

**FORTY-SIXTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(1985-86)**

(EIGHTH LOK SABHA)

NATIONAL HIGHWAY BY-PASS SRINAGAR

**MINISTRY OF TRANSPORT
(DEPARTMENT OF SURFACE TRANSPORT)**



*Presented in Lok Sabha on 29 April, 1986
Laid in Rajya Sabha on 29 April, 1986*

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1986/Vaisakh 1908 (S)

CORRIGENDA TO FORTY-SIXTH REPORT OF
PUBLIC ACCOUNTS COMMITTEE: (8TH
LOK SABHA)

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PUBLIC ACCOUNTS COMMITTEE

(1985-86)

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Shri E. Ayyapu Reddy

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(iv)

SECRETARIAT

1. Shri N. N. Mehra—*Joint Secretary*
2. Shri K. H. Chhaya—*Chief Financial Committee Officer*
3. Shri Brahmanand—*Senior Financial Committee Officer.*

INTRODUCTION

1. The Chairman of the Public Accounts Committee, do present on their behalf this Forty-sixth Report of the Public Accounts Committee (8th Lok Sabha) on Paragraph 39 of the Report of C & AG of India for the year 1982-83, Union Government (Civil) relating to National Highway By-pass, Srinagar.

2. In this Report, the Committee have examined the causes and consequences of inordinate delay in the construction of Srinagar By-pass undertaken due to increased intensity of traffic through the city area which was taken up as an urgent work as per operational requirements of the Ministry of Defence.

3. The Committee are not convinced over the justification for utilising the agency of the State PWD instead of BRDB for construction of the By-pass. They are of the view that lot of time and resources would have been saved, had the project been carried through BRDB who have expertise and are well-equipped to undertake such jobs and were actively functioning in the area.

4. The Committee are also unhappy to observe that the project of such dimension was started without preparing an integrated project Report and no prior approval of the Cabinet was obtained, though the estimated cost of the project exceeded Rs. 5 crores.

5. The Committee would like the whole affair to be taken up as a test case for examination by experts so as to draw lessons from the mismanagement and avoidable delays by which this project suffered, for guidance in execution of similar projects in future.

6. The Committee considered and finalised this Report at their sitting held on 25.4.1986. The Minutes of the sitting of the Committee form Part-II of the Report.

7. A statement containing conclusions and recommendations of the Committee is appended to this Report (Appendix II). For facility of reference these have been printed in thick type in the body of the Report.

8. The Committee place on record their appreciation of the assistance rendered to them in the examination of these paragraphs by the Office of the Comptroller and Auditor General of India.

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9. The Committee would also like to express their thanks to the Officers of the Ministry of Transport (Department of Surface Transport) for the co-operation, extended by them in giving information to the Committee.

NEW DELHI;

April 28, 1986

Vaisakha 8, 1908 (Saka)

ERASU AYYAPU REDDY

Chairman,

Public Accounts Committee

REPORT

[Based on Para 39 of the Report of the C & A G of India for the year 1982-83, Union Government Civil relating to National Highways By-pass, Srinagar (Reproduced at Appendix I)]

1. The Government of India are primarily responsible for roads declared as National Highways and the State Governments are essentially concerned with Roads other than National Highways. The Planning of improvement works on the National Highways is a continuous process, which aims at the progressive removal of deficiencies in the National Highway network and at making the network traffic worthy and capable of accommodating the traffic volumes at reasonable speed.

2. Requests for construction of Highways/National Highways in the Border Regions or elsewhere by GREF are projected by Ministry of Defence/ Army HQ (GS), Department of Surface Transport (Roads Wing), State Government other agencies etc.

3. The Government of Jammu & Kashmir came up with the proposal for construction of Srinagar by-pass in October 1966. The demand was examined in the Ministry and it was felt that its construction should be undertaken by the BRDB because the Pathankot-Jammu-Srinagar-Uri National Highway on which this by-pass was proposed to be constructed formed part of the programme of the BRDB. This view was brought to the notice of Ministry of Defence and they were requested to examine the proposal in consultation with the BRDB. The BRDB, however, did not agree to undertake the construction of this by-pass as part of their programme as this work was not included in their 'Immediate Programme'. Due to inability of the BRDB to include the Srinagar By-pass in their programme and in view of the fact that the intensity of the traffic through Srinagar had increased considerably due to construction of motorable road to Leh and large convoys of civil as well as army vehicles moved to and from Leh, the work of construction of Srinagar by-pass was taken up as a part of Ministry's National Highway Programme as the Ministry of Transport is Constitutionally responsible for development and maintenance of National Highways.

4. Pathankot-Jammu-Srinagar Road (National Highway No-1A) passes through Srinagar city. As already stated, the intensity of the traffic through Srinagar had increased considerably due to construction of a motorable road to Leh. Large convoys of civil as well as army vehicles moved to and from Leh. These vehicles had to pass through Srinagar city. The traffic moving

along the National Highway No. IA to Baramulla and Uri had also to pass through Srinagar City besides the ever increasing local traffic. Subsequently, in June, 1968 the Ministry of Defence had also projected their requirement to have a bypass at Srinagar.

5. It has been brought out in Audit Report that the need for the project had been felt as far back as in 1962, but the final alignment (length 17-80 kms.) was fixed and approved by the Ministry in June 1971.

6. When asked to state the reasons for delay of 9 years in approving the alignment of the bypass after its need was established, the Department of Surface Transport have stated in a note furnished to the Committee that although the need for construction of a bypass at Srinagar was felt in 1962 and the matter had been under correspondence with the State Government for quite some time, the Jammu and Kashmir Government actually came up with the demand for construction of Srinagar bypass in October, 1966 when they had discussed with the Planning Commission their proposals for the 4th Five Year plan. Since the question of agency for execution i.e. BRDB or the State Government, justification for construction of bypass on operational ground or otherwise, paucity of resources for new schemes, inadequacy of project details and various alternatives *vis-a-vis* cost factor had to be examined in depth that too in consultation with State Government, BRDB and Ministries of Defence and Finance etc., the proposal took time to materialise and to come up in actual shape.

Integrated Project

7. The Project started in 1975. In this connection Audit has pointed out that the project was started without preparing an integrated project report. The estimates for different components were prepared by the project authorities from time to time and were technically approved and financially sanctioned by the Ministry between 1972-73 and 1981-82. The project was estimated to cost Rs. 708.93 lakhs. Although the estimated cost of the project as a whole exceeded Rs. 5.00 crores, it is the contention of Audit that the approval of the Cabinet was not obtained. The Ministry have stated in their remedial action taken note that :

“The work of construction of bypass outside Srinagar was taken up as an urgent work as per operational requirements of Ministry of Defence. It required construction of road in waterlogged and swampy area also including major bridge across Jhelum river, and other drainage channels. The work of land acquisition and detailed soil investigations was sanctioned first and started immediately in view of the importance of the project. Further work of construction of Jhelum bridge and its approaches (km. 0.00 to 5.00) was started as soon as the land was available in this length. This was also

considered desirable as the area was water logged and unstable and as much time as possible was necessary to ensure the stability of the road embankment which was fairly high above the flood levels. Subsequently, for approval to further lengths of the road, the total project estimated to cost Rs. 9.31 crores was projected to Expenditure Finance Committee in 1978 and got approved before further work was sanctioned."

Estimates and Expenditure

8. It is seen from the table under sub-para 3 of Audit Para (Appendix I) that the work of project was started in October, 1975 and was expected to be completed in 1984-85. The actual expenditure incurred upto March, 1983 was Rs. 978.09 lakhs against the approved estimate of Rs. 708.93 lakhs. The work was divided into 17 jobs and in respect of 14 jobs the revised estimated cost showed an increase of Rs. 538.01 lakhs over the original estimates and accordingly revised estimates for Rs. 1166.65 lakhs were submitted in respect of these jobs to the Ministry. Percentage of increase in respect of 14 jobs ranged from 12 to 456. Delay in 7 jobs ranged from 18 to 71 months.

