

Chapter-7 General Services

General services include District Administration, Law & Order, Civic Amenities, Management of Solid Waste, e-Governance, Conservation of Lake *etc.* Of these, Civic Amenities and Conservation of Lakes were selected for detailed scrutiny and the results thereof are discussed in this chapter.

7.1 Civic Amenities

Out of the total population (9.55 lakh) of Nainital District (as per 2011 census), 39 *per cent* live in urban regions. Nainital District has one Nagar Nigam (NN) at Haldwani, three Nagar Palika Parishads (NPPs) at Nainital, Ramnagar, Bhowali and three Nagar Panchayats (NPs) at Bhimtal, Lalkuwan, Kaladhungi. The NN, NPP and NP function as institutions of self governance and receive grants and funds from the Government. These institutions also earn revenue through taxes, rents, issue of licenses, parking fees *etc.* and are mandated to utilize these funds for provision of adequate civic amenities like parking spaces, street lights, parks, disposal of waste, houses for urban poor and slaughter houses *etc.* Four Urban Local Bodies⁸⁰ (ULBs) were selected for detailed scrutiny in audit.

Test-check of the records of four selected ULBs revealed that five project works⁸¹ under Jawahar Lal Nehru National Urban Renewal Mission (JnNURM) flagship scheme were sanctioned for Nainital District by GOI during the period 2007-11. Of these, four project works *viz.*, IHSDP Haldwani (costing ₹ 25.32 crore), BSUP, Durgapur and Narainnagar (costing ₹ 9.30 crore and ₹ 10.49 crore) and Management of solid waste of Nainital town (costing ₹ 9.31 crore) were selected for detailed scrutiny. Further, 'Modernization of slaughter houses' at Ramnagar was also scrutinized. The results there of are discussed in the succeeding paragraphs.

7.1.1 Housing to urban poor

7.1.1.1 Excess release of funds

Nagar Nigam, Haldwani entered into two agreements (July 2010) with U P Project Corporation Ltd., Roorkee, amounting to ₹ 12.55 crore and ₹ 14.37 crore for construction of 422 and 501 houses respectively, for urban poor residing in the slum areas of Haldwani city under IHSDP, against which ₹ 6.64 crore was released as of March 2012. Details of release of funds are indicated in **Table 7.1** below:

⁸⁰ Nagar Nigam Haldwani, Nagar Palika Parishad Ramnagar, Nagar Palika Parishad, Nainital and Nagar Panchayat Bhimtal.

⁸¹ Integrated Housing and Slum Development Project (IHSDP), Haldwani (₹ 25.32 crore-2010-11), Basic Service to the Urban Poor (BSUP), Durgapur Nainital (₹ 9.30 crore-2007-08), BSUP, Narainnagar, Nainital (₹ 10.49 crore-2009-10), Reorganization of Nainital water supply (₹ 5.47 crore-2007-08), Sewerage System Nainital (₹ 19.60 crore) and Management of Solid Waste, Nainital (₹ 9.31 crore-2010-11).

Table-7.1: Detail of fund released under IHSDP project

(₹ in crore)

Funds released by State Government		Funds released by Nigam to executing agency	
Date of release	Amount	Date of release	Amount
20 January 2011	6.68	26 February 2011	2.64
20 January 2011	5.84	11 July 2011	3.00
		23 January 2012	1.00
Total	12.52		6.64

Source: Nagar Nigam Data

Clause 3 of the agreement envisaged that the Nagar Nigam, Haldwani will ensure adequate fund flow to the construction agency commensurate with the physical progress and financial progress of previously released funds/ last disbursement. The stipulated date of starting of construction work was July 2010 and the work was scheduled to be completed by December 2011. Accordingly, the site was handed over (August 2010) to the executing agency.

Audit scrutiny revealed that the executing agency started construction work of only 166 (18 per cent) houses against the required 923 houses and only 84 houses were completed (May 2012) at a cost of ₹ 1.89 crore after a delay of six months. The completed houses had various infrastructural problems such as non-construction of toilet pits, stairs and seepage in the rooms. The beneficiaries had taken possession of these houses. It was noticed that contrary to the agreement, funds released by Nigam to the executing agency were not proportionate to the physical progress of the construction, which resulted in excess release/ payment of ₹ 3.12 crore.⁸²

Further, as per the agreement, penalty was to be levied on the centage charges paid to the executing agency in case of delay in completion of works. It was found that penalty amounting to ₹ 0.77 lakh was not deducted from the centage charges by the Nigam.

In exit conference, the District Magistrate while accepting the facts intimated that the agreement with the executing agency has been cancelled (December 2012) and a new agency will be selected for construction of the remaining houses and recovery of the excess amount from the defaulter executing agency is being initiated.

