



Report of the  
**Comptroller and Auditor General of India**  
On  
Performance Audit of  
**Pradhan Mantri Gram Sadak Yojana**



Union Government (Civil)  
Ministry of Rural Development  
Report No. 23 of 2016  
(Performance Audit)

Report of the  
**Comptroller and Auditor  
General of India**  
On  
Performance Audit of  
**Pradhan Mantri Gram Sadak Yojana**

**Union Government (Civil)**  
**Ministry of Rural Development**  
Report No. 23 of 2016  
(Performance Audit)

<b>Contents</b>		
	<b>Subject</b>	<b>Page No.</b>
	<b>Preface</b>	<b>v</b>
	<b>Executive Summary</b>	<b>vi</b>
<b>Chapter-1</b>	<b>Pradhan Mantri Gram Sadak Yojana – An Overview</b>	<b>1</b>
1.1	Background	1
1.2	About the Programme	1
1.3	Source of funding	2
1.4	Funding pattern	3
1.5	Organisational arrangements	3
1.6	Achievements so far	5
<b>Chapter-2</b>	<b>Audit Approach and Organisation of Current Audit Findings</b>	<b>6</b>
2.1	Audit approach	6
2.1.1	Audit objectives	6
2.1.2	Audit methodology	6
2.1.3	Source of audit criteria	7
2.1.4	Scope and coverage of performance audit	7
2.1.5	Audit sampling	7
2.2	Previous audit findings	8
2.3	Organisation of current audit findings	11
2.4	Acknowledgement	11
<b>Chapter-3</b>	<b>Planning</b>	<b>12</b>
3.1	Introduction	12
3.2	District Rural Road Plan	13
3.2.1	Deficiency in District Rural Road Plan	13
3.3	Core Network	14
3.3.1	Deficiency in Core Network	14
3.3.2	Variation in road length	16
3.3.3	Non-approval of Core Network	16
3.3.4	Non-participation by Local Elected Representatives	16
3.3.5	Selection of inadmissible road project	17
3.4	Non-integration of Geographical Information System	17
3.5	Comprehensive New Connectivity Priority List/Comprehensive Upgradation Priority List	18

## Report No. 23 of 2016

	<b>Subject</b>	<b>Page No.</b>
<b>3.6</b>	Annual proposal	19
<b>3.6.1</b>	Non-preparation of annual proposals	19
<b>3.6.2</b>	Non-approval by District Panchayat and SLSC	20
<b>3.6.3</b>	Clearance of works in excess of allocation of funds	20
<b>3.6.4</b>	Works taken up beyond Core Network	22
	Conclusion and Recommendations	22
<b>Chapter-4</b>	<b>Programme Implementation</b>	<b>23</b>
<b>4.1</b>	Introduction	23
<b>4.2</b>	Detailed Project Reports	23
<b>4.2.1</b>	Transect Walks not organised	23
<b>4.2.2</b>	Works dropped/abandoned	24
<b>4.3</b>	Tendering process	26
<b>4.3.1</b>	Incorrect technical specifications	26
<b>4.3.2</b>	Irregularities in inviting tenders	27
<b>4.3.3</b>	Irregularities in award of contract	28
<b>4.3.4</b>	Delay in issuance/award of works	29
<b>4.4</b>	Execution of works	30
<b>4.4.1</b>	Non-provision of insurance cover	30
<b>4.4.2</b>	Non-recovery of mobilisation and equipment advance	30
<b>4.4.3</b>	Non-revalidation of bank guarantee	31
<b>4.4.4</b>	Deviation from approved technical specification	32
<b>4.4.5</b>	Non-construction of cross drainages and bridges	33
<b>4.4.6</b>	Non-use of locally available material	36
<b>4.4.7</b>	Supply of material departmentally	37
<b>4.4.8</b>	Delay in execution of works	38
<b>4.4.9</b>	Non-recovery of liquidated damages	38
<b>4.4.10</b>	Excess expenditure due to cost overrun	38
<b>4.4.11</b>	Works shown as completed without complete connectivity to targeted habitations	39
<b>4.4.12</b>	Incomplete works	41
<b>4.4.13</b>	Premature release of security deposit and performance security	41
<b>4.4.14</b>	Payment without execution/inflated measurement of works	42
<b>4.4.15</b>	Avoidable expenditure on construction of roads	44

	<b>Subject</b>	<b>Page No.</b>
4.4.16	Multiple connectivity of habitations	45
4.5	Maintenance of roads	45
4.5.1	Release and utilisation of maintenance fund	45
4.5.2	Diversion from maintenance fund	46
4.5.3	Maintenance of roads during defect liability period	46
4.5.4	Absence of zonal maintenance contract	47
	Conclusion and Recommendations	47-48
<b>Chapter-5</b>	<b>Fund Management</b>	<b>49</b>
5.1	Introduction	49
5.2	Progress during plan periods	50
5.3	Progress during last five years	52
5.3.1	Financial progress	52
5.3.2	Physical progress	52
5.4	Mismatch in financial reporting	53
5.5	Shortcomings in release of funds to states	54
5.6	Delay in transfer of funds by state governments	55
5.7	Non-release of fund under special allocation	55
5.8	Loss of interest	55
5.9	Non-availing of income tax exemption on interest earned	56
5.10	Diversion of funds	56
5.11	Discrepancies in accounts	57
5.12	Blockage of funds	58
	Conclusion and Recommendations	59
<b>Chapter-6</b>	<b>Quality Control, Monitoring and Evaluation</b>	<b>60</b>
6	Quality Control	60
6.1	First tier quality control mechanism	60
6.1.1	Deficiencies in first tier quality control mechanism	60
6.1.2	Non/Improper maintenance of quality control registers	61
6.1.3	Non-procurement of equipment	62
6.2	Second tier quality control mechanism	62
6.2.1	Shortfall in inspections by SQMs	62
6.2.2	Deficiencies noticed by SQMs	63
6.2.3	Evaluation of performance of SQMs	64

**Report No. 23 of 2016**

	<b>Subject</b>	<b>Page No.</b>
6.2.4	Non-conduct of Joint Inspection	64
6.3	Third tier quality control mechanism	64
6.3.1	Deficiencies noticed by NQMs	65
6.3.2	Delay in submission of ATRs	65
6.3.3	Pendency of action taken reports	66
6.3.4	Deficiencies in action taken reports	67
6.3.5	Non-holding of Performance Evaluation Committee Meetings	68
6.4	State Level Standing Committee	68
6.5	District Level Vigilance and Monitoring Committee	68
6.6	Grievance Redressal Mechanism	69
6.7	Social audit	69
	Conclusion and Recommendations	70
<b>Chapter-7</b>	<b>Joint Physical Verification</b>	<b>71</b>
7.1	Introduction	71
7.2	Summary of findings of joint physical verification	71
7.3	Irregularities in providing connectivity to habitations	72
7.4	Targeted habitations not connected	72
7.5	Incomplete/Poor construction of road works	73
7.6	Deficiencies in execution of works	74
7.7	Road work damaged due to poor/non-maintenance	75
	Conclusion	76
<b>Chapter-8</b>	<b>Online Management, Monitoring and Accounting System</b>	<b>77</b>
8.1	Introduction	77
8.2	Previous audit findings	78
8.3	Examination of the website	79
8.4	Non-implementation of modules in the States	79
8.5	Tardy updating of OMMAS database	80
8.6	Lack of application controls	80
8.7	IT Infrastructure in states	83
	Conclusion and Recommendation	84
	<b>Annexes</b>	<b>85-139</b>
	<b>Abbreviations and Glossary</b>	<b>141-144</b>

## Preface

---

As a strategy for poverty alleviation and to overcome deficiencies in rural road planning, the Government of India (GoI) introduced a centrally sponsored scheme 'Pradhan Mantri Gram Sadak Yojana' (PMGSY) on 25 December 2000 to provide all-weather road connectivity to eligible unconnected habitations in rural areas. The programme envisaged connectivity to 1.41 lakh habitations with population of 500 persons (250 in case of hill states, tribal and desert areas) and above by the end of Tenth Five Year Plan (2007).

Up to March 2015, out of 1.78 lakh eligible habitations (revised on the basis of survey and policy decision to include habitation with population of 250 persons and above in tribal and backward districts under Integrated Action Plan, etc.), 1.09 lakh habitations were provided with all weather road connectivity. The Ministry planned to connect the remaining 0.69 lakh habitations by March 2019.

The programme was previously reviewed in 2005 and deficiencies in planning, fund utilisation, contract management, quality assurance, maintenance of roads and monitoring were observed. To review the progress of the programme, it was decided to take up the performance audit covering the period from 2010-11 to 2014-15.

The current performance audit disclosed instances of non-adherence to planning procedure, deficiencies in preparation of project proposals, inefficient contract management, poor maintenance of roads, ineffective quality control and online monitoring system.

This report has been prepared for submission to the President of India under Article 151 of the Constitution of India.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

## Executive Summary

### Introduction

Rural road connectivity is a critical component in the socio-economic development of rural population by providing access to amenities like education, health, marketing, etc. It is also vital in ensuring sustainable poverty reduction which demands permanent rural connectivity, encompassing a high level of quality of construction followed by continuous post-construction maintenance of the road asset and in fact of the entire network.

The Pradhan Mantri Gram Sadak Yojana (PMGSY), a centrally sponsored flagship scheme of the Government of India, was introduced on 25 December 2000 to provide all-weather rural road connectivity and to access eligible unconnected habitations as a strategy for poverty alleviation and to overcome deficiencies in rural road planning, inadequacy and unpredictability of funds and lack of maintenance of rural roads.

### Why did we conduct this performance audit?

The Pradhan Mantri Gram Sadak Yojana (PMGSY) was reviewed between January 2005 and June 2005 covering the period April 2000 to March 2005; the audit findings were incorporated in the C & AG's Report No. 13 of 2006. Audit observed deficiencies in physical and financial planning, fund utilisation, implementation, tendering process, quality assurance, maintenance of roads, monitoring and efficacy of the online management and monitoring system<sup>1</sup> (OMMS). Since then, expenditure on the programme has increased manifold. States had utilized ₹ 63,877.78 crore on implementation of the programme during performance audit period (2010-15). With a view to review the progress, it was decided to take up the performance audit of the programme. This performance audit covered the period from April 2010 to March 2015 covering 4,417 packages involving expenditure of ₹ 7,734.93 crore in 176 districts of 29 states.

---

<sup>1</sup> IT system developed as a mechanism for monitoring the programme and intended to serve the requirements of decision making authorities at various levels.

## Main Findings

### Planning

In seven states (**Andhra Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Meghalaya, Mizoram and Telangana**), discrepancies in District Rural Road Plan such as absence of basic information on population of habitations, status of connectivity, road inventory and maps, non-approval by District *Panchayat*, taking village instead of habitation as unit of connectivity, etc., were observed.

(Para- 3.2.1)

In 19 states (**Andhra Pradesh, Assam, Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Manipur, Meghalaya, Odisha, Rajasthan, Sikkim, Telangana, Tripura, Uttar Pradesh, Uttarakhand and West Bengal**), discrepancies such as unconnected habitations shown as connected, eligible habitations not included, habitations placed in wrong population size, etc., were observed in Core Networks (CNWs).

(Para- 3.3.1)

In seven states (**Andhra Pradesh, Jammu & Kashmir, Kerala, Meghalaya, Punjab, Tripura and Uttar Pradesh**), CNWs were not approved in selected districts either by Block level *Panchayat* or District *Panchayat* or State Level Agency.

(Para- 3.3.3)

In nine states (**Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Odisha, Sikkim, Tamil Nadu and Uttarakhand**), road projects of less than 500 metres in plain areas and 1.5 km in hilly areas were included in CNWs. In **Meghalaya**, 22 habitations lying within 1.5 km from an all weather road/connected habitations were included in the CNW.

(Para- 3.3.5)

In 11 states (**Arunachal Pradesh, Bihar, Himachal Pradesh, Jharkhand, Manipur, Meghalaya, Nagaland, Sikkim, Tripura, Uttar Pradesh and Uttarakhand**), deficiencies such as inclusion of road projects both in Comprehensive New Connectivity Priority List (CNCPL) and Comprehensive Upgradation Priority List (CUPL), exclusion of road projects, inclusion of ineligible habitations, etc., were observed in preparation of CNCPL and CUPL.

(Para- 3.5)

In 13 states (**Andhra Pradesh, Arunachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Manipur, Meghalaya, Mizoram, Telangana, Tripura** and **Uttarakhand**), annual proposals were not prepared in selected districts.

(Para- 3.6.1)

The Ministry cleared proposals valued much more than indicative allocations of fund.

(Para- 3.6.3)

In 12 states (**Arunachal Pradesh, Assam, Bihar, Jammu & Kashmir, Karnataka, Kerala, Manipur, Meghalaya, Rajasthan, Sikkim, Tripura** and **Uttar Pradesh**), 109 road works were selected beyond CNW.

(Para- 3.6.4)

### **Programme Implementation**

372 works in 11 states (**Andhra Pradesh, Assam, Chhattisgarh, Madhya Pradesh, Maharashtra, Meghalaya, Odisha, Rajasthan, Telangana, Uttar Pradesh** and **West Bengal**), were abandoned/proposed to be abandoned mid-way due to non-availability of land or land disputes after incurring expenditure of ₹ 280.01 crore.

(Para- 4.2.2)

In five states (**Bihar, Himachal Pradesh, Tripura, Uttar Pradesh** and **Uttarakhand**), 490 road works were executed/upgraded with incorrect technical specifications.

(Para- 4.3.1)

In nine states (**Arunachal Pradesh, Chhattisgarh, Jharkhand, Manipur, Odisha, Sikkim, Telangana, Tripura** and **Uttar Pradesh**), irregularities in award of contract such as award of work to ineligible contractor, change in criteria to assess bid capacity, non-finalisation of works within validity period, award of work without tendering process, non-obtaining of additional performance security for unbalanced bid, etc., were observed.

(Para- 4.3.3)

In five states (**Assam, Bihar, Himachal Pradesh, Mizoram** and **Sikkim**), ₹ 1.80 crore on account of mobilisation and equipment advance in respect of eight road works/packages remained unrecovered. In four states (**Haryana, Jammu & Kashmir, Jharkhand** and **Uttar Pradesh**), ₹ 9.46 crore was not recovered even after the initial scheduled dates for completion of works.

(Para- 4.4.2)

## Report No. 23 of 2016

Road works were completed without required bridges or cross drainage structures thereby depriving targeted habitations with all weather road connectivity.

(Para- 4.4.5)

In 26 states, 4,496 works were delayed for period ranging from one month to 129 months due to land disputes, non-receiving of forest clearance, paucity of funds, non-availability/difficulty in transportation of material, shortage of labour, delay in mining permission, etc.

(Para- 4.4.8)

In 16 states, in 459 works/packages, recoveries of liquidated damages amounting to ₹ 131.56 crore were not imposed.

(Para- 4.4.9)

In seven states (**Bihar, Gujarat, Jharkhand, Madhya Pradesh, Tamil Nadu, Tripura and West Bengal**), 73 road works were executed and shown as completed without providing complete connectivity to the targeted habitations. Out of this, 72 road works were executed at a cost of ₹ 120.03 crore.

(Para- 4.4.11)

In five states (**Assam, Himachal Pradesh, Jammu & Kashmir, Jharkhand and Madhya Pradesh**), ₹ 132.20 crore spent on 68 works remained unfruitful as targeted habitations were not provided with all weather road connectivity due to land disputes, non-clearance from forest department, damaged by flood, contractors' defaults, etc.

(Para- 4.4.12)

In nine states (**Arunachal Pradesh, Gujarat, Jammu & Kashmir, Jharkhand, Karnataka, Nagaland, Rajasthan, Uttar Pradesh and West Bengal**), 36 habitations were provided with more than one connectivity. Out of this, 31 habitations were provided multiple connectivity at a cost of ₹ 29.49 crore.

(Para- 4.4.16)

In seven states (**Andhra Pradesh, Assam, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand and Tripura**), less than 50 *per cent* of the maintenance fund required was used.

(Para- 4.5.1)

In three states (**Himachal Pradesh, Tripura and Uttarakhand**), ₹ 33.72 crore was transferred from maintenance funds to programme funds and also to maintain roads not constructed under the programme.

(Para- 4.5.2)

In 12 states, maintenance of roads during defect liability period was not carried out in 1,590 road works. Further, in 18 states, zonal maintenance contracts were not entered into after expiry of five years of defect liability period.

(Para- 4.5.3 and 4.5.4)

### **Fund Management**

Cases of non/short/delayed release of funds to the states due to non-availability of funds, non/late submission of documents by the states, non-fulfillment of the conditions laid down for release of second instalment and slow progress of road works were observed.

(Para- 5.5)

In six states (**Himachal Pradesh, Jammu & Kashmir, Odisha, Punjab, Tripura and Uttarakhand**), due to non-availing of income tax exemption, TDS amounting to ₹ 45.30 crore on interest receipts earned by State Rural Road Development Agencies (SRRDAs) was deducted by the banks.

(Para- 5.9)

In eight states (**Haryana, Karnataka, Kerala, Mizoram, Sikkim, Tamil Nadu, Uttar Pradesh and Uttarakhand**), programme fund of ₹ 25.15 crore was diverted towards maintenance fund, administrative expenses fund, salary and wages, restoration of damaged properties, etc. Further, in five states (**Kerala, Manipur, Tamil Nadu, Tripura and Uttarakhand**), administrative funds of ₹ 11.78 crore were diverted towards inadmissible items.

(Para- 5.10)

### **Quality Control, Monitoring and Evaluation**

In 12 states, {**Assam, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Mizoram (four districts), Rajasthan, Tamil Nadu, Telangana, Tripura, Uttarakhand and West Bengal**}, irregularities such as non-establishment of field laboratories, non-availability of equipments, non-deployment of trained manpower and non-conducting of required tests were observed.

(Para- 6.1.1)

## Report No. 23 of 2016

State Quality Monitors did not carry out the prescribed inspections uniformly.

(Para- 6.2.1)

In 14 states (**Arunachal Pradesh, Chhattisgarh, Gujarat, Haryana, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Sikkim, Telangana, Tripura, Uttar Pradesh and Uttarakhand**), out of 6,288 Action Taken Reports on the inspections carried out by the State Quality Monitors, 1,411 were pending for action.

(Para- 6.2.2)

In 17 states (**Andhra Pradesh, Arunachal Pradesh, Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Meghalaya, Mizoram, Odisha, Punjab, Sikkim, Telangana, Uttar Pradesh and Uttarakhand**), joint inspections of the PMGSY works with the public representatives were not carried out during 2010-11 to 2014-15.

(Para- 6.2.4)

National Quality Monitors (NQMs) carried out 16,856 inspections during 2010-11 to 2014-15, of which, 6,452 works were graded 'Unsatisfactory' or 'Satisfactory Requiring Improvement'. Remedial action on 1,938 was pending with states.

(Para- 6.3.3)

In 10 states (**Arunachal Pradesh, Gujarat, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Meghalaya, Tripura, Uttar Pradesh and Uttarakhand**), State Level Standing Committee meetings were not held regularly to monitor the implementation of the programme.

(Para- 6.4)

In 10 states {**Arunachal Pradesh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Meghalaya** (Prior to April 2012), **Tripura, Uttarakhand and West Bengal**}, no grievance redressal mechanism was in place.

(Para- 6.6)

The concept of social audit was still to be incorporated in the programme guidelines.

(Para- 6.7)

### Findings of Joint Physical Verification

Joint physical verification of completed roads showed cases of multiple-connectivity, mid-way abandonment of works, work shown completed without providing full connectivity, poor maintenance of roads, roads not functional for traffic, conclusion of contracts without rectification of defects, non-planting of fruit bearing trees on both sides of PMGSY roads, etc.

(Chapter-7)

### IT Audit of OMMAS

Out of 14 modules, Online Fund Processing (OFF) and Analysis of Rate for Rural Roads (ARRR) Module had not been implemented in any state. Receipt & Payment Bank Module to link banks with Programme Implementation Units (PIUs) for transactions and reconciliation had been implemented only in six states.

(Para-8.4)

Even after 13 years of introduction of OMMAS, the Ministry still relied on manual Monthly Progress Reports for decision making, as the basic requirement of data updating on OMMAS was not achieved. MIS reports generated through the system were inaccurate and unreliable.

(Para-8.5)

Lack of validation controls in OMMAS application led to incorrect data entries which resulted in generation of unreliable MIS reports.

(Para-8.6)

IT Nodal Officers were not appointed in three states (**Gujarat, Karnataka** and **Jammu & Kashmir**). In four states (**Arunachal Pradesh, Karnataka, Tamil Nadu** and **Uttar Pradesh**), there were no supervisory controls for verification/authentication of data entry.

(Para-8.7)

### Conclusion

The audit disclosed instances of non-adherence to planning procedure. Ineligible habitations were covered under the programme while eligible habitations were either left out or incorrectly shown as connected. The Ministry sanctioned project proposals of some states beyond the admissible indicative allocation limits. Execution of works was deficient as instances of inefficient contract management, non-recovery of liquidated damages and mobilisation/machinery advances, etc., were observed. Works were abandoned or remained incomplete due to incorrect alignment, land disputes, etc. States did not provide and utilize the maintenance fund as required. Programme funds and Administrative Expenses funds were diverted towards inadmissible items. Monitoring was not effective despite an elaborate mechanism prescribed at all the levels under the programme. The concept of social audit was not incorporated in the programme guidelines. The Online Management, Monitoring and Accounting System

## Report No. 23 of 2016

(OMMAS)<sup>2</sup> software, an online web-based system was not effective due to absence of application controls leading to invalid data entry.

### Recommendations

Ministry may ensure that deficiencies in District Rural Road Plan and Core Network are removed by the states so that all eligible unconnected habitations are covered under the programme. The Ministry may also ensure creation of Geographical Information System data base of Rural Roads Information System for each state. Annual proposals of works may be cleared with reference to the indicative allocation of funds to the states.

Ministry may impress upon the state governments that Detailed Project Reports are prepared with due diligence and by adopting proper laid down procedures. The Ministry may ensure that works are completed in all respects with required bridges and cross drainages structure so as to provide desired all weather road connectivity. The programme implementing authorities should be made responsible for every case of undue advantage to contractors, poor execution of work and delay in completion of works. Maintenance of constructed roads may be ensured for their optimum use.

State governments may ensure that funds released for specific purpose are not diverted. States should try to meet annual financial and physical targets and efforts should be made to optimise the retained excess or unutilised funds. Ministry may put in a system in place to reconcile the data of funds released and expenditure with the states.

Ministry may review the systemic flaws in the quality control system to address deficiencies. A mechanism may be devised to fix responsibility and accountability on the erring agencies and individuals and corrective action taken. The concept of social audit may be incorporated in the programme guidelines.

Ministry may ensure that deficiencies in the operationalisation of OMMAS are rectified so that it may serve an effective tool for monitoring and decision making in implementation of the programme.

---

<sup>2</sup> Online Management and Monitoring System (OMMS) was introduced in November 2002. Online Accounting Module was incorporated in this system in the year 2004 and it was renamed as Online Management, Monitoring and Accounting System (OMMAS).

# Main Report

## Chapter-1 : Pradhan Mantri Gram SadakYojana - An Overview

### 1.1 Background

Rural roads constitute a basic infrastructure requirement and play a vital role in the socio-economic growth of the rural community. They contribute significantly to rural development by providing access to goods and services located in nearby villages or major towns and market centres. The increased mobility of men and materials facilitates economic growth, thereby assisting in reducing poverty and leading to over all social development.

Development of rural roads received a major thrust under the Fifth Five Year Plan (1974-79) when it was made a part of the erstwhile Minimum Needs Programme (MNP). 65,000 villages with population of 1,500 and above were connected during the Fifth and Sixth Plan (1980-85) periods. From the Seventh Plan (1986-90) onwards, the target was to connect villages with population of 1,000 and above. In the terminal year of the Eighth Plan (1992-97), the MNP was merged with the Basic Minimum Services (BMS) programme.

### 1.2 About the Programme

Rural roads, despite given thrust since Fifth Five Year Plan, suffered greatly due to lack of systematic planning. Quality assurance and quality control were also not taken seriously resulting in poor quality and ultimately resulting in premature loss of the assets created.

With a view to redressing these issues, Gol launched a rural road programme known as Pradhan Mantri Gram Sadak Yojana (PMGSY) in December 2000 with the objective of providing single all-weather road connectivity to all eligible unconnected habitations in rural areas with population of 1,000 persons and above by 2003 and all unconnected habitations with population of 500 persons and above by 2007. The eligibility criteria for the programme are given in **Table -1.1:**

**Table-1.1 : Criteria for being eligible for connectivity**

Areas/states	Population eligibility of habitations (as per Census 2001)
In plain areas	500 persons and above
Special category states <sup>1</sup> , Desert areas, Tribal areas (Schedule-V of Indian constitution) and selected tribal and backward districts	250 persons and above
Most intensive Integrated Action Plan (IAP) blocks	100 persons and above

Government of India decided to prioritise the provisions of all-weather road connectivity to all habitations with a population of 1000 persons (500 persons in the case of hilly and tribal areas) by the year 2009, and accordingly, linked this sub-set of PMGSY under a new programme “Bharat Nirman” launched in February 2005 to provide a time-bound plan for action in rural infrastructure in the area of Irrigation, Roads, Electricity, Housing, Drinking Water and Telecommunication.

In May 2013, with the aim to consolidate the entire rural road network, PMGSY-II was launched for upgrading existing selected Through Routes and Main Rural Links. Selection of roads was based on their economic potential and their role in facilitating the growth of rural market centres and rural hubs. At present, PMGSY-II is running simultaneously with ongoing PMGSY. The allocation of fund for PMGSY-II was within the annual budget of PMGSY.

### **1.3 Source of funding**

The programme is funded from various sources *viz.*, Gross Budgetary Support having two components, i.e., Plan Assistance and share of Cess on High Speed Diesel (HSD), assistance from multilateral agencies like the World Bank and the Asian Development Bank and loans from the National Bank for Agriculture and Rural Development (NABARD).

<sup>1</sup> In October 2013, “Special Category States” were adopted under PMGSY in place of “Hill States” for inclusion of Assam. Special category states include Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh, Jammu & Kashmir and Uttarakhand.

#### 1.4 Funding pattern

Unlike PMGSY-I, which is fully funded by GoI, PMGSY-II is on cost sharing basis between the Centre and states/Union Territories. The funding pattern of PMGSY-I and PMGSY-II is given in **Table-1.2**.

**Table-1.2 : Funding Pattern**

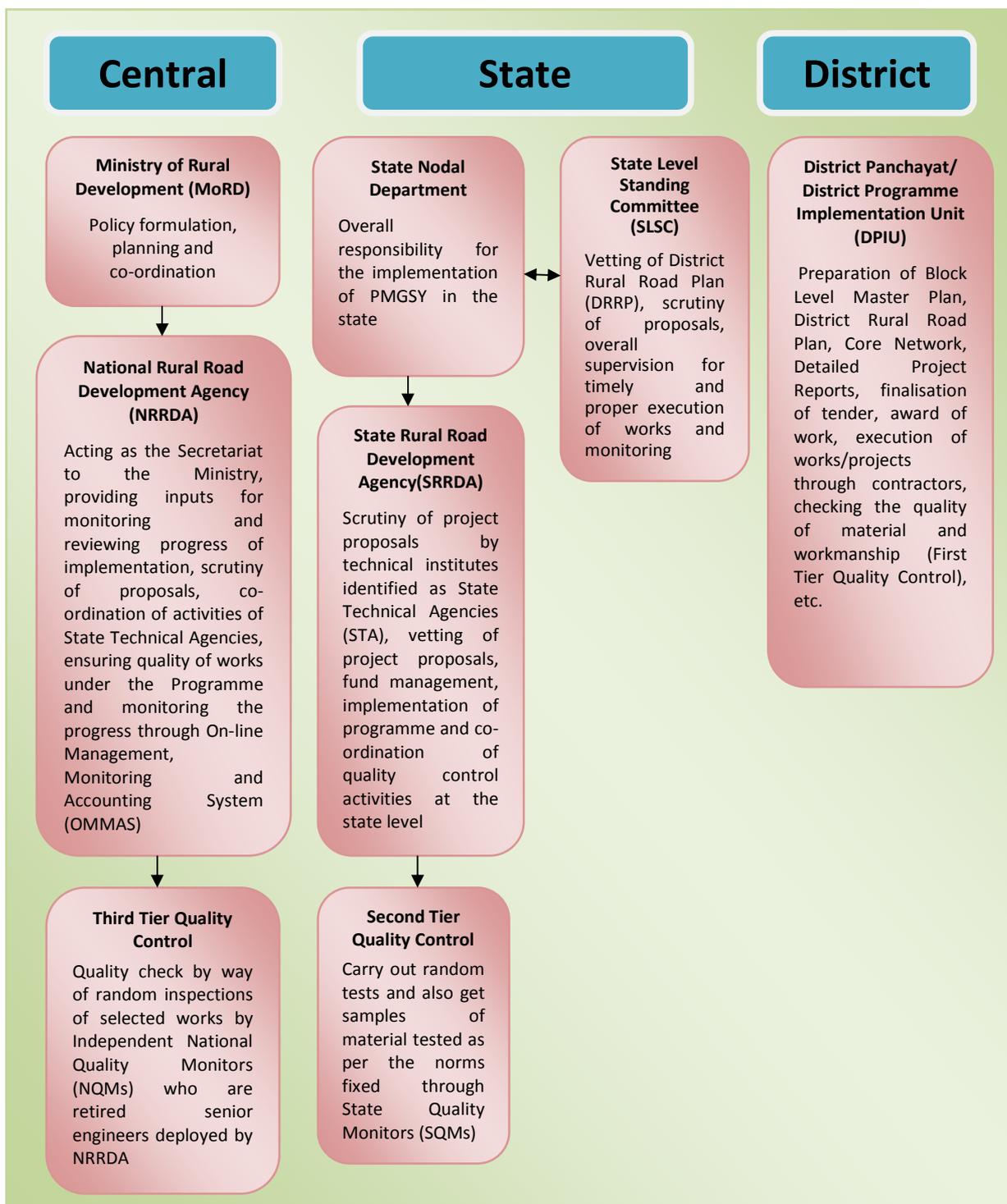
Programme	Central share	State share
<b>PMGSY-I</b>		
All States	100 per cent	
<b>PMGSY-II</b>		
Normal states	75 per cent	25 per cent
Special category states, DDP areas, Schedule-V areas, BRGF districts and IAP districts	90 per cent	10 per cent

(The cost of road maintenance and renewal is to be fully borne by the state governments.)

#### 1.5 Organisational arrangements

The Ministry of Rural Development (MoRD) is the nodal Ministry for implementation of the PMGSY. The responsibility of various agencies for delivery of the programme is given in **Chart-1.1**.

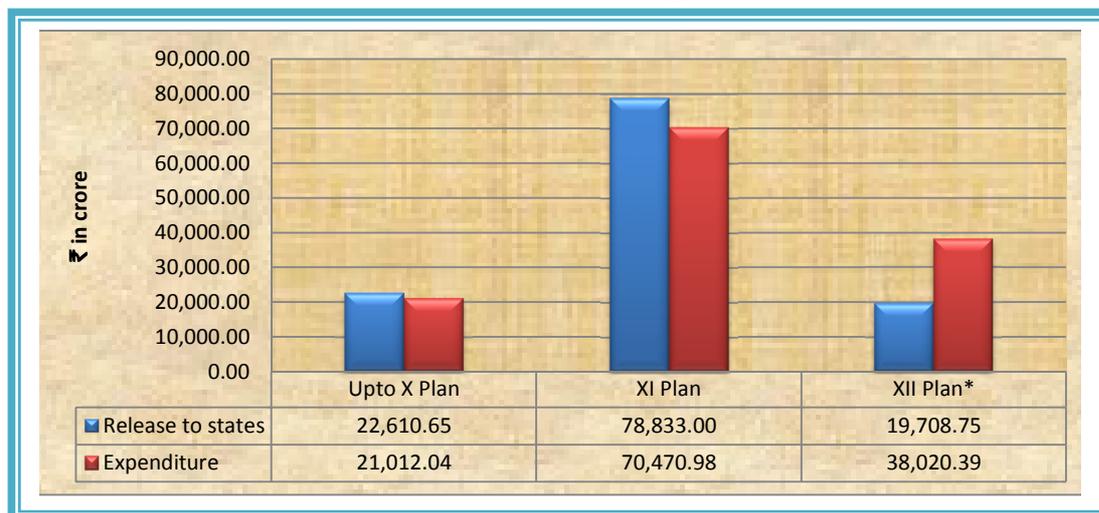
Chart-1.1 : Organisational Levels



### 1.6 Achievements so far

- (i) Financial status of the programme indicating release and expenditure is given in **Chart-1.2**

**Chart -1.2 : Financial Progress**



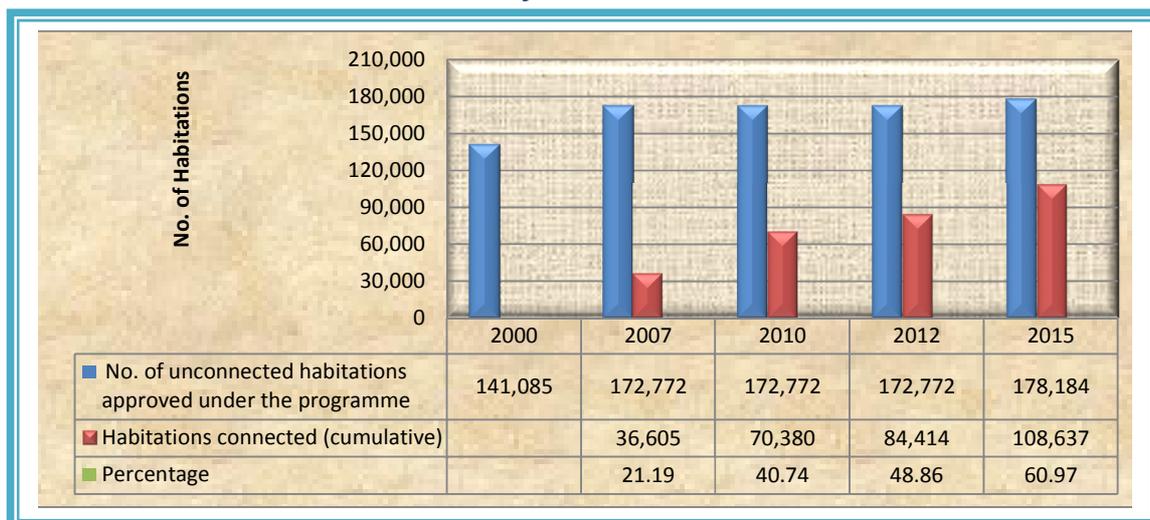
Source: Ministry's records

\* For 2012-13 to 2014-15

Note: Excess expenditure beyond the release of the Ministry during 12<sup>th</sup> plan indicates that difference is met by state share (cost of long span bridge, acquisition of land and expenses not found eligible under the PMGSY, etc.) and interest component of the funds lying with the states.

- (ii) The status of the eligible unconnected habitations and connected as of 31 March is given in **Chart-1.3** below:

**Chart -1.3 Physical Achievements**



Source: Ministry's records

## **Chapter-2: Audit Approach and Organisation of Current Audit Findings**

### **2.1 Audit approach**

#### **2.1.1 Audit objectives**

The objectives of the performance audit were to ascertain whether:

- The systems and procedures in place for identification/preparation of Core Network as well as District Rural Road Plan were adequate and conformed to programme provisions;
- The road works were executed economically, efficiently and effectively;
- The allocation and release of funds under the PMGSY were adequate and timely so as to ensure optimum utilisation of funds;
- The existing monitoring system and quality control mechanism were adequate and effective in achieving the desired objective.

#### **2.1.2 Audit methodology**

The performance audit commenced with an entry conference with the Ministry of Rural Development (Ministry) on 27 April 2015, where the audit methodology, scope, objectives and criteria were discussed. Simultaneously, entry conferences were held in each state by the respective Principal Accountants General/Accountants General with the nodal department involved in the implementation of the programme. Thereafter, records relating to the programme were examined in the Ministry, NRRDA and the implementing agencies of the state governments between May 2015 and October 2015. A joint physical verification was also carried out using a structured questionnaire designed to verify the existence and condition of roads constructed/up-graded. After conclusion of audit and consolidation of audit findings, an exit conference was held with the Ministry on 13 April 2016 in which the draft audit findings were discussed. Exit conferences were also held at the state levels, where state specific findings were discussed. The Report has taken into account the replies furnished by the Ministry and programme implementing agencies at different levels.

### 2.1.3 Source of audit criteria

The main sources of audit criteria were the following:

- Guidelines of the programme and amendments issued by the Ministry;
- Operations Manual, Accounts Manual, Rural Road Manual, etc., of the programme;
- Annual Reports/Instructions/Guidelines issued by NRRDA;
- Outcome budget of the Ministry of Rural Development;
- Periodical reports/returns prescribed by state governments;
- Circulars/instructions issued by the Ministry;
- Reports of National and State Quality Monitors and National Level Monitors;

### 2.1.4 Scope and coverage of performance audit

This performance audit covered implementation of the scheme during the period from 2010-11 to 2014-15. It involved scrutiny of records of the Ministry, National Rural Road Development Agency (NRRDA), a nodal agency at Central level and implementing agencies in states. All UTs were excluded since no funds were released to them during the performance audit period.

### 2.1.5 Audit sampling

The following statistical framework was used for selection of sample:

#### Stage-I

- Each state was divided into geographically contiguous regions and samples were taken from each region to make the sample representative of the entire state;
- 25 *per cent* of the districts from each region (subject to minimum of two) were selected using Probability Proportional to Size Without Replacement (PPSWOR) method to sort out districts on the basis of size of expenditure under PMGSY during the last five years.

#### Stage-II

- Within each selected district in stage-I, packages<sup>1</sup> were selected based on the Simple Random Sampling Without Replacement (SRSWOR) method as given in **Table 2.1**.

---

<sup>1</sup> Package represents group of works put to tender in one lot.

**Table-2.1: Criteria for selection of packages**

Total number of packages in selected districts	Packages selected
Up to 5	100 <i>per cent</i> of the packages
Above 5 and up to 10	50 <i>per cent</i> of total packages subject to minimum of five
Above 10	25 <i>per cent</i> of total packages subject to minimum of five

- 100 *per cent* of the works under each selected package were audited.

The audit sample covered is given in **Chart-2.1** below:

**Chart-2.1: Sample selection**



Details of the sample districts are given in **Annex-2.1** and **2.2**

## **2.2 Previous audit findings**

Performance audit of the PMGSY for 2000-01 to 2004-05 was conducted between January 2005 and June 2005 and the audit findings were reported to Parliament in Report No. 13 of 2006 (Union Government-Civil).

The Public Accounts Committee (Fourteenth Lok Sabha), in their 72<sup>nd</sup> Report (2007-08) had made a number of observations/recommendations on the previous audit findings reported to Parliament in Report No. 13 of 2006 (Union Government-Civil). Further, the Committee (Fourteenth Lok Sabha) in their 82<sup>nd</sup> Report (2008-09) discussed the Action Taken Notes furnished (October

2008) by the Ministry on the recommendations and observations contained in their 72<sup>nd</sup> Report.

