



**Report of the
Comptroller and Auditor General
of India**

for the year ended March 2003

Union Government
Performance Appraisal
No. 15 of 2004



**Report of the
Comptroller and Auditor General
of India**

for the year ended March 2003

**Union Government
Performance Appraisal
No.15 of 2004**



CONTENTS

<i>Sl. No</i>		<i>Page</i>
1	Preface	<i>iii</i>
2	Executive Summary	<i>v</i>
3	Accelerated Irrigation Benefit Programme (Ministry of Water Resources)	1
4	List of Abbreviations	59

1794

1794

1794

1794

1794

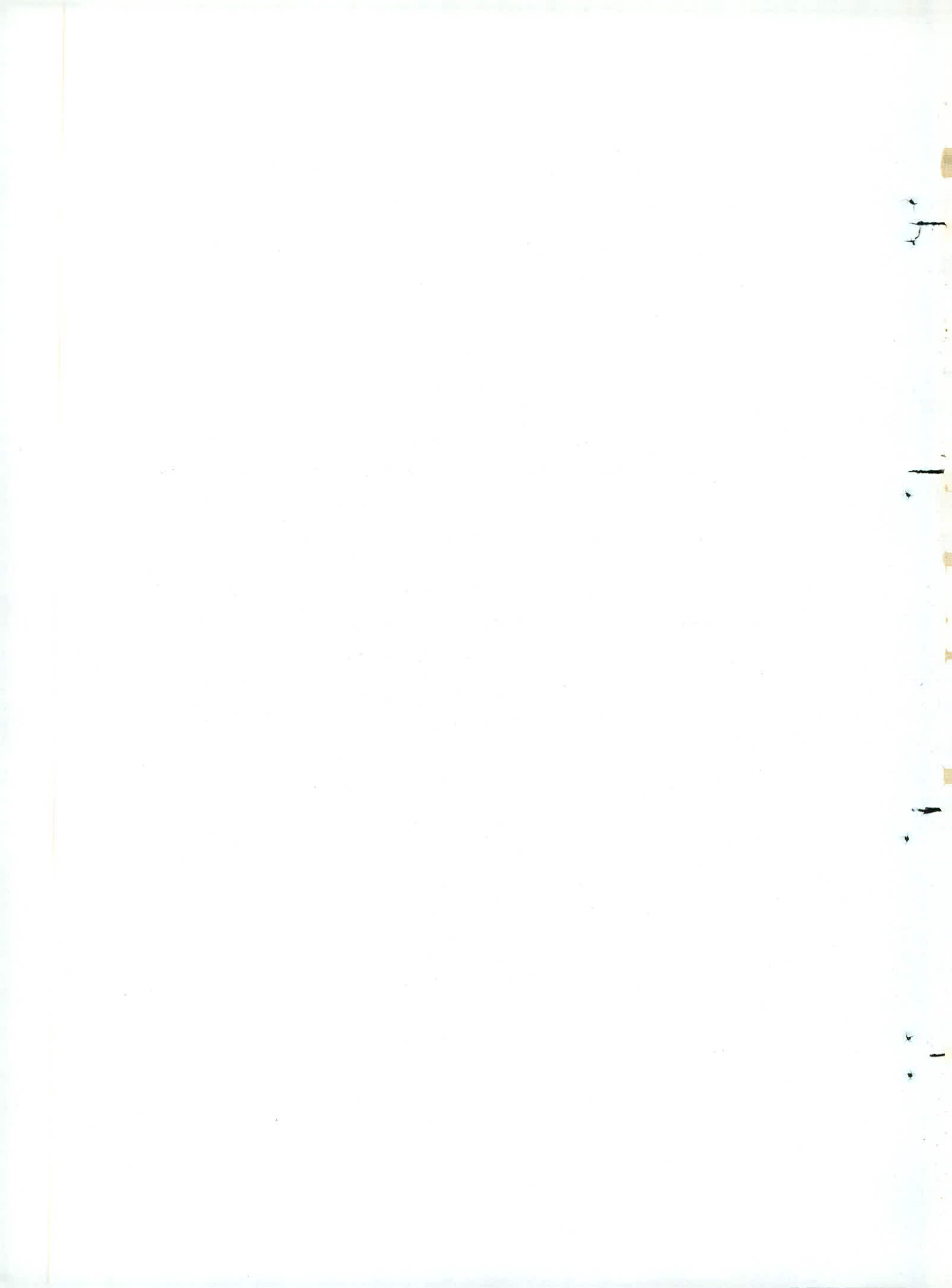
PREFACE

This Report for the year ended March 2003 has been prepared for submission to the President under Article 151 of the Constitution.

The audit observations on Finance Accounts and Appropriation Accounts (excluding Railways) of the Union Government for the financial year 2002-03 and the matters arising from test audit of the financial transactions of Union Ministries and Union Territories have been included in Comptroller and Auditor General's Reports No. 1 and 2 of 2004.

The present report contains results of a performance appraisal of '*Accelerated Irrigation Benefit Programme,*' a scheme sponsored by the Ministry of Water Resources of the Union Government. The appraisal was conducted through test check of documents in various States and in the Ministry.

Separate Reports are also being presented to Parliament for Union Government: Autonomous Bodies (No.4), Scientific Departments (No.5), Defence-Army and Ordnance Factories (No. 6), Air Force and Navy (No. 7), Railways (No.8 and 9), Indirect Taxes-Customs (No.10), Central Excise and Service Tax (No.11) and Direct Taxes (No.12 and 13) and Performance Appraisals of schemes National AIDS Control Programme of Ministry of Health and Family Welfare (No.3) and Empowerment of the Disabled of Ministry of Social Justice and Empowerment (No.14).



EXECUTIVE SUMMARY

Ministry of Water Resources

Accelerated Irrigation Benefit Programme

This Report examines the effectiveness of GOI's intervention by way of release of Central Loan Assistance under AIBP and to what extent the ongoing irrigation projects could be completed over the last seven years for accelerating the overall irrigation benefits in the country.

The Government of India's intervention in the irrigation sector by way of launching the Accelerated Irrigation Benefit Programme (AIBP) to accelerate completion of ongoing irrigation projects in an advanced stage, was timely and desirable, considering that a large number of projects, languishing for want of funds, had spilled over from Plan to Plan. An amount of Rs.41,283.40 crore had been invested on 430 such incomplete projects by 24 States upto the VIII Five Year Plan. The programme was launched in 1996-97 and since then, the Government of India had released Central Loan Assistance (CLA) of Rs.11,541.73 crore to accelerate irrigation benefits. The optimal utilization of these resources was contingent on good planning, judicious selection of projects, efficient implementation for speedy utilization of potential created and effective maintenance of the assets created.

A performance review of the programme by audit during 2003-04 revealed that despite spending Rs.13,823.05 crore (including the States' share) in 24 States during 1996-2003, the Government failed to achieve the intended objective of accelerating irrigation benefits by ensuring completion of ongoing major/medium projects over four agricultural seasons (two years). The selection of 29 projects for completion within two agricultural seasons (one year) through the "fast track" was also not successful.

As of March 2003, only 23 of the 172 projects covered under the programme had been completed. In 21 States, irrigation potential created under the programme was a mere 28.28 *per cent* of the target, of which only 11.06 *per cent* could be utilized. The concept of fast track projects introduced in February 2002 for focusing on completion of selected projects within one year also failed to have the desired impact as none of the 29 projects put on the fast track were completed.

The dilution in the programme guidelines to include minor irrigation schemes in the 11 Special Category States resulted in Rs. 218.07 crore being released for creation of 246.28 thousand hectare (th ha) irrigation potential.

The Government's effort for establishing linkages of the programme with reforms in the irrigation sector largely failed as only four States signed the required undertaking and none complied with the stipulated conditions.

Audit review revealed that the poor performance was due to:

- Inadequate planning and lack of co-ordination with the State Governments, who were responsible for execution,
- Frequent modifications in the guidelines diluting the main focus of the programme,
- Inappropriate selection of projects resulting in thin spreading of resources,
- Ineffective execution with substantial time and cost overrun in several cases,
- Inefficient utilisation of resources with several instances of diversion, parking and misuse of funds,
- Insufficient monitoring despite an elaborate mechanism prescribed by the Ministry,
- Lack of any meaningful mid-term evaluation, for possible mid-course correction.

Recommendations:

- The Central Government should prepare a comprehensive data-base incorporating details of each project with its exact status for maintaining investment focus on projects with high economic viability, near-term impact and low per hectare cost.
- Immediate and effective measures should be taken to check thin spreading of resources, focusing on a few projects selected on the basis of investment priority, for which improved interaction with the concerned State Governments securing their commitment is called for.
- Inefficiencies/irregularities in execution should be checked by improved monitoring through State offices of the Central Water Commission (CWC) and closer co-ordination with States.
- If the programme has to continue with reform linkages then the present incentive/disincentive frame-work should be reviewed and made more effective so that the completed projects are able to sustain themselves in the long run.
- The funding and expenditure process needs to be strengthened for ensuring better value for money.

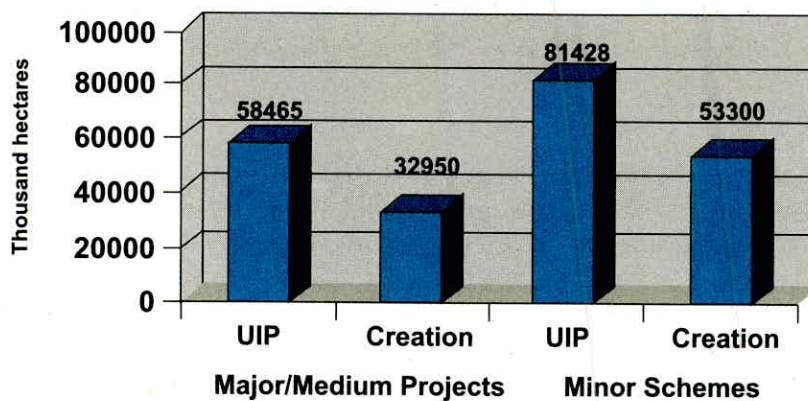
MINISTRY OF WATER RESOURCES

Accelerated Irrigation Benefit Programme

1.1 Introduction

1.1.1 Background

Ultimate Irrigation Potential (UIP) and creation of IP at the end of VIII Plan



Irrigation is a State subject and the role of the Government of India in this sector primarily focuses on overall planning, policy formulation, co-ordination and guidance. The country is served by various modes of irrigation through the major/medium and minor (surface, ground water) irrigation schemes. While the envisaged Ultimate Irrigation Potential (UIP) for the entire country was 1,39,893 thousand hectares (th ha), the actual irrigation potential created was only 86,250 th ha (61.65 per cent) by the end of the VIII Five Year Plan i.e. 1996-97.

A large number of river valley projects, both multi-purpose and irrigation, had spilled over from different Plan periods, reportedly due to financial constraints faced by State Governments. At the end of the VIII Plan (1996-97), there were 171 major, 259 medium and 72 Extension, Renovation and Modernization (ERM) irrigation projects at various stages of construction in the country, with a spillover cost of Rs.75,690 crore. This was a cause of concern for both the Government of India and the State Governments. In order to realize the targeted irrigation potential from these ongoing projects and since these projects were languishing for funds owing to the financial constraints of the State Governments, the Government of India (GOI) launched the "Accelerated Irrigation Benefit Programme" (AIBP), during 1996-97. The programme was to be funded on a matching basis by the Centre and the States.

1.1.2 Programme Objectives

The primary objectives of the programme were to accelerate the completion of:

- (i) Ongoing irrigation/multipurpose projects (costing more than Rs.1,000 crore), on which *substantial investment* had already been made and which were *beyond the resource capability* of the State Governments,
- (ii) Other major and medium irrigation projects excluding the category indicated above, which were in an *advanced stage of completion* and where with *just a little resource*, the projects could be completed and farmers could get the benefit of assured water supply to 1,00,000 ha to benefit the first crop in such areas in one of the next four agricultural seasons.

Thus, the twin objectives of AIBP were (i) to accelerate ongoing irrigation projects and (ii) to realise bulk benefits from the completed projects.

1.1.3 Salient Features

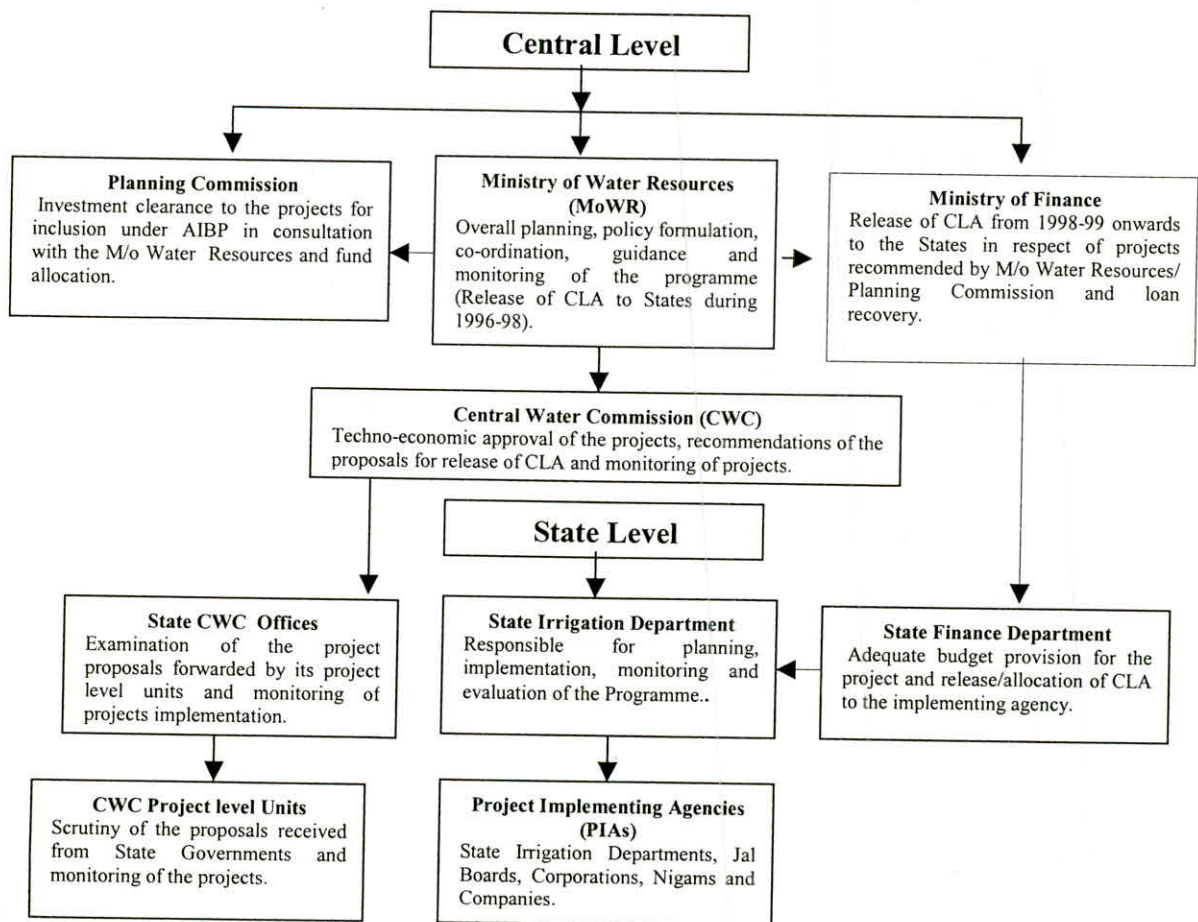
The programme was originally approved by the Government in October 1996. The programme envisaged financing of the projects jointly by the Central and State Governments in equal proportion. The Central share of assistance was to be released by way of Central Loan Assistance (CLA) which carried interest at 13 per cent per annum. Fifty per cent of CLA was repayable in 20 annual instalments alongwith interest and the remaining 50 per cent enjoyed an initial grace period of five years and was payable thereafter in 15 annual instalments. In the event of default in repayment of principal and interest, interest at 15.75 per cent per annum was chargeable on overdue amounts. The criteria for project selection and the funding mechanism were modified in March 1997 and again in March 1999. In February 2002, further changes were made in the programme. The periodic modifications made are captured in the following table:-

Table 1: Modifications in the AIBP Guidelines

	4 March 1997	30 March 1999	1 February 2002
Selection Criteria	Projects each costing Rs 500 crore or more to be included against Rs. 1,000 crore initially prescribed.	(i) Projects in Kalahandi, Bolangir and Koraput (KBK) districts of Orissa to be included in initial stage of construction. (ii) Minor Surface Irrigation Schemes (new as well as ongoing) of 'North-Eastern States', Hilly States (Himachal Pradesh, Sikkim, Jammu & Kashmir and Uttaranchal) and drought prone KBK districts of Orissa were covered under the programme.	'Fast Track Projects' (FTPs) which could be completed in one year or two working seasons were selected. Memorandum of Understanding (MOU) in respect of FTPs and 'Undertaking' in respect of Reforming States who agreed to rationalize the water rates were to be signed by the State Governments.
Funding Pattern	(i) CLA to be released in two equal instalments, the second instalment to be released only after the State Government had released its matching share of the first instalment. (ii) North Eastern (NE) and Hilly States (Special Category States) were to contribute only 50 per cent of the CLA released.	(i) Funds were to be provided in the ratio of 2:1 (Centre: States) for all States and for NE and Hilly States it was 3: 1. (ii) The districts of KBK in Orissa were to be treated at par with the Special Category States. (iii) No CLA for establishment cost.	(i) 100 per cent assistance (exclusive of 15 per cent on establishment cost) for FTP (ii) Funding pattern relaxed from 2:1 to 4:1 for States in case they rationalized the water rates to recover full Operation & Maintenance (O&M) cost of irrigation projects. (iii) Special Category States and KBK districts of Orissa were fully funded by Centre. (iv) In case of default, additional Central share as per relaxed norms given under AIBP to be treated as withdrawn and recovered fully from the concerned FTPs and Reforming States with interest, as prescribed by the Ministry of Finance. (v) 2 nd instalment to be released after incurring expenditure of 70 per cent of the total funds provided in the 1st Instalment together with State share.

1.1.4. Organisational Structure

A chart depicting the role of various authorities/bodies at Central and State level in planning, funding, executing and monitoring the programme is given below:



1.2 Audit Objectives

This study aims to examine the effectiveness of *GOI's intervention by way of release of CLA under AIBP and the extent to which the ongoing irrigation projects could be completed over the last seven years for accelerating the overall irrigation benefits in the country*. For a more precise understanding, this broad objective was split into the following sub-objectives:

- Whether the programme performed as targeted?
- Whether the programme was well designed and the investment focus and priorities were well-defined and managed?
- Whether the programme was executed efficiently for accelerating creation and utilization of irrigation potential?

- Whether resources were efficiently managed to derive optimum benefit from the programme?
- Whether adequate monitoring and evaluation was carried out for instituting programme corrections in time?

1.3 Scope of Audit

One hundred and seventy two major/medium projects in 23 States and 3,129 minor schemes in 11 States had been approved for coverage under the programme since its inception in 1996-97. Apart from a review of the records relating to the programme in the MoWR, 99 out of 172 projects in 19 States except the North Eastern States (57.56 per cent), involving an expenditure of Rs 8,146.80 crore (58.94 per cent) were test checked.

Selection of projects for test check was made so as to cover the projects with long spillover periods, involving heavy outlays and which were expected to create large irrigation potential.

1.4 Financial Outlay and Expenditure

Funds were released by the Ministry of Finance based on the recommendations of MoWR out of the budget grant – ‘Transfer of Resources to States’ under the State Plan. However, during 1996-98, funds were released directly by MoWR. Details of releases made by the Government of India and State Governments and expenditure incurred there against during the seven years of programme implementation (1996-97 to 2002-03) are given below:

(Rs. in crore)

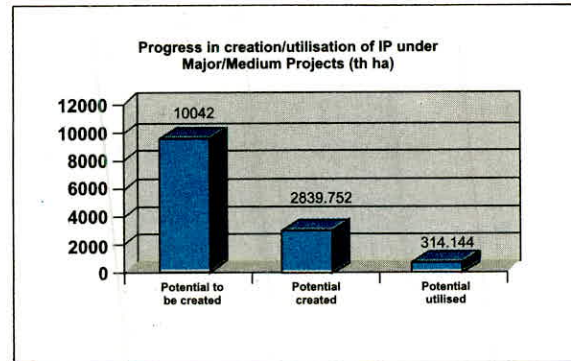
Year	Release of funds			Total Expenditure **
	Centre (CLA) *	States Share **	Total funds	
1996-97	500.00	557.98	1,057.98	970.90
1997-98	952.19	1,070.43	2,022.62	1,569.05
1998-99	1,119.18	1,116.31	2,235.49	1,468.66
1999-00	1,450.48	874.07	2,324.55	1,950.77
2000-01	1,856.20	1,083.11	2,939.31	2,133.90
2001-02	2,601.98	1,226.65	3,828.63	2,854.27
2002-03	3,061.70	1,435.29	4,496.99	2,875.50
Total	11,541.73	7,363.84	18,905.57	13,823.05

* 28 States ** 24 States

Note: CLA was released by MoWR to 28 States during 1996-2003 whereas expenditure has been reported by 24 States.

Source-CLA figures are based on records of the Ministry and States' share figures have been compiled from the reports of State Accountants General.

While the Ministry released CLA of Rs 11,541.73 crore during 1996-2003, the releases by the States amounted to Rs. 7,363.84 crore. Against the total funds of Rs. 18,905.57 crore available under the programme, the reported expenditure was Rs.13,823.05 crore (73.11 per cent). However, the reported figures do not reflect the expenditure accurately, since audit of the total test checked expenditure of Rs. 8,146.80 crore revealed that funds amounting to Rs. 2,854.06 crore (35.03 per cent) in 18 States were diverted, parked or misutilised.



