

PAC-133

**COMMITTEE ON PUBLIC ACCOUNTS
(2013-2016)**

HUNDRED AND THIRTY THIRD REPORT



सत्यमेव जयते

(Thirteenth Assembly)

Report of the Committee on Public Accounts,
Assam Legislative Assembly on the Reports of the
Comptroller and Auditor General of India (Civil) for the
years 2008-2009 and 2010-2011 relating to Health &
F. W. and Public Works, Roads Departments,
Government of Assam.

Presented to the House on 15-02-2014

Assam Legislative Assembly Secretariat,
Dispur, Guwahati-6.

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(i)

COMPOSITION OF THE COMMITTEE

Chairman:

1. Shri Keshab Mahanta

Members:

2. Shri Abdul Muhib Mazumdar
3. Shri Gautam Bora
4. Capt. Robin Bordoloi
5. Shri Binanda Kumar Saikia
6. Shri Aklius Tirkey
7. Shri Kamal Sing Narzary
8. Shri Emmanuel Mosahary
9. Shri Utpal Dutta
10. Md. Sirajuddin Ajmal
11. Shri Swapan Kar
12. Shri Prasanta Phukan
13. Shri Jatin Mali

Secretariat:

1. Shri G.P.Das, Principal Secretary
2. Shri P.K.Hazarika, O.S.D.
3. Shri Animesh Chaudhury, Under Secretary
4. Shri Karuna Kanta Deka, C.O.

(ii)

PREFATORY REMARKS

I, Shri Keshab Mahanta, Chairman, Committee on Public Accounts, Assam Legislative Assembly having been authorized to submit the report on its behalf present this Hundred and Thirty Third Report of the Committee on Public Accounts on the Audit paras contained in the Reports of the Comptroller and Auditor General of India (Civil) for the years 2008-2009 and 2010-2011 pertaining to Health and F.W. and Public Works Roads Departments, Government of Assam.

2 The Reports of the Comptroller and Auditor General of India (Civil) for the years 2008-2009 and 2010-2011 was laid before the House on 02-03-2010 and 30-03-2012.

3. The Reports mentioned above relating to the Health and F.W. and Public Works Roads Departments was considered by the Sub-Committee-'B' of the Committee on Public Accounts under the Convenership of Shri Abdul Muhib Mazumdar, M.L.A.(as at Annexure-I) in their sitting held on 23rd May, 2013. The Sub-Committee also adopted the draft Report in their meeting held on 03-12-2013 for the consideration and approved by the main Committee. The out-going Committee as in Annexure-II had considered and approved this draft Report in their sitting held on 03-12-2013, but could not present the same before the House owing to expiry of its term.

4. The Committee has considered the draft report and finalized the same in their sitting held on 30-01-2014.

5. The Committee places on records their appreciations to the Sub-Committee-'B' for their strenuous works for obtaining various records, information and clarification pertaining to the Audit paras relating to the Health and F.W. and Public Works Roads Departments. The Committee also wishes thanks to the departmental witnesses for their co-operation. The Committee is also appreciates the Accountant General (Audit), Assam and his Junior Officers for their valuable assistance. The Committee also pleased to offer thanks to the Principal Secretary, Assam Legislative Assembly with his officers and staff of the Committee on Public Accounts Branch for their valuable services rendered to the Committee.

6. The Committee earnestly hopes that the Government would implement the recommendations made in this Report.

Dispur:
The 30th January, 2014.

SHRI KESHAB MAHANTA,
Chairman
Committee on Public Accounts.

Chapter-I

Health and Family Welfare Department

Avoidable expenditure

(Audit para 2.2.1.C& AG(Civil)/2008-2009/(P-97)

1.1 The audit has pointed out that after scrutiny (May 2009) of records of the Director of Medical Education (DME), Assam revealed that the Principal, Guwahati Medical College took possession (1981) of a plot of land measuring 3 kathas 13 lessa without initiating acquisition proceedings. Although, the said land was requisitioned in 1981 for construction of Guwahati Medical College Complex, notification for acquiring the land was given only in October 2002 and proposal for drawal of the estimated amount of acquisition (Rs.26.10 lakh) was sent to the Government by DME in March 2003. The State Government, however, did not sanction the amount and the acquisition proceedings lapsed. In accordance with Section 11 (4) of Assam Land (Requisition and Acquisition) Act, 1964 the owners of the land are entitled to compensation in the annual rent @ 7.5 per cent on the current market value of land and interest thereon (9 per cent per annum) since the date of requisition. Only a paltry sum of Rs. 0.85 lakh was paid (date of payment is not available) to the owners and the aggrieved owners filed (date not available) cases in the court of law. The District and Sessions Judge, Kamrup ordered (September, 2006) payment of compensation along with interest thereon till the date of payment. Due to non-compliance of the DME with the court order, the owners lodged money execution case for realization of the sum due and the Hon'ble court passed order for payment of Rs. 86.74 lakh (Rent Rs. 48.82 lakh + interest Rs. 57.92 lakh) on or before before 18 March 2008. The amount was drawn by the DME in March 2008 and sent to Deputy Commissioner, Kamrup for payment to the owners. Thus, due to failure of the Government to make payment of rent in time, it incurred avoidable expenditure of 37.92 lakh towards interest payment. Besides, during the four years 2003-07 the cost of the land had already escalated by 140 per cent, and would keep increasing further. Thus, due to non-acquisition of the land in 2002-03 (at Rs. 26.10 lakh) not only the cost of acquisition would increase but the recurring liability of payment of rent would also continue.