The present performance audit of PMGSY for the period 2010-11 to 2014-15 revealed that most of the deficiencies as pointed out in the earlier CAG's Report persisted despite assurances rendered by the Ministry to the PAC as brought out in **Table-2.2** below:

**Table 2.2 : Status of the implementation of some important Observations/ Recommendations of the Public Accounts Committee**

Sl. No.	Recommendations of the Public Accounts Committee	Response of the Ministry	Status as per current audit report
1.	Replicate the modalities of social audit incorporated in the guidelines of National Rural Employment Guarantee Act (NREGA) scheme in respect of the PMGSY. <b>(Recommendation No. 3)</b>	The Ministry accepted the recommendation and stated that based on the Pilot project taken up in <b>Karnataka</b> and <b>Odisha</b> with the involvement of local NGOs for sample audit exercise and citizens monitoring of projects, decision would be taken to formulate appropriate methodology for social audit of PMGSY projects.	Concept of social audit has not been included in the programme guidelines. <b>(Para 6.7)</b>
2.	Fix a time frame for preparation and implementation of district/state-wise plans with a view to avoid duplication of expenditure on existing roads. <b>(Recommendation No. 4)</b>	The Ministry in their action taken note stated that Core Network of all states had been finalized and frozen except for <b>Andhra Pradesh, Bihar, Kerala</b> and <b>West Bengal</b> who requested for further marginal changes in Core Network.	Core Network has still not stabilised as 13,209 habitations not included earlier mainly due to inadequacies in surveys by the states were added in the Core Network. <b>(Para 3.3.1)</b>
3.	All cases of financial irregularities should be thoroughly probed into and appropriate action be taken against the persons concerned for their acts of omission and commission. <b>(Recommendation No. 9)</b>	States had been advised to fix responsibilities for the lapses and recover the amount within two months.	Instances of diversion of programme funds for inadmissible items and works persisted. <b>(Para 5.10)</b>
4.	A comprehensive GIS database of Rural Roads Information System should be created for each state, which can be shared at different levels and by different agencies involved in construction and maintenance of rural roads. Further, a Road Maintenance Management System may also be developed using GIS database, which will enable to sustain the road for a longer time with minimal efforts. <b>(Recommendation No. 12)</b>	Ministry had initiated the development of standalone and web based GIS database for Rural Roads Information System and selected <b>Rajasthan</b> and <b>Himachal Pradesh</b> as pilot states. All states had been advised to initiate steps to go in for GIS Data Based Management System which can be effectively used for Maintenance Management.	There was no development in creation of web based GIS database for Rural Roads Information System. <b>(Para 3.4)</b>
5.	Ministry should devise ways and means to verify and cross check the works sanctioned under the scheme with that of state PWD	The Ministry accepted the recommendation and stated that mechanism had been introduced in July	Dropping of proposals after being cleared by the Ministry on account of works executed by other state

## Report No. 23 of 2016

Sl. No.	Recommendations of the Public Accounts Committee	Response of the Ministry	Status as per current audit report
	department before embarking on the execution of the projects, so that there is no duplication/overlapping. <b>(Recommendation No. 13)</b>	2008 to obtain certificate from the executing agency that proposal submitted under the PMGSY was not funded/implemented under any other scheme. This mechanism was expected to eliminate duplication/overlapping of project proposals.	agencies, roads transferred to other departments, roads constructed under other state schemes, etc., persisted. <b>(Para 4.2.2)</b>
6.	Ministry should take appropriate steps to ensure that all the works taken up under the scheme invariably form part of the Core Network. <b>(Recommendation No. 14)</b>	The Ministry accepted the recommendation and stated that rigorous checks would be applied to ensure that all the proposal form part of the Core Network.	In 12 states 109 road works were selected beyond Core Network. <b>(Para 3.6.4).</b>
7.	Ministry should take suitable steps to ensure that works undertaken in Phase III strictly conform to the guidelines and no inadmissible work would be undertaken. <b>(Recommendation No. 15)</b>	The Ministry stated that it was taking steps to ensure that the works undertaken conform to the guidelines.	Habitations with ineligible path distance and population size were covered in the programme. <b>(Para 3.3.5)</b>
8.	Ministry should take up the matter with the states so as to fix responsibility on the concerned authorities for inordinate delay in finalisation of tenders. <b>(Recommendation No. 18)</b>	The Ministry accepted the recommendation and stated that states had been advised to closely monitor the delays in tendering every month and in case of inordinate delays the action for fixing responsibility be taken.	In 14 states, 2,961 tenders were finalised with delays up to 974 days. <b>(Para 4.3.4)</b>
9.	Ministry should ensure that states sponsor only those project proposals where there is clear availability of land and necessary clearance from the forest department and other authorities are obtained so that the works are not abandoned or left incomplete mid way. <b>(Recommendation No. 20)</b>	The Ministry accepted the recommendation and stated that instructions that a certificate of land availability must accompany the proposal for each road had been reiterated. Clear availability of land would be kept in view while sanctioning projects so that in future works are not dropped due to non-availability of land.	In 16 states, 910 works were dropped or abandoned midway due to land disputes. <b>(Para 4.2.2)</b>
10.	The Ministry should constantly monitor the works undertaken by states and also review the contracting capacity of the states and strengthen the same so that corrective steps are taken whenever necessary to ensure the timely completion of the projects. <b>(Recommendation No. 21)</b>	Ministry has made efforts to support the states to ensure completion of sanctioned projects within stipulated time schedule to avoid cost and time overruns.	In 26 states, 4,496 works were found to have been completed with delays ranging from one month to 129 months. <b>(Para 4.4.8)</b>
11.	Closely monitor all cases of liquidated damages in coordination with states so that damages are fully recovered within a definite time period. The Ministry should impose penalties on the States concerned who fail to take prompt action	States have been asked to give more stress on contract management, monitor all works which are behind schedule and take action against the defaulting contractors, fix responsibility	In 16 states, in 459 works, recovery of liquidated damages of ₹ 131.50 crore was not imposed. <b>(Para 4.4.9)</b>

Sl. No.	Recommendations of the Public Accounts Committee	Response of the Ministry	Status as per current audit report
	against the contractors where the work has behind schedule. <b>(Recommendation No. 22)</b>	in case liquidated damages are not levied or recovered.	
12.	The Ministry should explore all possibilities for setting up and maintenance of Quality Control Laboratories in all states for the periodical test of raw materials used at different stages of roads constructed by the contractors so as to ensure that quality of roads constructed conform to the specified standards. <b>(Recommendation No. 23)</b>	NRRDA has developed a mechanism to monitor operationalisation of first tier of quality mechanism. The issue of non-establishment of field laboratories is monitored and taken up with the states during the discussions in various review meetings.	In 12 states, instances of non establishment of field laboratories, non-availability of equipment, non-deployment of trained manpower and non-conducting of required tests were observed. <b>(Para 6.1.1)</b>
13.	The Ministry should review the functioning of OMMS with a view to remove the deficiencies by evolving a practicable action plan. The accounting module of OMMS should be urgently implemented that would provide additional tool to strengthen the financial management of the scheme. States should take necessary steps to update the online information and wherever OMMS has not been installed, the Ministry should take necessary steps to install the system immediately. <b>(Recommendation No. 26)</b>	An overall review of the functioning of the OMMAS was carried out in consultation with the states. The deficiencies in the system were assessed and an action plan has been prepared. The software issues have been addressed by C-DAC. The performance of the states in updating data in OMMAS is being reviewed regularly.	Monitoring of programme through OMMAS was still ineffective as data fed into the system was not updated or reliable. <b>(Chapter 8)</b>

### 2.3 Organisation of current audit findings

The audit issues have been analysed from a nation-wide perspective and summarized findings noticed at central and state level are mentioned in this Report.

Audit findings are reported in **six** different chapters. Chapter **3** brings out the Planning activity. Chapter **4** details the Programme Implementation and chapter **5** discusses the audit findings relating to Fund Management. Chapter **6** covers Quality Control, Monitoring and Evaluation of the programme. Chapter **7** contains the findings on joint physical verification of the roads constructed under the programme. Chapter **8** brings out IT audit of OMMAS.

Glossary has been placed at the end of this report.

### 2.4 Acknowledgement

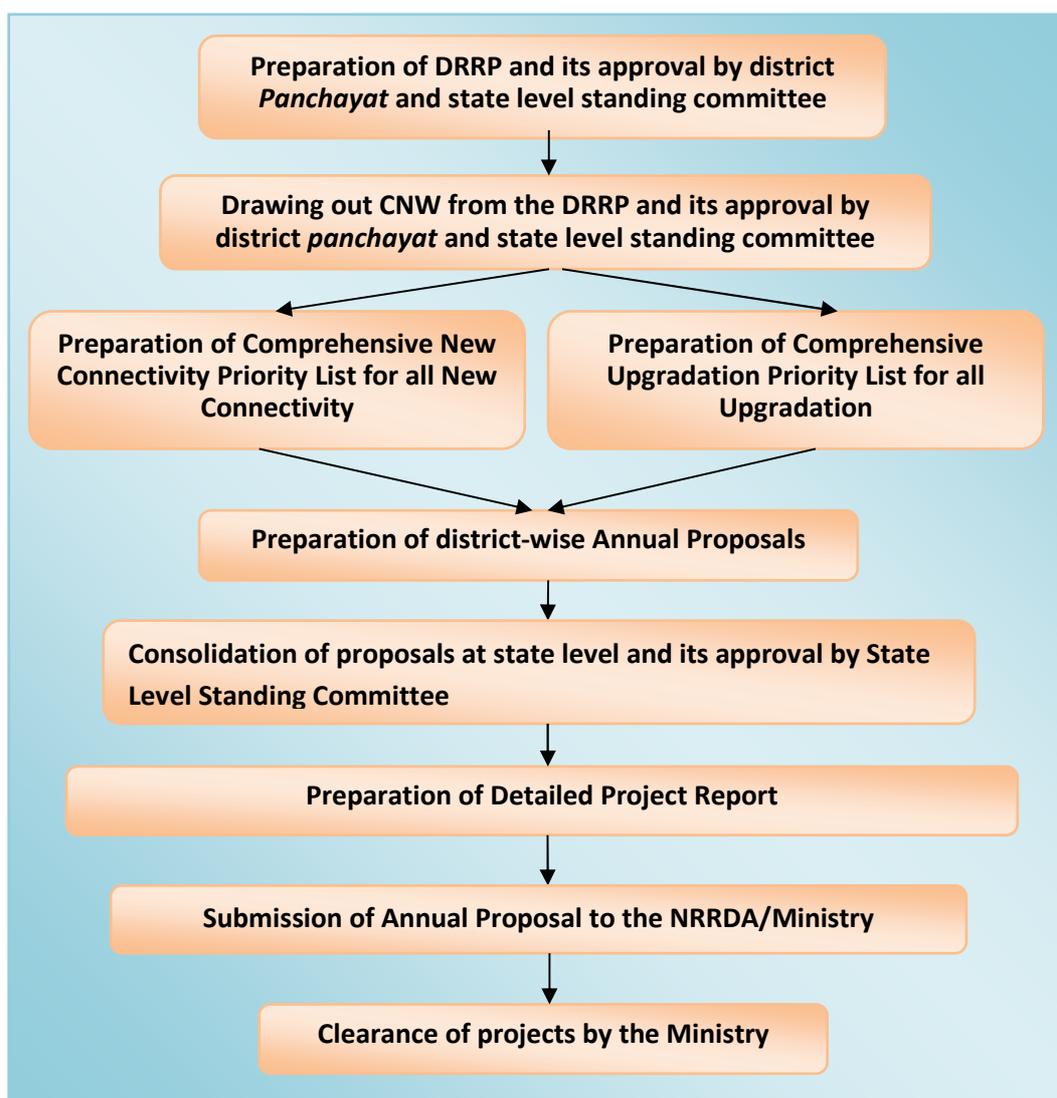
Audit acknowledges the co-operation and assistance extended by the Ministry, state governments, implementing departments and their officials, at various stages during conduct of the performance audit.

## Chapter-3 : Planning

### 3.1 Introduction

PMGSY has implemented the model of decentralized network planning for rural roads involving all the three tiers of Panchayati Raj Institution (PRI) and local representatives of the State Legislative Assembly and the Parliament. States were required to prepare a master plan at district level for the rural roads called the District Rural Road Plan (DRRP). Based on the position of connectivity of habitations in the DRRP, the Core Network (CNW) indicating the shortest single connectivity was to be extracted from the DRRP. The whole planning process is shown in **Chart-3.1** below:

Chart-3.1



### 3.2 District Rural Road Plan

The DRRP is a compendium of the existing and proposed road network systems in the district. The DRRP is required to clearly identify the proposed roads for connecting the yet unconnected habitations with all weather roads in an economic and efficient manner and is prepared at two levels i.e., block and district. The plans of all the blocks in a district, after approval of the respective intermediate *panchayat*, are to be integrated into the DRRP. This is placed before the district *panchayat* or DRDA for consideration and approval. The DRRP, thereafter, is required to be submitted to the Nodal Department/SRRDA for the approval of the State Level Standing Committee (SLSC). Approved DRRPs form the basis for selection of road works under the PMGSY through the CNW.

#### 3.2.1 Deficiencies in the District Rural Road Plan

Test check of records in the selected districts revealed that in seven states, DRRPs had deficiencies such as insufficient or incorrect data, non-approval of district *panchayat*, etc. The deficiencies are discussed below:-

- In **Andhra Pradesh**, DRRPs of three<sup>1</sup> districts did not have the basic information *viz.*, details of the population of habitations, connectivity status of the habitations, major district roads, state and national highways, etc. Further, DRRPs were approved by the district *panchayat* without involving the intermediate *panchayat*.
- In **Jammu & Kashmir**, DRRP of district Anantnag was not approved by the district *panchayat*.
- In **Jharkhand**, DRRP and CNW of the districts were prepared taking into consideration village instead of habitations as a unit of connectivity. Further, DRRP did not identify the proposed roads for connecting the yet unconnected habitations.

The Ministry replied that DRRP of **Jharkhand** was revised in 2013 on the basis of habitations and the state had also reconciled the unconnected habitations. The reply of the Ministry was not acceptable as CNW still depicted some villages instead of habitation as a unit of connectivity.

- In **Karnataka**, the district *panchayat* had not approved the DRRP of Sira district.

---

<sup>1</sup> Anantapur, SPSR Nellore and Vizianagaram

## Report No. 23 of 2016

- In **Meghalaya**, in district West Garo Hills, DRRP was not approved by the DRDA whereas in East Garo Hills, evidence of approval by DRDA was not found.
- In **Mizoram**, nodal department prepared the DRRP without approval of district level authorities.
- In **Telangana**, there was no evidence of approval of DRRP from intermediate *panchayat*, district *panchayat* and State Level Standing Committee. The state government replied (December, 2015) that since elected bodies did not exist at the time of preparation of DRRPs, Special Officers holding the charge of elected bodies approved the DRRPs. The reply of the government was not acceptable as the elected bodies were in existence between 2001 and 2011.

### 3.3 Core Network

A Core Network (CNW) is a set of roads, extracted from the DRRP, to cover targeted habitations with single all-weather road connectivity. In the identification of the CNW, the priorities of elected public representatives are to be given full consideration. The CNW shall be approved at all levels *viz.*, Intermediate *Panchayat*, District *Panchayat* and SLSC.

#### 3.3.1 Deficiencies in Core Network

The records of the Ministry showed that the Core Network (CNW) of all the states was to be finalised by November 2005. The Ministry, further, in its Action Taken Note informed (October 2008) the Public Accounts Committee (82<sup>nd</sup> Report of 2008-09 to the Fourteenth Lok Sabha) that CNW had been finalised and frozen after receiving revised data from states. According to the CNW finalized by states, a total of 1,72,772 eligible unconnected habitations were identified.

Audit observed that data discrepancies still existed in the CNW as the Ministry modified (May 2012) the CNW and the number of eligible unconnected habitations due to reconciliation of data was reduced from 1,72,772 to 1,68,268. Further, 32,798 habitations were deleted from CNW on account of non-feasibility. 14,369 habitations of **Bihar**, **Manipur** and **Rajasthan** were added as their CNWs were based on revenue village instead of habitation. In addition to this, 6,000 habitations in 78 Tribal and backward districts under the Integrated Action Plan (IAP) in nine states were added as

these were earlier left out or wrongly shown as connected. For all these reasons, the CNW was revised at 1,64,849<sup>2</sup> eligible unconnected habitations.

The Ministry further included (February 2013) 13,209<sup>3</sup> habitations as these habitations were not included earlier mainly due to inadequacies in surveys by the states. This led to upward revision of number of eligible unconnected habitations to 1,78,184<sup>4</sup>. The Ministry stated (April 2016) that the data of eligible unconnected habitations within the states had again been reconciled; however the overall number remained 1,78,184.

It is, therefore, evident that the assessment of eligible unconnected habitations based on Census 2001 was not frozen though informed by the Ministry to the PAC in October 2008.

Test check of records further showed that in 19 states (**Andhra Pradesh, Assam, Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Manipur, Meghalaya, Odisha, Rajasthan, Sikkim, Telangana, Tripura, Uttar Pradesh, Uttarakhand** and **West Bengal**), discrepancies such as unconnected habitations shown as connected, eligible habitations not included, habitations placed in wrong population size, showing emerging and termination point one and the same, variation in data of CNW maintained by PIUs, SRRDA and OMMAS, etc., were observed in preparation of CNW. State-wise details are given in **Annex-3.1**.

---

<sup>2</sup> 9,010 habitations were added as a result of policy to include habitations having population 250-499 in 78 Tribal and Backward districts in nine states under IAP.

<sup>3</sup> 1,409 habitations of Tribal(Schedule V) areas, 1,278 habitations of border blocks under Border Area Development Programme (BADP) and 1,410 habitations in hill states/desert areas with population 250 and above and 9,112 habitations of plain areas with population 500 and above

<sup>4</sup> 126 habitations in Arunachal Pradesh were added as a result of policy to extend cluster approach from international border blocks to international border districts.

### Case Study: Assam

The Ministry, in September 2006, estimated that 1,72,772 eligible habitations required new connectivity. This included 2,799 habitations with population size of 250 to 499 in **Assam** despite the fact that **Assam**, as per programme guidelines (November 2004) did not fall under the category of 'Hill State' to qualify for inclusion of habitations with population size 250 to 499. By the end of the Tenth Plan period (March 2007), 217 of these habitations were connected with all weather roads.

Further, in July 2013, Ministry changed the nomenclature of 'Hill States' to 'Special Category States' and brought **Assam** on par with other North Eastern States for the purpose of providing connectivity to unconnected habitations of 250 to 499 persons. Contrary to this, the list of eligible unconnected habitations furnished by the Ministry in July 2015 did not show any unconnected habitations of **Assam** with population size 250 to 499.

The Ministry stated (April 2016) that **Assam** had reconciled the eligible unconnected habitations and total number of eligible habitations under the 250 to 499 category was 4,065. Thus, the Ministry revised the data of population size 250 to 499 from 2,799 to 4,065. This indicated that the accuracy of data of unconnected eligible habitations under the programme was still to be achieved.

#### 3.3.2 Variation in road length

In nine states (**Assam, Jammu & Kashmir, Jharkhand, Kerala, Madhya Pradesh, Odisha, Punjab, Tamil Nadu** and **Uttarakhand**), 1,203 roads had variations (excess/short) in length on actual execution with the length mentioned in the CNW (**Annex-3.2**).

#### 3.3.3 Non-approval of Core Network

In seven states (**Andhra Pradesh, Jammu & Kashmir, Kerala, Meghalaya, Punjab, Tripura** and **Uttar Pradesh**), CNWs were not approved in selected districts either by Intermediate *Panchayat*, or District *Panchayat* and State Level Agency. Thus, there was no grass root participation in the preparation of the CNW in these states.

#### 3.3.4 Non-participation by Local Elected Representatives

In two states (**Andhra Pradesh** and **Jammu & Kashmir**), local elected representatives were not involved in preparation of CNW. In **Arunachal Pradesh** and **Meghalaya** (three districts), records showing participation of local elected representatives were not furnished. In **Jharkhand**, the Executive Engineers concerned stated that no proposals were received from Members of Parliament or Members of the State Legislature. The reply was not acceptable as audit observed that during revision of CNW in 2010, in district Deoghar, proposals of 27 roads were received from MPs and MLAs for inclusion in revised CNW. Only seven roads were included in the CNW

without recording any reason for leaving out the remaining 20 roads. In **Tripura**, there was no evidence of involvement of local elected representatives in preparing the CNW.

### 3.3.5 Selection of inadmissible road projects

Para 3.3 of the programme guidelines envisages that an unconnected habitation is one with a population of designated size located at a distance of at least 500 metre or more (1.5 km of path distance in case of hills) from an all-weather road or a connected habitation.

In **Bihar** (7 roads) and **Tamil Nadu** (18 roads) were included in the CNW and provided connectivity at a cost of ₹ 21.31 crore<sup>5</sup> to targeted habitations having less than required population size. In **Manipur**, seven habitations in three districts having actual population of less than 250 (Census 2001) were included in the CNW by placing them in the more than 250 population category.

In nine states (**Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Odisha, Sikkim, Tamil Nadu** and **Uttarakhand**), road projects of less than 500 metres in plain areas and 1.5 km in hilly areas were included in CNWs. In **Meghalaya**, 22 habitations lying within 1.5 km from an all weather road/connected habitations were included in the CNW (**Annex-3.3**).

### 3.4 Non-integration of Geographical Information System

The Public Accounts Committee (PAC) in its 72<sup>nd</sup> Report to the Fourteenth Lok Sabha (2007-08) recommended that the Ministry should take necessary steps to cut delays, reconcile data prepared at various levels and rectify other deficiencies so as to ensure that accurate and reliable data of unconnected habitations was available. The Committee recommended that a comprehensive Geographical Information System (GIS) data base of Rural Roads Information System should be created for each state which could be shared at different levels and by different agencies involved in construction and maintenance of rural roads.

The Ministry in its Action Taken Notes informed (October 2008) the PAC (82<sup>nd</sup> Report to the Fourteenth Lok Sabha-2008-09) that it had initiated the development of stand-alone and web based GIS database for Rural Roads Information System and selected **Rajasthan** and **Himachal Pradesh** as pilot states. The system development was entrusted to C-DAC and refined based on user feedback. In the meantime, all the states had been advised to initiate steps to go in for GIS Database Management System.

---

<sup>5</sup> Bihar (₹ 11.59 crore) and Tamil Nadu (₹ 9.72 crore)

## Report No. 23 of 2016

It was observed that despite the assurance to the PAC, Ministry did not create the web based GIS database for Rural Roads Information System. The Ministry stated (April 2016) that a MoU was signed with C-DAC in October 2015 with time of completion is two years from date of advance payment (February 2016). Thus, web based GIS database for Rural Roads Information System was still to be implemented despite assurance given to PAC in 2008.

### 3.5 Comprehensive New Connectivity Priority List/ Comprehensive Up-gradation Priority List

Para 3.3.1 of the Operations Manual (OM) envisages that once the CNW is ready, the states are required to prepare Comprehensive New Connectivity Priority List (CNCPL), at block and district level of all proposed road links, grouping them in the order of priority based on population size i.e., 1000+ habitations first, 500+ habitations second and 250+ habitations last. The programme guidelines provide that a Comprehensive Upgradation Priority List (CUPL) is prepared in respect of those districts where no new connectivity is required to be done. The CUPL is to be verified on sample basis through the State Technical Agencies (STA) and the National Quality Monitor (NQM).

The CNCPL/CUPL shall be placed before the district *panchayat* for its approval. The MP/MLA is to be given a copy of the CNCPL/CUPL and their suggestions and suggestions of lower level *panchayati* Institutions shall be given the fullest consideration by the district *panchayat* while according its approval.

Test check of records in the selected districts in the states disclosed deficiencies in CNCPL/CUPL which are discussed below:

- In 11 states (**Arunachal Pradesh, Bihar, Himachal Pradesh, Jharkhand, Manipur, Meghalaya, Nagaland, Sikkim, Tripura, Uttar Pradesh and Uttarakhand**), the deficiencies such as inclusion of road projects both in CNCPL and CUPL, exclusion of road projects, inclusion of habitations below admissible population size, CNCPL having more eligible habitations than CNW, inclusion of already connected habitations in CNCPL, inclusion of Through Routes in CNCPL, CUPL prepared without conducting PCI survey, etc., were observed in CNCPL and CUPL. State-wise details are given in **Annex-3.4**. The Ministry while admitting the facts stated that efforts are being made for removing the deficiencies.
- In six states {**Arunachal Pradesh, Jharkhand, Kerala** (except Malappuram), **Manipur, Meghalaya** (except West Garo hills) and **Tripura**}, evidence of obtaining/considering suggestions and recommendations of elected representative *viz.*, Members of Parliament, Members of the State Legislative Assembly and *Panchayati Raj* Institutions was not on record. In

**Sikkim**, the nodal department stated (November 2015) that records were misplaced by districts.

- In three states {**Arunachal Pradesh, Jammu & Kashmir, Jharkhand** (five districts)}, CNCPL/CUPL were not approved by district *panchayat*. In **Manipur** and **Meghalaya** (four districts), there was no evidence of approval of CNCPL and CUPL from district *panchayat*/DRDA. In **Sikkim**, the nodal department stated (November 2015) that records were misplaced by districts.
- In three states (**Jammu & Kashmir, Karnataka** and **Meghalaya**), the CUPL was not verified by STA and NQM. In **Arunachal Pradesh, Jharkhand, Manipur** and **Tamil Nadu**, there was no evidence of verification of CUPL from STA/NQM. In **Uttar Pradesh**, the CUPL was verified by STA in only three out of 18 districts. However, the required verification of CUPL by NQM was not done in any district. In **West Bengal**, none of the five districts had any documents to indicate that STAs carried out any ground verification of CUPL.

### 3.6 Annual proposal

Para 6.5 of the programme guidelines envisages that the list of road works to be taken up under the programme will be finalised each year by the district *panchayat* through a consultative process involving lower level *Panchayati* institutions and elected representatives. It is required to be ensured that the proposed road works are part of the CNW and new connectivity is given primacy. In states, the prioritisation of new links is to be taken up for construction in order of the CNCPL where existing rural through routes are in reasonably good condition (i.e., Pavement Condition Index (PCI) above three). In states, where the existing rural through routes are in poor conditions (PCI is three or less), the upgradation/renewal of through routes may be taken up as an adjunct to new connectivity. The proposals of all the districts will be placed before the State Level Standing Committee for its consideration.

#### 3.6.1 Non-preparation of Annual Proposals

In 13 states (**Andhra Pradesh, Arunachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Manipur, Meghalaya, Mizoram, Telangana, Tripura** and **Uttarakhand**), annual proposals were not prepared in selected districts. In **Uttar Pradesh**, annual proposals were not prepared since December 2012. In **Sikkim**, the annual proposal was not drawn from the CNCPL/CUPL.

## Report No. 23 of 2016

In **Meghalaya**, in district West Garo Hills, road from Mankachar Mahendraganj to Marhalipara though not included in CUPL was taken up for upgradation at a cost of ₹ 1.66 crore.

In **Punjab**, in test checked districts, three roads in CUPL and five roads in CNCPL though not included were constructed at a cost of ₹ 17.02 crore.

### 3.6.2 Non-approval by District Panchayat and SLSC

In 10 states (**Andhra Pradesh, Arunachal Pradesh, Bihar, Jharkhand, Karnataka, Kerala, Meghalaya, Sikkim, Telangana and Uttarakhand**), road works were selected without obtaining the approval of district *panchayat* and SLSC.

### 3.6.3 Clearance of works in excess of allocation of funds

Para 4.4.1 of the OM stipulates that states may, each year, distribute the state's allocation among the districts giving at least 80 *per cent* for providing new connectivity and up to 20 *per cent* for upgradation. The district wise allocation of funds will also be communicated to the NRRDA and STAs in order to enable them to scrutinize the DPRs of the district. Depending on the extent of new connectivity backlog, absorption capacity, position of the ongoing works, etc., the state will be asked to prepare DPRs for up to twice the allocation.

The Ministry initiated the process of making indicative annual allocation of fund for states since 2012-13 on the basis of overall budget allocation under the programme, balance works in hand with the states, their execution capacity and unspent balance available with them. The Ministry cleared proposals valued much more than indicative allocations as depicted in the **Chart-3.2, 3.3 and 3.4**.

**Chart-3.2: Proposals cleared, works in hand and indicative allocation for 2012-13**

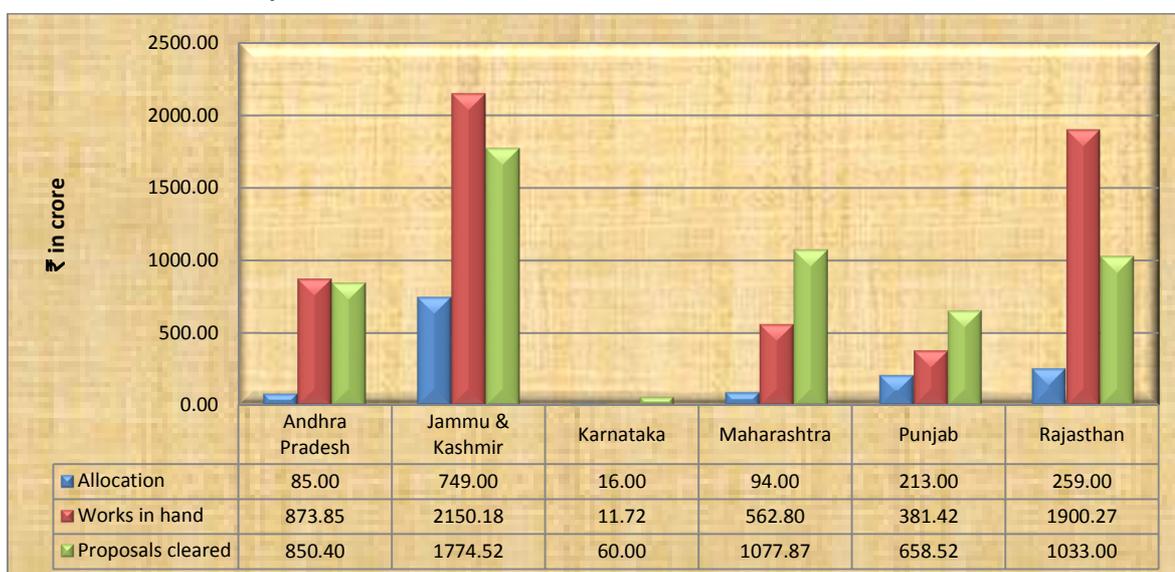


Chart-3.3: Proposals cleared, works in hand and indicative allocation for 2013-14

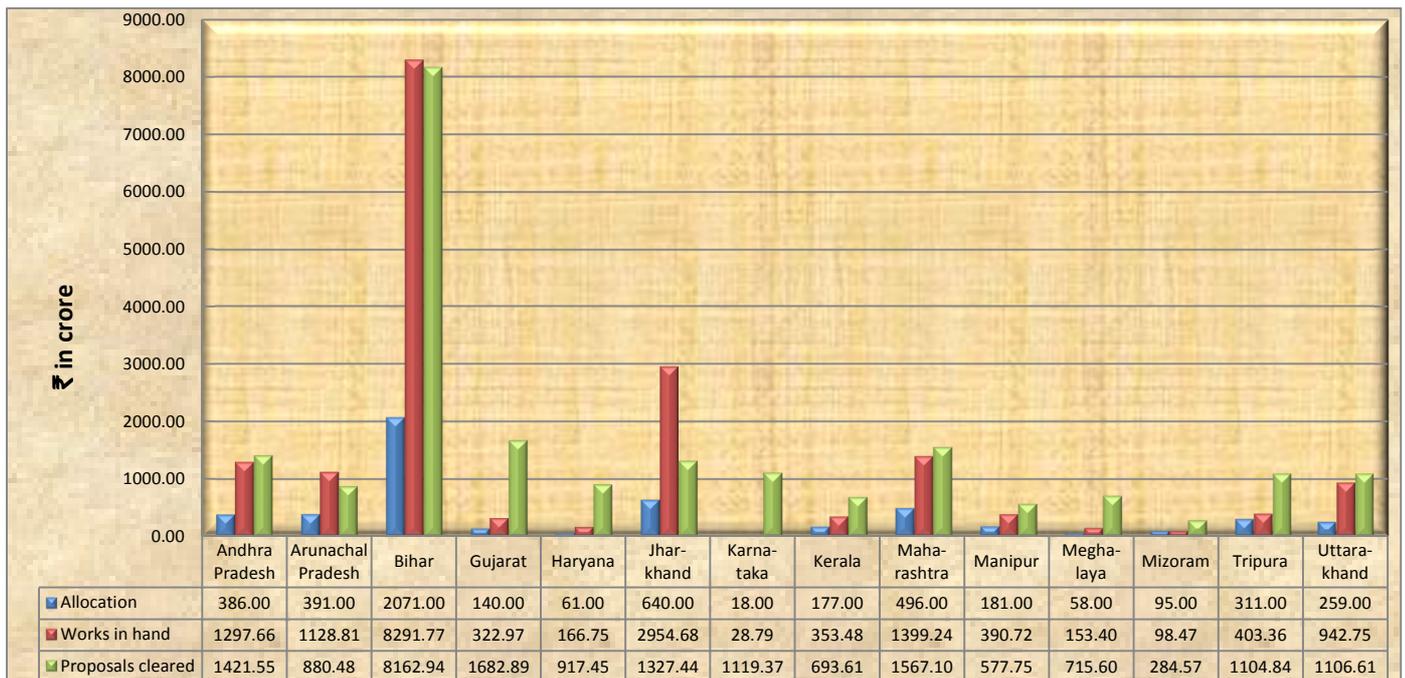
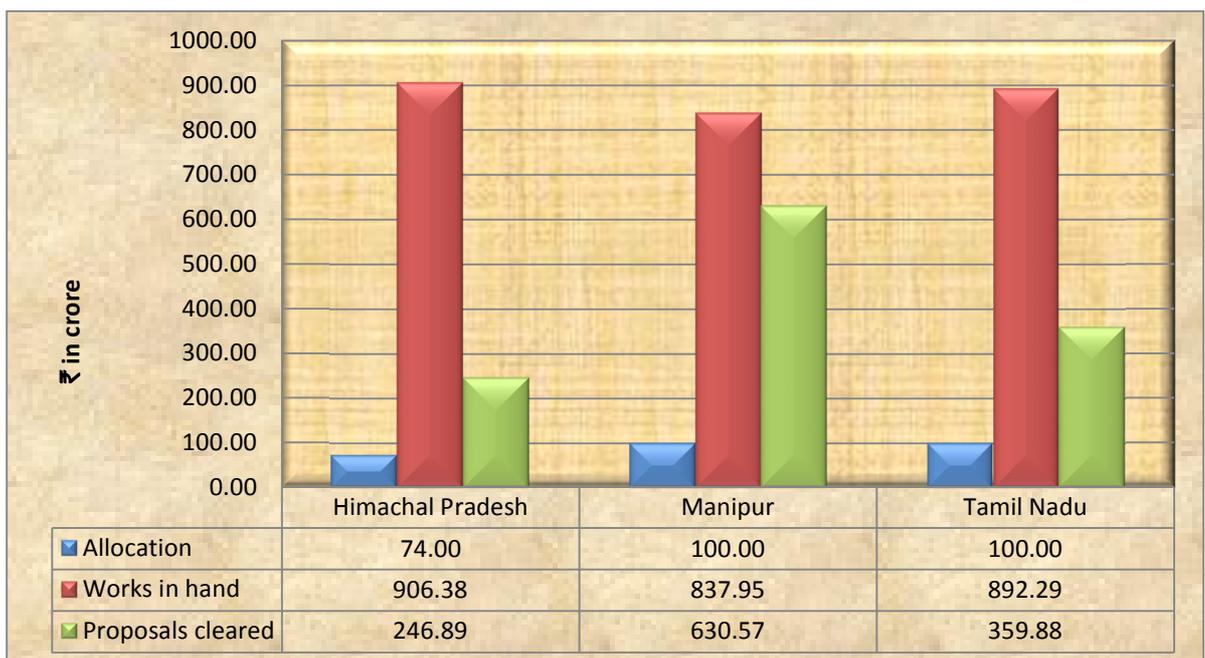


Chart-3.4: Proposals cleared, works in hand and indicative allocation for 2014-15



Source: Ministry's records

The Ministry stated that it was a usual practice to do over-programming under PMGSY and in order to achieve the objective of the programme, a large number of clearances were given to various states. The reply is not acceptable as the quantum of Ministry's clearances ranged between 107 to 1,134 per cent in excess of guidelines.

### **3.6.4 Works taken up beyond Core Network**

Test check of records in selected districts of states showed that in 12 states {Arunachal Pradesh (2), Assam (10), Bihar (48), Jammu & Kashmir (2), Karnataka (1), Kerala (4), Manipur (2), Meghalaya (10), Rajasthan (15)<sup>6</sup>, Sikkim (7), Tripura (6) and Uttar Pradesh (2)}, 109 road works were selected beyond CNW.

### **Conclusion**

District Rural Road Plan and Core Network are basic prerequisites of the programme. However, some states deviated from the prescribed procedures while preparing District Rural Road Plan and Core Network. Consequently, eligible habitations were either left out or wrongly shown as connected. This led to frequent changes in number of eligible unconnected habitations. Some of the road works were taken beyond Core Network. Involvement of elected public representatives in planning process was also found missing. Geographical Information System data base for rural roads was not created. Project proposals were cleared beyond the permissible indicative fund allocation.

### **Recommendations**

- i. Ministry may ensure that deficiencies in DRRP/CNW are removed by the states so that all eligible unconnected habitations are covered under the programme.
- ii. Ministry may ensure creation of GIS data base of Rural Roads Information System for each state.
- iii. Annual proposals of works may be cleared with reference to the indicative allocation of funds to the state.

---

<sup>6</sup> Alignments of 12 roads approved by the Zila Parishad were changed by the PIUs to connect habitations not included in the CNW

## Chapter-4 : Programme Implementation

### 4.1 Introduction

The Programme Implementation Units (PIUs) are required to prepare the detailed project report (DPR) for each proposed road work in consultation with the local community. The proposals of each state are to be considered by the Empowered Committee of the Ministry and after their clearance; works should be tendered as per Standard Bidding Document. The execution of work and management of the contract is required to be done strictly as per condition of the contract. All PMGSY roads should be covered under five year maintenance contract along with construction contract. Maintenance funds are to be budgeted by the state governments.

### 4.2 Detailed Project Reports

The guidelines prescribe that detailed project report (DPR) for each of the proposed road work needs to be prepared in accordance with the Rural Road Manual, Indian Road Congress (IRC) specifications and instructions issued from time to time. The DPR should be based on detailed survey and investigations, design and technology choice. It should be of such detail that the quantities and costs are accurate and no cost over-run takes place due to changes in scope of work or quantities at the time of execution. Audit observed instances where due procedures were not adopted while preparing the DPRs as discussed below.

#### 4.2.1 Transect walks not organised

Programme guidelines prescribe that Programme Implementation Units (PIU) will organise transect walk to discuss and finalize the issues relating to alternative alignments, land requirements for the road and its impact on land owners, etc., with the members of the local community. A copy of the proceedings along with digital photographs of the transect walk shall be attached with the finalised DPR.

In 17 states (**Andhra Pradesh, Assam, Bihar, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Meghalaya, Nagaland, Sikkim, Tamil Nadu, Telangana, Tripura, Uttar Pradesh and West Bengal**), transect walk was either not organised or required certificate/documents were not found attached with DPRs.

## Report No. 23 of 2016

Failure to implement this significant procedure at the time of project preparation led to dropping or abandoning of works mid-way due to land disputes, non-availability of required land and other reasons.

The Ministry stated (April 2016) that the advisories regarding transect walk were issued to the states. The reply is not acceptable as the Ministry has not taken steps to ensure that states mandatorily conduct transect walks.

### Case Study-Madhya Pradesh

Tender for upgradation of road “KM 014 of T04 to Mukki” (package no. MP0180) was invited (August 2008) without forest department permission. DPR did not mention that the road would pass through Kanha National Park. Since, the road was under buffer zone area of National Park, the state nodal agency accepted the request of Project Implementing Unit (PIU) (August 2012) for dropping the road work.

This indicated that transect walk was not organised to ensure availability of land and targeted habitation remained unconnected.

### Case Study- Tripura

In district Dhalai, construction of road from AA road to Sikaribari was taken up (May 2011) at a contract value of ₹ 0.72 crore for providing connectivity to six habitations (Khagendra Roaja Para, Tilak Kr Para, Brinda Kr Roaja Para, Budhiram Para, Dhansing Para and Sambhunath Para) with total population of 1,815. The work was completed at a cost of ₹ 0.50 crore in April 2014. Joint physical verification showed that there was no habitation at the entire stretch of road. This indicated that project was finalized without survey of the site.

#### 4.2.2 Works dropped/abandoned

In 12 states {**Assam** (5), **Bihar** (12), **Gujarat** (14), **Jharkhand** (23), **Madhya Pradesh** (73), **Meghalaya** (2), **Odisha** (268), **Telangana** (20), **Tripura** (16), **Uttar Pradesh** (13), **Uttarakhand** (56) and **West Bengal** (36)}, 538 works were not commenced and were subsequently dropped or proposed to be dropped due to non-availability of land or land disputes. Besides this, 372 works in 11 states

{**Andhra Pradesh** (1), **Assam** (22), **Chhattisgarh** (1), **Madhya Pradesh** (2), **Maharashtra** (5), **Meghalaya** (1), **Odisha** (107), **Rajasthan** (213), **Telangana** (4), **Uttar Pradesh** (7) and **West Bengal** (9)}, were abandoned/proposed to be abandoned mid-way on similar grounds after incurring expenditure of ₹ 280.01 crore.

Further, in 13 states {**Andhra Pradesh** (27), **Assam** (2), **Bihar** (319), **Gujarat** (11), **Jammu & Kashmir** (53), **Jharkhand** (278), **Karnataka** (19), **Kerala** (50), **Madhya Pradesh** (253), **Tripura** (8), **Uttar Pradesh** (502), **Uttarakhand** (3) and **West Bengal** (25)}, 1,550 works were dropped or proposed to be dropped for the reasons such as works executed under other state schemes, transfer of roads to other departments, deficient planning, remote location to carry the material, works already sanctioned in earlier years, works executed by other agencies, naxal problem, no response to the bid, etc.

In **Kerala**, out of 503 works in hand as of March 2015, 56 works valued at ₹ 40.94 crore (which included works sanctioned from 2001-02 onwards) were identified as 'non-feasible for execution', 'taken up by other agency', etc., and proposed to be dropped from the list of works in August 2015. Out of these 56 works, an expenditure of ₹ 2.40 crore had already been incurred on 17 works rendered wasteful.

This indicated that project preparations were deficient.

The Ministry replied (April 2016) that a circular was issued to states in November 2013 for recouping the amount incurred on dropped roads under the PMGSY. The reply of the Ministry was not acceptable as the deficiencies in the preparation of DPRs continued and no remedial action was taken to minimize the dropping of projects.

#### Case Study-Mizoram

NRRDA sanctioned (June 2004) the construction of a new road connecting Kawlbem to Vaikhawtlang village for ₹ 6.73 crore and Works Executing Agency incurred an expenditure of ₹ 6.58 crore during April 2005 to March 2008 towards formation cutting works in first phase. In June 2008, the pavement works (Stage-II) was sanctioned at ₹ 11.70 crore. However, the work executing agency did not execute the work of Stage-II and handed over (19 October 2010) the road to the Border Roads Organisation for their use, after dropping it from the PMGSY.

### Case Study -Assam

The construction of road from Suapata Pt-III to Nayeralga Pt-III (length: 15.50 km) including CD works (HPC: 5; RCC Bridge: 5- package no. AS 05-25) in PIU Dhubri was awarded (August 2007) at a tendered value of ₹ 11.66 crore. As of February 2013, work of 7.80 km was completed. One RCC bridge was completed, one of the bridge works was dropped due to non-feasibility of site and two bridges were under construction. The works were delayed and there were some irregularities. An investigation by National Quality Monitor (NQM) in May 2014, stated *inter-alia* that most of the road work was damaged due to defective DPR which had been prepared without taking into account the ground reality. Subsequently, the package was terminated (August 2014) on the grounds of damage of the road devastated by flood and land dispute at three locations. The Empowered Officer instructed the implementing agency to submit the proposal to foreclose the package.

Thus, due to defective preparation of DPR and non-ensuring the availability of required land, etc., an expenditure of ₹ 5.03 crore incurred on the project was rendered infructuous and also defeated the purpose of providing connectivity to five eligible habitations having 16,661 rural population.

## 4.3 Tendering process

### 4.3.1 Incorrect technical specifications

Rural roads constructed under the programme are required to meet the technical specifications and geometric design standards given in the Rural Roads Manual of the Indian Roads Congress (IRC). Execution of works with higher technical specifications than the standard design would entail avoidable expenditure whereas lower specifications would affect sustainability of roads for designed life (10 years).

