

CHAPTER-III

GENERAL SECTOR

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3.1 Introduction

The findings based on audit of State Government Departments/offices under General Sector feature in this Chapter.

During 2020-22, against total budget provisions of ₹ 68,698.66 crore¹³⁴, 17 departments incurred an expenditure of ₹40,580.84 crore¹³⁵. **Table-3.1** and **Appendix-3.1** gives details of budget provisions and expenditure incurred thereagainst by these departments.

Table 3.1: Department-wise budget provision and expenditure during 2020-22

(₹ in crore)					
Department	Grant No. and Name	Budget provision		Expenditure	
		2020-21	2021-22	2020-21	2021-22
Administrative Reforms and Training	22-Administrative Training	36.15	29	13.89	15.32
Border Protection and Development	50-Other Special Areas Programme	71.28	77.43	57.34	73.9
Election	4-Election	399.45	174.1	371.35	147.78
General Administration	12-District Administration	652.34	685.89	388.85	539.33
	25-Miscellaneous General Services	7,285.44	7,939.59	2,466.11	6,333.66
	47-Trade Adviser	1.34	1.3	0.68	1.55
Home and Political	14-Police	5,202.56	5,332.48	4,137.88	4,459.31
	15-Jails	116.41	113.16	71.87	92.44
	18-Fire Services	236.36	208.29	172.05	181.27
	19-Vigilance Commission & others	734.4	440.95	324.19	330.5
	20-Other Administrative Services	292.52	305.2	256.66	268.2
Judicial	3-Administration of Justice	588.82	630.06	427.99	445.08
Legislative	1-State Legislature	143.04	178.05	91.11	136.72
Governor's Secretariat	Head of State	11.82	11.68	7.38	8.81
CM Secretariat	2-Council of Ministers	14.83	17.84	5.41	9.5
Panchayat and Rural Development	56-Rural Development (Panchayat)	2218.4	3,018.41	1,608.66	1,935.44
	57-Rural Development	6,432.37	8,020.14	3,543.21	3,593.86
Printing and Stationery	16-Printing and Stationery	46.91	42.89	29.43	25.55
Revenue and Disaster Management	6-Land Revenue and Land Ceiling	373.98	426.13	292.54	372.94
	41-Natural Calamities	2,646.68	2,557.75	1,250.59	1,246.47
	72-Social Security and Welfare	19.02	15.21	11.87	14.71
Secretariat Administration	11-Secretariat and Attached Offices	1,228.32	986.53	981.29	696.75
Information and Public Relations	35-Information and Publicity	99.08	130.78	76.15	109.28
Personnel	Public Service Commission	20.81	23.95	14.66	16.56

¹³⁴ 2020-21: ₹33,135.89 crore and 2021-22: ₹35,562.77 crore.

¹³⁵ 2020-21: ₹17,706.98 crore and 2021-22: ₹22,873.86 crore.

Department	Grant No. and Name	Budget provision		Expenditure	
		2020-21	2021-22	2020-21	2021-22
Transformation and Development	45-Census, Surveys and Statistics	57.65	47.18	33.53	32.58
	44-North Eastern Council Schemes	1,914.65	1386.7	219.04	502.35
Urban Development	31-Urban Development (Town & Country Planning)	780.19	946.38	490.02	605.62
	32-Housing Schemes	6.51	5.67	4.91	5.46
	34-Urban Development (Municipal Admn)	1,504.56	1,810.03	358.32	672.92
Total (Including Charged)		33,135.89	35,562.77	17,706.98	22,873.86

Source: Appropriation Accounts 2020-21 & 2021-22

3.1.1 Planning and conduct of audit

During 2020-22, out of 292 auditable entities¹³⁶ under General Sector, 85 entities¹³⁷ were audited involving an expenditure of ₹ 6,508.82 crore¹³⁸ (including expenditure of earlier years). This Chapter contains a Performance Audit on “Functioning of Guwahati Metropolitan Development Authority” and two Compliance Audit Paragraphs as discussed in the succeeding paragraphs.

Performance Audit

Department of Housing and Urban Affairs

3.2 Performance Audit on Functioning of Guwahati Metropolitan Development Authority

The Guwahati Metropolitan Development Authority (GMDA) under the administrative control of the Department of Housing and Urban Affairs, was established in 1992 as per the GMDA Act, 1985. As per the Act, the function of the GMDA was to promote and secure the development of Guwahati Metropolitan Area according to the Master Plan.

The Performance Audit (PA) on "Functioning of GMDA" revealed that except for executing some development activities under the State's Own Priority Development Schemes, GMDA was not functioning as per the spirit of the provisions/bye-laws of the GMDA Act, 1985. The Government engaged GMDA in functions like water supply, building permission, provision of urban amenities and facilities such as parks, gardens, playgrounds, street lighting, parking lots and public conveniences which were entrusted to the Guwahati Municipal Corporation (GMC) as per the 74th Constitutional Amendment Act.

GMDA was manned with very few technical staff and all senior posts were either filled by contractual staff or on deputation from other departments. Apart from

¹³⁶ 2020-21: 130 and 2021-22: 162

¹³⁷ 2020-21: 30 and 2021-22: 55

¹³⁸ 2020-21: ₹ 4,752.21 crore and 2021-22: ₹ 1,756.61 crore.

inadequate human resources to handle major projects, GMDA also lacked commitment in complying with the important decisions taken in the Authority's meetings. Although GMDA had prepared the Master Plan, it has not monitored the achievement of targets set in the Plan. The accounts of GMDA pertaining to the years from 2014-15 to 2019-20 were submitted for audit to Principal Accountant General (Audit) only in July 2021 due to delayed approval of accounts by the Authority.

An amount of ₹ 27.90 crore released as advances for different purposes from the National Games Village (NGV) Phase-1 account remained outstanding without any adjustment even after finalisation of accounts in 2014-15. Due to lack of monitoring by the Project Management Consultant (PMC) in respect of South Guwahati (West) Water Supply Project (SGWSP), 13,776.40 meters of pipes not laid by the contractor remained undetected resulting in overpayment of ₹ 6.98 crore. Instead of engaging the consultant selected after observing procurement formalities, another firm was irregularly engaged (November 2021) as consultant by GMDA on nomination basis for managing the SGWSP. An amount of ₹ 6.20 crore expended on construction of Central Library Archive-Cum-Auditorium at Amingaon remained idle for a period of over four years due to lackadaisical approach of the Executive Agency GMDA and PWD (Building), Assam. Expenditure of ₹6.38 crore on Detailed Project Report (DPR) for Guwahati Metro Rail Project was rendered unfruitful as it was rejected by GoI for non-compliance to the guidelines for setting up Metro Rail.

Highlights:

The capacity of GMDA was not adequate to handle major projects as it was manned with very few technical staff. It was seen that barring few development works allotted under State's Own Priority Development (SOPD) schemes, the GMDA had either failed to complete all major projects or it was completed after huge delays and incurring additional expenditure due to cost escalations.

(Paragraph-3.2.7.5)

Due to lack of monitoring of revenue collection as well as lack of commitment in complying with CA as well as AG's observations an amount ₹17.67 lakh remained outside GMDA's account.

(Paragraph-3.2.8.1)

₹35.17 crore was released as advances for different purposes from the National Games Village (NGV) account remained as outstanding without any adjustment, though the accounts were finalised in 2014-15. Further scrutiny of unadjusted advances revealed that outstanding amount of ₹78.20 lakh remained unadjusted against one individual from March 2015.

(Paragraph-3.2.9.2)

The South Guwahati West Water Supply Project which was to be completed in 30 months (September 2011), remained incomplete even after 11 years of start of the Project, mainly due to defects in the DPR, non-completion of major components of

the Project viz., Water Treatment Plant, Semi Under Ground Reservoirs, Elevated Service Reservoir, Pre Settlement Tank, Distribution Grid lines and Intake Well.

(Paragraph-3.2.10.1.1)

It was found that out of 1524.27 meter pipes to be laid by the contractor, only 1179.41 meter pipes of various diameter were laid by the contractor resulting in less execution of 344.86 meter of pipes of various diameter. However, payment was made to the contractor without verifying the actual execution of work, resulting in overpayment of ₹4.09 crore.

(Paragraph-3.2.10.1.9)

Scrutiny of the individual RA Bills revealed that the ‘up-to-date cumulative payment’ figure in RA Bill no. 78 was understated by ₹3.22 crore in ‘payment cleared up to previous bill’ column in RA Bill no.79, based on which the payment to the contractor was made till RA Bill 135 and the contractor was paid ₹173.16 crore instead of allocated amount of ₹170.72 crore against procurement of DI and MS pipes resulting in excess payment of ₹3.22 crore.

(Paragraph-3.2.10.1.10)

₹1.65 crore was irregularly paid as interest to the contractor for delayed payment of bills ignoring the additional conditions for payment mentioned in the General Condition of Contract wherein it was clearly mentioned that “After certification by the engineer payment can be arranged within 28 days but shall not be construed for any compensation in case of any delay beyond 28 days.

(Paragraph-3.2.10.1.11)

Due to lack of monitoring by the CEO, GMDA and lack of co-ordination between CEO, GMDA and PD, un-authorized expenditure of ₹4.33 crore was done by MD, Guwahati Jal Board for staff salary, payments to vendors, etc. violating the agreement clause. Further, the payments made against the bills submitted by the contractor were neither certified by the PMC for JNNURM Project nor the bills were jointly signed by the CEO, GMDA.

(Paragraph-3.2.10.1.14)

3.2.1 Introduction

The Guwahati Metropolitan Development Authority (GMDA), under the administrative control of the Department of Housing and Urban Affairs, was established in 1992 as per Guwahati Metropolitan Development Authority Act, 1985. It replaced the erstwhile Guwahati Development Authority constituted in 1962 under the Town and Country Planning Act, 1959 (as amended). As per the GMDA Act, the function of the Guwahati Metropolitan Development Authority was to promote and secure development of the Guwahati Metropolitan Area according to the Master Plan. GMDA has adopted the Master Plan 2025 and Zoning Regulations prepared by the Town and Country Planning Department, Government of Assam, in 1992. GMDA’s jurisdiction extends over an area of 262 sq. km covering the entire Guwahati Municipal Corporation area, entire North Guwahati Town Committee area and

revenue village of Silasundari Ghopa Mouza, Pub Barsar Mouza, Dakhin Rani Mouza Ramcharani Mouza and Beltola Mouza.

3.2.2 Organisational Structure

The Guwahati Development Department (GDD), (merged with Urban Development Department and renamed as Department of Housing and Urban Affairs (DHUA) in July 2021) was created in January 1994 to facilitate proper and coordinated development of Guwahati urban area. DHUA oversees the all-round development of Guwahati City through the development works carried out by its Divisions/Field Offices. GMDA is an autonomous body under DHUA and functions as one of the Division/Field Offices of the DHUA as depicted in **Chart 3.1**.

Chart 3.1: Autonomous Bodies under DHUA

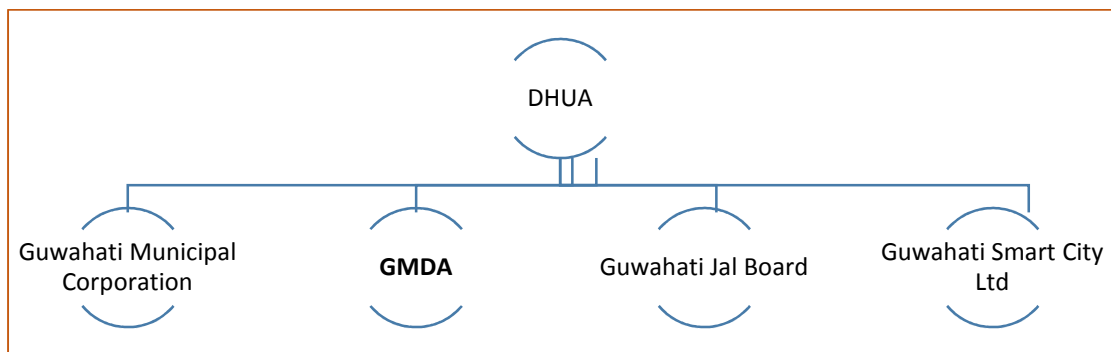
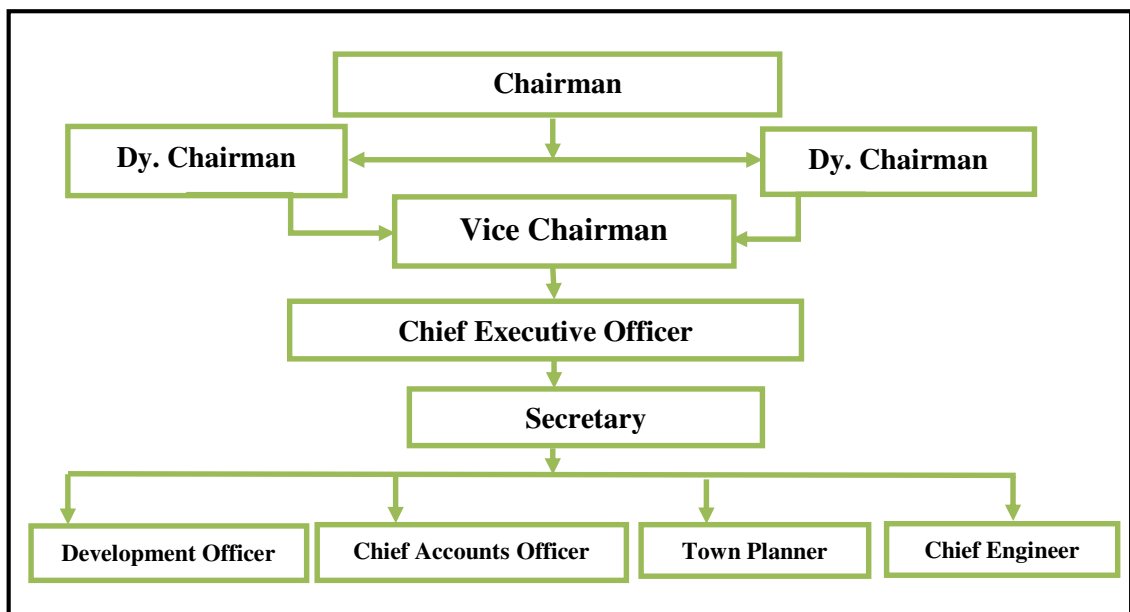