7.1.1.2 Delay in construction

The Government of Uttarakhand accorded (March 2008) approval for construction of 200 houses, for 64 poor families of *Dhobighat* and 136 families of *Harinagar* slum areas, costing ₹ 9.30 crore under BSUP programme in Durgapur, Nainital town. Accordingly, the State Government selected (August 2008) PWD as the executing agency and Nagar Palika Parishad, Nainital (NPPN) as the nodal agency. The scheduled date of start of the project was August 2008 and the stipulated date of completion was November 2009. The site was handed over belatedly (September 2009) to the executing agency. It was noticed that against an amount of

⁸² Cost of 84 completed houses was ₹1.89 crore, while 82 houses were under construction- {₹2.25 lakh x 75 per cent} ₹1.68 lakh x 82 houses = ₹1.38 crore + ₹1.89 crore = ₹3.27 crore and centage @ 7.5 per cent on ₹3.27 = ₹25 lakh [₹1.89 + ₹1.38 + ₹0.25 = ₹3.52 crore]. Hence excess release was ₹6.64 crore - ₹3.52 crore = ₹3.12 crore.

₹ 2.33 crore received by the nodal agency, only ₹ 2.30 crore was released (2009-10 & 2011-12) to the executing agency.

Audit scrutiny revealed that the executing agency had started (July 2010) construction of 112 houses against the required 200. It was noticed that none of the houses were completed till the date of audit (September 2012). Even though the completion of the project was already delayed by 34 months, no initiative was taken by the nodal agency to fix the time line for completion of this project.

The Nagar Palika Parishad, Nainital replied that due to hilly area, time was taken in selection of the site and attributed the delay to the internal affairs of the executing agency. The reply was not acceptable as the NPPN had spent 18 months in selection of site from the date of approval of the project.

7.1.1.3 Non-starting of the BSUP, Narainnagar housing project

Government of Uttarakhand accorded (July 2010) approval for construction of 141 houses, for 16 poor families of *Narainnagar*, 71 of *Breside*, one family of *bakery* compound, five of *Mangawali*, four of *Rajpura*, 13 of *Jublihaal compound* and 31 of *Sukhatal* slum areas, under BSUP programme in Narainnagar, Nainital town. The approved cost of the project was ₹ 10.49 crore.

The NPPN selected (July 2010) UP Project Corporation Ltd., Roorkee as executing agency from the approved panel of executing agencies prepared by the State Government. The State Government released ₹ 2.18 crore for the project to the NPPN whereas the NPPN released (March 2011) only ₹ 2.44 lakh⁸³ to the executing agency and IIT Roorkee toward inception of project work and survey works. But the construction work had not been started even after a lapse of 25 months (September 2012) due to non-availability of land and led to dropping of the project; thus, depriving the poor urban families of housing facility.

7.1.2 Management of Solid Waste

Municipal Solid Waste (Management and Handling) Rules, 2000 make every municipal authority within the territorial area of municipality responsible for the implementation of the provisions of these rules and for any infrastructure development for collection⁸⁴, segregation⁸⁵, storage⁸⁶, transportation⁸⁷, processing⁸⁸ and disposal⁸⁹ of municipal solid waste. Management of Solid Waste (MSW) works were test checked in four out of seven ULBs of the district and the results thereof are discussed in the succeeding paragraphs.

⁸³ ₹ two lakh to executing agency for inception of project and ₹0.44 lakh to IIT Roorkee for geological survey.

⁸⁴ "Collection" means lifting and removal of solid wastes from collection point or any other location.

⁸⁵ "Segregation" means to separate the municipal wastes into the groups of organic, inorganic, recyclable and hazardous wastes.

⁸⁶ "Storage" means the temporary containment of municipal solid waste in a manner so as to prevent littering, attraction to vectors, stray animals and excessive foul odour.

⁸⁷ "Transportation" means conveyance of municipal solid waste from place to place hygienically through specially designed transport system so as to prevent foul odour, littering, unsightly conditions and accessibility to vectors.

⁸⁸ "Processing" means the process by which solid waste are transformed into new or recycled product.

⁸⁹ "Disposal" means final disposal of municipal solid waste in term of the specified measures to prevent contamination of ground water and ambient air quality.

7.1.2.1 Blockade of funds

Paragraph 48 of Chapter III of Uttarakhand Procurement Rules, 2008 envisaged that ordinarily, advances to contractors are prohibited and payments should be made only against the work actually done. However, exceptions may be permitted in a few cases or only with the sanction of the Government, subject to payment of interest till the amount is deducted or adjusted.