In five states (**Bihar, Himachal Pradesh, Tripura, Uttar Pradesh and Uttarakhand**), 490 road works were executed/upgraded with incorrect technical specifications. State-wise details are given in **Annex-4.1**.

Other state specific irregularities are discussed below:

In **Chhattisgarh**, in three districts (Raipur, Bilaspur and Rajnandgaon), pavement design of 54 roads was prepared and executed with California Bearing Ratio (CBR) as seven instead of more than seven<sup>1</sup> due to which extra thickness of Granular Sub Base (GSB) was provided. This resulted in extra cost of ₹ 1.18 crore.

<sup>1</sup> CBR value of transported soil as per Schedule of Rates

In **Gujarat**, in district Dahod, 180 roads were sanctioned during 2009-10 with carriage width of 3.00 metres as against 3.75 metres required for plying current traffic and future traffic growth. Similarly, in **Uttar Pradesh**, upgradation of 52 roads was carried out without widening the existing pavements of 3.00 metres to 3.75 meters despite requirement as traffic density was more than 100 motor vehicles per day.

In **Uttarakhand**, in three districts (Chamoli, Nanital and Pauri), Stage-II work (Granular Sub-base) of 22 projects, as per IRC specifications was provisioned to be prepared with natural occurring/local material. Instead of applying Schedule of Rates (SoR) of natural occurring/local material, SoR for using well graded material was applied which resulted in extra financial burden of ₹ 16.50 crore on the PMGSY.

In **Uttar Pradesh**, in upgradation works sanctioned during December 2012, the PIUs arbitrarily recorded the existing thickness of sub-base and base courses as between 75 mm and 180 mm in the DPRs without obtaining required details from the parent divisions or surveyed and recorded the existing thickness of the sub-base/base course in the measurement/level books. Thus, the process of ascertaining the existing thickness of sub-base and base course was defective.

The Ministry replied (April 2016) that reasons for incorrect technical specifications were sought from the states.

#### **4.3.2 Irregularities in inviting tenders**

According to para 11.1 of the programme guidelines, after the project proposals have been cleared and technical sanction has been accorded the Executing Agency would invite tenders.

In 11 states {**Andhra Pradesh** (35), **Haryana** (1), **Himachal Pradesh** (14), **Jammu & Kashmir** (138), **Jharkhand** (38), **Manipur** (69), **Meghalaya** (58), **Rajasthan** (158), **Telangana** (15), **Tripura** (4) and **Uttarakhand** (78)}, tenders for 608 works were invited prior to their technical sanction by the competent authority.

According to provision 8.2 of the OM, in cases where variation between DPR and technical sanction exceeds 10 *per cent*, prior approval of the NRRDA is required to be sought before tendering the works. In six states {**Assam** (12), **Himachal Pradesh** (3), **Kerala** (30), **Tamil Nadu** (163), **Telangana** (1) and **Tripura** (4)}, despite variation ranging from 11 to 500 *per cent* in 213 road works/packages, prior approval of the NRRDA was not obtained before inviting tenders.

## Report No. 23 of 2016

Further, as per para 7.11 of the OM, tendering process shall begin within 15 days of getting approval of the proposals by the Ministry.

In nine states (**Arunachal Pradesh** (16), **Jammu & Kashmir** (161), **Jharkhand** (94), **Manipur** (469), **Meghalaya** (65), **Rajasthan** (3767), **Telangana** (1), **Uttar Pradesh** (132) and **West Bengal** (467)}, tenders for 5,172 works/packages, were invited with a delay ranging between 2 to 971 days which in turn delayed the award and execution of works.

The Ministry replied (April 2016) that reasons for delay were sought from the states.

### 4.3.3 Irregularities in award of contract

In nine states, other irregularities in awarding contracts were observed as detailed in **Table-4.1**.

**Table-4.1**

State	Observations
Arunachal Pradesh	In districts Anjaw and West Siang, three road works (i) Bajigam to Tabretung (Chakka) Stage-I (ii) PWD road to Glotong Stage- I and (iii) 18 <sup>th</sup> km point Patum Rumgong road to Molom costing ₹ 32.02 crore, ₹ 29.25 crore and ₹ 14.39 crore respectively were awarded to the contractors who were eligible for tender up to ₹ 10 crore, ₹ 15 crore and ₹ 10 crore respectively.
	In three districts, Papum Pare, Anjaw and Lohit, 18 works with an estimated cost of ₹ 140.04 crore were awarded without obtaining the required certificates issued by nationalized bank. Thus, credit worthiness of 18 contractors against these works was not secured before execution of projects.
Chhattisgarh	The state nodal agency relaxed the assessment criteria for bid capacity of contractors for IAP districts (Naxal affected districts) to promote local contractors having good experience of work. However, this relaxed criteria was also adopted in the tenders floated for non-IAP districts.
Jharkhand	NPCC, Deoghar invited tender (June 2013) for construction of road work from Bhudhai to Jeetpur and Bhiknadih was the targeted habitation. However, in place of said road the tender was finalised for road named Pathaljore to Mahanadih for Karipahari as targeted habitation at a cost of ₹ 0.72 crore. The execution of this work (Pathaljore to Mahanadih) was against the provisions of the guidelines as the said road was already sanctioned during 2001-02 and physically completed in 2004 at an expenditure of ₹ 1.19 crore.
Manipur	The Standard Bidding Document (SBD) was modified by inserting a new clause which restricted the minimum quoted bid on the lower side (not below five <i>per cent</i> of the estimated cost) without approval of NRRDA. Bid quoted below five <i>per cent</i> of the estimated cost were rejected as unreasonable. This modification resulted in loss of ₹ 1.04 crore based on the difference between the quoted rates by the lowest technically qualified bidders and the rates at which the tenders were awarded.
Odisha	In 10 packages (OR-13-ADB-22/T-III, 24/T-III, OR-02-ADB-53, 56, 61, 64, 65, 66, 71 and 75), tenders were not finalised within the validity period due to administrative reasons resulting in re-tendering of works. The accepted cost of re-tendered works was ₹ 4.64 crore higher as compared to the previous lowest bids of ₹ 26.23 crore by the technically qualified bidders.

State	Observations
Sikkim	Work of construction of 16 bridges under Phase VIII and X was allotted at a cost of ₹ 32.01 crore without tendering process to the same contractors who were constructing the roads.
Telangana	In district Khammam, technically unqualified bidder was allowed for price bid and awarded (October 2014) the road work from Venkatapur R&B road to Edjerlapally for ₹ 3.73 crore. PIU made an excess provision for ₹ 0.57 crore in six <sup>2</sup> works over and above two <i>per cent</i> of estimated cost of work for unforeseen expenditure in contravention to Article 117-A of PWD Code.
Tripura	While awarding the contract of Gandacherra to Kalajhari, the performance security amounting to ₹ 0.67 crore for unbalanced bid as worked out by the evaluation committee was not remitted by the contractor before award of work. Unbalanced tender value was not evaluated in construction of road from Manikpur to Hazirai including RCC bridge and work was awarded without imposition of any additional performance security though the agency has no experience certificate for bridge construction.
Uttar Pradesh	In the sampled districts, though 59 contracts were entered into at less than the estimated cost, the additional performance security as per provisions of the bid documents was not obtained.

In three states {(Himachal Pradesh (1), Punjab (6) and Tripura (18)}, 25 packages/works were awarded on single tender without approval of Administrative department, recording justification or approval of State Level Standing Committee.

The Ministry replied (April 2016) that reasons for irregularities in award of contract were sought from the states.

#### 4.3.4 Delay in issuance/award of works

The OM stipulates that formalities such as issue of tender notice, finalisation of tender and award of works shall be completed within 71 days and in case of re-tender, 120 days from the date of advertising the press notice.

In 14 states {Andhra Pradesh (29), Arunachal Pradesh (9), Bihar (189), Gujarat (36), Himachal Pradesh (48), Jammu & Kashmir (57), Jharkhand (229), Manipur (46), Punjab (3), Rajasthan (104), Telangana (22), Tripura (51), Uttarakhand (85) and West Bengal (2053)}, 2,961 tenders were finalized with delays extending up to 974 days. The delay was attributed by the department to administrative reasons, execution of large number of works, non-availability of sufficient qualified contractors, non-availability of funds, etc. Delay in completion of tendering process in turn delayed the execution of works in the field.

<sup>2</sup> Kottaanjanapuram to Jamla thanda (₹15.20 lakh), Rajupalem to Kasaram (₹ 21.64 lakh), Mumunur to laxmipuram (₹ 10.32 lakh), R&B road to Duddepudi (₹ 4.06 lakh), ZP road Tadikalapudi to Kokya Thanda (₹ 2.52 lakh) and Ammapalem to Jagya Thanda (₹ 3.12 lakh)

#### **4.4 Execution of works**

##### **4.4.1 Non-provision of insurance cover**

According to para 9.3.1 of the OM and Clause 13 of General Conditions of Contract, the contractor at his cost shall provide insurance cover from the start date up to the end of defect liability period for loss of or damage to the equipment, property and personal injury or death due to contractor's risk.

In six states (**Assam, Gujarat, Jammu & Kashmir, Manipur, Uttarakhand and West Bengal** (four out of five test checked districts)), contractors did not provide the required insurance cover.

In 10 states {**Andhra Pradesh** (11 works), **Haryana** (27 works), **Himachal Pradesh** (2 packages), **Jharkhand** (117 works), **Madhya Pradesh** (264 packages), **Mizoram, Punjab** (42 works), **Rajasthan** (11 packages), **Sikkim** (49 works) and **Telangana** (eight works)}, in 531 works/packages, the contractors did not provide the required insurance cover.

In four states {**Himachal Pradesh** (2 packages), **Jharkhand** (83 packages), **Rajasthan** (40 packages) and **Sikkim** (2 works)}, contractors did not provide insurance cover for five year (defect liability period) after completion of construction.

Thus, failure to enforce the insurance cover led to undue financial benefit to the contractors in the form of lower insurance premium paid.

##### **4.4.2 Non-recovery of mobilisation and equipment advance**

As per para 9.4 of the OM, the contractor is required to mobilize men, material and machinery within 10 days after the date of issue of the work order. Further, clause 45 of the General Conditions of Contract provides that the employer will make interest free mobilisation advance (five *per cent* of the contract cost) and equipment advance (up to 90 *per cent* of the cost) to the contractor. These advances shall be repaid by deducting proportionate amounts from payments otherwise due to the contractor. Guidelines of the Central Vigilance Commission (April 2007) provide that recovery of interest free mobilisation advance shall be time-based and not linked to the progress of work.

In five states {**Assam** (₹ 0.37 crore), **Bihar** (₹ 0.50 crore), **Himachal Pradesh** (₹ 0.25 crore), **Mizoram** (₹ 0.30 crore) and **Sikkim** (₹ 0.38 crore)}, ₹ 1.80 crore of mobilisation and equipment advance in respect of eight road works/packages was not recovered despite termination of contract/dropping of work.

In four states {**Haryana** (₹ 2.75 crore), **Jammu & Kashmir** (₹ 0.44 crore), **Jharkhand** (₹ 1.51 crore) and **Uttar Pradesh** (₹ 4.76 crore)}, ₹ 9.46 crore remained unrecovered even after initial stipulated date of completion of work.

In **Sikkim**, in 50 works, mobilisation and machinery advance of ₹ 18.06 crore was not recovered due to non-commencement of works even after one to six years of their sanction.

Audit also observed irregular grant of mobilisation and equipment advances as given below:

In **Rajasthan**, PWD Circle, Dungarpur, under package RJ-14-WB-BN-12, machinery advance of ₹ 0.44 crore was given for the machinery hypothecated to a private bank.

In **Uttarakhand**, in 16 cases, mobilisation advance of ₹ 4.91 crore was provided in excess of maximum ceiling of five *per cent* of the initial contract prices. Bank guarantee was not obtained from the contractor against mobilisation advance of ₹ 0.66 crore in two cases<sup>3</sup> and equipment advance of ₹ 0.64 crore in one case<sup>4</sup>. Further, in one case, invoice of machine purchased was not obtained for equipment advance of ₹ 0.58 crore.

Thus, undue benefits were extended to the contractors in the above cases.

#### 4.4.3 Non-revalidation of bank guarantee

According to Clause 32 of the Standard Bidding Document, the performance security is to be delivered by the successful bidder within 10 days of the receipt of letter of acceptance in the form of unconditional bank guarantee issued by any scheduled bank or fixed deposit receipts in the name of the employer. Bank guarantee should be valid for the construction period and for five years after completion of work.

In nine states {**Haryana** (five works), **Himachal Pradesh** (10 works), **Jammu & Kashmir** (13 works), **Jharkhand** (two works), **Mizoram** (one case), **Punjab** (one work), **Sikkim** (51 cases), **Telangana** (11 works) and **West Bengal** (78 works)}, the validity of bank guarantees in 172 works was either allowed to expire or not revalidated during the defect liability period. Thus, government interest was not adequately safeguarded.

Other state specific irregularities are given below:

<sup>3</sup>Kanth-ki-Nav to Ajoli Talli MR' (PIU: Salt) of district Almora and 'Kunar Bend to Ghes MR' (PIU: RES, Karanprayag) of district Chamoli.

<sup>4</sup> Kunar Bend to Ghes MR (PIU: RES, Chamoli).

## Report No. 23 of 2016

Para 13.2 of the PMGSY Accounts Manual prescribes that it is the duty of the officer accepting the bank guarantee to obtain confirmation of its genuineness directly from the bank issuing the bank guarantee, without any third party intervention. In **Assam**, the work executing agencies found that 18 bank guarantees/special term deposit receipts submitted by different contractors/firms valued ₹ 6.56 crore were fake. In PIU Lakhimpur (package no. AS-15-65, AS-15-23) and Silchar (package no. AS-03-67) advances of ₹ 3.78 crore were obtained by contractors by producing fake bank guarantees. Failure to comply the instructions, PIUs, on termination of contracts could recover only ₹ 1.12 crore leaving ₹ 9.22 crore unsettled.

In **Mizoram**, in package no. MZ-01 66(B) (construction of Zohmun-N. Tingmun road, National Highway Division-II, Aizawl) required performance bank guarantee of ₹ 0.09 crore was not obtained. In package no. MZ-02-WB-01, construction of Khuangleng-Bungzung road, PWD, Champhai Division, Term Deposit of ₹ 0.15 crore could not be encashed after termination of contract (June 2015) as it was a false document.

The Ministry replied (April 2016) that a circular was issued to states in February 2008 for acceptance of bank guarantees compatible with the guidelines of Reserve Bank of India to ensure the genuineness. However, despite issue of instructions, submission of fake bank guarantees by the contractors and non-revalidation of bank guarantees still persisted.

### 4.4.4 Deviation from approved technical specification

As per para 8.2 of the OM, after technical sanctions, works will be tendered as such, and no changes shall be made in the works without the prior approval of the NRRDA.

In six states (**Maharashtra, Rajasthan, Telangana, Tripura, Uttarakhand and West Bengal**), technical specifications were deviated in 44 works during execution of works without approval of the NRRDA (**Annex-4.2**).

Other state specific cases are given below:

In **Jharkhand**, in district Deoghar, work of 11 bridges was awarded (October 2012) to a contractor at cost of ₹ 35.35 crore. During execution of work, discrepancies were observed between DPR specifications and site condition. Consequently, a Committee formed for re-investigation of work sites after joint inspection with the contractor suggested reduction in length of bridges by 24 metres to 142 metres in five cases, reduction in number of pillars in six cases and changes in foundation work in three cases. This indicated that technical specifications were not prepared as per site conditions.

In **Uttarakhand**, in four works<sup>5</sup> in districts Almora and Pauri, ₹ 0.88 crore was incurred for execution of those items of works<sup>6</sup> which were either not sanctioned or pertains to a portion of other existing roads constructed by the PWD.

#### 4.4.5 Non-construction of cross drainages and bridges

The primary focus of the PMGSY is to provide all-weather road connectivity, which can be used in all the seasons of the year.

In eight states (**Andhra Pradesh, Assam, Bihar, Chhattisgarh, Jammu & Kashmir, Karnataka, Rajasthan** and, **Telangana**), irregularities such as less number of bridges/cross drainages (CDs) were constructed, bridge constructed with reduced length, RCC bridges were either replaced by RCC box culvert or cross drainage structures, etc., are given in **Annex-4.3**. This indicated that the DPRs were not prepared as per site conditions or required number of bridges/CDs were not constructed.

Other state specific findings are as under:

In **Assam**, under package no. AS 25-59, out of six bridges, contractor abandoned (December 2013) work of four bridges at foundation stage and did not commence construction of other two bridges. Consequently, expenditure of ₹ 34.61 crore incurred on road works to provide connectivity to the targeted habitations was rendered futile.



Incomplete RCC Bridge No. 3/2 on Chapaguri-Odalguri Road at Ch. 2.850 km (Chapaguri side)



Incomplete RCC Bridge .No.2/1 on Tengabari Gumergaon Road at Ch. 1.80 km. (Tengabari Side)

In **Chhattisgarh**, five roads constructed during April 2006 to March 2014, under package no. CG 1429 (Raipur), CG 0268 (Bilaspur), CG 1554, 1509(a),

<sup>5</sup> PWD-Salt(Almora)- Saundhar to Panwadokhan (Stage-II) and Kanth-ki-Nav to Ajoli Talli (Stage-II); ID-Srinagar (Pauri)- Chopra-Nalai (Stage-II) and Chakhisain to Jakh (Stage-II)

<sup>6</sup> Hill side cutting and pavement work on other roads, protection of houses and electric polls, work on a portion of already constructed (by PWD)/painted surface (BT) of roads

## Report No. 23 of 2016

and 1556 (Rajnandgaon) at a cost of ₹ 9.71 crore, did not provide all-weather road connectivity to the targeted habitations due to non-construction of required bridges.

In **Gujarat**, in district Banaskantha, road work from Dhanpur- Bamaria of 3.390 km completed (August 2010) at a cost of ₹ 1.68 crore was without required bridges. This deprived the targeted habitations with all weather road connectivity.

In **Himachal Pradesh**, in Kaza division of district Lahaul and Spiti, road costing ₹ 0.59 crore (Chicham to Kibber of 5.05 kms) constructed in October 2006 was not opened for vehicular traffic due to non-construction of 111.10 metre span steel truss bridge over Samba Lamba *nallah*. An expenditure of ₹ 3.22 crore was incurred on the construction of the bridge, but the same was not completed as of March 2016.



In **Jammu & Kashmir**, in two districts (Kathua and Rajouri), three road projects were shown completed during April 2011 to July 2014 at a cost of ₹ 12.11 crore without construction of bridges and vented causeway. These road projects did not serve the purpose of all weather road connectivity to the proposed habitations *viz.*, Katni, Daghani and Bhella.

In **Jharkhand**, in Deoghar, 11 bridge works costing ₹ 13.11 crore was awarded (November 2012) to a contractor to be completed by May 2014. Due to deficiencies in DPRs, these were re-sanctioned in June 2013. As of September 2015, three bridges were completed. In respect of four bridges, work was not started as two bridge sites fell under the Dam area and one bridge work was stopped due to Naxal problem and one bridge was found

constructed by another agency. In the remaining four bridges, work of approach road was not completed.

In five districts (Deoghar, Garhwa, Hazaribagh, Jamtara and West Singhbhum), where the roads were constructed at a cost of ₹ 30.00 crore desired connectivity to 18 habitations was not provided due to non-provision for construction of 22 bridges (approx. length 15 to 400 meters) over the rivers crossing the roads.

In **Odisha**, in seven districts (Balasore, Bolangir, Kalahandi, Dhenkanal, Jajpur, Mayurbhanj and Sundargarh), 35 roads constructed during December 2002 to February 2015 at a cost of ₹ 65.41 crore, did not provide all weather road connectivity to targeted habitations due to non-construction of bridges over rivers/nallahs.

In **Telangana**, three works of Khammam ('R&B road from Turubaka to Whitenagaram', 'ZP road from Cinthonichelka to Mellamadugu' and 'ZP road Tadikalapudi to Kokya Thanda') were closed without taking up work of eight link bridges/culverts as per DPRs, rendering the expenditure of ₹ 1.98 crore unfruitful.

In **Uttar Pradesh**, in Jhansi, upgradation work of Erich to Kuretha road costing ₹ 6.82 crore (length: 15.860 km) was completed (March 2015) to serve four habitations having population of 5,899 persons but the road did not serve the purpose for want of required cause-way, leading to water logging.

In Sitapur, work of construction of three roads<sup>7</sup> was taken up in March 2013 at a cost of ₹ 2.59 crore was to be completed by March 2014. The work was stopped after incurring ₹ 0.82 crore for want of causeways which were not included in the DPRs.

In district Mahrajganj, construction of road from Dashrathpur Tedhi Ganga to Khaihava Tola, sanctioned in September 2009 to provide connectivity to Konahava having population of 1,503 persons was not taken up as required bridge of 150 metre span was yet to be sanctioned by the state government.

In selected districts, 84 works were shown as completed at ₹ 143.15 crore during 2010-15 without constructing 5 to 100 *per cent* of the CD works as provisioned in DPRs Due to non-execution of CD works, the constructed

---

<sup>7</sup> T-03 (km 4) to Pasinpurwa link roads and T-03 (km 4) to Naseerpur Sarkar link road under package no. 66114; and T-03 (km 8) to SikriMafi to Bijwari link road under package no. 66113.

## Report No. 23 of 2016

roads did not serve as all-weather road and sustainability of roads for the designed life was not assured.

The Ministry replied (April 2016) that mechanism to detect the variance between the progress of implementation of the programme and the progress reported manually/electronically by the states, on real time basis, satellite imageries technology is being used for planning and monitoring of PMGSY roads. The reply is not relevant as the reasons for non-construction of cross drainages and bridges were not furnished.

### Case Study- Tripura

In PIU, Dhalai, the work Manikpur to Hazirai (TR 04 165) comprising 20.359 km road and one major RCC bridge was taken up in February 2012 at a cost of ₹ 19.38 crore. However, the Department, in March 2015, observed that alignment of the road beyond 17.925 km was not feasible for connecting village Hazirai and it was changed after resolution drawn up by public representatives and technical advisor of PIU. Meanwhile, the construction of bridge at 17.75 km was already taken up and expenditure of ₹ 1.30 crore was incurred on it. As per the revised layout, the bridge was not part of the new alignment.

Thus, expenditure of ₹ 1.30 incurred for construction of bridge was rendered wasteful without yielding any benefits to the targeted habitation.

#### 4.4.6 Non-use of locally available material

The OM stipulates that specifications for pavement materials in various layers of rural roads should be as economical as possible, consistent with the traffic expected to use the road, climatic conditions, etc. Local materials which are cheaper to extract and involve minimum haulage cost should be used to the maximum extent feasible. Further, use of fly-ash wherever possible and available within a radius of 100 km of thermal plants is mandatory subject to adherence to technical norms and relevant Codes of Practice.

In three states (**Andhra Pradesh, Punjab** and **Telangana**), fly ash, though available, was not used in construction of roads.

In **Meghalaya**, locally available materials were not utilized as there was no complete geological mapping of the district or state as a whole, with details of soil classification, strength characteristics and other relevant properties of all material at different quarries and their land availability.

In **Uttarakhand**, in 14 works of nine PIUs in four districts, conventional well-graded hard stone aggregates were provisioned instead of local/naturally occurring low grade materials which resulted in avoidable expenditure of ₹ 12.29 crore.

The Ministry replied (April 2016) that circulars were issued to states on this matter in May 2013 and January 2016. However, the fact of non-use of locally available material remained the same.

#### 4.4.7 Supply of material departmentally

The PMGSY Accounts Manual Programme Fund read with the OM, prescribes that issue of material to the contractors is not allowed.

In **Himachal Pradesh**, Karchham division received (March 2007) ₹ 0.44 crore for procurement of material for four PMGSY works<sup>8</sup>. Out of this, ₹ 0.17 crore was utilised for procurement of material and ₹ 0.27 crore was lying unutilized (August 2015).

The CE (South) Shimla procured (March 2006) material (140 TSR construction) costing ₹ 0.89 crore for construction of a bailey type portable steel bridge on the alignment of Wangtoo to Panvi road over Burcha Nallah. The entire material was transferred (between October 2006 and September 2014) to eight other works.

In **Sikkim**, an advance of ₹ 7.16 crore for procurement of stock material released to the State Trading Corporation was not adjusted (March 2015). This included ₹ 5.58 crore for material of 55 bridges of which 20 bridges in East District were cancelled due to change in site.

In **Tamil Nadu**, during 2010-14, eight Districts Rural Development Agencies<sup>9</sup> issued material to the contractors.

The Ministry replied (April 2016) that from 2010-11 onwards, no centralised procurement was being done. The reply of the Ministry was not acceptable as instances of supply of material departmentally to the contractors still persisted.

---

<sup>8</sup> Tapri (Choltu) to Jani road (PKG No. 05-22: ₹ 0.12 crore) , Tapri (Choltu) to Punag road (PKG No. HP-05-21: ₹ 0.05 crore), Choura Majgoon road PKG No. HP-05-027: ₹ 0.20 crore, Nigulsari to Taranda (PKG No. HP-05-17: ₹ 0.07 crore).

<sup>9</sup> District Rural Development Agency Kancheepuram, Tiruvannamalai, Dindigul, Udhamandalam, Kanniyakumari, Ariyalur, Krishnagiri and Pudukottai

#### **4.4.8 Delay in execution of works**

According to para 13.1 of the guidelines, the projects sanctioned had to be executed by PIUs and completed within a period of 12 calendar months from the date of issue of the work order including rainy season.

In 26 states (**Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Mizoram, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura, Uttar Pradesh, Uttarakhand and West Bengal**), 4,496 works were delayed for periods ranging from one month to 129 months as detailed in **Annex- 4.4**. The delays were attributed to land disputes, non-receiving of forest clearance, paucity of funds, non-availability/difficulty in transportation of material, shortage of labour, delay in mining permission, etc.

#### **4.4.9 Non-recovery of liquidated damages**

As per the OM and conditions of the Standard Bidding Document, contractors are liable to pay liquidated damages for delay in completion of works. Further, if the contract is terminated because of a fundamental breach of contract by the contractor, the percentage apply to the value of the work not completed will be recovered as liquidated damages.

In 16 states {**Andhra Pradesh (1), Assam (33), Bihar (108), Chhattisgarh (12), Haryana (1), Himachal Pradesh (9), Madhya Pradesh (107), Manipur (20), Meghalaya (4), Mizoram (2), Nagaland (51), Odisha (7), Punjab (3), Rajasthan (75), Tripura (6) and Uttarakhand (20)**}, in 459 works/packages recovery of liquidated damages amounting to ₹ 131.56 crore was not imposed.

In **Sikkim**, 20 works were delayed by the contractors without assigning any reasons. The work executing agencies did not impose liquidated damages on the defaulting contractors.

#### **4.4.10 Excess expenditure due to cost overrun**

In 11 states (**Chhattisgarh, Gujarat, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Mizoram, Odisha, Tripura and Uttarakhand**), in 47 works, the sanctioned cost of the works was escalated by ₹ 56.87 crore on account of retendering of balance work at higher rates after rescinding of previous contract, revision of Schedule of Rates, excess provision of CC pavement, deviation in length, price escalation, etc., as detailed in **Annex-4.5**.

#### 4.4.11 Works shown as completed without complete connectivity to targeted habitations

The intended benefit of the programme can only be achieved if the targeted habitations are provided complete connectivity through an all-weather road.

In seven states (**Bihar, Gujarat, Jharkhand, Madhya Pradesh, Tamil Nadu, Tripura** and **West Bengal**), 73 road works were executed and shown as completed without providing complete connectivity to the targeted habitations due to non-availability of required land, non-clearance by railways, non-construction of required bridges, etc. Out of this, 72 road works were executed at a cost of ₹ 120.03 crore.

Other state specific cases are discussed below:

In **Assam**, construction of road from Bihpuria Islampur to Besapatti *via* Islampur no. 2 (package no. AS 15-34) was restricted to 4.650 km instead of proposed length of 4.850 km due to shortage of funds. The work was foreclosed after incurring ₹ 2.53 crore defeating the purpose of all weather road connectivity to the targeted habitations.

In another case, construction of road from Khanajan Khagori (package no. AS 15-48), was restricted to 2.05 km against the sanctioned length of 3.36 km as quoted rates in retendering the work were higher than the sanctioned amount. The work was completed at a cost of ₹ 1.82 crore. The balance unconnected portion of 1.310 km to connect habitation 'Khagori' was proposed for foreclosure, hence desired connectivity to the targeted habitation was not provided.

In **Jharkhand**, in two districts, Simdega and Hazaribag, three roads were constructed during 2011-13 at a cost of ₹ 1.80 crore to provide connectivity to five habitations. Instead of providing connectivity to targeted habitations, three other habitations were provided connectivity as the targeted habitations were already connected. Separate DPRs were prepared to connect the remaining two targeted habitations.

In district Garhwa, construction of road from L031 to Atiyari was reduced by 326 metres to adjust the cost of seven CDs works added during execution so as to complete the work within agreed cost.

In **Kerala**, in district Kannur, in package no.KR 0442- Padamkavala-Anara Road (2490 metre), 810 metre (from chainage 0/000 to 0/810) was not constructed for want of permission of forest department to widen the road and ease the gradient to the required norms. Upgradation of the road was

## Report No. 23 of 2016

carried out between chainage 0/811 to 2/490. The portion between 0/000 and 0/810 remained raw and non-motorable condition with high gradient.

In **Manipur**, under package no. MN 0671, work to connect Saikotjang Part-II from NH 39 to Saikotjang (7.77 to 15.37 km) was completed (May 2011) at a cost of ₹ 3.33 crore. Joint physical verification showed that the road started from NH 39 at chainage 0.00 km onward at another site of the road contra to that recorded in the measurement book. The road so constructed (NH 39 to Saikotjang from chainage 0.00 to 7.77 km) earlier proposed under package no. 0652 during 2009-10 in Phase VI was not approved by NRRDA.

In **Rajasthan**, against 154.275 km of road works sanctioned during 2010-15, PIUs executed works in only 109.67 km at a cost of ₹ 31.19 crore due to non-acquisition of private/forest land. The Work Executing Agency, however, treated these works as completed without construction of proposed length of roads required to connect the targeted habitations.

In **Sikkim**, rural connectivity from Tsalamthang to Lower Treythang in East District was sanctioned for ₹ 4.64 km for construction of road length of 7.88 km. The work, after a delay of 33 months, was completed in January 2014. Joint physical verification showed that only 6.28 km road was constructed at the site. The remaining 1.60 km was constructed at another location viz., PWD road to Amba which was about three km away from the location as work on 30 metre span foot over bridge in the alignment of the road was yet to be initiated.

In **Tripura**, in district Dhalai, road from Dhumacherra to Chandrahasa Para (package no TR-04-61) for providing connectivity to five habitations (Nitai Kumar Para, Ratan Roaja Para, Krishna Dayal Para, Madhu Roaja Para and Chitrasen Para) was reported as completed in March 2013 at a cost of ₹ 5.92 crore leaving the last habitations two km away. The incomplete stretch was taken up under a different package (TR 04 206) in December 2014.

In **Uttarakhand**, 10 habitations<sup>10</sup> of districts Nainital and Pauri having population of 3,889 remained unconnected even after construction of roads as these habitations were either not exactly situated on the alignments or it was not possible to connect these habitations as per the ground reality of that area.

---

<sup>10</sup> Block Okhalkanda- Kundal (370) & Harishtal (416), Block Baitalghat- Bargal(463), Koflota(573) Siltona (524) of district Nainital, Block Bironkhal- Kota (262), Block Dwarikha- Majokhi (266), Chandpur (429) & Khark (258), Block Khirsu- Pokhari (328)

#### 4.4.12 Incomplete works

In five states (**Assam, Himachal Pradesh, Jammu & Kashmir, Jharkhand and Madhya Pradesh**), 68 works remained incomplete due to land disputes, non-clearance from forest department, damaged by flood, etc. ₹ 132.20 crore incurred on these projects remained unfruitful as targeted habitations were not provided all weather roads connectivity {**Annex-4.6 (a)**}. Besides this, in four states (**Assam, Jharkhand, Mizoram and Tripura**), after incurring ₹ 36.94 crore, 27 works remained incomplete as the contracts were terminated due to breach of contractual obligations by the contractors {**Annex-4.6(b)**}. Thus, the expenditure of ₹ 36.94 crore was remained unfruitful.

Other state specific cases are as below:

In **Himachal Pradesh**, three works, (one work sanctioned prior to 2010 and two in 2010-11) costing ₹ 2.80 crore were not taken up for execution due to involvement of forest land. Further, after incurring expenditure of ₹ 10.95 crore, 10 works (seven works sanctioned prior to 2010 and three in 2010-11) were lying incomplete for periods ranging from seven to 105 months due to involvement of forest land, non-finalisation of tenders, contractors' fault, etc

In **Manipur**, in two districts (Tamenglong and Ukhrul), six works remained incomplete or were closed due to slow progress, non-construction of bridges, court case, etc.

In **Uttrakhand**, in district Chamoli, two works (Udamanda-Rauta -Stage-I work and Saiji-Lagaa-Maikot-Baimro, Stage-I work under two contracts) remained incomplete since October 2008 and September 2010 respectively as the contractors were not interested in executing the remaining works and ₹ 4.36 crore on account of excess payment, advance payment and liquidated damages was still to be recovered from the contractor.

The work of Stage-II of Udamanda-Rauta MR was awarded to another contractor in June 2013 without completion of Stage-I work. The contractor also left the work (May 2015) on the ground that about 15 km road did not have the desired road width and there were no cross drainage structure constructed along the road. An advance of ₹ 1.08 crore was outstanding against the contractor.

#### 4.4.13 Premature release of security deposit and performance security

As per provisions of the Standard Bidding Document, performance security and security deposit aggregating to 10 *per cent* of the contract price is to be released when the defect liability period is over.

## Report No. 23 of 2016

In **Arunachal Pradesh**, performance security of ₹ 0.30 crore was released in road works from Kherem to Mankao (district Lohit) and Tabasora to Pidi Rime (district West Siang) before expiry of defect liability period.

In **Himachal Pradesh**, in Hamirpur division, in four packages<sup>11</sup>, the balance performance security of ₹ 0.13 crore was not recovered from the running account bills.

In Hamirpur division, the security deposit of ₹ 0.06 crore was released before the expiry of the defect liability period.

In **Kerala**, in district Idukki, the validity of bank guarantee of ₹ 0.24 crore, obtained for release of performance security in respect of four works (package no. KR 0317 and KR 0328) expired before the end of defect liability period.

In **Mizoram**, in 13 works under eight packages in five PIUs, security deposit of ₹ 1.38 crore which was deducted from the contractors' bills, were irregularly repaid to the contractors in full before the end of third year of defect liability period without ensuring rectification of the defects.

In two states, **Karnataka**, in district Kalaburosi (₹ 0.10 crore) and **Telangana**, in districts Khamammam and Mahbubnagar (₹ 0.15 crore), security deposit of ₹ 0.25 crore was short deducted.

### 4.4.14 Payment without execution/inflated measurement of works

In three states (**Manipur, Nagaland and Tripura**), ₹ 6.36 crore was paid to contractors without execution of work or without/inflated measurement of works as tabulated below:

**Table: 4.2**

State	Package	Particular	Amount involved (₹ in crore)
Manipur	MN 420- construction of road from Luwangsangbam Jn. to Kameng in district Imphal East	Deficiencies in carriageway width i.e., 2.7 metres instead of the prescribed width of three metres from Ch 3.20 km to 4.70 km.	0.02
	MN 0691-construction of road from Willong Khunou to Chakha via Rajamei (0-10.33 km)(Stage-II) in district Senapati.	Less execution of two NP3 (1000 mm dia) pipe culverts and short execution of road length by 330 metres	0.05
	MN 0671 construction of road from NH 39 to Saikotjang part II (7.77 to 15.37 km) in district Senapati	Recording of excavation of earth in hilly soil in plain area with no raised surface for around 600 metres	0.03

<sup>11</sup> HP-03-05, HP-03-57, HP-03-47 and HP-03-107

State	Package	Particular	Amount involved (₹ in crore)
	MN 0946 construction of road from BRTF Road/T 02-Chahong Khullen Part-I district Ukhrul	Short execution of 12 pipe culverts/cross drainages	0.19
Nagaland	Road from T-01 to Yezami	The construction of 11 km road costing ₹ 6.72 crore from T-01 to Yezami was taken up and the contractor was paid in full for the entire stretch of 11 km though work was executed only in 6.80 km from T-01 to Nltoqa on Suruboto-Yangli state high way and a distance of 4.8 km of road from state highway to Yexam was abandoned after formation, cutting and widening.	1.08
	Construction of 11.20 km road from Tizu river to Titha river road (T-01) to Lithsumi village	Work of second phase was awarded in March 2012 at a cost of ₹ 3.55 crore and ₹ 2.44 crore was paid to the contractor up to the 2 <sup>nd</sup> running bill. However, joint physical verification showed that the contractor abandoned the work after execution of formation cutting and GSB work of around 900 metres valued at ₹ 0.07 crore.	2.37
Tripura	AA road to Khadaban para (package no. TR-04-64) and Baibuncherra to Alendrapara (package no. TR-04-128) and KA road to Balaram (package no. TR-04-158)	Inflated measurement of execution of sub base and base course	0.44
	Road work from Chawmanu to Arunda (2.891 km) under package No. TR-04 -126)	On re-awarding of work, the second contractor executed Water Bound Macadam (WBM) work of full length (2.75 km) even though same work had already been executed by first contractor up to 2.49 km.	0.20
	Upgradation of KMA road to Kachucherra (Part-II)	Up to the 4 <sup>th</sup> running bill, ₹ 7.27 crore was paid to the contractor. However, in the 5 <sup>th</sup> running and final bill the value of work came down to ₹ 5.63 crore. Thus, acceptance of contractor's claim and payment without actual execution of work and without proper measurement resulted in undue benefit of ₹ 1.64 crore to the contractor.	1.64
	Kamalpur to Kachucherra (Part-I) under package no. TR 04 35 (UG)	Three items of works viz., clearance of site and setting out, protection work and sub base and base course (without bitumen) were executed by the second contractor without provision in the estimates as these works were already executed by the first contractor before termination of contract.	0.34
	<b>Total</b>		<b>6.36</b>

## Report No. 23 of 2016

In **Chhattisgarh**, the work of supervision, quality check and recording measurement, etc., was awarded to M/s Meinhardt (Singapore) Pvt. Ltd and M/s Theme Engineering Services Pvt. Ltd at a cost of ₹ 18.17 crore and ₹ 10.52 crore respectively. This was against the provisions of para 11.2.8 of PMGSY Accounts Manual and para 4.034 of Works Department Manual of the state which stipulate that measurements should be ordinarily taken by the Executive Engineer or subordinate officials authorised by him. In district Bilaspur, under package CG-02-46 and CG-02-51, ₹ 7.98 crore was paid to the contractors on inflated measurement and sub-standard work. The amount was still to be recovered from the defaulting contractors.

In **Sikkim**, due to incorrect working out of rate of item 'providing and laying of plum concrete 1:2:4' for execution of works under Phase VIII, one of the sub-component viz., formwork was taken as 27.87 square metre instead of 15.12 square metre. This resulted in increase in rate of component by ₹ 484.20 per cubic metre. The incorrect calculation of rate resulted in undue benefit of ₹ 0.30 crore to the contractors in 22 works of Phase VIII.

### 4.4.15 Avoidable expenditure on construction of roads

In **Odisha**, in district Mayurbhanj (RW Division, Rairangpur), against the sanctioned length of 7.7 km, three link routes were constructed for 6.716 km during 2007-09 in three separate packages<sup>12</sup> at a cost of ₹ 2.36 crore. The same road length of 6.716 km was again taken up as a part of road length in three different packages<sup>13</sup> sanctioned during 2011-12 and 2013-14.

In **Rajasthan**, in district Churu, (package no. RJ 11 WB-04 and WB-01), two road works to connect the targeted habitations were executed with a length of 6.922 km. Joint physical verification showed that required length to connect the eligible habitations was only 4.362 km and no habitation was connected with the roads constructed in excess length. Thus, expenditure of ₹ 0.58 crore incurred on construction of excess length of roads was avoidable.

In **Uttarakhand**, five works<sup>14</sup> in districts Almora and Pauri were sanctioned as link roads for 61.49 km but their proposed alignments were those of a through road (both end connectivity from existing all-weather roads). Audit observed that all the eligible habitations of these roads could be connected with construction of only 22.355 km road length had the alignments been

<sup>12</sup> Package no. OR 21177 road from RD Road to Malikedam, OR 21308A road from SH 49 to Khejuria, OR 21311 road from ODR to Pahadpur

<sup>13</sup> Package no. OR 21417 road from RD Road to Kuldaha, OR 21402 road from SH49 to Tileghutu, OR 21 ADB14 road from ODR to Pahadpur

<sup>14</sup> Road Number: L-032 & L-021 of district Almora and L-23, L-024, and L-025 of district Pauri

taken from the nearest available point on the existing all-weather roads as a link road project. Thus, the construction of through roads instead of link roads of shorter lengths in violation of the PMGSY norms resulted in extra expenditure of ₹ 26.61 crore.

In four districts (Almora, Chamoli, Nainital and Pauri), proposal of 15 roads were inclusive of road length for those habitations which were either ineligible as per the population norms of the PMGSY or the habitation was already connected by a road from another end. The proportionate cost of additional length of 100.99 km beyond the last eligible/targeted habitation(s) including three bridges was ₹ 50.74 crore, which was avoidable/irregular under PMGSY norms.

#### 4.4.16 Multiple connectivity of habitations

Para 3.10 of programme guidelines envisage that only single road connectivity will be provided to eligible unconnected habitations. If a habitation is already connected by way of an all weather road, then no new work can be taken up under the PMGSY for that habitation.

In nine states (Arunachal Pradesh, Gujarat, Jammu & Kashmir, Jharkhand, Karnataka, Nagaland, Rajasthan, Uttar Pradesh and West Bengal), 36 habitations were provided with more than one connectivity. Out of this, 31 habitations were provided multiple connectivity at a cost of ₹ 29.49 crore.