Chart 3.2 depicts the organisational set-up of GMDA:

Chart 3.2: Organisational structure of GMDA



The Chief Minister of Assam or any other eminent person as the State Government may deem fit, is appointed by the State Government as the Chairman of GMDA. Two posts of Deputy Chairman of GMDA are filled up by the State Government, by nomination. The Secretary to the Government of Assam, DHUA acts as *ex-officio* Vice Chairman of GMDA to run the administration of the Authority subject to the overall control and

supervision of the Chairman or Deputy Chairman as the case may be and shall discharge such functions and exercise such powers as may be delegated to him by the Chairman or Deputy Chairman. The Chief Executive Officer (CEO), appointed by the State Government (*ex-officio*) acts as Drawing and Disbursing Officer (DDO) for all financial matters of GMDA. The Secretary of the Authority, appointed by the State Government, shall exercise such powers and perform such duties as may be prescribed by regulations or delegated to him by the Authority or the Chairman. Besides, the Development Officer, the Chief Accounts Officer, the Town Planner, the Chief Engineer and officers from other departments are also members of GMDA as per the GMDA Act (Section 5).

3.2.3 Finances of GMDA

As per Section 77 of GMDA Act, GMDA shall have and maintain its own fund to which shall be credited all money received by the Authority *viz.*, a) all moneys received from the State Government by way of grants, loans, advances or otherwise; b) all development charges or other fees received under this Act, Rules or Regulations made thereunder; and c) all moneys received from any other sources.

3.2.3.1 Own Funds of GMDA

Own funds of GMDA comprise of parking fee, permit fee, building permission fee, land sale permission fee, interest, *etc.* The receipts and expenditure from own sources of GMDA for the period 2016-17 to 2020-21 are depicted in **Table 3.2**.

Table 3.2: Receipt and Expenditure from own sources of GMDA

Year	Receipts	Expenditure	(+)Excess/(-)Shortage
2016-17	17.59	18.00	(-) 0.41
2017-18	19.05	16.51	2.54
2018-19	26.84	17.30	9.54
2019-20	23.25	29.58	(-) 6.33
2020-21	16.11	11.41	4.70

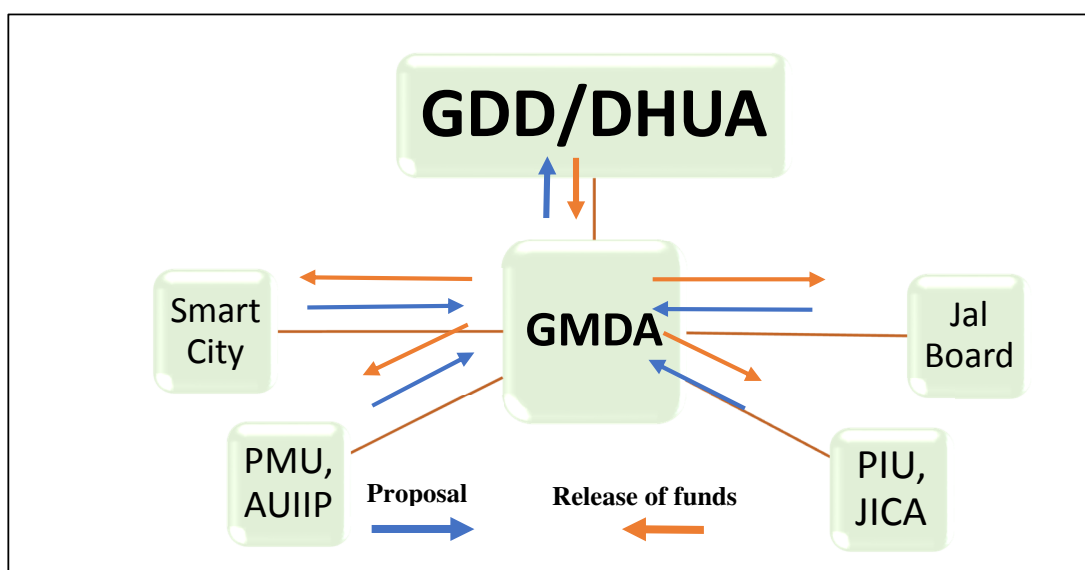
Source: Annual accounts of GMDA

3.2.3.2 Budgeted funds received from State Government

DHUA receives proposals from Guwahati Jal Board, Guwahati Smart City Limited and two externally aided projects *viz.*, Project Implementing Unit of Japan International Cooperation Agency (JICA) assisted Guwahati Water Supply Project and Project Management Unit of Asian Development Bank (ADB) assisted Assam Urban Infrastructure Investment Program (AUIIP). Accordingly, administrative approvals and funds were released to GMDA with the instructions to transfer the amount through treasury to the implementing agencies. Respective agencies after receipt of funds incur expenditure through their bank accounts.

The process of budget proposal, financial sanction and release of funds is depicted in **Chart 3.3**.

Chart 3.3: Process of budget proposal, financial sanction and release of funds



The grants received by GMDA from the Government and released to various implementing agencies for implementation of specific projects for which these agencies are constituted and fund utilised by GMDA itself on project implementation for the period from 2016-17 to 2020-21, are shown in **Table 3.3**.

Table 3.3: Details of receipt and utilisation of Government grants by GMDA

(₹ in crore)

Year	For Schemes implemented by GMDA			For schemes implemented by other Agencies			Total (4+7)
	Budget allotted	FOC* received	Fund utilised	Budget allotted	FOC received	Fund released	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2016-17	357.55	119.67	116.01	567.76	560.76	560.76	676.77
2017-18	473.18	243.43	243.44	291.99	97.99	97.99	341.43
2018-19	177.39	110.46	110.41	359.82	106.09	106.09	216.50
2019-20	271.92	97.43	97.45	303.80	297.21	297.21	394.66
2020-21	127.00	18.39	18.39	527.02	74.39	74.39	92.78
Total	1,407.04	589.38	585.70	2,050.39	1,136.44	1,136.44	1,722.14

Source: Information provided by GMDA

*Fixation of Ceiling¹³⁹

Against the budget allocation of ₹ 1,407.04 crore, GMDA received ₹ 589.38 crore and utilised ₹ 585.70 crore on the schemes implemented by it. Short release of budgeted fund affected implementation of schemes planned by GMDA. Though Government funds amounting to ₹ 1,136.44 crore were released through the CEO, GMDA to various implementing agencies for implementation of specific projects, the CEO, GMDA had no control over these implementing agencies.

3.2.4 Audit Objectives

The main objectives of the performance audit were to assess:

¹³⁹ Fixation of ceiling is a tool to ensure that the departments do not incur expenditure in excess of the authorised provisions and the Government cash flow position is kept balanced all through the year and the expenditure at any time does not exceed the inflow of receipts as far as practicable

- (i) Whether activities of GMDA was planned adequately and effectively;
- (ii) Whether financial management of GMDA was prudent and revenue realisation was effective and efficient; and
- (iii) Whether implementation/execution of various schemes by GMDA was effective and efficient.

3.2.5 Audit Criteria

The audit was conducted based on the following criteria:

- (i) Guwahati Metropolitan Development Authority Act, 1985;
- (ii) Master Plan/Development Plans for Guwahati Metropolitan Area;
- (iii) Budget and Annual Accounts of GMDA;
- (iv) DPRs, estimates *etc.*, and agreements with different agencies; and
- (v) Documents, circulars, orders, instructions, and notifications issued by State Government from time to time.

3.2.6 Scope and Methodology of Audit

The Performance Audit (PA) covering the period April 2016 to March 2021 was carried out for assessment of functioning of GMDA and the efficiency and effectiveness of development schemes being implemented by GMDA *viz.*, Water supply schemes, development of parks, parking lots and city roads, Guwahati Ropeway Project, construction of Central Library and Construction of community halls, *etc.* Audit attempted to assess the overall functioning of GMDA in implementation of the projects undertaken by GMDA. Further, the components of revenue where share of collection was over 25 *per cent* of the overall revenue collection of GMDA were also selected for scrutiny.

The audit objectives were explained to the Management during Entry Conference (09 March 2022) with the Commissioner and Secretary, DHUA, GoA and the CEO, GMDA. The audit was carried out between November 2021 and June 2022.

The draft PA Report was issued (November 2022) to the Authority and to the Government seeking their comments on the draft report. The Authority furnished its reply in December 2022. The Exit Conference was held on 13 December 2022 in which the Management accepted the audit observations and recommendations. The reply of the Government is still awaited (March 2023).

3.2.7 Audit Findings

3.2.7.1 Institutional mechanism

GMDA is one of the field offices of DHUA. The CEO, GMDA was also the Drawing and Disbursing Officer (DDO) for Plan funds and Government funds were routed through GMDA for the field offices *viz.*, Guwahati Jal Board (GJB), Guwahati Smart City Limited (GSCL) and two Project Implementing Units (PIUs) for Guwahati Water Supply project *i.e.*, JICA funded North Guwahati and South Guwahati Central Water Supply Project and ADB funded South Guwahati East Zone Water Supply Project

under AUIIP. Since these units directly report to DHUA, the role of the CEO, GMDA is limited to transfer of Government funds.

Audit is of the opinion that release of Government funds to the implementing agencies may not be routed through an autonomous body (GMDA) if it has no supervisory control over those agencies.

3.2.7.2 Functions of GMDA

GMDA was constituted mainly for the enforcement and execution of the Master Plan; formulation and execution of schemes for the planned development of Guwahati Metropolitan Areas and for coordination and supervision of execution of such plans and schemes. However, it was seen that GMDA was engaged more in services and functions like improvement of city roads and by-lanes, street-lighting, development of parks, *etc.*, which were assigned functions of the Guwahati Municipal Corporation (GMC) as per 74th Constitutional Amendment Act.

3.2.7.3 Overlapping functions of GMDA

Besides assignment of functions to Urban Local Bodies (ULBs) by the 74th Amendment of Constitution, the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) had also stressed on convergence of planning, delivery of urban infrastructure development and management functions to ULBs in order to strengthen institutional convergence.

Audit observed that the Government involved GMDA in the following functions which were mandated functions of GMC in terms of 74th Constitutional Amendment Act (CAA).

Sl. No.	Functions assigned to GMC as per the 12 th schedule of the Constitution of India (amended vide 74 th CAA)	Status
1	Water Supply	GMDA was involved in implementation of South Guwahati West Water Supply Project funded by JNNURM which was within the jurisdiction of GMC area.
2	Building Permission	GMDA was supposed to issue permission for land use and building construction for the Master Plan Areas beyond the notified GMC area. However, GMDA was issuing Building permission in the notified GMC area also. The CEO, GMDA stated (December 2022) that since amendment of Guwahati Building Construction (Regulation) Act in 2014, GMDA is issuing only the planning permit based on which GMC and other local bodies are issuing building permits within the Master Plan Areas. However, it was seen from the Annual Accounts of the GMDA that both building permission as well as planning permit fee was being continuously collected by GMDA.
3	Parks and Parking Lots	GMDA was also involved in construction of Multilevel Car Parking in different parts of Guwahati under NLCPR (Central Share). Further, all the parks earlier maintained by GMC were also handed over from time to time to GMDA by the State Government.

3.2.7.4 Planning

As per Section 11 of the GMDA Act, GMDA shall constitute an Advisory Council for the purpose of advising the Authority on preparation of Master Plan and on such other matters relating to the planning and development, or arising out of, or in connection with the administration of this Act, as may be referred to it by the Authority. Further, as per Clause 14.11.2 of the Master Plan 2025, an Expert Group was to be formed for different sectors for review and implementation of the Master Plan.

The Master Plan 2025 prepared by GMDA covered the period from July 2009 to July 2025. However, it was noticed that GMDA had neither constituted the Advisory Council, nor was the Expert Group formed for advising the authority in planning and review of implementation of Master Plan. The CEO, GMDA stated (December 2022) that various Expert Groups were formed from time to time to examine the suggestions for modification of the Master Plan 2025 and the recommendations¹⁴⁰ contained in Clause 14(11) (3) of Part-II of Master Plan has been complied with.

