

CHAPTER IV

TRANSACTION AUDIT OBSERVATIONS AUDIT PARAGRAPHS

4.1 Infertuous/wasteful expenditure and overpayment

PUBLIC HEALTH ENGINEERING DEPARTMENT

4.1.1 Non-installation of power pumps on tube wells

Non-installation of power pumps on tube wells resulted in unfruitful expenditure of Rs.99.05 lakh.

According to the *Indira Gaon Ganga Yojna* (IGGY) launched in November 2000, tube wells were to be drilled by the Department near *Nistar*⁴⁴ tanks in electrified villages having drinking water problems. Electric connection and power pumps were to be obtained by the respective Gram Panchayats and pumps were to be installed with the assistance of Public Health Engineering (PHE) Divisions. The water from the tube well was to be used for drinking and the tanks were to be filled for public Nistar purposes.

Scrutiny of the records of PHE Divisions, Baikunthpur and Kanker revealed that the Divisions drilled 1,413 tube wells under IGGY during 2000-04. Of these, on 283⁴⁵ tube wells no power pumps were installed either due to distant power lines or due to non-electrification (25 villages). This resulted in unfruitful expenditure of Rs.99.05 lakh⁴⁶ (at the rate of Rs.35,000 per tube well drilled).

The Engineer-in-Chief (E-in-C) stated in March and April 2004 that the Government had been made aware of the facts and the Panchayats were being persuaded to make the scheme functional.

Injudicious drilling of tube wells in non-electrified villages or in villages where tanks were at a distance from power lines, resulted in unfruitful expenditure of Rs.99.05 lakh.

The matter was reported to Government in February 2004; reply had not been received (January 2005).

⁴⁴ *Nistar tank is used to meet the daily needs of water other than drinking of the local population and animals.*

⁴⁵ *Baikunthpur: 85 and Kanker: 198 as of October and July 2003.*

⁴⁶ *Rs.29.75 lakh in Baikunthpur and Rs.69.30 lakh in Kanker Divisions.*

**PUBLIC HEALTH AND FAMILY WELFARE
DEPARTMENT**

4.1.2 Irregular and infructuous expenditure on purchase of bleaching powder

Non-implementation of recommendations of State Level Purchase Committee led to irregular and infructuous expenditure of Rs.33.60 lakh on purchase of bleaching powder.

With a view to controlling epidemic diseases, it was decided (February 2001) by the State Level Purchase Committee that 'Purivat'⁴⁷ tablets (with shelf life of two years from the date of manufacture) should be purchased in place of bleaching powder as the shelf life of bleaching powder was only one month.

Test-check (October 2003) of records of District Malaria Officer (DMO) Raipur (conducted in October 2003) revealed that contrary to the aforesaid decision, the DMO purchased 210 MT of bleaching powder worth Rs.33.60 lakh (80 MT: March 2001 and 130 MT: March 2002) and distributed the same to Chief Medical and Health Officers (CMHOs) of 16 districts in May 2001 and May/June 2002. By that time the shelf life of the bleaching powder had already expired. Thus the entire expenditure of Rs.33.60 lakh incurred on the above purchases proved infructuous.

On this being pointed out, the DMO (October 2003) and the Director Health Services (DHS) stated (July 2004) that bleaching powder was purchased in place of Purivat tablets due to paucity of time and in view of receipt of indents from some CMHOs. DHS further clarified (September and December 2004) that shelf life of bleaching powder is more than six months and was erroneously mentioned as one month in earlier reply and it was purchased due to its higher purifying capacity as compared to Purivat tablets. DHS has also clarified that the bleaching powder had been used by the CMHOs in a routine manner.

This reply is not acceptable, since the above purchases were made in violation of the decision of the State Level Purchase Committee and the shelf life of bleaching powder is not more than 30 days from the date of manufacture as had been confirmed (September 2004) by the supplier. Since the bleaching powder was distributed to the CMHOs when the shelf life of the powder had already expired, the use of time expired bleaching powder was not correct. Thus, the entire purchase was irregular and infructuous.