The NPPN entered (December 2011) into an agreement with M/s A 2 Z Maintenance and Engineering, Gurgaon, Haryana for ₹ 13.49 crore for handling of solid waste of Nainital town. Audit scrutiny revealed that prior to signing of the agreement, a complaint by an advocate against the selected firm was received (April 2011) at the NPPN intimating therein the failure of the aforesaid firm in executing MSW works of Bihar Sharif Municipal Corporation and the matter being pending in a Court of Law.

On this being pointed out that legal opinion should have been obtained before entering into the agreement, the NPPN stated that as the case of the firm was pending before the Court of Law and had not been decided, the firm could not be considered a defaulter. Audit observed that entering into an agreement with a tainted firm was inappropriate in the first place.

Further, it was found that NPPN released (December 2011) interest free advance of ₹ 80 lakh (10 per cent of the capital cost) to the firm. As per agreement schedule, the firm was required to complete the construction within a year of the agreement, but even after lapse of nine months (September 2012), the firm had neither procured any items nor started the construction works and the amount was lying unspent (September 2012) with the firm.

Audit noticed that despite various instructions issued by the Executive Officer, NPPN, the firm had not started the work and municipal waste was not being collected.

Thus, the NPPN, despite being aware of the conduct of the firm, selected a tainted firm, who had not started the work after a delay of nine months despite the availability of funds of ₹ 80 lakh, which remained blocked with the agency.

7.1.2.2 Insufficient infrastructure for handling of Waste

The four selected ULBs having population of 3.05 lakh⁹⁰ were generating (2011-12) 95 MT⁹¹ of waste per day. The details of requirements and availability of equipment to handle the waste is shown in **Table 7.2** below:

Table-7.2: Requirement and availability of equipment in ULBs

Name of item	Haldwani		Nainital		Ramnagar		Bhimtal	
	Req	Avl	Req	Avl	Req	Avl	Req	Avl
Dumper Placer	5	3	5	3	4	2	0	0
Refuse collector bins	2	1	0	0	0	0	0	0
Tipper	1	1	2	1	0	0	1	0
Tractor Trolley	2	2	0	0	2	1	1	1
Utility Jeep/ Tempo	3	1	1	1	2	1	4	1
Dustbins (RCC, Large)	150	42	40	40	24	24	40	40

Source: ULBs figures

Avl- Available, Req- Total Required.

⁹⁰ Information provided by ULBs (2011-12)-Nainital-41461, Bhimtal-7718, Haldwani-201433 and Ramnagar-54812=305424.

⁹¹ Nainital:-16 MT, Haldwani:-60 MT, Ramnagar:-18 MT and Bhimtal:-1 MT.

As can be seen from the above table that the ULBs were not having adequate infrastructure such as dumper placer, tipper and refuse collection bins to handle the generated waste. It was also noticed that the waste was handled by ULB employees without protective gears and was finally dumped in nearby forest areas and river banks. Besides, open transportation was used to carry the waste in contravention to the MSW Rule as can be seen in the photograph below:



Handling of waste without protective gears and disposing it near *Saladi* village in NP Bhimtal



Transportation of municipal waste un-hygienically at Nagar Nigam, Haldwani

Audit further noticed that projects for management of solid waste had not taken off in any of the four ULBs and were still in formulation stage in three ULBs⁹² even after a decade of enactment of MSW Rules, 2000.

7.1.2.3 Handling of municipal waste

(A) Nagar Nigam Haldwani

As per MSW Rules, an authorisation is to be sought by the municipalities from SPCB for handling MSW waste. It was noticed that SPCB had not issued authorisation to Nagar Nigam, Haldwani. Further, NN Haldwani had prepared (March 2012) a Detailed Project Report (DPR) costing ₹ 16.46 crore for Management of Solid Waste which was not sanctioned by the State Government as of August 2012. It was further noticed that NN Haldwani was dumping generated waste in un-segregated manner at *Gola Rokhar* dumping ground (as can be seen in the photographs below).

⁹² NN Haldwani, NPP Ramnagar and NP Bhimtal



Unsegregated dumped waste at Gola Rokhar, Haldwani



Waste being washed away by flood in Gola river Haldwani (old dumping site)

During joint physical verification, audit came across with the evidences of waste being washed away in the Gola River (as can be seen in the photograph above) thus, polluting the river water.

