PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.

2. Chapter I deals with the findings of performance audit in Health, Medical Education and Family Welfare; Rural Development and Social Welfare, Women and Child Development departments. Chapter II deals with the findings of transaction audit in the Agriculture and Sugarcane Development; Art, Culture, Sports and Youth Affairs; Building Construction; Civil Aviation; Drinking Water and Sanitation; Forest and Environment; Health, Medical Education and Family Welfare; Rural Development; Road Construction; Social Welfare, Women and Child Development; Tourism; Water Resources and Welfare departments. Chapter III deals with the comments on Chief Controlling Officer based audit of the Science and Technology Department.

3. Chapter IV contains observations arising out of audit of Government Companies and Statutory Corporations. Audit of accounts of Government Companies is conducted by the Comptroller and Auditor General of India under the provisions of Section 619 of the Companies Act, 1956.

4. Reports containing (a) observations on finances of the State Government and (b) observations on revenue receipts are being presented separately.

5. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 2009-10 as well as those which had come to notice in the earlier years but could not be included in the previous Reports. Matters relating to the period subsequent to 2009-10 have also been included, wherever necessary.

OVERVIEW

The Report includes four chapters containing four performance audit reviews, 26 transaction audit paragraphs and a report on Chief Controlling Officer based audit of the Science and Technology department.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling methods as well as on the basis of judgment. The audit conclusions have been drawn and recommendations made, taking into consideration, the views of the Government.

Audit comments on the performance of some Government departments and programmes as well as the working of the Science and Technology department are given below:

1. Performance Audit of Pradhan Mantri Gram Sadak Yojana

The Pradhan Mantri Gram Sadak Yojana (PMGSY), a 100 *per cent* Centrally sponsored scheme, was launched in December 2000. The primary objective of PMGSY was to provide connectivity, by way of all-weather roads (with necessary culverts and cross-drainage structures operable throughout the year) to eligible unconnected habitations in rural areas. The department failed to provide connectivity to the targeted habitations. Only nine *per cent* habitations were connected with all-weather roads during the period 2005-10. It was noticed that the contractors had submitted fake/cross/duplicate copies of invoices for procurement of bitumen. Government money was defalcated without actual procurement of bitumen as well as actual execution of work by making false entries in the measurement books. Contractors were favoured in realisation of liquidated damages, grant of mobilisation advances and equipment advances. The quality of roads was compromised due to non-rectification of defects reported by the National Quality Monitor/State Quality Monitor as well as doubtful procurement of bitumen.

[Paragraph 1.1]

2. Working of Rajendra Institute of Medical Sciences, Ranchi

The Rajendra Institute of Medical Sciences (RIMS) was set up in 2002 by the State Government. It was conceived as a centre of excellence in the areas of medical research and medical education, while serving as a hospital for specialised medical services. Under the Pradhan Mantri Swasthya Suraksha Yojana (PMSSY), a national project initiated in the year 2004 by GOI, RIMS was also selected for upgradation as a super-speciality hospital by March 2010. Performance audit of the working of RIMS revealed that it failed to achieve any of the objectives for which it was set up. Major targets like creation of a dental college, establishment of super-speciality departments and upgradation of existing departments under PMSSY were not achieved. The quality of service delivery to patients was poor as the manpower in the outdoor patient department was not commensurate with the flow of patients. The bed capacity was grossly inadequate which forced the patients to lie on the floor in wards/corridors.

[Paragraph 1.2]

3. Integrated Child Development Services Scheme

The Integrated Child Development Services (ICDS) scheme, a Centrally sponsored scheme, was launched in the State with a view to improve the nutritional and health status of children in the age group of up to six years and to enhance the capability of mothers, through proper nutrition and health education for looking after the normal health and nutritional needs of children. The implementation of the scheme suffered in the State due to deficient fund management, lack of infrastructure in Anganwadi centres, irregular and inadequate nutritional value of supplementary nutrition and failure to provide health check-ups and referral services.

[Paragraph 1.3]

4. Transaction Audit Findings

The audit of financial transactions, subject to test check, in various departments of the Government and their field units, revealed instances of losses, suspected misappropriation, wasteful expenditure, avoidable payment, unfruitful expenditure *etc* as mentioned below:

- Defalcation/loss/fraud of Government money of ₹ 9.01 crore was noticed in the Rural Development Department (₹ 34.80 lakh), the Drinking Water and Sanitation Department (₹ 4.48 crore), the Department of Art, Culture, Sports and Youth Affairs (₹ 2.60 crore), the Health, Medical Education and Family Welfare Department (₹ 28.81 lakh), the Agriculture and Sugarcane Department (₹ 3.39 lakh), the Rural Works Department (₹ 1.26 crore) and the Road Construction Department (₹ 0.40 lakh).

[Paragraph 2.1]

- Excess/ wasteful/ infructuous expenditure of ₹ 44.00 crore was noticed in the Road Construction Department (₹ 16.59 crore), the Building Construction Department (₹ 18.99 crore), the Welfare Department (₹ 3.18 crore), the Agriculture and Sugarcane Department (₹ 3.32 crore), the Rural Works Department (₹ 56 lakh), the Drinking Water and Sanitation Department (₹ 45.68 lakh) and the Water Resources Department (₹ 8.54 lakh).

[Paragraph 2.2]

- Unfruitful/non-realisation/ undue expenditure of ₹ 18.48 crore was noticed in the Road Construction Department (₹ 4.29 crore), the Civil Aviation Department (₹ 3.98 crore), the Forest and Environment Department (₹ 9.71 crore) and the Health, Medical Education and the Family Welfare Department (₹ 50 lakh).

[Paragraph 2.3]

- Blocking of funds of ₹ 3.20 crore was noticed in the Tourism Department.

[Paragraph 2.4]

5. Chief Controlling Officer based Audit of Science and Technology Department

The aim of the Science and Technology Department was to provide quality technical education and promote scientific awareness among the masses. In order to enhance the value of technical education and to provide easy access to the students of the State, the department planned to launch programme- oriented technical courses in addition to taking up establishment of new institutions such as engineering colleges, polytechnics and Centres for Advanced Studies in the departments of universities/colleges. Deficient operational controls were noticed in the department. There were large scale vacancies in the operational cadres. Effective grievance redressal, vigilance and internal control mechanisms were absent. Evaluation of different projects in hand and their monitoring was not effectively done.

[Paragraph 3.1]

6. Government Companies and Statutory Corporation

Audit of Government companies is governed by Section 619 of the Companies Act, 1956. The accounts of the State Government Companies are audited by Statutory Auditors appointed by CAG of India. These accounts are also subject to supplementary audit conducted by CAG of India. Audit of Statutory Corporation is governed by their respective legislations. As on 31 March 2010, the State of Jharkhand had 11 PSUs all working including one Statutory Corporation, which employed 8,385 employees. These PSUs registered a turnover of ₹ 1565.52 crore for 2009-10 as per their latest finalised accounts. This turnover was equal to 1.88 *per cent* of State GDP indicating insignificant place in the State economy. The State PSUs incurred aggregate loss of ₹ 442.43 crore as per their latest finalised accounts.

Investment in PSUs

As on 31 March 2010, the investment (capital and long-term loans) in 11 PSUs was ₹ 4900.87 crore. The investment has grown by 500.82 *per cent* from ₹ 815.69 crore in 2004-05. The thrust of PSU investment was mainly in power sector which accounted for 99.17 *per cent* of the total investment in 2009-10. The Government contributed ₹ 767.31 crore towards equity, loans and grants/subsidies during 2009-10.

Performance of PSUs

As per the latest finalised accounts, three PSUs incurred loss of ₹ 446.48 crore and four PSUs earned a profit of ₹ 4.05 crore. The major loss making Corporation/Company were Jharkhand State Electricity Board (₹ 374.13 crore) and Tenughat Vidyut Nigam Limited (₹ 70.94 crore).

The losses of PSUs are mainly attributable to deficiencies in financial management, planning, implementation of project, running their operations and monitoring. A review of three latest Audit Reports of CAG shows that the State PSUs incurred losses to the tune of ₹ 2978.89 crore and made infructuous investment of ₹ 74.71 crore. There was considerable scope to

improve the functioning of PSUs and reduce losses and there was a need for professionalism and accountability in functioning of PSUs.

Arrears in accounts

All 11 working PSUs had arrears of 46 accounts as of September 2010. The extent of arrears was one to sixteen years. The major arrear of accounts was in respect of Tenughat Vidyut Nigam Limited (TVNL) since 1994-95 and Jharkhand State Electricity Board (JSEB) since 2002-03. Though the concerned administrative departments and officials of the government were informed regularly of the arrear in finalisation of accounts, no significant measures were taken.

[Paragraph 4.1]

7. Performance Review on Power Generating Undertakings in Jharkhand

Power is an essential requirement for all facets of life and has been recognised as a basic requirement. In Jharkhand, generation of power is carried out by JSEB and by TVNL, a wholly owned company of Government of Jharkhand. JSEB had one thermal generation station and one hydro generation station with the installed capacity of 840 MW (derated capacity 770 MW) and 130 MW respectively. The installed capacity of TVNL was 420 MW.

The revenue from sale of power generated in its power stations by JSEB in 2009-10 was ₹ 196.26 crore while it was ₹ 377.73 crore in TVNL. Number of employees in Patratu Thermal Power Station (PTPS) and in Subarnrekha Hydel Project (SRHP) as on 31 March 2010 was 1,486 and 148 respectively. In TVNL, the manpower as on 31 March 2010 was 651.

Capacity Additions

Against energy requirement of 780 MW in the State during 2009-10, the actual generation in the State was 336 MW. However, no capacity addition was made during the period 2005-06 to 2009-10 though the GOI had allocated six coal blocks to JSEB and TVNL for setting up power plants in the State. These coal blocks were not developed as per milestones set by the GOI. Consequently, GOI may de-allocate the coal blocks.

Operational Performance

Performance of the existing generation stations depends on efficient use of material, manpower and capacity of the plants so as to generate maximum energy possible without affecting the long term operations of the plants. Audit scrutiny of operational performance revealed the following:

Procurement of coal

The power generating undertakings (TVNL & JSEB) did not enter into agreement with the coal companies for supply of coal. They received 49.28 lakh MT (26.51 *per cent*) of coal less than the quantity allocated by the Standing Linkage Committee. Also, they would suffer loss of ₹ 21.82 crore due to disallowance of claims by the coal company. They also suffered loss on transportation of coal in excess of CERC norms valuing ₹ 11.63 crore and incurred excess expenditure of ₹ 169.21 crore due to payment of coal for higher grade than that actually supplied.

Consumption of Coal

Consumption of coal above the norms in the thermal power stations in the State had resulted in excess consumption of coal to the tune of 21.32 lakh MT valuing ₹ 223.40 crore.

Deployment of Manpower

Manpower in PTPS was in excess over the norms of CEA with extra expenditure of ₹ 50.35 crore. However, 915 posts in technical cadre were vacant. As a result one unit of it could not be operated during January to March 2010 resulting in loss of generation valuing ₹ 9.69 crore. In TVNL, though the manpower was less than the CEA norms, about 600 workmen were employed on contract basis at a cost of ₹ 28.27 crore during the period.

Output Efficiency

Against a target of 20,883 MU fixed by JSEB and TVNL for generation of power the actual generation was only 14,613 MU (70 *per cent*) during the review period.

Similarly, against the total designed generation of 45,377 MU by TVNL and PTPS, the actual generation was 14,613 MU (32 *per cent*).

Plant Load Factors in PTPS and TVNL, was low as compared to the national average PLF due to which estimated shortfall in generation of 25,386 MUs valuing ₹ 4821.92 crore was suffered.

Low Plant Availability

The average plant availability at TVNL and PTPS was 62.6 *per cent* and 22.91 *per cent* respectively during the review period.

The forced outages remained more than the norm, which if contained would have entailed availability of plant for additional 3.16 lakh operational hours with consequent generation of 30,884 MUs valuing ₹ 5,600 crore.

Auxiliary Consumption

Also, the auxiliary consumption in the thermal power stations in the State was more than the norm resulting in loss of 396. 24 MUs valuing ₹ 73.58 crore.

Repairs & Maintenance

Capital maintenance of unit No. 3,5,6,8 and 9 of PTPS was delayed for 6 to 10 years. Unit No. 3 and 5 remained shut down since August 2003 and April 2004 respectively and were not restored, suffering generation loss of 582.38 MU valuing ₹ 104.60 crore.

Restoration of unit No. 9 & 10, which were shut down since August 2006 after a fire accident, was not completed even after more than 4 years due to non provision of adequate fund by the GOJ entailing generation loss of 661.91 MUs valuing ₹ 141.10 crore.

Renovation & Modernisation

Renovation and Modernisation of 9 units of PTPS and 2 units of SRHP were not taken up though due.

Operation & Maintenance

JSERC had disallowed O&M expenditure of ₹ 121.30 crore during the period which was being in excess of the norm.

Financial Management

The GOJ did not provide adequate fund for the planned capital schemes/ projects; the capital schemes planned by JSEB were either not actually taken up or were not completed and capital maintenance of the units could not be done in a planned and timely manner.

TVNL could not recover the full amount of energy bills raised on JSEB and total outstanding amounted to ₹ 555.50 crore as on 31.3.2010. Due to absence of specific provision in the Power Purchase Agreement, DPS claim of ₹ 1106 crore may also not be realised.

Tariff Fixation

Due to non filing of tariff petition, TVNL suffered a loss of revenue of ₹ 5.68 crore during 2005-06.

Environmental Issues

TVNL operated its TPS without air and water consent from JPSCB since January 2006. Though PTPS was allowed to operate its TPS for production of electricity only up to 80 MW by JPSCB, it was generating electricity with disregard to the limit. Both TVNL and PTPS had not set up dry ash collection system for higher utilization of ash as desired by MOEF.

Monitoring by top management

Post of Chairman of TVNL remained vacant for different periods of about 25 months and meetings of the Board of Directors was not held regularly. The post of Managing Director also remained vacant for 207 days during the review period. As a result, effective monitoring of the affairs of the company at the apex level was not done.

Conclusion & recommendation

There was no addition in power generation capacity during the review period. Adequate funds for the projects for capacity additions, R&M/LE, capital maintenance of the units and for restoration of the shut down units were not made available by the GOJ. Generation from the existing TPSs of JSEB/TVNL was abysmally low due to inefficient operation/lack of maintenance of the power plants. Renovation and modernisation/Life extension and adequate capital maintenance of the old and outlive plants of the State had not been done. The review contains seven recommendations which include implementation of the proposed projects, infusion of adequate fund for restoration / renovation and modernisation of the units of PTPS, planned and timely capital repair/renovation and modernisation and maintenance of the units of PTPS.

[Paragraph 4.2]

8. Transaction audit observations

Transaction audit observations included in this Report highlight deficiencies in the management of PSUs which have financial implications. The important irregularities pointed out are broadly of the following nature:

Lack of financial propriety in purchase of meter boxes/cables and non-installation of the meter boxes resulted in blocking of ₹ 10.50 crore with loss of interest of ₹ 3.13 crore.

[Paragraph 4.4]

Avoidable expenditure of ₹ 1.36 crore due to non synchronization of information in computerised bills.

[Paragraph 4.6]

Chapter
I

Performance Audit
Rural Development Department

1.1 Pradhan Mantri Gram Sadak Yojana

Highlights

The Pradhan Mantri Gram Sadak Yojana (PMGSY), a 100 per cent Centrally sponsored scheme, was launched in December 2000. The primary objective of PMGSY was to provide connectivity, by way of all-weather roads (with necessary culverts and cross-drainage structures operable throughout the year) to eligible unconnected habitations in rural areas in such a way that all unconnected habitations with a population of 1,000 persons and above were covered in three years (2000-03) and all unconnected habitations with a population of 500 persons and above were covered by the end of the Tenth Plan Period (2007). The department failed to provide connectivity to the targeted habitations and only nine per cent habitations were connected with all-weather roads during the period 2005-10.

Scheme funds ranging between five and 67 *per cent* remained unutilised during 2005-10. Failure to prepare a Comprehensive New Connectivity Priority List/Comprehensive Upgradation Priority List by the State Government resulted in non-clearance of projects by the Government of India for the year 2005-07.

(Paragraphs 1.1.7.1 and 1.1.8.1)

Against a target of 1,957 rural roads to be constructed for providing connectivity to 5,427 targeted habitations during 2005-10, only 164 roads were completed to provide connectivity to 496 habitations.

(Paragraph 1.1.8.1)

Works were allotted to consulting engineers for preparation of Detailed Project Reports without ensuring competitive bidding. Government sustained loss of revenue of ₹ 35 lakh in the shape of service tax.

(Paragraph 1.1.8.3)

Rupees 1.07 crore was misappropriated as cost of bitumen by five contractors who submitted fake invoices. Similarly, ₹ 2.33 crore was also fraudulently paid to contractors as cost of bitumen against submission of inadmissible invoices.

(Paragraph 1.1.8.6)

Payment of ₹ 63.30 lakh was made to contractors without actual execution of work in connivance with officials of a Programme Implementation Unit.

(Paragraph 1.1.8.6)

Rupees 68.69 lakh was fraudulently paid to a contractor against a road which had already been constructed from State funds.

(Paragraph 1.1.8.6)

Excess length of road of 261.30 km worth ₹ 79.14 crore was constructed against the length of roads planned in the Comprehensive New Connectivity Priority List.

(Paragraph 1.1.8.9)

Rupees 13.51 crore was not recovered as liquidated damages from defaulting contractors who failed to complete their works within the stipulated time.

(Paragraph 1.1.8.10)

Sixty one packages of roads remained incomplete or were completed after considerable delays of more than 24 months.

(Paragraph 1.1.8.13)

Unfruitful expenditure of ₹ 96.11 crore was incurred on 86 road works without bridges, which defeated the objective of PMGSY to provide all-weather connectivity to targeted habitations.

(Paragraph 1.1.8.14)

1.1.1 Introduction

Rural road connectivity is a key component of rural development, promoting access to economic and social services and thereby generating increased agricultural income and productive employment opportunities in rural areas. The Pradhan Mantri Gram Sadak Yojana (PMGSY), a 100 *per cent* Centrally sponsored scheme was launched in December 2000. The primary objective of PMGSY was to provide connectivity, by way of all-weather roads (with necessary culverts and cross-drainage structures operable throughout the year) to eligible unconnected habitations in rural areas in such a way that all unconnected habitations with a population of 1,000 persons and above were covered in three years (2000-03) and all unconnected habitations with a population of 500 persons and above were covered by the end of the Tenth Plan Period (2007). The objective was also to connect habitations with a population of 250 persons and above in tribal (Schedule-V) areas. PMGSY permitted the upgradation of existing roads in those districts where all the eligible habitations had already been provided all-weather road connectivity.

1.1.2 Organisational set-up

The Secretary, Rural Development Department (RDD) is in charge of implementation of the scheme, functioning as the Chief Executive Officer of the Jharkhand State Rural Road Development Agency (JSRRDA) and is assisted by an Empowered Officer and a Chief Engineer. JSRRDA was established (2004) as an autonomous agency for receiving funds from the Ministry of Rural Development (MoRD), Government of India (GOI) and providing funds to Programme Implementation Units (PIUs). It functions as the dedicated agency for ensuring the integrated development of rural roads in the State. The Chief Engineer (CE), JSRRDA is supported by Superintending Engineers (SEs) and Executive Engineers (EEs) of the Rural Works Department. The EEs in each district act as the Project Officer of Programme Implementation Unit (PIU). The State Technical Agency (STA) scrutinises and advises on technical specifications of projects and apprises the proposed Detailed Project Reports (DPRs) of the roads. The State Level Standing Committee (SLSC),

comprising Secretaries of departments of Finance, Forest, Panchayati Raj, Public Works, Revenue, Rural Development and Transport is headed by the Chief Secretary. The SLSC is responsible for vetting the Core Network, the Comprehensive New Connectivity Priority List (CNCPL) and the Comprehensive Upgradation Priority List (CUPL) as well as clearing the annual project proposals sent to the National Rural Road Development Agency (NRRDA) and overall monitoring of the schemes.

1.1.3 Audit objectives

The audit objectives were to assess whether:

- planning for providing all-weather road connectivity was adequate;
- financial management of the programme was effective;
- execution of the works and their maintenance was efficient; and
- the monitoring and evaluation mechanism was adequate.

1.1.4 Audit criteria

The audit criteria adopted for arriving at the audit conclusions were the following:

- District Rural Road Plan (DRRP), Core Network, CNCPL and CUPL;
- Operation Manual of the PMGSY and clauses of the Standard Bidding Document (SBD);
- Jharkhand Public Works Code, Government resolutions, instructions and orders issued from time to time;
- Quality control and monitoring mechanism; and
- Jharkhand Minor Mineral Concession Rules, 2004.

1.1.5 Scope of audit and methodology

A performance audit of the scheme was conducted (March to July 2010) for the period 2005-10 by test check of records of the office of the Chief Engineer, JSRRDA, 10[1] out of 28 PIUs and eight[2] out of 24 districts, selected on a random basis.

An entry conference was held (March 2010) with the Secretary-cum-Chief Executive Officer (CEO) of JSRRDA, Ranchi during which the audit objectives, audit criteria and the audit methodology were discussed. The audit findings and recommendations were discussed with the Secretary-cum-CEO at the exit conference held in October 2010. The Secretary assured that corrective measures would be taken where necessary in accordance with the rules and procedures.

[1] Bokaro, Chaibasa, Chakradharpur, Daltonganj (Palamu), Deoghar, Dumka, Giridih, Gumla, Ranchi and Hindustan Steel Works Construction Ltd (central agency), Ranchi.

[2] Bokaro, Daltonganj (Palamu), Deoghar, Dumka, Giridih, Gumla, Ranchi and West Singhbhum (Chaibasa).

The audit findings are brought out in the succeeding paragraphs.

Audit findings

1.1.6 Planning

Proper planning is imperative to achieve the objectives of the programme in a systematic and cost-effective manner. The Manual for preparation of the District Rural Roads Plan (DRRP) and the Core Network lays down the steps in the planning process and the role of the different agencies including the Intermediate *Panchayat*, district *Panchayat* as well as the State Level Standing Committee (SLSC). The DRRP would indicate the entire existing road network of each district and also identify the proposed roads for providing connectivity to unconnected habitations.

The Core Network would identify the roads required to assure each eligible habitation of basic access to essential social and economic services. Thus, the Core Network of each district would consist of some of the existing roads as well as the roads proposed for new construction under PMGSY. Further, all districts having eligible unconnected habitations were to prepare block and district level CNCPL and CUPL of all proposed roads under PMGSY, grouping them in general order of priority of targeted population size of 1000 plus, 500-999 and 250 and above. As per paragraph 6.11 of the PMGSY guidelines, the order of priority and CNCPL/CUPL were to be the twin basis for making proposals. Where road works of a higher order of priority still remained to be taken up, road works of a lower order of priority were not to be taken up in the same district. While sending proposals for lower priority roads, reasons were to be recorded.

Scrutiny of records of test-checked PIUs revealed that DRRPs were approved by the District Rural Development Agency (DRDA) in the absence of the Panchayati Raj system in the State as Panchayati Raj elections had not been held in State since its creation. The test-checked PIUs failed to produce approved copies of their Core Network and CNCPL/CUPL duly approved at the block level. It showed that the entire process of planning for rural roads was concentrated at the district level without involvement of the field level functionaries. Further, it was seen that while sending proposals for construction of roads for approval from NRRDA, the order of priority of roads as shown in the CNCPL was not maintained and lower priority roads were taken up first while higher priority of roads remained to be constructed. No reasons for this was found on record.

1.1.7 Financial Management

1.1.7.1 Allotment and expenditure

PMGSY, a 100 *per cent* Centrally sponsored scheme, had adopted a project approach under which road works had to be completed within a stipulated time. The funds received from GOI and the Government of Jharkhand and the expenditure incurred during 2005-10 were as given in **Table 1**.

Table-1: Allotment and expenditure report of PMGSY

(₹ in crore)

Year	Opening Balance	Funds released by GOI	State release	Bank interest	Total available funds	Expenditure	Closing balance	Unutilised balance *(per cent)*
2005-06	30.71	150.49	Nil	3.63	184.83	67.01	117.82	64
2006-07	117.82	56.83	Nil	10.43	185.08	60.45	124.63	67
2007-08	124.63	Nil	0.40[3]	8.81	133.84	69.67	64.17	48
2008-09	64.17	208.67	Nil	1.84	274.68	215.34	59.34	22
2009-10	59.34	417.74	Nil	9.03	486.11	460.00	26.11	05
Total		**833.73**	**0.40**	**33.74**		**872.47**		

(Source: JSRRDA, Ranchi)

It can be seen from the table above that:

Scheme funds were unutilised ranging between five and 67 *per cent* during 2005-10

- Unutilised funds as a percentage of available funds ranged between five and 67 *per cent* during 2005-10. Non-utilisation of funds ranging between 64 and 67 *per cent* during the years 2005-06 and 2006-07 respectively resulted in non-release of funds by GOI in the year 2007-08.
- As per the statement of allotment and expenditure, ₹ 26.11 crore was lying unutilised as of March 2010. Scrutiny of further records revealed that ₹ 78.89 crore[4] was lying unutilised (March 2010) as fixed deposits and in savings/current accounts in banks, which resulted in non-reconciliation of ₹ 52.78 crore[5].