The matter was referred to the Government in January 2004, reply is awaited (January 2005).

⁴⁷ Purivat tablet is meant for purifying water

PUBLIC WORKS DEPARTMENT

4.1.3 Overpayments due to double measurement and computation mistake

Measurements of same item twice and error in computation of final quantity resulted in overpayment of Rs.35.60 lakh to the contractor.

The Executive Engineer, National Highway (NH) Division, Bilaspur awarded (February 2001) the work of improvement of riding quality of NH-200 (km 191 to 207/2) at an estimated cost of Rs.3.58 crore on percentage rate tender basis at 9.66 *per cent* below the Schedule of Rates (SOR). The final bill for the work for Rs.3.62 crore was paid to the contractor in June 2002.

Scrutiny of the records of the work revealed as under:

Measurements for the following items of work in km 200 to 201/2 were recorded twice, once between 2 and 16 June 2001 and again on 26 April 2002 in Measurement Book (MB) No.704 for payment in 4th running account bill and in 9th running and 10th final bills, respectively.

Page No. of MB	Date of measurement	Item of Work	Unit	Initial quantity measured and paid	Page No. of MB	Date of measurement	Final quantity measured and paid again	Rate (Rupees per unit)
46	2 June 2001	Tack coat	sq. m	8408	183	26 April 2002	16100	4
95	12 June 2001	Tack coat	sq. m	8408	184	- do -	8050	4
115	16 June 2001	Tack coat	sq. m	8400	186	- do -	350	4
		Total		25216			24400	4
53	2 June 2001	Bituminous macadam (BM)	cu m	511.050	183	- do -	603.75	1957
98 to 112	12 June 2001	Bituminous macadam	cu m	421.235	186 to 193	- do -	847.45	1957
		Total		932.285			1441.20	1957
115	16 June 2001	Semi Dense Bituminous concrete (SDBC)	cu m	310	184	- do -	201.25	2712
		SDBC	cu m	-	194	- do -	8.75	2712
		Total		310			210	2712

Based on the final quantity measured and paid for, the payments made initially on the basis of quantities measured earlier should have been adjusted. Non-adjustment of the earlier payments resulted in overpayment of Rs.24.99 lakh to the contractor on account of tack coat (25216 sq m), BM (932.285 cu m) and SDBC (310 cu m).

Further, while computing the net quantity of 247.45 cu m of BM payable in km 200 to 201/2 in the final bill, it was computed and recorded as 847.45 cu m in page 193 of MB no.704 resulting in over payment of Rs.10.61 lakh for 600 cu m.

Due to duplication of measurement and incorrect computation of net quantity an overpayment of Rs.35.60 lakh occurred.

On this being pointed out, the Engineer-in-Chief accepted the double payment and stated (March 2005) that the excess amount will be recovered from the contractor.

The matter was reported to the Government in August 2004; reply had not been received (January 2005).

4.1.4 Infructuous expenditure on unwarranted strengthening of a rural road

Unwarranted strengthening of a rural road resulted in infructuous expenditure of Rs.1.02 crore.

According to Indian Road Congress (IRC) specifications, the life of black topped rural roads with 20 mm thick Open Graded Premix Carpet (OGPC) followed by a Seal Coat (SC) is four to six years. The work of black topping of Nandeli-Pendharwa road, a 13 km long road having traffic intensity of 560 Passenger Car Unit (PCU), was completed in June 2001 at a cost of Rs.1.02 crore.