9. The Ministry has attributed the following reasons for the delay in completion of the some of the jobs of the projects :

"(a) Soil Investigation

Jobs of drilling bore holes for soil investigation for the embankment in the marshy unstable area was completed within the scheduled period of 9/1977. Later it was considered necessary to have additional bore holes for the high embankment for bridge approaches for establishing embankment stability. This work was also included in the original job by revising it and the job was kept open in spite of the fact that the original work was completed without any delay.

(b) Earth work Km. 2.4 to 5.00 (job No. 12-JK-IA)

The total estimates included works :

- (a) Construction of Earth embankment.
- (b) Topping layer of Grannular layer.
- (c) Providing hard crust and Bituminous Carpet.

The Earth work part was taken up in October, 1975 and completed in July, 1978 with a delay of 9 months only. This delay was due to increase in the quantum of work, a major flood during execution period and problems of Land Acquisition in certain stretches. Thus there is not a delay of 70 months in completion of earth work. It was in fact the other components of the project estimate viz. providing of

Grannular material and hard crust, which could only be taken up in 9/1981 after completion of Jhelum Bridge, which were in progress in 8/1983.

(c) *Earth work Km 6 to 10*

Earth work of this sector was taken in 10/1977 and completed in 8/1982. The delay was due to problem of land acquisition in certain sectors. It was in fact the subsequent work of providing hard crust in this reach taken up in 3/1982 which was in progress in 8/1983.

(d) *Construction of minor drainage crossings Km 0-2.4*

The work was started in 11/1976. But it was found necessary to change the design due to poor bearing capacity of soil and segmental construction was adopted. This delayed the execution of work. Besides shortage of cement and iron and abnormal weather conditions also contributed to the delay. The work was physically completed in 11/1979 though it was financially closed much later.

(e) *Construction of Bridge over river Jhelum Km. 1*

The work was delay due to modification of the design discharge for the bridge by the State Irrigation/Flood Control Department and provision of underpass over Lasjan Road at a later date.

(f) *Construction of combined bridge over Doodganga and flood spill channel.*

The flood control scheme for the valley was under revision and the Irrigation and Flood Control Department desired that the bridge be constructed for a higher discharge and the deck level be raised to allow sufficient clearance over the river bund for vehicles. This necessitated complete revision of design and resulted in deeper foundation wells and raising of deck levels.

(g) *Construction of Protection work*

This work was almost completed when it got damaged due to sudden draw down of water in river. As such additional protection work had to be carried out subsequently which resulted in delaying the completion of total work."

10. It was stated by the Ministry of Transport in their action taken note in this regard that the delay in completion of the jobs for earthworks and culverts was mainly due to delay in acquisition of land due to which the progress of the work was slowed down. As regards the bridge across Dudhganga Nalla, the delay was due to non-finalisation of the waterway by

the flood and drainage department of the State pending finalisation of the flood discharge and flood drainage pattern of the whole area by them. It has been stated further that there are a number of difficulties in construction of major works in the area because of short working season, shortage of capable contractors, difficulties in supply of material like cement, steel, etc.

As for cost escalation to the tune of Rs. 538 lakhs the Ministry of Transport has put forward the following reasons :

- “(a) Higher tender rates.
- (b) Non-provision of escalation of costs in the original estimates.
- (c) Change of parameters during construction as per actual site requirement which resulted in redesigning.
- (d) Delay in finalisation of Master Plan for Flood Control by State Flood Control and Irrigation Department resulting into modifications of design of bridges on bypass.
- (e) Delay in land acquisition for the project.
- (f) Unprecedented floods causing dislocation of work.
- (g) Contractual problems.

Some special reasons for J and K areas are :

- (i) Limited Working season.
- (ii) Shortage of Key Constructional material and their transportation to site.
- (iii) Dearth of experienced Contractors and Labour in the Valley for works of large magnitude in early years.”

12. As regards the Audit objection that the Revised Estimates were yet to be sanctioned in August, 1983, the Ministry of Transport have stated in their remedial action taken note that :

“As required by EFC in its approval to the project, the total revised cost of the project as per actuals is being finalised and would be forwarded to the EFC for approval. There is no change in the scope of the work and the cost of construction as per actually applicable current rates is being worked out. After approval of EPC to the revised cost of the full project sanctions to revised estimate of individual jobs would be accorded.”

The project is now stated to have been completed except for some minor works at two inter-sections which were sanctioned at a later stage.

Acquisition of Land

13. As per Audit Report, according to the original estimate sanctioned in August, 1972 land measuring 1408 kanals was proposed to be acquired gradually by end of 1973-74 at a cost of Rs. 75.37 lakhs. There progress of acquisition, however, remained slow and by 1982-83 expenditure to the tune of Rs. 163.21 lakhs was incurred towards acquisition of land; 40 kanal of land are yet to be acquired (August 1983). Subsequently, the estimate of cost was revised to Rs. 174.91 lakhs; sanction was awaited (August 1983). Reasons for delay in acquiring the land for the project, according to the Ministry are :

“The land acquisition procedure under the Land Acquisition Act is very lengthy and unless some drastic modifications are made in the existing law and procedure, it is very difficult to acquire land. The low rate of compensation for land was the main reason for delay in acquisition of land.”

As regards 40 kanals of land yet to be acquired (August 1983), the Ministry have stated that extra 40 kanals of Land was for the construction of 8 Nos. level crossings. This land has been acquired except for some minor disputes pertaining to 2-3 kanals of land. However, this has not held up the construction of Bypass as the possession has already been taken.

14. It has been pointed by Audit that land measuring 303 kanals 18 marlas was acquired at Rakh Gund Aksha and final award therefor was issued by Assistant Commissioner, Srinagar in December, 1973 and occupants were allowed a compensation of Rs. 500 per kanal. In December, 1979, State Housing and Urban Development Department sanctioned a rate of Rs. 3,000/-per kanal for the similar land for laying a housing colony at Bemina Barthana. This led to a demand by the occupants of Rakh Gund Aksha land for enhancement of their compensation amount of Rs. 3,000/—per kanal thus involving an additional expenditure of Rs. 7.60 lakhs. The Committee wanted to know why payment of compensation was sanctioned at enhanced rate involving additional expenditure of Rs. 7.60 lakhs although land awards once issued are final under the Land Acquisition Act. The Ministry of Transport have stated as follows :

“The original compensation at the rate of Rs. 500/—per kanal was fixed in 1973. However the owners did not accept the award due to the fact that they had to make huge investment on the development of this marshy land to make it fit for cultivation. It may be mentioned that the owners had taken loans from the Government under Crash Programme Scheme against land and the amount of loan was reportedly spent by them on improvement of this land which was previously in the form of ditches and water logged. As such they neither accepted the payment nor allowed the department to execute the work and the land acquisition proceedings were slow and desired

progress in land acquisition could not be achieved. Accordingly, the matter was referred to the State Cabinet by the State P. W. D. and the State Cabinet revised the rate of compensation to Rs. 3,000/—per kanal. This additional payment was made to the owners in lieu of the improvement charges made by them on the State land. Unless this was done, it would have been impossible to construct the bypass as the land owners were not prepared to handover the possession of the land.

This action of the State Cabinet is not in contravention of the law according to the advice tendered by the State Law Department. It was only after the revision of rates, the land could be fully taken over for construction. As mentioned earlier, the tenants did not handover the land physically nor allowed the contracting agencies to work freely in these areas before the payment of betterment charges.

It is felt that but for this act of the State Government, the work would have been delayed considerably resulting into litigation and further escalation in the cost of the project.”

