

Chapter 3 - State-Specific Findings

3.1 Arunachal Pradesh

3.1.1 Non-completion of works

During the period 2002-03 to 2006-07, the State PHED took up 4,607 schemes for execution, of which only 2,443 schemes (53 *per cent*) were completed as of March 2007, and 2,164 schemes were in progress.

In the test-checked divisions, out of 1,986 schemes taken up for execution during the period 2002-03 and 2006-07, 1,866 schemes were due for completion by March 2007. Of these, only 1,000 schemes (50 *per cent*) were completed as of March 2007, 557 schemes (29 *per cent*) were incomplete, and 429 schemes (21 *per cent*) were not taken up at all.

The Department stated that the poor completion rate of works was mainly due to shortfall in State share. Audit scrutiny, however, revealed that during 2002-07, the Department provided only 18 to 36 *per cent* of funds required for completion of ongoing schemes, but sanctioned 2,084 new schemes. However, the allocation of funds for the new schemes constituted only 14-15 *per cent* of the total requirement of funds. Further, the Department also provided funds amounting to 14-16 *per cent* of cost in respect of schemes which were awaiting technical and expenditure sanction. Clearly, more focused and targeted planning for schemes after considering the available funds, would have resulted in fewer schemes being taken up but a higher rate of completion of works.

3.1.2 Cost and Time Overrun

- In the test-checked divisions, 22 water supply schemes taken up at an estimated cost of Rs. 3.10 crore during the period 1990-91 to 2002-03 were completed between 2002-03 and 2006-07, with a total cost overrun of Rs. 0.71 crore and delays of 2 to 12 years.

The Government of **Arunachal Pradesh** stated that revised estimates were submitted for sanction; and excess expenditure was within the permissible limit of 5 *per cent* as per CPWA Manual. The reply is not tenable, since the revised sanction along with justification for excess expenditure incurred, ranging from 6 to 265 *per cent*, was still awaited.

3.1.3 Cases of unauthorized, irregular, or excess expenditure

- 17 schemes, completed at a cost of Rs. 2.35 crore during 2004-05 and 2006-07, covered villages, which were either uninhabited or non-existent as per the 2001 Census Report. Therefore, the possibility of some of the schemes being either non-existent or unnecessary may not be ruled out.
- Expenditure of Rs. 0.77 crore between 2004-05 and 2006-07 was incurred on 10 schemes, which did not have technical clearance of the State Level Scheme Clearance Committee (SLSCC).

- Expenditure of Rs. 0.70 crore was incurred as of March 2007 in respect of 12 schemes, which did not cover rural habitations.

3.1.4 Ineffective Execution of Water Quality Schemes

- Despite turbidity in water being above the permissible limit of five NTU¹ in eight districts, 12 WSSs in four Divisions, completed between 2003-04 and 2005-06 at a cost of Rs. 1.52 crore in water quality problem areas, did not include works for arresting turbidity and bacteriological problems; further, water testing reports of these divisions showed turbidity in these areas well above the permissible limit. In response, the Government of **Arunachal Pradesh** admitted that proper treatment plants need to be provided, but were not done since the per-capita cost of the scheme went beyond the admissible limits.

3.1.5 Execution of Swajaldhara Projects

- Rs. 4.47 crore was released by GoI between February 2004 and February 2007 for Swajaldhara. However, out of the 90 schemes sanctioned by the District Water Supply and Sanitation Committees (DWSCs) for completion by March 2007, only 35 schemes were completed by March 2007 at a cost of Rs. 3.03 crore.
- Despite expenditure of Rs. 0.21 crore on a lift water supply scheme, the scheme, though stated to be completed, was not functional. Further, material purchased for Rs. 0.12 crore was lying unutilized.

3.2 Assam

3.2.1 Non-completion of works

- 26 Piped Water Supply Schemes (PWSSs) taken up in four Divisions prior to 2002-03 at an estimated cost of Rs. 1.62 crore, were not included in the AAPs of 2002-07, and were still lying incomplete till March 2007, despite expenditure of Rs. 0.76 crore.
- In one water supply scheme implemented at a cost of Rs 0.18 crore, the boring of Deep Tube Well (DTW) failed, but the scheme was shown as completed by tapping water from the treatment plant of a nearby village. However, the habitans complained of water supply at an interval of four to five days and lack of water supply in the dry season.

3.2.2 Cost and Time Overrun

- In 9 divisions, there was a cost overrun of Rs. 10.48 crore on 161 WSSs, with an estimated cost of Rs. 19.76 crore, which was caused by time overrun of 5 to 17 years.

¹ Nephelometric Turbidity Units, measurement unit of turbidity (cloudiness or haziness of water)

3.2.3 Cases of unauthorized, irregular or excess expenditure

- In 2002 -2005, the entire work charged establishment expenditure of Rs 0.97 crore of the Silchar PHE Division II was irregularly booked under ARWSP.

3.2.4 Ineffective Execution of Water Quality Schemes

- Seven PWSSs, implemented between 1987 and 1997, at a total cost of Rs. 0.59 crore, were shown as completed, without any treatment plant, reservoir, and pump house; these were constructed only later under the sub-mission on quality between 2002-03 and 2006-07.

The Government of **Assam** stated that the approved amount of schemes sanctioned during the 1990s was very low within which full-fledged treatment plants could not be constructed; these were now being provided in a phased manner.

- 61 water supply schemes were implemented by two divisions from 1987 to 2004 without water treatment plants. Water was directly supplied to the habitations without treatment.
- In 16 WSSs in two Divisions, expenditure of Rs. 1.27 crore was incurred between 2002-03 and 2006-07 for execution of DTW, treatment plant, reservoir, pump house etc., although the schemes were shown as completed under ARWSP prior to 2002-03.

3.2.5 Execution of Swajaldhara Projects

- Out of Rs. 25.79 crore released by GoI during 2002-07, Rs. 4.90 crore had not been received by the District Water and Sanitation Missions (DWSMs)/District Water and Sanitation Committees (DWSCs). Out of the balance release of Rs. 20.90 crore, Rs. 11.17 crore was lying unutilized with the State Water and Sanitation Mission (SWSM) and DWSCs as of March 2007.

The Government of **Assam** accepted the facts and stated that the entire fund was released to the DWSCs in September 2007.

- In four test-checked districts, out of 89 schemes, only 9 schemes were completed as of March 2007. Out of the available funds of Rs. 8.47 crore, Rs. 3.21 crore was lying unutilized.

The Government of **Assam** stated that all schemes were to be completed by March 2008.

3.3 Bihar

3.3.1 Non-functional schemes

- As of 1 April 2006, out of 643 Rural PWSs, 319 were reported to be non-functional. Similarly, out of 7.48 lakh tubewells, 1.67 lakh tubewells were reported to be non-functional.

The Government of **Bihar** accepted the facts and stated that most of the non-functional schemes had outlived their functional life. Steps were being taken to reorganize the old and still viable PWSSs.

3.4 Chhattisgarh

3.4.1 Non-functional works

- As of 1 April 2006, out of 952 Piped Water Supply Schemes (PWSSs), 473 spot sources, and 16.92 lakh hand pumps, 40 PWSSs, 51 spot sources and 2906 hand pumps were reported to be non-functional.

3.4.2 Cases of unauthorized, irregular or excess expenditure

- Pipes and handpumps purchased for Rs. 2.36 crore in 5 divisions were not actually utilized, but directly charged to works, thereby inflating the cost of schemes.
- 44 out of 288 Rural PWSSs in 4 test-checked districts were designed for 55 lpcd, without the mandatory 10 *per cent* capital contribution by beneficiaries.
- Rs. 1.59 crore was incurred on construction of 317 tube wells during 2002-07 in FC habitations in Jagdalpur District, when the State had a substantial number of PC/ NC habitations.

3.4.3 Execution of Water Quality Schemes

- No funds were utilized for tackling water quality problems; in Jagdalpur District alone, the number of quality affected habitations with excess iron increased from 3090 in 2002-03 to 4478 in 2005-06.

The Government of **Chhattisgarh** accepted the fact of non-utilization of funds and stated that the works of water quality affected habitations were now being taken up.

3.4.4 Execution of Swajaldhara Projects

- During the period 2002-07, 312 schemes were sanctioned in the State, of which 210 schemes were completed as of March 2007. 33 *per cent* of total available funds were unutilized as of March 2007.

The Government of Chhattisgarh accepted the facts and stated that as on date (April 2008), 308 schemes had been completed.