Audit observed following shortcomings in the implementation of the Master Plan:

As per paragraph 14.11 of the Master Plan, the plan should be monitored at five year intervals to update the socio-economic changes. Monitoring helps in evaluating the achievements of physical targets proposed in the Plan. However, GMDA neither monitored the achievements of physical targets proposed in the Plan at five year intervals nor could it furnish any information in respect of achievement of physical targets proposed in the Plan. The CEO, GMDA stated that the Master Plan is primarily a vision document and the targets of the proposed plan cannot be measured in physical terms of achievement. The CEO further added that land use pattern so envisaged in the proposed land use plan may not achieve the proposed target as the authority cannot force the public, if they do not develop their own land. However, the reply was not tenable since land use pattern so envisaged in the proposed land use plan was in respect to the new development schemes.

Further, GMDA could not achieve the physical targets proposed in the plan in respect of the following sectors:

A Transport

- (i) As per paragraph 5.4.2 of the Master Plan, an additional 194 km of road network was proposed in the Master Plan 2025 to be developed over and above the existing road network. However, the Town Planner stated (July 2022) that due to multiplicity of authorities and non-availability of information, it was difficult to ascertain actual development of road network.
- (ii) The Traffic Engineering and Management Unit (TEMU) in GMDA/GMC, as proposed in the Master Plan 2025 (*vide* paragraph 5.4.8), was to be responsible

¹⁴⁰ Finalisation of new Town-I & II, preparation of DPR for upgradation of transport sector, water supply, sewerage and drainage, creation of land bank, amendment of Building byelaws, *etc.*

for preparation of Transport System Management Plans (TSMP) for optimising the usage of the system capacity. Neither the TEMU was formed in GMDA nor was the TSMP prepared. The Town Planner stated (July 2022) that GMDA has submitted Unified Metropolitan Transport Authority (UMTA) Bill, 2022 to GoA for legislation. Though the same was enacted in October 2022, the UMTA is yet to be formed (March 2023).

- (iii) As per paragraph 4.5.2 of the Master Plan 2025, 'Guwahati Integrated Freight Complex Company (GIFCC)' was to be set up with equity contribution by GMDA for planning and promoting development of Integrated Freight Complex (IFC). However, this was yet to be done by GMDA. The Town Planner stated (July 2022) that three modern Freight Terminus have been proposed for development in PPP mode but necessary approval is awaited from GoA.
- (iv) A three tier conceptual model was suggested in the Master Plan 2025 (vide Paragraph 5.5) which included GMDA at the apex level, the Guwahati Integrated Transport Board (GITB), to be newly set up, at the next level and the functional agencies like Guwahati City Roads Authority, Guwahati Transport Authority, Guwahati City Bus Companies, Guwahati Light Rail Transport Corporation, Guwahati Integrated Freight Complex Company, *etc.* at the third level reporting to GITB. However, nothing in this regard was found on record to show compliance of the Master Plan. The Town Planner stated (July 2022) that the three tier multi-modal transport system was not in place but instead UMTA is going to be established after approval by the Government.

B Housing:

As per paragraph 8.3.2 of the Master Plan 2025, GMDA needs to provide for about 2.8 lakh new housing units to be distributed in the existing and new developments in the next 20 years. However, except for undertaking the housing project of Games Village Phase I and II consisting of 1,390 residential units, no initiative was found to have been taken by GMDA in this regard. The Town Planner stated (July 2022) that as GMC has developed EWS housing, Assam State Housing Board has also built LIG/ MIG flats, and many Government Organisations have made housing for their employees - all this will lead to meet the housing stock requirement projected in the Master Plan. However, the exact figures could not be provided by the Town Planner as the GIS-based Master Plan is under preparation and the shortfall would be known after it is finalised, though the preliminary report has projected a shortfall of 6,911 units.

C Urban Renewal:

As the Central City *i.e.*, Unit 1, has congested residential and commercial areas, which have high building density on land and high occupancy within buildings, Master Plan 2025 recommended immediate urban renewal in these areas. The basic objective of the urban renewal plans was to upgrade the living and working environment by implementing schemes considering the existing physical and

socio-economic conditions of the area. The schemes for urban renewal are to be prepared after a comprehensive study, which should be in the form of a project report and a number of maps and plans.

However, no Urban Renewal Plan was prepared by GMDA for initiating urban renewal in the congested residential areas within GMA.

The CEO, GMDA stated (December 2022) that provisions regarding Town Planning Scheme (TPS) and Local Area Plans (LAP) has been included (October 2022) in the amended GMDA Act, 1985 to facilitate their implementation.

3.2.7.5 Human resource management

It was observed that the capacity of GMDA was not adequate to handle major projects as it was manned with very few technical staff and all senior posts were either filled by contractual staff or through deputation from other departments. The manpower position of GMDA is shown in **Appendix-3.2**. Out of the total 170 sanctioned posts, 158 staff (99 regular and 59 contractual) under different categories were available in GMDA, of which 69 staff (66 regular and three contractual) were grade IV employees which constituted 44 *per cent* unskilled employees in GMDA whereas the number of technical staff of GMDA was only 24 (15 *per cent*) depicting poor capacity of GMDA in handling major developmental projects. It was seen that barring a few development works allotted under the State's Own Priority Development (SOPD) schemes, GMDA had either failed to complete all major projects or these were completed after huge delays and cost escalation.

3.2.7.6 Compliance of decisions taken by the Authority

Apart from inadequate human resources to handle major projects, audit observed that GMDA was also unable to comply with important decisions taken in the Authority's meetings. A few instances are mentioned below:

Sl. No.	Decision taken by the Authority	Action taken by GMDA	Remarks
1	In the 17 th Authority meeting held in June 2014 regarding Water Supply Projects of Guwahati City, the Authority noted with concern the tardy progress of the water supply projects of Guwahati city and it was resolved that a detailed technical enquiry into the design, DPR and implementation of the water supply projects will be conducted by the Chief Engineer, Public Health Engineering (PHE) Department and the Assam Urban Water Supply and Sewerage Board (AUWSSB).	No step was found to have been taken by GMDA for conducting the technical enquiry and no enquiry into the design, DPR and implementation of the water supply projects was conducted by the Chief Engineer, PHE and AUWSSB.	The water supply projects undertaken by GMDA have been delayed by more than 11 years which could have been addressed had GMDA initiated steps to conduct the technical enquiry and acted on the result of the enquiry in time.
2	In the 17 th Authority meeting, the Authority decided to take action against the delinquent consultant M/s Tahal, and other consultants for preparing defective DPRs for Storm Water Drainage Project for Guwahati City and	No action was found initiated against the delinquent consultants for submission of defective DPR.	It was found that the same consultant M/s Tahal was supervising the South Guwahati West Water Supply Project which remained incomplete even after 11 years

Sl. No.	Decision taken by the Authority	Action taken by GMDA	Remarks
	Multi Level Car Parking at Ganeshguri & Pan bazar, utilising GMDA's funds, which was rejected by MoUD.		of scheduled date of completion.
3	In the 18 th Authority meeting of the GMDA held on 02 April 2015, the Authority decided to approach the Government for handing over of all vacant land within the GMA to GMDA for its planning and development and also decided to identify the land which earlier belonged to the Guwahati Development Authority (GDA) and submit a proposal to the Guwahati Development Department for handing over those lands to GMDA.	Neither any step was found to have been taken by GMDA to approach the Government for handing over of all vacant land within GMA nor had GMDA submitted any proposal to the Government for handing over those land which earlier belonged to GDA. The CEO, GMDA stated that they have no information relating to land available with the Guwahati Development Department.	It was observed that GMDA lacked interest in taking over the vacant land and involving itself in the Land development schemes as envisaged in the GMDA Act.
4	Since GMDA does not have any rules for conduct of business for more than 25 years since its inception, it was decided in the 21 st Authority meeting (July 2017) that draft Rules for Conduct of Business of GMDA would be prepared and placed before the Government at the earliest for approval.	No action was found initiated by GMDA for preparation of draft business rules till date.	In absence of effective business rules, GMDA lacked direction on how to manage its activities ensuring that the organisation abided by local, state, and federal regulatory requirements.
5	In the 21 st Authority's meeting the CEO, GMDA proposed that a consultant be appointed to undertake a detailed review of the Service Bye-Laws of GMDA, GMDA's structure, manpower in place, etc. and formulate the incorporation of Employees' Promotion Plan, Pension Plan, VRS Plan, etc. It was resolved in the meeting, that a comprehensive study by Omeo Kumar Das Institute of Social Change and Development (OKDISCD) would be initiated for manpower planning and amendment of Bye-Laws in a time bound manner before considering <i>ad-hoc</i> basis promotions, appointments, VRS, etc.	No initiative was found to have been taken by GMDA in this regard and the relevant Service Bye-Laws were also not amended since 2014.	It was found that though there was no provision for the post of Superintending Engineer (SE), in the GMDA Service Bye-Laws, 2014, one SE was appointed by GMDA on contractual basis in November 2015. The validity of service agreement had expired in January 2021 but the SE was continuing his service and drawing pay without any valid agreement. The CEO, GMDA stated that the matter being under the purview of the Hon'ble Gauhati High Court, GMDA was not in a position to initiate any action in this regard.

Recommendation: *GMDA should primarily focus on promoting and securing the development of GMA according to the Master Plan. The most important hazard of civic life in Guwahati viz., flash floods and traffic congestion should be immediately addressed for improvement of civic life in GMA. Further, the Government should also provide adequate infrastructure to GMDA to enable it to achieve the targets proposed in the Master Plan. Moreover, Rules for Conduct of Business of GMDA should be framed for its smooth functioning. The Advisory Council as envisaged in the GMDA Act, may be constituted and Annual Action Plans should be prepared for*

implementation of the Master Plan. GMDA should take immediate follow up actions to comply with the decisions taken in the Authority meetings.

3.2.8 Revenue Management

GMDA generates its revenue mainly from Building Permission Fees, Land Sale Permission Fees, Fees from Parks & Parking and Planning Permit Fees. GMDA also receives capital grants from the State Government for approved projects. Receipts are utilised for establishment and administrative expenses and development activities. Year-wise details of major sources of revenue receipts during the period from 2016-17 to 2020-21 is shown in **Table 3.4**.

Table 3.4: Major sources of revenue of GMDA during the period from 2016-17 to 2020-21
(₹ in lakh)

Sl. No.	Source of receipts	2016-17	2017-18	2018-19	2019-20	2020-21	Total
1	Planning Permit Fees	319.49	377.73	517.14	608.28	766.37	2,589.01
2	Land sale permission fees	336.65	400.67	188.05	202.24	209.80	1,337.41
3	Building Permission Fees	428.05	313.87	312.57	276.51	299.47	1,630.47
4	Received from Parks and Parking	172.18	144.81	206.33	147.34	103.67	774.33
5	Guwahati Ropeway Project	0	0	0	0	124.13	124.13
6	Received from DS Hospitality Group	0	61.25	28.75	28.75	28.75	147.75
Total		1,256.37	1,298.33	1,252.84	1,263.12	1,532.19	6,603.1

Source: Information furnished by GMDA

Guwahati city has large eco-sensitive areas like hills and water bodies, but very few developed parks and playgrounds are available. As 5,299 hectare area was earmarked in the CMP-2025 for recreational activity at city level, there is ample scope for developing parks and recreational spaces thereby increasing GMDA's revenue through it. The maintenance of parks constructed by GMDA is done by GMDA and NGOs/Societies. The maintenance of parks was done from the revenue collection from parks. Collection from all the parks was ₹ 84 lakh (approximately) annually. However, audit observed that though development and maintenance of parks was an assigned function of GMC as per 74th CAA, all the parks within GMA areas were maintained by GMDA.

3.2.8.1 Non-deposit of revenue

Scrutiny of the records in respect of Shradhanjali Kanan Park covering the period from 2014-15 to 2020-21 revealed that ₹ 3.70 crore (including opening balance of ₹ 18.63 lakh as on 01 April 2014) was collected as revenue from the park but only ₹ 3.53 crore was deposited in the bank account indicating irregular retention of ₹ 17.67 lakh in cash by park officials as detailed in **Appendix-3.3 (A) & (B)**.

The retention of heavy cash balance was repeatedly pointed out by the Chartered Accountant and non-deposit of revenue of the Park was reported in the Inspection Reports for the period 2013-14 issued by the Principal Accountant General (Audit). However, no action was found to have been taken by the GMDA authority to rectify

the system till August 2021. In September 2021, GMDA authority had initiated recovery of ₹ 5,000 per month from the salary of one of the officials involved in collection of revenue from the park. Further, an enquiry was initiated and it was recommended to recover the retained amount @ 50 per cent of basic pay from the delinquent employee along with eight per cent interest on the outstanding money from his salary. The CEO, GMDA accepted the audit observation and stated (December 2022) that legal action will be initiated based on the outcome of the ongoing disciplinary proceedings against the delinquent official.

Audit observed that due to lack of monitoring of revenue collection as well as lack of commitment in complying with CA as well as AG's observations, an amount of ₹ 17.67 lakh remained outside GMDA's account.