Execution of works

(i) Earth work in km O (take off point) to 2.4

15. It has been stated in the Audit Report that technical approval and financial sanction for the above work was accorded by the Ministry in December 1973 for Rs 69.53 lakhs. The work was allotted to a contractor in September 1975 after about 2 years due to delay in deciding the agency which would execute the work. The estimate for the work was revised and sanctioned by the Ministry of Rs. 146.50 lakhs in January 1981. The reasons for the revisions in the estimates were that the natural ground levels were actually lower than those indicated in the proposals on which the original estimates were based resulting in an increase in the earthwork by about Rs. 1.48 lakhs cubic meters with corresponding increase in expenditure by about Rs. 46.50 lakhs and that the allotted rates were higher than those provided in the original estimates. Besides, some additional items viz., sandlayer and granular material were also to be provided in the base of the embankment.

16. The Committee have been informed that the earth work was started in October 1975 and completed in October, 1979. When asked who took the levels and at the initial stage and at the revised stage it has been stated in reply that the levels were taken by the P. W. D. staff at the initial and revised stage and were also at the revised stage test checked by the Officers. Asked about the procedure in this regard it has been stated that levelling is generally done by survey staff and test checked by Asstt. Engineer. This procedure is stated to have been followed.

17. The Committee enquired if the level books for both the measurements had been preserved. The Ministry have stated that the field level books are not available but the long sections and cross sections are available.

It has been stated in reply to another question that the Original levels were taken by the staff of Road and Bridge Department for preparation of the Project Estimates. By the time the Project came to the execution stage, the previous staff was not existing in the Organisation having been transferred. The following reasons have been assigned to the discrepancy in the levels :

- “(a) The area was marshy, water logged and swampy as such due to inability to fix firm ground position errors in the level can be possible.
- (b) The original level appears to have been taken in 1971-72 as the Project estimate was submitted in January, 1973. The actual execution of the work started in October, 1975, thus there is a time lag of about four years between original survey and execution of the work. The area under consideration is in a flood basin with annual history of major and minor floods which should probably have caused erosion in the area over a period of four years would have created level difference of about 0.6 to 0.7 metres.”

18. In this connection, it is seen further that the technical approval and financial sanction for the above work was accorded by the Ministry in December 1973 for Rs. 69.53 lakhs. The work was allotted to a contractor in September 1975 after about 2 years due to delay in deciding the agency which would execute the work. When asked to state the reasons for delaying the decision as regard to appointment of executing agency, the Ministry have stated :

“The original technical approval and financial sanction form Ministry was received in December, 1973. Tenders for the work were accordingly invited and opened on the 30th April, 1974. But it was found that the cost on the basis of the lowest tendered rates was far exceeding the sanctioned estimates and as such matter was taken up again with Ministry for revised sanction and approval to the allotment. The Ministry after making assessment of sources of earth and reasonableness of rates authorised the allotment of work in August, 1975 and the work accordingly was finally allotted in September, 1975. Thus there was no inordinate delay.”

19. According to the Audit Paragraph, the mention for laying the granular material in regard to the earth work in km. 0 to 2.4 was not made

in the sanctioned estimates and was also omitted in the notice inviting tenders and the contractor executing the work had no contractual obligation to execute this item of work. The work was subsequently allotted to a contractor which resulted in extra expenditure of Rs. 2.04 lakhs. The Committee enquired as to why this item of work was not included in the project estimate and what were the reasons for extra cost. The Ministry have stated in a note that :

“Tenders for execution of earth work in embankment were invited in October, 1973. Sanction of the Ministry to the work was accorded in December, 1973 and in the technical note issued by Ministry it was indicated that the top 11 inches layer of the embankment should be composed of granular soil having laboratory maximum dry density at least 1.65 gm/cc and CBR value of about 10%. Thus a different material than the normal soil used in the lower part of the embankment was to be used for top layer for providing a proper base before laying the pavement. Since the tenders for earth work had already been invited and modification by inclusion of the top 18 inches layer, as stipulated in the technical notes would have meant introduction of an additional item and thus changing the whole scope of the work as also since the construction of the granular sub-base was to be done together with the pavement layers the executive agency (State P.W.D.) decided to invite tenders of the same together with the road pavement layers and not with earth work. Since the work of granular layer was to be carried out only after the completion of earth work and with the road pavement layers, the rates prevailing at the time of construction of the road pavement were paid and in view of this; these rates need not be compared with the rates prevailing for the material at the time of calling of the tenders for the earth work. Contractor should not be expected to carry out a work at a particular time on the basis of rates prevailing at a much earlier time. In case there is known sequence of construction and the estimate of the time taken for the total work, the total work awarded to one contractor at the beginning would have to provide for an escalation clause to make the contract realistic. No escalation clause was envisaged in the Original tender invited for the Earth work by the State P.W.D.”

It has been stated by the Ministry further that :

“Tenders for the providing of granular layer were invited and work awarded, after the bridge on River Jhelum in Km. Ist. was completed. The reason for this being that the granular material is available from Panth chowk quarries which are hardly 1 km. away from the starting point of the National Highway bypass but in absence of a bridge

over river Jhelum falling in Km. Ist of the Bypass, the material would have to be carried via long route which would have forced contractor to quote higher rates for this material. The work was done after completion of Jhelum bridge and as such extra expenditure that would have otherwise been involved due to longer lead has been avoided. The extra cost of Rs. 2.04 lakhs worked out by Audit is, therefore, hypothetical and in fact it can be safely said that by doing the work of granular layer after the completion of Jhelum bridge, there has been a saving in the cost."

(ii) *Supply, laying and consolidation of Khak Bajri in KMS. 2.468 to 5.00.*

20. The work regarding supply, laying and consolidation of Khak bajri in km. 2.468 to 5.00 was allotted to a Contractor in June 1979 subject to execution of an agreement for completion within six months. The contractor started the work in August 1979 and after supplying part bajri (20,000 c.f.t) stopped the work in September, 1979 as sufficient quantity of Khak bajri was not available from the quarry. The contractor alleged (October, 1979) that due to delay in allotment of work to him by about eight months the suppliers with whom he had arranged the supply of Khak bajri had executed other contracts and that Khak bajri had exhausted. The work was allotted to another contractor in October, 1981 at higher rates at the risk and cost of original contractor, thus involving an extra expenditure of Rs. 2.84 lakhs.

21. When asked to state the reason for delay in allotment of work as alleged by the contractor and whether action had been taken to recover the extra cost from the earlier contractor, the Ministry explained that the Contractor had extended the period of validity of his tender and the work was allotted to him within this extended period. However, the contractor without entering into a formal agreement with the Department started work and supplied material to the extent of Rs. 9,272/-. Subsequently the work was abandoned by the Contractor and department took action by forfeiting his earnest money amounting to Rs 11,000/- and non-payment of cost of material supplied amounting to Rs. 9,272/-. This amount of Rs. 20,272/- was credited to the work. As per the original allotted rate, the cost of Khak bajri would have been Rs. 5,902 lakhs. After abandonment of the work by original contractor, it was found by State P.W.D. that Khak bajri to the required extent was not readily available in the area and as such the original specifications of 18" thick Khak bajri was modified to 12" Korwa soil plus 6 inches of sand. The work as per modified specifications was carried out by a new contractor as the original contractor refused to carry out the work at the original allotted rate of khak-bajri. The total cost as per the modified specifications came to Rs. 5.109 lakhs as against the original cost of khak bajri amounting to Rs. 5.902 lakhs. Thus there was a saving of Rs. 0.793 lakhs to the work.