1.5 Programme Performance

Whether the programme performed as targeted?

1.5.1 Physical performance was not commensurate with financial progress

The programme formulation and its subsequent guidelines do not indicate any measurable parameters or targets except for the period of completion of projects. Based on the data collected from the Government of India and States concerned, Audit found that the physical performance of the programme was not commensurate with its financial progress. While the reported fund utilization on projects brought under AIBP funding was 31.13 per cent of balance cost of the Latest Estimated Cost (LEC), the physical progress was 28.28 per cent of the balance UIP of IP created in respect of the major/medium projects covered under the programme. The details are in Annex-I.

The Ministry attributed (March 2004) the higher percentage of financial progress to non-updation of estimated cost but did not explain the absence of any measurable parameter in the scheme.

1.5.2 Only 13 per cent of the projects under AIBP and none brought under the Fast Track could be completed by March 2003

None of the 172 projects selected for funding could be completed as targeted i.e. within two years of their inclusion under the programme. Only 23 projects were completed in 10 States, despite an expenditure of Rs. 13,823.05 crore during the seven years period (1996-2003) on the programme. Against these 23 projects, irrigation potential of only 508.728 th ha (63 per cent) as against the targeted UIP of 806.255 th ha was created. In 10 projects, completion certificates were yet to be issued.

The poor performance of the programme prompted the Government to introduce the concept of 'Fast Track Projects' within AIBP in February 2002 for completing the selected projects in one year. This also turned out to be a futile effort as none of the 29 approved projects were completed.

The Ministry attributed the non-completion of the projects to delayed release of payment by State Finance Departments.

1.5.3 Only 28 per cent of the envisaged irrigation potential could be created of which just 11 per cent could be utilised

Against the envisaged irrigation potential of 10,042 th ha in 21 States, the potential created was only 2,839.752 th ha (28.28 per cent) of which the irrigation potential actually utilised was only 314.144 th ha (11.06 per cent). Achievements under AIBP differed significantly across the States. No potential was created in 57 projects in 16 States, even after 1-7 years of their inclusion in the programme. In 37 projects the potential created was less than 25 per cent of the envisaged irrigation potential; in 22 projects it ranged between 26 and 50 per cent and in only 46 projects it was above 50 per cent. The status of 10 projects was not known. The utilisation of irrigation potential was also unsatisfactory, as in 95 projects, no utilization could take place. In 14 projects it was less than 25 per cent; in 13 projects less than 50 per cent and only in 30 projects, above 50 per cent. Utilisation of potential in respect of 20 projects was not made available to Audit. In **Manipur, Meghalaya and Tripura**, no irrigation potential was utilised despite release of CLA of Rs.121.93 crore. Figures of potential created and utilised in some cases were misreported. Figures reported by six States did not tally with those of the Government of India, rendering them unreliable.

1.5.4 The poor programme performance was also reflected in high Development Cost (D.C.) per ha and low Benefit Cost (B.C.) ratio

In 17 projects, projected Development Cost was more than the prescribed limit of Rs. one lakh per ha and in 15 projects, projected Benefit Cost ratio was less than the prescribed limit of 1.5:1. Development Cost in respect of 17 projects and Benefit Cost ratio in respect of 24 projects were not projected to assess their viability before inclusion under AIBP. Out of 23 completed projects, in three projects, the actual Development Cost was higher and in five projects, the actual Benefit Cost ratio was less than the prescribed ratio. Development Cost in respect of five completed projects and Benefit Cost ratio in respect of 10 completed projects had not been worked out.

The Ministry stated (March 2004) that the techno-economic criteria was different in the projects taken up long back. The reply is not tenable as inclusion of such projects under AIBP was made without ensuring techno-economic benefits.

1.6 Planning

Whether the programme was well-designed and the investment focus and priorities were well-defined and managed?

1.6.1 There were ambiguities in the programme guidelines

The original guidelines of October 1996 contained nebulous terms such as “substantial progress”, “advanced stage”, “little resources” etc. Similarly, there was no attempt to define the term “beyond the resource capability of a State”. Medium irrigation projects, which could irrigate only 2,000-10,000 ha by definition, were assumed to

irrigate 1,00,000 ha. The Ministry stated (March 2004) that the general terms were used to facilitate the procedure in dealing with these projects. However, due to these ambiguities, projects where no investment had been made or where no irrigation potential had been created were selected for coverage as tabulated below:

No. of projects	Investment level prior to AIBP	No. of projects	IP creation level prior to AIBP
09	0 per cent	63	0 per cent
25	1 – 25 per cent	31	1 – 25 per cent
45	26 – 50 per cent	17	26 – 50 per cent
49	51 – 75 per cent	26	51 – 75 per cent

1.6.2 The programme was successively modified, resulting in relaxation of criteria and dilution of original objectives

The Ministry after launching the programme in October 1996, modified it in March 1997 and March 1999 on the grounds of extending benefit to more States. While there was no attempt to clarify the ambiguities or define the performance parameters, the criteria for selection of projects were relaxed. This exposed the programme to the risk of thin spreading of resources and consequential delays. In addition to 52 projects approved under AIBP in the first year, 120 more were added upto March 2003. Only 23 were completed. While 132 projects (76.74 per cent) were still languishing, the remaining 17 projects (9.88 per cent) were not even taken up as tabulated below:

Year	Number of Projects			
	Approved	Ongoing	Not started	Completed
1996-97	52	40	02	10
1997-98	35	26	00	09
1998-99	11	10	00	01
1999-00	12	11	00	01
2000-01	29	26	01	02
2001-02	09	08	01	00
2002-03	24	11	13	00
Total-	172	132	17	23

Subsequent to the directions of the Prime Minister in September 2001 to identify thrust areas in infrastructure development, major/medium projects in an advanced stage of construction, that could be completed in one year (two working seasons) were brought on to the fast track. 100 per cent loan was to be provided by the Centre for ensuring creation of irrigation potential in each of them within a year's time. However, none of the 29 identified projects could be completed.

The investment focus was diluted in March 1999 by inclusion of Minor Surface water Irrigation Schemes, ongoing as well as new, with cultivable area of irrigation potential of 20 ha and above in North Eastern, Hilly States (**Himachal Pradesh, Sikkim, and Uttaranchal**) and drought prone **KBK districts of Orissa**, to extend to them the benefit of AIBP. The relaxation was made because these States were reported to have very few major/medium irrigation projects due to their topography and the Government

had decided in October 1996 that the Central Ministries/Departments, would earmark at least 10 *per cent* of their budget for specific programmes in the North East. Audit observed that **Assam, Himachal Pradesh, Manipur, and Tripura** already had major and medium projects funded by AIBP and the objective of providing 10 *per cent* for the North East could have been achieved without diluting the investment focus by augmenting funding on other schemes relevant for the region.

1.6.3 Selection of Projects was injudicious despite elaborate guidelines and mechanism for project selection

The following principles were to be followed while selecting projects. These principles were not modified later and continued to remain in force.

- (i) Projects were to be broadbased.
- (ii) Only those projects were to be considered which had received investment clearance from the Planning Commission.
- (iii) Projects already being funded by NABARD and other domestic agencies, were not to be covered. Components of such projects not covered under such financing could, however, be included.
- (iv) Projects with larger irrigated area per unit of additional investment were to be preferred.
- (v) Phased completion of projects, so as to derive benefits with a comparatively small investment were to be preferred.

An elaborate mechanism was also laid down for project selection/approval. The States were to forward the project proposals to CWC, duly approved by its Technical Advisory Committee (TAC). The CWC/MoWR, after techno-economic appraisal of the projects and ensuring fulfilment of other requirements of investment clearance from the Planning Commission and forest and environment clearances from the concerned Ministry, had to recommend only projects eligible in terms of the laid down procedure. Despite the elaborate selection mechanism, a large number of projects were injudiciously approved for inclusion under AIBP as detailed below:

1.6.4 Projects outside the scope of AIBP were included

When AIBP was launched, 171 major and 259 medium irrigation projects ongoing at the end of the VIII Five Year Plan as identified by the Ministry were in the zone of consideration for approval. Subsequently, the Ministry approved 172 projects for execution under AIBP during 1996-2003, which included 32 projects outside the scope of the programme viz, 14 ERM and 18 other new projects on which Rs 1,548.56 crore was released up to March 2003. **(Annex-II)**

In reply the Ministry stated (March 2004) that the projects were included considering the request of the States for projects declared by them as Irrigation Projects

and also for taking up additional work against completed projects. The fact remains that the programme guidelines were contravened while including such projects under AIBP.

1.6.5 Ineligible projects were selected

Twenty four projects in 13 States were selected in violation of AIBP guidelines, as they did not fulfill the selection criteria viz, ongoing status, cleared for investment, having Development Cost more than Rs. 1 lakh per ha and Benefit Cost ratio less than 1.5:1 ratio etc. Some of these projects were purely power projects and had already been completed or were receiving finance from NABARD and other domestic agencies and they were ineligible for funding under AIBP. Rs. 2,651.78 crore was released on such ineligible projects.

(Annex -III)

1.6.6 Projects were selected without fulfilment of pre-requisites

Pre-requisites such as acquisition of land, forest/ environment clearance and water availability were to be fulfilled before proposing projects for inclusion under AIBP. This was, however, not ensured in respect of 41 projects by the States of **Andhra Pradesh (10), Bihar (1), Chhattisgarh (3), Goa(2), Haryana (2), Himachal Pradesh (1), Jammu & Kashmir(1), Jharkhand(1), Kerala (2), Madhya Pradesh(1), Maharashtra (2), Orissa (1), Rajasthan (6), Uttar Pradesh (3) and West Bengal (5)**. Thirty eight of these projects on which CLA of Rs. 2,544.24 crore had been released, were lying incomplete at various stages of implementation, without the intended benefit being derived from them.

(Annex - IV)

The Ministry stated (March 2004) that there were delays in obtaining forest and environment clearance in respect of projects sanctioned before coming into effect of Conservation/Protection Acts. The reply is not tenable as the Acts had come into force when AIBP was launched and therefore, these clearances should have been ensured before inclusion of such projects under AIBP.

1.7 Execution

Whether the programme was executed efficiently for accelerating creation and utilization of irrigation potential?

1.7.1 Funds requirement was not the only reason for the languishing of projects

The programme was based on the premise that funding was the main constraint and that with an assured flow of resources, projects would be completed. Audit scrutiny revealed that despite AIBP funding of the 23 pre-V Five Year Plan Projects (20 major and 3 medium) approved in 13 States under AIBP at an estimated cost of Rs 11,955.84 crore, only 3 projects namely **Kallada (Kerala), Sharda Sahayak (Uttar Pradesh), and Kangsabati (West Bengal)** were reportedly completed upto March 2003. The remaining 20 projects were still incomplete for different reasons. Central Loan Assistance of Rs. 1,757 crore released to the 23 projects helped in creation of irrigation potential of only 696.535 th ha (45.20 per cent) as against the 1,540.877 th ha upto March 2003 targeted under the programme.

Gurgaon Canal (Haryana) an ongoing project from the pre-V Plan period included under AIBP was still incomplete and no potential was created, as its completion was dependent on construction of Sutluj Yamuna Link (SYL), which was itself the subject of a longstanding dispute. The completion of the **Western Kosi Canal (Bihar)** was rescheduled several times viz. by June 1987, 1994-95, 1996-97 and again under AIBP by March 2002 due to non-acquisition of land. Non-completion of **Damodar Valley Project (West Bengal)** was attributed to injudicious fixation of alignment of a main canal through a reserve forest for which necessary prior approval of Forest Department/Ministry could not be secured in time.

1.7.2 Projects approved for inclusion under AIBP were not taken up by the State Governments, abandoned midway or declared completed when they were actually not completed.

Seventeen AIBP funded projects in Gujarat (Sardar Sarovar Project – Phase I), Jammu & Kashmir (Marwal lift & Koil lift), Madhya Pradesh (Beriyar), Maharashtra (Krishna, Kukadi, Upper Manar, Hetwane, Chaskaman, Khadakwasla, Kadvi, Kasarsai, Jawalgaon, Kumbhi and Kasari), Punjab (Kandi Canal Stage II), and Uttar Pradesh (Modernisation of Agra Canal) expected to create irrigation potential of 232.635 th ha were not taken up for implementation by these States despite release of Rs.293.21 crore, as detailed below:

Year	Name of State	No. of Projects	CLA released (Rs. in crore)	Irrigation Potential to be created (th ha)
1996-97	Jammu & Kashmir	2	0.80	13.740
2000-01	Madhya Pradesh	1	10.94	43.850
2001-02	Gujarat	1	188.00	100.000
2002-03	Punjab	1	10.50	23.000
2002-03	Maharashtra	11	80.97	37.470
2002-03	Uttar Pradesh	1	2.00	14.575
Total		17	293.21	232.635

(ii) Six incomplete projects viz **Jaisamand and Gambhiri (Rajasthan), Kallada (Kerala), Ranjit Sagar Dam Project (RSDP) (Punjab), Kangsabati (West Bengal) and Gyanpur Pump Canal (Uttar Pradesh)** were shown as completed during 2000-03, though they had not created the envisaged potential. **Kallada** project was declared complete by a decision taken by the State Government in December 2001. The **RSDP** was shown as complete in March 2001 without creation of any irrigation potential and expenditure on its works continued to be incurred till 2002-03.

These instances indicate that there was a lack of co-ordination between the Government of India and the State Governments and an absence of commitment on the part of State Governments at the execution stage. This led to a sub-optimal utilization of funds released by the Government of India.

1.7.3 Persistent Time and Cost Overrun

Non-completion of 32 projects within the stipulated period in the States of Andhra Pradesh, Chhattisgarh, Jharkhand, Karnataka, Kerala, Punjab and West

Bengal, resulted in substantial cost overrun of Rs.4,775.06 crore and time overrun of 24 to 84 months, even after the projects were brought under AIBP. (Annex – V)

1.7.4 Tardy Progress

(i) Funds amounting to Rs.73.50 crore were blocked in the following five projects, 6-7 years after release of first instalment of CLA by MoWR. No action was taken to obtain the second instalment of CLA for their execution and these projects were still incomplete as of March 2003, as indicated below:

(Rs. in crore)

S. No.	Name of State	Name of Project	Year of sanction/release	CLA released	Status
1.	Haryana	WRCP*	1996-97	30.00	Ongoing
2.	Jharkhand	Torai	1997-98	2.50	- do -
3.	Tamil Nadu	WRCP*	1996-97	20.00	- do -
4.	Uttar Pradesh	Lakhwar Vyasi	1997-98	20.00	- do -
		Gunta Nala Dam	1996-97	1.00	- do -
				73.50	

* Water Resources Consolidation Project

(ii) Four more projects selected in different States in October 1996, with a stipulated completion schedule of within five months, were still incomplete as detailed below:

(Rs. in crore)

S.No.	Name of State	Name of Project	CLA released	Status
1.	Assam	Kollang	0.50	Ongoing
2	Gujarat	Mukteshwar	10.64	Ongoing
3	Haryana	Gurgaon canal	2.50	Ongoing
4	J & K	Lethpora	2.57	Ongoing
	Total		16.21	

(iii) The work in several other projects was also held up due to execution problems such as non-completion of work by the contractors within the stipulated period resulting in funds to the extent of Rs. 43.88 crore remaining blocked for periods ranging from six to seven years in **Bihar (Western Kosi Canal), Haryana (Jawahar Lal Nehru Project), Karnataka (Karanja), Kerala (Kallada) and Rajasthan (Indira Gandhi Nahar Pariyojna Stage II)**. (Annex - VI)

(iv) The progress was tardy in 47 other projects in seven States viz. **Andhra Pradesh, Bihar, Gujarat, Jharkhand, Kerala, Punjab, and Rajasthan** mainly due to non-acquisition of land, meager allocation of funds, extension of time by States, laxity on the part of the contractor, inadequate budget provision by States etc. In **Gujarat**, the State Government did not apprise the implementing agency about frequent changes in AIBP effected in March 1997, March 1999 and February 2002 as also the project-wise allocation/release of funds by the GOI. The implementing agency, therefore, could not properly plan execution of projects.

1.7.5 Insufficient contract planning and management resulted in undue benefit to contractors, avoidable extra expenditure and poor quality control

- Execution of various works in **Bihar, Chhattisgarh, Himachal Pradesh, Karnataka, Madhya Pradesh, Orissa and Rajasthan** revealed that in 18

projects, undue benefit to the tune of Rs. 77.23 crore was extended to the contractors, in violation of financial rules and AIBP guidelines. (Annex - VII)

- In 19 projects in 9 States viz. **Andhra Pradesh (3), Chhattisgarh (1), Jharkhand (1), Karnataka (3), Orissa (2), Punjab (1), Rajasthan (6), Uttar Pradesh (1) and West Bengal (1)** avoidable extra expenditure of Rs. 728.62 crore was incurred due to finalization of higher rates, unwarranted/unjustified change in specifications, increased quantities, re-tendering etc. (Annex - VIII)

Some of the instances of avoidable extra expenditure are discussed below:

- In respect of **Kharsia Branch Canal (Chhattisgarh)**, five contracts valued at Rs. 10.34 crore were finalised (during December 2001 and January 2002) at 17.59 to 45.02 *per cent* below the Schedule of Rates. However, in respect of three contracts valued at Rs. 119.33 crore which were finalised during February 2002, the rates awarded were 15.76 to 48.46 *per cent* higher than the Scheduled Rates. The finalisation of tenders at abnormally high rates resulted in an increase in project cost by Rs. 77.46 crore.
- In **Hirehalla project (Karnataka)**, soil was acquired for use in casing without testing its bearing capacity. As a result of poor strength of the soil which was used in casing, the slope ratio had considerably increased leading to heavy increase in quantities of casing and other related items, thereby increasing the cost of the project by Rs. 16.70 crore.
- In **Uttar Pradesh (Tehri Dam)**, as against an admissible expenditure on contingencies of Rs. 160.28 crore (at 3 *per cent* of the cost of work), an expenditure of Rs. 752.84 crore was incurred. Thus the expenditure of Rs. 592.56 crore incurred in excess of the admissible expenditure, was in violation of the guidelines.
- Sample checks revealed that in respect of **Sriramsagar project (Andhra Pradesh)** sub-standard works costing Rs.8.08 crore were executed by changing the specification of required thickness of CNS layers etc. rendering the expenditure nugatory. In four more projects in **Jharkhand (Latratu, Kansjore, Sonua and Surangi)** poor quality of work or sub-standard work was noticed. While in **Shivnath project (Chhattisgarh)**, requisite tests as envisaged in the contract were not carried out in any independent quality control laboratory at the cost of contractor in respect of work costing Rs. 1.34 crore, on **Barnai project (Chhattisgarh)**, neither were engineers engaged for supervision of work nor was the material used, tested for quality specification by the contractor as required.

1.7.6 Unfruitful Expenditure

In 11 States (**Andhra Pradesh, Bihar, Chhattisgarh, Goa, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh**) expenditure amounting to Rs. 688.40 crore was reported unfruitful on account of various executional problems such as rescinding the contract midway, non-availability of water at tail end, non-acquisition of land, lack of forest clearance etc., thus not obtaining value for money to that extent. (Annex -IX)

Indira Gandhi Nahar Pariyojna (estimated cost: Rs. 815.35 crore) of **Rajasthan** involved construction of canals, setting up of pumping stations and laying of distributaries. However, the project was implemented haphazardly without proper sequencing of execution to ensure optimal utilization of the irrigation benefit. As a result, expenditure of Rs. 471.54 crore incurred up to February 2003, could bring only 58 th ha under irrigation of which utilisation was merely 2 th ha rendering the expenditure unfruitful.

1.8 Inter-State Projects

Inter-state projects were to be accorded priority for funding under AIBP. These projects necessitated special planning and co-ordination amongst different States and all participating States were eligible for assistance under the programme individually. The Government of India was to play a positive role in resolving the problems in execution of these projects and ensuring co-ordinated progress to ensure optimum benefit from them.

