

Pradhan Mantri Gram Sadak Yojana

MINISTRY OF RURAL DEVELOPMENT

**PUBLIC ACCOUNTS COMMITTEE
(2017-18)**

NINETY-SECOND REPORT

SIXTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

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PUBLIC ACCOUNTS COMMITTEE **(2017-18)**

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Pradhan Mantri Gram Sadak Yojana

MINISTRY OF RURAL DEVELOPMENT



Presented to Lok Sabha on:

28/03/2018

Laid in Rajya Sabha on:

28/03/2018

LOK SABHA SECRETARIAT
NEW DELHI

March 2018/ Chaitra 1940 (Saka)

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- I. Minutes of the sitting of Sub-Committee - VI (Social Sector) of the Public Accounts Committee (201~~6~~⁷-1~~8~~⁷) held on 25th October, 2016.
- II. Minutes of the sitting of Sub-Committee - VI (Social Sector) of the Committee (2017-18) held on 14th March, 2018.
- III.* Minutes of the sitting of Public Accounts Committee (2017-18) held on 23rd March, 2018.
- IV. Glossary of Terms and Abbreviations

* Not appended

**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2017-18)**

Shri Mallikarjun Kharge - **Chairperson**

MEMBERS

LOK SABHA

2. Shri Sudip Bandyopadhyay
3. Shri Subhash Chandra Baheria
4. Shri Prem Singh Chandumajra
5. Shri Nishikant Dubey
6. Shri Gajanan Chandrakant Kirtikar
7. Shri Bhartruhari Mahtab
8. Smt. Riti Pathak
9. Shri Neelphu Rio
10. Shri Abhishek Singh
11. Prof. Ram Shanker
12. Dr. Kirit Somaiya
13. Shri Anurag Singh Thakur
14. Shri Shivkumar C. Udasi
15. Dr. P. Venugopal

RAJYA SABHA

16. Shri Naresh Agrawal
17. Shri Satyavrat Chaturvedi
18. Shri Bhubaneswar Kalita
19. Shri Mohd. Ali Khan[†]
20. Shri Sukhendu Sekhar Roy[‡]
21. Shri Ajay Sancheti
22. Shri Bhupender Yadav

SECRETARIAT

1. Shri A.K. Singh - Additional Secretary
2. Shri T. Jayakumar - Director
3. Smt. Anju Kukreja - Under Secretary

* Ceased to be a Member of Committee consequent upon acceptance of his resignation from Lok Sabha w.e.f. 22 February, 2018.

[†] Elected w.e.f. 29 December, 2017 in lieu of vacancy caused due to retirement of Shri Shantaram Naik.

[‡] ceased to be a Member of Committee consequent upon his retirement from Rajya Sabha on 18 August, 2017 and re-elected w.e.f. 29 December, 2017.

COMPOSITION OF THE SUB COMMITTEE - VI OF THE PAC (2016-17)

Sub-Committee – VI (Social Sector)

- | | | |
|--------------------|---|--------------------------------------|
| Convenor | : | 1. Shri Shivkumar C. Udasi |
| Alternate Convenor | : | 2. Shri P. Venugopal |
| Members | : | 3. Shri Neiphiu Rio |
| | | 4. Shri Naresh Agrawal |
| | | 5. Shri Gajanan Chandrakant Kirtikar |
| | | 6. Shri Bhubaneswar Kalita |

(vi)

**COMPOSITION OF THE SUB COMMITTEE- VI OF THE PUBLIC ACCOUNTS
COMMITTEE (2017-18)**

Sub-Committee – VI (Social Sector)

Convenor	:	1. Shri Shivkumar C. Udasi
Alternate Convenor	:	2. Shri P. Venugopal
Members	:	3. Shri Neiphiu Rio*
		4. Shri Naresh Agrawal
		5. Shri Gajanan Chandrakant Kirtikar
		6. Shri Bhubaneswar Kalita

(vii)

* Ceased to be a Member of Committee consequent upon acceptance of his resignation from Lok Sabha w.e.f. 22 February, 2018.

INTRODUCTION

I, the Chairperson, Public Accounts Committee (2017-18), having been authorised by the Committee, do present this Ninety-second Report (Sixteenth Lok Sabha) on 'Pradhan Mantri Gram Sadak Yojana' based on C&AG Report No. 23 of 2016, Union Government (Performance Audit) relating to Ministry of Rural Development.

2. The Report of the Comptroller and Auditor General of India was laid on the Table of the House on 12th August, 2016.

3. The Public Accounts Committee (2016-17) took up the subject for detailed examination and report. The Sub-Committee VI (Social Sector) took evidence of the representatives of the Ministry of Rural Development on the subject at their sitting held on 25th October, 2016. As the Report on the subject could not be finalised due to paucity of time, the PAC (2017-18) reselected the subject. Based on the evidence taken by the previous Sub-Committee a draft Report was prepared and placed before the Sub-Committee for their consideration.

4. The Sub-Committee considered and adopted this draft Report at their sitting held on 14th March, 2018. Minutes of the sitting form appendix I to the Report.

5. Thereafter, the main Committee considered and adopted this draft Report at their sitting held on 23rd March, 2018. Minutes of the sitting form appendix - II to the Report.

6. 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.

7. The Committee thank their predecessor Sub-Committee VI for taking oral evidence of the Ministry of Rural Development and obtaining the requisite information on the subject.

8. The Committee would also like to express their thanks to the representatives of the Ministry of Rural Development for tendering evidence before them and furnishing information in connection with the examination of the subject.

9. 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.

NEW DELHI;
27 March, 2018
6 Chaitra, 1940 (*Saka*)

MALLIKARJUN KHARGE
Chairperson,
Public Accounts Committee

(18)

REPORT PART-I

I. INTRODUCTORY

Rural roads constitute a basic infrastructure requirement and play a vital role in the socio-economic growth of the rural community. They contribute significantly to rural development by providing access to goods and services located in nearby villages or major towns and market centres. The increased mobility of men and materials facilitates economic growth, thereby assisting in reducing poverty and leading to over all social development.

Development of rural roads received a major thrust under the Fifth Five Year Plan (1974-79) when it was made a part of the erstwhile Minimum Needs Programme (MNP). 65,000 villages with population of 1,500 and above were connected during the Fifth and Sixth Plan (1980-85) periods. From the Seventh Plan (1986-90) onwards, the target was to connect villages with population of 1,000 and above. In the terminal year of the Eighth Plan (1992-97), the MNP was merged with the Basic Minimum Services (BMS) programme.

Rural roads, despite given thrust since Fifth Five Year Plan, suffered greatly due to lack of systematic planning. Quality assurance and quality control were also not taken seriously resulting in poor quality and ultimately resulting in premature loss of the assets created.

With a view to redressing these issues, Gol launched a rural road programme known as Pradhan Mantri Gram Sadak Yojana (PMGSY) in December 2000 with the objective of providing single all-weather road connectivity to all eligible unconnected habitations in rural areas with population of 1,000 persons and above by 2003 and all unconnected habitations with population of 500 persons and above by 2007. The eligibility criteria for the programme is given below:

Areas/States	Population eligibility of habitations (as per Census 2001)
In plain areas	500 persons and above
Special category states (In October 2013, "Special Category States" were adopted under PMGSY in place of "Hill States" for inclusion of Assam. Special category	250 persons and above

states include Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh, Jammu & Kashmir and Uttarakhand.), Desert areas, Tribal areas (Schedule-V of Indian constitution) and selected tribal and backward districts	
Most intensive Integrated Action Plan (IAP) blocks	100 persons and above

Government of India decided to prioritise the provisions of all-weather road connectivity to all habitations with a population of 1000 persons (500 persons in the case of hilly and tribal areas) by the year 2009, and accordingly, linked this sub-set of PMGSY under a new programme "Bharat Nirman" launched in February 2005 to provide a time-bound plan for action in rural infrastructure in the area of Irrigation, Roads, Electricity, Housing, Drinking Water and Telecommunication.

In May 2013, with the aim to consolidate the entire rural road network, PMGSY-II was launched for upgrading existing selected through Routes and Main Rural Links. Selection of roads was based on their economic potential and their role in facilitating the growth of rural market centres and rural hubs. At present, PMGSY-II is running simultaneously with ongoing PMGSY. The allocation of fund for PMGSY-II was within the annual budget of PMGSY.

II. Audit Review

2. The Pradhan Mantri Gram Sadak Yojana (PMGSY) was reviewed between January and June 2005 covering the period April 2000 to March 2005; the audit findings were incorporated in the C&AG's Report No. 13 of 2006. Audit observed deficiencies in physical and financial planning, fund utilisation, implementation, tendering process, quality assurance, maintenance of roads, monitoring and efficacy of the Online Management and Monitoring System (OMMS). Since then, expenditure on the programme has increased manifold. States had utilized ₹ 63,877.78 crore on implementation of the programme during performance audit period (2010-15). With a view to review the progress, it was decided to take up the performance audit of the programme. This performance audit covered the period from April 2010 to March 2015

covering 4,417 packages involving expenditure of ₹ 7,734.93 crore in 176 districts of 29 States.

The performance Audit highlighted various shortcomings/lapses in the implementation of the PMGSY. The gist of the Audit's main findings are enumerated below:-

- (i) In seven States (Andhra Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Meghalaya, Mizoram and Telangana), discrepancies in District Rural Road Plan such as absence of basic information on population of habitations, status of connectivity, road inventory and maps, non-approval by District Panchayat, taking village instead of habitation as unit of connectivity, etc., were observed.
- (ii) In 19 States (Andhra Pradesh, Assam, Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Manipur, Meghalaya, Odisha, Rajasthan, Sikkim, Telangana, Tripura, Uttar Pradesh, Uttarakhand and West Bengal), discrepancies such as unconnected habitations shown as connected, eligible habitations not included, habitations placed in wrong population size, etc., were observed in Core Networks (CNWs).
- (iii) In seven States (Andhra Pradesh, Jammu & Kashmir, Kerala, Meghalaya, Punjab, Tripura and Uttar Pradesh), Core Networks (CNWs) were not approved in selected districts either by Block level Panchayat or District Panchayat or State Level Agency.
- (iv) In nine States (Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Odisha, Sikkim, Tamil Nadu and Uttarakhand), road projects of less than 500 metres in plain areas and 1.5 km in hilly areas were included in CNWs. In Meghalaya, 22 habitations lying within 1.5 km from an all weather road/connected habitations were included in the CNW.
- (v) In 11 States (Arunachal Pradesh, Bihar, Himachal Pradesh, Jharkhand, Manipur, Meghalaya, Nagaland, Sikkim, Tripura, Uttar Pradesh and Uttarakhand), deficiencies such as inclusion of road projects both in Comprehensive New Connectivity Priority List (CNCPL) and Comprehensive Upgradation Priority List (CUPL), exclusion of road projects, inclusion of ineligible habitations, etc., were observed in preparation of CNCPL and CUPL.
- (vi) In 13 States (Andhra Pradesh, Arunachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Manipur, Meghalaya, Mizoram,

Telangana, Tripura and Uttarakhand), annual proposals were not prepared in selected districts.

- (vii) The Ministry cleared proposals valued much more than indicative allocations of fund.
- (viii) In 12 States (Arunachal Pradesh, Assam, Bihar, Jammu & Kashmir, Karnataka, Kerala, Manipur, Meghalaya, Rajasthan, Sikkim, Tripura and Uttar Pradesh), 109 road works were selected beyond CNW.
- (ix) 372 works in 11 States (Andhra Pradesh, Assam, Chhattisgarh, Madhya Pradesh, Maharashtra, Meghalaya, Odisha, Rajasthan, Telangana, Uttar Pradesh and West Bengal), were abandoned/proposed to be abandoned mid-way due to non-availability of land or land disputes after incurring expenditure of ₹ 280.01 crore.
- (x) In five States (Bihar, Himachal Pradesh, Tripura, Uttar Pradesh and Uttarakhand), 490 road works were executed/upgraded with incorrect technical specifications.
- (xi) In nine States (Arunachal Pradesh, Chhattisgarh, Jharkhand, Manipur, Odisha, Sikkim, Telangana, Tripura and Uttar Pradesh), irregularities in award of contract such as award of work to ineligible contractor, change in criteria to assess bid capacity, non-finalisation of works within validity period, award of work without tendering process, non-obtaining of additional performance security for unbalanced bid, etc., were observed.
- (xii) In five States (Assam, Bihar, Himachal Pradesh, Mizoram and Sikkim), ₹ 1.80 crore on account of mobilisation and equipment advance in respect of eight road works/packages remained unrecovered. In four States (Haryana, Jammu & Kashmir, Jharkhand and Uttar Pradesh), ₹ 9.46 crore was not recovered even after the initial scheduled dates for completion of works.
- (xiii) Road works were completed without required bridges or cross drainage structures thereby depriving targeted habitations with all weather road connectivity.
- (xiv) In 26 States, 4,496 works were delayed for period ranging from one month to 129 months due to land disputes, non-receiving of forest clearance, paucity of funds, non-availability/difficulty in transportation of material, shortage of labour, delay in mining permission, etc.

- (xv) In 16 States, in 459 works/packages, recoveries of liquidated damages amounting to ₹ 131.56 crore were not imposed.
- (xvi) In seven States (Bihar, Gujarat, Jharkhand, Madhya Pradesh, Tamil Nadu, Tripura and West Bengal), 73 road works were executed and shown as completed without providing complete connectivity to the targetted habitations. Out of this, 72 road works were executed at a cost of ₹ 120.03 crore.
- (xvii) In five States (Assam, Himachal Pradesh, Jammu & Kashmir, Jharkhand and Madhya Pradesh), ₹ 132.20 crore spent on 68 works remained unfruitful as targetted habitations were not provided with all weather road connectivity due to land disputes, non-clearance from forest department, damaged by flood, contractors' defaults, etc.
- (xviii) In nine States (Arunachal Pradesh, Gujarat, Jammu & Kashmir, Jharkhand, Karnataka, Nagaland, Rajasthan, Uttar Pradesh and West Bengal), 36 habitations were provided with more than one connectivity. Out of this, 31 habitations were provided multiple connectivity at a cost of ₹ 29.49 crore.
- (xix) In seven States (Andhra Pradesh, Assam, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand and Tripura), less than 50 per cent of the maintenance fund required was used.
- (xx) In three States (Himachal Pradesh, Tripura and Uttarakhand), ₹ 33.72 crore was transferred from maintenance funds to programme funds and also to maintain roads not constructed under the programme.
- (xxi) In 12 States, maintenance of roads during defect liability period was not carried out in 1,590 road works. Further, in 18 States, zonal maintenance contracts were not entered into after expiry of five years of defect liability period.
- (xxii) Cases of non/short/delayed release of funds to the States due to non-availability of funds, non/late submission of documents by the States, non-fulfillment of the conditions laid down for release of second instalment and slow progress of road works were observed.
- (xxiii) In six States (Himachal Pradesh, Jammu & Kashmir, Odisha, Punjab, Tripura and Uttarakhand), due to non-availing of income tax exemption, TDS amounting to ₹45.30 crore on interest receipts earned by State Rural Road Development Agencies (SRRDAs) was deducted by the banks.

- (xxiv) In eight States (Haryana, Karnataka, Kerala, Mizoram, Sikkim, Tamil Nadu, Uttar Pradesh and Uttarakhand), programme fund of ₹ 25.15 crore was diverted towards maintenance fund, administrative expenses fund, salary and wages, restoration of damaged properties, etc. Further, in five States (Kerala, Manipur, Tamil Nadu, Tripura and Uttarakhand), administrative funds of ₹ 11.78 crore were diverted towards inadmissible items.
- (xxv) In 12 States, {Assam, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Mizoram (four districts), Rajasthan, Tamil Nadu, Telangana, Tripura, Uttarakhand and West Bengal}, irregularities such as non-establishment of field laboratories, non-availability of equipments, non-deployment of trained manpower and non-conducting of required tests were observed.
- (xxvi) In 14 States (Arunachal Pradesh, Chhattisgarh, Gujarat, Haryana, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Sikkim, Telangana, Tripura, Uttar Pradesh and Uttarakhand), out of 6,288 Action Taken Reports on the inspections carried out by the State Quality Monitors, 1,411 were pending for action.
- (xxvii) In 17 States (Andhra Pradesh, Arunachal Pradesh, Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Meghalaya, Mizoram, Odisha, Punjab, Sikkim, Telangana, Uttar Pradesh and Uttarakhand), joint inspections of the PMGSY works with the public representatives were not carried out during 2010-11 to 2014-15.
- (xxviii) National Quality Monitors (NQMs) carried out 16,856 inspections during 2010-11 to 2014-15, of which, 6,452 works were graded 'Unsatisfactory' or 'Satisfactory Requiring Improvement'. Remedial action on 1,938 was pending with States.
- (xxix) In 10 States (Arunachal Pradesh, Gujarat, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Meghalaya, Tripura, Uttar Pradesh and Uttarakhand), State Level Standing Committee meetings were not held regularly to monitor the implementation of the programme.
- (xxx) In 10 States {Arunachal Pradesh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Meghalaya (Prior to April 2012), Tripura, Uttarakhand and West Bengal}, no grievance redressal mechanism was in place.
- (xxxi) The concept of social audit was still to be incorporated in the programme guidelines.

- (xxxii) Joint physical verification of completed roads showed cases of multiple-connectivity, mid-way abandonment of works, work shown completed without providing full connectivity, poor maintenance of roads, roads not functional for traffic, conclusion of contracts without rectification of defects, non-planting of fruit bearing trees on both sides of PMGSY roads, etc.
- (xxxiii) Out of 14 modules, Online Fund Processing (OFP) and Analysis of Rate for Rural Roads (ARRR) Module had not been implemented in any State. Receipt & Payment Bank Module to link banks with Programme Implementation Units (PIUs) for transactions and reconciliation had been implemented only in six States.
- (xxxiv) Even after 13 years of introduction of OMMAS, the Ministry still relied on manual Monthly Progress Reports for decision making, as the basic requirement of data updating on Online Management, Monitoring and Accounting System (OMMAS) was not achieved. MIS reports generated through the system were inaccurate and unreliable.
- (xxxv) Lack of validation controls in OMMAS application led to incorrect data entries which resulted in generation of unreliable MIS reports.
- (xxxvi) IT Nodal Officers were not appointed in three States (Gujarat, Karnataka and Jammu & Kashmir). In four States (Arunachal Pradesh, Karnataka, Tamil Nadu and Uttar Pradesh), there were no supervisory controls for verification/authentication of data entry.

3. Against the above backdrop and report based on report No. 23 of 2016 of the C&AG of India, the Committee selected the subject for examination. In the process, the Committee obtained the requisite information/material/written replies from the Ministry of Rural Development. The Committee also took oral evidence of the representatives of the Ministry of Rural Development on 25th October, 2016. Based on the information gathered from the Ministry and the Audit inputs, the Committee have dealt with the Audit findings and other relevant issues in detail in the succeeding Paragraphs.

III. Previous Audit Findings

4. Performance audit of the PMGSY for 2000-01 to 2004-05 was conducted by the C&AG between January and June 2005 and the audit findings were reported to Parliament in its Report No. 13 of 2006 (Union Government-Civil). The Public Accounts

Committee (Fourteenth Lok Sabha) in their 72nd Report (2007-08) had made a number of valuable observations/recommendations on the same. Further, the Committee (Fourteenth Lok Sabha) in their 82nd Report (2008-09) discussed the Action Taken Notes furnished (October 2008) by the Ministry on the recommendations and observations contained in their 72nd Report. The present performance audit of PMGSY for the period 2010-11 to 2014-15 revealed that most of the deficiencies as pointed out in the earlier CAG's Report persisted despite assurances rendered by the Ministry to the PAC as brought out in the Table given below:

Status of the implementation of some important Observations/Recommendations of the Public Accounts Committee contained in their 72nd Report (14th Lok Sabha)

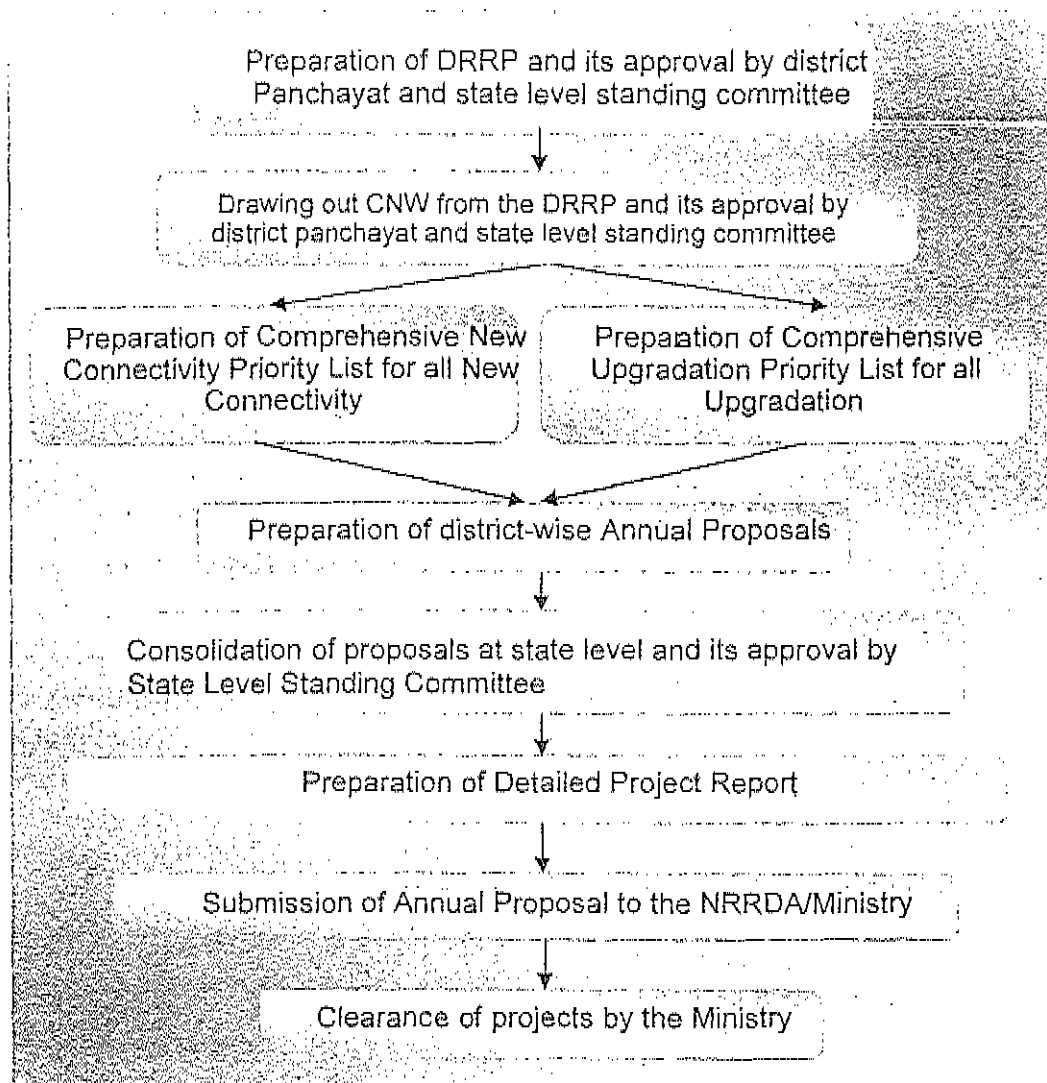
Sl. No.	Recommendations of the Public Accounts Committee (2008-09)	Response of the Ministry	Status as per current audit report
1.	Replicate the modalities of social audit incorporated in the guidelines of National Rural Employment Guarantee Act (NREGA) scheme in respect of the PMGSY. (Recommendation No. 3)	The Ministry accepted the recommendation and stated that based on the Pilot project taken up in Karnataka and Odisha with the involvement of local NGOs for sample audit exercise and citizens monitoring of projects, decision would be taken to formulate appropriate methodology for social audit of PMGSY projects.	Concept of social audit has not been included in the programme guidelines. (Para 6.7)
2.	Fix a time frame for preparation and implementation of district/state-wise plans with a view to avoid duplication of expenditure on existing roads. (Recommendation No. 4)	The Ministry in their action taken note stated that Core Network of all states had been finalized and frozen except for Andhra Pradesh, Bihar, Kerala and West Bengal who requested for further marginal changes in Core Network.	Core Network has still not stabilised as 13,208 habitations not included earlier mainly due to inadequacies in surveys by the states were added in the Core Network. (Para 3.3.1)
3.	All cases of financial irregularities should be thoroughly probed into and appropriate action be taken against the persons concerned for their acts of omission and commission. (Recommendation No. 9)	States had been advised to fix responsibilities for the lapses and recover the amount within two months.	Instances of diversion of programme funds for inadmissible items and works persisted. (Para 5.10)
4.	A comprehensive GIS database of Rural Roads Information System should be created for each state which can be shared at different levels and by different agencies involved in construction and maintenance of rural roads. Further, a Road Maintenance Management System may also be developed using GIS database, which will enable to sustain the road for a longer time with minimal efforts. (Recommendation No. 12)	Ministry had initiated the development of standalone and web based GIS database for Rural Roads Information System and selected Rajasthan and Himachal Pradesh as pilot states. All states had been advised to initiate steps to go in for GIS Data Based Management System which can be effectively used for Maintenance Management.	There was no development in creation of web based GIS database for Rural Roads Information System. (Para 3.4)
5.	Ministry should devise ways and means to verify and cross check the works sanctioned under the scheme with that of state PWD.	The Ministry accepted the recommendation and stated that mechanism had been introduced in July	Dropping of proposals after being cleared by the Ministry on account of works executed by other states