Recommendation: *The Authority should strictly follow the Financial Rules for managing revenue collection including maintenance of Cash Book. The internal control mechanisms are to be enhanced for proper monitoring of collection of deposit of the same into the concerned bank account and monthly reconciliation is to be done to avoid such incidence in future.*

3.2.9 Maintenance of Accounts

As per Section 83 of the GMDA Act, GMDA shall maintain proper accounts and other relevant records and prepare an annual statement of account including the balance sheet in such form as may be approved by the State Government. The accounts of the Authority shall be subject to audit annually by the Accountant General (Audit), Assam. Further, the Annual Accounts of the Authority along with the Audit Report shall be placed before the State Legislature.

The status of preparation and submission of Annual Accounts of GMDA is shown in **Table 3.5**.

Table 3.5: Status of preparation and submission of Annual Accounts by GMDA

Sl. No.	Annual Accounts (AA) for the year	Date of closure of Accounts	Date of submission of AA by CA	Date of approval of AA by the Authority	Date of Submission of AA	
					to AG	along with the AR to State Legislature
1	2014-15	31.03.2015	31.10.2015	05.01.2021	09.07.2021	Yet to be placed
2	2015-16	31.03.2016	20.09.2016	05.01.2021	09.07.2021	Yet to be placed
3	2016-17	31.03.2017	15.03.2018	05.01.2021	09.07.2021	Yet to be placed
4	2017-18	31.03.2018	28.09.2018	05.01.2021	09.07.2021	Yet to be placed
5	2018-19	31.03.2019	30.09.2018	05.01.2021	09.07.2021	Yet to be placed
6	2019-20	31.03.2020	02.01.2021	05.01.2021	09.07.2021	Yet to be placed

Source: Information furnished by GMDA

It can be seen from **Table 3.5** that the Annual Accounts of GMDA was submitted by the Chartered Accountant with a delay of six to 12 months and the same was never approved by the Authority in time except for the period 2019-20. As a result, the accounts of GMDA from 2014-15 to 2019-20 were not submitted for audit to the Pr. Accountant General till 2020-21. The CEO, GMDA stated (December 2022) that GMDA being an assessee under the Income Tax Act, Tax Audit, computation and filing of income tax return was required to be done for finalisation of accounts for

which sufficient time was required. However, no reason was furnished for delay in getting Authority's approval even after submission of accounts by the CA. The reply was not acceptable as there are time limits prescribed under the Income Tax Act, 1961, as amended from time to time, for each of these activities. Moreover, the GMDA Act specifically provides for submission of accounts annually.

3.2.9.1 Budget of the Authority

As per Section 82 of the GMDA Act, the Authority shall prepare every year in such form as provided, budget of the Authority in respect of the next financial year, showing the estimated receipts and expenditure under revenue head and capital head separately, and submit it to the State Government not later than 15th of February each year or as may be directed by the State Government, for approval.

It was however, seen that the Annual Budgets for FYs 2017-18 and 2018-19 were approved by the Authority in October 2020. Further, the Annual Budgets from FY 2019-20 onwards were yet to be approved. The CEO, GMDA stated that the budget process for the period 2019-20 to 2021-22 could not be completed due to the Covid-19 pandemic. Thus, GMDA had failed in timely preparation and approval of the Annual Budget for the periods covered under audit indicating lack of financial control over its income and expenditure.

3.2.9.2 Non-adjustment of advance

As per the Assam Financial Rules¹⁴¹ (AFR), an imprest is a standing advance of a fixed sum of money given to an individual in the Public Works Department to enable him to make certain classes of payments which may be entrusted to his charge by the Divisional Officer or the Sub-Divisional Officer. As per AFR, the holder of an imprest is also responsible for the safe custody of the money placed in his hands and he must at all times be ready to produce the total amount of the money in vouchers or/and in cash. Further, as per the Rules *ibid*, in the case of temporary subordinates, the amount of the imprest should not, without the special sanction of Government, exceed the amount of security furnished by the subordinate.

During scrutiny of accounts in respect of National Games Village (NGV) Phase 1, it was found that ₹ 27.90 crore released as advance for different purposes from the NGV account remained un-adjusted, though the accounts were finalised in 2014-15. Further, ₹ 7.27 crore was also given as advances after the finalisation of accounts by the CA, till 2021-22. As such, total unadjusted advance given out of NGV accounts till date (December 2022) was ₹ 35.17 crore. However, it was mentioned by the Accounts branch that the advances remain unadjusted due to non-closure of NGV Account and reconciliation of main account with GMDA. The advances were given from the NGV accounts and almost all the advances were given for different works outside the NGV accounts and shown as Loans and Advances in the NGV account.

¹⁴¹ Rule 82, 274, 275, 377 of Assam Financial Rules

However, GMDA had neither taken any initiative to recoup the outstanding advances from the respective works nor did it reconcile the NGV account with the GMDA's main account to adjust the outstanding advances.

Further scrutiny of unadjusted advances revealed that an amount of ₹ 70.55 lakh was outstanding against one individual till 31.03.2015. He was further given an advance of ₹ 7.65 lakh during 2015-2022 *i.e.*, after finalisation of NGV accounts in gross violation of financial rules. The total unadjusted advances given to him till date was ₹ 78.20 lakh. The CEO, GMDA, while accepting the audit observation, stated (December 2022) that the process of finalisation of accounts of NGV is being initiated by their Chartered Accountant.

3.2.9.3 Annual Reports

Section 84 of the GMDA Act envisages that as soon as may be after the close of a year, the Authority shall prepare a report of each activity during the preceding year and submit it to the State Government.

It was however, seen that GMDA had not prepared any Annual Report for the period covered under audit except for the year 2020-21. The CEO, GMDA accepted the audit observation and stated that the Annual Administrative Report for 2021-22 is under preparation. However, reasons for non-preparation of Annual Reports for previous years was not furnished.

3.2.9.4 Response to Audit

To ensure satisfactory compliance with the prescribed rules and procedures prompt response is required by the executives to the Inspection Reports (IRs) issued by the AG. The authorities of the offices and the departments concerned are required to examine the observations contained in the IRs and rectify the defects/omissions promptly with prescribed rules and procedures and report their compliance to the Pr. AG.

The Pr. Accountant General (Audit), Assam conducted audit of the accounts of GMDA on three occasions and issued the IRs to the CEO, GMDA with copies marked to the Government as detailed in **Table 3.6**.

Table 3.6: Details of audit conducted by the Principal Accountant General

Year of Accounts	Date of issue of IR	No. of paragraphs ¹⁴²	
		Part-II (A)	Part-II (B)
2004-05 to 2008-09	November 2011	3	14
2009-10 to 2011-12	May 2014	7	9
2012-13 to 2013-14	January 2015	5	9
Total		15	32

Source: Inspection Reports

¹⁴² Audit findings are included in Part-II of the Inspection Report which is further divided into Part-II (A) and Part-II (B). Part-II (A) contains significant audit findings relating to evaluation of the regularity and propriety related subject matter(s)/ specific subject matter(s) which are further analysed for inclusion in the Audit Report, if found material, and are also reported to the State Government. Part-II (B) contains other incidental findings.

However, out of 47 audit observations, follow up action against 10 observations was initiated by GMDA whereas replies against 37 audit observations were still awaited.

Recommendation: *The accounts of GMDA should be finalised immediately after the closure of the financial year and approved by the Authority so that it may be audited and the proposed corrective measures, if any, are taken in time. The Annual Budget of GMDA must be prepared regularly and submitted to the Government for approval. The Assam Financial Rules must be followed strictly while dealing with advances and all outstanding advances should be recovered immediately. GMDA may initiate action to promptly settle all outstanding audit observations.*

3.2.10 Implementation of projects by GMDA

3.2.10.1 The South Guwahati West Water Supply Project

GMDA is supervising South Guwahati West Water Supply Project (SGWSP) with the Project Management Consultant (PMC), M/s Tahal Consulting Engineers Limited. The first Detailed Project Report (DPR), prepared by the PMC, was submitted (December 2007) to Ministry of Urban Development (MoUD) for clearance under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) programme for ₹ 398.48 crore. However, due to shortage of funds under the JNNURM programme, MoUD cleared the project for ₹ 280.94 crore in 2008. The design and construction of Water Supply Project for South-West Guwahati was awarded to M/s Gammon Engineers and Contractors Private Ltd. (GECPL), a construction company, on turnkey basis for an amount of ₹ 349.70 crore. Subsequently, the project cost of SGWSP was revised (February 2016) to ₹ 389.53 crore¹⁴³ from ₹ 355.31 crore¹⁴⁴ primarily due to non-inclusion of certain vital items viz., additional valves for disaster control, change of diameter of pipes and valves as per site requirement, way leave charges of Northern Frontier Railway for drawal of 33 KV power lines, etc. Audit observed that besides delay in completion of the project, there were various irregularities in implementation of the project as discussed below:

3.2.10.1.1 Delay in completion of the project

The proposed capacity of this project was 107 MLD (million litres per day). The project was started in March 2009. It was supposed to be commissioned in September 2011 i.e., 30 months from the date of start of the project. The date for commissioning the project was changed several times. Nevertheless, the commissioning deadlines were missed in 2016, 2017, 2018, and also in 2019. Finally, only partial commissioning of four out of 54 District Metering Areas¹⁴⁵ (DMAs) was done in November 2020.

¹⁴³ Including PMC fees amounting to ₹8.60 crore

¹⁴⁴ Including PMC fees amounting to ₹5.62 crore

¹⁴⁵ **DMA** - A District Metering Area is defined as a discrete part of a water distribution network. It is usually created by closing boundary valves or by permanently disconnecting pipes in neighbouring areas. Water flowing in and out of the DMA is strictly controlled and metered in order to calculate the accurate water balance in each DMA.

The project was to provide 24 × 7 water supply to 5.83 lakh population in South West Guwahati by 2025. However, after 11 years of start of the project, only 1,517 households were provided water supply connection as GECPL could release only two MLD of water out of the proposed 107 MLD water for the project. Further, Audit observed that 75 per cent of the area in the four DMAs were not covered under the project and as such, providing 24 × 7 water supply to all the households of South-West Guwahati would not be possible under the current project design/scope.

Audit observed that the project could not be completed mainly due to defects in the Detailed Project Report (DPR), non-completion of major components viz., WTP, SUGR, ESR, PST¹⁴⁶, Distribution Grid lines and Intake Well as discussed below.

3.2.10.1.2 Defective Detailed Project Report

As per the DPR and the Inception Report prepared by the PMC, M/s Tahal Consulting Engineers Limited, the project was to be completed within 30 months. Accordingly, the Work Plan was prepared on the basis of which the components of the works in the project were to be completed. To complete the project within the scheduled timeline of 30 months, all hindrances like acquisition of land, Right of Way for laying of pipes through lands belonging to other departments/organisations, etc. were to be anticipated/assessed and appropriate steps should have been planned in advance for smooth execution of the project. However, audit observed that the Work Plan was prepared without ascertaining the availability of land for the said project and without obtaining requisite permissions from other departments prior to start of work. There was no mention in the DPR or in the Inception Report regarding the availability of land and permissions required to be taken from different departments viz., Forest Department, Railways, National Highway Authority of India (NHAI), etc. It was found that the Right of Way (ROW) permission from Railways and NHAI were taken very late (four years after the work was allotted to the contractor). This adversely affected the timely laying of pipes by the contractor and consequent delay in completion of the project.

3.2.10.1.3 Extension of Time given to the contractor without imposing any penalty for failing to complete the work within the targeted date

As per Clause 39 of the General Conditions of Contract, if the contractor fails or neglect to commence the execution of the work, the development Authority shall, without prejudice to any other right or remedy, be at liberty to forfeit the security deposit absolutely.