Though the life of the newly black topped road was four to six years, the work of strengthening of the same road using 50 mm thick Bituminous Macadam (BM) followed by 25 mm thick Semi Dense Bituminous Concrete (SDBC) was awarded (November 2002) to another contractor for Rs.91.62 lakh at 1.48 *per cent* above the Schedule of Rates (SOR). An amount of Rs.1.12 crore was paid to the contractor up to November 2003 including tender *per cent* and additional quantities. An additional item of Built Up Spray Grout (BUSG) costing Rs.1.73 lakh for patch repair of the newly black topped road was also executed (July 2003) raising questions about the quality of work done earlier. Moreover being a village road, the requirement of strengthening it immediately after one year of its black topping was not convincing. Had strengthening of the road been essential, it should have been done before black topping of the road, in which case black topping work costing Rs.1.02 crore would have been carried out only once and not repeated.

In reply, Engineer-in-Chief stated (November 2004) that the strengthening of the road was done on the directions of the then Home Minister and after approval by the Government (July 2002), as this was an important link between village Chaple on National Highway (NH) 200 at one end to village Chandrapur on NH 216.

The reply is not acceptable. If the village road was important from the point of view of connectivity, it should have been considered for strengthening before black topping. Moreover inclusion of an additional item of BUSG for patch

repair of the newly black topped road indicates that the work that was executed previously was of inferior quality.

The matter was reported to Government in March 2004; reply had not been received (January 2005).

4.2 Violation of contractual obligations/undue favour to contractors

PUBLIC WORKS DEPARTMENT

4.2.1 Extra cost due to adoption of richer and costlier specifications in rural roads

Injudicious adoption of richer and costlier specifications in rural road works in violation of IRC specifications resulted in extra cost of Rs.1.31 crore.

According to Indian Road Congress (IRC) specifications, black topping of rural roads is to be carried out using 20 mm thick Open Graded Premix Carpet (OGPC) followed by a Seal Coat (SC). In very special cases where the traffic intensity is high, structural layers of bituminous mix may be provided. The Engineer-in-Chief (E-in-C) stipulated (January 2003) use of 50 mm bituminous Macadam (BM) followed by 20 mm Mix Seal Surfacing (MSS) on rural roads having traffic intensity of 2000 Passenger Car Units (PCU) or more.

Scrutiny of four Public Works Divisions⁴⁸ in December 2003 and January 2004 and further details collected in May 2004 revealed that in five out of eleven test checked road works, the approved estimates for bituminous topping provided for 20 mm thick OGPC followed by SC where the traffic intensity had ranged between 345 and 868 PCU. It was, however, seen that these road works had been executed with 50 to 75 mm thick BM followed by MSS in violation of the IRC specifications and without approval of revised estimates. The BM and MSS being richer and costlier specifications than OGPC with SC, its use on the five rural roads was not warranted and resulted in extra cost of Rs.1.31 crore on the works executed at a cost of Rs.4.65 crore between May 2003 and April 2004.

In reply the E-in-C stated (July 2004) that NABARD had agreed to provide additional loan for construction of the rural roads with BM and MSS as approved by Government in February 2003.

The reply was not relevant because the issue was not of additional loan but of use of higher and costlier specifications than warranted. Sanction of

⁴⁸ *Bilaspur, Durg, Manendragarh and Raigarh*

additional loan by NABARD to cover this unwarranted additional cost does not, however, justify use of the above specifications without proper authority (IRC and MORTH) and in violation of tender specifications. Further, the revised estimates of these roads with the BM and MSS were not approved by the competent authority (CE and E-in-C). Further, the Government approval of February 2003 as cited in the reply stipulate use of BM and MSS only in rural roads where the traffic intensity was 2000 PCU or more. Therefore, the higher specifications were not appropriate for the roads in question which had much lower traffic intensity.

The matter was reported to Government in February 2004; reply had not been received (January 2005).

4.2.2 Execution of Open Graded Premix Carpet in excess thickness

Injudicious execution of excess thickness of Open Graded Premix Carpet (OGPC) resulted in extra cost of Rs.30.10 lakh.

According to clause 509.1.1 of the MORTH specification, Open Graded Premix Carpet (OGPC) is to be executed in 20 mm thickness as a wearing course. In the Schedule of Rates (SOR) for road works effective from June 2000 as amended in April 2002, the rate for 20 mm thick OGPC including profile corrective course as an integral part was Rs.2100 per cu m up to April 2002 and Rs.2200 per cu m thereafter.

