

REVENUE LOSS DUE TO DELAY IN LEVY OF TOLL FEES

[Action Taken by the Government on the Observations/Recommendations
of the Committee contained in their Thirteenth Report (15th Lok Sabha)]

MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

PUBLIC ACCOUNTS COMMITTEE

2011-2012

FORTY-SIXTH REPORT

FIFTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

FORTY-SIXTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(2011-2012)

(FIFTEENTH LOK SABHA)

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OF TOLL FEES

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MINISTRY OF ROAD TRANSPORT AND HIGHWAYS



Presented to Lok Sabha on 19th December, 2011

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2011-2012)

Dr. Murli Manohar Joshi — *Chairman*

MEMBERS

Lok Sabha

2. Shri Anandrao Vithoba Adsul
3. Dr. Baliram
4. Shri Sandeep Dikshit
5. Shri Anant Kumar Hegde
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22. Prof. Saif-ud-Din Soz

SECRETARIAT

1. Shri Devender Singh — *Joint Secretary*
2. Shri Abhijit Kumar — *Director*
3. Shri Sanjeev Sharma — *Deputy Secretary*

* Elected *w.e.f.* 29th August 2011 *vide* the vacancy occurred *vice* Smt. Jayanti Natarajan appointed Minister *w.e.f.* 12th July, 2011.

INTRODUCTION

I, the Chairman, Public Accounts Committee (2011-12), having been authorised by the Committee, do present this Forty-sixth Report (Fifteenth Lok Sabha) on action taken by the Government on the Observations/Recommendations of the Committee contained in their Thirteenth Report (Fifteenth Lok Sabha) on **'Revenue Loss Due to Delay in Levy of Toll Fees'** (Ministry of Road Transport and Highways).

2. The Thirteenth Report was presented to Lok Sabha/laid in Rajya Sabha on 29th April, 2010. Replies of the Government to the Observations/Recommendations contained in the Report were received on 11th April, 2011. The Public Accounts Committee considered and adopted this Report at their sitting held on 23rd September, 2011. Minutes of the sitting are given at *Appendix I*.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

5. An analysis of the action taken by the Government on the Observations/Recommendations contained in the Thirteenth Report (Fifteenth Lok Sabha) is given at *Appendix II*.

NEW DELHI;
15 November, 2011

24 Kartika, 1933 (Saka)

DR. MURLI MANOHAR JOSHI
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

This Report of the Public Accounts Committee deals with the action taken by the Government on the Observations/Recommendations of the Committee contained in their Thirteenth Report (Fifteenth Lok Sabha) on '**Revenue Loss due to delay in levy of toll fees**' based on Chapter XIV of C&AG Report No. CA 2 of 2007 for the year ended March, 2006 relating to the Ministry of Road Transport and Highways.

2. The Thirteenth Report (Fifteenth Lok Sabha) was presented to Lok Sabha/laid on Rajya Sabha on 29th April, 2010. It contained 12 Observations/Recommendations. Action Taken Notes in respect of all the Observations/Recommendations have been received from the Ministry of Road Transport and Highways and categorized as under: —

- (i) Observations/Recommendations of the Committee which have been accepted by the Government:

Para Nos. 1, 2, and 4 — 12

Total:11
Chapter-II

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government:

-Nil-

Total: 0
Chapter-III

- (iii) Observations/Recommendations in respect of which replies of Government have not been accepted by the Committee and which require reiteration:

-Nil-

Total: 0
Chapter-IV

- (iv) Observations/Recommendations in respect of which Government have furnished interim replies:

Para No. 3

Total:1
Chapter-V

3. The Committee are pleased to note that 10 Recommendations out of total number of 11 have been accepted by the Government. These Recommendations are reproduced

in detail in Chapter II of this report for facility of reference. The Committee have marked Recommendation at Serial No. 3 as interim in nature and have, therefore, categorized it accordingly.

The Committee now proceed to make certain observations on the Action Taken Notes furnished by the Ministry of Road Transport and Highways.

4. The Committee deplore that the Ministry took almost one year in furnishing the replies as against the stipulated time of six months. Surprisingly, despite such an inordinate delay, the reply to one Recommendation is interim in nature. The Committee believe that had due care and diligence been exercised, the Ministry would have furnished complete action taken replies. They deprecate such a languid approach betraying sense of responsibility. The Committee at least now expect the Ministry to furnish complete reply in respect of the interim reply at Sl. No. 3 within three months.

**A. Delay in issuing notification and missing files
Recommendation (Para No. 6)**

5. Whilst scrutinizing the subject in detail, the Committee had observed that a loss of ₹ 85.90 crore occurred due to the delay in issue of notification for commencement of the collection of toll in regard to the new highways. This loss was ascribed only in regard to 8 of the 28 cases test checked by Audit. The Committee had every reason to believe that the combined loss in regard to all the 28 cases would be much higher than this figure. Moreover, the reasons for the delay in issue of notification furnished to the Committee actually pertain only to the five cases out of the eight cases test checked by Audit. Further, the Committee had observed that Ministry could not intimate the date of issue of notification for 28 cases along with the dates of opening of the highways and the final dates of crediting the revenue to the Government. The Ministry simply stated that in the absence of the relevant file the details of 20 stretches could not be readily located in the Ministry. Noting with concern the case of missing file, the Committee had recommended that the details of all the 20 stretches be intimated to them at the earliest and all out efforts be made to locate the file. In case of the failure in locating the file, the Committee had recommended to fix responsibility for this lapse under their intimation.

6. Elaborating on the Action Taken initiated in this regard, the Ministry of Road Transport and Highways have *inter-alia* stated as under:—

"The detailed list of 20 cases is placed at Annexure I. It may be seen therein that out of 20 cases, in 14 cases fee collection commenced within 45 days of completion of the stretch, which is presently the limit prescribed under Fee Rule, 2008 (Sl. No. 1-14). In the 6 cases delays of some days have been identified and these are mostly procedural delay, which is regretted. The detailed reasons for delays are annexed at Annexure I (Sl. No. 15-20, P-10-13)."

7. Whilst vetting the reply of the Ministry, Audit has brought out that the date of opening of the Highway and the final date of crediting revenue to the Government account is not contained in the **Annexure I** supplied to the Public Accounts Committee and the Committee may accordingly be apprised by the Ministry in the requisite format.

Giving its comments on the observations of the Audit, the Ministry has stated that NHAI has been requested to comply with the observation of the Audit and compliance report may be provided to the Ministry within a week.

8. A close scrutiny of the reply furnished by the Ministry depicts that the reply is conspicuously silent on the issue of retrieval of the missing files and fixing of responsibility thereof. Further, the reply, does not contain the date of opening of the Highway and the final date of crediting revenue to the Government account. These dates are deemed imperative to ensure financial discipline and adherence to the General Financial Rules. In the normal course, the issue of missing files is too serious a matter and should have been conclusively addressed by the Ministry. It is disconcerting to note that the Ministry is silent as to the manner in which the missing files have been reconstructed and the Action Taken Notes furnished. The Committee, therefore, reiterate their earlier recommendation that all out efforts should be made to locate the files and in case of failure, responsibility should be fixed for this grave lapse and corrective action be taken under intimation to the Committee so that such lapses do not recur. They would also like to be intimated of the date of commencement of the new Highways and the date of crediting revenue in the Government coffers. In case money was credited after the permissible period of time, the Committee would like the Ministry to enquire into the reasons of delay and also to take remedial measures including the recovery of the interest lost due to delayed credit so that such instances do not recur in future.

