

TWELFTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2006-2008)**

SEVENTY THIRD REPORT

(Presented on 17th December, 2008)



SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2008

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On

**Paragraphs relating to Water Resources Department contained in the Reports
of the Comptroller and Auditor General of India for the year(s) ended
31st March 1998 (No. 3 Civil) and 31st March 2003 (Civil)**

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INTRODUCTION

I, the Chairman, Committee on Public Accounts having been authorised by the Committee to present this Report on their behalf present the Seventy Third Report on paragraphs relating to Water Resources Department contained in the Reports of the Comptroller and Auditor General of India for the years ended 31st March 1998, No. 3 (Civil) and 31st March 2003 (Civil).

The Reports of the Comptroller and Auditor General of India for the years ended 31st March 1998 No.3, (Civil) and 31 March 2003 (Civil) were laid on the Table of the House on 13 April 1999 and 28 June 2004 respectively.

The Committee considered and finalised this Report at the meeting held on 11 December 2008.

The Committee place on record their appreciation of the assistance rendered to them by the Accountant General in the examination of the Audit Report.

Thiruvananthapuram,
17 December, 2008.

ARYADAN MUHAMMED,
Chairman,
Committee on Public Accounts.

REPORT
WATER RESOURCES DEPARTMENT

AUDIT PARAGRAPH :

Accelerated Irrigation Benefit Programme

Highlights

Accelerated Irrigation Benefit Programme launched by Government of India aimed at assisting State Governments with Central loan assistance to accelerate completion of ongoing projects in advanced stage of construction to yield bulk benefits. In Kerala, two Irrigation Projects viz., Kallada Irrigation and Tree Crop Development Project and Muvattupuzha Valley Irrigation Project were included in the programme in 1996-97 and 1998-99 respectively.

- Due to shortfall in expenditure in KIP during 1997-2000 CLA was not released for KIP during 1998-99, 1999-2000 and 2001-02 and CLA of Rs. 20 crore sanctioned for MVIP for 1998-99 was also not released.
- Non-completion of four works in KIP resulted in underutilisation of CCA and blocking of funds amounting to Rs. 32.06 crore.
- In spite of specific guidelines from Government of India, no separate budget provision was provided under AIBP component of MVIP.
- Improvement works of a PWD road costing Rs. 22.28 lakh were taken up diverting AIBP assistance.
- Rs. 36 lakh was utilised for making payments not connected with approved AIBP components.

Introduction :

Government of India (GOI) launched the Accelerated Irrigation Benefit Programme (AIBP) in 1996-97 with the objective of assisting State Governments with Central Loan Assistance (CLA) to accelerate completion of ongoing major and medium irrigation projects in advanced stage of construction to yield bulk benefits. Under the programme, Central assistance was in the form of loan on matching basis in the ratio 1:1 up to 1998-99 and 2:1 thereafter and was to be released quarterly up to March 1997 and half yearly thereafter subject to availability of funds and Budget outlay made by State Government for the project in the annual plan.

Scope of Programme :

Following categories of projects were eligible for assistance under AIBP.

- Approved projects or components thereof costing Rs.500 crore or more on which substantial investment was made;
- Approved projects which were in advanced stage of completion and could be completed in the next four agricultural seasons (ie., in a period of two years) irrespective of the total estimated cost.

Kallada Irrigation and Tree Crop Development Project (KIP) and Muvattupuzha Valley Irrigation project (MVIP) were included in AIBP during 1996-97 and 1998-99 respectively.

Implementation arrangements :

The Water Resources Department administered the projects. Both projects, KIP and MVIP, were under the exclusive charge of a Chief Engineer (CE)* each. There were one circle office and three divisional offices under KIP and one circle office and five divisional offices under MVIP. A separate monitoring unit functioned in the State under the CE (Irrigation & Administration), Thiruvananthapuram. The Central Water Commission (CWC) also monitored the implementation.

Scope of audit

A review of the implementation of the programme was conducted in audit between January 2003 and May 2003 through test-check of the records for the period 1996-03 of 2 CE's offices, 2 circle offices and 8 division offices. The results of the review are discussed in the succeeding paragraphs.

Kallada Irrigation and Tree Crop development Project

Execution of KIP, administratively sanctioned in 1961 at an estimated cost of Rs. 13.28 crore, commenced in 1966. The project cost had undergone revisions as many as ten times. Based on Schedule of Rates 1999, the cost of the project had been revised to Rs. 714 crore. The project received World Bank assistance of 80.3 million US dollars (equivalent to Rs. 97.77 crore). The expenditure of the project till March 1996 was Rs. 489.35 crore.

Under AIBP, 32 components estimated to cost Rs. 136.28 crore were originally approved. As Government took a policy decision (December 2001) to the effect that only interconnecting portions need be completed so as to ensure smooth flow of water and the project be treated as commissioned by March 2002, 8 components on new canal works costing Rs. 64.14 crore were dropped.

* From 31st March 2003 onwards both the projects were under the overall charge of CE, Project – II.

Thus, 24 components of work costing Rs. 67.97* crore were taken up for execution during 1996-02 under AIBP.

Financial outlay

Against the sanction of Rs. 34.75 crore by the GOI, the State could get CLA of Rs. 28.50 crore only. CLA received, budget provision, expenditure booked, expenditure reported to CWC, the expenditure to be incurred etc. during 1996-97 to 2002-03 were as follows :

<i>Expenditure (Rupees in crore)</i>							
<i>Year</i>	<i>CLA received</i>	<i>Budget provision</i>	<i>Expenditure booked</i>	<i>Expenditure Reported to CWC</i>	<i>Expenditure to be incurred</i>	<i>Backlog</i>	<i>CLA outstanding</i>
1996-97	3.75	-	-	10.45	7.50	-	-
1997-98	15.00	7.50	4.92	13.75	30.00	16.25	8.13
1998-99	-	14.81	12.87	2.19	16.26	14.07	7.03
1999-2000	-	20.37	14.40	8.88	14.06	5.18	2.59
2000-01	9.75	20.47	14.25	10.06	19.80	9.74	6.49
2001-02	-	20.59	11.58	8.58	9.74	1.15	0.77
2002-03	-	-	-	1.94	1.15	-	-
Total	28.50	83.74	58.02	55.85	98.51	-	-

The expenditure booked under the separate head of account for AIBP from 1997-98 onwards did not tally with those reported to CWC. During 1998-99, 1999-2000 and 2001-02, the GOI did not release any CLA to KIP due to backlog in expenditure in the respective previous years.

The GOI also did not release CLA of Rs.20 crore sanctioned during 1998-99 under MVIP due to shortfall in expenditure in KIP.

Physical targets and achievements

As approved by the Planning Commission in 1981, the project was to cater Cultivable Command Area (CCA) of 61630 hectares. Consequent on the dropping of 8 components, posed for AIBP assistance, the CCA was further reduced to

* The remaining Rs. 4.17 crore was incurred prior to inclusion of the project in AIBP.

53631 hectares. CCA of 29074 hectares was created as of March 1996 and CCA of 22248 hectares (under AIBP: 3969 hectares; under Non-AIBP:18279 hectares) was subsequently created as of March 2002, increasing total CCA created to 51322 hectares. Of the 51322 hectares of CCA created, CCA utilized was claimed to be 43626 hectares.

Works remaining incomplete

Though substantial investments were made out of the AIBP assistance water flow was interrupted at different chainages due to non-completion of works at the chainages concerned. This resulted in non-utilisation of CCA of 3142 hectares and blocking of investment of Rs.32.06 crore as detailed in the following table.

<i>Sl. No.</i>	<i>Name of distributory/ branch canal and total length</i>	<i>Portion remaining incomplete</i>	<i>Amount involved (Rs. in crore)</i>	<i>Ayacut remained unutilised (in hectares)</i>	<i>Remarks</i>
(1)	(2)	(3)	(4)	(5)	(6)
1	Pallimon distributory 13210 metres	Ch. 9325 metre to 9473 metre	9.55	700	The people obstructed the work demanding construction of cut and cover. Though the demand was acceded to by Government and the work was rearranged, it could not be completed within the stipulated period.
2	Paravoor distributory 32337 metres	Four reaches stretching 530 metres, between Ch.21417 metre and 32337metre	3.94	1212	In August 1994, Government ordered to take up additional works only after obtaining special orders. Government had not accorded sanction to take up additional works proposed by the Department in these reaches.

(1)	(2)	(3)	(4)	(5)	(6)
3	Poovattoor distributory 14800 metres	Ch.3565 metre to 3620 metre	7.00	464	The work in this reach was to be completed by Railway Authorities as deposit works Design was finally approved only in June 2002 at an estimated cost of Rs. 11.86 lakh, out of which Rs. 10.61 lakh was deposited. Work is yet to be completed.
4	Kulakada Branch Canal 21760 metres	Three reaches between Ch.14625 metre and 19180 metre	11.57	766	Branch Canal works were interrupted in three locations beyond Ch.14625 metre Four distributories beyond Ch.14625 metre remained unutilised.
	Total		32.06	3142	

Muvattupuzha Valley Irrigation Project

The project intended to irrigate CCA of 17737 hectares (net) at an estimated cost of Rs.48.08 crore was approved by the Planning Commission in June 1983. The CCA was extended to 19237 hectares through two lift irrigation canals in 1999. The estimated cost of the project based on 1999 schedule of rates was expected to be Rs.575 crore. Under AIBP, 57 components estimated to cost Rs. 203.50 crore were included.

Financial outlay

No separate budget provision was provided for AIBP components under MVIP inspite of specific guidelines issued by the GOI. CLA received, budget

provision expenditure incurred on AIBP works as reported to CWC etc. during 2000-03 were as follows:

(Rupees in crore)

<i>Year</i>	<i>CLA received</i>	<i>Budget provision</i>	<i>Expenditure on AIBP works as reported to CWC</i>	<i>LOC received exclusively for payments under AIBP</i>
2000-01	12.65	37.90	10.00	-
2001-02	11.28	42.79	14.25	7.08
2002-03	05.67	28.36	24.87 [#]	16.72
Total	29.60	109.05	49.12	23.80

The Expenditure on AIBP works was not distinguishable from other expenditure of the project.

Physical targets and achievements

The project envisaged CCA of 19237 hectares out of which, the irrigation potential created was 7200 hectares only, including 2500 hectares created before launching AIBP. The total irrigation potential utilised was assessed to be 4750 hectares. The assessment was also not correct as verification on utilisation of potential created was not conducted jointly by Revenue and Irrigation authorities.

None of the components posed for AIBP assistance had been completed due to the reasons detailed below:

Delay in Land Acquisition

Out of 704.21 hectares of land required for the project, 102.82 hectares had not been acquired with the result that many works could not be arranged (March 2003). Though the Department attributed the main reason for the delay in land acquisition to dearth of staff, audit scrutiny revealed that requisition for land acquisition was forwarded to Revenue Authorities in six out of thirteen cases only between May 2001 and June 2002.

[#] Figure was furnished by SE

Pending vigilance cases

Noticing idle investment of crores of rupees on MVIP due to stoppage of work as a result of vigilance enquiry, the Public Accounts Committee (2001-04) in their first report had observed that in no way the vigilance cases should affect the progress of the work. Government had not taken any action to rearrange the 12 works and to complete bits of works in main canals, branch canals, distributaries pending completion due to vigilance enquiry (June 2003).