(B) Nagar Palika Parishad, Ramnagar

Nagar Palika Parishad, Ramnagar had submitted (April 2012) a proposal for trenching ground on forest land which was rejected (July 2012) by the Forest Department. Test-check of records of NPP, Ramnagar revealed that door to door collection of segregated biodegradable and non-biodegradable waste were initiated by the NPP (August 2012). In the preliminary stage only five wards out of 15 wards were selected for the collection through *Mohalla Swachhata Samitis*. However, physical verification revealed that the waste of the remaining ten wards were being collected in an un-segregated manner and dumped on the *Kosi* River bank causing the contamination of the river water: The facts were accepted by the NNP authorities. The **photographs** below show the un-segregated waste dumped on the bank of *Kosi* River.



Un-segregated dumped waste at Kosi River, Ramnagar



Dumped waste overflowed to Kosi River

(C) Nagar Palika Parishad Nainital

Nagar Palika Parishad, Nainital failed to start the Management of Solid Waste works even after a lapse of nine months despite entering into an agreement with a firm as discussed in Paragraph 7.1.2.1. Meanwhile the ULB engaged a firm which was earlier working in Nainital area under National Lake Conservation Plan project to continue with collection and segregation of the

⁹³ Lok Chetna Manch.

waste. It was observed that the firm was collecting un-segregated waste and dumping it in the forest land near *Hanumangarhi* temple thus, polluting the forest area as shown in the photographs below:



Collection of un-segregated waste by the firm



Un-segregated waste dumped at forest land near Hanumangarhi temple.

(D) Nagar Panchayat, Bhimtal

Nagar Panchayat, Bhimtal had neither prepared any plan for MSW work nor formed *Mohalla Swachhata Samitis* for door to door collection and segregation of waste. On this being pointed out, the NP, Bhimtal stated that they had no land for composting the waste thus, no plans could be formulated. However, audit noticed that NP, Bhimtal had constructed (April 2007) a trenching ground in a populated area from *Awasthapana Nidhi* at a cost of ₹ 5.79 lakh but the same was not being used for disposing off the waste as shown in the photographs below:



Un segregated waste dumped at hill slope near Saladi village



Unused Trenching Ground constructed besides NP Bhimtal

As this trenching ground was not used for the intended purpose, the entire waste was being dumped unauthorisedly at the slopes near *Saladi* village on Bhimtal-Haldwani road as shown in the above photographs.

Thus, all the selected ULBs were not following MSW rules, 2000 and collected waste were finally dumped at nearby forest areas and in river banks causing pollution to the environment.

7.1.3 Modernization of abattoir⁹⁴

Ministry of Food Processing Industries, GOI, had launched a scheme for modernization of abattoirs during 2008-09. It was a comprehensive scheme, which included modernization of existing abattoirs with higher level of financial assistance of 75 per cent for difficult areas such as Uttarakhand State. The regulatory functions of the scheme were to be discharged through local bodies.

Audit scrutiny revealed that NPP Ramnagar prepared a DPR amounting to ₹ 1.70 crore for modernization of abattoir at *Khatari* locality and forwarded (February 2009) it to the State Government. The State Government directed (March 2009) and issued reminders (June, August and October 2009) to NPP, Ramnagar to submit elaborated financial viability assessment (as required under paragraphs 4.3 (b) and 5 of the guidelines), report/ comments of the Veterinary Department and approved proposals of the Municipal Board in the DPR.

Audit observed that NPP, Ramnagar failed to submit the same in proper format as required by the Authorities, which led to non-approval of the DPR even after 29 months from the date of submission of proposal. Physical inspection during audit revealed that the animals were openly being slaughtered daily in unhygienic conditions as shown in the photographs below and waste was flowing directly into the *Nallah*.



The NPP, Ramnagar stated that foolproof proposal was submitted to the Directorate of Urban Development, Uttarakhand, but no sanction was communicated till date (September 2012). It was further stated that action will be taken against the unauthorized persons involved in slaughtering of animals in the open. The reply of NPP Ramnagar was not acceptable as elaborated financial viability assessment report was not submitted with DPR as required under the guidelines.

In the exit conference, the Executive officer accepted the facts and stated that notices were issued to responsible persons and slaughtering in open has been stopped since January 2013.

⁹⁴ Slaughter house.

Thus, the indifferent approach of the functionaries deprived NPP Ramnagar of grants for modernization of the slaughter house amounting to ₹ 1.70 crore. Slaughtering of animals was being done in an unscientific and unhygienic manner, which remains a serious health hazard.

Recommendations

The State Government/ District Administration may consider to ensure:

- *Availability of land before taking up of housing projects related to slum areas.*
- *Completion of the projects for management of solid waste in all the four ULBs.*

Conservation of lakes

7.2 National Lake Conservation Plan

Recognizing the importance of lakes, the National River Conservation Directorate (NRCD), Ministry of Environment and Forests (MOEF), Government of India (GOI) launched (2001) National Lake Conservation Plan (NLCP), a Centrally Sponsored Scheme, with the objective of conserving urban and semi-urban lakes degraded due to waste water discharge into the lakes and restoring other unique fresh water ecosystems through an integrated ecosystem approach.