Further scrutiny revealed that ₹ 477.88 crore was made available to the test-checked PIUs by JSRRDA during 2005-10, against which an expenditure of ₹ 407.06 crore was incurred for execution of schemes and ₹ 69.71 crore was surrendered to JSRRDA. Thus, ₹ 1.11 crore was lying unutilised (March 2010) with four PIUs[6] which was to be surrendered after adoption of the bank authorisation system ***(Appendix-1.1)***.

1.1.7.2 Government revenue realised but not deposited in the Government account

According to Sub-rule (1A) of Rule 201 of the Income Tax Act, 1961, if any person, principal officer or company as was referred to in that sub-section, did not deduct or after deducting, failed to pay the tax as required by or under this rule, he was liable to pay simple interest at 12 *per cent* per annum on the amount of such tax from the date on which such tax was deductible to the date on which such tax was actually paid. Further, the Drawing and Disbursing Officer was to be held responsible for deposit of State receipts in the Government account within 15 days from receipt as per the order of Government (February 1979)[7].

[3] ₹ 40 lakh was released for preparation of Detailed Project Reports (DPRs).

[4] ₹ 78.50 crore was lying in Cumulative Long Term Deposit (CLTD) No. (i) 30750234259 (ii) 30959188863 (iii) 30558979869 (iv) 30144994674 (v) 30356504953 (vi) 30700492390 of State Bank of India, Hatia Branch, Ranchi and remaining in savings/current bank account.

[5] ₹ 78.89 crore minus ₹ 26.11 crore.

[6] Chakradharpur , Daltonganj, Hindustan Steel Works Construction Ltd and Ranchi.

[7] Memo no. T-2-101/78/1946 dated 14.2.1979.

A perusal of the balance sheet of JSRRDA revealed that income tax, sales tax, royalty and labour cess deducted from the contractor's bills by seven Rural Works Divisions[8] during 2008-10, amounting to ₹ 1.84 crore were not deposited in the Government account and were retained by JSRRDA as given in **Table 2**.

Table-2: Government receipts

(₹ in crore)

Sl. No.	Name of Division	Year	Income Tax	Sales Tax	Royalty	Labour Cess	Total
1	Deoghar	2009-10	0.04	0.03	-	-	0.07
2	East Singhbhum	2009-10	0.01	-	-	-	0.01
3	Giridih	2009-10	Nil	0.10	0.27	-	0.37
4	Hazaribag	2009-10	-	-	0.07	-	0.07
5	Jamtara	2009-10	-	0.03	-	-	0.03
6	Khunti	2008-09	0.33	0.21	0.08	-	0.62
		2009-10	0.07	0.10	0.11	0.05	0.33
7	Ramgarh	2009-10	-	0.13	0.21	-	0.34
Total			**0.45**	**0.60**	**0.74**	**0.05**	**1.84**

(Source: JSRRDA, Ranchi)

Further, scrutiny of records of PIU, Gumla out of 10 test-checked PIUs revealed that ₹ 84.48 lakh[9] deducted from the bills of the contractors was not deposited into the Government account *i.e.* income tax (Head '0021') commercial tax (Head '0040'), royalty (Head '0853') and labour cess (Head '0230').

The divisional officer failed to furnish the details of recovery made against the works and the year(s) in which those recoveries were made. Thus, Audit could not ascertain the amount of interest to be paid by the defaulting officer.

1.1.7.3 Non-adjustment of mobilisation advance

The balance sheet of JSRRDA, Ranchi for the period 2005-10 also revealed that ₹ 8.80 crore was advanced to contractors for execution of road works as mobilization advance (₹ 5.08 crore) and equipment advance (₹ 3.72 crore), which was lying unadjusted as of March 2010.

1.1.7.4 Non-utilisation of World Bank Assistance

Scrutiny of records of JSRRDA, Ranchi revealed that 19 packages[10] of road works worth ₹ 44.90 crore of World Bank (WB) Tranche II to provide connectivity to 93 habitations through construction of 33 roads were not implemented due to non-bearing of extra cost of tender premium by the State Government. Re-tendering of the work was not permissible under rules of the World Bank. Thus, the State was deprived of World Bank assistance of ₹ 44.90 crore meant for construction of rural roads and the cost burden of these roads shifted to the PMGSY fund.

[8] Deoghar, East Singhbhum, Giridih, Hazaribag, Jamtara, Khunti and Ramgarh.

[9] Income tax (₹ 23.26 lakh), sales tax (₹ 23.47 lakh), royalty (₹ 33.95 lakh) and labour cess (₹ 3.80 lakh).

[10] Dumka- JH WB-0501 to 0507, East Singhbhum- JH WB-0601 to 0606, Hazaribag- JH WB- 1101 to 1103, Ramgarh- JH WB- 2401 to 2403.

1.1.7.5 Short deduction of royalty

Under the Jharkhand Minor Mineral Concession (JMMC) Rules 2004, works contractors were required to purchase minor minerals only from lessees/ permit holders and authorised dealers. Further, Rules provided for submission of affidavits in form 'O' and particulars in form 'P' by the works contractors, indicating therein the details of the sources of purchase of minerals, the prices paid and the quantities procured along with the bills. The Works Department were required to forward the photocopies of forms 'O' and 'P' to the Mining Department for verification of the details furnished. If the details furnished were found to be false, either wholly or partly, it was to be presumed that the minerals were obtained by illegal mining and the defaulters were liable to pay the royalty at double the rate as penalty.

Audit scrutiny revealed that neither had the contractors submitted the requisite forms nor were these demanded by the PIUs. Thus, the possibility of illegal mining of minor minerals could not be ruled out. Out of ₹ 3.97 crore recoverable as royalty against minerals utilised in 197 works, only ₹ 1.90 crore was recovered by four PIUs. Thus, ₹ 2.07 crore was short realised from the contractors as shown in ***Appendix-1.2***.

1.1.7.6 Lapsed bank guarantees

According to paras 32 and 46 of the Standard Bidding Document (SBD), performance security of two and a half *per cent* was to be delivered by the successful bidder after the receipt of letters of acceptance either in the form of a bank guarantees (BGs) or fixed deposit receipts in the name of the employer from a scheduled commercial bank. The period of validity of the BGs could be one year initially, but the department had to ensure the BGs extended in such a way that they were available with the employer until 45 days from the date of expiry of the defect liability period of five years.

Scrutiny of records of seven PIUs[11] revealed that BGs worth ₹ 2.83 crore submitted as performance securities by 20 contractors against 23 packages of road works had lapsed (between December 2004 and January 2010) within the defect liability period of five years as shown in ***Appendix-1.3***.

The EEs neither encashed the value of BGs within the validity period nor got the BGs revalidated to cover the defect liability period. The Government would, therefore, be helpless in effecting recoveries, if defects surfaced during the defect liability period and the contractors failed to fulfil their contractual obligations.

1.1.7.7 Roads under construction not covered with insurance

According to the condition of the contract (para 13.1 of SBD), the contractor, at his own cost, was to provide in the joint names of the employer and the contractor, insurance cover for loss or damages to the work, personal injuries and damages to machinery and equipment effective from the date of commencement to the date of completion of the work. The contractor was to pay premium of two *per cent* of the contract price for insurance against loss or damages to the work and personal injuries and two *per cent* of equipment price for damages to machinery and equipment.

[11] Chaibasa, Chakradharpur, Daltonganj, Dumka, Giridih, Gumla and Ranchi.

Scrutiny of the records of seven[12] out of 10 test-checked PIUs revealed that none of the contractors provided insurance coverage for any of the roads nor did the EEs insist that the contractors adhere to the clause of the contract.

Thus, insurance premium of ₹ 3.90 crore[13] as shown in ***Appendix-1.4*** which was required for insurance against loss or damages to the work and personal injuries was not provided. The premium amount of insurance coverage of the equipment could not be ascertained due to non-submission of the cost of equipment by the contractors. Failure to enforce the condition mentioned in the contract amounted to undue aid to the contractors.

1.1.8 Programme Implementation

1.1.8.1 Targets and Achievements

Release of funds by GOI against the cleared value of projects, expenditure incurred during 2005-10 and completion of works for providing connectivity to eligible habitations were as shown in **Table 3.**

Table-3: Proposal of roads cleared by the GOI

Year	Phase No.	Proposal cleared by GOI				Amount released	Work completed and expenditure incurred				Shortfall in achievement (Percentage of shortfall shown in brackets)		
		Habitations to be connected	Number of roads cleared	Length of roads (in km)	Value of cleared proposals (₹ in crore)	GOI	Habitations connected	Number of roads completed	Length of roads (in km)	Expenditure incurred (₹ in crore)	No. of habitations remained unconnected	No. of roads not completed	Length of road not completed (in km)
2005-06	NO PROPOSAL WAS CLEARED BY GOI												
2006-07													
2007-08	V	1127	353	1679.78	499.49	249.74	469	151	933.98	319.94	658 (58)	202 (57)	745.80 (44)
2008-09	VI	2431	669	3122.40	973.12	305.13	27	13	492.48	315.34	2404 (99)	656 (98)	2629.92 (84)
2009-10	VII	466	279	1026.42	280.21	Nil	Nil	Nil	Nil	Nil	466 (100)	279 (100)	1026.42 (100)
	VIII	1403	656	2255.20	601.87	Nil	Nil	Nil	Nil	Nil	1403 (100)	656 (100)	2255.20 (100)
Total		**5427**	**1957**	**8083.80**	**2354.69**	**554.87**	**496**	**164**	**1426.46**	**635.28**	**4931**	**1793**	**6657.34**

(Source: JSRRDA, Ranchi)

The table shows that:

- The State Government did not prepare CNCPL/CUPL of the districts which resulted in non-clearance of proposals of construction of roads by the Ministry of Rural Development during the years 2005-07. Reasons for non-preparation of CNCPL/CUPL were not found on records.
- Against the cleared value of ₹ 2,354.69 crore for approved roads during 2007-10, ₹ 554.87 crore (24 *per cent*) was released by GOI for construction of roads under PMGSY due to slow progress of works and non-preparation of CNCPL/CUPL of the districts.
- Against a target of 1,957 rural roads to be constructed during 2005-10, only 164 (eight *per cent*) roads were completed.

[12] Bokaro, Chaibasa, Daltonganj, Deoghar, Dumka, Giridih and Gumla.

[13] Calculated at the rate of two *per cent* of the contract price on the basis of cases.

- Against a target of 5,427 habitations to be connected during 2007-10, only 496 habitations (nine *per cent*) were connected.

Scrutiny of CNCPL and the progress report of PMGSY of 10 test-checked PIUs in eight districts revealed that against a target of 448 roads to be constructed to cover population of more than 1,000 each, only 351 roads were taken up for construction as of March 2010. Similarly, against a target of 960 roads to cover population of 500 and above each, only 126 roads were taken up for construction. Details are given in **Table -4**.

Table-4: Target and achievement of construction of roads in test-checked PIUs

Name of districts	No. of roads to cover habitations of		Roads taken up for construction		Roads remaining to be taken up (percentage shown in bracket)	
	1000+	500+	1000+	500+	1000+	500+
Bokaro	99	85	90	-	09	85
Daltonganj	119	102	78	-	41	102
Deoghar	42	149	33	05	09	144
Dumka	22	174	04	13	18	161
Giridih	110	148	103	-	07	148
Gumla	20	120	10	23	10	97
Ranchi	31	103	30	24	01	79
West Singhbhum (Chaibasa and Chakradharpur)	05	79	03	61	02	18
Total	**448**	**960**	**351**	**126**	**97 (21)**	**834 (87)**

(Source: Data provided by test-checked PIUs)

The above table shows that the test-checked PIUs were lagging far behind the target to provide connectivity to targeted habitations by the Tenth Plan Period (2007) as envisaged in the guidelines of PMGSY.

Phase-wise projects for construction of roads approved by NRRDA and achievement thereagainst are shown in ***Appendix-1.5***, which reveal that only 58 *per cent* of the roads were constructed in 2007-08.

1.1.8.2 Non-organisation of Transect Walks

As per para 8.4 of the PMGSY guidelines, each PIU, in consultation with the local community through the mechanism of the *Gram Panchayat*, was to sort out issues of most suitable alignment, availability of land including forest land and adverse social and environmental impact. For this purpose, each PIU was to organise informal Transect Walks[14] for each project. At the end of each walk, the alignment was to be finalised after recording the issues that arose during the walk and the action taken to resolve the issues. This was to be recorded in a document by the Secretary of the concerned *Panchayat* and countersigned by the *Panch/Pradhan*. A copy of this document was to be attached to the finalised Detailed Project Report (DPR)[15].

[14] Walk with community members/stake holders for sorting out the issues of land, adverse social and environmental impact.

[15] As per Rule 112 of Jharkhand P.W.D. Code, DPR contains matters listed under (a) Report (b) Specification (c) Estimates (with calculation) (d) Analysis of rates and (e) Drawings.

Scrutiny of DPRs of test-checked PIUs revealed that no such documents were attached in the DPRs relating to the Transect Walks, pointing to the fact that such Transect Walks had most probably not been organised.

1.1.8.3 Award of work without inviting competitive bidding

Work allotted to consulting agencies for preparation of DPRs without ensuring competitive bidding

Each PIU was to prepare a Detailed Project Report (DPR) for each proposed road work in accordance with the Rural Road Manual and instructions issued by the Government from time to time. Rule 158 of the Jharkhand Public Works Account Code and orders issued thereunder, prescribed that the tenders must be obtained for all works above ₹ 50,000. Further, as per Section 66, read with Section 65 (41) and 67 of the Finance Act, 1994, GOI as amended from time to time, engineering consultation services provided by a consulting engineer were to be charged service tax at the rate applicable at that time. As per Rule 78 read with Rule 64 of Jharkhand Public Works Account Code, all payments which officers authorised to draw cheques have to make, were to be, as far as possible, made by cheques.

Scrutiny of records of all test-checked PIUs revealed that ₹ 3.32 crore was released by JSRRDA for preparation of DPRs of the proposed roads during 2005-10. As soon as the funds were received, the EEs, without inviting tender for competitive bidding awarded the work to consulting agencies for preparation of DPRs.

Scrutiny of the vouchers revealed that the consulting agencies engaged were not registered with the Central Excise and Service Tax Department, GOI. The cash memos/bills did not have printed serial numbers and payments were made to those firms in cash by the JEs/ AEs instead of by cheques. This created doubt about the genuineness of vouchers.

Non-adherence to the codal provision of ensuring competitive bidding and engagement of unregistered firms in violation of the norms prescribed resulted in loss of revenue of ₹ 35 lakh in the form of service tax leviable on expenditure of ₹ 2.81 crore at the rate of 12.36 *per cent*.

1.1.8.4 Irregularities in tendering process

As per the orders of the Rural Development Department, works were not to be given to debarred/blacklisted contractors and single bidder participation in tendering process was to be rejected and fresh tenders were to be invited.

- Out of 10 test-checked PIUs it was observed in PIU, Daltonganj that under phase V, three packages[16] of road works worth ₹ 12.27 crore were awarded (March and April 2008) to contractors who were debarred (5 October 2006) by the order[17] of CE, JSRRDA, Ranchi. The works were awarded to the contractors in violation of the orders of the department.
- Perusal of the comparative statement of technical bids revealed that two contractors[18] participated (November 2006) in the technical bid of Package No. JH 1701 Phase IV for ₹ 4.81 crore. Out of these two, one contractor

[16] JH 1702 for ₹ 4.10 crore to M/s Abhay Enterprises, JH 1704 for ₹ 3.00 crore to M/s Chandi Enterprises and JH 1706 for ₹ 5.17 crore to M/s Kalawati Construction.

[17] Letter No. 8808 dated 05.10.06 of Rural Development Department, Government of Jharkhand.

[18] M/s Abhay Enterprises and M/s Arbind Construction.

(M/s Abhay Enterprises) had not only been debarred vide the CE's order (5 October 2006) but had also failed to deposit the earnest money and other documents. Thus, there was only one contractor whose bid was to be considered. Despite this, the single bid was accepted and the work for ₹ 4.81 crore was irregularly awarded to the, single bidder without inviting fresh tenders in violation of the departments order.

1.1.8.5 Changes in specifications without approval of NRRDA

According to paragraph 11.1 of the PMGSY guidelines, all the projects scrutinised by the State Technical Agency (STA) and cleared by the Ministry were to be tendered as such and no changes were to be made in the work, without the prior approval of the National Rural Road Development Agency (NRRDA).

Construction of two road works[19] was technically sanctioned (September 2006) by the CE, JSRRDA, Ranchi for ₹ 3.75 crore and works were awarded (November 2006) to a contractor (M/s Adarsh Construction, Palamu) for ₹ 3.32 crore. Scrutiny of the records of PIU, Gumla revealed that the DPR of these roads was subsequently revised due to major changes in specifications and technical sanction was accorded (August 2007) for ₹ 4.19 crore without prior approval of NRRDA. It was also observed that after paying the contractor ₹ 3.15 crore, the work was foreclosed[20], resulting in infructuous expenditure. This was a clear violation of the provisions of the guidelines which mandated prior approval of NRRDA in cases of any changes in specifications.

1.1.8.6 Misappropriation/fraudulent payment/doubtful execution of works

The Government of Jharkhand passed a resolution in March 2002, whereby contractors engaged in road works could procure bitumen from Government oil companies directly. On award of work, the EE of the concerned division was to issue an authority letter to the oil company, specifying the name of the contractor, the name of the work and the required quantity and quality/specification of bitumen. The oil company was to sell bitumen to the contractor against the authority letter, under intimation to the concerned division. The contractor was required to intimate the EE about the receipt of bitumen within 48 hours and submit documentary proof of carriage of bitumen from the oil company to the work site. As soon as the bitumen was brought to the work site, the EE or his authorized representative JE/AE was to conduct physical verification of the bitumen to verify the quantity, quality and specification *vis-à-vis* the invoice submitted by the contractor as proof of purchase of bitumen and submit a report. Audit scrutiny revealed that the Indian Oil Corporation (IOC) used TDM/SAP for raising invoices which did not allow generation of more than one invoice bearing the same alphanumerical code of 15 characters. IOC raised invoices in triplicate as per Sub Rule 3 under Rule 11 of Central Excise Rule, 2002 *viz*. (i) original for

[19] Amba Toli to Sikri *via* Pagura Road (length 6 km) and REO Road Natwal to Dina *via* Kategam (length 8 km) of Package No. JH 1001 phase IV.

[20] Vide letter No. JSRRDA-306/08/1412 (Encl) dated 03.04.2010.

buyer, (ii) duplicate for transporter and (iii) triplicate for assessee. The crossed/reprint copies of invoices issued by the oil company were spare copies of invoices and not meant for customers for claiming payment.

The following irregularities were noticed in the test-checked PIUs:

An amount of ₹ 1.07 crore was misappropriated as cost of bitumen

(a) **Test check of records of six[21] out of 10 PIUs showed that five contractors submitted 43 invoices in support of purchase of 408.451 MT of bitumen for construction of seven packages[22] of road works, of which 34 invoices were found to be fake as stated by the oil company resulting in misappropriation of ₹ 85.64 lakh. In respect of the remaining nine invoices, ₹ 21.51 lakh was paid to the agencies fraudulently where bitumen was actually obtained either after completion of the work or two copies of the same invoice were produced to justify the purchase of required quantity or the original copy was produced in one work and the crossed (extra) copy in another work. Thus, a total of ₹ 1.07 crore was misappropriated as detailed in Table 5.**

Table-5: Fake invoices submitted by contractors

Sl. No.	Name of PIU	Phase No.	Package No.	Name of Agency	No. of invoices	Quantity of bitumen (in MT)	Amount (₹ in lakh)	Remarks
1	Gumla	V	JH 1002	Ganga Construction	08	72.000	23.55	Invoices bearing a particular alphanumeric code of 15 characters[23], which were not found in proper form of invoices issued by the oil company. During cross verification of these invoices, the concerned depot of the oil company stated that these invoices were not issued by them as per their record.
2	Daltonganj	V	JH 1707	-do-	08	72.616	20.13	
3	Ranchi	IV	JH 1802	-do-	17	154.309	40.33	
4	Deoghar	III	JH 0304	Bhupendra Engineering Const. Pvt. Ltd.	01	9.077	1.63	
5	Deoghar	III	JH 0304	Bhupendra Engineering Const. Pvt. Ltd.	3	27.144	6.70	Invoices were found issued by the oil company after execution of work
6	Chakradharpur	III	JH 2204	Girish Kumar Singh	02	35.995	6.28	Crossed and original invoices utilised in the same work
7	Giridih	III	JH 0803	Surendra Pd. & Co.	02	16.590	3.41	Original invoices shown in one work and crossed copy in another work
8	Giridih	IV	JH 0802	M/s Ano Bridge Const.	02	20.720	5.12	Invoices pertaining to another work were shown in this work
Total					**43**	**408.451**	**107.15**	

(Source: Data provided by test-checked PIUs)

[21] Chakradharpur, Daltonganj, Deoghar, Gumla, Giridih and Ranchi.

[22] Seven Packages- Chakradharpur- JH 2204 Phase III, Daltonganj- JH 1707 Phase V, Deoghar-JH 0304 Phase III, Giridih- JH 0803 Phase III, JH 0802 Phase IV, Gumla- JH 1002 Phase V, Ranchi JH 1802 Phase IV.

[23] First four digits denote financial year, the next four digits denote location code, alphabet 'B' stands for sales invoice and the last six digits denote the specific unique number.

Rupees 2.33 crore was paid to contractors against submission of inadmissible invoices

(b) Scrutiny of records of six[24] out of 10 PIUs revealed that 11 contractors submitted 76 invoices which were either crossed/reprints/ duplicates for transporter copies against procurement of 963.524 MT of bitumen shown to have been utilised in 14 packages of road works. Submission of crossed/reprinted/duplicates for transporter copies did not authenticate the actual procurement of bitumen from the oil company because these were spare copies. The divisions failed to exercise the basic checks and allowed payment against inadmissible invoices, which resulted in fraudulent payment of ₹ 2.33 crore as cost of bitumen to the contractors *(Appendix-1.6)*.

(c) Scrutiny of the records of four[25] out of 10 PIUs revealed that ₹ 1.54 crore was paid to contractors as cost of 822.17 MT of bitumen without submission of invoices which was mandatory in support of procurement and utilisation of bitumen. Further, it was also observed in audit that eight EEs[26] made payment for bituminous works (20 packages of Phase III to V) to contractors against utilisation of 1,661.981 MT of bitumen in the works in spite of the fact that the contractors submitted invoices of only 1,199.489 MT of bitumen instead of 1,661.981 MT. This resulted in fraudulent payment of ₹ 1.46 crore as cost of bitumen of 462.492 MT (1,661.981-1,199.489) to the contractors which was not supported with the invoices.

Thus, ₹ 3 crore (₹ 1.54 crore + ₹ 1.46 crore) was fraudulently paid to the contractors as cost of bitumen without submission of invoices which was mandatory.

Further, Audit observed that the arrival of bitumen at the work site was not reported by the contractors to the EEs in all cases stated in paras (a), (b) and (c). It was also observed that neither physical verification nor quality test of bitumen was conducted prior to its utilisation in the works. This raises serious doubts about the actual procurement of bitumen and the quality of works executed. The failure of the divisional officers to carry out the mandated checks resulted in fraudulent payment of ₹ 6.40 crore to the contractors as cost of doubtful procurement of bitumen of 2656.637 MT[27] which had serious implications for the quality of works worth ₹ 110.10 crore.

(d) Out of the 10 test-checked PIUs, scrutiny of records of PIU, Daltonganj revealed that an agreement (8 F2/2008-09) for ₹ 1.86 crore was executed (October 2008) for construction of a road from Godarma to Nawgarh (length 6.10 km) under Package No. JH 1708 Phase V with M/s Triveni Construction Co., Daltonganj with date of commencement of work as 1 October 2008 and due date of completion as September 2009. Audit scrutiny of the measurement

[24] Bokaro, Chaibasa, Chakradharpur, Dumka, Deoghar and Giridih.

[25] Chaibasa, Daltonganj, Dumka and Gumla.

[26] Bokaro, Chakradharpur, Daltonganj, Deoghar, Dumka, Giridih, Gumla and Ranchi.