Ten inter-State projects envisaging creation of irrigation potential of 2,783.906 th ha were approved under the programme. However, upto March 2003, after release of CLA of Rs. 3,805.70 crore, only one project had been completed creating an irrigation potential of only 1.192 th ha as shown below:

Sl. No.	Name of the Projects	Year of Approval	States to which released	CLA released (Rs. in crore)	Expenditure incurred (Rs. in crore)	Envisaged potential (in th ha)	Potential created (in th ha)	Potential utilized (in th ha)
1)	Bansagar Dam	1996-97	Bihar	83.50	141.38	N.A	NA	0.350
			M.P. (Unit I & II)	203.50	463.31	193.359	0.350	
			U.P.	141.30	319.30	150.13	Nil	
2)	Tillari	2000-01	Goa,	113.30	139.14	24.618	0.502	Nil
			Maharashtra	--	--	--	--	--
3)	Gurgaon Canal	1996-97	Haryana,	2.50	2.79	20.000	Nil	Nil
			Rajasthan (completed)	--	--	--	--	--
4)	Shah Nahar	1997-98	Himachal Pradesh	41.22	64.72	15.287	0.655	0.041
			Punjab	--	--	--	--	--
5)	Urmil (completed)	2000-01	Madhya Pradesh,	1.94	7.24	1.192	1.192	Nil
			Uttar Pradesh	--	--	--	--	--
6)	Subarnarekha	1996-97	Orissa	102.24	187.65	98.000	1.000	Nil
			West Bengal	13.29	3.00	114.20	Nil	Nil
			Jharkhand	--	--	--	--	--
7)	Rajghat	1996-97	Madhya Pradesh	27.80	46.00	Nil	Nil	NA
			Uttar Pradesh	59.98	66.38	109.050	97.570	--
8)	Sardar Sarovar Project	1996-97	Gujarat	2,896.25	6,891.75	1,792.000	141.095	26.831
			Madhya Pradesh	--	--	--	--	--
			Maharashtra	--	--	--	--	--
			Rajasthan	--	--	--	--	--
9)	Mahi Bajaj Sagar	1999-00	Rajasthan	53.56	85.76	15.070	4.424	2.100
			Gujarat	--	--	--	--	--
10)	Narmada	1998-99	Rajasthan	65.32	101.12	251.00	Nil	Nil
			Gujarat	--	--	--	--	--
Total				3,805.70	8,519.54	2,783.906	246.788	29.322

Audit checks revealed the following:

- **Sardar Sarovar Project (SSP)** is a multipurpose, mega inter-State project being constructed on the river Narmada in **Gujarat** through Sardar Sarovar Narmada Nigam Ltd. (SSNNL) since 1987. The other States involved are **Madhya Pradesh, Maharashtra and Rajasthan**. The project comprised 3 units viz Unit I (dam), Unit-II (main canal, branch canal and distributaries) and Unit III (power). The Planning Commission accorded investment approval to the project in October 1988 for Rs. 6,406.04 crore at 1986-87 price levels. Due to disputes between the Governments of **Gujarat and Madhya Pradesh** over certain issues, the cost estimates revised subsequently during 1991-92, 1996-97 and 1998-99 could not be approved by the Planning Commission. However, pending such approval, CLA of Rs. 2,896.25 crore, was irregularly released during the period 1996-2003 after the selection of Unit II components of the project for execution under AIBP. The Government of **Gujarat** was required to release funds of Rs. 4,439 crore including its share of Rs. 1,707 crore but only Rs. 3,113.16 crore were released to SSNNL in the form of equity. According to the agreement, 76 per cent of expenditure was to be borne by Gujarat and the balance 24 per cent by the other beneficiary States of **Madhya Pradesh, Maharashtra and Rajasthan**. However, out of Rs. 14,360.71 crore spent on SSP till March 2003, there was a shortfall in the shares to be paid by **Madhya Pradesh, Maharashtra and Rajasthan** by Rs. 1,138.47 crore, Rs. 455.10 crore and Rs. 478.42 crore respectively. SSNNL had thus resorted to borrowing money at higher rates of interest than the CLA rate to bridge the gap between actual expenditure and funds available. Besides, 254.45 ha of acquired land remained unutilised, disposal of which was being considered through sale or transfer to the Revenue Department, which amounted to misutilisation of AIBP funds.

Against the targeted UIP of 1,792.00 th ha, IP of 141.095 th ha (7.87 per cent) was reportedly created (March 2003) of which IP of 26.832 th ha (19 per cent) could be utilised. Realisation of further benefits, even partially for irrigation as well as power, depended on attainment of minimum obligatory level of 110 meter height of the dam, which as of March 2003 was 100 meter high.

Therefore, even after incurring an expenditure of Rs. 6,891.75 crore under AIBP (March 2003) involving CLA of Rs. 2,896.25 crore, during the last seven years, the envisaged benefits could not be derived from the project.

- The **Narmada Canal project** involving **Rajasthan and Gujarat** was included under AIBP during 1998-99 and CLA of Rs. 65.32 crore was released to **Rajasthan** upto March 2003. In terms of the agreement signed between the **Gujarat and Rajasthan** Governments, an amount of Rs. 27.84 crore was transferred by **Rajasthan to Gujarat** for construction in the project. However, against the targeted potential of 251 th ha, achievement was nil despite an expenditure of Rs. 101.12 crore upto March 2003.
- In respect of **Shah Nahar project (Himachal Pradesh)**, due to diversion of water of the Beas river by the Government of Punjab to Mukerian Hydrel Channel by

construction of Shah Nahar Barrage, the irrigation rights of the inhabitants of **Himachal Pradesh** were adversely affected. To compensate for this, Rs. 26 crore was received from **Punjab** Government during the period 2001-03. However, the Government of **Himachal Pradesh**, allotted only Rs. 5.64 crore as the State share during these two years for execution of the project and the balance amount of Rs. 20.36 crore remained unutilised. The executing agency attributed non-utilisation of the amounts received from the **Punjab** Government to lack of infrastructure. This was not tenable because **Punjab** Government had started releasing funds from 1997-98 onwards and the project authorities had sufficient time to create necessary infrastructure and ensure utilisation of funds. Inadequate release of funds by the Government of **Himachal Pradesh** affected the pace of execution of work.

- **Bansagar Reservoir project** – Bansagar Project is being executed in the States of **Madhya Pradesh, Uttar Pradesh** and **Bihar**.
 - In **Madhya Pradesh**, **Bansagar project** was expected to create 13.5 th ha irrigation potential by construction of the dam upto crest level, which was completed (June 2000) but the execution of canal system had not even started by then. Only 0.350 th ha Irrigation Potential was created as of March 2003 and the completion of the canal was rescheduled to June 2004.
 - In **Uttar Pradesh**, the Bansagar Dam and Canal works were taken up for providing irrigation facilities to the cultivable areas in Mirzapur and Allahabad districts at an estimated cost of Rs. 1,049.70 crore. No Irrigation Potential could be created despite expenditure of Rs. 319.30 crore which was 30.42 *per cent* of the estimated cost.
 - According to the tripartite agreement, 25 *per cent* of the cost of construction of Bansagar Dam under Bansagar Reservoir Project being constructed on river Sone, was to be borne by the Government of **Bihar**. Out of 40 lakh acre feet of water to be stored in the reservoir, 10 lakh acre feet was to be allocated to **Bihar**, against which during 2002-03, only 2.51 lakh acre feet of water was less received by it. Further, water received from Bansagar Dam was to be utilised for irrigation through Jamania Pump Canal and Indrapuri Reservoir, projects which were not taken up under AIBP, due to absence of clearance from CWC.

Thus, due to lack of co-ordination, the water from Bansagar could not be used effectively.

- At **Tillari (Goa)**, since **Maharashtra** had not commenced gorge filling, annual targets of potential to be created from the project in **Goa** could not be set. A potential of 0.502 th ha was created under the Right Bank Main Canal but there was no utilisation, thus rendering the expenditure of Rs. 24.21 crore idle. Further, water supply to **Goa** from Terwanmodhe Pick Weir (**Maharashtra**) commenced in December 2001 and lasted only for 16 days in 2001-02. During 2002-03, against a requirement of 10.07 million cubic meter of water, only 3.4 million cubic meter was supplied.

1.9 Multipurpose Projects

Multipurpose projects are mega projects usually involving both irrigation and power components. Often, such projects are major inter-State projects. During 1996-2003, 25 multipurpose projects involving the creation of 5,844.514 th ha were covered under AIBP, of which only 376.414 th ha (6.44 *per cent*) was actually created. Potential created was yet to be utilised in 15 projects. Scrutiny of a few selected projects revealed various shortcomings as discussed in the succeeding paragraphs.

1.9.1 Ranjit Sagar Dam Project (RSDP) and Shahpur Kandi Dam Project (SKDP)

The twin projects of RSDP and SKDP are multipurpose inter-State projects being executed on the river Ravi in Gurdaspur district of **Punjab**. The beneficiary States, apart from **Punjab**, are **Haryana, Himachal Pradesh, Jammu & Kashmir** and **Rajasthan**. SKDP is 11 km downstream of RSDP. While RSDP was approved by the Planning Commission as an energy and water storage project in July 1993, investment clearance to SKDP was accorded by the Commission, also in 1993, as a power project after techno-economic clearance from the Central Electricity Authority. Creation of UIP of 348 th ha which was envisaged from RSDP was also projected for creation under SKDP. It was observed by Audit that no irrigation potential would actually accrue from either of these projects as the same IP of 348 th ha stands covered under the command area of yet another project, Upper Bari Doab Canal (UBDC) system. Therefore, covering these projects under AIBP was not correct. Moreover, SKDP also did not qualify for funding under AIBP, not being a project with substantial investment or at advanced stage of completion. CLA of Rs. 249.79 crore was released for RSDP between 1996-97 and 2000-01 out of which Rs.20.15 crore was released after the project was declared complete on 4 March 2001. CLA of Rs.29.85 crore released for SKDP was either released late (Rs. 13.69 crore) or not released (Rs. 16.16 crore) by the **Punjab** Government to the implementing agency. No irrigation potential had been created under RSDP and SKDP projects.

Thus, no benefit could accrue to the irrigation sector despite release of Rs. 279.64 crore of CLA on the two projects in spells over a period of seven years.

In reply the Ministry stated (March 2004) that 348 th ha IP was to be achieved through minor irrigation projects in the downstream instead of from RSDP. Thus, no direct IP was created by inclusion of RSDP under AIBP.

1.9.2 Hasdeo Bango Project

Hasdeo Bango multipurpose project with a Right Bank Canal (RBC) and Left Bank Canal (LBC) was started in Bilaspur, **Chhattisgarh** (erstwhile **Madhya Pradesh**) prior to 1967. It was cleared by the Planning Commission for investment of Rs. 115.30 crore during 1980, to be completed by the end of the VIII Plan. As it was not completed upto 1997-98, the balance works of LBC were approved as Phase III for execution under AIBP to create an irrigation potential of 328 th ha., for which a CLA of Rs. 13.25 crore was released during 1997-99. Thereafter, the scope of work was expanded and designed as Phase IV, to create an additional irrigation potential of 46 th ha from 1999-2000 onwards.

Audit scrutiny revealed that pending approval of the Detailed Project Report submitted by the project authority to CWC during November 2001 for unapproved components (Phase-IV) costing Rs.1,043.88 crore at 1998 price level by the CWC, MoWR and Planning Commission, CLA of Rs. 176.54 crore was incorrectly released during 1999-2003 for execution of these unapproved components. Of this, Rs. 71.16 crore of CLA was released despite the directives of the Planning Commission in July 2002 not to release any CLA for the unapproved components (Phase-IV). Further, construction of the AIBP components viz the canal and the distribution system had not even started and about 24 per cent of the land was yet to be acquired as of January 2003. Consequently, against the targeted irrigation potential of 251.5 th ha, potential of only 39.654 th ha (16 per cent) was created and utilisation was nil.

Thus, expenditure of Rs. 932.19 crore incurred upto March 2003, including expenditure of 348.54 crore (CLA of Rs.176.54 crore) under AIBP could not yield any benefit.

The Ministry stated (March 2004) that the CLA was not given wrongly. The reply is not tenable because CLA of Rs. 71.16 crore was released after July 2002 for unapproved components, despite specific prohibition by the Planning Commission in July 2002 in the instant case.

1.10 Fast Track was introduced within AIBP for accelerating completion of selected projects

Though AIBP was launched with the main objective of accelerating irrigation benefits by bringing selected major and medium projects on a fast track with assured funding, the objective was far from realised even six years down the line, due to thin spreading of resources coupled with a number of problems in execution. The Government decided to launch a fast track within AIBP by selecting some projects which could be completed within two agricultural seasons i.e. one year.

In nine States, 29 projects (15 Major and 14 Medium) were included under the Fast Track Programme (FTP) for which Central Loan Assistance of Rs 859.71 crore was released during 2001-03, as detailed below:

State	Name of Projects	Year	CLA released (Rs. in crore)				Expenditure (Rs. in crore)	Potential to be created (th ha)	Potential created (th ha)
			2001-02 instalment		2002-03 instalment				
			I	II	I	II			
Andhra Pradesh	Nagarjuna Sagar (Mj)	2001-02	27.17	-	--	-	NA	3.541	
	Somasila (Mj)	2001-02	60.00	-	--	-	60.00	2.471	
	Sriram Sagar(Mj.)	2001-02	72.00	-	--	-	NA	NA	
	Annamayya Cheyyeru (Mj.)	2001-02	5.00	-	5.00	-	10.00	Nil	
	Madduvalasa(Md)	2001-02	12.50	-	--	-	12.50	Nil	
Chattisgarh	Barnai (Md)	2002-03	-	-	1.30	-	1.30	2.820	
	Hasdeo Banga(Mj.)	2002-03	-	-	70.60	-	70.60	NA	
Gujarat	SSP.(Mj.)	2001-02	94.00	-	94.00	-	188.00	100.000	
Karnataka	Hirehalla (Md)	2002-03	--	-	8.78	-	11.62	Nil	
	Karanja (Mj)	2002-03	--	-	24.37	-	23.62	NA	
	Maskinala (Md)	2002-03	--	-	3.22	-	1.87	NA	

Madhya Pradesh	Bargi Dam RBC (Mj)	2001-02	98.03	-	-	-	NA	245.010	Nil
	Bargi Diversion	2002-03			65.00		47.72		Nil
Maharashtra	Khadakwasla (Mj.)	2002-03	--	-	2.78	-	-	0.621	Nil
	Kadvi(Md)	2002-03	--	-	7.00	-	-	9.220	Nil
	Kasarsai (Md)	2002-03	--	-	1.68	-	-	4.119	Nil
	Jawalgaon (Md)	2002-03	--	-	1.37	-	-	5.341	Nil
	Kumbhi (Md)	2002-03	--	-	9.30	-	-	8.711	Nil
	Kasari (Md)	2002-03	--	-	0.76	-	-	9.458	Nil
Orissa	Subernarekha (Mj.)	2001-02	17.42	-	--	-	187.65		Nil
	Naraj Barrage (Mj.)	2001-02	17.45	--	--	-	21.49		Nil
	Rengali (Mj.)	2001-02	14.00	--	--	-	290.38		Nil
	Potteru(Mj.)	2001-02	15.56	--	--	-	20.20		Nil
	Sasan Canal	2002-03	--		17.46	-	NA		NA
	Salandi lift	2002-03	--		3.09	-	NA		NA
Rajasthan	Panchana(Md)	2002-03	--	-	20.97	-	11.50		NA
	Chhapi (Md)	2002-03	--		10.45	-	9.58		NA
Uttar Pradesh	Upper Ganga Mod (Mj.)	2001-02	17.78	-	39.72	-	57.50		NA
	Madhya Ganga (Mj.)	2001-02	21.95	-	-	-	21.95		NA
Total			472.86	Nil	386.85	Nil	1,047.48	421.572	6.162

Mj: Major irrigation project

Md: Medium irrigation project

Bringing the projects on fast track also could not yield much benefit as evident from the following:

- During 2001-02, for 10 of the 13 Fast Track Projects approved, the I instalment of CLA of Rs.356.08 crore was released but the II instalment was not released even by March 2003. In the remaining three projects, one more instalment was released in the subsequent year i.e. 2002-03. Thus, the target of creating ultimate irrigation potential by March 2002 remained unrealized. All the 13 projects remained incomplete.
- During 2002-03, 16 more Fast Track Projects were approved and the I instalment of CLA of Rs.386.85 crore was released but the II instalment could not be released even upto September 2003.

Detailed scrutiny of these projects which were specially chosen to be brought under the fast track revealed as follows:

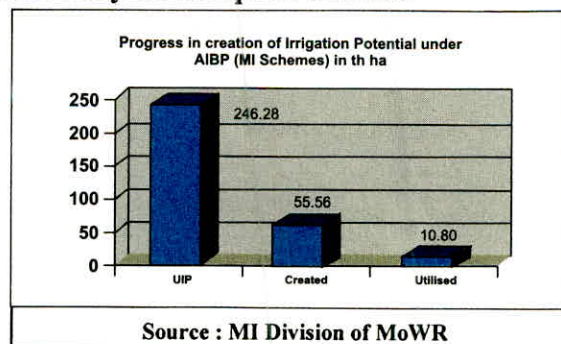
- **Andhra Pradesh:** five Projects viz **Annamaya, Sriram Sagar, Somasila, Madduvalasa and Nagarjuna Sagar** were already under execution for 3 to 5 years when brought under FTP. The projects, originally targeted for completion in 2 years, were not completed due to land not being acquired, designs not being finalised, distributaries remaining incomplete, etc. The projects were, however, again selected by the State Government to be covered in 2001-02 under FTP targeting their completion in one year, without addressing the above issues. These projects remained incomplete. Their selection twice, first under AIBP and then under FTP was inappropriate and adhoc.
- **Gujarat: Sardar Sarovar** Project approved during 2001-02 remained un-executed as of March 2003 as the State Government had not released total CLA of Rs. 188 crore obtained in two instalments during 2001-03, to the SSNNL.

- **Karnataka: Maskinala** project was covered under FTP and CLA of Rs. 3.22 crore was released during 2002-03. Even after incurring an expenditure of Rs. 1.87 crore, no benefits accrued as the project was incomplete.
- **Maharashtra:** Six projects i.e. **Khadakwasla, Kadvi, Kasarsai, Jawalgaon, Kumbhi and Kasari** were covered under FTP during 2002-03, all being new projects not covered under AIBP earlier. No expenditure was incurred on these projects upto 31 March 2003. The CLA of Rs.22.89 crore released for their execution in 2002-03 was not released to the implementing agencies by the State Government. Selection of these projects for FTP during 2002-03 was incorrect since even the agency to execute them had not been decided and funds had not been provided in the budget of the State.
- **Orissa:** Even though completion of the **Rengali** project had become uncertain in March 2001, it was brought under FTP by the State. Resultantly, the project had to be withdrawn by the State Government in December 2002 after incurring an expenditure of Rs. 290.38 crore. No action was taken to recover the CLA of Rs.14 crore as contemplated in the AIBP guidelines. Similarly, **Subarnarekha**, an inter-State project (**Orissa**) was abandoned in 2002-03, after incurring an expenditure of Rs. 187.65 crore, as the other State viz. **Jharkhand**, had not commenced any work on the joint components. The CLA of Rs. 17.42 crore released to **Orissa** in terms of the relaxed norms was to be recovered according to the MOU with interest in one lumpsum but no action had been initiated. **Potteru** Irrigation project (**Orissa**) was selected under AIBP during 2001-02 for creation of the balance seven *per cent* (4 th ha) potential and CLA of Rs.9.87 crore was released. In the same year, it was brought under FTP and additional CLA of Rs. 15.56 crore was released. The project was incomplete and had failed to create any irrigation potential as of March 2003 despite expenditure of Rs. 20.20 crore.
- **Rajasthan : Panchana and Chhapi** projects were covered under FTP during 2002-03. The first installment of CLA was to be released after signing of the MOU by both the Government of India and the State Government to the effect that the project would be completed in a year's time failing which the CLA would be refunded. However, in contravention of the guidelines, CLA amounting to Rs. 20.97 crore and Rs. 10.45 crore was released to these projects by the MoWR in March 2003, without entering into the required MOU.

The Ministry stated (March 2004) that the matter regarding delay in transfer of CLA from State Finance Department to the user Department/Projects had been taken up with the respective State Governments.

1.11 Minor Surface Irrigation Schemes could not yield adequate benefits

After modification of the guidelines in March 1999, the Ministry approved 3,129 Minor Irrigation (MI) schemes in 11 Special Category States during the period 1999-2003. Of these, 1,677 schemes were completed (53.60 *per cent*) and a potential



of 55.56 th ha was created (22.56 per cent) against the targeted 246.28 th ha. Utilization of potential was, however, 10.80 th ha (19.44 per cent) only in three States despite release of Rs. 218.07 crore upto March 2003. The details are tabulated below:

(As of March 2003)

S. No	Name of the State	Number of schemes approved	Year of sanction	Number of schemes completed	Potential to be created (th ha)	Potential created (th ha)	Potential utilised (th ha)	CLA released (Rs.Cr.)
1.	Manipur	226	1999-03	98	9.81	NA	NA	4.00
2.	Assam	63	1999-03	13	33.94	NA	NA	12.37
3.	Nagaland	543	1999-03	468	17.09	13.77	8.3	15.39
4.	Tripura	782	1999-03	241	36.41	15.37	NA	67.16
5.	Meghalaya	47	1999-03	27	4.30	5.33	1.79	10.18
6.	Arunachal Pradesh	987	1999-03	687	21.71	18.03	NA	31.50
7.	Mizoram	14	1999-03	9	2.61	0.97	0.71	6.36
8.	Sikkim	191	1999-03	129	2.62	1.92	NA	4.51
9.	Himachal Pradesh	60	1999-01	5	6.60	0.17	NA	6.72
10.	Orissa (KBK Districts)	23	1999-01	-	15.35	NA	NA	34.72
11.	Uttaranchal	193	2002-03	-	95.84	NA	NA	25.16
	Total	3,129	1999-03	1,677	246.28	55.56	10.80	218.07

Scrutiny of records in the Ministry revealed that the system of schemes approval and monitoring was inadequate as discussed below :-

(i) Scheme Approval

MI schemes were approved by the Ministry routinely in bulk without detailed scrutiny and without reviewing the status of the earlier MI schemes. In **Arunachal Pradesh**, 337 MI schemes were approved initially under the programme during 1999-00, 364 schemes in 2000-01 and 286 schemes in 2002-03. Similarly, in **Tripura**, the Ministry had approved 628 MI schemes in 1999-2000 and subsequently 154 MI schemes in 2000-01, pending completion of the earlier lot. Further, while approving the MI schemes, Benefit Cost ratio and Development Cost per hectare of each scheme was not prescribed. Necessary forest clearance was also not obtained in respect of schemes which warranted use of forest area. The Ministry had no yardstick to satisfy itself that the sanctioned schemes were being actually undertaken as approved and of the benefit likely to accrue to these States.

(ii) Monitoring

Execution of approved schemes was to be monitored periodically and assessed against pre-determined targets by MoWR. As of March 2003 no evidence of such an exercise being carried out was available. In the absence of regular quarterly progress reports, the Ministry had no information regarding the progress, follow up and procedure being followed for O&M of the schemes. Completion certificates and utilization certificates were not obtained by the Ministry.

The Ministry stated (March 2004) that IP utilisation against MI schemes is immediate which is not correct as only IP of 10.80 th ha (19.44 per cent) has been utilized out of 55.56 th ha IP created, as of March 2003.

1.12 Operation and Maintenance (O&M) of Assets

Effective maintenance of assets and cost recovery, is as important as the creation of assets. Audit examined the initiatives and efforts made in this regard through the programme.