### 4.5 Maintenance of roads

Institutional measures to ensure systematic maintenance and providing adequate funding for maintenance of the rural CNW, a key to the continuance of the PMGSY, have been specifically incorporated in the programme guidelines.

#### 4.5.1 Release and utilisation of maintenance fund

According to para 17 of the guidelines, state governments are required to undertake the maintenance of the entire CNW and develop sustainable sources of funding for undertaking the maintenance functions.

It was seen that details of maintenance fund collected from state governments showed variations in the figures of release and expenditure as compared to the figures maintained by the NRRDA (**Annex- 4.7**).

Information provided by NRRDA showed that 27 states<sup>15</sup> released ₹ 3,018.10 crore in maintenance fund from 2010-11 to 2014-15 as against requirement of ₹ 3,279.97 crore (**Annex-4.8**). In three states (**Bihar, Haryana and Punjab**)

<sup>15</sup> Except Goa; figures of Telangana are included in Andhra Pradesh

## Report No. 23 of 2016

short release was more than 40 *per cent* of the fund required for maintenance. States as a whole utilized 66 *per cent* of the requirements during this period. However, in seven states (**Andhra Pradesh, Assam, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand** and **Tripura**), less than 50 *per cent* of the fund required was used. The audit observation was confirmed by NQMs who found that out of 7,144 road works, 1,370 works were not maintained at all and 3,095 works were poorly maintained.

Thus, inadequate provision towards maintenance besides its poor utilisation defeated the purpose of creating institutional measures to ensure systematic maintenance. Non/poor maintenance of the roads may be evident from the photographs taken during joint physical verification, as discussed in Chapter-7.

The Ministry accepted (April 2016) the audit observation.

### 4.5.2 Diversion of maintenance fund

In three states (**Himachal Pradesh** (₹ 0.20 crore), **Tripura** (₹ 30.00 crore), and **Uttarakhand** (₹ 3.52 crore)), ₹ 33.72 crore was transferred from maintenance fund to programme fund and also to maintain roads not constructed under the programme.

### 4.5.3 Maintenance of roads during defect liability period

According to para 17 of the programme guidelines, for the roads constructed/upgraded under the programme, five year routine maintenance are contracted with the same contractor along with the construction contract.

In 12 states {**Arunachal Pradesh** (4), **Assam** (243), **Bihar** (498), **Haryana** (1), **Himachal Pradesh** (2), **Jharkhand** (119), **Manipur** (262), **Meghalaya** (69), **Odisha** (199), **Uttar Pradesh** (82), **Uttarakhand** (8) and **West Bengal** (103)}, maintenance of 1,590 road works/packages during defect liability period was not carried out.

In **Himachal Pradesh**, in three test checked divisions, roads constructed under four packages during October 2008 and September 2010 were maintained by the department by incurring expenditure of ₹ 0.97 crore.

In **Jharkhand**, the records of six districts showed that the defect liability period for completed roads was not being enforced to contractors and during 2010-15, state government incurred ₹ 6.27 crore on maintenance of roads.

In **Sikkim**, roads were maintained by the Rural Management and Development Department (RMDD) as no maintenance contracts were entered into with the contractors.

In **Tamil Nadu**, in districts Kanyakumari and Udhamandalam, roads were maintained by the works executing agency as contractor failed to execute maintenance work.

In **Tripura**, in district Dhalai, the contractor did not take up maintenance of roads constructed in January 2011 to connect four habitations (Jitendeb Para, Sushipal Para, Das Para and Deb Para) and the work was terminated in February 2014. The repair of pavement of road including CD structure which was damaged, was awarded to another contractor at a cost of ₹ 0.38 crore in January 2015, but was yet to be taken up (July 2015).

The Ministry replied (April 2016) that reasons for non-maintenance of roads during defect liability period were sought from the states.

#### **4.5.4 Absence of zonal maintenance contract**

As per para 17.3 of the programme guidelines, on expiry of five years post-construction maintenance, Through Routes, as they carry larger traffic and keeping them in good condition is important, shall be placed under zonal maintenance contract consisting of five years maintenance including renewal as per cycle.

In 18 states (**Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Kerala, Manipur, Punjab, Rajasthan, Sikkim, Telangana, Tripura, Uttar Pradesh, Uttarakhand and West Bengal**), zonal maintenance contracts were not entered into after expiry of five years of defect liability period.

The Ministry replied (April 2016) that it had put in place institutional measures to ensure systematic maintenance through regular training to engineers and contractors. In addition, states were asked to notify state specific rural road maintenance policy. So far, 12 states had notified such policies. The reply of the Ministry did not address the issue of non-execution of maintenance contract.

### **Conclusion**

The execution of road work suffered due to non-organisation of transect walk. This led to dropping and abandonment of works due to land disputes, non-availability of required land and other reasons. Deficiencies such as incorrect/non-workable alignment, incorrect design and technical specification, etc., were observed. Implementing agencies failed to obtain

insurance cover of the work to ensure risk coverage, thereby giving undue benefit to the contractors. Substantial amount of mobilisation/ equipment advances and liquidated damages remained unrecovered from the contractors. Contractors obtained mobilisation advances against fake bank guarantees. Works were shown completed without providing complete connectivity to the targeted habitations. Instances of providing multiples connectivity to habitations were also observed. Maintenance funds were not adequately provided and utilised. Roads constructed under the programme were not properly maintained.

### **Recommendations**

- i. Ministry may impress upon the state governments that Detailed Project Reports are prepared with due diligence by adopting proper laid down procedure.
- ii. Ministry may ensure that works are completed in all respect with required bridges and cross drainage structures so as to provide desired all-weather connectivity to the targeted habitations.
- iii. The programme implementing authorities should be made responsible for every case of undue advantage to the contractors, poor execution of work and delay in completion of works.
- iv. Maintenance of constructed roads may be ensured for their optimum use.

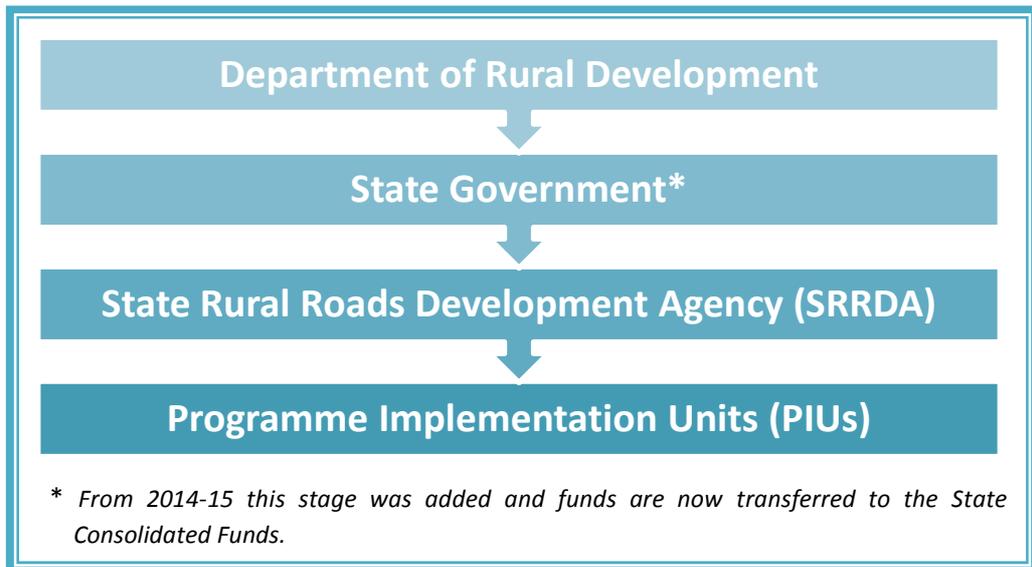
## Chapter-5: Fund Management

### 5.1 Introduction

The Pradhan Mantri Gram Sadak Yojana (PMGSY) is a 100 *per cent* Centrally Sponsored Scheme and PMGSY-II<sup>1</sup> (launched in May 2013) is on cost sharing basis between the Centre and states in the ratio of 75:25 in normal areas and 90:10 in special areas<sup>2</sup>. Till 2013-14, Government of India released funds directly to the State Rural Road Development Agency (SRRDA). However, from 2014-15 onwards, funds are routed through the Consolidated Fund of State and the state governments are required to transfer these funds to SRRDA within three working days of receipt of funds.

**Chart-5.1** below depicts the flow of funds under the PMGSY:

**Chart -5.1: Fund Flow**

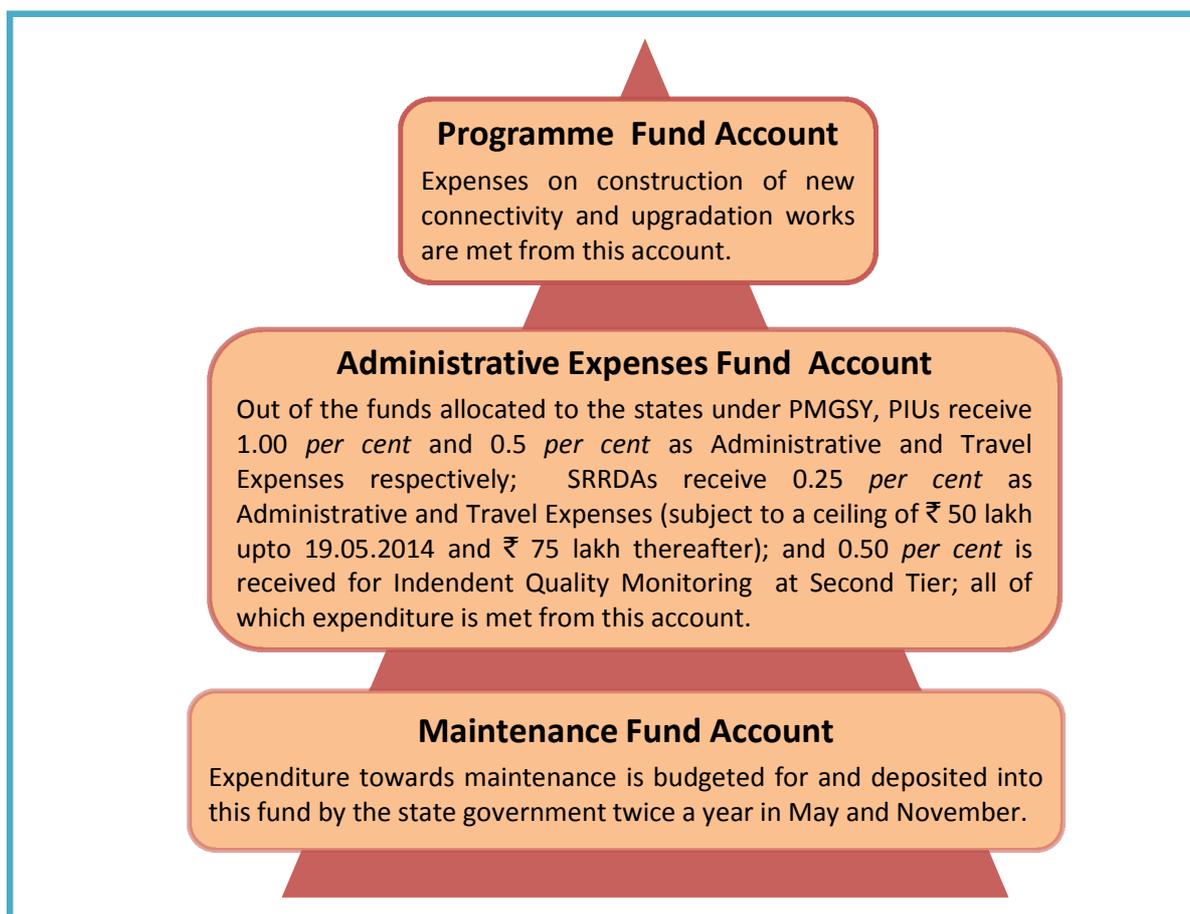


SRRDAs maintain three separate accounts under PMGSY *viz.*, programme fund account, administrative expenses fund account and maintenance fund account as detailed in **Chart 5.2**:

<sup>1</sup> Under PMGSY-II, the Ministry had released funds to only two states *viz.* Haryana and Karnataka amounting to ₹ 244.27 crore and ₹ 235.22 crore respectively upto March 2015.

<sup>2</sup> Special Category States-(11), DDP Areas, Schedule-V areas, BRGF districts and IAP districts.

Chart 5.2 : Accounts maintained by SRRDA



## 5.2 Progress during plan periods

At the time of launching of the programme, the Ministry estimated (December 2000) that ₹ 58,200 crore would be required for providing connectivity to 1.41 lakh habitations and upgrading the existing rural roads. Government of India (GoI) envisaged that habitations with population 1000 (500 in case of hill states, tribal and desert areas) and above were to be covered by the year 2003 and all eligible habitations by the year 2007 (Tenth Plan). Further, the number of eligible habitations was revised (March 2005), to 1,72,772 based on the actual survey conducted by the states.

To speed up the rural connectivity, Bharat Nirman a time bound programme, launched (February 2005) by GoI as a major business plan for augmentation of rural infrastructure which included rural road as its sub-set, envisaged all weather road connectivity to habitations of population of 1000 (500 in the case of hill states, tribal and desert areas) by the end of year 2009.

The overall physical and financial achievements of the programme during the plan periods were as given below:

**Table - 5.1 : Physical & Financial Achievements during Plan Periods**

Particular	Up to Tenth Plan (up to March 2007)		Eleventh Plan ( 2007-12)		Twelfth Plan* (2012-17)	
<b>Financial Progress</b>						
Released to states (₹ in crore)	22,610.65		78,833.00		19,708.75	
Expenditure (₹ in crore)#	21,012.04		70,470.98		38,020.39	
<b>Physical Progress</b>						
	Proposed	Achieved	Proposed	Achieved	Proposed	Achieved
No. of Habitations	42,736	36,605	78,304	47,809	31,039 <sup>3</sup>	24,223
<b>Length (in km)</b>						
New Connectivity	95,960	86,716	1,65,244	1,22,855	62,761	66,397
Upgradation	83,757	33,862	1,92,464	1,07,069	57,957	19,420
<b>Total</b>	<b>1,79,717</b>	<b>1,20,578</b>	<b>3,57,708</b>	<b>2,29,924</b>	<b>1,20,718</b>	<b>85,817</b>

Source: Information provided by Ministry

\* Figure for 2012-15 only

# Figures of expenditure also included expenditure from state share, interest earned and previous unutilized balance

Thus, out of 1,78,184<sup>4</sup> eligible habitations, 1,08,637, were connected up to March 2015 and the Ministry planned to connect the remaining 69,547 habitations by March 2019.

<sup>3</sup> Under 12<sup>th</sup> plan period number of habitations proposed for connectivity was 51,732. For the years 2012-13, 2013-14 and 2014-15, the proposed habitations have been calculated on proportionate basis, i.e.,  $51,732 * 3/5 = 31,039$ .

<sup>4</sup> As of 12<sup>th</sup> FYP it was 1,72,772 (42,736 + 78,304 + 51,732) which was revised as 1,78,184 in the year 2013

## Report No. 23 of 2016

### 5.3 Progress during last five years

#### 5.3.1 Financial progress

During 2010-11 to 2014-15, year wise provision, release and utilisation of funds were as under:

**Table-5.2 : Fund Provision and Utilisation**

(₹ in crore)

Year	Budget		Release			Utilisation		
	Budget Estimates	Revised Estimates	States	NRRDA/ Others	Total	By states <sup>μ</sup>	By NRRDA/ Others <sup>£</sup>	Total
2010-11	12,000	22,000 <sup>§</sup>	20,366.04	2,033.76	22,399.80 <sup>§</sup>	14,910.98	2,101.94	17,012.92
2011-12	20,000	19,981	15,809.40	3,532.50	19,341.89	10,946.41	3,524.67	14,471.08
2012-13	24,000	8,885	4,388.93	4,495.07	8,884.00	8,386.75	4,545.17	12,931.92
2013-14	21,700	9,700 <sup>§</sup>	5,360.23	4,444.74	9,804.97 <sup>§</sup>	13,095.29	4,410.51	17,505.80
2014-15	14,391	14,200	9,959.59	4,228.80	14,188.39	16,538.35	4227.03	20,765.38
<b>Total</b>	<b>92,091</b>	<b>74,766</b>	<b>55,884.19</b>	<b>18,734.87</b>	<b>74,619.05</b>	<b>63,877.78</b>	<b>18,809.32</b>	<b>82,687.10</b>

Source: Information provided by Ministry

μ : also included expenditure from state share and interest earned.

£ : for repayment of loan and interest thereon.

§ : Excess release was due to re-appropriation of funds from saving of other schemes to PMGSY. However, this was not incorporated in the figures of Revised Estimates.

The state and year-wise details of release and expenditure are given in **Annex-5.1**.

It was evident from the above that during 2010-12, states did not fully utilize the Central assistance which led to its reduction during 2012-14.

The Ministry attributed the huge reduction at revised estimate stages during 2012-13 and 2013-14 mainly, due to availability of huge unspent balances with the states and slow pace of implementation of the programme.

#### 5.3.2 Physical progress

The physical progress during last five years is depicted in **Table 5.3**:

**Table-5.3 : Year-wise Physical Targets and Achievements**

Year	Number of Habitations		Length (km)	
	Target	Habitation connectivity	Target	Length completed
2010-11	4,000	7,584	34,090	45,108.52
2011-12	4,000	6,537	30,566	30,994.50
2012-13	4,000	6,864	30,000	24,161.28
2013-14	3,500	6,560	26,950	25,316.39
2014-15	4,688	10799	21,775	36,339.48
<b>Total</b>	<b>20,188</b>	<b>38,344</b>	<b>1,43,381</b>	<b>1,61,920.17</b>

Source: Information provided by Ministry

The state and year-wise details are given in **Annex-5.2**.

Achievement of physical targets during the last five years was more than target. This indicated that targets were not realistically fixed. The Ministry stated (April 2016) that allocations had been changed substantially from budget estimate to revised estimate but the corresponding physical targets remained the same. The reply was not relevant as despite lower allocation, achievement was still higher as compared to targets.

#### 5.4 Mismatch in financial reporting

As per the records of the Ministry (Table 5.2), Central release under the PMGSY in 29 states was ₹ 55,884.19 crore during 2010-15. However, these figures differ with the data collected from the state governments as given in **Table-5.4**.

**Table-5.4: Mismatch in Financial Reporting**

(₹ in crore)

Year	Information/data provided by the Ministry in respect of 29 states		Funds availability and expenditure by the states (data compiled from information provided by 29 states)						Difference	
	Releases to states	Expenditure	Opening balance	Central release	State release	Misc. receipts	Total	Expenditure	In release	In expenditure
2010-11	20366.04	14910.98	2984.73	19686.67	682.37	431.05	23784.82	15429.82	679.37	-518.84
2011-12	15809.40	10946.41	8355.00	16292.04	580.20	579.37	25806.61	10978.19	-482.64	-31.78
2012-13	4388.93	8386.75	14826.42	4303.41	531.65	1298.66	20960.14	9106.74	85.52	-719.99
2013-14	5360.23	13095.29	11850.42	5247.68	1376.74	707.74	19182.58	13697.69	112.55	-602.40
2014-15	9959.59	16538.35	5484.89	10076.37	1326.61	618.11	17505.98	16782.71	-116.78	-244.36
<b>Total</b>	<b>55884.19</b>	<b>63877.78</b>	<b>43501.46</b>	<b>55606.17</b>	<b>4497.57</b>	<b>3634.93</b>	<b>107240.13</b>	<b>65995.15</b>	<b>278.02</b>	<b>-2117.37</b>

Source: Information provided by the Ministry and the state governments

## Report No. 23 of 2016

The state wise details of the programme fund showing opening balance, receipt of Central and state share, interest and expenditure during 2010-15 is given in **Annex- 5.3.1 to 5.3.5**.

Major variations in fund released and receipt were observed in the states of **(Bihar, Jharkhand, Odisha, Tripura and Uttar Pradesh (Annex-5.4.1))**. Similarly, major variations in figures of expenditure were observed in the states of **Andhra Pradesh, Assam, Bihar, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Tripura, Uttar Pradesh, Uttarakhand and West Bengal (Annex-5.4.2)**.

There is need for reconciliation of the data of the Ministry and states as it reflect lack of data integrity.

The Ministry accepted the facts of mismatch in financial reporting and replied that the reconciliation of figures was going on and majority of states have done this job. The reply of the Ministry is not satisfactory as the detail of reconciled data has not been provided.

### 5.5 Shortcomings in release of funds to states

The funds to the states are released in two equal instalments. While the first instalment is released at 50 *per cent* of the cleared value of projects (or annual allocation, whichever is lower), the release of second instalment is subject to utilisation of 60 *per cent* of the available funds and completion of at least 80 *per cent* of the road works awarded in the year previous to the preceding year and 100 *per cent* of the awarded works of all the years preceding that year and submission of the required documents.

Audit observed instances of non/short/delayed release of funds to the states. The Ministry attributed (February 2016) these to non availability of funds, non/late submission of documents by the states, non-fulfillment of the conditions laid down for release of second instalment by the states and slow progress of road works. Detailed analysis of non/short/delayed release of funds is provided in **Annex-5.5**.

The Ministry accepted (April 2016) the fact of short release and replied that works sanctioned to the states were two to three times their allocation resulting in spillover to subsequent years and reduction in the allocations in the revised estimate stage.

### 5.6 Delay in transfer of funds by state governments

As per the programme guidelines (as modified from time to time), from 2014-15 onwards, funds are released to the state Consolidated Fund with directions to transfer these funds to SRRDA's account within three days from the date of its receipt failing which the state government is liable to pay interest at 12 *per cent* per annum for the period of delay beyond the specified period.

Audit observed that in 11 states (**Andhra Pradesh, Arunachal Pradesh, Assam, Jammu & Kashmir, Karnataka, Manipur, Meghalaya, Mizoram, Punjab, Rajasthan** and **Uttarakhand**), funds amounting to ₹ 2,693.89 crore released during 2014-15 were transferred to the SRRDAs with delays ranging from 7 to 202 days. As a result, the states were liable to pay interest of ₹ 50.37 crore to the SRRDAs. In three states (**Andhra Pradesh, Arunachal Pradesh** and **Karnataka**), funds amounting to ₹ 89.32 crore, received during 2014-15, were not transferred to the respective SRRDAs as of May/September 2015 (**Annex-5.6**).

The Ministry accepted (April 2016) the fact of delays in release of funds to SRRDAs and replied that after the rigorous intervention of the Ministry, the delay was being reduced considerably.

### 5.7 Non-release of fund under special allocation

Para 5.3 of the programme guidelines provide that in addition to the allocation to the states, a special allocation of up to five *per cent* of the annual allocation from the Rural Roads share of the Diesel Cess will be made available to the states sharing international borders, selected tribal and backward districts and extremely backward districts and Research and Development (R&D) Projects and innovation.

Audit observed that none of the eligible states got the special allocation under this provision.

### 5.8 Loss of interest

Para 13.1.4 of the OM provides that all funds over and above ₹ 0.50 crore in the Programme and Administrative Expenses Fund should be maintained in the bank as fixed deposit at an interest rate not below that of 91 day Treasury Bills. Audit observed that five states (**Jammu & Kashmir, Meghalaya, Mizoram, Sikkim** and **Tripura**), failed to take the advantage of higher interest rates under this provision.

## Report No. 23 of 2016

In **Punjab**, funds were kept in current account instead of savings account resulting in loss of interest of ₹ 1.21 crore.

The Ministry replied (April 2016) that it had pursued the matter with the states having surplus programme fund. It is evident however, that the efforts of the Ministry were ineffective.

### 5.9 Non-availing of income tax exemption on interest earned

SRRDA is a non-profit making body and is therefore eligible for exemption under Section-12 AA of the Income Tax Act.

It was observed that in six states {**Himachal Pradesh** (7.04 crore), **Jammu & Kashmir** (7.62 crore), **Odisha** (12.32 crore), **Punjab** (4.55 crore), **Tripura** (13.13 crore) and **Uttarakhand** (0.64 crore)}, SRRDAs did not seek the requisite exemption, as a result of which, TDS amounting to ₹ 45.30 crore on interest receipt was deducted by banks. SRRDA, **Tripura** also paid (March 2015) ₹ 0.72 crore as late fee on Income Tax as of March 2015.

The Ministry replied (April 2016) that it had pursued the matter with the states to prevail upon the banks not to deduct income tax. It is evident however, that the efforts of the Ministry were ineffective.

### 5.10 Diversion of funds

Diversion of funds from intended purposes reflects poor fund management besides reducing the fund availability for the desired purposes.

In eight states {**Haryana** (₹ 0.02 crore), **Karnataka** (₹ 3.48 crore), **Kerala** (₹ 2.74 crore), **Mizoram** (₹ 1.33 crore), **Sikkim** (₹ 3.83 crore), **Tamil Nadu** (₹ 5.66 crore), **Uttar Pradesh** (₹ 4.64 crore) and **Uttarakhand** (₹ 3.45 crore)}, programme fund of ₹ 25.15 crore was diverted towards maintenance fund, administrative expenses fund, activities such as testing of material, state government schemes, salary and wages and transportation of soil, plantation, restoration of damaged properties, etc., which were not covered under the programme.

In two states {**Rajasthan** (₹ 1.50 crore) and **Uttar Pradesh** (₹ 0.02 crore)}, ₹ 1.52 crore was utilized for land acquisition from the PMGSY funds in violation of the programme guidelines.

In five states {**Kerala** (₹ 7.25 crore), **Manipur** (₹ 0.42 crore), **Tamil Nadu** (₹ 0.44 crore), **Tripura** (₹ 2.54 crore) and **Uttarakhand** (₹ 1.13 crore)}, administrative funds of ₹ 11.78 crore were diverted towards inadmissible items such as

purchase of vehicles, payment of salaries and wages and purchase or construction of buildings, etc.

#### Case study: Bihar, Jharkhand, Tripura

According to para 12.3 of the programme guidelines, no agency charges will be admissible for road works taken up under this programme. In case Executing Agencies levy charges in any form, such as Centage charges (small fee levied by executing agencies), etc., it would have to be borne by the state government. Contrary to this, ₹ 368.79 crore had been borne by the Ministry as agency charges for three states, **Bihar, Jharkhand** and **Tripura**.

The Ministry replied (April 2016) that a special dispensation by way of engaging Central Public Sector Undertakings (CPSU) to augment execution capacity was allowed to these states through tripartite agreements amongst the Ministry, state government and CPSU, duly vetted and concurred by Ministry of Law and Internal Finance Department of the Ministry. However, audit observed that no such provision existed in the programme guidelines.

### 5.11 Discrepancies in accounts

As per the PMGSY Accounts Manual, SRRDAs are required to maintain a separate set of account books viz., Cash Book, Bank Authorisation, Transfer Entry Book, Ledger of debit and credit balances, PIU wise Programme Fund Register, PIU wise Bank Authorisation Registers and outstanding Bank Authorisation with PIUs Register for Programme Fund as well as Administrative Fund by using double entry system of accounting.

In **Andhra Pradesh**, cashbooks were not closed monthly in PIU, Anantapur. Closing balances were not attested by Drawing and Disbursing Officers in districts Vizianagaram and SPSR Nellore. Further, in PIU Anantapur, reconciliation was also not carried out from 2004-05 to date (July 2015).

In **Jammu & Kashmir**, requisite records of subsidiary accounts for 2010-11 to 2013-14 were not prepared at state/PIUs level and the Chartered Accountant finalized Balance Sheets without preparing the Receipt and Payment Accounts, Income and Expenditure Accounts and other subsidiary accounts.

In **Jharkhand**, cash book and audited accounts produced by NPCC showed that a sum of ₹ 54.25 crore, deducted from the contractor's bills during 2010-15 on accounts of Income Tax, Commercial Tax, Labour cess and Royalty' were not taken in the receipt of the cash book. Similarly, deductions made on account of

## Report No. 23 of 2016

security deposit were also not reflected in the cash book. The cash book was not closed monthly and closing balances were never worked out in the cash book. Further, cash books were not authenticated by competent authority. None of the test checked divisions prepared Bank Reconciliation Statements.

In **Karnataka**, while the annual accounts for March 2015 had a closing balance of ₹ 54.71 crore however, the details furnished by the PIUs showed this at ₹ 54.85 crore. None of the test checked divisions prepared Bank Reconciliation Statements.

In **Telangana**, in district Mahbubnagar, cash books were not closed daily and reconciliation was not carried out from 2010-11 to date (June 2015).

In **Uttar Pradesh**, reconciliation statements showed cases of amount credited by bank but not found in cash books; double debit by bank and cheques deposited in bank but not cleared. The discrepancies were not rectified due to which the annual accounts did not depict the true picture.

In **Uttarakhand**, important monthly books/schedules of accounts were not being maintained by the state nodal agency physically for preparation of its annual accounts (balance sheets and connected schedules) on the ground that these schedules of accounts were available in the OMMAS. However, the data of schedules in the OMMAS did not match with the audited balance sheets of the URRDA.

### 5.12 Blockage of funds

Audit observed that programme fund of ₹ 32.15 crore released to three Union Territories {**Andaman & Nicobar Islands** (₹ 8.31 crore), **Dadra & Nagar Haveli** (₹ 13.84 crore) and **Delhi** (₹ 5 crore)} during 2001-05 were lying unutilized (March 2015). Out of ₹ 5 crore released in 2001-02, **Goa** utilized ₹ 0.44 crore and the unutilized amount accumulated to ₹ 9.91 crore with the interest earned during last 15 years.

In **Karnataka** (₹ 4.41 crore), application fees collected from the contractor participated in bidding was kept in a separate bank account and was not depicted in annual accounts of the state nodal agency.

### **Conclusion**

Fund released to states for implementation of the programme were considerably reduced during last three years (2012-15) due to unutilized balance with the states. There were instances of non/short/delayed release of programme funds. States sharing international borders did not avail the benefit of additional five *per cent* allocation under the programme. Programme funds were diverted and utilized on inadmissible items. Figures of release and expenditure under the programme maintained by the Ministry did not match with those maintained by the state governments.

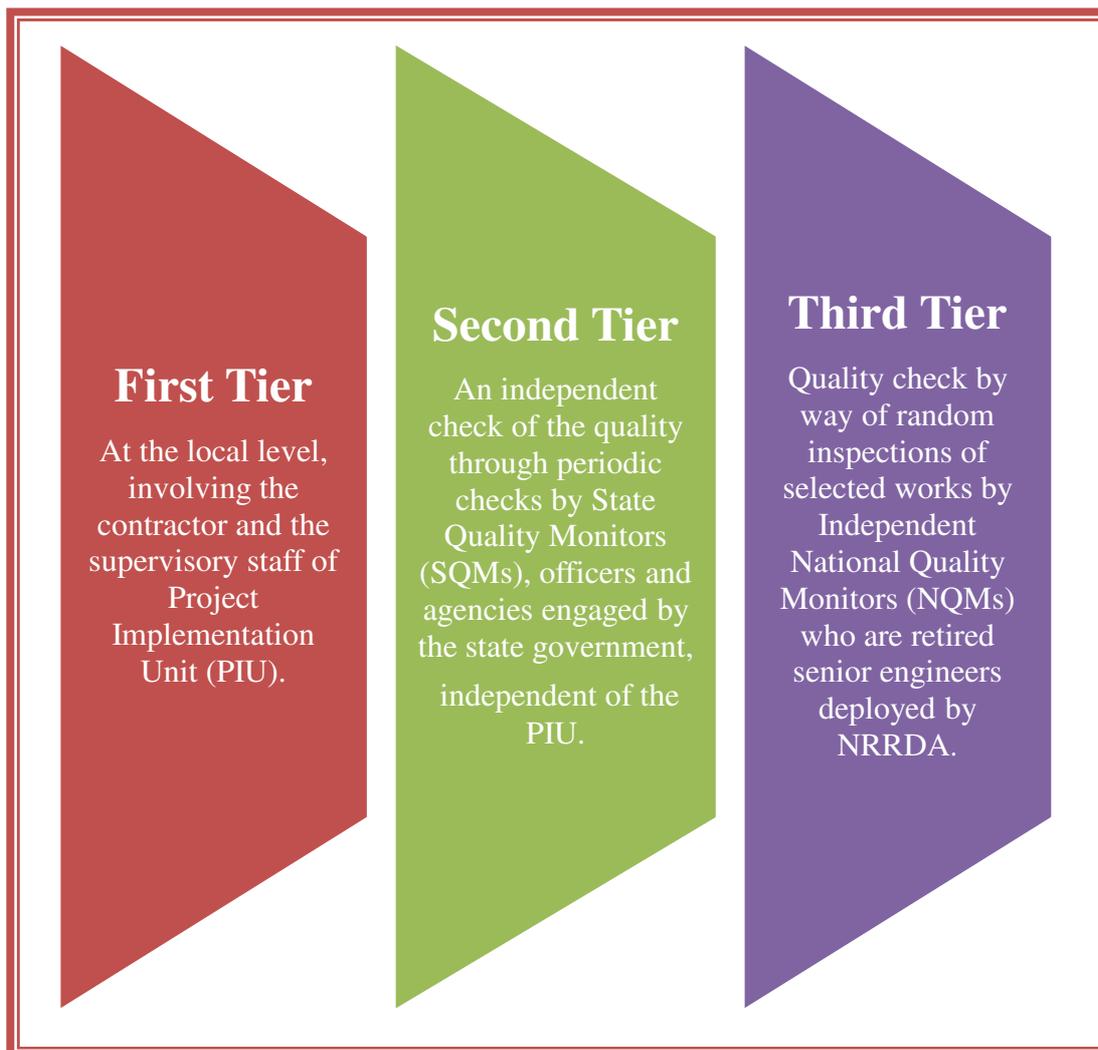
### **Recommendations**

- i. State governments may ensure that funds released for specific purposes are not diverted.
- ii. States should try to meet annual financial and physical targets and efforts should be made to optimise the retained excess or unutilised funds.
- iii. Ministry may put a system in place to reconcile the data of funds released and expenditure with the states.

## Chapter-6: Quality Control, Monitoring and Evaluation

### 6. Quality Control

A three-tier quality control mechanism has been institutionalized under the PMGSY for maintaining high standard of roads:



#### 6.1 First tier quality control mechanism

##### 6.1.1 Deficiencies in first tier quality control mechanism

Para 15.1 of the programme guidelines envisage that a site Quality Control Laboratory will be set up by the contractor for each package. Para 9.4(a) of the OM provides that as per Clause 9 of General Conditions of Contract, the contractor is required to employ the technical personnel and records in support of tests shall be maintained.

In 12 states (**Assam, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Mizoram** (four PIUs), **Rajasthan, Tamil Nadu, Telangana, Tripura, Uttarakhand** and **West Bengal**), irregularities like non-establishment of field laboratories, non-availability of equipments, non-deployment of trained manpower and non-conducting of required tests were observed (**Annex-6.1**).

### **6.1.2 Non/Improper maintenance of quality control registers**

Para 11.4.3 of the OM envisages that for quality control on material and work management at site, the PIU is to ensure that quality control registers (QCRs) were maintained for each of the road works for recording all tests conducted. The register is to be maintained in two parts, viz., Part-I for records of the tests conducted was to be kept at site of the work and Part-II containing the abstract of the tests. Non-conformance reports are to be maintained by the Assistant Engineers (AEs).

In nine states (**Chhattisgarh, Himachal Pradesh** (two districts), **Jharkhand** (except CPSUs), **Manipur, Mizoram, Telangana, Tripura, Uttar Pradesh** and **West Bengal**), irregularities were observed in the QCRs maintained for recording all the tests conducted. (**Annex-6.2**)

In **Uttar Pradesh**, for ensuring the supply of quality bitumen and its actual consumption by the contractor in bituminous works, the state government ordered (May 2009) the Public Works, Urban Planning and Town Development Department to obtain original Consignee Receipt Challans (CRCs) from the contractors and to cross verify the genuineness of these CRCs from the oil companies before payments. Contrary to these orders, the department did not obtain CRCs from the contractor for 6,521.08 MT bitumen (cost ₹ 22.82 crore) out of 9,978.87 MT procured (2010-15). Thus, verification of CRCs from the oil companies for the remaining supply of 3,457.79 MT of bitumen was not carried out and the contractors were paid for the works. Thus, in the absence of the CRCs and non-verification with the oil companies, quality and quantity of the material consumed was not ensured.

The PIUs accepted (March-June 2015) the fact and stated that all the quality tests, to the extent possible were carried out. The reply of the PIUs was not acceptable as verification of the procurement of entire stock of bitumen as required under the instructions of the state government was not carried out.

### **6.1.3 Non-procurement of equipment**

Grant of ₹ 2.97 crore released to **Haryana** (₹ 1.15 crore) and **Jharkhand** (₹ 1.82 crore) in September 2014 and September 2013 respectively for procurement of modern survey and investigation equipment and quality assurance equipment was not utilised (June 2015). The Executive Engineer, state nodal agency, Haryana accepted the facts and stated that the equipment of ₹ 0.60 crore purchased and they were supplied and installed. Further, the Ministry of Rural Development has been requested to accord (February 2016) approval for purchase of more equipment from the balance funds.

Thus, non-procurement of modern survey and investigation equipments defeated the purpose for which funds were provided besides leading to blockage of funds.

## **6.2 Second tier quality control mechanism**

### **6.2.1 Shortfall in inspections by SQMs**

Para 11.5.7 of the OM envisages that State Quality Coordinator (SQC) draw up inspections in such a way that every work is inspected at least three times. The first two inspections of every work should be carried out during the execution of work spaced at least three months apart and the last inspection should be carried out on the completion of every work, within one month of its completion. The schedule should be monthly, specifying Block and preferably the road, so as to ensure systematic coverage.

Analysis of the OMMAS data showed that SQMs carried out inspections for 51,521 road works during 2010-15 in 29 states. Out of these, 1,671 road works (3.24 *per cent*) were not inspected even once. 26,691 road works (51.81 *per cent*) were inspected only once. Audit also observed that some of the road works were inspected more than 10 times as detailed below:

- In **Andhra Pradesh**, 48 road works were not inspected whereas seven road works were inspected 10 to 18 times.
- In **Assam**, 124 road works were not inspected whereas four road works were inspected 10 to 13 times.
- In **Gujarat**, 47 road works were not inspected whereas 21 road works were inspected 10 to 26 times.
- In **Madhya Pradesh**, nine road works inspected 10 to 16 times, whereas 193 road works were never inspected.
- In **Maharashtra**, 77 road works were not inspected whereas five road works were inspected 10 to 11 times.

It is therefore, evident that SQMs did not carry out the prescribed inspections uniformly.

NRRDA accepted the facts and stated that one of the reasons for the shortfall in SQM inspections relate to shortage of trained manpower with inadequate domain knowledge. As regards to the exceptionally large number of SQM inspections for a particular work, this needed verification from the states. One of the reasons could be the multiple entries of the same roads by novice SQMs while trying to upload the quality grading in OMMAS through Mobile Application.

Information obtained from the states also showed that the prescribed three inspections were not carried out in 24 states (**Annex-6.3**).

### **6.2.2 Deficiencies noticed by SQMs**

According to para 11.5.7 of the OM, the SQMs shall submit inspection reports covering, design of pavement and cross drainage works, management of the contract, etc. After inspections, SQMs may adopt a two level classification for quality grading of road works based on the quality checks as “Unsatisfactory” and “Satisfactory Requiring Improvement” (SRI). Further, para 11.6.3 of the OM provides that Action Taken Reports (ATRs) shall be submitted by PIUs within 30 days from the date of inspections.

Out of 82,176 inspections carried out by SQMs, 16,441 works were found ‘SRI’ and 4,967 works ‘Unsatisfactory’. Works rated ‘Unsatisfactory’ also included 39 (2010-11), 79 (2011-12), 119 (2012-13), 199 (2013-14) and 106 (2014-15) completed road works.

The Ministry stated (October 2015) that ensuring laid down provisions was the responsibility of the state governments. Thus, the state governments failed to adhere to quality standards.

In 14 states {**Arunachal Pradesh (4), Chhattisgarh (2), Gujarat (9), Haryana (1), Jammu & Kashmir (17), Jharkhand (149), Madhya Pradesh (37), Maharashtra (3), Odisha (619), Sikkim (194), Telangana (2), Tripura (136), Uttar Pradesh (111) and Uttarakhand (127)**}, 1,411 ATR out of 6,288 were pending for action.

In **Meghalaya**, data of ATRs on inspections conducted by SQMs were not available. In the absence of data/records at the state level, monitoring of second tier quality control was ineffective.

Pending action on the inspection reports of SQMs reflects the ineffective monitoring of the findings of second tier quality mechanism.

### **6.2.3 Evaluation of performance of SQMs**

The NRRDA issued (January 2013) guidelines and instructions for performance evaluation of SQMs which *inter alia* stipulates that process of performance evaluation may be started from January 2013 and meeting of the Performance Evaluation Committee (PEC) is required to be held every six months.

It was observed that no PEC was constituted in five states (**Gujarat, Jammu & Kashmir, Mizoram, Rajasthan and Tripura**).

### **6.2.4 Non-conduct of joint inspection**

Para 15.10 of the programme guidelines provides that joint inspection of the PMGSY works shall be fixed by engineering staff as per the convenience of elected public representatives, once in six months with Member of Parliament and *Zilla Pramukh*, once in three months with Member of Legislative Assembly and Chairperson of *Mandals* concerned and once in two months with *Sarpanch* of *Gram Panchayat* concerned.

In 17 states (**Andhra Pradesh, Arunachal Pradesh, Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Meghalaya, Mizoram, Odisha, Punjab, Sikkim, Telangana, Uttar Pradesh and Uttarakhand**), joint inspections of the PMGSY road works with the public representatives were not carried out.

The Ministry stated that as a follow-up of provision of Joint inspection, a Circular No. 10/2011 dated 28 July 2011 requesting the state government to ensure joint inspections of field functionaries with public representatives was issued. This has also been insisted at various fora including Regional Review Meetings (April 2016). It is evident however, that the instructions of the Ministry were not followed.