OTHER POINTS OF INTEREST

Infructuous expenditure

Two AIBP components under KIP viz., Kayamkulam Branch Canal and Thrikkaruva distributory, on which Rs.10.80 lakh was spent had been dropped in March 2002 based on the policy decision of the Government not to undertake new canal works. As no irrigation potential was created, the investment on these works had become infructuous.

Inadmissible expenditure on road works

As per Government direction in March 2003, a portion of the road from Thirumarady to Attinkunnu owned by PWD was transferred to MVIP for reconstruction and maintenance. The improvement work of this road was arranged under MVIP at the cost of Rs.22.28 lakh. The decision of State Government in taking up reconstruction and maintenance of PWD roads utilising AIBP assistance was irregular and not in order.

Diversion of funds

An amount of Rs.36 lakh had been diverted from MVIP for meeting payments such as electricity charges, telephone charges, travelling expenses, etc., not connected with the components approved under AIBP.

Impact Analysis

The main objective of the project was to increase agriculture production and income of farmers in the command area by adopting scientific cropping pattern, modern farm technology and efficient water management practices. Due to non-completion of the components posed for AIBP within the prescribed time frame, the irrigation potential targeted could not be achieved and utilised.

Conclusion and recommendations

As Government decided to complete the interconnecting links to ensure smooth flow of water and to treat the KIP as commissioned in March 2002, the

interconnecting links at Pallimon, Paravoor and Poovattoor distributaries and Kulakkada Branch Canal should have been prioritised; Failure in completing the interconnecting links in KIP resulted in non-utilisation of 3142 hectares of CCA and in blockage of Rs.32.06 crore. CADA activities remained to be initiated in both the projects, rendering the potential created unproductive.

The above points were referred to Government in July 2003; reply has not been received (December 2003).

[Paragraph 3.5 contained in the Report of the C & AG of India for the year ended 31 March, 2003 (Civil)]

Government Note on the above audit paragraph is included as Appendix II of this Report.

The Committee came to know that Government of India launched the Accelerated Irrigation Benefit Programme (AIBP) in 1996-97 with the objective of assisting State Governments with Central Loan Assistance (CLA). The main intention behind the project was to accelerate completion of ongoing major and medium Irrigation projects in advanced stage of construction for yielding bulk benefits. The Kallada Irrigation Project (KIP) and Moovattupuzha Valley Irrigation Project (MVIP) were included in AIBP during 1996-97 and 1998-99 respectively. These projects were included in AIBP with the aim of completing it in the succeeding two years. The ratio of share of fund between the State and Centre was fixed at 1:1 in the first stage and subsequently at a ratio of 2 : 1. The Committee wanted to know how far the target was achieved and the number of works completed and the balance to be completed.

(2) The Department witness, the Additional Secretary, Water Resources Department disclosed that Kallada Irrigation Project was commissioned in 2002, but 14 works were yet to be completed. When asked about the latest position of work in Pallimon distributory related to KIP, the Chief Engineer, Irrigation Project I, Kozhikode replied that all the works in respect of that distributory were over and that water supply had been started there. When asked to comment specifically on chainage work, especially from 9325 metres to 9473 metres, there was difference of opinion between the Additional Secretary, Water Resources Department and the Chief Engineer. The Additional Secretary was of the opinion that 14 works were yet to be completed but the Chief Engineer reaffirmed his earlier reply that all the works were over. The Committee lamented on the unawareness of the department officials in answering to the queries of the Committee.

(3) As far as the works relating to the Paravoor distributory was concerned the Chief Engineer, Project – I, Kozhikode informed that the works from 21417 metre to 23000 metre and from 23000 metre to 32337 metre were over. A lift Irrigation scheme was to be completed there, of which all the mechanical works were over. Steps were taken for getting power supply for the lift irrigation scheme.

(4) When enquired about the position of Poovathoor distributory, the Chief Engineer, Irrigation Project - I Kozhikode stated that the work in that case came to a halt because of the delay in constructing a railway overbridge there. Even though the department had deposited the required amount of Rs. 6.8 lakh as per first estimate, the work was delayed due to guage conversion works going on there. So the Railway directed to prepare revised estimates and to deposit additional amount for meeting the cost of guage conversion. The witness also stated that the work of Kulakkada branch canal had been fully completed.

(5) There was no reply from the witnesses to the question of the Committee regarding special sanction of additional work in Paravoor distributory. They could not explain the details of work which were done without Government sanction and the reason for not obtaining the required approval. The witnesses who attended the meeting had no idea about the works on three reaches in Kulakkada branch canal of Kallada Irrigation Project. They were unaware of even the interruptions occurred in the locations where canal works were done. The Committee was quite unhappy on the performance of the Officers who attended the meeting and observed that they were not even aware of the contents in the audit para.

(6) Moovattupuzha Valley Irrigation Project was intended to irrigate an area of 17737 hectares at an estimated cost of Rs. 48.08 crore. It was approved by the Planning Commission in June 1983. The estimated cost of the project was revised to Rs.575 crore in 1999. Fifty Seven (57) components of this project estimated to cost Rs 203.50 crore were included under the AIBP Scheme. The Central Loan Assistance for this project was Rs.29.60 crore. There was wide variation in the amount actually spent and the figure reported to Central Water Commission. The actual expense incurred was Rs. 98.51 crores, but in the Department's report to Central Water Commission it was Rs.55.58 crore. To this finding of the Committee, the Chief Engineer and the Additional Secretary, Water Resources Department had no reasonable reply to submit.

(7) The Chief Engineer stated that under AIBP scheme an amount of Rs. 2.25 Lakh received as CLA remained unspent during 2003-04. The reason for not utilising that amount was that the work of Railway overbridge and canal

works in the proposed area which demanded land acquisition clearance for commencing the work. The Committee was of the opinion that the department at their convenience stuck to simple bottle necks for delaying the work. Since the released amount was not fully utilised, the Central Government declined to release Rs. 20 crore sanctioned for that year. Moreover the department failed in adhering to the ratio of sharing the expense fixed during the course of work. The Additional Secretary, Water Resources Department clarified that when there was delay in the completion of expected works, there might occur fall in expenditure. Not satisfied by the reply, the Committee repeatedly asked the reasons for not furnishing the details of actual expenditure incurred, but the witness had no answer.

(8) The Superintending Engineer, Kannur tried to convince the Committee by stating that the total expenditure included the money spent for Administrative expenses incurred for the project; and that, when the expenses towards components not included in the AIBP were subtracted from the total expenditure, the figures submitted to the Central Government happened to be a reduced one.

(9) The Committee directed the department officials to keep separate accounts for different allotment of funds, including loan assistance and budgetary provision. Failure to keep separate accounts would lead to more chaos in furnishing the accounts to Central Water Commission and to the Accountant General. New loan assistance from any source could be obtained only after clearing the arrears. Government of India had already made strict directions to keep separate accounts to those projects for getting Central assistance. The department had to adhere to such norms when they were utilising Central loan. The Chief Engineer, Irrigation admitted that there was failure on the part of the department in keeping separate accounts and the department would take effective steps to avoid such lapses in future.

(10) There was Government decision for joint verification of the ayacut area of completed irrigation projects by the Irrigation and the Revenue Departments. The total amount spent for building the ayacut area could be finalised only after this joint verification. In this case no such verifications were seen conducted. Answering to a query in this regard the Deputy Chief Engineer deposed that, since the project was not completed, they were unable to inspect it and prepare a report. He again clarified that the department had made some official correspondence with the Revenue authorities regarding the joint verification. But the Committee was doubtful on the statement of the witness and directed to produce the copy of the letter of correspondence and its reply within no time.

(11) To a query regarding the total ayacut area of Muvattupuzha Valley Irrigation Project, the number of acres irrigated through this Project and the amount of water cess received till then, the Additional Secretary, Water Resources Department replied that water cess was to be collected from those farmers who were using water in the ayacut area which could be determined only after joint verification with the Revenue Department. The Committee found that the Department was interested in increasing ayacut area meaninglessly year by year for getting more and more fund, instead of assessing the Irrigation potential through joint verification. This resulted in incompleteness of the project within the stipulated time. The Water Resources Department was showing keen interest only for getting any work started and was not interested in its completion. The Committee also observed that though the department increased the area of ayacut year by year, the area of cultivable land and production of crops showed decreasing trends. The Committee was suspicious of the alteration in the ayacut area after the approval of the design of the Project.

(12) To a question of the Committee regarding the study on Irrigation Projects, the Chief (Agriculture), State Planning Board stated that decision had been taken to wind up 3 projects viz. Kallada, Pazhassi and Kanjirapuzha during the 10th Plan period and Rs. 35 crore was allotted under a new head for this purpose. Only MVIP was considered as a continuing project. He also stated that a time span of three years had been fixed for the winding up process and it was expected to be completed within that time.

(13) On being informed that funds were allotted in Non-plan Head for the completion of ongoing projects, the Committee directed that funds for projects should be allotted under plan Head. Then only the department could get the Central Government aid of 30%. If the allotment was under non plan Head the Central aid would be lost and there would be a severe resource crunch for the completion of project. So the Planning Board should strive every nerve to bring it under plan Head.

(14) The witness, Chief (Agriculture) State Planning Board emphasized that the Department should find fund in the Non-plan Head for future maintenance of these projects. This position was approved by Planning Commission and there was provision for only three projects to get assistance under AIBP scheme. If a new project was to get Central assistance, one of the projects now getting AIBP assistance should be dropped. The Kallada Project was dropped and Karapuzha was put in its place. In Karapuzha project rehabilitation works were going on and out of 128 families to be rehabilitated, only 64 got the benefit till then.

(15) The Committee was of the opinion that it was a highly alarming situation that the projects were not getting sufficient funds under plan Head. Now every project was left half way thus depriving the State of its ensured objectives during its conception. So the Committee strongly recommended that, instead of dropping these projects half way it should be changed to a minimum utility level. The department should strive every nerve for obtaining funds for changing these projects at least to a minimum utility level.

(16) Kayamkulam branch canal and Thrikkaruva distributory were two important irrigation based projects included under Accelerated Irrigation Benefit Programme. Even though the department had spent an amount of Rs. 10.80 lakh for these projects, they were forced to leave it half way due to the policy decision of the Government not to undertake new canal works. Hence the projects were dropped in March 2002. Since no irrigation potential was created, the investment on these projects became infructuous. The future of these project was with the Planning Commission and Cabinet approval. It was revealed during evidence meeting that the department witness had no idea about abandonment of the project midway or about the future of them.

(17) In MVIP there was no provision for construction of roads and the total estimate for reconstruction of these roads amounted to Rs. 20 crore. In the initial stage, Public Works Department fund was utilised for the construction. The witness stated that due to paucity of funds all the works of the roads were kept in abeyance. The Committee noted that an amount of Rs. 36 lakh had been diverted from MVIP, for meeting payments such as electricity charges, telephone charges, travelling expenses etc., which were not connected with the components approved under AIBP. The Department witness was of the opinion that administration cost of the project could also be incurred from the AIBP loan for the project.

Conclusions/Recommendations

(18) The Committee is distressed to note that many of the Irrigation Projects conceived for the benefit of the farmers under AIBP are only half way through even after the lapse of decades and spending crores of rupees. It is also pitiful that the departmental officers have no idea about the actual state of affairs regarding these projects. Therefore the Committee suggests that the details of the projects completed and the ones yet to be completed under the AIBP programme, should be submitted to the Committee.

