

No. G-20/1/2017-GA
Government of India
Ministry of Water Resources, River Development and Ganga Rejuvenation
(General Administration)

Shram Shakti Bhawan, Rafi Marg,
New Delhi, dated 23.05.2019

Subject: Forwarding of records/information to visiting audit party of Director General of Audit, Scientific Departments for FY 2017-18.

Please find enclosed **Audit Memo No.59** dated: 23.05.2019 received from the Audit Party from O/o the Director General of Audit, Scientific Departments, New Delhi, who is conducting Audit of Ministry for the year FY 2017-18.

2. The requisite information may kindly be sent to Audit Party immediately to Room No. 19 'A', Shram Shakti Bhawan. In case of electronic file, they may send to eoffice ID-**eoffice-mowr**.

Encl: As above.



(Ram Lal Singh)
Section Officer (GA)
Ph: 011-23719816

To,

Sr. Joint Commissioner (FM), MoWR, RD & GR, Block-11 CGO Complex, New Delhi.

Copy to:

1. Controller of Accounts, MoWR, RD & GR, Shastri Bhawan.



जल शक्ति - जल संवर्धन



C&AG's Audit Party

OFFICE OF THE DIRECTOR GENERAL OF AUDIT
SCIENTIFIC DEPARTMENTS, NEW DELHI-110002
Camp: MoWR, RD&GR, New Delhi

Audit Memo No.59
Dated: 23.05.2019

Subject: North Koel Reservoir Project
Kind Attn. Sr.J.C(FM)

The North Koel Reservoir Project was conceived in the late 60's by the Irrigation Department, Govt. of Bihar and Administrative Approval (AA) for Rs.30 crore was accorded by the Govt. of Bihar in 1970. The project is situated on the North Koel river, tributary on Sone river. It aims to provide irrigation to 111,521 hectares of land annually in the most backward and drought prone areas in Bihar. The project comprises of three main components. These are-

Unit-I (a) Concrete cum Masonry dam at Kutku

(b) A pick-up barrage at Mohammadganj which is 96 km downstream of the dam along river course

Unit-II- North Koel Canal system and

Unit-III- Miscellaneous work of distribution system and maintenance

The dam is 343 m long and 67.86 m high concrete dam across the river in Latehar district in Kutku to store 1.17 lakh hectare-meter of water. A 819.60 m long Mhammadganj Barrage at 96 km downstream of the dam in Garhwa district is also part of the project. The 109.34 km long Right Main Canal ex-barrage (including 31.40 km length in Jharkhan and remaining length in Bihar will irrigate 1,11,800 hectare in Bihar and 12,470 hectare in Jharkhand. The 11.89 km long left main canal ex-barrage will irrigate 2320 ha in Jharkhand only. The irrigated areas are in Aurangabad and Gaya district of Bihar and Old Palamau district of Jharkhand. It also proposes hydro-power generation (2X12 MW) and 35 acre feet of water will also be available for drinking and industrial uses.

The construction of the project originally had started in 1972. Barrage and appurtenants, the pre-construction works i.e. approach roads, colonies, workshop, stores etc. were taken up in the year 1973-73 and were completed by the year 1977-78. The construction of barrage was started from left abutment in February 1979. The weir bays nos. 1 to 6 were partially completed till June 1980. Thereafter the design was modified on the recommendation of CWPRS and further works upto bay no.40 were taken up in January 1982. By the end of June, 1985 the entire length of the barrage upto crest level was completed and was taken advantage of in heading up water on the u/s and diverting some discharge into main canal by making improvised arrangements in absence of the head regulator during the Kharif season of 1985. The supplies of water into canal varied from 8.5 to 14 cumecs depending upon the river discharge and an area of 11000 hectare was irrigated for the first time.

The construction of Main canal was started in the year 1976 and by 1979 most of the quantities of Earthwork were done. However, the lining of main canal lagged behind which was mostly completed upto R.D.181 by the end of the financial year 1984-85 and fully completed upto June 1985 before opening it for irrigation. Below R.D.181 lining work was yet to be done. 23 nos. of bridges and 27 nos. of C.D. works in Main Canal were completed upto 31.03.1985 and 16 nos. regulators, 23 nos. of bridges, 25 nos. of C.D. works and 3 nos. of Escapes were in various stages of construction which were subsequently completed by June 1985.

The construction of dam was started in the year 1978 and almost 90% has been completed. After enactment of Forest (Conservation) Act, 1980, Govt. of Bihar had (June 1982) sent a diversion proposal to the MoEF for diversion of 4170.48 ha of forest land under Daltonganj South Forest Division in Palamu District. The proposal was examined in the Ministry (MoEF) and some essential information were sought vide Ministry's letter dated 03.07.1982 and 30.07.1986.

As the State Govt. did not submit the required information, the proposal was rejected by the Ministry vide its letter No.8-178-82 dated 16.12.88. MoEF granted EC to the project vide letter no.3/89//80-HTC/EN-V dated 02.01.1984 subject to the eight conditions. As per point no. 8 of the condition, the buffer zone of the Palamu National Park was to be extended to the North Koel and 13 villages thus affected should be rehabilitated outside.