Scrutiny of the records (December 2003) of seven road works⁴⁹ of Water Bound Macadam (WBM) renewal followed by bituminous topping under Public Works Division, Raigarh revealed that in violation of the specification, the item of OGPC was executed in average thickness ranging from 31 to 42 mm. Moreover, since the WBM was carried out prior to the bituminous topping, profile correction was also not required. Thus, injudicious execution of OGPC in excess thickness ranging from 11 to 22 mm resulted in extra cost of Rs.30.10 lakh.

In reply, Engineer-in-Chief stated (November 2004) that to make the WBM surface good enough extra quantity of profile corrective course (PCC) was executed with the approval of the then Superintending Engineer. The reply is not acceptable because as per MORTH specifications the profile correction on the road was to be done at the time of construction of the WBM road itself and not at the time of black topping.

The matter was reported to the Government in April 2004; reply had not been received (January 2005).

⁴⁹ WBM renewal bituminous topping work on (1) Kharasia-Sakti-Bagbuhra road, (2) Jatri-Litaipali-semipower-torma Nala road. (3) Kanmura approach road, (4) PatelpaliTandela road, (5) Vadeta-Sandamal road, (6) Raigarh-Kharsia to Maktidam road and (7) Mandeli-Pendherwa road.

4.2.3 Injudicious adoption of costlier tack coat for road works

Injudicious adoption of costlier tack coat using bitumen in road works resulted in extra cost of Rs.36.42 lakh.

The Ministry of Road Transport and Highways (MORTH) specifications (Third Revision) April 1995 for road and bridge works as amended in January 1998 stipulate that the binder used for tack coat shall be bituminous emulsion or cutback as specified in the contract.

Scrutiny of the records in February 2003 of the PWD National Highway (NH) Division I, Raipur revealed that the costlier item of tack coat using bitumen at the rate of Rs.8 per square metre (sq.m) on black topped (BT) surface was provided for in 10 estimates and agreements (during 2000-03) under the Improvement of Riding Quality Programme (IRQP). These works aggregating to Rs.18.15 crore were awarded during June 2002 to January 2003 at rates ranging from 15.01 to 27.27 *per cent* below the Schedule of Rates (SOR) on different stretches of NH-6, NH-43 and bypass. In these works, instead of bituminous emulsion as mandated by MORTH specifications which was costing Rs.5 per sq. m, expensive tack coat with bitumen was used. This resulted in extra cost of Rs.36.42 lakh with reference to the actual quantity of tack coat applied in the works aggregating Rs.15.72 crore which had been paid up to January 2003. The bills for the balance works are pending for payments in the Division (January 2005).

Engineer-in-Chief stated (October 2004) that since the item of tack coat using bitumen exists in the Current Schedule of Rates (CSR), the estimates were framed accordingly and got sanctioned from MORTH.

The reply is not tenable since the MORTH specifications do not provide for tack coat using bitumen and it was mandatory for the EE to execute the works according to the above specifications. Further the CSR should have been prepared as per MORTH specifications.

Injudicious adoption of costlier tack coat using bitumen in violation of MORTH specifications resulted in extra cost of Rs.36.42 lakh to the Department.

The matter was reported to the Government in February 2004; reply had not been received (January 2005).

4.3 Regulatory issues and other points

FOOD CIVIL SUPPLY AND CONSUMER PROTECTION DEPARTMENT

4.3.1 Shortage due to excess driage and loss on damaged paddy due to improper storage

Shortage due to excess driage of 3.9 lakh quintals amounting Rs.20.62 crore and loss of Rs.12.54 crore on damaged paddy (2.16 lakh quintals).

The Government of India, Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) vide their instruction issued in October 2000 and November 2001, permitted loss on driage of paddy at the rate of 1 *per cent* of total quantity procured under the Price Support System.