1.2 The department by their written reply has stated that the entire process of land acquisition/requisition for public purpose as under Land Acquisition Act, 1894 and Assam Land (Requisition and Acquisition) Act, 1964 involves the collector who acquire land for public purpose as understood under the said Acts. The requiring department for whom such land have been acquired with due approval and subsequent submission of such compensation to be paid against acquisition and requisition and is none the less, time consuming. In this said case, the land is being acquired for the public purpose of expansion and up-gradation of the GMC. Hence, GMC alone is a position to know if such land is to be acquired and for what purpose and therefore whether, the land should be requisitioned or acquired, keeping in mind its permanent purpose and by which also can curtail expenses towards payment of rent for requisition of any land. The payment for the compensation against such acquisition and requisition of land can be made by Directorate of Medical Education only after due sanction and placement of fund for payment of compensation for acquisition and requisition. After the draft notification U/S 4 (1) of Land Acquisition Act, 1894 and Gazette Notification U/S 6, the fund need to be placed at the disposal of GMC for payment of compensation against such acquisition. The plot of land measuring 3K, 13 L covered by Dag No. 730 and Patta No. 264 at village Japorigog, Beltola Mouza was requisitioned under Assam Land (Requisition and Acquisition) Act, 1964, which itself a separate act from Land Acquisition which is covered by Land Acquisition Act. 1894. The estimate against such acquisition is based on market value of last five years which has been calculated at Rs. 26,09,797/- by the District Collector and the same was submitted on 15/02/2003 for further action. It was later that land came to be acquired following the publication of draft Notification U/S - 4 and Gazette Notification U/S- 6 of L..A .Act, 1894. The District Collector submitted an estimate of Rs. 26,09,797/- on 15/02/2003 for payment of compensation to affected pattadars against such acquisition of land for public purpose. In a letter vide 25/03/2003 the DME, Assam requested for payment of the acquisition amount on consequent to the estimate received from District Collector, Kamrup and C.F. proposal to provide funds was also submitted to the Govt. The DME submitted the necessary papers in this regard to the Govt. on 31/03/2003 consequent to communication received on 22/03/2003. However, due to non-receipt of fund from the Govt. it could not be placed at the disposal of District Collector, Kamrup. On 20/07/2004 the DME, Assam requested the Govt. to take necessary steps for payment of acquisition of land against L..A. case no. 11/2001 to avoid interest as admissible under Rule. Upon request of Govt. vide

letter dated 13/01/2005 a proposal along with relevant documents was sent to Govt. on 8-2-2005. However, no fund was provided to the DME by the Govt. Consequent to Money Execution Case No. 6/2007 and 7/2007 filed by the Pattadars, the Hon'ble Court of District Judge, Kamrup on 22/01/2007 enclosed calculated compensation to be Rs. 70,53,524/- for one plot of land and Rs. 16,15,244/- for the second plot of land. Total amounting Rs. 86,68,768/- including @ 9% interest for the period from 06/05/1981 to 20/01/2007. The DME, Assam submitted an S.D. proposal on 07/07/2007 to the Govt. amounting to Rs. 86.74 Lakhs against the payment of decretal amount against requisition rent and interest thereon and the amount was sanctioned by the Govt. on 28/03/2008 and on that strength, the DME, Assam deposited the amount of Rs. 86,73,717/- to District Collector, Kamrup including interest of Rs. 37.92 Lakhs for further action. As the process of land requisition/acquisition involves various departments of the State, hence the payment of rent against requisition could not be made in time. As such, the expenditure involving payment of Rs. 86.74 lakhs which includes Rs. 37.92 lakhs as interest can not be termed as wasteful expenditure and there has been no willful non-payment of rent for requisitioned land.

OBSERVATIONS/RECOMMENDATIONS

1.3 The Committee observes that due to delay in acquisition of the land the Government was compelled to pay rent @ 7.5% of current market value as well as interest @ 9% per annum amounting to Rs. 86.74 lakhs. Even till 2008 acquisition of land was not finalized which entails apart from payment of rent and interest thereon many fold appreciation of market value of land payable to the owner. Thus due to non-acquisition of land at the time taking position caused of acquisition increased and recurring liability of payment of rent also continued. The Committee recommends that the department should submit a report explaining the reasons for the delay in finalization of the acquisition and responsibility should be fixed on the officials for whose delay the avoidable expenditure occurred. Action taken in this regard may be intimated to the Committee within 2 months from the date of presentation of this report before the House.

**Non-achievement of objective of NMHP
(Audit para 2.3.1/C&AG(Civil)/2008-2009/(P-105)**

1.4 The audit has pointed out that after scrutiny (April-May 2006) of records of the Principal and further information collected (April 2009) revealed that out of the funds of Rs. 26.20 lakh, only Rs. 4.86 lakh could be utilized by the implementing authority as of April, 2009. The balance Rs. 21.34 lakh remained unutilized in the bank ostensibly due to the delay in selection and appointment of the Nodal Officer for the Programme. The Government in its reply stated (September 2009) that the delay in appointment of Nodal Officer was due to shortage of staff in Psychiatry department of GMCH and unwillingness of the eligible doctors to act as the Nodal Officer. The reason given by the Government for non-achievement of the objective of the programme are not valid since the Government should have considered engagement/recruitment of manpower before initiating the programme. Also, while the Nodal Officer was appointed in October 2007 the programme could not be implemented even thereafter. Thus, due to lack of timely action by the Government, the objectives of NMHP remained unachieved besides blocking of Central funds of Rs.21.34 lakh in the bank account for more than four and a half years. Further, 1,278 patients of the District, suffering from mental illness were deprived of the intended benefit under the scheme.

1.5 The department by their written reply has stated that for implementation of District Mental Health Programme (DMHP) under National Mental Health programme in Nalbari & Morigaon District Dr.P.D. Das (Prof & Head Deptt.of Psychiatry) was appointed as Nodal Officer, but he has refused to do the same. Then Dr. D.Bhagabati, Prof.of Psychiatry was appointed as Nodal Officer for implementation of the said programme, but he has also refused to do the job later on Dr. S. Chakravarty, Associated. Prof of Psychiatry Deptt. GMC was appointed as Nodal Officer vide this office order No.MC/54/2004 Dated 03.10.2004 for implementation of the above programme. Accordingly one saving Bank Account opened at State Bank of India, GMC Branch, vide No. 30047139300 as per guideline of NMHP. The permission of opening for Nodal Centre in SMK Civil Hospital was obtained in the month of December 2007 by the D.H.S. The Nodal Officer started his ground work through training of Medical & Health Officer and Para Medical staff upto April 2009 3(three) Nos. training course contain 15 Nos. in each course Medical & Health Officer and 1 (one) No. training course of Para Medical staff & 2 (two) Nos. training course of 45 Nos. Health staff have