Scrutiny of records showed that the contractor had sought 13 Extension of Time (EoT). EoTs were also endorsed by the PMC and were accordingly approved by the Government on recommendation of GMDA. Audit observed that GMDA repeatedly failed to fulfil the requirement for which the extension of time was granted to the contractor. Also, the EoTs were granted without ascertaining whether the reasons/

¹⁴⁶ WTP – Water Treatment Plant; SUGR – Semi Underground Reservoir; ESR – Elevated Service Reservoir; PST – Pre-Settlement Tank

problems for which previous EoT was sought was genuine and were resolved and other terms and conditions were duly complied with by the contractor. This was evident from the following:

3.2.10.1.4 Non-completion of Water Treatment Plant, Semi Under-Ground Reservoir and Elevated Service Reservoir

As per EOTs sought by GECPL till 05 February 2013, the first targeted date of completion of the project *i.e.*, September 2011 could not be met mainly due to delay in handing over site for WTP at Jalukbari, Hilltop SUGR at Ganeshpara East, West and Central SUGR and ESR at Borjhar and Mirzapur. However, even after 10 years of handing over the site (March 2010 to March 2012), the works of all the reservoirs were yet to be completed till the date of audit, as can be seen from the photographs below; taken during joint physical verification:

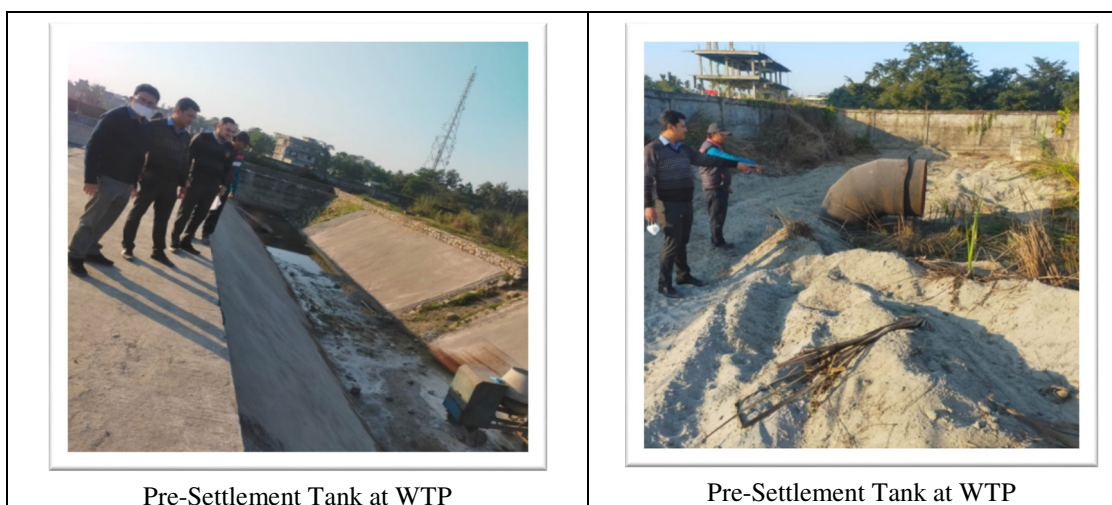


Similarly, at WTP site, it was found that out of two modules for WTP, only one module was completed. Status Report (April 2022) of the new PMC, NJS Engineers India Private Limited, mentioned that out of 33 components (including Civil Works), 19 components were yet to be completed and Module-2 as a whole was non-functional.

During the period of ten years, many extensions of time were sought by GECPL and allowed by GMDA without ascertaining the completion of the aforesaid works by the Contractor. The CEO, accepting the audit observation, stated that extensions were granted anticipating that the contractor would complete the project within the timeline proposed in the EoT. However, it was seen that neither the project was completed in time nor was any penalty imposed upon the contractor.

3.2.10.1.5 Non-completion of Pre-Settlement Tanks¹⁴⁷ (PST)

One of the causes for delay in completion of the project as highlighted in the 8th & 9th interim Extension of Time (EOT) sought by GECPL, was delay in getting permission for collecting silt. As per the 8th EOT, after receipt of the necessary permission, GECPL would take four months to complete the said works. As per 9th EOT, the permission for collecting silt (approx. 35,000 cum) from Brahmaputra River was accorded in June 2018 by the departments concerned viz., Forest Department & Environment Department. However, during joint physical verification in December 2021, it was found that out of eight PSTs, civil works was pending in four PSTs and works in the remaining four PSTs had not been started by the contractor. Following photographs shows the incomplete state of PSTs:



Pre-Settlement Tank at WTP

Pre-Settlement Tank at WTP

Though it was assured by the contractor that PST will be completed within four months from getting the approval from the Department concerned, the same was not completed even after four years (June 2018). However, repeated extensions were given to the contractor without initiating any action for non-completion of works.

3.2.10.1.6 Non-completion of Distribution Grid lines

In the 8th EoT sought by GECPL (December 2017), it was informed by the contractor that the total length of Distribution Grid pipeline (comprising of 100 mm dia to 600 mm dia Ductile Iron (DI) pipes and 700 mm to 900 mm Mild Steel (MS) pipes) to be laid by the contractor was 429.52 kms, out of which 364.33 kms pipes were actually laid by the contractor leaving a balance of 65.19 kms yet to be laid. Non-completion of the work was mainly attributed to non-availability of Right of Way (RoW) and non-release of outstanding payments to the contractor by GMDA.

Records however showed that out of the total Running Account (RA) Bills submitted by GECPL till November 2017 amounting to ₹ 349.55 crore, the PMC had certified RA Bills amounting to ₹ 345.05 crore (till September 2017) out of which,

¹⁴⁷ Pre-settlement tank is a rectangular shaped tank to retain the raw water before it is released to the treatment plant

₹ 343.22 crore was paid (till September 2017) by GMDA. As such, out of the total certified amount by the PMC, only a meagre amount of ₹ 1.83 crore (0.53 per cent) remained unpaid to the contractor. Thus, the reason cited by the contractor for non-completion of distribution grid was not justified. Further, the first RoW permission was sought by the contractor only after three years of start of work.

Further, in the 9th EoT (January 2019), it was informed by the contractor that the total length of pipes laid was 372.80 kms. Thus, during the year 2018, total pipes laid by the contractor was only 8.47 kms indicating very slow execution of work by the contractor. However, instead of initiating any action as per the contract agreement, GMDA granted EoT to the contractor.

3.2.10.1.7 Non-completion of Intake Well

Records showed that during construction, the Intake Well No.-3 in river Brahmaputra at Pandu, Maligaon was washed away by floods in June 2012. Subsequently, the location for the 3rd well was changed by the contractor. Based on soil investigation and review of the design, it was concluded that there was a need to change the founding Riverbed Level (RL) of the well. The contractor informed that the sinking shall be completed by April 2018 and after that it would take 180 days to complete the entire work *i.e.*, October 2018. However, joint physical verification (March 2022) showed that the work of Intake Well is yet to take place, as can be seen from the photograph placed alongside.



Audit observed that though extensions were sought by GECPL and granted by the GMDA, the contractor did not utilise the extended time for completion of the project.

3.2.10.1.8 Doubtful expenditure of ₹ 3.33 crore on Water Supply Information Management System

As per the estimates of SGWSP, an amount of ₹ 7.37 crore was allocated for developing a Water Supply Information Management System (WIMS). The water management software was required to analyse data collected in the system regarding pressure and flows, thus allowing water balance to be set up to relate flows, pressure and consumption with regard to billing.

Scrutiny of the RA bills revealed that an amount of ₹ 6.42 crore was paid to M/s GECPL for setting up of a computerised distribution centre, WIMS. As no bifurcation or any supporting documents related to the payments made for WIMS were found with the Running Account Bills, audit requested the CEO, GMDA to furnish

component-wise bifurcation of expenditure. Accordingly, the Project Engineer, GMDA for SGWSP furnished the component-wise bifurcation of expenditure related to WIMS.

The contractor (M/s GECPL) stated (July 2022) that the items were sub-divided into 20 locations scattered in all 54 DMAs including Supervisory Control and Data Acquisition (SCADA) system. The contractor stated that to execute the entire work, they had to purchase numerous equipment, instrumentations including Programmable Logic Controller (PLC) system from various vendors and accordingly payment was made for material, installation, commissioning, set up and services in the project.

However, during joint physical verification, the components installed and commissioning of WIMS were found at only six out of the total 20 locations. Moreover, as per the bifurcation details provided by the Project Engineer (PE), GMDA for SGWSP, many components against which expenditure were incurred were yet to be installed at site. At the instance of audit, a joint physical verification of the store of M/s GECPL was conducted by the officials of GMDA, the present PMC *i.e.*, NJS and Guwahati Jal Board but no component was found in the store of M/s GECPL. Report of testing and commissioning of WIMS was also not produced to audit during the joint physical verification.

Thus, audit observed that expenditure of ₹ 3.33 crore (Component: ₹ 2.85 crore; Testing and Commissioning: ₹0.10 crore and Installation: ₹0.38 crore) as detailed in **Appendix-3.4** on those components and its installation was doubtful. At the instance of audit, the CEO, GMDA initiated action and recovered/adjusted (January 2023) ₹ 3.33 crore from the contractor out of the security deposit amount of ₹ 17.48 crore.

Recommendation: *Proper verification of bills and stocks should be done by the PMC and there should be regular monitoring by GMDA.*

3.2.10.1.9 Overpayment of ₹4.09 crore

Scrutiny of records revealed that an amount of ₹ 14.84 crore was allotted for laying of pipes by ‘Adopting Trenchless technology device’ for a total length of 1,524.27 meters of pipes of various diameters, against which ₹14.12 crore was already paid to the contractor up to RA Bill No. 135.

However, as per the information furnished by GMDA (July 2022) and verification of Measurement Book, it was found that instead of laying 1,524.27 meters of pipe, only 1,179.41 meter of pipes of various diameter was laid by M/s GECPL by “Adopting Trenchless technology device”. Thus, value of works actually executed by the contractor was ₹ 10.03 crore only as detailed in **Table 3.7**.

Table-3.7: Statement showing value of work against actual laying of pipes of various diameter by “Adopting Trenchless technology device”

DIA of pipes	Pipe laid as per RA Bill (in metre)	Rate per metre (in ₹)	Value of work done (in ₹)
1,600 mm dia	112	1,42,222.20	1,59,28,886
1,400 mm dia	555.91	1,08,888.88	6,05,32,417
1,200 mm dia	90	80,000	72,00,000
1,000 mm dia	214	55,555.54	1,18,88,885

DIA of pipes	Pipe laid as per RA Bill (in metre)	Rate per metre (in ₹)	Value of work done (in ₹)
900 mm dia	20	55,555.54	11,11,110
800 mm dia	106.5	22,500	23,96,250
700 mm dia	58	21,000	12,18,000
600 mm dia	23	1,000	23,000
	1,179.41		10,02,98,548

Source: As per the records of GMDA/GECPL

Scrutiny of Running Account Bills showed that a total payment of ₹ 14.12 crore¹⁴⁸ was already made to the contractor till RA Bill No. 135. However, because of making payment without verifying the actual execution of work, there was an overpayment of ₹ 4.09 crore to the contractor.

At the instance of audit, a joint physical verification (July 2022) of two of the locations by GMDA and M/s NJS Engineers India Pvt. Ltd. was conducted which also confirmed non-execution of work as detailed in **Table 3.8**.

Table-3.8: Result of Joint Physical Verification of two of the locations by GMDA and NJS

Sl. No.	Location	Status	Remarks
1.	Rangia Railway line (700 mm dia)	Not found at site	Non-completion of the said work will affect the completion of the project as per design.
2	Primary Grid line crossing at Satmile Chawk (700 mm dia)		As per the work execution detail (Measurement Book), it was found that the work was shown to have been executed (22 meter of 700 mm dia pipe laying by Jack Pushing method) in the said location by M/s GECPL. [Ref: Running Account Bill No.-29]

Source: Joint Physical Verification Report

On this being pointed out, GMDA recovered an amount of ₹ 3.54 crore from the contractor.

Though at the instance of Audit an amount of ₹ 3.54 crore had been recovered from the contractor by the GMDA, the matter may be investigated and the balance amount of ₹ 0.55 crore may also be recovered.

Recommendation: *The internal control mechanism may be enhanced for proper scrutiny of bills to avoid such incidences in future.*

3.2.10.1.10 Excess payment of ₹ 3.22 crore by manipulating the RA bills

As per the Original Technical Sanction (TS), the total cost of SGWS project was ₹ 355.31 crore, out of which an amount of ₹ 205.58 crore was allocated for purchase/supply of DI and MS pipes. The allocation for supply of DI and MS pipes was revised (February 2016) to ₹222.23 crore in the revised estimates. As per the payment mechanism for the original estimates, 75 per cent of the RA bills were to be paid to the contractor and 25 per cent was to be adjusted against the mobilisation advance paid whereas the difference in the original and revised estimates was to be paid in full. A

¹⁴⁸ 25 per cent of the estimated cost being ₹ 3.71 crore paid at the beginning of the project as advance and ₹ 10.41 crore paid till RA Bill 135

summary of the total estimated payment to be made to the contractor for supply/ procurement of pipes is detailed in **Table 3.9**.

Table 3.9: Summary of the total estimated payment to be made to the contractor

(₹in crore)

Particulars		As per Original Estimates (₹ 355.31 crore)	As per Revised Estimates (₹ 389.53 crore)
DI pipes		175.11	180.17
MS pipes		30.47	42.16
Total (DI and MS pipes)		205.58	222.33
Payment to be made (subject to execution of work in full)	75 per cent of original estimates	154.18	
	Difference of allocation in original and revised estimates	16.75	
	Total	170.93	

Source: Records of GMDA

During scrutiny of RA bills, it was found that in RA bill Nos. 70-78 (consolidated RA bills) up to date cumulative payment for supply/procurement of DI & MS pipes (original estimate) was ₹ 150.43 crore which was carried forward as ₹ 147.99 crore in the 'payment cleared up to previous bill' column in RA bill No. 79. Similarly, up to date cumulative payment for supply/procurement of DI & MS pipes (revised estimates) as per RA bill No. 78 was ₹ 13.79 crore which was carried forward as ₹ 13.01 crore in RA bill No. 79 as shown in **Table 3.10**.