1.12.1 Concept of Reforming States introduced

In February 2002, the Ministry introduced the concept of "Reforming States" for linking infrastructure creation with reforms to encourage better asset management and maintenance through a rational cost recovery mechanism. The reforming States were to sign an 'Undertaking' to rationalize water rates to cover the full O&M cost of irrigation projects in five years. The criteria for categorisation of a State as "Reforming" were envisaged as under :-

- At the end of one year: Calculation and communication of data, by the State Government, of existing projects category-wise relating to actual O&M in Rs. per ha and net revenue collection.
- At the end of three years: Increase in water rates to enable allocation of Rs. 225 per ha for MI schemes and Rs. 450 per ha to Major and Medium projects from revenue earned, without subsidy.
- At the end of five years: Further increase in water rates to meet full O&M costs for all categories of projects.

According to the 'Undertaking', at the end of one year, the States were required to submit to the Ministry, data relating to actual O&M cost in Rs. per ha and net revenue collection of the existing projects, category-wise. In case of default, they were required to refund the CLA obtained in terms of the relaxed norms in one lumpsum with interest.

The effort to establish a linkage with economic reforms, however, did not prove successful, as only four States viz. **Maharashtra, Madhya Pradesh, Orissa and Rajasthan** responded and signed the required 'Undertaking' during 2001-03. None of these States furnished the requisite information on revenue collection and actual O&M cost. The Ministry failed to ensure compliance with the reform measures in an effective manner. Examination of records in States revealed that revenue generation and recovery in the State of **Rajasthan** in respect of **Narmada and Chauli** projects was 'nil' and in respect of **Mahi, Chhapi and Bisalpur** it was below 50 *per cent*, which was not satisfactory.

In **Karnataka**, while water charges were not assessed and levied in respect of **Upper Krishna Project**, in three other projects (**Malaprabha, Ghataprabha and Gandorinala**) the implementing agency (KNNL) failed to collect water charges during 1999-2002 ranging from Rs. 14.28 to 19.36 crores. The agency, instead, resorted to borrowing to that extent which added an interest liability of Rs. 11.67 crore as of March 2003.

In **Shah Nahar project (Himachal Pradesh)** and **Kallada (Kerala)** the water charges were neither assessed nor recovered from the water users.

In **Ranbir Canal** and **New Pratap Canal (Jammu & Kashmir)** the ratio of cost of O&M to revenue generation was 13:2 and 10:1 respectively, which was very high.

1.12.2 Formation of Water Users' Associations (WUAs)

Formation of WUAs was to be encouraged with a view to ensuring effective management of irrigation water, proper maintenance of irrigation potential and recovery of cost in the shape of water tax in each block within the command area of the projects. Test check revealed that while in **Andhra Pradesh** WUAs were formed, in the States of **Bihar, Chhattisgarh, Gujarat, Maharashtra, Manipur, Rajasthan** and **West Bengal** progress in this regard was not adequate. Information in respect of the remaining States was not available.

The Ministry stated (March 2004) that it had noted audit observations for necessary action.

1.12.3 Maintenance of Assets Records

No records regarding creation of assets had been maintained in respect of 39 projects test checked in eight States viz. **Panchana, Chauli and Narmada (Rajasthan), UKP Stage 1, UKP Stage II and Karanja (Karnataka), Somasila Dam (Andhra Pradesh), DVP, Kangsabati, Teesta, Tatko, Patloi, Hanumata and Subernarekha (West Bengal), SSP, Jhuj, Sipu, Mukteshwar, Harnav II, Umaria, Damanganga, Karjan, Sukhi, Deo, Watrak, Aji IV, Ozat II, Brahamini II and Bhadar II (Gujarat), Shivnath (Chhattisgarh), Western Kosi Canal, Sone canal, Upper Kiul, Durgawati, Batane, Bilasi, Orhani and Bansagar (Bihar) and Selauli (Goa).**

The Ministry stated (March 2004) that the issue pertained to the State Governments. The reply is not tenable as MoWR has a lien on the assets created from AIBP funds till the funds are fully refunded by the States.

1.13 Financial Management

How efficiently were resources managed to derive optimum benefit from the programme?

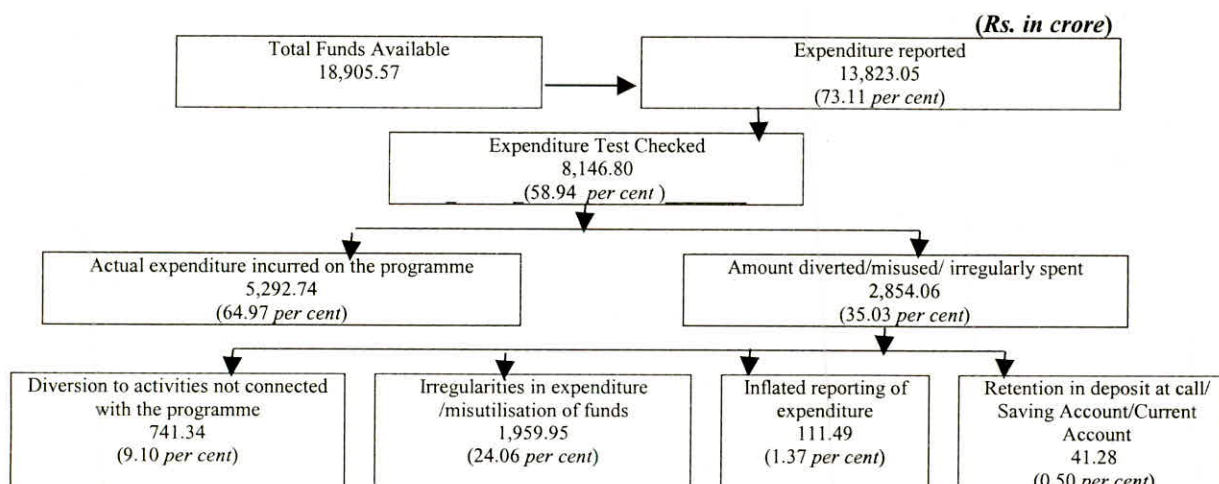
Financial constraints of the State Governments and the absence of an assured resource flow were the primary considerations for launching the programme. Audit examined issues relating to release of funds and their utilization.

1.13.1 Inadequate budget provision by States.

In terms of the AIBP guidelines, the State Governments were required to confirm the budget provisions in their Annual Budget before demanding the release of CLA.

Sample check revealed that inadequate budget provision by **Andhra Pradesh** in respect of all the 10 projects during 1996-2001, **Haryana** during 1996-2003 in respect of all the four projects and **Rajasthan** during 1998-2000 in respect of IGNP Stage II resulted in short utilization of funds under AIBP and tardy progress of these projects. In **Maharashtra**, release of Rs. 51.61 crore during 2002-03 to the executing agency (MKVDC), for two projects from the Contingency Fund of the State in view of lack of allocation in the State Budget, was irregular. In **Himachal Pradesh**, the objective of accelerating the pace of execution of work under AIBP was not achieved because of short allotment of State share and consequent short release of CLA by GOI as admitted by the State Irrigation Department (April 2003).

1.13.2 Against the total funds of Rs. 18,905.57 crore made available under the programme over the period 1996-2003, the reported expenditure of Rs. 13,823.05 crore was found to be inflated by the State Governments as it included amounts retained in various deposit accounts, diverted to activities not connected with the programme, misutilised, misreported etc. Audit test checked projects expenditure of Rs. 8,146.80 crore out of which Rs. 2,854.06 crore were not spent on the programme as indicated below:



1.13.3 Diversion of funds

In 15 States (**Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Uttar Pradesh and West Bengal**), funds aggregating to Rs. 741.34 crore were diverted during 1996-2003 to activities not connected with the programme, such as payment of staff salaries, purchase of vehicles, repairs and maintenance work, various construction works viz, statue of Maharaja Ranjit Singh and platform, head regulator for power generation, five canals of IGNP Stage II project, additional pumphouse etc. and for meeting old liabilities of projects from AIBP funds, due to which the approved works could not be completed. (Annex -X)

During the period 1996-2003, 23 Irrigation Divisions of **Bihar** engaged in construction of five AIBP projects, irregularly utilized CLA of Rs 29.89 crore on purchase of inadmissible items such as office equipment, wireless sets, vehicles, repairs

and maintenance of colony roads and building and payment of telephone/electricity bills etc.

Similarly, against seven projects of AIBP pertaining to **Rajasthan**, expenditure to the extent of Rs. 22.56 crore, was incurred during the period 1997-2003 on inadmissible items like purchase of vehicle, repair & maintenance of building, vehicles and canals etc.

During 1996-2003 an amount of Rs. 423.99 crore was released by the Government of India to Government of **Maharashtra**. The State Government in turn, released only Rs. 57.02 crore for execution of projects and diverted the balance fund of Rs. 366.97 crore towards other inadmissible purposes. The Government (Irrigation Department) accepted (May 2003) retention of CLA without furnishing any justification for the same.

1.13.4 Irregular expenditure on establishment

There were no clear-cut guidelines for release of CLA on account of establishment cost during the years 1996-99. However, after modification in the existing guidelines from 1 February 2002, it was restricted to 15 *per cent* and only adjustable against the State share, except in case of projects included under Fast Track Programme. A scrutiny of records revealed that an expenditure of Rs 560.08 crore was incurred irregularly on establishment charges of 59 projects pertaining to 14 States viz **Andhra Pradesh (6), Bihar (6), Chhattisgarh (5), Goa (1), Haryana (2), Himachal Pradesh (1), Jharkhand (7), Karnataka (5), Madhya Pradesh (5), Maharashtra (8), Orissa (8), Punjab (1), Rajasthan (3) and West Bengal (1)** in violation of the AIBP guidelines, since establishment charges were met out of CLA.

(Rs. in crore)

Sl.No.	State	No. of Projects	Amount
1.	Andhra Pradesh	6	53.71
2.	Bihar	6	12.34
3.	Chhattisgarh	5	82.72
4.	Goa	1	3.91
5.	Haryana	2	37.53
6.	Himachal Pradesh	1	2.81
7.	Jharkhand	7	20.43
8.	Karnataka	5	56.79
9.	Madhya Pradesh	5	51.92
10.	Maharashtra	8	94.80
11.	Orissa	8	124.24
12.	Punjab	1	14.46
13.	Rajasthan	3	0.32
14.	West Bengal	1	4.10
	Total	59	560.08

1.13.5 Unauthorised expenditure

In **Chhattisgarh, Himachal Pradesh, Karnataka, Orissa, Punjab and Rajasthan**, during 1996-2003, expenditure aggregating to Rs.215.39 crore was incurred unauthorisedly on works without obtaining approval and technical sanction of the competent authority for change in the scope of works, substitution of material specified in the contract, execution of works not included in the approved estimates etc. (**Annex-XI**)

Similarly, non-Plan expenditure on maintenance, repair and establishment amounting to Rs.157.59 crore in respect of **Ranjit Sagar Dam Project (Punjab)** had been charged to Plan head of the project, which was irregular.

1.13.6 Unadjusted advances

Advances amounting to Rs. 219.92 crore made to project authorities, contractors, payment of land compensation etc. had either not been adjusted or recovered/effected from the concerned parties in 13 States viz. **Andhra Pradesh, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Madhya Pradesh, Orissa, Punjab, Rajasthan, Uttar Pradesh, and West Bengal.** Further, in **Rajasthan and Orissa**, recovery of Rs. 1.12 crore due to shortage of stores items such as tools and plants, films, empty cement bags and compensation in respect of **IGNP, Mahi and Potteru** irrigation projects during 1998-2003, was not made from the concerned parties. The amount was thus not available for expenditure under the programme. However, these amounts had been booked as final expenditure. (Annex-XII)

The Ministry stated (March 2004) that instructions had been issued to the State Governments to streamline the procedures as enshrined in the guidelines of the programme.

1.13.7 Inflated Reporting of expenditure

Expenditure reported in four States (**Jharkhand, Kerala, Madhya Pradesh and Uttar Pradesh**) was in excess of that actually spent, by Rs.111.49 crore.

In **Jharkhand, Surangi, Kansjore, Tapkara, Latratu and Sonua** projects brought under AIBP during 1997-98 were already receiving assistance from NABARD. Expenditure incurred out of NABARD assistance of Rs.11.78 crore during 1996-98 was charged under AIBP with retrospective effect (1996-97), which was incorrect.

In **Kerala**, the actual expenditure on **Kallada** project amounted to Rs. 55.85 crore. The project authority however, wrongly booked the expenditure under AIBP as Rs. 58.01 crore. Further, in respect of **Muvattupuzha** Irrigation project, work to the extent of Rs. 49.12 crore was reported against LoC of Rs. 23.80 crore received for payment under AIBP.

In **Madhya Pradesh (Bansagar)** inflated expenditure of Rs. 72.23 crore was reported. During 1996-2002 expenditure of Rs. 390.05 crore was reported against the admissible expenditure of Rs. 317.82 crore which included the share of **Uttar Pradesh and Bihar** (Rs. 143.13 crore).

1.13.8 Parking of Funds

Rs. 41.28 crore received by various executing agencies were kept in deposit at call, current account, civil deposits, purchase of three bank drafts, irregular inter-divisional transfer of funds, adjusted against other accounts etc. in seven projects in **Bihar, Gujarat, Haryana, Punjab and Rajasthan**. The States of **Haryana and Rajasthan** had reported loss of interest of Rs. 0.08 crore on the unauthorized retention of funds in deposit accounts.

1.13.9 Delay in release of funds:

CLA and the States matching shares were to be released to the executing agencies without delay. Test check revealed that in the States of **Goa, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Maharashtra, Punjab and Rajasthan**, CLA of Rs. 2,023.09 crore and matching States' share of Rs. 1,351.89 crore were released to the executing agencies belatedly in respect of 43 projects. The delays ranging from 1 to 14 months and 1 to 18 months were contributed by the Ministry and the States respectively. Such delays contributed to overall delays in completion of projects and achievement of programme targets.

The Ministry agreed (March 2004) that there had been delays at the start. The Ministry also informed that it was liaisoning with State Governments to reduce the gap in releasing funds to projects.

1.13.10 Short release of CLA

In 11 States, namely **Andhra Pradesh, Bihar, Goa, Himachal Pradesh, Madhya Pradesh, Maharashtra, Meghalaya, Punjab, Rajasthan, Uttar Pradesh and West Bengal** funds were short released and objectives of accelerating the pace of execution of projects remained partially achieved. (Annex – XIII)

1.13.11 Audited statements of expenditure were not submitted

According to the guidelines, the State Governments were required to submit Statements of Expenditure (SoE) within nine months of completion of the financial year in respect of all the projects. The SoE were not furnished by the States of **Andhra Pradesh, Bihar, Goa, Gujarat, Karnataka, Rajasthan and West Bengal** in respect of 35 projects.

The Ministry stated (March 2004) that the submission of SOE/ Audited Accounts would be pursued with the State Governments.

1.13.12 Outstanding Utilisation Certificates (UCs)

UCs of CLA were to be furnished within a reasonable time and latest by 18 months from the date of sanction. In five States (**Gujarat, Himachal Pradesh, Jammu & Kashmir, Punjab and Rajasthan**), UCs amounting to Rs. 172.69 crore pertaining to 23 projects were awaited as of March 2003 as detailed below:

S.No.	State	No. of Project	Amount of UCs pending (Rs. in crore)
1.	Gujarat	15	75.81
2.	Himachal Pradesh	3	51.96
3.	Jammu & Kashmir	2	0.81
4.	Punjab	2	17.03
5.	Rajasthan	1	27.08
Total		23	172.69

The Ministry stated (March 2004) that the submission of UC's was being pursued with the State Governments.

1.14 Monitoring

Whether adequate monitoring and evaluation were carried out for timely corrections?

The AIBP guidelines envisaged a detailed monitoring mechanism to be instituted at the Central, State and Project Level.

- *At the Central Level*, the Advisory/Steering Committee was to carry out half yearly and annual reviews of the performance of projects. This Committee was to be supported by a Technical Committee at the National Level. The Committee was also required to meet every quarter to review the progress and visit each project at least once a year. CWC (Hqrs) was required to monitor projects in each State through its Project level/State level units through on the spot study/visits.
- *At the State level*, the State Level Monitoring Committee was to meet quarterly and render suitable advice to the Project Level Committee and send its report to the Technical Committee at the National Level and also visit each project at least twice a year.
- *At the Project level*, a Committee was to meet every month and take suitable steps to improve the progress and remove the bottlenecks, if any and send monthly report to the State and National Level Committees. The Committee was also required to visit the project at least once a quarter.

Test check of the records of the Ministry/CWC revealed that monitoring was inadequate despite the elaborate monitoring mechanism discussed above. Formation of Advisory/Steering Committee at National Level to carry out half yearly and annual

review of the progress of the projects and Technical Committee to support this Apex Committee was not on record.

Test check of records further revealed that in **Andhra Pradesh, Bihar, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Uttar Pradesh and West Bengal**, the State Level/Project Level Committees were not formed, resulting in ineffective monitoring of progress of works and consequent unplanned and adhoc execution of work.

Monitoring by CWC's field offices was also either inadequate or not followed up as evident from the following instances:

- In **West Bengal**, remedial measures were suggested by CWC on 1 February 1998 in its monitoring reports to overcome bottlenecks in execution of projects. These were not followed up by the implementing agencies.
- CWC in its monitoring reports of December 2001 and February 2002 observed that, in **Haryana**, the physical programme was not properly planned nor was due care given to the financial management of the Gurgaon canal project. It also pointed out that the **Haryana** Government had failed to make adequate budget allotment for JLN project during the period 1997-2002 and components of WRCP were not specified. To claim a higher amount of CLA, 10 *per cent* share of the cost of works on Modernization of Channels and Hathni Kund Barrage had been accounted for towards CLA. No consolidated quarterly, half yearly or yearly progress reports for the programme as a whole were, however, available with the Department.
- In **Maharashtra**, expenditure of Rs. 692.45 crore on 10 projects was reported to CWC as having been incurred during 1996-2003. However, funds to that extent had not even been provided by the State Government to implementing agencies. CWC accepted this without verification and recommended release of further instalments from time to time through its respective monitoring reports.
- In **Madhya Pradesh**, CWC's monitoring reports in respect of six projects, highlighted shortcomings in planning and implementation of AIBP, yet the Ministry recommended the release of CLA to these projects.
- In **Karnataka**, a Superintending Engineer was appointed to monitor the projects. He, however, had no role in conducting meetings or sending physical and financial progress reports to CWC (Hqrs) which were sent directly by the project authorities. Due to non-constitution of a monitoring committee no control could be exercised over the execution of projects resulting in unwarranted delay in execution of projects, cost escalation and various other physical and financial irregularities.
- In **Orissa** also, failure of monitoring system at all levels was observed. As a result, even after an expenditure of Rs. 1028.74 crore on all types of schemes, none of the 10 major/medium and 6 FTPs were completed and of the 23 MI schemes also, only one was completed after a lapse of 7 years. Against the targeted UIP of 609 th ha of IP only 45 th ha (7.39 percent) could be created which exposes the inefficiencies in the monitoring system.

1.15 Evaluation / Impact Assessment

Programme evaluation makes mid-term remedial action possible by assessment of the impact on productivity and the extent of enhanced socio-economic benefits with reference to the prescribed indicators, especially the benefits accruing to small farmers. In the absence of clearly specified and quantifiable targets under the programme, evaluation of the impact of this Central intervention in overall production and productivity due to increased irrigation facilities was not feasible. There was no effort on the part of the Government of India to assess the benefits from investment under this programme apart from monitoring the number of completed projects and the irrigation potential created.

Test check revealed that in **Bihar (6), Chhattisgarh (5), Goa (1), Gujarat (15), Haryana (4), Himachal Pradesh (3), Madhya Pradesh (12), Maharashtra (20), Punjab (5), Rajasthan (10) and West Bengal (7)** no evaluation/impact assessment study was conducted by any authority in respect of 88 projects being executed in these States. However, in five States viz **Bihar (Orhani), Goa (Tillari), Kerala (Kallada), Maharashtra (Upper Wardha) and Rajasthan** (concerning 10 major/medium/ERM projects), some studies were conducted by the respective State Governments. In **Kerala**, winding up of the **Kallada** Irrigation project was suggested besides auction of acquired unutilized land etc. In **Goa** it was concluded that the **Tillari** project was unviable and was expected to yield negative returns. Results of study in the remaining three States were awaited as of March 2003.

The Ministry stated (March 2004) that a decision would be taken in the matter as suggested by Audit.

1.16 Conclusion

The programme launched in 1996 failed to achieve the intended objective of accelerating irrigation benefits by ensuring completion of ongoing major/medium projects languishing for funds despite spending Rs. 13,823.05 crore (including States' share) in 24 States during 1996-2003 as evident from the following audit findings:

- As of March 2003, only 23 of the 172 projects covered under the programme had been completed. In 21 States, irrigation potential created under the programme was a mere 28.28 *per cent*, of which only 11.06 *per cent* could be utilized.
- The concept of Fast Track projects introduced in February 2002 for focusing on completion of selected projects within one year also failed to have the desired impact as none of the 29 projects put on fast track, had been completed so far.
- Dilution in the programme guidelines to include minor irrigation schemes in the 11 Special Category States resulted in Rs. 218.07 crore being released for creation of 22.56 *per cent* of the envisaged potential, utilisation of potential was however only 19.44 *per cent* in three States.

- Government's effort for establishing linkages of the programme with reforms in irrigation sector largely failed as only four States came forward to sign the undertaking and none complied with the laid down conditions.

The poor performance was due to:

- Inadequate planning and lack of co-ordination with the State Governments, who were responsible for execution.
- Frequent modifications in the guidelines diluting the main focus of the programme.
- Inappropriate selection of projects resulting in thin spreading of resources.
- Insufficient execution with substantial time and cost overrun in several cases.
- Insufficient mechanism for recording and maintaining assets by appropriate O&M measures, even though reform incentives were linked with the programme from February 2002.
- Inefficient utilisation of resources with several instances of diversion, parking and misuse of funds.
- Insufficient monitoring despite an elaborate mechanism prescribed by the Ministry.
- Lack of any meaningful mid-term evaluation.