been conducted within the short period of time. The process of recruitment of staff was started on February 2008. It is to be mentioned here that only 3 Nos. of staff has joined out of the 9(nine) Nos. of selected candidate. Lack of trained Psychiatrist Nurse and Clinical Psychologist the post were remain vacant after repeated advertisement. The Psychiatrist who was selected for the programme got appointment under Health (A) Deptt. Govt. of Assam so he had not joined in this programme ultimately one in service Medical & Health Officer, who is also Psychiatrist allowed to work by the Govt .as Psychiatrist on request of Nodal Officer and started OPD on 10th October, 2008 on the day of World Mental Health Day .The amount allotted for equipment like beds, Boyl's Apparatus, ECT machine etc. could not be purchased by the Nodal Officer due to non availability of indoor facility in the Nalbari District at that time. The team has implemented the programme keeping liaison with the Joint Director of Health Services, Nalbari, District of Health Services, Govt .of Assam and he undersigned Govt.of India sanctioned and released Rs.26.20 Lakhs out of which an amount of Rs.4.84 Lakhs was spent on salary. Medicine and other expenses till April 2009 and the upto date expenditure as on date is Rs.14,54,168/- (Rupees fourteen lakhs fifty four thousand one hundred sixty eight) only with a balance of Rs. 11,65,832/- (Rupees eleven lakhs sixty five thousand eight hundred thirty two) only. However under DMHP, Nalbari the people suffering from Mental disorder are getting the benefit of the availability of basic Mental Health Care and accessibility of minimum Mental Health Care and removing stigma attached to Mental Health. The programme will be closed by October 2013 as per guideline of the Project by over coming all kinds of present barrier.

OBSERVATIONS/RECOMMENDATIONS

1.6 The Committee observes that the reasons given by the Government for non-achievement of the objectives of the programme are not valid since Government should have considered engagement/recruitment of manpower before initiating the programme. Central fund of Rs.21.34 lakh remain blocked in the bank for more than 4 ½ years which resulted in non-achievement of the objective of NMHP. The Committee, therefore, recommends that in future the department should show more sincerity in implementing any programme/schemes meant for welfare of the needy people and decided to drop the para.

Unproductive expenditure

(Audit para 2.3.2/ C&AG(Civil)/2008-2009/(P-106)

1.7. The audit has pointed out that after scrutiny (April 2009) of records of the Superintendent ,Offset Press, Hedayatpur revealed that 7 out of the 13 machinery of the Press had been lying out of order for period ranging from six to fifteen years for want of repairs. Thus ,10 of the 22 technical/skilled staff of the Press had been sitting idle for the corresponding periods and drawing their pay and allowance without any work. During the last six years the Department incurred Rs. 54.97 lakh towards the pay and allowances of these idle staff without utilizing their services, resulting in unproductive expenditure of Rs. 54.97 lakh. Further, due to obsolete machinery and consequent idling of nearly 50 per cent of the technical/skilled staff, the production capacity of the Press was adversely affected and as a result the Department had to offload major portion (88 per cent) of printing works under National Rural Health Mission, to private presses during 2005-09. Though ,the Superintendent of the Printing took up the matter with the higher authorities time and again, no action was initiated by the Directorate/Department for gainful utilization of the services of the idle staff.

1.8. The Department by their written reply has stated that the unproductive expenditure caused due to 7 (seven) out of 13 (thirteen) machineries of the Offset Press under this Directorate had been lying out of order for want of repair and as such 10 (ten) of the 22 Technical/Skilled Staff of the offset Press had been sitting idle for the corresponding period and drawing their salary without any work and during the last 6 (six) years ,the Department incurred 54.97 lakhs toward payment of salary of these idle staff without utilizing their services as reflected on the Audit Para after scrutiny (April/2009). For taking needful action in repairing the machineries of the Offset Press and redevelopment of the idle staff against other vacant posts proposal were submitted to Govt .vide this Directorate letter No.as noted below;-

1. NO.HSFW/Audit/71/09/11,140 dated 08-07-2009,
2. NO.HSFW/Audit/71/09/11,111 dated 27-07-2009,
3. NO.HSFW/Audit//71/09/12,314 dated 01-08-2009,
- 4.NO.HSFW/Audit/71/09/14,493 dated 01-09-2009,
5. NO.HSFW/Audit.71/09/15,617 dated 26-10-10-2010,
6. NO.HSFW/Audit/71/09/21,041 dated 23-08-2011,
- 7.NO.HSFW/Audit/71/09/4,726 dated 06-03-2012. It may be stated that at present there is

no idle staff at Offset Press who were posted against the machineries remained out of order due to the idle staff either been retired or transferred on promotion and hence at present the Offset Press has not incurred any unproductive expenditure. It is expected that Govt. will take up the matter for modernizing the Offset Printing Press machineries which are lying out of order in order to streamline the functioning the Offset Press as proposed as stated above. The departmental representatives in their oral deposition stated that out of the 10 idle staffs, 3 have retired, 1 is engaged in clerical work, 2 are promoted and working. Only 4 staffs have remained. Efforts are on to engage them in same place. Subsequently vide their letter No.HLA.762/2013/13, dated 22-08-2013, the department intimated that the Government of Assam in Health and FW(A) department is pleased to allow deployment of the services of the 4 Nos. of idle Technical Staff of Government Offset Press to the office of the State Health Transport Organization temporally and until further order.

OBSERVATIONS/RECOMMENDATIONS

1.9 The Committee is satisfied with the reply of the departmental representatives and decided to drop the para.

CHAPTER - II

Public works Roads Department

Loss of Government money

(Audit para 2.1.3/ C&AG (Civil)/2010-2011/(P-124-125)