### **6.3 Third tier quality control mechanism**

NRRDA arranges for external Quality Assurance by deploying NQMs, whose responsibility is to verify that the State's Quality Management is adequate. As, third tier of the Quality Management Structure, the NRRDA engages independent NQMs, mostly retired Senior Engineers from state/Central organisations.

### 6.3.1 Deficiencies noticed by NQMs

Para 11.5 of the OM envisages that second tier of independent quality management was to improve the quality and effectiveness of the enforcement process. This includes checks to ensure that first tier was properly functional, independent quality tests to verify that the quality control system was achieving its intended objective, detection of systemic flaws in the quality control process and action to improve the process, Independent supervision of deterrent and punitive measures in respect of first tier and the contractor.

NQMs carried out 2,660 inspections in seven states {**Andhra Pradesh** (37), **Arunachal Pradesh** (130), **Himachal Pradesh** (4), **Meghalaya** (67), **Odisha** (221), **Tripura** (10) and **West Bengal** (424)} and graded 893 works as unsatisfactory/SRI.

This indicated that the quality control mechanism at first and second tier was not functioning effectively.

### 6.3.2 Delay in submission of ATRs

As per para 11.6.3 of the OM, on completion of inspection by NQM, PIU shall furnish Action Taken Report (ATR) to SQC after a period of one month of inspection by NQM. The compilation of ATRs will be carried out by SQC for submission to NRRDA within one month of receipt of grading of the work.

In **Andhra Pradesh**, ATRs for two works inspected by NQM in January 2010 and August 2011 were submitted with delays ranging from 8 to 15 months. In **Karnataka**, under PIU, Kalburgi, NQM inspected one road work in January 2015, ATR was submitted only after 10 months and the same is yet to be accepted by NRRDA.

In **Manipur**, in four sampled districts, there was delay ranging from one to 24 months in submitting 11 ATRs by SQC to NRRDA.

In **Sikkim**, ATRs in 21 unsatisfactory works reported by NQMs during April 2011 to January 2015 were submitted with a delay of 42 to 721 days.

In **Tripura**, there was delay of 3 to 42 months in submitting ATRs. ATRs for seven road works were yet to be submitted.

### 6.3.3 Pendency of action taken reports

Para 11.6.1 of the OM envisages that PIU will not wait for the grading of work to be communicated by NRRDA or SQC but start taking action based on inspection reports furnished by the NQM immediately, unless it disagrees with the recommendation.

NQMs carried out 16,856 inspections during 2010-11 to 2014-15, of which, 6,452 works were graded 'Unsatisfactory' or 'SRI' (38.28 *per cent*). 1,938 ATRs were pending with states (June 2015). Out of these, 570 unsatisfactory/SRI works were outstanding for more than two years. The pendency of the ATRs ranged between 6.22 and 58.68 *per cent*. NRRDA did not furnish pending ATRs to audit in respect of works inspected by NQMs during 2000-09 on the plea that records were not readily available. In the absence of records, it could not be ensured whether any ATR prior to 2009-10 was pending.

NRRDA stated (October 2015) that time taken in furnishing the ATRs depends upon the nature of defects pointed out by the NQMs in their inspection reports. Often, the defects remained unaddressed for quite some time due to the contractual failure, litigation and forest clearance issues which were beyond the control of the PIU, etc., resulting in non-addressal of NQM observations. Ministry needs to analyse pending ATRs as some of these were pending for more than five years. Further, in the absence of records of pending ATR prior to the 2009, the completeness of the action taken could not be verified in audit.

Information collected from the states showed that 755 ATRs in 20 states {{**Andhra Pradesh** (8), **Arunachal Pradesh** (9), **Assam** (10), **Bihar** (143), **Chhattisgarh** (1), **Gujarat** (13), **Haryana** (1), **Himachal Pradesh** (44), **Jammu & Kashmir** (7), **Jharkhand** (172), **Karnataka** (2), **Maharashtra** (7), **Manipur** (3), **Meghalaya** (45), **Odisha** (88), **Rajasthan** (49), **Sikkim** (3), **Tripura** (86), **Uttar Pradesh** (30) and **Uttarakhand** (34)}, were pending as of March 2015.

In **Nagaland**, NQMs carried out inspection of 40 projects during April 2010 to March 2015. One project was graded satisfactory, 16 average and 23 unsatisfactory. However, no record was available in respect of action taken by the work executing agency to rectify the work. Quality and workmanship in district Peren remained un-assessed as NQM did not visit any work site there. The state government accepted the facts (September 2015).

### Case study: Andhra Pradesh

NQM inspected road work 'BT road connectivity to Yeguvaganjabadr' of district Vizianagaram work from 0/0 km to 3/0 km and graded the entire length (15.30 km) as 'Satisfactory' (May 2012). On receipt of complaint, NRRDA deputed (January 2013) another NQM who after inspection, graded the work 'Unsatisfactory' and recommended to rectify the defects and submit ATR within a month. However, ATR had not been submitted (July 2015).

Vigilance & Enforcement Department, Government of **Andhra Pradesh**, based on the petition received, investigated (November 2013) the work and found that sanctioned length of 15.30 km was executed up to 10.80 km. Material and workmanship was not as per the required specifications and ₹ 6.16 crore was paid to the contractor without measurement of the work. The contractor left the project without completion (January 2013). SQMs failed to conduct time-to-time layer wise inspection. Report of the enquiry committee further stated that NQM graded the work 'Satisfactory' without observing the actual physical status and NQM prepared the report as per the requests of the executing people by hiding the actual conditions of the road and shown the work completed. Hence, the allegation that the NQM was managed was established.

The report submitted (November 2014) to state government recommended to (i) take action against the contractor (ii) take up issue of wrong reporting by NQM with Ministry and review on NQM and SQM reports and (iii) ensure and effect the recoveries amounting to ₹ 0.85 crore from the erring officials against the deficiencies. The PIU stated (July 2015) that action was being taken to blacklist the defaulting contractor. No specific reply on action taken against the erring officials was given.

The Ministry stated (April 2016) that the matter was put up for consideration before the PEC during its meeting held in May 2014 and rated the performance of NQM as Unsatisfactory. Subsequent assignments were stopped and based on the recommendations of the Selection Committee; the NQM was de-empanelled w.e.f June 2014.

The reply was not satisfactory as despite receipt of contradictory report from another NQM in January 2013, NRRDA continued to depute the erring NQM who carried out inspections for 40 roads works during June 2013 to March 2014.

#### 6.3.4 Deficiencies in action taken reports

As per para 11.5.4 of the OM, the SQCs are to prepare monthly abstracts of SQM visits as well as Annual Quality Report and submit the same to SRRDA and State Level Standing Committee (SLSC) and also to ensure compilation by PIUs of action taken on the reports of the NQMs.

In 21 states (**Andhra Pradesh, Arunachal Pradesh, Bihar, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala,**

## Report No. 23 of 2016

**Manipur, Meghalaya, Mizoram, Odisha, Rajasthan, Sikkim, Telangana, Tripura, Uttar Pradesh, Uttarakhand and West Bengal**), NQMs inspected 3,692 road works. 752 roads were found unsatisfactory. PIUs submitted rectification report in 660 road works, of which, 420 works were re-inspected by SQMs/NQMs and 65 works were again found unsatisfactory after re-inspection (**Annex-6.4**).

This indicated that monitoring of rectifications of reported deficiencies was not effective. Officials/contractors may be held responsible for remedial action and punitive action may also be initiated against the responsible officials/contractors, if deficiencies persist even after re-inspection.

### **6.3.5 Non-holding of Performance Evaluation Committee Meetings**

The initial system of Performance Evaluation of the NQMs was framed in 2006 and was firmed up in 2007 by NRRDA which required that the Performance Evaluation Committee (PEC) would be held at every six months.

Audit observed that only four meetings<sup>1</sup> were held to evaluate the performance of NQMs during 2010-11 to 2014-15. Thus, the evaluation of performance of NQMs as per the prescribed periodicity was not carried out.

NRRDA accepted the audit observation and agreed that periodicity of PEC meetings was not maintained.

### **6.4 State Level Standing Committee**

According to para 2.4 of the OM, a State Level Standing Committee (SLSC) shall be setup preferably under the chairmanship of the Chief Secretary for quarterly review of progress of works, quality control, capacity enhancement, land availability, budgeting of maintenance fund, etc.

In 10 states (**Arunachal Pradesh, Gujarat, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Meghalaya, Tripura, Uttar Pradesh and Uttarakhand**), SLSC meetings were not held regularly thereby defeated the effective monitoring of the programme.

### **6.5 District Level Vigilance and Monitoring Committee**

As per para 16.5 of the programme guidelines, District Level Vigilance and Monitoring Committee (DLVMC) set up by state governments will monitor the progress and exercise vigilance. Meetings of DLVMC at each level was to be held at least once in every quarter after giving sufficient notice to the MPs/MLAs and all other members.

---

<sup>1</sup> (31 January-5 February 2011; 18-22 September 2012; 1-7 August 2012; 14-16 May, 2014)

In 12 states (**Andhra Pradesh, Haryana, Jammu & Kashmir, Jharkhand, Karnataka, Manipur, Mizoram, Odisha, Sikkim, Uttar Pradesh, Uttarakhand and West Bengal**), irregularities such as non-holding the requisite number of meetings, non-monitoring the progress and exercise vigilance, non-constituting DLVMC, etc., were observed. Details are given in **(Annex-6.5)**.

## **6.6 Grievance Redressal Mechanism**

Para 15.8 of the PMGSY guidelines provide for enquiry of complaints and sending of complaints received through the Ministry/NRRDA to the State Quality Coordinator for enquiry and necessary action. It is also stipulated that in case an adequate response is not received within the time schedule, NRRDA may depute an NQM and further processing will be done on the basis of NQM report.

Audit observed that out of 267 complaints received at NRRDA, NQMs were deputed for enquiry into 218 complaints during 2010-15. 125 complaints (57.34 *per cent*) were found true i.e., road works found 'Unsatisfactory'. Subsequently, observations/reports were sent to states for taking corrective action. Further, NRRDA sent 49 complaints to states for enquiry and action. However, no follow up action on these complaints was available with NRRDA.

A feedback module of OMMAS is designed with a view to achieve systematic approach towards monitoring of grievances and addressing feedback. 396 complaints were received through feedback module of OMMAS during 2010-11 to 2014-15. Of this, 314 were disposed of and 82 pertaining to 2013-14 and 2014-15 were pending with the states. Ministry stated that all the states had been requested (May 2015) for timely disposal of the complaints.

In 10 states (**Arunachal Pradesh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Meghalaya (Prior to April 2012), Tripura, Uttarakhand and West Bengal**), grievance redressal mechanism was not in place.

## **6.7 Social audit**

The PAC in their 72<sup>nd</sup> Report on the PMGSY (2007-08) to the Fourteenth Lok Sabha recommended that the Ministry should replicate the modalities of social audit incorporated in the guidelines of the MGNREGS. The Ministry in its Action Taken Note (PAC 82<sup>nd</sup> Report 2008-09, presented to Fourteenth Lok Sabha) stated that a pilot project had been taken up in **Karnataka and Odisha** with the involvement of local NGOs for sample audit exercise and citizens monitoring of the PMGSY projects. Based on the findings of this project, decision would be taken to formulate appropriate methodology for social

## Report No. 23 of 2016

audit of the PMGSY projects involving of *Panchayati Raj* and Civil Society Organisations.

The Ministry, in response to the audit observation on progress made so far, stated (April 2016) that the social audit of PMGSY roads, through Citizen Monitoring had now been extended to **Jharkhand, Meghalaya, Rajasthan, Assam** and **Uttarakhand**. In these seven states, 603 Citizen Volunteers were trained for monitoring of quality construction and maintenance of PMGSY roads. With the toolkit and training, the volunteers surveyed PMGSY roads in these states for producing data on various qualitative and quantitative aspects of the roads on the condition of roads in both the ongoing and completed works from citizen perspective. The interim report was received and circulated to all the concerned states for taking corrective action.

This indicated that the concept of social audit was still at pilot stage. Replicating the modalities of social audit of the Mahatma Gandhi National Rural Employment Guarantee Scheme in this programme was yet to be finalised and incorporated in the programme guidelines.

### Conclusion

Quality and monitoring control mechanisms were deficient in all the tiers of PMGSY. Field laboratories were either not set up or inadequately equipped at work execution sites. Inspections of roads at prescribed stages were not conducted. Action Taken Reports on the rectification of defects pointed out by the State Quality Monitors and National Quality Monitors were pending. Joint inspections with elected public representatives were not conducted. Performance Evaluation Committee meetings to evaluate the performance of the National Quality Monitors were not held at prescribed intervals. State Level Standing Committee meetings to monitor progress of ongoing works, quality control, budgeting of maintenance fund, etc., were not held regularly. The concept of social audit was not incorporated in the programme guidelines.

### Recommendations

- i. Ministry may review the systemic flaws in the quality control system to address deficiencies. A mechanism may be devised to fix responsibility and accountability on the erring agencies and individuals and corrective action taken.
- ii. The concept of social audit may be incorporated in the programme guidelines.

## Chapter-7 : Joint Physical Verification

### 7.1 Introduction

To assess the implementation of the PMGSY, Joint Physical Verifications of 528 roads in 173 districts of 28 states (except **Nagaland**) constructed at a cost of ₹ 1,223.76 crore were carried out by audit teams in the presence of staff of the implementing agencies. For this purpose, three roads completed during 2010-15 in each selected district were selected randomly. The verification covers execution of work as per laid down specifications, work abandoned mid-way, connectivity to the targeted habitation, maintenance of the road, installation of citizen information boards, PMGSY logo, planting of fruit bearing trees etc.

### 7.2 Summary of findings of joint physical verification

- 166 road works (31.44 *per cent*) were not constructed as per the length provided in DPRs which includes 112 cases where variation was more than 100 metres.
- 20 habitations were provided multiple connectivity.
- 15 road works were abandoned mid way.
- Specifications of DPRs were not adhered to in 59 road works of which, in 44 cases approval of competent authority was not obtained.
- 46 habitations were not provided all weather road connectivity.
- 179 roads were not maintained.
- In 21 road works, boards/logos were not installed
- In 485 road works (91.85 *per cent*), fruit bearing trees were not planted
- Out of 71 road works requiring acquisition of land, in 13 road works, land was not acquired.
- 40 roads were not functional for traffic due to non-construction of causeways, culverts, bridges, to complete stretch, etc.
- In 77 road works, contracts were concluded without rectification of the defects.

Some specific cases of the joint physical verification are discussed in succeeding paragraphs.

### 7.3 Irregularities in providing connectivity to habitations

In eight states {**Andhra Pradesh** (one), **Assam** (nine), **Bihar** (five), **Jharkhand** (six), **Mizoram** (two), **Rajasthan** (one), **Tamil Nadu** (one) and **Uttarakhand** (eight)}, connectivity to 33 ineligible habitations on account of ineligible population size, habitations already connected and habitations not forming part of CNW was observed. State-wise details are given in **Annex-7.1**.

### 7.4 Targeted habitations not connected

In five states (**Assam, Bihar, Chhattisgarh, Jharkhand** and **Odisha**), joint physical verification of roads showed that the targeted habitations were not connected due to hinderance in the alignment, deplorable condition of Through Route, non-construction of bridges, non-construction of road to the targeted habitations, etc. State-wise details are given in **Annex-7.2**. Some sample photographs are given below:



Connectivity was not provided to habitation because road was blocked by cement concrete pillars on both sides of railway track (in package no - BR-06R-148, Bhagalpur district, Bihar)



Dead end of road not constructed (Road from 'Chanchaki to K.A. Road- in Assam, HPIU, Nagaon Road Circle, Nagaon- AS 19-246).



Habitation Kumhardab (Jashpur district, Chhattisgarh), was not provided connectivity due to non-construction of long span bridge



Cross drainage work not executed (Road work 'T02 KULI KUKDA - BASAHA (package CG 0268)' in Bilaspur district, Chhattisgarh)



Road Raidih to Rajsar was completed without providing connectivity to Rajsar which was about 8 km. away from the end point of this road in Deoghar district, Jharkhand



Unconstructed portion of road (more than 500m) left the habitation as unconnected (in L046 to Jala, Block Garhwa Hazaribag district, Jharkhand)

### 7.5 Incomplete/Poor construction of road works

In eight states (Arunachal Pradesh, Assam, Chhattisgarh, Jammu & Kashmir, Jharkhand, Manipur, Sikkim and Uttarakhand), road works were either not completed or roads were in deplorable condition due to poor quality of bituminous works, potholes, bridge works left incomplete, non-completion of the Bailey bridge<sup>1</sup>, defective cutting of hill side under Stage-I work. Further, defective road works were executed as shown in the photographs below and state-wise details are given in **Annex-7.3**.



Road found full of mud and big potholes during construction period under package no. AS 13-59 in district Silchar, Assam



Hard rock and forest land lying in path of the road 'L059-REO main road Kutmakachhar to Murambatoli via Jhimari 'in Simdega district, Jharkhand

<sup>1</sup> A type of bridge that provide flexibility of being constructed in a shorter span, ability to withstand loads of more than 100 MT and have a appreciable long life cycle.



Road Naugaon-Bhukhandi was found damaged in Pauri district, Uttarakhand



Road work from Chopda to Nalai, the quality of bituminous work was found poor at various places in Pauri district, Uttarakhand

## 7.6 Deficiencies in execution of works

In six states (**Bihar, Himachal Pradesh, Jharkhand, Sikkim, Tamil Nadu and Tripura**), during joint verification of completed works, instances of construction of road over existing PCC road, start point not as per CNW, provision of culverts instead of small bridge, non-construction of side drains/protection wall, non-provisions of desired number of culverts were observed. State-wise findings are given in **Annex-7.4**. Some sample photographs are given below:



Non-construction of side drain in Baidynathpur to Bahadurpur in Deoghar district, Jharkhand



Poor quality of road construction in Bhorso-Pinro, Nainital district, Uttarakhand



Non- construction of adequate number of cross drainage and poor construction in road Galak to Upper Rajwalta in Kathua district, Jammu and Kashmir



Unpaved and without revetment of Rumehar-Lam road in Kangra district, Himachal Pradesh

### 7.7 Road work damaged due to poor/non-maintenance

Joint physical verification of roads constructed and completed under the programme showed that roads were not maintained properly and in deplorable conditions. Photographs taken during this exercise corroborates the poor status of the roads are given below:



Deplorable condition of road 'Baraigram to Pecharpar', AS 13-36 due to non-maintenance in, Karimganj district, Assam



Part of vented culvert at the chainage 1/800 of road 'Kamboi Patel falia' washed away due to non-construction of pipes to allow the water to cross safely in Dahod district, Gujarat



**Deplorable condition of road 'KN 15-67-T-02 (Bankalga Cross) to Maharashtra Border' at Afzalpur Taluk in Kalaburgi district, Karnataka**



**Damaged Culvert of road 'Pandripani Jaldega to Pandripani' in Simdega district, Jharkhand**



**Potholes developed on Marthapur-Jamunakote road due to non-maintenance of road Dhenkanal district, Odisha**



**Bituminous work of road Mailsain to Chopda was found damaged at various places in Pauri district, Uttarakhand**

## **Conclusion**

During joint physical verification of completed roads, audit came across instances of multiple connectivity to habitations, abandonment of works mid-way, targeted habitations not connected, poor/incomplete construction, deficiencies in execution of works, non-functionality of roads due to non-construction of causeways, culverts, bridges, etc. and non-maintenance of roads which corroborates the audit findings as discussed in Chapter-4.

## Chapter-8: Online Management, Monitoring and Accounting System

### 8.1 Introduction

Online Management, Monitoring and Accounting System (OMMAS) software is designed by the Centre for Development of Advanced Computing (C-DAC), Pune, for the PMGSY as an online web-based system with centralized database. It is developed as a mechanism for monitoring the programme and is intended to serve the requirements of decision making authorities at various levels. Officials managing the various aspects of the programme are required to furnish online data in respect of road details and transactions carried out by them in the relevant module.

The software comprised several modules encompassing each process of the PMGSY as indicated in **Table-8.1**

**Table 8.1**

Sl. No.	Module Name	Description of the Module
I.	Master Data Module	Master data related to Districts, Constituents, Blocks, Villages, Habitations, <i>Panchayats</i> , Roads and Contractors, etc.
II.	Core Network (Rural Road Plan)	Data related to District Rural Road Plan (DRRP) road data (categorisation of National Highway (NH)/State Highway (SH)/Major District Roads (MDR)/Rural Road/Link Routes/Through Routes)
III.	Proposals Modules	Proposals based on the selection of road links from the Core Network
IV.	Tendering Module	Tendering data, contractor award details
V.	Execution Module	Progress of works (Physical/Financial)
VI.	Online Fund Processing	Processing requests for funds from the SRRDA to Ministry where State initiates the proposal and forwards the request to the MoRD by submitting all the required and relevant information. After dual approvals from the Project and Finance departments of the Ministry, the sanction letter is issued to the State specifying the amount sanctioned and released.
VII.	Quality Monitoring Module	Data regarding the Quality Control (QC) inspection carried out by National Quality Monitors (NQM)
VIII.	Receipts and Payments Module	Accounting data with regard to classified expenditure against each road work

## Report No. 23 of 2016

Sl. No.	Module Name	Description of the Module
IX.	Maintenance Module	Physical and Financial data of five years
X.	Security and Administration Module	Helps in creation of users, creation of roles, mapping of menus to the roles and assignment of roles to the users
XI.	Analysis of rate for rural roads (ARRR)	Analysis of Rates for Rural Roads (ARRR) module is developed to maintain the Schedule of Rates for different items. Schedule of Rates (SoRs), which were based on analysis of different items of work derived from "Specification for rural roads" published by Indian Roads congress.
XII.	Receipts and Payments Bank Module	Bank module is used by bank personnel, where SRRDA is having account, related to PMGSY works. Cheques issued to contractors by DPIUs of that state or e-Payment instructions, generated by DPIUs are listed here. When Bank clears Cheques/E-Payments related to a voucher, Bank authority logins and reconcile it and this reflects in DPIU and SRRDA Reports
XIII.	Data Gap	Provision to view the data gaps in the entry of proposals is provided under Report section.
XIV.	Updation of User Manual	User manual is updated and available under login. The latest enhancements in OMMAS are provided as Annexure in the User Manual.

### 8.2 Previous audit findings

Performance audit of the PMGSY for 2000-01 to 2004-05 was conducted between January and June 2005 and audit findings about Online Monitoring and Management System (OMMS) were reported to Parliament through Report No. 13 of 2006 (Union Government-Civil) Chapter 4, Para 4.11.

The PAC in its 72<sup>nd</sup> Report (14<sup>th</sup> Lok Sabha) recommended that the Ministry review the functioning of OMMS with a view to remove the deficiencies by evolving a practicable action plan. Further, the accounting module of OMMS should be implemented so that it would be an additional tool for the Ministry and states to strengthen the financial management of the programme. The Committee also recommended that the states should take necessary steps to update the online information and wherever OMMS has not been installed, the Ministry should take necessary steps to install the system immediately.

The Ministry in its action taken report (as per 82<sup>nd</sup> Report of PAC) stated (October 2008) that, an overall review of the functioning of the OMMAS was carried out in consultation with the states and C-DAC. The deficiencies in the system were assessed and an action plan had been prepared after a comprehensive review and discussion with the states. The software issues

have been addressed by C-DAC, who had stationed a team at NRRDA to assist Ministry/NRRDA in the implementation of programme and in trouble shooting. Training needs/requirements of the states have been assessed and is being provided regularly. As suggested by the Committee, the updating of data in OMMAS should be reviewed regularly and states would be advised accordingly.

### 8.3 Examination of the website

As the system was primarily based on the inputs by users throughout the country at different levels of the implementation hierarchy (PIUs, SRRDA, etc.) the programme website <http://www.omms.nic.in> was examined with a view to gain knowledge and verify the correctness of the information provided by the website to the citizens and stakeholders.

- State Balance Sheet reports generated through the website showed 'Unreconciled Bank Authorisations' as ₹ (-)18,61,52,07,228.70 {comprising of Debit balance : ₹ (-)23,61,08,17,205.43 and Credit Balance : ₹ 4,99,56,09,976.73} and 'Unreconciled Programme Fund' as ₹ (-)1,54,95,85,24,743.70. **(Annex-8.1)**.

The NRRDA stated (March 2016) that the un-reconciled balances have been reduced, after regular follow up with the states in updating the Receipt & Payment module of OMMAS. This indicated that even after the implementation of OMMAS module for more than 13 years, States are still in the process of updating of Receipt and Payment module which shows lackadaisical approach towards implementation of the system.

- Tendering Agreement details for all state reports generated through website as of July 2015 showed agreement value as ₹ 42,37,45,27,424.51 lakh which is exorbitantly high (at 2,357 times the sanctioned cost of ₹ 1,79,78,547.62 lakh) and is evidently unreliable. Nagaland and Sikkim are the only states where the sanctioned cost closely matches the agreement value **(Annex-8.2)**. The NRRDA accepted (March 2016) the facts and stated that as of date there had been a considerable data correction that had been completed for all the states. As on 29 May 2016, the tendering value is ₹ 1,91,99,222.75 lakh against sanctioned cost of ₹ 1,83,11,572.94 lakh.

### 8.4 Non-implementation of modules in the states

- Out of the 14 modules, Online Fund Processing (OFP) and ARRR Module had not been implemented.

## Report No. 23 of 2016

- Receipt & Payment Bank Module to link banks with PIUs for transactions and reconciliation had been implemented in only six out of 28 states.

### 8.5 Tardy updating of OMMAS database

Para 12.2 of the programme guidelines envisages that release of administrative and travel expenses shall be dependent on continued updating of OMMAS modules. Para 19.3 envisages that release of the second instalment in a year shall be subject to the outputs to the relevant modules of the OMMAS duly certified by SRRDA has been correct.

Though the Receipt & Payment Module which was the most important module for keeping accounting data with regard to classified expenditure against each road work, has been implemented in all states as of September 2015, only eight out of 37 state agencies have updated data up to August 2015. The Ministry informed (October 2015) that it had regularly been reminding states to update the entries in OMMAS (Receipt & Payment Module).

The NRRDA stated (March 2016) that as of 8 March 2016, out of 37 state agencies, 23 have updated their accounts up to March 2015. As of May 2016, six more agencies updated their data up to March 2015 taking the number of states agencies to 29.

It was also observed that the Ministry directed (August 2009) the states to update OMMAS database in order to be eligible to receive administrative funds and programme funds with effect from September 2009. However, eight states agencies are still in the process of updating OMMAS data.

Thus, even after more than 13 years of introducing OMMAS, the Ministry still relied on manual Monthly Progress Reports (MPRs) for decision making process as the basic requirement of data updating on OMMAS was not achieved. Even those MIS reports generated through OMMAS are inaccurate and unreliable.

Ministry again directed the states (October 2015, December 2015 and January 2016) to update OMMAS database.

### 8.6 Lack of application controls

The objectives of application controls are to ensure the completeness and accuracy of the records and validity of the entries made therein. Absence of application controls leads to invalid data entry resulting in incorrect/wrong MIS reports through the system. Data analysis of Master/transaction files of

OMMAS analysed using CAATs (IDEA) showed the discrepancies as given in **Table-8.2** :

**Table-8.2 : Database Discrepancies**

Sl. No.	Table Name	Discrepancy
1.	omms_PLAN_ROAD:- It captures details of Plan Roads.	Out of 4,07,250 road entries, Plan_RD_Total_LEN was zero in 878 cases.
2.	omms_MASTER_HABITATIONS_DETAILS: - It captures the details of habitations.	<p>(i) Out of 15,67,583 records in master file, 2,00,830 records were having population as 'zero' and in 4,807 cases the population was in single digit (between one to nine) which would ultimately resulted in incorrect generation of CNCPL and CUPL list which was based upon the population of the habitations.</p> <p>(ii) 4,14,070 habitations were pertaining to census 2011 instead of census 2001 as provisioned in the programme guideline .</p> <p>(iii) 5,60,470 habitations were shown as unconnected and 5,93,028 as connected which were more than total number of habitations (11,53,513).</p> <p>(iv) Population in 1,847 connected and 928 unconnected habitations was depicted as 'Zero'.</p>
3.	omms_MASTER_CONTRACTOR :- It captures the details of Contractors.	<p>(i) From Cont_ID No.173 to 202, the Contractor Name field contained only as a dot (.) and from Cont_ID No.207 to 213 it was 'zero'(0) and from Cont ID No. 405 to 418 as 'ABC'.</p> <p>(ii) Out of 23,984 records, expiry date of Contractor's registration validity period was not captured in 23,467 cases (98 per cent)</p> <p>(iii) Out of 23,984 records, 5,515 records (3,784+241+485+1,005, i.e. 23 per cent) contained invalid PAN Numbers.</p> <p>(iv) Out of 23,984 records, 3,362 (14 per cent) contained NIL or '0' or '00000000' or '999999999' (117 cases) as mobile numbers.</p>
4.	omms_TEND_AGREEMENT_MASTER :- It captures details of Tender Agreement.	<p>(i) Out of 95,334 agreement records, in 48,712 cases (52 per cent) the date of commencement of work was earlier than the date of award of work.</p> <p>(ii) Out of 95,334 agreement records, the Date of Award of Work (in 14,656 cases), Date of Work Order (1619 cases), Date of commencement of Work (37,054 cases), Date of completion of Work (15,866 cases) were not captured at all and showing '00-00-0000' date.</p> <p>(iii) As per User Manual, Tender Agreement Amount to be entered in the field should be in '₹ in lakh' but the total of Tender Agreement Amount showed</p>

**Report No. 23 of 2016**

Sl. No.	Table Name	Discrepancy
		<p>₹ 33,563,532,899.12 lakh (33,56,35,328.99 crore) as the field contains actual figures instead of ₹ in lakh resulting in incorrect MIS reporting.</p> <p>(iv) In 2,078 cases, the Tender Amount was not captured and shown as zero.</p> <p>In 137 cases, the Tender Agreement Amount was not captured and shown as zero and in two cases in was captured as less than zero (negative).</p>
5.	ACC_Bank_Details Master :- It captures Bank Account details.	<p>(i) Out of 109 Bank Accounts details, eight records were without Bank Account Number.</p> <p>(ii) Out of 109 Bank Account details, bank account open date was before the year 2000 and in two cases, it was 01.01.1960 which shows lack of validation in the date field.</p> <p>Bank Name, Branch Name, Bank Account No., Address1, Phone 1, email ID of the bank and Account Open Date being mandatory field cannot be left blank but out of 109 bank account details 1 Bank Name, 2 branch names, 8 Bank Account numbers, 25 Bank Addresses, 38 Phone 1 numbers, 27 email Ids and 21 Bank Account Open Date were not captured which showed absence of validation checks.</p>
6.	omms_ACC_BILL_DETAILS :- It captures details of bills.	(i) Out of 14,100,116 entries, 9,22,374 entries were not captured in amount field.
7.	omms_EXEC_ROADS_MONTHLY_STATUS : It captures roads execution details.	(i) Out of 10,28,179 entries, 52 entries contains execution from year 1990 to 1999 before the commencement of the scheme (year 2000). Eight entries contains year field as '1', '2', '3', '5', '10' also which showed lack of validation in the field.
8.	omms_MANE_CN_PCI_INDEX :- It captures Pavement Condition Index (PCI) for Core Network Roads.	<p>(i) Out of 9,38,042 entries, 1,596 entries contained PCI index as '0' which is invalid.</p> <p>(ii) Out of 9,38,042 entries, 36,374 entries contained Surface Type as '0' which is invalid.</p>
9.	omms_MANE_ER_PCI_INDEX : It captures Pavement Condition Index (PCI) for Existing Roads.	<p>(i) Out of 6,33,841 entries, 12 entries contained PCI index as '0' which is invalid.</p> <p>(ii) Out of 6,33,841 entries, 58,320 entries contained Surface Type as '0' which is invalid.</p>
10.	omms_MANE_IMS_PCI_INDEX : It captures Pavement Condition Index (PCI) for Roads to be maintained.	<p>(i) Out of 1,54,199 entries, 12 entries contained PCI index as '0' which is invalid.</p> <p>(ii) Out of 1,54,199 entries, 1230 entries contained Surface Type as '0' which is invalid.</p>
11.	omms_ACC_CHQ_BOOK_DETAILS :- It captures Cheque Book Details, Cheque Book Leaf Start No. and	Out of 27,781 entries of Cheque Book details, two entries contained Cheque Book Leaf start with greater number as compared with the Cheque Book Leaf end number. This

Sl. No.	Table Name	Discrepancy
	Cheque Book Leaf end	showed lack of validation control in the fields.
12.	omms_IMS_SANCTIONED PROJES : It contained detailed of sanctioned projects.	Out of 1,76,120 entries for sanctioned projects, 99,549 entries (57 <i>per cent</i> ) entries neither contained user id nor IP address from which the entries were done which renders the system unable to trace the logs required for audit trail.
13.	omms_ACC_RPT_FINAL_BILL_PAYMENT PENDING : It contained details of pending Bill payments.	Out of 1,46,496 entries, 1,696 entries contained bill pending year as 1950.
14.	omms_QUALITY_QM_INSPECTION_FILE : It contained Inspectors details fed by NQMs.	Out of 10,02,620 records, file upload dates were not captured in 4,63,792 (46.25 <i>per cent</i> ) record. In 68 records, file upload dates ('6.1.1980', '7.1.1980', '8.1.1980', '1.1.1982' and '2.1.1982') were earlier to the launch of the programme.

Lack of validation controls in OMMAS application led to incorrect data entries which resulted in generation of unreliable MIS reports.

The NRRDA stated (April 2016) that for PAN No., Tender Agreement Amount, PCI Index and cheque book details, required validation checks have been incorporated in the new version, i.e., OMMAS 2.0 introduced in 2014. Department didn't reply to other observations. However, there was still a need to cleanse the previously entered incorrect/invalid data so as to generate reliable and authentic MIS reports.

### 8.7 IT Infrastructure in states

An 11-point questionnaire containing General Controls were issued to states to assess the infrastructure available in respect of computer hardware, trained manpower, provision of supervisory controls for authenticating the data entries made in OMMAS and generation of various MIS reports through OMMAS were issued to all states.

The Information Technology Nodal Officer (ITNO) is responsible for monitoring the progress of data entry at PIU level, supervise bulk data entry and other IT related functions of the state.

Audit observed that:

- The IT Nodal Officer had not been appointed in three states (**Gujarat, Karnataka and Jammu & Kashmir**).
- AMCs for computer hardware were not awarded in nine states (**Bihar, Gujarat, Jammu & Kashmir, Jharkhand, Maharashtra, Manipur, Meghalaya, Mizoram and Nagaland**).

## Report No. 23 of 2016

- In four states (**Arunachal Pradesh, Karnataka, Tamil Nadu and Uttar Pradesh**), no supervisory provision for verification/authentication of data entry was made.

Other details are given in **Annex-8.3**.

The NRRDA informed (April 2016) that ITNO had been nominated for 21 states only. **Gujarat, Jammu & Kashmir and Karnataka** are still not in the list.

### Conclusion

Even after more than 13 years, states were still in the process of updating OMMAS data. Fund Processing and ARRR modules were not implemented. Absence of application controls led to invalid data entry. MIS reports generated through the system were inaccurate and unreliable.

### Recommendation

Ministry may ensure that deficiencies in the operationalisation of OMMAS are rectified so that it may serve an effective tool for monitoring and decision making in implementation of the programme.

New Delhi  
Dated: 13 July 2016



(MUKESH PRASAD SINGH)  
Director General of Audit,  
Central Expenditure

Countersigned

New Delhi  
Dated: 14 July 2016



(SHASHI KANT SHARMA)  
Comptroller and Auditor General of India

---

# Annexes

---

## Annex-2.1

## Audit Sampling-Selection of Districts

(Refer to paragraph 2.1.5)

Sl. No.	State	District		Packages		Sanctioned cost of selected packages (₹ in crore)	Expenditure upto March 2015 on selected packages (₹ in crore)
		Total	Selected	Total	Selected		
1	Andhra Pradesh	13	3	278	68	97.46	33.37
2	Arunachal Pradesh	16	4	101	29	194.07	130.81
3	Assam	27	8	992	247	995.38	575.09
4	Bihar	38	10	4,054	1,034	2,069.23	1,159.14
5	Chhattisgarh	18	5	444	112	539.27	286.65
6	Goa <sup>1</sup>	2	2	0	0	0	0
7	Gujarat	26	7	264	70	374.01	238.07
8	Haryana	21	7	56	32	279.12	157.62
9	Himachal Pradesh	12	4	263	66	97.26	61.17
10	Jammu & Kashmir	22	6	500	138	477.49	280.66
11	Jharkhand	24	6	1,184	467	654.29	364.82
12	Karnataka	29	8	312	88	259.22	213.95
13	Kerala	14	4	241	62	108.27	66.80
14	Madhya Pradesh	51	13	1,145	316	1,192.08	966.47
15	Maharashtra	35	8	312	88	362.61	287.75
16	Manipur	9	4	333	64	178.31	103.33
17	Meghalaya	11	6	273	68	180.50	31.23
18	Mizoram	8	2	41	18	73.72	52.65
19	Nagaland	11	3	27	15	78.36	61.14
20	Odisha	30	9	2,192	551	1,037.28	779.70
21	Punjab	22	8	170	44	203.52	173.12
22	Rajasthan	33	8	612	168	412.94	296.21
23	Sikkim	4	2	102	27	114.45	94.55
24	Tamil Nadu	31	8	256	69	109.27	94.32
25	Telangana	10	2	136	38	46.96	42.34
26	Tripura	4	2	319	82	311.47	158.84
27	Uttar Pradesh	72	18	550	180	576.81	447.08
28	Uttarakhand	13	4	319	94	468.95	298.18
29	West Bengal	18	5	641	182	470.00	279.87
<b>Total</b>		<b>624</b>	<b>176</b>	<b>16,117</b>	<b>4,417</b>	<b>11,962.30</b>	<b>7,734.93</b>

<sup>1</sup> No road works were executed in Goa during the period covered under performance audit.

**Annex-2.2**  
**Details of Sampled Districts**  
(Refer to paragraph 2.1.5)

Sl. No.	State	Number of Selected Districts	Name of Selected Districts
1.	Andhra Pradesh	03	Anantapur, Nellore, Vizianagaram
2.	Arunachal Pradesh	04	Papum Pare, Anjaw, Lohit, West Siang
3.	Assam	08	Lakhimpur, Golaghat, Dhubri, Chirang, Nagaon, Cachar, Karimganj, Baksa
4.	Bihar	10	Bhagalpur, Gaya, Gopalganj, Katihar, Madhubani, Nawada, Purnea, Samastipur, Vaishali, West-Champaran
5.	Chhattisgarh	05	Raipur, Bilaspur, Rajnandgaon, Jashpur, Kanker
6.	Goa	02	North Goa, South Goa
7.	Gujarat	07	Banaskantha, Dahod, Jamnagar, Kutch, Panchmahals, Vadodara, Valsad
8.	Haryana	07	Panipat, Kaithal, Hisar, Sirsa, Jhajjar, Gurgaon, Yamunanagar
9.	Himachal Pradesh	04	Hamirpur, Kangra, Lahaul & Spiti, Kinnaur
10.	Jammu & Kashmir	06	Anantnag, Rajouri, Kishtwar, Kulgam, Kathua, Leh
11.	Jharkhand	06	Deoghar, Garhwa, Hazaribag, Jamtara, Simdega, West Singhbhum
12.	Karnataka	08 <sup>2</sup>	Kolar, Ballari, Tumakuru, Kalaburagi, Gokak, Sira, Udupi, Hassan, Havari, Belagavi
13.	Kerala	04	Kannur, Malappuram, Ernakulam, Idukki
14.	Madhya Pradesh	13	Ashok Nagar, Betul, Balaghat, Chhindwara, Datia, Jhabua, Khargone, Ratlam, Rewa, Shajapur, Sagar, Vidisha, Umariya
15.	Maharashtra	08	Akola, Jalna, Hingoli, Dhule, Satara, Ratnagiri, Thane, Amravati
16.	Manipur	04	Imphal East, Thoubal, Senapati, Ukhrul
17.	Meghalaya	06	East Khasi Hills, Ri-Bhoi, West Garo Hills, East Garo Hills, North Garo Hills, South West Garo Hills
18.	Mizoram	02	Aizawl, Champhai
19.	Nagaland	03	Kiphire, Peren, Zunheboto

<sup>2</sup> 10 PIU

Sl. No.	State	Number of Selected Districts	Name of Selected Districts
20.	Odisha	09	Balangir, Balasore, Dhenkanal, Jajpur, Kalahandi, Koraput, Mayurbhanj, Rayagada and Sundargarh.
21.	Punjab	08	Amritsar, Bathinda, Hoshiarpur, Jalandhar, Mansa, Mukatsar, Pathankot, Sangrur
22.	Rajasthan	08	Bhilwara, Bundi, Churu, Dausa, Dungarpur, Kota, Nagaur, Udaipur
23.	Sikkim	02	East, South
24.	Tamil Nadu	08	Kancheepuram, Tiruvannamalai, Ariyalur, Pudukottai, The Nilagiri, Krishnagiri, Dindigul, Kanyakumari
25.	Telangana	02	Khammam, Mahbubnagar
26.	Tripura	02	Dhalai, West Tripura
27.	Uttar Pradesh	18	Agra, Allahabad, Basti, Chandauli, Deoria, Etawah, Faizabad, Fatehpur, Jalaun, Jhansi, Kannauj, Kashganj, Kushinagar , Maharajganj, Mathura, Moradabad, Sitapur, Shahjahanpur
28.	Uttarakhand	04	Almora, Chamoli, Nainital, Pauri
29.	West Bengal	05	North 24 PGS, Hooghly, Malda, Purba Medinipur, Uttar Dinajpur
	<b>Total</b>	<b>176</b>	

**Annex-3.1**  
**Deficiencies in Core Network**  
(Refer to paragraph 3.3.1)

Sl. No.	State	Observations
1.	Andhra Pradesh	4,380 unconnected habitations were shown as connected whereas 26 eligible unconnected habitations were not included in CNW (June 2014).
		In district Anantapur, discrepancies such as non-indication of the details of connected habitations, missing of sequential order while assigning road numbers to through/link routes, giving same road numbers to different through/link routes, showing emerging and termination point as one and the same were observed.
2.	Assam	In district Nagaon, in violation of programme guidelines, two Major District Roads (MDRs), Kampur to Jamunamukh and Sonaigaon to Dhing were sanctioned and constructed at a cost of ₹ 6.48 crore.
		In district Karimganj, a Through Route (TR) "Poamara to Cheragi Bazar" having length 31.95 km, eligible for upgradation, was proposed as new connectivity after dividing into five different roads in the CNW. Expenditure of ₹ 7.35 crore was incurred on construction of road.
3.	Bihar	6,551 eligible habitations were not included in the CNW due to absence of reliable data of unconnected habitations.
4.	Gujarat	278 habitations had incorrectly been shown as connected in CNW.
5.	Himachal Pradesh	Variations were noticed in data of habitations maintained by the Engineer-in-Chief, test checked districts and OMMAS.
6.	Jammu & Kashmir	Six habitations in two test checked districts were wrongly shown as connected in the CNW.
		1,171 habitations with population of 250 and above were not included in the CNW whereas an area inhabited by nomads (migrants) was included in CNW.
7.	Jharkhand	In three districts (Deoghar, Simdega and West Singhbhum), number of habitations provided connectivity, as of March 2010, exceeded the eligible habitations mentioned in the CNW.
		In contravention of the Operations Manual, in four districts, Deoghar, Garhwa, Hazaribagh and West Singhbhum, in respect of 203 <sup>1</sup> roads, same identification number was allotted to more than one road within a block.
		In district Deoghar, 199 habitations (proposed by the Block Development Officers) were not included in the revised CNW.
		Six habitations having population of less than 500 were selected for connectivity though these districts did not belong to Schedule-V area.
		In two districts (Hazaribagh and Garhwa), in 27 roads, name and population of habitations appearing in DRRP, CNW and DPR did not match with each other.
8.	Karnataka	28 works were got sanctioned during 2013-14 under 'New Connectivity' as left out habitations. The state government replied that certain roads were left out from CNW due to misclassification of records earlier.
9.	Kerala	In district Idukki, habitation 'Edamalakudi' with population of 2,236, lying 12 km away from a motorable road, was wrongly reported as connected in the CNW.