- Test check of 83 schemes in four districts revealed that in 19 out of 28 schemes in Korba, community contribution was less than the stipulated 10 *per cent*. Electrification work in 22 out of 24 PWSSs remained incomplete since 2003-04 to March 2007.
- Accounts of Swajaldhara projects were not audited in 3 out of 4 test-checked districts.

3.5 Gujarat

3.5.1 Cost and Time Overrun

- 11 out of 12 test-checked Regional RWSSs had delays ranging from 9 to 35 months as of March 2007. The stated reasons for delay included delayed execution, delayed procurement, non-availability of land and other procedural aspects.

The Government of Gujarat stated that the delays occurred because of non-availability of land, procedural delays in tenders, and delays in getting mandatory clearances.

3.5.2 Execution of Water Quality Schemes

- 238 de-fluoridation plants installed during the period 1994-2000 at a total cost of Rs. 18.14 crore, which were handed over after three years of commissioning to the village panchayats, were non-functional.

The Government of **Gujarat** stated that plants were handed over to VPs, which could not afford O&M and did not take much interest in operating these. Most of these villages were now covered with surface based WSS.

3.5.3 Execution of Swajaldhara Projects

- In Junagadh, in a scheme involving expenditure of Rs. 0.18 crore, water was found to be unfit on testing. DWSC had irregularly reimbursed expenditure to 3 NGOs based on UCs, without vouchers.

The Government of **Gujarat** stated that water during the first test in March 2005 at 40 m depth was found fit for consumption. But the second test conducted at depth of 42.5 m revealed that water was not fit for consumption. However, now the water had been found to be potable.

3.6 Haryana

3.6.1 Non-completion of Schemes

- In the test-checked divisions, out of 128 schemes sanctioned between June 1998 and September 2005 at an estimated cost of Rs. 49.40 crore, 87 schemes with an estimated cost of Rs. 33.17 crore, were incomplete. Expenditure of Rs. 22.35 crore was incurred on these 87 schemes.
- Out of 20 Water Supply Schemes (WSSs) selected for detailed examination, 4 schemes involving estimated cost of Rs. 3.39 crore and population to be benefited of 60,063, remained incomplete as of June 2007, after five to seven years of approval, despite expenditure of Rs. 2.84 crore. It was noticed that instead of executing the works as per the approved estimates, skeleton water supply was given to the villages through tube well. Further, physical inspection by audit revealed that the partially constructed structures for canal based water supply schemes were lying unused, and the work of laying of distribution system was also

not completed. Thus, the present water supply status in these villages remained between 20 and 35 lpcd.

The Government of **Haryana** generally accepted the facts and stated that suitable action would be taken. It also stated that the schemes at Morkhi, Kathura and Rindhana were likely to be completed by April 2008, June 2008 and August 2008 respectively.



View of WSS, Morkhi lying incomplete



View of WSS, Kathura lying incomplete



View of WSS, Rindhana lying incomplete

3.6.2 Cases of unauthorized, irregular or excess expenditure

- Although there were 868 remaining PC/NC villages, only 87 schemes for providing 55 lpcd of water at an estimated cost of Rs. 32.10 crore were sanctioned between June 1998 and July 2006, against which an expenditure of Rs. 16.97 crore was incurred. There was neither sharing of capital cost by the beneficiaries, nor was O&M of the schemes handed over to them.
- In seven divisions, expenditure of Rs. 46.14 crore was incurred on 176 works, without the detailed cost estimates being sanctioned. Further, an expenditure of Rs. 2.43 crore was incurred in excess of sanctioned estimates, without approval.

The Government of **Haryana** stated that works were taken up only after receipt of administrative approval and technical clearance of the estimates which were prepared by the field offices. Hence, these could be considered as detailed estimates. The reply is not tenable, since the administrative approval was accorded on basis of rough cost estimate only.

3.6.3 Execution of Swajaldhara Projects

- Out of 148 schemes approved during 2002-06 in 10 districts at an estimated cost of Rs. 14.53 crore, only the first installment of Rs. 6.97 crore was released by GoI, of which Rs 7.38 crore (including beneficiary contribution) was spent. Only 25 schemes were completed by August 2007 at a cost of Rs. 2.34 crore.

According to the Government of Haryana, handing over of O&M was not a satisfactory arrangement, as many schemes were non-functional because of non-deposit of electricity charges. Further, it stated that it did not have a direct role in implementation of Swajaldhara and also stated that the UCs were to be furnished

by the Village level committees. Since this was not done in the prescribed manner, the second installment was not released.

3.7 Himachal Pradesh

3.7.1 Non-completion of Projects

- In the six test-checked divisions, out of 166 schemes for 1,485 habitations estimated to cost Rs 52.13 crore and taken up during 2002-2007, only 59 schemes for 432 habitations had been completed up to March 2007 at a cost of Rs 16.48 crore. The remaining 107 schemes for 1,053 habitations were incomplete, despite expenditure of Rs 29.56 crore.
- Detailed audit scrutiny revealed expenditure of Rs. 1.53 crore as of April 2007 without technical sanction on four WSSs, whose execution had been stopped due to disputes over sources of water and private land required for construction.

3.7.2 Cost and Time Overrun

- In the test-checked divisions, 28 water supply schemes for 227 habitations, estimated to cost Rs 9.28 crore and scheduled to be completed within two to four years, were taken up between May 2000 and March 2007. Of these, 13 schemes for 114 habitations, estimated to cost Rs 3.90 crore, were completed at a cost of Rs 7.86 crore (involving a cost overrun of Rs. 3.96 crore) between March 2003 and April 2007, after a delay of 6 to 52 months. The remaining 15 schemes for 113 habitations, which were estimated to cost Rs 5.38 crore and stipulated to be completed within three to four years, were in progress after incurring an expenditure of Rs 8.34 crore, with a cost overrun of Rs 2.96 crore and time overrun of 5 to 17 months.

The Department attributed the time overruns to land disputes, and hindrances by the local people etc. and cost overruns to increase in the rates of material and labour. Further, they stated that instructions had been issued and norms were being devised to ensure cost-consciousness while framing DPRs, and MIS modules were also devised. The reply is not tenable, since norms were yet to be finalized, estimates continued to be framed on the basis of outdated norms, and MIS modules were yet to be supplied to field functionaries.

3.7.3 Cases of unauthorized, irregular or excess expenditure

- In five divisions, Rs 44.19 crore had been spent during 2002-2007 on the execution of 157 drinking water supply schemes, without detailed estimates and technical sanction.
- In 54 water supply schemes in six divisions, estimated to cost Rs 15.62 crore, expenditure of Rs 24.32 crore had been incurred during 2002-2007, without sanction of revised estimates.
- Excess expenditure of Rs. 4.93 crore was incurred in 32 schemes completed between March 2003 and June 2007 over the estimated costs of Rs. 8.03 crore indicated in the proforma approvals accorded by the State Water and Sanitation

Mission (SWSM); this excess expenditure was irregularly met out of ARWSP funds.

- An amount of Rs 0.95 crore, already incurred on various works other than ARWSP during 2002-07, was subsequently charged to ARWSP from March 2004 to March 2007 in Ghumarwin, Paonta Saheb and Rampur Divisions. In Paonta Saheb and Rampur Divisions, Rs. 1.41 crore was diverted to 24 other water supply works during 2002-07 which were not approved under ARWSP.

3.8 Jammu & Kashmir

3.8.1 Non-completion of Schemes

- 14 WSSs taken up for execution during 1999-05 by seven Divisions at an estimated cost of Rs. 9.56 crore, were not completed, despite expenditure of Rs. 8.89 crore; reasons for non-completion included non-development of source, depletion of source, land dispute and price escalation.
- In 6 implementing divisions, 73 *per cent* of schemes taken up more than 3 years ago were incomplete as of March 2006.

3.8.2 Cost and Time Overrun

- In 6 implementing divisions, out of 345 schemes executed between 2002-06, time overrun in 312 schemes (59 completed and 253 in progress) ranged between 1 to 4 years as of December 2006; this resulted in cost overrun of Rs. 5.20 crore in 44 schemes (6 completed and 38 ongoing). The delay was attributed to escalation in cost of material/ labour, change in proposals, and delay in release of funds by the State/ GoI.