Sl. No.	Recommendations of the Public Accounts Committee (2008-09)	Response of the Ministry	Status as per implementation
	department before embarking on the execution of the projects so that there is no duplication/overlapping. (Recommendation No. 13)	2008 to obtain certificate from the executing agency that proposal submitted under the PMGSY was not funded/implemented under any other scheme. This mechanism was expected to eliminate duplication/overlapping of project proposals.	agencies roads transferred to other departments, roads constructed under other state schemes, etc. persisted. (Para 4.2.2)
6	Ministry should take appropriate steps to ensure that all the works taken up under the scheme invariably form part of the Core Network. (Recommendation No. 14)	The Ministry accepted the recommendation and stated that rigorous checks would be applied to ensure that all the proposal form part of the Core Network.	In 12 states 109 road works were selected beyond Core Network. (Para 3.6.4)
7	Ministry should take suitable steps to ensure that works undertaken in Phase III strictly conform to the guidelines and no inadmissible work would be undertaken. (Recommendation No. 15)	The Ministry stated that it was taking steps to ensure that the works undertaken conform to the guidelines.	Habitations with ineligible path distance and population size were covered in the programme. (Para 3.3.5)
8	Ministry should take up the matter with the states so as to fix responsibility on the concerned authorities for inordinate delay in finalisation of tenders. (Recommendation No. 18)	The Ministry accepted the recommendation and stated that states had been advised to closely monitor the delays in tendering every month and in case of inordinate delays the action for fixing responsibility be taken.	In 14 states, 2,961 tenders were finalised with delays up to 974 days. (Para 4.3.4)
9	Ministry should ensure that states sponsor only those project proposals where there is clear availability of land and necessary clearance from the forest department and other authorities are obtained so that the works are not abandoned or left incomplete mid way. (Recommendation No. 20)	The Ministry accepted the recommendation and stated that instructions that a certificate of land availability must accompany the proposal for each road had been reiterated. Clear availability of land would be kept in view while sanctioning projects so that in future works are not dropped due to non-availability of land.	In 16 states, 910 works were dropped or abandoned midway due to land disputes. (Para 4.2.2)
10	The Ministry should constantly monitor the works undertaken by states and also review the contracting capacity of the states and strengthen the same so that corrective steps are taken whenever necessary to ensure the timely completion of the projects. (Recommendation No. 21)	Ministry has made efforts to support the states to ensure completion of sanctioned projects within stipulated time schedule to avoid cost and time overruns.	In 26 states, 4,496 works were found to have been completed with delays ranging from one month to 129 months. (Para 4.4.8)
11	Closely monitor all cases of liquidated damages in coordination with states so that damages are fully recovered within a definite time period. The Ministry should impose penalties on the States concerned who fail to take prompt action	States have been asked to give more stress on contract management, monitor all works which are behind schedule and take action against the defaulting contractors, fix responsibility	In 16 states, in 459 works, recovery of liquidated damages of 131.50 crore was not imposed. (Para 3.4)

Sl. No.	Recommendations of the Public Accounts Committee	Response of the Ministry	Status as per current audit report
	against the contractors where the work has behind schedule. (Recommendation No. 22)	in case liquidated damages are not levied or recovered.	
12	The Ministry should explore all possibilities for setting up and maintenance of Quality Control Laboratories in all states for the periodical test of raw materials used at different stages of roads constructed by the contractors so as to ensure that quality of roads constructed conform to the specified standards (Recommendation No. 23)	NRRDA has developed a mechanism to monitor operationalisation of first tier of quality mechanism. The issue of non-establishment of field laboratories is monitored and taken up with the states during the discussions in various review meetings.	In 12 states, instances of non establishment of field laboratories, non-availability of equipment, non-deployment of trained manpower and non-conducting of required tests were observed. (Para 6.1.1)
13	The Ministry should review the functioning of OMMS with a view to remove the deficiencies by evolving a practicable action plan. The accounting module of OMMS should be urgently implemented that would provide additional tool to strengthen the financial management of the scheme. States should take necessary steps to update the online information and wherever OMMS has not been installed, the Ministry should take necessary steps to install the system immediately. (Recommendation No. 26)	An overall review of the functioning of the OMMAS was carried out in consultation with the states. The deficiencies in the system were assessed and an action plan has been prepared. The software issues have been addressed by C-DAC. The performance of the states in updating data in OMMAS is being reviewed regularly.	Monitoring of programme through OMMAS was still ineffective as data fed into the system was not updated or reliable. (Chapter 8)

CHAPTER - 3: PLANNING

5. PMGSY has implemented the model of decentralized network planning for rural roads involving all the three tiers of Panchayati Raj Institution (PRI) and local representatives of the State Legislative Assembly and the Parliament. States were required to prepare a master plan at district level for the rural roads called the District Rural Road Plan (DRRP). Based on the position of connectivity of habitations in the DRRP, the Core Network (CNW) indicating the shortest single connectivity was to be extracted from the DRRP. The whole planning process is shown below:-



6. Providing details of the planning process for connectivity of rural roads, the Ministry of Rural Development submitted as under:

"'Rural Roads' is a State subject and Pradhan Mantri Gram Sadak Yojana (PMGSY) is a one-time special intervention to provide rural connectivity, by way of a single all-weather road, to the eligible unconnected habitations in the core network. As per the PMGSY guidelines, the preparation of Detailed Project Reports for all roads under PMGSY is carried out by the concerned State Governments. Ministry of Rural Development has, however, issued the guidelines for the Empanelment and Engagement of consultants for preparation of Detailed Project Reports (DPRs).

Surveys for preparation of DPRs are carried out as per the process suggested by IRC in Rural Roads Manual. The selection of roads under PMGSY is as per the procedures laid in PMGSY guidelines which states that the proposals are prepared by the selection of roads from Comprehensive New Connectivity

Priority List (CNCPL) or Comprehensive Up-gradation Priority List (CUPL) after due consultation with Hon'ble Members of Parliament and approval from the Zilla Panchayat and State Level Standing Committee (SLSC). The consultants / survey agencies are not involved in the selection of roads under PMGSY. A copy of the CNCPL/CUPL is given to Hon'ble Members of Parliament for their suggestions and suggestions of lower level Panchayat institutions are given the fullest consideration by the District Panchayat while according its approval. Once the proposals are approved by the Zilla/District Panchayat and same will be approved by the State Level Standing Committee (SLSC) and sent to Ministry for approval.

As per the guidelines of the Pradhan Mantri Gram Sadak Yojana (PMGSY), the proposals sent by the State Governments are considered in the Ministry by the Inter Ministerial Empowered Committee (EC), constituted by the Ministry of Rural Development, after due technical scrutiny by National Rural Roads Development Agency (NRRDA) for recommendation. The recommendations of the EC are made keeping in view the availability of funds, existing liability of unexecuted works which were already sanctioned under the programme, progress of works, absorption capacity of the States, works in hand, etc. The State Governments are required to communicate its compliance on the observations of the Empowered Committee to the Ministry and seek a formal clearance of road works on that basis. In case the proposals meet all the programme requirements, the proposals are formally cleared by the Ministry with the approval of the Competent Authority."

District Rural Road Plan (DRRP)

7. The DRRP is a compendium of the existing and proposed road network systems in the district. The DRRP is required to clearly identify the proposed roads for connecting the yet unconnected habitations with all weather roads in an economic and efficient manner and is prepared at two levels i.e., block and district. The plans of all the blocks in a district, after approval of the respective intermediate panchayat, are to be integrated into the DRRP. This is placed before the district panchayat or District Rural Development Agencies (DRDA) for consideration and approval. The DRRP, thereafter, is required to be submitted to the Nodal Department/State Rural Roads Development Agency (SRRDA) for the approval of the State Level Standing Committee (SLSC). Approved DRRPs form the basis for selection of road works under the PMGSY through the CNW.

Deficiencies in the District Rural Road Plan

8. Test check of records in the selected districts revealed that in seven states, DRRPs had deficiencies such as insufficient or incorrect data, non-approval of district panchayat, etc. The deficiencies in detail are discussed below:-

- In Andhra Pradesh, DRRPs of three districts did not have the basic information viz., details of the population of habitations, connectivity status of the habitations, major district roads, state and national highways, etc. Further, DRRPs were approved by the district panchayat without involving the intermediate panchayat.

- In Jammu & Kashmir, DRRP of district Anantnag was not approved by the district panchayat.

- In Jharkhand, DRRP and CNW of the districts were prepared taking into consideration village instead of habitations as a unit of connectivity. Further, DRRP did not identify the proposed roads for connecting the yet unconnected habitations.

The Ministry replied that DRRP of Jharkhand was revised in 2013 on the basis of habitations and the state had also reconciled the unconnected habitations. The reply of the Ministry was not acceptable to Audit as CNW still depicted some villages instead of habitation as a unit of connectivity.

- In Karnataka, the district panchayat had not approved the DRRP of Sira district.

- In Meghalaya, in district West Garo Hills, DRRP was not approved by the DRDA whereas in East Garo Hills, evidence of approval by DRDA was not found.

- In Mizoram, nodal department prepared the DRRP without approval of district level authorities.

- In Telangana, there was no evidence of approval of DRRP from intermediate panchayat, district panchayat and State Level Standing Committee. The State Government replied (December, 2015) that since elected bodies did not exist at the time of preparation of DRRPs, Special Officers holding the charge of elected bodies approved the DRRPs. The reply of the government was not acceptable to Audit as the elected bodies were in existence between 2001 and 2011.

9. While furnishing their comments on the aforesaid audit observations, the Ministry of Rural Development in their written replies submitted as under:

"As per guidelines, the DRRP and Core Network are to be approved by the District Panchayat duly considering recommendations of public representatives and the same will be approved by State Level Standing Committee. This process has been followed by the States except in some cases where district panchayats are not available. MoRD has verified the DRRP and Core Network of all States on random basis. At present, all the States have updated their Core Network on OMMAS.

At present, all the States have reconciled their eligible number unconnected habitations in consultation with MoRD/NRRDA. However, certain States represented that some eligible unconnected habitations were inadvertently wrongly shown by them as connected in the original Core Network.

Also, necessary provision has been made on OMMAS to verify the Core Network roads and mapped habitations on Core networks. Now proposals cannot be finalized by the PIU, if the road is not a part of the Core Network and habitations are not mapped on the same CNW road. Also, if the proposed length is more than 50% of Core Network length, the State/PIU cannot finalize the proposal without approval of Ministry/NRRDA.

Further, provision for generation of CNCPL with order of priority based on population of habitations and CUPL based on population served and PCI has been developed on OMMAS. State Governments have been asked to conduct Pavement Condition Index for all rural roads, once in every two years and necessary advisory also issued to verify the Pavement Condition Index through independent consultant/STA as a third party verification in order to ensure the CUPL as per order of Priority mentioned in the PMGSY guidelines. STAs were also advised to verify the CNCPL and CUPL at the time of scrutiny of DPRs. These are also verified randomly at the time of scrutiny of proposals.

Ministry has recently initiated a pilot project through C-GARD of NIRD using space technology for monitoring of PMGSY roads as well as ascertain the cost effective, optimal alignment of executed PMGSY roads in 10 districts of 5 states viz Rajasthan, Assam, Chhattisgarh, Odisha and Telangana. The report of pilot project is now available and the States have been asked to provide further details wherever deviations are reported with respect to the sanctions."

CORE NETWORK

10. A Core Network (CNW) is a set of roads, extracted from the DRRP, to cover targeted habitations with single all-weather road connectivity. In the identification of the CNW, the priorities of elected public representatives are to be given full consideration. The CNW shall be approved at all levels viz., Intermediate Panchayat, District Panchayat and SLSC.

Deficiencies in Core Network

11. The records of the Ministry showed that the Core Network (CNW) of all the States was to be finalised by November 2005. The Ministry, further, in their Action Taken Note informed (October 2008) the Public Accounts Committee (82nd Report of 2008-09 to the Fourteenth Lok Sabha) that CNW had been finalised and frozen after receiving revised data from states. According to the CNW finalized by States, a total of 1,72,772 eligible unconnected habitations were identified.

12. Audit observed that data discrepancies still existed in the CNW as the Ministry modified (May 2012) the CNW and the number of eligible unconnected habitations due to reconciliation of data was reduced from 1,72,772 to 1,68,268. Further, 32,798 habitations were deleted from CNW on account of non-feasibility. 14,369 habitations of Bihar, Manipur and Rajasthan were added as their CNWs were based on revenue village instead of habitation. In addition to this, 6,000 habitations in 78 Tribal and backward districts under the Integrated Action Plan (IAP) in nine States were added as these were earlier left out or wrongly shown as connected. For all these reasons, the CNW was revised at 1,64,849 eligible unconnected habitations.

13. The Ministry further included (February 2013) 13,209 habitations as these habitations were not included earlier mainly due to inadequacies in surveys by the States. This led to upward revision of number of eligible unconnected habitations to 1,78,184. The Ministry stated (April 2016) that the data of eligible unconnected habitations within the States had again been reconciled; however the overall number remained 1,78,184.

14. It is, therefore, evident that the assessment of eligible unconnected habitations based on Census 2001 was not frozen though informed by the Ministry to the PAC in October 2008.

15. Test check of records further showed that in 19 States (Andhra Pradesh, Assam, Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Manipur, Meghalaya, Odisha, Rajasthan, Sikkim, Telangana, Tripura, Uttar Pradesh, Uttarakhand and West Bengal), discrepancies such as unconnected habitations shown as connected, eligible habitations not included, habitations placed in wrong population

size, showing emerging and termination point one and the same, variation in data of CNW maintained by PIUs, SRRDA and OMMAS, etc., were observed in preparation of CNW.

16. Explaining the reasons for the abovesaid Audit observations, the Ministry of Rural Development in their written replies stated as under:

"Core Network of PMGSY was expected to be prepared considering habitation as a unit based on Census 2001. Earlier, the States prepared their Core Network based on Census data of 1990, factored with decadal growth rate and considered it as population of 2001, as Census data was not available. Later on, when the 2001 Census data was made available, the population of villages/habitations was revised in the Core Network.

At different times some of the States indicated that many of these habitations were left out from inclusion in Core Network. Moreover, some of the States like Bihar, Jharkhand, Rajasthan and Manipur etc indicated that, their Core Network is based on revenue villages with population from Census 2001. Accordingly, Ministry allowed such States to revise their Core Networks for including left-out habitations as well as including habitations in place of Revenue Villages.

Further, the eligibility criteria for unconnected habitations was 250 population and above for hill States and Schedule V areas and later on number of LWE/IAP (88)/DDP districts were also considered eligible with 250+ population. Also, the unconnected habitations with population range of 100-249 in 267 LWE affected blocks as identified by the Ministry of Home Affairs (MHA) become eligible under PMGSY. This led to changes in number of eligible unconnected habitations for different States in different categories. Also, the number of sanctioned habitations changed when the Core Network was revised from Revenue Village to Habitation.

Now the States have reconciled their eligible unconnected habitations category-wise on paper in consultation with Ministry/NRRDA."

17. Elaborating on the steps contemplated to avoid such deficiencies in future, the Ministry submitted:

"Certain States had earlier prepared their DRRP and Core Network based on revenue village as a unit (with population of Census 2001), instead of habitation as a unit and certain eligible habitations were inadvertently left-out from the Core Network. During the verification of Core Network and regional review meetings at different point of time, these deficiencies emerged from the States. At present, all the States have reconciled their eligible number of unconnected habitations in consultation with MoRD/NRRDA. However, certain States informed that some eligible unconnected habitations were inadvertently wrongly shown as connected, by them, in the original Core Network. With a view to fully reconcile the status of connected habitations, the States have been asked to update the connectivity status of habitations connected through State Government funded programmes on OMMAS as well.

All the States have updated their Core Network and DRRP on OMMAS. Necessary provision has been made (as inbuilt systemic check), on OMMAS to verify the Core Network roads and mapped habitations on Core networks. Now

proposals cannot be finalised by the PIU, if the road is not a part of the Core Network and habitations are not mapped on the same CNW road. Also, if the proposed length is more than 50% of Core Network length, the State/PIU cannot finalise the proposal without approval of Ministry/NRRDA.

Also, provision for generation of CNCPL with order of priority based on population of habitations and CUPL based on population served and PCI has been developed on OMMAS. State Governments have been asked to conduct Pavement Condition Index for all rural roads, once in every two years and necessary advisory also issued to verify the Pavement Condition Index through independent consultant/STA as a third party verification in order to ensure the CUPL as per order of Priority mentioned in the PMGSY guidelines. STAs were also advised to verify the CNCPL and CUPL at the time of scrutiny of DPRs. These are also verified randomly at the time of scrutiny of proposals.

In respect of involvement of elected representatives in planning process, necessary guidelines for consulting Hon'ble MPs and other elected representatives in the rural road construction under PMGSY were again issued by the Ministry vide circular No. P-17025/2/2014-RC dated 23.07.2015 and 31.07.2015.

State Governments have been advised to prepare the GIS data base for Rural Roads. In this regard various training programmes have been conducted by the Ministry and MoU has been signed by the Ministry with Centre for Development of Advanced Computing (CDAC).

The completion period of PMGSY works fixed as 12 months for plain States and 18 months for Hill States and it is 24 months if the road has a bridge work exceeding 25 meter length. As per the Operation Manual of PMGSY the cumulative frame for completion of tendering process is 86 days (120 days in case of re-tendering). It is worth mentioning that, certain States were not in a position to submit the proposals within the financial year. As per PMGSY guidelines and decisions taken in the cabinet, unconnected habitations are to be connected within the target period. Accordingly, proposals have been sanctioned based on the executing capacity of the State Governments and considering the tender finalization time period."

18. Further, as regards the steps taken to ensure that deficiencies in DRRP/CNW are removed by the States so that all eligible unconnected habitations are covered under the programme, the Ministry stated as follows:

"States have reconciled their number of eligible unconnected habitations category-wise to be covered under PMGSY and expected to freeze on OMMAS as well. Necessary provisions have been made on OMMAS to verify the Core Network roads and mapped eligible habitations on Core Networks. Now proposals cannot be finalised by the PIU, if the road is not a part of the Core Network and habitations are not mapped on the same CNW road. Also, habitations mapped on earlier sanctioned roads cannot be mapped on new proposals by the PIUs and this will avoid to proposing multi connectivity to a habitation.

Following actions have been taken to rectify deficiencies in the OMMAS:

- i. Rectification of deficiencies in already updated data (basic detail such as habitations, Core Network, sanctioned proposals etc) by the States based on reconciliation in hard copy and already sanctioned proposals.
- ii. Selection of the proposals from DRRP, Core Network, length of road and mapping of relevant habitations are verified by the system at the time of proposal entry.
- iii. Generation of road list for issuing the sanction from the proposal module after scrutiny by STAs.
- iv. OMMAS generated MPRs and reviews
- v. All procurements are made through e tendering and all states are following e tendering system from 2012.
- vi. All payments through E-payment system only. 24 States are being followed e payment system through OMMAS till October, 2016.
- vii. Generation of annual balance sheet of the States from data entry in R&P module.
- viii. Similarly several other modules have been developed and put in place for analysis and verification of data."

19. On being asked about the reasons for such a long delay in revision of Core Network by States and the action taken against those States, the Ministry stated that:

"In the initial years of PMGSY, provisions have not been made on OMMAS to verify the data entered by the PIUs on the proposal module of OMMAS and projects were sanctioned based on the manual data provided by the State. Verification of the particulars provided by the State in accordance with the approved DRRP and Core Network was taken up on sample basis and States were asked to update the data on OMMAS. However, as data being huge could not be verified at the time due to limited organisational setup and limitations on IT infrastructure. The sanction of roads was also not from OMMAS and manual verification was difficult for large number of proposals.

Invalid data has been removed and necessary checks have been made in OMMAS 2.0 and reliable MIS reports are generated through system. Majority of MIS generated through system are most accurate and reliable."

Non-approval of Core Network

20. In seven States (Andhra Pradesh, Jammu & Kashmir, Kerala, Meghalaya, Punjab, Tripura and Uttar Pradesh), CNWs were not approved in selected districts either by Intermediate Panchayat or District Panchayat and State Level Agency. Thus, there was no grass root participation in the preparation of the CNW in these States.