(iii) *Further work in KMS. 13 and 14*

22. Earth work in kms. 13 and 14 of the Bypass estimated to cost Rs. 15.56 lakhs was allotted to a Contractor in November 1979 for completion by November, 1980. The contractor could not start the work as possession of land was not given to him. The contractor started work in April 1980 and executed agreement with the Department. After executing some work (Value Rs. 1.06 lakhs) the contractor suspended the work in December 1980 and did not resume even after issue of a final risk and cost notice in July, 1981. The work was allotted (May 1982), to another contractor at increased rates involving an extra cost of Rs. 12.21 lakhs.

23. Explaining the reasons for allotting the work to the contractor before finalising the land acquisition proceedings and action taken against the defaulting contractor, the Ministry of Transport have stated as follows :

“Land Acquisition had been started much earlier and it was expected that the possession of the land would be obtained by the time contract was fixed. In fact the possession of land was given to the contractor within the stipulated time of completion though not in the beginning.

The opinion of the Law Department has been received by the State P.W.D. who have been advised to go in for a suit against the contractor. The Law/Administrative Department has been requested by State P.W.D. for appointment of an Advocate. The work has since been completed through alternative agency i.e. M/s, J & K Projects Construction Coporation.”

24. It was explained to a Study Group of the PAC during their visit to Srinagar in July, 1985 that the total flood water discharge plan of the area has not been finalised and hence two bridges were constructed as a temporary measure.

25. The Committee enquired about the reasons for delay in deciding the total flood water discharge plan of the area. The Ministry have stated in this connection that an overall Master Plan for Flood Control in the City of Srinagar was under consideration with the State Government for quite some-time. This Master Plan for flood control was to be prepared by the State Irrigation and Flood Control Department. The Committee have been informed that all the four permanent bridges have been constructed for the final discharge values. As the State Irrigation/Flood Control Department have not been able to decide about the discharge which is ultimately likely to pass through Parampara Nalla in Km. 18 a multi barrel culvert has been provided at this location to cater for present day discharge. If the State Irrigation Department decide at a future date to pass additional discharge at the location, a longer bridge may be required at this location.

26. When asked how the plans of other bridges were finalised in the absence of hydrological data, the Ministry stated that the hydrological data for all other bridges were initially finalised on the basis of characteristics of the catchment of streams. These were modified suitably wherever the firm recommendations of State Flood Control/Irrigation Department were received, at a subsequent date.

27. Pathankot-Jammu-Srinagar Road—National Highway No. 1A passes through Srinagar city. The intensity of the traffic through Srinagar has increased considerably due to construction of a motorable road to Leh. Large convoys of civil as well as army vehicles move to and from Leh. These Vehicles had to pass through Srinagar city. The traffic moving along the National Highway No. 1A to Baramulla and Uri had also to pass through Srinagar city besides the every increasing local traffic. Owing to increase in the intensity of traffic passing through city portion of the highway, the need for providing a bye pass was felt as far back as in 1962 but the final alignment (length 17.80 kms) was fixed and approved by the then Ministry of Shipping and Transport in June, 1971. The project, however got started only in October 1975. The Committee observe that the wide gap between the conception of the urgent need of the work in 1962 and the beginning of its execution from 1975 was mainly due to time taken in fixing up the agency for execution of the work, resource crunch and delay in acquisition of land. The Committee observe that on the one hand the need for such a by-pass was considered urgent but on the other when the work was proposed to be entrusted to BRDB it was suggested that the latter had not included this in their immediate programme of construction and therefore ultimately the work was allotted to be carried out through the State P. W. D. Despite the so-called urgency much time was lost in debating about the agency to execute the work and other formalities. The Committee feel that all this should have been avoided if the work was really urgent and important. The Committee have also reservations on the choice of agency in this case. Experience shows that if this work had been executed through BRDB it would have been possible to save a lot of time and resources. The Committee, therefore recommend that Government should take steps to ensure that, unless unavoidable, important works involving urgent operational requirements of defence especially in border and Hill areas are executed only through the agencies like BRDB who have the expertise and are well organised and equipped to undertake such works and execute them within fixed time schedules.

28. The Committee are unhappy to observe further that even when it took Government so much time to start the project it was started without preparing an integrated project report. The estimates for different components were prepared by authorities from time to time through the period of execution of the project. Further, although the project was estimated to cost over Rs. 7 crores (which actually turned out to about Rs. 10 crores upto March 1983) approval of the

Cabinet, required for projects exceeding the estimated cost of Rs. 5 crores, was not obtained. It was only in 1978 before further work was to be sanctioned that a total estimated cost of Rs. 9.31 crores was projected to the Expenditure Finance Committee. The plea of the Ministry in this regard that it was taken up as an urgent work as per operational requirements of Ministry of Defence hardly holds ground in the context of inordinate delays that the project actually suffered in its execution right from the very beginning. It is argued that the work required construction of road in water logged and swampy area including a major bridge across Jhelum. Therefore, the work of land acquisition and detailed soil investigation was sanctioned first and started immediately in view of the importance of the matter. However, the fact remains that both these works, viz., detailed investigations and land acquisition works were taken up in a haphazard manner and these very jobs accounted for the major delay in completion of the project. Deviating from normal procedures was, thus, hardly of any avail or even cogent. The Committee believe that, instead if the project had been taken up in an integrated manner and comprehensively planned, results would have been much better. The Committee, therefore, disapprove of the disregard shown to the prescribed procedures in this matter and would like it to be taken note of.

29. The Committee are unhappy to note that various components of the project got delayed inordinately ranging from 18 to 71 months. For example, work relating to soil investigation for embankment design was delayed by 71 months. The original job of drilling bore holes for soil investigation for the embankment in the marshy unstable area is stated to have been completed within the scheduled period. However, the fact that it was considered necessary to have additional bore holes for high embankment (for establishing embankment) stability goes only to indicate that the project investigation carried out initially had not been thorough. This view point is further strengthened by other factors reported to have obstructed timely completion of various components. Revision of formation levels in case of earth work Kms 2.4 to 5, change in design of the culverts in view of the soil conditions encountered in foundation in case of minor drainage crossing Kms. 0 to 2.4 and complete revision of design in case of combined bridge over Doodhganga Nalla are pointers to the same conclusion. Similar contractual problems, availability of capable contractors, shortage of construction materials and their transportation to site and limited working season in this region are, in the Committee's view, only management problems that could and should have been anticipated and provided for before taking up the project and while drawing its completion schedules.

30. Time over runs in these circumstances which led to escalation of cost of the project was inevitable. The project was started in October 1975 and was expected to be completed during 1984-85. The actual expenditure incurred upto March 1983 was Rs. 978.09 lakhs against the approved estimates of

Rs. 708.93 lakhs. The work was divided into 17 jobs and in respect of 14 jobs the revised estimated cost showed an increase of Rs. 538.01 lakhs over the original estimates and accordingly revised estimates for Rs. 1,166.65 lakhs were submitted in respect of these jobs to the Ministry. Percentage of increase in respect of 14 jobs ranged from 12 to 456.

The Committee thus cannot but conclude that the project has been poorly managed from its very inception. Avoidable delays have occurred at all stages resulting in increased costs. They take a particularly serious view of the delay in view of the fact that project had been taken up as an urgent work in view of operational requirements of defence. At this stage they would like the whole affair to be taken up as a test case for examination by experts so as to draw lessons from the failures therein for guidance of all information and execution of similar projects in future.

