1	1	2	3	3
	Sociology	859	921	895	4	4	4	1	1	1	3	3	3
	Economics	215	289	259	1	2	1	1	1	1	0	1	0
	Political Science	513	645	579	2	3	3	1	1	1	1	2	2
	Psychology	435	471	480	2	2	2	S	Nil	S	1	1	1
	Chemistry	226	312	338	1	2	2	S	Nil	Nil	0	2	2
	Total				17	21	20	7	6	5	10	15	15
15	Pt.D.D.U.Government Degree College, Tilhar, Shahjahanpur												
	Hindi	1311	1485	918	5	6	4	S	1	Nil	4	5	4
	English	771	929	543	3	4	2	S	1	S	1	3	1
	Sociology	892	1074	1153	4	4	5	1	1	1	3	3	4
	Political Science	483	576	594	2	3	3	1	1	1	1	2	2
	Economics	439	485	387	2	2	2	1	1	Nil	1	1	2
	Total				16	19	16	5	5	3	10	14	13
16	Government Degree College Alapur, Fatehpur Khas, Ambedkarnagar												
	Hindi	608	681	466	3	3	2	1+S	S	2S	1	2	0
	Sanskrit	458	452	231	2	2	1	1	1	Nil	1	1	1
	English	53	64	63	1	1	1	Nil	Nil	1	1	1	0
	Sociology	435	530	214	2	2	1	S	S	S	1	1	0
	Physics	83	99	71	1	1	1	1	Nil	1	0	1	0
	Zoology	161	169	143	1	1	1	1	1	Nil	0	0	1
	Total				10	10	7	6	4	5	4	6	2
17	Ramabai Government Girls Degree College, Akbarpur, Ambedkarnagar												
	Hindi	272	322	395	1	2	2	S	1+S	1	0	0	1
	English	30	29	43	1	1	1	S	S	Nil	0	0	1
	Sociology	322	418	540	2	2	2	1	1	2+S	1	1	-1
	Home Science	327	438	589	2	2	3	1	1	1+S	1	1	1
	Botany	22	80	70	1	1	1	Nil	Nil	S	1	1	0
	Zoology	22	80	63	1	1	1	Nil	Nil	Nil	1	1	1
	Total				8	9	10	4	5	7	4	4	3
18	Government P.G. College, Beesalpur, Pilibhit												
	Hindi	2182	2875	3241	8	11	12	4	3	4	4	8	8
	English	1429	1650	1895	6	6	7	3	1	2	3	5	5
	Sanskrit	506	689	826	2	3	3	1	1	Nil	1	2	3
	Economics	622	658	886	3	3	4	2	2	Nil	1	1	4
	Political	673	906	796	3	4	3	2	2	2	1	2	1

Sl. No.	Subject	Students			Teachers required			Teachers available			Shortage of teachers		
		2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Science												
	History	1011	1294	1449	4	5	6	1	1	1	3	4	5
	Chemistry	396	457	239	2	2	1	1	1	1	1	1	0
	Botany	247	299	257	1	2	1	1	1	1	0	1	0
	Zoology	209	277	405	1	1	2	1	1	1	0	0	1
	Total				30	37	39	16	13	12	14	24	27

S = Contract basis.

Appendix-4.2
(Reference: Box: 4.1; page 128)

Irregular grant of higher pay scales

(Rs. in lakh)

Name of the post	Number of employees	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Total
Sr. Lab Asstt.	30	2.41	2.85	3.62	3.97	4.22	4.51	4.96	26.54
Jr. Lab Asstt.	43	5.92	9.04	9.25	10.01	10.95	11.44	12.58	69.19
Record Boy	10	0.29	0.32	0.30	0.39	0.44	0.51	0.56	2.81
Office Supdt.-I	37	2.31	2.59	3.05	3.50	4.05	4.12	4.53	24.15
Office Supdt.II	12	1.00	1.43	1.74	1.91	2.11	2.16	2.38	12.73
Technician	6	0.40	0.52	0.58	0.48	0.70	0.79	0.87	4.34
Mechanic	1	0.14	0.17	0.19	0.20	0.22	0.24	0.26	1.42
Plant collector	2	0.03	0.08	0.09	0.10	0.11	0.12	0.13	0.66
Binding Asstt.	1	0.10	0.13	NIL	NIL	NIL	NIL	NIL	0.23
AC Operator	1	0.10	0.13	0.14	0.16	0.18	NIL	NIL	0.71
Library Asstt.	10	2.24	2.86	3.62	3.93	4.31	5.35	5.89	28.20
Jr.Library Asstt.	7	3.52	4.50	4.98	5.40	5.92	6.54	7.20	38.06
Daftary/Junitor	26	0.56	0.73	0.78	1.01	1.15	1.27	1.39	6.89
Mender/Binder	4	0.12	0.16	0.18	0.20	0.22	0.24	0.26	1.38
Lab Bearer	120	1.03	1.38	1.58	1.62	1.82	2.40	2.64	12.47
Tubewell operator	14	0.46	0.48	0.66	0.73	0.80	1.02	1.12	5.27
Meter reader	1	0.09	0.12	0.13	0.14	0.16	0.17	0.18	0.99
Glass house Asstt.	3	NIL	NIL	0.54	0.77	0.84	0.93	1.02	4.10
Carpenter	2	NIL	NIL	0.47	0.66	0.72	0.80	0.88	3.53
Book Lifter	12	NIL	NIL	0.55	0.79	0.87	1.02	1.12	4.35
Museum Curator	2	NIL	NIL	0.68	1.00	1.10	1.23	1.35	5.36
Museum Asstt.	2	NIL	NIL	0.47	0.66	0.72	0.80	0.88	3.53
Nursing Asstt.	1	NIL	NIL	0.23	0.33	0.36	0.40	0.44	1.76
Glass Blower	1	NIL	NIL	0.25	0.36	0.40	0.44	0.48	1.93
Statistical Asstt.	2	NIL	NIL	0.22	0.32	0.35	0.39	0.42	1.70
Homeopathic Compounder	1	NIL	NIL	0.29	0.42	0.46	0.51	0.56	2.24
Store Keeper	7	NIL	NIL	0.66	0.95	1.06	1.18	1.29	5.14
Harbarium Asstt.	1	NIL	NIL	NIL	0.18	0.33	0.35	0.38	1.24
Electrician	4	NIL	NIL	0.51	1.09	1.19	1.32	1.45	5.56
Mistry	1	NIL	NIL	0.34	0.49	0.54	NIL	NIL	1.37
Stenographer	5	0.08	0.25	0.27	0.24	0.27	0.33	0.36	1.80
Sec. To VC	1	0.03	0.04	0.05	0.06	0.08	0.14	0.15	0.55
Book binder	1	NIL	NIL	NIL	NIL	NIL	0.24	0.26	0.50
Total	371	20.83	27.78	36.42	42.07	46.65	50.96	55.99	280.70