3.8.3 Cases of unauthorized, irregular or excess expenditure

- Out of 569 schemes with an estimated cost of Rs. 402.57 crore taken up by 2003-04, 484 schemes, with an estimated cost of Rs. 398.42 crore were incomplete as of March 2007; this necessitated cost overrun of Rs. 91.57 crore. Instead of ensuring completion of these schemes, Rs. 19.56 crore was released for taking up 50 new unapproved schemes on the recommendation of local MLAs, and Rs. 11.78 crore was released for taking up 28 water supply schemes, for which detailed survey reports and project reports were yet to be prepared and approved.
- Works costing Rs. 4.95 crore were executed during 2002-06 by Executive Engineers departmentally, without observing financial rules; labour was engaged on hand receipts instead of Muster Rolls, and payments made through mates, without indicating details of labour actually engaged.
- In one division, 93 works valued at Rs.1.18 crore were allotted during 2004-05 on approval basis, without invitation of tenders.

- Under an action plan for Kandi areas², out of Rs. 40 crore released by GoI during 2004-06, Rs. 37.27 crore of GoI funds was irregularly utilized on suspended schemes, due to non-release of matching State share.
- During 2006-07, Rs. 14.11 crore was released for 29 schemes, which were not approved in the annual programme.
- Out of 341 schemes taken up by 8 divisions, 251 schemes had been executed and expenditure of Rs. 117.10 crore incurred during 2002-06 without administrative approval and technical sanction.
- Two divisions incurred expenditure of Rs. 0.33 crore on dismantling and relaying of system network of seven schemes, due to unplanned laying of pipes in stretches not covered by the project reports. Further, the dismantled pipes worth Rs. 0.60 crore were not accounted for in three Divisions.
- Project reports in areas covered under DDP did not contain provision of water to animals and installation of hand pumps/public stand posts, as envisaged.

3.8.4 Execution of Water Quality Projects

- Rs. 75 crore released by GoI between February 2004 and March 2007 for submission projects was utilized on other ARWSP schemes in hand.

3.9 Jharkhand

3.9.1 Non-functional works

- As of April 2007, out of a total of 2.78 lakh DTWs in the State, 0.46 lakh DTWs were still non-functional, despite special repairs and structural modifications to 0.42 lakh DTWs during 2002-07.

3.9.2 Cases of unauthorized, irregular or excess expenditure

- Expenditure of Rs. 3.04 crore was incurred on Repairs and Maintenance of different schemes in three divisions, without approval of estimates.
- A scheme for converting existing Deep Tube wells (DTWs) into Force and Lift (F&L) pumps was undertaken in 2005-06 for providing sanitation facilities in rural schools; this was to be undertaken in schools with a sanitary complex, and the F&L pump was to be connected with the water tank of the sanitary complex. In five test-checked divisions, Rs. 2.37 crore was spent during 2005-07 on converting 1407 DTWs into F&L pumps in selected schools. However, the scheme was executed in schools where either a sanitary complex was not available, or available without water tank, and therefore the F&L pumps could not be connected with the water tank of the sanitary complex.

The Government of **Jharkhand** accepted the facts and stated that after completion of sanitary complex by December 2007, F&L pumps would be utilized. Audit

² Rain fed area falling between the hill and plain

examination revealed that sanitation facilities were yet to be completed as of May 2008.

- In five test checked divisions, 10,341 sites (ARWSP: 6,045 sites, MNP: 4,296 sites) were drilled for construction of Deep Tube Wells during 2002-07. Of these, 1,696 bores (ARWSP: 1,004 bores, MNP: 692 bores) were declared as unsuccessful due to wrong selection of sites which was not based on geo-hydrological data. It was seen that the selection of sites for 1696 DTWs was done at the instance of the MLA/MP, of the area, and not based on any geo-hydrological data. The concerned EEs stated that there was no provision of pre-test to assess the availability of ground water. This resulted in wasteful expenditure of Rs 2.75 crore (ARWSP: Rs 1.67 crore, MNP: Rs 1.08 crore) on 1696 unsuccessful bores.

The Government of **Jharkhand** accepted the facts regarding failure of DTWs and stated that steps had been initiated to reduce such failure.



View of Non-functional DTW (due to objection by Road Division) at Village Bargaccha Hariyari, Block Poraiyahat, Godda District

- According to norms, the life of a DTW is ten years. In three test checked divisions, premature failure of DTWs and special repairs (new construction) in place of old defunct DTWs were taken up in 625 cases at a cost of Rs. 2.01 crore during 2002-07. Out of these, 10 required repairs within one year of their installation, 66 required repairs between 1 to 3 years, 114 required repairs within 3-5 years and the remaining 435 had to be repaired within 5-9 years.
- In four test checked divisions, excess materials amounting to Rs 0.78 crore, which were purchased during 2002-07, remained unutilized as of April 2007.
- Materials worth Rs. 53.48 lakhs were diverted to MNP works.
- During 2006-07, a purchase order for Rs. 3.44 crore was placed in May 2006 for pipes required for structural modification of 24,650 DTWs, while the scheme was

sanctioned only in December 2006. However, no structural modifications of DTWs were reported during the year 2006-07.

The Government of **Jharkhand** stated that since 5 per cent funds were meant for sustainability, so pipes were purchased and utilized fully for change of rotten pipes. The reply is not tenable as the change of rotten riser pipes had been categorized as R&M and not as O&M.

3.9.3 Execution of Water Quality Schemes

- Rs 4.20 crore was allotted in 2006-07 for mitigating water quality problems through fluoride/arsenic removal attachment unit. However, only Rs. 0.84 crore was spent in one division in one district and the required schemes were not executed in the remaining 21 districts. The balance fund of Rs 3.36 crore was surrendered.

3.9.4 Execution of Swajaldhara Projects

- In three districts, 168 schemes at an estimated cost of Rs. 5.44 crore were taken up during 2003-07; none of the schemes was completed, despite expenditure of Rs. 1.56 crore.
- In one division, expenditure of Rs. 0.32 crore was incurred on a WSS, sanctioned in 2006-07 at an estimated cost of Rs. 0.37 crore, but the scheme failed due to unsuccessful boring; joint physical verification revealed that the failure was due to lack of monitoring and technical support by departmental engineers, and wrong selection of site.
- In two schemes in two divisions, balance amount of Rs. 0.03 crore was not refunded after execution of the schemes.

3.10 Karnataka

3.10.1 Cases of unauthorized, irregular or excess expenditure

- In PRE Division Chikkaballpur, ARWSP funds of Rs. 3.62 crore were diverted for works under Calamity Relief Fund, NCCF and MNP.

3.10.2 Execution of Water Quality Schemes

- Out of 21,008 quality affected habitations identified in 2001, only 1058 habitations had been tackled under the sub-mission so far.
- Out of 50 sub-mission projects taken up till March 2007 at an estimated cost of Rs. 135.95 crore, 36 were completed at a cost of Rs. 60.18 crore, while 14 were ongoing, despite expenditure of Rs. 50.71 crore.

The Government of **Karnataka** stated that since GoI did not release grants for 14 ongoing schemes under submission projects, there was escalation which was now being met from the state funds. The reply is not tenable as GoI released additional funds of Rs 125.36 crore during 2006-07 for sub-mission projects, besides normal funds of Rs.52.95 crore.

- All the 18 reverse osmosis-based defluoridation plants in the three test checked districts had not been working from periods ranging from 2 to 32 months, while no information was furnished in respect of the five adsorption technology based plants. The Government of **Karnataka** accepted the facts and stated that after lapse of guarantee period, GPs could not take up maintenance of the plants. However, AMC was being outsourced to ensure proper O&M.

3.11 Kerala

3.11.1 Cost and Time Overrun

- In six divisions in three test-checked districts, time overrun, ranging between 4 and 13 years, was noticed in nine RWSSs and cost over-run of Rs. 3.00 crore was noticed in 65 RWSSs completed between December 2003 and September 2007. The reasons for delay in completion of projects were delay in acquisition and handing over of land, and delayed completion of distribution system and obtaining power connection.

The Government of **Kerala** accepted the facts and stated that action had been taken to mitigate the delay in land acquisition and to avoid delay in obtaining and distribution of power connections.

3.11.2 Execution of Water Quality Schemes

- Only one out of 9 sanctioned water quality projects was completed in the test-checked districts.

The Government of **Kerala** stated the remaining 8 schemes were targeted for commissioning during 2008-09.

3.12 Madhya Pradesh

3.12.1 Non-completion of Schemes

- Out of a total of 9173 PWSS in the State, 7750 schemes were completed, 813 schemes were in progress and 610 schemes had not been taken up for execution as of March 2007.
- In 10 districts, out of the total 667 PWSSs estimated to cost Rs. 68.64 crores (of which 289 schemes were approved prior to 2002), only 260 schemes could be completed, 353 schemes were in progress, and 54 schemes had not been taken up as of March 2007. The reasons for non-completion of schemes were non-release of funds in time and revision of schemes.