Non-Participation by Local Elected Representatives

21. In two states (Andhra Pradesh and Jammu & Kashmir), local elected representatives were not involved in preparation of CNW. In Arunachal Pradesh and Meghalaya (three districts), records showing participation of local elected representatives were not furnished. In Jharkhand, the Executive Engineers concerned stated that no proposals were received from Members of Parliament or Members of the State Legislature. The reply was not acceptable as audit observed that during revision of CNW in 2010, in district Deoghar, proposals of 27 roads were received from MPs and MLAs for inclusion in revised CNW. Only seven roads were included in the CNW without recording any reason for leaving out the remaining 20 roads. In Tripura, there was no evidence of involvement of local elected representatives in preparing the CNW.

22. On being asked as to why the procedure of bottom-up approach in preparation and approval of DRRP and CNW and involvement of elected local public representatives was not adhered to, the Ministry of Rural Development in their replies stated as under:

"PMGSY provides key role to the intermediate and District Panchayat for consideration and approval of the Core Network including selection of roads. The role of Intermediate Panchayat, District Panchayat and Hon'ble MPs are defined in PMGSY Guidelines as well as PMGSY Operations Manual regarding preparation of DRRP, Core Networks and formulation of annual proposals. As per guidelines, the DRRP and Core Network are to be approved by the District Panchayat. Necessary guidelines for consulting Hon'ble MPs and other elected representatives in the rural road construction under PMGSY were reiterated by the Ministry vide circular No. P- 17025 /2 / 2014-RC dated 23.07.2015 and 31.07.2015. Now it has been ensured that all annual proposals received from the States are considered by the Ministry, only if, they are accompanied by the requisite certificate of consultation with the local elected public representatives."

Non-integration of Geographical Information System

23. The Public Accounts Committee (PAC) in their 72nd Report to the Fourteenth Lok Sabha (2007-08) recommended that the Ministry should take necessary steps to cut delays, reconcile data prepared at various levels and rectify other deficiencies so as to ensure that accurate and reliable data of unconnected habitations was available. The Committee also recommended that a comprehensive Geographical Information System (GIS) data base of Rural Roads Information System should be created for each state

which could be shared at different levels and by different agencies involved in construction and maintenance of rural roads.

24. The Ministry in their Action Taken Notes to (October 2008) the PAC (82nd Report to the Fourteenth Lok Sabha-2008-09) informed that they had initiated the development of stand-alone and web based GIS database for Rural Roads Information System and selected Rajasthan and Himachal Pradesh as pilot States. The system development was entrusted to C-DAC and refined based on user feedback. In the meantime, all the States had been advised to initiate steps to go in for GIS Database Management System.

25. It was observed that despite the assurance to the PAC, Ministry did not create the web-based GIS database for Rural Roads Information System. The Ministry stated (April 2016) that a MoU was signed with C-DAC in October 2015 with time of completion in two years from date of advance payment (February 2016). Thus, web-based GIS database for Rural Roads Information System was still to be implemented despite assurance given to PAC in 2008.

26. When the Committee sought to know about the status of creation of web based GIS database for Rural Roads Information system in all the States, the Ministry submitted as under:

"State Governments have been advised to prepare the GIS data base for Rural Roads in collaboration with C-DAC who have been entrusted this work. In this regard various training programmes have been conducted for State officials, by the Ministry and MoU has been signed by the Ministry with CDAC. In first phase, 8 States would create GIS database by October, 2017."

Comprehensive New Connectivity Priority List/Comprehensive Up-gradation Priority List

27. Para 3.3.1 of the Operations Manual (OM) envisages that once the CNW is ready, the States are required to prepare Comprehensive New Connectivity Priority List (CNCPL), at block and district level of all proposed road links, grouping them in the order of priority based on population size i.e., 1000+ habitations first, 500+ habitations second and 250+ habitations last. The programme guidelines provide that a Comprehensive Upgradation Priority List (CUPL) is prepared in respect of those districts where no new connectivity is required to be done. The CUPL is to be verified on sample

basis through the State Technical Agencies (STA) and the National Quality Monitor (NQM).

28. The CNCPL/CUPL shall be placed before the district panchayat for its approval. The MP/MLA is to be given a copy of the CNCPL/CUPL and their suggestions and suggestions of lower level panchayati Institutions shall be given the fullest consideration by the district panchayat while according its approval.

29. Test check of records by the Audit in the selected districts in the states disclosed deficiencies in CNCPL/CUPL which are discussed below:

- In 11 States (Arunachal Pradesh, Bihar, Himachal Pradesh, Jharkhand, Manipur, Meghalaya, Nagaland, Sikkim, Tripura, Uttar Pradesh and Uttarakhand), the deficiencies such as inclusion of road projects both in CNCPL and CUPL, exclusion of road projects, inclusion of habitations below admissible population size, CNCPL having more eligible habitations than CNW, inclusion of already connected habitations in CNCPL, inclusion of Through Routes in CNCPL, CUPL prepared without conducting PCI survey, etc., were observed in CNCPL and CUPL. The Ministry while admitting the facts stated that efforts are being made for removing the deficiencies.
- In six States {Arunachal Pradesh, Jharkhand, Kerala (except Malappuram), Manipur, Meghalaya (except West Garo hills) and Tripura}, evidence of obtaining/considering suggestions and recommendations of elected representative viz., Members of Parliament, Members of the State Legislative Assembly and Panchayati Raj Institutions was not on record. In Sikkim, the nodal department stated (November 2015) that records were misplaced by districts.
- In three States {Arunachal Pradesh, Jammu & Kashmir, Jharkhand (five districts)}, CNCPL/CUPL were not approved by district panchayat. In Manipur and Meghalaya (four districts), there was no evidence of approval of CNCPL and CUPL from district panchayat/DRDA. In Sikkim, the nodal department stated (November 2015) that records were misplaced by districts.
- In three States (Jammu & Kashmir, Karnataka and Meghalaya), the CUPL was not verified by STA and NQM. In Arunachal Pradesh, Jharkhand, Manipur and Tamil Nadu, there was no evidence of verification of CUPL from STA/NQM. In Uttar Pradesh,

the CUPL was verified by STA in only three out of 18 districts. However, the required verification of CUPL by NQM was not done in any district. In West Bengal, none of the five districts had any documents to indicate that STAs carried out any ground verification of CUPL.

30. On being asked as to whether the Ministry has taken up the matter with the States to remove the deficiencies in CNCPL and CUPL lists, the Ministry stated:

"Provision for generation of CNCPL based on population and on order of priority and CUPL based on Pavement Condition Index (PCI) has been developed on OMMAS. The State Governments have been asked to conduct PCI surveys for all rural roads every two years. Necessary advisory has also issued to verify the Pavement Condition Index through independent consultant/STA (third party verification) to ensure that the CUPL is drawn as per order of Priority mentioned in the PMGSY guidelines. State Technical Agencies (STAs) have also been advised to verify the CNCPL and CUPL at the time of scrutiny of DPRs."

Clearance of works in excess of allocation of funds

31. Para 4.4.1 of the OM stipulates that states may, each year, distribute the State's allocation among the districts giving at least 80 per cent for providing new connectivity and up to 20 per cent for upgradation. The district wise allocation of funds will also be communicated to the NRRDA and STAs in order to enable them to scrutinize the DPRs of the district. Depending on the extent of new connectivity backlog, absorption capacity, position of the ongoing works, etc., the State will be asked to prepare DPRs for upto twice the allocation.

32. The Ministry initiated the process of making indicative annual allocation of fund for States since 2012-13 on the basis of overall budget allocation under the programme, balance works in hand with the States, their execution capacity and unspent balance available with them. The Ministry cleared proposals valued much more than indicative allocations as depicted in the Charts given below:

Chart-3.2: Proposals cleared, works in hand and indicative allocation for 2012-13

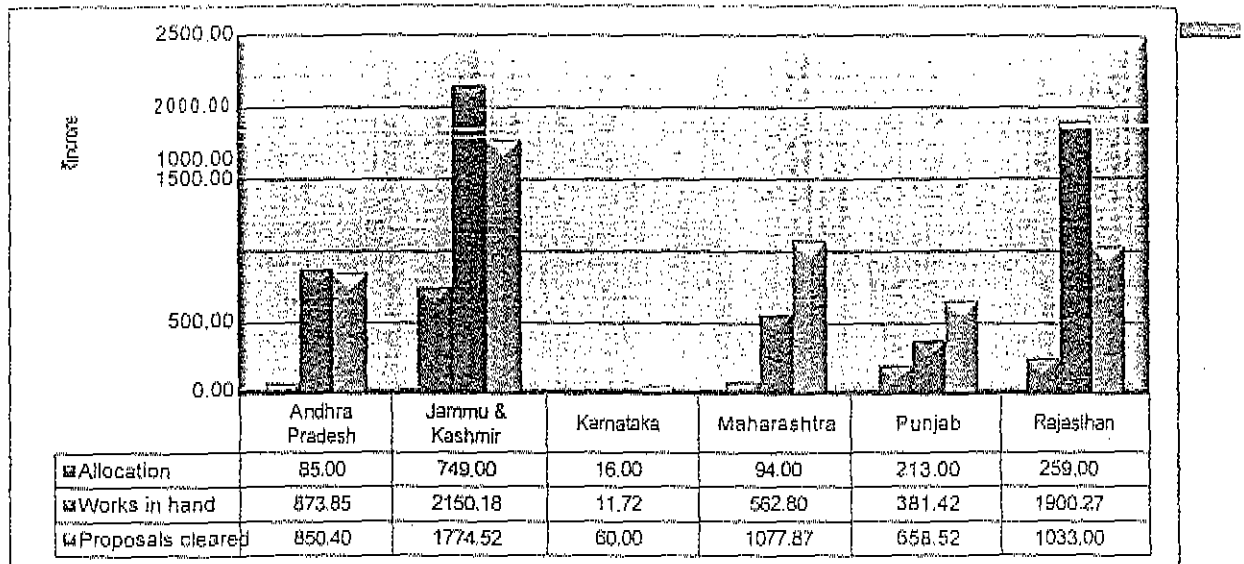


Chart-3.3: Proposals cleared, works in hand and indicative allocation for 2013-14

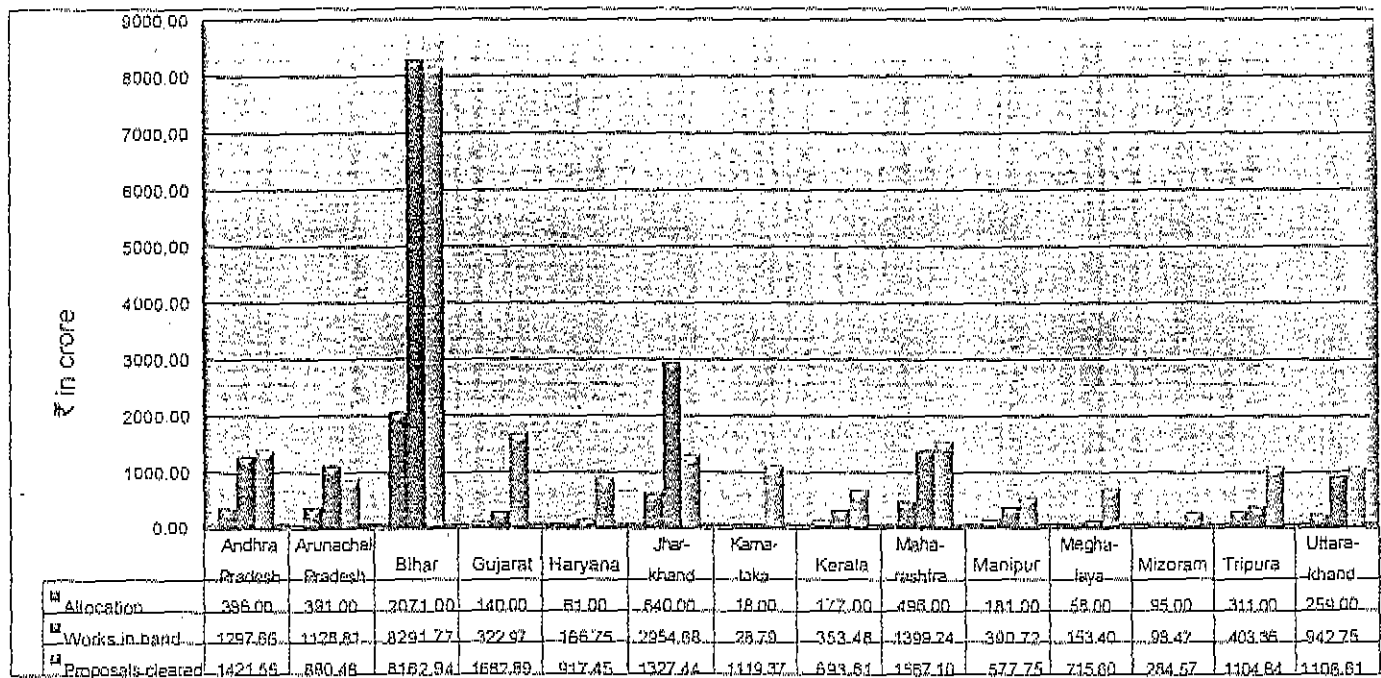
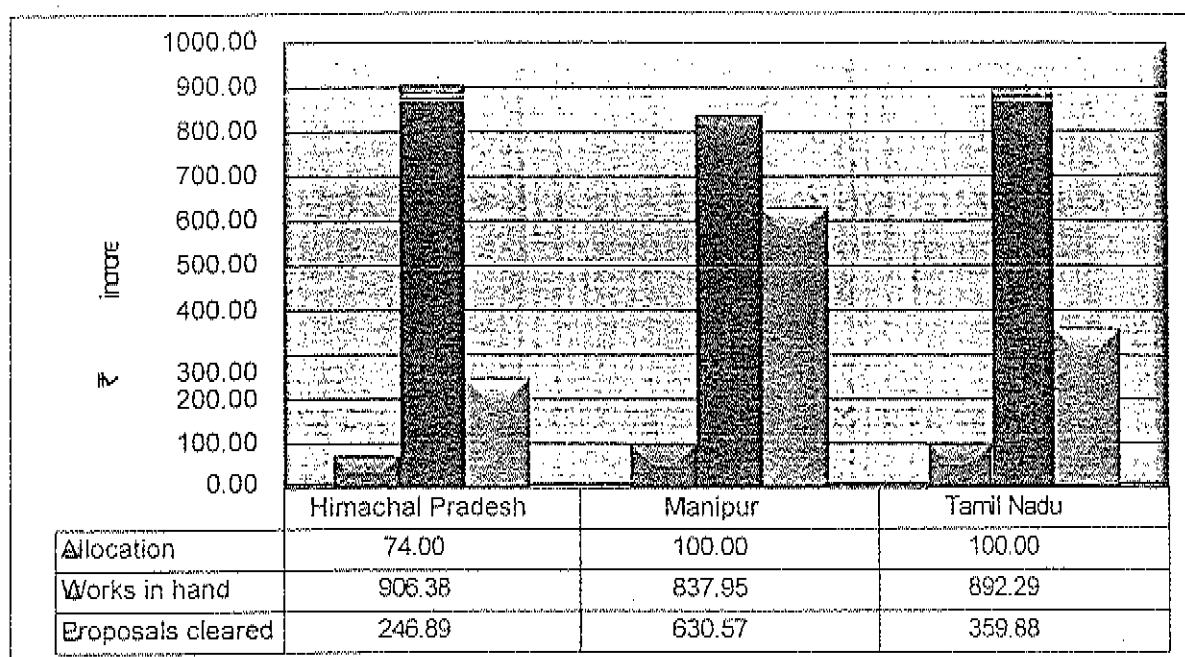


Chart-3.4: Proposals cleared, works in hand and indicative allocation for 2014-15



33. The Ministry stated that it was a usual practice to do over-programming under PMGSY and in order to achieve the objective of the programme, a large number of clearances were given to various States. The reply is not acceptable as the quantum of Ministry's clearances ranged between 107 to 1,134 per cent in excess of guidelines.

34. On being asked as to why the proposals were cleared beyond the permissible indicative fund allocation of the States, the Ministry of Rural Development replied as under:

"The State Governments are required to submit Detailed Project Reports (DPRs) along with the proposals of necessary cross drainage works/bridges to the Ministry for consideration/approval of projects under PMGSY. The project proposals are scrutinized by National Rural Roads Development Agency (NRRDA) to ensure that the proposals have been made duly keeping in view the programme guidelines and that they have been duly verified by the State Technical Agencies (STAs). The proposals of the State are then put up before the Inter Ministerial Empowered Committee chaired by Secretary (RD) in the Ministry of Rural Development, for its consideration. The proposals recommended by the Inter Ministerial Empowered Committee and approved by the Competent Authority are conveyed to the State Government to take further necessary action before seeking funds. There have been some financial years when the Budgetary Estimate (BE) of PMGSY was substantially reduced at the Revised Estimate (RE) stage. The consideration and approval of the States proposals was guided by the indicative allocation based on BE.

For accelerated execution of PMGSY, the Ministry of Rural Development in consultation with the Ministry of Finance and the State governments, has formulated an Action Plan to achieve the target of the Scheme early, with enhanced financial allocation to the States and modified funding pattern in the Scheme. The fund sharing pattern of PMGSY has been made in the ratio of 60:40 between the Centre and States for all States except for 8 North Eastern and 3 Himalayan States for which it will be 90:10. In view of the availability of substantial additional funds under the Scheme with the new funding pattern between Centre and the State and enhanced allocation by the Government of India, all the States have been asked to get approval for sanctions of balance works under PMGSY as per the mandate of the Scheme by December, 2016 and to substantially complete them by March, 2019, so as to provide connectivity to target habitations."

35. The Committee further sought to know about the impact on the availability of funds with the States where the proposals were cleared beyond the permissible indicative fund allocation of the States. In this regard, the Ministry stated as follows:

"It is difficult to clear proposals every year with their value restricted to the annual allocation of the States and then expect the States to complete the projects well within time. The pace of implementation of the scheme does get affected with lesser release of funds. However, this has less to do with the fact that proposal with value beyond fund allocated to the States were cleared and has been affected more because of frequent and drastic budget cuts that PMGSY saw during 2012-13 till 2014-15. Consequently, the annual allocation for PMGSY was lesser than what was approved as Gross Budgetary Support by Planning Commission for the 12th Five Year Plan. PMGSY has received approx. ₹ 70,076 crore (till the year 2016-17) against ₹1,05,000 crore approved by the Planning Commission for the 12th Five Year Plan period (i.e. 2012-2017). Such a deficit has affected the pace of implementation of the scheme."

36. Upon asking about the action that has been taken by the Ministry to restrict the clearance of proposals within permissible indicative fund allocation, the Ministry replied that:

"The Ministry does keep the budgetary allocation of PMGSY in view. Due to frequent budget cuts from 2012-13 till 2014-15 and the liability that PMGSY had already generated by giving clearances during the past few years, the Ministry decided not to clear any new projects during 2014-15 and substantial part of 2015-16. As a result, PMGSY gave no clearance to the States till December 2015, after which the annual allocation was enhanced by Ministry of Finance and a commitment to keep it at higher levels was also made. Keeping this commitment in view, the Ministry has envisaged completing the objectives of PMGSY by 2019, 3 years prior to the previous target of 2022."

CHAPTER - 4: PROGRAMME IMPLEMENTATION

37. The Programme Implementation Units (PIUs) are required to prepare the detailed project report (DPR) for each proposed road work in consultation with the local community. The proposals of each state are to be considered by the Empowered Committee of the Ministry and after their clearance; works should be tendered as per Standard Bidding Document. The execution of work and management of the contract is required to be done strictly as per condition of the contract. All PMGSY roads should be covered under five year maintenance contract along with construction contract. Maintenance funds are to be budgeted by the State governments.

Transect walks not organised

38. Programme guidelines prescribe that Programme Implementation Units (PIU) will organise transect walk to discuss and finalize the issues relating to alternative alignments, land requirements for the road and its impact on land owners, etc., with the members of the local community. A copy of the proceedings along with digital photographs of the transect walk shall be attached with the finalised DPR.

39. In 17 States (Andhra Pradesh, Assam, Bihar, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Meghalaya, Nagaland, Sikkim, Tamil Nadu, Telangana, Tripura, Uttar Pradesh and West Bengal), transect walk was either not organised or required certificate/documents were not found attached with DPRs.

40. Failure to implement this significant procedure at the time of project preparation led to dropping or abandoning of works mid-way due to land disputes, non-availability of required land and other reasons.

41. The Ministry stated (April 2016) that the advisories regarding transect walk were issued to the States. The reply is not acceptable as the Ministry has not taken steps to ensure that States mandatorily conduct transect walks.

42. Asked as to how the Ministry ensured that whether the important procedure of transect walk has been carried out or not, the Ministry of Rural Development replied as under:

"As part of PMGSY process, all States are required to include a simple, non-formal "transect walk" to be organized by the Assistant Engineer along with Panchayat Pradhan, local patwari and Junior Engineer at the time of preparation of Detailed Project Reports (DPRs). Ministry has regularly pressed upon the State Governments to carry out Transect Walk along the proposed alignment of the road, Consultation of Key stakeholders and the local community at the time of preparation of DPRs, as mandated in the Programme Guidelines vide circular No. P-17017/1/2010-RC dated 28.4.2011 & 27.7.2011. Ministry had also amended its guideline vide circular No. P-17025/49/2011-RC dated 02.09.2014 directing all the States to include Women PRI members and representatives of Women Self Help Groups (SHGs) in the transect walk at the time of preparation of DPRs. All DPRs also mention the fact of transect walk having been taken and append photographs of the same."

Works dropped/abandoned

43. In 12 States {Assam (5), Bihar (12), Gujarat (14), Jharkhand (23), Madhya Pradesh (73), Meghalaya (2), Odisha (268), Telangana (20), Tripura (16), Uttar Pradesh (13), Uttarakhand (56) and West Bengal (36)}, 538 works were not commenced and were subsequently dropped or proposed to be dropped due to non-availability of land or land disputes. Besides this, 372 works in 11 States {Andhra Pradesh (1), Assam (22), Chhattisgarh (1), Madhya Pradesh (2), Maharashtra (5), Meghalaya (1), Odisha (107), Rajasthan (213), Telangana (4), Uttar Pradesh (7) and West Bengal (9)}, were abandoned/proposed to be abandoned mid-way on similar grounds after incurring expenditure of ₹ 280.01 crore.

44. Further, in 13 States {Andhra Pradesh (27), Assam (2), Bihar (319), Gujarat (11), Jammu & Kashmir (53), Jharkhand (278), Karnataka (19), Kerala (50), Madhya Pradesh (253), Tripura (8), Uttar Pradesh (502), Uttarakhand (3) and West Bengal (25)}, 1,550 works were dropped or proposed to be dropped for the reasons such as works executed under other State schemes, transfer of roads to other departments, deficient planning, remote location to carry the material, works already sanctioned in earlier years, works executed by other agencies, naxal problem, no response to the bid, etc.