<sup>1</sup>Deoghar (08), Garhwa(88), Hazaribagh (40) and West Singhbhum (67)

Sl. No.	State	Observations
10.	Manipur	In three districts, Senapati, Imphal East and Ukhrul, eight habitations were categorised in incorrect population size. In district Thoubal, one eligible habitation (Khoidum) with a population of 488 persons (Census 2001), was not included in the CNW due to taking of incorrect population figure (205).
11.	Meghalaya	In districts RiBhoi and East Khasi Hills, 13 eligible unconnected habitations with population of more than 250 persons were not taken into CNWs.
12.	Odisha	4,035 eligible habitations were not included in DRRP as well as CNW. In district Dhenkanal, in violation of the provisions of programme guidelines, eight Major District Roads were upgraded at a cost of ₹ 17.50 crore.
13.	Rajasthan	In test checked districts, there were variations in data of habitations maintained by the SRRDA, NRRDA and OMMAS. In district Bhilwara, a road 'Chabaria to Bhuwana-Tej-ki-Jhopariya' was proposed for connecting two habitations <sup>2</sup> under cluster approach despite having distance of more than 500 metres. In district Nagaur, a road 'Harsola to Rayco-ki-Dhani' with length 4.5 km was proposed. However, as per Linear Chart and Transect walk attached with the DPR, the distance between Harsola and Rayco-ki-Dhani was only 900 metres.
14.	Sikkim	There were discrepancies in the number of unconnected habitations and population.
15.	Telangana	In district Khammam, 140 unconnected habitations were projected as connected in the CNW. In district Mahbubnagar, CNW did not maintain sequential order while assigning road numbers to through/link routes. 15 eligible habitations pertaining to district Khammam (two habitations under Left Wing Effected (LWE) with population 250-499), and two habitations (Pallechelka Thanda and Gurranguda) with population 500+ in district Mahbubnagar were not included in the CNW.
16.	Tripura	17 eligible unconnected habitations were not included in the CNW.
17.	Uttar Pradesh	6,221 habitations with population 500-999 were not included in the CNW.
18.	Uttarakhand	Six eligible habitations with population of 250 and above in the selected districts were not included in the CNW. 190 unconnected habitations were wrongly shown as connected. The Ministry stated (April 2016) that the state had reconciled the unconnected eligible habitations both on paper and OMMAS. The reply of the Ministry was not acceptable as these 190 unconnected habitations are still depicted as connected in the CNW.
19.	West Bengal	In test checked districts, 86 habitations though unconnected were shown as connected in CNW.

<sup>2</sup>Bhuwana-Tej-ka-Jhoparia and Bhuwana-Teja-ka-Barda

**Annex-3.2**  
**Variation in Road Length**  
(Refer to paragraph 3.3.2)

Sl. No.	State	Observations
1.	Assam	In three districts, 16 roads had variation (excess 41.71 km) in length on actual execution compared to length mentioned in CNW.
2.	Jammu & Kashmir	In five out of six test checked districts, in eight roads, actual length was found to be in excess by a total of 19.27 km when compared to the length mentioned in CNW, whereas, in 23 roads, the length was found to be short by 57.76 km.
3.	Jharkhand	In test checked districts, the actual length of road mentioned in DPRs were in excess by a total of 284.75 km in 239 roads when compared to the length mentioned in CNW, whereas the actual length was short by 284.26 km in 180 roads.
4.	Kerala	In three test checked districts, 17 roads had variation (exceeded by 31 km) in length on actual execution compared to length mentioned in CNW.
5.	Madhya Pradesh	Out of 640 roads analysed under completed packages, 594 roads had variation in length on actual execution compared to road length mentioned in CNW. In 427 works, variations ranged from 10 to 339 <i>per cent</i> . In 184 roads, length exceeded by 258.44 km whereas in 243 roads, length was reduced by 496.54 km.
6.	Odisha	In eight test checked districts, during 2010-15, contracts for 112 roads were awarded for length of 433.63 km against the length of 307.55 km as per CNW.
7.	Punjab	In three out of eight test checked districts, length of road mentioned in DPRs were exceeded by 15.76 km in six roads whereas reduced by 1.93 km in two roads when compared to length mentioned in CNW.
8.	Tamil Nadu	In district Udhamandalam, actual execution of a road length exceeded by 0.45 km when compared with CNW.
9.	Uttarakhand	In three out of four test checked districts, length of road mentioned in DPRs were exceeded by 33.36 km in five roads when compared to length mentioned in CNW.

**Annex-3.3**  
**Selection of inadmissible road projects**  
(Refer to paragraph 3.3.5)

Sl. No	State	Observations
1.	Bihar	In block Patepur of district Vaishali, a road L032 to Paswan Tola, (package no- BR-36R-171) having length 457 metre as against the required minimum length of 500 metre under the programme was sanctioned and expenditure of ₹ 0.14 crore was incurred up to March 2015.
2.	Gujarat	In district Panchmahal, habitation (Tadgam Falia), located on Through Route (Gothib-Batkwada-Simalia), was provided road connectivity (Simalia to Tadgamfalia) in July 2009 at a cost of ₹ 0.45 crore.
		In district Panchmahal, in violation of the programme guidelines, construction of internal road (JunaKheda Bhedi Falia) of village in taluka Santrampur was completed in April 2013 at a cost of ₹ 1.26 crore.
3.	Himachal Pradesh	Expenditure of ₹ 0.51 crore was incurred on two packages (HP0464 and HP04115) against the provisions of the guidelines as their path distance was less than 1.5 km from an all-weather road.
4.	Jammu & Kashmir	In two selected districts, seven road works being less than 1.5 km from all-weather road were constructed at a cost of ₹ 6.97 crore.
5.	Madhya Pradesh	In district Shajapur, a road from Shujalpur Mandi Kalapipal to Bhugor (package no. 3942) with length less than 500 metre was constructed at a cost of ₹ 0.05 crore.
6.	Meghalaya	In two selected districts, 22 habitations having path distance less than 1.5 km from all weather roads provided connectivity at a cost of ₹ 1.79 crore.
7.	Odisha	15 road projects (5.883 km) located within 500 metre from an all-weather road/connected habitation were taken up during 2008-13 and expenditure of ₹ 5.94 crore was incurred.
		In district Kalahandi, a road work from “Chichiguda to Shantipur” (package no. OR-15-200/XII) was taken up to connect Shantipur as a targeted habitation despite the fact that it was located only at a distance of 450 metres from PWD road to Chichiguda.
8.	Sikkim	25 road works at a cost of ₹ 13.20 crore were taken up despite within 1.5 km from all-weather road or connected habitations. The department replied that roads were sanctioned on the basis of urgent public demand.
9.	Tamil Nadu	Upgradation of a road “Anandanar- Gnanadasapuram 0/0 km to 1/0 km” was taken up and executed at a cost of ₹ 0.41 crore, whereas Anandanar is a channel with road existing along the channel bank and Gnanadasapuram was approximately 200 metre away from the channel road and balance 800 metre goes beyond the village. The execution of the work at a cost of ₹ 0.41 crore was against the guidelines. The Ministry replied (April 2016) that execution of the work was not against the guidelines but did not specify the criteria for its eligibility under the programme.
10.	Uttarakhand	In district Pauri, two roads were included in the CNW despite having path distance less than 1.5 km.

**Annex-3.4**  
**Deficiency in preparation of CNCPL/CUPL**  
(Refer to paragraph 3.5)

Sl. No.	State	Observations
1	Arunachal Pradesh	In selected districts, 107 roads for connecting 160 habitations with a population below 250 persons were included in the block level CNCPL. As a result, four ineligible habitations were provided connectivity by incurring an expenditure of ₹ 9.78 crore.
2	Bihar	In selected districts, 110 roads of CNW, eligible for upgradation only, were included both in CNCPL and CUPL.
3	Himachal Pradesh	CUPL was prepared without conducting PCI survey.
4	Jharkhand	In the selected districts, 616 roads were found included in both CNCPL and CUPL. In four districts, 32 habitations with population less than 250 were included in CNCPL. In district Hazaribagh, seven roads were taken up for up-gradation though the habitations were shown unconnected in CNW.
5	Manipur	In district Thoubal, the CUPL was prepared on the basis of population of habitations. Prioritisation of roads based on PCI index and other factors viz., road type, Average Annual Daily Traffic, etc., were not found in CUPL. Five roads were found included in the CNCPL for those habitations which were shown as connected in the CNW.
6	Meghalaya	In four selected districts, 354 habitations of population size less than 250 were included in the CNCPL. In four selected districts, 161 roads had been reflected in both CNCPL and CUPL.
7	Nagaland	The CNCPL had figured more eligible habitation in comparison to CNW.
8	Sikkim	CUPL was prepared without conducting PCI survey. The State Nodal Agency replied that PCI survey report was being maintained, however, neither the reports were furnished nor copies of reports supplied with the reply.
9	Tripura	CUPL was prepared without conducting PCI survey.
10	Uttar Pradesh	In sampled districts, CUPL was prepared arbitrarily for each phase as each time new entries of roads were made while uncovered roads from the earlier list were ignored. No prioritisation exercise was done while drawing CUPL and roads were arranged in the order of PCI. Factors viz., population and traffic density for selecting the roads for up-gradation was not considered in any of the sampled districts.
11	Uttarakhand	14 roads were found included in the CNCPL of respective blocks for those habitations which were either already shown as connected or the roads were proposed for ineligible habitations in the CNW. 141 roads of new connectivity were also found included in the CUPL of the concerned block/ district. 40 roads of new connectivity as per the CNW were not given any priority/excluded from the CNCPL of the concerned block/district. Four Through Routes of district Nainital and Pauri were found included in the CNCPL of the concerned block despite the fact that only single side connectivity (link route) is permissible under new connectivity.

**Annex-4.1**  
**Incorrect technical specifications**  
(Refer to paragraph 4.3.1)

Sl. No.	State	No. of Works	Observations
1	Bihar	146	146 road works were executed with incorrect specifications such as use of excess bitumen, use of excess granular sub-base materials.
		198	In 198 roads, provision of side drains in cement concrete pavement portion (village portion) was not made in DPRs.
2	Himachal Pradesh	2	In Jaisinghpur and Palampur divisions, two roads works (from Majheen to Sialkhar and construction of link road to village Baluhi) were executed between July 2013 and August 2013 by laying WBM grade III of 75 mm thickness instead of the required compacted thickness of 150 mm.
3	Tripura	2	In West district, in two road works {Madhupur Hospital Chowmuhani to Fultali {DPR 152(U)} and Jamardepha to Laxmandhepa Road {DRP 90(U)}, DPRs were prepared with extra thickness of sub-base course resulting in extra liability of ₹ 1.03 crore.
4	Uttar Pradesh	111	In 111 road works sanctioned (December 2012) under Phase X in the sampled districts, thickness of base course was remained short by 4 to 35 <i>per cent</i> of the designed crust affecting the sustainability of these roads for the designed life.
5	Uttarakhand	21	In 21 projects/packages of Stage-II (out of total 44 selected packages of Stage-II works) of the test checked districts, pavement thickness for sub-base/base courses was kept on the higher side resulted in extra use of material for these works costing to ₹ 4.09 crore which was avoidable.
		2	In district Chamoli, in two cases {Lwani to Ghuni MR (L-034) and Kakul Talla to Gwar MR (L-030)}, the traffic data adopted for design of pavement of carriageway was taken on the basis of a road of district Dehradun instead of actual factor of traffic and soil of the road.
		6	In district Almora, Chamoli, Nanital and Pauri, in six DPRs, the pavement width of layers of base course and sub-base course were designed/laid in a width more than the prescribed specification resulting in excessive use of material costing ₹ 0.22 crore.
		2	In two works <sup>1</sup> ₹ 0.53 crore could have been saved if the items of work, which NRRDA did not find as per PMGSY specifications, had not been executed.
<b>Total</b>		<b>490</b>	

<sup>1</sup> { Tallakote-Seam (Stage-II) MR of Betalghat Block (package/phase no.UT-07-03/VIII) and Jhajar-Aksora (Stage-II) MR of Dhari Block (package/phase no.UT-07-01/VIII)}

**Annex-4.2**  
**Deviation from approved technical specification**  
(Refer to paragraph 4.4.4)

Sl. No.	State	Observations
1	Maharashtra	In district Amravati, items which were put to tender for upgradation of Karajkheda to Pipalia road (package no.-MH-0338) were altered and deviated from approved technical specification in executing the work as Concrete Cement was reduced and Black Topped was increased. This deviation was not got approved by STA or NRRDA.
2	Rajasthan	In SE PWD Circle, Nagaur, thickness of Granule-Sub-Base (GSB) of road from Deh to Goga-Magra-ki-Dhani was taken as 100 mm in the stretch from km 0/0 to 3/600 whereas as per technical sanction crust thickness of road should be 150 mm.
3	Telangana	In district Khammam, the work 'Kothakotturu to Appalanarsimhapuram' borrow pits were put close to the toe of the road embankment which was against the provisions of para 6.9.3 of the OM read with Ministry's specifications (301.3.4.1).
4	Tripura	The upgradation of road work from Kamalpur to Kachucherra (Part-I) {package no. TR-04-35(UG)} was taken up with higher specification despite low traffic density. This involved extra expenditure of ₹ 1.57 crore. For construction of six road works under four <sup>2</sup> selected packages, use of costlier and richer specification resulted in extra expenditure of ₹ 0.99 crore.
5	Uttarakhand	Six road works of districts Almora and Nainital showed that the material prescribed in the approved DPRs for Granular-Soil-Aggregate base course valued at ₹ 5.14 crore had been changed from GSB-I and II to Water Bound Macadam (WBM)-I and II costing ₹ 6.50 crore, without taking NRRDA approval. The higher cost of material was adjusted by curtailing either the quantities to be used or by savings accruing due to non-execution of some other items/quantities of the said works. In 19 cases of nine PIUs, the approved scope/quantities of works amounting to ₹ 7.54 crore were reduced while floating tenders for these works without approval of the NRRDA.
6	West Bengal	In four districts (North 24 Parganas, Purba Medinipur and Uttar Dinajpur), in nine packages, the California Bearing Ratio <sup>3</sup> (CBR) test report of earth indicated in DPR did not match with the test result during execution. Consequently, in five cases, thickness of the road indicated in DPR had to be changed depending on the soil test results during execution. However, the approval of changes made was not obtained from State Technical Agency (STA).

<sup>2</sup>TR-04-04, TR-04-05, TR-04-13 and TR-04-15

<sup>3</sup>For the pavement design of new roads, the sub-grade strength needs to be evaluated in terms of CBR.

**Annex-4.3**  
**Non-construction of cross drainages and bridges**  
 (Refer to paragraph 4.4.5)

Sl. No.	State	Observations
1.	Andhra Pradesh	Out of 157 bridge works sanctioned (2010-11), 115 works were completed as of July 2015. 12 bridge works were proposed for dropping due to increase in cost as per site condition.
2.	Assam	In Dhubri RR Division, the construction of road from Madaikhali to Beguntoli at an estimated cost of ₹ 2.91 crore was approved with the provisions of five HPCs and a RCC Bridge. Records and joint physical verification of the road showed that against five HPCs, the PIU had constructed only two HPCs and bridge length was reduced from 58.20 metres to 39.00 metres. This indicated that DPRs were not prepared as per the site conditions.
3.	Bihar	In three districts (Gaya, Gopalganj and Nawada), in 20 roads costing ₹ 29.61 crore, against 131 required CD, 14 were constructed.
4.	Chhattisgarh	In five districts (Bilaspur, Jashpur, Kanker, Raipur and Rajnandgaon), in seven roads works, CD ranging from two to three were less constructed.
5.	Jammu & Kashmir	In 10 roads, against 269 bridges/CD, 170 were constructed.
6.	Karnataka	In three PIUs (Haveri, Kalaburagi and Udupi), against 187, 115 CDs/bridges/culverts were constructed.
7.	Rajasthan	In three districts (Dausa, Dungarpur and Nagaur), in 24 roads, 50 to 100 per cent CDs were not constructed.
8.	Telangana	In 'PWD road to Turkagudem', cross drainage works were executed at the chainages other than those specified by the inspection committee thereby exposing them to vulnerability.

**Annex-4.4**  
**Delay in execution of works**  
(Refer to paragraph 4.4.8)

Sl. No.	State	No. of works	Period of delay (Months)	Reasons attributed by Implementing Agency
1	Andhra Pradesh	22	1 to 12	Non-availability of land/forest clearance, etc.
2	Arunachal Pradesh	29	5 to 72	-
3	Assam	233	1 to 97	Non-availability of forest material, flood, rain, labour problem, non-accessibility to site, strike, etc.
4	Bihar	1243	24 to 60	Paucity of funds, non-availability of material
5	Chhattisgarh	12	1 to 84	Delay attributed to contactors
6	Gujarat	74	3 to 12	Difficult terrain, Local resistance, forest clearance, shortage of fund and Monsoon, etc.
7	Haryana	14	1 to 29	Non-obtaining of forest clearances, shifting of electricity poles, ban on mining, etc.
8	Himachal Pradesh	32	1 to 129	Involving forest land, contractor's fault
9	Jammu & Kashmir	52	3 to 75	Public interference, land dispute, non-payment of compensation for structure, forest clearance, etc.
10	Jharkhand	114	Up to 42	Paucity of funds, Naxal problems, non availability of stone materials, etc.
11	Karnataka	197	12 to 51	Land disputes, unseasonal rain, shifting of utilities.
12	Kerala	33	1 to 95	Shifting of utilities
13	Madhya Pradesh	205	6 to more than 24	Delay in mining permission, non-availability/difficulty in transportation of material Land dispute, forest clearance, shortage of labour, water,

Sl. No.	State	No. of works	Period of delay (Months)	Reasons attributed by Implementing Agency
				etc.
14	Maharashtra	19	3 to 60	Paucity of fund, land disputes, non-receipt of permission from Tiger Project
15	Manipur	61	24 to 60	-
16	Mizoram	30	24 to above 60	-
17	Odisha	572	1 to 60	
18	Punjab	91	1 to 68	Shortage of labour, unavoidable circumstances, delay in testing the plastic waste for use in construction, forest clearance and mining policy of state.
19	Rajasthan	378	24 to 46	Land dispute, heavy rain, non-availability of sufficient fund, etc.
20	Sikkim	311	12 to more than 84	Forest clearance, change in alignment, contractor's fault
21	Tamil Nadu	1	13	Due to delay in supply of coir mat (innovative/alternative technology for construction of road) by the Kerala Coir Board.
22	Telangana	29	1 to 29	Issue relating to land, forest clearance, other administrative reasons, etc.
23	Tripura	55	2 to 53	Land clearance, construction of extra cross drains and roadside drain.
24	Uttar Pradesh	367	3 to 36	--
25	Uttarakhand	85	2 to over 24	--
26	West Bengal	237	Up to 24 months to over 60 months	Land disputes
	<b>Total</b>	<b>4496</b>		

**Annex-4.5**  
**Excess expenditure due to cost overrun**  
(Refer to paragraph 4.4.10)

(₹ in crore)

Sl. No.	State	Observations	No. of Works	Amount of cost escalation
1.	Chhattisgarh	In Bilaspur, Raipur and Jashpur under five packages (CG-0251, 0246, 0266, 1429 and 0729), the work was rescinded as the contractor did not complete the work in time. The balance works amounting to ₹ 27.88 crore were awarded at a contract amount of ₹ 49.15 crore.	5	21.27
2.	Gujarat	In district Panchmahals, during 2007-08, two works {Khedapa Kakradungar road (₹ 0.32 crore) and Talav Dedki Fairkuva Sarsav (₹ 0.87 crore)} were retendered in 2011-12 due to non-availability of land and got completed at a cost of ₹ 0.72 crore and ₹ 1.04 crore respectively.	2	0.57
3.	Himachal Pradesh	In Kaza divisions, package no. HP-07-05, sanctioned for ₹ 1.93 crore was completed (September 2011) with expenditure of ₹ 2.19 crore	1	0.26
4.	Jammu & Kashmir	Five road projects were completed at ₹ 12.93 crore against the sanctioned cost of ₹ 10.99 crore.	5	1.94
5.	Jharkhand	In West Singhbhum (NPCC), the original estimated cost of construction and maintenance of 12 roads was ₹ 31.06 crore which was revised to ₹ 38.85 crore with an increase of ₹ 7.79 crore.	12	7.79
		Road works from Bhagwanbagi to Mahugainkala (district Hazaribag) and Rubbai to Paro via Ramjal Suminbora (district Simdega) were rescinded in February 2014 and August 2014 after execution of earth and GBS works of ₹ 0.24 crore and ₹ 0.14 crore. These works were again got sanction from NRRDA against the provisions of the programme guidelines in March 2013 and February 2014 at a cost of ₹ 2.05 crore and ₹ 2.18 crore.	2	2.27
6.	Karnataka	In Haveri, the work of 'Improvements to road from Malanayakanahalli to T-08' (19.50 km) was abandoned after incurring 2.78 crore. Remaining work estimated at	1	0.61

Sl. No.	State	Observations	No. of Works	Amount of cost escalation
		a cost of ₹ 3.54 crore (revised to ₹ 4.90 crore as per CSR) was awarded to another contractor at a cost of ₹ 4.15.		
7.	Kerala	In package no. KR 0213 B 1, cost over-run due to termination and rearrangement of contract amounting to ₹ 0.11 crore was observed.	1	0.11
		Package no. KR 0501 was terminated twice at the risk and cost of the contractor. ₹ 4.25 crore due from contractors was yet to be recovered.	1	4.25
8.	Mizoram	The work of construction of Sakawrdai-Zohmun road was terminated due to unsatisfactory performance of the contractor. The estimate of the remaining work (estimated cost of ₹ 1.13 crore) was revised at ₹ 2.76 crore.	1	1.63
9.	Odisha	Under three packages (package no.OR-02-ADB-45, OR-02-ADB-08, OR-02-253 under RW Division of Jaleswar in costal district Balasore) cement concrete pavement was constructed up to 97 <i>per cent</i> instead of restricting it to 20 <i>per cent</i> of the total road length.	3	1.71
		In two districts Kalahandi and Sundargarh, four works costing ₹ 8.47 crore were terminated after lapse of nine to 36 months from schedule dates of completion. Balance works worth ₹ 7.15 crore were recast to ₹ 10.51 crore as per current schedule of rate.	4	3.36
10.	Tripura	In three selected packages <sup>4</sup> , the works were awarded in September 2008. The works were rescinded in June 2012 due to slow progress of work. Subsequently, balance works were awarded at higher rate resulted in excess expenditure of ₹ 0.73 crore.	3	0.73
		Due to change in alignment of road work from Gandacherra to Kalajhari (Extension Part-II), extra earth work for erosion control and drainage was carried out at a cost of ₹ 0.97 crore.	1	0.97

<sup>4</sup>TR 04 63, TR-04-126, TR-04-12

## Report No. 23 of 2016

Sl. No.	State	Observations	No. of Works	Amount of cost escalation
		In district Dhalai, construction of road work from Mendi to Malakarbasti (L 04), did not commence due to non-handing over clear site to the contractor (March 2011). The work was again awarded at three <i>per cent</i> above the estimated cost and completed in December 2013 at a cost of ₹ 1.33 crore. Besides this, ₹ 0.28 crore was incurred extra as bridge alignment was changed due to land dispute.	1	0.40
11.	Uttarakhand	In districts Almora and Chamoli, contracts of three road works were terminated after 22 to 52 months. The cost of left over works as per new SoR escalated by ₹ 8.62 crore.	3	8.62
		In district Almora, in work of Maniyagar to Kola (package no. UT-01-05) a proposal for replacement/execution of WBM, in place of sanctioned item of GSB in the DPR/TS, costing ₹ 1.11 crore was accepted in March 2015 after a delay of 21 months resulting in cost escalation of ₹ 0.38 crore for extra items of work.	1	0.38
	<b>Total</b>		<b>47</b>	<b>56.87</b>

**Annex-4.6(a)**  
**Incomplete works**  
(Refer to paragraph 4.4.12)

Sl. No.	State	Observations	No. of Works	Expenditure incurred so far (₹ in crore)
1	Assam	In district Dhubri, work of construction of road from Sukchar to Gotabari including cross drainage works (package no. AS 05-36 ) was lying abandoned since April 2010 after incurring expenditure of ₹ 1.74 crore for want of alternate route to carry construction material to work site.	1	1.74
		In district Dhubir, construction of a road from Nayer alga Gaurang Ghat to Gutipara IV (package no. AS 05-41), was lying abandoned since September 2013 after executing work of ₹ 11.32 crore as the project area was submerged for a week causing extensive damage to the road including the constructed RCC Bridges. PIU terminated the package in January 2014.	1	11.32
		In district Dhubri, in seven road works (package no. AS 05-46 of Phase-VII 2007-08), the contractor, after execution of works valued at ₹ 1.57 crore (October 2011), expressed his inability to complete the package due to non-accessibility to the site caused by flood. The work executing agency terminated the package in June 2013.	7	1.57
		Construction of bridge, {package no, AS-05-75 (2012-13)} on road from old NH-31 <i>via</i> Uttar Tokerechora was jeopardised as 700 metres of road along with STP bridge was washed away in June 2013 by the flood in the river Gangadhar.	1	0.17
		The original DPR of road works from Katamoni Piplapunj Road (package no. AS 13-23) was found non-functional as the bridge across the river Logai, presumed to be there as per DPR to transport construction material, was not raised (September 2015). A cause way constructed at a cost of ₹ 0.29 crore to carry construction material constructed was damaged due to flood and became useless for carrying material. Till April 2010, road work worth ₹ 1.10 crore was only executed and lying abandoned since May 2010.	1	1.39
2	Himachal Pradesh	Work of construction of road (package no. HP-05-15- 2005-06) from Wangtoo to Panvi, after executed to the extent of ₹ 3.07 crore, was lying abandoned since October 2007 due to involvement of private and forest land on the alignment of road.	1	3.07

**Report No. 23 of 2016**

Sl. No.	State	Observations	No. of Works	Expenditure incurred so far (₹ in crore)
		Three packages (HP 04172, HP04171 and HP03107) taken up for execution at agreement cost of ₹ 3.03 crore during 2010-12 without ensuring transfer of private land, were lying incomplete.	3	2.31
3	Jammu & Kashmir	In six districts 44 road projects, were not completed even after a delay of over five years and incurring expenditure of ₹ 102.34 crore (March 2015) due to land dispute, non-clearance of road projects from forest department, non-availability of take off points for roads, etc.	44	102.34
4	Jharkhand	In four districts (Deoghar, Hazaribagh, Simdega and West Singhbhum), seven roads and one bridge remained incomplete after incurring expenditure of ₹ 7.06 crore due to non-availability of forest land of about 6,885 meter.	8	7.06
5	Madhya Pradesh	Construction of MDR to Chakpipla road (12.90 km) was approved for providing connectivity to four villages. However, the road was completed only up to village Suna (4.20 km) leaving the other three un-connected for want of clearance from forest department.	1	1.23
			<b>68</b>	<b>132.20</b>

**Annex-4.6(b)**  
**Incomplete works**  
**(Due to contractors' fault)**  
(Refer to paragraph 4.4.12)

Sl. No.	State	Observations	No. of Works	Amount (₹ in crore)
1	Assam	Road work viz. Katamoni to Piplapunj Road (package no. AS 13-40, PIU, Karimganj RR Div., Karimganj) was terminated (January 2015) for breach of contractual obligations as no work was done by the contractor since August 2011 after executing work of ₹ 0.49 crore.	1	0.49
		In district Silchar, 23 road works under 12 packages <sup>5</sup> including six bridges, after lapse of a periods ranging from two to over four years from the stipulated date of completion, were terminated due to breach of contractual obligation by the contractors. Executing agency spent ₹ 27.24 crore on abandoned works. Terminated packages were not reallocated to complete the balance work (August 2015)	21	27.24
		In district Silchar, in two road works (Ganiram II to Dodpur-I and Telitikar to Jagdishpur) under package no. AS 03-26, work executing agency terminated the work in April 2014 for breach of contractual obligations by the contractor. Before termination, the contractor was paid ₹ 1.02 crore. The partially executed work was lying abandoned.	2	1.02
2	Jharkhand	In district Chaibasa, work of construction and maintenance of road from PWD Lokesai to Jitia (Package JH 2211) was rescinded in May 2015 after an expenditure of ₹ 1.27 crore due to dispute between contractor and division.	1	1.27
3	Mizoram	In division Champhai, under package no. MZ-02-WB-01, road work (Khuangleng-Bungzung road) was executed up to ₹ 3.96 crore against the sanctioned cost of ₹ 5.87 crore. The NQM graded (December 2013) the work as unsatisfactory. Thereafter, the contractor abandoned the work in December 2014.	1	3.96
4	Tripura	The work of construction of AA Road to Khadaban para for coverage of two habitations Satya Ram Para and Surendra Reang Para was rescinded in June 2013 at risk and cost of the contractor and contractor was paid ₹ 2.96 crore. Balance work was yet to be re-awarded (June 2015).	1	2.96
			<b>27</b>	<b>36.94</b>

<sup>5</sup> 1. AS 03-26; 2. AS 03-55; 3. AS 03-56; 4. AS 03-59; 5. AS 03-65; 6. AS 03-67; 7. AS 03-68; 8. 03-90; 9. AS 03-93; 10. AS 03-98; 11. AS 03-116 (B) and 12. AS 03-121.

## Annex-4.7

## Variation in figures of release and utilisation of maintenance fund

(Refer to paragraph 4.5.1)

(₹ in crore)

Sl. No.	State	Figures as per NRRDA		Figures furnished by State Governments	
		Release	Expenditure	Release	Expenditure
1	Andhra Pradesh	104.25	47.48	68.76	49.07
2	Arunachal Pradesh	30.95	38.63	35.45	56
3	Bihar	210.48	291.1	230.25	293
4	Haryana	16.68	13.70	19.12	12.25
5	Himachal Pradesh	129.44	62.83	204.3	134.97
6	J&K	17.6	3.72	20.66	3.62
7	Jharkhand	179.48	12.14	179.48	108.46
8	Manipur	17.64	14.68	14.00	14.23
9	Meghalaya	22.85	15.02	25.75	9.95
10	Punjab	23.01	65.07	29.13	28.76
11	Rajasthan	158.34	125.87	158.35	126.56
12	Sikkim	29.59	23.37	29.11	23.36
13	Tamil Nadu	29.2	22.04	36.69	28.49
14	Tripura	67.65	30.107	67.65	29.55
15	Uttar Pradesh	277.79	272.07	263.34	263.78
16	Uttarakhand	76.12	70.55	50.73	52.29
17	West Bengal	175.92	122.05	525.01	94.43

**Annex-4.8**  
**Release and utilisation of maintenance fund**  
(Refer to paragraph 4.5.1)

State	Maintenance fund required/release/expenditure				Maintenance of completed roads as per NQM report					
	Maintenance funds required (as per contracts)	Actual release to SRRDA	Expenditure by SRRDA during the financial year	Percentage of expenditure	No. of roads inspected by NQM	Maintained	Poorly maintained		Not maintained	
							No.	Percentage	No.	Percentage
Andhra Pradesh	126.43	104.25	47.48	37.55	330	107	174	52.73	49	14.85
Arunachal Pradesh	23.65	30.95	38.63	163.34	53	21	23	43.40	9	16.98
Assam	91.99	87.11	45.71	49.69	415	129	198	47.71	88	21.20
Bihar	463.66	210.48	291.10	62.78	354	137	110	31.07	107	30.23
Chhattisgarh	129.68	106.88	79.18	61.06	406	134	197	48.52	75	18.47
Gujarat	48.88	82.38	47.67	97.52	158	68	70	44.30	20	12.66
Haryana	40.46	16.68	14.43	35.66	70	31	29	41.43	10	14.29
Himachal Pradesh	152.99	129.44	62.83	41.07	156	56	42	26.92	58	37.18
Jammu & Kashmir	24.137	17.60	3.72	15.41	71	25	32	45.07	14	19.72
Jharkhand	133.88	179.48	12.14	9.07	282	51	132	46.81	99	35.11
Karnataka	149.06	120.83	112.93	75.76	235	108	82	34.89	45	19.15
Kerala	35.83	35.48	28.13	78.51	99	43	38	38.38	18	18.18
Madhya Pradesh	438.36	586.42	298.04	67.99	1035	585	351	33.91	99	9.57

Report No. 23 of 2016

State	Maintenance fund required/release/expenditure				Maintenance of completed roads as per NQM report					
	Maintenance funds required (as per contracts)	Actual release to SRRDA	Expenditure by SRRDA during the financial year	Percentage of expenditure	No. of roads inspected by NQM	Maintained	Poorly maintained		Not maintained	
							No.	Percentage	No.	Percentage
Maharashtra	175.40	230.10	176.42	100.58	406	134	202	49.75	70	17.24
Manipur	11.88	17.64	14.68	123.57	55	17	26	47.27	12	21.82
Meghalaya	26.30	22.85	15.02	57.11	40	7	20	50.00	13	32.50
Mizoram	1.74	1.74	1.273	73.16	15	6	4	26.67	5	33.33
Nagaland	19.00	15.77	12.72	66.95	34	10	14	41.18	10	29.41
Odisha	218.06	184.40	156.27	71.66	556	227	237	42.63	92	16.55
Punjab	42.23	23.01	27.48	65.07	196	116	66	33.67	14	7.14
Rajasthan	185.08	158.34	125.87	68.01	475	205	217	45.68	53	11.16
Sikkim	24.42	29.59	23.37	95.70	31	11	8	25.81	12	38.71
Tamil Nadu	38.83	29.20	22.04	56.76	258	40	120	46.51	98	37.98
Tripura	63.11	67.65	30.11	43.68	87	36	33	37.93	18	20.69
Uttar Pradesh	352.58	277.79	272.07	77.17	862	272	428	49.65	162	18.79
Uttarakhand	87.74	76.12	70.55	80.41	72	16	36	50.00	20	27.78
West Bengal	174.59	175.92	122.05	69.91	393	87	206	52.42	100	25.45
<b>Total</b>	<b>3279.97</b>	<b>3018.10</b>	<b>2151.91</b>	<b>65.61</b>	<b>7144</b>	<b>2679</b>	<b>3095</b>	<b>43.32</b>	<b>1370</b>	<b>19.18</b>

## Annex-5.1

## State and Year-wise Central Release and Utilisation

(Refer to paragraph 5.3.1)

(₹ in crore)

Sl. No.	State	2010-11		2011-12		2012-13		2013-14		2014-15	
		Release	Expenditure								
1.	Andhra Pradesh	672.15	473.94	607.48	291.75	0.00	205.66	5.00	152.56	33.86	330.25
2.	Arunachal Pradesh	371.87	348.85	214.27	173.37	455.18	310.54	8.00	249.36	345.92	362.58
3.	Assam	1900.67	1300.79	1682.84	1312.18	154.27	522.78	240.49	699.01	316.07	538.22
4.	Bihar	3477.06	2694.91	3374.25	2847.08	1326.57	1992.21	850.83	1844.95	1548.16	2259.30
5.	Chhattisgarh	678.58	304.16	801.51	244.35	0.00	281.41	0.00	713.58	270.75	925.18
6.	Goa	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7.	Gujarat	322.43	243.84	66.59	150.55	125.74	99.54	519.24	477.40	418.77	685.91
8.	Haryana	157.75	108.03	60.00	60.80	0.00	36.53	0.00	8.19	218.96	383.83
9.	Himachal Pradesh	199.30	142.67	310.30	119.17	0.00	55.19	0.00	148.13	99.40	215.04
10.	Jammu & Kashmir	366.09	297.40	762.10	508.43	266.33	459.69	523.24	534.01	416.60	422.73
11.	Jharkhand	843.81	538.44	860.74	323.23	105.96	325.61	21.86	539.55	249.48	785.02
12.	Karnataka	927.68	634.80	0.00	256.62	24.60	16.63	5.00	7.68	237.00	411.23
13.	Kerala	146.27	146.14	200.00	58.07	1.50	57.30	1.50	121.15	151.41	190.59
14.	Madhya Pradesh	1966.12	1409.49	1138.05	894.17	242.88	741.11	615.00	1393.07	708.00	1667.32

## Report No. 23 of 2016

Sl. No.	State	2010-11		2011-12		2012-13		2013-14		2014-15	
		Release	Expenditure	Release	Expenditure	Release	Expenditure	Release	Expenditure	Release	Expenditure
15.	Maharashtra	1242.55	1012.48	796.01	546.05	0.00	153.40	0.00	383.50	212.53	540.37
16.	Manipur	144.98	122.34	177.53	166.52	186.14	92.66	4.03	139.67	100.00	173.94
17.	Meghalaya	64.55	36.39	38.00	27.68	50.00	32.46	0.00	37.70	62.56	83.24
18.	Mizoram	95.59	82.24	93.63	85.47	71.82	41.95	0.00	26.60	54.74	72.35
19.	Nagaland	25.13	29.67	11.00	12.26	194.88	109.83	0.00	77.45	58.99	50.47
20.	Odisha	2477.36	1924.25	1969.95	1235.78	87.25	1188.92	758.92	1605.72	1051.50	1666.10
21.	Punjab	196.43	155.34	164.61	61.49	169.66	238.16	117.68	295.61	310.21	285.03
22.	Rajasthan	886.22	686.39	667.76	247.63	151.90	573.85	427.06	718.35	425.66	649.97
23.	Sikkim	79.38	85.53	80.00	13.93	193.62	86.73	1.97	90.57	94.59	94.50
24.	Tamil Nadu	469.54	304.81	160.00	211.36	77.72	21.13	343.48	383.39	239.65	580.72
25.	Tripura	285.76	237.51	229.79	230.22	338.59	189.79	98.83	232.76	187.36	322.83
26.	Uttar Pradesh	1308.83	868.54	213.77	194.84	10.00	98.00	511.93	824.25	638.70	1002.26
27.	Uttarakhand	240.26	191.74	300.32	255.48	151.24	32.39	0.00	260.64	314.92	425.17
28.	West Bengal	819.68	530.29	828.90	417.93	3.08	423.28	306.17	1130.44	1193.80	1414.20
	<b>Total</b>	<b>20366.04</b>	<b>14910.98</b>	<b>15809.40</b>	<b>10946.41</b>	<b>4388.93</b>	<b>8386.75</b>	<b>5360.23</b>	<b>13095.29</b>	<b>9959.59</b>	<b>16538.35</b>

Fund was not released to Goa during 2010-15

**Annex-5.2**  
**Achievement during last five years**  
**State and Year-wise Physical Target and Achievement**  
(Refer to paragraph 5.3.2)

Sl. No.	State	2010-11				2011-12				2012-13				2013-14				2014-15			
		Target		Achievement		Target		Achievement		Target		Achievement		Target		Achievement		Target		Achievement	
		H	L	H	L	H	L	H	L	H	L	H	L	H	L	H	L	H	L	H	L
1.	Andhra Pradesh	200	2150	291	2121.48	75	1189	119	932.14	27	400	32	400.35	34	475	0	191.58	20	514	394	595.13
2.	Arunachal Pradesh	10	178	38	366.87	20	196	40	419.21	7	325	24	393.67	4	340	16	489.04	14	450	1	546.58
3.	Assam	400	2008	696	2057.11	500	1224	444	2131.43	237	1175	356	1456.16	160	650	257	957.96	228	720	284	869.81
4.	Bihar	910	4644	1551	2515.13	1350	6000	2447	7539.82	1287	6420	2616	6341.62	930	3840	1225	3163.86	1590	2900	2158	3631.94
5.	Chhattisgarh	124	906	335	1570.66	40	1500	291	1053.69	282	2370	221	1024.08	235	1900	896	1292.05	165	620	975	2648.14
6.	Goa	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00
7.	Gujarat	100	596	242	605.97	50	425	173	431.44	16	140	68	180.47	42	200	375	896.29	52	990	82	1892.16
8.	Haryana	0	200	0	389.24	0	292	0	188.31	0	30	0	69.26	0	30	0	3.28	0	355	0	633.39
9.	Himachal Pradesh	75	693	35	661.82	25	750	46	761.09	70	980	0	0.00	40	550	0	134.49	35	260	85	484.97
10.	Jammu & Kashmir	75	367	108	474.00	25	750	201	999.62	104	1335	178	1411.10	100	1285	143	891.79	50	750	108	934.66
11.	Jharkhand	400	1482	1059	1599.25	300	1005	459	1123.03	397	2010	759	1236.74	340	1880	362	1030.73	330	703	769	1750.32
12.	Karnataka	0	1000	0	1848.93	0	1204	0	1858.64	0	205	0	386.02	0	90	0	211.43	0	650	6	627.68
13.	Kerala	6	156	7	245.87	20	446	8	214.14	10	390	3	108.71	6	240	5	192.46	7	348	5	345.75
14.	Madhya Pradesh	400	4488	618	9163.26	400	3719	776	2926.66	241	2760	645	2754.18	400	3350	411	3006.27	495	2100	1278	5180.92
15.	Maharashtra	15	1292	0	3718.27	20	1700	48	2592.46	11	680	58	649.54	15	440	0	448.88	10	550	33	499.97
16.	Manipur	40	335	35	487.42	20	150	63	374.61	20	60	52	424.48	15	160	67	533.12	10	236	32	300.01
17.	Meghalaya	15	64	8	83.31	10	100	6	44.67	9	60	9	22.77	5	40	14	23.68	15	105	11	47.20