The Governments of **Madhya Pradesh** generally accepted the facts and stated that suitable action would be taken.

3.12.2 Cases of unauthorized, irregular or excess expenditure

- Expenditure of Rs.3.85 crore was incurred on construction of 705 tube wells in FC habitations in six divisions at the instance of influential persons, at the cost of uncovered NC/ PC habitations.

The Government of **Madhya Pradesh** stated that due to frequent droughts, many districts had been seriously affected. GoI had also permitted the State to carry out essential works in FC habitations. The reply is not tenable, since the priority was to cover NC/PC habitations, which had not been fully covered.

- In three divisions, augmentation of 26 RPWSSs at an estimated cost of Rs. 2.69 crore were sanctioned at the instance of influential persons during 2002-07 for supplying drinking water at 55 lpcd in violation of GoI norms, and an expenditure of Rs. 1.66 crore was incurred up to March 2007.
- Unspent ARWSP funds of Rs 8.53 crore (February 2002), Rs 6.60 crore (May 2003), Rs 15 crore (2006) and Rs 30 crore (January 2007) were withdrawn and deposited in Civil Deposits, inflating reported expenditure. Subsequently, the deposits were remitted to Divisions through Cheque/Demand Draft. Test check also revealed that Rs. 3.93 crore out of Rs 6.50 crore allotted to seven divisions were lying unspent as of March 2007.

3.12.3 Execution of Water Quality Schemes

- Although a project for providing safe drinking water to 101 problem villages in Dindori District suffering from excess fluoride was approved by GoI in 1997-98 and completed in 2005-06 at a cost of Rs. 1.25 crore, 207 new habitations were found affected with excess fluoride. In the same district, a project for 147 villages costing Rs. 7.35 crore approved by GoI was unwarranted, as 139 out of these villages had safe drinking water as per the norms of dual water policy.
- Excess fluoride in 132 habitations had been identified in Raisen District in April 2005, and Departmental instructions of 2006 provided for digging of shallow dug wells or other alternative arrangements, and not deep tube wells. However, 185 new deep tube wells were dug in the water quality affected areas at a cost of Rs. 1.25 crore. Despite the Department's claim that the tube wells were drilled in the safe zone, all the new tube wells were found to be quality affected. The Government of **Madhya Pradesh** accepted the facts.
- Four salinity projects, with estimated cost of Rs. 10.78 crore approved during 1997-2004, were not completed, despite expenditure of Rs. 10.27 crore.
- The problem of excess iron in 14 districts and nitrates in nine districts had not been tackled.
- Despite increase in fluoride-affected sources, only 13 out of 30 defluoridation plants were functional as of March 2007. The Government of **Madhya Pradesh** stated in June 2008 that at present 18 plants were functional.

3.12.4 Execution of Swajaldhara Projects

- Out of Rs. 50.32 crore released during 2002-06 by GoI for executing 2890 schemes in 39 districts, only Rs. 40.81 crore was released to the implementing agencies. Only 1363 schemes were taken up, of which 728 schemes were completed at a cost of Rs. 22.27 crore. Only 103 schemes were handed over to GPs/ VWSCs.

- In Seoni District, 4 PRIs deposited community contribution out of Government Grants for 4 schemes in 2004.
- In Chhindwara District, 21 schemes for FC habitations, estimated to cost Rs. 0.74 crore, were taken up during 2003-06, while 40 NC and 175 PC habitations remained in the district as of May 2007.

3.13 Maharashtra

3.13.1 Cost and Time Overrun

- Six schemes were completed with time over run of 12 to 30 months, while three schemes started during 2003-05 remained incomplete after expenditure of Rs. 0.24 crore.

The Government of **Maharashtra** accepted the facts and stated that the schemes would be completed on priority.

3.13.2 Cases of unauthorized, irregular or excess expenditure

- In Amravati District, where the Sector Reforms Pilot Project was implemented up to March 2003, Rs. 13 crore of ARWSP (Normal) funds was released during 2005-07, which contravened the ARWSP Guidelines³.
- A scheme, estimated to cost Rs. 0.25 crore, was started in anticipation of administrative approval.
- In one scheme, the first installment of Rs. 0.09 crore was paid before technical sanction.
- Irregular expenditure of Rs. 0.10 crore was incurred for a new RWSS at a village, which was already included under the Regional WSS.
- In one scheme, cash memo of Rs. 0.10 crore issued in the name of a supplier was used as proof of expenditure by a VWSC, while in another scheme, self cheque amounting to Rs. 0.06 crore was drawn for payment to supplier.
- In four schemes, pipes worth Rs. 0.26 crore were purchased without following prescribed procedures and supporting vouchers, and were lying unutilized.
- In two districts, records relating to expenditure against funds of Rs. 1.58 crore released during 2003-2007 for 16 works under ARWSP were not produced by the Village Water and Sanitation Committees (VWSCs) to audit. The genuineness and authenticity of this expenditure could thus not be verified.

The Government of **Maharashtra** **accepted** the facts of non-production of records.

³ Para 4.1 of the Guidelines stipulate that once Sector Reforms Pilot Project are approved for pilot districts by GoI, ARWSP(Normal) funds should not be used for such districts.

- In 34 works out of 46 works in five divisions, overhead charges were levied on gross amount of estimate, instead of net amount of estimates, resulting in inflation of estimates by Rs. 1.14 crore.

The Government of **Maharashtra** stated that while framing the estimates, cumulative costs of sub-works were worked out and 17.5 per cent ETP charges were added, to work out the gross cost. The reply is not tenable as ETP charges were to be levied on net cost of work.

- In Ahmednagar, Amravati and Raigad Districts, available funds were not utilized, resulting in poor implementation of schemes.

Table 4: Utilization of ARWSP funds in 3 districts of Maharashtra

(Rs. in Crore)

District	Period	Funds received	Funds utilized
Ahmednagar	2005-06	5.15	3.15
Amravati	2005-07	13.00	0.26
Raigad	2005-07	13.50	0.22

3.13.3 Execution of Swajaldhara Projects

- There was short recovery of community contribution in 29 schemes of Rs. 0.40 crore.

The Government of **Maharashtra** admitted the facts and stated that necessary guidelines were issued on 6.12.2006 for removing deficiencies in execution of works.

- In two districts, records relating to expenditure against funds of Rs. 0.59 crore released during 2003-2007 for 8 works under Swajaldhara were not produced by the Village Water and Sanitation Committees (VWSCs) to audit. The genuineness and authenticity of this expenditure could, thus, not be verified.

The Government of **Maharashtra** accepted the facts.

3.14 Manipur

3.14.1 Non-completion of Schemes

- In three districts, 38 schemes approved during 2002-04 were not completed as of March 2007, despite certification to the GoI that no work which started three years before remained incomplete.

3.14.2 Cost and Time Overrun

- In three districts, during 2002-07, 48 schemes, with an estimated cost of Rs. 4.19 crore, were executed with a cost escalation of Rs. 4.62 crore, which was met out of ARWSP funds, despite the State's certification (along with year-wise accounts for 2002-06) that cost escalation was not met out of ARWSP funds.

3.14.3 Cases of Unauthorised, Irregular or Excess Expenditure

- During 2002-07, expenditure of Rs. 1.03 crore towards departmental outstanding bills, purchase of POL, and maintenance of departmental works on 6 new schemes and 9 ongoing schemes under IP Division was irregularly charged to ARWSP funds.

3.15 Meghalaya

3.15.1 Non-completion of Schemes

- In six out of nine test checked divisions, 17 schemes targeted for completion by March 2006 remained incomplete as of March 2007 (with a time overrun of one to two years), even after incurring an expenditure of Rs. 4.34 crore against the estimated cost of Rs 4.90 crore.
- A scheme costing Rs. 2.98 lakh, reported as completed during 1995-96, was found incomplete as of March 2005.

The Government of **Meghalaya** admitted the delay and stated that efforts were being made to complete the schemes at the earliest.

- A WSS, sanctioned in March 2004 at an estimated cost of Rs. 2.55 crore, was abandoned in July 2007 after incurring expenditure of Rs. 1.45 crore, since the water source was not in a position to serve the targeted habitations.

The Government of **Meghalaya** stated that works of the scheme were taken up as per the sanctioned provision. But when the discharge of the source decreased suddenly, alternative sources had to be located. Now, an alternative source had been identified and steps had been initiated to implement the scheme.