B. Timely submission of replies to Audit paragraphs/missing files

Recommendation (Para No. 3)

9. While scrutinizing the aspects of non-compliance in detail the Committee noted that a mechanism had been devised within the Ministry to hold fortnightly meeting at the level of Joint Secretary and monthly meeting at the level of Additional Secretary and Financial Adviser to review the status of pending audit paras. The Committee opined that such an exercise would prove to be fruitless unless at the ground level the task is assigned to specific units within the Ministry. The Committee's examination also revealed that there was lack of coordination among various divisions within the Ministry due to which relevant files in regard to pending paras went missing and were not traceable. The Committee had desired that Ministry would take up the issue of timely submission of replies to the Audit paragraphs of C&AG in the right earnest and would assign this task to a particular unit within the Ministry in order to streamline this work. They also recommended fixing of responsibility for the missing files under intimation to the Committee.

10. Elaborating on the Action Taken initiated in this regard, the Ministry of Road Transport and Highways have stated as under:—

"A Standing Audit Committee has been constituted in the Ministry to monitor and review on a monthly basis the submission of ATNs of C&AG and ATRs of PAC. Work of the Ministry has been internally divided into 9 Zones with each Zone looking after 2 to 3 States/UTs. Due to the highly technical nature of the work and also the fact that the number of pending Audit Paras is very low, assigning the work to a specific unit will not be feasible.

However, coordination and monitoring of all work relating to Reports of C&AG and PAC have been centralized in the Budget Section of this Ministry. Regarding the missing files, information has been retrieved from available sources for all the twenty cases and reply has already been furnished to C&AG who have vetted the same ATN against Para 6. However, necessary instruction have also been issued for fixing responsibility for the missing files to avoid future occurrences."

11. The Committee have been apprised that a Standing Audit Committee has been constituted within the Ministry to monitor and review the submission of ATNs. The Committee also learn that this work has been internally divided into nine zones with each zone looking after two to three States/UTs. Taking note of the decision taken by the Ministry, the Committee would like to caution that this Standing Audit Committee does not become another bureaucratic exercise in the absence of any definite time frame for submission of Action Taken Notes. The Committee would like to be apprised of the work done by the Standing Audit Committee from the time of presentation of this Report till the time of furnishing of Action Taken Statements on this para *i.e.* during the period of six months alongwith the status of the pending audit paragraphs.

12. The Committee are saddened that the Ministry has not so far fixed responsibility for missing files more so when 'missing files' seems to have become recurring phenomenon and a common refrain. The Office Memorandum dated 4th April, 2011 of the Ministry to its PIC division depicts the lackadaisical attitude in which such an important matter having large financial implication was dealt with. The Report of the Committee represented to Lok Sabha on 29th April, 2010 and to their utter surprise it took almost one year for advising one Division of the Ministry by another section within the same Ministry for intimating it the action to be taken to fix responsibility for the missing files. The Office Memorandum *inter-alia* stated 'PPP Division has stated that the missing files pertain to PIC Division. Secretary (RT&H) desires to know the status of action that has been taken to fix responsibility for the missing files'. The Committee, therefore, reiterate their earlier recommendation that responsibility be fixed for the missing files and corrective measures taken to prevent such glaring instances of dereliction of duty and non-application of mind and the Committee intimated within three months of the presentation of this Report to Parliament.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Ministry of Road Transport & Highways

Recommendation

With effect from March, 1996 Ministries/Departments are required to furnish the remedial/corrective Action Taken Notes to the Public Accounts Committee through the Ministry of Finance (Department of Expenditure) on all those Paragraphs of the Report of the Comptroller and Auditor General of India which are not formally taken up by the Committee for examination and Reports presented thereon. Such remedial/corrective Action Taken Notes are to be furnished within four months of the laying of the Audit Reports in Parliament. The Committee's examination of the subject has revealed that as on 28th February, 2010 remedial/corrective Action Taken Notes in respect of 3450 Audit Paragraphs were pending with various Ministries/Departments for the period 1996-97 to 2008-09. Since it was not possible to examine a large number of Ministries, the Committee took up for examination only the illustrative cases relating to some of the important paragraph for which remedial/corrective action taken notes have not been furnished. One such case regarding the Ministry of Road Transport & Highways is dealt with in the succeeding paragraphs of this report.

[Sl. No.....Appendix; Para 1 of the 13th Report of the Public Accounts Committee, 2009-2010 (15th Lok Sabha)]

Action Taken by the Government

Being General Observations, no action is required.

[Ministry of Road Transport & Highways OM No. H-11011/31/2010-Parl., dated]

Recommendation

The Committee note with concern that the figures in regard to number of Audit paragraphs pending with the Ministry of Road Transport and Highways does not tally with the figures supplied by the Department of Expenditure (Monitoring Cell) and Audit. While the Monitoring Cell had indicated the number of pending paras as 3, the Ministry of Road Transport & Highways stated it to be 6. Audit has however, shown this figure as 1. The Committee desire that this discrepancy in the number of pending Audit paragraphs should be settled by the Ministry of Road Transport and Highways in consultation with the Audit and the Monitoring Cell and the correct figures intimated to be Committee whilst furnishing the Action Taken replies on this report.

[Sl. No.....Appendix; Para 2 of the 13th Report of the Public Accounts Committee, 2009-2010 (15th Lok Sabha)]

Action Taken by the Government

Reconciled with Audit and Monitoring Cell of Ministry of Finance and found that No Audit Para is pending as on date.

[Ministry of Road Transport & Highways OM No. H-11011/31/2010-Parl., dated]

Recommendation

The Committee would like to emphasize that the Audit report/paragraphs is crucial mechanism through which Parliament exercise its oversight on spending from the public exchequer. It is obligatory on the part of the officers expending or dealing with public money to take immediate action to remedy the deficiencies/irregularities pointed out in the Audit reports by way of submitting remedial Action Taken Notes. In view of the Committee, had the Ministry been serious in its efforts to settle the pending Audit paras they could have done the needful prior to appearing before the Committee on 22nd February, 2010. The Committee expect that at least now, all the pending paragraphs will be settled by the Ministry of Road Transport and Highways without further loss of time. Since relatively fewer number of paras are pending with this Ministry, it is all the more necessary that these should be settled at the earliest.

[Sl. No.....Appendix; Para 4 of the
13th Report of the Public Accounts Committee, 2009-2010
(15th Lok Sabha)]

Action Taken by the Government

There are no pending Paras as on date.

[Ministry of Road Transport & Highways OM No. H-11011/31/2010-Parl., dated]

Recommendation

The Audit scrutiny of the subject 'Revenue loss due to delay in levy of toll free' reveals that the Ministry had failed to specify any time limit within which notifications for levy of toll free should be issue which resulted in a revenue loss of Rs. 85.90 crore to the Exchequer. The Committee note that the reply given by the Ministry to the Audit at the time of finalization of the Draft Para and the explanation given for this loss during the course of oral evidence before the Sub-Committee are contradictory in nature. In their reply to Audit in November, 2005 the Ministry intimated that there was no pecuniary gain caused to any individual or a private entity due to delay in issue of toll fee notification and the beneficiary was the public at large. During the course of evidence, however, the representatives of the Ministry emphasized that at the relevant time there was no statute or rules in place prescribing the time limit for the issue of notification. As such, according to the Ministry there was no loss of revenue caused to the Government as there was no requirement under a rule or law. In the opinion of the Committee the stand taken by the Ministry subsequently only highlights the need for timely and purposeful implementation of the rules and regulations concerned. The Committee are not against giving benefit to the public at large by not levying of toll free but are concerned about the indecisiveness working of the Ministry at this relevant time which caused revenue loss to the exchequer.