Table 3.10: Statement showing discrepancy in Running Account Bills (for the portion of supply of DI and MS pipes only)

(₹in crore)

RA Bills	Details in RA Bills	Amount certified		Cumulative payment up to this bill	Remarks
		up to previous bill	in this bill		
69	Original [#]	161.51	0	161.51	No supply/ procurement was made since RA Bill 68
71	Original estimates	150.43	0	150.43	The bill was not paid but was certified by the PMC
	Revised estimates	10.57	3.22	13.79	
	Total	161.00	3.22	164.22	
70 to 78	Original estimates	148.91	1.53	150.43	There is a difference of ₹ 12.60 crore as compared to RA 69 and ₹ 1.52 crore as compared to RA 71
	Revised estimates	13.79		13.79	There is a difference of ₹ 3.22 crore (up to previous bill) as compared to RA 71 and procurement made for this RA Bill should not be less than certified procurement worth ₹ 3.22 crore as per RA 71
	Total	162.70	1.53	164.22	
79 to 83	Original estimates	147.99		147.99	There is an excess payment of ₹ 78.05 lakh as compared to RA 70-78 and ₹ 2.44 crore as compared to RA 71
	Revised estimates	13.01	4.75	17.75	There is an excess payment of ₹ 78.05 lakh as compared to RA 70-78 and ₹ 2.44 crore as compared to RA 71

RA Bills	Details in RA Bills	Amount certified		Cumulative payment up to this bill	Remarks
		up to previous bill	in this bill		
	Total	161.00	4.75	165.74	
135 (bill paid till the date of Audit)	Original estimates	148.96	0	148.96	₹ 96.49 lakh was paid b/w RA 79 to 83 and RA 135
	Revised estimates	21.77	0	21.77	₹ 4.02 crore was paid b/w RA 79 to 83 and RA 135
	Total	170.73	0	170.73	

#Revised estimates were administratively approved in February 2016

It is evident from **Table 3.10** that the procurements made out of original provisions up to RA bill 69 were manipulated and a part of it was shown to have been made out of revised estimates with an intent to get extra payment as only 75 per cent of the bills raised under original estimates was payable to the contractor whereas 100 per cent of the bills raised was payable for the revised estimates. Audit noted that the amount of cumulative payment in the current bill was shown in such a manner that it remains within the revised payable amount of ₹ 170.93 crore¹⁴⁹ as shown in **Tables 3.9** and **3.10**. This points towards the intent of providing financial advantage to the contractor.

Interestingly, in all the cases, the bills were certified by the PMC leading to payment of the bills. There was nothing in record to justify non-payment of RA bill 71 although the same was certified for its accuracy and genuineness by the PMC and submission of combined RA bill 70 to 78 and 79 to 83 as one bill and its payment by the GMDA. It is worth mentioning here that in the application for 8th EoT, the contractor itself mentioned submission of RA bills from 70 to 83 individually, at different dates, and also complained about payment made against those RA bills with delays ranging from 183 to 427 days from the date of submission of RA bills.

Thus, the unauthorised changes in the ‘amount certified up to previous bill as well as quantity executed for this bill’ led to undue advantage of ₹ 3.22 crore to the contractor.

On these being pointed out, CEO, GMDA sought clarification from M/s TAHAL (then Project Management Consultant who had certified the bills). However, no clarification was received from the PMC (July 2022). In the meantime, GMDA recovered an amount of ₹ 3.22 crore from the contractor. Further update on the remaining observations is awaited.

Recommendation: *Internal control mechanism should be strengthened to avoid such situations in future and responsibility may be fixed upon the PMC for certifying the bill without verification.*

3.2.10.1.11 Irregular payments of ₹ 1.65 crore as interest

As per additional conditions (Paragraph D-4 payment) mentioned in the General Conditions of Contract, the employer shall pay the contractor the amounts certified by the engineer subject to statutory deductions. After certification by the engineer,

¹⁴⁹ Up to date payment in the current bill was shown as ₹ 170.72 crore.

payment can be arranged within 28 days but shall not be construed for any compensation in case of any delay beyond 28 days.

However, it was noticed that the contractor raised (April 2021) a claim of ₹ 1.83 crore as interest for delayed payment of bills under Clause 60¹⁵⁰ of the “General Conditions of Contract” which was also certified by the CA.

Audit observed that GMDA, while ignoring the additional conditions referred above, paid (October 2021) ₹ 1.65 crore (90 *per cent* of the claim so raised) as interest, which was irregular.

On this being pointed out, GMDA recovered (January 2023) the amount of interest paid irregularly to the contractor.

3.2.10.1.12 Under-execution in laying of pipes in Kamakhya Distribution Zone

As per the revised estimates for the SGWS project, an amount of ₹ 180.17 crore was allocated for purchase/supply of 4,67,319.17 meters of DI and MS pipe from reservoir to distribution grid, against which full payment was made to the contractor.

Out of the total length of 467.32 kms of pipeline for the said project, it was found that the length of pipes required to be laid in 13 DMAs under Kamakhya Distribution Zone (KDZ), as per the distribution network map, was 118 kms (Details in *Appendix 3.5*).

On scrutiny of records related to Kamakhya Distribution Zone, audit observed that:

1. Prior to commissioning of DMA-1 to 4 under Kamakhya Distribution Zone, Indian Institute of Technology (IIT), Guwahati had given an interim certificate (February 2020) that the total length of pipes laid for the said DMAs was 33 kms, though total length of the said DMAs was supposed to be 34.29 kms as detailed in *Appendix 3.5*.
2. Further, it was also confirmed by the Project Engineer, GMDA that no pipes were being laid in DMA-1 to 4 under Kamakhya Distribution Zone after it was certified by IIT, Guwahati in February 2020.
3. As per the scope of work provided by the PMC (M/s NJS Engineers India Pvt. Ltd.), the total length of pipes required for DMA-5 to 13 under Kamakhya Distribution Zone was 70.11 kms which suggested that the total length of the pipe to be laid in 13 DMA of KDZ was only 104.43 kms. As such, the estimates were inflated by 13.75 kms having a financial implication of ₹6.98 crore.

As full payment of the estimated amount of ₹ 180.17 crore was made to the contractor for supply/procurement of DI and MS pipes for the KDZ, audit observed that 13.75 kms of pipes were procured in excess of actual requirement.

¹⁵⁰ “Payments to the contractor of the amount due under each of the interim payment certificate issued by the Engineer shall be made by the Development Authority within 45 days if such certificate being delivered” otherwise interest for delayed payment have to be made at 6 *per cent per annum*.

In response, the CEO, GMDA stated (December 2022) that the actual length of the pipe stated to have been laid by the contractor could not be ascertained in the absence of 'As-Built drawing' which was not submitted by the contractor.

Thus, due to lack of monitoring by the then PMC, M/s Tahal Consulting Engineers Ltd., under-execution of 13.75 kms of pipeline remained undetected resulting in overpayment of ₹ 6.98 crore (detailed in *Appendix 3.5*).

3.2.10.1.13 Irregular Appointment of Consultant

Scrutiny of records showed that the PMC (M/s Tahal Consulting Engineers Ltd.) left the project half-way in April 2019. Thereafter GMDA tried to engage a new PMC by calling tenders several times from June 2019 to September 2019 but a new PMC could not be selected.

GMDA floated a Short Notice inviting Request for Proposal (RFP) in July 2019 for engagement of a fresh PMC for the Water Supply Project through the e-procurement system of Government of Assam. However, as no bids were received the Tender Notice was re-issued in August and September 2019 but no bidder could be selected as against the first tender only one bid was received and against the second tender though two bids were received but both the bidders were found non-responsive.

In December 2019, WAPCOS Ltd, a Govt. of India Undertaking, submitted their Expression of Interest (EoI) for PMC for the SGWSP at a cost of ₹ 23.46 lakh plus GST per month. Considering the importance of PMC service and the competence of the firm, the then Chairman of GMDA negotiated the price offered and settled it at ₹ 22 lakh plus GST (the rate being paid to M/s Tahal Consulting Engineers Ltd. was ₹ 23.75 lakh per month). The letter of acceptance was issued to WAPCOS Ltd in March 2020 and approval for the same was sought from the Government in May 2020. However, the Government suggested that the matter may be re-examined in the light of CVC guidelines as the firm had not participated in the bidding process.

GMDA, instead of pursuing the matter with the Government, floated a fresh tender (in October 2020) and after observing formalities, the offered bid (₹ 14.46 lakh) of the lowest bidder (M/s MSV International Inc.) was considered by the Authority in May 2021. However, the contract was not signed.

It was further seen that another firm viz., M/s NJS Engineers India Pvt. Ltd. was engaged (November 2021) as PMC @ ₹28 lakh per month by GMDA on nomination basis for managing the SGWSP. However, neither any correspondence in this regard was available in the records of GMDA nor could the authority explain why M/s NJS Engineers India Pvt. Ltd. was engaged instead of engaging M/s MSV International Inc. which was selected after following due process. In this case also, the Government's suggestion to follow the CVC guidelines was ignored and M/s NJS Engineers India Pvt. Ltd. was engaged at approximately double the price offered by M/s MSV International Inc., which was irregular.

3.2.10.1.14 Un-authorised payment of ₹4.33 crore

As per the minutes of the meeting held (September 2021) regarding South Guwahati West and Central Water Supply Projects, it was decided that “Efforts will be made by M/s GECPL to open an escrow account for the GMDA project, however, in case of inordinate delay in opening the account, it is agreed that the CEO, GMDA will also be a signatory in the escrow account already opened in the name of M/s Gammon Engineers for the Japan International Cooperation Agency (JICA) Project. GMDA shall make all payments relating to South Guwahati West Water Supply Project to the contractor through this account alone. All outward remittances from the escrow account to the extent of payments made by GMDA shall be made through this account under the joint signature of the contractor and the CEO, GMDA. It was also decided that M/s GECPL will prepare a bar chart with specific timelines for the purpose of completing the balance work as per the original terms and conditions of the contract. The bar chart prepared by M/s GECPL will be approved by MD, Guwahati Jal Board and all parties will be required to comply with the deadlines.

Accordingly, a Supplementary Agreement was signed (September 2021) between the contractor (GECPL) and GMDA in order to complete the balance work against an accepted bar chart with specific timelines. As per the agreement, GMDA would make a payment of ₹ 9.00 crore to M/s GECPL for purchase of material worth ₹ 12.00 crore within a period of 60 days. Accordingly, GMDA transferred an amount of ₹ 7.70 crore as advance to GECPL in the escrow account operated jointly by MD, Guwahati Jal Board and GECPL. Out of the advance of ₹ 7.70 crore, GMDA recommended MD, Guwahati Jal Board to release only ₹ 3.37 crore to be used strictly against execution of works and procurement of materials for JNNURM project only.

However, it was found that the balance amount of ₹4.33 crore was released by MD, Guwahati Jal Board for staff salary, payments to vendors, *etc.* which was in violation of the supplementary agreement. Further, the payments made against the bills submitted by the contractor were neither certified by the PMC for JNNURM project nor were the bills jointly signed by the CEO, GMDA as resolved in the meeting held on 01.09.2021.

Audit observed that lack of monitoring by the CEO, GMDA and lack of co-ordination between CEO, GMDA and Project Director, JICA resulted in unauthorised expenditure of ₹ 4.33 crore.

The Department did not offer any comments.

3.2.10.1.15 Other irregularities

- (i) M/s GECPL had informed (November 2020) GMDA that the work of DMA-5, 6 and 7 was completed in all respect including flushing, disinfection and commissioning. Accordingly, CEO, GMDA, without verifying the works executed, requested (December 2020) MD, Guwahati Metropolitan Drinking Water & Sewerage Board (GMD&SB) to make necessary arrangements for providing House Service Connection in DMA -5, 6 & 7. However, during joint physical verification

(December 2021) it was found that pipe laying works was still ongoing in DMA-5 as can be seen from the photographs below:



The MD, GMD&SB stated (January 2022) that pipe laying, hydro-testing¹⁵¹ and flushing work was going on in the aforesaid DMAs and house connections can be provided only after completion of all the works.

Further, as per information furnished by NJS Engineers India Pvt. Ltd., it was found that 4,519.23 meter out of 27,691.5 meter of pipes were yet to be laid in DMA-5, 6 & 7. It was also found that only 16,949.54 meters out of 23,172.27 meter of pipes laid were hydro-tested *i.e.*, only 73 *per cent* of the pipes laid were hydro-tested.

However, without execution of the complete work, M/s GECPL had submitted false information regarding completion of the work. No action was taken against the contractor as GMDA appeared to be unaware of the false claim made by the contractor.

- (ii) As per the Tender Agreement, a minimum cover of 1.00 meter shall be maintained above the pipe top. However, joint physical verification in 10 different locations under Kamakhya Distribution Zone, Jalukbari Distribution Zone and Ganeshpara Distribution Zone revealed that the maximum depth at which pipes were laid was less than 1.0 meter (0.6 meter only).

Due to non-adherence of the minimum cover of 1.00 meter to be maintained above the top, there is a possibility of DI pipes getting damaged.

- (iii) During joint physical verification in DMA-5 it was found that the joints of the main distribution pipe were faulty and not properly aligned as can be seen from the photographs below:

¹⁵¹ Hydro-testing – Hydro-testing of pipes, pipelines and vessels is performed to expose defective materials that have missed prior detection, ensure that any remaining defects are insignificant enough to allow operation at design pressure, expose possible leaks and serve as a final validation of the integrity of the constructed system.