31. Slow acquisition of land for the project has been the other major factor for delay in its execution. The Committee are unhappy to observe that acquisition process has been handled rather erroneously. The original compensation rate of Rs. 500 per kanal was fixed in 1973. The owners did not accept the award due to the fact that they had to make huge investment on the development of this Marshy land to make it fit for cultivation. Yet this award was first imposed on them and later had to be revised to Rs. 3000/—per kanal to get the project expedited. This level of compensation had to be allowed because a similar land in the area was acquired six years later at this rate in December, 1979 for laying a housing colony. According to original estimates in August, 1972, land measuring 1408 kanals was proposed to be acquired gradually by the end of 1973-74 at a cost of Rs. 75.37 lakhs. The progress of acquisition of land remained slow. By 1982-83 expenditure to the tune of Rs. 163.21 lakhs had been incurred towards it and 40 kanals of land were yet to be acquired as in August, 1983. The cost of land was subsequently revised to Rs. 175 lakhs. The Committee are of the view that the question of reasonable compensation to the land owners could have been settled more realistically in the very beginning in consultation with the owners' representatives and once amicably settled there was no question of revision of compensation rates at a later stage. Had this been done the land would have cost less.

32. The Committee observe that the ground levels taken at the time of survey were found to be different from the ground levels noticed at the time of execution of earthwork in kms. 0 (take off point) to 2.4. The difference in the ground levels was such that a large quantity of earthwork to the tune of 1.48 lakh cubic metre over and above what was provided in the estimates had to be carried out at a cost of Rs. 46.50 lakhs. The Committee were informed that the difference in the ground level was due to the land being marshy and some erosion having taken place during the interval between the first and the

second set of measurement. The Committee have also been informed that the levels were taken by the PWD staff at the initial and revised stage and were also test checked by officers at the revised stage. The Committee wonder why there should be difference in the two stages if measurements were done by qualified engineers. It has been stated by the Ministry that the recording of ground level is generally done by survey staff and checked by Asst. Engineer and that this procedure was followed in this case. The Committee are surprised that the supervision and checking was left only to the junior officers level (Asst. Engineer). It is astonishing that a project involving huge sums was placed in supervision of the junior staff and even an Executive Engineer was not asked to test check the levels at the initial stage. The Committee would suggest that higher supervisory officers should conduct test check personally. The Committee would like this matter to be examined in depth to fix responsibility for the lapses in this regard and the Committee apprised of the action taken in the matter.

33. The Committee are particularly surprised to note that two sets of level books in which the ground measurements were recorded are not available with the State authorities. Disappearance of such basic record even before the project completion report had been approved is in clear contravention of the provisions in this regard in the PWD Manual and a serious lapse indicative of *mala fide* action. They recommend that the matter should be examined at a high level and the individual responsibility on those responsible for the safe custody of such records fixed. The committee would like to be informed of the action taken in this matter.

NEW DELHI;
 April 28, 1986

 Vaisakha 8, 1908 (S)

E. AYYAPU REDDY,
 Chairman,
 Public Accounts Committee.

APPENDIX I

Audit Paragraph

National Highway By-pass Srinagar

1. Pathankot-Jammu-Srinagar road (National Highway No. 1-A) passes through Srinagar city. Owing to increase in the intensity of traffic passing through the city portion of the highway, the need for providing a by-pass was felt as far back as in 1962, but the final alignment (length 17.80 Kms.) was fixed and approved by the Ministry of Shipping and Transport in June 1971. No integrated project report was prepared. The estimates for different components were prepared by the project authorities from time to time and were technically approved and financially sanctioned by the Ministry between 1972-73 and 1981-82. The project was estimated to cost Rs. 708.93 lakhs. Although the estimated cost of the project as a whole exceeded Rs. 5.00 crores, the approval of the Cabinet was not obtained.

The work was started in October 1975 and is expected to be completed in 1984-85.

2. Estimate and expenditure

Against the approved estimate of Rs. 708.90 lakhs, the actual expenditure up to the end of March 1983 was Rs. 978.09 lakhs.

The work was divided into 17 jobs and in respect of 14 jobs the revised estimated cost showed an increase of Rs. 538.01 lakhs over the original estimates and accordingly revised estimates for Rs. 1166.65 lakhs were submitted in respect of these jobs to the Ministry; sanction to revised estimates for 9 jobs for Rs. 944.77 lakhs was awaited (August 1983).

Percentage of increase in respect of 14 jobs ranged from 12 to 456. The Chief Engineer, Project Organisation, Srinagar attributed the increase in cost (November 1981) to escalation in rates of material and labour and increase in cost of work on account of some unforeseeable factors. The table below indicates the broad reasons for increase in cost for some of the components :

Items of work	Number of jobs	Original estimated cost	Revised estimated cost	Percentage of increase for item of work (for individual jobs)	Expenditure booked ending March 1983	Reasons for increase
1	2	3	4	5	6	7
		(Rs. in lakhs)			(Rs. in lakhs)	
Investigatory works including Soil Investigation	2	2.49	6.95*	179* (66 and 456)	4.00	Enhancement in the scope of work as some additional bore holes were done in the approaches of combined bridge.
Land Acquisition	1	75.37	175.00*	132 (132)	163.21	Due to increase in the rates and area of land and difference in percentages.
Earth-work	4	356.85	653.76*	83 (129,152, 145 and 12*)	48.50	Non-depiction of actual extent of jungle clearance in the sanctioned estimate, increase in quantity of earth-work due to discrepancy in the original ground level; depression in original ground levels due to compaction

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*Sanction to the revised estimates was awaited (August 1983)

1	2	3	4	5	6	7
		(Rupees in lakhs)			(Rupees in lakhs)	
Minor drainage/ drainage crossings	2	35.31	71.98*	104 (107 and 82)	59.51	by road rollers and due to increase in rates over the estimated rates. Modification of design for culverts due to low bearing capacity of soil met with in foundation causing increase in items of work, and pro- vision of RCC Hume pipes (NP 3 type) in place of ordinary cement concrete spun pipes provided for in the estimate.
Construction of bridges	5	199.62	314.71*	58 (30,61,59, 56 and 27)	266.62	Change in the design of the wing walls and culverts; variation in estimated and allotted rates, deviation/ additional items, difference in centages and, change of hydrolic data by the State Flood Control Department.

*Sanction to the revised estimates was awaited (August 1983).

3. Delay in completion of works : The delay in completion of some of the components ranged between 18 and 17 months leading to delay in completion of the project as shown below :

Name of the work	Job. No.	Month and year of start of work	Stipulated date of completion of work	Actual date of completion	Delay (in months) upto August 1983	Reasons for delay
Soil investigation for embankment design	34-JK-IA	December 1976	September 1977	In progress	71	Non-availability of drilling rig for additional soil investigation.
Earth work Km. 2.4 to 5	12-JK-IA	October 1975	October 1977	In progress	70	Revision of formation levels and delay in acquisition of land
Earth work Km. 5 to 10	45-JK-IA	October 1977	December 1979	In progress	44	Delay in land acquisition proceedings.
Construction of Minor grainage crossing from Km. 0 to 2.4	38-JK-IA	November 1976	November 1977	March 1982	52	Change in design of the culverts in view of poor soil conditions encountered in foundation.
Construction of bridge over the river JHELUM at Km 1	40-JK-IA	March 1978	March 1980	September 1981	18	Late approval of design by the Ministry.
Construction of combined bridge over Doodganga Nallah	42-JK-IA	April 1978	September 1980	In progress	35	Frequent revisions in design
Construction of protection work	6-JK-IA	August 1979	November 1979	June 1983	43	Due to damage caused by sudden draw down of water level in the river.

4. *Acquisition of land*

According to the original estimate sanctioned in August 1972 land measuring 1408 kanals was proposed to be acquired gradually by end of 1973-74 at a cost of Rs. 75.37 lakhs. The progress of acquisition, however, remained slow and an amount of Rs. 41.39 lakhs only was utilised towards acquisition of land up to March 1978, whereas the expenditure from 1978-79 to 1982-83 was Rs. 121.82 lakhs; 40 kanals of land are yet to be acquired (August 1983). Delay in acquisition of land was attributed to lengthy procedure to be adopted. Subsequently, the estimate of cost was revised to Rs. 174.91 lakhs; sanction was awaited (August 1983).