[Sl. No.....Appendix.....; Para 5 of the 13th Report of the Public Accounts
Committee, 2009-2010 (15th Lok Sabha)]

Action Taken by the Government

The opinion of the Committee has been noted for compliance in future. Efforts have since been made to streamline the process of timely publication of fee. The process is now being initiated well before the likely completion of the project. Location of toll Plaza are now being sought to be finalized during project preparation itself.

[Ministry of Road Transport & Highways OM No. H-11011/31/2010-Parl., dated]

Recommendation

The Committee further note that a loss of Rs. 85.90 crore occurred only in regard to eight of the 28 cases test checked by Audit. It may thus be reasonably assumed that the combined loss in regard all the 28 cases would be much higher than this figure. Further, the reasons for the delay in issue of notification furnished to the Committee actually pertain only to the five cases out the eight cases test checked by Audit. The Committee are constrained to note that in response to a specific query to intimate the date of issue of notification for 28 cases *vis-a-vis* the dates of opening of the highways and the final date of crediting the revenue to the Government, the Ministry simply stated that in the absence of the relevant file in the Ministry the details of 20 stretches could not be readily located. It seems that the issue of missing file has not been adequately addressed by the Ministry. The Committee, therefore, recommend that the details of all these 20 stretches be intimated to the Committee at the earliest and all out efforts should be made to locate the files. In case there is a failure in locating the file in the Ministry responsibility should be fixed for this lapse and the Committee apprised accordingly.

[Sl. No.....Appendix.....; Para 6 of the 13th Report of the Public Accounts Committee, 2009-2010 (15th Lok Sabha)]

Action Taken by the Government

The detailed list of 20 cases is placed at Annexure-I. It may be seen therein that out of 20 cases, in 14 cases fee collection commenced within 45 days of completion of the stretch, which is presently the limit prescribed under Fee Rule, 2008 (Sl. Nos. 1—14). In the 6 cases delays of some days have been identified and these are mostly procedural delay, which is regretted. The detailed reasons for delays are annexed at Annexure I (Sl. Nos. 15—20, P-10—13).

Remarks of Audit

The date of opening of the Highway & the final date of crediting revenue to the Government a/c not maintained in the Annexure-I PAC may be apprised accordingly in the requisite format. The date of start of fee collection in Sl. No. 14 (Anx.-I) may be rectified as 19/12/1982.

Comments of the Ministry

NHAI has been requested to comply with the observation of the audit and compliance report may be provided to the Ministry within a week.

Necessary correction has been made.

[Ministry of Road Transport & Highways OM No. H-11011/31/2010-Parl., dated]

Recommendation

In the backdrop of not having specific rule in 2005 for levying of toll fee, the Committee was informed during hearings, the specific time limit has now been assigned under the National Collection Rules, 2008 (published on 5.12.2008) whereby under sub-rule(1) of rule 3 the collection of fee levied shall commence within 45 days from the date of completion of the section of the national highway, permanent bridge, by pass or tunnel etc. constructed through a public funded project. In this connection, the Committee desired to know whether there had been delays in notifying the rules after December, 2008 also. The admission of the representative of the Ministry in this regard that there were quite a few proposals pending at the Government level even after notifying the new rules reflects, while appreciable for its candour reflects adversely on the functioning of the Ministry. In the opinion of the Committee once the time limits has been formally stipulated in the rules, it is the duty of Ministry to ensure that such rules are enforced. The Committee desire that, in each of the cases of delay beyond the stipulated period of 45 days, the Ministry should explain reasons therefore and fix accountability in respect thereof. Further, the Committee feel that if there are issues with reference to the tolling rates for two-lane highways (which have been specified under the tolls rules), the solutions lies not in delaying toll notifications for completed sections of stretches and not complying with the provisions of notified rules but in amending the toll rules with the approval of the competent authority to reflect the considered policy direction and will of Government. The Committee, therefore, recommend that the Ministry ensure compliance with the provisions of the relevant rules, after necessary amendment to reflect Governmental policy.

[Sl. No.....Appendix.....; Para 7 of the 13th Report of the Public
Accounts Committee, 2009-2010 (15th Lok Sabha)]

Action Taken by the Government

For cases published after the publication of National Highways Fee (Determination of Rules & Collection) Rules, 2008 (published on 5.12.2008) a detailed list of 25 cases mentioning their date of completion, date of published notification and start of fee collection is placed at Annexure-II.

Out of total 25 cases there are only 8 proposals where delays of few days have occurred. Reason for delay in 8 cases has been mentioned in the Annexure-II at Sl. Nos. 15—22. (P-12—14).

To ensure that the delay does not occur, in the 3 stretches mentioned at Sl. Nos. 23—25 of Annexure-II, the publication of fee notification has been done in advance. However as some part of the stretch has not been completed yet, the toll collection will start only after full completion of the stretch.

Necessary Rules has been made in National Highways Fee (Determination of Rates and Collection) Rules, 2008 for levy of user fee on two lane Highways. As per Sub-Rule 3 of Rule 4 of above Rule, the rate of fee for use of a section of national highway, having two lanes and on which the average investment for up gradation has exceeded rupee one crore per km., shall be sixty per cent of the rate of fee specified for 4 Lanes Highways. Further amendment in above rule has been carried out in 2010 and now limit for investment for up gradation has been increased from rupee one crore per km. to rupees two and a half crore per kilometer at the 1st April 2008 prices.

Remarks of Audit

The date of notification of Sl. No. 21 of Annexure-II may be corrected as 29.06.2009.

Comments of the Ministry

Necessary correction has been made.

[Ministry of Road Transport & Highways OM No. H-11011/31/2010-Parl., dated]

Recommendation

In this context, the Committee note that the Government has inherent powers to change or modify the existing rules for toll collection but till that happens the Government is bound to take action under existing rules. The Committee observe that despite new Fee Rules of 2008, there are cases of delays in issue of Toll notification and levy of Toll Fee. Though fixing time frame of 45 days under the National Highways Fee (Determination of Rates and Collection) Rules, 2008 for collection of fees is a step in the right direction, the fact remains that the Ministry are not carrying out regular reviews of public funded toll projects to detect in time cases of non-collection of toll revenue.

[Sl. No.....Appendix.....; Para 8 of the 13th Report of the Public Accounts Committee, 2009-2010 (15th Lok Sabha)]

Action Taken by the Government

In compliance to the observation of the PAC, status of fee notifications is now being regularly monitored. Further necessary instructions are also being issued to all project directors to monitor the status regularly.

[Ministry of Road Transport & Highways OM No. H-11011/31/2010-Parl., dated]

Recommendation

With regard to introduction of universal automated toll tags, as brought out during the oral evidence of the representatives of the Ministry, the Committee would like to be

explained about the terms of reference of the Committee set up in this regard and also the projected date of finalization of its report.

[Sl. No.....Appendix.....; Para 9 of the 13th Report of the Public Accounts Committee, 2009-2010 (15th Lok Sabha)]

Action Taken by the Government

A Committee was constituted under the Chairmanship of Shri Nandan Nilekani, Chairman, UIDAI to examine all technologies available for Electronic Toll Collection (ETC) and recommend the most suitable one for implementation throughout India. Subsequently, the Committee submitted its Report in July 2010 recommending adoption of RFID based on EPC, Gen.-2, ISO 18000-6C Standards for Electronic Toll Collection on National Highways in India. These recommendations have since been accepted by the Government for implementation.

An Apex Committee has been constituted under the Chairmanship of DDG, NIC comprising of NIC, MoRT&H, NHAI etc. The Apex Committee would hold the consultations with stakeholders and also practically view the systems already under implementation and then finalize the required standards for the different components of ETC System and then suggest the operational methodology for implementation and operation of ETC. The Committee will submit its Report within four months.