(19) The Committee comes to know that additional works in Paravoor distributory related to KIP was done without obtaining government sanction while there was specific government order in 1994 itself for not to take

additional works without special sanction. The department authorities wilfully neglected the government direction and have done the work, which is not admissible. Therefore the Committee recommends to take disciplinary action against the officers who were involved in this insubmissive act and the details of such action taken should be submitted to the Committee. The details of the non-sanctioned works done and the reason for not obtaining sanction should also be submitted to the Committee.

(20) In Kallada Branch Canal 21760 Metres of Canal Works were done without obtaining required sanction. Departmental officers responsible for this unruly act should be directed to submit the reason for this along with departmental enquiry to ascertain whether there was any emergency to do the work.

(21) The Committee should be informed of the reason for not keeping separate budget provision for AIBP Components under MVIP, even though there are specific guidelines issued by Government of India in this regard. The department also failed in keeping separate accounts for the expenditure on works done in MVIP, under AIB Programme. Even though the Central Loan Assistance of Rs. 29 crore was utilised fully, the department wilfully reported inflated figures of work to Central Water Commission. The reason for the occurrence of such error should be submitted to the Committee. The Committee opine that the problem of land acquisition for constructing a railway overbridge in Poovattoor Distributory could be overcome by taking up the matter with the District Collector. The laxity on the part of the department resulted in non-utilisation of an amount of Rs. 2.25 lakh sanctioned earlier and received as CLA. Such a lazy attitude of the department will forbade future loan sanction from the centre. In many cases the department failed to adhere to the ratio of sharing the expense fixed during the course of the work, which should be curbed.

(22) The Committee find no logic in including the administrative expenses in the total expenditure of project implementation and suggest that the tendency of the department to utilize the project amount for administrative expenses should be stopped forthwith. In MVIP, Canal Works were included for overcoming the water scarcity problem in agriculture prone areas. But the department had diverted the loan amount provided for canal works to construct roads in the surrounding areas. Such unauthorised diversions cannot be taken for granted. Therefore the Committee recommends that action should be taken against the officers who were involved in this and that they should be directed to submit detailed explanation in this matter.

(23) The Committee understand that the government direction for the joint inspection of the ayacut area of completed irrigation projects by the Water Resources and Revenue Departments is not being done. The total ayacut area and the amount spent for this can be finalised only after joint verification. The Committee is surprised on the deposition of the Department that they had made some correspondence with the Revenue Authorities regarding this. The Committee direct the department to produce the copy of the letter reported to have been sent to the Revenue Department, to the Committee immediately.

(24) The Committee desires to be furnished with the details regarding the Water Cess collected from the beneficiary farmers and the steps taken by the Department to collect the arrears of water cess. The Committee also suggests that the department should appeal to the Central Water Commission for bringing funds for Project under plan Head. Sufficient central assistance can be requested only after that.

AUDIT PARAGRAPH

Wasteful expenditure on construction of regulator-cum-bridge

Extra thickness provided to Apron of Regulator-cum-Bridge resulted in wasteful expenditure of Rs. 31.87 lakh.

Mention was made in paragraph 4.5 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2001 (Civil) about the inadmissible payment of Rs. 40.47 lakh to the contractor (awarded in May 1999) for the construction of a Regulator – cum – Bridge (RCB) across Bharathapuzha at Velliyamkallu (Palakkad District). Another instance of wasteful expenditure of Rs. 31.87 lakh was noticed as detailed below:

The approved design envisaged thickness of 2.65 metres for the Apron of the RCB. As the levels of river bed had risen subsequent to preparation of design and drawing, the Executive Engineer suggested (December 1999) to the Chief Engineer (CE) to raise the bed level from +9.50 metre to +10 metre and to construct a weir of 0.50 metre thickness over the Apron. On the ground of urgency, the Chief Engineer directed (January 2000) the Superintending Engineer (SE) to carry out the works with the modified river bed level of +10 metre and sought the approval of Chief Engineer (IDRB). Before obtaining the approval of Chief Engineer (IDRB), the contractor, on the advice of Superintending Engineer, commenced (January 2000) the construction maintaining the overall thickness of the Apron at 3.15 metre including the weir portion and the work completed (March 2000) for a length of 64 metres. Though the work was started on the ground of urgency, the work had not been completed even as of April 2003.

Chief Engineer (IDRB) approved the revised design in May 2000, according to which, the overall thickness of the Apron, including the weir portion was to be maintained at 2.65 metres only. While clarifying the position, CE (IDRB) stated (May 2001) that the raised portion (0.50 metre) of the Apron would serve the intended purpose and construction of an additional 0.50 metre weir was not necessary. As the construction of Apron with a thickness of 3.15 metres for 64 metres had already been over and difference in thickness at different portions was likely to endanger the safety of the structure, the Chief Engineer (IDRB) agreed to the change of design proposed by Chief Engineer enhancing the overall thickness from 2.65 metres to 3.15 metres for extra length as fait accompli. Thus, the additional thickness of 0.50 metre provided to the RCB was unnecessary and the estimated expenditure of Rs. 31.87 lakh on this account constituted wasteful expenditure.

Government stated (March 2003) that consequent on raising of bed level in RCB there was a saving of Rs. 63 lakh on other items of work. The saving reported by Government was directly attributable to raising of bed level and not due to increase in the thickness of apron. Had the thickness of Apron been maintained at 2.65 metre which was sufficient for the structure, a further savings of Rs.31.87 lakh could have been achieved.

[Paragraph 4.4.4. contained in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2003(Civil)]

Government Note on the above audit paragraph is included as Appendix II of this Report.

(25) The approved design for the construction of a regulator cum bridge at Thrithala across Bharathapuzha at Velliyamkallu envisaged thickness of the Apron of the regulator cum bridge as 2.65 metres. But the department constructed the Apron of RCB with a thickness of 3.15 metre, before obtaining the sanction of the Chief Engineer, IDRB. This extra thickness provided to Apron of Regulator Cum Bridge resulted in wasteful expenditure of Rs.31.87 lakh. The Committee pointed out that eventhough the Chief Engineer had specifically directed to start the work only after obtaining sanction, the Executive Engineer did not pay any heed to it and had done the work. Later, the Chief Engineer's report clearly stated that construction of an additional 0.5 metre was not necessary. The Committee wanted to know the reason for such haste in doing the work without getting sanction. For this, the witness could not offer a convincing reply. The Chief Engineer disclosed that even though the IDRB Chief Engineer had expressed dissent at the first instance, he himself had ratified the action.

(26) The Committee directed the department officials to produce the copy of the letter of IDR B Chief Engineer who had given approval for starting the work, disregarding the dissent which he had given earlier. To a query of the Committee it was informed that the Chief Engineer had retired from service. The Committee directed to take legal action against him for the loss he caused to the Government. The Committee concluded by saying that there was connivance on the part of the department officials with the Contractor in completing the work with undue haste. The Engineers did not even conduct site inspection during the work. The Chief Engineer who was expected to stick to his earlier dissent not to increase the thickness of the Apron of the Bridge, surrendered to the enticement of the lower level officers and joined hands with them for doing an unwanted work.

Conclusions/Recommendations

(27) **The Committee see that by undertaking an unnecessary work of providing extra thickness to the Apron of the Regulator –cum- Bridge at Thrithala, the Water Resources Department made wasteful expenditure of Rs. 31.87 lakh. This work was not included in the approved design. Besides this, the work was started without the required approval of the Chief Engineer. Though the Chief Engineer expressed dissent at first, he ratified the executed work later on. Not only that, though the work was started on the ground of urgency the work had not been completed even after the lapse of seven years. The Committee see this as a secret agreement between the Contractor and the officials of the department for plundering public money. The Committee wants to know the reason for doing the work with undue haste and recommends to take action against the Executive Engineer who had started the work without proper approval, investigation or discussions and fix responsibility against him for the loss to the department. The Superintending Engineer who gave direction to start the work and the Chief Engineer (IRDB) who ratified the work also should be brought to book. The names of the above 3 officials must be communicated to the Committee. The Committee further recommend that if they are not in service now, legal action should be taken against them for making good the loss sustained to Government. The Committee takes such a stand because they feel that the reply furnished by the Government is not satisfactory.**

AUDIT PARAGRAPH

Incomplete capital works/projects

A major portion of Government's Capital expenditure is applied for providing infrastructure like Irrigation Projects, roads and bridges etc. Timely

completion of the works ensures prompt accrual of intended benefits and eliminates cost over-run.

Ten irrigation projects taken up between 1961 and 1982 at an estimated cost of Rs. 183.85 crore had not been completed even as of March 1998. The total expenditure already incurred on these incomplete works amounted to Rs. 1235.25 crore. The estimates of these projects have since been revised to Rs. 1969.48 crore; the escalation in estimated cost ranged between 88 and 5058 per cent of the original estimates vide details given below:

Sl. No	Name of Irrigation Project	Year of sanction	Original Estimate	Expenditure upto March 1998	Percentage of increase in estimated cost	Percentage of expenditure to revised estimate
			Revised estimates			
(Rupees in crore)						
1	Kallada	1961	13.28 685.00	542.36	5058	79
2	Kuttiady	1962	4.97 44.85	56.96	802	127
3	Pazhassi	1961	4.42 132.00	122.01	2886	92
4	Muvattupuzha	1980	48.08 388.00	218.69	707	56
5	Chimmony Dam	1976	29.51 55.47	58.45	88	105
6	Idamalayar	1981	17.86 107.00	68.70	499	64
7	Karapuzha	1977	7.60 207.50	146.84	2630	71
8	Vamanapuram	1982	36.40 221.40	10.27	508	*
9	Banasura Sagar	1971	11.37 28.26	2.35	148	*
10	Kuriakutty Karappara	1978	10.36 100.00	8.62	865	*

* Insignificant

There were 33 other projects/works estimated to cost more than Rs. 1 crore (excluding irrigation projects mentioned above) which were pending completion as of March 1998. As against the aggregated estimated cost of Rs. 99.73 crore, expenditure incurred on these works amounted to Rs. 96.91 crore as of March 1998. Estimate has since been revised in respect of 15 works and the revised estimates of such works exceeded original estimates by 15 per cent to 140 per cent (from Rs. 57.68 crore to Rs. 97.57 crore). These incomplete works included 5 fishery projects sanctioned between 1987 and 1993, 2 anti-sea erosion works sanctioned between 1993 and 1996, 12 bridge works sanctioned between 1984 and 1995, 5 road works sanctioned between 1989 and 1994 and 9 buildings sanctioned between 1991 and 1997.

[Paragraph 1.11 contained in the Report of the Comptroller and Auditor General of India for the year ended 31 March 1998 No. 3 (Civil)]

(Government Notes on the above audit paragraph is included as Appendix II of this Report).

(28) The Committee noticed that some of the major irrigation projects including Moovattupuzha, Banasurasagar, Kallada, Idamalayar, Kuttiyadi etc. were not completed even after the lapse of several years. When enquired about the latest position of those projects, the Superintending Engineer, Moovattupuzha Project Circle informed that Banasura Sagar project was included in the Farmers special package scheme and that the department had submitted an application for getting NABARD assistance under AIBP scheme and it was expected to be commissioned by 2009. Regarding Karappuzha Project he stated that Rs. 234 crore had already been utilised out of the estimated cost of Rs.362 crore. Idamalayar project was expected to be commissioned by 2008. Tenders had been invited for the works of main canal. As far as Thrithala Regulator cum Bridge was concerned, 95% of the work was over and is expected to be commissioned in March 2007 itself.