## Report No. 23 of 2016

Sl. No.	State	2010-11				2011-12				2012-13				2013-14				2014-15			
		Target		Achievement		Target		Achievement		Target		Achievement		Target		Achievement		Target		Achievement	
		H	L	H	L	H	L	H	L	H	L	H	L	H	L	H	L	H	L	H	L
18.	Mizoram	25	150	35	252.13	10	100	4	130.90	4	120	5	93.20	2	50	18	77.28	5	115	1	48.60
19.	Nagaland	10	150	9	86.00	5	200	6	24.89	0	310	0	93.50	1	190	0	293.20	1	160	0	215.30
20.	Odisha	450	3800	971	4941.90	400	2400	574	3167.06	490	4170	435	2401.26	400	3460	700	3063.22	542	2400	1287	3842.69
21.	Punjab	0	500	0	622.72	5	593	0	71.76	2	165	1	325.54	2	340	6	730.38	0	650	0	737.46
22.	Rajasthan	25	1700	35	3019.47	75	400	20	450.78	195	1975	607	2140.00	184	1580	579	2290.31	302	1550	1254	3233.34
23.	Sikkim	25	147	18	85.72	40	154	24	74.98	17	270	25	48.44	10	175	19	99.36	5	100	13	120.92
24.	Tamil Nadu	10	1020	2	2229.01	10	1058	9	814.10	1	80	0	42.39	5	685	0	747.94	0	379	14	1965.28
25.	Tripura	75	400	260	432.11	75	314	201	352.17	46	340	110	241.92	20	170	85	291.46	50	250	78	239.42
26.	Uttar Pradesh	150	3207	228	3593.79	75	3000	55	522.53	102	1230	0	269.78	130	2320	0	1109.79	120	1445	0	2000.34
27.	Uttarakhand	60	320	120	551.88	50	350	68	639.58	50	560	24	474.43	30	500	26	405.16	42	625	71	714.62
28.	West Bengal	400	2137	883	1385.20	400	1347	455	1154.79	375	1440	636	1171.67	390	2010	1356	2741.38	600	1850	1860	2232.88
	<b>Total</b>	<b>4000</b>	<b>34090</b>	<b>7584</b>	<b>45108.52</b>	<b>4000</b>	<b>30566</b>	<b>6537</b>	<b>30994.50</b>	<b>4000</b>	<b>30000</b>	<b>6864</b>	<b>24161.28</b>	<b>3500</b>	<b>26950</b>	<b>6560</b>	<b>25316.39</b>	<b>4688</b>	<b>21775</b>	<b>10799</b>	<b>36339.48</b>

H- Habitation, L- Length in kilometer

## Annex-5.3.1

## Financial position furnished by the States (2010-11)

(Refer to paragraph 5.4)

(₹ in crore)

State	Opening balance	Central share	State share	Misc. receipt	Total	Expenditure	Closing balance
Andhra Pradesh	94.68	696.09*	0	-16.70	774.07	534.19	239.88
Arunachal Pradesh	18.39	377.16	0	2.14	397.69	332.74	64.95
Assam	180.57	1900.73	0.00	8.64	2089.94	1386.02	703.92
Bihar	430.74	3253.41	73.50	19.82	3777.47	2656.88	1120.59
Chhattisgarh	149.97	678.58	0.00	27.59	856.14	309.05	547.09
Goa	0	0	0	0	0	0	0
Gujarat	9.29	322.43	30.00	1.57	363.29	274.90	88.39
Haryana	9.57	157.75	5.42	0.64	173.38	111.47	61.91
Himachal Pradesh	43.71	199.30	0.00	8.22	251.23	149.55	101.68
Jammu & Kashmir	34.01	366.09	0.00	1.91	402.01	296.25	105.76
Jharkhand	22.26	838.81	4.00	2.69	867.76	564.27	303.49
Karnataka	93.41	917.67	187.00	5.12	1203.20	670.29	532.91
Kerala	1.61	144.27	25.00	0.76	171.64	166.57	5.07
Madhya Pradesh	698.81	1966.11	201.53	68.91	2935.36	1421.75	1513.61
Maharashtra	151.68	1242.55	31.50	176.20	1601.93	1072.25	529.68
Manipur	22.87	88.83	2.50	23.64	137.84	135.84	2.00
Meghalaya	16.65	64.55	0.19	0.77	82.16	41.80	40.36
Mizoram	-0.75	95.59	0.00	0.14	94.98	88.61	6.37
Nagaland	27.06	25.13	0.00	1.42	53.61	34.85	18.76
Odisha	83.34	2245.10	98.30	12.20	2438.94	1930.18	508.76
Punjab	59.07	194.43	0	0.31	253.81	155.25	98.56
Rajasthan	350.85	886.22	0	9.67	1246.74	686.37	560.37
Sikkim	2.61	79.38	0	0.59	82.58	68.45	14.13
Tamil Nadu	32.86	322.12	1.39	1.32	357.69	365.74	-8.05
Tripura	-1.45	257.91	0.00	1.70	258.16	279.70	-21.54
Uttar Pradesh	251.83	1308.83	2.18	28.87	1591.71	958.43	633.28
Uttarakhand	66.82	237.96	4.60	3.79	313.17	200.73	112.44
West Bengal	134.27	819.67	15.26	39.12	1008.32	537.69	470.63
<b>Total</b>	<b>2984.73</b>	<b>19686.67</b>	<b>682.37</b>	<b>431.05</b>	<b>23784.82</b>	<b>15429.82</b>	<b>8355.00</b>

\* ₹ 23.93 crore was released by the Ministry in March 2010 and credited in April 2010.

## Annex-5.3.2

## Financial position furnished by the States (2011-12)

(Refer to paragraph 5.4)

(₹ in crore)

State	Opening balance	Central share	State share	Misc. receipt	Total	Expenditure	Closing balance
Andhra Pradesh	239.88	607.48	0.00	33.77	881.13	281.51	599.62
Arunachal Pradesh	64.95	231.98	0.00	4.12	301.05	198.34	102.71
Assam	703.92	1682.84	32.84	18.33	2437.93	1160.64	1277.29
Bihar	1120.59	3475.41	30.00	81.07	4707.07	2885.43	1821.64
Chhattisgarh	547.09	801.52	11.04	27.14	1386.79	230.22	1156.57
Goa	0	0	0	0	0	0	0
Gujarat	88.39	66.59	0.00	-6.15	148.83	94.46	52.37
Haryana	61.91	60.00	17.14	4.46	143.51	62.99	80.52
Himachal Pradesh	101.68	305.30	0.94	23.68	431.60	117.16	314.44
Jammu & Kashmir	105.76	762.10	0.00	16.33	884.19	512.62	371.57
Jharkhand	303.49	843.08	0.00	33.75	1180.32	355.89	824.43
Karnataka	532.91	0.00	87.00	23.53	643.44	437.99	205.45
Kerala	5.07	200.00	20.05	0.67	225.79	41.42	184.37
Madhya Pradesh	1513.61	1138.05	169.62	76.93	2898.21	880.99	2017.22
Maharashtra	529.68	791.01	31.25	16.68	1368.62	583.87	784.75
Manipur	2.00	233.68	2.75	2.79	241.22	164.87	76.35
Meghalaya	40.36	38.00	0.64	4.48	83.48	23.95	59.53
Mizoram	6.37	93.62	0.00	3.43	103.42	78.73	24.69
Nagaland	18.76	10.00	0.00	1.34	30.10	15.09	15.01
Odisha	508.76	2187.22	135.00	104.13	2935.11	1235.02	1700.09
Punjab	98.56	164.61	2.00	2.63	267.80	62.33	205.47
Rajasthan	560.37	667.76	0	32.31	1260.44	247.44	1013.00
Sikkim	14.13	80.00	0	4.90	99.03	64.09	34.94
Tamil Nadu	-8.05	307.41	0	5.15	304.51	159.62	144.89
Tripura	-21.54	206.39	0.00	0.42	185.27	198.52	-13.25
Uttar Pradesh	633.28	213.77	2.11	38.36	887.52	249.94	637.58
Uttarakhand	112.44	295.32	2.21	5.89	415.86	201.57	214.29
West Bengal	470.63	828.90	35.61	19.23	1354.37	433.49	920.88
<b>Total</b>	<b>8355.00</b>	<b>16292.04</b>	<b>580.20</b>	<b>579.37</b>	<b>25806.61</b>	<b>10978.19</b>	<b>14826.42</b>

## Annex-5.3.3

## Financial position furnished by the States (2012-13)

(Refer to paragraph 5.4)

(₹ in crore)

State	Opening balance	Central share	State share	Misc. receipt	Total	Expenditure	Closing balance
Andhra Pradesh	599.62	0.00	0.00	14.33	613.95	199.57	414.38
Arunachal Pradesh	102.71	453.18	0.70	1.47	558.06	270.36	287.70
Assam	1277.29	154.33	110.00	51.89	1593.51	656.54	936.97
Bihar	1821.64	1294.45	150.00	144.11	3410.20	2063.41	1346.79
Chhattisgarh	1156.57	0.00	26.23	110.31	1293.11	277.03	1016.08
Goa	0	0	0	0	0	0	0
Gujarat	52.37	125.74	0.00	7.57	185.68	155.95	29.73
Haryana	80.52	1.40	0	7.08	89.00	30.65	58.35
Himachal Pradesh	314.44	0.00	4.07	28.20	346.71	126.33	220.38
Jammu & Kashmir	371.57	266.33	0.00	25.98	663.88	463.78	200.10
Jharkhand	824.43	100.96	45.00	88.39	1058.78	375.00	683.78
Karnataka	205.45	14.60	48.72	14.50	283.27	132.27	151.00
Kerala	184.37	0.00	5.00	14.13	203.50	59.35	144.15
Madhya Pradesh	2017.22	237.88	1.97	273.43	2530.50	735.46	1795.04
Maharashtra	784.75	0.00	28.00	53.07	865.82	231.35	634.47
Manipur	76.35	186.14	3.10	4.73	270.32	90.58	179.74
Meghalaya	59.53	50.10	0.00	2.05	111.68	32.41	79.27
Mizoram	24.69	71.82	0.00	2.20	98.71	36.87	61.84
Nagaland	15.01	194.88	0.00	2.93	212.82	104.21	108.61
Odisha	1700.09	82.25	90.00	130.28	2002.62	1249.82	752.80
Punjab	205.47	169.66	0	13.74	388.87	228.19	160.68
Rajasthan	1013.00	146.90	0	84.63	1244.53	574.05	670.48
Sikkim	34.94	193.71	0	1.59	230.24	70.24	160.00
Tamil Nadu	144.89	73.60	0	15.74	234.23	23.24	210.99
Tripura	-13.25	323.16	0.00	86.56	396.47	205.86	190.61
Uttar Pradesh	637.58	10.00	1.95	7.85	657.38	173.88	483.50
Uttarakhand	214.29	149.24	1.60	30.03	395.16	108.44	286.72
West Bengal	920.88	3.08	15.31	81.87	1021.14	431.90	589.24
<b>Total</b>	<b>14826.42</b>	<b>4303.41</b>	<b>531.65</b>	<b>1298.66</b>	<b>20960.14</b>	<b>9106.74</b>	<b>11853.40</b>

## Annex-5.3.4

## Financial position furnished by the States (2013-14)

(Refer to paragraph 5.4)

(₹ in crore)

State	Opening balance	Central share	State share	Misc. receipt	Total	Expenditure	Closing balance
Andhra Pradesh	414.38	5.00	39.23	52.01	510.62	220.29	290.33
Arunachal Pradesh	287.70	0.00	1.00	16.86	305.56	278.75	26.81
Assam	936.97	240.49	97.99	57.45	1332.90	749.84	583.06
Bihar	1346.79	812.68	159.33	114.02	2432.82	2067.37	365.45
Chhattisgarh	1016.08	0.00	66.00	102.69	1184.77	655.93	528.84
Goa	0	0	0	0	0	0	0
Gujarat	29.73	519.24	7.50	16.57	573.04	511.36	61.68
Haryana	58.35	0.00	0	5.36	63.71	12.16	51.55
Himachal Pradesh	220.38	0.00	3.04	16.46	239.88	140.10	99.78
Jammu & Kashmir	200.10	523.24	0.00	29.19	752.53	537.26	215.27
Jharkhand	683.78	17.66	0.00	60.34	761.78	498.84	262.94
Karnataka	151.00	0.00	42.40	13.85	207.25	48.38	158.87
Kerala	144.15	0.00	0.00	10.88	155.03	122.74	32.29
Madhya Pradesh	1795.04	600.00	2.00	157.32	2554.36	1402.89	1151.47
Maharashtra	634.47	0.00	51.20	59.67	745.34	437.34	308.00
Manipur	179.74	4.03	4.80	2.10	190.67	138.43	52.24
Meghalaya	79.27	2.87	0.00	2.48	84.62	47.70	36.92
Mizoram	61.84	0.06	0.23	2.87	65.00	38.45	26.55
Nagaland	108.61	0.00	0.00	2.85	111.46	75.10	36.36
Odisha	752.80	748.91	560.36	-351.55	1710.52	1654.96	55.56
Punjab	160.68	117.68	0	9.44	287.80	286.91	0.89
Rajasthan	670.48	416.69	0	69.20	1156.37	718.36	438.01
Sikkim	157.02*	2.07	0	5.33	164.42	113.88	50.54
Tamil Nadu	210.99	343.48	65.37	27.67	647.51	343.76	303.75
Tripura	190.61	73.83	20.00	49.53	333.97	269.51	64.46
Uttar Pradesh	483.50	513.58	0.00	121.69	1118.77	951.71	167.06
Uttarakhand	286.72	0.00	0.00	19.40	306.12	297.74	8.38
West Bengal	589.24	306.17	256.29	34.06	1185.76	1077.93	107.83
<b>Total</b>	<b>11850.42</b>	<b>5247.68</b>	<b>1376.74</b>	<b>707.74</b>	<b>19182.58</b>	<b>13697.69</b>	<b>5484.89</b>

\* ₹ 2.98 crore transferred to separate Account

## Annex-5.3.5

## Financial position furnished by the States (2014-15)

(Refer to paragraph 5.4)

(₹ in crore)

State	Opening balance	Central share	State share	Misc. receipt	Total	Expenditure	Closing balance
Andhra Pradesh#	290.33	32.98	95.55	4.55	423.41	363.06	60.35
Arunachal Pradesh	26.81	342.25	0.00	1.83	370.89	359.50	11.39
Assam	583.06	317.09	0.00	46.03	946.18	561.92	384.26
Bihar	365.45	1530.71	300.00	48.92	2245.08	2394.41	-149.33
Chhattisgarh	528.84	270.75	71.56	38.55	909.70	911.80	-2.10
Goa	0	0	0	0	0	0	0
Gujarat	61.68	391.25	151.00	31.21	635.14	625.01	10.13
Haryana	51.55	245.75	81.42	10.53	389.25	408.78	-19.53
Himachal Pradesh	99.78	84.40	2.56	4.10	190.84	197.88	-7.04
Jammu & Kashmir	215.27	416.60	0.00	15.55	647.42	424.61	222.81
Jharkhand	262.94	112.00	10.00	2.87	387.81	707.51	-319.70
Karnataka	158.87	235.22	84.32	9.50	487.91	433.20	54.71
Kerala	32.29	150.00	8.00	3.61	193.90	182.89	11.01
Madhya Pradesh	1151.47	708.00	324.93	157.24	2341.64	1887.52	454.12
Maharashtra	308.00	207.66	87.37	37.65	640.68	578.30	62.38
Manipur	52.24	100.92	4.79	24.80	182.75	172.56	10.19
Meghalaya	36.92	64.80	1.39	5.01	108.12	96.02	12.10
Mizoram	26.55	55.55	0.00	0.79	82.89	74.40	8.49
Nagaland	36.36	58.65	0.37	4.10	99.48	48.10	51.38
Odisha	55.56	1209.93	0.00	42.52	1308.01	1677.23	-369.22
Punjab	0.89	286.90	0	0	287.79	286.32	1.47
Rajasthan	438.01	405.66	0	23.28	866.95	649.56	217.39
Sikkim	50.54	95.48	0	5.67	151.69	109.11	42.58
Tamil Nadu	303.75	221.89	36.54	15.50	577.68	572.63	5.05
Tripura	64.46	185.73	20.00	65.53	335.72	449.38	-113.66
Uttar Pradesh	167.06	839.27	0.00	10.60	1016.93	959.51	57.42
Uttarakhand	8.38	313.13	37.41	6.60	365.52	458.94	-93.42
West Bengal	107.83	1193.80	9.40	1.57	1312.60	1192.56	120.04
<b>Total</b>	<b>5484.89</b>	<b>10076.37</b>	<b>1326.61</b>	<b>618.11</b>	<b>17505.98</b>	<b>16782.71</b>	<b>723.27</b>

# including financial target and achievement of Telangana

## Annex-5.4.1

## Variation between details of releases as per records of the Ministry and States

(Refer to paragraph 5.4)

(₹ in crore)

State	2010-11			2011-12			2012-13			2013-14			2014-15			Total		
	Central	State	Diff.	Central	State	Diff.	Central	State	Diff.	Central	State	Diff.	Central	State	Diff.	Central	State	Diff.
Andhra Pradesh	672.15	696.09*	-23.94	607.48	607.48	0.00	0.00	0.00	0.00	5.00	5.00	0.00	33.86	32.98	0.88	1318.49	1341.55	-23.06
Arunachal Pradesh	371.87	377.16	-5.29	214.27	231.98	-17.71	455.18	453.18	2.00	8.00	0.00	8.00	345.92	342.25	3.67	1395.24	1404.57	-9.33
Assam	1900.67	1900.73	-0.06	1682.84	1682.84	0.00	154.27	154.33	-0.06	240.49	240.49	0.00	316.07	317.09	-1.02	4294.34	4295.48	-1.14
Bihar	3477.06	3253.41	223.65	3374.25	3475.41	-101.16	1326.57	1294.45	32.12	850.83	812.68	38.15	1548.16	1530.71	17.45	10576.87	10366.66	210.21
Chhattisgarh	678.58	678.58	0.00	801.51	801.52	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	270.75	270.75	0.00	1750.84	1750.85	-0.01
Goa	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gujarat	322.43	322.43	0.00	66.59	66.59	0.00	125.74	125.74	0.00	519.24	519.24	0.00	418.77	391.25	27.52	1452.77	1425.25	27.52
Haryana	157.75	157.75	0.00	60.00	60.00	0.00	0.00	1.40	-1.40	0.00	0.00	0.00	218.96	245.75	-26.79	436.71	464.90	-28.19
Himachal Pradesh	199.30	199.30	0.00	310.30	305.30	5.00	0.00	0.00	0.00	0.00	0.00	0.00	99.40	84.40	15.00	609.00	589.00	20.00
Jammu & Kashmir	366.09	366.09	0.00	762.10	762.10	0.00	266.33	266.33	0.00	523.24	523.24	0.00	416.60	416.60	0.00	2334.36	2334.36	0.00
Jharkhand	843.81	838.81	5.00	860.74	843.08	17.66	105.96	100.96	5.00	21.86	17.66	4.20	249.48	112.00	137.48	2081.85	1912.51	169.34
Karnataka	927.68	917.67	10.01	0.00	0.00	0.00	24.60	14.60	10.00	5.00	0.00	5.00	237.00	235.22	1.78	1194.28	1167.49	26.79
Kerala	146.27	144.27	2.00	200.00	200.00	0.00	1.50	0.00	1.50	1.50	0.00	1.50	151.41	150.00	1.41	500.68	494.27	6.41
Madhya Pradesh	1966.12	1966.11	0.01	1138.05	1138.05	0.00	242.88	237.88	5.00	615.00	600.00	15.00	708.00	708.00	0.00	4670.05	4650.04	20.01
Maharashtra	1242.55	1242.55	0.00	796.01	791.01	5.00	0.00	0.00	0.00	0.00	0.00	0.00	212.53	207.66	4.87	2251.09	2241.22	9.87
Manipur	144.98	88.83	56.15	177.53	233.68	-56.15	186.14	186.14	0.00	4.03	4.03	0.00	100.00	100.92	-0.92	612.68	613.60	-0.92
Meghalaya	64.55	64.55	0.00	38.00	38.00	0.00	50.00	50.10	-0.10	0.00	2.87	-2.87	62.56	64.80	-2.24	215.11	220.32	-5.21
Mizoram	95.59	95.59	0.00	93.63	93.62	0.01	71.82	71.82	0.00	0.00	0.06	-0.06	54.74	55.55	-0.81	315.78	316.64	-0.86
Nagaland	25.13	25.13	0.00	11.00	10.00	1.00	194.88	194.88	0.00	0.00	0.00	0.00	58.99	58.65	0.34	290.00	288.66	1.34
Odisha	2477.36	2245.10	232.26	1969.95	2187.22	-217.27	87.25	82.25	5.00	758.92	748.91	10.01	1051.50	1209.93	-158.43	6344.98	6473.41	-128.43

State	2010-11			2011-12			2012-13			2013-14			2014-15			Total		
	Central	State	Diff.	Central	State	Diff.	Central	State	Diff.	Central	State	Diff.	Central	State	Diff.	Central	State	Diff.
Punjab	196.43	194.43	2.00	164.61	164.61	0.00	169.66	169.66	0.00	117.68	117.68	0.00	310.21	286.90	23.31	958.59	933.28	25.31
Rajasthan	886.22	886.22	0.00	667.76	667.76	0.00	151.90	146.90	5.00	427.06	416.69	10.37	425.66	405.66	20.00	2558.60	2523.23	35.37
Sikkim	79.38	79.38	0.00	80.00	80.00	0.00	193.62	193.71	-0.09	1.97	2.07	-0.10	94.59	95.48	-0.89	449.56	450.64	-1.08
Tamil Nadu	469.54	322.12	147.42	160.00	307.41	-147.41	77.72	73.60	4.12	343.48	343.48	0.00	239.65	221.89	17.76	1290.39	1268.50	21.89
Tripura	285.76	257.91	27.85	229.79	206.39	23.40	338.59	323.16	15.43	98.83	73.83	25.00	187.36	185.73	1.63	1140.33	1047.02	93.31
Uttar Pradesh	1308.83	1308.83	0.00	213.77	213.77	0.00	10.00	10.00	0.00	511.93	513.58	-1.65	638.70	839.27	-200.57	2683.23	2885.45	-202.22
Uttarakhand	240.26	237.96	2.30	300.32	295.32	5.00	151.24	149.24	2.00	0.00	0.00	0.00	314.92	313.13	1.79	1006.74	995.65	11.09
West Bengal	819.68	819.67	0.01	828.90	828.90	0.00	3.08	3.08	0.00	306.17	306.17	0.00	1193.80	1193.80	0.00	3151.63	3151.62	0.01
<b>Total</b>	<b>20366.04</b>	<b>19686.67</b>	<b>679.37</b>	<b>15809.40</b>	<b>16292.04</b>	<b>-482.64</b>	<b>4388.93</b>	<b>4303.41</b>	<b>85.52</b>	<b>5360.23</b>	<b>5247.68</b>	<b>112.55</b>	<b>9959.59</b>	<b>10076.37</b>	<b>-116.78</b>	<b>55884.19</b>	<b>55606.17</b>	<b>278.02</b>

\* ₹ 23.93 crore was released by the Ministry in March 2010 and credited to Bank in April 2010.

# ₹ 27.52 crore was released by the Ministry on 31 March 2015 and received by the state in April 2016.

## Annex-5.4.2

## Variation between details of expenditure as per records of the Ministry and States

(Refer to paragraph 5.4)

(₹ in crore)

State	2010-11			2011-12			2012-13			2013-14			2014-15			Total		
	Central	State	Diff.	Central	State	Diff.	Central	State	Diff.	Central	State	Diff.	Central	State	Diff.	Central	State	Diff.
Andhra Pradesh	473.94	534.19	-60.25	291.75	281.51	10.24	205.66	199.57	6.09	152.56	220.29	-67.73	330.25	363.06	-32.81	1454.16	1598.62	-144.46
Arunachal Pradesh	348.85	332.74	16.11	173.37	198.34	-24.97	310.54	270.36	40.18	249.36	278.75	-29.39	362.58	359.50	3.08	1444.70	1439.69	5.01
Assam	1300.79	1386.02	-85.23	1312.18	1160.64	151.54	522.78	656.54	-133.76	699.01	749.84	-50.83	538.22	561.92	-23.7	4372.98	4514.96	-141.98
Bihar	2694.91	2656.88	38.03	2847.08	2885.43	-38.35	1992.21	2063.41	-71.20	1844.95	2067.37	-222.42	2259.30	2394.41	-135.11	11638.45	12067.50	-429.05
Chhattisgarh	304.16	309.05	-4.89	244.35	230.22	14.13	281.41	277.03	4.38	713.58	655.93	57.65	925.18	911.80	13.38	2468.68	2384.03	84.65
Goa	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gujarat	243.84	274.90	-31.06	150.55	94.46	56.09	99.54	155.95	-56.41	477.40	511.36	-33.96	685.91	625.01	60.90	1657.24	1661.68	-4.44
Haryana	108.03	111.47	-3.44	60.80	62.99	-2.19	36.53	30.65	5.88	8.19	12.16	-3.97	383.83	408.78	-24.95	597.38	626.05	-28.67
Himachal Pradesh	142.67	149.55	-6.88	119.17	117.16	2.01	55.19	126.33	-71.14	148.13	140.10	8.03	215.04	197.88	17.16	680.20	731.02	-50.82
Jammu & Kashmir	297.40	296.25	1.15	508.43	512.62	-4.19	459.69	463.78	-4.09	534.01	537.26	-3.25	422.73	424.61	-1.88	2222.26	2234.52	-12.26
Jharkhand	538.44	564.27	-25.83	323.23	355.89	-32.66	325.61	375	-49.39	539.55	498.84	40.71	785.02	707.51	77.51	2511.85	2501.51	10.34
Karnataka	634.8	670.29	-35.49	256.62	437.99	-181.37	16.63	132.27	-115.64	7.68	48.38	-40.70	411.23	433.20	-21.97	1326.96	1722.13	-395.17
Kerala	146.14	166.57	-20.43	58.07	41.42	16.65	57.30	59.35	-2.05	121.15	122.74	-1.59	190.59	182.89	7.70	573.25	572.97	0.28
Madhya Pradesh	1409.49	1421.75	-12.26	894.17	880.99	13.18	741.11	735.46	5.65	1393.07	1402.89	-9.82	1667.32	1887.52	-220.20	6105.16	6328.61	-223.45
Maharashtra	1012.48	1072.25	-59.77	546.05	583.87	-37.82	153.40	231.35	-77.95	383.50	437.34	-53.84	540.37	578.30	-37.93	2635.80	2903.11	-267.31
Manipur	122.34	135.84	-13.5	166.52	164.87	1.65	92.66	90.58	2.08	139.67	138.43	1.24	173.94	172.56	1.38	695.13	702.28	-7.15
Meghalaya	36.39	41.80	-5.41	27.68	23.95	3.73	32.46	32.41	0.05	37.70	47.70	-10.00	83.24	96.02	-12.78	217.47	241.88	-24.41
Mizoram	82.24	88.61	-6.37	85.47	78.73	6.74	41.95	36.87	5.08	26.60	38.45	-11.85	72.35	74.40	-2.05	308.61	317.06	-8.45
Nagaland	29.67	34.85	-5.18	12.26	15.09	-2.83	109.83	104.21	5.62	77.45	75.10	2.35	50.47	48.10	2.37	279.68	277.35	2.33

State	2010-11			2011-12			2012-13			2013-14			2014-15			Total		
	Central	State	Diff.	Central	State	Diff.	Central	State	Diff.	Central	State	Diff.	Central	State	Diff.	Central	State	Diff.
Odisha	1924.25	1930.18	-5.93	1235.78	1235.02	0.76	1188.92	1249.82	-60.90	1605.72	1654.96	-49.24	1666.1	1677.23	-11.13	7620.77	7747.21	-126.44
Punjab	155.34	155.25	0.09	61.49	62.33	-0.84	238.16	228.19	9.97	295.61	286.91	8.70	285.03	286.32	-1.29	1035.63	1019	16.63
Rajasthan	686.39	686.37	0.02	247.63	247.44	0.19	573.85	574.05	-0.20	718.35	718.36	-0.01	649.97	649.56	0.41	2876.19	2875.78	0.41
Sikkim	85.53	68.45	17.08	13.93	64.09	-50.16	86.73	70.24	16.49	90.57	113.88	-23.31	94.50	109.11	-14.61	371.26	425.77	-54.51
Tamil Nadu	304.81	365.74	-60.93	211.36	159.62	51.74	21.13	23.24	-2.11	383.39	343.76	39.63	580.72	572.63	8.09	1501.41	1464.99	36.42
Tripura	237.51	279.70	-42.19	230.22	198.52	31.7	189.79	205.86	-16.07	232.76	269.51	-36.75	322.83	449.38	-126.55	1213.11	1402.97	-189.86
Uttar Pradesh	868.54	958.43	-89.89	194.84	249.94	-55.10	98.00	173.88	-75.88	824.25	951.71	-127.46	1002.26	959.51	42.75	2987.89	3293.47	-305.58
Uttarakhand	191.74	200.73	-8.99	255.48	201.57	53.91	32.39	108.44	-76.05	260.64	297.74	-37.1	425.17	458.94	-33.77	1165.42	1267.42	-102.00
West Bengal	530.29	537.69	-7.40	417.93	433.49	-15.56	423.28	431.90	-8.62	1130.44	1077.93	52.51	1414.20	1192.56	221.64	3916.14	3673.57	242.57
<b>Total</b>	<b>14910.98</b>	<b>15429.82</b>	<b>-518.84</b>	<b>10946.41</b>	<b>10978.19</b>	<b>-31.78</b>	<b>8386.75</b>	<b>9106.74</b>	<b>-719.99</b>	<b>13095.29</b>	<b>13697.69</b>	<b>-602.40</b>	<b>16538.35</b>	<b>16782.71</b>	<b>-244.36</b>	<b>63877.78</b>	<b>65995.15</b>	<b>-2117.37</b>

**Annex-5.5**  
**Shortcomings in release of funds to states**  
(Refer to paragraph 5.5)

Sl. No	State	Observations
1.	Andhra Pradesh	SRRDA received ₹ 189.37 crore (65 per cent of first instalment) in 2012-13 against ₹ 583.68 crore sanctioned for works under IAP-XI (Batch I & II). For works of ₹ 138.19 crore sanctioned during 2013-14 under Desert Development Programme (DDP) and bridge works of ₹ 566.95 crore under PMGSY- II, no fund was released to SRRDA as of August 2015. Funds for the project sanctioned during 2006-07 (₹ 134.82 crore of Phase VI), 2007-08 (₹ 579.58 crore of Phase VII) and 2008-09 (₹ 32.25 crore of Phase VIII) were released during 2010-15.
2.	Arunachal Pradesh	For 44 road works valued at ₹ 462 crore sanctioned in October 2010, first release of ₹ 232 crore was made in January and March 2013, after more than two years of its sanction. For 78 road works valued at ₹ 611 crore sanctioned in February 2013, ₹ 63 crore was released in September 2014, after more than one and a half year of its sanction. Against 63 projects costing ₹ 880 crore cleared during June 2013 to February 2014, no fund was released as of March 2015.
3.	Bihar	Out of 7,535 works sanctioned during 2010-15, 6,116 works valuing ₹ 9,061.50 crore were awarded to the contractors. Against this, Central assistance of ₹ 3,225.51 crore only was released by March 2015. This was due to the fact that the state did not fulfil the condition of completion of 100 per cent of awarded works of previous years. The state government request for relaxation of condition for release of second instalment was not acceded to by the Ministry.
4.	Gujarat	Phase XIII projects of ₹ 981.29 crore was cleared in 2013-14 (₹ 970.40 crore in August 2013 and ₹ 10.89 crore in January 2014). First instalment of ₹ 490.65 crore was released in two parts in October 2013 (₹ 360 crore) and August 2014 (₹ 130.65 crore). Against second instalment of ₹ 490.65 crore, ₹ 63.91 crore was released in October 2014, ₹ 54.01 crore in January 2015 and ₹ 27.53 crore in March 2015. This was due to non- furnishing of requisite documents like action plan for road works and status of release of maintenance fund by the state.
5.	Haryana	Under PMGSY-II, 83 road works and 18 bridge works were sanctioned in May 2014 with Central share of ₹ 651.51 crore. Against this, ₹ 475.93 crore was released till February 2016.

Sl. No	State	Observations
6.	Jammu & Kashmir	Second instalment of ₹ 959.13 crore in respect of Phase VI to VIII and first instalment of Phase IX was not released due to poor progress in completion of road projects and non-fulfilment of the conditions laid down for release of second instalment.
7.	Karnataka	There was a short release of funds aggregating ₹ 628.77 crore under PMGSY.
8.	Kerala	<p>Under Phase VII, 420 projects valuing ₹ 486.74 crore were cleared in February 2009 (200 roads valuing ₹ 230.47 crore) and in September 2010 (220 works valuing ₹ 256.26 crore). Out of this, 128 projects valued at ₹ 127.65 crore were dropped in May 2013. Against these sanctioned projects, first instalment of ₹ 200 crore was released in December 2011 with a delay of more than one year and remaining ₹ 150 crore was released in April 2014.</p> <p>Under Phase VIII, 415 projects valuing ₹ 693.61 crore with Central share of ₹ 689.90 crore were cleared in April 2013 (320 projects valuing ₹ 457.04 crore) and in February 2014 (95 projects valuing ₹ 236.57 crore). However, part payments of first instalment was released in April 2015 (₹ 22 crore) and August 2015 (₹ 15.39 crore).</p>
9.	Madhya Pradesh	Against overall projects worth ₹ 19,146.92 crore with Centre share of ₹ 18,812.75 crore sanctioned under the programme, ₹ 13,204.13 crore was released till March 2015. The state government stated that the Ministry had been requested to increase the allotment of fund under the PMGSY.
10.	Maharashtra	<p>Against the projects worth ₹ 418.86 crore cleared in August 2012, ₹ 196.64 crore was released till March 2015.</p> <p>Funds were not released in respect of projects (Phase XII) cleared in October 2013 with Central share of ₹ 352.14 crore.</p> <p>In PMGSY-II, against the projects worth ₹ 1,265.53 crore cleared in 2013-14, fund had not been released as of March 2015.</p>
11.	Sikkim	<p>For the projects sanctioned during 2005-06, 2007-08 and 2008-09, only 33, 50 and 25 <i>per cent</i> of funds were released during 2010-11, 2011-12 and 2014-15 respectively.</p> <p>For the projects costing ₹ 206.04 crore sanctioned during 2011-12, balance 50 <i>per cent</i> of fund was not released as of March 2015.</p> <p>Fund for the projects worth ₹ 192.11 crore and ₹ 136.99 crore sanctioned during 2013-14 and 2014-15 respectively were not released as of March 2015.</p>
12.	Tamil Nadu	1,342 projects (Phase VIII) worth ₹ 1129.75 crore having Central share of ₹ 1,020.75 crore were cleared in December 2012. Of these 1,172 had been completed and 170 works are in advance stage of completion (April 2015). Against this, ₹ 580.37 crore (57 <i>per cent</i> ) was released as of April 2015.

## Report No. 23 of 2016

Sl. No	State	Observations
		<p>Funds were not released in 2013-14 and 2014-15 for 413 projects (Phase IX) worth ₹ 359.88 crore cleared in August 2013. In 2015-16, ₹ 119.25 crore was allocated for projects sanctioned under Phases VIII and IX.</p> <p>Due to delayed/non release, bills passed for ₹ 100.00 crore could not be paid in time and ₹ 300.00 crore was needed for payment to contractors (May 2015). Further, the SRRDA diverted a sum of ₹ 93.00 crore of performance security for payment to contractors.</p>
13.	Uttar Pradesh	<p>Out of the Central share of ₹ 179.95 crore for the projects(Phase VIII) cleared in September 2010, only ₹ 51.73 crore as part instalment was released in March 2015 with a delay of four years</p> <p>Out of Central share of ₹ 370.14 crore for the projects under World Bank Tranche- I, cleared in October 2011, first instalment of ₹ 184.07 crore was released in March 2012.</p> <p>For projects (Phase X) worth ₹ 579.93 crore cleared in November 2012, funds were not released till March 2015 due to non-furnishing of requisite documents by the state government.</p> <p>Under PMGSY-II, projects with Central share of ₹ 1134.54 crore cleared in January 2014, funds were not released till March 2015 due to non-furnishing of conditions imposed in clearance letter.</p>
14.	Uttarakhand	<p>In 12 Phases from 2000 to 2015, out of ₹ 2,806.28 crore (Central share)<sup>1</sup>, ₹ 1,650.06 crore had been released to the state up to 2014-15. Audit observed that during 2010-11 to 2012-13, short release was due to slow absorption capacity of the state. However in 2013-14, the state had only ₹ 8.38 crore in their accounts and in 2014-15 state showed minus balance of ₹ 93.42 crore.</p>
15.	West Bengal	<p>Against the clearance of projects (Phase VIII) worth ₹ 71.41 crore in 2009-10, ₹ 251.29 crore was released in 2011-12. Fund against these projects was not released thereafter (March 2015).</p> <p>Against the projects (Phase-IX) worth ₹ 635.41 crore cleared in 2011-12, first instalment of ₹ 306.17 crore was released in 2014-15.</p> <p>In respect of projects worth ₹ 3,483.19 crore (Phase-X) and ₹ 523.61 crore (Phase-XI), cleared in 2011-12 and 2012-13 respectively, ₹ 752.84 crore (Phase-X) and ₹ 246.73 crore (Phase-XI) were released in 2014-15 .</p>

**Annex-5.6**  
**Delay in transfer of funds by state governments**  
(Refer to paragraph 5.6)

Sl. No.	State	Central Share (₹ in crore)	Delay beyond admissible three days	Interest liability @ 12 per cent (₹ in crore)	Observations
1.	Andhra Pradesh	154.69	30-106	3.54	As of September 2015, ₹ 50.43 crore of programme fund released during 2014-15 was yet to be transferred to SRRDA.
2.	Arunachal Pradesh	342.25	30-150	8.84	₹ 3.67 crore released on account of administrative fund on 2 December 2014, was yet to be transferred to SRRDA as of May 2015.
3.	Assam	313.83	62-98	7.58	--
4.	Jammu & Kashmir	416.60	14-174	7.06	--
5.	Karnataka	235.22	55-133	5.55	₹ 35.22 crore out of ₹ 235.22 crore released in 4 March 2015, was yet to be transferred to SRRDA (May 2015).
6.	Manipur	100.00	61	2.00	--
7.	Meghalaya	62.56	27-147	1.05	--
8.	Mizoram	54.74	100-183	2.67	--
9.	Punjab	310.21	28-202	7.62	--
10.	Rajasthan	405.66	7 to 17	1.22	--
11.	Uttarakhand	298.13	11-38	3.24	---
<b>Total</b>		<b>2693.89</b>		<b>50.37</b>	

## Annex-6.1

## Deficiencies in first tier quality control mechanism

(Refer to paragraph 6.1.1)

Sl. No.	State	Observations
1.	Assam	District level laboratories were not established in two out of eight test checked districts.
2.	Himachal Pradesh	State Nodal Department had not prescribed any norms for conduct of inspections of PMGSY works by departmental officers at different levels during 2010-15.
3.	Jammu & Kashmir	In four sampled districts, tests were not conducted due to non-posting of technical persons despite availability of equipments. SQC stated that districts laboratories were not fully functional due to shortage of technicians/ technical staff required for conducting the tests in the Labs.
4.	Jharkhand	PIUs did not ensure the setting up field laboratory compulsorily on work sites. Further, during joint inspection of works, audit did not find field laboratories in any of the 18 work sites. PIUs replied that Mobile Laboratories are being used by the contractors at the sites. In the absence of records relating to machinery/equipment and technical persons, the reply of the PIU is not acceptable.
5.	Karnataka	Documentary evidence relating to establishment of field laboratory was not maintained properly. In the absence of the same, audit could not ensure whether the field labs were established by the contractors in respect of the works executed in the divisions.
6.	Mizoram	In four PIUs (EE-Hmuifang, NH-II, Aizawl Road North and Champhai PW Divisions) did not produce any record to show that the contractors under their jurisdiction had established the required Field Laboratories for the works executed by them.
7.	Rajasthan	In district level laboratories, trained staffs to check the quality of works and required equipment were not made available by the state government.
8.	Tamil Nadu	In several road works, the field laboratories (first tier monitoring) were not established.
9.	Telangana	Quality control laboratory was not established at site of work 'AP11 1201-T01- Peddarajmur to Baswapaur road in Devarakadra Mandal' and 'Providing BT on road from Kalwarala to Rangavaram' of district Mahbubnagar.
10.	Tripura	In two districts, separate field laboratory was not set up by the agencies. The samples were tested using the mobile labs and for detail analysis they were sent to the private registered laboratories.
11.	Uttarakhand	Centralised record or periodic return showing details of inspections carried out by the programme implementation units was not available. Correspondence files of the sampled works showed that field laboratories

Sl. No.	State	Observations
		were not set up by the contractors in three works even after lapse of one to three years from the date of start of work and in six road works even after the lapse of two to eight months. Further, field laboratories in two cases <sup>1</sup> were not well equipped. Besides, information provided by the URRDA in this connection showed that field laboratories were not established by the contractors in seven works of four PIUs <sup>2</sup> .
12.	West Bengal	In three districts, equipments were either not available or non-functional. The Department replied (October 2015) that necessary laboratory equipment would be procured within the year 2015. Laboratory in North 24 Parganas was non-functional since 2010 for want of necessary manpower.