3.15.2 Cost and Time Overrun

- In seven divisions, 25 schemes, estimated to cost Rs. 4.38 crore, were completed with cost overrun of Rs. 0.40 crore, and time overrun ranging between three months to five years.
- Expenditure of Rs. 0.52 crore on supplies of pipes was incurred between December 2004 and March 2005 on the basis of fictitious certificates of receipt.

3.15.3 Cases of Unauthorised, Irregular or Excess Expenditure

- In Resubelpara Division, expenditure of Rs. 0.62 crore incurred on various schemes under MNP was charged to Bajengdoba Water Supply Scheme under ARWSP.
- In Mawphlang Division, expenditure of Rs. 0.52 crore on energy consumption during 2003-04 and 2005-06 was booked under ARWSP.
- Expenditure of Rs. 0.23 crore on Pynthurmukhrah water supply scheme phase I under State sector was irregularly charged to ARWSP.

3.16 Nagaland

3.16.1 Non-Completion of Works

- In a test-checked division, out of 27 carried over schemes and 23 schemes targeted during 2002-07, 15 schemes were abandoned, after expenditure of Rs. 4.61 crore, due to land and source disputes.

The Government of **Nagaland** accepted the facts.

3.16.2 Cases of Unauthorised, Irregular or Excess Expenditure

- 21 FC habitations were targeted at an estimated cost of Rs. 7.80 crore, against which Rs. 2.60 crore had been incurred till March 2007.
- In 48 cases in three test-checked districts, beneficiary contribution of Rs. 1.67 crore was not deducted from the total approved capital cost of Rs. 15.41 crore.
- In four divisions, excess expenditure of Rs. 1.07 crore over the approved cost was incurred during 2002-07.
- The Department irregularly spent Rs.28.72 crore of ARWSP funds on payment of salaries of work charged staff, and Rs 0.70 crores for clearance of old outstanding bills of 2002- 2007.

3.17 Orissa

3.17.1 Non-completion of works

- 294 PWSS taken up during 1991-2006 at an estimated cost of Rs.10.84 crore for completion within one/two years of commencement remained incomplete as of April 2007 (prior to 2001-02 : 53, 2002-03 : 19, 2003-04 : 33, 2004-05 : 62 and 2005-06 : 127).
- In three (**Puri, Dhenkanal and Balasore**) out of eight test checked RWSS Divisions, 22 PWS Schemes taken up between 1993-2006 at an estimated cost of Rs.8.74 crore for completion within one year of commencement remained incomplete as of April 2007, after incurring expenditure of Rs. 3.18 crore.

The Governments of **Orissa** stated that suitable action would be taken.

- In three RWSS Divisions (Rayagada, Kalahandi and Dhenkanal), 15 PWS schemes completed between 1999-2006 with an expenditure of Rs.2.29 crore remained uncommissioned as of April 2007 due to non-energisation of the pump houses, depriving 0.39 lakh people of safe drinking water, as detailed below:

Scheme	Details	Status during field verification by audit
PWS to Kalyani and adjoining villages	Targeted to benefit 0.05 lakh people; reported as completed and commissioned in	<ul style="list-style-type: none"> • Scheme remained non-functional, and no stand post/ platform had been constructed. • According to villagers, due to leakage of water during trial run, scheme could not be made

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	July 2006, after expenditure of Rs. 0.34 crore	<p>functional.</p> <ul style="list-style-type: none"> According to EE, scheme had been transferred to GP after successful commissioning and trial run. <p>The Government of Orissa stated that the pipe line had now been re-laid and as per the provision in the scheme, 36 stand posts with platforms were functioning. Further, the EE RWSS division Balasore had been warned for negligence.</p>
PWS to Mula Alasa	Targeted to benefit 0.03 lakh people; reported as completed and commissioned in December 2005, after expenditure of Rs. 0.20 crore	<ul style="list-style-type: none"> Scheme had been abandoned since March 2006, due to failure of two production wells. <p>The Government of Orissa stated that a geological survey was being conducted to find a suitable source</p>
PWS to Nihalprasad	Targeted to benefit 0.07 lakh people; commissioned in May 2002 at a cost of Rs. 0.26 crore	<ul style="list-style-type: none"> Scheme was non-functional after September 2005, due to theft of electrical conductors. <p>The Government of Orissa stated that the EE had been warned for negligence and Rs 1.30 lakh had been deposited with CESCO to restore power supply.</p>
PWS to Panigengutia	Targeted to cover 0.02 lakh people; reported as completed and commissioned in March 2005, after expenditure of Rs. 0.13 crore	<ul style="list-style-type: none"> Scheme had not been commissioned due to failure of source as the yield was only 1.8 litres per second (lps). <p>The Government of Orissa stated that one more production well was taken up to supplement the low yield of existing source.</p>
PWS to Gosani	i) Targeted to benefit 0.01 lakh people; reported as commissioned in May 2003, after expenditure of Rs. 0.15 crore	<ul style="list-style-type: none"> Project stopped functioning within six months of commissioning, due to burning of motor and subsequent shifting of transformer. Distribution pipeline had also been damaged.
	ii) Targeted to benefit 0.07 lakh	<ul style="list-style-type: none"> Project was non-functional.

	<p>people; commissioned in September 1995, after expenditure of Rs. 0.26 crore</p>	<ul style="list-style-type: none">• According to villagers, project had stopped for the last two years due to pipeline damage, and want of operator.• According to EE, responsibility for O&M had been transferred to the GP in October 2006. <p>The Government of Orissa stated that the project was now in operation after rewinding of burning motor, transformer and damaged pipe was also repaired. Further, the GP had engaged an operator, the scheme was running and the damaged pipe line had also been repaired.</p>
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View of Stand Post of Kalyani PWS reported as commissioned as of July 2006



Underground Sump of Bishnupur RPWS constructed prior to 2003, which remained uncommissioned



Underground sump for Bishwanathpur PWS in Puri District constructed prior to 2003, reported as commissioned in 2005, remained uncommissioned.

Scheme	Details	Status during field visit by audit
PWS to Bishnupur and adjoining villages	<p>Estimated cost of Rs. 2.87 crore to benefit 0.34 lakh people in 17 habitations; subsequently extended to cover 0.47 lakh people in 28 habitations.</p> <p>Reported as commissioned in March 2005, after expenditure of Rs. 2.97 crore</p>	<ul style="list-style-type: none"> • Two underground sumps remained uncommissioned, pipeline had been damaged during road widening, huge quantities of pipes laid had been stolen, and two out of four production wells were non-functional due to burning of motor and theft of conductor. • Part supply was being made to only 0.19 lakh people in 12 villages, which was further curtailed due to leakages to 0.17 lakh people in nine villages. • 11 out of 17 villages did not have access to piped water. <p>The Government of Orissa stated that repair works had been done, the scheme was operational now, and all 17 habitations were being supplied with piped water. Further, funds for providing piped water to the left over 11 villages would be proposed in the coming budget.</p>
PWS to Bishwanathpur and adjoining villages	<p>Estimated cost of Rs. 4.56 crore to benefit 0.35 lakh people in 14 villages; subsequently revised to a cost of Rs. 3.10 crore to benefit 0.20 lakh people in 12 villages.</p> <p>Reported as commissioned in October 2005, after expenditure of Rs. 4.15 crore</p>	<ul style="list-style-type: none"> • Project, commissioned in January 2006, was providing water to only 0.10 lakh people. • Two underground sumps had not been commissioned, laying of pipeline was incomplete, some pipes had been damaged. <p>The Government of Orissa stated that out of 17 villages, 15 villages had already been covered and balance two would be covered during 2008-09 by PWSS.</p>
PWS to Bahanaga	<p>Estimated cost of Rs. 0.31 crore to benefit 0.03 lakh people in five villages; commissioned in January 2004</p>	<ul style="list-style-type: none"> • Due to damage of pipeline during widening of National Highway, water supply was restricted to 0.01 lakh people in three villages. <p>The Government of Orissa stated that the damaged pipe line was being repaired.</p>