2.1. The audit has pointed out that the after scrutiny (May-June 2010) of the records of the Executive Engineer (EE), Public Works Department, City Division II, Guwahati revealed that although the work was shown as having been started on 03 October 2005 by the contractor, actual foundation work has commenced on 21 July 2006 followed by working pile from 04 August 2006 on receipt of phase-wise drawings and designs. The work relating to the service road had started from August 2007. No work involving use of cement, steel and bitumen was executed by the contractor during the period February 2006 to June 2006. Similarly, no work involving bitumen was done during the period September 2006 to July 2007. The contractor however, claimed price adjustment based on the terms of the contract depicting that the work was executed from February 2006 to July 2007. The EE paid Rs. 43 lakh towards price adjustment as claimed by the contractor. There was no justification for making payment for price adjustment on a work that was actually not executed by the contractor and was not supported by any documentary evidence. The Government stated (July 2011) that the contractor started the work of construction of road side drains and culverts with effect from February 2006 and the actual foundation work of the flyover proper started from 21 July 2006 after receipt of drawings of the pile work. The Government further added that payment towards price adjustment had been made on the basis of total value of work done by the contractor during the quarter under consideration irrespective of utilization of particular material component. The reply is not acceptable as the contractor in letter dated 05 July 2009 informed the EE that no work on flyover could be done till 07 April 2006 from the stipulated date of commencement of the workers Hon'ble Gauhati High Court under case No. WP(C) No. 8092 of 2005 had ordered for 'status quo' to be maintained. Further, the contractor had in the same letter to EE also stated that construction of service road/drain was delayed due to delay in land acquisition (completed in July 2007) as well as shifting of underground and overhead utilities and that it could start the construction of service road and drain only in August 2007 after completion of land acquisition. The contents of the letter dated 05 July 2009 of the

contractor addressed to EE only underline and reinforces the fact that no work actually done by the contractor between February 2006 to June 2006 in respect of flyover and between September 2006 to July 2007 in respect of service road. Therefore, there was a clear loss of Rs. 43 lakh on account of payment towards price adjustment to the contractor for works not executed during the relevant period.

2.2. The department by their written reply has stated that the work 'Construction of Flyover at Six Mile ,junction of Guwahati Shillong Road and Rupkonwar Joytiprassad Agarwalla Road was awarded to M/s simplex Concrete and Piles (India) Ltd.on 3-10-2005 and the contractor started the work in February, 2006.In the original sanctioned estimate there were provisions for construction of approach road , road side drains & culverts, service roads along with the Flyover proper. Due to delay in shifting of utility services from the project site and non-receipt of working drawing of the RCC piles of the Fly-over , the contractor could not start the work of construction of the Flyover proper in the beginning (Feb/2006) However, at this stage, the contractor stated the work of construction of the road side drains culverts within the scope of tender agreement. The contractor received the drawings of the pile and started the pile work on 21-07-2006 and executed the road works simultaneously. After the commencement of the work the firm claimed price adjustment based on the tender agreement clause no. 13.4 and accordingly payment had been made in different periods in the light of this clause. Under Section-1 Instruction to Bidders (ITB) of the Tender Agreement referring to the clause No. 13.4.1 (d) price adjustment had been made in each quarter for the total value of work done during the quarter (irrespective of nature of work with consumption of the specific material) taking into account the rate of increase of decrease of the price of labour & different material components of the work in comparison to the quarter preceding the date of opening of Bids (30-6-2005 for the work) with the quarter under consideration for which the price adjustment has been proposed. As per clause 13.4.1 (b)(c) the price adjustment shall apply for the work done from the start date given in the contract data and the price adjustment shall be determined during each quarter from the formula given in the contract data. In the price adjustment formula,'- R' is the total value of work done during the quarter excluding cost of material and electrical energy supplied by the employer at fixed prices. It would included the value of materials on which Secured Advance has been granted, if any, during the quarter, less the value of materials in respect of which the secured advance has been

recovered, if any, during the quarter and is irrespective of nature of work done with specific utilization of a particular material component .In the price adjustment clause, the individual percentage of different component of the work governs the price adjustment for the entire value of contract. In deriving the price adjustment formula, the total value of work (100%) has been divided against different components such as Labour (25%), steel (25%) cement (20%), bitumen (2%), POL (8%) and other materials (20%). Hence, while calculating price escalation during a particular quarter the price adjustment for each labours and materials component have been calculated although some component of materials were not utilized during that quarter in arriving the total value of work done (R) during the quarter. It is worth mentioning that if the price adjustment for a particular material component do not taken into account in the preceding quarters, then this amount could not be added to the price adjustment amount assessed in the next quarter, since in the price adjustment formula, 'R' is the total value of work done during the quarter under consideration and not the up to date value of work done since commencement. The works executed during the period Feb/2006 to June/2006, Sept/2006 to Dec/2006 & Jan/2007 to July/2007 involves the use of cement, steel & bitumen. The various works done by the contractor during the period Feb/2006 to June/2006,Sept/2006 to Dec/2006 & Jan/2007 to July/ 2007. The work had been kept in abeyance from 19-12-2005 to 7-2-2006 due to Hon'ble High Court's status quo verdict on 19-12-2005. Thereafter, the contractor continued the work from 8-2-2006 till 19-3-2006, when another status quo order has been passed by the Hon'ble High Court from 20-3-2006 to 7-4-2006 and after the status quo period was over the work has been again resumed after 8-4-2006. Thus price adjustment had been made based on the total value of work done during the quarter under consideration irrespective of utilization of particular material component. In view of above, the payment of Rs. 43.00 lakh for price adjustment may not be termed as 'Loss of Govt. money.

OBSERVATIONS/RECOMMENDATIONS

2.3 The Committee observes that as the department has claimed that some amount of works had been executed by the contractor, the department must have maintained MBs for the work in question. The Committee therefore, recommends, that the department should furnished the copies of relevant MBs supporting the details of works done during the period February 2006 to June 2006, September 2006 to December 2006 and January 2007 to July 2007 to the Committee within one month from the date of presentation of this report before the House.

Loss of Government money

(Audit para 2.1.4/C&AG(CIVIL)/2010-2011/(P-125-126)

2.4. The audit has pointed out that after scrutiny (March 2011) of the records of EE, Diphu Road Division revealed that prior to commencement of work and setting up of labour camp and bringing new equipment/machinery to the work site, the contractor claimed (November 2008) and the Division paid (November 2008) mobilization advance (Rs. 14.86 lakh) and equipment advance (Rs. 29.73 lakh) to the contractor against Bank Guarantee of equal amount furnished by the contractor. Close examination of the Bank Guarantee however, revealed that the bank guarantee was unworkable because the claim was to be preferred on 13 October, 2008 whereas the mobilization advance was given only on November 2008, and it rendered the guarantee ab-initio absurd. The Department had not examined the stipulation in bank guarantee and paid advance of Rs. 44.59 lakh on an unworkable guarantee. The contractor neither started the work nor submitted any work programme in spite of repeated reminders from the Division. Ultimately the work was withdrawn (July 2009) from the contractor as per Clause 52 of the bid document and he was asked to refund advance of Rs. 44.59 lakh. The contractor had not refunded the amount as of March 2011. Though the Division submitted (July 2009 & October 2009) claims for refund of Rs. 44.59 lakh to the Guarantor Bank, the latter did not respond towards refund as the payment was made and refund was claimed after the admissible date as per the Bank Guarantee. The Department had not, however, initiated (November 2011) any action either to recover the amount from the running contractor of other works, if any or blacklisting the contractor. Thus payment of advance to a contractor without confirming the authenticity of the Bank Guarantee and that too, prior to setting up to labour camp and bringing new machinery at work site ignoring the provisions of agreement as well as Government instructions, led to loss of Government money of Rs. 44.59 lakh.