[27] Against fake invoices: 408.451 MT of ₹ 1.07 crore, against crossed/reprint/duplicate invoices: 963.524 MT of ₹ 2.33 crore and without invoices: 1284.662 MT (822.17 MT + 462.492 MT) of ₹ 3 crore.

book (No. 2964) revealed that ₹ 37.21 lakh was paid to the contractor vide the first on account bill (voucher number 5 dated 25 October 2008) against the works shown to have been executed (13 October 2008); and ₹ 26.09 lakh was paid to the contractor vide the second on account bill (voucher number 2 dated 17 February 2009) against a work shown to have been executed (5 January 2009). As per National Quality Monitor inspection, work of Granular Sub Base (GSB) was not started as on 14 December 2008. Thus, ₹ 63.30 lakh was defalcated by the contractor without actual execution of the work. Neither had any punitive action been initiated against the contractor nor was any departmental action taken against the EE/ AE as of June 2010.

Payment of ₹ 63.30 lakh without actual execution of the work

(e) Out of the 10 test-checked PIUs, scrutiny of the records of PIU, Bokaro revealed that five roads under Package No. JH 0107 Phase VI were awarded (February 2009) to M/s D. D. Construction, for ₹ 4.82 crore including maintenance of roads for five years. Of these, one road Gangjori More to Baramasia (length 2.60 km) was to be constructed to provide connectivity to habitants of Barmasia village at an estimated cost of ₹ 79.39 lakh.

Rupees 68.69 lakh was fraudulently paid against execution of a road already constructed from the State funds

Further scrutiny of the MB and other relevant records revealed that ₹ 68.69 lakh was paid to the contractor against execution of the road. Cross-verification with records of '2515-Repair and Maintenance' (State sponsored scheme) of PIU, Bokaro revealed that the said road had already been executed (March 2008) from the State funds. Thus, ₹ 68.69 lakh was misappropriated with the connivance of the PIU officials. It also indicated that the DPR and estimates were prepared without actual field verification of the site.

(f) Scrutiny of the records of CNCPL, West Singhbhum revealed that the road 'Naitola to Mundasai' (seven km) was proposed for construction to provide connectivity to the habitants of 'Pichua' village. Further scrutiny revealed that the targeted habitation was already connected under package No. 2206 of phase IV by constructing the road from 'REO Road to Pichua'.

Scrutiny of the Measurement Book revealed that ₹ 1.44 crore was paid to the contractor against construction of the road from Naitola to Mundasai. However, it was observed during joint field inspection (June 2010) by the Audit party and officials of PIU, Chaibasa that a stretch of road (one km approximately), intersecting the railway track was not constructed though the contractor was paid ₹ 27.21 lakh for this stretch in connivance with the officials of the PIU fraudulently. Further, REO Road to Pichua was not found in CNCPL although it was constructed under PMGSY, violating the criteria fixed to take up the work. The existence of two habitations namely Naitola and Mundasai were also not found alongside the constructed road during the joint field verification.

1.1.8.7 Irregular grant of equipment advance and non-recovery of mobilisation advance

According to paragraphs 45.1 and 45.2 of the Standard Bidding Document (SBD) of PMGSY, the employer was to make advance payment in the shape of mobilisation advance upto five *per cent* of the contract price and equipment advance upto 90 *per cent* of the cost of the new equipment brought to the site, subject to maximum of 10 *per cent* of the contract price against submission of an unconditional bank guarantee (BG) which would remain in force till recovery of the advance. The contractor was to demonstrate to the Engineer that the advances had been used for purchase of equipment and mobilisation of work.

Out of the 10 test-checked PIUs, records of PIU, Chaibasa revealed (June 2010) that three agreements for ₹ 8.50 crore were made for construction of road works (under three packages[28]) with three contractors. Rupees 1.26 crore was advanced (between November 2004 and March 2005) to the contractors as mobilisation advance of ₹ 42 lakh and equipment/machinery advance of ₹ 84 lakh against submission of BG. Out of ₹ 1.26 crore, ₹ 13.36 lakh[29] was not recovered from the contractor as of June 2010 and the BG submitted against the mobilisation advances had already lapsed. Further scrutiny of records revealed that equipment advance of ₹ 84 lakh was irregular and constituted undue aid to the contractors as no documents or invoices were found on record to demonstrate that the advance made against equipment was utilised for purchase of new equipment. Thus, the EE failed to get the BG revalidated and recuperate the advance of ₹ 13.36 lakh.

1.1.8.8 Extra cost of bitumen

In case of increase of cost of bitumen, the extra cost of bitumen was payable to contractor if work was executed as per work programme submitted by a contractor and procurement of bitumen was also supported with the invoices of bitumen.

Out of the 10 test-checked PIUs, records of three PIUs[30] revealed (June and July 2010) that six agreements were entered into with five contractors for ₹ 13.51 crore for execution of road works of six packages[31]. Rupees 31.72 lakh was paid to the contractors as extra cost of bitumen against 545.352 MT at the rate of ₹ 5817 per MT shown to have been utilised in the works. However, the works were neither executed as per the work programme nor were the invoices of bitumen submitted by the contractors as proof of procurement. Thus, payment of the extra cost of ₹ 31.72 lakh was irregular. The EE, RWD, Chaibasa replied (June 2010) that recovery would be made accordingly.

1.1.8.9 Excess length of roads constructed

CNCPLs/CUPLs for each block and district were prepared in the year 2006 after thorough site verification with details of roads and habitations to be

[28] Package No. JH 2201, 2202 and 2203 of Phase III.

[29] ₹ 2.26 lakh of Package No. JH 2201 and ₹ 11.10 lakh of Package No. 2203.

[30] Chaibasa, Chakradharpur and Ranchi.

[31] Chaibasa- JH 2202 Phase III, JH 2203 Phase III, Chakradharpur- JH 2204 Phase III, JH 2205 Phase III, Ranchi- JH 1804 Phase III, JH 1806 Phase III.

connected under PMGSY. These CNCPLs/CUPLs were duly verified by STA, vetted by SLSC and approved by NRRDA.

Excess length of road of 261.31 km worth ₹ 79.14 crore was constructed against the length of roads planned in CNCPL

Scrutiny of records of nine[32] out of 10 test-checked PIUs revealed that roads having length of 993.27 km were shown as constructed against 731.96 km length depicted in the approved CNCPL, which indicated possibility of misappropriation of ₹ 79.14 crore paid against execution of excess length of 261.31 km ***(Appendix-1.7)***. The Secretary assured that corrective measures would be taken.

1.1.8.10 Non-realisation of liquidated damages

Rupees 13.51 crore was not recovered as liquidated damages from the contractors who failed to complete the works within the stipulated time

According to the conditions of contracts, a contractor should pay liquidated damages to the employer at the rate of one *per cent* per week subject to a maximum 10 *per cent* of the initial contract price if the contractor failed to complete the work within the stipulated period. The employer could deduct liquidated damages from the payments due to the contractor.

Scrutiny of records of seven[33] out of 10 test-checked PIUs revealed that liquidated damages of ₹ 0.98 crore only were recovered against ₹ 14.49 crore due to non-completion of 50 packages of road works within the stipulated period. The EE failed to invoke the clauses of the contract and recover the liquidated damages of ₹ 13.51 crore from the contractors ***(Appendix-1.8)***.

1.1.8.11 Payment without approval of competent authority

Out of the 10 test-checked PIUs, in PIU, Daltonganj (Palamu) it was seen (May 2010) that tenders were invited on approved BOQ value of ₹ 1.66 crore for construction of part of the road from Sigsigi to Laherbanjari (Pandpura) under package no. JH 1702 Phase IV in which two bidders participated. However, the tenders were rejected without assigning any reason. The work was re-tendered (13 July 2006) at an enhanced rate of ₹ 1.88 crore due to cost escalation. The work was awarded (October 2006) to M/s Arbind Construction, Daltonganj for ₹ 1.77 crore without approval of rates by the Chief Engineer (CE). However, the agreement of ₹ 1.77 crore was executed (October 2006) by the EE and ₹ 1.77 crore was paid to the contractor against the work executed.

Thus, rejection of the first tender without assigning any reason and increase of the rate without approval by the competent authority resulted in irregular and unauthorised payment of ₹ 1.77 crore to the contractor.

1.1.8.12 Unfruitful expenditure

According to the Forest (Conservation) Act, 1980 and the guidelines issued (January and April 2005) by the Ministry of Environment and Forest (MoEF), GOI, upgradation of *kutchha* roads to blacktopped/ tarred roads in forest areas required prior environment clearance and in case of new construction, prior permission of GOI was necessary. The Jharkhand Public Works Accounts

[32] Bokaro, Chakradharpur, Chaibasa, Daltonganj, Deoghar, Dumka, Giridih, Gumla and Ranchi.

[33] Bokaro, Chaibasa, Daltanganj, Deoghar, Dumka, Giridih and Gumla.

(JPWA) Code[34] provided that acquisition of land in forest areas must be settled before preparation of estimates of the works. Further, as per paragraph 4.8.2 of the Indian Road Congress Specifications of November 2008, roads constructed upto Water Bound Macadam (WBM) level not covered by bituminous layer were not fit for movement of traffic.

- Scrutiny of records of JSRRDA revealed that 30 road works were not completed as of March 2010 due to non-clearance of forest lands, non-execution of work after WBM level, rescinding of works etc even after lapse of more than five years and incurring expenditure of ₹ 34.01 crore as detailed in ***Appendix 1.9***. Thus, expenditure of ₹ 34.01 crore was proved to be unfruitful.
- Scrutiny (April to July 2010) of records of six[35] out of 10 test-checked PIUs revealed that EEs executed 10 agreements for construction of road works of 10 packages[36] of Phase IV and V under PMGSY for ₹ 30.28 crore. The works were scheduled to be completed between October 2007 and November 2009. After incurring an expenditure of ₹ 16.26 crore upto the WBM level, the works were left incomplete as of March 2010 which resulted in unfruitful expenditure of ₹ 16.26 crore as shown in ***Appendix-1.10***. No steps were taken by the department to get the works completed. No action was taken against the erring contractors.
- Scrutiny of records of four[37] out of the 10 test-checked PIUs revealed that five agreements for ₹ 15.73 crore were executed for construction of road works of five packages[38], which were scheduled to be completed between June 2005 and July 2009. After incurring expenditure of ₹ 5.58 crore, the works were left midway due to various reasons such as non-clearance of forest land, lands owned by railways, land disputes and lackadaisical attitude of the PIUs. This resulted in unfruitful expenditure of ₹ 5.58 crore.

1.1.8.13 Considerable delay in execution of works

Sixty one packages remained incomplete or were completed after considerable delays

As per paragraph 13.1 of the PMGSY guidelines, the projects were to be executed by the PIUs and completed within a period of nine months from the date of issue of the work orders. In case the period for execution was likely to be adversely affected by the monsoon or a package comprised more than one road work, the total time given for completion of these roads was not to exceed 12 calendar months.

Scrutiny of records of selected PIUs revealed that 61 out of 67 packages taken up for ₹ 141.01 crore under Phase III to V remained incomplete or were completed after considerable delays as detailed in **Table 6**.

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[34] Annexure 'A'- Cabinet Secretariat and Co-ordination Department (Vigilance Cell resolution No. 948 dated 16 July 1986, Para 4.5 and 6.3).

[35] Bokaro, Chaibasa, Daltonganj, Dumka, Giridih and Gumla .

[36] Bokaro- JH 0106 Phase V, JH 0111 Phase V & JH 0115 Phase V, Chaibasa- JH 2206 Phase IV, Daltonganj- JH 1704 Phase V & JH 1702 Phase V, Dumka- JH 0501 Phase V & JH 0502 Phase V, Gumla- JH 1004 Phase V, and Giridih- JH 0814 Phase V.

[37] Daltonganj, Deoghar, Giridih and Ranchi.

[38] Daltonganj-JH 1705 Phase III, Deoghar- JH 0305 Phase IV, JH 0303 Phase V, Giridih- JH 0802 Phase V and Ranchi- JH 1807 Phase V.

Table-6: Delay in execution of works beyond stipulated date

Total number of packages not completed during stipulated time	Delay in completion of packages		
	Less than 12months	More than 12 months but less than 24 months	More than 24 months
61	40	17	04

(Source: Information from test checked PIUs)

Lack of proper monitoring by EEs, and Junior Engineers, non-organising of Transect Walks by Assistant Engineers with stakeholders and failure to take action against the defaulting contractors were the main reasons for the inordinate delays in the execution of these works.

1.1.8.14 Failure to provide culverts/bridges deprived habitations to all-weather connectivity

Unfruitful expenditure of ₹ 96.11 crore was incurred on 86 road works without bridges which resulted in failure to provide all-weather connectivity to targeted habitations

According to paragraph 8.5 (v) of the guidelines, the PIUs were to ensure proper embankment/drainage, cause-ways, culverts and bridges, where necessary, to provide all-weather connectivity to targeted habitations.

Scrutiny of records of eight[39] out of the 10 test-checked PIUs revealed that 86 road works were constructed under PMGSY during Phases II to VII after incurring an expenditure of ₹ 96.11 crore without providing culverts/bridges of different spans ranging between one and 420 metres though already planned in DPRs as detailed in ***Appendix-1.11***. Thus, the very spirit of the scheme was defeated because these roads were unable to provide all-weather connectivity to the targeted habitations even after an expenditure of ₹ 96.11 crore was incurred.



(Unbridged gap- NH23 Holy Cross School to Dharampura, Bokaro-Road was constructed but it failed to provide all-weather connectivity because of unbridged gap)

1.1.9 Maintenance funds of PMGSY

According to paragraph 17.2 of the PMGSY guidelines, all PMGSY roads were to be covered with five years of maintenance contracts to be entered into along with the construction contracts of the roads with the same contractors as per the Standard Bidding Document. Maintenance funds to service the contracts were to be budgeted by the State Government and placed at the disposal of SRRDA in a separate maintenance account.

[39] Bokaro, Chakradharpur, Daltonganj, Deoghar, Dumka, Giridih, Gumla and Ranchi.

According to the condition of the contract, the contractor was required to follow norms as given below for routine maintenance of works:

(a) The contractor was to submit to the Engineer, a bill every month for the routine maintenance of the road from the date the maintenance period started which was to be supported with a copy of the record of contractor's monthly inspection and other instructions received from the Engineer.

(b) The payment was to be made six monthly for the monthly bills received during the previous six months.

(c) If the bill for a month was not received from the contractor by the 10th day of the succeeding month or/and if the Engineer had not certified that the contractor had carried out the maintenance work for defects brought to his notice within the specified period, no payment was to be made to the contractor for that month.

(d) If the contractor failed to carry out the maintenance within the period specified by the Engineer, no payment of any kind was due to the contractor for that month.

- Scrutiny of records of JSRRDA, Ranchi revealed that ₹ 50 lakh was released by the State Government for this purpose in the year 2007-08. Out of this amount, ₹ 10.70 lakh was released in the year 2009-10 to three PIUs[40] by JSRRDA and ₹ 42.39 lakh was lying unutilised, including ₹ 3.09 lakh earned as interest on available funds as of May 2010. Further, scrutiny of records of the test-checked PIUs revealed that agreements for construction of roads under PMGSY alongwith its maintenance were being executed by the EEs but the EEs failed to fulfill the contractual obligations for maintenance of these roads due to non-release of funds by State/JSRRDA.



(Damaged and deteriorating condition of Nawadih to Bondiya road in Deoghar district (left) and Galgal Tand to Amdiha road in Bokaro district (right) due to non-maintenance of roads)

- **Out of the 10 test-checked PIUs, scrutiny of records of PIU, Ranchi revealed that two agreements[41] of ₹ 26.06 lakh for routine maintenance of roads of two packages were executed (January 2009). The execution of repairing works for the years (2006-2009) was reflected in MB in the month of September 2009 only and ₹ 9.66 lakh was paid to the contractor. As measurement of the repairing works of three years (2006-09) done in a particular month (Sept 2009), without following**

[40] Jamshedpur-₹ 0.86 lakh, Godda-₹ 0.65 lakh and Ranchi-₹ 9.19 lakh.

[41] Agreement nos. JH 0105 (s) of 2008-09 for ₹ 12.82 lakh and JH 0104(s) of 2008-09 for ₹ 13.24 lakh. Pkg nos. JH 1804 and JH 1806 of Phase III.

the provision of SBD for taking regular measurements created doubt about the actual execution of repairing works. Thus, the possibility of misappropriation of ₹ 9.66 lakh could not be ruled out.

1.1.10 Other interesting points

Audit also observed the following:

- As per the guidelines, the State Government was to plant fruit-bearing and other suitable trees on both sides of the roads at its own cost, but the State Government failed to provide any funds for this purpose, which resulted in non-plantation of trees.
- The NRDDA was to provide 100 *per cent* assistance for independent studies of impact of new rural connectivity provided under PMGSY. No impact assessment of new rural road connectivity provided under PMGSY was conducted by any independent agency in the State.
- As per condition of the contract (para 58.1 of the SBD), photographs of the commencement, midway progress and completion of work were to be taken by the contractor and handed over to the PIU for further reference. Audit scrutiny of test-checked PIUs revealed that no such photographs were found on record and the EEs failed to enforce the clause of the contract.

1.1.11 Monitoring and Evaluation

1.1.11.1 Monitoring

The State Level Standing Committee (SLSC) was responsible for overall monitoring of implementation of the programme in the State. However, it held only one meeting (July 2008) during 2005-10. To monitor the progress and exercise vigilance of works, District Vigilance and Monitoring Committees (DVMC) were to be set up by Ministry, GOI. However, no records were found in the PIUs showing the monitoring of PMGSY by DVMCs. Settlement of final bills with the contractor was one of the parameters of monitoring the successful execution of works. Records of PIUs revealed that 61 packages were not finalised without any recorded reason. At the JSRRDA level, internal auditors were not appointed to check the correctness of transactions.

1.1.11.2 Quality control

PMGSY had a three-tier quality control mechanism. The first tier was the PIUs/EEs, the second tier was the State Quality Monitor (SQM) and the third tier was the National Quality Monitor (NQM). The State Government was to appoint a State Quality Co-ordinator (SQC) at the State level who was to ensure that the works would be inspected at least in three stages and was to submit action taken report to the NQM/SQM. All works rated 'Unsatisfactory' were to be re-inspected by NQM or SQM after rectification reports were received from the SQC.

- Scrutiny of records of SQC/JSRRDA revealed that 821 roads were inspected by the NQM and SQM, of which 210 (26 *per cent*) and 230 (34 *per cent*) roads were reported 'Unsatisfactory' by NQM and SQM

respectively. No Action Taken Report was submitted by SQC against 73 out of 210 roads reported 'Unsatisfactory' by NQM and 191 out of 230 roads reported 'Unsatisfactory' by SQM.

- Perusal of the records of JSRRDA revealed that 246 roads were completed during 2005-10, of which 79 roads valued ₹ 82.81 crore were neither inspected by the NQM nor by SQM. Hence, quality of these roads was not verified by second and third tier of Quality Control Monitors. Thus, the construction of inferior quality of these roads could not be ruled out.

1.1.12 Conclusion

The primary objective of Pradhan Mantri Gram Sadak Yojana of providing connectivity by way of all-weather roads to all unconnected habitations by the end of the Tenth Plan Period (2007) remained unachieved as only 496 (nine *per cent*) habitations out of 5,427 targeted were connected during 2005-10. Transect walks were not arranged to resolve disputes. Roads were not constructed as per the priorities fixed. The bridges in the roads were also not constructed to provide connectivity from one end to the other. The quality of roads was compromised due to non-rectification of defects reported by National Quality Monitor/State Quality Monitor as well as doubtful procurement of bitumen through submitting of fake/cross/duplicate copies of invoices by contractors. Government money was defalcated without actual procurement of bitumen as well as actual execution of work by making false entries in the measurement books. Contractors were favoured in realisation of liquidated damages, grant of mobilization advances and equipment advances. No efforts were made to encash the amount of bank guarantees submitted by the contractors and bank guarantees were allowed to lapse. No roads were covered with insurance during their construction period. Roads were not maintained due to non-release of funds by Jharkhand State Rural Road Development Agency/State Government despite availability of funds. The State Government was required to get the impact assessment of the scheme done by an independent agency but no such assessment was carried out by any agency. In the exit conference, the Secretary assured (October 2010) that corrective measures would be taken where necessary in accordance with the rules and procedures.

1.1.13 Recommendations

- Priority list of CNCPL should strictly be adhered to and delay in execution of works should be arrested.
- Concrete steps should be taken to adhere to the scheduled dates of completion of works and providing connectivity to the targeted habitations.
- Budgetary provision of funds for routine maintenance should be made by the State Government and funds should be released accordingly.
- Road works should be covered with insurance during construction and it should be ensured that the bank guarantees submitted by the contractors are revalidated in time.

- Lacunae in the existing system for the procurement of bitumen and its utilisation in the road works should be identified and the loopholes plugged.
- Quality assurance of construction of roads should be ensured.
- The State Level Standing Committee should meet annually to monitor the implementation and the progress of the scheme.

Health, Medical Education And Family Welfare Department

1.2 Working of Rajendra Institute of Medical Sciences, Ranchi

Highlights

The Rajendra Institute of Medical Sciences (RIMS) was set up in 2002 by the State Government. It was conceived as a centre of excellence in the areas of medical research and medical education while serving as a hospital for specialised medical services. Under the Pradhan Mantri Swasthya Suraksha Yojana (PMSSY), a national project initiated in the year 2004 by GOI, RIMS was also selected for upgradation as a super-speciality hospital with an outlay of ₹ 120 crore, by March 2010. Performance audit of the working of RIMS revealed that it failed to achieve any of the objectives for which it was set up. Major targets like creation of a dental college, establishment of super-speciality departments and upgradation of existing departments under PMSSY were not achieved. The quality of service delivery to patients was unsatisfactory.

During 2005-10, unspent balances under the Plan head ranged between 36 and 84 *per cent* and under the Non-Plan head, between seven and 61 *per cent*. Under PMSSY, 100 *per cent* funds remained unutilised.

[Paragraph 1.2.7.1]

Shortage of ₹ 1,23,681 remained unaccounted for in the cash book for which no voucher could be produced, which was indicative of defalcation.

[Paragraph 1.2.7.4]

The cashier of RIMS did not account for ₹ 80.85 lakh in the cash book, which was received from the agency entrusted for collection and deposit of receipts for pathological and radiological tests. This was indicative of defalcation.

[Paragraph 1.2.7.9]

In four batches from 2006 to 2009, 729 students were admitted under 24 different paramedical courses without obtaining affiliation from any university leading to uncertainty over the future of the students.

[Paragraph 1.2.8.3]

Though creation of a dental college was envisaged in the RIMS Act, it could not be established even after incurring expenditure of ₹ 6.80 crore and expiry of over four years from the first allotment of funds by the State Government.

[Paragraph 1.2.8.5]

The target of establishment of super-speciality departments as well as upgradation Plan of RIMS under PMSSY could not be achieved despite expenditure of ₹ 30.97 crore on civil works and equipment by GOI.

[Paragraph 1.2.9]

Outdoor patient departments were not fully equipped to cater to the needs of large numbers of patients and the number of essential medicines

actually purchased with respect to the requirement ranged between 24 and 33 *per cent* during 2005-10.

[Paragraphs 1.2.10.1 and 1.2.10.4]

Non-maintenance of proper medical records resulted in failure to ensure proper patient care.

[Paragraph 1.2.10.2]

The drug testing mechanism was inadequate. During 2006-07, 20,000 vials of Ceftriaxone injection, valuing ₹ 5.22 lakh, declared substandard by the Drug Inspector, were administered to patients.

[Paragraph 1.2.10.4]

The shortage of doctors/teaching faculty ranged from 44 to 89 *per cent* in different cadres which was bound to impact both the academic and hospital activities significantly.

[Paragraph 1.2.11.1]

The bed capacity was grossly inadequate and there was overcrowding in wards which forced the patients to lie on the floor in wards/ corridors.

[Paragraph 1.2.12.1]

There was neither any monitoring and evaluation nor any vigilance mechanism in RIMS.

[Paragraphs 1.2.13 and 1.2.14]

1.2.1 Introduction

The Rajendra Institute of Medical Sciences (RIMS), Ranchi was set up by merging the erstwhile Rajendra Medical College and Hospital (established in 1959) with the existing College of Nursing and Nursing School, in 2002 as an autonomous body through an Act[42] of the State Legislature. It was conceived as a centre of excellence with the following objectives as enumerated in the Act:

(i) To achieve high standards in the field of graduate and post-graduate medical education;

(ii) To encourage academic and research activities in the field of medical education and allied subjects;

(iii) To provide better facilities and encouragement for education and training on dentistry;

(iv) To provide quality health services in cost-benefit form, through traditional and state-of-art facilities; and

(v) To attain self-sufficiency in providing services and facilities.

RIMS was housed in a five-storeyed building. The space for teaching as well as central facilities was adequate. The total land available for the college, hospital and all ancillary facilities was 200 acres, of which the built up area for college and hospital building was 16.613 acres. Hostels, residential quarters, mortuary complex, animal house, incinerator, generator facility, canteen, gymnasium, auditorium etc were located on the remaining land.

[42] Rajendra Institute of Medical Sciences (RIMS) Act, 2002.