<sup>1</sup> (i) Lakharkot- Mathkhani MR (Phase-VIII) of PIU-Salt (Almora), and (ii) Kandai to Pagna MR (Phase-XII) of PIU- PWD Karanprayag (Chamoli).

<sup>2</sup> PIU- Kapkot (Bageshwar) = 02 works, PIU- Charchula (Pithoragarh) = 03 works, PIU- Purola (Uttarkhashi) = 01 work, and PIU- Srinagar (Pauri) = 01 work.

## Annex-6.2

## Non/Improper maintenance of quality control registers

(Refer to paragraph 6.1.2)

Sl. No.	State	Observations
1.	Chhattisgarh	There was no section or format in the QCR for test of concrete work though the concrete roads are being constructed under the PMGSY. Further, there was no format in the QCR for quality check regarding bitumen content in seal coat.
2.	Himachal Pradesh	Part-II register was not maintained by the Assistant Engineers in two divisions (Kalpa and Kangra) which indicated that prescribed quality controls were not followed during 2010-15. Prescribed monthly returns were not submitted by the Assistant Engineers to the Executive Engineers in all test-checked divisions.
3.	Jharkhand	All test checked PIUs (except CPSUs) informed that Superintending Engineer and Chief Engineer though visits the sites but records relating to inspections were not being maintained. Inspection notes were also not issued by them.
4.	Manipur	Out of six PIUs in the four sampled districts, three PIUs produced eight QCRs in respect of eight packages of works executed during 2010-15. All requisite tests relating to GSB (density of compacted layer) and Bitumen work (binder content, thickness of layer) were not conducted in respect of two packages namely; package no. MNO 815, package no. MNO 855 (PIU, Thoubal).
5.	Mizoram	In three districts (Aizawl, Champhai and Lunglei), details of the records maintained in respect of three-tier Quality Management along with the reports and returns as per prescribed formats were either not maintained or not furnished.
6.	Telangana	The contractor did not maintain QCR at the work site of bridge constructed across 'Bollampally vagu on R/F Veldanda PWD road to Ankamanikunt. QCR was not maintained for the work 'Providing BT on road from Kalwarala to Rangavaram' as per NQM report (April 2013).
7.	Tripura	In two selected districts, test for drainage layer was not conducted. In 11 road works, abstracts of tests were partially maintained. Test for compaction of GSB layer was not conducted in three instances.
8.	Uttar Pradesh	In 26 sampled works, QCRs were not filled with the required information regarding 'date of commencement and completion of work'; details of laboratory staff who conducted the tests; details of frequencies of tests required and conducted there against, based on the quantum of works executed. In the absence of this vital information, the effectiveness of quality test in the site laboratories was not ascertainable.
9.	West Bengal	In Hooghly, documentation in respect of testing was not adequate. In 58 samples tested during 2010-15, name of the official conducted tests and dates thereof were not mentioned. Besides this, the laboratory register was not authenticated by any responsible officer.

### Annex-6.3 Shortfall in Inspections by SQMs

(Refer to paragraph 6.2.1)

Sl. No.	State	Observations
1.	Arunachal Pradesh	Out of 703 schedules assigned to SQMs, 262 were inspected.
2.	Assam	In two PIUs (Lakhimpur, SR division, Ghilamara and Golaghat RR Division), two road works were not inspected even once by SQM as of March 2015. Under two PIUs ( GRRD, Golaghat and LSRD, Ghilamara), 63 road works completed from February 2009 to February 2015 were not inspected by SQMs.
3.	Bihar	Out of 5,559 completed works inspected by SQMs, 2,968 works were inspected once and 1,562 works were inspected twice against three inspections required to be carried out by SQM for each work.
4.	Chhattisgarh	In 89 road works, against 267 inspections, 140 inspections were carried out by SQMs.
5.	Gujarat	Out of test checked 327 road works under PMGSY-I, against the prescribed three inspections, no inspection was carried out for 97 works, only one inspection was carried out for 134 works and two inspections were carried out for 51 works.
6.	Haryana	Out of 32 selected works, SQMs carried out inspections in 18 works. In 14 works, SQMs carried out 21 inspections against the required 42 inspections. Inspection was not carried out in one road work, one inspection was done in five road works and inspection of eight works were carried out twice against the required three inspections.
7.	Himachal Pradesh	SQMs conducted 1,277 inspections for 1,077 road works. 441 road works (41 per cent) were reported unsatisfactory. All the ATRs were pending (July 2015).
8.	Jammu & Kashmir	In test checked districts, against the required 192 inspections, SQMs conducted 100 inspections for 64 road works.
9.	Jharkhand	SQMs carried out 328 inspections for 186 completed road works against the required 558 inspections.
10.	Kerala	SQMs conducted 33 inspections for 29 road works against the required 87 inspections during 2010-11 to 2014-15. The required three inspections were conducted only in one work (KR 02-10) and in five works, inspection was not carried out. KSRRDA attributed the shortfall in inspection to engagement of lesser SQMs.
11.	Madhya Pradesh	350 completed roads pertaining to PIUs of seven districts <sup>3</sup> , three works were not inspected at all, 56 works were inspected only once, 120 works were inspected twice (Total-179 works). The state government stated that prior to November 2010 the system of online entry on OMMAS of SQMs inspections did not exist; hence entries prior to November 2010 were not appearing on OMMAS. Therefore, there was some difference between the actual inspection data as provided by the PIU and as available on OMMAS. The reply was not convincing as the data analysed were not of OMMAS but those maintained manually.
12.	Manipur	SQMs carried out 109 inspections for 222 road works against the required 666 inspections during 2010-11 to 2014-15.

<sup>3</sup>Ashoknagar, Balaghat, Datia, Jhabua, Khargone, Ratlam and Sagar

Sl. No.	State	Observations
13.	Meghalaya	Out of 69 selected works, five were completed; 43 were in progress and 21 were yet to be started (March 2015). Further, none of five completed works were inspected within one month of completion. Out of 43 ongoing works, 32 were not inspected even once, despite having physical progress ranging from 2 to 77.10 <i>per cent</i> .
14.	Mizoram	MiRRDA stated (October 2015) that inspections by the SQMs were carried out as per requirements only and there was no prescribed schedule for inspection. As such, in the absence of prescribed schedule, shortfall in achievement, if any, could not be ascertained.
15.	Odisha	In five districts <sup>4</sup> , inspection of SQM was not adequate as only 116 out of 308 works completed (37.66 <i>per cent</i> ) during 2010-15 were inspected thrice. Of the remaining works, 139 works were inspected twice whereas 49 works were inspected only once and four works were not inspected at all.
16.	Punjab	In 44 works executed by 12 divisions (nine of PWD and three of PMB), 59 inspections against the requirement of 132 were carried out by SQM.
17.	Rajasthan	For 2,422 works completed during April 2011 to March 2015, 7,266 inspections were required to be carried out by SQM at three stages. Only 1,001 (41.33 <i>per cent</i> ) inspections at first stage, 403 (16.64 <i>per cent</i> ) at second stage and 142 (5.86 <i>per cent</i> ) at third stage were carried out.
18.	Sikkim	Four completed works were inspected by the SQMs once or twice. The Department stated (November 2015) that earlier the inspection schedule of the SQM was infrequent and of late sincere efforts have been made to increase the frequency of inspection.
19.	Tamil Nadu	In the selected districts, SQMs inspected seven road works once at the end of completion period.
20.	Telangana	The SQMs inspected 289 works out of 351 completed works during April 2010 to March 2015. Inspections were not carried out in five <sup>5</sup> districts (2010-11), three <sup>6</sup> districts (2013-14) and in three <sup>7</sup> districts (2014-15). In test-checked works of district Khammam, although there were entries of SQMs inspections in measurement books, there were no records to confirm the minimum number of inspections carried out for each functionary/supervisory level.
21.	Tripura	SQMs carried out 614 inspections against the required 780 inspections for 260 road works during 2010-15.
22.	Uttar Pradesh	SQMs carried out inspections for 65 road works completed during 2010-15. Four road works were not inspected at all, six works once, 22 works twice and 28 works three times.
23.	Uttarakhand	Out of 27 works shown completed by 2013-14, 12 works were inspected once and 15 twice.
24.	West Bengal	Out of 468 completed roads in selected districts, 22 road works were not inspected at all and 159 were inspected once, 161 inspected twice.

<sup>4</sup> Bolangir, Balasore, Dhenkanal, Mayurbhanj, Rayagada

<sup>5</sup> Adilabad, Karimnagar, Nalgonda, Nizamabad and Ranga reddy

<sup>6</sup> Karimnagar, Medak and Nalgonda

<sup>7</sup> Medak, Nizamabad and Ranga reddy

**Annex-6.4**  
**Deficiencies in action taken reports**

(Refer to paragraph 6.3.4)

State	No. of works inspected by NQM	No. of works rated unsatisfactory	Value of work (₹ in crore)	No. of cases where rectification report submitted by the PIU	No. of works re-inspected by SQM/NQM after submission of rectification report	No. of works rated unsatisfactory after re-inspection	Value of work (₹ in crore)
Andhra Pradesh	215	37	59.52	34	34	12	9.95
Arunachal Pradesh	44	9	19.99	7	5	3	8.65
Bihar	513	95	118.97	76	76	14	18.14
Gujarat	151	10	13.28	9	7	0	0
Haryana	21	1	1.9	1	1	1	1.9
Himachal Pradesh	443	51	61.47	51	15	4	4.57
Jammu & Kashmir	171	21	20.53	21	21	1	4.78
Jharkhand	191	37	NA	31	0	0	0
Karnataka	113	18	41.74	18	18	0	0
Kerala	76	14	23.56	14	6	0	0
Manipur	36	8	17.86	8	8	0	0
Meghalaya	92	27	45.58	32	6	0	0
Mizoram	43	18	173.36	18	10	6	45.79
Odisha	391	82	NA	46	46	0	0
Rajasthan	143	28	43.93	24	0	0	0
Sikkim	110	21	51.37	21	21	3	7.75
Telangana	115	13	22.08	11	11	2	1.42
Tripura	201	69	306.86	52	51	13	57.46
Uttar Pradesh	315	114	56.47	113	27	0	0
Uttarakhand	50	13	50.02	8	6	3	17.50
West Bengal	258	66	140.32	65	51	3	49.94
<b>Total</b>	<b>3,692</b>	<b>752</b>	<b>1,268.81</b>	<b>660</b>	<b>420</b>	<b>65</b>	<b>227.85</b>

### Annex-6.5

#### District Level Vigilance and Monitoring Committee (DLVMC)

(Refer to paragraph 6.5)

Sl. No.	State	Observations
1.	Andhra Pradesh	SRRDA did not furnish the details of DLVMCs and their inspections during 2010-15.
2.	Haryana	DLVMC had not monitored the progress and exercise vigilance in any of the test-checked districts.
3.	Jammu & Kashmir	Monitoring reports of DLVMC were not seen in the test checked districts.
4.	Jharkhand	Meetings of DLVMC carried out during 2010-15 but records of minutes of meetings were not made available.
5.	Karnataka	DLVMC were constituted in all the selected districts for overseeing the implementation of Centrally sponsored schemes. However, the details of meetings held annually were not available with the PIUs.
6.	Manipur	In district Imphal East, two meetings were held during 2011-12 and 2012-13 against 20 meetings. The information for remaining three other sampled districts was not furnished.
7.	Mizoram	Meetings under the DLVMC were being conducted by the concerned district level Deputy Commissioners. Mizoram Rural Road Development Agency stated (October 2015) that they have no role in this aspect except attending the meeting. PIUs under two selected districts did not maintain any record.
8.	Odisha	DLVMC meetings were not held regularly. Against 120 meetings, DLVMCs met only 25 times. In district Koraput, DLVMC meetings were not held during 2010-13. In Balasore, DLVMC met eight times against 20 during 2010-15 and did not discuss about projects lying incomplete for a period ranging from 3 to 17 months. In districts Balangir, Dhenkanal and Kalahandi, records of DLVMC meetings were not produced. In districts Rayagada and Jajpur, DVVMCs met only once during 2010-15. The Department stated (November 2015) that District Administration would be apprised to conduct meetings as per guidelines.
9.	Sikkim	As per the records maintained in the RM&DD, against 80 meetings, 14 were held from April 2010 to March 2015.
10.	Uttar Pradesh	In none of the sampled districts, DLVMC performed required vigilance. PIUs accepted the audit observation.
11.	Uttarakhand	Active/effective role of the DLVMC in the PMGSY was not found in selected districts.
12.	West Bengal	Out of five districts, DLVMCs have not been formed in three districts (Malda, Purba Medinipur and Uttar Dinajpur) and in North 24 Parganas where it was formed, it had met only eight times against 20 during 2010-15. In Hooghly, records of meetings were not available. The Department stated (October 2015) that concerned District Magistrate will be advised to form V&MC.

## Annex-7.1

## Irregularities in providing connectivity to Habitations

(Refer to paragraph 7.3)

Sl. No.	State	Observations
1.	Andhra Pradesh	In district Anantapur, road 'Bandakadapalli to Rachinepalli' was extended to an ineligible habitation with a population of 129.
2.	Assam	In PIU, Karimganj and HPIU, Cachar Road Circle, Silchar, under the package AS 13-59, eight roads were constructed outside the CNW by spending ₹ 9.76 crore as of March 2015. In district Nagaon, in PIU Nagaon State Road Division, Nagaon, under package- AS 19-158, the construction of road 'Kampur-Jamunamukh' was taken under the programme despite being a Major District Road (MDR).
3.	Bihar	In district Nawada, road No.-BR-25R-165/11-12 [NH-31(Hurah) constructed under the programme provided connectivity to habitations Pipra Khurd which was already connected <i>via</i> Namdarganj to NH-31. In district Gaya, under package no.-BR-12R-208/11-12 (Gaya Sherghati Road to Dadubarma), multi-connectivity was being provided to habitation Itahari. In district Madhubani, under package no.-BR-21R-236 (Lurgama to Bhagwatipur), multiple connectivity was provided to habitation to Bhagwatipur. Road beyond CNW, (T01 Bathane to Khangaon road ) under package no. BR-21R-390 of 2013-14, provided multi- connectivity to habitation Khangaon. In district Bhagalpur, Navtolia was connected by road from National Highway-31 was again connected by another road (package no. BR-06R-132/12-13, NH-31 Bihpur Chowk to Navtolia) after incurring expenditure ₹ 2.43 crore.
4.	Jharkhand	In district Hazaribag, road from GT Road to Dhurgargi constructed to connect targeted three habitations, Karimati, population- 553, Padirma, population-993 and Dhurgargi, population-162. However, joint physical verification showed that this road had provided connectivity to only one habitation, Dhurgargi having population of 162. In block Ichak of district Hazaribag, 'Kaladwar' was connected through Daria to Phuphundi and also a road from Manai to Kaladwar, constructed under state sponsored scheme during June 2014 to June 2015. However, the same habitation was again connected through a road from T01 to Kaladwar constructed under PMGSY. In district Jamtara, the road from Shyampur to Sildhawa (package no. JH12-004) was constructed (September 2014) for connecting the habitation 'Sildhawa' despite the fact that the habitation was already connected by a PCC road. In district Garhwa, the Parswanin Ramna situated at National Highway was selected for providing connectivity. Joint physical verification of the road 'Pandripani-Jaldega to Pandripani', showed that targeted habitation 'Pandripani' was situated at starting point of the road. The road ends at habitation 'Kupudega' which was already connected by a cement concrete road under another scheme.

		In district Simdega, joint physical verification of the road 'Kevgutu to Kodhipat' in block Bano, showed that the targeted habitation Kodhipat was already connected to an existing bituminous road connecting another habitation 'Kevgutu'.
5.	Mizoram	In districts Aizawl and Champhai, two roads (Zuangtui-Muthi, Sakawrdai-Vaitin) were provided multi-connectivity.
6.	Rajasthan	Joint physical verification of road from Chabaria to Buwana-Teja-ki-Jhopariya via Devpura constructed under cluster approach showed that the distance of one habitation, Bhuwana-Teja-ki-Jhoparia was more than 500 metres from the other habitation Bhuwana-Teja-ka-Barda. Hence, it did not qualify for cluster approach.
7.	Tamil Nadu	In district Tiruvanmalai, no habitation was found on the road Sanipoondi-Annagar, constructed at a cost of ₹ 0.30 crore under the programme.
8.	Uttarakhand	<p>In Chamoli, the road Tharali to Kuraad was found extended by 5.89 km beyond the targeted habitation Kurad up to habitation Partha which had already been connected by another PMGSY road (Sangwada-Parthakuni MR) sanctioned under Phase-X (Package UT-03-21).</p> <p>In district Nainital, the targeted habitation of Aksora (Jhajhar to Aksora) was situated at 5 km whereas the road was constructed up to nine km to provide connectivity to two ineligible habitations Quira and Banlekhi, which were not the part of the CNW.</p> <p>In district Almora, joint physical verification showed that in Bhujan-Chapar-Hidam-Billekh, the last targeted habitation Billekh situated at 27.49 km was already connected with an existing all-weather (Black Topped) link road coming from Richi-Bhujan.</p> <p>In district Chamoli, joint physical verification showed that road from Simli petrol pump to Semu road was extended up to eight km to connect a habitation Kanoth, which was not a part of the CNW.</p> <p>In district Naintal, road Nalena-Chopda constructed under the programme was extended to connect three habitations (Suadhar, Ropada and Basgaon) which were not the part of the CNW.</p>

## Annex-7.2

### Targeted habitation not connected

(Refer to paragraph 7.4)

Sl. No.	State	Observations
1.	Assam	<p>In district Nagaon, PIU Nagaon Road Circle, joint physical verification of road from 'Majpotani to Gereki' and 'Chanchaki to K.A. Road' showed that about 200 m of the road was not constructed to connect it to the associated Through Route. Further, the Through Route was also in deplorable condition. No habitations were found around the road.</p> <p>From 'Chanchaki to K.A. Road', 500m road length towards dead end of the road was not constructed.</p>
2.	Bihar	<p>In district Bhagalpur, road constructed under package no- BR06R-148 (NH 80 to Bhuwalpur) did not provide connectivity to intended habitation as there was railway track in the alignment of road and the road was blocked by cement concrete pillars on both edges of track.</p> <p>The Ministry stated that PMGSY does not permit construction of railway over-bridges or under-passes on the alignment of PMGSY roads. The state government pointed out that the targeted habitations have been provided connectivity because of an existing railway under-pass near the PMGSY road.</p> <p>The reply of the Ministry is not satisfactory as the objective of providing connectivity to targeted habitation was not achieved. Further, the underpass was not on the alignment of the constructed road..</p>
3.	Chhattisgarh	<p>In district Bilaspur, in road work 'T02 KULI KUKDA - BASAHA (package CG 0268)' connectivity to habitation Basaha was not provided due to non-execution of cross drainage work on <i>nallah</i>. The Department proposed long span bridge at this place after a lapse of four years from sanction of the road. The road was shown as completed (March 2014) even before construction of long span bridge.</p> <p>In district Jashpur, connectivity to habitation Kumhardhab by road from Kumhardhab to TR-02, completed in April 2015, was not provided as the required bridge on river passing through RD-275 was sanctioned in February 2016.</p>
4.	Jharkhand	<p>In district Deoghar, road from Rajsar to Raidih was completed at a cost of ₹ 1.10 crore in December 2014 for targeted habitations Rajsar. Joint Physical Verification showed that road was completed without providing connectivity to Rajsar. On enquiry it was seen that Rajsar habitation was 8 km. away from the end point of this road.</p> <p>Construction of road Ghorlas to Baranokhil was completed at a cost of ₹ 0.65 crore in September 2014 for targeted habitations Bhoktadih, Govindpur and Kokribank as per DPR. The construction of road was completed without connecting targeted habitation Kokribank, which was connected from other Road Rajsar to Raidih.</p> <p>In Garhwa, joint physical verification of two roads, L046 to Jala and Katkamsandi to Ulanj showed that full connectivity was not provided to targeted habitations Jala and Ulanj by more than 500 m.</p>
5.	Odisha	<p>In district Rayagada, PWD road to Balikhamba constructed (March 2015) at a cost of ₹ 0.63 crore, failed to provide connectivity to Balikhama as the road fell short of 700 metres from the targeted habitaiton.</p>

**Annex-7.3**  
**Incomplete/Poor construction of Road Works**  
(Refer to paragraph 7.5)

Sl. No	State	Observations
1	Arunachal Pradesh	In district Lohit, road from 1.5 km Tezu-Lohitpur to Mekhaliang was damaged due to erosion of bituminous layer, pothole at the road surface. Road from Lathau to Jona-III was poorly maintained after expiry of five-year maintenance period as many potholes were found on the road.
2	Assam	Under package AS 13-59 in PIU, Karimganj under the HPIU, Silchar, eight roads outside the CNW were taken up under the programme at a cost of ₹ 10.89 crore and as of March 2015, ₹ 9.76 crore was spent on this project. Condition of the completed segment of the road was deplorable as the road was full of mud and big potholes. Side berms were started disintegrating. Although the road was constructed under the PMGSY, it did not link any habitation. The condition of 'Kampur Jamunamukh road, (Circle Nagaon) was deplorable. Big potholes had developed and in some stretches bitumen work was gradually disintegrating. Side berms were also broken.
3	Chhattisgarh	In district Raipur, one side approach of Hume Pipe Culvert on road no. T 02 (Dhurrabandha) to Pousari was washed out due to heavy rains as proper assessment of discharge was not done.
4	Jammu & Kashmir	Joint physical verification of 10 road projects in three selected districts showed that against 269 bridges/cross drainages, 170 were constructed. Further, roads were damaged due to non- construction of adequate cross drainages and poor construction.
5	Jharkhand	In district Simdega, road 'Pandripani Jaldega to Pandripani' constructed in September 2015, a culvert at about 600 meter from the starting point was damaged, As a result, the road was badly damaged at that point and vehicles could not pass through this point. In district Deoghar, road T06 to Dunduadih constructed (January 2015) at a cost of ₹ 0.64 crore was damaged at several places. Records of Rural Works Division, Deoghar showed that contractor, due to Naxal problem, stopped (September 2013) construction of 96 meter long bridge over Darwha river. Joint physical verification showed that only three pillars were constructed so far. Girder of bridge was in bent condition. Due to non-construction of bridge, connectivity between Bodhania Bank and Manikpur was not provided. In district Simdega, joint physical verification of road 'L059-REO Main Road Kutmakachhar to Murambatoli via Jhimari', showed that after 2.070 km from the starting point, alignment was passing through forest area and had hard rock though, the DPR did not show the hard rock and mentioned forest areas after 3.5 km. No work was carried out between ch. (2.070 to 4.200 km) on this account.

Sl. No	State	Observations
6	Manipur	In district Ukhrul, the “Chingai-Huishu Road” could not provide motorable connectivity due to non-completion of the Bailey Bridge at “Chingai-Huishu Road (MN0943)” (situated at 7.5 km). One suspension bridge (footbridge) situated adjacent to under construction Bailey Bridge served as link to cross the river. Approach road was not completed on the Chingai side of approach of the bridge.
7	Sikkim	Road from Mintogang to Dhanbariroad was completed in August 2014 at a cost of ₹ 3.31 crore. Seven CDs and six culverts were found constructed of which two CDs were blocked by the land slide. The side drains of the roads were found damaged in various chainage due to land slide, blockage by sand and mud.
8	Uttarakhand	<p>In district Chamoli, joint physical verification of road Palsari-Bamiyala showed that defective cutting of hill side under Stage-I work was apparently visible at various places, which were not removed before the execution of the bituminous works of the road under Stage-II. The width in some part of the road found only 3-4 metres due to non-rectification of the defects. Further, maintenance work was not carried out by the contractor.</p> <p>Roadwork from Chopda to Nalai was an extension of Mailsain-Chopda road up to Nalai habitation but the quality of bituminous work was found poor at various places.</p> <p>In district Nainital, joint physical verification of road showed that Bhorsa-Pinro constructed as a through road though its sanction was obtained as a link route. Target habitation Pinro was halfway from both sides whereas another targeted habitation Pashtola (Population-350) was not found along the entire alignment of the road. Further, the road was not found maintained though its Stage-II works were completed in February 2014.</p> <p>In district Pauri, bituminous work of road Mailsain to Chopda was found damaged at various places.</p> <p>In district Almora, Other District Road-59 Lakharkot to Matkhani, the quality of bituminous work was found poor resulted in damage to the surface of the road at many places. 400 metre road was constructed beyond the last targeted habitation Mathkani. Maintenance work was not carried out by the contractor after completion of work in July 2012.</p>

**Annex-7.4**  
**Deficiencies in execution of works**  
(Refer to paragraph 7.6)

Sl. No	State	Observations
1.	Bihar	In district Madhubani, verification of road no.-BR-21R-224 (X-road T02 to Kukurdaura) showed that side drain was not constructed on both side of CC Pavement portion and two culverts at chainage 3920 m and at 3940 m were partially damaged.
		In district Vaishali, under package no- BR-36R-147 in road from Terasia to Ashpatpur Singhia urf Bariarpur, one hume pipe culvert was constructed against the provision of three. The required CD structures were also not constructed.
		In district Katihar, under package no. - BR-16R-127 (Simariya to Nakkipur), brick edge soling in 1198 meter on both side of road and angle drain were not constructed.
2	Himachal Pradesh	In district Kangra, construction of Rulehar-Lam link route to provide connectivity to habitations Har and Lal was completed in August 2014 at a cost of ₹ 2.98 crore. Joint physical verification showed that contractor had not executed the work completely <sup>1</sup> whereas the Department had shown the work as completed. In many stretches, the side drains filled with debris and stones were not visible. At some stretches, the road looked like unpaved road.
3	Jharkhand	In district West Singhbhum, execution of work of Noamundi SH to Sosopi, was allotted to contractor by NPCC in December 2014 despite the fact that existing surface was PCC and in good condition.
		In district West Singhbhum, construction road Ichapi to Jwaribhanga in block Majhgaon was completed in May 2014 at a cost of ₹ 1.20 crore. Instead of construction of a small bridge, a culvert without any protection wall was constructed at that site with the result, road was nearly washed away by water that overflowed at that point.
		In district Jamtara, verification of road 'Purnighati to Borwa' constructed (October 2014), showed that due to non-provision of hill side drains and protection walls, road curve was cut and soil accumulated at road with rain water.
		In district West Singhbhum and Deoghar, joint physical verification of roads Chhotakudra to Patahatu, Sonua main road to Guikera chowk <i>via</i> Kumai and Baidynathpur to Bahadurpur showed that side drains were not constructed near habitations.
4	Sikkim	In district East, road Tsalamthang to Lower Tareythang was completed in January 2014. Out of sanctioned length of 7.88 km (stage-I), the length of 6.28 km fair weather road was constructed and remaining 1.60 km was constructed at another location at PWD Road to Amba which was about three km away from the actual sanctioned location.
5	Tamil Nadu	In district Dindigul, the habitations Komberipatti-Andikulam was not at the starting point (0/0) and end point (1/500) respectively and distance was 200/300 metre away from the road.
6	Tripura	In district West Tripura, the road Brahmacherra ward-1 to Kakracherra was completed in April 2011 with only two culverts against eight as per DPR .

<sup>1</sup> Formatting cutting: kms 3,880, cross drainage: 27 nos., side drain: 3,262 rmt, parapets: 150 nos., wearing : kms 3,746 and tarring: kms 3,435.

**Annex-8.1**  
**Examination of the Website**  
**Balances as per State Balance Sheet (March 2015)**  
(Refer to paragraph 8.3)

State	Unreconciled Bank authorisations	Unreconciled Programme Fund
Andhra Pradesh	₹ -12,56,64,975.00	₹ -2,01,53,13,155.00
Assam	₹ -2,37,30,545.00	₹ -53987,04,337.00
Bihar CPWD	₹ -9,69,79,000.00	₹ -9,69,79,000.00
Bihar NHPC	₹ 24,25,722.00	₹ 0.00
Bihar RWD	₹ 2,93,04,77,252.73	₹ -22,30,05,30,330.00
Chhattisgarh	₹ 98,17,444.00	₹ 0.00
Haryana	₹ -49,35,908.00	₹ -3,49,94,10,411.00
Jammu & Kashmir	₹ -2,34,37,14,903.36	₹ -28,09,44,90,647.73
Jharkhand HSWC	₹ 50,76,52,810.00	₹ -4,78,24,31,186.00
Jharkhand NBCC	₹ 50,76,52,810.00	₹ -4,78,24,31,186.00
Jharkhand NPCC	₹ 50,76,52,810.00	₹ -4,78,24,31,186.00
Jharkhand RWD	₹ 50,76,52,810.00	₹ -4,78,24,31,186.00
Karnataka	₹ 2,22,78,318.00	₹ -37,28,27,41,527.66
Kerala	₹ -4,32,67,590.00	₹ -8,98,65,13,433.75
Maharashtra	₹ -12,11,65,34,148.86	₹ -14,25,80,80,346.18
Mizoram	₹ -2,31,76,715.00	₹ -18,92,14,779.00
Odissa	₹ -2,06,46,654.00	₹ 11,18,69,000.00
Tamil Nadu	₹ -7,45,32,57,724.69	₹ -6,92,37,88,564.86
Tenangana	₹ -2,20,13,664.00	₹ -4,20,69,55,798.00
Tripura	₹ -1,30,32,88,463.00	₹ -8,05,27,61,721.00
Uttarakhand	₹ -3,36,06,914.52	₹ -3,38,89,285.52
<b>Total</b>	<b>₹ -18,61,52,07,228.70</b>	<b>₹ -1,54,95,85,24,743.70</b>
Debit Balance	₹ -23,61,08,17,205.43	
Credit Balance	₹ 4,99,56,09,976.73	

## Annex-8.2

## Examination of the website: Tendering Agreement Details

(Refer to paragraph 8.3)

Sl. No.	State	Works Sanctioned	Works Agreement	Sanctioned Cost (₹ in lakh)	Agreement Value (₹ in lakh)
1	Andhra Pradesh	4,452	4,374	339,610.94	8,081,340,088.98
2	Arunachal Pradesh	976	879	377,033.54	788,331,242.17
3	Assam	5,660	5,368	1,020,893.11	1,628,479,046.34
4	Bihar	16,852	14,350	2,873,898.40	4,557,541,107.54
5	Chhattisgarh	6,813	6,695	846,945.30	96,746,565.20
6	Goa	84	0	1,535.27	0.00
7	Gujarat	4,420	4,418	280,526.84	329,820,397.75
8	Haryana	426	426	154,630.30	45,824,382.86
9	Himachal Pradesh	2,384	2,251	303,732.16	5,387,729,048.36
10	Jammu & Kashmir	1,982	1,638	527,650.71	129,798,589.16
11	Jharkhand	5,174	4,681	680,414.76	1,395,317,435.91
12	Karnataka	3,315	3,308	334,064.48	541,523,080.27
13	Kerala	1,430	1,351	151,285.45	557,385,405.21
14	Madhya Pradesh	16,218	16,060	1,868,927.41	671,852,109.65
15	Maharashtra	6,158	6,098	670,792.53	2,503,717,594.61
16	Manipur	1,544	1,300	233,119.63	148,300.26
17	Meghalaya	721	703	110,781.79	117,981.25
18	Mizoram	217	213	97,286.82	15,767,018.74
19	Nagaland	305	305	73,273.24	74,363.64
20	Odisha	11,941	10,911	1,781,298.61	4,803,721,017.60
21	Punjab	1,050	1,035	282,350.86	92,243,339.11
22	Rajasthan	15,550	15,330	1,217,719.90	1,374,010,492.15
	Sikkim	778	777	122,165.10	157,908.60
	Tamil Nadu	6,654	6,242	349,703.17	229,087,671.75
	Telangana	2,843	2,820	216,061.1	2,919.57
	Tripura	1,401	1,354	300,778.19	834,489.22
	Uttar Pradesh	17,649	17,462	1,354,473.27	7,758,338,048.01
	Uttarakhand	1,125	1,034	301,105.07	1,051,332,275.81
	West Bengal	4,981	4,750	1,106,489.66	333,285,504.79
	<b>Total</b>	<b>1,43,103</b>	<b>1,36,133</b>	<b>1,79,78,547.62</b>	<b>42,37,45,27,424.51</b>

**Annex-8.3**  
**IT Infrastructure in states**  
(Refer to paragraph 8.7)

Sl. No.	IT Audit issues	Findings
1.	Has the SRRDA appointed an officer of sufficient seniority and with adequate knowledge of information technology to function as State IT Nodal Officer during the review period?	In <b>Gujarat, Karnataka, Nagaland</b> and <b>Tamil Nadu</b> no ITNO was appointed. In <b>Haryana</b> the post is vacant since November 2014 and in <b>Jammu &amp; Kashmir</b> , ITNO was not appointed since February 2013. In <b>Bihar</b> , Civil Engineer with working knowledge of computer was appointed as ITNO.
2.	Is sufficient computer hardware (Desktop machines, internet connectivity, printers, etc.) available for data entry/generation of MIS reports for OMMAS application?	Except <b>Andhra Pradesh, Arunachal Pradesh</b> and <b>Meghalaya</b> , no state reported deficiency of computer hardware.
3.	Have Annual Maintenance Contracts (AMC) for computer hardware been awarded?	AMC for computer hardware was not awarded in <b>Bihar, Gujarat, Jammu &amp; Kashmir, Jharkhand, Maharashtra, Manipur, Meghalaya, Mizoram</b> and <b>Nagaland</b> .
4.	Are sufficient staff viz., Data entry operators available for data entry?	<b>Jammu &amp; Kashmir, Manipur, Meghalaya, Tamil Nadu</b> and <b>Uttar Pradesh</b> reported lack of availability of DEOs for data entry.
5.	Are the staff adequately trained by C-DAC/SRRDA for data entry?	Training was reported adequate by all states.
6.	Is there provision for verification/authentication of data entry by supervisory levels in the OMMAS application?	In <b>Arunachal Pradesh, Karnataka, Tamil Nadu</b> and <b>Uttar Pradesh</b> , there was no provision to verify/authenticate data entry.
7.	What is the provision of supervising bulk data entry?	No such provision except in <b>Haryana, J &amp; K, Madhya Pradesh, Maharashtra, Rajasthan</b> and <b>West Bengal</b> .
8.	Are persistent delay/failure to update data at PIU level reported to the CEO of SRRDA to effectively monitor the progress of data entry?	No such reporting except in <b>Andhra Pradesh, Arunachal Pradesh, Jammu &amp; Kashmir, Jharkhand, Madhya Pradesh, Manipur, Rajasthan</b> and <b>Uttar Pradesh</b> .
9.	Are periodical progress reports sent to SRRDA by the IT Nodal officer?	No such reporting except in <b>Bihar, Gujarat, Himachal Pradesh, J &amp; K, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Nagaland, Rajasthan, Tamil Nadu</b> and <b>Uttar Pradesh</b> .
10.	Are monthly MIS Reports are generated by the system and submitted to CEO, SRRDA?	In <b>Chhattisgarh, Haryana, J &amp; K, Jharkhand, Kerala, Manipur, Meghalaya, Nagaland, Tripura</b> and <b>Uttar Pradesh</b> , MIS reports were not generated by the system and submitted to CEO, SRRDA.
11.	Are quarterly MIS Reports generated at DPIUs and forwarded to IT Nodal Officer along with Executive Engineer/Head of PIU's comments on the reliability of the data?	In <b>Bihar, Chhattisgarh, Haryana, J &amp; K, Jharkhand, Kerala, Manipur, Meghalaya, Nagaland, Tripura, Uttar Pradesh</b> and <b>West Bengal</b> , MIS reports were not generated at DIPUs and forwarded to ITNO.

---

# **Glossary of Terms and Abbreviations**

---

## Glossary of Terms and Abbreviations

Term	Details
<b>AADT</b>	Average Annual Daily Traffic
<b>ADB</b>	Asian Development Bank
<b>AMC</b>	Annual Maintenance Contract
<b>ARRR</b>	Analysis of rate for rural roads
<b>ATN</b>	Action Taken Notes
<b>BADP</b>	Border Area Development Programme
<b>BRGF</b>	Backward Region Grant Fund
<b>BT</b>	Black Topped
<b>CAAT (IDEA)</b>	Computer Assisted Audit Tools (Interactive Data Extraction and Analysis)
<b>CBR</b>	California Bearing Ratio is a test to evaluate the strength of earth surface.
<b>CD</b>	Cross Drainage (CD) is a structure constructed to allow a free passage to water under the road surface from one side to the other.
<b>C-DAC</b>	Centre for Development of Advanced Computing
<b>Chainage</b>	An imaginary line used to measure distance, often corresponding to the centre of a straight road (surveying). A distance measured along such a line.
<b>CNCPL</b>	Comprehensive New Connectivity Priority List
<b>CNW</b>	Core Network
<b>COBIT</b>	Control Objectives of Information and related Technology published by IT Governance Institute, formed by Information Systems Audit and Control Association, USA
<b>CPSU</b>	Central Public Sector Undertakings
<b>CUPL</b>	Comprehensive Upgradation Priority List
<b>CVPD</b>	Commercial vehicle per day
<b>DDP</b>	Desert Development Programme
<b>DLVMC</b>	District Level Vigilance and Monitoring Committee
<b>DPR</b>	Detailed Project Report
<b>DRDA</b>	District Rural Development Agency
<b>DRRP</b>	District Rural Road Plan indicates the entire existing road network system in the district and also clearly identifies the proposed roads to provide connectivity to eligible unconnected habitations.
<b>EMD</b>	Earnest Money Deposit
<b>GBS</b>	Gross Budgetary Support

Term	Details
GCC	General Condition of Contract
GIS	Geographical Information System
GP	Gram Panchayat
GSB	Granular Sub-base is sub-base of the road which is constructed with Granular material.
Habitation	A cluster of population, living in an area, the location of which does not change over time.
HSD	High Speed Diesel
IAP	Integrated Action Plan (Naxal Affected Districts)
IRC	Indian Road Congress
IT	Information Technology
ITNO	Information Technology Nodal Officer
Intermediate Panchayat	Block Level Panchayat
Lead	Distance for which material was carried
LR	Link Route
LSB	Long Span Bridge
LWE	Left Wing Extremist
MB	Measurement Book
MDR	Major District Road
MIS	Management Information System
MNP	Minimum Needs Programme
MoRD	Ministry of Rural Development
MoU	Memorandum of Understanding
MPR	Monthly Progress Report
Main Rural Link (MRL)	A Link Route emerging directly from Through Roads (TR) of category National Highway or State Highway or Major District Road (MDR).
MGNREGS	Mahatama Gandhi National Rural Employment Guarantee Scheme.
MRL	Main Rural Link
NABARD	National Bank for Agriculture and Rural Development
NIT	Notice Inviting Tender
NQM	National Quality Monitors are independent monitors (individuals/agency) engaged by the NRRDA.

Term	Details
NRRDA	National Rural Road Development Agency
ODR	Other District Road
OFP	Online Fund Processing
OM	Operations Manual
OMMS	Online Management and Monitoring System
OMMAS	Online Management, Monitoring and Accounting System
PAC	Public Accounts Committee
Package	Group of works put to tender in one lot
PAU	Poverty Alleviation Unit
PCI	Pavement Condition Index (PCI) indicates the condition of a road and is derived from Pavement Condition Survey. Three methods have been prescribed to conduct the survey. These are based on Visual Inspections, Riding Comfort and Driving Speed. The survey yield pavement condition index of 1 to 5. Under Visual Inspection method, PCI value 1,2,3,4 and 5 reflects the condition of a road as Very Poor, Poor, Fair, Good and Very Good respectively.
PEC	Performance Evaluation Committee
PIU	Programme Implementation Unit (Work executing agency in the field)
PMC	Premix Carpet
PPSWOR	Probability Proportional to Size Without Replacement-A sampling procedure under which the probability of a unit being selected is proportional to the size of the ultimate unit, giving larger clusters a greater probability of selection and smaller clusters a lower probability. In this method, once a unit is selected, it is removed from the population and selection of another unit is done from the remaining population
PRI	Panchayati Raj Institution
PWD	Public Works Department
QCR	Quality Control Register
RCC	Reinforced Cement Concrete
RCCP	Roller Compacted Cement Concrete Pavement
RRM	Rural Road Manual
SBD	Standard Bidding Document
SH	State Highway
SLSC	State Level Standing Committee
SoR	Schedule of Rates

Term	Details
SQC	State Quality Coordinator
SQM	State Quality Monitor
SRI	Satisfactory Requiring Improvements
SRRDA	State Rural Road Development Agency
SRSWOR	Simple Random Sampling Without Replacement - Data collection in which each package in the population has normally an equal chance of being selected
STA	State Technical Agency –Reputed Technical Institutions and have been identified by NRRDA in consultation with each state government to provide technical support to the Programme Implementation Units
Tender Premium	Where the value of the tender received exceeds the estimated cost of the work.
TR	Through Routes (TR) collect traffic from several link routes (LR) or a long chain of habitations and lead it to marketing centres either directly or through the higher category roads i.e., District Roads or State/National Highways.
Transect Walk	This is organised by the Assistant Engineer to ensure land availability and finalise the alignment.
Unbalanced bid	Where quoted bid value is lower than the estimated cost.
VAT	Value Added Tax
WBM	Water Bound Macadam
ZP	Zila Parishad

© COMPTROLLER AND  
AUDITOR GENERAL OF INDIA  
[www.cag.gov.in](http://www.cag.gov.in)