45. In Kerala, out of 503 works in hand as of March 2015, 56 works valued at ₹ 40.94 crore (which included works sanctioned from 2001-02 onwards) were identified as 'non-feasible for execution', 'taken up by other agency', etc., and proposed to be dropped from the list of works in August 2015. Out of these 56 works, an expenditure of ₹ 2.40 crore had already been incurred on 17 works rendered wasteful.

46. The Ministry replied (April 2016) that a circular was issued to states in November 2013 for recouping the amount incurred on dropped roads under the PMGSY. The reply of the Ministry was not acceptable as the deficiencies in the preparation of DPRs continued and no remedial action was taken to minimize the dropping of projects.

47. On being enquired as to why the Ministry has failed to ensure availability of land before commencement of construction of roads rather than abandoning the same midway after spending crores of rupees, the Ministry replied as under:

"As per guidelines, tracking the land available, along the entire proposed alignment, free from all encumbrances is the responsibility of the State Government / District Panchayat for the proposed road works. A certificate that land is available along the entire alignment is to be furnished by the State with each DPRs to the Ministry. PMGSY does not provide funds for Land Acquisition. The State Government lay down guidelines for voluntary donation, exchange or other mechanisms to ensure availability of land. Ministry is closely monitoring the projects which are pending for want of forest/land clearance seeking provide status from all the States Governments. Regular meetings have been held with Ministry of Environment, Forest and Climate Change (MOEF&CC) for expediting the pending clearance. States have also been advised to pursue the local forest department office for fast-tracking the approval of pending clearance for land requirement of less than one-hectare for which special dispensation has been given by MOEF&CC."

48. Intimating about the steps initiated to prevent the same, the Ministry stated:

"In order to avoid dropping of works at later stage, necessary guidelines have been issued to the States that, the new proposal will be considered only with the following documents appended with the proposals:-

- i. Land availability certificate stating that the land required for the proposed projects will be made available, free from all encumbrances before the commencement of the projects.
- ii. The projects proposed have not been funded or sanctioned under any other scheme/programme of the Central or State Government.
- iii. Ten digital photographs of the Transect Walk and minutes of transect walk meeting.
- iv. Minutes of the Gram Sabha meeting held on culmination of Transect Walk and having recommendations of Gram Sabha about the proposed alignment and DPR.
- v. Proof of consultations with the concerned Hon'ble Member of Parliament and duly filled in forms MP-1 and MP-2."

49. Asked about the steps taken to get the incomplete works completed on priority basis, the Ministry submitted as under:

"The Ministry holds regular review meetings of all the States, region-wise in which the incomplete and problematic works are thoroughly reviewed to expedite the balance works on priority. Such works are also reviewed during the Pre-

Empowered Committee and Empowered Committee Meetings in which the further sanctions are linked with the completion of such works. The Ministry also issues periodical advisories to the States which have such incomplete works.

As a strategy to ensure completion of long pending PMGSY works, the Ministry in collaboration with NRRDA has impressed upon the States to prepare PIU-wise month-wise completion plan for such pending PMGSY works. These completion plans are then reviewed in Regional Review Meetings."

Tendering Process

Irregularities in inviting tenders

50. According to para 11.1 of the programme guidelines, after the project proposals have been cleared and technical sanction has been accorded the Executing Agency would invite tenders.

51. In 11 States {Andhra Pradesh (35), Haryana (1), Himachal Pradesh (14), Jammu & Kashmir (138), Jharkhand (38), Manipur (69), Meghalaya (58), Rajasthan (158), Telangana (15), Tripura (4) and Uttarakhand (78)}, tenders for 608 works were invited prior to their technical sanction by the competent authority.

52. According to provision 8.2 of the OM, in cases where variation between DPR and technical sanction exceeds 10 per cent, prior approval of the NRRDA is required to be sought before tendering the works. In six States {Assam (12), Himachal Pradesh (3), Kerala (30), Tamil Nadu (163), Telangana (1) and Tripura (4)}, despite variation ranging from 11 to 500 per cent in 213 road works/packages, prior approval of the NRRDA was not obtained before inviting tenders.

53. Further, as per para 7.11 of the OM, tendering process shall begin within 15 days of getting approval of the proposals by the Ministry.

54. In nine States (Arunachal Pradesh (16), Jammu & Kashmir (161), Jharkhand (94), Manipur (469), Meghalaya (65), Rajasthan (3767), Telangana (1), Uttar Pradesh (132) and West Bengal (467)}, tenders for 5,172 works/packages, were invited with a delay ranging between 2 to 971 days which in turn delayed the award and execution of works.

55. On being asked about the action taken by the Ministry on the cases of irregularities in tendering process, the Ministry stated that:

"In case the irregularities committed in tendering process are established to have happened, the State Government concerned are required to take necessary action against the contractor /bidder as per the provisions of bidding document and impose penalties such as debarring the contractor from future bidding under

PMGSY and can also blacklist the contractor. In case the lapses are committed on the part of Government officials, necessary disciplinary action is to be taken by the respective State Governments as per their conduct rule."

Non-recovery of mobilisation and equipment advance

56. As per para 9.4 of the OM, the contractor is required to mobilize men, material and machinery within 10 days after the date of issue of the work order. Further, clause 45 of the General Conditions of Contract provides that the employer will make interest free mobilisation advance (five per cent of the contract cost) and equipment advance (up to 90 per cent of the cost) to the contractor. These advances shall be repaid by deducting proportionate amounts from payments otherwise due to the contractor. Guidelines of the Central Vigilance Commission (April 2007) provide that recovery of interest free mobilisation advance shall be time-based and not linked to the progress of work.

57. In five States {Assam (₹ 0.37 crore), Bihar (₹ 0.50 crore), Himachal Pradesh (₹ 0.25 crore), Mizoram (₹ 0.30 crore) and Sikkim (₹ 0.38 crore)}, ₹ 1.80 crore of mobilisation and equipment advance in respect of eight road works/packages was not recovered despite termination of contract/dropping of work.

58. In four States {Haryana (₹ 2.75 crore), Jammu & Kashmir (₹ 0.44 crore), Jharkhand (₹ 1.51 crore) and Uttar Pradesh (₹ 4.76 crore)}, ₹ 9.46 crore remained unrecovered even after initial stipulated date of completion of work.

59. In Sikkim, in 50 works, mobilisation and machinery advance of ₹ 18.06 crore was not recovered due to non-commencement of works even after one to six years of their sanction.

60. Audit also observed irregular grant of mobilisation and equipment advances as given below:

61. In Rajasthan, PWD Circle, Dungarpur, under package RJ-14-WB-BN-12, machinery advance of ₹ 0.44 crore was given for the machinery hypothecated to a private bank.

62. In Uttarakhand, in 16 cases, mobilisation advance of ₹ 4.91 crore was provided in excess of maximum ceiling of five per cent of the initial contract prices. Bank guarantee

was not obtained from the contractor against mobilisation advance of ₹ 0.66 crore in two cases and equipment advance of ₹0.64 crore in one case. Further, in one case, invoice of machine purchased was not obtained for equipment advance of ₹ 0.58 crore. Thus, undue benefits were extended to the contractors in the above cases.

63. Apprising the Committee about the recovery of mobilization and equipment advances where the contracts had been terminated, the Ministry submitted:

"The matter is regularly reviewed and taken up with the States during pre-EC, EC and RRM. The status is also monitored at the time of submission of Annual Audit reports to the various SRRDA. There is an effort to reduce such advances at the earliest. States have been time and again asked for recovery of mobilization and equipment advances."

Works shown as completed without complete connectivity to targeted habitations

64. The intended benefit of the programme can only be achieved if the targeted habitations are provided complete connectivity through an all-weather road.

65. In seven States (Bihar, Gujarat, Jharkhand, Madhya Pradesh, Tamil Nadu, Tripura and West Bengal), 73 road works were executed and shown as completed without providing complete connectivity to the targeted habitations due to non-availability of required land, non-clearance by railways, non-construction of required bridges, etc. Out of this, 72 road works were executed at a cost of ₹ 120.03 crore.

66. When asked about the action taken on the abovesaid cases, where works were shown completed without providing complete connectivity to the targeted habitations the Ministry replied that:

"The Ministry of Rural Development has engaged Centre for Geo-Informatics Application in Rural Development (CGARD) of National Institute of Rural Development & Panchayati Raj, Hyderabad to use Space Technology in the monitoring of PMGSY works on sample basis (5 States, 10 districts). Based on the outcome of the Report, the Ministry has decided to universalize the scheme in all the States/districts."

Multiple connectivity of habitations

67. Para 3.10 of programme guidelines envisage that only single road connectivity will be provided to eligible unconnected habitations. If a habitation is already connected by way of an all weather road, then no new work can be taken up under the PMGSY for that habitation.

68. Audit found that in nine States (Arunachal Pradesh, Gujarat, Jammu & Kashmir, Jharkhand, Karnataka, Nagaland, Rajasthan, Uttar Pradesh and West Bengal), 36 habitations were provided with more than one connectivity. Out of this, 31 habitations were provided multiple connectivity at a cost of ₹ 29.49 crore.

69. As regards the action taken on cases where multi-connectivity had been provided to the habitations under the scheme, the Ministry submitted that:

"The State Governments are required to submit Detailed Project Reports (DPRs) to the Ministry after following due procedures as per the programme guidelines for consideration/approval of projects under PMGSY. The project proposals are duly vetted by the State Technical Agencies (STAs) before being sent to National Rural Roads Development Agency (NRRDA), Government of India for scrutiny to ensure that the proposals have been made keeping in view the programme guidelines. If any case comes to the notice of the Ministry where multiple connectivity has been provided to the habitation, the concerned State Government is asked to conduct enquiry of the road through a team of State Quality Monitors (SQM) and share the report with the Ministry. Based on the findings of the report, State is required to take appropriate action against the erring officials. State is also expected to bear the cost of the road from its own fund and the same is adjusted in the further releases to be made to the State."

Release and utilisation of maintenance fund

70. According to para 17 of the guidelines, State governments are required to undertake the maintenance of the entire CNW and develop sustainable sources of funding for undertaking the maintenance functions.

71. It was seen that details of maintenance fund collected from State governments showed variations in the figures of release and expenditure as compared to the figures maintained by the NRRDA. Details in this regard are given below:

Variation in figures of release and utilisation of maintenance fund

(₹ in crore)

Sl. No.		Figures furnished by State			
		Release	Expenditure	Release	Expenditure
1	Andhra Pradesh	104.25	47.48	68.76	49.07
2	Arunachal Pradesh	30.95	38.63	35.45	56
3	Bihar	210.48	291.1	230.25	293
4	Haryana	16.68	13.70	19.12	12.25
5	Himachal Pradesh	129.44	62.83	204.3	134.97
6	J&K	17.6	3.72	20.66	3.62
7	Jharkhand	179.48	12.14	179.48	108.46
8	Manipur	17.64	14.68	14.00	14.23
9	Meghalaya	22.85	15.02	25.75	9.95
10	Punjab	23.01	65.07	29.13	28.76
11	Rajasthan	158.34	125.87	158.35	126.56
12	Sikkim	29.59	23.37	29.11	23.36
13	Tamil Nadu	29.2	22.04	36.69	28.49
14	Tripura	67.65	30.107	67.65	29.55
15	Uttar Pradesh	277.79	272.07	263.34	263.78
16	Uttarakhand	76.12	70.55	50.73	52.29
17	West Bengal	175.92	122.05	525.01	94.43

72. Information provided by NRRDA showed that 27 States released ₹ 3,018.10 crore in maintenance fund from 2010-11 to 2014-15 as against requirement of ₹ 3,279.97 crore. It reveals from the above figures that in three States (Bihar, Haryana and Punjab) short release was more than 40 per cent of the fund required for maintenance. States as a whole utilized 66 per cent of the requirements during this period. However, in seven States (Andhra Pradesh, Assam, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand and Tripura), less than 50 per cent of the fund required was used. The audit observation was confirmed by NQMs who found that out

of 7,144 road works, 1,370 works were not maintained at all and 3,095 works were poorly maintained.

73. Thus, inadequate provision towards maintenance besides its poor utilisation defeated the purpose of creating institutional measures to ensure systematic maintenance. Non/poor maintenance of the roads may be evident from the photographs taken during joint physical verification.

74. When asked as to how the Ministry ensure that the States provide funds for the crucial maintenance of the roads constructed under PMGSY, the Ministry of Rural Development in their written submission stated as under:

"As per PMGSY Programme Guidelines, all PMGSY roads are covered by 5-year maintenance contracts, to be entered into along with the construction contract, with the same contractor, in accordance with the Standard Bidding Document (SBD). Maintenance Funds to service the contract will be budgeted by the State Government (as committed by the States at the time of getting sanctions from Ministry) and placed at the disposal of the State Rural Roads Development Agency (SRRDA) in a separate maintenance account.

Various advisories to the States have been issued regarding maintenance. States have been requested to conduct Pavement Condition Index (PCI) Survey for prioritization of roads for upgradation and maintenance. The PCI survey is to be repeated every two years. States have been requested to regularly monitor the release of requisite funds required for maintenance and utilization of funds by SRRDA. During Regional Review Meetings and Empowered Committee Meetings, State Governments are being requested to ensure proper maintenance and upkeep of PMGSY roads and full utilization of maintenance funds. States have also been requested for having a dedicated Rural Road Maintenance Policy. So far, 14 States i.e. Himachal Pradesh, Uttarakhand, Uttar Pradesh, Punjab, Rajasthan, Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, Tamil Nadu, Assam, Meghalaya, West Bengal and Haryana have formulated their State Rural Roads Maintenance Policy. Balance States are being regularly requested during various meetings to formulate and notify Maintenance Policy.

Simplified rural road maintenance contracting has been piloted in various States. For example, performance based maintenance contracts have been implemented in Madhya Pradesh, Assam, Himachal Pradesh, Uttarakhand and community based maintenance contracts have been implemented in Uttarakhand, Punjab and Meghalaya."

CHAPTER - V - FUND MANAGEMENT

75. The Pradhan Mantri Gram Sadak Yojana (PMGSY) is a 100 per cent Centrally Sponsored Scheme and PMGSY-II (launched in May 2013) is on cost sharing basis between the Centre and states in the ratio of 75:25 in normal areas and 90:10 in special

areas. Till 2013-14, Government of India released funds directly to the State Rural Road Development Agency (SRRDA). However, from 2014-15 onwards, funds are routed through the Consolidated Fund of State and the State governments are required to transfer these funds to SRRDA within three working days of receipt of funds.

Financial Progress

76. During 2010-11 to 2014-15, year-wise provision, release and utilisation of funds are as under:

(₹ in crore)

Year	Budget		Release			Utilisation		
	Budget	Revised	States	NRRDA	Total	By states	By NRRDA	Total
	Estimates	Estimates		Others			Others	
2010-11	12,000	22,000 ^{\$}	20,366.04	2,033.76	22,399.80 ^{\$}	14,910.98	2,101.94	17,012.92
2011-12	20,000	19,981	15,809.40	3,532.50	19,341.89	10,946.41	3,524.67	14,471.08
2012-13	24,000	8,885	4,388.93	4,495.07	8,884.00	8,386.75	4,545.17	12,931.92
2013-14	21,700	9,700 ^{\$}	5,360.23	4,444.74	9,804.97 ^{\$}	13,095.29	4,410.51	17,505.80
2014-15	14,391	14,200	9,959.59	4,228.80	14,188.39	16,538.35	4227.03	20,765.38
Total	92,091	74,766	55,884.19	18,734.87	74,619.05	63,877.78	18,809.32	82,687.10

Source: Information provided by Ministry

p : also included expenditure from state share and interest earned. £ : for repayment of loan and interest thereon.

\$: Excess release was due to re-appropriation of funds from saving of other schemes to PMGSY. However, this was not incorporated in the figures of Revised Estimates.

It was evident from the above that during 2010-12, States did not fully utilize the Central assistance which led to its reduction during 2012-14. The Ministry attributed the huge reduction at revised estimate stages during 2012-13 and 2013-14 mainly, due to availability of huge unspent balances with the States and slow pace of implementation of the programme.

77. Elaborating further on this aspect, the Ministry submitted as under:

"During the year 2013-14, the States were having sufficient funds owing to interest accrued on programme funds released by the Ministry. This lead to budget cut of PMGSY at Revised Estimate Stage thereby leading to reductions in annual allocation to the States. Overall allocation of PMGSY at B.E. stage during 2013-14 was ₹ 21,700 crore which was reduced to ₹ 9700 crore (excluding ₹ 3050 crore of interest accrued) at R.E. Stage. Following this the overall allocation of PMGSY for the year 2014-15 was reduced to ₹ 14,391 crore which was further reduced at R.E. Stage to ₹ 14,200 crore. The reduced allocations and increase absorption capacity lead the States into fund starved conditions and the pace of implementation of the scheme got affected. Due to this, Ministry of Rural Development demanded for additional allocation during 2015-16 which was acceded to by Ministry of Finance and the overall allocation of PMGSY for the year 2015-16 was increased from ₹ 14,291 crore to ₹ 18,291 crore. Also, a changed funding pattern helped in putting the scheme back on track with enhanced pace of implementation."

Physical Progress

78. The physical progress during last five years is given as under:

Year	Number of Habitations		Length (km)	
		Habitation connectivity		Length completed
	4,000	7,584	34,090	45,108.52
2011-12	4,000	6,537	30,566	30,994.50
2012-13	4,000	6,864	30,000	24,161.28
2013-14	3,500	6,560	26,950	25,316.39
2014-15	4,688	10799	21,775	36,339.48
Total	20,188	38,344	1,43,381	1,61,920.17

Source: Information provided by Ministry

Achievement of physical targets during the last five years was more than target. This indicated that targets were not realistically fixed. The Ministry stated (April 2016) that allocations had been changed substantially from budget estimate to revised estimate but the corresponding physical targets remained the same. The reply was not relevant as despite lower allocation, achievement was still higher as compared to targets.

79. The Committee desired to know as to how the Ministry monitor the States to meet their annual financial and physical targets. In response, the Ministry submitted as under:

"The Ministry conducts regular regional review meetings to monitor these targets of the States. These matters are also raised in Empowered committee meeting before clearing new projects to the States. Physical performances are also kept in view for deciding the annual allocations of the States every year. Also, funds during a year are released on the basis of utilization of funds by the State which is reported through Utilization Certificates. States need to ensure 60% utilization of funds available with them for becoming eligible to receive further funds."

Shortcomings in release of funds to States

80. The funds to the States are released in two equal instalments. While the first instalment is released at 50 per cent of the cleared value of projects (or annual allocation, whichever is lower), the release of second instalment is subject to utilisation of 60 per cent of the available funds and completion of at least 80 per cent of the road works awarded in the year previous to the preceding year and 100 per cent of the awarded works of all the years preceding that year and submission of the required documents.

81. Audit observed instances of non/short/delayed release of funds to the States. The Ministry attributed (February 2016) these to non availability of funds, non/late submission of documents by the States, non-fulfillment of the conditions laid down for release of second instalment by the States and slow progress of road works.

82. The Ministry accepted (April 2016) the fact of short release and replied that works sanctioned to the States were two to three times their allocation resulting in spillover to subsequent years and reduction in the allocations in the revised estimate stage.

83. Explaining the reasons for non-release/delay in release of funds to the States, the Ministry stated as under:

"Funds under PMGSY are released on the basis of certain documents, as specified in the guidelines and as intimated from time to time by the Ministry, that the States are required to submit along with their demand/proposal for release of funds. These documents are then submitted for scrutiny to Integrated Finance Division (IFD) of the Ministry. At times, IFD raises certain issues that the States have to clarify before the proposal of release can be concurred. This process at times leads to delays.

Ministry has put a lot of efforts in streamlining the process of release. From the year 2015-16, the Ministry has started to release Vote on Account allocation of PMGSY without obtaining any documents from States to ensure smooth functioning at the onset of financial year. Further releases during the year are made on the basis of 60% utilization of funds by the States and only after documents proving the same are submitted to the Ministry along with certain other mandatory requirements, the funds are released to the Consolidated Fund of the State with the directions to release this fund to the bank account of State Rural Road Development Agency (SRRDA) within three working days."

Delay in transfer of funds by State Governments

84. As per the programme guidelines (as modified from time to time), from 2014-15 onwards, funds are released to the State Consolidated Fund with directions to transfer these funds to SRRDA's account within three days from the date of its receipt failing which the State government is liable to pay interest at 12 per cent per annum for the period of delay beyond the specified period.

85. Audit observed that in 11 States (Andhra Pradesh, Arunachal Pradesh, Assam, Jammu & Kashmir, Karnataka, Manipur, Meghalaya, Mizoram, Punjab, Rajasthan and Uttarakhand), funds amounting to ₹ 2,693.89 crore released during 2014-15 were transferred to the SRRDAs with delays ranging from 7 to 202 days. As a result, the States were liable to pay interest of ₹ 50.37 crore to the SRRDAs. In three States (Andhra Pradesh, Arunachal Pradesh and Karnataka), funds amounting to ₹ 89.32 crore, received during 2014-15, were not transferred to the respective SRRDAs as of May/September 2015.

86. The Ministry accepted (April 2016) the fact of delays in release of funds to SRRDAs and replied that after the rigorous intervention of the Ministry, the delay was being reduced considerably.

87. Apprising the Committee about the monitoring mechanism in the Ministry to watch delayed release of funds by the States to implementing agencies, the Ministry submitted that:

"The Ministry allocates funds to the States out of the overall budgetary allocation of PMGSY. Further, division of these funds among the districts/Programme Implementation Units (PIUs) at their own discretion as implementation of the scheme is the responsibility of the State Government. Monitoring of funds divided among the PIUs is therefore not done by the Ministry. The broad monitoring of

funds utilization by the States is done during the Regional Review Meetings (RRMs) and the Inter Ministerial Empowered Committee meetings."

88. On being asked as to whether the Ministry has asked the States to pay interest for delay in transfer of programme funds to SRRDA, the Ministry replied as under:

"Prior to the year 2014-15, the Ministry used to release funds directly to the SRRDAs in respective States. However, on the directions of Ministry of Finance, the funds released under all the Centrally Sponsored Schemes were directed to be routed through the State Governments to the beneficiaries. Therefore, since then the funds under PMGSY are first released to the State Government with a request to release it further to SRRDA within a period of 3 days. Further, the State is directed that in case of non-transfer beyond the stipulated period, the Ministry may consider ceasing further releases to the State. Besides, the State Government is also liable to pay interest @12% per annum for the period of delay beyond the specified period to SRRDA."

Diversion of funds

89. In eight States {Haryana (₹ 0.02 crore), Karnataka (₹ 3.48 crore), Kerala (₹ 2.74 crore), Mizoram (₹ 1.33 crore), Sikkim (₹ 3.83 crore), Tamil Nadu (₹ 5.66 crore), Uttar Pradesh (₹ 4.64 crore) and Uttarakhand (₹ 3.45 crore)}, programme fund of ₹ 25.15 crore was diverted towards maintenance fund, administrative expenses fund, activities such as testing of material, State government schemes, salary and wages and transportation of soil, plantation, restoration of damaged properties, etc., which were not covered under the programme.