After the intimation from MoEF regarding closure of forest diversion proposal (December 1988), State Govt. had decided to close the slice gates of the North Koel Reservoir project which would result in submergence of forest land, part of which is Palamau Tiger Reserve. MoEF intimated (July 1993) the State Govt. that the work on the project has been carried out without obtaining approval under FC Act, which amounts to a very serious violation of the said act and requested to ensure that the work on the project is immediately stopped and responsibility fixed against the erring officials.

After the formation of the new State of Jharkhand, the Govt. of Jharkhand submitted a proposal which involved diversion of 6023.53 hectare of forest land to the State Forest Department instead of 4122.108 hectare originally proposed. The State Govt. stated land involving 6203.51 ha which is different from the earlier proposal of 4170.48 hectare. The area to be diverted for the project was changed, which is against para 4.14(i)© of the guidelines issued under Forest Act, 1980. The proposal also involved huge areas of Palamau Tiger Reserve and diversion of land coming under National Park/Wildlife Sanctuary cannot be submitted without obtaining prior approval of the NBWL and Hon'ble Supreme Court.

The dam and barrage and Left Main Canal (LMC) remain completely in Jharkhand while Right Main Canal (RMC) partly in Jharkhand (0 Km – 31 Km) and remaining in Bihar (31 Km-109 Km).

The total cost of the project as assessed on date is Rs 2391.36 crore. An expenditure amounting to Rs. 769.09 crore has been incurred on the project till date. The Union Cabinet has approved the proposal for completing the balance of the North-Koel reservoir project in Jharkhand &

Bihar at an estimated cost of Rs 162.27 crore during three financial years. The common components amounting to Rs.1013.11 crore of balance works would be funded by the Central Government as a grant from PMKSY Fund. This would include cost of Net Present Value (NPV) and Compensatory Afforestation (CA) which comes to Rs.607 crore and Rs.43 crore respectively. The Central Government will also fund 60% of the cost of balance works amounting to Rs.365.5 crore (Bihar Rs.318.64 crore and Jharkhand Rs.46.86 crore) from Long Term Irrigation Fund (LTIF) under PMKSY as grant from the States of Bihar and Jharkhand. The States of Bihar and Jharkhand will arrange 40% of remaining cost of balance works amounting to Rs.243.66 crore (Bihar 212.43 crore and Jharkhand 31.23 crore) as loan from LTIF through NABARD at the rate which is not subsidised and is related to market borrowing cost with no interest subvention

As per the approval (August 2017) of Cabinet, execution of balance works of North Koel Reservoir Project has been assigned to turnkey basis to WAPKOS Ltd. as Project Management Consultant (PMC). Contract agreement has been signed with WAPKOS Ltd. in September 2017 for execution/completion of balance works of North Koel Reservoir Project, Jharkhand & Bihar at an estimated cost of Rs.1622.27 crores.

The Cabinet also approved storage of water in dam restricted at lower level than envisaged earlier to reduce the submergence and to protect Betla National Park and Palamau Tiger Reserve.

The total cost of the project as assessed on date is Rs 2391.36 crore. An expenditure amounting to Rs. 769.09 crore has been incurred on the project till date.

As per the agreement the PMC shall be responsible for complete management and construction supervision of all the activities for the execution/completion of the balance work as the scope of the work within completion period of 30 months as per para 5.2 where as the duration of the contract shall be till completion of the execution/completion of the balance work. However, it is not cleared the actual date of completion of the project.

Almost 800.00 crores of expenditure has been made in this project. National Wildlife Board (NWB) has cleared the project in June 2017 with certain conditions. Stage-II Forest clearance accorded by the MoEF&CC on 27.11.2018.

In this connection, the following information may please be furnished to Audit alongwith supporting documents:

1. Confirm the facts and figures.
2. Copy of the Cabinet approval dated 14.08.2017
3. Reasons for non submission of required information by State Govt. to MoEF in 1988.
4. Reasons for non obtaining the approval from MoEF as mentioned by the Ministry in its letter dated 14.07.1993 to stop the work.
5. Reasons for change of diverted area of forest land in earlier proposal and proposal sent in 2009.

6. Reasons for non obtaining prior approval of the NWBL on this project as it involve huge areas of Palamau Tiger Reserve .
7. Year wise release by the Ministry since inception of the project and expenditure thereagainst upto March 2019 including release to WAPCOS separately.
8. Whether environmental, wildlife and forest clearance have been received by the State Governments till March 2018. If yes, the copy of the same. If not, reasons for starting the project without obtaining such essential clearances.
9. Reasons for non mentioning the actual date of Completion of balance works of the project.
10. Copy of the clearance of NWB .



Sr.Audit Officer

To
The Director, GA
MOWR, RD&GR, New Delhi.