Conclusion/Recommendation

(29) **No comments.**

ARYADAN MUHAMMED,

Thiruvananthapuram,
17 December, 2008.

*Chairman,
Committee on Public Accounts.*

APPENDIX I

Summary of Main Conclusions/Recommendations

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department Concerned</i>	<i>Conclusions/Recommendations</i>
(1)	(2)	(3)	(4)
1	18	Water Resources	The Committee is distressed to note that many of the Irrigation Projects conceived for the benefit of the farmers under AIBP are only half way through even after the lapse of decades and spending crores of rupees. It is also pitiful that the departmental officers have no idea about the actual state of affairs regarding these projects. Therefore the committee suggests that the details of the projects completed and the ones yet to be completed under the AIBP programme, should be submitted to the Committee.
2	19	„	The Committee comes to know that additional works in Paravoor distributory related to KIP was done without obtaining Government sanction while there was specific Government order in 1994 itself for not to take additional works without special sanction. The department authorities wilfully neglected the Government direction and have done the work, which is not admissible. Therefore the Committee recommends to take disciplinary action against the officers who were involved in this insubmissive act and the details of such action taken should be submitted to the Committee. The details of the non-sanctioned works done and the reason for not obtaining sanction should be submitted to the Committee.

(1)	(2)	(3)	(4)
3	20	Water Resources	In Kallada Branch Canal 21760 Metres of Canal Works were done without obtaining required sanction. Departmental officers responsible for this unruly act should be directed to submit it the reason for this along with departmental enquiry to ascertain whether there was any emergency to do the work.
4	21	„	The Committee should be informed of the reason for not keeping separate budget provision for AIBP Components under MVIP, eventhough there are specific guidelines issued by Government of India in this regard. The department also failed in keeping separate accounts for the expenditure on works done in MVIP, under AIB Programme. Eventhough the Central Loan Assistance of Rs. 29 crore was utilised fully, the department wilfully reported inflated figures of work to Central Water Commission. The reason for the occurrence of such error should be submitted to the Committee. The Committee opined that the problem of land acquisition for constructing a railway overbridge in Poovattoor Distributory could be overcome by taking up the matter with the District Collector. The laxity on the part of the department resulted in non-utilization of an amount of Rs. 2.25 lakh sanctioned earlier and received as CLA. Such a lazy attitude of the department will forbade future loan sanction from the centre. In many cases the department failed to adhere to the ratio of sharing the expense fixed during the course of the work, which should be curbed.
5	22	„	The Committee find no logic in including the administrative expenses in the total expenditure of project implementation and suggest that the tendency of the department to utilize the project

(1)	(2)	(3)	(4)
5	22	Water Resources	amount for administrative expenses should be stopped forthwith. In MVIP, Canal Works were included for overcoming the water scarcity problem in agriculture prone areas. But the department had diverted the loan amount provided for canal works to construct roads in the surrounding areas. Such unauthorised diversions cannot be taken for granted. Therefore the Committee recommends that action should be taken against the officers who were involved in this and that they should be directed to submit detailed explanation in this matter.
6	23	„	The Committee understand that the Government direction for the joint inspection of the ayacut area of completed irrigation projects by the Water Resources and Revenue Departments is not being done. The total ayacut area and the amount spent for this can be finalised only after joint verification. The Committee is surprised on the deposition of the Department that they had made some correspondence with the Revenue Authorities regarding this. The Committee direct the department to produce the copy of the letter reported to have been sent to the Revenue Department, to the Committee immediately.
7	24	„	The Committee desires to be furnished with the details regarding the Water Cess collected from the beneficiary farmers and the steps taken by the Department to collect the arrears or water cess. The Committee also suggests that the department should appeal to the Central Water Commission for bringing funds for Project under plan Head. Sufficient central assistance can be requested, only after that.

(1)	(2)	(3)	(4)
8	27	„	<p>The Committee see that by undertaking an unnecessary work of providing extra thickness to the Apron of the Regulator-cum-Bridge at Thrithala, the Water Resources Department made wasteful expenditure of Rs. 31.87 lakh. This work was not included in the approved design. Besides this, the work was started without the required approval of the Chief Engineer. Though the Chief Engineer expressed dissent at first, he ratified the executed work later on. Not only that, though the work was started on the ground of urgency the work had not been completed even after the lapse of seven years. The Committee see this as a secret agreement between the contractor and the officials of the department for plundering public money. The Committee wants to know the reason for doing the work with undue haste and recommends to take action against the Executive Engineer who had started the work without proper approval, investigation or discussions and fix responsibility against him for the loss to the department. The Superintending Engineer who gave direction to start the work and the Chief Engineer (IRDB) who ratified the work also should be brought to book. The names of the above 3 officials must be communicated to the Committee. The Committee further recommend that if they are not in service now, legal action should be taken against them for making good the loss sustained to Government. The Committee takes such a stand because they feel that the reply furnished by the Government is not satisfactory.</p>

APPENDIX II

GOVERNMENT OF KERALA

WATER RESOURCES (IR) DEPARTMENT

Statement of Action taken on the Report of the Comptroller and Auditor General for the Year ended 31-3-1998

<i>Sl. No. & Year</i>	<i>Para No.</i>	<i>Recommendation/ Conclusion</i>	<i>Action Taken</i>
(1)	(2)	(3)	(4)
1 1998	1.11	<p><i>Incomplete capital works/projects :</i></p> <p>A major portion of Government's Capital expenditure is applied for providing infrastructure like Irrigation Projects, roads and bridges, etc. Timely completion of the works ensures prompt actual of intended benefits and eliminates cost over-run.</p> <p>Ten irrigation projects taken up between 1961 and 1982 at an estimated cost of Rs. 183.85 crore had not been completed even as of March 1998. The total expenditure already incurred on these incomplete works amounted to Rs. 1235.25 crore. The estimates of these projects have since been revised to Rs. 1969.48 crore ; the escalation in estimated cost ranged</p>	<p><i>Kallada Irrigation Project</i></p> <p>Kallada Irrigation Project was started in 1961 with an estimate cost of Rs. 13.28 crore. The revised estimate cost as per the C & AG Report comes to Rs. 685 crore and is 5158% above the original estimate cost. As per the Schedule of rates prevailed at the time of preparation of the original estimate, the daily wages of man mazdoor was at the rate of Rs. 2. As per 1996 Schedule of rate, it was raised to Rs. 57. The rate of escalation in the case of labour as well as materials was of the order of 2500-3000%. The original project was envisaged for Irrigating paddy alone and was only for 130,000 Acres ie, 52610 Ha. But the Project now</p>

(1)	(2)	(3)		(4)		
1 1998	1.11	between 88 and 5058 per cent of the original estimates vide details given below :		envisaged is to Irrigate 61630 Ha. which is 117% above. The actual expenditure required for irrigating 61630 Ha. including tree corps is much higher, since the minor conveyance system included later in the project is costlier compared to other command area development programme. It is clear from these things that the escalation in cost is due to escalation of rates of labour and materials and also subsequent change in the project. Considering these facts the present cost of the project is not much higher. The actual problem is not in the hike of cost occurred but in the delay in completing the project as per the Schedule. If the year wise allotment of funds for this project is analyzed it is very clear from the figures that funds required for the completion of the project within the stipulated time has not been allotted. Even after the time frame, the funds allotted to the project at any time was so meagre that it was unable to complete the project with the allotted fund at that time. It was expected that the Project could be completed before March 2002. Government		
		<i>Name of Project</i>	<i>Year of Sanction</i>		<i>Original Estimate</i>	<i>Revised Estimate</i>
		(1)	(2)		(3)	(4)
		<i>(Rs. in crore)</i>				
		Kallada	1961		13.28	685
		Vamanapuram	1982		36.40	221.40
		<i>Expenditure Upto March 1998</i>	<i>Percentage of increase in Estimated Cost</i>		<i>Percentage of Expenditure to Revised Estimate</i>	
		(5)	(6)		(7)	
		<i>(Rs. in crore)</i>				
		542.36	5058		79	
		10.27	508	Insignificant		
		There were 33 other projects/works estimated cost more than Rs. 1 crore (excluding irrigation projects mentioned above) which were pending completion as of March 1998. As against the				

1
1998

1.11

aggregated estimated cost of Rs. 99.73 crore, expenditure incurred on these works amounted to Rs. 96.91 crore as of March 1998. Estimate has since been revised in respect of 15 works and the revised estimates of such works exceeded original estimates by 15 per cent to 140 per cent (from Rs. 57.68 crore to Rs. 97.57 crore). These incomplete works included 5 fishery projects sanctioned between 1987 and 1993, 2 anti-sea erosion works sanctioned between 1993 and 1996, 12 bridge works sanctioned between 1984 and 1995, 5 road works sanctioned between 1989 and 1994 and 9 buildings sanctioned between 1991 and 1997.

vide letter No. 13937/IRI/99/IRD. Dated 21-12-2001 informed that the policy of Government was to declare the KIP as commissioned before March 2002. It is expected that a total of 714 crore is required for the completion of the Project as per the current Schedule of rates. During the course of execution some additional works were found necessary for the satisfactory completion of the work, according to site conditions. So revised estimates were prepared for execution of the additional works which were later examined by the High Level Committee constituted by Government. After examining the necessity of such additional works, Government have issued orders approving the revised estimates based on the recommendations of the HLC and on direction from various courts. The change in the original estimate due to unavoidable circumstances made the project too costly than the approved amount.

Vamanapuram Irrigation Project (VIP)

Vamanapuram Irrigation Project Division with 5 sub divisions and 10 sections was started functioning with its head quarters at

25

(1)	(2)	(3)	(4)
-----	-----	-----	-----

Nedumangad as per G.O.(MS) No. 109/081/PW&E dated 27-5-1981. Sanctioned strength of employees was 137 at the commencement of the project. Subsequently based on the report of the Chief Engineer, Irrigation and Administration, Thiruvananthapuram, Government have retained 11 posts of VIP Division, Nedumangad for attending the residual essential works pertaining to the division office vide G.O. (MS) No. 24/04/WRD dated 26-4-2004.

The details of up-to-date expenditure for the project are given below :

Upto date expenditure on works (as on 31-7-2005) : Rs. 4,49,18,735

Upto date expenditure on Establishment : Rs. 13,82,68,778

Total : Rs. 18,31,87,513

Anti Sea Erosion Works :

Construction of 1700M. Sea wall from ch. 3951 towards south in Kodungalloor Taluk :

Administrative sanction for the above work was accorded by Government vide G.O. (Rt.)

No. 213/93/Irrgn. Dated 18-2-1993 for an amount of Rs. 205 lakh. For the speedy execution the work was divided into 5 reaches viz. Reach 1 from 0 to 360 M., Reach 2 from ch.360 to 800 M., Reach 3 from ch 800 to 1200 M., Reach 4 from ch. 1200 to 1600 M., and Reach 5 from ch. 1600 to 1985 M. All the reaches have already been completed. The agreement for the reach 1st was executed on 22-7-1994 with a time of completion of 18 months from the date of handing over the site to the contractor. The site was handed over to the contractor on 7-11-1994. As such the agreed time of completion expired on 6-5-1996. But the contractor did not complete the work due to the slow progress in execution. He had been repeatedly requested by registered letters reminding him the necessity of speedy execution and completion of work within the agreed time. The time of completion had been extended four times upto 31-5-1997 with a fine of Rs. 1,000 upto 31-5-1998, with a fine of Rs. 500 upto 30-3-1999 with a fine of Rs. 1,000 upto 31-5-1998, with a fine of Rs. 500 upto 30-3-1999 with a fine of Rs. 500 and upto 31-5-1999 with a fine of Rs. 3,000.