2.5. The department by their written reply has stated that this audit para relates to the work 'Construction of road from SH-33 to Kherbari' Phase-VII, Package No. AS-1240 (ADB) was allotted to the Contractor Sri Chandra Sing Rongpi in August 2008 at a tender value of Rs. 3.14 Crore with stipulated time for completion as August, 2009. As per the provision as laid down in clause No. 45.1 of Tender agreement (General condition) the contractor Sri Rongpi applied for mobilization and equipment advance for Rs. 14,86,356.00 and

Rs. 29,72,712.00 respectively and submitted Bank Guarantee for equal amount issued by the Co-operative Apex Bank, Diphu, Karbi Anglong vide Bank Guarantee NO.ACAB/DIP/08/749 (A) dated 20.10.2008 with validity period upto total liquidation of advance. In order to ascertain the genuineness of the B.G. Superintending Engineer, PWD, Diphu Circle-1 (the Head of PIU of Karbi - Anglong Dist) has issued a letter to the Branch Manager, Assam Co-operative Apex Bank Ltd. vide letter No. 270, dt. 6-11-2008 before making payment to the contractor. Accordingly the Branch Manager of the Bank vide his letter No. Nil, dtd. 6-11-2008 has confirmed the issuance of the Bank Guarantee. On receipt of confirmation letter from the Bank Authority the S.E.,PWD. Diphu Circle-1 made payment to the contractor for Rs. 14,86,356.00 as Mobilization Advance (M.A.) and RS. 29,72,712.00 as Equipment advance (E.A.) on 6.11.2008. But the contractor did not start the work even after lapse of 11 (eleven) months and due to breach of tender clause the work was withdrawn from the contractor on 10-7-2009 by the EE,PWD, Diphu Road Division. After withdrawal of the work the S.E.,PWD ,Diphu Circle-1 being Head off PIU for PMGSY work in Karbi Anglong District has taken immediate step to make communication with the concerned Bank on 29-7-2009 i.e before the expiry of the validity of the BG. And not in the month of October, 2009 as raised by the A.G. Assam to refund the amount paid against M.A & E.A. vide S.E.,PWDs letter No.300 dt. 29.7.2009. In spite of repeated persuasion no satisfactory response has been received from the Bank Authority Finally the S.E. has informed the matter to the Head Office of Assam Co-operative Apex Bank, Guwahati on 29-12-2009,12-4-2010 and 11-6-2010. Till to date the Bank Authority has not refunded the aforementioned sum to this Department. Superintending Engineer, PWD (R&B),Diphu Roads Circle (Head of PIU) has lately lodged FIR against the Assam Co-operative Apex Bank Ltd., Diphu Branch, Diphu and also against the contractor Sri Chandra Sing Rongpi for recovery of the advance amount. The mobilization advance and equipment advance paid to the contractor as per tender clause and the claim against the Bank Guarantee was made to the Bank Authority on 29-7-2009 well before the validity of the B.G.

OBSERVATIONS/RECOMMENDATIONS

2.6 The Committee observes that the bank guarantee expired on 13 October 2008 advance was granted in November 2008 i.e. after the expired of bank guarantee. This made the guarantee unworkable. The department issued advance without verifying the document. The Committee, therefore, recommends that a fresh FIR should be filed against the responsible officers and departmental action also be taken against erring officials. Action taken in this regard may be submitted to the Committee within 3 months from the date of presentation of this report before the House.

Wasteful expenditure

(Audit para 2.2.3/ C&AG(Civil)/2010-2011/(P-131-132)

2.7. The audit has pointed out that after scrutiny of the records (October-November 2010) of the Executive Engineer, PWD(Roads) NEC Division, Jorhat revealed that items of Water Bound Macadam (WBM), Prime Coat (PC), Tack Coat (T C), Open Grade Premix Carpeting (OGPC) and Seal Coat (SC) were to be done as per the tender agreement. In the course of execution, 1 Km-8 Km and 29 Km-30 Km was provided with Bituminous Macadam (BM) and Semi Dense Bituminous Concrete (SDBC) in place of PC,TC,OGPC and SC work, executing supplementary tender agreements with the contractors to obtain better riding quality and longevity in the aforesaid chain ages as these stretches passed through Golaghat and Dergaon towns. To retain conformity of black topped wearing coat for the entire road, the balance stretch from 9 Km to 28 Km. on which PC,TC,OGPC and SC was completed in April 2009 at a cost of Rs. 1.97 crore, BM and SDBC was proposed during January 2010. Accordingly, to complete the BM and SDBC work in the proposed chainages, additional work was allotted (March 2010) at a tendered value of Rs. 4.15 crore to the contractor to whom initially the work in chainages 21 Km-30 Km with PC,TC,OGPC and SC was allotted. The work was completed (December 2010) at a cost of Rs. 4.15 crore. Thus, due to poor planning the expenditure of Rs. 1.97 crore incurred on wearing coat of PC,TC,OGPC and SC in the chainages 9 Km to 28 Km earlier, over which another wearing coat of BM and SDBC was done subsequently, proved to be wasteful which could have been avoided if BM and SDBC coating was included in the original estimate. The Government stated (June 2011) that BM and SDBC work had been provided on the 20 Km length of road (9 Km to 28 Km) over the bituminous surface after expiry of about one year from the date of execution of PC,TC,OGPC and SC, when the savings in the original estimate were ascertained. The Government further added that by executing BM and SDBC work over the bituminous road, the bituminous binder course had increased from existing 2 cm to 9.5 cm resulting in improvement of strength, durability and riding quality of the stretch. The reply is not acceptable because the strength, durability and riding quality of the road should have been considered by the department before approving the original estimates/works put to tender. Besides, saving in the original estimate do not confer the right to redo a work. Deviation from the approved estimates after observing huge savings when the tender works were nearing completion raise doubt about the necessity of PC,TC,OGPC and SC.