Nainital District has earned the epithet – ‘Lake District of India’. GOI sanctioned (June 2003 and August 2003) projects amounting to ₹ 16.85 crore for conservation and management of four lakes namely *Bhimtal, Naukuchiyatal, Sattal & Khurpatal* and ₹ 47.97 crore for Nainital Lake under NLCP. The Nainital Lake Region Special Area Development Authority (NLRSDA), Nainital with Divisional Commissioner, Kumaon as its ex-officio chairperson, was selected (September 2003) as nodal agency to execute and monitor the works. A total of 29 project works⁹⁵ were to be executed under the project at a cost of ₹ 64.82 crore. The projects were to be completed within August 2006.

7.2.1 Financial Management

The scheme was funded by the Centre and State on 70:30 cost sharing basis. The 30 per cent State share included the share of local bodies (up to 10 per cent) for ensuring public participation in the project.

The GOI and State Government released ₹ 61.55 crore to the nodal agency up to September 2010. Against this, the executing agencies incurred expenditure amounting to ₹ 56.59 crore up to March 2012. An amount of ₹ 7.76 crore⁹⁶ was lying unspent with the nodal agency and ₹ 2.05 crore was lying with the executing agencies as of March 2012. Apart from this, an interest of ₹ 4.86 crore was accrued on the unspent balance at the nodal office. The status of release of funds by GOI *vis-a-vis* State share is depicted in **Table 7.3** below:

⁹⁵ 10 project works of other four lakes and 19 project works of Nainital Lake.

⁹⁶ ₹ 2.90 crore project amount pending for release with nodal agency + ₹ 4.86 crore interest.

Table- 7.3: Details of State Share under NLCP (*₹ in crore*)

Year	Fund released for Nainital Lake works				Fund released for other four lakes works							
	GOI share	State Share			GOI share	State Share						
		Required	Actual	Shortfall		Required	Actual	Shortfall				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)				
1997-03	0	14.39	10.75	(-)3.51	0	5.06	0	3.51				
2003-04	5.60		6.40 ⁹⁷		2.00		0.85					
2004-05	10.00		0.75		3.00		00					
2005-06	00		00		00		00					
2006-07	7.33		00		3.50		00					
2007-08	1.60		00		2.68		0.70					
2008-09	3.40		00		00		00					
2009-10	00		00		00		00					
2010-11	3.00		00		00		00					
Total	30.93		14.39		17.90		(-)3.51(24%)		11.18	5.06	1.55	3.51 (69%)

Source: Records of NLRSA

It is evident from the above table that there was a shortfall (69 per cent) in release of the State share for other four lakes and an excess amount (24 per cent) was released in case of Nainital Lake.

7.2.1.1 Irregular expenditure

Mentioned was made in Paragraph 3.1.5 of the Report of C&AG of India for the year ended 31 March 2011, Government of Uttarakhand that the Nainital Lake Region Special Area Development Authority, without obtaining approval from the GOI, constructed an aquarium costing ₹ 1.40 crore at Bhimtal Lake. The cost of the aquarium was met by diverting funds meant for soil conservation works (₹ 80 lakh), Low Cost Sanitation (LCS) and dredging works (₹ 25 lakh each) and ₹ 10 lakh from Miscellaneous Funds allocated for other four lakes under NLCP.

Audit scrutiny further revealed that two works costing ₹ 28.32 lakh⁹⁸ were irregularly executed by the orders of Project Monitoring Committee headed by Divisional Commissioner by diverting funds meant for NLCP. These works were neither included in the Detailed Project Report of NLCP nor approved by the National River Conservation Directorate.

Thus, in contravention to financial rules the funds under the NLCP project were diverted without approval of the GOI.

7.2.2 Project implementation

7.2.2.1 Non submission of Program Evaluation Review Technique (PERT) chart

As per instructions contained in the sanction orders of the projects, the PERT chart⁹⁹ for implementation of the schemes was required to be submitted by the NLRSA to National

⁹⁷ ₹ 2.40 crore (November 2003) plus ₹ 4.00 crore (December 2003).

⁹⁸ Repairs, renovation and railing work of Nainital-Almora B-2 road through PWD: ₹ 16.32 lakh, Installation of CCTV cameras in and around Nainital Lake through SSP Nainital: ₹ 12.00 lakh.

⁹⁹ A PERT (Program Evaluation Review Technique) chart is a project management tool used to schedule, organize and coordinate tasks within a project.