Since the contractor had not shown any earnest effort to complete the work within the extended period of 31-5-1999, the work was recommended to be terminated and re-arranged at the risk and cost of the contractor and termination orders were passed on 11-11-1999 by the Superintending Engineer. However, on 12-11-1999,

(1)	(2)	(3)	(4)
			<p>the Executive Engineer had recommended to give one more chance to the contractor since he had resumed the work. Hence the last extension of time of completion was granted upto 30-3-2000 with a fine of Rs. 4,000 on condition that if considerable progress had not been achieved before 31-12-1999, the contract will be terminated and re-arranged to the risk and cost of contractor without further notice. On 25-1-2000 the Executive Engineer reported that the progress of the work was very poor and the work could not be completed within the extended period at this rate of progress. Subsequently a Show Cause notice was served to the contractor on 8-2-2000 by the Superintending Engineer.</p>
			<p>The work was delayed only due to the slackness of contractor. He was legitimately fined while granting extension of time of completion.</p>
			<p>The construction of sea-wall for the balance length of 190 M. was completed in all respects by 29-5-2000.</p>
			<p><i>Construction of sea wall for a length of 1 Km. towards north of Alungal sea wall at Aniyallur beach.</i></p>
			<p>Administrative Sanction for the work “construction of sea wall for a length of 1 Km. towards north of Alungal sea wall at Ariyallur beach in Vallikunnu Panchayat” was accorded as per G.O. (Rt.) No. 218/96/IRD dated 19-2-1996</p>

for Rs. 107 lakhs and Technical sanction was accorded by the Chief Engineer. The work was tendered by the Superintending Engineer on 22-2-1996 fixing the last date of receipt of tender on 15-5-1996 and the tender documents were submitted to the Chief Engineer vide E.E's letter No. D6-660/93 dated 29-6-1996 for approval, since the quoted rates were very high.

But in the meanwhile the Schedule of Rate was revised with effect from 1-7-1996 and the tender documents were returned to the Superintending Engineer directing to revise the estimate based on the revised Schedule of Rates.

Technical sanction for the revised estimate was accorded by the Chief Engineer, Irrigation and Administration, Thiruvananthapuram as per order No. W4-27366/94 dated 18-10-1996 for Rs. 133.40 lakh. The recast estimate was sanctioned by Government vide G.O.(Rt.) No. 343/97/IRD dated 18-3-1997.

Based on the revised Technical Sanction accorded by the Chief Engineer, the work was re-tendered on 24-10-1996, splitting into 7 reaches for convenience of execution and the tenders were accepted by the Chief Engineer, Irrigation and Administration, Thiruvananthapuram. All the works were awarded to the lowest tenders after completing all formalities during 12/96 itself with a completion period of 18 months. All reaches were completed in all respect by 5/97 within the agreed time of completion.

IRRIGATION (MAJOR PROJECTS) DEPARTMENT

**Action taken statement in respect of para 1.11 pertaining to Pazhassi Irrigation Project included in the report of
C & AG for the year ended 31-3-1998**

<i>Para No.1.11</i>	<i>Action Taken</i>
(1)	(2)
<p><i>Incomplete capital works/projects :</i></p> <p>A major portion of Government's Capital expenditure is applied for providing infrastructure like Irrigation Projects, roads and bridges, etc. Timely completion of the works ensures prompt accrual of intended benefits and eliminates cost over-run.</p> <p>Ten irrigation projects taken up between 1961 and 1982 at an estimated cost of Rs. 183.85 crore had not been completed even as of March 1998. The total expenditure already incurred on these incomplete works amounted to Rs. 1235.25 crore. The estimates of these projects have since been revised to Rs. 1969.48 crore ; the escalation in estimated cost ranged</p>	<p>Pazhassi project is the first major irrigation scheme taken up in the Malabar Region. This is a river diversion scheme across Valapattanam River, one of the largest river in Kerala. The project works were started in 1961 with an estimated cost of 4.42 crore. This project was originally envisages to irrigate 16200 Ha. of cultivable land in Kannur, Thalasseri and Taliparamba Taluk. Due to conversion of paddy fields into house plots and due to reduction of length of canals (viz. Achikkal branch, Mattool Branch etc.), consequent to the rapid urbanisation of the project area, the ayacut has been reduced to 11525 Ha.</p> <p>The Planning Commission approved the project at an estimated cost of Rs. 4.42 crores with a scheduled completion period of seven years. The work of Barrage, main canal upto 15 Km., Mahe Branch canal and its distributories and field Bothics were completed and project was partially</p>

between 88 and 5058 per cent of the original estimates vide details given below.

<i>Name of Irrigation Project</i>	<i>Year of Sanction</i>	<i>Original Estimate</i>	<i>Expenditure Upto March 1998</i>	<i>Percentage of increase in Estimated Cost</i>	<i>Percentage of Expenditure to Revised Estimate</i>
		<i>Revised Estimate</i> (Rs. in crore)			
Pazhassi	1961	$\frac{4.42}{132.00}$	122.01	2886	92

There were 33 other projects/works estimated to cost more than Rs. 1 crore (excluding irrigation projects mentioned above) which were pending completion as of March 1998. As against the aggregated estimated cost of Rs. 99.73 crore, expenditure incurred on these works amounted to Rs. 96.91 crores as of March 1998. Estimate has since been revised in respect of 15 works and the revised estimates of such works exceeded original estimates by 15 per cent to 140 per cent (from Rs. 57.68 crore to Rs. 97.57 crore.) These incomplete works included 5 fishery projects sanctioned between 1987 and 1993, 2 anti-sea erosion works sanctioned between 1993 and 1995, 12 bridge works sanctioned between 1984 and 1996, 12 bridge works sanctioned between 1984 and 1995, 5 road works sanctioned between 1989 and 1994 and 9 buildings sanctioned between 1991 and 1997.

commissioned in 1979. Thereafter the progress of this project work fell short of the anticipated rate due to various reasons which were beyond the control of the department. Meanwhile, the cost of land, construction materials and labour charges were escalated rapidly. The schedule of rates have been revised many times between 1961 and 2000. The main bottlenecks towards the completion was the delay in completion of Parassinikkadavu Aqueduct Cum Road Bridge and completion of Tunnel at Kodallur. The original proposal was constructing an Aqueduct with the facility for jeepable traffic for inspection purpose. As represented by the local peoples and MLA's the proposal has been changed as Aqueduct Cum Road Bridge. The construction works were started during 1983 in 2 parts. Due to certain dispute between the contractor and the department and also due to certain technical problems, the work could be completed only on 6/97. As per G.O. (Ms) 32/80/W&T dated 8-7-1980 the cost of construction of aqueduct cum road bridge shall be shared between project and PWD in the ration 2 : 1. The tunnel at Kodallur was intended to carry water from main canal to Taliparamba and Mattool Branch canals. The proposal for forming Mattool Branch canal has been dropped after detailed study by an expert

(1)

(2)

committee. Therefore the size of tunnel already provided has since been reduced. On the above reason, the finalisation of the design of tunnel delayed. However the tunnelling works has been completed by 3/2000. The project is ready for full commissioning at present.

IRRIGATION (M P) DEPARTMENT

Report of the C & AG for the year ended 31-3-1998-Para 1.11—incomplete capital works/projects—Idamalayar Irrigation Project & Kuriarkutty Karappara Irrigation Project—Statement of Action Taken

<i>Recommendation</i>	<i>Action Taken</i>
(1)	(2)
<p>Para 1.11 <i>Incomplete capital works/projects :</i></p> <p>A major portion of Government's Capital expenditure is applied for providing infrastructure like Irrigation Projects, roads and bridges, etc. Timely completion of the works ensures prompt accrual of intended benefits and eliminates cost over-run.</p> <p>Ten irrigation projects taken up between 1961 and 1982 at an estimated cost of Rs. 183.85 crore had not been completed even as of March 1998. The total expenditure already incurred on these incomplete works amounted to Rs. 1235.25 crore. The estimates of these projects have since been revised to Rs. 1969.48 crore ; the escalation in estimated cost ranged</p>	<p><i>Idamalayar Irrigation Project :</i></p> <p>The initial estimated cost of the IIP was Rs. 17.86 crores and the revised estimate (Schedule of Rates, 1992) amount is Rs. 107.00 crores. This increase is due to the increase in the cost of materials and labour charges etc., commissioning of the project is delayed due to various reasons. Major portion of the main canal alignment is through forest land.</p> <p>Much delay has already occurred in the matter of transfer of forest land, from Forest Department the Irrigation Department. Lack of co-ordination among the various concerned Departments and Agencies such as PWD, KSEB, Indian Railway, Forest Department, Telecommunication Department etc., adversely affected the tempo in the progress of the project.</p> <p>Natural calamities also have played their part in delaying the progress of the project works. Many earth slips occurred in</p>

		(1)				(2)
No.	Name of Irrigation Project	Year of Sanction	Original Estimate	Expenditure Upto March 1998	Percentage of increase in Estimated Cost	Percentage of Expenditure to Revised Estimate
			Revised Estimate (Rs. in crore)			
6	Idamalayar	1981	<u>17.86</u> 107.0	68.70	499	64
7	Kuriarkutty-Karappara	1978	<u>10.36</u> 100.00	8.62	865	*

There were 33 other projects/works estimated to cost more than Rs. 1 crore (excluding irrigation projects mentioned above) which were pending completion as of March 1998. As against the aggregated estimated cost of Rs. 99.73 crore, expenditure incurred on these works amounted to Rs. 96.91 crores as of March 1998. Estimate has since been revised in respect of 15 works and the revised estimates of such works exceeded original estimates by 15 per cent to 140 per cent (from Rs. 57.68 crore to Rs. 97.57 crore.) These incomplete works included 5 fishery projects sanctioned between 1987 and 1993, 2 anti-sea erosion

the excavated reaches of canals during the monsoon seasons. Acquisition of the private lands could not be carried out in time due to various reasons.

Resistance from the local people and some religious organisations also delayed the progress of the project works to some extent.

Paucity of funds in some of the financial years was also a bottleneck in the speedy execution of the works. The cost of the project will still increase on its completion as a result of the revision of rates from time to time.

Kuriarkutty-Karappara Irrigation Project :

The project envisages tapping water of Chalakudy river basin for power. The tailrace water released after power generation will be conveyed to the chainage 11.60 Km of Moolathara LBC of Chitturpuzha Project. The ayacut of Chitturpuzha Project below this reaching point will be fed by this tailrace water. The water reaching at the head works of Chitturpuzha project as per the PAP agreement will be diverted to Kozhinjampara area by gravity flow and lift irrigation.

works sanctioned between 1993 and 1996, 12 bridge works sanctioned between 1984 and 1995, 5 road works sanctioned between 1989 and 1994 and 9 buildings sanctioned between 1991 and 1997.

Investigation of the Kuriarkutty Project was started in 1969 as per the directions contained in G.O. (Rt.) No. 18/691/W & P dated 20-1-1969.