The Ministry stated (March 2004) that it had noted audit observations for compliance.

1.17 Recommendations

- Central Government should prepare a comprehensive data-base incorporating details of each incomplete project with its exact status for maintaining the investment focus on projects with high economic viability, near-term impact and low per hectare cost.
- Immediate and effective measures should be taken to check thin spreading of resources focusing on a few projects selected on the basis of investment priority, for which improved interaction with and commitment from the concerned State Governments is required.
- Inefficiencies/irregularities in execution should be checked by improved monitoring through State CWC offices and closer co-ordination with States.
- If the programme has to continue with reform linkages, then the present incentive/disincentive frame-work should be reviewed and made more effective so that the completed projects are able to sustain themselves in the long run.

- The funding and expenditure process needs to be strengthened for ensuring better value for money.

1.18 The Ministry stated (March 2004) that the Review was of immense help to them in making necessary midcourse corrections in the programme for its effective implementation. It has noted the recommendations for compliance.



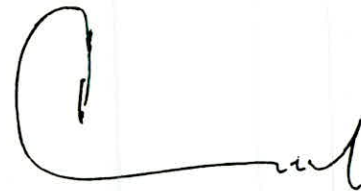
(SHUBHA KUMAR)

Principal Director of Audit
Economic & Service Ministries

New Delhi

Dated : 21 May 2004

Countersigned

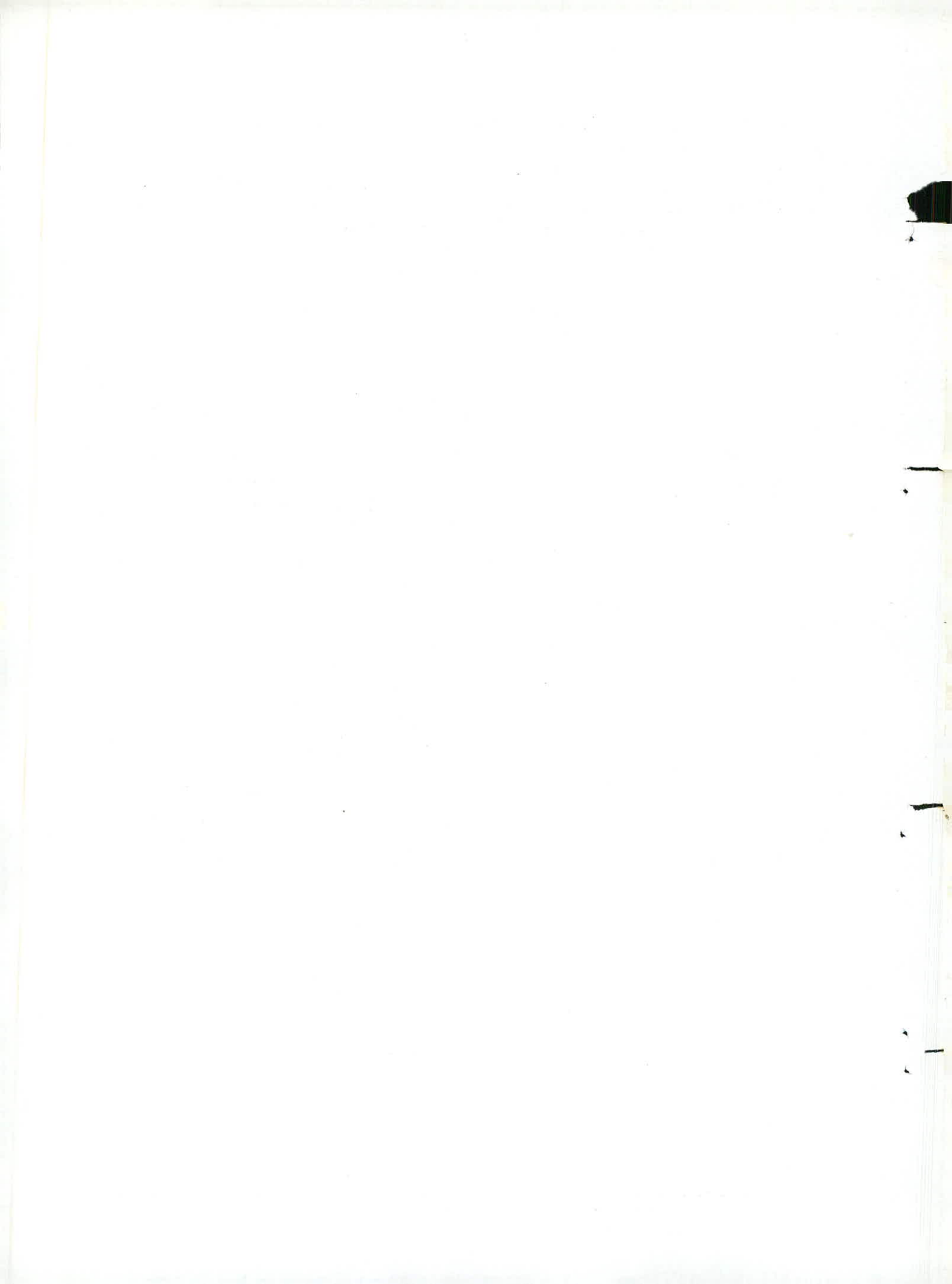


(VIJAYENDRA N. KAUL)

Comptroller and Auditor General of India

New Delhi

Dated : 26 May 2004



Annex – I
(Refers to Paragraph 1.5.1)
Financial and Physical Progress

(Rs. in cror , IP in th. ha.)

S. No.	State	Project	Latest est. cost	Pre AIBP Expdr. Incurred	Balance Cost of the Projects	Expd incurred under AIBP	Ultimate irrigation potential	Pre AIBP Potential created	Balance I.P. to be created	Potential created under AIBP	Total Potential utilised	Potential Utilised created under AIBP
1.	Andhra Pradesh	Annamaya	60.45	21.53	38.92	35.50	9.105	Nil	9.105	Nil	Nil	Nil
		Sriram sagar	2,425.00	1,919.26	505.74	397.82	377.463	254.900	122.563	90.534	N.A	-
		Priadarshini Jurala	545.82	325.89	219.93	206.96	41.360	1.200	40.160	31.175	32.375	31.175
		Somasila	467.00	274.00	193.00	122.22	64.348	21.207	43.141	15.579	15.579	15.579
		Madduvalsa	115.23	31.31	83.92	75.89	10.000	Nil	10.000	6.960	5.868	5.868
		Naggarjuna sagar	1,135.00	1,049.50	85.50	45.82	895.000	809.000	86.000	19.433	809.000	Nil
		Gundalavagu	21.58	6.83	14.75	2.58	1.045	Nil	1.045	Nil	Nil	Nil
		Yerrakalva	81.20	38.50	42.70	14.23	9.996	3.035	6.961	Nil	3.035	Nil
		Maddigedda	10.90	3.70	7.20	0.97	1.710	1.105	0.605	Nil	1.105	Nil
2.	Assam	Kanupur Canal	27.58	17.80	9.78	0.42	7.638	7.077	0.561	Nil	7.500	Nil
		Dhansiri	355.00	103.56	251.44	67.70	83.366	15.000	68.366	11.000	4.732	Nil
		Champamati	128.67	35.28	93.39	24.49	24.994	Nil	24.994	1.450	-	-
		Bordikarai	49.94	28.81	21.13	19.66	34.00	25.452	8.548	7.000	12.000	Nil
		Integrated I.S.	1,13.93	40.32	73.61	29.15	34.400	25.113	9.287	2.865	4.070	Nil
		Phahumara	46.16	24.07	22.09	9.82	12.955	1.200	11.755	6.500	4.600	3.400
		Rupahi	10.69	5.47	5.22	1.65	5.668	-	5.668	0.200	-	-
		Barolia	69.32	28.80	40.52	17.68	13.562	-	13.552	1.300	1.050	1.050
		Bundeing	27.39	7.55	19.84	8.13	5.054	.564	4.490	1.136	.560	Nil
		Mod. of Jamuna	60.27	-	60.27	3.69	13.758	-	13.758	4.000	3.000	3.000
		Hawaipur	14.93	5.27	9.66	7.82	3.887	-	3.887	2.045	0.090	0.090
3.	Bihar	W.K. C Project	904.01	257.40	646.61	176.20	234.800	22.750	212.050	6.730	8.014	1.821
		Durgawati Reservoir	234.41	154.36	80.05	71.53	20.297	Nil	20.297	Nil	Nil	Nil
		Upper Kiul	159.16	108.33	50.83	29.85	19.500	7.320	12.180	9.180	9.869	2.549
		Orni Reservoir	58.76	38.74	20.02	21.41	9.717	0.160	9.557	5.834	2.388	2.228
		Bilasi Reservoir	23.83	17.46	6.37	6.58	4.050	Nil	4.050	4.050	3.223	3.223
		Bansagar	N.A.	NA	NA	141.38	NA	NA	0	NA	NA	NA
		Sone Canal	493.17	79.67	413.50	159.27	909.410	585.420	323.990	96.000	384.510-	24.471
		Batane	57.00	39.70	17.30	1.05	9.870	6.380	3.490	1.000	2.137	Nil
4.	Chhattisgarh	Hasdeo Bango	1,043.88	581.65	462.23	348.54	209.000	122.500	86.500	52.179	107.622	3.500
		Jonk Diversions	58.48	29.99	28.49	10.59	14.569	5.000	9.569	3.832	3.762	Nil
		Shivnath Diversion	16.73	7.34	9.39	7.19	5.870	0.632	5.238	5.238	0.533	Nil
		Kosarteda	62.60	17.54	45.06	9.02	11.120	Nil	11.120	Nil	Nil	Nil
		Barnai	18.74	14.87	3.87	3.75	2.820	1.335	1.485	0.150	0.150	Nil
5.	Goa	Tillari	952.00	183.52	768.52	139.14	24.618	Nil	24.618	.502	Nil	Nil
		Salauli	160.00	124.79	35.21	26.67	14.326	4.806	9.520	4.428	2.259	Nil

S. No.	State	Project	Latest est. cost	Pre AIBP Expend. Incurred	Balance Cost of the Projects	Expend incurred under AIBP	Ultimate irrigation potential	Pre AIBP Potential created	Balance I.P. to be created	Potential created under AIBP	Total Potential utilised	Potential Utilised created under AIBP
6.	Gujarat	Jhuj (Md)	65.82	46.96	18.86	17.69	5.810	2.912	2.890	2.898	0.210	0.210
		Sipu (Mj)	115.16	102.80	12.36	10.55	22.080	19.660	2.420	1.020	Nil	Nil
		Harmav-II (Md)	9.01	8.85	0.16	0.30	3.440	2.940	0.500	0.400	Nil	Nil
		Umaria (Md)	13.5	8.01	5.49	5.45	2.378	2.062	0.316	0.160	0.160	0.160
		Damanganga (Mj)	283.05	198.18	84.87	81.75	51.656	42.954	8.702	6.686	6.686	6.686
		Karjan (Mj)	345.00	271.18	73.82	73.94	70.380	55.730	14.650	5.990	5.000	5.000
		Sukhi (Mj)	122.88	115.81	7.07	33.19	25.255	21.585	3.670	3.670	2.573	2.573
		Deo (Md)	60.99	56.70	4.29	6.05	8.529	7.174	1.355	0.322	0.322	0.322
		Watrak (Mj)	85.22	69.47	15.75	9.05	16.874	12.574	4.300	4.026	1.200	1.200
		Mukteshwar (Md)	46.00	22.52	23.48	20.73	6.186	0.565	5.621	3.030	0.100	0.100
		Aji-IV (Md)	111.33	52.20	59.13	69.98	3.750	Nil	3.750	0.930	Nil	Nil
		Ozat-II (Md)	86.20	30.82	55.38	39.83	4.948	Nil	4.948	350	0.350	0.350
		Brahamini-II (Md)	41.50	2.25	39.25	2.79	2.063	Nil	2.063	Nil	Nil	Nil
		Bhadar-II (Md)	119.30	70.17	49.13	5.13	8.570	Nil	8.570	Nil	Nil	Nil
		S.S.P.					1,692.000		1,692.000	141.095	26.831	26.831
S.S.P.(FT)					100.000		100.000	Nil	Nil	Nil		
7.	Haryana	J.L.N. Project	245.75	174.88	70.87	11.57	270.000	180.000	90.000	Nil	20.000	Nil
		Gurgaon Canal	60.61	30.46	30.15	2.79	81.000	61.000	20.000	Nil	17.000	Nil
		Balance Work of WRCP	28.58	Nil	28.58	14.02	8.176	-	8.176	3.270	3.270	3.270
		WRCP	470.67	446.28	24.39	75.58	106.000	11.120	94.88	-	-	Nil
8.	Himachal Pradesh	Shah Nahar Project (Major)	143.90	Nil	143.90	64.72	15.287	Nil	15.287	0.655	0.035 to 0.041	0.035 to 0.041
		Sidhata (Med)	33.62	1.85	31.77	3.02	3.150	Nil	3.150	0.145	0.010 to 0.022	0.010 to 0.022
		Changer Lift	28.37	0.59	27.78	1.75	2.350	Nil	2.350	Nil	Nil	Nil
9.	J&K	Ranbir Canal (Mod)	84.40	23.05	61.35	27.26	74.800	62.000	12.800	2.645	59.540	Nil
		New Pratap Canal (Mod)	21.68	3.00	18.68	6.51	12.042	10.511	1.531	0.614	7.444	Nil
		Kathua Canal (Mod)	15.68	4.37	11.31	4.58	14.385	14.122	0.263	0.188	14.140	0.018
		Igophey Canal (Mod)	46.82	33.28	13.54	7.91	4.373	1.020	3.353	2.908	1.092	0.072
		Zangir Canal (Mod)	13.66	8.66	5.00	2.17	7.100	4.960	2.140	0.540	5.500	0.540
		Lethpora Lift Irrigation	9.06	6.00	3.06	1.98	3.198	.542	2.656	0.864	0.455	0.455
		Rafiabad	35.60	20.10	15.50	1.45	2.932	Nil	2.932	Nil	Nil	Nil
		Tral Lift	70.33	7.82	62.51	4.31	6.000	Nil	6.000	Nil	Nil	Nil
Rajpora	29.13	3.55	25.58	3.92	2.429	Nil	2.429	Nil	Nil	Nil		

S. No.	State	Project	Latest est. cost	Pre AIBP Expdr. Incurred	Balance Cost of the Projects	Expd incurred under AIBP	Ultimate irrigation potential	Pre AIBP Potential created	Balance I.P. to be created	Potential created under AIBP	Total Potential utilised	Potential Utilised created under AIBP
10.	Jharkhand	Torai Reservoir	62.57	25.76	36.81	1.64	8.000	Nil	8.00	Nil	Nil	Nil
		Gumani Barrage	83.72	24.38	59.34	45.85	16.190	Nil	16.190	Nil	Nil	Nil
		Kansjore	52.97	23.02	29.95	16.93	6.290	Nil	6.290	4.000	Nil	Nil
		Sonua Reservoir.	48.98	22.63	26.35	20.14	6.260	Nil	6.260	Nil	Nil	Nil
		Latratu Reservoir	37.78	32.38	5.40	6.27	9.900	3.000	6.900	6.900	1.87	1.87
		Tapkara Reservoir	4.93	3.01	1.92	1.65	1.860	Nil	1.860	1.760	0.66	0.66
		Surangi Reservoir	41.17	12.62	28.55	14.94	2.600	Nil	2.600	Nil	Nil	Nil
11.	Karnataka	Maskinala	47.00	38.78	8.22	1.87	3.001	Nil	3.001	Nil	Nil	Nil
		UKP (St.I)	5,613.83	41.42	5,572.41	1,105.47	150.000	1.371	148.629	117.030	21.919	21.919
		Malaprabha	793.89	584.21	209.68	96.68	220.026	161.556	58.470	11.027	57.342	Nil
		Gandori Nala	132.95	58.00	74.95	32.46	8.094	Nil	8.094	Nil	Nil	Nil
		Hirehalla	160.00	57.53	102.47	96.05	8.330	Nil	8.330	Nil	Nil	Nil
		Ghataprabha	976.83	420.55	556.28	231.28	331.000	177.481	153.519	45.120	149.732	Nil
		UKP St. II	2,954.58	767.81	2,186.77	886.38	197.120	18.799	178.321	25.891	2.372	Nil
		Karanja	415.00	156.40	258.60	152.12	35.614	4.674	30.94	7.855	12.529	7.855
12.	Kerala	Kallada	714.00	489.35	224.65	55.85	53.631	29.074	24.557	3.969	43.626	2.867
		Muvathupuzha	465.00	356.39	108.61	49.12	17.737	2.500	15.237	4.750	4.70	2.250
13.	Madhya Pradesh	Ban Sagar Project	1,665.29	486.67	1,178.62	463.31	193.359	Nil	193.359	0.350	.350	.350
		Upper Wainganga (withdrawn)	243.48	150.95	92.53	106.46	105.253	70.000	35.253	28.253	40.810	Nil
		Sindh Ph I	56.42	31.28	25.14	12.63	13.627	3.050	10.577	Nil	-	Nil
		Sindh Ph II	607.67	110.09	497.58	214.40	162.100	4.162	157.938	8.998	3.838	3.838
		Bariyarpur LBC Project	190.87	64.04	126.83	28.30	43.850	Nil	43.850	Nil	Nil	Nil
		Urmil Project (Completed)	27.62	20.39	7.23	7.24	7.692	6.500	1.192	1.192	4.090	Nil
		Banjar Project (Completed)	8.55	6.90	1.65	2.45	20.424	1.334	19.090	1.095	1.133	Nil
		Mahi Project	265.75	56.22	209.53	37.87	26.429	Nil	26.429	Nil	Nil	Nil
		Rajghat Dam	N.A.	NA	NA	46.00	Nil	Nil	0	Nil	Nil	Nil
		Indira Sagar (Ph-I)	2,167.67	748.26	1,419.41	798.41	123.000	Nil	123.00	Nil	Nil	Nil
Bargi Diversion (Ph-I & II)	2,604.50	26.25	2,578.25	47.72	245.010	0.651	244.359	Nil	.651	Nil		

S. No.	State	Project	Latest est. cost	Pre AIBP Expdr. Incurred	Balance Cost of the Projects	Expd incurred under AIBP	Ultimate irrigation potential	Pre AIBP Potential created	Balance I.P. to be created	Potential created under AIBP	Total Potential utilised	Potential Utilised created under AIBP
14.	Maharashtra	Surya	300.00	161.97	138.07	54.97	14.696	11.728	2.968	0.460	3.000	Nil
		Bhima (Ujjani)	1,405.67	643.79	761.88	102.43	182.683	133.276	49.407	20.034	75.932	Nil
		Krishna	645.59	362.90	282.69	19.72	74.000	54.412	19.588	1.603	33.994	Nil
		Kukadi	1,611.72	1,112.25	499.47	64.67	156.278	156.278	Nil	4.305	152.241	Nil
		Chas Kaman	388.13	206.91	181.22	Nil	32.824	12.858	19.966	Nil	5.803	Nil
		Khadakwasla	336.16	275.55	60.61	Nil	62.146	61.522	0.624	Nil	30.818	Nil
		Kadavi	68.11	50.61	17.50	Nil	9.220	8.855	0.365	Nil	1.163	Nil
		Kasarsai	33.15	27.38	5.77	Nil	4.119	1.083	3.036	Nil	0.440	Nil
		Kumbhi	62.18	38.95	23.23	Nil	8.711	3.277	5.434	Nil	2.343	Nil
		Kasari	24.86	23.35	1.51	Nil	9.458	9.458	0	Nil	6.196	Nil
		Jawalgaon	22.11	17.55	4.56	Nil	5.341	3.506	1.835	Nil	0.346	Nil
		Hetawane	208.54	165.02	43.52	15.26	6.668	0.500	6.168	Nil	0.000	Nil
		Gosikurd	98.50	32.55	65.95	49.24	7.710	Nil	7.710	7.710	3.252	3.252
		Waghur	189.32	28.18	161.14	113.11	26.325	Nil	26.325	Nil	Nil	Nil
		Upper Tapi	230.76	60.47	170.29	13.38	55.140	50.500	4.640	1.360	23.442	Nil
		Upper Wardha	661.86	385.96	275.90	187.40	80.250	30.345	49.905	33.447	9.482	9.482
Wan	228.40	119.77	108.63	75.49	19.177	3.902	15.275	13.470	4.604	4.604		
Jayakwadi (St.II)	792.20	530.03	262.17	62.30	126.532	89.340	37.192	4.086	40.755	Nil		
Vishnupuri	196.60	153.16	43.44	2.58	28.340	15.563	12.777	Nil	9.131	Nil		
Bahula	44.03	24.61	19.42	8.76	4.654	0.352	4.302	0.807	0.593	0.593		
15.	Manipur	Khuga Multipurpose Project	249.47	76.77	172.70	30.91	15.000	Nil	15.000	Nil	Nil	Nil
		Thoubal Multipurpose Project	390.00	127.63	262.37	43.84	29.400	4.000	25.400	Nil	Nil	Nil
		Dolaithabi Barrage Project	63.10	19.98	43.12	Nil	7.545	Nil	7.545	Nil	Nil	Nil
16.	Orissa	Rengali	2,438.61	217.61	2,221.00	290.38	214.000	4.000	210.000	1.450	3.000	Nil
		Subernarekha	2,303.72	263.47	2,040.25	187.65	101.000	3.000	98.000	1.000	3.000	Nil
		Upper Indiravati	480.96	154.58	326.38	215.24	97.000	48.000	49.000	26.350	75.000	24.150
		Upper Kolab	285.00	182.06	102.94	93.03	48.000	34.000	14.000	10.000	44.000	10.000
		Titlagarh (St II)	44.19	Nil	44.19	19.56	2.000	Nil	2.000	Nil	Nil	Nil
		Upper Jonk Ext.	18.00	Nil	18.00	11.52	2.000	Nil	2.000	0.700	Nil	Nil
		Annapur Barrage	36.07	22.06	14.01	15.35	45.000	39.000	6.000	5.500	5.500	1.189
		Lower Indira	211.70	2.78	208.92	97.45	16.000	Nil	16.000	Nil	Nil	Nil
		Lower Suktel	217.13	1.93	215.20	26.53	13.000	Nil	13.000	Nil	Nil	Nil
		Potteru	191.21	170.46	20.75	20.20	61.000	57.000	4.000	0.332	Nil	Nil
Narrage Barrage	203.77	-	203.77	21.40	167.000	167.000	Nil	Nil	Nil	Nil		