The project Execution Union consisting of technical officers from NIC and NHAI/ Ministry of Road Transport & Highways and Consultants will report to the Apex Committee for execution of the project.

The terms of Reference of the Apex Committee would be as follows:—

1. to develop strategy for implementation of ETC in the country including planning, operational methodology, process design, system design, security function and performance requirements.
2. To evolve and finalize Standards for various components of ETC System.
3. To evolve an institutional framework for implementation and operation of ETC.
4. To oversee the implementation of the project by the designated agencies.

[Ministry of Road Transport & Highways OM No. H-11011/31/2010-Parl., dated]

Recommendation

The Committee note with concern delays on several projects of NHAI. Since there are several projects of national importance which have been inordinately delayed, the Committee would like to know the details of all such projects and also the observed projected dates of their completion as also the reasons for the delay. The Committee desire that all out efforts be made to take up the matter with the respective States Governments and Central Government Ministries/Institutes so that obstacles in this

regard are removed and pending projects are completed in a time-bound manner and a report be submitted to the Committee within six months.

[Sl. No.....Appendix.....; Para 10 of the 13th Report of the
Public Accounts Committee, 2009-2010
(15th Lok Sabha)]

Action Taken by the Government

A status note on delay of projects under NHDP as submitted by NHA is enclosed (Annexure-III).

[Ministry of Road Transport & Highway OM No. H-11011/31/2010-Coord. Dated]

Recommendation

During the course of examination of this Audit para, the Committee thought it fit to examine highway safety related issues which are a matter of larger public interest and part of country's endeavour to built highways comparable to international standards. The Committee note with concern that there is not enough skilled manpower available within the country which is technically qualified in skills and safety related areas. The Committee desire that this issue be taken up with the respective Ministries who in turn may take up the issues with Institutions of vocational education and the National Manufacturing Competitiveness Council (NMCC) to explore ways to address shortage of skilled personnel in the country on an urgent basis by introduction useful and special courses relating to highways maintenance, construction and safety. The Ministry is advised to pay special attention to ways and means for minimizing the recurrence of accidents on highways under construction.

[Sl. No.....Appendix.....; Para 11 of the
13th Report of the Public Accounts Committee, 2009-2010
(15th Lok Sabha)]

Action Taken by the Government

- (i) The Ministry has initiated the codes and standards for roads, highways and bridges through Indian Road Congress to bring them at par with international practices, so that the design of highways in future conform to international standard.
- (ii) Indian Academy of Highway Engineers (IAHE), which is a training body under the administrative control of Ministry of Road Transport and Highways, has started a certificate course on road safety and road safety audit. This course is being regularly conducted by IAHE. This would enable development of skilled manpower, who can deal with the complex road safety issues and road safety audit in the field of roads and highways.
- (iii) The Indian Academy of Highway Engineers has identified about 30 areas in which it is proposed to start diploma and certificate programmes to cover the various field of highway construction, maintenance of roads & Highways and also the aspects of roads and highways and also the aspects of road safety and road safety audit.

- (iv) Various actions have been taken by the Ministry to improve design practices/ standards to bring them at par with international practices, particularly which are mentioned above. Simultaneously, trouble spots in difficult hilly areas and remote areas are being improved to enhance road safety. The practice of signage and overhead signboards, cross barriers, etc. have also been introduced, which lead to substantial enhancement of safety during travel on highways. Ministry is also working on improving the road safety in construction zone, so as to minimize the difficulties of the travellers during the construction of the highways and also to ensure safety of workmen. The reduction of accidents is best achieved by change in behaviour of the drivers and road users. For this purpose, a number of training programmes and schemes have been introduced by the Ministry of Road Transport & Highways.

[Ministry of Road Transport & Highways OM No. H-11011/31/2010-Parl. Dated]

Recommendation

Landscaping and completion of national map on encroachments around the highways are no less important and are analogous to the safety issues. The Committee are happy to note that the Ministry is endeavouring to complete a national map on encroachments and would remove these to keep the road margins free from encroachments. The Committee would like to know the timeframe within which this map is likely to be completed and the details of action plan put in place for removing such encroachments. The Committee also desire that issues of raised medians, landscaping aesthetics, cleanliness, maintenance of the highways, surrounding areas, quality of workmanship and over take zones be given due importance and ensure whilst building new highways, expanding the existing ones or repairing old ones.

[Sl. No.Appendix.....; Para 12 of the
13th Report of the Public Accounts Committee, 2009-2010
(15th Lok Sabha)]

Action Taken by the Government

All ROs have been instructed to remove encroachments from ROW of National highways entrusted to NHAI and were advised to initiate special drive to clear these encroachments with the assistance of local administration. The Project Directors were directed to exercise powers as Highway Administrator under the provision of the control of National Highways (Land and traffic) Act, 2002 to evict the encroachers. The Action Plan to evict the encroachments from the ROW was also outlined as given below:—

- (i) Project Directors will flag these issues before the district administration to seek their assistance in case they are unable to clear the encroachment at their level.
- (ii) The matters shall be brought to the notice of higher authorities preferably in the High Powered Committee, by the concerned CGM, for issuing directions

from the higher authorities to the field functionaries in case problems are not resolved at PIU/District level.

- (iii) Project Directors shall maintain a separate register for each National Highway under their jurisdiction giving details of available Right of Way (chain age-wise), status of mutation of acquired land and encroachment.
- (iv) The details of encroachments may also be listed in the register along with the date of occurrence of such encroachments. This report on encroachments will be certified by the Project Directors on monthly basis. The Project Directors will also indicate the efforts made for removal of these encroachments each month in the register.
- (v) Project Directors will also mark the available right of way and encroachment on the line diagram for each section.
- (vi) Concerned CGMs/ROs/SLOs will also review the status of encroachments on quarterly basis and submit a report to the concerned Member (Project) at NHAI HQs.

Removal of encroachments is a continuous process. Encroachments are removed as and when noticed/reported. As per reports received from various ROs, total 1008 numbers of encroachments measuring 83,520 sqm. of area have been removed during the last six months.

SR&T Division has informed that guidelines on Landscaping and Tree Plantation (IRC:SP:21-2009) is applicable to the NHs also and are being adopted. Raised medians are also provided where required as per extant guidelines. Cleanliness/maintenance are taken care of under the maintenance grants. Strict quality control is envisaged in the projects. Overtaking zones where required are provided keeping in view site/ financial constraints.

[Ministry of Road Transport & Highways OM No. H-11011/31/2010-Parl. Dated]

CHAPTER III

**OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE IN VIEW OF THE REPLIES
RECEIVED FROM GOVERNMENT**

—NIL—

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF
GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE
AND WHICH REQUIRE REITERATION

—NIL—

CHAPTER V
OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH
GOVERNMENT HAVE FURNISHED INTERIM REPLIES

Recommendation

3. The Committee note that a mechanism has since been devised within the Ministry to hold a fortnightly meeting at the level of Joint Secretary and Monthly meeting at the level of Additional Secretary and Financial Advisor to review the status of pending audit paras. In the opinion of the Committee such an exercise will prove to be fruitless unless at the ground level the task is assigned to a specific unit within the Ministry. The replies of the Ministry have also revealed that there is a lack of coordination between various divisions within the Ministry which has led to a catastrophic result whereby the relevant files in regard to the pending paras are not traceable. The Committee desire that at least the Ministry would now take up the matter regarding timely submission of replies to the Audit paragraphs of C&AG in right earnest and will assign this task to a particular unit within the Ministry to streamline the work. They also recommend that the responsibility for the missing files should be fixed under intimation to the Committee.