Since no contour for gravity canal from the tailrace to cross the Meenkara Valley within the limits of the state was available, it was proposed to cross the valley by an aqueduct. In 1972, a proposal to take the canal through Tamil Nadu territory was formulated, subsequently, a proposal combining Karappara and Kuriarkutty was initiated in 1973 with the tailrace canal through Tamil Nadu so that the surplus water, if any, as per the PAP agreement could be diverted through this canal.

In 1979, another proposal was formulated to collect Karappara-Kuriarkutty Project water at the tailrace of power house at Chappakkad of +200 M level and to let flow in the Meenkara reservoir by constructing tailrace canals from Chappakkad to Chulliar river and from Chulliar to Meenkara by diverting water by pick up weir constructed at Chappakkad outlet and Chulliar river. The water thus let into Meenkara reservoir had to be carried to Chitturpuzha LB canal and then to Thembaramadakku so as to irrigate the ayacut of Chitturpuzha Project below +152 M. In exchange for this, the higher lands of Kozhinjampara area were proposed to be irrigated by the Chitturpuzha Project water (PAP water) through RBC

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from Moolathara Regulator. Later the site of the Power House was shifted from Chappakkad at +220 M level to Vellaramkadavu at +180 M level and the proposal of letting out water into Meenkara reservoir was dropped. Revised Project report incorporating these modifications was submitted in 1982. Unfortunately, this proposal was objected by the environmental appraisal committee.

The present proposal is to irrigate an ayacut of 17488 hectare (net) and the estimated cost as per 1999 schedule of rates comes to Rs. 197.24 crores including share debit payable to KSEB. This proposal has been arrived at on the basis of the recommendations of the Expert Group constituted by Government of India and duly examining the points raised by the environmental approval committee.

It can be seen that the proposal was modified even at the time of initial formulation. So as to implement the scheme with least possible delay to achieve the projected benefit. However, various factors including the objections raised by the environmental appraisal committee which were beyond the control of the Department resulted in delaying the project. The department has taken all measures to complete the project immediately on obtaining clearance from environmental appraisal committee.

IRRIGATION (M P) DEPARTMENT

**Report of the C & AG for the year ended 31-3-1998—Para 1.11—incomplete capital works/projects—
Statement of Action Taken**

<i>Sl. No.</i>	<i>Para No.</i>	<i>Recommendation</i>	<i>Action Taken</i>
(1)	(2)	(3)	(4)
1	1.11	<p><i>Incomplete capital works/projects :</i></p> <p>A major portion of Government's Capital expenditure is applied for providing infrastructure like Irrigation Projects, roads and bridges etc. Timely completion of the works ensures prompt accrual of intended benefits and eliminates cost over-run.</p> <p>Ten irrigation projects taken up between 1961 and 1982 at an estimated cost of Rs. 183.85 crore had not been completed even as of March 1998. The total expenditure already incurred on these incomplete works amounted to Rs. 1235.25 crore. The estimates of these projects have since been revised to Rs. 1969.48 crore ; the escalation in estimated cost ranged</p>	<p><i>Idamalayar Irrigation Project :</i></p> <p>The initial estimated cost of the IIP was Rs. 17.86 crores and the revised estimate (Schedule of Rates, 1992) amount is Rs. 107.00 crores. This increase is due to the increase in the cost of materials and labour charges etc., commissioning of the project is delayed due to various reasons. Major portion of the main canal alignment is through forest land.</p> <p>Much delay has already occurred in the matter of transfer of forest land, from forest Department the Irrigation Department. Lack of co-ordination among the various concerned Departments and Agencies such as PWD, KSEB, Indian Railway, Forest Department, Telecommunication Department etc, adversely affected the tempo in the progress of the</p>

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between 88 and 5058 per cent of the original estimates vide details given below.

Sl No.	Name of Irrigation Project	Year of Sanction	Original Estimate	Expenditure Upto March 1998	Percentage of increase in Estimated Cost	Percentage of Expenditure to Revised Estimate
			Revised Estimate (Rs. in crore)			
4	Muvattupuzha	1980	48.08 388.00	218.69	707	56
5	Chimmony Dam	1976	29.51 55.47	58.45	88	105
6	Karapuzha	1977	7.60 207.50	146.84	2630	71

Muvattupuzha Valley Irrigation Project :

The Project cost was estimated to be 48.08 crores at 1980 schedule of rates. Normally, in the project report, no provision is made for escalation of cost of labour, material and machinery or for probable tender excess quoted by contractors. The funds coming through in the initial years were also not in par with the requirement to complete the project in the stipulated time and within the estimate frame work. The material cost and labour charge have increased many time during these years. In the actual execution some additional works and attention were also necessitated to the dam and canals from the original proposal. The land acquisition cost has also increased many times. The Dam work is divided into different blocks and arranged as separate works. Due to various problems, the original contractors delayed the works and did not complete the work as per schedule.

Meanwhile the K.S.E.B. also proceeded with a minor hydro-electric project along with this project, side by side. Also some changes in the cropping patterns is necessitated and an expert committee was formed to review the same. The finalisation of these took some time. There was also delay due to dearth of funds and shortage of procured departmental cement and steel materials.

2. Chimmony Dam Project :

It is true that there is excess of expenditure when compared to original cost estimate in the case of Chimmony Dam Project. The reasons for these excesses are many fold starting from extra works required therein, revision of schedule of rate high percentages quoted by the contractors, delay in works due to litigations, financial constrains of the department etc.

It may also be noted that, works are arranged in the department based on certain guidelines and orders. An indepth study of the present procedures, tender documents and codal provisions have to be made in accordance with the procedures. Moreover projects in hand, at a time should be in line with the finance available with Government.

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1	1.11	<p>A strict monitoring of the expenditure together with modified provision can reduce the wide gap between the cost-envisaged and the cost-incurred.</p> <p>As far as Chimmony Dam Project is concerned, this project was dedicated to nation on 5-3-1996. Hence physical goal has been achieved even through more works are to be carried out.</p> <p>3. <i>Karapuzha Irrigation Project :</i></p> <p>The anticipated expenditure of the project has gone upto Rs. 253 crores as per 1999 schedule of rates. Upto date expenditure as on 31-3-2000 comes to 171.05 crores (including establishment cost). The reasons for the increase are narrated below :—</p> <p>(a) <i>Increase in rate of labour and cost of materials :</i></p> <p>Original Project Report was prepared in 1975. After that the schedule of rates has been revised several times and as a result of that the labour charge and cost of materials are considerably increased.</p> <p>(b) <i>Increase in cost of land and improvements :</i></p> <p>There is a tremendous increase in the cost of land and improvements since the sanction of the project estimate</p>	40

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in 1975 project report, the rate provided for lands to be acquired are as follows :—

Dry undeveloped land — Rs. 2470/Ha

Dry developed land — Rs. 12350/Ha

Wet land — Rs. 6175/Ha

The cost of land now comes to Rs. 412229/Ha for dry land and Rs. 162408/Ha for wet lands. The rate of solatium has increased to 30% and interest upto 12½%.

(c) *Changes in design and specifications :*

At the time of formulation of the project, 1975 the Waynad area was very backward part of Kozhikode Revenue district with major portion of the population comprising of Adivasies. But after the formation of Waynad district in 1980 with head quarters at Kalpatta, there was rapid development in the project area in the field of communication residential buildings, schools, business establishments, places of worship etc. and there are consistent increase in population also. Several proposals contemplated in the approved estimate had to be modified to suit the conditions and to cope with the rapid developments in the project area including change in the alignments of canals in some places due to public demands. Separate sluice provided for LBC and RBC, and open canal provided in the previous report

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had to be changed into conduits and masonry/concrete canals in many reaches. This was necessitated due to the peculiar and treacherous nature of soil in the area. The roads which were unimportant previously became important consequent on the rapid development in the command area. This necessitated construction of additional roads and bridges in addition to the changes in the standards of construction of roads. There is considerable increase due to the change in the design and location of spillway as per recommendations of the expert committee.

(d) *Increase in CD works :*

As detailed in the para above there was rapid developments in the project are after formulation of the project report. During detailed investigation it was found that the number of CD works, foot bridges etc. provided in the previous report was inadequate. Considering undulated terrain and increased public works of this district the CD works are found inevitable at closer intervals. This project will be fully commissioned by 2003.

C & AG Report for the year ended on 31-3-2003 Para 3.5 AIBP (MVIP/KIP)

<i>Para No. & Para</i>	<i>Reply/Action Taken</i>
(1)	(2)
<p>1. 3.5.3 <i>Implementation of arrangements :</i></p> <p>The Water Resources Department administered the projects. Both projects, KIP and MVIP, were under the exclusive charge of a Chief Engineer (C.E) each. There were one circle office and three divisional offices under KIP and one circle office and five division offices under MVIP. A separate monitoring unit functioned in the state under the Chief Engineer (Irrigation and Administration), Thiruvananthapuram. The Central Water Commission (CWC) also monitored the implementation.</p>	<p>Kallada Irrigation and Tree Crop Development Project was started in 1961 with an estimated cost of Rs. 13.28 crore and Cultivable Command Area (CCA) of 61630 Ha. This Project was under the exclusive charge of the Chief Engineer Projects II (Kallada). The measures taken by the State Government to reduce the establishment expenditure, the office of the Chief Engineer, Projects III was abolished during 2003 and at present this project is attached to the Chief Engineer, Projects II, Thiruvananthapuram. This Project is monitored by the Chief Engineer, Irrigation and Administration and Central Water Commission.</p>
<p>2. 3.5.4 <i>Scope of Audit :</i></p> <p>A review of the implementation of the programme was conducted in audit between January 2003 and May 2003 through test check of the records for the period 1996-2003 of 2 Chief Engineer's offices, 2 circle offices and 8 Division offices. The results of the review are discussed in the succeeding paragraphs.</p> <p>Kallada Irrigation and Tree Crop Development Project :</p> <p>Execution of KIP was administratively sanctioned in 1961 at an estimated cost of Rs. 13.28 crores, commenced in 1966. The project cost had undergone revisions as many as ten items. Based on scheduled of 1999 the cost of the project had been</p>	<p>The execution of KIP administratively sanctioned during 1961 for Rs. 1328 crore and later revised to Rs. 714 crore during 1999. This project received World Bank assistance equivalent to Rs. 97.77 crores during 1982-89 and further AIBP assistance for Rs. 32.5 crore during 1996-2005. The expenditure of the Project till March 2005 was Rs. 686.91 crore. Under AIBP, 2 components were approved during 1996-97 and during 1997-98. 32 components were approved costing Rs. 132.11 crore for AIBP Scheme. As a policy decision taken by Government, a few components were dropped and only 23 components of works costing Rs. 67.66 crore were taken up for execution during 1997-2005.</p>

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revised to Rs. 714 crore. The project received World Bank assistance of 80.3 million US dollars (equivalent to 97.77 crore). The expenditure of the project till March 1996 was Rs. 489.28 crore. Under AIBP, 32 components estimated to cost Rs. 136.28 crore were originally approved. As Government took a policy decision (December 2001) to the effect that only interconnecting portions need be completed so as to ensure smooth flow of and the project be treated as commissioned by March 2003. 8 components of work costing Rs. 67.97 crore were taken up for execution during 1996-2002 under AIBP.