1.2.2 Organisational set-up

The Governing Body (GB) consisting of 13[43] ex-officio members with the Minister of Health, Medical Education and Family Welfare, Jharkhand as Chairman and the Secretary, Health, Medical Education and Family Welfare Department as Vice-Chairman, is responsible for taking decisions on policies relating to the affairs and working of RIMS. The Director, RIMS is the Chief Executive Officer who is assisted by a Deputy Director (Administration), a Superintendent, an Accounts Officer, a Deputy Superintendent and a Medical Officer (Store). The post of Internal Financial Adviser though envisaged in the Act, has been vacant since the inception of RIMS.

1.2.3 Audit objectives

The objectives of performance audit were to assess whether:

- the planning process was adequate and in consonance with the objectives of RIMS;
- finances of RIMS were being managed in an effective manner;
- academic, training as well as research activities received the desired emphasis;
- hospital infrastructure was adequate and utilised efficiently and effectively;
- service delivery to patients was adequate; and
- internal control, monitoring and vigilance mechanisms were adequate and effective.

1.2.4 Audit criteria

The audit criteria adopted were:

- Objectives for setting up RIMS;
- Norms and instructions of the Medical Council of India;
- Decisions of the Governing Body;
- Training and academic calendars for paramedical, undergraduate and post graduate courses;
- Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) guidelines; and
- Provisions of the Bio-medical Waste (Management & Handling) Rules, 1998.

[43] Minister of Health, Medical Education and Family Welfare, Secretary, Health, Medical Education and Family Welfare, Finance Commissioner, Vice-Chancellor, Ranchi University, Director, AIIMS, New Delhi, Divisional Commissioner, South Chhotanagpur Division, Director, Medical Education, Director, RINPAS, one medical expert nominated by the State Government, one SC/ST representative, Representative of M.P, Ranchi Constituency, Representative of M.L.A, Kanke Constituency and Director, RIMS.

1.2.5 Scope and Audit Methodology

A performance audit was conducted between February and July 2010 and the records of the Health, Medical Education and Family Welfare Department, RIMS and civil works executing agencies like the concerned National Rural Employment Programme (NREP) and Building Construction Department (BCD) divisions for the period 2005-10 were examined. Audit was conducted by examining the records, collecting information/data through questionnaires and physical verification.

The audit objectives, criteria and methodology were discussed in the entry conference held in March 2010 with the Secretary, Health, Medical Education and Family Welfare Department. An exit conference was held in October 2010 with the Principal Secretary, Health, Medical Education and Family Welfare Department, wherein audit findings, conclusions and recommendations were discussed. The Principal Secretary assured that appropriate corrective measures would be taken, where necessary, in accordance with the Rules and procedures.

The audit findings are discussed in the succeeding paragraphs.

1.2.6 Planning

RIMS received funds from the State Government under Plan and Non-Plan heads as grants-in-aid for which it was required to submit Annual Plans duly approved by the Governing Body. It received Central assistance under PMSSY, initiated by the Government of India (GOI) in 2004, for its upgradation as a super-speciality hospital. PMSSY was to be implemented by March 2010 for which RIMS was to prepare a detailed long term Plan, covering all aspects of procurement/installation etc. Audit scrutiny revealed that:

- RIMS did not formulate any detailed long term Plan for its upgradation under PMSSY though the scheme was to be implemented by March 2010.
- RIMS prepared only Annual Plans showing procurement and civil activities to be undertaken during the financial year and submitted them to the State Government.
- As per Section 12 of the RIMS Act, the GB had the authority for all administrative and financial powers in all matters relating to the functioning of RIMS. Scrutiny of the Annual Plans for 2007-09 revealed that there was ad-hocism in planning in RIMS. It was found that two civil works were approved in the Annual Plan of 2008-09 though the works had already been taken up during 2007-08. Further, it was found that three civil works were approved (2008-09) directly by the Minister, Health, Medical Education and Family Welfare-cum-Chairman, GB on a proposal submitted by the Director/RIMS without it having been considered by the GB.
- The GB considered (August 2004) a proposal of the Health, Medical Education & Family Welfare Department to increase beds at RIMS from 991 to 1,500, but considering the fact that it would take a long time to complete the infrastructure requirements like buildings, equipment, furniture, manpower etc to increase the beds from 991 to 1,500, it directed

(August 2004) the Director, RIMS to develop a detailed plan with budgetary provisions for the same and meanwhile, make arrangements for 150 extra beds from the budget allotment of 2004-05. Subsequently, the GB approved (December 2006) the proposal to increase the bed capacity from 991 to 1,500. In spite of the approval of the GB, the RIMS administration did not include the same in the Annual Plans/budget proposals and failed to arrange for a single extra bed as of May 2010.

1.2.7 Financial Management

1.2.7.1 Budget, Allotment and Expenditure

The status of budget proposals submitted by RIMS and approved by the State Government during 2005-10 is given in **Table 1**.

Table-1 : Statement of Proposed and Approved Budgets

(₹ in crore)

Year	Proposed budget	Actual budget approved by the State Government	Curtailment	Percentage of curtailment
2005-06	32.92	11.00	21.92	67
2006-07	73.05	11.00	62.05	85
2007-08	71.15	20.00	51.15	72
2008-09	81.35	13.75	67.60	83
2009-10	90.32	5.00	85.32	94
Total	**348.79**	**60.75**	**288.04**	

(Source: Annual Budget proposals of RIMS, sanction of grants by State Government)

From the above table, it may be seen that curtailment of the Plan size by the State Government ranged between 67 and 94 *per cent* during 2005-10. Scrutiny of records of the Health, Medical Education and Family Welfare Department revealed that the State Government had made an outlay provision of ₹ 75 crore for grant-in aid to RIMS in the Eleventh Five Year Plan 2007-12 and the Annual Plan budgets for RIMS were curtailed according to the outlay provision for RIMS in the State budget. This clearly indicated that the RIMS was preparing unrealistic Plan budgets which had no correlation with the State budget.

Unspent balances under the Plan head ranged between 36 and 84 *per cent* and between seven and 61 *per cent* under the Non-Plan head during 2005-10

On the other hand, it was also observed that RIMS was not able to utilise even the curtailed allotment which was only 20 *per cent* of the Plan approved by the GB during 2005-10, as detailed in **Table 2**.

Table-2: Statement of allotment and expenditure

(₹ in crore)

Year	Head of accounts	Opening Balance	Allotment	Total funds available	Expenditure	Closing Balance	Closing balance as percentage of total funds available
2005-06	Plan	22.47	17.00	39.47	15.44	24.03	61
	Non-Plan	13.35	58.27	71.62	27.80	43.82	61
2006-07	Plan	24.03	13.00	37.03	5.93	31.10	84
	Non-Plan	43.82	32.05	75.87	40.87	35.00	46
2007-08	Plan	31.10	20.00	51.10	21.99	29.11	57
	Non-Plan	35.00	29.17	64.17	38.75	25.42	40
2008-09	Plan	29.11	13.75	42.86	17.36	25.50	59
	Non-Plan	25.42	44.00	69.42	52.36	17.06	25

2009-10	Plan	25.50	5.00	30.50	19.61	10.89	36
	Non-Plan	17.06	64.00	81.06	75.38	5.68	7
Total	**Plan**	**22.47**	**68.75**	**91.22**	**80.33**	**10.89**	**12**
	Non-Plan	**13.35**	**227.49**	**240.84**	**235.16**	**5.68**	**2**

(Source: Data furnished by RIMS)

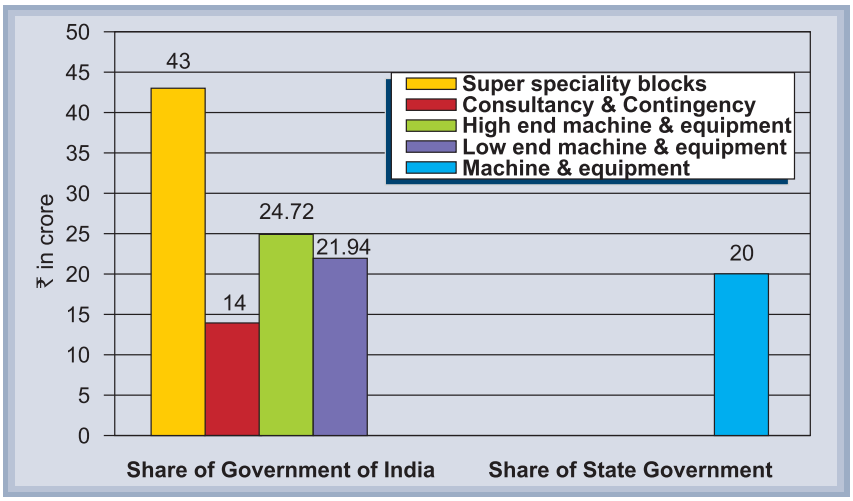
Thus, the closing balance under the Plan head ranged between 36 and 84 *per cent* and under the Non-Plan head between seven and 61 *per cent* during the period 2005-10.

1.2.7.2 Funding pattern of PMSSY

Under PMSSY, 100 *per cent* funds remained unutilised

Under PMSSY, 100 *per cent* funds (₹ 20 crore State share and ₹ 8.51 crore Central share received during 2008-09) remained unutilised. PMSSY had a total outlay of ₹ 120 crore with the following break-up:

Bar chart representing funding patterns for up gradation under PMSSY



(Source: Data from RIMS)

GOI was to provide ₹ 100 crore under the Central share and the deficit of ₹ 3.66 crore was to be met by the State. Out of the Central share, ₹ 57 crore was to be spent on construction of super-speciality blocks by CPWD for which funds were directly released to it by GOI. High end and common equipment (112 categories) were to be directly supplied by GOI through Hindustan Latex Limited (HLL) whereas the responsibility for procurement of low end and uncommon equipment (148 categories) was given to RIMS for which GOI provided (February 2009) ₹ 8.51 crore to RIMS and the State Government allotted (August 2008) ₹ 20 crore, which was drawn from the treasury by RIMS during March 2009. It was observed that RIMS could not utilise the funds allotted to it under the Plan head, which adversely affected its upgradation as discussed in this Report in paragraph 1.2.9.

1.2.7.3 Non-preparation of Annual Accounts

Under Section 22 of the RIMS Act and Rule 22 of the RIMS Rules, 2002, RIMS was required to prepare an Annual Accounts statement along with a balance sheet for every year ended on 31 March, to be audited by the Accountant General. The certified accounts along with the Audit Report thereon were to be submitted by RIMS to the State Government before 30 December every year and the State Government was to lay them before the

Legislative Assembly. It was seen that the Annual Accounts were never prepared since the creation of RIMS in 2002. Thus, the State Legislature and the Government were deprived of the crucial financial data/information of RIMS which could have been utilised for better planning and/or policy decisions, like budget outlays etc. The Government assured that appropriate corrective measures would be taken.

1.2.7.4 Deficiency in cash book

Shortage of ₹ 1,23,681 remained unaccounted for in the cash book for which no voucher could be produced by RIMS, which was indicative of defalcation

The closing balance of the cash book as on 25 November 2003 was ₹ 15,15,74,640. The opening balance in the cash book on the next working day (27 November 2003) was, however, taken as ₹ 13,90,03,338 on the basis of the bank statement. Thus, the cash book on 27 November 2003 was started with a shortage of ₹ 1,25,71,302 which was not reconciled (June 2010). Audit made an attempt to analyse the deficiency and found that the following payments/remittances were not entered in cash book on the payment side: vouchers of ₹ 85,920 for purchase of stores duly passed and entered in the stock register (February 2003), ₹ one crore advanced to Building Construction Division II, Ranchi (September 2003), ₹ 11,43,217, income tax deducted at source from the officials and remitted to the I.T. Department, six remittances amounting to ₹ 11,88,484 into the treasury as per treasury challans and advances to two persons amounting to ₹ 30,000. Thus, even after adjusting the above missing items, an amount of ₹ 1,23,681 remained unaccounted for in the cash book for which no voucher could be produced by the Accounts Section of RIMS, which was indicative of defalcation.

1.2.7.5 Expenditure incurred on inadmissible purposes

As per the provisions contained in Section 6 (XV) of the Act, RIMS could earn internal receipts in the shape of fees and other receipts, out of which expenditure for development of RIMS could be incurred. It was observed that during 2005-10, the total internal receipts[44] of RIMS was ₹ 8.48 crore, out of which ₹ 2.35 crore was spent on payment to MCI for inspection, salary/daily wages payment to staff and other miscellaneous official purposes etc although no such directions of the State Government were available.

1.2.7.6 Excess payment to junior residents (academic)

The GB adopted (September 2004) the residency scheme on the pattern of the All India Institute of Medical Sciences (AIIMS) for junior residents (academic) in RIMS, which was subsequently approved (October 2004) by the Health, Medical Education and Family Welfare Department. It was, however, noticed that against the monthly emoluments of ₹ 9,400, ₹ 9,725 and ₹ 10,050 plus other allowances for first, second and third year respectively prescribed (September 2004) in AIIMS, RIMS fixed (October 2004) emoluments of ₹ 11,456, ₹ 11,808 and ₹ 12,161 plus other allowances effective from 1 May 2004. Due to wrong fixation of emoluments, there was an excess payment of ₹ 1.30 crore during May 2004 to December 2005. Subsequently, after pay revision, the higher emoluments were regularised with

[44] Internal receipt comprises collection of fees from students, registration fees and fees for pathological and other tests.

effect from 1 January 2006, but no action was taken to recover the excess amount paid up to December 2005. This also involved the risk of the amount becoming irrecoverable since most of these persons might have left RIMS and joined elsewhere after completing their courses at RIMS.

1.2.7.7 Non-adjustment of temporary advances

Temporary advances amounting to ₹ 8.15 lakh were given to 182 officials for various purposes like miscellaneous office expenses, fuel, meeting expenses on MCI inspections etc during March 2004 to February 2010 which remained unadjusted as of May 2010. These advances were given irregularly out of the internal receipts of RIMS. Non-adjustment of temporary advances for long periods was fraught with the risk of misappropriation.

1.2.7.8 Inflated utlisation certificates

RIMS was required to furnish utilisation certificates (UC) to the Government against the grants released, for subsequent sanction of grants by the Government. It was seen that against the total amount of ₹ 91.22 crore available under the State Plan head during 2005-10, UCs for ₹ 80.33 crore were furnished to the State Government. However, test check of civil works being executed by the Works Divisions revealed that the divisions had furnished UCs for the entire advance of ₹ 32.69 crore given to them for execution of civil works during 2005-10, though the value of work done was only ₹ 10.28 crore. Thus, inflated UCs for ₹ 22.41 crore were furnished by the divisions. Subsequently, RIMS also furnished inflated UCs to the State Government without the amounts being actually utilised which was tantamount to misreporting.

Rupees 80.85 lakh received from the outsourced agency entrusted for collection and deposit of receipts for pathological and radiological tests was not accounted for by the cashier and, thus, defalcated

1.2.7.9 Defalcation of Government money

The GB decided (September 2005) to outsource the software and hardware for the centralised cash counter in RIMS for the collection of receipts for various pathological/radiological tests done in the laboratories of RIMS. However, the Director, RIMS issued (January 2006) a work order for manpower also which was not as per the decision of the GB. A Jamshedpur-based firm M/s Infonet Link was selected (October 2005) on the basis of a single tender. The day-to-day collections made by the firm were to be deposited with the Cashier, who was required to deposit the same in the bank account after ensuring proper accounting of the receipts received from the outsourced agency.

Audit scrutiny of receipt registers/cash book maintained by the Cashier of RIMS and the statement of the agency showing daily cash deposited with the Cashier duly supported by the receipts of the Cashier between January 2008 and December 2009 revealed the differences between the statements of the Cashier and the agency as detailed in Table 3.

Table-3: Difference between the statement of Cashier and the agency- M/s Infonet Link

(Amount in ₹)

Sl. No.	Period	Cash deposited with the cashier as per the agency M/s Infonet Link	Amount taken in receipt register by the cashier	Differential amount not accounted for
1	18-01-2006 to 31-12-2006	85,84,674	85,77,646	7,028
2	01-01-2007 to 31-12-2007	1,46,08,247	1,13,84,948	32,23,299
3	01-01-2008 to 31-12-2008	1,55,39,900	1,25,80,162	29,59,738
4	01-01-2009 to 31-12-2009	1,63,96,260	1,46,65,569	17,30,691
5	01-01-2010 to 31-03-2010	46,26,948	44,62,688	1,64,260
	Total	5,97,56,029	5,16,71,013	80,85,016

(Source: Data furnished by RIMS and outsourcing agency)

From the above details, it was evident that the Cashier did not account for the receipt of ₹ 80.85 lakh in the receipt register and the cash book. As per the provisions of the Jharkhand Financial Rules, all moneys received by the Cashier should have been accounted for in the receipt register and then into the cash book without delay, which was not done. Thus, the difference between the actual amount deposited by the agency and the receipt accounted for by the Cashier in the receipt register/cash book was likely to have been defalcated. Further, as per the work order issued to the outsourced agency, the agency had to get certificates of satisfactory handling of the cash counter from the Cashier, the Chief Cashier and the Accounts Officer, RIMS before submitting bills. It was, however, seen that the cash handling work was never certified by the Chief Cashier and Accounts Officer, RIMS. Moreover, physical verification of cash was also not conducted by the Director which facilitated the lapse.

1.2.8 Academic and Research activities

RIMS was envisaged as the centre of excellence in the field of medical education and medical research. It was set up with the objective of encouraging academic and research activities in the field of medical education and allied subjects. Audit scrutiny of academic and research activities revealed the following shortcomings:

1.2.8.1 Recognition of medical courses

The MCI, after inspection of RIMS, gives recognition to the available courses for subsequent years. Scrutiny revealed that the MCI derecognised (October 2009) the M.D. (Anaesthesia) course and directed RIMS to stop admission from the academic session 2010-11 due to irregular promotion of an associate professor and vacancies in the cadre of associate professors/senior residents.

It was also seen that MCI had issued (May 2008) a show cause notice for de-recognition of the MBBS degree due to the huge shortage of teaching faculty and resident doctors. The position had not improved as of February 2010 as discussed in paragraph 1.2.8.1. Ironically, RIMS had sent a proposal (May 2008) to increase the number of MBBS seats from the existing 90 to 150 which was rejected by MCI (June 2008) due to the faculty shortage.

1.2.8.2 Library

A rich library is the backbone of any teaching and research institution. RIMS maintained a Central library in the academic area which had 52,890 books and 45 foreign and 34 Indian journals. Scrutiny of records of the Central library revealed the following deficiencies:

- No regular librarian had been posted in the library since the inception of RIMS. No subject/category wise catalogue of the books was available in the library.
- In order to mitigate the difficulty of non-availability of books for technical courses like medical, engineering, agriculture, veterinary, polytechnic etc to the students belonging to Scheduled Castes (SCs) and Scheduled Tribes (STs) the Book Bank Scheme was started by the GOI/ State Government through the Welfare Department during 1992-93. The objective of the scheme was to provide the required books to SC/ST students to ensure higher standards of study and to minimise the instances of dropout of those students. Under the scheme, one set of books was to be provided free of cost to every two SC/ST students at the graduation level and one set to every SC/ST student at the post-graduation level. It was, however, seen that 13,330 books valuing ₹ 2.28 crore supplied during 2005-10 under this scheme to RIMS by the Welfare Department were mixed up in the general pool of the Central library instead of being provided exclusively to SC/ST students.
- Books were issued to teaching faculty members of RIMS. No internal control mechanism such as a time frame for returning the books, issuing reminders etc was in place. In audit, it was seen from the issue register that 1,407 books issued to 178 faculty members during May 1972 to June 2010 were not returned to the Central library (July 2010). Majority of these faculty members had either already retired or died. No steps had been taken to get back the issued books.

1.2.8.3 Paramedical courses

The Department of Health, Family Welfare and Medical Education started paramedical courses in three[45] medical colleges during 2006-07 and RIMS was one of them. A total of 24 paramedical courses were started in March 2007 (2006 Batch) at RIMS. The basic aim was to teach and train the students and produce knowledgeable and efficient paramedics who would be an asset to the nation's health service.

Audit scrutiny revealed that RIMS had projected three basic infrastructural requirements for starting paramedical courses; these being a building for the school and its office, faculty members and clinical facilities. However, the courses were started with the existing clinical facilities available in RIMS only without fulfilling the other two requirements of building and faculty members. As a consequence, the paramedical school was running without a building of its own and faculty members. Despite this, altogether 729 students (176 in

[45] Mahatma Gandhi Medical College & Hospital (MGMC&H), Jamshedpur, Patliputra Medical College & Hospital (PMCH), Dhanbad and RIMS.

2006, 184 in 2007, 257 in 2008 and 112 in 2009) were admitted for the course duration of two years and ₹ 11.27 lakh was realised as fees from them. Paramedical courses were running in RIMS without affiliation from any university. Neither were the courses recognised by AICTE[46] nor any council constituted by the State Government. As a result, not a single batch could pass out from the paramedical school, though by this time, at least two batches of 2006 and 2007 should have passed out. Reasons for failure to obtain recognition or affiliation were not found on record. Thus, inaction on the part of RIMS management put the future of all these students at stake.

1.2.8.4 Rural and Urban Health Training Centres

As per MCI guidelines, RIMS had three Rural Health Training Centres (RHTCs) and an Urban Health Training Centre (UHTC) for training of students in community-oriented primary health care and rural-based health education for the community attached to it. Audit scrutiny revealed that Kanke and Namkum RHTCs were practically non-functional as no infrastructure facility/manpower was available. Ormanjhi RHTC was somehow running in a very precarious condition. The building was in a dilapidated condition and the centre was dependent on the PHC for teaching purposes. Further, against the requirement of 29 posts as per MCI norms, it had a sanctioned strength of 10 only. These 10 posts were also not filled up and the actual persons-in-position were only five.

In the case of UHTC, Doranda, it was found that it was under the dual control of RIMS as well as district health administration.

1.2.8.5 Creation of Dental College

As per Section 6(VI) of the RIMS Act, the RIMS was to establish a well-equipped dental college for imparting practical training to the students of dentistry. The State Government allotted ₹ eight crore to RIMS during 2005-07 (₹ six crore in January 2006 and ₹ two crore in July 2006) for construction of the dental college building.

Though creation of a dental college was envisaged in the RIMS Act, it could not be established after incurring expenditure of ₹ 6.80 crore even after expiry of over four years from the first allotment of funds by the State Government

On the request of Director, RIMS (May 2007), the NREP-II Division, Ranchi prepared (August 2007) an estimate for construction of the dental college building to which technical sanction was accorded by the Chief Engineer, Rural Development Department, Special Zone in August 2007, followed by administrative approval by the Chairman, RIMS in September 2007. The work order and an advance of ₹ four crore was given to the Division in September 2007 with the completion schedule of 18 months i.e. by March 2009. Subsequently, two more advances of ₹ 2 crore (May 2009) and ₹ 0.80 crore (February 2010) were given to the division taking the amount of total advance to ₹ 6.80 crore. However, the work was still to be completed by the division (May 2010). Thus, the dental college could not be established even after the expiry of over four years from the first allotment of funds by the State Government- firstly, due to inordinate delay on the part of Director, RIMS to request the executing agency for preparation of an estimate and then, due to failure of the executing agency to adhere to the completion schedule.

[46] All India Council for Technical Education.

1.2.8.6 Research activities

RIMS had not undertaken even a single research work in the last five years

One of the important objectives of setting up RIMS was to encourage research activities in the field of medical science. It was, however, noticed that RIMS neither allocated any money during 2005-10 nor took up any research activities even though specialist doctors were working on its payroll. Scrutiny revealed that these doctors were involved in important research projects outside RIMS with the permission of the management.

1.2.9 Implementation of PMSSY

The Pradhan Mantri Swasthya Suraksha Yojana (PMSSY), a national project, was initiated in 2004 by GOI for setting up six AIIMS like institutions and upgradation of 13 existing medical institutions as super-speciality hospitals in the country. In Jharkhand, RIMS was selected for upgradation as a super-speciality hospital with an outlay of ₹ 120 crore (Central share- ₹ 100 crore and State share- ₹ 20 crore). The scheme was to be implemented by 2009-10. Under the scheme, six departments, namely, Cardiology/ Cardiothoracic, Urology, Neurology/ Neurosciences, Nephrology, Paediatric surgery and Oncology/Oncosurgery were identified (May 2007) for establishment/ upgradation to the super-speciality level in RIMS.

Audit scrutiny revealed that the upgradation Plan was lagging behind the schedule (March 2010). GOI was to supply 305 high end equipment of which 207 equipment were supplied to RIMS during July 2009 to April 2010. Of these, only 16 equipment were installed till May 2010. Thus, 191 pieces of equipment worth ₹ 10.68 crore remained uninstalled ***(Appendix -1.12)***. Audit scrutiny of the records of CPWD, Ranchi Central Division, Ranchi-2, revealed that the agency had to construct super-speciality blocks for the identified departments at a total cost of ₹ 43 crore. The agency placed the work order on a contractor only in September 2009 with a completion schedule of 20 months (June 2011) although the administrative approval and estimate sanction was received in March 2008 by the agency. The work was started by the contractor only in October 2009 as a result of which the super-speciality blocks were not ready in time (April 2010) for installation of the equipment supplied by GOI.