Land measuring 303 kanals 18 marlas was acquired at Irakh Gund Aksha falling in the alignment from Km. 13 to 18 and final award therefor was issued by the Assistant Commissioner, Srinagar in December 1973 and the occupants (Kamas or cultivators in occupation of this Government land) being allowed a compensation of Rs. 500 per kanal subject to the condition that they prove their claims in accordance with the law and rules and the requisite amount was placed at the disposal of the Collector.

In December 1979, State Housing and Urban Development Department sanctioned a rate of Rs. 3,000 per kanal for similar land for laying a housing colony at Bemina Barthana. This led to a demand by the occupants of Rakh Gund Aksha land for enhancement of their compensation amount of Rs. 3,000 per kanal. Despite the fact that final awards had been issued in 1973 and the rate of compensation could not be altered under the law in force also observed by the Revenue Secretary/Assistant Commissioner (Collector) in a meeting held in April 1980 to discuss the issue, the Government sanctioned (October 1980) payment of compensation at the enhanced rate of Rs. 3,000 per kanal thus involving an additional expenditure of Rs. 7.60 lakhs.

5. *Execution of works*

The following points relating to execution of the project were noticed during test check of records (June 1981 and July 1982).

- (i) Earth work in Km 0 (take off point) to 2.4
 - (a) The technical approval and financial sanction for the above work was accorded by the Ministry in December 1973 for Rs. 69.53 lakhs. The work was allotted to a contractor in September 1975 after about 2 years due to delay in deciding the agency which would execute the work.

The estimate for the work was revised and sanctioned by the Ministry for Rs. 146.50 lakhs in January 1981. The reasons for the revisions in the

estimates were that the natural ground levels were actually lower than these indicated in the proposals on which the original estimates were based resulting in an increase in the earthwork by about 1.48 lakhs cubic metres with corresponding increase in expenditure by about Rs. 46.50 lakhs and that the allotted rates were higher than these provided in the original estimates. Besides, some additional items viz., sand layer and granular material were also to be provided in the base of the embankment.

The Ministry had accorded approval to the execution of the work in accordance with the correct ground level in June 1977.

- (b) Tenders for the work were invited in May 1973 and the work awarded in September 1975. The technical note accompanying the Ministry's sanction (December 1973) to the work had *inter alia* indicated that good quality granular soil (Morrum or similar type soil) having a C. B. R. of not less than 10 per cent should be used in top 18 inch layer in the main carriage portion and 12 inch in the remaining portion of the road embankment. The Chief Engineer, Project organisation reported to the Ministry in November 1978 that there was no mention in the sanctioned estimate for laying granular material and this was mentioned only in the technical note accompanying the sanctioned estimate. It was further stated by him that since the recommendations were received after the tenders were invited and no mention regarding this item could be made in the notice inviting tenders (NIT), the contractor executing the work had no contractual obligation to execute this item of work. Test check of the records revealed that although the NIT was initially issued in May 1973, receipt of tenders had been extended (February 1974) upto March 1974 and the work was allotted only in September 1975. Further an advance copy of the technical note was issued by the Ministry in May 1973. The Department could have incorporated the provision of granular material by issue of a corrigendum to the NIT at the time of extending the date for receipt of tenders which was, however, not done.

The work of laying Khak Bajri was subsequently allotted to a contractor in July 1981 partly at Rs. 60 and partly at Rs. 45 per cubic metre (less one per cent rebate) where as the rate as per the schedule of rates in 1973 was Rs. 40 per cubic metre. Thus by not providing for this item of work in the NIT, an extra expenditure of Rs. 2.04 lakhs had been incurred on 12,747 cubic metres of Khak Bajri.

- (ii) Supply, laying and consolidation of Khak bajri in Km 2.468 to 5.00 (excluding Pohru, Nowgam inter section)

The work was allotted to a contractor in June 1979 subject to execution of an agreement for completion within six months. The contractor started the work in August 1979 and after supplying part bajri (20,000 cft) stopped the work in September 1979 as sufficient quantity of Khak bajri was not available from any quarry. The contractor alleged (October 1979) that due to delay in allotment of work to him by about eight months the suppliers with whom he had arranged the supply of khak bajri had executed other contracts and that khak bajri had exhausted. In October 1980 the Chief Engineer approached the Ministry that as khak bajri was not supplied by the contractor same may be substitute by Korwa soil and sand of required specifications and on receipt of approval of the Ministry in October 1980 asked the contractor (December 1980) to take up the work in accordance with the revised specifications at the rates allotted to him earlier in June 1979. The work was, however, not started by the contractor and after issue of a final risk and cost notice in March 1981 the work was allotted to another contractor in October 1981 at higher rates at the risk and cost of original contractor thus, involving an extra expenditure of Rs. 2.84 lakhs. No action to recover the extra cost from the earlier contractor has been taken so far (August 1983). Reasons for delay in allotment of work as alleged by the contractor have not been assigned (October 1983).

(iii) Earthwork in Kms 13 and 14.

Earthwork in Kms 13 and 14 of the bypass estimated to cost Rs. 15.56 lakhs was allotted to a contractor in November 1979 for completion by November 1980. The contractor could not start the work as possession of land was not given to him. In January 1980 the department notified the contractor, after giving possession of land to start the work. As the contractor did not respond, fresh tenders were invited by the department and while these were under process, the same contractor started work in April 1980 and executed agreement with the department. The contractor executed some work (value Rs. 1.06 lakhs) and suspended the work in December 1980. The work was, however, not resumed by him even after issue of a final risk and cost notice in July 1981. The work was allotted (May 1982) to another contractor at increased rates involving an extra cost of 12.21 lakhs. It was stated (September 1983) that the matter for recovery of extra cost as arrears of land revenues has been taken up with the Government. Further developments are awaited (October 1983).

(iv) Minor drainage crossing on by-pass Km 0 to 2.4

The construction of minor drainage crossing in Km 0 to 2.4 was allotted to a contractor in September 1976. The work was started by the contractor in November 1976 without agreement which was executed in August 1977 for Rs. 7 lakhs.

In May 1980, after executing work amounting to Rs. 9.43 lakhs up to February, 1979 the contractor represented that he had already executed work valuing more than the agreement amount and requested for finalising his work. Several notices were issued to him to resume the work, the last one having been issued by the Chief Engineer in June 1980, but the contractor did not resume work.

Fresh tenders for the balance work were invited in September 1980 and the work was allotted to another contractor for completion in three months at a cost of Rs. 1.58 lakhs in April 1981 involving an extra cost of Rs. 0.71 lakh. No action to recover the extra cost has been initiated so far against the original contractor.

The Department stated (June 1981) that the original contractor was not bound to execute the work in excess of 20 per cent of the agreement amount and that agreement amount had exceeded as some additional items were executed as per instructions of the Ministry, though according to note below Schedule II of the agreement, limit of 20 per cent was applicable only to items specified in the agreement.

It was, however, noticed that the contractor had executed work of the value of Rs. 5.98 lakhs only in respect of the items covered by the agreement, the balance amount represented value of work for additional items under clause 28 of the agreement according to which contractor was bound to carry out additional items of work as are considered necessary by the Engineer-in-Charge. Chief Engineer, Project Organisation, Srinagar intimated (November 1981) that the contention of the contractor that he was not bound to complete remaining items of work was being looked into and steps would be taken in terms of the agreement. Further developments of the case from Chief Engineer awaited (October 1983).

- (v) Settlement of ground under embankment due to compaction of natural soil level.

The contract for the construction of the by-pass from Km 2.4 to 5 was allotted to a firm at an estimated cost of Rs. 85 lakhs in September 1975. The work was started in October 1975 for completion by October 1977. The work was, however, completed in July 1978.