[Sl. No..... Appendix Para 3 of the
13th Report of the Public Accounts Committee, 2009-1010
(15th Lok Sabha)]

Action Taken by the Government

A Standing Audit Committee has been constituted in the Ministry to monitor and review on a monthly basis the submission of ATNs of C&AG and ATRs of PAC. Work of the Ministry has been internally divided into 9 Zones with each Zone looking after 2 to 3 States/UTs. Due to the highly technical nature of the work and also the fact that the number of pending Audit Paras is very low, assigning the work to a specific unit will not be feasible. However, coordination and monitoring of all work relating to Reports of C&AG and PAC have been centralized in the Budget Section of this Ministry. Regarding the missing files, information has been retrieved from available sources for all the twenty cases and reply has already been furnished to C&AG who have vetted the same ATN against Para 6. However, necessary instructions have also been issued for fixing responsibility for the missing files to avoid future occurrences.

[Ministry of Road Transport & Highways OM No. H-11011/31/2010-Parl. Dated]

NEW DELHI;
15 November, 2011
24 Kartika 1933 (Saka)

DR. MURLIMANO HAR JOSHI
Chairman,
Public Accounts Committee.

ANNEXURE-I

LIST OF FEE NOTIFICATIONS, DATE OF COMPLETION OF SECTIONS & START OF FEE COLLECTION

| S. No. | File No. | Notifica- tion No. | Date of Publication | Section | Chainage | NH No. | Date of completion | Date of start of fee collection | Remarks |
|--------|------------------------------|-----------------------|------------------------|---|--|-----------|--|------------------------------------|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| 1. | RW/NH-37011/ 154/2004/PIC | 524(E) | 5th April, 2005 | Udaipur-Kherwara | Km 278.00 to 348.000 | 8 | 10.04.2005 | 06.05.2005 | Toll collection started within 45 days of date of completion. |
| 2. | RW/NH-37011/ 61/2005/PIC | 1514(E) | 18th October, 2005 | Hirebagewadi- Dharwad | Km 483.600 to Km 433.100 | 4 | 10.06.2007 | 07.07.2007 | Toll collection started within 45 days of date of completion. |
| 3. | RW/NH-37011/ 18/2003-PIC | 143(E) | 28th January, 2004 | Vijayawada- Visakhapatnam Section | Km 358 to Km 395.87 & Km 0.00 to Km 2.837 | 5 | This is a revision noti- fication Fee collection was going on since 01.12.01 | 01.12.2000/ 04.02.2004 | Fee collection was already going on since 01.12.2001 |
| 4. | RW/NH-37011/ 23/2002-PIC | 364(E) | 31st March, 2003 | Ghaziabad- Hapur & Hapur bypass | Km 27.643 to Km 48.638 and Km 11.250 | 24 | Fee collection was already going on since 03.10.2002 on the basis of another notifica- tion (26th Sept. 2002) | 03.10.2002 | Fee collection was already going on since 03.12.2002. |
| 5. | RW/NH-37011/ 11/2005-PIC | 605(E) | 2nd May, 2005 | Waghaldhara- Kajali | Km 318.60 to Km 381.60 | 8 | 23.05.2005 | 30.05.2005 | Toll collection started within 45 days of date of completion. |

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|-----|------------------------------|---------|-----------------|-------------------------|---|-----------|--|------------|--|
| 6. | RW/NH-37011/ 22/2005-PIC | 1045(E) | 25th July, 2005 | Himmatnagar- Chiloda | Km 443.0 to Km 495.00 | 8 | 03.12.2005 | 28.12.2005 | Toll collection started within 45 days of date of completion. |
| 7. | RW/NH-37011/ 15/2005-PIC | 646(E) | 3rd May, 2005 | Krishnagiri- Ambur | Km 89.00 Km 92.380 & Km 0.00 to Km 70.00 | 7 & 46 | 01.07.2006 | 01.07.2006 | Toll collection started within 45 days of date of completion. |
| 8. | RW/NH-37011/ 29/2005-PIC | 854(E) | 16th June, 2005 | Palsit- Dhankuni | Km 587.853 to Km 651.602 | 2 | Actual 08.12.2005 Substantial 20.06.2005 | 01.10.2005 | Toll collection started within 45 days of date of completion. |
| 9. | RW/NH-37011/ 25/2005-PIC | 1089(E) | 29th July, 2005 | Budbud-Palsit | Km 525.853 to Km 587.853 | 2 | Actual 06.12.2005 Substantial 09.06.2005 | 22.08.2005 | Toll collection started within 45 days of date of completion. |
| 10. | RW/NH-37011/ 79/2007-PIC | 1228(E) | 27th May, 2008 | Agra-Shikohabad | Km 199.00 to 217.00, Km 218.995 to 239.18 & 240.46 to 250.50 | 2 | This notific- ation is for partially completed section. Due to opinion of Ministry of Law in another case, fee collec- tion was not started as per this notification. | — | Fee collection not started as per this notification due to reasons indicated in col. (VIII) |
| 11. | RW/NH-37011/ 134/2004-PIC | 523(E) | 5th April, 2005 | Gundugolanu- Bommuru | Km 81.600 to Km 187.600 | 5 | 30.03.2005 | 12.05.2005 | Toll collection started within 45 days of date of completion. |

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|-----|---|-----------------------------|-----------------------|---|--|-----|--|------------|--|
| 12. | RW/NH-37011/ 46/2002-PIC | 145(E) | 28th January, 2004 | Agra-Gwalior | Km 61 to Km 70 Km 70 to Km 85 Km 85 to Km 103 | 3 | 14.01.2003 31.07.2004 15.01.2006 | 15.02.2006 | Toll collection started within 45 days of date of completion. |
| 13. | RW/NH-37011/ 57/2004 Dealt on other file RW/NH- 37011/12/2007- PIC | 944(E) | 18th June, 2007 | Delhi-Guexpressway access controlled | Km 14.3- Km 42.00 | 8 | 23.01.2008 | 25.01.2008 | It is a BOT toll project. Fee Notification published in advance. There is no delay. |
| 14. | RW/NH-37011/ 62/2005 | GO. No. 308/23 88/78. | 21.10.1982 | Shastri Bridge | Km 214- Km 216 | 2 | 1982 | 19.02.1982 | As per records, Fee collection on the Shastri Bridge was already being carried out by the UP State Government as per GO. No. 308/23-88/78 dated 21.10.1982. The proposed Fee Notification was based on NH Fee Rules 1997 as per rates notified under GSR 877(E) dated 04.12.2001. These rates had been lower than those already under collection. NHA however, collected Fee at the rates prescribed under GSR 877(E) dated 04.12.2001 till it was transferred to UP Government on |

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|-----|--------------------------|---------|------------------|------------------------------------|-------------------------|-----|------------|------------|--|
| | | | | | | | | | 30.06.2010. There was no loss to the Government exchequer. |
| 15. | RW/NH-37011/148/2004-PIC | 588(E) | 25th April, 2005 | Vishakhapatnam-Champavati/Kopperla | Km 2.837to Km 49.00 | 5 | 31.01.2005 | 06.05.2005 | Delay has been identified. Proposal received from NHAI on 24.12.2004. The policy decision was involved regarding rounding off the user fee to nearest five rupee, which had taken considerable time. |
| 16. | RW/NH-37011/47/2005-PIC | 1389(E) | 22nd Sept., 2005 | Kanchipuram-Walajahpet | Km 60.100 to Km 107.20 | 4 | 23.03.2004 | 16.11.2005 | Delay has been identified. Proposal received from NHAI on 26.05.2005. There was delay in the entrustment of the section to the NHAI. The section was entrusted to NHAI on 4th August, 2005. |
| 17. | RW/NH-37011/20/2002-PIC | 729(E) | 23rd June, 2004 | Ratanpur-Himatnagar | Km 388.180 to Km 443.00 | 8 | 23.01.2004 | 09.07.2004 | Delay has been identified. Delay was occurred as some correction were required on the draft fee notification vetted by Ministry of Law. In the meantime WPI for the year 2004-05 was also |