Further scrutiny revealed that the super-speciality block for oncology could not be set up (May 2010) due to delay in obtaining the approval of the design of the building from the Atomic Energy Regulatory Board (AERB) and non-selection of vendor for supply of radiotherapy equipment. It was seen that the requisite form for obtaining AERB's approval sent (June 2008) by CPWD to Director, RIMS was completed and sent to AERB (May 2009) with a delay of 11 months. Following the approval of AERB (June 2009), CPWD started (October 2009) the construction work for the oncology block which was pending due to non-finalisation of vendor (May 2010) by RIMS. This was a major failure since the GOI guidelines required RIMS to be in readiness as per procurement plan of Hindustan Latex Limited so that the equipment can be installed.

Further, GOI issued (May 2008) guidelines to prepare a detailed Action Plan for finalising the list and specifications of low end equipment to be procured by RIMS and ensure timely procurement and installation of those equipment.

Audit scrutiny, however, revealed that no such detailed plan was prepared by RIMS and ₹ 8.51 crore provided (February 2009) to RIMS for purchase of low end and uncommon[47] equipment by GOI could not be utilised (May 2010) as RIMS could not finalise the list/specifications of equipment to be purchased. Similarly, the State share of ₹ 20 crore for purchase of equipment could not be utilised for the same reason.




(Photographs taken on 15 June 2010 showing machine and equipment supplied under PMSSY by GOI lying crated in Paediatric Surgery unit)

Thus, neither the list/specifications of the equipment to be procured nor the vendor could be finalised by RIMS even after the expiry of 24 months from the issue of guidelines by GOI. This indicated complete failure of planning as well as the lackadaisical attitude of the RIMS management towards upgradation which, if completed, would have resulted in huge medical benefits to the poor and needy patients. Hence, the target of establishment of super-speciality departments as well as the upgradation Plan of RIMS could not be achieved despite expenditure of ₹ 30.97 crore (April 2010) on civil works (₹ 20.29 crore) and supply of equipment (₹ 10.68 crore) by GOI.

1.2.10 Service delivery to patients

RIMS provided medical care to patients either through the outpatient departments or by admitting them as indoor patients. Medical services included specialists consultation, pathological/radiological tests, admission, supply of medicines, diets, etc.

Audit scrutiny of the various activities under service delivery to patients revealed the following deficiencies:

1.2.10.1 Outpatient Departments

The outpatient departments (OPD) provided medical services to those patients who did not need hospitalisation. Each OPD was to run for six hours a day with one specialist doctor. RIMS, being the premier medical institution in the State, received patients from all over the State including far-off rural places. Hence, efficient and competent OPDs, commensurate with the heavy flow of patients, were a must for providing quality services to the patients, particularly the poor people who could not afford expensive treatment in private hospitals. It was, however, observed that the OPDs were not fully equipped to cater to the needs of a large number of patients. To illustrate this, a table showing the

[47] Equipment specific to RIMS.

number of patients treated, the number of specialists available and the average time taken per patient during March 2010 in nine OPDs is given in **Table 4.**

Table-4: Statement showing no. of patients in OPDs and time taken per patient

Sl. No	Name of OPD	Total number of patients seen in March 2010	Total number of days of OPD in March 2010	Duration of OPD (in hours)	Number of specialists per day who attended OPD	Number of patients seen per hour per specialist	Time taken per patient (in minutes)
1	Eye	2,693	26	6	1	17	3.5
2	ENT	1,840	26	6	1	12	5
3	Medicine	5,113	26	6	1	32	1.87
4	Neurosurgery	1,268	13	6	1	16	3.75
5	Orthopaedic	2,381	26	6	1	15	4
6	Obstetrics & Gynaecology	1,925	26	6	1	12	5
7	Paediatrics	2,333	26	6	1	15	4
8	Skin and STD	2,178	26	6	1	14	4.28
9	Surgery	1,753	26	6	1	11	5.5

(Source: Data provided by Medical Record Department, RIMS)

As seen from the table above, on an average 11 to 32 patients were examined per hour, taking 1.87 to 5.5 minutes per patient. However, the workload in medicine OPD was extremely high leading to practically negligible time for attending to one patient. It was also seen that no standard time/ norm was fixed by RIMS management for a specialist's consultation by the patients in OPD.

Non-maintenance of proper medical records resulted in denial of quality medical care to indoor patients

1.2.10.2 Indoor patients

Scrutiny of patients' records kept in the Medical Records Department (MRD) of RIMS revealed that only bed head tickets depicting bed numbers allotted to the patients and doctors prescriptions were maintained in the wards in respect of indoor patients. These records did not contain details like general case history, progress notes and orders by medical officer, chart of operation/investigations, details of diet, doctors' visit summary, patients discharge summary etc. Non-maintenance of these records/details in the hospital amounted to failure to ensure proper patients' care. Further scrutiny of the central indoor patients' register maintained in the Matron's office and data furnished by MRD for the period January 2008 to April 2010 revealed that out of 1,73,789 patients admitted in the hospital during the above period, 5,416 patients left the hospital against medical advice (LAMA cases). Reasons for patients leaving the hospital against medical advice despite free/low-cost treatment provided in RIMS was not on record.

1.2.10.3 Supply of diet to patients

The hospital dietary service provided food to all indoor patients of the hospital. The following deficiencies were noticed in this service:

- Against the sanctioned strength of 34, there were only 21 persons in the kitchen, working in two shifts which translated into an average strength of 10 persons per shift. Thus, there was not only a heavy workload on the kitchen staff for cooking meals for about 1,000 patients per shift but there was also the risk of the food quality being compromised. It was noticed that a proposal for purchase of a machine for making 1,000 *chapatis* per hour at an estimated cost of ₹ 60 lakh was approved (November 2007) in the sixteenth meeting of the GB, but the proposal could not be implemented for want of funds under the appropriate head. Thus, due to non-purchase of the machine, heavy workload on the kitchen could not be reduced.
- Patients admitted after 2 pm were not provided diet for the entire day as admission reports from wards by the Sisters-in-charge were sent in the next morning to the kitchen and there was no provision of including the names of those admitted afterwards. A year-wise comparison of the Diet Register and the Matron Register revealed denial of diets to such patients as detailed in **Table 5**.

Table-5: Statement showing patients not provided with diets

Calendar year	Number of patients present in hospital as per Matron Register	Number of diets provided to patients as per Diet Register	Number of diets not provided to patients	Percentage of patients who were denied diets
2008	4,13,381	3,82,624	30,757	7
2009	3,90,102	3,42,546	47,556	12
2010 (up to April 2010)	1,30,029	1,15,843	14,186	11
Total	**9,33,512**	**8,41,013**	**92,499**	**10**

(Source: Data provided by RIMS)

From the above table, it was quite evident that on an average, 10 *per cent* of the admitted patients were denied the benefit of diet due to the faulty reporting system.

1.2.10.4 Procurement and supply of Medicines

RIMS was providing medicines at ₹ 20 and ₹ 5 per patient per day (fixed in October 2001) for IPD and OPD patients respectively. Requirements of essential medicines were called from the respective heads of the departments (HODs) and purchases were made after finalising tenders in the Annual meeting of the Purchase Committee constituted for the purpose. Deficiencies noticed right from the tendering process up to the availability and distribution of medicines during 2005-10 are discussed below:

- The Purchase Committee had been approving the rates for lesser number of medicines (32 to 47 *per cent*) than the requirement assessed by HODs and the actual purchase was for an even lesser number of medicines (24 to 33 *per cent*) as shown in **Table 6**.

Table-6: Statement of approval and purchase of essential medicines

Sl. No.	Year	No. of essential medicines proposed for purchase by HODs	Number of medicines approved by purchase committee	Percentage of medicines approved	Number of medicines actually purchased	Percentage of medicines actually purchased with respect to requirement
1	2005-06	356	166	47	117	33
2	2006-07	501	194	39	136	27
3	2007-08	601	234	39	160	27
4	2008-09	601	234	39	160	27
5	2009-10	609	192	32	149	24

(Source: Data supplied by RIMS)

Thus, patients were denied the benefit of free medicines to be provided by RIMS. No reason for non-approval/purchase of the required number of essential medicines was found in the minutes of meeting of the Purchase Committee. Audit scrutiny revealed that paucity of funds was not the reason since there was heavy closing balance of funds under Non-Plan every year during 2005-10 as discussed in paragraph 1.2.7.1.

- Procurement of medicines was not well-planned. While 'nil' stock of a large number of medicines was found, there was also huge closing stocks of certain medicines. During review of the records of the Central Medicine Store, 'nil' stock of a large number of medicines was found as detailed in **Table 7**.

Table-7: Statement showing out-of-stock medicines

Sl. No.	Year	Total number of essential medicines purchased during the year	Number of essential medicines not available in central store (percentage)	Period of nil stock of medicines
1	2005-06	117	8 (7)	2 months to 11 months
2	2006-07	136	13 (10)	2 months to 11 months
3	2007-08	160	29 (18)	2 months to 11 months
4	2008-09	160	34 (21)	2 months to 11 months
5	2009-10	149	55 (37)	2 months to 11 months

(Source: Data compiled from stock registers)

From the above, it may be seen that seven to 37 *per cent* of medicines including life-saving medicines remained out of stock for two to 11 months during the year. Non-availability of a large number of medicines for such long periods indicated poor stock management and inventory control leading to denial of benefits to needy patients. On the other hand, a scrutiny of the stock registers and issue registers also revealed that there was huge closing stock of certain medicines at the close of every year during 2005-10 which was indicative of overstocking. In fact, audit analysis of year-end stock for 2005-06 revealed that 13 medicines were overstocked for three to 24 months. Thus, purchase of these medicines was not need based.

- An oncology unit was set up in RIMS in December 2008 under the Surgery Department. Only chemotherapy to cancer patients was given in this unit which started during May 2009. Perusal of the list of medicines revealed that 26 medicines required for chemotherapy were enlisted for purchase during 2009-10. However, rates for these medicines were not

approved by the purchase committee for which no reason was on record. It was seen that chemotherapy of 79 cancer patients was given during the year 2009-10 for which the patients had to purchase the medicines on their own as RIMS could not provide the medicenes. This put a heavy financial burden on poor patients who had to buy expensive medicines from the market.

During 2006-07, 20,000 vials of Ceftriaxone injection declared substandard by the Drug Inspector, were administered to patients

- As per the provisions of Sections 22 and 23 of the Drugs and Cosmetics Act, 1940, the Drug Inspectors appointed by the Central Government or the State Government have the power to inspect the premises where any drug is being manufactured, sold, stocked or distributed and collect samples of drugs for testing. The Act or the Drugs and Cosmetics Rules, 1945, however, do not provide any time schedule or frequency for such inspections/collection of samples. It was seen that in RIMS, the Drug Inspector, Ranchi-I was collecting samples of medicines for testing from time to time. Six samples were collected during 2005-10 against over 100 types of medicines purchased every year. Further, it was observed that during 2006-07, 20,000 vials of Ceftriaxone injection[48] (1 gm) of Batch No. CFBI-68 valuing ₹ 5.22 lakh were purchased (October 2006 to February 2007) from M/s Medhavi Associates, Ranchi. The Drug Inspector, Ranchi-I had expressed (December 2006) a doubt that the caps of the vials were of two different colours (red and pink) and the labels were also different. As a result, five vials of each colour were seized (December 2006) for investigation. The test report of the seized medicines was submitted by the Drug Inspector in September 2008 to RIMS in which the entire batch of the injection was declared substandard. The Drug Inspector ordered (September 2008) the withdrawal of the entire batch of injections but the Superintendent informed that the entire stock of medicine had already been consumed by March 2007. Thus, substandard injections (20,000 vials) were administered to patients. It was seen that quality tests of medicines prior to their purchase was not done by RIMS. Thus, due to the absence of an effective quality control mechanism in RIMS, supply of substandard medicines to patients could not be ruled out.
- Test check of indents of medicines, issue register of the Central Medicine Store and the stock register of medicines for the month of March 2010 in five wards of three important departments (Neurosurgery, ENT and Surgery) revealed that medicines were short supplied to the wards despite their availability in the store without assigning any reason ***(Appendix- 1.13)***. Thus, patients were denied the benefits of free medicines.

1.2.10.5 Pathological and radiological tests

RIMS was carrying out pathological and radiological tests in its laboratories and the charges for these tests were collected in advance by the outsourced agency (M/s Infonet Link). It was observed that the agency was making refunds of the charges collected in advance either without any authorisation from RIMS or sometimes, with the approval of the Accounts Officer of RIMS. Audit asked for details like the provision/system/procedure of refund of the

[48] Manufactued by M/s Laborate Pharma, Himachal Pradesh.

charges collected in advance, circumstances of refund, competent authority for granting refunds etc but no such details were made available to Audit. Scrutiny further revealed that RIMS did not have any record of refunds in the form of any register, laboratories' reports etc. The outsourcing agency could provide details of the refunds made during January 2009 to March 2010 only. Analysis of these details revealed that out of receipts of ₹ 2.40 crore in 3,25,433 cases, refund of ₹ 29.20 lakh (12 *per cent*) in 16,273 cases (five *per cent*) was claimed by patients and made by the agency without any verification. A large number of refund cases in radiological and pathological tests without any verification indicated not only inefficiency in providing medical care to the patients by this premier institute but also the risk of money being refunded unauthorisedly.

The Government assured (23 October 2010) that appropriate corrective measures would be taken.

1.2.10.6 Specialised treatment for below poverty line patients

RIMS was receiving grants provided by the Jharkhand State Disease Assistance Fund Management Committee for specialised treatment of identified Below Poverty Line (BPL) patients suffering from life threatening diseases.

It was noticed that grants amounting to ₹ 50.95 lakh for 105 patients were received by RIMS during 2003-09. However, only ₹ 16.95 lakh was utilised and ₹ 34 lakh including ₹ 23.17 lakh for 52 patients to whom no treatment was provided, was refunded (May 2010). RIMS management did not attribute any reason for not providing treatment to the identified BPL patients and refunding the grants.

1.2.11 Status of Human Resources

1.2.11.1 Doctors and teaching faculty

The sanctioned strength and the persons-in-position of the doctors and teaching faculty (February 2010) were as given in **Table 8**.

Table-8: Statement showing sanctioned strength and persons-in-position of doctors and teaching faculty as on February 2010

Sl No.	Category	Sanctioned strength	Men in position	Vacant posts	Percentage of vacancy
Faculty of Medical College					
1	Professors	77	39	38	49
2	Associate Professors	133	59	74	56
3	Assistant Professors	195	74	121	62
4	Tutors	75	42	33	44
5	Senior Resident Doctors	150	23	127	85
6	Medical Officers	109	12	97	89
Total		**739**	**249**	**490**	**66**
Faculty of College of Nursing					
7	Principal/Vice-Principal, College of Nursing	2	0	2	100
8	Professors in Nursing	7	0	7	100
9	Associate Professors in Nursing	7	1	6	86
10	Lecturers in Nursing	9	0	9	100

11	Clinical Tutors in Nursing	17	6	11	65
Total		**42**	**7**	**35**	**83**
Grand total		**781**	**256**	**525**	**67**

(Source: Data furnished by RIMS)

From the above table, it was clear that the shortage of doctors/teaching faculty ranged from 44 to 89 *per cent* in different cadres. Inadequate staffing was bound to impact both the academic and the hospital activities significantly and had serious repercussions like de-recognition of the MBBS and MD courses by MCI, poor patient care etc as discussed in this Report in *paragraphs 1.2.9.1* and *1.2.11.* In the case of the College of Nursing, shortage of teaching faculty ranged from 65 to 100 *per cent* in different cadres.

Further, the College of Nursing was also not affiliated (August 2010) with Ranchi University, though a No Objection Certificate for starting of BSc Nursing course (session 2008-12) was issued (March 2008) by the University. Despite these deficiencies, admission of 80 students was taken for the session 2008-12. The inadequate staffing and lack of affiliation were likely to jeopardise the careers of students admitted to the College of Nursing.

1.2.11.2 Deployment of nurses

The number of nurses deployed against the sanctioned strength to look after the inpatients in the last five years was as given in **Table 9**.

Table-9: Statement of sanctioned strength and persons-in-position of nursing staff

Year	Sanctioned Strength (Permanent)		New Posts created on contractual basis in February 2002 (Nursing staff)	Total	In position Nursing staff				Shortfall		Percentage of shortfall *vis-à-vis* sanctioned strength	
					Permanent		Contractual	Total				
	Nursing staff	Sister			Nursing staff	Sister			Nursing staff	Sister	Nursing staff	Sister
2005-06	183	69	516	768	134	0	398	532	167	69	24	100
2006-07	183	69	516	768	135	0	394	529	170	69	24	100
2007-08	183	69	516	768	134	0	390	524	175	69	25	100
2008-09	183	69	516	768	131	0	384	515	184	69	26	100
2009-10	183	69	516	768	118	0	379	497	202	69	29	100

(Source: Data provided by RIMS)

From the above table, it is evident that the actual position of nursing staff was not sufficient to meet the requirements. As per the recommendations of the Nursing Council of India, the nurse and patient ratio should be 1:3 for nursing staff and 1:25 for sisters. A comparison of these norms with the actual persons-in-position in RIMS revealed that shortage of nursing staff had been around 50 *per cent* during 2005-10,the actual ratio being 1:6 (average no. of nurses varying from 166 to 177 per shift for 991 bed strength) against the requirement of 1:3. There was a 100 *per cent* shortage in the cadre of sisters as no sister was in position against the requirement of 40. The shortage of nursing staff was bound to adversely impact the service delivery to patients.

1.2.12 Hospital Infrastructure

Audit scrutiny of departments, wards and other facilities in RIMS revealed the following shortcomings:

1.2.12.1 Inadequate bed capacity

The bed capacity was not commensurate with the load of patients in RIMS and there was overcrowding in wards which forced the patients to lie on the floor in wards/corridors

One of the basic requirements of proper service delivery and quality patient care/treatment, particularly for indoor patients, is that a hospital should have adequate provision of beds for patients. The total number of sanctioned beds available in RIMS was 991 under different wards. Scrutiny of Matron Registers for the period 2008-10 (calendar years) revealed the position of actual bed occupancies against the sanctioned strength of 991 beds as given in **Table 10**.

Table-10: Statement of inpatient occupancy against total availability of beds

Calendar year	Total number of beds available	Total number required for 100 *per cent* occupancy (no. of beds x no. of days/year)	Actual number of occupancy (worked out on the basis of matron register)	Percentage of occupancy
2008	991	3,62,706	4,13,381	114
2009	991	3,61,715	3,90,102	108
2010 (up to April 2010)	991	1,18,920	1,30,029	109

(Source: Data furnished by RIMS and collected from Matron Registers)

Thus, the bed capacity was not commensurate with the load of patients and there was overcrowding in wards. As a result, patients were forced to lie on the floor in wards/corridors.



Photograph taken on 7 June 2010 showing indoor patients lying on floor in Ortho ward C and indoor patients lying on floor in front of toilet in Neurosurgery D 2 Ward (22 May2010)

As stated earlier in paragraph 1.2.6 on 'Planning', no effort was made to increase the bed capacity from 991 to 1,500 despite approval of the GB in December 2006.

1.2.12.2 Utilisation of machinery and equipment

RIMS purchased machine and equipment from its Plan as well as non-Plan heads worth ₹ 9.54 crore during 2005-10. During audit, various irregularities were found in utilisation, installation and functioning of equipment as discussed below:

- Four machines and equipment (one cardiac defibrillator, three sets of ventilators, two OT tables and two OT lights) purchased for the Oncology Department under the State Plan valuing ₹ 35.64 lakh during December 2007 to August 2009 were lying idle (June 2010) as the operation theatre was not functional in the oncology unit. Thus, failure to dovetail the

creation of infrastructure with the procurement of equipment led to denial of service to needy patients suffering from cancer.



Photograph taken on 24 May 2010 showing three ventilators lying idle in Room No. 364 and idle OT tables (Oncology Unit)

- One machine, namely ND YAG laser[49], valuing ₹ 25.50 lakh installed in the ENT operation theatre during May 2005 had not been put to use since its installation, for which there was no reason on record. As per user manual of machine, ND YAG lasers are used in the field of ophthalmology, oncology, gynaecology, cosmetic surgery and dentistry. The possibility of the machine installed in ENT becoming permanently out of order due to idling for a long period could not be ruled out.
- Six sets of five pieces of equipment[50] valuing ₹ 37.49 lakh pertaining to the departments of Neurosurgery, Radiology and Orthopaedics were found to be out of order for the last one year. Thus, patients were denied the requisite facilities.
- The Cath lab installed in the Cardiology and Cardiothoracic department at a cost of ₹ 3.30 crore in October 2008 remained idle till March 2010 for want of specialist cardiac surgeons and its use was started only from April 2010 after the appointment of a cardiac surgeon in the Cardiology Department.
- The CT scan machine installed in RIMS had been out of order since July 2008. The machine, covered under a comprehensive maintenance contract (CMC) with M/s Philips Medical System India Private Limited, Kolkata up to August 2008, broke down in July 2008. Though reported through fax (July 2008), the firm did not pay heed to the breakdown report and allowed the CMC period to lapse. The RIMS management had not taken any effective action to get the machine repaired till date (June 2010).
- A purchase order for supply and installation of four units of Haemodialysis machine, including Reverse Osmosis Membrane Separation system (commonly known as RO Plant) and DM Plant was placed (February 2005) with a supplier at a price of ₹ 23.40 lakh on turnkey basis. The firm installed the machines in October 2005 without supplying the two critical components namely RO Plant and DM Plant. The machines were made

[49] Neodymium Doped Yttrium Aluminium Garnet.

[50] Cranial electrical drill (1 set), Craniotomy (2 sets), 3D volume Ultra sound machine (1set), Digital diathermy (1 set) and ultrasonic instrument cleaner (1 set).

? operational by using the old RO Plant and DM Plant supplied during installation of similar machines earlier in 1999. As these critical components were very old, water contaminated with rust was being infused in the system which caused several complications to the patients putting their lives to risk. Audit investigation revealed that the firm was paid the full contract value of ₹ 23.40 lakh without any deduction on account of non-supply of RO Plant and DM Plant. Thus, fraudulent payment was made for equipment which was never received at RIMS.

1.2.12.3 Incomplete civil works

RIMS was undertaking civil works for construction of buildings of dental college, auditorium, community hall, parking, hostels etc under the Plan head. During 2005-10, 13 works at an estimated cost of ₹ 41.83 crore were given to NREP I and II divisions, Building Construction Division II and the District Board, Ranchi ***(Appendix-1.14)***. Test check of eight works (estimated cost ₹ 38.77 crore) revealed that RIMS had given advance of ₹ 32.69 crore for these works. Out of eight works, only one work for construction of a community hall was completed and handed over to RIMS in April 2010. The remaining seven works (estimated cost ₹ 37.39 crore) remained incomplete as of May 2010 though the stipulated dates of completion of the six works were between January 2009 and February 2010 and for one work, May 2011. Executing agencies had spent (May 2010) ₹ 10.28 crore from the advance of ₹ 31.31 crore provided for the seven works, leaving unadjusted advances of ₹ 21.03 crore with them. Thus, six works remained incomplete (May 2010) even after expiry of three to 16 months from the stipulated dates of completion. This showed lack of proper monitoring by the RIMS management in completing the necessary infrastructure for super-speciality hospital which deprived the patients of the benefits of advanced medical aid and skill development of doctors and medical staff.

1.2.12.4 Incinerator

Proper disposal of bio-medical waste generated in the hospital was crucial for protection and improvement of environment in and around the hospital. This was equally important for complying with the requirements of environmental laws also which have been made to tackle environmental pollution.

As per the provisions of Rule 5, read with Schedule VI of Bio-medical Waste (Management and Handling) Rules, 1998 issued by the Ministry of Environment & Forests, GOI, all hospitals and nursing homes with 500 or more bed capacity working in cities having population less than 30 lakh, were required to establish incinerator plants in their campus by 30 June 2000 for processing of bio-medical wastes generated by them. Accordingly, an incinerator of continuous type 50 kg per hour capacity was installed in the premises of RIMS in June 2000 at an expenditure of ₹ 11.65 lakh. Thus, RIMS created one of the most basic elements of hospital infrastructure way back in the year 2000 itself. However, in violation of the provisions of the Section 6 (XXIV) of the RIMS Act, 2002 that prohibited outsourcing of any basic services of the hospital, disposal of bio-medical waste was outsourced to a private contractor who was using the basic infrastructure of RIMS, due to lack of experienced manpower. The agency carried out the job of disposal of bio-

medical waste by using the incinerator of RIMS up to June 2009. Audit scrutiny revealed that an amount of ₹ 1.19 crore was paid to the outsourced agency during the period 2005-10 (June 2009) which was not only irregular but also involved violation of the provisions of the Act.