The department could have excluded the execution of PC,TC,OGPC and SC work in 9 Km to 28 Km and avoided expenditure of Rs. 1.97 crore as was done in the stretches 1 Km to 8 Km and 29 Km to 30 Km.

2.8. The department by their written reply has stated that this audit para relates to the work 'Construction of Pandit Hem Chandra Goswami Road under NEC's 10th Five year plan. The work was awarded to three contractors in three packages (Km 1- 8 Km, 9 Km- 20 Km & 21 Km to 30 Km) at a total tender values of Rs.19.08 Crores with intended date of completion Jan/2009, March/2009& February/2009. In the above work ,the item of works to be executed as per tender were WBM Prime coat, Tack cost, OGPC and Seal coat. While executing the work, Open Graded Premix carpeting (OGPC) & S.C. have been executed in the stretch from 9th Km to 28th Km (Dated of completion April, 2009) at a cost of Rs.1.97 Crore. Lateron, on completion of WBM in the balance stretch i.e. from Km 1st to 8th Km and 29th to 30th Km, Bituminous Macadam (BM) & Semi Dense Bituminous Concrete (SDBC) had been executed in place of OGPC & SC by drawing a supplementary tender and the extra expenditure had been met up from the overall savings of the sanctioned estimate. Thus out of total 30 Km length of the road, BM & SDBC have been done for 10 Km length of the road over WBM surface instead of OGPC & SC from the overall saving of the approved estimate and subsequently BM & SDBC have been provided on the rest 20 Km length of the road (KM 9TH to 28th) over the bituminous surface (OGPC & SC) (Date of completion 12/2010) after expiry of nearing one year from the time of execution of OGPC & SC; When the savings in the original approved estimate could have been ascertained after preparation of final deviation statement at the time of completion of the work. The reason for providing BM & SDBC is to have adequate thickness of Binder course & Wearing course to withstand the increasing traffic density as well as the effect of overloading. After execution of BM & SDBC over the existing bituminous surface (OGPC + SC), the thickness of bituminous binder course has been increased from existing 2 cm (OGPC + SC) to 7 cm (OGPC + SC + BM) followed by a bituminous wearing course of 2.5 cm (SDBC) and thereby total bituminous layer increased to 9.5 cm (OGPC + SC = 2 cm BMSDBC = 7.5 CM). As a result the road stretch provides a better riding quality and becomes more durable. Thus by executing BM +SDBC over the existing bituminous road with OGPC + SC (chainage 9 km to 28 km), the strength, durability and riding quality of the road stretch had been improved and the expenditure incurred on Prime coat (PC), Tack coat (TC), OGPC & SC may not be

termed as wasteful as the OGPC & SC layer beneath the overlaying layer of BM of SDBC shall be taken into account in pavement thickness while designing the road for improvement/strengthening in future.

OBSERVATIONS/RECOMMENDATIONS

2.9 The Committee is satisfied with the submission of the departmental representatives and decided to drop the para.

Avoidable expenditure

(Audit para 2.3.4/ C&AG(Civil)/2010-2011/(P-139-141)

2.10. The audit has pointed out that after scrutiny of the records (June 2010) of the Executive Engineer ,PWD City Division-I, Guwahati revealed that the CE, PWD (Roads), Assam floated (February 2005) Notice Inviting Tender (NIT) at the estimated cost of the work (prepared on the basis of SOR 2005-06) at Rs.29.60 crore and against which single tender (tendered value RS. 36.26 crore) was found valid (April 2005). Though the tender value was reduced to Rs.34 Crore after negotiation with the contractor ,the quoted rate was much higher than the estimated rate (8.288 per cent above) and also the rates of similar items quoted by the same contractor engaged in construction of another flyover at Six Mile ,Guwahati during the same period. Scrutiny of records further revealed that after two years from the date of commencement of the work, the Department revised (October 2007) the original estimate to Rs. 56.91 crore due to inclusion of the following items of work.(i) increase in the number of RCC bored piles and length;(ii) application of pile steel liner to prevent soil collapse; (iii) application of higher grade concrete to avert skidding of fast moving vehicles; (iv) utilization of imported soil commensurate with CBR by considering traffic volume; and (v) application of Anchored Earth Technology in the works of flyover approaches. Inclusion of the aforesaid items of work in October 2007 clearly showed that survey, soil investigation and designing of the structures were not done thoroughly before preparation of the original estimate in February 2005. Government accorded (December 2008) AA for the balance work of Rs. 17.99 crore and CE,PWD(Road) , Accorded (December 2008) technical sanction for the full amount (Rs. 56.91 crore). The tender value was also enhanced from Rs. 34 crore to Rs. 44.48 crore by executing (December 2008) a supplementary agreement with the contractor which also did not have any price adjustment clause. The Division , however, paid (August 2009) RS. 4.55 crore towards price adjustment during October 2005 to December 2008 after incorporating (August 2009) price adjustment clause in the supplementary agreement to allow increased price from the month subsequent to the month of commencement of work. Thus ,faulty estimation of the work at the initial stage necessitated subsequent increase in the scope of work after lapse of two years of commencement of work which entailed of time to contractor and resulted in avoidable expenditure of Rs. 4.55 crore towards price adjustment. Government stated (July 2011) that the work could not be completed before

March 2007 due to increase in scope for which extension of time was granted to the contractor. Government also stated that price adjustment was considered due to alarming rise of price of construction materials. The reply is not acceptable because price adjustment was necessitated only due to faulty estimation of the work in the original estimate, which was not even technically sanctioned. Accordingly to Rule 314 of APWD Manual and also as per term of administrative approval the work cannot be commenced before technical approval of the detailed estimate by competent authority . The technical sanction was accorded only in December 2008 on the revised estimate, after more than three years of commencement (September 2005) of the work and also after 20 months of due date of completion (March 2007) of the work which led to avoidable expenditure of Rs. 4.55 crore towards price adjustment.