River Conservation Directorate. It was noticed that the NLRSA had not prepared or submitted the PERT chart as required under the project and submitted (July 2004) only the up-to-date physical and financial progress of the projects. Thus, in absence of PERT chart, the project works were taken up by the executing agencies without fixed timelines.

7.2.2.2 Delay in completion of project works

Audit scrutiny revealed that out of a total of 29 works sanctioned under NLCP in the district, 11 works remained incomplete as of March 2012 even as six years had elapsed from their scheduled date of completion. Details of incomplete works are shown in the **Table 7.4** below:

Table- 7.4: Status of completion of works under NLCP (₹ in crore)

Name of Component (1)	Sanctioned amount (2)	Number of works (3)	Status of works		Works not started (6)
			Completed (4)	Incomplete (5)	
Nainital Lake					
Sewerage system	15.20	3	3	0	0
Hydraulic Works	15.87	3	1	0	2
Restoration & Dev. Works	7.44	4	4	0	0
Catchment Conservation works	1.25	2	2	0	0
Infrastructure facilities	3.80	6	2	1	3
Social Awareness	0.87	1	0	1	0
Unforeseen Misc.exp.	3.55	0	0	0	0
Total (A)	47.98	19	12	2	5
Other four lakes					
Soil Conservation & Watershed Mgmt.	5.91	1	1	0	0
Sewerage & Sanitation works	4.63	3	3	0	0
Hydraulic & Restoration works	2.42	2	1	0	1
Bio-manipulation & developmental works	2.48	2	0	2	0
Water conservation & Infrastructure facilities	0.14	1	1	0	0
Social Awareness	0.46	1	0	1	0
Unforeseen Misc.exp.	0.80	0	0	0	0
Total (B)	16.84	10	6	3	1
Grand total (A+B)	64.82	29	18	5	6

Source: NLRSA records.

The NLRSA admitted the above facts and attributed the delay to geographical conditions and atmosphere of the lake areas. The reply was not acceptable as the DPRs of the project works should have been prepared with due consideration to the atmosphere of the lake areas. Moreover, if the PERT chart had been prepared, the project works could have been completed within stipulated period.

Thus, the nodal agency could not complete the sanctioned works even after considerable delay of six years from the scheduled date of completion.

7.2.2.3 Management of Solid Waste

Government of India sanctioned ₹ 81 lakh (August 2003) and ₹ 70 lakh (June 2003) for the purchase of equipment for handling of waste in Nainital Lake and other four lakes area respectively. Against this, NLRSA prepared a comprehensive plan for Management of Solid Waste¹⁰⁰ and spent an amount of ₹ 4.14 crore for the work. The additional amount of ₹ 2.63 crore¹⁰¹ was met out by diverting funds from other components¹⁰² of NLCP. Audit scrutiny revealed the following deficiencies in execution of the comprehensive MSW plan:

- Out of ₹ 1.51 crore NLRSA spent only ₹ 68.30 lakh on the purchase of equipment while an amount of ₹ 82.70 lakh was spent on other works for which separate account was not kept.
- An agreement, for three years (2008-11) was entered into with Lok Chetna Manch for door to door collection and segregation of waste of Nainital Lake area and areas surrounding the other four lakes to minimize the bin/receptors culture, composting the biodegradable waste and scientific end use disposal of non-biodegradable waste. An amount of ₹ 68.30 lakh and ₹ 81.25 lakh were spent on purchase of equipment and Operation and Maintenance (O&M) works respectively. It was noticed that the firm could collect only 7,100 MT (50 per cent) of waste against the total 14,100 MT generated. Further, the firm was able to segregate only 4,615 MT (65 per cent) of collected waste, of which, only 180 MT (six per cent) of bio-degradable waste and 2.43 MT (0.21 per cent) non-biodegradable wastes could be disposed off scientifically. Thus, the expenditure incurred on O&M (₹ 81 lakh) remained unfruitful as the firm could dispose only 1.3 per cent of the total generated waste.
- In violation of the Forest Conservation Act, 1980, the NLRSA constructed composting pits costing ₹ 41.77 lakh on the forest land without its transfer from the Forest Department at Narain Nagar. It was noticed that the firm could compost only 180 MT waste out of a total of 3,230 MT bio-degradable waste. Further, during joint physical verification, it was noticed that the site had not been in use since May 2011 as shown in the photograph below:



Unused composting pit at Narain Nagar, Nainital

¹⁰⁰ Door to door collection, segregation, composting and recycling of waste generated in Nainital Lake and other four lake areas.