The Chief Engineer reported (January 1978) to the Ministry that the relative density of the original ground prior to compaction varied from 85 per cent to 97 per cent of the standard proctor density, with the result that the original ground levels got lowered by about one and half inches in dry land and about 4 inches in marshy areas after application of the compaction.

The Ministry, however, observed (December 1978) that the contractors did take care of such factors like depression in original ground level while

offering their item rates and that it was not the practice to make provisions for any allowance in the earthwork embankment in the estimate for settlement of the original ground as a result of compaction.

The Ministry informed the Chief Engineer in July 1980 that payment on this account was to be based strictly on the terms and conditions of the agreement after satisfying that no unintended benefit accrued to the contractor.

Notwithstanding the aforesaid advice in this case, a part payment of Rs. 4.24 lakhs was made on this account between October 1980 and June 1981 to five contractors for the works allotted in different sections of the by-pass between Km 5 to Km 18. Another claim of a contractor for Rs. 2.00 lakhs for Km 2.4 to 5 had been admitted. Another compaction claim (amount not intimated) in respect of Km 0 to 2.4 was also pending for final decision. The compaction in the original ground was not covered under the agreement as preparation and bringing the original ground to a relative compaction of at least 100 per cent proctor density was to be done by the contractor as per item No. 2 of the advertised rate list forming part of the contract agreement.

6. Other points of interest

Transportation of construction material

Test check of records of the National Highway By-pass Division No. II, Srinagar revealed that trucks belonging to private transporters had been engaged between May 1980 to August 1981 for carrying cement from Jammu to Srinagar and consequently Rs. 0.72 lakh (at Rs. 17.50 per quintal) had been paid over and above the Government approved rates (Rs. 14.50 per quintal up to 6th March 1981 and Rs. 15.75 per quintal thereafter). Inspector General Transport stated (July 1981) that the freight rate at Rs. 17.50 per quintal had not been fixed by that office and had no statutory or other sanction.

In August 1981 the Division paid Rs. 0.17 lakh as wharfage charges to the Indian Railway for non-clearance of material at the Jammu rail head within the stipulated period due to non-availability of trucks.

While recommending the case to the State Government for regularisation of expenditure of Rs. 0.89 lakh (January 1982) it was stated that the above charges had been incurred as State Road Transport Corporation had not provided required trucks. Government sanction was awaited (August 1983).

Summing up :

- (i) The project started in October 1975 without preparing an integrated project report, and based on estimates sanctioned for different

components which aggregated Rs. 708.98 lakhs, for which approval of the Cabinet was not obtained. It is expected to be completed in 1984-85. The actual expenditure incurred upto March 1983 was Rs. 978.09 lakhs.

- (ii) In respect of 14 out of 17 jobs sanctioned so far the increase in revised estimates over the original estimates ranged from 12 to 456 *per cent*. The revised estimates are yet (August 1983) to be sanctioned.
- (iii) Delay in completing 7 jobs ranged from 18 to 71 months.
- (iv) In original survey, the ground levels taken for the road were incorrect resulting in increased earthwork costing Rs. 46.50 lakhs in one section alone.
- (v) Although land awards once issued are final under the Land Acquisition Act, compensation sanction (1973) for some Government land (in occupation of cultivators) acquired in 1973, was enhanced in 1980 involving an additional liability of Rs. 7.60 lakhs.
- (vi) Delay in allotment of work in Kms. 2.468 to 5.00 to a contractor resulted in extra expenditure of Rs 2.84 lakhs.
- (vii) Non-inclusion of correct specifications in notice inviting tenders for earth work in Km 0 to 2.4 resulted in extra expenditure of Rs. 2.04 lakhs.
- (viii) Delay in finalising the land acquisition proceedings and non-enforcement of contractual stipulations resulted in extra expenditure of Rs. 12.92 lakhs in respect of earth-work (Kms. 13 and 14) and minor drainage crossings (Km 0 to 2.4).
- (ix) Rs. 4.24 lakhs were paid to the contractor on account of compaction of the original ground in disregard of the advice of the Ministry. Two other claims for more than Rs. 2 lakhs were pending (June 1982).
- (x) Hiring of trucks at rates higher than those sanctioned by the Government resulted in an extra expenditure of Rs. 0.89 lakh.

The matter was reported to the Government in October 1981 and September 1982; their reply was awaited (November 1983).

[Paragraph 39 of the Report of the Comptroller and Auditor General of India for the year 1982-83, Union Government (Civil)]

APPENDIX II

Statement of conclusions and Recommendations

Sl. No.	Para No.	Ministry/ Department	Conclusion/Recommendations
1	2	3	4
1.	27	Transport (Deptt. of Surface Transport)	<p>Pathankot-Jammu-Srinagar Road—National Highway No. IA-passes through Srinagar city. The intensity of the traffic through Srinagar has increased considerably due to construction of a motorable road to Leh. Large convoys of civil as well as army vehicles move to and from Leh. These Vehicles had to pass through Srinagar city. The traffic moving along the National Highway No. IA to Baramulla and Uri had also to pass through Srinagar city besides the ever increasing local traffic. Owing to increase in the intensity of traffic passing through city portion of the highway, the need for providing a bye pass was felt as far back as in 1962 but the final alignment (length 17.80 kms) was fixed and approved by the then Ministry of Shipping and Transport in June, 1971. The project, however got started only in October 1975. The Committee observe that the wide gap between the conception of the urgent need of the work in 1962 and the beginning of its execution from 1975 was mainly due to time taken in fixing up the agency for execution of the work, resource crunch and delay in acquisition of land. The Committee observe that on the one hand the need for such a by-pass was considered urgent but on the other when the work was proposed to be entrusted to BRDB it was suggested that the latter had not included this in their immediate programme of construction and therefore ultimately the work was allotted to be carried out through the State P. W. D. Despite the so-called urgency much time was lost in debating</p>

about the agency to execute the work and other formalities. The Committee feel that all this should have been avoided if the work was really urgent and important. The Committee have also reservations on the choice of agency in this case. Experience shows that if this work had been executed through BRDB it would have been possible to save a lot of time and resources. The Committee, therefore, recommend that Government should take steps to ensure that, unless unavoidable, important works involving urgent operational requirements of defence especially in border and Hill areas are executed only through the agencies like BRDB who have the expertise and are well organised and equipped to undertake such works and execute them within fixed time schedules.

2. 28

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The Committee are unhappy to observe further that even when it took Government so much time to start the project it was started without preparing an integrated project report. The estimates for different components were prepared by authorities from time to time through the period of execution of the project. Further, although the project was estimated to cost over Rs. 7 crores (which actually turned out to about Rs. 10 crores upto March 1983) approval of the Cabinet, required for projects exceeding the estimated cost of Rs. 5 crores, was not obtained. It was only in 1978 before further work was to be sanctioned that a total estimated cost of Rs. 9.31 crores was projected to the Expenditure Finance Committee. The plea of the Ministry in this regard that it was taken up as an urgent work as per operational requirements of Ministry of Defence hardly holds ground in the context of inordinate delays that the project actually suffered in its execution right from the very beginning. It is argued that the work required construction of road in water logged and swampy area including a major bridge

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across Jhelum. Therefore, the work of land acquisition and detailed soil investigation was sanctioned first and started immediately in view of the importance of the matter. However, the fact remains that both these works, viz., detailed investigations and land acquisition works were taken up in a haphazard manner and these very jobs accounted for the major delay in completion of the project. Deviating from normal procedures was, thus, hardly of any avail or even cogent. The Committee believe that, instead if the project had been taken up in an integrated manner and comprehensively planned, results would have been much better. The Committee, therefore, disapprove of the disregard shown to the prescribed procedures in this matter and would like it to be taken note of.

3.