Due to faulty alignment of pipes and absence of hydro-testing, there was every possibility of contaminated water entering the pipes and making the water unfit for drinking. Moreover, as a result of such faulty connection, the joints of the pipes may not be able to withstand the pressure when water is released. The CEO, GMDA, accepting the audit observation, stated that necessary thrust blocks, *etc.* would be constructed at pipe joints to make the line stable. Audit recommends that all such faulty connections may be detected and repaired at the earliest to ensure supply of quality drinking water to the people and take suitable action against the contractor and the PMC for sub-standard execution as well as certification of works.

- (iv) During joint physical verification, it was found that GI pipes were laid instead of DI pipes in different locations of DMA-1 under Kamakhya Distribution Zone. Due to this, Guwahati Jal Board (GJB) did not provide house connections as providing connections through GI pipes was not in the scope of the agreement.

Thus, due to sub-standard execution of works by the contractor and certification of the same by the PMC, house connection to the intended beneficiaries could not be provided.

GMDA needs to take necessary steps to change the scope of the agreement with the GJB and ensure that house connections are provided to the intended beneficiaries

- (v) During joint physical verification, pipes with stamping of PHED, Assam were found at different locations of Kamakhya Distribution Zone, Jalukbari Distribution Zone and in the stock yard of GECPL as shown in the photographs placed below. It is reiterated here that on the certificate issued by the PMC, the contractor was paid for procurement of the entire quantity (467.32 kms as per estimates) of pipes.



In reply to the audit query, the Chief Engineer (PHE) W, Assam stated that PHED had not supplied any pipes to GECPL for use in the said project. The source from where these pipes were acquired by the contractor was not disclosed though asked for which suggests that the contractor had not supplied the estimated quantity of pipes.

Recommendation: *The PMC should exercise strict vigilance on the execution of the project by the contractor and GMDA should conduct field visits to ensure proper implementation of the scheme.*

3.2.10.2 Construction of Central Library, Archive Cum Auditorium

Guwahati Development Department (GDD), GoA accorded (January 2014) administrative approval of ₹ 35.00 crore for Construction of Central Library, Archive-cum-Auditorium at Amingaon. The work was awarded (June 2014) to M/s Brahmaputra Infrastructure Ltd. on turnkey basis at ₹ 34.67 crore with stipulated period of completion of work within 30 months.

However, after incurring expenditure of ₹ 6.20 crore on construction of Central Library, Archive-cum-Auditorium at Amingaon, the contract was rescinded (November 2017) by GMDA blaming the contractor for unsatisfactory progress whereas the contractor blamed the GMDA for delay in providing land and for changes in the design.

It was seen from the records that out of 16 bigha land required for the project, only 12 bigha was allotted to the contractor in October 2014. Subsequently, after two and a half years in February 2017, another plot of land measuring two bigha was added to the project land. The design and drawing of the project was handed over by the contractor to GMDA in May 2016 but after several revisions, and subsequent additional allotment of land (two bigha in February 2017), the final working drawing was approved on 28 February 2017. Thereafter, piling at site was commenced and a total of 223 piles were driven till May 2017.

In March 2017, the contractor sought time extension for a period of 30 months reckoned from 01 May 2017 for the project due to delay in finalisation in handing over of plot and shifting of location of the building from its original layout plan and asked (February 2017) for a revised layout plan taking into account the additional area of land.

Further, the contractor also sought (July 2017) technical review of the project as behavioural changes in soil caused frequent collapse of soil in pile bore due to water logging with apprehension of failure of piles in future.

The extension sought by contractor was considered as unreasonable by the CEO, GMDA and the contract was rescinded (November 2017) as per clause 3.2 of the contract agreement with physical progress of 22 *per cent* with forfeiture of earnest money ₹ 66.60 lakh. The aggrieved contractor countered the allegations and approached the Hon'ble District Court and obtained a stay order. By this time, a meeting was held on May 2018 where the contractor was requested to withdraw the court case subject to reduction of forfeiture of earnest money from two *per cent* to one *per cent*. The incomplete final bill was prepared at an up-to-date bill value of ₹ 7.21 crore.

Further, it was seen that as per instructions of the Hon'ble Minister, PWD, all records related to this work was handed over to CE, PWD (Bldg) in September 2019 to take up the work at their end. Till December 2020 no initiative was taken from PWD (Bldg) to re-start the work. However, the Chief Engineer, PWD (Bldg) stated (March 2022) that the project was not taken over by PWD (Building) till date.

Audit observed that:

- (i) No feasibility study was done prior to obtaining the technical sanction. Since the site of the project was a very low lying land and prone to water logging throughout the year a proper feasibility study was essential prior to taking up the work.
- (ii) Prior approval of the estimate by a technically competent authority¹⁵² as well as views of PWD was not obtained. Subsequently on query (5 September 2013) received from Finance Department, GoA on the same, the countersignature of the Chief Engineer PWD (Building) was obtained on the estimate and forwarded to DHUA in December 2013. It was seen that the Technical Sanction was obtained in May 2014, but the tender for the work was issued in March 2014 itself before obtaining the Technical Sanction.
- (iii) GMDA failed to allot the land in full to the contractor while issuing the work order; as a result the drawing had to be changed later causing delay.
- (iv) Though the GMDA handed over the records of the project to PWD (Bldg), the Chief Engineer stated that the project was not yet taken over by PWD (Bldg). As such, the project status appears uncertain with no clarity on who would be responsible for completing the project.

The Project Engineer, GMDA could neither provide any reason for transferring the project to the PWD (Bldg) nor could he produce any formal handing over report (both physical and financial) to audit. Further, approval of the authority to hand over the project to PWD (Bldg) was also not found on record.

¹⁵² The Chief Engineer, GMDA

Thus, expenditure of ₹6.20 crore on construction of Central Library Archive-cum-Auditorium at Amingaon remained idle for a period of over four years from rescindment of the contract due to lackadaisical approach of the Executive Agency, GMDA.

3.2.10.3 Mass Rapid Transport System

For implementation of Mass Rapid Transport System (MRTS), MoUD, Govt. of India instructed that proposals identified on the basis of the Comprehensive Mobility Plan (CMP) will only be considered for approval for MRTS. Therefore, the Metro Rail proposals need to emanate out of CMP. As prior approval of Central Government was essential before initiating any Metro Rail/Mono Rail projects in States/UTs, a concept paper for rail-based MRTS was forwarded to MoUD, GoI in March 2013.

The Governor of Assam notified GMDA as the Nodal Agency for implementation of Rail based MRTS in Guwahati city in June 2013. However, MoUD, GoI advised (June 2013) to form a company/corporation as a Special Purpose Vehicle (SPV) rather than assigning the work to GMDA for implementation of rail-based MRTS in Guwahati City. After inviting an open tender (October 2013) and bid evaluation, work order was allotted to M/s RITES Limited in May 2014 for feasibility study and DPR preparation for the 1st phase of 64.5 km at a cost of ₹6.07 crore (₹2.20 crore for feasibility study and ₹3.87 crore for preparation of DPR exclusive of taxes). The feasibility study was formally approved in May 2015 and payment of ₹6.38 crore was made to M/s RITES Limited during September 2014 to January 2018.

Feasibility study and DPR for MRTS in Guwahati was approved by the State Cabinet in February 2016 and submitted (May 2016) to MoUD, GoI for approval. However, MoUD, GoI did not approve the DPR stating that the Metro Rail proposals need to emanate out of CMP, since the CMP identifies the major corridors in the city requiring MRTS in consonance with the overall transport and land use planning of the city.

Audit observed the following irregularities in the process:

- (i) **Un-notified area was covered in concept paper to ensure assistance from MoUD/GoI:** The Concept Paper prepared for the Metro Rail Project mentioned that the newly delineated Guwahati Metropolitan Region was spread over 2205 Sq. Km with population of two million plus and hence qualifies for Central assistance and referred to the Master Plan covering an area of 2205 Sq. Km. However, such area had neither been notified yet as Guwahati Metropolitan Region nor mentioned in the Master Plan. CMP as well as Master Plan for Guwahati Metropolitan Area covers an area of 328 sq. km and population of 1.2 million which does not meet criteria for assistance from GoI.
- (ii) **Non-alignment of Concept Paper with Comprehensive Mobility Plan (CMP) 2008:** The Concept Paper mentioned that it was based on the CMP prepared for rail-based MRTS in Guwahati. The proposal identified the corridors and three phases of execution of MRTS in Guwahati City, with a total length of corridor in three phases of 196.3 Km. It was mentioned that CMP also indicated that the city

needs high capacity metro rail systems, with estimated 1.9 lakh rider per day per direction in 2011. However, CMP 2008 prepared by Wilbur Smith Associates mentioned that by the year 2031, the population within the Guwahati Metropolitan Area will be approximately 2.7 million and a bus rapid transit system would be desirable. A monorail may be installed by 2016. Thus, the Concept Paper did not portray the correct picture given in CMP 2008. CMP did not recommend metro rail for any corridor till 2031 which was proposed in the Concept Paper referring to CMP 2008.

- (iii) **CMP, Alternative Analysis Report and Unified Metropolitan Transport Authority (UMTA) was not formed before preparation of feasibility report and DPR:** Metro Rail Policy, 2017 directed all State Governments to set up and operationalise UMTA in the city within a year. This authority would prepare CMP for the city. As per National Urban Transport Policy 2006 as well as 2014, all States need to set up a dedicated UMTA for all million plus cities. Further, in respect of proposal for Guwahati city, the Secretary, MoUD mentioned in January 2013 that Ministry of Finance and the Planning Commission would ask for alternatives feasible to the Metro system and an alternative Feasibility Survey under revised CMP should be done before finalisation of the DPR. The process of notification of UMTA for Guwahati Metropolitan Area should also be expedited. However, neither was a revised CMP and alternative analysis prepared nor was UMTA formed before allotting the work of feasibility report and DPR.

Thus, due to non-compliance with the guidelines and provisions for setting up Metro Rail Project and presenting wrong information, the DPR was not approved by the GoI resulting in unfruitful expenditure of ₹6.38 crore. During the exit conference (December 2022) the CEO, GMDA stated that the feasibility study was required to consider the feasibility of Metro Rail as it was ascertained after the feasibility study only that the Metro Rail project was not feasible. The UMTA has also been constituted (September 2022). However, no comment was offered by the CEO against the observations made above.

3.2.10.4 Bus Rapid Transit System

In August 2008, Government of Assam engaged M/s Urban Mass Transit Company Limited (UMTCL), New Delhi for preparation of a DPR of Bus Rapid Transit System (BRTS) for Guwahati City (Phase-I) *i.e.*, East West Access from Jalukbari to Chandmari for a distance of approximately 20 kms at a total cost of ₹1.60 crore (excluding tax). GMDA was nominated as the Nodal Agency of the Government for overseeing the preparation of DPR. Accordingly, an agreement was made between GMDA and UMTCL in September 2008. M/s UMTCL completed the work successfully and ₹1.77 crore was paid to M/s UMTCL by GMDA from GMDA's own fund.

It was observed that GMDA did not obtain GoA's approval before making payment from its own funds to M/s UMTCL. After incurring the expenditure, GMDA requested (06 August 2010) the State Government to arrange for reimbursement of ₹1.77 crore.

However, an amount of ₹44.00 lakh only was reimbursed (29 September 2011) to GMDA by Government of India. Thereafter, neither any response from the Government was found on record nor was any follow-up action made by GMDA in this regard. More than ten years had passed since submission (February 2010) of the final DPR, but no action was found initiated by GMDA/GoA towards implementation of the BRTS project so far.

As the city has gone through rapid changes in the last ten years, the DPR for BRTS prepared in 2010 may have lost much of its relevance in the present scenario resulting in unfruitful expenditure of ₹1.77 crore. The CEO, GMDA stated (December 2022) that the DPR on BRTS was only an exercise to explore the best possible action for an effective and viable public mass transport system for Guwahati. However, no comment was offered regarding recoupment of ₹1.33 crore expended by GMDA from its own source.

3.2.11 Conclusion

GMDA was not functioning in keeping with the spirit of the provisions/bye-laws of the GMDA Act, 1985. The Government engaged GMDA in functions which were entrusted to the Guwahati Municipal Corporation (GMC) as per the 74th Constitutional Amendment Act. Due to inadequate human resources and lacunae in monitoring and supervision, all major projects were either incomplete or delayed in completion. GMDA also lacked commitment in complying with the important decisions taken in the Authority's meetings. Annual Action Plans for implementation of the Master Plan were not prepared. Further, GMDA had failed in timely preparation and approval of the Annual Budget. The South Guwahati West Water Supply Project remained incomplete even after 11 years from the due date of completion mainly due to lack of monitoring and extending undue benefit to the contractor by way of repeated extension of time. Besides, instances of under-execution, doubtful payment, excess payment, irregular payment and unauthorised payments were also noticed in implementation of the water supply project.