(The pay scales of lab technician, section cutter, electrical supervisor and reference asstt. have been upgraded but these posts are vacant and have no monetary effect.)

Appendix-4.3
(Reference: Box: 4.1; Page 128)

Number of scholars registered for Ph. D degrees during the year 2005-2009

Sl. No.	Name (Shri)	Post	Department	Maximum research scholars allowed	Research scholars registered as of August 2009	Excess registration
					(In numbers)	
1	A.P.Srivastva	Reader	Ancient Indian History	08	17	09
2	SN Mishra	Professor	Ancient Indian History	10	14	04
3	A Singh	Reader	Ancient Indian History	08	14	06
4	D P Tiwari	Professor	Ancient Indian History	10	16	06
5	Mamata Mehta	Reader	Ancient Indian History	08	10	02
6	G S Bhadauria	Professor	Ancient Indian History	10	15	05
7	O N Sinha	Professor	Ancient Indian History	10	23	13
8	Piyush Bhargav	Reader	Ancient Indian History	08	13	05
9	S K Jaiswal	Reader	Ancient Indian History	08	11	03
10	Manoj Dixit	Reader	Public Administration	08	15	07
11	N.L.Bhariya	Reader	Public Administration	08	17	09
12	K K Kishore	Professor	Public Administration	10	19	09
13	C P Darathwal	Professor	Public Administration	10	11	01
14	R C Tripathi	Reader	Mass Communication	08	17	09
15	P C Mishra	Professor	Psychology	10	11	01
16	Ramesh Dixit	Professor	Political Science	10	14	04
17	K Saxena	Reader	Philosophy	08	13	05
18	Gurnam Singh	Reader	Population Education & Rural Development	08	18	10
19	RHS Verma	Professor	Population Education & Rural Development	10	12	02
20	A N Singh	Reader	Population Education & Rural Development	08	17	09
21	Ram Niwas	Professor	Mathematics	10	11	01
22	V D Pandey	Professor	Medieval/ Modern Indian History	10	27	17
23	P K Ghosh	Professor	Medieval/ Modern Indian History	10	20	10
24	R Rekh	Reader	Medieval/ Modern Indian History	08	09	01
25	Usha Sinha	Professor	Linguistic	10	18	08
26	G S Gupta	Lecturer	Linguistic	06	09	03
27	B K Shukla	Lecturer	Linguistic	06	12	06
28	A A Abidi	Professor	Urdu	10	40	30
29	P K Srivastva	Reader	Western History	08	18	10
30	Naina David	Reader	Western History	08	10	02
31	V DD Mishra	Professor	Sociology	10	25	15
32	R A Syed	Professor	Sociology	10	32	22
33	A K Pandey	Reader	Sociology	08	30	22
34	R Mishra	Professor	Sociology	10	18	08
35	J M S Verma	Professor	Sociology	10	15	05
36	Dr. Shahu	Reader	Sociology	08	15	07
37	A N Singh	Reader	Social Work	08	43	35
38	D K Singh	Reader	Social Work	08	53	45
39	R B S Verma	Professor	Social Work	10	42	32
40	Rakesh Dwivedi	Lecturer	Social Work	06	28	22
41	P D Mishra	Professor	Social Work	10	22	12
42	B L Shukla	Professor	Social Work	10	13	03
43	M S Misra	Professor	Hindi	10	16	06

Audit Report (Civil) for the year ended 31 March 2009

44	OP Shukla	Lecturer	Defence studies	06	17	11
45	SN Rai	Lecturer	Defence Studies	06	18	12
46	A N Singh	Reader	Crimnology	08	25	17
47	U N Dwivedi	Professor	Bio Chemistry	10	14	04
48	P K Tandon	Professor	Botany	10	21	11
49	R R Singh	Professor	Botany	10	20	10
50	R C Srivastava	Professor	Botany	10	13	03
51	P K Mishra	Professor	Botany	10	12	02
52	Indu Sahni	Professor	Anthropology	10	13	03
53	A P Singh	Professor	Anthropology	10	12	02