Further, the incinerator remained non-functional since July 2009. Since then, bio-medical waste was being managed through burning/disposal in the pit by outsourced agency.

1.2.12.5 Ambulance

Ambulances are one of the most basic elements of infrastructure for a hospital. RIMS had five ambulances of which the log books for four ambulances were made available to Audit. Details of trips made for various purposes (except VIP duty) by these ambulances were as given in **Table 11**.

Table- 11: Statement showing utilisation of ambulances for various purposes

Sl No.	Vehicle No.	Duration of running	No. of trips for official purpose	No. of trips for carrying doctors	No. of trips for carrying patients	Total No. of trips
1	JH01C 3635	01-01-2005 to 13-03-2006	9	87	9	105
2	JH01E 8490	06-01-2003 to 21-02-2010	16	2	27	45
3	JH01K 3089	03-02-2005 to 31-03-2010	363	502	218	1,083
4	JH01K 3091	03-02-2005 to 31-03-2007	121	250	59	430
Total			**509(31)**	**841(50)**	**313(19)**	**1,663**

(Source: Data collected from log books provided by RIMS).

(Figures under brackets denote percentage).

From the above table, it may be seen that ambulances were used for official purposes 509 times (31 *per cent*), for carrying doctors 841 times (50 *per cent*) and merely 313 times (19 *per cent*) for carrying patients. Thus, there was a risk that the ambulances would not be available at the time of requirement/ emergency for carrying patients, the primary purpose for which they were procured.

1.2.12.6 Blood Bank

A blood bank is an integral part of a hospital. Needy patients are supplied blood during the course of surgery or any emergency by the blood bank. In the blood bank, blood units are collected from the donors and stored for supply to the patients at the time of need. RIMS had a blood bank which was licensed up to March 2011 for the whole category of blood. Audit scrutiny of records of the blood bank disclosed that 699 blood units were discarded during 2006-09 because of haemolysed blood (176 units), expired blood due to it not being used within 35 days (35 units) and non-carrying out of the mandatory tests before collection of blood (488 units) (***Appendix -1.15***). Thus, valuable blood units were discarded due to lapses on the part of RIMS.

1.2.12.7 Staff quarters

As per MCI guidelines, there should be sufficient number of quarters for covering 100 *per cent* nursing staff and resident doctors and 50 *per cent* for teaching and class IV staff. As against this, the shortfall in availability of

quarters in RIMS ranged from 52 to 98 *per cent vis-à-vis* the sanctioned strength and 30 to 97 *per cent vis-à-vis* the persons-in-position ***(Appendix-1.16)***.

1.2.13 Monitoring and evaluation

No proper monitoring and evaluation mechanism was evolved for ensuring better management of RIMS

For ensuring better management of RIMS, a well-planned monitoring mechanism was required. It was seen that neither the RIMS Act, 2002 nor the notification for creation of RIMS by Government of Jharkhand provided any specific clause for monitoring of RIMS. Even the number of GB meetings to be held in a year was not mentioned in the Act. It was noticed that there was no schedule of inspection by higher officials of RIMS for better management. The deficiencies, as discussed in this report, such as misappropriation/ defalcation, non-procurement/installation of equipment under PMSSY, idling of critical equipment, delay in completion of civil works etc could have been tackled through a monitoring mechanism which was non-existent in RIMS.

1.2.14 Vigilance mechanism

No inbuilt vigilance mechanism to detect fraud, misappropriation and defalcation of money was evolved

An inbuilt vigilance mechanism is required to detect any fraud, misappropriation, defalcation of money etc for any organisation. The Government notification for creation of RIMS also envisaged appointment of a Vigilance Officer in RIMS by GB. However, no Vigilance Officer had been appointed in RIMS since inception. Thus, in the absence of a proper vigilance mechanism, cases of fraud, misappropriation, defalcation etc could not be detected as discussed in this Report earlier.

1.2.15 Conclusion

RIMS failed to achieve the objectives for which it was set up. Curtailment of the Plan size of RIMS by the State Government as well as non-utilisation of available funds adversely affected its upgradation Plan. Annual Accounts had not been prepared since the creation of RIMS. No super-speciality department was set up under PMSSY due to faulty planning. There was a huge shortage of teaching faculty which ran the risk of courses getting derecognised by MCI. No research project was taken up. Hospital infrastructure like bed capacity, outdoor patients' departments, availability of machines and equipment, ambulances, blood bank etc was deficient, depriving the patients of quality treatment and care. Absence of internal control/monitoring mechanism led to financial as well as administrative deficiencies.

1.2.16 Recommendations

- A robust administrative and financial management system should be put in place to preclude financial irregularities.
- Cases of misappropriation of funds brought out in this review should be properly investigated and responsibility fixed.
- Effective steps should be taken to achieve the targets of PMSSY. Proper utilisation of machines/equipment and medicines should be ensured.

- Steps should be taken to increase the bed capacity as well as to strengthen OPDs for reducing the load of patients.
- The manpower position, especially that of the teaching faculty and nursing staff, should be strengthened as per MCI norms.
- Effective steps should be taken to set up a dental college and streamline the existing nursing college and paramedical courses running in RIMS.
- Research activities should be undertaken to accomplish the objective of transforming RIMS into a centre of excellence.
- A proper monitoring as well as vigilance mechanism should be evolved.

Social Welfare, Women And Child Development Department

1.3 Integrated Child Development Services Scheme

Highlights

The Integrated Child Development Services (ICDS), a Centrally sponsored scheme, was launched in the State with a view to improve the nutritional and health status of children in the age group of up to six years and to enhance the capability of mothers, through proper nutrition and health education, for looking after the normal health and nutritional needs of children. The implementation of the scheme suffered in the State due to deficient fund management, lack of infrastructure in Anganwadi centres, irregular and inadequate nutritional value of supplementary nutrition and failure to provide health check-ups and referral services.

During 2005-10, the department failed to utilise funds allotted for the scheme. The amount of unspent funds ranged between ₹ 15.11 crore and ₹ 63.36 crore.

(Paragraph 1.3.7)

Abstract Contingent bills amounting to ₹ 446.32 crore were drawn under the Supplementary Nutrition Programme against which Detailed Contingent bills of ₹ 293.53 crore only were submitted.

(Paragraph 1.3.7.4)

District Social Welfare Officers and Child Development Project Officers advanced ₹ 32.01 crore and booked the same as final expenditure.

(Paragraph 1.3.7.5)

Beneficiaries were provided supplementary nutrition of lesser value than the norms prescribed.

(Paragraph 1.3.9.1)

Pre-natal and post-natal cards were not issued to mothers by the Anganwadi centres and no records of visits by Anganwadi Workers to mothers after delivery were maintained.

(Paragraph 1.3.10)

Despite allocation of funds of ₹ 9.44 crore, the department failed to purchase medicine kits and pre-school kits during 2005-10.

(Paragraphs 1.3.11 and 1.3.12)

Against the 23 Anganwadi Training Centres and one Middle Level Training Centre sanctioned, only 15 Anganwadi Training Centres were functional as of March 2010.

(Paragraph 1.3.16.2)

1.3.1 Introduction

The Integrated Child Development Services (ICDS), a Centrally sponsored scheme launched in October 1975, aims to improve the nutritional and health status of children and enhance the capability of mothers through proper

nutrition and health education, to look after the normal health and nutritional needs of their children. It is the foremost symbol of India's commitment to its children and a response to break the vicious cycle of malnutrition, morbidity, reduced learning capacity and mortality. The services included in the scheme are the Supplementary Nutrition Programme (SNP), immunisation, pre-school education (PSE), health check-ups, referral services and nutrition and health education for women. The beneficiaries of the scheme are children of age group of six months to six years, expectant women, lactating mothers and adolescent girls between 11 and 18 years. The services are delivered to the targeted beneficiaries through Anganwadi Workers (AWWs) and Anganwadi Helpers (AWHs) at Anganwadi Centres (AWCs).

1.3.2 Organisational set up

The Secretary, Department of Social Welfare, Women and Child Development, Government of Jharkhand is the nodal agency for the implementation and monitoring of the scheme at the State level. The Secretary is assisted by the Director, Social Welfare. The scheme is supervised at the district level by District Social Welfare Officers (DSWOs) under the control of Deputy Commissioners (DCs) as given in ***Annexure- 1.17***.

1.3.3 Audit objectives

The objectives of the performance audit were to assess whether:

- planning for the implementation of the scheme was adequate;
- funds provided under the scheme were spent as per norms;
- the infrastructure was adequate for effective delivery of services under the scheme;
- service packages under the scheme were delivered effectively to the beneficiaries;
- staff deployment and training for skill upgradation were based on the requirements of the scheme; and
- an effective system for monitoring and evaluation of the programme existed.

1.3.4 Audit criteria

The implementation of the various components of the ICDS scheme was evaluated with reference to the following criteria:

- Guidelines and instructions issued by the Government of India (GOI) and the Government of Jharkhand for selection of beneficiaries and opening of AWCs;
- Norms of SNP and delivery of different packages of services; and
- System for monitoring instituted by the Government.

1.3.5 Audit coverage and methodology

The performance audit of the ICDS scheme was conducted between April and July 2010, covering the period 2005-10 through test check of records of the Social Welfare Directorate, six[51] out of 24 DSWOs and 22[52] out of 66 Child Development Project Officers (CDPOs) by the Simple Random Sampling Without Replacement Method. Joint physical verification of 98 AWCs was also conducted.

An entry conference was held (March 2010) with the Secretary, Department of Social Welfare, Women and Child Development to discuss the audit objectives, audit criteria and methodology. The audit findings as well as the recommendations were discussed with the Secretary of the department in the exit conference held in October 2010.

Audit findings

1.3.6 Planning

The State Government was responsible for implementation of different services and providing supplementary nutrition under the ICDS scheme to the identified beneficiaries. As per the norms fixed by GOI, AWCs were to be opened for populations between 400 and 800 under rural and urban projects and 300 and 800 for tribal projects. Mini AWCs (MAWCs) were to be opened for populations between 150 and 400 under rural and urban projects and 150 and 300 for tribal projects. Before creation of AWCs and MAWCs, mapping of projects to identify *tola*/villages inhabited by weaker sections of the society for timely operation of Centres were required to be made.

Scrutiny revealed that after obtaining proposals for opening of AWCs for field offices, the department got (December 2008) sanction of 6,089 AWCs/ MAWCs from GOI. The proposals for establishment of new AWCs were made without proper surveys. This was evident from the fact that in one (Bokaro) out of six test-checked districts, the authorities made proposals in respect of new AWCs without taking into account the requirements from three[53] projects while surrendering (April 2010) 55 AWCs and 27 MAWCs for three[54] projects on the ground that they were not required. This indicated that there was a disconnection between the proposals made and the ground realities.

1.3.7 Financial Management

The services under ICDS excluding SNP during the year 2005-06 were fully financed by the World Bank in respect of 51 projects and by GOI for the

[51] Bokaro, Deoghar, Pakur, Palamu, Ranchi and West Singhbhum.

[52] B S City, Bishrampur, Chas (Rural),Chaibasa (Sadar), Chainpur, Chandankiyari, Daltonganj (Rural), Daltonganj (Urban), Deoghar (Rural), Deoghar cum Jasidih, Hiranpur, Jagannathpur, Jhinkpani, Kanke, Mander, Manjhari, Maheshpur, Namkum, Ormanjhi, Pakuria, Ranchi (Sadar) and Sarath.

[53] Bermo, Gomia and Nawadih.

[54] Chandankiyari, Kasmar and Petarbar.

remaining 153 projects. During 2006-09, all the 204 projects were fully financed by GOI, but from the financial year 2009-10, GOI modified the funding pattern to a sharing system in the ratio of 90:10 with the State Government. The SNP was shared between GOI and the State Government in the ratio 50:50 from 2005-06.

According to Rules 65 and 112 of the Jharkhand Budget Manual, Budget estimates (BEs) were to be consolidated by the department based on proposals received from subordinate offices. The BEs were to be as accurate as possible and it was the responsibility of the Controlling Officer (CO) of the Department to ensure timely re-appropriation/surrenders in the event of savings. Audit scrutiny revealed that no requirements were received from the DSWOs and the department prepared budgets without ascertaining the actual requirement of funds.

Table- 1: Statement of budgetary provision, allotment, expenditure and savings

(₹ in crore)

Year	Budget Provision	Allotment	Expenditure	Savings	Percentage of savings
2005-06	266.63	229.84	211.16	18.68	08
2006 07	297.70	270.80	207.44	63.36	23
2007-08	296.49	291.58	276.47	15.11	05
2008 09	362.36	327.57	292.10	35.47	11
2009-10	491.80	478.70	416.06	62.64	13
Total	**1714.98**	**1598.49**	**1403.23**	**195.26**	

(Source: Social Welfare, Women and Child Development Department, Jharkhand)

Component-wise details of budgetary provision, allotment and expenditure of the scheme were as given in ***Appendix-1.18***.

During 2005-10, the department failed to utilise funds ranging between ₹ 15.11 crore and ₹ 63.36 crore of allotments

During 2005-10, the department failed to utilise funds ranging between ₹ 15.11 crore and ₹ 63.36 crore of the allotments and the savings ranged between five and 23 *per cent*. This, when seen in the context of no spending on vital components such as PSE kits, Medicine kits and IEC, exhibits poor implementation of the scheme and faulty budgetary mechanism as discussed in paragraphs 1.3.11 to 1.3.13 of this Report.

Expenditure on services other than SNP was in the ratio of 90:10 between GOI and the State Government from 2009-10. It was observed that against the total expenditure of ₹ 142.10 crore during 2009-10, the State spent only ₹ 10.17 crore against its required share of expenditure of ₹ 14.21 crore. Short expenditure of ₹ 4.04 crore under the scheme other than SNP showed lack of commitment of the State towards the objectives of the scheme.

The financial irregularities noticed in audit were as under:

1.3.7.1 Irregular submission of utilisation certificates

Scrutiny of records revealed that utilisation certificates for SNP were submitted to GOI on the basis of drawals from the treasuries instead of actual expenditure. Out of six test-checked districts, DSWO, Palamu incurred expenditure of ₹ 6.19 crore during 2009-10 on SNP, whereas utilisation certificates were irregularly issued by Director, Social Welfare to GOI for ₹ 123.40 crore, inclusive of ₹ 12.81 crore, which was the total drawal made by DSWO, Palamu for the year.

1.3.7.2 Retention of unspent funds outside Government Account

There were unspent balances amounting to ₹ 52.22 crore as of March 2010

According to Rule 300 of the Jharkhand Treasury Code, no money should be withdrawn from the treasury unless it is required for immediate payment. It is not permissible to draw money from the treasury and place it in deposit in order to avoid lapse of allotment. Audit scrutiny revealed that in violation of the codal provisions, there were unspent balances with test-checked projects and DSWOs amounting to ₹ 52.22 crore as of March 2010. Out of this,₹ 46.68 crore was parked in banks, ₹ 4.49 crore had been given as advances, ₹ 44 lakh was in the form of unadjusted vouchers and ₹ 61 lakh as cash in hand.

1.3.7.3 Non-submission of Detailed Contingent bills

According to Rules 319 and 320 of the Jharkhand Treasury Code, a certificate to the effect that Detailed Contingent (DC) bills for Abstract Contingent (AC) bills drawn up to the last date of the previous month have been submitted for countersignature to the Controlling Officer is to be attached to the first AC bill presented for payment after the 10th of each month for onward submission to the Accountant General (A&E). On no account should an AC bill be cashed after the 10th of the month without the certificate.

During 2005-10, DSWOs and CDPOs drew ₹ 446.32 crore under SNP on AC bills against which DC bills of ₹ 293.53 crore only were submitted by them. Thus, DC bills of ₹ 152.79 crore, out of which ₹ 119.08 crore pertained to 2005-09, were not submitted, which was in contravention of the codal provisions. Out of the outstanding amount, ₹ 41.51 crore pertained to two DSWOs[55] and 35 CDPOs of test-checked districts. Further, scrutiny of two test-checked districts (Bokaro and Pakur) revealed that AC Bills were drawn from treasuries on forms other than the prescribed form (Form no 38). As a result, the treasuries could fail to detect the AC bills which could lead to financial irregularities like embezzlement and misappropriation of Government money. Scrutiny of records revealed that CDPO, Hiranpur drew 11 AC Bills during 2009-10 for ₹ 1.18 crore, out of which ₹ 40.73 lakh was drawn on forms other than the prescribed form, by furnishing incorrect certificates regarding submission of DC Bills in respect of previous AC Bills to the Treasury Officer.

1.3.7.4 Irregular payment of rent for AWCs to the AWWs

Of 12,473 AWCs operational in the test-checked districts, 4,812 AWCs were functioning from rented buildings. It was noticed that a total sum of ₹ 1.62 crore drawn by CDPOs for payment of rent during the years 2005-10 was transferred to the bank accounts of AWWs in 10[56] out of 22 test-checked projects. The names and addresses of house-owners were not available with the CDPOs. The AWW had no financial power for further disbursement. No guidelines or instructions were issued by the department for payment of rent. On this being pointed out, the CDPOs replied that in the absence of specific instructions from higher authorities, the amount of rent was being paid to the AWWs. Payment of rent of AWCs to AWWs instead of the house-owners was

[55] Bokaro and Pakur.

[56] Bishrampur, B S City, Chainpur, Chandankiyari, Daltonganj (Urban), Deoghar cum Jasidih, Mander, Namkum, Ormanjhi, and Sarath.

fraught with the risk of misappropriation/embezzlement.

1.3.7.5 Advances booked as expenditure

DSWOs and CDPOs advanced ₹ 32.01 crore and booked the same as final expenditure

According to Rule 210 of the Jharkhand Treasury Code Volume I, a Government servant entrusted with payment of money is required to obtain a voucher duly signed by the payee for every payment made, setting forth full and clear particulars of the claim and all information for its proper classification and identification in the accounts. It was noticed that three[57] out of six test-checked DSWOs and three[58] out of 22 test-checked CDPOs made advance payments to AWWs and others amounting to ₹ 32.01 crore and booked the same as final expenditure without obtaining vouchers as detailed below:

DSWO, Deoghar advanced ₹ 23 lakh during 2005-06 to Executive Engineers, Drinking Water and Sanitation Divisions and National Rural Employment Programme for installation of 24 hand pumps. DSWO, Palamu advanced ₹ 6.67 crore to CDPOs during 2006-07 for onward transmission to AWWs under the SNP programme and booked the advances as expenditure. Further, DSWO Ranchi advanced ₹ 18.51 crore during 2007-09 to AWWs directly with instructions to CDPOs to pass the vouchers and monitor the adjustment of advances. CDPOs of test-checked projects neither passed the vouchers submitted by the AWWs nor maintained advance registers/ledgers in order to assess the outstanding advances against AWWs. In Jhinkpani project, the CDPO transferred SNP funds of ₹ 62.83 lakh to AWWs' bank accounts and passed the bank advices for payments instead of vouchers which were not furnished to Audit. In Chas Rural and Chas Urban, CDPOs failed to furnish vouchers for ₹ 5.11 crore and ₹ 86 lakh respectively. On this being pointed out, DSWO, Ranchi accepted (July 2010) the facts stated in audit and stated that transfer of funds to the AWCs was treated as final expenditure.

1.3.7.6 Diversion of funds

DSWO, Deoghar diverted (September 2005) an amount of ₹ two lakh from the funds of SNP (Major Head 2236) and used it for payment for Remand Home (Major Head 2235) Deoghar. DSWO, Ranchi diverted (February 2008) the funds for purchasing medicine kits amounting to ₹ 2.40 lakh towards purchase of utensils. On this being pointed, the DSWO, Deoghar agreed (May 2010) to recover the amount from the account of Remand Home and DSWO Ranchi stated that the amount was diverted in anticipation of receipt of funds.

1.3.8 Infrastructural facilities

1.3.8.1 Inadequate facilities at Anganwadi Centres and Project Offices

Four hundred and ten AWCs/ MAWCs out of 38,432 AWCs/ MAWCs sanctioned by GOI upto 2008-09 could not be made functional

Of 38,432 AWCs/MAWCs sanctioned by GOI upto December 2008, 410 were not started as of June 2010. The Directorate stated that the reason for this was disputes in selection of AWWs/AWHs. The reply was not in consonance with the facts as incorrect proposals accounted for 82 (as discussed in paragraph 1.3.6) of these non-functional AWCs. Non-functioning of AWCs adversely

[57] Deoghar, Palamu and Ranchi.

[58] Chas Rural, Chas Urban and Jhinkpani.

impacted the outreach of the scheme.

According to the model estimates by the State, each Anganwadi building was to be constructed with one hall (16'x20'), one verandah (7.2'x10'), one kitchen (6.5'x10'), one store (10'x6') and one toilet (4'x4') with drinking water facilities to ensure effective delivery of quality services. The physical status of AWC buildings, toilets and drinking water facilities in 38,022 operational AWCs in the State was as given in **Table 2**.

Table- 2:Statement of infrastructural facilities in AWCs

AWC having own building		Rented building			AWC in open space	Without toilet facilities	Without drinking water facilities	Without kitchen equipment	Functional AWCs
Pucca	*Kuchha*	In AWWs/ AWHs house	Others	Building owned by community allotted to AWCs					
8088 (21)*	370 (01)	14102 (37)	3398 (09)	11218 (30)	846 (02)	30978 (81)	26724 (70)	5679 (15)	38022

(Source: Directorate of Social Welfare, Government of Jharkhand)
**Figures in bracket denote the percentage*

It is evident from the above table that out of 38,022 AWCs, 21 *per cent* were functioning in pucca buildings, one *per cent* in *kachcha* buildings, 76 *per cent* in rented buildings and two *per cent* in open spaces as of March 2010. Further, drinking water facilities and toilets were absent in 26,724 (70 *per cent*) and 30,978 (81 *per cent*) AWCs respectively. Besides, AWCs housed in other than government buildings were running without kitchen facilities and 5,679 (15 *per cent*) AWCs lacked cooking equipment.

Scrutiny revealed that 14 out of 22 test-checked projects had their own buildings, three[59] projects were functioning in rented buildings, four[60] projects were running in buildings shared with other offices and the Deoghar-cum-Jasidih project was sharing a government building with a toll tax office. These projects were running without sufficient infrastructure. The basic facilities of toilet and water were absent. It was also seen that despite taking charge (February 2009) of a new building costing ₹ 4.94 lakh for the project office, the CDPO, Chas Urban did not shift her office and the building was lying vacant for more than 17 months.

1.3.8.2 Creation of extra burden in construction of AWCs

The department sanctioned (2005-10) funds for construction of 2,862 AWCs, out of which only 141 were completed as of June 2010. Against released funds of ₹ 23.41 crore, only ₹ 3.36 crore was spent as of June 2010. The remaining amount was with the executing agencies whose details were not provided by the department, though called for. Other irregularities noticed were as under:

- The State allocated (June 2007) ₹ 3.11 crore for construction of 162 AWCs during the year 2007-08 at the rate of ₹ 1,91,900 for each AWC. It was noticed from work orders issued by the DCs that the buildings of AWCs were to be constructed within three months by the executing

[59] Chainpur, Chandankiyari and Ranchi Sadar.
[60] Chas (Rural), Daltonganj (Urban), Deoghar (Rural) and Sarath.

agency. The Directorate released (November 2007) the amount to the districts. The estimate for construction of AWCs was revised (December 2007) to ₹ 2,32,300 per unit by the Department. Delay in release of funds (five months) to districts by the Directorate resulted in an additional burden of ₹ 65.45 lakh (₹ 40,400 x 162 AWCs) which could have been avoided.

- The Director, Social Welfare allotted (2008-09) ₹ 67.37 lakh for construction of AWCs at an estimated cost of ₹ 2,32,300 each for 29 AWCs in Pakur and West Singhbhum districts. The amount was drawn (March 2009 and March 2010) from the treasury and released to different executing agencies after delays of three to 12 months. Further, the estimate was revised (December 2009) by the department to ₹ 4,32,000 per unit. DSWOs sought allotment of additional funds due to increase in the estimated cost. Thus, delay in construction of AWCs resulted in an additional burden of ₹ 57.91 lakh.

1.3.8.3 Non-utilisation of funds

Scrutiny revealed that the department made provision for telephones at Project Offices but only two[61] out of 22 test-checked Project Offices had telephone facilities. Out of ₹ 4.8 lakh allotted during 2005-10 for telephones to the test-checked projects, 20[62] projects surrendered ₹ 4.6 lakh (96 *per cent*) which shows that the budget-making process was not in conformity with ground realities.

1.3.8.4 Internal electrification

The department made (December 2007) provision of 'internal electrification' in the revised estimates for construction of AWCs at the rate of ₹ 10,586 per AWC. It released (November 2007 and November 2008) funds for construction of 426 AWCs in the State.

However, information received from test-checked AWCs[63] revealed that internal electrification was not done despite the buildings being shown as complete.