S. No.	State	Project	Latest est. cost	Pre AIBP Expr. Incurred	Balance Cost of the Projects	Expd incurred under AIBP	Ultimate irrigation potential	Pre AIBP Potential created	Balance I.P. to be created	Potential created under AIBP	Total Potential utilised	Potential Utilised created under AIBP
17.	Punjab	Ranjit Sagar Dam Project	3,322.26	1,696.49	1,625.77	644.56	348.000	Nil	348.000	Nil	Nil	Nil
		Shahpur Kandi Dam Project	1,324.00	Nil	1,324.00	20.08	-do-	Nil		Nil	Nil	Nil
		Remodelling of UBDC System	177.80	Nil	177.80	112.66	118.000	Nil	118.000	94.000	45.000	45.000
		Irrigation to HP Area below Talwara	143.32	Nil	143.32	30.70	H.P. Project	Nil	-	Nil	Nil	Nil
		Kandi Canal Stage - II	147.13	Nil	147.13	Nil	23.000	Nil	23.000	Nil	Nil	Nil
18.	Rajasthan	Mahi	834.88	598.57	236.31	85.76	71.200	56.13	15.070	4.424	2.10	2.10
		IGNP	2,267.44	1,330.59	936.85	726.20	964.000	449.000	515.000	183.00	267.668	NA
		Panchana	125.03	40.16	84.87	54.69	10.600	4.50	6.100	5.925	4.297	NA
		Chhapi	93.96	27.91	66.05	51.81	10.000	Nil	10.000	6.50	2.430	2.430
		Chauli	95.53	5.50	90.03	57.34	8.963	Nil	8.963	0.30	Nil	Nil
		Jaisamond (Mod)	24.11	8.66	15.45	7.56	8.353	4.61	3.743	2.76	Nil	Nil
		Gambhiri (Mod)	16.71	12.66	4.05	2.30	4.780	2.578	2.518	1.73	1.30	NA
		Gang Canal (Mod.)	445.79	44.62	401.17	72.59	96.510	5.646	90.864	13.888	19.534	13.89
		Narmada	1,392.00	125.70	1,266.30	101.12	251.000	Nil	251.000	Nil	Nil	Nil
19.	Tripura	Bisal Pur	657.91	205.04	452.87	87.33	81.800	2.500	79.300	15.00	12.00	NA
		Gumati	59.00	17.58	41.42	22.18	1.750	1.000	0.750	0.750	Nil	Nil
		Khowai	67.00	39.50	27.50	10.24	.400	Nil	0.400	0.400	Nil	Nil
20.	Uttar Pradesh/ Uttaranchal	Manu	62.00	23.61	38.39	15.21	.200	Nil	0.200	0.200	Nil	Nil
		Saryu Nahar	3,453.00	828.38	2,624.62	517.45	1,404.00	285.06	1,118.940	256.00		
		Upper Ganga	869.45	709.82	159.63	161.62	9.00	Nil	9.00	9.00		
		Madhya Ganga	742.62	507.60	235.02	212.69	169.00	130.82	38.180	30.44		
		Sharda Sahayak	1,333.66	1,049.93	283.73	256.61	1,582.00	1,142.50	439.500	366.68		
		Ban Sagar	1,049.70	187.25	862.45	319.30	150.13	Nil	150.130	Nil		
		Eastern Ganga Canal	579.00	298.48	280.52	65.59	105.00	43.58	61.420	8.19		
		Rajghat Canal	383.00	268.98	114.02	54.38	109.05	Nil	109.050	97.57		
		Hindon Krishi Doab	115.00	22.94	92.06	91.13	11.60	0.84	10.760	7.56		
		Gyanpur Pump Canal	167.62	119.71	47.91	47.35	65.42	35.76	29.660	1.50		
		Rajghat Dam	150.00	121.09	28.91	12.00	Nil	Nil	0	Nil		
		Guntanala Dam	26.05	23.84	2.21	2.00	3.88	Nil	3.880	3.88		
		Tehri Dam	1,068.56	221.29	847.27	662.00	270.00	Nil	270.00	Nil		
Lakhwar Vyasi	578.40	209.28	369.12	13.00	40.000	Nil	40.00	Nil	Nil	Nil		

Report No.15 of 2004

S. No.	State	Project	Latest est. cost	Pre AIBP Expdr. Incurred	Balance Cost of the Projects	Expd incurred under AIBP	Ultimate irrigation potential	Pre AIBP Potential created	Balance I.P. to be created	Potential created under AIBP	Total Potential utilised	Potential Utilised created under AIBP
21.	West Bengal	Damodarvally Project (DVC)	85.00	62.69	22.31	21.46	515.38	485.00	30.380	Nil	461.20	Nil
		Kangsabati	280.00	190.71	89.29	146.86	401.66	319.00	82.660	33.00	323.97	Nil
		Teesta Barrage Project	1,177.00	553.03	623.97	367.17	526.70	73.366	453.334	45.744	66.200	9.250
		Tatko	12.56	7.10	5.46	2.18	2.494	1.296	1.198	0.589	1.600	0.405
		Patloi	10.80	4.62	6.18	2.81	2.158	Nil	2.158	0.065	0.050	0.050
		Hanumata	8.80	5.39	3.41	3.06	2.766	1.512	1.254	1.108	1.517	0.334
		Subarnarekha	595.34	24.88	570.46	11.17	114.20	Nil	114.20	Nil	Nil	Nil
Total			71,916.96	27,511.80	44,405.16	14,348.41	17,008.00	6,966.000	10,042.000	2,839.752	3,693.701	314.144

Note:- Difference in the project-wise expenditure appearing in this annex and yearwise expenditure in Table-2 is due to inclusion of expenditure on components not chargeable to AIBP by the Project authorities and lack of reconciliation by the State Irrigation Departments.

Annex-II

(Refers to paragraph 1.6.4)

**Details of ineligible projects approved outside the list of 171 & 259
Major/Medium Irrigation Projects.**

(Rs. in crore)

Sl.No.	Name of State	Project's Name	CLA
1.	Assam	Rupahi	00.65
2.	Jharkhand	Tapkara Reservoir	00.51
3.	Gujarat	i. Umaria ii. Brahamani – II iii. Aji – IV	00.14 4.00 11.05
4.	Himachal Pradesh	i. Sidhata ii. Changer lift	3.00 1.02
5.	Jammu & Kashmir	Igophy (ERM also)	7.86
6.	Karnataka	i. Ghataprabha ii. Upper Krishna Stage – II	172.50 525.05
7.	Orissa	i. Anandpur Barrage ii. Lower Indra (KBK) iii. Lower Suktel (KBK) iv. Narrage Barrage	21.85 95.80 20.80 22.12
8.	Punjab	i. Ranjit Sagar Dam ii. Shahpur Kandi	249.79 29.85
9.	Tamil Nadu	WRCP	20.00
10.	Uttar Pradesh	Providing Kharif Channel in H.K. Doab	56.00
ERM Projects			
1.	Assam	Jamuna Irrigation	4.33
2.	Bihar	Sone Canal	73.66
3.	Haryana	WRCP	48.00
4.	Jammu & Kashmir	Ranbir Canal Pratap Canal Kathua Canal Zangir Canal	16.18 3.61 3.74 2.80
5.	Punjab	Remodelling of UBDC Kandi Canal Extension	93.33 10.50
6.	Rajasthan	Jaismand Gambhiri Modernization of Gang Canal	3.13 1.32 42.97
7.	Uttar Pradesh	Modernization of Agra Canal	2.00
8.	West Bengal	Barrage (DVP System)	1.00
Total			1,548.56

Annex - III

(Refers to paragraph 1.6.5)

Ineligible projects covered under AIBP

(Rs. in crore)

SL. No.	State	Project	Year of inclusion	CLA released	Remarks
1.	Andhra Pradesh	1. Nagarjuna Sagar	1998-99 2001-02	26.43 (N) 27.17 (FT)	Project was already completed.
		2. Sriram Sagar	1996-97 2001-02	219.22 (N) 72.00 (FT)	Investment clearance was not obtained. BC Ratio/DC was not determined. Ineligible component included objected by TAC.
2.	Assam	3. Bordikarai	1997-98	7.01	Project was already completed.
3.	Chhattisgarh	4. Hasdeo Bango	1997-98 2002-03	105.94 (N) 70.60 (FT)	Investment clearance not obtained. Detailed Project Report/Technical Advisory Committee appraisal of CWC was not obtained. B.C. Ratio/D.C was not determined.
4.	Gujarat	5. Mukteshwar	1996-97	10.64	Investment clearance was not obtained. BC Ratio/DC was not determined.
5.	Haryana	6. JLN	1997-98	12.00	Project was already completed. B.C ratio was much below the required ratio of 1.5:1
		7. Gurgaon Canal	1996-97	2.50	Project was already completed. B.C ratio/DC was not determined. Detailed Project Report/Technical Advisory Committee approval of CWC was not obtained.
6.	Karnataka	8. Hirehalla	1996-97 2002-03	40.75 (N) 8.78 (FT)	Investment clearance was not obtained. The project was also in the initial stage of execution.
		9. UKP Stage-II	2001-02	525.05	Investment clearance was not obtained.
		10. Malaprabha	1996-97	72.56	LBC not cleared by the Planning Commission. Change in scope of work.
7.	Kerala	11. Kallada	1996-97	28.50	Due to change of scope of work, investment clearance was not obtained. BC ratio/DC was not determined.
8.	Madhya Pradesh	12. Bansagar	1996-97	203.58	Conditional investment clearance obtained during 11/2001 though it was financed under AIBP in 1996-97.
		13. Rajghat Dam	1998-99	27.80	Detailed Project Report/Technical Advisory Committee appraisal of CWC was not obtained. Investment clearance was also not obtained.
		14 Upper Wainganga		49.09	Without obtaining investment clearance from Planning Commission, the project was got approved under AIBP at a cost of Rs 56.62 crore for creation of 35.253 th ha I.P. by June 2000. After incurring an expenditure of Rs 106.46 crore, I.P. of 28.253 th ha (80%) was created. However incomplete project was withdrawn from AIBP in March 2003 though targets could not be achieved due to insufficient allotment of matching State fund during 1997-01.

SL. No.	State	Project	Year of inclusion	CLA released	Remarks
9.	Maharashtra	15. Surya	1996-97	13.55	Investment clearance was not obtained. LEC of Rs. 226.24 crore was submitted to GOM in 3/97, sanction still awaited. DPR not submitted to CWC for Techno economic approval.
		16. Waghur	1996-97	62.48	Investment clearance , TAC approval not obtained
10.	Punjab	17. RSDP	1996-97	249.79	Entirely power project. This was outside the scope of AIBP.
		18. Shahpur Kandi	2001-02	29.85	Entirely power project. This was outside the scope of AIBP.
11.	Rajasthan	19. Chhapi	1996-97 2002-03	19.35 (N) 10.46 (FT)	Due to change in scope, fresh investment clearance was required. Detailed Project Report/Technical Advisory Committee appraisal of CWC not obtained. Targeted potential was less than 1 lakh ha.
12.	Tamil Nadu	20 WRCP	1996-97	20.00	The project was already financed by NABARD/World Bank/other agency.
13	Uttar Pradesh	21. Eastern Ganga Canal	1999-00	49.09	Change in scope of work not approved by CWC. Investment clearance was not obtained.
		22. Upper Ganga & Madhya Ganga	1996-97	149.64 (N)	These projects were already financed by NABARD/World Bank/other agency.
			2001-02	57..50 (FT) 21.95 (FT)	
		23. Saryu Nahar	1996-97	327.50	Substantial expenditure (75%) was not incurred on this project before inclusion under AIBP. The project was also funded by NABARAD.
24. Sharda Sahayak	1996-97	131.00	This project was also financed by NABARD during 1996-03. Non-approval of revised estimate due to change in scope of work by CWC/Planning Commission.		
		24 Projects		2,651.78	

N- Normal
FT -Fast Track

Annex -IV

(Refers to paragraph 1.6.6)

Projects included without fulfilment of pre-requisites

Sl. No.	State	Project	CLA released (Rs. In crore)	Remarks
1.	Andhra Pradesh	10 Projects	663.80	Against the estimated cost of Rs. 1,191.65 crore (1996-2001), only expenditure to the extent of Rs 902.41 crore was incurred as of March 2003. The reasons for not spending Rs 289.24 crore were attributed mainly to non-acquisition of land and also to the absence of committed time frame for implementation of the Scheme. Forest and environment clearances were not obtained in respect of Somasila and Cheyyeru (Annamaya).
2.	Bihar	Durgawati	45.63	Forest & Environment clearances were awaited.
3.	Chhattisgarh	Jonk	6.27	The project was to get water only during rainy season and there was no reservoir to ensure the supply of water during lean period for irrigation purpose. Hence, it was doubtful whether envisaged IP would be achieved at any time.
		Shivnath [#] Diversion	3.54	Sustainability of water source for this completed (June 2002) project was not established before its selection under AIBP during 1997-98 and due to poor project formulation, entire expenditure of Rs.7.19 crore under AIBP was rendered infructuous. No irrigation could be done due to non-availability of water in the river.
		Hasdeo Bango	176.54	Environment and forest clearance were not obtained.
4.	Goa	Tillari	113.30	Forest/Environment clearance was not obtained. Goa required 10.07 MCM water while Maharashtra supplied only 3.4 MCM of water, resulting in shortfall of 66.24 percent.
		Salauli	15.10	Reported creation of potential (4.806 th ha pre AIBP and 4.428 th ha under AIBP) was not in conformity with the availability of water.
5.	Haryana	Gurgoan Canal JLN Canal	2.50	Project completion was connected with the construction of SYL Canal (Punjab), already under long outstanding dispute between Haryana & Punjab State.
6.	Himachal Pradesh	Shah Nahar	41.22	The required land was not acquired before hand due to which work was held up.
7.	Jammu & Kashmir	Lethpora	2.57	Sustainability of water source for the project was not established during the last 7 years as due to low discharge in river, adequate water for irrigation potential created was not supplied and 30 per cent of the I.P. created only was utilised.
8.	Jharkhand	Surangi	9.63	Forest/Environment clearance was not obtained.
9.	Kerala	MVIP *	29.59	The required land was not acquired before hand due to which work was held up.
		Kallada [#]	28.50	Forest/Environment clearance was not obtained.

Sl. No.	State	Project	CLA released (Rs. In crore)	Remarks
10	Madhya Pradesh	Rajghat	27.80	Forest/Environment clearance was awaited.
11.	Maharashtra	Surya	13.55	Without establishment of sustainability of source of water before hand, project selected. Forest/environment clearance was not obtained.
		Waghur	62.48	Forest/ Environment clearance was not obtained after change in scope of work.
12.	Orissa	Rengali	189.80	Forest/ Environment clearance was not obtained. Required land was not acquired in time, which led to uncertainty in its completion resulting in wasteful expenditure of Rs 290.38 crore, admitted by the concerned department of the State..
13.	Rajasthan	Bisalpur, Mahi, Chauli, Panchana. & IGNP St.II	41.56 53.51 28.13 22.41 331.39	(i) 1,455 cases of acquired land was paid during 1997-2003 but mutation of land was not done in the name of the department, which was irregular and may create a legal problem later on. (ii) Forest/ Environment clearance was also not obtained. Due to violation of forest act, the Divisional Officer imposed penalty of Rs 2.63 crore and no recovery of penalty was made. Rs 0.98 crore was paid for afforestation.
		Chhapi	29.81	Forest/ Environment clearance was not obtained. Due to violation of forest act, Divisional Officer imposed penalty of Rs 11.24 crore.
		Panchana	43.38	Due to non-availability of site to the contractor during 1998-99, the state of Rajasthan had to pay Rs 0.14 crore consequent to an arbitration award in favour of contractor.
14.	Uttar Pradesh	Bansagar	141.30	The required land was not acquired before hand and work could not be started. Environment clearance was obtained (May 2003) but the condition was yet to be fulfilled (June 2003).
		Hindon [#] Krishi Doab	56.00	Without Establishment of sustainability of sources of water, project was selected. Forest/environment clearance was not obtained.
		Saryu	327.50	Without Establishment of sustainability of sources of water, project was selected. Forest/environment clearance was not obtained.
15.	West Bengal	DVP	1.00	Forest/Environment clearance was not obtained in respect of Jangal Mahal Main Canal.
		Teesta, Subarnarekha	108.82 13.29	Non-acquisition of land for developing distributory system and Barrage and administrative approval in respect of Subarnerkha were the reasons for which selection under AIBP was not correct.
		Tatko, Patloi	0.89 1.47	Land acquisition proposals were submitted to Land Acquisition Authority long after the scheduled date of completion of original scheme (1980-81) and continued upto 1999-2000.
Total		41 Projects	2,632.28	

*MVIP-Muvattupuzha Valley Irrigation Project

[#] Completed projects

Annex-V

(Refers to paragraph 1.7.3)

Cost and time overrun of Projects

(Rs. in crore)

Sl. No	Name of State	Name of Project	Cost Overrun	Time Overrun (months)	Remarks
1	Andhra Pradesh	10 Projects	---	24 to 84	None of the 10 projects was completed even after lapse of 2-7 years due to delay in land acquisition, investigation, preparation of designs, forest clearance etc.
2	Chhattisgarh	1. Hasdeo Bango 2. Jonk 3. Shivnath 4. Barnai	43.80 - 2.43 1.15	- 24 36 -	The reasons for delay in completion of the projects were delay in fixation of agency for execution of project work, land acquisition, forest clearance and slow progress of the work done by contractors.
3	Jharkhand	1. Torai 2. Gumani 3. Kansjore 4. Sonua 5. Tapkara 6. Surangi 7. Latratu	24.44 66.39 35.00 38.26 2.62 28.24 30.03	48 48 48 48 48 48 24	Association of cost overrun with time overrun was due to increase in cost of labour, material etc.
4.	Karnataka	1. Hirehalla 2. Karanja 3. UKP St.-I 4. UKP St-II 5. Malaprabha 6. Ghataprabha	70.00 156.93 2,016.91 399.08 121.45 235.58	47 36 48 24 48 60	Increase in project cost of six projects from 22 to 233 per cent during a period of 3-7 years had taken place
5	Kerala	1. Kallada 2. MVIP	646.71 357.43	84 84	Substantial time and cost overrun in respect of project was 84 months under AIBP.
6	Punjab	Ranjit Sagar Dam Project	330.29	24	On an expenditure of Rs. 3,652.55 crore cost and time overrun of Rs. 330.29 crore and 24 months respectively has taken place
7	West Bengal	1. Kangsabati 2. DVP	146.86 21.46	36 36	NA
	Total	32 Projects	4,775.06		

UKP- Upper Krishna Project

MVIP- Muvattupuzha Valley Irrigation Project

DVP- Damodar Valley Project

Annex-VI

(Refers to paragraph 1.7.4(iii))

Blockade of funds

(Rs in crore)

Sl. No.	State	Project	Amount	Year	Remarks
1.	Bihar	Western Kosi Canal	0.76	2000-01	Two divisions of Western Kosi Canal paid Rs 0.76 crore to Mechanical Division, Dharbanga for manufacturing and fitting of canal gates. No gate was constructed as of April 2003 and entire amount remained unutilised.
2.	Haryana	Jawahar Lal Nehru Project	0.75	1998-02	Land acquired for construction of minors in three divisions was lying unutilised as the minors could not be constructed.
3.	Karnataka	Karanja	3.13	1993-98	Valves and diversion gates valuing Rs.3.13 crore purchased far in advance of requirement, were lying idle for more than four years, blocking the funds.
4.	Kerala	Kallada	10.43	1996-03	Four AIBP components namely Pallimon Distributory, Paravoor Distributory, Kulkada Branch Canal and Poovattoor distributory remained incomplete, resulting in blocking of funds.
5.	Rajasthan	Indira Gandhi Nahar Project Stage II	1.67	--	Civil work of PS-Vth of Kolayat Lift Canal was completed during 2002 but the job of fixing of pipes could not be taken up for want of budget during 2002-03. Proposal for budget for this work was sent during the year 2003-04 due to which expenditure of Rs 1.67 lakh on civil work remained blocked.
		Indira Gandhi Nahar Project Stage II	0.15	1999-2000	Head regulator constructed at Girajsar distributory at a cost of Rs 15.37 lakh during 3/2000 could not be put to use for the last more than 3 years, as gates on this Head regulator were not yet fabricated.
		Indira Gandhi Nahar Project Stage II	21.87	1995-2000	15 works of 8 pump stations were awarded for execution between 3/95 to 10/99 with completion dates between 3/96 to 10/2000 but the contractor could not complete the works for want of electric connections even after lapse of 29 to 72 months from their stipulated date of completion. Thus, amount of Rs 21.87 crore paid to the contractor remained blocked.
		Indira Gandhi Nahar Project Stage II	3.02	1997-2002	Canal works of Rs 3.02 crore initiated during 4/97 to 7/2002 could not be completed by the contractors because of land could not be acquired. Thus the amount of Rs 3.02 crore remained blocked for 1 to 6 years.
		Earthwork of Banswara Divn.	2.10	1995-2001	Expenditure of Rs 2.10 crore was incurred without creating required irrigation potential for the cultivators.
	Total	5 Projects	43.88		