2.11. The department by their written reply has stated that this audit para relates to the work of construction of Fly Over at Bhangagarh , Guwahati. The work was administratively approved by the Govt.for Rs. 38.92 crore(Aug.2005) and T.S. was accorded on 16-09-2005 for 38.92 crore. The tender was floated for an estimated cost of Rs. 29.60 crore against which a single tender was received from M/S . Simplex Concrete Piles India Ltd. at a bid price of Rs. 36.26 crore and the work was allotted to M/S. Simplex Concrete Piles India Ltd. at a reduced rate of Rs. 34.00 crore after negotiation. The work was awarded in Stipulation to complete the work within March/2007. The work could not be completed within the stipulated time of completion due to increase in scope of the works. Accordingly, extension of time was granted to the contractor. Subsequently the contractor requested the Department to consider for price adjustment due to alarming rise of price of construction materials. Accordingly, additional cost for price adjustment was incorporated in the revised estimate which was duly sanctioned by the Govt. vide No. RBPC.198/2005/Pt-III/20, dt.18-07-2009. On request of CE, PWD(Roads),Assam vide letter No.T/BR/State/193/03/04/Pt/82, dt.15-7-2009, Govt. in PWD vide letter No.RBPC.198/05/Pt-III/20, dt.18-07-2009 has directed Chief Engineer, PWD(Roads) to incorporate the price adjustment clause in the Tender Agreement of Fly over on G.S road at bhangagarh as per price adjustment clause as allowed in the tender agreement of Six mile Fly over which has already been approved in the Cabinet. Accordingly price adjustment clauses has been incorporated for construction of fly over Bhangagarh on G.S.Road and an amount of Rs. 4.55 crore has been paid to the contractor as price adjustment as the prices

of materials and wages of labourers were substantially increased during the entire period of execution. However, the original & revised estimate have been verified by CPWD & the group of Engineers from Assam Engineering College, Guwahati, Jorhat Engineering College, Jorhat & IIT, Guwahati and also thorough enquiry has been conducted through Shri K.N. Chowdhury, Retd .Secretary ,PWD. As per the outcome of the verification & enquiry report, the delinquent officers of this project have been penalized by withholding one increment.

OBSERVATIONS/RECOMMENDATIONS

2.12 The Committee observes that the works was awarded without Technical sanction in violation of Rule 314 of APWD manual. No proper survey, soil investigation and designing the structure were done before preparation of the original estimates. However, as the department had penalized the delinquent officers of this project by withholding one increment. The Committee decided to drop the para.

Unproductive expenditure

(Audit para 2.4.2/ C&AG(Civil)/2010-2011/(P-143-144)

2.13. The audit has pointed out that after scrutiny (February 2010) of the records of the Executive Engineer, Bakulia Road Division revealed that though the work commenced on 26 May 2005, only foundation and sub-structure of the bridge were completed (February 2010) after a lapse of more than 38 months from the target date of completion. The Division stated (August 2011) that non-completion of the work was due to insincerity and poor management on the part of the contractor. The contractor had suspended the work from time to time but no action as contemplated in the bid document was however taken against him till February 2011. The division was aware of the insincerity of the contractor but failed to take any action for reasons not on record. Moreover, no action was taken to blacklist the contractor. It was only in March 2011, that the Division imposed penalty of Rs. 7.50 lakh by invoking the relevant clause of the bid document after the work was withdrawn (December 2010) from the contractor. The Division also stated (August 2011) that action to get balance work completed through another agency is under process. Slackness in monitoring the progress of work, extraordinary delay in rescinding the work and invoking penal provisions of the bid document by the Division contributed to delay in completion of the work for more than four and half years from the targeted date of completion. Expenditure of Rs. 91.45 lakh incurred so far on the work also proved unproductive and the intention of Government to provide better road connectivity to the beneficiaries in the region remained unachieved.

2.14 The department by their written reply has stated that this audit para related to the expenditure against the construction of RCC Bridge NO. 12/3 with approaches & protection works on Bakulia Rajapathar Road in Karbi Anglong district. This work was sanctioned under NLCPR for Rs. 1.735 Crore. The (contract) work was awarded to a contractor Sri Moon Van Daulagapu observing transparent formalities on November, 2006. The contractor achieved 52% but he failed to give proportionate progress instead of repeated persuasion. Ultimately the work was withdrawn from the contractor Sri Moon Van Daulagapu imposing on penalty of Rs. 7.50 lakhs. In Karbi Anglong district there is social problems, insurgency problem therefore no contractor from outside is interested to come forward for execution of work in the Karbi Anglong district. However, the balance work is

now re-allotted to another firm M/s Puja Construction on 28/3/2012 and will be completed by March, 2013. Now the work is in progress. Total length of the bridge is approx 60 m. Upto the sub-structure level work has been completed. Superstructure portion of the work is in progress and targeted to complete by March, 2013 and will be opened for vehicular traffic. In view of the above, the expenditure (Rs. 91.45 Lakh) incurred earlier for the construction of the said RCC Bridge up to the sub-structure level can not be termed as unproductive.

OBSERVATIONS/RECOMMENDATIONS

2.15 The Chief Engineer, PWD(Roads) in his oral deposition assured the Committee that even though the works has not been completed by March 2013 the same will be completed within a period of 4 months. The Committee therefore decided to drop. However, the department is to furnish a completion report to the Committee within one month from the date of presentation of this report before the House.