90. In two States {Rajasthan (₹ 1.50 crore) and Uttar Pradesh (₹ 0.02 crore)}, ₹1.52 crore was utilized for land acquisition from the PMGSY funds in violation of the programme guidelines.

91. In five States {Kerala (₹ 7.25 crore), Manipur (₹ 0.42 crore), Tamil Nadu (₹ 0.44 crore), Tripura (₹ 2.54 crore) and Uttarakhand (₹ 1.13 crore)}, administrative funds of ₹ 11.78 crore were diverted towards inadmissible items such as purchase of vehicles, payment of salaries and wages and purchase or construction of buildings, etc.

92. On being asked as to how the Ministry ensure that funds released for specific purpose are not diverted, the Ministry stated that NRRDA has got a separate division which examines the Audit reports received on yearly basis from the States. The discrepancies found are then raised for rectification with the States.

93. Upon asking about the action taken by the Ministry to ensure that State Governments recoup the programme funds diverted for the purpose not covered under the programme guidelines, the Ministry Stated:

"This is monitored regularly by analysis of the annual audit reports submitted by all the States to NRRDA and the Ministry. The issue of timely recoupment of temporary diversions is also reviewed in RRM's and Inter Ministerial Empowered Committee meetings. This issue is also reviewed at the time of release of funds to the States."

CHAPTER - 6: QUALITY CONTROL, MONITORING AND EVALUATION

94. Audit pointed out that quality and monitoring control mechanisms were deficient in all the tiers of PMGSY. Field laboratories were either not set up or inadequately equipped at work execution sites. Inspections of roads at prescribed stages were not conducted. Action Taken Reports on the rectification of defects pointed out by the State Quality Monitors and National Quality Monitors were pending. Joint inspections with elected representatives were not conducted. Performance Evaluation Committee meetings to evaluate the performance of the National Quality Monitors were not held at prescribed intervals. State Level Standing Committee meetings to monitor progress of ongoing works, quality control, budgeting of maintenance fund, etc were not held regularly. The concept of social audit was not incorporated in the programme guidelines.

95. Submitting their justification in regard to above said Audit observations, the Ministry stated as follows:

"Mandatory establishment of field laboratories by the contractor is a contractual provision under PMGSY contracts. With a view to closely monitor the status of establishment of field laboratory, a provision has been made in OMMAS wherein the PIU is required to upload the geo-referenced photograph of the field lab established by the contractor for the package along with the date of establishment of the field lab.

As regards, inspection of SQMs as per guidelines, in most of the States, required number of inspections is being carried out at different stages. In some States, short fall has been reported due to various reasons including that of shortage of technical personnel. In order to address the issue, the States have been advised to engage outsourcing agencies for discharging the functions of State Quality Monitor (SQM) inspections, increase the number of SQMs. The use of mobile application for quality reporting of works by SQMs have been made mandatory and various MIS reports have been developed in OMMAS to monitor the road-wise SQM inspections. The status in this regard is closely monitored by

respective States and Ministry through various review meetings held from time to time.

With a view to initiate the corrective actions (ATRs) on SQM/NQM observations immediately upon inspection, the NQM/SQM are required to handover inspection report to the PIU immediately after completion of inspection. The time taken to furnish the Action Taken Report by PIU depends upon the nature of defects pointed out by the SQM/NQMs in their reports. In majority of the cases, the Action Taken Report is furnished within the stipulated time period. However, in few cases the defects remain unaddressed for a longer period due to reasons such as termination of contract, litigation and pending forest clearance issues etc. which at times are beyond the control of PIU.

Further, an e-governance initiative to fast track the submission of Action Taken Reports (ATRs) and communication of decisions taken thereon has been taken. The submission of ATRs is not in a manual form but has been moved to the MIS platform i.e. OMMAS. The States are now required to submit the ATRs "online" and acceptance/rejection/clarification on these ATRs is also communicated to the State "online". This has reduced considerably the time taken in this exercise. The status of pendency is closely monitored by the State and the Ministry.

PMGSY Guidelines clearly mandate for joint inspection of PMGSY works by the officials of SRRDA/PIUs and elected representatives (MPs, MLAs and Village sarpanch) in order to strengthen the quality monitoring mechanism. Ministry has regularly advised the State Government (latest circular dated 25th July, 2016) to adopt this system and issue suitable instructions to their field agencies to ensure that joint inspection of PMGSY works with public representatives are regularly carried out. With a view to enable the States and the Ministry to ensure that these joint inspections are periodically carried out and the necessary follow-up action on these is taken, a data repository module has been developed recently in OMMAS where the details of joint inspection carried are updated by the concerned PIUs along with photographs. Necessary instructions have also been given to all the State Governments vide Ministry's letter No. R-13015/3/2016-P-III dated 16.8.2016.

The initial system of independent Performance Evaluation of the NQMs was framed in year 2006 and was firmed up in the year 2007 which required that the meeting of the Performance Evaluation Committee be held at every six months. The periodicity of PEC Meeting could not be maintained as envisaged in the PEC guidelines in initial years. However, now the same is being done on the prescribed basis. The last three meetings have been held on 14th - 16th May, 2014, 1st-4th September 2015 and 29th-31st August, 2016."

96. On being asked as to whether any review has been undertaken to find the systemic flaws in the quality control system to address deficiencies, the Ministry submitted as follows:

"Periodic reviews with all the States on quality issues are undertaken by the Ministry from time to time. In these periodic reviews, deficiencies observed in quality control mechanism, based on SQM/NQM observations, are brought to the notice of concerned States. In order to assist the States to identify and address the systemic issues, reports have been developed in programme MIS i.e. OMMAS. Based on the observations of quality monitors, issues like unsuitable sub-grade soil, non-conforming grading of base and sub-base course material,

inadequate compaction etc. have been observed in a few cases which are rectified by the respective PIUs.

To strengthen the quality control system, the Ministry and NRRDA has initiated following steps:

- i. Mobile app has been developed to facilitate easier upload of georeferenced, stamped & date stamped photos of labs established by contractor for each package of PMGSY roads. This has left to higher number of such lab photos being uploaded on OMMAS and higher degree of compliance.
- ii. Regular orientation trainings of State Quality Monitors (SQMs) are done at State level, NRRDA separately trains the SQMs on use of Mobile apps to upload their inspection report on OMMAS. This reduces delay and promote transparency.
- iii. NQMs are also trained by NRRDA at Indian Academy of Highway Engineers (IAHE) to equip them to council and handhold the field engineers to ensure better quality standards in execution of work.
- iv. Separate trainings on quality issues are organised for field engineers from all States at IAHE, Central Road Research Institute (CRRI), State Technical Agencies, which are either IITs or NITs.
- v. The Action Taken Reports (ATRs) submitted by States on NQM reports are carefully monitored by NRRDA. Some of the ATRs after due consideration are not accepted and such portions of roads are characterised as suffering from 'Non rectifiable defects' and commensurate money is recovered from the contracting agency/State Government.

Experience gained during the last 15 years implementing the programme, it has emerged that the quality control system is functioning well and many States have adopted similar quality monitoring structure for their State Funded Rural Road Schemes and also for those rural roads schemes which have been directly funded by World Bank in the State."

State Level standing Committee

97. According to Para 2.4 of the OM, a State Level Standing Committee (SLSC) shall be set up preferably under the chairmanship of the Chief Secretary for quarterly review of progress of works, quality control, capacity enhancement, land availability, budgeting of maintenance fund, etc.

98. In 10 States (Arunachal Pradesh, Gujarat, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Meghalaya, Tripura, Uttar Pradesh and Uttarakhand), SLSC meetings were not held regularly thereby defeating the effective monitoring of the programme.

99. When asked as to why the State Level Standing Committee meetings were not held regularly and as to how in the absence of such meetings, the Ministry monitor the

progress of ongoing works, quality control, budgeting of maintenance fund etc, the Ministry replied as under:

"The States are holding SLSC meetings based on the requirement of sending annual proposals to the Ministry.

The Ministry regularly monitors the progress of ongoing works, quality control, budgeting of maintenance fund through various channels systematically built in the programme structure of PMGSY. For example, OMMAS provides real time updates on each State's physical progress, Regional Review Meetings (RRMs), which are held for two days, twice a year for regional cluster of States, provide a platform for reviewing physical and financial progress. There is also provision for three-tier quality control mechanism and Empowered Committee Meetings. The State Governments are required to submit Detailed Project Reports (DPRs) to the Ministry for consideration/approval of projects under PMGSY. The project proposals are scrutinized by National Rural Roads Development Agency (NRRDA) to ensure that the proposals are in accordance with the programme guidelines and duly verified by the State Technical Agencies (STAs). These proposals are examined for consideration by the Empowered Committee chaired by Secretary (RD) in the Ministry of Rural Development. The proposals approved by the Competent Authority are conveyed to the State Government to take further necessary action before seeking funds.

Ministry regularly conducts Regional Review Meetings (RRMs) with the nodal department of the State governments, as a measure to monitor the progress and for effective implementation of PMGSY scheme in the States. These RRM also provides a platform for better co-ordination between Centre and State for monitoring of ongoing works, quality inspection and budgeting maintenance fund. For effective monitoring of roads constructed under PMGSY, programme guidelines also envisages a three tier Quality Assurance Mechanism to ensure quality of road works during construction. First-tier of this mechanism is in-house quality control at Programme Implementation Unit (PIU) level. Second-tier is structured as an independent quality monitoring at State level through State Quality Monitors (SQMs) in which provision of regular inspection of PMGSY works has been envisaged. The third-tier is an independent monitoring mechanism at the Central level. Under this tier, independent National Quality Monitors (NQMs) are engaged for inspections of PMGSY roads, selected at random. Action Taken Reports of the road works graded as Satisfactory Requiring Improvement (SRI) and Unsatisfactory (U) by the State Quality Monitors are monitored by the respective State Governments. Similarly, for works graded as Satisfactory Requiring Improvement (SRI) and Unsatisfactory (U) on the basis of observations of National Quality Monitors, Action Taken Reports are monitored and processed by National Rural Roads Development Agency (NRRDA).

The quality monitors (State as well as National) report about the quality of the works in a standardized format. Based on the inspections, the works are categorized as 'Satisfactory' (S), 'Satisfactory Requiring Improvement' (SRI) and 'Unsatisfactory' (U). Roads with non-structural defects are categorized as 'Satisfactory Requiring Improvement' and that of with structural defects as 'Unsatisfactory'. Based on the reports of the quality monitors, the State governments carry out necessary rectification in the road works."

Second tier quality control mechanism

Shortfall in inspections by SQMs

100. Para 11.5.7 of the OM envisages that State Quality Coordinator (SQC) draw up inspections in such a way that every work is inspected at least three times. The first two inspections of every work should be carried out during the execution of work spaced at least three months apart and the last inspection should be carried out on the completion of every work, within one month of its completion. The schedule should be monthly, specifying Block and preferably the road, so as to ensure systematic coverage.

101. Analysis of the OMMAS data showed that SQMs carried out inspections for 51,521 road works during 2010-15 in 29 States. Out of these, 1,671 road works (3.24 per cent) were not inspected even once. 26,691 road works (51.81 per cent) were inspected only once. Audit also observed that some of the road works were inspected more than 10 times as detailed below:

- In Andhra Pradesh, 48 road works were not inspected whereas seven road works were inspected 10 to 18 times.
- In Assam, 124 road works were not inspected whereas four road works were inspected 10 to 13 times.
- In Gujarat, 47 road works were not inspected whereas 21 road works were inspected 10 to 26 times.
- In Madhya Pradesh, nine road works inspected 10 to 16 times, whereas 193 road works were never inspected.
- In Maharashtra, 77 road works were not inspected whereas five road works were inspected 10 to 11 times.

102. It is therefore, evident that SQMs did not carry out the prescribed inspections uniformly.

103. NRRDA accepted the facts and stated that one of the reasons for the shortfall in SQM inspections relate to shortage of trained manpower with inadequate domain knowledge. As regards the exceptionally large number of SQM inspections for a particular work, this needed verification from the States. One of the reasons could be

the multiple entries of the same roads by novice SQMs while trying to upload the quality grading in OMMAS through Mobile Application.

104. Information obtained from the States also showed that the prescribed three inspections were not carried out in 24 States.

105. When asked as to why the SQMs were not conducting required inspections at all prescribed stages, the Ministry stated that:

"In most of the States, required number of inspections is being carried out by SQMs at defined stages. In some States, short fall has been reported due to various reasons including that of shortage of technical personal. In order to address the issue, the States have been advised to engage outsourcing agencies for State Quality Monitor (SQM) inspections, increase the number of SQMs and use the mobile application developed by NRRDA for such inspections."

106. The Committee asked as to whether the Ministry has put any mechanism to ensure that the SQMs carried out required inspections of roads at all prescribed rates. In response, the Ministry replied:

"In order to ensure that each work is inspected at defined stages, a provision has been made in OMMAS, wherein, the State / NRRDA monitors the SQM inspection history of each work. The States during the Regional Review Meetings and Pre-Empowered Committee Meetings are required to explain the reasons for fall in SQM inspection, if any. Further, NRRDA has set annual/monthly targets for each State, for SQM inspections and communicated in the beginning of financial year. The progress in SQM inspections is also monitored by NRRDA on monthly basis and the matter is taken up with the States lagging in achieving the target."

Non-conduct of joint inspection

107. Para 15.10 of the programme guidelines provides that joint inspection of the PMGSY works shall be fixed by engineering staff as per the convenience of elected public representatives, once in six months with Member of Parliament and Zilla Pramukh, once in three months with Member of Legislative Assembly and Chairperson of Mandals concerned and once in two months with Sarpanch of Gram Panchayat concerned.

108. In 17 States (Andhra Pradesh, Arunachal Pradesh, Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Meghalaya, Mizoram, Odisha, Punjab, Sikkim, Telangana, Uttar Pradesh and Uttarakhand), joint inspections of the PMGSY road works with the public representatives were not carried out.

109. The Ministry stated that as a follow-up of provision of Joint inspection, a Circular No. 10/2011 dated 28 July 2011 requesting the State government to ensure joint inspections of field functionaries with public representatives was issued. This has also been insisted at various fora including Regional Review Meetings (April 2016). It is evident however, that the instructions of the Ministry were not followed.

110. The Committee sought to know as to why the joint inspections with the elected public representatives were not fixed and carried out. In response, the Ministry replied:

"PMGSY Guidelines clearly mandates for joint inspection of PMGSY works by the officials of SRRDA/PIUs and elected representatives (MPs, MLAs and Village sarpanch) in order to strengthen the quality monitoring mechanism. Ministry has regularly advised the State Government (latest circular dated 25th July, 2016) to adopt this system and issue suitable instructions to their field agencies to ensure that joint inspection of PMGSY works with public representatives are regularly carried out. With a view to enable the States and the Ministry to ensure that these joint inspections are periodically carried out and the necessary follow-up action on these is taken, a data repository module has been developed recently in OMMAS where the details of joint inspection carried could be updated by the concerned PIUs. Necessary instructions have also been given to all the State Governments vide Ministry's letter No. R-13015/3/2016-P-III dated 16.8.2016."

Delay in submission of ATRs

111. As per para 11.6.3 of the OM, on completion of inspection by NQM, PIU shall furnish Action Taken Report (ATR) to SQC after a period of one month of inspection by NQM. The compilation of ATRs will be carried out by SQC for submission to NRRDA within one month of receipt of grading of the work.

- In Andhra Pradesh, ATRs for two works inspected by NQM in January 2010 and August 2011 were submitted with delays ranging from 8 to 15 months. In Karnataka, under PIU, Kalburgi, NQM inspected one road work in January 2015, ATR was submitted only after 10 months and the same is yet to be accepted by NRRDA.
- In Manipur, in four sampled districts, there was delay ranging from one to 24 months in submitting 11 ATRs by SQC to NRRDA.
- In Sikkim, ATRs in 21 unsatisfactory works reported by NQMs during April 2011 to January 2015 were submitted with a delay of 42 to 721 days.
- In Tripura, there was delay of 3 to 42 months in submitting ATRs. ATRs for seven road works were yet to be submitted.

112. Asked about the reasons for pendency of Action Taken Reports on rectification of defects pointed out by SQMs and NQMs, the Ministry submitted:

"With a view to initiate corrective actions on SQM/NQM observations, the SQM/NQM is required to handover inspection report to the PIU immediately after completion of inspection. The time taken to furnish the Action Taken Report by PIU depends upon the nature of defects pointed out by the SQM/NQMs in their reports. In majority of the cases, the Action Taken Report is furnished within the stipulated time period. However, in few cases the defects remain unaddressed for a longer period due to reasons such as termination of contract, litigation cases and forest clearance issues etc. which are beyond the control of PIU.

As regard to compliance of SQM observations, since, each work is to be inspected thrice during its execution, the action taken by the PIU on the earlier observations of SQM is independently verified by SQM and during the second and subsequent inspection. The effect of earlier quality grading is not taken into account. If the work is graded 'unsatisfactory' upon completion by SQM, the State does not accept the work and the PIU is required to carry out rectification and get the work re-inspected.

As regards ATRs on NQM observations, the pendency has been reduced substantially. Out of the total 7446 ATRs required initially up-to March 2016, 758 are pending with the States. Some of these pending ATRs are for the reasons explained above. However, NRRDA is closely monitoring the pendency status of ATRs with the concerned States.

Further, NRRDA also has issued directions to all States for early submission of pending ATRs. NRRDA has also transited from physical submission of ATRs to "online" submission and acceptance/rejection/clarification on these ATRs is also communicated to the State "online".

Social Audit

113. The PAC in their 72nd Report on the PMGSY (2007-08) to the Fourteenth Lok Sabha recommended that the Ministry should replicate the modalities of social audit incorporated in the guidelines of the MGNREGS. The Ministry in their Action Taken Note (PAC 82nd Report 2008-09, presented to Fourteenth Lok Sabha) stated that a pilot project had been taken up in Karnataka and Odisha with the involvement of local NGOs for sample audit exercise and citizens monitoring of the PMGSY projects. Based on the findings of this project, decision would be taken to formulate appropriate methodology for social audit of the PMGSY projects involving of Panchayati Raj and Civil Society Organisations.

114. The Ministry, in response to the audit observation on progress made so far, stated (April 2016) that the social audit of PMGSY roads, through Citizen Monitoring had now been extended to Jharkhand, Meghalaya, Rajasthan, Assam and Uttarakhand.

In these seven States, 603 Citizen Volunteers were trained for monitoring of quality construction and maintenance of PMGSY roads with the toolkit and training, the volunteers surveyed PMGSY roads in these States for producing data on various qualitative and quantitative aspects of the roads on the condition of roads in both the ongoing and completed works from citizen perspective. The interim report was received and circulated to all the concerned states for taking corrective action.

115. This indicated that the concept of social audit was still at pilot stage. Replicating the modalities of social audit of the Mahatma Gandhi National Rural Employment Guarantee Scheme in this programme was yet to be finalised and incorporated in the programme guidelines.

116. Apprising the Committee about the progress made so far in this regard, the Ministry submitted:

"Public Affairs Center (PAC) was entrusted a pilot project for social audit of rural roads under PMGSY. The PAC had a background of Citizen monitoring of quality of road works in Bengaluru. The project "Citizen monitoring of rural roads under PMGSY" has been implemented in collaboration with NRRDA and SRRDAs and with the technical support from IR RASTA Centre for road technology, Bengaluru, in two phases. The first phase of the pilot project aimed at:

- a) Conceptualization and exploration of Citizen Monitoring of road works under PMGSY.
 - b) Development and trial of monitoring quality and testing equipment kit.
- Under this phase, three States viz., Jharkhand, Meghalaya and Rajasthan were covered. 70 roads in the three States (both ongoing & completed) were identified. PAC facilitated monitoring of rural roads in these States with the help of citizen volunteers. In all, 177 citizen volunteers were trained.

Under phase-II of the project, 20 roads (including 10 ongoing & 10 completed) from each of the 7 States were taken up. In all, 420 citizen volunteers and 49 master trainers were trained.

The final report of the project has been received and shared with all the 7 States with the request to adopt the system of monitoring the road by citizen volunteers."

CHAPTER - 7: JOINT PHYSICAL VERIFICATION

Introduction

117. To assess the implementation of the PMGSY, Joint Physical Verifications of 528 roads in 173 districts of 28 States (except Nagaland) constructed at a cost of ₹1,223.76 crore were carried out by audit teams in the presence of staff of the implementing

agencies. For this purpose, three roads completed during 2010-15 in each selected district were selected randomly. The verification covers execution of work as per laid down specifications, work abandoned mid-way, connectivity to the targeted habitation, maintenance of the road, installation of citizen information boards, PMGSY logo, planting of fruit bearing trees etc.

Summary of findings of joint physical verification

118. 166 road works (31.44 per cent) were not constructed as per the length provided in DPRs which includes 112 cases where variation was more than 100 metres. 20 habitations were provided multiple connectivity. 15 road works were abandoned mid way. Specifications of DPRs were not adhered to in 59 road works, of which, in 44 cases approval of competent authority was not obtained. 46 habitations were not provided all weather road connectivity. 179 roads were not maintained. In 21 road works, boards/logos were not installed. In 485 road works (91.85 per cent), fruit bearing trees were not planted. Out of 71 road works requiring acquisition of land, in 13 road works, land was not acquired. 40 roads were not functional for traffic due to non-construction of causeways, culverts, bridges, to complete stretch, etc. In 77 road works, contracts were concluded without rectification of the defects.

119. While furnishing their views in regard to abovesaid Audit observations, the Ministry stated:

"Before finalisation of Core Network and absence of data on OMMAS, State may have proposed roads providing multiple connectivity to a habitation. Also, there may be a possibility that, after providing connectivity to the unconnected habitations under PMGSY, some of the roads may be improved by the State governments at their own resources. At present, if the habitation is already mapped on the sanctioned roads, PIUs cannot finalise the proposal on OMMAS at the time of proposal entry itself. This will ensure to avoid proposing multi connectivity to a habitation."

120. Upon asking about the action initiated by the Ministry to avoid such inadequacies in future, the Ministry stated:

"i. Ministry have issued necessary guidelines to ensure the land availability to construct the proposed roads by the State Governments through transect walk, approval of Gram Sabha and involvement of public representatives in the planning process,

ii. States have been asked to provide connectivity to a habitation, the road must be taken upto a prominent point within the habitation such as a school, public health centre, Panchayat office etc.

iii. In the initial Phase of PMGSY, the States have not proposed especially Long Span bridges on the PMGSY roads. In order to overcome this difficulty and ensuring all weather connectivity to the habitations, Ministry had issued advisory to the States that, the roads should be proposed with all necessary cross drainage structures and a certificate to this effect should also be appended with the proposal. Also, in case any CD works leftout, in future proposals, no funding will be made from Government of India for inclusion of any CD works. Also, the left out bridges on the sanctioned PMGSY roads prior to 28.04.2011 have been sanctioned by the Ministry based on the proposal received from the States time to time."