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|-----|--------------------------|--------|--------------------|------------------|--|-----|------------|------------|--|
| | | | | | | | | | available, therefore further revision were carried out before publication of fee notification. |
| 18. | RW/NH-37011/122/2004-PIC | 589(E) | 25th April 2005 | Rajamunday Tuni | 187.60 to 272.00 (new chainage KM 914.883 to Km 830.525) | 5 | 30.10.2004 | 25.05.2005 | Delay has been identified. The proposal was received on 11th October, 2004 and thereafter got published on 25th April, 2005. There was been procedural delay. |
| 19. | RW/NH-37011/30/2003-PIC | 153(E) | 30th January, 2004 | Amravati by pass | Km 149.800 to Km to 166.00 | 6 | 31.10.2002 | 15.02.2004 | Delay has been identified. Proposal received from NHAI on 16.04.2004. It is a 2 lane bypass. There was no provision in 1997 rule or levy of user fee on 2 lane bypass. So time was taken for finalization of user fee for 2 lane bypass. Further the decision was taken regarding list of exemption of vehicles, which took considerable time. To avoid such type of delays, rule has now been made in National Highways fee (Determination of Rates and Collection) |

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|-----|------------------------------|--------|--------------------|-------------------|--|-----|------------------------------|------------|---|
| 20. | RW/NH-37011/ 133/2004-PIC | 590(E) | 25th April 2005 | Tuni Ankapalli | Km 741.256- Km 799.998 Km 799.998- Km 848.000 | 5 | 24.12.2004 30.10.2004 | 06.05.2005 | Rules, 2008 to levy user fee on 2 lane road. Delay has been identified. The proposal for the fee notification was received after completion of the section as there was requirement for change in the overall plan of location of toll plaza and the length covered. They required in depth survey of the site and therefore delay had occurred. However as mentioned on p1, efforts have since been made to streamline the process for timely publication of Fee Notification i.e. well before completion of the project. |

ANNEXURE II
NATIONAL HIGHWAYS AUTHORITY OF INDIA
LIST OF STRETCHES COMPLETED AFTER PUBLICATION OF FEE RULES, 2008 (UPTO AUG 2010)

| S. No. | Section | Kmt. of Tollable Reach | NH | Length in Kms. | Notification No. & Date | Date of Completion | Fee collection started | Remark |
|--------|--------------------------------------|--|------------|----------------|---------------------------|--------------------|------------------------|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1. | Adloor Yeelareddy Gundla Pochampally | Km. 368.255- Km 471.331 | 7 | 103.076 | 874(E) dt. 27.03.2009 | 26.3.2009 | 20.04.09 | Fee collection started within 45 days of completion. |
| 2. | Kadtal-Armur | Km. 278.00- Km. 308.00 | 7 | 30.900 | 1742(E) dt 14.07.2009 | 22.07.2009 | 21.08.09 | Fee collection started within 45 days of completion. |
| 3. | AP/ Karnataka Border-Devanhalli | Km. 462.164- Km. 533.619 | 7 | 71.45 | 3024(E) dt. 26.11.2009 | 21.12.2009 | 09.01.10 | Fee collection started within 45 days of completion. |
| 4. | Chennai Bypass | Km 0.00 to Km. 19.17 Phase-I (taking off at Km. 28.00 of NH No. 45 and joining at Km. 13.80 of NH 4) | 45 | 19.170 | 892(E) dt. 31.03.2009 | - | 04.07.09 | Fee collection was already going on, on existing two lane by pass. The whole civil package in for 32 Kms. length however, on completion of 4 laning work for 19.170 in June, 2009, the collection of fee started at revised rate for 4 lane roads. |
| 5. | Chittorgarh Bypass | Km. 159.0 of NH 79 (New chainage Km. 163.9) and merging at Km. 213.0 of NH-76. | 79 & 76 | 29.600 | 3289(E) dt. 24.12.2009 | 01.11.2009 | 28.12.09 | Fee collection started within 45 days of completion. |
| 6. | Trichi Tovarankurichi | Km. 0.00-Km. 60.950 | 45B | 60.633 | 12 (E) dt. 05.01.2010 | 03.05.2010 | 05.05.10 | Fee collection started within 45 days of completion. |
| 7. | Tovarankurichi bypass end Madurai | Km 60.950 to Km. 124.840 | 45B | 63.890 | 3040(E) dt 27.11.2009 | 26.03.2010 | 27.03.10 | Fee collection started within 45 days of completion. |
| 8. | Garamore Bamanbore | Km. 182.60- Km. 254.00 | 8A | 71.937 | 792(E) dt 20.03.2009 | 16.08.2009 | 1.09.09 | Fee collection started within 45 days of completion. |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|-----|--|---|----------|--------|--------------------------|--------------------------|----------|---|
| 9. | Abu road-Pindwara | Km. 295.00- Km. 264.00 Km.249.00-Km. 264.00 | 14 14 | 46.300 | 1181(E) dt 08.05.2009 | 24.03.2009 19.04.2009 | 01.06.09 | Fee collection started within 45 days of completion. |
| 10. | Pindwara-Jaswantgarh | Km. 29.00 - Km. 57.000 Km. 0.00-Km.29.00 | 76 76 | 57.000 | 819(E) dt 23.03.2009 | 28.02.2009 19.04.2009 | 09.05.09 | Fee collection started within 45 days of completion. |
| 11. | Jaswantgarh-Debri | Km. 73.00 - Km. 104.724 Km. 57.00-Km. 73.00 | 76 76 | 47.724 | 876(E) dt 27.03.2009 | 31.12.2009 28.02.2009 | 10.01.10 | Fee collection was started with 45 days after completion of the identified tollable section (Km. 57.00- Km. 104.724) |
| 12. | Adesar-Samakhayali | Km. 217.00 - Km. 281.30 | 15 | 64.300 | 791(E) dt 20.03.2009 | 30.06.2009 | 06.07.09 | Fee collection started within 45 days of completion. |
| 13. | Amritsar-Wagah | Km. 456.100- Km. 492.30 | 1 | 35.930 | 1244(E) dt 28.05.2010 | 30.06.2010 | 15.07.10 | Fee collection started within 45 days of completion. |
| 14. | Construction of 10 Km. service road and one 2 lane Flyover on Guwahati Bypass (AS-14A) | Km. 146.000 - Km. 156.000 | 37 | 10 | | Jan, 2009 | - | It is the service road and not the main road. |
| 15. | Chittorgarh-Bichhore | Km. 213.00- Km. 269.00 | 76 | 53.00 | 816(E) dt 23.03.2009 | 08.12.2008 | 31.03.09 | DELAY earlier draft fee notifications had been submitted as per the provisions of Fee Rules, 1997. However, on publication of Fee Rules, 2008 on 5th Dec., 2008, the revised proposals had been submitted on 15.01.2009, 24.12.2008 and 10.01.2009 respectively as per the provisions of Fee Rules, 2008, hence there is some delay in commencement of fee collection by about 70 days. |
| 16. | Bichhore-Bijoliya | Km. 269.00-Km. 325.00 | 76 | 54.00 | 817(E) dt 23.03.2009 | 05.12.2008 | 31.03.09 | |
| 17. | Bijoliya-Kota | Km.325.00-Km.381.0 | 76 | 53.50 | 818(E) dt 23.03.2009 | 05.12.2008 | 31.03.09 | |