Annex-VII
(Refers to paragraph 1.7.5)
Undue benefit to contractors and other authorities

(Rs in crore)

S. No	State	Name of project	Amount	Period	Remarks
1.	Bihar	Western Kosi Canal	0.41	2000-03	Extra expenditure of Rs 18.19 lakh alongwith interest of Rs 23.01 lakh was to be recovered from the firm for defaulting in supply of cement for which no legal action was taken, except forfeiting his security deposit of Rs 3.16 lakh.
			0.63	1996-03	Amount of Rs 0.63 crore remained unspent with Eastern Railway due to lack of proper pursuance by the departmental officers.
			0.34	1999-03	Against an advance payment of Rs.362.30 lakh for immediate supply of 1,525 tonne of iron rod; 229.78 tonne of costing Rs.0.34 crore were not supplied as of May 2003. Neither penalty clause was invoked nor damage sustained was worked out by the department.
2.	Chhattisgarh	Hasdeo Bango	5.27		i) Higher amounts in respect of three works of Kharsia Branch Canal paid to the contractor was undue benefit. ii) For two more works of Kharsia Branch Canal higher amounts were paid resulting in excess payment iii) Transportation charges paid for excess quantity led to undue benefit to the contractor.
			29.76		
			0.10		
			1.66		i) Undue benefit of Rs 1.66 crore concerning survey, drawings, designs, estimation, earth work, security deposit etc. were made to the contractor. ii) For earth work and cement concrete lining work, excess payment of Rs.0.10 crore was made to the contractor after expiry of completion period over and above the contracted amount.
			0.10		
			1.30		Penalty for the period 6.12.2002 to 31.8.2003 amounting Rs.1.30 crore in terms of contract was not imposed.
			0.03		Charges for shifting power lines and transformers were not recovered from the contractor.
			0.02		For construction of minor crossings and earth work etc., lowest tender was ignored, next higher quotation was accepted and work was got executed at an extra cost of Rs.0.02 crore.
0.49		In respect of four earth works of Shakti Branch Canal of the project higher rates were allowed and extra inadmissible payment of Rs.0.49 crore was made to the contractor.			
3.	Himachal Pradesh	Shah Nahar	0.19	2001-03	Compensation of Rs. 0.19 crore in terms of agreements was not levied by the department, resulting in undue financial aid to the contractor.
4.	Karnataka	Gandorinala	0.21		Loading, unloading and lead charges of cement already included in units rates were again allowed resulting in unintended benefit of Rs. 0.21 core to the agency.
		Hirehalla	1.37	1997-03	KSCC was paid Rs 1.37 crore in excess for the extended period.
			0.58	1998-00	Contractor could not complete the work within the stipulated period (12/98) and was paid at rates of DSR 2000-01 for execution of work beyond 1.1.2000.
		Karanja	10.44	---	24312 MS outlet gates were purchased at exorbitant rates as compared to SPD rate contract, leading to excess payment of Rs 10.44 crore.
5.	Madhya Pradesh	Indira Sagar	0.40	2001-03	For excess quantity of 204757 cum payment @ Rs 144.00 per cum instead of 124.60 per cum was made resulting in an extra payment of Rs 0.40 crore to the contractor.

S. No	State	Name of project	Amount	Period	Remarks
		Bariyarpur	0.35	2001-03	For inflated quantity of 47256 cum of work extra payment of Rs 0.35 crore to the contractor was irregular.
		Sindh Phase-II	0.51	1996-03	Excess payment by Rs 0.34 crore was made on account of escalation due to incorrect determination of the value of work done. Besides cost of useable rock was not accounted for, while making payment to the contractor, resulting in short recovery of Rs. 0.17 crore.
		Bansagar	0.24	2001-03	Unauthorised payment of Rs 0.24 crore for work not done was made to the contractor irregularly.
6.	Orissa	-	1.01	2002-03	The excess allowance of 13 per cent facilitated siphoning of Rs 1.01 crore to the contractor.
		Potteru	0.36	2002-03	For 20 percent of moorum to fill the voids 12.5 percent was deducted from void resulting in short recovery of 7.5 percent of moorum, involving excess payment of Rs 0.36 crore.
			0.24	2002-03	Extra provision of separate items of Rs 2.93 lakh and allied items of Rs.21.43 lakh in the contract towards filling the foundation and plinth with the excavated material led to undue benefit to contractor.
			0.38	2001-03	Failure to realise the basic cost of departmental stone led to undue benefit of Rs. 0.38 crore to the contractor.
		Upper Indravati	0.48	2001-03	For six contracts (2/1997) escalation charges of Rs 0.48 crore was paid to the contractors due to non-acquisition of land for canals which was not admissible.
			2.27	96-97 98-99	Awarding additional work of Rs 2.27 crore to the same contractor at post tender stage, without inviting tenders led to unauthorized payment of Rs 2.27 crore to the contractor.
			0.31	1998-03	For the excess quantity of earthwork, excess payment of Rs 0.31 crore was made for which no responsibility was fixed (3/2003).
			0.23	1996-03	Compensation of Rs. 0.23 crore was not realized from the contractor for the extended period.
			4.96	1996-03	For the excess execution of earth work of 6.70 lakh cum extra payment of Rs. 4.96 crore was made to the contractor irregularly during March 2003.
			0.94	1997-02	Excess payment of Rs.0.94 crore was made to contractor due to non deduction of stipulated allowance of 16 per cent.
			1.19		Extra payment of Rs.1.19 crore was made to the contractor due to unauthorized substitution of costly raw material.
			0.90	1998.03	For the extra quantity of 2.10 lakh cum an unauthorized payment of Rs.0.90 crore was made to the contractor.
			1.49	1996.03	Excess measurement of 2.68 lakh cum of earth work of minor and sub-minors resulted in extra expenditure of Rs.1.49 crore to the contractor.
		Upper Kolab	0.49	1997-03	Escalation charges on material component led to excess payment of Rs 23.76 lakh. Similarly payment of escalation on labour components also led to extra liability of Rs 25.33 lakh.
			0.16	-	Excess payment of Rs 0.16 crore was made to the contractor on inflated quantity of earthwork.
			0.10	-	Payment of Rs 0.10 crore was made to the contractor for allowing over and above item rates.
			1.03	1998-02	10 percent compensation of Rs. 68.51 lakh was not recovered from the contractor, instead escalation benefit of Rs. 34.36 lakh was paid to him.

S. No	State	Name of project	Amount	Period	Remarks
			0.63	1997-03	Due to wrong recording of earth work from 0.88 lakh cum to 1.46 lakh cum resulted in extra payment of Rs. 0.63 crore to contractor, for which no responsibility had been fixed.
			0.61		By not utilizing the available cutting earth of 0.55 lakh cum on the filling section, undue benefit of Rs.0.61 crore was extended to contractor.
			0.27	1997-02	The agreements did not provide for payment of price escalation on labour components. The E.E. executed supplementary agreements for construction of Dhamnahandi and Belgaon distributories without approval of Government and presented escalation bills for Rs 0.27 crore for the works. This, created avoidable liability for inadmissible escalation.
		Rengali	1.75	1996-03	RBC works costing Rs.14.44 crore were rescinded without imposing penalty and awarded to a Corporation at negotiated offer of Rs. 16.19 crore which led to extra liability of Rs.1.75 crore.
			0.36	1996-03	Excess payment of Rs 0.36 crore was made to the contractor against the work executed.
		Anandpur Barrage	0.22	1998-01	Undue benefit of Rs. 0.22 crore was made to the contractor for modified drawing and designs.
7	Rajasthan	IGNP	0.06	1996-99	Rates of earth work in excavation of Kolayat allotted to a firm were inclusive of stacking charges @ Rs 40 per 10 cum, but stacking was not required, thus payment of stacking charges of Rs 0.06 crore to the contractor was irregular and unjustified.
			0.94	-	The work was completed without any job work. Even then workshop charges @ 10 percent were paid, resulting into excess payment of Rs 93.56 lakh to Rajasthan State Electricity Board.
			0.11	1996-02	While executing earthwork, excavated mixed bentonite material was left in heaps very near to the canal edge and removal thereof led to avoidable extra expenditure.
		Chauli	1.26	1999-2000	Executive Engineer granted price escalation amounting to Rs 1.26 crore irregularly though he was not empowered to sanction escalation beyond stipulated date of completion. This was undue benefit.
		Panchana	0.08		Undue benefit of Rs. 0.08 crore was extended to the contractor due to change in specification of item of works.
	Total	18 Projects	77.23		

Annex-VIII
(Refers to paragraph 1.7.5)
Extra Avoidable Expenditure

S. No	State	Name of project	Amount (Rs. In crore)	Period	Remarks
1.	Andhra Pradesh	Madduvalasa	0.50	1998-03	Failure of the department to ensure land acquisition before project approval resulted in cancellation of contract and extra commitment of Rs 0.50 crore in recall of tenders.
		Sriram Sagar	0.24	1997-03	Failure of the department to finalise tender within validity period resulted in an avoidable extra expenditure of Rs 0.24 crore.
		Meddigedda	0.15	2002.03	Change in specification of work of main canal resulted in avoidable usage of 221.60 kgs of extra cement per cum, leading to an avoidable extra expenditure of Rs 0.15 crore.
2.	Chhattisgarh	Hasdeo Bango	77.46		Concerning Kharsia Branch Canal, on three contracts No. 6, 7 & 8 extra avoidable expenditure of Rs.77.46 crore was made.
			1.36		Departmental machinery for compaction and watering of earthwork was not utilised. Instead work was got executed through contractors at an extra avoidable expenditure of Rs. 1.36 crore.
3.	Jharkhand	Surangi	1.48	1997-98	Due to delay in transfer of forest land, ban was imposed by the Forest Department and the agreement of construction of spillway, spillchannel and heavy fall was closed (January 1998). Due to re-tender against balance work, Rs 4.11 crore was paid (March 2003) resulting in extra avoidable cost of Rs 1.48 crore.
4.	Karnataka	Upper Krishna	2.12	-	Defective clause of contract and non-utilization of excavated material on work resulted in avoidable extra expenditure of Rs 2.12 crore on 6 works.
			1.68		Rates of new items on eight works of project exceeding 125 per cent of entrusted quantities were incorrectly fixed leading to excess payment in Rs.1.68 crore.
		Karanja	5.45	1996-03	Improper execution of canal and road works resulted in extensive damages necessitating repair works at a cost of Rs 5.45 crore.
			7.55	1997-03	For construction of 5,238 Cart Trace Crossings (CTS), different designs were approved and executed instead of adopting the cheapest uniform design for all CTCs leading to an avoidable cost of Rs 7.55 crore.
			2.09	1999-03	Pipe outlets were constructed on field irrigation channels, which did not have embankment, leading to avoidable extra expenditure of Rs 2.09 crore.
			2.56		By splitting of works to keep them within the power of Divisional Officer, the works were got executed by inviting short term instead of long term tenders leading to avoidable extra expenditure of Rs 2.56 crore.
		Hirehalla	2.20	1996	Though an agency had agreed to execute the balance work of project at lower rate, the same was entrusted to Karnataka State Construction Corp. at higher rates, leading to avoidable expenditure of Rs 2.20 crore.
			0.32	-	Delay in awarding balance work of project after rescinding first contract resulted in accumulation of water in the working area of spillway and dam, leading to avoidable extra expenditure on dewatering.
			16.70	-	As against the requirement of thinner slopes of casing soil, flatter slopes were used leading to avoidable extra expenditure.
			0.66	-	Top width of dam was increased to 6 mtrs. in place of 4 mtrs. originally fixed without any technical advantage of such increase. This unwarranted increase in top width resulted in avoidable extra expenditure of Rs 0.66 crore.
5.	Orissa	Potteru	1.45	2001-03	The execution of canal bank service road with Water Bound Macadam (WBM) standard with unwarranted higher specification, in deviation to the approved Civil Engineering specification, led to an extra expenditure of Rs 1.45 crore.
			0.64	2001-03	Adoption of higher rates towards the basic cost of the stones in the estimates/agreements, despite use of stone of lower specification in the work inflated the estimated cost and led to extra expenditure of Rs 0.64 crore.

S. No	State	Name of project	Amount (Rs. In crore)	Period	Remarks
			0.39	2001-03	Extra provision for depression/pot holes and wheel track filling computed at 10 percent on adhoc basis, which was unusually exorbitant and uncalled for, led to extra expenditure of Rs 0.39 crore.
		Upper Kolab	2.28	1998-03	Work on Sankarda distributory got executed at a cost of Rs.5.21 crore without increasing its discharge capacity leading to an extra expenditure of Rs.2.28 crore.
			0.56	1997-99	The specification of work of Kotpad and Sankarda distributions were changed from random rubble to cement concrete which led to an extra expenditure of Rs. 0.56 crore.
			0.35	1996-03	Due to change in specification of 2 RDs (RD 00 to 11.67 KM and RD 11.67 to 23.13 KM) execution of extra earth work of 1.27 lakh cum resulted in extra expenditure of Rs.0.35 crore.
6.	Punjab	UBDC	0.67	2000-03	In two divisions excess expenditure was made due to execution of 14.90 lakh cum earth work involving loads of more than 2 km.
7.	Rajasthan	Chhapi, Bisalpur, Chauli, IGNP -II & Mahi	2.57	1997-03	Execution of works pertaining to 5 projects were re-tendered due to non acquisition of land, non serving of work order etc. which could have been avoided.
		IGNP	0.97	1999-02	In 12 cases, works were re-awarded resulting in extra expenditure of Rs. 0.97 crore due to higher tender cost.
			0.27		Delay in sanction for change of source of CNS (kakab-ka-khet to Hada khadeen) and grit (Sonu to Baramsar) increased the quantity of earth work resulting into an extra avoidable expenditure.
			0.38 0.06 (penalty)	1997-01	Incomplete work left by the contractors which later got completed from other contractors at higher rate resulted in avoidable expenditure of Rs 0.38 crore and non- recovery of penalty of Rs 0.06 crore.
			0.17	2000	Avoidable payment of Rs 0.17 crore to RSEB on account of not maintaining minimum average power factor.
		Bisalpur	0.54	1997-1999	Construction of bridge including dewatering was awarded (July 1997) to a contractor who executed dewatering work of 1,92,540 KWH against estimated quantity of 1,75,600 KWH. Thereafter, he was not interested in further work. Against the Department's proposal, the CE got further dewatering work of 4,29,019 KWH through the same contractor instead of departmentally at a cost of Rs. 62.18 lakh against the departmental cost of Rs 8.41 lakh, resulting in avoidable excess expenditure of Rs 54 lakh.
			1.07		Detailed estimates of excavation work were prepared on presumption basis and not on actual basis. Due to heavy deviation in quantities of various items of execution, the contractor left works incomplete and on re-tendering the incomplete works got executed at avoidable extra cost of Rs 60.17 lakh besides creating an extra liability of Rs 46.87 lakh.
		Narmada	0.11	2001-02	Damaged village road and bridges (VRB's) were got repaired through fresh tenders at an expenditure of Rs 0.11 crore.
		Narmada	0.71		An avoidable expenditure of Rs 0.71 crore was incurred (1999-03) on clearance of shrubs, silt and rain cuts etc. as it was not done soon after completion of excavation work 1994-96.
		Mahi Bajaj Sagar Project	0.01		Due to insertion of special conditions in the contract regarding addition / deletion of percentage tender premium, an amount of Rs.0.01 crore was paid extra.
8.	Uttar Pradesh	Tehri Dam	592.56	As of March 2003	Due to expenditure on contingencies in excess of admissible limits, an extra avoidable expenditure of Rs. 592.56 crore was incurred irregularly.
9.	West Bengal	Teesta	0.34	1997-03	The contractor used higher proportion of cement for preparation of tiles for obtaining more than required strength, incurring an extra expenditure of Rs.0.34 crore.
	Total	19 Projects	728.62		

Annex-IX

(Refers to paragraph 1.7.6)

Unfruitful Expenditure

(Rs. in crore)

Sl. No.	Name of State	Name of Project	Year	Amount	Remarks
1.	Andhra Pradesh	Nagarjuna Sagar	2000-03	0.17	The contractor stopped the work for the gapped portion due to non-acquisition of land. Expenditure of Rs.0.17 crore incurred on the remaining portion remained unfruitful.
		Somasila	2002-03	0.01	Work could not be executed as per action plan and completion schedule (97-98). Thus expenditure of Rs. 0.01 crore incurred on publication of NIT became wasteful.
2.	Bihar	Western Kosi Canal	1999-01	0.59	Jhanjharpur Branch earthwork completed from 43 to 100 RD instead of allotted 41 to 100 RD. As a result water did not reach beyond 40 RD rendering the entire expenditure unfruitful.
3.	Chhattisgarh	Shivnath		0.18	The work costing Rs.0.18 crore was executed, measured and paid for, thereafter rescinding the contract without getting the balance work executed. This resulted in unfruitful expenditure of Rs.0.18 crore, besides non recovery of penalty of Rs.0.02 crore from the contractor.
4.	Goa	Tillari		93.15	Rs. 68.94 crore spent on construction of LBMC and expenditure of Rs. 24.21 crore on RBMC had become idle investment.
		Selauli		14.99	Due to objections from land owners concerning compensation of land and from public against hard rock blasting, resulted in works executed to the tune of Rs. 14.99 crore remaining idle.
5.	Haryana	---	---	1.73	Unfruitful expenditure of Rs.1.73 crore was incurred on construction of minors. As water did not reach the tail end due to scarcity in the Main canal, intended benefits could not be achieved.
6.	Himachal Pradesh	Shah Nahar	1998-03	1.41	Failure of the Department to construct LIS and additional pump house of adequate size in the first instance resulted in non-commissioning of the scheme, thereby rendering the expenditure of Rs.1.41 crore unfruitful.
			1997-03	0.53	4 tube wells constructed at a cost of Rs.0.53 crore for the project could not be commissioned due to non-acquisition of private land and lack of permission of Forest Department to remove the trees.
			2000-02	0.21	An expenditure of Rs 0.21crore on construction of 2 tube wells was incurred without finalizing the system of power, rendering it unfruitful
7.	Karnataka	Karanja	1994-02	2.60	Expenditure of Rs. 2.60 crore incurred on RCC pipes remained unproductive and wasteful as these were to be replaced without being used.
				6.38	Expenditure of Rs .6.38 crore on construction of 3,146 Cart Track Crossings in excess of requirement, resulted in wasteful expenditure.
			1998-03	10.71	24,494 gates were fixed for water distribution against requirement of 4,118 gates in command area of 9,978 th ha, leading to excess fixation of 20,426 gates involving wasteful expenditure of Rs. 10.71 crore.
		Hirehalla		1.16	Execution of two foreshore lift irrigation schemes from AIBP funds without approval was not justified.

Report No.15 of 2004

Sl. No.	Name of State	Name of Project	Year	Amount	Remarks
8.	Madhya Pradesh	Sindh Ph. II	2001-03	20.47	Unless Barua Aqueduct was completed, water would not reach in Mahuar river and Samoha pick up Weir, therefore expenditure of Rs 20.47 crore incurred on them was nugatory.
9.	Orissa	Lower Suktel	1999-02	26.53	Due to agitation by the people, soil sample of the earth dam site could not be tested. Govt. decided (Feb.2003) not to proceed with the works, on the project which rendered the expenditure incurred during 1999-03 wasteful.
10.	Rajasthan	Indira Gandhi Nahar Project Stage II	---	0.27	Head regulator constructed at tail, at a cost of Rs.0.27 crore during June 2002 was not justified and remained unused because PS-3 to 6 were not in operation for irrigation purpose
		Indira Gandhi Nahar Project Stage II	2002-03	0.72	Potential of 242.78 ha only could be utilized out of 33,360 ha potential opened, thereby an expenditure of Rs. 0.72 crore incurred on remodelling could not serve the purpose.
		Indira Gandhi Nahar Project Stage II	1996-00	1.18	Twelve extra motors costing Rs 1.18 crore were purchased but the department deleted the item of motor from the list of spare parts. Thus 12 motors purchased were lying unused.
		Indira Gandhi Nahar Project Stage II	1996-03	471.54	The work of 5 canals of the project was executed in unplanned manner which could not be put to effective use, resulting in unfruitful expenditure.
11.	Uttar Pradesh	Saryu Nahar	1996-03	33.87	Even after spending Rs.33.87 crore, functioning of the Ayodhya Pump House was not assured and there was probability of it getting silted again. Thus, due to wrong selection of site for the Pump House, intended benefits in 45.000 th ha area could not be derived.
Total				688.40	

Annex-X

(Refers to paragraph 1.13.3)

Diversion/Mis-utilisation of funds

(Rs. in crore)

Sl. No.	Name of State	Name of Project	Year	Amount	Remarks
1.	Andhra Pradesh	Somasila	1997-03	1.03	An amount of Rs. 1.03 crore was utilized by the project authorities for the flood damages works in October 2001.
		Sriram Sagar	2000-03	0.77	Funds were diverted for payment of Electricity bill for maintenance of Lift Irrigation scheme from November 2001 to April 2003.
		Meddigedda	---	0.07	An amount of Rs.0.07 crore was spent and Rs.0.04 crore committed for repair of residential quarters of a camp colony.
2.	Bihar	Western Kosi	1996-03	0.84	CLA released for these projects was mis-utilised on purchase of photocopier, wireless sets and vehicles, repair and maintenance of colony roads and building, payment of telephone and electricity bills etc.
		Durgawati	1996-03	0.97	
		Sone	1998-03	27.44	
		Uper Kiul	1996-03	0.21	
		Orhani	1997-03	0.43	
		Western Kosi Canal	1997-03	0.66	Cement purchased during 1997-03 was wrongly sold by the E.E of the project, valuing Rs. 0.66 crore and money deposited in the Treasury. Thus, AIBP funds were mis-utilised to augment the receipt of State.
3.	Chhattisgarh	Jonk Division	1999-03	0.85	Rs.0.85 crore was diverted to non-AIBP activities such as payment to work charged and daily waged labourers and departmental charges etc.
		Shivnath Diversion	1997-03	0.58	AIBP funds of Rs. 0.58 crore were diverted to non-AIBP activities such as payments made to daily wagers, work charged staff and Misc expenses charged to works.
		Koserteda		0.17	AIBP fund of Rs.0.17 crore were diverted for payment of daily wage labourers, work charged staff, departmental charges, Misc. expenses charged to work.
4.	Gujarat	---	2001-03	8.04	E.E., PCD-I and JIPD utilized CLA in liquidating past liabilities by diverting AIBP funds unauthorisedly.
		---	2001-03	0.19	EE PCD I Rajkot transferred funds for purchase of vehicle and payment of salary of staff.
5.	Haryana	Gurgaon Canal JLN Canal	1996-98	14.74	CLA of Rs.2.21 crore and Rs. 12.53 crore of Gurgaon canal and JLN canal respectively were irregularly diverted towards excess expenditure on WRCP.
		WRCP		30.00	CLA of Rs. 30.00 crore released during 1996-97 was adjusted against expenditure incurred during 1996-03 on the ineligible project.
6.	Jammu & Kashmir	Ranbir., Canal Kathua Canal, New Pratap Canal and Rafiabad	1996-03	4.49	AIBP funds of Rs. 4.49 crore were diverted to non-AIBP activities such as meeting out liabilities of past years, maintenance of office building, purchase of computers and D.G. Sets etc.
		Ranbir canal New Pratap Kathua Igophey Zangir		24.66	An expenditure of Rs.24.66 crore was incurred on 5 ineligible projects during 1999-03.
7.	Karnataka	Hirehalla	1999-03	1.71	AIBP funds were spent on 2 LI schemes not covered under AIBP, repair of canals etc. maintenance & repair of Dam, Canal and rehabilitation works etc.
		Karanja	1997-03	6.18	
		UKP	--	8.32	CLA funds were incurred on ineligible items of work in respect of UKP.
		Ghataprabha	1998-02	5.62	Liability on account of works done during 1987-95 was met out from CLA funds under AIBP during 1998-2000.