3. 3.5.5 *Financial Outlay :*

Against the sanction of Rs. 34.75 crore by the GOI, the State could get CLA of Rs. 28.50 crore only. CLA received budget provision, expenditure booked expenditure report to CWC, the expenditure to be incurred etc. during 1996-97 to 2002-03 were as follows (Furnished separately in Annexure I).

The expenditure booked under the separate head of account of AIBP from 1997-98 onwards did not tally with those reported to CWC. During 1998-99, 1999-2000 and 2001-02, the GOI did not release any CLA to KIP due to backlog in expenditure in the respective previous years.

KIP :

AIBP assistance was launched in 1996-97 and the total CLA received upto 3/2004 was Rs. 32.50 crore and the total expenditure booked under AIBP Scheme was Rs. 60.947 crore including works establishment and land acquisition expenditures. As on 3/2004 there was a backlog in expenditure amounting Rs. 2.205 crore. It is true that from 1998 onwards there was outstanding balance in CLA released due to backlog in expenditure and thus CLA was not released during 1998-2000 and 2002. As a policy decision of State Government 8 components of new canal formation works were dropped. Many works included in AIBP Scheme were balance works, which

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<p>The GOI also did not release CLA of Rs. 20 crore sanctioned during 1998-99 under MVIP due to short fall in expenditure in KIP.</p>	<p>were arranged after foreclosing original works. The process of foreclosing the original contracting agency, setting court case etc. delayed the process of sanctioning tendering of balance work. Some works are to be arranged as deposit work with agencies like Southern Railways, Kerala Water Authority etc. as these works are to be arranged in the land possessed by these agencies. Further, even after arranging the work, court interfered in awarding work and due to stay orders passed by courts, works were delayed. The state fund allotted for the project during 1996-2005 was not spent exclusively for AIBP component. State funds were shared for other purposes including settling court cases, arbitration awards, land acquisition cases etc. and hence state fund was not fully used for AIBP works. In short the paucity of State fund also caused backlog in expenditure.</p> <p>MVIP—GOI did not release CLA of Rs. 20 crore sanctioned during 1998-99 under MVIP due to short fall in expenditure in KIP.</p>
<p>4. 3.5.6 <i>Physical targets and achievements :</i></p>	<p>As approved by the Planning Commission in 1991 the project was envisaged at a Cultivable Command Area of 61630 Ha. As Government took a policy decision in December 2001, a few canals were dropped and thus the CCA is reduced to 53514 Ha. The total CCA envisaged under AIBP is also reduced to 6161 Ha. and achievements upto 3/2005 under AIBP components is 4758 Ha. the details showing physical target and achievement are given in Annexure II.</p>

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<p>increasing total CCA created to 51322 ha. Of the 51322 ha of CCA created, CCA utilised was claimed to be 43626 ha.</p>	<p>The completed canals covering an ayacut of 52113 Ha. as on 3/2005 in which 47384 ha under non AIBP components and 4758 ha under AIBP components.</p>
<p>5.3.57 <i>Works remaining incomplete :</i></p> <p>Though substantial investments were made out of the AIBP assistance, water flow was interrupted at different chainages due to non-completion of works at the chainages concerned. This resulted in non-utilisation of CCA of 3142 ha and blocking of investments of Rs. 32.06 crore as detailed in the following table (Furnished separately in Annexure II).</p>	<p><i>KIP :</i></p> <p>As far as the project is concerned total CCA of 52113 ha and CCA to be covered is only 1401 ha.</p> <ol style="list-style-type: none"> 1. The work of Pallimon distributories is completed except 148 m cut and cover between ch. 9325m to 9473m. This work is progressing and it is expected to be completed by 9/2005. The utilized ayacut downstream of ch. 9325m is 279 ha. only. 2. The work of Paravoor distributory between ch. 21417m to 23000m is already completed during 2004. The canal between ch. 23000m. to 32337m. is also completed already. The work of Lift Irrigation Scheme is also progressing and at present 85% work completed. 3. The work of Paravoor disributory is to be arranged as a deposit work and this is to be arranged by Southern Railway. The state Government had already deposited Rs.6.80 lakhs to Railway authorities and balance amount will be remitted shortly. Proposal for remitting balance amount of Rs. 5.73 lakhs pending with Government. 4. The work of Kulakkada branch canals already completed in all respect during 1994.

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Muvattupuzha Valley Irrigation Project : No remarks.

The project intended to irrigate CCA 17737 ha (net) at an estimated cost of Rs. 48.08 crore was approved by the planning commission in July 1983. The CCA was extended to 19237 ha through two lift irrigation canals in 1999. The estimated cost of the project based on 1999 schedule of rates was expected to be Rs. 575 crore. Under AIBP, 57 components estimated to cost Rs. 203.50 crore were included.

3.5.8 :

No separate budget provision was provided for AIBP components under MVIP in spite of specific guidelines issued by GOI. CLA received, budget provision, expenditure incurred on AIBP works as reported to CWC etc. during 2000-2003 were as follows (Furnished separately in Annexure III).

The expenditure on AIBP works was not distinguishable from other expenditure of the project.

The State provides for the allocation to each project within the framework of their resources. During the past several years, the state could not provide that the adequate allocation. During the current year, the state has provided separate allocation of Rs. 33.50 crore for the AIBP components. Under the project, works carried out are for the canals and connected structures. Of these, certain components are not included under AIBP. Hence identical works may figure both under AIBP and Non-AIBP works.

However separate financial statement with details of expenditure under components approved by the CWC under AIBP were furnished to AG for audit and based on which AG had issued audit certificate upto 31-3-2004. The CLA outstanding as on 31-3-2002 was due to backlog of expenditure during that year. This was expended during 2002-03 by issuing sufficient fund by the State.

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	In response to the audit remarks and C & AG reports, separate budget provision was provided for availing AIBP assistance during 2005-06 under a separate head of account 4701-80-800-93 AIBP. The amount provided is Rs. 27.95 crore for AIBP works.

3.5.9 *Physical targets and achievements :*

The project envisaged CCA of 19237 ha. of which, the irrigation potential created was 7200 ha. only, including 2500 ha. created before launching AIBP. The total irrigation potential utilized was assessed to be 4750 ha. The assessment was also not correct as verification of utilization of potential created was not conducted jointly by Revenue and Irrigation authorities. None of the components pose for AIBP assistance had been completed due to the reasons detailed below.

The joint verification of ayacut achieved will have to be done by Revenue and Irrigation departments.

Steps are being taken for verification on utilization of potential created, jointly by Revenue and Irrigation authorities for which necessary directions have already been given to all Executive Engineers. However as usual practice the Revenue authorities will verify the ayacut only after completion of the project.

3.5.10 *Delay in Land Acquisition :*

Out of 704.21 ha. of land required for the project, 102.82 ha. had not been acquired with the result that many works could not be arranged (March 2003). Though the Department attributed the main reason for the delay in land acquisition to dearth of staff, audit scrutiny revealed that requisition for land acquisition was forwarded to Revenue Authorities in six out of thirteen cases only between May 2001 and June 2002.

Regarding delay in land acquisition it is pointed out that the plan was to construct and complete the works of the head works and the main canals at the initial phase. On arranging the same the work of branches and distributories were taken up in a phase manner. Subsequently according to the requirements put forth by the Project Officers LA works were initiated. Hence Land Acquisition is proposed depending upon the requirement of the works considering the budget provision and parameters. Since 2003, the LA works of Kuravilangad,

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<p>3.5.11 <i>Pending Vigilance cases :</i></p> <p>Noticing idle investment of crores of rupees on MVIP due to stoppage of work as a result of vigilance enquiry. The Public Accounts Committee (2001-2004) in their first report had observed that in no way the vigilance cases should affect the progress of the work. Government had not taken any action to rearrange the 12 works and to complete bits of works in main canals, branch canals, distributories pending completion due to vigilance enquiry (June 2003).</p> <p><i>Other points of Interest :</i></p> <p>3.5.12 <i>Infructuous expenditure :</i></p> <p>Two AIBP components under KIP viz, Kayamkulam Branch Canal and Thrikkaruva distributory on which Rs. 10.80 lakh was spent had been dropped in March 2002 based on the policy decision of the Government not to under take new canal works. As no irrigation potential was created, the investment on these had become infructuous.</p> <p>3.5.13 <i>Inadmissible expenditure on road works :</i></p> <p>As per Government decision in March 2003, a portion of the road from</p>	<p>Kadappoor, Kidangoor, Manjoor, Maruthoor, Karimattom, Kurumullor, Kuruappanthara etc. were received. Land of only a few canals, viz. Madakkathanam, Edayar, Keerikkod, Ramamangalam are yet to be received, for which LA works are in progress.</p> <p>Out of the 12 works, only 2 works are held up (Muvattupuzha branch 4000-6000m. and Piravaom branch 250-2400m.). All the other 10 works are arranged and are in progress or in the process of being arranged. For the above two works Vigilance clearing is expected shortly.</p> <p><i>KIP :</i></p> <p>As Government took a policy decision in December 2001 to give up 8 components of new canal works including Kayamkulam branch and Thrikkaruva distributory. Expenditure was incurred for acquiring land for 10.3 km. portion at Kayamkulam branch canal and 1km. portion of Thrikkaruva distributory and no further expenditure incurred. This canal is in the possession of the Government and incurred amount can be realized by disposing this land and hence there is infructuous expenditure on this account.</p> <p>Though the work was taken up by the project in connection with the High Level Conference by the PWD and Irrigation</p>

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<p>Thirumarady to Attinkunnu owned by PWD was transferred to MVIP for reconstruction and maintenance. The improvement work of this road was arranged under MVIP at the cost of Rs. 22.28 lakhs. The decision of State Government in taking up reconstruction and maintenance of PWD roads utilizing AIBP assistance was irregular and not in order.</p>	<p>ministers AIBP assistance has not been utilised for financing the work. Total expenditure incurred for the work upto 31-3-2005 towards the execution of the said works was Rs. 19,19,466 and the same was met out of the state fund.</p>
<p>3.5.14 <i>Diversion of Funds :</i></p> <p>An amount of Rs. 36 lakhs had been diverted from MVIP for meeting payment such as electricity charges, telephone charges, travelling expenses etc. not connected with components approved under AIBP.</p>	<p><i>MVIP :</i></p> <p>It is admitted that the electricity charges etc. were met from the works head as there was no sufficient allotment under establishment head. Strict directions are issued to the concerned saying not to utilize AIBP fund for Non-AIBP components and this practice is discontinued after 2003. More over the AG while issuing audit certificate for AIBP expenditure, excluded such inadmissible components from the purview of AIBP assistance.</p>
<p>3.5.15 <i>Impact Analysis :</i></p> <p>The main objective of the project was to increase agriculture production and income of farmers in the command area by adopting scientific cropping pattern, modern farm technology and efficient water management practices. Due to non-completion of the components posed for AIBP within the prescribed time frame, the irrigation potential targeted could not be achieved and utilised.</p>	<p>The project work as planned could not be executed and completed within the time frame due to reasons such as irregular flow of budget provision, vigilance case and court cases and due to delay in land acquisition etc. However the project will be completed during this plan period.</p>