Scheme	Details	Status during field visit by audit
PWS to Pastikudi	Estimated to benefit 0.03 lakh people; reported as completed and commissioned in March 2004 at a cost of Rs. 0.12 crore	<ul style="list-style-type: none"> • One out of two pump houses had not been energized (due to non-provision of three-phase electrical line), and 7 out of 17 stand posts were operational. One out of two production wells was unutilized. <p>The Government of Orissa stated that now the two pump houses were energized, 17 stand posts were in operation, and two production wells were utilized.</p>
PWS to Ambaguda	Estimated to benefit 0.06 lakh people to 10 villages; commissioned in December 2002 at a cost of Rs. 0.28 crore, and further expenditure of Rs. 0.16 crore was incurred during 2005-06 on renovation	<ul style="list-style-type: none"> • Out of 10 villages, one village never had access to PWS, and PWS to 3 villages was stopped since May 2004. • According to the JE, unauthorized connections, and pipeline theft and damage were the main reasons for poor functioning. <p>The Government of Orissa stated that the village Kachiakonadi, which could not get water supply due to road cutting, had now been tagged with the village PWSS to BJ-II for 2007-08 for which the work was nearing completion. The water supply to the three villages, which was disrupted since 2005, had now been taken up under Kumuliput PWSS, during 2007-08 and would be commissioned soon</p>
PWS to Garabandha	Estimated cost of Rs. 0.23 crore to benefit 0.03 lakh people; subsequently, source changed and Sariapalli village added; commissioned in May 2003	<ul style="list-style-type: none"> • Water supply to two villages (Sariapalli and Adagam) was stopped within two months of commissioning. According to JE, another well had been installed to cover these villages. • Distribution pipeline of 1.5 km to Sariapalli became infructuous. <p>The Government of Orissa stated that the one more production well had been sunk and the water supply to both the villages was restored.</p>
PWS to Bansingh and adjoining	Commissioned in November 2001 at a cost of Rs. 0.37 crore	<ul style="list-style-type: none"> • Only one out of two open wells had been installed • Due to insufficient yield of source, piped

Scheme	Details	Status during field visit by audit
villages	to benefit 0.05 lakh people in 3 villages	<p>water reached only one village, and was further affected by unauthorized connections.</p> <ul style="list-style-type: none"> • Planned renovation costing Rs. 5.70 lakh could not be executed, due to objections regarding site. <p>The Government of Orissa stated that due to disputes, open well could not be installed. Further, unauthorized connections had been disconnected/ regularized, and all the three villages were now getting piped water.</p>
PWS to Ranja	Commissioned at a cost of Rs. 0.29 crore in November 2003 to benefit 0.05 lakh people in four villages	<ul style="list-style-type: none"> • Field visit revealed that the open well source had negligible yield. Due to low yield, the pump was operated for 1-2 hours/ day, as against the envisaged 8 hours/ day • Piped water could not be supplied to one village, while supply to another village was below the minimum requirement. <p>The Government of Orissa stated that one more production well had been sunk.</p>
PWS to Titipa and adjoining villages	<p>Estimated cost of Rs. 4.64 crore to cover 0.39 lakh people in nine habitations; work completed in September 2004 at a cost of Rs. 4.13 crore.</p> <p>Commissioned only in November 2006, due to delay in energisation of pump house.</p>	<ul style="list-style-type: none"> • According to District VMS, water supply had not been made to three habitations, due to pipeline damage caused during road construction. <p>The Government of Orissa stated that the damaged pipe line was being repaired.</p>
PWS to Ladugaon	Commissioned in May 2001 to benefit 0.03 lakh population at a cost of Rs. 0.18 crore.	<ul style="list-style-type: none"> • Piped water did not reach Bhirkipada area of the village due to design deficiency. • According to EE, five tube wells had been sunk to overcome the problem. <p>The Government of Orissa stated that one more production well had been sunk to solve the problem.</p>

- Field visits in Dhenkanal and Gajapati Districts revealed water problems in habitations which were not reported as NC/PC to GoI.
 - Out of 12 tube wells in Village Kendupada, Block Gondia, Dhenkanal District, six were defunct for more than three years, and five others were yielding scanty muddy water during summer. The Government of **Orissa** stated that all defunct tube wells had been replaced timely. The reply is not tenable since the EE accepted the factual position, ascertained during physical verification and interaction with local people in the presence of the departmental Engineers.
 - Non-functional PWSS and tube wells in Villages Gosani and Mahadeipur in Gajapati district resulted in non-availability of 10 lpcd of safe water during summer. The Government of **Orissa** stated that hand pumps and tube wells at Gosani and Mahadeipur were in running condition, and hence these two villages could not be categorized as NC/PC. The reply is not acceptable since the villagers, in the presence of Departmental Engineers, reported that the scheme had stopped functioning within six months of its commissioning.
 - The only sanitary well in Marigudi and Kuinara villages under Garabandha GP of Gajapati District had dried up, resulting in non-availability of drinking water in summer. The Government of **Orissa** accepted the fact.
 - Non-availability of water from Garabandha PWSS and non-functioning of tube wells for more than a year led to acute drinking water crisis in Sariapalli Village in Gosani Block of Gajapati District. The Government of **Orissa** stated that PWSS to Garabandha was in running condition and water supply to Sariapalli village was made from this source. The reply is not acceptable, since the local people and concerned JE stated that piped water had not been provided to the village, and the tube wells were not functional for more than a year.

3.17.2 Execution of Swajaldhara Projects

- During 2002-06, GoI sanctioned 1471 projects, at an estimated cost of Rs. 51.74 crore. Of these, 525 projects were incomplete as of April 2007. Of the total funds of Rs. 43.28 crore made available to DWSMs, Rs. 24.43 crore was shown as utilized.

The Government of **Orissa** stated that the delay was attributable to the demotivation felt by the village committees when the sanction and release of funds took a lot of time.

- In the test-checked districts, 49 projects taken up during 2002-06 at an estimated cost of Rs. 3.23 crore remained incomplete as of April 2007, and the advance payment of Rs. 1.21 crore to VWSCs for these projects remained unadjusted.

The Government of **Orissa** accepted the facts.

- 17 PWSSs in 3 test-checked districts, completed during 2002-05 at a cost of Rs. 0.57 crore remained uncommissioned, due to non-energisation of pump houses and theft of electrical conductor.

The Government of **Orissa** stated that out of 17 PWSs, 12 schemes were commissioned while the remaining five schemes were not commissioned due to requirement of additional funds.

- Physical verification revealed four projects reported as commissioned to be non-energised.

3.18 Punjab

3.18.1 Non-completion of Schemes

- 46 schemes, scheduled for completion between March 2003 and March 2007, were incomplete as of March 2007, despite expenditure of Rs. 10.43 crore. Reasons for non-completion included site dispute, and non-completion of head works, civil works and distribution system.

3.18.2 Cases of Unauthorised, Irregular or Excess Expenditure

- Out of 4026 NC habitations as on 1 April 2003, only 1178 NC habitations were covered during 2003-07, against which 2265 PC habitations were incorrectly prioritized and covered during the same period.

The Government of **Punjab** stated that first priority to NC habitations would now be ensured.

- Excess expenditure of Rs. 0.35 crore over the estimated cost of Rs. 1.62 crore was incurred on seven WSSs in four divisions.

The Government of **Punjab** stated that efforts were being made to regularize this expenditure of Rs 0.35 crore incurred on seven water supply schemes.

- Expenditure of Rs. 1.00 crore was shown incurred on account of 15 *per cent* material arranged on 66 schemes covering 81 habitations approved in February 2007, but no work had been executed.

The Government of **Punjab** stated that Rs 1.00 crore had been spent on purchase of material for use in duly approved schemes to prevent delay in execution of works.

The reply is not tenable since the expenditure was booked without transferring the material at the site of works and even before calling for tenders.

3.18.3 Execution of Swajaldhara Projects

- Out of 50 schemes taken up during 2004-06, 19 schemes were completed and 31 schemes were not completed till March 2007, after expenditure of Rs. 3.42 crore.

The Government of **Punjab** accepted the facts and stated that the works were likely to be completed within the next six months.

- In two districts, despite release of GoI funds of Rs. 0.37 crore during 2005-06 and beneficiary contribution of Rs. 0.06 crore, no work on the schemes had been executed.

3.19 Rajasthan

3.19.1 Cases of Unauthorised, Irregular or Excess Expenditure

- Avoidable cost increase of Rs. 0.58 crore was incurred by one division due to delayed approval of technical sanction by three to five years.

The Government of **Rajasthan** stated that accord of technical sanction was a long process. The reply is not tenable since the scheme was sanctioned in July 1999, while its technical sanction was issued only in June 2004.

- Non-finalization of a contract by a division within the validity period led to increase in the cost of a work by Rs. 8.03 crore.

The Government of **Rajasthan** stated that the contract could not be finalized within scheduled time due to delay in acquisition of desired land.

- Delay in technical approval by three years for a RWSS led to extra expenditure of Rs 0.09 crore.

The Government of **Rajasthan** accepted the facts and stated that accord of technical sanction was a long process.