¹⁰¹ Total expenditure of ₹ 4.14 crore-₹ 1.51 crore (₹ 0.81 crore+₹ 0.70 crore).

¹⁰² ₹ two crore from low cost sanitation, ₹ 80 lakh from soil conservation works and ₹ 50 lakh from unforeseen miscellaneous fund.

On this being pointed out, NLR SADA replied that the pit, now transferred to NPPN, was not found suitable for composting due its inadequate size and water retention capacity. The reply of the NLR SADA was not acceptable as these factors should have been considered at the time of construction of the pits. Further, use of forest land without the approval of GOI was in violation of the Act. Thus, the expenditure of ₹ 41.77 lakh remained unfruitful.

- An amount of ₹ 1.79 lakh was spent on construction of trenching ground at Bhimtal for composting of bio-degradable waste generated. The trench was not being used by the firm due to non-collection of waste and non-formation of *Mohalla Swachhta Samitis*. Thus, expenditure incurred on construction of trenching ground remained unfruitful.
- A Recycling plant costing ₹ 2.21 crore was constructed (March 2010) at Kathgodam (Haldwani) for recycling the non-biodegradable waste generated in Nainital district. ULBs of the district were to segregate non-biodegradable waste which was to be recycled through this plant. Audit scrutiny revealed that due to erratic supply of electricity to the plant since inception and non-posting of operator, the plant remained non-functional till August 2012. Further, it was also observed that the ULBs have failed¹⁰³ to segregate the municipal waste into bio-degradable and non-bio-degradable so as to supply (referred to in Paragraph 7.1.2.3 above) adequate raw material to the plant. Thus, the expenditure incurred on the recycling plant remained unfruitful.

Thus, only 1.3 per cent of the total generated waste could be processed even after incurring an expenditure of ₹ 4.14 crore¹⁰⁴.

7.2.2.4 Low Cost Sanitation

Low Cost Sanitation means conversion of the existing dry latrines into low cost flush latrines and to construct new ones where none exist. Due to inadequate sewerage lines in the district, National River Conservation Directorate, GOI sanctioned (August and June 2003) ₹ 3.54 crore for Nainital Lake and ₹ 2.59 crore for other four lakes for construction of household toilets, community toilets and urinal blocks.

- Audit scrutiny of LCS works of Nainital Lake revealed that against 1,574 sanctioned household toilets, no toilets were constructed. It was also observed that against 16 sanctioned community toilets, 27 were constructed at a cost of ₹ 1.16 crore, which included 14 toilets constructed at unapproved places. Further, during joint physical verification, audit found that the LCS constructed had various infrastructural problems like broken seats and urinal pots.

¹⁰³ Due to expiry of MSW agreement with Lok Chetna Manch and the firm was handling municipal waste without segregation.

¹⁰⁴ ₹ 68.30 lakh (Purchase of Equipment) + ₹ 81.25 lakh (O&M) + ₹ 41.77 lakh (construction of composting pits at Nainital) + ₹ 1.79 lakh (construction of composting pits at Bhimtal) + ₹ 2.21 crore (construction of Recycling plant).

- Audit scrutiny of LCS works of other four lakes revealed that no household toilets against the sanctioned 943 were constructed. Against 13 sanctioned community toilets, only nine were constructed.

In reply, NLRSAADA attributed the non-construction of household toilets to laying of sewer lines in catchment area of Nainital lake and stated that the construction of community toilets were made as per requirement felt in joint physical inspection by the municipal ward members and various departmental delegates. The reply was not acceptable as the decision to not construct household/community toilets should have been communicated to GOI.

7.2.2.5 Social Awareness

(A) Government of India approved (August and June 2003) ₹ 87.09 lakh and ₹ 45.79 lakh for Public Awareness programme under NLCP for Nainital lake and four other lakes respectively. Activities under this programme included group meetings, slide shows and audio visual films for local community, educational cum entertainment programmes, Tourist Information Centres and access to literature on eco-tourism for tourists.

Scrutiny of the records revealed that the NLRSAADA could spend only ₹ 36.74 lakh¹⁰⁵ (42 per cent) against the sanctioned amount of ₹ 87.09 lakh for Nainital Lake. Further, NLRSAADA had not proposed various activities for local communities; tourists *etc.* in its public awareness plan in the DPR even after a lapse of six years of the approval of the project.

On this being pointed out, the NLRSAADA replied that the Social awareness programme, being a continuous process, funds were utilized as and when required. The reply was not acceptable as all the sanctioned project works were to be completed within August 2006, which cannot be spent for indefinite period.