CHAPTER - 8: ONLINE MANAGEMENT, MONITORING AND ACCOUNTING SYSTEM

121. Out of 14 modules, Online Fund Processing (OFP) and Analysis of Rate for Rural Roads (ARRR) Module had not been implemented in any State. Receipt & Payment Bank Module to link banks with Programme Implementation Units (PIUs) for transactions and reconciliation had been implemented only in six States. Even after 13 years of introduction of OMMAS, the Ministry still relied on manual Monthly Progress Reports for decision making, as the basic requirement of data updating on OMMAS was not achieved. MIS reports generated through the system were inaccurate and unreliable.

122. Lack of validation controls in OMMAS application led to incorrect data entries which resulted in generation of unreliable MIS reports.

123. IT Nodal Officers were not appointed in three States (Gujarat, Karnataka and Jammu & Kashmir). In four States (Arunachal Pradesh, Karnataka, Tamil Nadu and Uttar Pradesh), there were no supervisory controls for verification/authentication of data entry.

124. The Committee desired to know as to whether the Ministry had analysed the reasons for the non-updation of data by the States and whether the problem has been identified and being addressed. The Ministry in this regard stated as under:

"The Ministry has analyzed this issue and has found that the typical reasons are as follows:

- States have mapped wrong habitations on already sanctioned roads.
- States have wrongly entered the connectivity status of habitations on OMMAS.
- Certain States have prepared their core networks taking village as a unit instead of habitations as per PMGSY guidelines.

- Connectivity status of States connected habitations through their State funded scheme have not been updated on OMMAS.

The updating of data was done by the States and is being monitored regularly by the Ministry through various regional review meetings and Empowered Committee meetings. Now most of the States have reconciled their habitations and finalized. At present, rigorous checks have been made on OMMAS to identify the wrongly mapped habitations in the proposal module at the time of making proposals and system would not allow the State to map wrong habitations which are not mapped in the Core Network. State Governments have been asked to update their physical progress, completed length and financial progress then and there and being reviewed on monthly basis."

125. On being asked about the action taken by the Ministry to rectify deficiencies in the Application control so that data is validated at the time of entry, the Ministry replied that:

"The deficiencies if any received from the State have been rectified immediately and necessary instructions have been passed to the State for correcting their data. Rigorous checks have been developed in the Software to check the proposed length and habitations with reference to the Core Network in the initial stage of proposal entry itself. Also, the checking of length variation between sanctioned length and completed length has also been made on OMMAS. State cannot enter the completed length in more/less than 10% of sanctioned length for which state should get online approval from the Ministry. In such cases, necessary provision has been made on OMMAS for giving online approval. The software issues have been rectified by C-DAC then and there."

126. The Committee further desired to know as to whether the Ministry has any mechanism to ensure that IT infrastructure including presence of IT Nodal office, presence of supervisory provisions for verification and authentication of data is put in place by the States and what action has been taken against the defaulting States. In response, the Ministry submitted as follows:

"The PMGSY programme encompasses a wide range of activities and its success depends on the clear allocation of responsibilities at various levels. As far as data entry in OMMAS is concerned, the data is entered at point of origin, i.e. Programme Implementation Unit (PIU) level. Additions & modifications to data and status are made through role based login by PIU/STA/SRRDA etc. The State IT Nodal Officer (ITNO) is responsible in order to oversee the regularity & accuracy of the data being furnished by the PIUs. The main functions of the IT Nodal officer are as follows:

- Monitoring the progress of data entry at PIU level and apprising the CEO of the SRRDA in case of persistent delay/failure to update data.
- Coordination with the Financial Controller for continued and accurate operating of the payment & fund flow module.
- Coordination with the State Quality Coordinator for ensuring updating of SQM inspection data on OMMAS.

States have been advised to ensure placement of Independent ITNOs, though in some States, this responsibility is discharged by an engineer posted in SRRDA, as an additional charge.

Monthly Progress Reports in hard copy are received from the States and verified in respective Division(s) of NRRDA and the differences, if any are, pointed out to the States through e-mails and also discussed in Regional Review Meetings held almost twice every year for each of the States. It is also to mention, NRRDA has now decided to consider Monthly Progress Reports generated through OMMAS w.e.f 1st January, 2016 and no manual report will be entertained. It is expected that, these will close the issue of data differences in MPR & OMMAS. Programme and Administrative Fund releases are linked with OMMAS."

PART – II
OBSERVATIONS AND RECOMMENDATIONS

1. Rural road connectivity is not only a key component of rural development by promoting access to economic and social services and thereby generating increased agricultural incomes and productive employment opportunities. It is also a key ingredient in ensuring sustainable poverty reduction. Notwithstanding the efforts made, over the years, at the State and Ministry levels, through different programmes, a large number of habitations were not connected by all-weather roads. Even where connectivity has been provided, the roads constructed are of such quality that they cannot always be categorized as all-weather roads. With a view to redressing the situation, the Pradhan Mantri Gram Sadak Yojana (PMGSY), a flagship scheme of the Government of India, was introduced on 25 December, 2000 to provide all-weather rural road connectivity and to access eligible unconnected habitations as a strategy for poverty alleviation and to overcome deficiencies in rural road planning, inadequacy and unpredictability of funds and lack of maintenance of rural roads. The primary objective of PMGSY is to provide connectivity by way of an all weather road, to the eligible unconnected habitations as per Core-Network with a population of 1000 persons and above by 2003 and all unconnected habitation with population of 500 persons and above by 2007. In respect of 'special category States' (North-East, Sikkim, Himachal Pradesh, Jammu & Kashmir and Uttarakhand), the Desert areas, the Tribal (Schedule V) areas and 88 selected Tribal and Backward districts as identified by the Ministry of Home Affairs/Planning Commission, the objective is to connect eligible unconnected habitations as per Core-Network with a population of 250 persons and above. In critical LWE effected Blocks (as identified by Ministry of Home Affairs), additional relaxation have been given to connect habitation with population of 100 to 249 persons too.

2. Examination of the PMGSY by the Committee has revealed several deficiencies in its monitoring and implementation. It was found that some States deviated from the prescribed procedures while preparing District Rural Road Plan and Core Network. Consequently, eligible habitations were either left out or wrongly shown as connected. Some of the road works were taken beyond Core

Network. Involvement of elected public representatives in planning process was also found lacking. Geographical information system data base for rural roads was not created. Project proposals were cleared beyond the permissible indicative fund allocation. As regards the programme implementation, the Committee found that the execution of road work suffered badly due to non-organisation of transect walk which led to dropping and abandonment of works because of land disputes, non-availability of required land and works were shown completed without providing complete connectivity to the targeted habitations. Instances of providing multiple connectivity to habitations in violation of guidelines were also observed. Maintenance funds were neither adequately provided nor fully utilised. Roads constructed under the programme were not properly maintained. Further in case of fund management of PMGSY, the Committee observed that funds released to States for implementation of the programme were considerably reduced during 2012-15 due to unutilized balance with the States. There were instances of non/short delayed release of programme funds. In certain States, Programme funds were diverted and utilized on inadmissible items. Figures of release and expenditure under the Programme maintained by the Ministry did not match with those maintained by the State Governments. The Committee also found that quality and monitoring control mechanisms were deficient in all the tiers of PMGSY. Field laboratories were either not set up or inadequately equipped at work execution sites. Inspections of roads at prescribed stages were not undertaken. Joint inspections with elected Public representatives were not undertaken. Performance Evaluation Committee meetings to evaluate the performance of the National Quality Monitors were not held at prescribed intervals. State Level Standing Committee meetings to monitor progress of ongoing works, quality control, budgeting of maintenance fund etc. were not held regularly. In regard to Online Management, Monitoring and Accounting System (OMMAS), the Committee observed that even after more than 13 years, States were in the process of updating the data. Fund Processing and Analysis of Rate for Rural Roads (ARRR) modules were not implemented. Similarly, absence of application controls led to invalid data entry. MIS reports generated through the system were inaccurate and unreliable. The Committee's scrutiny of the subject and evidence of the Ministry revealed a number of

lacunae, lapses and deficiencies and their findings are dealt with at length in the succeeding paragraphs.

3. In their 72nd Report (14th Lok Sabha) on PMGSY the PAC had recommended that Ministry should replicate the modalities of social audit incorporated in the guidelines of National Rural Employment Guarantee Act (NREGA) in the PMGSY. They had further recommended that time frame should be fixed for preparation and implementation of district/State-wise plan with a view to avoid duplication of expenditure on existing roads, all cases of financial irregularities should be thoroughly probed into, a comprehensive GIS database of Rural Roads Information System should be created for each State, ways and means should be devised to verify and cross check the works sanctioned under the scheme with that of State PWD before embarking on the execution of the works etc. The Committee also recommended that all the works taken up under the scheme should invariably form part of the Core Network, responsibility should be fixed for inordinate delay in finalisation of tenders, States should sponsor those project proposals where there is clear availability of land and necessary clearance from the forest department and other authorities, Ministry should constantly monitor the works undertaken by States and also review the contracting capacity of the States and strengthen the same so as to ensure timely completion of the projects. The Committee desired that the Ministry should closely monitor all cases of liquidated damages in coordination with States so that damages are fully recovered within a definite time period, all possibilities should be explored for setting up and maintenance of quality control Laboratories in all States for periodical test of raw materials used at different stages of roads constructions so as to ensure that quality of roads constructed conform to the specified standards and functioning of OMMS should be reviewed with a view to remove the deficiencies by evolving a practicable action plan. Even though the accounting module of OMMS recommendations were substantially accepted by the Government, most of the deficiencies in the implementation of PMGSY persisted. Expressing serious displeasure over the state of affairs even after 17 years of its existence and non-fulfillment of the commitments made and assurances given, the Committee exhort the Ministry to initiate the requisite measures urgently so

that persisting shortcomings in implementation of PMGSY can be wiped out effectively and efficiently.

4. District Rural Road Plan (DRRP) and Core Network

The Committee observe that District Rural Road Plan (DRRP) is required to clearly identify the proposed roads for connecting the yet un-connected habitations with all weather roads in an economic and efficient manner and is prepared at two levels i.e. block and district. The Committee are constrained to find that in seven States (Andhra Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Meghalaya, Mizoram and Telangana) discrepancies in District Rural Road Plan such as absence of basic information viz details of the population of habitations, status of connectivity, road inventory and maps, non-approval by District Panchayat, taking village instead of habitation as unit of connectivity etc. were observed. Further the Committee find that in 19 States (Andhra Pradesh, Assam, Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Manipur, Meghalaya, Odisha, Rajasthan, Sikkim, Telangana, Tripura, Uttar Pradesh, Uttarakhand and West Bengal), discrepancies such as unconnected habitations shown as connected, eligible habitations not included, habitations placed in wrong population size, etc., were observed in Core Networks (CNWs). In seven States (Andhra Pradesh, Jammu & Kashmir, Kerala, Meghalaya, Punjab, Tripura and Uttar Pradesh), CNWs were not approved in selected districts either by Block Level Panchayat or District Panchayat or State Level Agency. In nine States (Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Odisha, Sikkim, Tamil Nadu and Uttarakhand), road projects of less than 500 metres in plain areas and 1.5 km in hilly areas were included in CNWs. In Meghalaya, 22 habitations lying within 1.5 km from an all weather road/connected habitations were included in the CNW. The Committee are appalled to note that the lack of monitoring mechanism in the Ministry contributed to such a large number of irregularities in the PMGSY programme implementation in aforesaid States. Explaining the reasons for these shortcomings the Ministry submitted that certain States had earlier prepared their DRRP and Core Network based on revenue village as a unit (with population of census 2001), instead of habitation as a unit and certain eligible habitations were inadvertently left-out from the Core Network. The Committee are unable to

understand as to why clear guidelines in this regard were not issued to the States. The Committee desire to know as to whether any stringent measures were taken against the erring States for this omission. Now, the Ministry stated that at present all the States have reconciled their eligible number of unconnected habitations in consultation with MoRD/NRRDA and updated their Core Network and DRRP on OMMAS. Now proposals cannot be finalised by the Programme Implementation Unit (PIU), if the road is not a part of the Core Network and habitations are not mapped on the same CNW road. Also, if the proposed length is more than 50% of Core Network length, the State/PIU cannot finalise the proposal without approval of Ministry/NRRDA. The Committee regret to find that these steps have been contemplated by the Ministry only after being pointed out by Audit. The Ministry remained as a mute spectator through all the 17 years of implementation of this important scheme. Had these steps been taken earlier, the aforesaid irregularities/inadequacies could have been avoided. Further, as regards the involvement of elected local public representatives in preparation and approval of DRRP and CNW, the Committee have been informed that necessary guidelines in this regard were reiterated by the Ministry vide circular No. P-17025/2/2014-RC dated 23.07.2015 and 31.07.2015. The Committee regret to observe that even though guidelines were issued twice within a week of 2015 no other concrete action was taken by the Ministry of Rural Development to ensure that those guidelines were actually implemented in letter and spirit. The Committee, therefore, urge upon the Ministry to take effective steps in constantly monitoring to ensure that guidelines issued are scrupulously followed and implemented by the States.

5. Non-integration of Geographical Information System (GIS)

The Committee in their 72nd Report (14th Lok Sabha) had recommended the Ministry to create a comprehensive Geographical Information System (GIS) database of Rural Roads Information System for each State which could be shared at different levels and by different agencies involved in construction and maintenance of rural roads. In their Action Taken Notes, the Ministry informed (October 2008) that they had initiated the development of stand-alone and web based GIS database for Rural Roads Information System and selected Rajasthan and Himachal Pradesh as pilot States. The system development was entrusted to

C-DAC. It was also conveyed that all the States had been advised to initiate steps to go in for GIS Database Management System. However, Audit in their present review of PMGSY found that despite its assurance to PAC way back in 2008, the Ministry could not create the said system till date. In their reply to Audit the Ministry stated (April, 2016) that a MOU was signed with C-DAC in October 2015 with time of completion in two years from date of advance payment (February, 2016). Thus, the Committee are aghast to observe that as a result of its lackadaisical attitude web based GIS database Management system is yet to be implemented despite assurance given to PAC. They are further constrained to point out that the Ministry had delayed considerably in acting upon the earlier recommendation of the Committee and thereby allowed serious irregularities/distortions to be crept into this vital programme. The Committee would, therefore, desire to take stringent measures against the officials for inexplicable delay in its implementation. As regards the present status of creation of GIS, the Committee have been informed that State Governments have been advised to prepare the GIS database in collaboration with C-DAC. In this direction various training programmes have been conducted for State officials. In first phase, 8 States would create GIS database by October, 2017. While welcoming the steps taken to create the GIS database in 8 States the Committee hope that the Ministry would keep unremitting vigil over its timely completion as the target date of completion i.e October, 2017 had already been elapsed. The Committee are constrained to observe that the Ministry have again failed to fulfill its own commitment to ensure the C-DAC to complete the GIS Database Management System in all States by February, 2018. The Committee, therefore, desire that, PMGSY being one of the prestigious schemes of Central Government aimed at creating all weather roads in rural areas of the country, the Cabinet Secretary may take the lead in ensuring scientific, transparent and timely implementation of the programme.

6. Comprehensive New Connectivity Priority List (CNCPL)/Comprehensive up-gradation Priority List (CUPL)

The Committee note that Para 3.3.1 of the Operations Manual (OM) envisages that once the CNW is ready, the States are required to prepare Comprehensive New Connectivity Priority List (CNCPL), at block and district level

of all proposed road links, grouping them in the order of priority based on population size i.e., 1000+ habitations first, 500+ habitations second and 250+ habitations last. The programme guidelines provide that a Comprehensive Upgradation Priority List (CUPL) is prepared in respect of those districts where no new connectivity is required to be done. The CUPL is to be verified on sample basis through the State Technical Agencies (STA) and the National Quality Monitor (NQM). The CNCPL/CUPL shall be placed before the district panchayat for its approval. The MP/MLA is to be given a copy of the CNCPL/CUPL and their suggestions and suggestions of lower level panchayati raj Institutions shall be given the fullest consideration by the district panchayat while according its approval. The Committee observed several deficiencies in CNCPL/CUPL. The Committee are appalled to note that in 11 States (Arunachal Pradesh, Bihar, Himachal Pradesh, Jharkhand, Manipur, Meghalaya, Nagaland, Sikkim, Tripura, Uttar Pradesh and Uttarakhand), the deficiencies such as inclusion of road projects both in CNCPL and CUPL, exclusion of road projects, inclusion of habitations below admissible population size, CNCPL having more eligible habitations than CNW, inclusion of already connected habitations in CNCPL, inclusion of Through Routes in CNCPL, CUPL prepared without conducting PCI survey, etc., were observed in CNCPL and CUPL. In six States {Arunachal Pradesh, Jharkhand, Kerala (except Malappuram), Manipur, Meghalaya (except West Garo hills) and Tripura}, evidence of obtaining/considering suggestions and recommendations of elected representative viz., Members of Parliament, Members of the State Legislative Assembly and Panchayati Raj Institutions was not on record. Arunachal Pradesh, Jammu & Kashmir and Jharkhand (five districts), CNCPL/CUPL were not approved by district panchayat. In Manipur and Meghalaya (four districts), there was no evidence of approval of CNCPL and CUPL from district panchayat/DRDA. In Jammu & Kashmir, Karnataka and Meghalaya, the CUPL was not verified by STA and NQM. In Arunachal Pradesh, Jharkhand, Manipur and Tamil Nadu, there was no evidence of verification of CUPL from STA/NQM. In Uttar Pradesh, the CUPL was verified by STA in only three out of 18 districts. However, the required verification of CUPL by NQM was not done in any district. In West Bengal, none of the five districts had any documents to indicate that STAs carried out any ground verification of CUPL. The Committee cannot help expressing their serious concern over the manner in

which this matter was dealt with by the Ministry. They are surprised as to how funds were released to these States without ensuring that their guidelines in this regard were properly followed or not. the Committee note that in order to remove aforesaid deficiencies several steps were reported to have been taken by the Ministry viz. provision for generation of CNCPL based on population and on order of priority and CUPL based on Pavement Condition Index (PCI) developed on OMMAS. The State Governments have been asked to conduct PCI surveys for all rural roads every two years. Necessary advisory has also been issued to verify the Pavement Condition Index through independent consultant/STA (third party verification) to ensure that the CUPL is drawn as per order of priority mentioned in the PMGSY guidelines. State Technical Agencies (STAs) have also been advised to verify the CNCPL and CUPL at the time of scrutiny of DPRs." The Committee have serious concern over the manner in which the Ministry released funds without satisfying themselves that the CNCPL and CUPL are properly verified by the State Technical Agencies on the basis of the prescribed guidelines. The Committee are of the considered view that proper connectivity of all weather roads in rural areas being the foundation of PMGSY, any flaw in the system will gravely vitiate its very objective. They, therefore, desire the Ministry of Rural Development to deal the issue with more seriousness and take appropriate corrective measures to clean up the system. The Committee exhort that all cases of irregularities should be thoroughly investigated and responsibility of the erring officials fixed for the lapses. The Ministry should also consider withholding of financial assistance to the defaulting States.

7. Clearance of Works in excess of allocation of funds

Para 4.4.1 of the OM stipulates that States may, each year, distribute its own allocation among the districts giving at least 80 per cent for providing new connectivity and up to 20 per cent for upgradation. The district-wise allocation of funds will also be communicated to the National Rural Road Development Agency (NRRDA) and STAs in order to enable them to scrutinize the DPRs of the district. Depending on the extent of new connectivity backlog, absorption capacity, position of the ongoing works, etc., the State will be asked to prepare DPRs for up to twice the allocation. The Committee find that the Ministry cleared proposals valued much more than the indicative allocations. According to the Ministry it was a

usual practice to do over-programming under PMGSY and in order to achieve the objective of the programme, a large number of clearances were given to various States. The Committee are surprised to note that Ministry's clearances ranged between 107 to 1,134 percent in excess of guidelines. In this regard Committee have been informed that it is difficult to clear proposals every year with their value restricted to the annual allocation of the States and then expect the States to complete the projects well within time. According to the Ministry the pace of implementation of the scheme does get affected with lesser release of funds. Thus, for accelerated execution of PMGSY, the Ministry of Rural Development in consultation with the Ministry of Finance and the State Governments have formulated an Action Plan to achieve the target of scheme early, with enhanced financial allocation to the States and modified funding pattern in the Scheme. Therefore, in view of the availability of substantial additional funds under the scheme with the new funding pattern between Centre and the State and enhanced allocation by the Government; all the States have been asked to get approval for sanctions of balance works under PMGSY as per the mandate of the scheme by December, 2016 and to substantially complete them by March, 2019, so as to provide connectivity to target habitations. While welcoming the steps taken to enhance the budget allocation to States and awaiting their impact on the achievement of targets by March, 2019, the Committee would like to know whether any analysis of present level of fund requirement of States, expenditure incurred by them and funds remained unutilised therewith was done by the Ministry before enhancing the allocation of funds. The Committee desire the Ministry to keep constant vigil over the States to ensure proper synchronisation of available excess funds and fixation of targets for better achievement of the objectives. They would also like to be apprised of the present position of the targets set for completion of work in all the States, achievement made so far, States lagging behind in achievement of targets and action taken thereagainst.

8. Transect Walks not organised

Programme guidelines prescribe that Programme Implementation Units (PIU) will organise transect walk to discuss and finalize the issues relating to alternative alignments, land requirements for the road and its impact on land owners etc., with the members of the local community. A copy of the proceedings

along with digital photographs of the transect walk shall be attached with the finalised DPR. The Committee are constrained to observe that in 17 States (Andhra Pradesh, Assam, Bihar, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Meghalaya, Nagaland, Sikkim, Tamil Nadu, Telangana, Tripura, Uttar Pradesh and West Bengal), transect walk was either not organised or required certificate/documents were not found attached with DPRs. Failure to implement this significant procedure at the time of project preparation led to dropping or abandoning of works mid-way due to land disputes, non-availability of required land and other reasons. In this regard, the Ministry stated that they had regularly pressed upon the State Governments to carry out transect walk along the proposed alignment of the road, consultation of key holders and the local community at the time of preparation of DPRs as mandated in the Programme Guidelines dated 28.04.2011 & 27.07.2011. Ministry had also amended its guidelines on 02.09.2014 directing all the States to include women PRI members and representatives of Women Self Help Groups (SHGs) in the transect walk at the time of preparation of DPRs. All DPRs also mention the fact of transect walk having been taken and append photographs of the same. The Committee feel that mere issuance of guidelines would not yield the desired results unless these are complied with both in letter and spirit. The Ministry also did not apprise as to whether they had received any feedback from the State Governments on transect walk and whether it undertook any study in this regard. While expressing their concern over this the Committee desire the Ministry of Rural Development to look into this vital area and take effective steps to ensure that transect walks are organised by the States as prescribed in the guidelines, failing which, penalty should be imposed on States for abandoning the works mid-way due to non-conducting of transect walk. Quarterly Reports from the States should be obtained in order to regularly monitor the transect walk organised by them. The Committee would also like to be apprised of the impact of including women Panchayati Raj Institution members and representatives of women Self Help Groups in the transect walk.