3.19.2 Execution of Water Quality Projects

- Unsafe water containing fluoride in excess of 1.5 ppm was being supplied to a population of 27049 in 19 habitations from five WSSs, after incurring expenditure of Rs. 1.52 crore.

The Government of **Rajasthan** stated that a phased programme “Rajasthan Integrated Fluoride Mitigation Programme” had been undertaken for tackling the problem of 23297 villages.

- Out of four schemes, sanctioned during 1995-2005 at an estimated cost of Rs. 191.86 crore covering 240 fluoride affected villages and two towns in Ajmer District, two schemes covering 87 fluoride affected villages remained incomplete as of March 2007.

3.19.3 Execution of Swajaldhara Projects

- Against available funds of Rs. 126.58 crore, only Rs. 53.06 crore was spent during 2002-07.
- Out of 2466 schemes sanctioned during 2002-07, 1829 schemes were taken up, 791 schemes were completed and 260 schemes handed over to user groups.

The Government of **Rajasthan** stated that out of 1970 schemes taken up, 824 schemes were completed and 283 schemes had been handed over to user groups.

- Test check of two schemes in Bikaner District and seven schemes in Barmer District revealed extra cost of works of Rs. 3.31 crore due to use of higher specifications.

The Government of **Rajasthan** stated that cost increased due to provision of DI pipes as per the decision of the DWSC. The reply is not tenable since the ‘Manual

for Swajaldhara Projects' issued jointly by PHED and UNICEF does not permit use of DI pipes for distribution lines in sandy areas.

- In three schemes in Dausa, against an estimated cost of Rs. 0.35 crore, and transferred amount of Rs. 0.18 crore, expenditure of Rs. 0.16 crore was incurred. However, scrutiny revealed the construction of tube wells at the land of Chairmen, VWSCs for use for irrigation on their own fields.

The Government of **Rajasthan** accepted the facts and stated that the private land had been registered in the ownership of the government and the water was presently not being used for irrigation purposes.

- In Banswara District, Rs. 0.08 crore was misused through installation of 41 hand pumps between October 2003 and April 2006 in private houses and farms.

The Government of **Rajasthan** stated that construction of hand pumps in private land was as per the decision of VWSC. The reply is not tenable since the construction of hand pumps on private land was not permitted.

- 26 schemes in six test checked districts were incomplete as of March 2007, after expenditure of Rs. 2.84 crore.

The Government of **Rajasthan** accepted the facts and stated that the schemes remained incomplete due to non-release of second installment by GoI and price escalation.

3.20 Tamil Nadu

3.20.1 Cases of Unauthorised, Irregular or Excess Expenditure

- Community contribution of Rs. 16.05 crore was not collected from 2005 schemes (1851 schemes for the state as a whole and 154 schemes relating to Tiruvannamalai district) designed and executed during 2002-05 for providing 55 lpcd of drinking water.

3.21 Uttar Pradesh

3.21.1 Non-completion of Schemes

- The following table indicates the position of different types of water supply schemes of Uttar Pradesh Jal Nigam (UPJN) sanctioned and completed up to 2006-07:

Table 5 (Rs. in crore)

Type of scheme	Sanctioned		Completed		Incomplete	
	No.	Estimated Cost	No.	Expenditure	No.	Expenditure
Schemes for Quality Problem Villages (QPV)	632	297.71	195	113.59	437	86.28
Community Participation (CP) Schemes	180	92.40	41	8.70	139	24.89
Installation of deep bore hand pumps	31	8.89	7	1.64	24	0.00

Of the above, 99 QPV schemes (expenditure – Rs. 51.46 crore) and 26 CP schemes (expenditure – Rs. 4.01 crore) were lying incomplete for periods ranging from 2 to 13 years, for want of funds. As regards the 31 schemes for deep bore hand pumps sanctioned between January 2006 and January 2007, GoI released funds for two schemes, five schemes were funded by UPJN on its own, and the remaining 24 were incomplete.

- Field survey of three QPV schemes in Deoria District for providing safe drinking water to 10 villages, which were commissioned in March 2005 at a total cost of Rs. 1.79 crore, revealed that the schemes were non-functional due to damage of water pipeline at several places, as stated by the habitants.
- Expenditure of Rs. 0.22 crore was incurred on a scheme, sanctioned in February 2001 at an estimated cost of Rs. 0.58 crore, which was stopped in February 2003, since the construction was taking place on land reserved for public use. UP Jal Nigam stated in March 2008 that the land dispute was being resolved with the intervention of District Magistrate, Deoria, and the work on the scheme would resume shortly.

3.21.2 Cases of Unauthorised, Irregular or Excess Expenditure

- Rs 219.62 crore on account of centage charges was irregularly charged to ARWSP during 1977-78 to 2003-04.

3.21.3 Execution of Water Quality Projects

- Out of 54 schemes started during 1994-01 to benefit 616 villages (covering 6.66 lakhs population - 459 fluoride affected villages and 157 nearby villages) in Unnao District, 21 schemes were incomplete, despite expenditure of Rs. 31.58 crore up to March 2007. Resultantly, 1.86 lakh beneficiaries were not getting safe water. Of the remaining 33 completed schemes, completed at a cost of Rs. 41.06 crore, 8 schemes were closed, and 23 schemes were functioning only partially due to low voltage, damage of power line/ transfer, and theft of power line. Further, cost escalation amounting to Rs. 24.65 crore up to March 2007 on these schemes was irregularly charged to ARWSP funds.
- 14 PWSSs for providing safe drinking water to 14 fluoride affected habitations in Baghpat District, sanctioned during 2002-06 at a cost of Rs. 3.86 crore were not completed in time. Instead, UPJN installed 119 more hand pumps, at a cost of Rs. 0.33 crore in these villages, and thus continued to supply unsafe drinking water.
- Instead of preparing a scheme based on 40 lpcd (which required no community contribution) for five villages of Bareilly district affected by excess iron and nitrates, a scheme for supply of 70 lpcd of water at a total cost of Rs. 1.17 crore was prepared in March 2003. However, the scheme was abandoned, as community contribution was not forthcoming, and the villages continued to consume unsafe water.

3.21.4 Execution of Swajaldhara Projects

- SWSM incurred inadmissible expenditure of Rs. 0.29 crore for renovation of its office premises.
- Out of 70 ponds, 2037 Mini-PWS, 98 PWS and 2984 Hand pumps approved during 2002-06, the progress was poor with 1984 Mini-PWS, 85 PWS and 257 Hand Pumps lying incomplete.
- Funds of Rs. 26.83 crore for providing safe drinking water in 29 districts released by GoI to the SWSM, were not released to the DWSCs, reportedly in anticipation of winding up of the scheme.
- 3 DWSCs in Chandauli, Sonebhadra and Lucknow received Rs. 5.99 crore in 2005-06 for 329 schemes, which were suspended/ dropped due to non-submission of DPRs in time, and non-issuance of cost sheet by the SWSM.
- DWSC Mirzapur received Rs. 1.60 crore in 2004-06 for 47 Mini PWSs in 18 VWSCs, none of which was started as of November 2007, due to non-release of funds by DWSC, and non-appointment of NGO for implementation.
- DPRs for seven VWSCs in Sonebhadra, Varanasi and Bijnor Disticts were deficient in terms of non-provision of adequate submersible pumps, and non-provision of chlorinator and generator.
- 49 VWSCs procured material, which did not have the ISI mark, and 15 VWSCs procured material of higher capacity than provided in the DPRs, without prior approval. Also, purchase of submersible pumps and generators were made at rates ranging between Rs. 15,568 per KVA and Rs. 37,500 per HP/KVA, against the DPR rates of Rs. 9350 and Rs. 32342 respectively.
- In DWSC Bareilly, 5 VWSCs paid Rs. 0.14 crore between April 2004 to September 2007 to an NGO, which supplied materials through two firms, which had no trade tax registration number and did not exist at the addresses mentioned in the bills/ invoices. Similar irregularities were noticed with the same NGO, which was entrusted with project implementation in Moradabad District. No action had been taken on DWSC Moradabad's request for blacklisting the NGO.
- Physical verification by audit in October 2007 revealed slow progress of works in several cases:
 - In VWSC Sarkara Khas in Moradabad District, even after an expenditure of Rs. 0.12 crore for construction of Over Head Tank (OHT) and pump house, the generator and steel pipes were not available and no pump house was constructed; the contractor/ NGO was not traceable. The same site had been visited earlier by a team from the SWSM, which suspected that the supplier had supplied pipes rejected by UPJN, or managed by unfair means. The sample collected by the SWSM team had not been tested, as the pipe was undersize.
 - In VWSC Godi in Moradabad District, in one MPWSs, boring of submersible was completed, but pipelines were not laid due to an RCC road, and the water supply system was incomplete. In VWSC Dalpatpur in Moradabad District, out

of two approved OHTs of total 65 KL capacity, only one OHT of 50 KL capacity was constructed without approval.