The Directorate did not furnish information in respect of the actual expenditure incurred on internal electrification though called for.

1.3.9 Delivery of Services

1.3.9.1 Distribution of supplementary nutrition containing less calories than prescribed norms

The supplementary nutrition programme aimed at improving the health and nutrition status of children in the age group of six months to six years, pregnant women, lactating mothers and adolescent girls. From 2006-07, supply of the existing food module comprising *murhi, sattu* and *gur* was replaced with *khichdi* (cooked mixture of rice and pulses) to make the food

[61] CDPO, Chaibasa Sadar and Maheshpur.

[62] B S City, Bishrampur, Chainpur, Chandankiyari, Chas (Rural), Daltonganj (Rural), Daltonganj (Urban), Deoghar (Rural), Deoghar cum Jasidih, Hiranpur, Jagannathpur, Jhinkpani, Kanke, Mander, Manjhari, Namkum, Ormanjhi, Pakuria, Ranchi (Sadar) and Sarath.

[63] Dargag I, Kulhipurah I and Pipardag.

more acceptable among children. Again, provision of breakfast was made (January 2010) in the shape of *dalia* or *sattu laddoo* with sugar for children of three to six years of age in addition to *khichdi* with green vegetables and soyabari. Apart from this category, children between the age group of six months and three years, pregnant women, lactating mothers and adolescent girls were provided raw foodgrains as Take Home Ration (THR). SNP was meant to provide 300 calories and 10 gm protein per day for children between six months and six years of age and double the quantity for malnourished children of the same category. Pregnant women, lactating mothers and adolescent girls were to be provided 500 calories and 20 gm protein. Nutritional norms were revised (January 2010) to 500 calories and 12-15 gm protein for children between six months and six years of age, 800 calories and 20-25 gm protein for malnourished children; and 600 calories and 18-20 gm of protein for pregnant women, lactating mothers.

- Scrutiny revealed that during the supply (April 2005 to December 2009) of the food module consisting of *murhi, gur, sattu* and *khichdi*, there was provision of eight gm refined vegetable (RV) oil (72 calories) for children and 16 gm RV oil (144 calories) for pregnant women, lactating mothers and adolescent girls which was to be supplied by the Cooperative for Assistance and Relief Everywhere (CARE). Scrutiny revealed that neither did CARE supply RV oil nor was any provision made for RV oil by the Government resulting in the delivery of supplementary nutrition programme to the beneficiaries below the stipulated calories.
- In the new food module, the department prescribed (January 2010) THR comprising of rice – 60 gm, *masoor* dal – 15 gm, *soya bari* – 10 gm, RV oil – five gm and sugar – 38 gm for children of age of six months to three years and rice – 60 gm, *masoor* dal – 10 gm, *soya bari* – five gm, RV oil – three gm for adolescent girls. It was observed that these provisions could provide only 484 calories against the requirement of 500 calories for children between six months and three years of age and 290.98 calories against the requirement of 500 calories for adolescent girls. This resulted in providing less calories to the beneficiaries.
- Scrutiny revealed that provision of micronutrients was made (December 2009) for children, pregnant women/lactating mothers and adolescent girls for six paise, eight paise and four paise respectively per day per beneficiary in the new food module. In the absence of directions from the department regarding items that were to be supplied under micronutrients, the AWCs did not provide any micronutrients to the beneficiaries. Besides, the beneficiaries were provided supplementary nutrition of lesser value than the norms prescribed.

1.3.9.2 Non-achievement of targeted nutrition days

In four out of 22 test-checked projects, supplementary nutrition provided between 132 and 297 days during 2005-10

Supplementary nutrition was to be provided to the beneficiaries for 25 days per month and 300 days in a year. In four[64] out of 22 test-checked projects, supplementary nutrition was provided between 132 and 297 days during 2005-10 calculated on the basis of Monthly Progress Reports (MPRs) of March

[64] Chas Rural, Jhinkpani, Maheshpur and Ranchi Sadar.

every year. The details of expenditure incurred/advance released were as given in **Table 3**.

Table- 3: Details of insufficient supplementary nutrition provided

Name of the project	Year	No of beneficiaries	Amount spent	Expenditure required for the beneficiaries per day	Nutrition days for which amount spent was sufficient # (4÷5)	Shortage of nutrition days in respect of prescribed norms
			(In ₹)			
1	2	3	4	5	6	7
Jhinkpani	2007-08	12,254	48,95,339	25,575.10	191	109
Chas Rural	2008 09	24,325	1,23,31,645	50,446.10	244	56
Maheshpur	2008-09	24,679	1,45,49,949	51,301.70	284	16
Ranchi Sadar	2005-06	9,964	47,46,081	17,375.00	273	27
	2006-07	10,266	62,48,725	21,393.20	292	08
	2007-08	15,623	96,57,075	32,507.60	297	03
	2008-09	15,649	53,64,339	32,585.90	165	135
	2009-10	44,939	1,49,81,682	1,13,319.00	132	168

(Source: Figures taken from test-checked projects)
No of feeding days:- expenditure incurred divided by expenditure required per day.

Supplementary nutrition was not provided in the above four test-checked projects for three to 168 days, thus failing to meet the targeted nutrition days. Further, scrutiny of records of nine test-checked AWCs revealed that supplementary nutrition was not provided to the beneficiaries for continuous periods ranging between 100 and 184 days ***(Appendix-1.19)***. On this being pointed out, it was stated by the concerned CDPOs that the interruption was mainly due to non-supply of food articles during 2005-06 and paucity of funds in subsequent years.

1.3.9.3 Delay in revision in financial norms of SNP

Reports of the National Family Health Survey III and the National Nutrition Monitoring Bureau stated that the level of calories and micronutrient gaps had changed since 1975 when the ICDS nutritional norms were first fixed. To bridge the nutritional gap between the recommended dietary allowance and the average dietary intake as reported therein, GOI revised (November 2008) the calorific and financial norms for SNP for different categories of beneficiaries. During the year 2006-07 to December 2009, the existing rates for SNP were (i) ₹ 2 for children (six to 72 months) (ii) ₹ 2.70 for severely malnourished children (six to 72 months) and (iii) ₹ 2.30 for pregnant women and nursing mothers. The State Government however, adopted the revised financial norms only with effect from January 2010 and revised the rates to ₹ 4, ₹ 6 and ₹ 5 respectively.

Further, it was noticed that the number of malnourished children was 20,064 in 2008-09 and 27,474 in 2009-10 as per data of MPRs of the State. The delay in revision of norms of SNP for over 14 months clearly showed the apathy of the department in the implementation of the scheme in the context of the large number of malnourished children of the State. The delay in revision of norms for over 14 months deprived the intended beneficiaries of precious nutrition.

1.3.9.4 Purchase of foodgrains at rates lower than market price

To ensure uninterrupted supply of supplementary nutrition to the beneficiaries and eliminate middlemen, the respective AWWs were directed (August 2006) to purchase the foodgrains from the local market using the funds made available to them as advance for preparation of *khichdi*. The department fixed (August 2005) the approximate rate of rice at ₹ 12 per kg and of pulses at ₹ 30 per kg. This was revised to ₹ 18 and ₹ 58 per kg respectively.

Scrutiny revealed that vouchers submitted by the AWWs in support of purchase of rice and pulses showed uniform rates i.e. rice at ₹ 12 per kg and pulses at ₹ 30 per kg till the new rate was fixed (January 2010). Interestingly, the Department of Home (Jails) revised (between January 2006 and March 2010) the rates of procurement of rice (₹ 10.50 to ₹ 20) and pulses (₹ 24 to ₹ 65) from the market. It was evident from the vouchers that the purchases made by AWWs were made at rates much lower than the prevailing market price during the period 2005-10. This created doubts regarding reporting on quality/quantity purchased, specification of grains and the number of beneficiaries, particularly when seen in the context of interviews (paragraph 1.3.18) wherein the beneficiaries stated that the quantities received as THR were lower than the prescribed quantities.

1.3.9.5 Procurement of food articles and fuel by AWWs on credit basis

The State Government directed all DCs to ensure the availability of funds in advance at AWCs for uninterrupted provision of supplementary nutrition among the beneficiaries. For this, it was also directed that the DCs had to withdraw funds from the treasury in advance for six months and make funds available to project offices, for a period of three months in advance for onward transmission to AWWs'/AWHs' bank accounts before the 10th day of the forthcoming month as advance.

Scrutiny revealed that in four[65] out of six test-checked districts, advances were not made available to the AWWs for purchase of food articles and fuel during the year 2009-10. The funds were made available after periods of up to seven months while purchases of food articles were made by AWWs on credit basis from the market. This led to monthly burdens on AWWs of up to four times of the amounts paid as honorarium to them. Honorarium was paid to them after delays of one to 15 months. Interestingly, it was seen that the CDPO, Chas Urban advanced ₹ 1.46 crore for purchase of foodgrains during 2007-10 after a delay of two months though the food articles had already been purchased on credit.

1.3.9.6 Supplementary nutrition not provided to eligible beneficiaries/ malnourished children

As per the orders of the Supreme Court of October 2004, supplementary nutrition was to be provided to all the eligible beneficiaries who came to AWCs. Scrutiny of MPRs at the Directorate revealed that 22 to 36 *per cent* eligible persons of different categories (children, expectant women, lactating mothers) were not enrolled and six to 11 *per cent* out of those enrolled were

[65] Bokaro, Pakur, Palamu and Ranchi.

not provided supplementary nutrition.

Further, as per the norms prescribed, each identified malnourished child was to get 800 calories and 20-25 gm of protein. Scrutiny of records of the Directorate disclosed that despite 12,338 Grade[66] III and 1,252 Grade IV beneficiaries identified as malnourished as of March 2010, instead of the stipulated nutrition, the department only provided 500 calories and 20 gm of protein to these identified malnourished beneficiaries. On this being pointed out, the Directorate replied (August 2010) that instructions were being issued. Thus, the scheme failed to reach nearly 46 *per cent* of the intended beneficiaries.

1.3.10 Health check-ups, immunisation and referral services

Pre-natal and post-natal cards were not issued to mothers by the AWCs and no records of visits by AWWs to mothers after delivery were being maintained

Health check-ups under the scheme included ante-natal care of expectant mothers, nursing mothers and children under six years of age, especially those who were born with congenital defects or were severely malnourished. Records of pre-natal and post-natal care were to be maintained in cards. Further, as per the guidelines of ICDS, all children below six years of age in the project areas were to be immunised against diphtheria, whooping cough, tetanus, polio, tuberculosis and measles. All expectant mothers were also to be immunised against tetanus.

Scrutiny revealed that pre-natal and post-natal cards were not issued to mothers by the AWCs and no records of visits by AWWs to mothers after delivery were being maintained. Again, MPRs of Project Offices showed that referral services were absent. It was further seen from the records of Malnourished Treatment Centres (MTC), Deoghar and Pakur that the patients admitted in the centre in the age group of six months to six years, were not referred through the network of AWCs. On this being pointed out, it was replied by the DSWO, Deoghar that necessary action would be taken.

Against the targeted health check-up of 69,40,977 beneficiaries, only 29,82,359 check- ups were conducted depicting a meagre achievement of 43 *per cent*

Against the targeted health check-ups of 69,40,977 beneficiaries in the 10[67] out of 22 test-checked projects during the period 2005-10, only 29,82,359 check-ups were conducted, depicting a meagre achievement of 43 *per cent*. Similarly, against the immunisation target of 11,75,932 beneficiaries in nine[68] test-checked projects during 2005-10, only 8,73,424 (74 *per cent*) beneficiaries were immunised.

1.3.11 Medicine kits not supplied

As a vital input to providing essential services of health check-ups, medicine kits consisting of easy to use and dispensable medicines costing ₹ 600 were to be provided to each AWC every year for common ailments like cough and common cold, skin infections etc.

[66] Grade III (6, 7, 8.5, 9.75 and 11 kg for age 1 to 5 years respectively) and Grade IV (5, 6.25, 7.25, 8.25 and 9.25 kg for age 1 to 5 years respectively) stands for comparison of body weight and age of children.

[67] Bishrampur, Chainpur, Chandankiyari, Daltonganj (Rural), Daltonganj (Urban), Deoghar (Rural), Deoghar (Urban), Namkum, Ormanjhi and Sarath.

[68] Bishrampur, Chainpur, Chandankiyari, Daltonganj (Rural), Daltonganj (Urban), Deoghar (Rural), Deoghar (Urban), Namkum and Sarath.

Despite allotment of funds of ₹ 5.38 crore during 2005-09, the department failed to purchase medicine kits

Scrutiny revealed that despite allotment of funds of ₹ 5.38 crore during 2005-09, the department failed to finalise (2005-10) tenders for procurement of medicine kits. The purchase committee recommended purchase in July 2005 but the same was not approved by the Department. Re-tender for the same was done but the purchase committee again recommended re-tendering on the ground that the bid was not responsive. No further action on this was taken by the department. This resulted in non-supply of medicine kits among AWCs despite availability of funds, depriving the intended beneficiaries of providing essential services of health check-ups for common ailments. On this being pointed out, the Directorate stated that efforts were being made to purchase the medicine kits at the earliest.

1.3.12 Non-procurement of Pre-School kits

Despite availability of funds of ₹ 4.06 crore during 2006-09, purchase and distribution of PSE kits was not done among AWCs during 2005-10

The pre-school education (PSE) component under the ICDS scheme is a crucial component of the package of services envisaged under the scheme which aims at school readiness and development of a positive attitude towards education. PSE was to be provided in AWCs to children of age groups of three to six years through non-formal and play-way methods by joyful learning. To assist in imparting PSE, pre-school kits valued at ₹ 500 (up to 2008-09) and ₹ 1,000 (from 2009-10) per AWC per annum were to be provided.

Though the department provided funds of ₹ 4.06 crore during 2006-09 for purchase of PSE kits in AWCs, the purchase committee recommended purchase at the negotiated rate of ₹ 499.96 per kit only in March 2009. The purchase order was deferred by the Department due to the Assembly elections, 2009. No purchase order was issued till the date of audit (July 2010) and no PSE kits were distributed among AWCs during 2005-10, resulting in non-delivery of the PSE component of the scheme. On this being pointed out, the Directorate stated (August 2010) that efforts were being made to purchase the PSE kits at the earliest.

1.3.13 Non-implementation of Information, Education & Communication and Community Mobilisation component

The objective of the Information, Education & Communication (IEC) and Community Mobilisation component of the scheme was to (i) create awareness and build up the image of the ICDS programme, (ii) stimulate demand for ICDS, (iii) affect and sustain behavioural and attitudinal changes in child caring, nutrition and health and (iv) muster and sustain community participation. To achieve these objectives, various activities like home visits, group meetings, seminars, nutrition and health education sessions, distribution and use of slides, cards, flips, charts/books, flannel graphs etc and other audio-visual and electronics media were to be taken up. For this purpose, the GOI prescribed norms for its implementation in each Project Office at the rate of ₹ 25,000 per annum.

Scrutiny revealed that the department made budgetary provisions (2005-10) of ₹ 62 lakh only against the requirement of ₹ 2.55[69] crore. Further, against the

[69] ₹ 25000 x 204 (No of projects) x 5 years.

budget provision, only ₹ 38 lakh was allotted (2006-10), out of which only ₹ 10 lakh was spent (2008-09). It was also noticed from the cash book of the Directorate that funds of ₹ 12.75 lakh meant for IEC were withdrawn (March 2008) from the treasury, out of which ₹ 95,506[70] only was spent and the balance ₹ 11,79,494 was remitted into treasury (March 2009) under the receipt head of accounts '0235- Social Security and Welfare'. The reason for non-utilisation as stated (August 2010) by the Directorate was receipt of funds at the fag end of the year. However, it failed to justify the unnecessary retention of funds for a year.

1.3.14 Kishori Shakti Yojana

The *'Kishori Shakti Yojana'* (KSY) was launched in 2000-01 by GOI as a component of ICDS. This was introduced in Jharkhand in March 2002 for girls between the age group of 11 and 18 years with the objectives of improving their nutritional and health status; providing required literacy and numeric skills; training and equipping them to improve/upgrade home-based and vocational skills; promoting awareness of health, hygiene, nutrition and family welfare, home management and child care; gaining a better understanding of environment related social issues that impacted their lives and encouraging them to initiate various activities to be productive and useful members of the society. For implementation of KSY, *kishori mandals*[71] were to be formed in each AWC.

Scrutiny of KSY records in test-checked AWCs revealed that *kishori mandals* were not formed in 10 out of 282 selected AWCs. Further, in 42 AWCs, activities under *kishori mandals* were not conducted. As per guidelines, iron tablets were to be distributed among the adolescent girls in weekly *kishori mandal* meetings and also entries for such distribution were required to be made in their *kishroi shakti* card. However, in 224 out of 282 AWCs, iron tablets were not distributed among the adolescent girls and cards for administration of tablets were not maintained.

1.3.15 Nutrition Programme for Adolescent Girls

DSWO, West Singhbhum drew ₹ 5.48 crore during 2003-09 but failed to utilise the balance funds of ₹ 4.25 crore and remitted the same into the treasury after periods of 18 to 48 months

The nutrition programme for adolescent girls (NPAG) was launched by GOI with 100 *per cent* assistance initially for two years (2002-04) on pilot basis in 51 selected districts in the country. In Jharkhand, West Singhbhum district was selected for NPAG. GOI further extended the scheme upto 2008-09. Under this scheme, adolescent girls weighing less than 35 kg of the age group of 11 to 19 years, irrespective of the financial status of their families, were to be identified and provided six kg of foodgrains per girl per month free of cost. The identified girls were to be provided foodgrains through Fair Price Shops (FPS) regularly for three months. Further, after three months, they were to be weighed again and if their weights are to be found less than 35 kg of body weight, they were to be provided foodgrains for the next three months.

[70] Hoardings on 'World Breast Feeding Week'.

[71] It is constituted as a focal point for activities under kishori shakti yojana for adolescent girls.

Scrutiny of records revealed that the DSWO, West Singhbhum drew ₹ 5.48 crore during 2003-09, out of which ₹ 1.11 crore was transferred (2006-10) to the State Food Corporation (SFC) as advance for purchasing foodgrains from the Food Corporation of India, ₹ 11 lakh was spent on contingencies and ₹ one lakh was kept with the DSWO as unutilised funds. The DSWO failed to utilise the balance funds of ₹ 4.25 crore (77 *per cent*) and remitted (between May 2008 and July 2009) the same into the treasury under the head '0235-Social Security and Welfare' after periods ranging from 18 to 48 months. This was a major financial irregularity because it resulted in artificially inflating the figures of expenditure in the preceding years and the figures of the receipt head of the Department in 2009-10. This amounted to falsification of accounts of all those years which had the effect of weakening the legislative control over the executive. Further scrutiny of records revealed that the foodgrains were distributed after long intervals instead of monthly distribution between September 2006 and June 2010 ***(Appendix-1.20)***. The DSWO was unable to provide the details of the whereabouts of unutilised foodgrains. Non-maintenance of details of unutilised foodgrains was fraught with the risk of misappropriation of foodgrains as Audit could not ascertain the genuineness of the purchase of the foodgrains. Failure to distribute the foodgrains by the DSWO in time affected the successful implementation of the programme.

Lady Supervisors were required to check the weight of five *per cent* of the girls under NPAG. Along with the AWW, they were also responsible for monitoring and reporting on the regularity in distribution of foodgrains from FPS. Also, the CDPO was required to verify one *per cent* of cases randomly. In cases of irregularities in supply of foodgrains at FPS, the Lady Supervisors or CDPOs were to take up the matter at the appropriate level and sort out the problem.

Scrutiny of records at AWCs and CDPO offices revealed that the girls were not weighed regularly in violation of the norms. Also, the verification by Lady Supervisors and CDPOs was not carried out.

1.3.16 Human Resource Development

1.3.16.1 Manpower Management

Efficiency and quality of ICDS services largely depends on the availability of adequate number of supervisory cadre like CDPOs and Lady Supervisors trained as well as ground level functionaries. Scrutiny of records revealed that the staff position of cadres other than AWWs and AWHs under ICDS as of March 2010 was as given in **Table 5**.

Table 5: Sanctioned strength and persons–in-position

Sl No	Category of post	No of posts Sanctioned	Staff Position	Vacancy	Percentage of vacancies
1	Child Development Project Officer	204	132	72	35
2	Lady Supervisor	1205	756	449	37
3	Statistical Assistant	214	133	81	38

4	Clerk	224	186	38	17
5	Accountant cum Store Keeper	09	09	Nil	Nil
6	Driver	78	78	Nil	Nil
7	Peon	276	249	27	10

(Source: Directorate, Social Welfare)

It is evident from the above table that 35, 37 and 38 *per cent* vacancies existed in the cadres of CDPOs, Lady Supervisors and Statistical Assistants respectively in the State as of March 2010. The deficiency in vital human resources having adverse impact on delivery of services could not be ruled out.

1.3.16.2 Training

Against the 23 AWTCs and one MLTC sanctioned, only 15 AWTCs were functional as of March 2010

According to the guidelines of the scheme, training for ICDS functionaries was to be imparted by the State Government. Three types of regular training were to be imparted to AWWs, AWHs, Lady Supervisors and CDPOs i.e. induction training on initial appointment (for AWWs only), job/orientation training (once during service period) and refresher training (in service, once in every two years). Training of CDPOs was to be conducted by the National Institute of Public Co-operation and Child Development (NIPCCD). Audit scrutiny revealed that against the 23 Anganwadi Training Centres (AWTCs) and one Middle Level Training Centre (MLTC), only 15 AWTCs were functional as of March 2010. Reasons for non-functioning of the remaining eight AWTCs and one MLTC were not furnished to Audit though called for. It was observed that out of ₹ seven crore earmarked for imparting training to ICDS functionaries during the period 2005-10, only ₹ 5.97 crore was spent by the department. The shortfall in achievement of targets of training of grass root functionaries of ICDS was as shown in **Table 6**.

Table 6: Target and achievement of training as of March 2010

Cadre	Target	Trained	Untrained Job/orientation training(percentage)	Backlog of refresher course
Lady Supervisors	694	328*	366 (53)	NA
AWWs	38296	32182	6114 (16)	18149
AWHs	35800	30279	5521 (15)	31499

(Source: State training action plan, Directorate of Social Welfare)
** Trained before creation of Jharkhand*

In the absence of the MLTC, no Lady Supervisor was trained during 2005-10. It was observed that out of 694 Lady Supervisors, only 328 were trained and all of them were trained before the creation (November 2000) of the state. Besides, 15 functional AWTCs could provide training to 12,839 AWHs during the period 2005-10 against the target of 16,250 AWHs. It was noticed that during the period 2006-10, against 127 CDPOs deputed to NIPCCD for refresher training courses, only 92 (72 *per cent*) attended the programmes. The Directorate replied that establishment of eight AWTCs and training of the untrained functionaries was being organised as early as possible.

1.3.17 Other Points of interest

- **The DSWO, Ranchi withdrew (July- August 2009) ₹ 11.62 lakh at the rate ₹ 2,32,300 for construction of five[72] AWCs from the treasury, submitting vouchers of construction materials[73] for ₹ 11.62 lakh. Interestingly, it was seen that site selection for three (Garh Husir, Masmano Pahan Toli and Choreya Oraon Toli) out of five AWCs was not done (July 2010) though the material was purchased.**
- **The Zila Parishad, Ranchi, reported that three AWCs at Harmu Harijan Toli, Irgu Road Kumhar Toli and Hesal Oron Toli were completed after incurring an expenditure of ₹ 14.28 lakh whereas CDPO, Ranchi Sadar and Ward Councillors reported that no such AWCs were actually constructed. Audit personnel visited the site and found that the AWCs were not constructed. Thus, a fraudulent payment of ₹ 14.28 lakh was made for a work which was not done. Further, CDPO, Ranchi Sadar reported incomplete construction of AWC at Hehal Tangra Toli whereas the *Zila Parishad* reported the same as complete after incurring expenditure of ₹ 4.76 lakh.**
- **CDPO, Silly reported that the AWC at Pipardag was constructed by AWW at ₹ 2.32 lakh (2007-08) whereas the *Zila Parishad*, Ranchi also reported construction of the AWC at the same place at ₹ 4.76 lakh under the Backward Region Grant Fund.**
- CDPO, Ranchi Sadar reported construction of an AWC by the *Zila Parishad,* Ranchi at Hindpidi Third Street. However this was seen to have been constructed on a drain at a cost of ₹ 4.76 lakh. Because of the location of the AWC, the AWW refused to take over charge of the centre.
- Records of the Drinking Water and Sanitation Division, Pakur showed that water supply system including a submersible motor pump was installed at five[74] AWCs but there were no electric connections for the same.