3.2.12 Recommendations

- ❖ *GMDA should focus on promoting and securing the development of GMA in accordance with the Master Plan, so that the key problems confronting civic life in Guwahati viz. flash floods, traffic congestion, etc. are addressed.*
- ❖ *The Government should provide adequate infrastructure to GMDA to enable it to achieve the targets proposed in the Master Plan.*
- ❖ *Rules for Conduct of Business of GMDA should be framed for its smooth functioning.*
- ❖ *The Advisory Council as envisaged in the GMDA Act may be constituted and Annual Action Plan should be prepared for implementation of the Master Plan with coordination with the concerned departments.*

- ❖ *GMDA should take immediate follow up actions to comply with the decisions taken in the Authority meetings.*
- ❖ *The Authority should strictly follow the Financial Rules for managing revenue collection including maintenance of Cash Book.*
- ❖ *The Annual Budget of GMDA must be prepared regularly and submitted to the Government for approval.*
- ❖ *The Assam Financial Rules must be scrupulously followed and all outstanding advances should be recovered immediately.*
- ❖ *The accounts of GMDA should be finalised annually in time with the closure of the financial year and approved by the Authority so that it may be audited and proposed corrective measures, if any, are taken in time.*

Compliance Audit Paragraphs

Revenue and Disaster Management Department

3.3.1 Excess expenditure and fraudulent expenditure

Procurement of tarpaulin sheets by DC, Charaideo at higher rate than the MRP resulted in excess expenditure of a minimum of ₹ 73.00 lakh. Besides, payment of ₹ 14.88 lakh made on fictitious bill and challan was suspected to be fraudulent.

Rule 466 (I) of Assam Financial Rules, 1939 stipulates that every public officer should exercise the same vigilance in respect of public expenditure and public funds generally as a person of ordinary prudence would exercise in respect of expenditure and the custody of his own money. Section 4(I)(c) of the Assam Public Procurement Act, 2017 stipulates that in relation to a public procurement, the procuring entity shall have the responsibility and accountability to ensure professionalism, economy and efficiency from the official involved in the process. The Legal Metrology (Packaged Commodities) Rules, 2011 stipulates that no retail dealer or person including manufacturer, packer, importer and wholesale dealer shall make any sale of any commodity in packed form at a price exceeding the retail sale price thereof. “Retail sale price” means the maximum price at which the commodity in packaged form may be sold to the consumer and the price shall be printed on the package.

Further, Rule 192 of Assam Financial Rules, 1939 stipulates that all materials received should be examined, counted, measured or weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible Government servant who should be required to give a certificate that he actually received the materials and recorded them in the appropriate stock registers.

(A) Deputy Commissioner (DC), Charaideo procured (April 2020 and January 2021; September and November 2021) 11,500 tarpaulin sheets¹⁵³ (12 ft x 15 ft, 90 GSM) for

¹⁵³ In 2020-21: 8000 and in 2021-22: 3500

2020-21 and 2021-22 with a view to provide temporary relief to flood-affected people. The procurement was made in anticipation of future requirement in emergent situations in case of any upcoming natural disaster. Payment of ₹ 1.76 crore was made to five suppliers at the approved rates of ₹ 1,550 and ₹ 1,500 per tarpaulin sheet for 2020-21 and 2021-22 respectively as detailed in **Table 3.11**.

Table 3.11: Stock position of Tarpaulin

Tarpaulin delivered to	Quantity supplied		Quantity issued to Circle Office (CO) by DC office	Revised total stock	Quantity issued to beneficiaries	Present stock position as on December 2021
	2020-21	2021-22				
DC office	2,000	-	-	1,000	-	1,000
Sonari CO	2,000	1,000	398	3,398	158	3,240
Sapekhati CO	2,000	1,500	0	3,500	883	2,617
Mahmora CO	2,000	1,000	602	3,602	896	2,706
Total	8,000	3,500	1,000	11,500	1937	9,563

During joint physical verification of available stock conducted (December 2021) by audit along with departmental officials, it was noticed that printed MRP of the supplied tarpaulin sheets (12 ft x 15 ft, 90 GSM) ranged from ₹ 720 to ₹ 900 as shown in the following photographs. As such, the approved rates were on the higher side which resulted in excess expenditure to the extent of ₹73.00 lakh¹⁵⁴ considering the highest MRP of ₹ 900.



Photograph of tarpaulins with printed MRP of ₹900 and ₹720 taken (December 2021) during JPV of stores of Circle Offices.

Audit observed that DC, Charaideo invited two quotations during 2020-21 and 2021-22 without specifying the quality (GSM was not mentioned during 2020-21 but was found mentioned during 2021-22). In response, 20 bidders (eight in 2020-21 and 12 in 2021-22) responded with different rates. Lower quoted rates of ₹ 500, ₹ 580, ₹ 680 and ₹ 690 were rejected on various grounds viz., non-submission of documents, bidder was not a local supplier (from Guwahati) and the rates were below the market rate¹⁵⁵ of ₹720 as furnished by the Inspector of Food and Civil Supplies, Charaideo. DC, Charaideo

¹⁵⁴ 2020-21: (₹1,550-₹900) x8000=₹52,00,000: 2020-21: (₹1,500-₹900) x3500=₹21,00,000

¹⁵⁵ ₹720 to ₹1,520 based on quality during 2021-22.

distributed the works to four (2020-21) and three (2021-22) suppliers as shown in **Table 3.12**.

Table 3.12: Arbitrariness in awarding the supply order

Year 2020-21			
Name of supplier	Bid price quoted by the supplier (in ₹)	Price at which supply order was issued (in ₹)	Quantity supplied
Debajit Sengupta	350/800/1,050/1,350/1,500/1,850	1,550	1,200
Shamanta Gogoi	1,490		800
Raktupal Gogoi	<i>Did not participate in quotation</i>		4,000
Bhupen Baruah			2,000
Year 2021-22			
Sri Satya Gohain	1,650	1,500	500
Sri Raktupal Gogoi	1,500		2,000
Debajit Sengupta	1,550		1,000

From **Table 3.12**, it can be seen that two suppliers were allotted supply order although they had not participated in the bidding process. As such, their eligibility with valid documents, if any, remained unascertained, though on this same ground, other bidders with lower quoted price were rejected. DC, Charaideo distributed supply orders at discretionary rates rather than identifying the eligible lowest bidder. Further, suppliers were awarded work at rates higher than their quoted rates. Similarly, supply orders were also issued to bidders who had quoted higher prices. Moreover, the supplier 'Bhupen Baruah' belonged to Guwahati and was not a local supplier. Thus, there was no justified basis for rejecting the lower rates and the process of competitive price discovery along with selection of suppliers appeared as an arbitrary exercise.

On this being pointed out, DC, Charaideo furnished (May 2022) few copies of cash memos for tarpaulin at the rate of ₹ 1,040 to ₹ 1,650 to indicate the variation of rates depending on quality. The DC also raised doubt on the MRP of tarpaulin observed in audit stating that NGOs and other charitable institutions also donate relief materials. But the reply is not factually correct as audit collected MRP of procured tarpaulin lying in the stock of concerned Circle Offices (COs) and the COs specifically stated that no other tarpaulin stock was received by them from any other source. Also, no such record of stock was found maintained. Further, as on December 2021, total stock at DC office was certified as 1,000 with MRP of ₹869 only.

(B) In addition to the above, the Additional Deputy Commissioner (ADC) issued (May 2020) supply order¹⁵⁶ for supplying another 1,000 tarpaulin sheets of best quality¹⁵⁷ at the rate of ₹ 1,550 per piece. The tarpaulin sheets were to be delivered at DC office and the supplier was asked to submit the bills in duplicate along with receipt challans for payment.

¹⁵⁶ Supplier: Sri Bhupen Boruah.

¹⁵⁷ 12ft x15ft.

Subsequently, the contractor submitted (June 2020) the bill amounting to ₹ 15.50 lakh¹⁵⁸ for supplying 1000 tarpaulins. The net amount of ₹ 14.88 lakh was paid¹⁵⁹ to the supplier. The ADC issued one receipt challan on plain white paper without recording any date and stock entry. The materials were also not found recorded in the stock register. The Circle Officers of all the three COs also stated that they had not received any tarpaulin apart from the said 11,500 Tarpaulin sheets shown in **Table 3.12**.

In this regard, the present ADC also stated (December 2021) that no additional tarpaulin was purchased in 2020-21. As such, in absence of any recorded data regarding receipt of additional 1,000 tarpaulin sheets, actual procurement could not be established, and payment of ₹ 14.88 lakh is suspected to be fraudulent.

On this being pointed out, DC, Charaideo stated (May 2022) that these tarpaulins were distributed among beneficiaries affected by storm, security forces, and in quarantine centres during Covid pandemic, and during elections. However, the reply is not acceptable as the receipt of such tarpaulins was not found recorded in the stock register. Further, there were already unutilised stock both with DC office and circle offices and additional procurement was not required.

The audit finding was forwarded (October 2022) to the Government and discussed in an exit meeting (October 2022) held with the Department. During the meeting, the Secretary, Revenue and Disaster Management Department assured that on receipt of required documents from DC, Charaideo, a detailed reply along with all necessary documents will be forwarded to audit, which is awaited (April 2023).

Government may fix accountability for non-compliance to Government Rules resulting in avoidable excess expenditure out of the State exchequer. Appropriate action may be initiated against the concerned ADC for the suspected fraud of ₹14.88 lakh.

Transformation and Development Department

3.3.2 Loss of revenue in terms of interest to the extent of ₹3.11 crore

Keeping untied fund in current bank account by the Deputy Commissioner (DC), Majuli and DC, Biswanath in violation of Government orders and Schematic guidelines resulted in loss of interest as well as revenue to the extent of ₹ 3.11 crore.

Untied fund is an earmarked fund for the purpose of encouraging local level planning which is placed at the disposal of every district/sub-Division with a view to provide the Sub-Divisional Planning & Development Committee a certain measure of financial freedom and to encourage them to plan some schemes at their discretion. The Transformation and Development Department (T&DD), GoA, instructed (August 2017) the Deputy Commissioners (DC) of the districts for opening and

¹⁵⁸ Including tax.

¹⁵⁹ From the DC's bank account No. xxxx4067, SBI, Sonari.

maintenance of savings bank account for Non-Lapsable funds like Untied Fund. It was also instructed that the interest earned and accrued from the balances in the account shall be the revenue of the State and would be deposited into Government Account within seven days from the day of credit of interest by the bank. Further, GoA, Finance (Budget) Department instructed (May & September 2013) to close all current bank accounts maintained by the Drawing and Disbursement Officers (DDOs) with effect from 01 October 2013.

Audit (January 2022 and March 2022) of records of two DC offices (out of test-checked 12 DC offices) viz., the DC, Majuli and DC Biswanath showed that the said two DCs operated current bank accounts, which are non-interest bearing, for Untied Fund. DC Majuli and DC, Biswanath operated a bank account with United Bank of India (UBI), Garmur Branch from 15 June 2017 and State Bank of India (SBI), Biswanath Chariali Branch from 26 March 2018 respectively. The account of DC, Majuli is now under Punjab National Bank (PNB¹⁶⁰), Garmur Branch, after merger (April 2020) of UBI with PNB.

DC, Majuli received ₹48.76 crore¹⁶¹ for implementation of Untied Fund Schemes from T&DD, GoA during June 2017 to December 2021. As per the bank statement, DC utilised ₹ 36.39 crore during the period leaving a balance of ₹ 12.37 crore as on 10 January 2022.

Similarly, DC, Biswanath received ₹ 30.41 crore during March 2018 to March 2022 for implementation of schemes under Untied Fund of which ₹ 22.78 crore was utilised leaving a balance of ₹ 7.63 crore as of March 2022.

As per Reserve Bank of India (RBI) mandate, simple interest on savings account is calculated on a daily basis based on the closing amount and the interest accumulated is credited on a quarterly basis. Since the amount were kept in current bank account instead of savings bank account in violation to the instructions of the Government and the Guidelines of the Untied Fund, the two DCs could not earn any interest against the unutilised amount. This resulted in loss of revenue to the Government in terms of interest to that extent of ₹ 3.11 crore¹⁶² calculated on daily closing balances and at the rates of interest applicable from time to time. Circumstances and reasons for non-conversion of the current bank account into savings bank account in keeping with the Government instruction was not found recorded.

The audit finding was forwarded (October 2022) to the Government and discussed in an exit meeting (October 2022) held with the Department. The Joint Secretary, T&DD submitted an action taken report forwarded by the DC, Majuli and stated that the current account has been closed and a new savings bank account has been opened in October 2022, after being pointed out by audit.

¹⁶⁰ Account No. xxxxxxxx0596

¹⁶¹ Excluding ₹15.29 crore kept in the same account in respect of other schemes viz. Axom Adarxo Gram Yojana, MLA SUHRID scheme, Assam Darshan scheme and CM's Relief Fund.

¹⁶² ₹2.26 crore by DC Majuli and ₹0.85 crore by DC, Biswanath.

Although corrective action has been taken by DC, Majuli but due to delayed action, Government has already suffered a substantial financial loss. The revised audit observation incorporating the position of DC, Biswanath had been forwarded (December 2022) to Government and their comment is awaited (January 2023).