| | | | | | | | | |
|-----|------------------------------------|--|----|--------|---------------------------|------------|------------|--|
| 18. | Kota Bypass- Derumata Temple | Km. 406.00- Km. 449.150 (New chainage Km. 388.263- Km. 430.943) | 76 | 42.68 | 1849(E) dt. 28.07.2009 | 15.05.2009 | 09.09.2009 | Delay NHAH had submitted the proposal to Ministry on 28.05.2009 that is after completion of the stretch, which cause the delay in the levy of user fee. |
| 19. | Derumata Temple- Gadawali River | Km. 449.150- Km. 509.00 (New chainage Km. 430.943- Km. 491.722) | 76 | 60.779 | 2529(E) dt. 05.10.2009 | 18.05.2009 | 12.10.2009 | Delay NHAH had submitted the proposal to Ministry on 01.06.2009 that is after completion of the stretch. Again revised proposal was submitted on 01.07.2009, which cause the delay in the levy of user fee. |
| 20. | Amola-Jhansi Bypass | Km. 30.000- Km. 90.000 | 25 | 60.00 | 1659(E) dt. 06.07.2009 | 10.04.2009 | 21.07.2009 | Delay NHAH had submitted the proposal to Ministry on dt. 09.03.2009 that is at final stage of completion of the stretch, which cause the delay in the levy of user fee. |
| 21. | Kothakota Bypass-Kurnool | Km. 135.469- Km. 211.00 | 7 | 74.622 | 1593(E) dt. 20.06.2006 | 30.09.2009 | 27.12.2009 | Delay Due to unforeseen floods to river Krishna in the State of AP during October, 2009. The project highway damaged and the repairs were attended by the Concessionaire. The toll collection started after attending of repairs by the Concessionairs <i>i.e.</i> 26.12.2009. |
| 22. | Palanpur/Khemana- Aburoad | Km. 340.00- Km. 295.00 | 14 | 45.000 | 873(E) dt. 27.03.2009 | 24.03.2009 | 01.06.09 | Delay The section was completed on 24.03.2009 and the fee notification was published on 27.03.2009. However, NHAH has taken considerable time to start the toll. |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|-----|--|------------------------------|---|-------|---------------------------|------------|---|--|
| 23. | Madurai-Kanyakumari Section | Km. 48.800- Km. 87.660 | 7 | 38.86 | 2963(E) dt. 26.11.2009 | 08.08.2009 | | The identified tollable section is from Km.52.30 - 99.780 for which fee notification is already published in advance. Tolling will commence after completion of balance length from Km. 87.660- Km. 99.780. Construction of RoB at Km. 54.139 (RoB No. 3/VDN on NH-7 @ Rly. Km. 541/10/11 (Construction of Additional two lane to existing Br. No. 2A at Rly. Km. 541/10/11) (old NH Chainage 47.136) between Virudanagar & Tiruttangal stations is Not Completed. Construction of Road Over Bridge including Approaches at Km. 66.872 (Rly. Km. 59/600) (RoB-4 VDN) at Tulakkappatti (Near RAMCO Cements) on Madurai-Kanyakumari section of NH-7 is Not Completed. And four laning of Kovilpatti to Kayathar section Km. 87.660 to Km. 126.883 of NH-7 Package No. NH-41/TN is Not Completed. |
| 24. | Madurai to Km. 120 of Madurai-Tirunelveli section including Madurai Bypass | Km. 0.000- Km. 48.800 | 7 | 42 | 11(E) dt. 05.01.2010 | 28.08.2009 | | Identified tollable section is from Km. 0.00-Km. 52.30 for which fee notification is already published in advance. Section is completed. However, construction of Road Over Bridge—RoB No. 1 at Km. 0.270 is Not Completed and Construction of Road Over Bridge at Km. 8.532, including approaches, underpass and culvert is completd on 09.11.2010. |
| 25. | Madurai-Kanyakumari- Section | Km. 127.190- Km. 169.260 | 7 | 42.7 | 3023(E) dt. 26.11.2009 | 23.07.2010 | | Identified tollable section is from Km. 149.80 - Km. 211.14 for which fee notification is already published in advance. Construction of new 4 lane RoB at Km. 150.180 is completed on 22.10.2010 only. Construction of new 4 lane RoB at Km. 160.315 is completed on 22.10.2010 only and Construction of additional 2 lane RoB at Km. 178.903 is completed on 28.02.2010. Fee collection will be started after completion of the RoB. |
| | Km. 120 Madurai- Tirunelveli Section Panagudi Km. 203 | Km. 169.300 - Km. 211.240 | 7 | 43 | | 04.08.2009 | | |

ANNEXURE III

Subject: Public Accounts Committee (PAC) 13th Report (2009-10)—Revenue Loss due to Delay in Levy of Toll Fee.

Status note on delay of projects under NHDP

122 projects currently under implementation are delayed. General reasons for delay in projects include various reasons like problems associated with poor performance of contractors, land acquisition, shifting of utilities, obtaining clearances for RoBs/forest. law and order problem in some states etc. A brief note on each issue is given below:

(i) Poor performance by some contractors and constraints faced by contractors

Performance of some of the contractors has been very poor. Due to poor performance 27 contracts were terminated and about 23 firms were placed in the list of non-performers. Cash flow problem have been of the major reasons for poor performance. Termination of such contracts often results in long drawn litigation and further delays in the works. Contractors also face capacity constraints like inadequate financial resources. Lack of qualified human resources, engagement of sub-contractors with inadequate resources etc. A few of the constraints are detailed below.

- (a) Access to financial/credit—Under the current policy the projects under NHDP are to be implemented predominantly on PPP basis in which BOT (Toll) is the preferred mode. This requires easy access to finance/credit to the developers. During 2007-08 and 2008-09 the award of project was drastically affected due to non-availability of funds to developers on account of then prevailing downturn.
- (b) Lack of qualified human resource—This is a major constraint across road construction industry. The shortage is visible both in the category of civil engineering graduates and diploma holders.
- (c) Engagement of sub-contractors—Concessionaries even for BOT (Toll) projects sub-contract the work to smaller firms who are sometimes hampered due to inadequate resources.

(ii) Environment and Forest clearances

There were considerable delays in getting the forest clearance. Besides the conditions stipulated by the Central Government (MOEF) in the first stage clearance (in-principle approval), the state forest departments impose additional conditions which are, at times unreasonable and difficult to meet. Demands have been made for staff quarters, wireless systems, vehicles etc. without apparent justification. The demand for compensatory afforestation also varies greatly from States to State from two times to as much as twelve times.

In a few projects widening involved diversion of small strip of land in the wildlife areas (National Park/sanctuary). The application for forest clearance in such cases had

to be first submitted to the National Board of Wildlife. Approval of the Board is required at various stages, including the very first step of undertaking survey and investigation for preparation of Detailed Project Report. The process of approval at each stage takes a long time as the Board meets only once in three months. Moreover, there remains an uncertainty with regard to whether the projects on such alignments would receive final approval. All such proposals require approval of Hon'ble Supreme Court.

(iii) Land Acquisition

There has been delay in acquisition of land in some States mostly due to procedural formalities, arbitration cases and inadequate manpower/physical resources with the State Government. There have been delays in disbursement of compensation by the Competent Authority to the affected land owners, although NHAI deposits the compensation amount determined by the competent authority well in advance.