Test-check (September 2003) of records of Director Food, Civil Supplies and Consumer Protection, Raipur revealed that 46.31 lakh quintals of paddy produced in 2000-01 were procured between November 2000 and July 2001 and 133.42 lakh quintals of paddy produced in 2001-02 were procured between October 2001 and March 2002 by Chhattisgarh State Cooperative Marketing Federation (MARKFED).

Paddy procured during 2000-01 was milled between December 2000 and February 2002 while paddy procured during 2001-02 was milled between December 2001 and January 2004. On the above procurement MARKFED claimed 5.70 lakh quintals as shortage on account of driage against the norm of 1.80 lakh quintals (at the rate of one *per cent*) which resulted in loss of Rs.20.62 crore due to excess shortage on account of driage of 3.9 lakh quintals. Joint Director (Department of Food, Civil Supply and Consumer Protection) stated (September 2003) that MARKFED is responsible for shortage on account of excess driage.

Scrutiny further revealed that 2.16 lakh quintals of paddy worth Rs.12.54 crore was damaged due to delay in disposal and consequent storage in open space leading to moisture absorption during rains. MARKFED in reply stated (August 2003) that due to shortage of godowns, paddy was stored in open space and damage was due to excess humidity during rains. It was further stated that the damaged paddy was not fit for milling and permission of Government had been sought for auction of the damaged paddy through open tender.

As regards loss on damaged paddy, it is clear from the reply that the Department has accepted the loss and put the responsibility for this on MARKFED. Action initiated by the Department and MARKFED to prevent recurrence of such loss was not mentioned to audit.

Excess shortage on account of driage and improper storage coupled with delay in the milling of paddy resulted in an aggregate loss of Rs.33.16 crore to the State Government.

The matter was reported to the Government in February 2004; reply had not been received (January 2005).

**PUBLIC HEALTH AND FAMILY WELFARE (MALARIA)
DEPARTMENT**

4.3.2 Unauthorised expenditure on purchase

Unwarranted purchase of equipment worth Rs.1.37 crore against allotment of Rs.96 lakh.

An amount of Rs.96 lakh was available for the State Government during 2000-01 as Special Central Assistance for providing medicines in areas affected by malaria and dehydration in Bastar Division. The amount was allotted by the Commissioner, Scheduled Castes, Scheduled Tribes, Backward and Minorities Welfare to the Director, Health Services (DHS), Chhattisgarh on 8 February 2001.

On 24 February 2001, the budget allotment made by the Commissioner to the DHS was withdrawn and the amount was reallocated to the Chief Medical and Health Officers (CMHO) of Bastar, Kanker and Dantewada on 8 March 2001. However, DHS withdrew the full amount of Rs.96 lakh from the Raipur Treasury on 5 March 2001 and used this sum to make payment for instruments and medicine which he had ordered on 24 February 2001 against the budget allotment of Rs.96 lakh. The equipment purchased were Binocular Research Microscope worth Rs.63.19 lakh, QBC paralens (instruments) worth Rs.26.06 lakh and other articles for Rs.6.75 lakh. There were no indents for these equipment nor could the DHS make available any report on the installation of these equipment and their actual use by the CMHOs.

Following the reallocation of Rs.96 lakh by the Commissioner, SCs, STs etc. the CMHO, Kanker and the CMHO, Dantewada withdrew Rs.19.05 lakh and Rs.21.80 lakh respectively during March 2001. Thus, against the sum of Rs.96 lakh received as Special Central Assistance for medicines, a total expenditure of Rs.1.37 crore was incurred because the withdrawal against the initial budget allotment by the DHS was ignored. Moreover, the purchase of equipment

worth Rs.96 lakh was not warranted in the absence of any indent nor was this amount actually meant for purchase of equipment. Even the utility of the equipment was suspect since they were not installed and were lying idle in all the seven districts that were checked in audit.

Matter was referred to Government (February 2004); reply is awaited (January 2005).