(B) The GOI accorded approval of ₹ 45.79 lakh for public awareness programmes under other four lakes projects. Scrutiny of records revealed that the Chairman (Divisional Commissioner), Project Monitoring Committee (PMC), approved (December 2005) construction of hall-cum-office below the parking of the Bhimtal Lake for public awareness which was not provided for under public awareness programmes. The construction work was arbitrarily¹⁰⁶ assigned, without adopting tendering process, to a firm¹⁰⁷ on turnkey¹⁰⁸ basis. The NLRSAADA released (March to August 2006) advance payments of ₹ 20 lakh to the executing agency. The firm had partly constructed the building at a cost of ₹ 12.88 lakh and left the remaining works incomplete (August 2007). The balance amount of ₹ 7.12 lakh was lying with the firm since

¹⁰⁵ ₹ 33.41 lakh on print media and ₹ 3.33 lakh (₹ 2.31 lakh on glow sign board and ₹ 1.02 lakh on Lake Warden programme).

¹⁰⁶ The selection of the construction firm without calling for tenders was in violation of paragraph 360 of Financial Hand Book (FHB) Volume-VI.

¹⁰⁷ M/s Design & Development Forum, New Delhi.

¹⁰⁸ Turnkey is a product or service that is designed, supplied, built or installed fully complete and ready to operate. The term implies that the end user just has to turnkey and start using the product or service.

last six years. The firm had not responded to the correspondence made in this regard by NLR SADA and no effort was made by NLR SADA to take action against the concerned firm.

The NLR SADA stated that the balance amount will be recovered from other works undertaken by the firm. The reply was not acceptable as NLR SADA had not made any correspondence with the firm since last two years. Moreover, it failed to produce any documentary evidence for making efforts to recover the said amount from another project.

7.2.2.6 *Operation and Maintenance*

The guidelines envisaged that the O&M shall be a part of the project and the cost thereon shall be borne entirely by the State/ local bodies for which additional resources have to be demonstrably raised and committed to O&M. Further, the assets created under NLCP shall be handed over to local bodies after completion and construction agency shall continue to maintain assets on contract basis till such time the local body acquires the necessary technical expertise for this purpose.

Scrutiny of records revealed that the State Government did not mobilize the share of the local bodies for O&M and issued orders, contrary to the instructions, for maintaining the assets by executing agencies. The maintenance of assets by executing agencies was to be a temporary arrangement till the local bodies attained technical expertise. It was noticed that the local bodies were not handed over assets barring two Low Cost Sanitation and few equipment of MSW and the assets were being maintained by the executing agencies from one to six years as of March 2012.

In exit conference, the District Magistrate stated that instructions were issued to NLR SADA to hand over the assets to the concerned municipalities.

7.2.3 **Water quality**

National Lake Conservation Plan guidelines envisaged that in the absence of specific water quality criteria developed in respect of lakes, designated best use criteria for surface water for bathing quality as given in Central Pollution Control Boards (CPCB) norms shall be the target for lake water quality. Scrutiny of records of NLR SADA revealed that during the audit period, testing of quality of water in other four lakes was conducted only in the year 2010-11. A comparison of various indicators of pollution at the time of initiation (2003-04) of NLCP and in 2010-11 showed an improving trend of water quality. Water quality data maintained by NLR SADA is shown **Table 7.5** below:

Table 7.5 : Water quality of lakes

Name of Lake	pH		Dissolved Oxygen (mg/l)		Bio chemical Oxygen Demand (mg/l)	
	Between 6.5 and 8.5		5mg/l or more		6mg/l or less	
Normative Requirement						
(1)	(2)		(3)		(4)	
Year	2003-04	2010-11	2003-04	2010-11	2003-04	2010-11
Nainital	8.10	8.02	4.63	9.45	21.00	7.15
Bhimtal	8.00	8.20	6.80	5.20	7.00	6.20
Naukuchiyatal	8.88	8.50	10.00	6.90	20.00	15.2
Sattal	8.42	8.20	9.40	7.50	13.40	12.50
Khurpatal	8.23	8.20	5.90	8.50	8.83	6.50

Source: Records of NLRSA

It is evident from the above table that the water quality of Nainital lake has improved, as the Dissolved Oxygen parameter rose from 4.63 mg/l to 9.45 mg/l while, the presence of Bio-chemical oxygen demand has reduced from 21 mg/l to 7.15 mg/l from 2003-04 (i.e. since inception) to 2010-11. Further, in other four lakes (Bhimtal, Naukuchiyatal, Sattal and Khurpatal) the presence of Bio-chemical oxygen demand have also decreased ranging from 20 mg/l to 6.20 mg/l during 2003-04 to 2010-11.

Thus, the water quality of the all lakes has improved after the initiation of lake conservation project under National lake Conservation Plan.