While land acquisition was a major delay before January 2010, close monitoring of land acquisition issues and other steps taken have resulted inland acquisition issues being resolved in various projects. However, under the PPP mode the new MCA prescribes availability of 80% land on or before the appointed date which appears a constraint especially where land acquisition faces major hurdles.

(iv) Clearance of Railways for RoB designs

For construction of RoBs/RUBs approvals have to be obtained from Railways for the following:

- (i) General Agreement Drawing (GAD) submitted by NHAI.
- (ii) Permission of the Commissioner of Railway Safety (CRS) for shifting of level crossing.
- (iii) Approval of detailed designs and drawings of sub-structures submitted by NHAI after proof checking by consultants.
- (iv) Approval of drawings for temporary arrangement.
- (v) CRS sanction for super structures.

Obtaining the above clearances/approval from the Railways involves coordination with several departments within Railways and it takes a long time to get the necessary approvals. Also, in the packages where RoBs are being constructed by the Railways themselves, progress was not satisfactory. An officer of Ministry of Railways has since been appointed on deputation basis for coordinating with the railway department.

(v) Shifting of Utilities

Utilities of different types e.g. electric lines, water pipelines, sewer lines, telecommunication lines have to be relocated with the assistance of concerned utilities owning agencies. Shifting of utilities, especially water pipelines, takes considerable time. Moreover, relocation of utilities can only be taken up after acquisition of land.

(vi) Local Law and Order problems

In many States works have been affected because of adverse Law and Order conditions and activities of anti-social groups. Law and order is a serious issue in the State of Assam. Stoppage of work by the local population demanding additional underpasses/bypasses, flyover etc. is also frequent.

Details of projects under implementation which are delayed are enclosed as **Annexure I.**

Action taken to expedite projects

In order to expedite implementation of projects various measures have been taken as detailed under:

- (i) Regional offices of NHAI have been set up under Chief General Managers (CGMs) at different locations in the country to look after implementation of projects. So far 14 Regional Offices have been set up. Necessary powers have been delegated to the Regional Officers for this purpose.
- (ii) Zonal offices have been set up with the primary responsibility of liaisoning with State Governments to expedite land acquisition and utility shifting.
- (iii) High Powered Committees under Chief Secretary have been constituted with CGMs/ROs as Member Secretary to resolve the bottlenecks coming in the way of implementation.
- (iv) The Contracts are regularly monitored at various levels such as by Supervision Consultant, Regional Officers, Project Directors, Senior Officers of NHAI. Progress reviews are also held at the level of Chairman, NHAI, Secretary, Department of Road Transport and Highways and Minister, Shipping Road Transport and Highways.
- (v) A Committee of Secretaries has been constituted under Cabinet Secretary to address inter-ministerial and Centre-State issues such as land acquisition, utility shifting, environment approvals, clearance of RoBs.
- (vi) The procedure for issue of Land Acquisition notifications was simplified. Earlier all the notification under NH Act were vetted by the Ministry of Law. An amendment was made in the Allocation of Business Rules by which these notifications are not required to be sent to the Ministry of Law. The Ministry of Law approved standard formats of various notifications keeping in view the similar nature of the notifications of Land Acquisition.
- (vii) Special land acquisition units have been set up wherever necessary to expedite land acquisition for various projects. In addition adequate manpower/physical resources have been provided to PIUs/Competent Authorities for speeding up land acquisition works.
- (viii) Action has been taken against non performing contractors and they are not allowed to bid for future projects unless they improve the performance in existing contracts. To tackle the problem of concessionaires sub-contracting

the work to EPC contractors with inadequate resources, provisions have been introduced to limit such sub-contracting to EPC contractors with adequate resources.

- (ix) Steps have been taken to improve cash flow problems of contractors by granting interest bearing discretionary advance at the request of contractor, release of retention money against bank guarantee of equal amount, deferment of recovery of advances (on interest basis) and relaxation in minimum IPC amount.

APPENDIX I

MINUTES OF THE SIXTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2011-12) HELD ON 23RD SEPTEMBER, 2011

The Public Accounts Committee sat on Friday, the 23rd September, 2011 from 1130 hrs. to 1330 hrs. in Room No. '53', Parliament House, New Delhi.

PRESENT

Dr. Murli Manohar Joshi — *Chairman*

MEMBERS

Lok Sabha

2. Shri Anandrao Vithoba Adsul
3. Shri Anant Kumar Hegde
4. Shri Bhartruhari Mahtab
5. Shri Shripad Yesso Naik
6. Shri Sanjay Nirupam
7. Shri Jagdambika Pal
8. Shri Adhi Sankar
9. Kunwar Rewati Raman Singh
10. Shri K. Sudhakaran
11. Dr. Girija Vyas

Rajya Sabha

12. Shri Tariq Anwar
13. Shri Prasanta Chatterjee
14. Shri Naresh Gujral
15. Shri Prakash Javadekar
16. Prof. Saif-ud-Din Soz

SECRETARIAT

1. Shri Devender Singh — *Joint Secretary*
2. Shri Abhijit Kumar — *Director*
3. Shri M.K. Madhusudhan — *Additional Director*
4. Shri Sanjeev Sharma — *Deputy Secretary*
5. Shri D.R. Mohanty — *Deputy Secretary*
6. Smt. A. Jyothirmayi — *Deputy Secretary*

**Representatives of the Office of the Comptroller and
Auditor General of India**

- | | | |
|-------------------------|-----|--|
| 1. Shri K.P. Sasidharan | — | Director General (AB) |
| 2. Ms. Subha Kumar | — | Director General (Report Central) |
| 3. Shri A.M. Bajaj | — | Principal Director (ESM) |
| 4. Shri C.M. Sane | — | Principal Director (AFN) |
| 5. Ms. Divya Malhotra | — | Principal Director (Railway Audit Board) |
| 2. *** | *** | *** |
| 3. *** | *** | *** |

4. The Committee, thereafter, took up the following Draft Reports, one by one, for consideration and adoption:

- | | | | |
|--------|---|-----|-----|
| (i) | *** | *** | *** |
| (ii) | *** | *** | *** |
| (iii) | *** | *** | *** |
| (iv) | *** | *** | *** |
| (v) | *** | *** | *** |
| (vi) | Draft Report on Action Taken by the Government on the Observations/ Recommendations of the Committee contained in their Thirteenth Report (Fifteenth Lok Sabha) on ' Revenue Loss Due to Delay in Levy of Toll Fees '; | | |
| (vii) | *** | *** | *** |
| (viii) | *** | *** | *** |

5. After some discussion, the Committee adopted all but one Draft Report mentioned at Sl. No. (vii) above, with some modifications/suggestions.

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| 6. *** | *** | *** |
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7. The Committee authorized the Chairman to finalise the adopted Draft Reports in light of the factual verifications, if any, made by the Audit and present them to the House on a date convenient to him.

The Committee, then, adjourned.

APPENDIX II

(Vide para 5 of Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE CONTAINED IN THEIR THIRTEENTH REPORT (FIFTEENTH LOK SABHA)

| | | |
|---|---|----------------------------|
| (i) Total No. of Observations/Recommendations | — | 12 |
| (ii) Observations/Recommendations of the Committee which have been accepted by the Government: Para Nos. 1, 2 and 4-12 | — | Total: 11 Percentage-90 |
| (iii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government: -Nil- | — | Total: 0 Percentage-0 |
| (iv) Observations/Recommendations in respect of which replies of Government have not been accepted by the Committee and which require reiteration: -Nil- | — | Total: 0 Percentage-0 |
| (v) Observations/Recommendations in respect of which Government have furnished interim replies: Para No. 3 | — | Total: 1 Percentage-10 |