Incomplete OHT at VWSC Sarkara Khas, Moradabad District



Incomplete Pumphouse at VWSC Sarkara Khas, Moradabad District



Incomplete construction of OHT and Pumphouse at VWSC Godhi, Moradabad District



View of Single OHT of 50 KL at VWSC Dalpatpur, Moradabad District

3.22 Uttarakhand

3.22.1 Non-completion of works

- 34 WSSs, sanctioned at a cost of Rs. 14.39 crore, were suspended during 2002-07, despite expenditure of Rs. 6.16 crore; reasons included source dispute, drying up of sources; disputes; non-approval, and damage due to natural calamities.
- Seven schemes, sanctioned at a cost of Rs. 4.69 crore during 2005-07, were suspended, after expenditure of Rs. 0.54 crore, due to non-receipt of GoI approval for diversion of forest land.
- A 29 km pipeline, with an estimated cost of Rs. 2.85 crore, was stopped in December 2006, after expenditure of Rs. 1.69 crore, as prior approval of the Cantonment Board had not been obtained.

3.22.2 Non-functioning of Schemes

- No action was taken for coverage of 2260 uncovered rural schools till March 2007; Rs. 7.03 crore released by GoI in October 2006 on the basis of the 2006-07 AAP, was lying unutilized.
- Physical verification by audit of eight schemes in Pauri and Champawat Districts revealed that two schemes were completely defunct and two were defective, resulting in 19 FC habitations not receiving potable water supply. Also, in four schemes, pipes were laid on the surface or left hanging, contrary to guidelines, leading to breakage during minor landslips, and consequent disruption in water supply, as summarized below:

Scheme	Details	Status
Gadpar WSS	Commissioned in Feb 1998 at a cost of Rs. 0.13 crore to cover four habitations	According to Gram Pradhan, no water was supplied since commissioning. Audit found source intake pipe, clear water reservoir (CWR), water supply tank and supply lines broken, and CWR and supply tank filled with stones and plant growth
Dhaur Barsudi WSS	Commissioned in Feb 1997 at a cost of Rs. 0.20 crore to cover five habitations	According to Gram Pradhan, within a week of commissioning, the Pushta (supporting wall) gave way, and cracks in the tank developed. Audit found source intake pipe, CWR, water supply tank and supply lines broken and cracked supply tank filled with stones and mud and plant growth.
Bunga Jawari WSS	Commissioned in December 2006	According to the Gram Pradhan, supply main pipelines were vulnerable to slipping stones, and

	at a cost of Rs. 0.65 crore for four habitations and two primary schools	muddy water, sometime with worms, was being supplied. Audit found water supply disrupted due to breaking of supply main in a land slip.
Shaktipur Group of Hamlets WSS	Commissioned in September 2004 at a cost of Rs. 0.23 crore for 14 habitations	Audit found no water supply in some habitations, and due to leakage of water at several points, six habitations were affected. In these six habitations, stand posts were broken or rooted out, and the pipeline was not laid as per norms.



View of Water intake tank and supply tank at Gadpar WSS



View of Cracked Pushta and Broken Intake Pipeline at Dhaur Barsudi WSS



View of School Children taking water



Broken intake pipeline for Bunga Jawari WSS, covering four habitations and two primary schools

3.22.3 Cost and Time Overrun

- Out of 511 schemes taken up by the Nigam in the sampled divisions, there was delay in completion of 200 schemes, and cost overrun of Rs. 3.99 crore in 65 schemes as of March 2007.

3.22.4 Cases of Unauthorised, Irregular or Excess Expenditure

- Rs. 43.10 lakh of ARWSP funds was irregularly diverted towards establishment expenditure during 2002-03 to 2005-06, and Rs. 2.20 crore towards charges for project preparation and supervision in the detailed estimates.
- Total provision of Rs.2.36 crore was made for cartage of materials under the Sub-head Protection work of schemes, even as cartage expenses of all materials and machinery required for the schemes were already charged in the detailed estimates under the Sub- head “Cartage of materials”
- The Uttarakhand Peyjal Sansadhan Vikas Avam Nirman Nigam (Nigam) charged centage of Rs. 22.93 crore at the rate of 12.5 *per cent* on work outlay.

3.22.5 Execution of Water Quality Schemes

- While the Nigam reported no water quality problem, except discharge of red water in some areas, reports of PSI in six districts identified much higher bacteriological presence in terms of higher faecal coli in three districts, and higher coliform in one District.
- Funds of Rs. 22.88 crore meant for sub-mission schemes were diverted during 2002-07 for execution and maintenance of on-going schemes.

3.22.6 Execution of Swajaldhara Projects

- Out of 96 schemes sanctioned with a total allocation of Rs. 11.98 crore during 2003-06, after expenditure of Rs. 4.51 crore, 40 schemes were completed, and 56 schemes remained incomplete.
- Rs. 4.84 crore was lying unutilized with GPs/ VWSCs, and Rs. 2.44 crore was lying with the State Government

3.23 West Bengal

3.23.1 Non-completion of works

- In four test-checked districts, against the target of sinking 1306 tube wells in source less rural schools, only 814 tube wells were dug during 2002-07.
- One scheme in Bankura District, sanctioned in 2001-02 with a cost of Rs. 1.72 crore to cover seven mouzas could not be taken up as of August 2007 due to non-finalization of source.
- One scheme in Bankura District, approved in February 2003 at a cost of Rs. 0.86 crore to cover 10 mouzas, could not be completed as of March 2007, despite expenditure of Rs. 0.75 crore.

3.23.2 Non-functioning of works

- Two tube wells sunk in North 24 Parganas District at a cost of Rs. 0.09 crore were declared defunct, due to yield of oily and gas substances along with water.
- Three deep tube wells were sunk in 2002 at a cost of Rs. 0.12 crore, and were supplying arsenic contaminated water to a population of 0.14 lakh. An expenditure of Rs. 1.89 crore was also incurred on the distribution network and other ancillary work for supply of such water.
- A scheme in South 24 Parganas District, completed in 2003-04 at a cost of Rs. 0.98 crore, did not fully achieve its intended objectives, as one of the two tube wells was yielding muddy water and was declared defunct.
- As of April 2007, 46,133 tube wells (22,842 ordinary tube wells, 19,591 DWP tube wells, and 4,060 rig-bored tube wells) – 13 per cent of the total tube wells – were lying defunct due to shortage of spare parts, while 21,034 tube wells (11,941 ordinary tube wells, 8,336 DWP tube wells and 757 tube wells) – 6 per cent of the total tube wells – were defunct due to lowering of water table due to excess drawal of ground water.
- In the test-checked units, out of 1.07 lakh tube wells, 0.13 lakh tube wells were defunct due to shortage of spare parts, while 0.06 lakh tube wells were defunct due to lowering of water table.

3.23.3 Cases of Unauthorised, Irregular or Excess Expenditure

- In Bankura and Alipore Divisions, Rs.1.29 crore meant for providing safe drinking water in rural areas and creation of water sources in source-less schools was diverted for providing drinking water in urban areas.

3.23.4 Execution of Swajaldhara Projects

- Against 553 sanctioned schemes taken up during 2002-07, only 22 schemes were reported as completed. One of the reasons for non-commissioning was delay in energisation. In two test-checked districts, the benefit of the water supply reached a population of only 2073 (one scheme) out of the targeted population of 13487 (10 schemes) due to non-energisation of schemes, and delayed completion.
- Out of Rs. 9.50 crore received from GoI during 2003-07 in five Districts for 157 schemes, the ZPs released only Rs. 5.83 crore for 95 schemes to VWSCs, retaining the balance of Rs. 3.78 crore. Out of the amount of Rs. 5.83 crore released, UCs for Rs. 2.58 crore were still outstanding from the VWSCs.
- Accounts of 15 out of 25 test-checked VWSCs were not audited. Also, none of the VWSCs were registered.
- Four out of six test-checked schemes in Paschim Medinipur District could not be commissioned till August 2007, due to non-energisation.

New Delhi

(K.R. SRIRAM)

Dated:

**Principal Director of Audit
Economic & Service Ministries**

COUNTERSIGNED

New Delhi

(VINOD RAI)

Dated:

Comptroller and Auditor General of India