9. Works dropped/abandoned

The Committee are constrained to note that in 12 States {Assam (5), Bihar (12), Gujarat (14), Jharkhand (23), Madhya Pradesh (73), Meghalaya (2), Odisha

(268), Telangana (20), Tripura (16), Uttar Pradesh (13), Uttarakhand (56) and West Bengal (36)), 538 works were not commenced and were subsequently dropped or proposed to be dropped due to non-availability of land or land disputes. Besides, 372 works in 11 States {Andhra Pradesh (1), Assam (22), Chhattisgarh (1), Madhya Pradesh (2), Maharashtra (5), Meghalaya (1), Odisha (107), Rajasthan (213), Telangana (4), Uttar Pradesh (7) and West Bengal (9)}, were abandoned/proposed to be abandoned mid-way on similar grounds after incurring expenditure of ₹ 280.01 crore. Further, in 13 States {Andhra Pradesh (27), Assam (2), Bihar (319), Gujarat (11), Jammu & Kashmir (53), Jharkhand (278), Karnataka (19), Kerala (50), Madhya Pradesh (253), Tripura (8), Uttar Pradesh (502), Uttarakhand (3) and West Bengal (25)}, 1,550 works were dropped or proposed to be dropped for the reasons such as works executed under other State schemes, transfer of roads to other departments, deficient planning, remote location to carry the material, works already sanctioned in earlier years, works executed by other agencies, naxal problem, no response to the bid, etc. In Kerala, out of 503 works in hand as of March 2015, 56 works valued at ₹ 40.94 crore (which included works sanctioned from 2001-02 onwards) were identified as 'non-feasible for execution', 'taken up by other agency', etc., and proposed to be dropped from the list of works in August 2015. Out of these 56 works, an expenditure of ₹ 2.40 crore had already been incurred on 17 works rendered wasteful. Surprisingly, no mechanism exist in the Ministry and the States to monitor the works dropped or abandoned mid-way. The Committee are not convinced with the reasons given for non-completion of works. Proper consultation, advance planning and farsightedness could have prevented wastage of money. The various deficiencies/shortcomings that have been noticed for dropping or abandoning the works mid-way points to the lack of effective scrutiny, absence of monitoring mechanism either at States or at Ministry level. The Committee, therefore, recommend that Ministry should streamline/strengthen their monitoring mechanism so that the works are reviewed periodically, completed properly and expeditiously. The Ministry have now stated that as per guidelines, tracking the land available along the entire proposed alignment, ensuring the land free from all encumbrances etc. is the responsibility of the State Government/District Panchayat. PMGSY does not provide funds for land acquisition. The State

Government lay down guidelines for voluntary donation, exchange or other mechanisms to ensure availability of land. However, the Ministry is closely monitoring the projects pending for want of land. Regular meetings have been held with Ministry of Environment, Forests and Climate Change for expediting the pending clearance. The Committee find the explanation given by the Ministry as totally untenable since being a nodal agency, the Ministry should have anticipated these issues and adequate measures taken for removal of the same well before sanctioning of the scheme. The Committee are constrained to note that in their 72nd Report (14th Lok Sabha), they had recommended the Ministry to ensure that State sponsor only those project proposals where there is clear availability of land and necessary clearance from the forest department and other authorities are obtained so that the works are not abandoned or left incomplete mid-way. While accepting the recommendation, the Ministry had stated that instructions that a certificate of land availability must accompany the proposal for each road had been reiterated. Clear availability of land would be kept in view while sanctioning projects so that in future works are not dropped due to non-availability of land. That this had not been done is inexplicable. Now, as regards the steps taken to get the incomplete works completed on priority basis, the Committee have been apprised that the Ministry holds regular review meetings of all the States, region-wise in which the incomplete and problematic works are thoroughly reviewed to expedite the balance works completed on priority. Further, as a strategy to ensure completion of long pending PMGSY works, the Ministry in collaboration with NRRDA has impressed upon the States to prepare PIU-wise, month-wise completion plan for such pending PMGSY works. In view of this, the Committee expect the Ministry to hold regular review meetings with the States to finish pending works. In this regard, guidelines may be suitably amended by prescribing periodical review meetings, imposition of strict penalty etc. so as to have purposeful monitoring and control over the pending projects. The Committee would like to be apprised of the conclusive action taken by the Ministry to prevent dropping/abandonment of works midway thereby saving valuable money of the exchequer.

10. Irregularities in inviting tenders

According to Para 11.1 of the programme guidelines, after clearance of the project proposals and technical sanction accorded the Executing Agency would invite tenders. The Committee find that in 11 States, {Andhra Pradesh (35), Haryana (1), Himachal Pradesh (14), Jammu & Kashmir (138), Jharkhand (38), Manipur (69), Meghalaya (58), Rajasthan (158), Telangana (15), Tripura (4) and Uttarakhand (78)}, tenders for 608 works were invited prior to their technical sanction by the competent authority. According to provision 8.2 of the OM, in cases where variation between DPR and technical sanction exceeds 10 per cent, prior approval of the NRRDA is required to be sought before tendering the works. The Committee observe that in six States {Assam (12), Himachal Pradesh (3), Kerala (30), Tamil Nadu (163), Telangana (1) and Tripura (4)}, despite variation ranging from 11 to 500 per cent in 213 road works/packages, prior approval of the NRRDA was not obtained before inviting tenders. Further, as per para 7.11 of the OM, tendering process shall begin within 15 days of getting approval of the proposals from the Ministry. In nine States (Arunachal Pradesh (16), Jammu & Kashmir (161), Jharkhand (94), Manipur (469), Meghalaya (65), Rajasthan (3767), Telangana (1), Uttar Pradesh (132) and West Bengal (467)}, tenders for 5,172 works/packages, were invited with a delay ranging between 2 to 971 days which in turn delayed the award and execution of works. The Committee regret to point out that this is yet another classic example of lack of monitoring on the part of Ministry resulting in irregularities in tendering process under PMGSY. Further, they have not attributed any reasons for these delays/shortcomings. The Committee are distressed to observe that in their 72nd Report (14th Lok Sabha) they had recommended the Ministry to take up the matter with the States so as to fix responsibility on the concerned authorities for inordinate delay in finalisation of tenders. The Ministry accepted the recommendation and stated that States had been advised to closely monitor the delays in tendering every month and in case of inordinate delays action for fixing responsibility be taken. However, the present Audit Report revealed that no concrete measures have been taken by the Ministry in this regard since 2008. The Committee, are dismayed to note that the Ministry of Rural Development are yet to fix responsibility on the officials of the concerned State for inordinate delay in finalisation of tenders. The Committee

strongly deprecate the failure of the Ministry to act sternly against such omissions. They desire that the matter should be vigorously pursued for investigation and to fix responsibility. In this regard, the Ministry stated that in case the irregularities committed in tendering process are established to have happened, the State Government concerned are required to take necessary action against the contractor /bidder as per the provisions of bidding document and impose penalties such as debarring the contractor from future bidding under PMGSY and can also blacklist the contractor. In case the lapses are committed on the part of Government officials, necessary disciplinary action is to be taken by the respective State Governments as per their conduct rule. The Ministry have shirked away from taking any responsibility in this regard. The Committee feel that the Ministry should suitably take up the matter with the State Governments for ensuring to prevent delays/irregularities in tendering process in future besides apprising States to take stringent action against the officials responsible for such omissions. The Committee may be apprised of the details of action taken against the erring States within six months of presentation of this report.

Non-recovery of mobilisation and equipment advance

11. The Committee note that in five States, {Assam (₹ 0.37 crore), Bihar (₹ 0.50 crore), Himachal Pradesh (₹ 0.25 crore), Mizoram (₹ 0.30 crore) and Sikkim (₹ 0.38 crore)}, ₹ 1.80 crore of mobilisation and equipment advance in respect of eight road works/packages was not recovered despite termination of contract/dropping of work. In four States {Haryana (₹ 2.75 crore), Jammu & Kashmir (₹ 0.44 crore), Jharkhand (₹ 1.51 crore) and Uttar Pradesh (₹ 4.76 crore)}, ₹ 9.46 crore remained unrecovered even after initial stipulated date of completion of work. In Sikkim, in 50 works, mobilisation and machinery advance of ₹ 18.06 crore was not recovered due to non-commencement of works even after one to six years of their sanction. There were cases of irregular grant of mobilisation and equipment advances viz. in Rajasthan, PWD Circle, Dungarpur, under package RJ-14-WB-BN-12, machinery advance of ₹ 0.44 crore was given for the machinery hypothecated to a private bank. In Uttarakhand, in 16 cases, mobilisation advance of ₹ 4.91 crore was provided in excess of maximum ceiling of five per cent of the initial contract prices. Bank guarantee was not obtained from the contractor against mobilisation advance of ₹ 0.66 crore in two cases and equipment advance of ₹ 0.64 crore in one

case. Further, in one case, invoice of machine purchased was not obtained for equipment advance of ₹ 0.58 crore. Thus, undue benefits were extended to the contractors in the above cases rendering loss to the Government exchequer. The Committee are concerned to note that no information regarding recovery of mobilisation and equipment advances have been made available to them by the Ministry. Rather they have informed that there is an effort to reduce such advances at the earliest and States have been time and again asked for recovery of mobilisation and equipment advances. The Committee desire that the Ministry of Rural Development should tighten their control and take effective steps for recovery of mobilisation and equipment advances. They further recommend that all cases as pointed in the Audit Paragraph should be thoroughly investigated and action taken against those found guilty. The Committee would like to be informed of the action taken in the matter. The Committee desire to be apprised of the present status of recovery of such advances.

12. Works shown as completed without complete connectivity to targetted habitations

The Committee note that in seven States (Bihar, Gujarat, Jharkhand, Madhya Pradesh, Tamil Nadu, Tripura and West Bengal), 73 road works were executed and shown as completed without providing complete connectivity to the targetted habitations due to non-availability of required land, non-clearance by railways, non-construction of required bridges, etc. Out of this, 72 road works were executed at a cost of ₹ 120.03 crore. The Committee regret to point out yet another instance of casual and lackadaisical attitude displayed by the Ministry in implementing the PMGSY scheme. The Committee are perturbed to note that the Ministry of Rural Development have neither spelt out the reasons for the same nor they have apprised the Committee about the action taken against the States for these lapses. Rather the Ministry were unaware of lapses or kept silence until these were pointed out by Audit and the subject was subsequently taken up for detailed examination by the Committee. The Committee cannot but deplore the Ministry and concerned State Governments in wasting public money due to improper planning and for not making serious attempts to provide complete connectivity to the targetted habitations. In order to avoid such instances the Ministry have now informed that they had engaged Centre for Geo-Informatics

Application in Rural Development (C-GARD) of National Institute of Rural Development & Panchayati Raj, Hyderabad to use space technology in the monitoring of PMGSY works on sample basis (5 States, 10 districts). Based on the outcome of the Report, the Ministry have decided to universalize the scheme in all the States/districts." The Committee are concerned to note that the Ministry have not provided the data as to when they had engaged the C-GARD and in which States/districts the PMGSY works were monitored on sample basis and what was the outcome of such monitoring based on which the Ministry decided to universalize the scheme in all the States/districts. The Ministry also did not mention as to whether any recent survey was undertaken to identify unconnected habitations and the parameters for monitoring the achievements of the scheme. The Committee would like to be informed of such details and recommend that all the 73 road works should be probed into and stringent penal measures taken against the responsible officials. The Ministry should also take up the matter with the concerned States/Railways for timely completion of connectivity of roads to the targetted habitations and apprise the Committee about the present status of connectivity within three months from the presentation of the Report. The Committee hope that the Ministry will be able to identify unconnected portions and deficiencies in the quality of roads.

13. Multiple connectivity of habitations

Para 3.10 of programme guidelines envisage that only single road connectivity will be provided to eligible unconnected habitations. If a habitation is already connected by way of an all weather road, then no new work can be taken up under the PMGSY for that habitation. The Committee find that in nine States (Arunachal Pradesh, Gujarat, Jammu & Kashmir, Jharkhand, Karnataka, Nagaland, Rajasthan, Uttar Pradesh and West Bengal), 36 habitations were provided with more than one connectivity. Out of this, 31 habitations were provided multiple connectivity at a cost of ₹ 29.49 crore. In this regard, the Committee have been apprised that if any case comes to the notice of the Ministry where multiple connectivity has been provided to the habitation, the concerned State Government is asked to conduct enquiry of the road through a team of State Quality Monitors (SQM) and share the report with the Ministry. Based on the findings of the report, State is required to take appropriate action

against the erring officials. State is also expected to bear the cost of the road from its own fund and the same is adjusted in the further releases to be made to the State. The Committee, therefore, desire to know whether any enquiry of these 36 cases by SQM was done, if so, what were their findings and suggestions to overcome such instances in future. Whether any responsibility has been fixed against the erring officials. The Committee would also like to know if the cost of the multiple connectivity has been borne by the State Governments concerned. The Committee are of the considered view that accurate identification of habitations is necessary for achieving intended benefits of the programme and any flaws in this process particularly multiple connectivity which would vitiate its objective. Thus, the Committee desire that the Ministry should evolve a suitable mechanism to avoid such instances in future.

14. Release and utilisation of maintenance fund

According to Para 17 of the guidelines, State Governments are required to undertake the maintenance of the entire CNW and develop sustainable sources of funding for undertaking the maintenance functions. Details of maintenance fund collected from State Governments showed variations in the figures of release and expenditure as compared to the figures maintained by the NRRDA. Information provided by NRRDA showed that 27 States released ₹ 3,018.10 crore in maintenance fund from 2010-11 to 2014-15 as against requirement of ₹ 3,279.97 crore. In three States (Bihar, Haryana and Punjab) short release was more than 40 per cent of the fund required for maintenance. The Committee consider it a sad state of affairs that the States are not releasing proper funds for the maintenance works and no action has so far been taken by the Ministry against them for short release of maintenance funds. The Committee are further constrained to observe that the States as a whole utilized 66 per cent of the requirements during this period. However, in seven States (Andhra Pradesh, Assam, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand and Tripura), less than 50 per cent of the fund required was used. The audit observation was confirmed by NQMs who found that out of 7,144 road works, 1,370 works were not maintained at all and 3,095 works were poorly maintained. From the facts stated above, it is evident that there was failure on the part of the Ministry of Rural Development to properly monitor the release/utilization of funds by the States under the scheme. The

Committee are distressed to note that even though the scheme was introduced way back in 2000, the Ministry have not yet been able to evolve any mechanism for ensuring proper allocation/utilisation of funds by the States. Considering the fact that the PMGSY was meant to play a vital role in the socio-economic growth of the rural community by providing them roads; the Committee consider it unfortunate that no mechanism was evolved by the Ministry to ensure full utilisation of funds for intended purposes. As regards the steps taken to ensure that the States provide funds for crucial maintenance of roads constructed under PMGSY, the Ministry informed that during regional review meetings and Empowered Committee Meetings, State Governments are being requested to ensure proper maintenance and upkeep of PMGSY roads and full utilization of maintenance funds. States have also been requested for having a dedicated Rural Road Maintenance Policy. So far, 14 States i.e. Himachal Pradesh, Uttarakhand, Uttar Pradesh, Punjab, Rajasthan, Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, Tamil Nadu, Assam, Meghalaya, West Bengal and Haryana have formulated their State Rural Roads Maintenance Policy. Remaining States are being regularly requested during various meetings to formulate and notify Maintenance Policy. While expressing their dissatisfaction over the steps taken in this regard, the Committee urge upon the Ministry to investigate in coordination with State Governments all such cases of short release/non-utilisation of funds and ask them to fix responsibility against the officials for omissions. They also recommend that in future penalty should be imposed on the defaulting States who fail to release/utilise funds for maintenance. Ministry should also consider withholding of Grants to State Governments upon noticing such irregularities. The Committee would like to be apprised of the present status of formulation of Rural Road Maintenance Policy by all the States.

15. Shortcomings in release of funds to States

The Committee observe cases of non/short/delayed release of funds to the States due to non-availability of funds, non/late submission of documents by the States, non fulfillment of the conditions laid down for release of second instalment and slow progress of road works. While accepting the fact of short release, the Ministry replied that works sanctioned to the States were two to three times their allocation resulting in spillover to subsequent years and reduction in

the allocations in the revised estimate stage. From the year 2015-16, the Ministry have started to release funds of PMGSY without obtaining any documents from States to ensure smooth functioning at the onset of financial year. Further releases during the year are made on the basis of 60% utilization of funds by the States and only after documents proving the same are submitted to the Ministry along with certain other mandatory requirements, the funds are released to the Consolidated Fund of the State with the directions to release this fund to the bank account of State Rural Road Development Agency (SRRDA) within three working days. The Committee therefore, desire that the Ministry should take all possible measures to ensure that sufficient release of funds to the States in time and all cases of financial irregularities probed into and appropriate action against the erring officials.

16. Delay in transfer of funds by State Governments

As per the programme guidelines (as modified from time to time), from 2014-15 onwards, funds are released to the State Consolidated Fund with directions to transfer these funds to SRRDA's account within three days from the date of its receipt failing which the State Government is liable to pay interest at 12 per cent per annum for the period of delay beyond the specified period. Audit observed that in 11 States (Andhra Pradesh, Arunachal Pradesh, Assam, Jammu & Kashmir, Karnataka, Manipur, Meghalaya, Mizoram, Punjab, Rajasthan and Uttarakhand), funds amounting to ₹ 2,693.89 crore released during 2014-15 were transferred to the SRRDAs with delays ranging from 7 to 202 days. As a result, the States were liable to pay interest of ₹ 50.37 crore to the SRRDAs. In three States (Andhra Pradesh, Arunachal Pradesh and Karnataka), funds amounting to ₹ 89.32 crore, received during 2014-15, were not transferred to the respective SRRDAs as of May/September 2015. The Committee are deeply concerned over non-transferring of funds to SRRDA within three days of its receipt by the States. The Committee observe that unauthorised parking of funds by the States and non-utilisation thereof would lead to non/delayed achievement of targets thereby defeating the objectives of PMGSY. The Committee, therefore, recommend that specific cases as reported by Audit should be enquired into and funds lying with States are disbursed along with interest at 12% per annum for the period of delay and utilised for the intended purpose. The Ministry have now stated that apart

from other measures to watch delayed release of funds by the States, the States have been directed that in case of non-transfer beyond the stipulated period, the Ministry may consider withholding further releases to the State. The Committee taking note of these steps desire that in future suitable measures should be taken by the Ministry against the States for such violation. The Committee would await a report on the precise action taken by the Ministry on each of the specific cases unearthed by the Audit as well as similar such cases which came to the notice of the Ministry.

17. Diversion of funds

The Committee find that in eight States, {Haryana (₹ 0.02 crore), Karnataka (₹ 3.48 crore), Kerala (₹ 2.74 crore), Mizoram (₹ 1.33 crore), Sikkim (₹ 3.83 crore), Tamil Nadu (₹ 5.66 crore), Uttar Pradesh (₹ 4.64 crore) and Uttarakhand (₹ 3.45 crore)}, programme fund of ₹ 25.15 crore was diverted towards maintenance fund, administrative expenses fund, activities such as testing of material, State Government schemes, salary and wages and transportation of soil, plantation, restoration of damaged properties, etc., which were not covered under the programme. In two States, {Rajasthan (₹ 1.50 crore) and Uttar Pradesh (₹ 0.02 crore)}, ₹ 1.52 crore was utilized for land acquisition from the PMGSY funds in violation of the programme guidelines. In five States, {Kerala (₹ 7.25 crore), Manipur (₹ 0.42 crore), Tamil Nadu (₹ 0.44 crore), Tripura (₹ 2.54 crore) and Uttarakhand (₹ 1.13 crore)}, administrative funds of ₹ 11.78 crore were diverted towards inadmissible items such as purchase of vehicles, payment of salaries and wages and purchase or construction of buildings, etc. In this regard, the Ministry apprised that NRRDA has got a separate division which examines the audit Reports received on yearly basis from the States and discrepancies found are then raised for rectification with the States. Further, the issue of timely recoupment of temporary diversions is also reviewed in RRMS and inter Ministerial Empowered Committee meetings. The issue is also reviewed at the time of release of funds to the States. However, the Committee observe that provisions of PMGSY Accounts Manual provides that the Chartered Accountant while conducting audit of SRRDA should pay special attention that SRRDA used all the funds in accordance with the relevant financing arrangements, with due attention to economy and efficiency and only for the purpose for which they were

provided. The Committee are constrained to find that the Ministry did not apprise about the mechanism available with them to ensure that funds released for specific purpose are not diverted. The Committee therefore, desire to be apprised of as to whether cases of diversion of funds, which came to the notice of the Ministry after certification of accounts did not form a part of audit report of the Chartered Accountant and also the cases pointed out by Audit have ever been taken up with the Chartered Accountant who certified the accounts. Since diversion of funds from intended purposes reflects poor fund management besides reducing the fund availability for the desired purposes, the Committee recommend that in future the Ministry should ensure that suitable penal actions are taken to check diversion of funds and steps like withholding of funds to such States should be done.

18. Quality control, Monitoring and Evaluation

The Committee are constrained to observe that quality and monitoring control mechanisms were deficient in all the tiers of PMGSY. Field laboratories were either not set up or inadequately equipped at work execution sites. Inspections of roads at prescribed stages were not conducted. Action Taken Reports on the rectification of defects pointed out by the State Quality Monitors and National Quality Monitors were pending. Joint inspections with elected representatives were not conducted. Performance Evaluation Committee meetings to evaluate the performance of the National Quality Monitors were not held at prescribed intervals. State Level Standing Committee meetings to monitor progress of ongoing works, quality control, budgeting of maintenance fund, etc were not held regularly. The concept of social audit was not incorporated in the programme guidelines. The Committee are constrained to observe as to how with a large number of deficiencies in quality control, monitoring and evaluation, absence of joint inspection with elected representatives etc. the Ministry as well as State Governments are ensuring proper and effective implementation of such a vital programme. In this regard, the Ministry submitted that the deficiencies observed in the quality control mechanism, based on SQM/NQM observations are brought to the notice of concerned States. In order to assist the States to identify and address the systemic issues, reports have been developed in programme MIS i.e. OMMAS. Further several steps are stated to have been taken by the

Ministry and NRRDA to strengthen the quality control system *viz.* developing of Mobile app to facilitate easier upload of geo-referenced, stamped & date stamped photos of labs established by contractor for each package of PMGSY, roads, holding of orientation trainings of SQMs on use of mobile apps to upload their inspection report on OMMAS, organising trainings of NQMs and field engineers, careful monitoring of ATRs submitted by States etc. The Ministry have, therefore, stated that the quality control system is functioning well and many States have adopted similar quality monitoring structure for their State Funded Rural Road Schemes and also for those rural roads schemes which have been directly funded by World Bank in the State. While appreciating the steps taken by the Ministry, the Committee expect the Ministry to constantly monitor the same and ensure that quality monitoring structure is established in all States so that systemic flaws in quality control, monitoring and evaluation are timely detected and sorted out. Since quality control is a vital component of PMGSY to maintain quality of roads, the Committee desire that Ministry should exercise quality control at three stages *viz.* firstly at the stage prior to construction, secondly during the construction phase and thirdly quality checks by the field engineers after completion of each stage of construction so that the roads get longer life and do not get damaged immediately after the construction. The Committee also desire the Ministry to advise the States to devise a suitable mechanism for fixing responsibility and accountability on the erring officials. The Committee further urge the Ministry to investigate all the cases pointed out by audit and apprise them about the action taken thereon.