Sl. No.	Name of State	Name of Project	Year	Amount	Remarks
		UKP Stg.I UKP.Stg. II		0.25	As per DPR, departmental charges were levied incorrectly by Rs. 0.25 crore, leading to excess release of CLA
8.	Kerala	---	1996-03	0.36	AIBP funds were diverted for incurring expenditure on electricity, telephone, travelling expenses etc.
9.	Madhya Pradesh	Bargi Diversion	2001-03	50.34	Out of total CLA of Rs.98.06 crore only Rs.47.72 crore was utilised on works during 2002-03. Remaining amount of Rs.50.34 crore was utilized on other works /purposes.
		Bansagar project	1997-98	15.50	CLA of Rs.15.50 crore released for the project during 1997-98 was passed on to MPSEB for construction of head regulator and common water carrier for power generation.
		Bansagar Sindh Ph.II Upper Wainganga	1996-03	1.06	AIBP funds were diverted on procurement, repair and maintenance of T&P/projects
		Bansagar Bariyarpur Upper Wainganga Sindh Ph-II Sindh Ph-I Banjar Indira Sagar Mahi Bargi	1996-03	125.06 + 3.41	Huge expenditure of Rs.125.06 crore incurred on work charged and daily wage staff was wrongly charged to earth and masonry work of nine projects which was irregular. Besides an amount of Rs.3.41 crore was also diverted on purchase of vehicles and other inadmissible items on four of the nine projects.
10.	Maharashtra	20 projects	1997-03	366.97	Funds of Rs. 366.97 crore (83.59 per cent) of total release were not utilized for the purpose for which it was sanctioned by the Centre and diverted for other purposes under common pool. The irrigation department had accepted this irregularity.
11.	Orissa	8 Projects	1997-03	3.94	Amount was spent on activities not related to the programme
12.	Punjab	RSDP	2001-02	0.50	Cost of statue of Maharaja Ranjit Singh and construction of platform etc at a cost of Rs.0.50 crore were not included in the cost estimate of RSDP, nor any approval was accorded by any authority.
13.	Rajasthan	7 projects	1996-03	22.56	Diverted for activities such as purchase of cars, security deposit, photocopy machine. maintenance of building, purchase of shoes, silt clearance etc.
		IGNP and Panchana	1979-97	0.16	An expenditure of Rs. 0.16 crore incurred on IGNP Jaisalmer & Panchana during the period 1979-97 was debited to AIBP during 1979-97 and 2000-02.
		Mahi	2002-03	0.61	Amount of wages of Rs 0.61 crore to employees for the period 1995-99 was debited to the project during August 2002 irregularly.
		IGNP		3.86	Unapproved work of 3 canals Gazner, Kolayat and Phalodi during 4/98 to 12/2002 at a cost of Rs.3.86 crore were taken up without approval of the Cross Drainage (CD).
14	Uttar Pradesh	Saryu Canal	2001-03	7.54	CLA released for the project had been diverted to the Sharda Sahayak Project and utilized by latter for construction of 'Cultural Museum & Park of Lucknow', which was not related to even this project.
15.	West Bengal	Teesta Barrage	1996-03	1.25	In four divisions of the project, expenditure incurred on inadmissible items.
	Total	73 Projects		741.34	

Annex-XI

(Refers to paragraph 1.13.5)

Cases of unauthorised Expenditure

(Rs. in crore)

Sl. No.	Name of State	Name of Project	Amount	Remarks
1.	Chhattisgarh	Hasdeo Bango	0.24	Higher rates tendered by two contractors were accepted in comparison to lower rates tendered by another contractor, resulted in extra avoidable of Rs.0.24 crore.
			1.17	Staff was kept idle from October 2001 to February 2002 and Salary and allowances of the staff were debited to the project which resulted in unfruitful expenditure.
			0.02	For survey work, double payment of Rs.0.02 crore was made to the contractor, once directly and again through contract for which no responsibility was fixed (August 2003).
			6.90	Ten works left incomplete by the contractor were got completed from other contractors but extra cost of Rs.6.90 crore was not recovered from the defaulting contractor.
			1.50	In respect of 3 divisions (Machadoli, Kharasia and Shakti) for excess quantity of work, an expenditure of Rs.1.50 crore was incurred irregularly.
		Shivnath diversion	0.06	Quotation of fourth higher tender was accepted and work got executed at an extra cost of Rs.0.06 crore.
			0.04	For construction of 4 minors and 23 structures higher quotation was accepted and work was got executed at an extra cost of Rs.0.04 crore irregularly.
		Kosarteda	0.34	For inviting tenders, advertisement cost in respect of main canal of Kosarteda canal, higher rates quoted by Group III & IV chain of news paper were accepted. Thereby extra avoidable cost of Rs.0.23 crore was incurred. Similarly Rs.0.11 crore extra avoidable expenditure on publicity of NIT in respect of Seoni Branch Canal was also incurred irregularly.
2.	Himachal Pradesh	18 Project (1 Mj., 2 Med. & 15 MI Schemes)	63.88	On 18 projects, irregular expenditure of Rs. 63.88 crore was incurred during 1995-2000 without obtaining technical sanction.
3.	Karnataka	Gandorinala	1.48	Conveyance charges of Rs 1.48 crore was paid irregularly to KSCC as the work was done mechanically instead of manually.
4.	Orissa	Upper Kolab	0.13	Lowest tender for construction of all off taking channels alongwith structure of Rs 1.60 crore was ignored without specifying any reason and next higher tender of Rs 1.73 crore was accepted, which led to extra liability of Rs 0.13 crore.
		Upper Indravati	7.59	The Work of construction was awarded to the contractor at a total cost of Rs.7.88 crore. The contractor abandoned the work due to variations after execution of work worth Rs.15.65 crore and was paid Rs. 15.47 crore without approval of deviation thus payment of Rs.7.59 crore unauthorisedly.
5.	Punjab	RSDP	1.76	Expenditure was incurred on the work without getting the estimates technically sanctioned during 7/99 to 4/2002.
			39.35	Against the approved estimate of Rs.240.94 crore, expenditure of Rs.280.29 crore was incurred during Jan. 1996 to March 2002. Sanction for revised estimate was awaited.
		Remodeling of UBDC System	6.27	Incurring of expenditure on works without technical sanction of detailed estimates, execution of work in excess of provisions and without provisions in the sanctioned estimates unauthorisedly .
		UBDC	0.64	27.61 lakh empty cement bags were purchased by splitting up the purchase order and without resorting to the prescribed procedure.
6.	Rajasthan	IGNP St.-II	84.02	Against the provision of 3 per cent (Rs. 13.67 crore) for work charged staff, wages of Rs. 97.69 crore (12 to 29 per cent) was debited to the project during 1997-2003. thus an excess debit of Rs. 84.02 crore was given.
			Total	215.39

Annex-XII

(Refers to paragraph 1.13.6)

Unadjusted Advances made to Project Authorities/ contractors.

(Rs. in crore)

Sl. No	Name of State	Name of Project	Amount	Year	Remarks
1.	Andhra Pradesh	Nagarjuna Sagar Lift Canal	1.80		An advance of Rs.5.07 crore was made to Andhra Pradesh State Irrigation Development Corporation (APSIDC) during 2000-03 for execution of LI schemes. Detailed account of Rs.1.80 crore was not rendered.
		Sriramsagar	0.68		Out of unadjusted balance of Rs. 2.60 crore deposited with APSIDC for execution of LI schemes since 1996-97, accounts of Rs.0.68 crore remained to be rendered as of March 2003 though the work completed by November 2002.
		Madduvalasa	25.56		An amount of Rs.38.18 crore was deposited upto June 2002 with the Special Deputy Collector for acquisition of land. The SDC rendered account of Rs.12.62 crore only as of March 2003.
		Yerrakalva	5.12		Against the deposit of Rs.6.80 crore made to Special Tehsildar (LA) during 2000-03 towards payment of land compensation, LAO incurred expenditure of Rs.1.68 crore and balance amount was not utilized for want of land plan schedules.
		Priyadarshini Jurala Project	20.00		As per agreement between the States of Andhra Pradesh and Karnataka, the Govt. of Andhra Pradesh was to pay Rs.43.00 crore to State of Karnataka towards compensation for land coming under submergence of foreshore of the project. AP deposited Rs.20.00 crore between March 2002 and May 2003 for which detailed accounts / utilization was awaited from Karnataka.
		Yerrakalva, Kanupur, Sriram Sagar, Priyadarshini Jurala Project	5.40	2002-03	Advance payments made to contractors during 2002-03 in connection with execution of works remained unadjusted at the end of March 2003.
2.	Chhattisgarh	Hasdeo Bango	18.85		Advance paid to LAO but full land not acquired. Mobilisation advance paid to contractor still to be adjusted and secured advance to contractor also required adjustment.
			1.56		Advance payment of Rs.1.24 crore made to Water Users Association was finally debited to works. Besides Rs.0.32 crore pertaining to year 1999-2000 made in 2000-01 irregularly.
		Shivnath	0.96		Advance paid to LAO of Rs.0.96 crore but adjustment vouchers were not available to show acquisition of land.
		Koserteda	1.41		Advance of Rs.1.41 crore was made to the LAO who had not submitted paid vouchers in token of land purchased.
			0.69		Advance payment made to EE Jagdalpur, for construction of canal crossing on road, a National Highway activity, charged to final expenditure of the project without execution of work.
			7.04		Payment made to forest department during 2002-03, without acquiring the forest land which was irregular.
3.	Gujarat	Brahmini-II Aji-IV	0.63 0.35		Mobilisation advance paid to Indian Construction Co. and Backbone Project Pvt. Ltd in 7/2000 by EE PCD-I and EE, PCD-IV in respect of Brahmani-II and Aji-IV respectively were booked as final expenditure of the projects.
4.	Haryana		7.33		Advances of Rs 2.04 crore, Rs 4.83 crore and Rs 0.46 crore paid to Haryana Vidyut Prasaran Nigam, Punjab Government and Railway were treated as final expenditure whereas concerned works respectively were either not started or not completed.
5.	Himachal Pradesh	Shah Nahar	1.45	1998-99	Advance made to LAO in anticipation of announcement of land acquisition award was charged to final head of account of the project.
		2 Projects	3.84	1998-00	For supply of power to 2 projects, an advance of Rs.3.84 crore was made to HPSEB but adjustment account of utilization of the advance was not received. Still the amount of advance was charged to final head of accounts.

Sl. No	Name of State	Name of Project	Amount	Year	Remarks
6.	Jammu & Kashmir	Rafiabad LIS Ranbir Canal	0.81		Out of Rs.1.41 crore advanced to the JKPCC (a Govt. company), adjustment bill or recovery of the balance AIBP funds of Rs.0.81 crore was not received.
7.	Karnataka	UKP	1.08	1999-01	Advance paid to contractors in respect of UKP has not been recovered/adjusted from them.
			11.15		Cost of rubble including stacking charges were not recovered from the contractors in respect of works executed in 5 divisions, leading to loss to the Company.
		Gandorinala	0.58	2002-03	In respect of execution of work of construction of dam and allied items of the project, cost of rubble alongwith cost of metal broken of excavated rubble used in the works by the contractor was not recovered from him.
8.	Madhya Pradesh	1. Indira Sagar 2. Bargi Diversion	0.83		The EE paid advance of Rs 0.83 crore to MPSEB for shifting of lines during 2002-03, against which utilisation account was awaited as of May 2003.
9.	Orissa	Lower Indra, Jonk, Anandpur Barrage, Lower Suktel & 8 Minor Irrigation Schemes.	78.07	1997-03	5 Drawing & Disbursing Officers paid advances to Land Acquisition Officers between March 1997 and February 2003 for payment of land compensation and debited to the final head of expenditure. LAOs did not render the accounts with vouchers. No action was taken to recover the amount (3/2003).
		-do-	2.35	1996-03	Advance paid to 3 contractors of Rs.1.95 crore alongwith interest of Rs.0.40 crore was yet to be recovered.
		Potteru	0.88	2002-03	The works of construction of costly road on service bank were awarded in Feb.2002 at a cost of Rs. 8.75 crore to be completed in August 2002 with a compensation clause upto 10 per cent of the value of work for non-completion of work within stipulated period, only 48 per cent of the work was executed upto Feb/2003 for which extension of time was not granted. Recoverable compensation of Rs. 0.88 crore was also not recovered as of Feb.2003.
10.	Punjab	RSDP	3.43		Defective work executed by the firm was carried out departmentally at risk and cost of the firm. However, the contractor was not having necessary expertise in the field of civil works. Even then the work was got executed through incompetent contractor. No notice for recovery of Rs 3.43 crore was issued to the defaulting firm as estimates for repair were not got sanctioned as of March 2003.
11.	Rajasthan	3 Projects	5.68	2002-03	Advance payment made to SDO, LAO, EEs, Project Managers, Personal deposits was charged to works.
		IGNP St.II	0.18	3/99	On transfer of two JEs of different Divisions, shortage of store items, T&P and films etc. valuing Rs. 0.18 crore were found short but no action for recovery was initiated.
		Mahi	0.01	-	As per condition of the agreement, recovery on account of empty cement bags @ Rs. 2.00 per bag amounting to Rs. 0.01 crore was not made from the contractor
		IGNP St.II	0.05	-	In terms of agreement on incompleated works, 10 per cent compensation of tendered amount was required to be recovered from the contractor. Instead, only 5 per cent was recovered concerning 3 works resulting in less recovery of Rs. 0.05 crore.
12.	Uttar Pradesh	Tehri Dam	11.70	1999-03	Tehri Hydro Development Corporation (THDC) was the executing agency of this project to which State Govt. had released a sum of Rs. 883.29 crore whereas THDC record revealed a receipt of Rs.871.59 crore only. The difference of Rs.11.70 crore could not be explained either by the State Govt. or by the THDC.
13.	West Bengal	Teesta Barrage	0.45	2002-03	Advance of Rs.0.25 crore to LA was given in Jan 2002 for acquisition of land without knowing particulars of land and purpose for which it was required & therefore LA did not make payment of compensation. Another advance of Rs.0.20 crore was also given to LA in Feb. 2002 for acquisition of 18.491 acre of land. LA did not make payment of compensation. Neither possession of land was received. Thus a sum of Rs.0.45 crore paid to LA was lying unutilized for more than one year.
		Total	219.92		

Annex-XIII
(Refers to paragraph 1.13.10)
Short release of CLA

S. No.	State	Project	Remarks
1.	Andhra Pradesh	Nagarjuna Sagar Lift Canals Sriram Sagar Stage-I Maddigedda Kanupur Canal	Against the total state matching share of Rs 159.60 crore, only Rs 132.46 crore was released by the State. While no matching share was released in respect of Maddigedda Reservoir Project and Kanupur Canal Scheme upto March 2003.
2.	Bihar	Western Kosi Upper Kiul Batane	For three projects, State share was released short by Rs 10.96 crore during 1996-03.
3.	Goa	Tillari	CLA of Rs. 113.30 crore was released by the Ministry during 2000-03 but State Govt. had not released Rs. 49.00 crore to the GTIDC for execution of project. No State share was released for the project during 2000-03.
4.	Himachal Pradesh	3 projects	Against the approved projects, funds worth Rs 231.51 crore were required while funds of only Rs 74.84 crore were allotted. Due to short release of funds including CLA, to the tune of Rs 156.67 crore, objectives of accelerating the pace of execution of AIBP could not be achieved.
5.	Madhya Pradesh	Rajghat Dam	CLA of Rs 11.50 crore released was not passed on to Betwa River Board by State Government during 1998-99 alongwith matching share, resulting in short release of Rs 23.00 crore during 1998-99. GOI subsequently (1999-00) released CLA of Rs 4.38 crore without assessing the utilisation of previous CLA.
		Rajghat Dam	Against total funds of Rs 47.46 crore, only Rs.46.00 crore was released to Betwa River Board (BRB) during 1999-2003. Thus, matching state share of Rs 1.46 crore was not released as of March 2003.
		All Projects (11 Nos)	Shortfall in expenditure to the tune of Rs. 222.21 crore during 1997-99 and 2000-02 led to less budget allotment and non-provision of matching share, resulting in disqualification of Sindh Phase - I, Bariyarpur and Banjar during 2000-02 for full amount of sanctioned CLA. Besides this, all the projects were disqualified for the second instalment for CLA at least in two or more financial years during 1996-03.
6.	Maharashtra	---	AIBP funds of only Rs.57.02 crore were released to the projects by the Irrigation and Finance Department of the State till March 2003.
7.	Meghalaya	Rongai	CLA of Rs. 4.00 crore was released by the Ministry during 2000-03 but the State Govt. had not released Rs. 1.50 crore to the executing agency. No State share was released for the project.
8.	Punjab	RSDP	Funds of Rs 525.31 crore were required and Rs 225 crore was agreed to be provided. Against this, GOI released CLA of Rs 167.50 crore and matching State share of Rs 324.86 crore was released during 1996-98. Due to short release of CLA completion of project was delayed.
		UBDC	During 2001-02, CLA of Rs 40 crore was released but matching state share of Rs 20 crore was not released.
9.	Rajasthan	Mahi Bajaj Sagar	Due to release of inadequate CLA during 2002-03, progress of work of project affected.
		IGNP St.II	Short release of CLA affected the progress of project by more than 5 years.
		IGNP St.II	Short release of CLA of Rs 0.67 crore during 1997-98 by the State
10.	Uttar Pradesh	Saryu Tehri Dam Eastern Ganga Rajghat	In respect of these projects State share to the tune of Rs.28.81 crore was released short during 2002-03.
11.	West Bengal		State Govt. did not make any provision for matching State share during 1996-99. No reasons were furnished as to how the expenditure under AIBP in excess of CLA was met.

List of Abbreviations

AIBP	Accelerated Irrigation Benefit Programme
B.C. ratio	Benefit Cost ratio
CADA	Command Area Development Authority
CCA	Cultivable Command Area
CE	Chief Engineer
CLA	Central Loan Assistance
CNS layer	Cohesive non-swelling layer
CWC	Central Water Commission
D.C. per ha.	Development Cost per hectare
DPRs	Detailed Project Reports
EE	Executive Engineer
E-in-C	Engineer-in-Chief
ERM	Extension, Renovation and Modernisation
FIS	Flow Irrigation System
FRL	Full Reservoir Level
FTP	Fast Track Project
GOI	Government of India
GW	Ground water
IGNP St. II	Indira Gandhi Nahar Pariyojna Stage II
IP	Irrigation Potential
JBIC	Japan Bank of International Corporation
KBK-Orissa	Kalahandi, Bolangir & Koraput districts of Orissa
KNNL	Karnataka Neeravari Nigam Ltd.
KSCC	Karnataka State Construction Corporation
LBC	Left Bank Canal
LIS	Lift Irrigation System
MKVDC	Maharashtra Krishna Valley Development Corporation
Md	Medium
Mj.	Major
Mod	Modernisation
MoWR	Ministry of Water Resources
NABARD	National Agricultural Bank for Rural Development
NE	North Eastern
O&M	Operation and Maintenance
R&R	Resettlement & Rehabilitation
RBC	Right Bank Canal
SE	Superintending Engineer
SoE	Statement of Expenditure
SSNNL	Sardar Sarover Narmada Nigam Ltd.
St.I, St.II	Stage I, Stage II
SYL canal	Sutluj Yamuna Link canal
th ha	Thousand hectare
UIP	Ultimate Irrigation Potential
WAPCOS	Water & Power Consultancy Services
WRCP	Water Resources Consolidation Project
WUAs	Water Users' Associations