29

—do—

The Committee are unhappy to note that various components of the project got delayed inordinately ranging from 18 to 71 months. For example, work relating to soil investigation for embankment design was delayed by 71 months. The original job of drilling bore holes for soil investigation for the embankment in the marshy unstable area is stated to have been completed within the scheduled period. However, the fact that it was considered necessary to have additional bore holes for high embankment (for establishing embankment) stability goes only to indicate that the project investigation carried out initially had not been thorough. This viewpoint is further strengthened by other factors reported to have obstructed timely completion of various components. Revision of formation levels in case of earth work Kms 2.4 to 5, change in design of the culverts in view of the soil conditions encountered in foundation in case of minor drainage crossing Kms. 0 to 2.4 and complete revision of design in case of combined bridge over Doodh-ganga Nalla are pointers to the same conclusion. Similarly contractual

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problems, availability of capable contractors, shortage of construction materials and their transportation to site and limited working season in this region are, in the Committee's view, only management problems that could and should have been anticipated and provided for before taking up the project and while drawing its completion schedules.

4. 30 —do—

Time over runs in these circumstances which led to escalation of cost of the project, was inevitable. The project was started in October 1975 and was expected to be completed during 1984-85. The actual expenditure incurred upto March 1983 was Rs 978.09 lakhs against the approved estimates of Rs. 708.93 lakhs. The work was divided into 17 jobs and in respect of 14 jobs the revised estimated cost showed an increase of Rs. 538.01 lakhs over the original estimates and accordingly revised estimates for Rs. 1,166.65 lakhs were submitted in respect of these jobs to the Ministry. Percentage of increase in respect of 14 jobs ranged from 12 to 456.

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The Committee thus cannot but conclude that the project has been poorly managed from its very inception. Avoidable delays have occurred at all stages resulting in increased costs. They take a particularly serious view of the delay in view of the fact that project had been taken up as an urgent work in view of operational requirements of defence. At this stage they would like the whole affair to be taken up as a test case for examination by experts so as to draw lessons from the failures therein for guidance of all in formulation and execution of similar projects in future

5. 31 —do—

Slow acquisition of land for the project has been the other major factor for delay in its execution. The Committee are unhappy to observe

that acquisition process has been handled rather erroneously. The original compensation rate of Rs. 500 per kanal was fixed in 1973. The owners did not accept the award due to the fact that they had to make huge investment on the development of this Marshy land to make it fit for cultivation. Yet this award was first imposed on them and later it had to be revised to Rs. 3000/—per kanal to get the project expedited. This level of compensation had to be allowed because a similar land in the area was acquired six years later at this rate in December, 1979 for laying a housing colony. According to original estimate in August, 1972, land measuring 1408 kanals was proposed to be acquired gradually by the end of 1973-74 at a cost of Rs. 75.37 lakhs. The progress of acquisition of land remained slow. By 1982-83 expenditure to the tune of Rs. 163.21 lakhs had been incurred towards it and 40 kanals of land were yet to be acquired as in August, 1983. The cost of land was subsequently revised to Rs. 175 lakhs. The Committee are of the view that the question of reasonable compensation to the land owners could have been settled more realistically in the very beginning in consultation with the owners' representatives and once amicably settled there was no question of revision of compensation rates at a later stage. Had this been done the land would have cost less.

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The Committee observe that the ground levels taken at the time of survey were found to be different from the ground levels noticed at the time of execution of earthwork in kms. 0 (take off point) to 2.4. The difference in the ground levels was such that a large quantity of earthwork to the tune of 1.48 lakh cubic metre over and above what was provided in the estimates had to be carried out at a cost of Rs. 46.50 lakhs. The Committee were informed that the difference in the ground level was due to the land

being marshy and some erosion having taken place during the interval between the first and the second set of measurement. The Committee have also been informed that the levels were taken by the PWD staff at the initial and revised stage and were also test checked by officers at the revised stage. The Committee wonder why there should be difference in the two stages if measurements were done by qualified engineers. It has been stated by the Ministry that the recording of ground level is generally done by survey staff and checked by Asstt. Engineer and that this procedure was followed in this case. The Committee are surprised that the supervision and checking was left only to the junior officers level (Asstt. Engineer). It is astonishing that a project involving huge sums was placed in supervision of the junior staff and even an Executive Engineer was not asked to test check the levels at the initial stage. The Committee would suggest that higher supervisory officers should conduct test check personally. The Committee would like this matter to be examined in depth to fix responsibility for the lapses in this regard and the Committee apprised of the action taken in the matter.

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7. 33 —do—

The Committee are particularly surprised to note that two sets of level books in which the ground measurements were recorded are not available with the State authorities. Disappearance of such basic record even before the project completion report had been approved is in clear contravention of the provisions in this regard in the PWD Manual and a serious lapse indicative of *mala fide* action. They recommend that the matter should be examined at a high level and the individual responsibility on those responsible for the safe custody of such records fixed. The Committee would like to be informed of the action taken in this matter.

PART II

*Minutes of the 56th Sitting of the Public Accounts Committee held on
25.4.1986*

The Committee sat from 15.30 hrs. to 17.30 hrs. in Room No. 50, Parliament House, New Delhi.

PRESENT

- Shri Girdhari Lal Vyas (in Chair)
2. Shri J. Chokka Rao
 3. Shrimati Prabhawati Gupta
 4. Shri Vilas Muttemwar
 5. Shri G. Devaraya Naik
 6. Shri Rajmangal Pande
 7. Shri Simon Tigga
 8. Shri Ramanand Yadav

SECRETARIAT

1. Shri N. N. Mehra—*Joint Secretary*
2. Shri K. H. Chhaya—*Chief Financial Committee Officer*
3. Shri Brahmanand—*Senior Financial Committee Officer*
4. Shri O. P. Babal —*Senior Financial Committee Officer.*

REPRESENTATIVES OF THE C & A G OF INDIA

1. Shri T. M. George —Addl. Dy. C & AG (Reports—
Central)
2. Shri B. Sengupta —D. A. O. F. Calcutta
3. Shri C. V. Srinivasan —Director of Audit (Air Force
& Navy), New Delhi.
4. Shri C. P. Mittal —D. A. CW & MI, New Delhi.
5. Shri P. K. Bandyopadhyay —Director of Receipt Audit-II.
6. Shri K. Krishnan —Joint Director
7. Shri N. R. Rayalu —Joint Director (Reports—
Central).
8. Shri V. S. Jakhmola —Joint Director.

2. The Committee in absence of the Chairman requested Shri Girdhari Lal Vyas to act as Chariman for the sitting under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee then considered and adopted the following draft Reports with some amendments/modifications as shown in Annexure I to IV.*

* * * *

(ii) Draft Report on National Highway Bypass, Srinagar [Para 39 of Audit Reports 1982-83 (Civil)].

* * * *

4. The Committee authorised the Chairman to finalise the draft Reports in the light of amendments suggested by the Audit as a result of factual verification of the draft Reports and present the same to the House.

The Committee then adjourned.

*Annexure I, III, IV not Printed.

ANNEXURE II

Modifications/Amendments made by the Public Accounts Committee in the draft Report on para 39 of C & AG's report (Civil) for the year 1982-83 on National Highway By-pass Srinagar (8th Lok Sabha)

Page	Para	Line	For	Read
20	27	4 from bottom	BRDO	BRDB
23	30	1	Escalation of cost... inevitable	Time over runs in these circumstances which led to esca- lation of cost of the project is inevi- table.
25	31	11	are yet to be acquired	were yet to be acquired as in August 1983
25	32	4 from bottom	<i>Delete the word "additional"</i>	
26	32	8	levels	stages
26	32	12	<i>Delete But it...officers</i>	
26	32	5 from bottom	The Commi- ttee wonder ...later	The Committee would suggest that higher supervisory officers should con- duct test check per- sonally.
27	33	7	smacking	indicative