19. Shortfall in inspections by SQMs

Para 11.5.7 of the OM envisages that State Quality Coordinator (SQC) draw up inspections in such a way that every work is inspected at least three times. The first two inspections of every work should be carried out during the execution of work spaced at least three months apart and the last inspection should be carried out on the completion of every work, within one month of its completion. The schedule should be monthly, specifying Block and preferably the road, so as to ensure systematic coverage. The Committee observe that SQMs carried out inspections for 51,521 road works during 2010-15 in 29 States. Out of these, 1,671 road works (3.24 percent) were not inspected even once. 26,691 road

works (51.81 percent) were inspected only once. From the detailed scrutiny, the Committee find that in Andhra Pradesh, 48 road works were not inspected whereas seven road works were inspected 10 to 18 times. In Assam, 124 road works were not inspected whereas four road works were inspected 10 to 13 times. In Gujarat, 47 road works were not inspected whereas 21 road works were inspected 10 to 26 times. In Madhya Pradesh, nine road works inspected 10 to 16 times, whereas 193 road works were never inspected. In Maharashtra, 77 road works were not inspected whereas five road works were inspected 10 to 11 times. It is therefore, evident that SQMs did not carry out the prescribed inspections uniformly. According to Ministry, in some States, short fall has been reported due to various reasons including that of shortage of technical personnel. In order to address this issue, the States have been advised to engage independent agencies for State Quality Monitor inspections, increase the number of SQMs and use the mobile application developed by NRRDA for such inspections. Further, NRRDA has set annual/monthly targets for each State for SQM inspections and the progress of the same is also monitored by NRRDA on monthly basis and the matter is taken up with the States lagging in achieving the target. The Committee while welcoming these steps taken by the Ministry for streamlining the process of inspections, recommend that the Ministry should ensure that the inspections are carried out as per the specifications mentioned in the guidelines and any aberration noticed in this regard should be dealt with sternly. Penal measures should be taken against the States in the aforesaid cases pointed out by Audit.

20. Delay in submission of Action Taken Reports (ATRs)

As per para 11.6.3 of the OM, on completion of inspection by NQM, PIU shall furnish Action Taken Report (ATR) to SQC after a period of one month of inspection by NQM. The compilation of ATRs will be carried out by SQC for submission to NRRDA within one month of receipt of grading of the work. In Andhra Pradesh, ATRs for two works inspected by NQM in January 2010 and August 2011 were submitted with delays ranging from 8 to 15 months. In Karnataka, under PIU, Kalburgi, NQM inspected one road work in January 2015, ATR was submitted only after 10 months and the same is yet to be accepted by NRRDA. In Manipur, in four sampled districts, there was delay ranging from one to 24 months in submitting 11 ATRs by SQC to NRRDA. In Sikkim, ATRs in 21

unsatisfactory works reported by NQMs during April 2011 to January 2015 were submitted with a delay of 42 to 721 days. In Tripura, there was delay of 3 to 42 months in submitting ATRs. ATRs for seven road works were yet to be submitted. Evidently, the system of submission of Action Taken Reports was totally inadequate and leaves a lot to be desired. The Committee, therefore, desire that the Ministry of Rural Development should ensure regular and effective monitoring of receipt of Action Taken Reports at various levels. The Ministry stated that in majority of cases, the ATR is furnished within the stipulated time period. However, in few cases the defects remained unaddressed for a longer period due to reasons such as termination of contract, litigation cases and forest clearance issues etc. which are beyond the control of PIU. The Committee have now been informed that out of total 7446 ATRs required upto March, 2016, 758 are pending with the States. However, NRRDA is closely monitoring the pendency status of ATRs with the concerned States. In this regard NRRDA issued directions to all States for early submission of pending ATRs. NRRDA has also transited from Physical submission of ATRs to 'online' submission and acceptance/rejection/clarification on these ATRs is also communicated to the State 'online'. The Committee, however, regret to note that neither penal measures have been initiated against those States where ATRs are pending for submission for such a long time nor any responsibility has been fixed in this regard. The Committee deplore the failure of the Ministry on this aspect and would like to be furnished with a detailed Report about remedial/corrective action taken against the States as well as officers responsible for the omission. The Committee would also like to be apprised of the present status of receipt of 758 ATRs pending with the States.

21. Social Audit

The Public Accounts Committee in their 72nd Report (14th Lok Sabha) on PMGSY had recommended that the Ministry should replicate the modalities of social Audit incorporated in the guidelines of the MGNREGS. The Committee are constrained to observe that the concept of social audit was still at pilot stage in PMGSY. Replicating the modalities of social audit of the Mahatma Gandhi National Rural Employment Guarantee Scheme in this programme was yet to be finalised and incorporated in the programme guidelines. However, the Ministry

accepted the Committee's recommendation and stated that based on the pilot project taken up in Karnataka and Odisha with the involvement of local NGOs for sample audit exercise and citizens monitoring of projects, decision would be taken to formulate appropriate methodology for social audit of PMGSY projects. Now, the Ministry submitted that a project named 'Citizen monitoring of rural roads under PMGSY' has been implemented in collaboration with NRRDA and SRRDAs and with the technical support from IR RASTA centre for road technology, Bangaluru. The final report of the project has been received and shared with all the seven States with the request to adopt the system of monitoring the road by citizen volunteers. The Committee would like to be apprised of the final Report of the Project. They would also desire the Ministry to ensure proper monitoring of the conduct of social audit by citizen volunteers regularly. Further, in order to achieve the goals of social Audit, the Ministry should also ensure that volunteers are aware of their rights to participate in the ongoing process of social audit, their entitlements and obligations under the scheme. The Committee while reiterating their earlier recommendation desire the Ministry to replicate the modalities of social audit of the MGNREGS be incorporated in the guidelines of PMGSY with immediate effect.

22. Joint Physical Verification

As regards the joint physical verification, the Committee found that 166 road works (31.44 per cent) were not constructed as per the length provided in DPRs which includes 112 cases where variation was more than 100 metres. 20 habitations were provided multiple connectivity. 15 road works were abandoned mid way. Specifications of DPRs were not adhered to in 59 road works of which, in 44 cases approval of competent authority was not obtained. 46 habitations were not provided with all weather road connectivity. 179 roads were not maintained. In 21 road works, boards/logos were not installed. In 485 road works (91.85 per cent), fruit bearing trees were not planted. Out of 71 road works requiring acquisition of land, in 13 road works, land was not acquired. 40 roads were not functional for traffic due to non-construction of causeways, culverts, bridges, to complete stretch, etc. In 77 road works, contracts were concluded without rectification of the defects. In this regard, the Ministry have informed the Committee that at present, if the habitation is already mapped on the sanctioned roads, PIUs cannot

finalise the proposal on OMMAS at the time of proposal entry itself. This will ensure to avoid proposing multi connectivity to a habitation. Ministry have also issued necessary guidelines to ensure the land availability. States have been asked that in order to provide connectivity to a habitation, the road must be taken upto a prominent point within the habitation such as school, Public health centre, Panchayat office etc. Ministry had also issued advisory to the States that, the roads should be proposed with all necessary cross drainage structures and a certificate to this effect should also be appended with the proposal. In case any CD work left out, in future proposals, no funding will be made from Government of India for inclusion of any CD works. Also the left out bridges on the sanctioned PMGSY roads prior to 28.04.2011 have been sanctioned by the Ministry based on the proposal received from the States from time to time. The Committee hope that with the initiation of aforesaid measures the Ministry of Rural Development would be able to avoid such instances in future. They also desire that the Ministry would take suitable steps so as to ensure that their advisory/instructions would be followed by all the States in letter and spirit and any aberration noticed should be sternly dealt with. The Committee are perturbed to observe that as per the joint physical verification, 179 roads were not maintained, in 21 road works logos/boards were not installed and in 485 roads (91.85 per cent), fruit bearing trees were not planted. The Ministry have failed to furnish any reply to the above shortcomings. The Committee, therefore, desire to be apprised of the punitive action taken and the measures adopted to ensure that such irregularities are not repeated in future. Action taken in all the cases pointed out by Audit and present position thereof may also be intimated to the Committee within three months of the presentation of the Report.

23. Need for reliable data on Online Management, Monitoring and Accounting System

The Committee are constrained to observe that out of 14 modules, Online Fund Processing (OFP) and Analysis of Rate for Rural Roads (ARRR) Module had not been implemented in any State. Receipt & Payment Bank Module to link banks with Programme Implementation Units (PIUs) for transactions and reconciliation had been implemented only in six States. Even after 13 years of introduction of OMMAS, the Ministry still relied on manual Monthly Progress

Reports for decision making, as the basic requirement of data updating on OMMAS was not achieved. In this regard the Committee have been informed that NRRDA has decided to consider Monthly Progress Reports (MPRs) generated through OMMAS w.e.f. 1st January, 2016 and no manual report will be entertained. The Committee would like to be apprised of the present status of generating of Monthly Progress Report through OMMAS. They also sought to know whether all the States upload their MPRs through OMMAS or not and what stringent measures have been taken against the defaulting States. The Committee further find that MIS reports generated through the system were inaccurate and unreliable. Lack of validation controls in OMMAS application led to incorrect data entries which resulted in generation of unreliable MIS reports. In their 72nd Report (14th Lok Sabha) the Committee had recommended that the Ministry should review the functioning of OMMAS with a view to remove deficiencies by evolving an action plan. It was also recommended that the accounting module of OMMAS should be urgently implemented. The Committee also desired that the States should take necessary steps to update the online information and wherever OMMAS had not been installed, the Ministry should take necessary steps to install the system immediately. In their Action Taken Note, the Ministry submitted that an overall review of the functioning of the OMMAS was carried out in consultation with the States. The deficiencies in the system were assessed and an action plan has been prepared. The software issues have been addressed by C-DAC. The performance of the States in updating data on OMMAS is being reviewed regularly. However, the present Audit review revealed that Monitoring of Programme through OMMAS was still ineffective as data fed into the system was not updated or reliable. While deploring for misleading the Committee in this regard, the Committee recommend the Ministry to effectively monitor the functioning of OMMAS with a view to remove the deficiencies pointed out by Audit in its operationalisation without further loss of time so as to make it an effective tool for monitoring of the Programme. The Committee would also like to be apprised of as to whether any target date has been fixed by the Ministry for fully shifting to online system (OMMAS) and any mechanism is in place to reconcile the financial figures with its data. The Committee further find that IT Nodal Officers (ITNOs) were not appointed in three States (Gujarat, Karnataka and Jammu & Kashmir). In four States (Arunachal Pradesh, Karnataka, Tamil Nadu

and Uttar Pradesh), there were no supervisory controls for verification/authentication of data entry. In this regard, the Committee have been informed that the States have been advised to ensure placement of Independent ITNOs. The Committee feel that mere advisories to the States would not yield the desired results unless some stringent penalties are imposed on them for not appointing the ITNOs. The Committee would like to be apprised of the present status of appointing the ITNOs in all the States and availability of reliable data on OMMAS of all States.

NEW DELHI;
27 March, 2018
6 Chaitra, 1940 (Saka)

MALLIKARJUN KHARGE
Chairperson,
Public Accounts Committee

**MINUTES OF SECOND SITTING OF SUB-COMMITTEE VI (SOCIAL SECTOR)
OF THE PUBLIC ACCOUNTS COMMITTEE (2016-17) HELD ON 25TH OCTOBER,
2016.**

The Sub-Committee sat on Thursday, the 25th October, 2016 from 1530 hrs to 1700 hrs in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Shiv Kumar C. Udasi

Convenor

Members

LOK SABHA

2. Dr. P. Venugopal
3. Shri Gajanan Chandrakant Kirtikar

LOK SABHA SECRETARIAT

1. Shri T. Jayakumar - Director
2. Smt. Anju Kukreja - Under Secretary

**OFFICERS OF THE OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

1. Shri Mukesh Prasad Singh - DG (Central Expenditure)
2. Shri V. Ravindran - DG (Report Central)

**REPRESENTATIVES OF THE MINISTRY OF RURAL DEVELOPMENT
(DEPARTMENT OF RURAL DEVELOPMENT)**

1. Shri Amarjeet Sinha - Secretary
2. Smt. Seema Bahuguna - Special Secretary
3. Shri Rajesh Bhushan - Joint Secretary
4. Smt. Alka Upadhyay - Joint Secretary
5. Shri Ajay Shanker Singh - Chief Controller of Accounts
6. Dr. Nagesh Singh - Chief Economic Advisor

2. At the outset, Hon'ble Convenor welcomed the Members and Officers of the C&AG of India to the sitting of the Sub-Committee. The Convenor then apprised the Members that the sitting had been convened to take oral evidence of the representatives of the Ministry of Rural Development (Department of Rural Development) on the subject "Pradhan Mantri Gram Sadak Yojana" based on C&AG Report No. 23 of 2016.
3. The Officers of the C&AG of India briefed the Sub-Committee on the issues relating to the subject "Pradhan Mantri Gram Sadak Yojana". Thereafter, the representatives of the Ministry of Rural Development (Department of Rural Development) were called in. The Convenor during his introductory remarks highlighted the several deficiencies in planning process, programme implementation, fund management, quality control, monitoring and evaluation, online management and accounting system etc of the PMGSY.
4. The Convenor further observed that some States deviated from the prescribed procedures while preparing District Rural Road Plan and Core Network. Some of the road works under the 'Pradhan Mantri Gram Sadak Yojana' were taken beyond Core Network. He pointed out that involvement of elected representatives in planning process was also found missing.
5. As regards programme implementation, the Convenor pointed out that the execution of road work suffered due to non-organisation of transect walk. Works were shown completed without providing complete connectivity to the targeted habitations. Instances of providing multiple connectivity to habitations were also observed. Maintenance funds were not adequately provided and utilized.
6. He further observed that quality and monitoring control mechanisms were deficient in all the tiers of PMGSY. Field laboratories were either not set up or inadequately equipped. Inspections of roads were not conducted. Performance Evaluation Committee meetings and State Level Standing Committee meetings were not held regularly.
7. Before commencing the examination, the Convenor made it clear that the deliberations of the Sub-Committee were confidential and were not to be divulged to any outsider until the Report on the subject was presented to the Parliament. The Sub-Committee then proceeded with the examination of the subject.
8. The Convenor and Members sought clarifications on various issues which inter-alia included rectification of complaints lodged through the application "Meri Sadak", connectivity of Western Part to the Eastern Part of the country, e-tendering of projects,

penalising of contractors who run away before completion of the work, amount of funds allocated for rural roads during the last five years under PMGSY, percentage of its utilisation and reasons for the non-utilisation of funds earmarked for this purpose. The Convenor also sought to know about the study, if any, done by the Ministry in regard to transect walk. Questions were also raised about survey of unconnected habitations, parameters for monitoring the achievement of this scheme, reasons for delayed release of funds by the States to the implementing agencies etc. The representatives of the Ministry clarified the various issues raised by the Convenor as well as the Members and assured that the remaining information sought by them would be furnished to the Sub-Committee expeditiously. The Convenor has also directed the Secretary, Rural Development to inform the Chief Secretary of Jharkhand Government that Member of Parliament of the area should invariably be invited during the inauguration of PMGSY.

8. Before concluding, the Convenor thanked the representatives of the Ministry of Rural Development (Department of Rural Development) and also asked them to furnish the information that was sought during the sitting within 14 days. The Convenor also thanked the Officers of the office of the C&AG of India for providing valuable assistance to the Sub-Committee in the examination of the subject. The Convenor also informed that the Sub-Committee will have one more sitting in connection with examination of this subject.

The witnesses, then, withdrew.

A copy of the verbatim proceedings was kept on record.

The Sub-Committee then adjourned.

MINUTES OF THE SIXTH SITTING OF THE SUB-COMMITTEE VI (SOCIAL SECTOR) OF THE PUBLIC ACCOUNTS COMMITTEE (2017-18) HELD ON 14TH MARCH, 2018.

The Sub-Committee VI (Social Sector) of Public Accounts Committee sat on Wednesday, the 14th March, 2018 from 1500 hrs to 1540 hrs in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Shiv Kumar C. Udasi

- Convenor

Members

LOK SABHA

2. Dr. P. Venugopal
3. Shri Gajanan Chandrakant Kirtikar

RAJYA SABHA

4. Shri Bhubaneswar Kalita

LOK SABHA SECRETARIAT

1. Shri T. Jayakumar - Director
2. Smt. Anju Kukreja - Under Secretary

OFFICERS OF THE OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

1. Shri R. K. Ghose - Dy CAG (RC/LB)
2. Ms. Mamta Kundra - DG Audit (Central Expenditure)
3. Shri J. S. Karape - Pr. Director (PAC)

2. At the outset, Hon'ble Convenor welcomed the Members and Officers of the office of C&AG of India to the sitting of the Sub-Committee. Thereafter, he invited suggestions of the Members on the draft Report relating to the subject "Pradhan Mantri Gram Sadak Yojana" based on C&AG Report No. 23 of 2016. After some deliberations, the Sub-Committee adopted the draft Report with minor amendments/modifications and authorised the Convenor to finalise the Report in the light of factual verification done by the Audit.

The Sub-Committee then adjourned.

Glossary of Terms and Abbreviations

Term	Meaning
AADT	Average Annual Daily Traffic
ADB	Asian Development Bank
AMC	Annual Maintenance Contract
ARRR	Analysis of rate for rural roads
ATN	Action Taken Notes
BADP	Border Area Development Programme
BGRF	Backward Region Grant Fund
BT	Black Topped
CATACT	Computer Assisted Audit Tools (Interactive Data Extraction and Analysis)
CBR	California Bearing Ratio is a test to evaluate the strength of earth surface.
CD	Cross Drainage (CD) is a structure constructed to allow a free passage to water under the road surface from one side to the other.
CDAC	Centre for Development of Advanced Computing
Chainage	An imaginary line used to measure distance, often corresponding to the centre of a straight road (surveying). A distance measured along such a line.
CNCPL	Comprehensive New Connectivity Priority List
CN	Core Network
COBIT	Control Objectives of Information and related Technology published by IT Governance Institute, formed by Information Systems Audit and Control Association, USA
CPSU	Central Public Sector Undertakings
CUPPL	Comprehensive Upgradation Priority List
CVPD	Commercial vehicle per day
DDP	Desert Development Programme
DLVMMC	District Level Vigilance and Monitoring Committee
DPR	Detailed Project Report
DRDA	District Rural Development Agency
DRRP	District Rural Road Plan indicates the entire existing road network system in the district and also clearly identifies the proposed roads to provide connectivity to eligible unconnected habitations.
EMD	Earnest Money Deposit
GBS	Gross Budgetary Support

Abbreviation	Meaning
GC	General Condition of Contract
GIS	Geographical Information System
GP	Gram Panchayat
GSS	Granular Sub-base is sub-base of the road which is constructed with Granular material.
HC	A cluster of population, living in an area, the location of which does not change over time.
HSDE	High Speed Diesel
IAP	Integrated Action Plan (Naxal Affected Districts)
IRC	Indian Road Congress
IT	Information Technology
ITNO	Information Technology Nodal Officer
BLP	Block Level Panchayat
LC	Distance for which material was carried
LR	Link Route
LSB	Long Span Bridge
LWE	Left Wing Extremist
MB	Measurement Book
MDR	Major District Road
MIS	Management Information System
MNP	Minimum Needs Programme
MRD	Ministry of Rural Development
MU	Memorandum of Understanding
MPPR	Monthly Progress Report
LR emerging directly from TR	A Link Route emerging directly from Through Roads (TR) of category National Highway or State Highway or Major District Road (MDR).
MGNREGS	Mahatama Gandhi National Rural Employment Guarantee Scheme.
ML	Main Rural Link
NABARD	National Bank for Agriculture and Rural Development
NIT	Notice Inviting Tender
NQM	National Quality Monitors are independent monitors (individuals/agency) engaged by the NRRDA.

शब्द (Word)	विवरण (Description)
NERADDA	National Rural Road Development Agency
ODR	Other District Road
OFD	Online Fund Processing
OM	Operations Manual
OMMS	Online Management and Monitoring System
OMMSA	Online Management, Monitoring and Accounting System
PA	Public Accounts Committee
PTC	Group of works put to tender in one lot
PU	Poverty Alleviation Unit
	Pavement Condition Index (PCI) indicates the condition of a road and is derived from Pavement Condition Survey. Three methods have been prescribed to conduct the survey. These are based on Visual Inspections, Riding Comfort and Driving Speed. The survey yield pavement condition index of 1 to 5. Under Visual Inspection method, PCI value 1,2,3,4 and 5 reflects the condition of a road as Very Poor, Poor, Fair, Good and Very Good respectively.
	Performance Evaluation Committee
	Programme Implementation Unit (Work executing agency in the field)
	Premix Carpet
	Probability Proportional to Size Without Replacement-A sampling procedure under which the probability of a unit being selected is proportional to the size of the ultimate unit, giving larger clusters a greater probability of selection and smaller clusters a lower probability. In this method, once a unit is selected, it is removed from the population and selection of another unit is done from the remaining population
	Panchayati Raj Institution
	Public Works Department
	Quality Control Register
	Reinforced Cement Concrete
	Roller Compacted Cement Concrete Pavement
	Rural Road Manual
	Standard Bidding Document
	State Highway
	State Level Standing Committee
	Schedule of Rates

	State Quality Coordinator
	State Quality Monitor
	Satisfactory Requiring Improvements
	State Rural Road Development Agency
	Simple Random Sampling Without Replacement - Data collection in which each package in the population has normally an equal chance of being selected
	State Technical Agency –Reputed Technical Institutions and have been identified by NRRDA in consultation with each state government to provide technical support to the Programme Implementation Units
	Where the value of the tender received exceeds the estimated cost of the work.
	Through Routes (TR) collect traffic from several link routes (LR) or a long chain of habitations and lead it to marketing centres either directly or through the higher category roads i.e., District Roads or State/National Highways.
	This is organised by the Assistant Engineer to ensure land availability and finalise the alignment.
	Where quoted bid value is lower than the estimated cost.
	Value Added Tax
	Water Bound Macadam
	Zila Parishad