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<p>3.5.16 <i>Conclusion and Recommendations :</i></p>	<p>The inter connecting link at Pallimon has been completed. In case of Paravoor distributory the lifting arrangement at ch.23rd km. certain mechanical works to be completed and is under execution. The railway crossing work in Paravoor distributory is yet to be completed. Kulakkada branch canal have been completed and water distribution started.</p>
<p>As Government decided to complete the interconnecting links to ensure smooth flow of water and to treat the KIP as commissioned in March 2002 the inter connecting links at Pallimon, Paravoor and Poovathoor distributories and Kulakkada Branch canal should have been prioritized. Failure in completing the interconnecting links in KIP resulted in non-utilisation of 3142 ha. of CCA and in blockage of Rs. 32.06 crore. CADA activities remained to be initiated in both the projects, rendering the potential created unproductive.</p>	<p>The quantum of assistance under AIBP is finalized rather late in each financial year. If a decision can be taken regarding the quantum of assistance during the 1st quarter of each financial year itself, and informed accordingly, the work can be programmed suitably.</p>
<p>The above points were referred to Government in July 2003; reply has not been received (December 2003).</p>	<p>At present each year's proposal is considered for assistance only if the entire allotment under AIBP for the preceding year is fully utilized. Hence even if only negligible amount is left as unutilized in an year, the next year's proposal is not considered unless back log is fully expended. Hence it is suggested that if at least 90% of CLA is utilized. The state may be condoned for the non-utilisation of the balance 10% and the proposal for the succeeding year can be accepted adjusting the utilized amount, from the CLA eligible for the next year.</p>

Action taken notes on Comptroller and Auditor General's Report for the year ended 31st March 2003 (Civil)

- I (a) Department : Water Resources Department
- (b) Subject/Title of the review/
Paragraph : Wasteful expenditure on construction of Regulator-Cum-Bridge, Thrithala
- (c) Paragraph No. : 4.4.4
- (d) Report Number and Year : Report of Comptroller & Auditor General for the year ended 31st March 2003 (Civil)
- II (a) Date of receipt of the Draft Paragraph/Review in the Department : 11-10-2004
- (b) Date of Department's Reply : 26-10-2004
- III Gist of Paragraph/Review : Extra thickness provided to Apron of Regulator-Cum-Bridge resulted in wasteful expenditure of Rs. 11.87 lakh
- IV (a) Does the Department agree with the Facts and figures included in Paragraph ? : No
- (b) If not, please indicate the areas of disagreement and also attach copies of relevant documents in support. : Detailed reply attached.
- V (a) Does the Department agree with the Audt conclusions : No
- (b) If not, please indicate specific areas of disagreement with reasons for disagreement and also attach copies of relevant documents, where necessary ? : Detailed reply attached.
- VI *Remedial Action Taken :*
1. Improvement in system and procedures including internal controls : Not applied as the additional proposal of wire is an integral part of the project and the additional expenditure involved will be set off by the resultant savings.

2. Recovery of overpayment
pointed out by Audit :
3. Recovery of under assessment,
Short levy or other dues :
4. Modifications in the schemes
and Programmes including
financing pattern :
5. Review of similar cases/
complete Scheme/Project
in the light of findings of
sample check by Audit :

STATEMENT ON REMEDIAL MEASURES TAKEN ON THE REPORT OF THE COMPTROLLER AND
AUDITOR GENERAL FOR THE YEAR ENDED 31ST MARCH 2003 (CIVIL) PARA 4.4.4—
WASTEFUL EXPENDITURE ON CONSTRUCTION OF REGULATOR-CUM-BRIDGE

<i>Sl. No.</i>	<i>Para No.</i>	<i>Name of Department</i>	<i>Audit Para Details</i>	<i>Remedial Measures Taken</i>
(1)	(2)	(3)	(4)	(5)
1	4.4.4	Water Resources	<p><i>Wasteful expenditure on construction of Regulator-Cum-Bridge :</i></p> <p>Mention was made in paragraph 4.5 of the Report of the Comptroller and Auditor General of India for the year ended 31st March 2001 (civil) about the inadmissible payment of Rs. 40.47 lakh to the contractor (awarded in May 1999) for the construction of a Regulator-Cum-Bridge (RCB) across Bharathapuzha at Velliyamkallu (Palakkad District). Another instance of wasteful expenditure of Rs. 31.87 lakh was noticed as detailed below :</p> <p>The approved design envisaged thickness of 2.65 metres for the Apron of the RCB. As the levels of riverbed had risen subsequent to preparation of design and drawing the Executive Engineer suggested (December 1999) to the Chief Engineer to raise the bed level from +9.50 metre to +10 metre and to</p>	<p>Velliyamkallu Causeway (Regulator-Cum-Bridge at Thrithala) envisages construction of a 295m long regulator cum bridge across Bharathpuzha at Velliyamkallu. The regulator will have 27 spans 9 M and flow of water will be regulated by means of Vertical M.S.Shutters of 9M x 5.5M as per approved design. The reservoir thus formed will have a storage capacity of 13.30 Mm³ at Full Reservoir Level of +15M. The project on completion will stabilise 3997 hectare gross ayacut under 10 lift irrigation schemes. The project also ensures drinking water to the adjoining 22 Grama Panchayats, Guruvayoor, Chavakkad and Kunnankulam Municipalities.</p> <p>Work of approach road was commenced in March 1999. Work of Regulator-Cum-Bridge was progressing from September 1999 and 92% of the work has been</p>

(1)	(2)	(3)	(4)	(5)
1	4.4.4	Water Resources	<p>construct a weir of 0.50 metre thickness over the Apron. On the ground of urgency, the Chief Engineer directed (January 2000) the Superintending Engineer to carry out the works with the modified river bed level of +10 metre and sought the approval of Chief Engineer (IDRB). Before obtaining the approval of Chief Engineer (IDRB), the contractor, on the advice of Superintending Engineer, commenced (January 2000) at construction maintaining the over all thickness of the Apron at 3.15 metre including the weir portion and the work completed (March 2000) for a length of 64 metres. Though the work was started on the ground of urgency, the work had not been completed even as of April 2003.</p> <p>Chief Engineer (IDRB) approved the revised design in May 2000, according to which, the overall thickness of the Apron, including the weir portion was to be maintained at 2.65 metres obly. While clarifying the position, Chief Engineer (IDRB) stated (May 2001)</p>	<p>completed. Mechanical work of fabrication and erection of shutters is also in good progress. In the design approved by IDR, bed level of Regulator-Cum-Bridge was fixed at +9.5M and apron thickness was 2.65 m from +6.850M. At the time of actual execution, considerable variation of the bed level was noticed. Present bed level of river at the regulator site vary from +9.140M to +10.390M. This may be due to the restriction in sand mining from Bharathappuzha. Hence it was suggested to raise the bed level of Regulator-Cum-Bridge from +9.50 ro +10.00M. It was also proposed to construct a weir of 0.50M height between the piers at sill position for the gate to rest upon for providing a minimum dead storage of 0.5m. Water can be pushed from the reservoir if the weir is avoided in two or three spans and shutters extended to reservoir bed level at +10.00M.</p> <p>Chief Engineer (IDRB) was informed of the above proposals and requested for formal approval for the</p>

(1)	(2)	(3)	(4)	(5)
1	4.4.4	Water Resources	<p>that the raised portion (0.50 metre) of the Apron would serve the intended purpose and construction of an additional 0.50 metre weir was not necessary. As the construction of Apron with a thickness of 3.15 metres for 64 metres had already been over and difference in thickness at different portions was likely to endanger the safety of the structure, the Chief Engineer (IDRB) agreed to the change of design proposed by Chief Engineer enhancing the overall thickness from 2.65 metres to 3.15 metres for extra length as fait accompli. Thus, the additional thickness of 0.50 metre provided to the RCB was unnecessary and the estimated expenditure of Rs. 31.87 lakh on this account constituted wasteful expenditure. Government stated (March 2003) that consequent on raising of bed level in RCB there was a saving of Rs. 63 lakh on other items of work. The saving reported by Government was directly attributable to raising of bed level and not due to</p>	<p>changes. It was also informed that necessary instructions was issued to Superintending Engineer to carry out the work by fixing the bed level at +10.00M. The work was carried out by fixing bed level at +10.00M and apron with thickness of 2.65 M was also provided from +7.35 M instead of +6.85 M. The matter was discussed with the field officers and it was agreed (1) to fix the bed level of Regulator-Cum-Bridge at +10.00M and (2) to fix the crest of Regulator-Cum-Bridge at +10.50M by providing a weir of 0.50M height.</p> <p>Unfortunately in the revised drawings furnished by Chief Engineer, IDRB, overall thickness of apron including the weir between piers was fixed at 2.65 m from 17.85M. By that time the work of aprons with thickness of 2.65M was carried out for a length of 64M. This was taken up with Chief Engineer, IDRB for making necessary corrections in the drawings. Though the Chief Engineer had initially maintained that an apron with overall</p>

(1)	(2)	(3)	(4)	(5)
1	4.4.4	Water Resources	increase in the thickness of Apron. Had the thickness of Apron been maintained at 2.65 metre which was sufficient for the structure, a further savings of Rs. 31.87 lakh could have been achieved.	thickness of 2.65M including the weir is sufficient to meet the additional requirement, the proposal for providing apron with thickness of 3.15M was accepted considering the difficulties at site and safety of the structure. Additonal thickness is not provided to the Regulator-Cum-Bridge as contended. In the original approved drawing, thickness of apron was 2.65M from +6.85M to the bed level of +9.5M. Since considerable variation in bed level of river was noticed at the time of actual execution, it was proposed to fix the bed level at +10.00M and the work was carried out to suit the raised bed level of river. For this, foundation level of apron was taken as +7.35 m and thickness was maintained at 2.65m as approved by IDR B to achieve the top level at +10.00m. Therefore it can be seen that there was no material alteration in the approved design. Had the work been carried out keeping the bed level at +9.5m huge amount would have to be spent for excavation of foundation

(1)	(2)	(3)	(4)	(5)
1	4.4.4	Water Resources		<p>upto +6.85m and the shutters will have to rest below the present bed level of river posing serious threat to the safety of the structure. There was considerable savings in earthwork by raising the bed level to +10m. Height of shutters gates was reduced from 5.5M to 4.5M resulting in a saving of Rs. 63 lakhs.</p> <p>The additional expenditure involved in forming a weir of 0.50m between the piers in addition to the apron of 2.65m thick is far less than the resultant savings in other items of works. The added benefit derived from maintaining a dead storage of 0.50m in the upstream side is much higher as this project to the source of drinking water to the 22 adjoining grama panchayats, Chavakkd, Guruvayoor and Kumnamkulam Municipalities.</p> <p>The objection raised is without considering the following facts :</p> <p>(1) In the original drawings approved by IDR thickness of apron was 2.65m. from +6.850m. The Water Resources Department has carried out the work as per the original approved drawings with a thickness of 2.65M from +7.350M considering the</p>

(1)	(2)	(3)	(4)	(5)
1	4.4.4	Water Resources		<p>actual bed level of +10M. As such there cannot be any excess expenditure on this account.</p> <p>(2) The additional proposal furnished by the Water Resources Department was to provide a weir of 50cm thickness between piers at sill position for the gates to rest upon. This will reduce the height of shutters by 50 cm. In the overall reduction of the height of shutters by 1M, the reduction directly attributable to raising of bed level is 50 cm only and the saving obtained in respect of the reduction of remaining 50 cm is due to the increase in thickness of apron. The additional expenditure likely to be incurred on the revised proposal of 0.50m weir will be set off by the resultant savings due to the reduction in the height of shutters. Therefore, the additional proposal will not lead to any wasteful expenditure as contended in the audit report.</p>