Unauthorized and dubious expenditure

(Audit para 2.5.3/ C&AG(CIVIL)/2010-2011/(P-147-148)

2.16. The audit has pointed out that after scrutiny of the records (June 2010) of the Executive Engineer (EE), PWD, Guwahati City-I Division revealed that the division without obtaining Administrative Approval (AA) undertook the work of " Special repair to Guwahati Garbhanga Road (providing WBM & carpeting) in chainage 3,200 m to 4,600 m through contractor from June 2008 on the strength of technical sanction (TS) Accorded (May 2008) by the Superintending Engineer (SE), PWD (Roads), Guwahati, ARIASP Circle for Rs.45.66 lakh. However, according to Assam Delegation of Financial Power Rules, 1999, the SE, PWD is empowered to accord technical sanction on special repair works upto a maximum of Rs. 10 lakh. The work was targeted to be completed within three months and completed in August 2008 at a cost of Rs. 45.48 lakh. Subsequently, State Government accorded (January 2009) AA to the work Improvement of Guwahati Garbhanga Road from chainage 3,000 m to 4,510 m (providing WBM & carpeting) for Rs. 80 lakh under Annual plan (General) 2008-09. The work was awarded (January 2009) after according TS by the Chief Engineer, PWD,(Roads) to a contractor at a tendered value of RS. 79.98 Lakh with the stipulation to complete the work within July 2009. The contractor started the work in January 2009 and completed it in May 2009 at a cost of Rs. 79.98 lakh. Audit observed that execution of same nature of work in the common chainage (3,000 m to 4,510 m) under the nomenclature improvement of Guwahati Garbhanga Road, after a gap of four months of completion of special repair work had no justification raising question about the bonafideness of the earlier expenditure of Rs. 42.04 lakh raising question about the bonafideness of the earlier expenditure of Rs. 42.04 lakh incurred on special repair work. The EE in his reply stated (September 2010) that as there was no functional road side drain in some stretches to drain out storm water, water logging due to heavy rain damaged the road after completion of special repair work for which improvement work was taken up subsequently. The reply is not acceptable because there was no provision of construction of road drain either in the estimate of special repair work or in the improvement work. The adjoined photograph also shows there was no roadside drain. Execution of special repair work without Government concurrence and also according TS by the SE beyond Delegation of Financial Powers constitute gross violation of Financial Rules. Besides, execution of identical nature of work in the same chainage twice within one year (June 2008 to May

2009) not only rendered the earlier expenditure dubious but also was indicative of slackness in monitoring and absence of internal controls in the Department.

2.17. The department by their written reply has stated that the Guwahati Garbhanga Road starts from Paltanbazar & connects NH- 37 bypass at Lakhra. After commissioning of ISBT & completion of Maniram Dewan Trade-Centre & other Govt. officers like D.T.O. Office as well as other business establishment, the traffic on the road has been increasing alarmingly. It is the connecting road of central Hub of the city, Panbazar with the NH-37 Bypass .The road traverses on the foot hill of Kalapahar & adjoining hills. During rainy season the storm-coming from the Hills inundates the road. In case of downpour the road gets overtopped with a submergence depth of 1 meter (Average) and the storm water crodes the bituminous wearing course & base course (WBM) of hard crust. The water logging problem gets worsened due to the fact that there is no road side drain and outfall drain to More-Bharalu to carry the storm water. It can be easily perceived that during logging when vehicles particularly the heavy vehicles ply over the road surface, it gets deteriorated instantly. In this instant case the road surface got deteriorated from ch. 3200 m to ch. 4500 m with occurrence of potholes and depressions, resulting much inconvenience to the vehicular traffic. So, the make the road traffic worthy one S.R. Estimate was prepared as per Govt.instruction. But,due to fund constraint, the S.R. estimate was prepared just to make the road stretch trafficable. The Financial power issuance of T.S. to original works and special repairs by S.E. has been enhanced upto Rs. 50 lakh vide Finance Deptt's notification NO.FEB.234/2007/1, dt. 26.2.2008. As per traffic intensity on that road at the time, the design thickness of different pavement layers were required as follows :-

1. WBM-II – One coat	= 75 mm
2. WBM-III- Two coat	= 150 mm
3.B.M.	= 75 MM
4.SDBC	= 25 MM

Tolat- pavement thickness = 325

But, due to paucity of fund, the estimate was prepared only with the following pavement composition-

1. WBM-II = 75 mm
 2. WBM- = 75 mm
 3. PC & SC
-

Total pavement thickness = 150mm

Thus the road was repaired with a pavement thick of 150 mm anticipating that design thickness of the road (325 mm) will be provided in near future when fund will be made available. And as such after a lapse of 4 months, another estimate in this stretch ch. 3000 to 4510 m was prepared under A.P. with the following provision.

1. WBM-II = 75 mm
2. WBM -II=75 mm
3. PC & SC

Total = 150 mm

And thus with the above work(B) design thickness comes to 300 mm (A+B) instead of required 325 mm and the stretch of road becomes adequate to withstand the expected traffic intensity. As huge amount is required for construction of drain in the road stretch in question, no provision has been in the S.R. estimate and A/P estimate. Necessary estimate incorporating the provision of footpath cum drain on this road stretch amounting to Rs. 172.30 Lakhs has already been submitted to DONER for easy drain out of rain water from the surrounding catchment area. Thus it is stated that the work of same nature was executed in the common chain age 93200 m to 4510m) only to have the design pavement thickness of the road to cater the traffic intensity as it is an important road for decongestion of the city traffic. So the expenditure rendering on special repair work done earlier is not dubious.

OBSERVATIONS/RECOMMENDATIONS

2.18 The Committee observes that water logging destroyed the road. Drains are for drainages but they cannot drain out water. They are more like dustbins. Long term plans are needed to be prepared to remove water logging problems of the Guwahati City. The Committee also observes that Administrative Approval was not obtained for the Special Repairing works of the Guwahati-Gharbhanga road works which is a gross violation of Financial Rules. The Committee directed the department to be careful in future to take into consideration all the relevant aspects of the matter before executing any work. The Committee, however, decided to drop the para.

ANNEXURE-I

The Members of the Sub-Committee-'B' of the Committee on Public Accounts (2011-2013)

Convener :

1. Shri Abdul Muhib Mazumdar

Members :

2. Shri Gautam Bora
3. Dr. Rumi Nath
4. Shri Emmanuel Mosahary
5. Shri Utpal Dutta
6. Shri Jatin Mali

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ANNEXURE-II

COMPOSITION OF THE OUT GOING COMMITTEE
(2011-2013)

Chairman:

1. Md. Sirajuddin Ajmal

Members:

2. Shri Gautam Bora
3. Shri Abdul Muhib Mazumdar
4. Shri Binanda Kumar Saikia
5. Dr. Rumi Nath
6. Shri Kamal Sing Narzary
7. Shri Emmanuel Mosahary
7. Shri Utpal Dutta
8. Shri Keshab Mahanta
9. Shri Swapan Kar
10. Shri Prasanta Phukan
11. Shri Jatin Mali