1.3.18 Results of Joint Inspection of AWCs

Joint physical verification by audit personnel with officials of the project was carried out in 98 AWCs in test-checked projects, the results of which were as under:

- Six[75] out of 98 AWCs were found closed at the time of the visits though the team visited the AWCs at a time when they were supposed to be functioning. In six AWCs, no child was found though they were shown to be present in the attendance registers. The presence of children at 40 AWCs was less than 50 *per cent* of those enrolled.
- It was also seen that AWC Babupur I in Hiranpur project was being used

[72] Baska Dangar Toli (Mander), Chavania Pano (Chanho) Choreya Oraon Toli, Garh Husir, and Masmano Pahan Toli.

[73] Brick, cement, stone chips, sand and steel.

[74] Adhoul, Chandpur, Chapa Danga (Pakur), Maheshpur and Malipara.

[75] Bhuiyan Toli Chiyanki (Daltonganj Rural), Bipatpur, Pahari Tola (Ranchi Sadar), Ramnathpur Pahari Tola (Hiranpur) Sawda (Chandankiyari) and Torai II.

as a cowshed. It was also stated by the villagers that THR was not being provided for the last two months.



(View of AWCs being used as store and cow shed)

- BDO, Chainpur unauthorisedly occupied AWC Shahpur South II (Code 96) in Palamu and two offices, *i.e.* office of NREGS and Panchayat were found functioning in the same building along with the AWC.
- In two AWCs *viz.* Rampur (Code 23) and Haripur (Code 18) (Project Sarath), PSE to the children was being imparted in the courtyard.
- In 39 out of 98 AWCs, *khichdi* for supplementary nutrition was cooked in the same room where PSE was being imparted.
- Quantities of foodgrains distributed as THR could not be ascertained as the foodgrains were measured in pots instead of weighing machines.
- During interviews at eight[76] AWCs, the beneficiaries stated that THR was provided after delays of two and three months. The beneficiaries further stated that THR was less than the prescribed quantity and that *gur* was provided in place of sugar in Sarai Toli, Namkum.
- An mixture of roasted and ground rice, pulses, sugar and RV oil was supplied as THR in Chaibasa Sadar project which was not acceptable among the beneficiaries especially among children.
- Medical Officers never visited nine[77] AWCs where the beneficiaries were interviewed though ANMs visited the centre.

1.3.19 Monitoring and evaluation

No meeting of the co-ordination committee was conducted. No apex committee was constituted in the State. Monitoring and evaluation was inadequate at all levels

To ensure effective monitoring and co-ordination between various departments involved in the implementation of the scheme, Monitoring Committees were to be formed at the Block, District and State levels. A Steering Committee under the chairmanship of the Development Commissioner was to be constituted and the scheme was also to be monitored by a high level Ministerial Apex Committee.

[76] Amlabad Premnagar, Amlabad MahtoTola, Amlabad Upar kulhi, (Chandankiyari), Amlabad Rohaniatand,Babupur, Bipatpur (Hiranpur) Sukurhutu Mahto Toli.; Kanke-- Torai II Hiranpur.

[77] Dipatoli Sarai Toli (Namkum), Jailhata (Daltonganj Urban); Haratu I (Namkum); Narsanda Baragutu Sai (Chaibasa Sadar). Nagri Sadak Tola (Kanke) Somartand I and Somartand (Chainpur); Sufla Sai (Chaibasa Sadar) and Sukurhutu Mahto Toli (Kanke).

It was noticed that though a co-ordination committee under the chairmanship of the Chief Secretary was constituted (June 2005), no meeting had been held so far. No apex committee was constituted in the State. As per a notification (June 2005) of the Government, district, block and village level committees were to be constituted in the State. It was the responsibility of the committees to ensure proper functioning of AWCs, availability of funds and supplementary nutrition, proper co-ordination and convergence with other departments for implementation of other services of ICDS, filling up the vacancies of AWWs/AWHs, surprise visits of AWCs and looking into the complaints against the AWCs. Though block and district level committees were constituted, meetings were not being conducted.

Further, for effective implementation of the scheme CDPOs and Lady Supervisors were required to visit 30 and 40 AWCs respectively per month. Scrutiny revealed that the number of field visits (2005-10) conducted by the CDPOs and Lady Supervisors were 14,405 (67 *per cent*) and 67,943 (76 *per cent*) in comparison to the target of 21,360 and 89,240 in 14[78] test-checked projects respectively.

1.3.20 Conclusion

Implementation of the ICDS scheme in the State was far from satisfactory. The infrastructure in terms of AWC buildings was inadequate and a large number of AWCs were functioning in rented buildings as well as in open spaces. Supply of supplementary nutrition was irregular and deficient in stipulated calories. Supply of stipulated rations to malnourished children was inadequate. Medicine kits and PSE kits were not procured at all. Effective monitoring of the scheme at various levels was absent. Thus, the objectives of the scheme could not be fully achieved.

1.3.21 Recommendations

The department should ensure:

- timely release of funds for SNP to ensure availability of funds to AWCs ;
- required calories to the beneficiaries as per norms;
- revision in rates of food commodities as per market rates;
- basic infrastructure facilities at all AWCs / MAWCs ;
- supply of PSE kits and medicine kits for proper functioning of AWCs;
- filling up vacancies of CDPOs, Lady Supervisors and Statistical Assistants on a priority basis; and
- effective supervision and inspection of AWCs.

[78] Bishrampur, Chainpur, Chandankiyari, Daltonganj (Rural), Daltonganj (Urban), Deoghar cum Jasidih, Hiranpur, Kanke, Maheshpur, Mander, Namkum, Ormanjhi, Pakuria and Sarath.

Chapter II

Audit of Transactions

2.1 Defalcation/loss/fraud of Government money

RURAL DEVELOPMENT, AGRICULTURE & SUGERCANE DEVELOPMENT AND ROAD CONSTRUCTION DEPARTMENTS

2.1.1 Non-recovery of advance and defalcation

Non-adherence to financial rules led to advance of ₹ 20.15 lakh becoming irrecoverable, besides defalcation of ₹ 18.44 lakh.

Rule 86 (ii), (iii), (iv) and (v) of the Jharkhand Treasury Code (JTC) (Vol. I) provides that all monetary transactions should be entered into the cash book as soon as they occur and be attested by the Head of the Office. The cash book should be balanced, closed and checked daily by the Drawing and Disbursing Officer (DDO). Further, the cash balances at the end of every month are required to be physically verified by the DDO. This is in order to ensure that the cash balances shown in the cash book tally with the physical balances. The DDO should compare the Treasury Officer's or the bank's receipts on the challans or his passbook with the entries in the cash book before attesting them and satisfy himself that the amounts have been actually credited into the Treasury or the bank. Further, Rule 210 of JTC stipulates that a Government servant entrusted with the payment of money should obtain for every payment he makes, including repayment of sums previously lodged with the Government, a voucher setting forth full and clear particulars of the claim and all information necessary for its proper classification and identification in the accounts. Every voucher must bear or have attached to it, an acknowledgement of the payment signed by the person by whom, or on whose behalf, the claim is put forward. Acknowledgements should be taken at the time of payment.

Scrutiny (between July 2008 and May 2010) of the records of four offices revealed defalcation/loss of Government money of ₹ 18.44 lakh as discussed below:

Name of office	Defalcated amount (₹ in lakh)	Remarks
Block Development Officer (BDO), Sahebganj	5.50	The BDO, Sahebganj received (April 2006) a cheque for ₹ 5.50 lakh under the Indira Awas Yojana (IAY) and deposited (May 2006) it into UCO Bank, Sahebganj (A/c No.- 8137). The amount was neither accounted for on the receipt side nor on the payment side in the cash book of the office of the BDO, Sahebganj and kept outside the Government Account upto August 2008. Further, the said amount was entered (September 2008) on the receipt side of the cash book and the closing balance in the cash book was also enhanced by ₹ 5.50 lakh as the said amount was already included in the balance of UCO Bank. Since the amount was deposited into the bank only, a discrepancy of ₹ 5.50 lakh should have appeared between the cash book and the bank account but the physical balance remained unchanged (as of May 2010).The BDO,

		Sahebganj stated (May 2010) that the shortage of ₹ 5.50 lakh had been noticed in the IAY account and proper action was being taken accordingly.
BDO, Bishunpur, Gumla	9.15[1]	The BDO, Bishunpur, Gumla advanced (prior to May 2001) ₹ 20.15 lakh (outstanding advance ₹ 4.67 lakh + scheme advance ₹ 15.48 lakh) to different employees which remained outstanding as of November 2009. Audit observed that the details of employees who were paid advances and the advance register were not available in the office. It was further seen in audit that the value of unadjusted vouchers which was shown as ₹ 5.88 lakh in the cash book prior to May 2001 increased to ₹ 9.04 lakh as on July 2002. Thereafter, a new voucher register was started by taking the opening balance as ₹ 9.04 lakh and a certificate was recorded that the vouchers and the voucher register were not available in the office in support of the payments for the period prior to July 2002. Thus, an amount of ₹ 9.04 lakh shown in the closing balance of the cash book remained unreconciled. Besides, ₹ 2,333 stated to be in single lock and ₹ 8,500 in the bank was also not physically available (since July 2002). The BDO, Bishunpur stated that the matter would be investigated.
District Agriculture Officer (DAO), West Singhbhum, Chaibasa	3.39	The DAO, West Singhbhum, Chaibasa received (March 2006) an account payee cheque for ₹ 3.39 lakh issued by the Director of Agriculture, Ranchi for organising a *Kisaan* fair for agriculture. The said cheque was neither deposited into the bank nor taken into the cash book as of April 2010.Further, the said cheque was drawn (April 2006) in cash by the DAO, Chaibasa from the bank on which the cheque was issued. The amount was not accounted for in the cash book (receipt side). No documentary evidence was produced in support of the expenses. This also showed failure on the part of the Director, Agriculture, who failed to ensure that the amount advanced to the DAO was adjusted.
Executive Engineer (EE), Road Construction Division, Deoghar	0.40	It was observed during scrutiny of the cash book of the EE, RCD, Deoghar that the total of the withdrawals from the Treasury on 17 March 2005 against bill nos 128, 131 and 132 were ₹1,59,917 but the total amount on the receipt side of the cash book was entered as ₹ 1,19,917 only. Despite this, the closing balance of the cash book and entries were verified by the EE, who recorded a certificate that entries made on both the sides were verified and found correct. Thus, ₹ 40,000 was defalcated. The matter was reported to the Government. No action had been taken by the department against the erring officials as of November 2010.
Total	**18.44**	

Thus non-adherence to codal provisions by the then BDO/DAO/EE facilitated defalcation of Government money of ₹ 18.44 lakh.

The matters were reported (between May and July 2010) to the Government. Their replies had not been received (November 2010).

[1] ₹ 9.15 lakh = ₹ 9.04 lakh + ₹ 2,333 + ₹ 8,500.

DRINKING WATER AND SANITATION DEPARTMENT

2.1.2 Loss to the Government

Failure of the Department to recover the element of excise duty from a contractor led to a loss of ₹ 4.48 crore.

The Department of Revenue, Ministry of Finance, Government of India extended full exemption from excise duty to all items required for setting up of water treatment plants (WTPs) vide notification No. 47/2002 dated 6 September 2002. Central excise duty was also exempted on pipes required for obtaining untreated (raw) water from its source to the WTPs and for supplying treated water to storage places. Exemption of excise duty was subject to certification by the Collectors/District Magistrates/Deputy Commissioners of the districts in which the WTPs were to be set up.

The Drinking Water and Sanitation (DW&S) Department issued (July 2004) a work order to M/s Nagarjuna Construction Company Limited (NCCL) for construction of an intake channel, an intake well-cum-raw water pump house, raw water rising mains from Maithan to the proposed WTP at Dhanbad and for supply of treated water from the WTP to the existing distribution system at Dhanbad and Govindpur. The work was awarded at a total cost of ₹ 109.83 crore, inclusive of Central excise duty etc. The work, *inter alia*, included supply and installation of 79,000 m of ductile iron (DI) pipes of various diameters between 1000 mm and 250 mm at a total price of ₹ 68.24 crore. The rates for supply of DI pipes with eight *per cent* excise duty were approved on the ground that the manufacturer was not maintaining separate accounts for dutiable and non-dutiable inputs as per Rule 6 of the CENVAT Credit Rules. However, as per the directions of the Excise Department, the manufacturer was maintaining separate accounts for dutiable and non-dutiable goods from June 2004 itself *i.e.* prior to award of the work. As per the CENVAT Credit Rules, under such option, no excise duty was payable on goods declared as exempted. Further, as per the terms and conditions of the contract, the amount of eight *per cent* of the basic price was to be reflected in the Central excise challan-cum-invoice issued by the manufacturer as proof of payment to the Excise Department on this account. Accordingly, the contractor placed (July 2004) an order on M/s Electrosteel Castings Limited, Kolkata for supply of 79,000 m of DI pipes. The rates were inclusive of applicable excise duty. The contractor actually supplied and laid 82,999.69 m of DI pipes up to the 33rd running account bill and was paid ₹ 70.90 crore towards supply and installation of pipes for the works executed.

Scrutiny (April/May 2009) of records of Executive Engineer (EE), DW&S Division 1, Dhanbad revealed as under:

- The Executive Engineer issued five certificates in favour of the contractor and the manufacturer for exemption of excise duty on 82,999.69 m of DI pipes, duly signed by the Deputy Commissioner, Dhanbad.

- The contractor furnished challan-cum-invoices issued by the manufacturer indicating 'nil' excise duty. There was no proof of payment of excise duty to the Government despite the provision made in the contract. In the absence of proof of payment of excise duty, the department could not claim refund of

duty from the Central Excise Department in terms of Section 11B of the Central Excise Act, 1944. It was observed that the EE paid ₹ 70.90 crore towards supply and installation of DI pipes without taking any steps for realisation/recovery of the amount of excise duty already paid from the bills of the contractor.

In reply to the audit query, the EE stated (May 2009) that the work was executed and payments were made as per instructions of the higher authority as per the CENVAT Credit Rules 2002.

The reply of the EE was not in order as the EE made payments for the pipes at full rates inclusive of eight *per cent* excise duty but failed to obtain from the contractor, proof of payment of excise duty as per the terms of contract.

Thus, failure of the department to recover the element of excise duty from the contractor led to a loss of ₹ 4.48 crore. Moreover, in the absence of any proof, the payment of excise duty by the contractor was not found on record and undue benefit to the contractor on this account could also not be ruled out.

The matter was reported (July 2010) to the Government. Their reply had not been received (November 2010).

HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

2.1.3 Loss to the Government

Injudicious purchase of X-ray films without following tender procedure or competitive bidding and excess quantity of medicines led to expiry of medicines/ X-ray films and loss of ₹ 28.81 lakh to the Government.

According to Rule 129 of the Jharkhand Financial Rules, purchases must be made in the most economical manner in accordance with definite requirements of the public service. Further, Rule 160 of the General Financial Rules envisage that all Government purchases should be made in a transparent, competitive and fair manner, to secure best value for money.

Sadar Hospital, Dumka purchased 400 packets of X-ray films at a cost of ₹ 7.60 lakh during 2004-06 while the Mahatma Gandhi Medical College and Hospital (MGMC&H), Jamshedpur purchased 11,27,900 packs of medicines at a cost of ₹ 26.70 lakh during 2006-07.

Scrutiny (between February and November 2009) revealed that the above purchases were made despite the fact that the average annual consumption of X-ray films during 2002-05 was 26.2 packets in Sadar Hospital, Dumka and the consumption of medicines during the preceding three years in MGMC&H, Jamshedpur was 30,207 packs only.

Further scrutiny (between February and November 2009) of records revealed that 302 packets of X-ray films worth ₹ 5.69 lakh and 8,38,787 packs of medicines worth ₹ 23.12 lakh expired without being put to use. Thus purchases of excess quantities were made for which there was no requirement.

It was also observed that the purchase proposal for the X-ray films moved by the Head Technician on 17 August 2005 was approved by the Superintendent, Sadar

Hospital, Dumka and the order was placed on a private supplier on the same day without any tendering process or inviting any competitive bidding.

On these being pointed out, the Superintendent, Sadar Hospital, Dumka stated (February 2009) that departmental action was being taken, whereas the Superintendent, MGMC&H, Jamshedpur, noted (November 2009) the audit observation for compliance in future.

Thus, due to injudicious purchase of X-ray films (without tender process/ competitive bidding) and medicines without assessment of requirement, Government suffered an avoidable loss of ₹ 28.81 lakh.

The matter was reported (June 2010) to the Government. Their reply had not been received (November 2010).

RURAL WORKS DEPARTMENT

2.1.4 Fraudulent payment

Lack of proper monitoring by higher authorities and failure to adopt necessary checks as per codal provisions resulted in fraudulent payment of ₹ 1.26 crore and wasteful expenditure of ₹ 56 lakh.

According to Rules 24 and 245 of the Jharkhand Public Works Department (JPWD) Code, it was the duty of the Superintending Engineer (SE) to inspect the state of various works within his circle. He was also required to see that the measurements were properly recorded and that they were complete records of actual measurements of work done for which certificates have been granted. Further, the Jharkhand Public Works Account Code[2] provides that acquisition of land in forest areas must be settled before preparation of estimates/ commencement of works.

Scrutiny (between November 2008 and May 2010) of records of the Executive Engineer (EE), Rural Works Division (RWD), Lohardaga revealed that an agreement for ₹ 3.52 crore was executed (September 2006) with a contractor for construction of the Fatehpur-Tuimu road (length 15.32 km) under the Pradhan Mantri Gram Sadak Yojana (PMGSY-Phase-IV) for completion by June 2007. Work valuing ₹ 1.82 crore was shown to have been executed between September 2006 and January 2008 up to the fourth running on account bill as measured by the Junior Engineer (JE) and duly checked and passed by the Assistant Engineer (AE) and the EE. The work was stopped (January 2008) midway by the Forest Department as the entire stretch of the road was under forest area and prior no objection certificate (NOC) had not been obtained from the Forest Department as per rule. The Forest Department issued NOC only in January 2009 *i.e.* much after the scheduled date of completion.

It was seen in audit that the successor EE inspected (February 2008) the site/work and reported that the work was substandard and fake measurements had been recorded in Measurement Book. After this was pointed out by the EE, the Deputy Commissioner, Lohardaga got the complaint investigated (July

[2] Annexure-'A' Cabinet Secretariat and Co-ordination Department (Vigilance Cell) resolution Number 948 dated 16 July 1986; para 4.5 and 6.3.

2008) by a team of officers from other departments[3] and reported (July 2008) to the Principal Secretary, Rural Works Department, Jharkhand that the contractor had executed work valuing ₹ 56.20 lakh only. Thus, payment of ₹ 1.26 crore to the contractor was in excess of the actual work executed. The EE lodged (November 2008) an FIR against the then EE, AE, JE and the contractor. The result of the police investigation was awaited (October 2010). Further, EE (November 2008), SE (December 2008) and Chief Engineer, Jharkhand State Rural Road Development Authority recommended (July 2009) to the Rural Works Department that the contractor be blacklisted. It was noticed (May 2010) that the department not only failed to fix any responsibility against the erring officials for recording fake measurements but also failed to take action for recovery of the amount paid in excess of the actual work done and to blacklist the contractor under the codal provision[4] despite lapse of more than two years from detection of the fraudulent payment. It was observed (May 2010) by Audit that the contractor was still working in Phase-V of PMGSY (Package No. JH-1501 and JH-1503). It was also observed (May 2010) that even the security deposit of the contractor amounting to ₹ 26.71 lakh against the executed work which was available with the department had not been forfeited. The department failed to take any action against the erring EE who retired on 31 January 2008. It was observed in audit that his pension and retirement benefits were sanctioned in July 2009 much after detection of the fraudulent payment in February/July 2008.

Thus, due to failure of the department to take action against the concerned officials and the contractor, fraudulent payment made to the contractor for ₹ 1.26 crore by the engineers in collusion with him could not be recovered. Besides, there was wasteful expenditure of ₹ 56 lakh on incomplete roads as the objective of the scheme to provide all weather roads to rural people could not be achieved.

The matter was reported (June 2010) to the Government. Their reply had not been received (November 2010).

DEPARTMENT OF ART, CULTURE, SPORTS AND YOUTH AFFAIRS

2.1.5 Irrecoverable advance

Undue aid of ₹ 2.60 crore to a contractor in the form of interest-free mobilisation advance led to its becoming irrecoverable.

Orders of the State Government do not provide for payment of mobilisation advance to a contractor. According to instructions[5] issued (December 2004 and April 2007) by the Central Vigilance Commission (CVC), interest free mobilisation advance is not to be encouraged but if the management feels it necessary in specific cases, it is to be clearly stipulated in the tender documents and its recovery is to be timebound and not linked to the progress

[3] Engineers of district council, NREP, Minor Irrigation and District Welfare officers, Lohardaga.

[4] Annexure 'B': 18 (ii) of JPWD Code.

[5] Circular No.004/ORD/9 dated 10 December 2004 and No.4CC- 1-CTE-2 dated 10 April 2007.

of the work. Recovery of the advance is to be ensured so that misuse of such advances can be reduced. Part bank guarantees' (BGs) against the mobilisation advance are to be taken in as many numbers as the proposed recovery instalments and is to be equal to the amount of each instalment. This is to ensure recovery of advances by encashing the BGs.

The National Games Organising Committee (NGOC), Jharkhand was constituted to organise the 34th National Games to be held in Jharkhand during 15 to 28 February 2009. It entered (November 2008) into a contract with M/s Wizcraft International Entertainment Private Limited, Mumbai for event management against a consideration of ₹ 8.65 crore and was paid (December 2008) ₹ 2.60 crore as mobilisation advance.

Scrutiny (November/December 2009) of the records of NGOC revealed that it paid interest-free mobilisation advance of ₹ 2.60 crore which was equal to 30 *per cent* of the contract value, violating the norms and instructions contained in the CVC circular. Nothing was mentioned in the Notice Inviting Tender (NIT) about the amount of mobilisation advance to be given and the rate of interest leviable on the mobilisation advance. Violating the norms and instructions contained in the CVC circular, NGOC allowed the contractor to submit a post-dated cheque of ₹ 2.60 crore instead of a BG. Audit further observed that the NGOC unilaterally terminated the contract on 5 October 2009 when the validity of the post-dated cheque submitted by the said contractor as BG against the mobilisation advance had already expired. As a result, NGOC could not encash the said cheque. It, however, was in a position to encash the security deposit of ₹ 86.51 lakh lying with it in the shape of a bank draft and earnest money deposit against the said contract but records revealed that no such action has been initiated so far (December 2009).

In reply, NGOC stated (December 2009) that correspondence had been made for revalidation of the post-dated cheque but M/s Wizcraft raised the issue of power back-up which led to a stalemate.

The reply of NGOC was not satisfactory in view of the fact that interest-free mobilisation advance to the extent of 30 *per cent* of the value of the contract was paid without safeguarding the interest of the Government. It not only agreed to accept a cheque instead of BG in violation of CVC guidelines but also failed to ensure that the cheque remained valid till the mobilisation advance was recovered.

Thus, the mobilisation advance of ₹ 2.60 crore paid by NGOC amounted to undue aid to the contractor. This resulted in chances of recovery of the mobilisation advance of ₹ 2.60 crore given to the contractor becoming remote.

The matter was reported (June 2010) to the Government and further reminders were issued between August 2010 and October 2010. Their reply had not been received (November 2010).

2.2 Excess/wasteful/infructuous expenditure

ROAD CONSTRUCTION, WATER RESOURCES, DRINKING WATER & SANITATION AND BUILDING CONSTRUCTION DEPARTMENTS

2.2.1 Excess payment

Non/partial incorporation of a Government decision in the terms and conditions of contracts resulted in excess payment of ₹ 7.21 crore to contractors.

Based on the approval of the Cabinet, the Government of Jharkhand, Road Construction Department, Ranchi decided (26 March 2002) that all materials required for execution of contracts over ₹ 10 lakh would be supplied by the contractor and not by the department. It was also decided that "approved percentage rates" over the tendered Bill of Quantity (premium rates) were not payable to contractors on the cost of materials like bitumen, cement, steel, rods, pipes and other construction materials including carriage and profit, supplied and utilised by them in the works. It was observed that the Schedule of Rates (SOR) prepared by the Rate Fixation Committee included 10 *per cent* as contractor's profit for each item including cost of materials. According to the direction of the Cabinet of Ministers, the office order issued by the Road Construction Department for non-payment of premium rate on materials was applicable to all the works departments in the State. The order was published in the State gazette, endorsed to all heads of departments and was being published in SOR every year.

Scrutiny (between March 2009 and March 2010) of the records of six divisions[6] revealed that the Executive Engineers entered (between 2006-07 and 2008-09) into 17 contracts (F2 agreements) at a total cost of ₹ 489.34 crore on premium rates ranging from 3 to 34.25 *per cent*. It was also observed that the abovementioned Government decision was ignored and the condition that premium rates were not payable to the contractors on the cost of materials was not incorporated in any of the contracts. It was seen that only in the case of one contract, it was mentioned that the premium rate was not payable on the cost of bitumen only. In the absence of suitable terms and conditions in contracts/agreements, premium rates amounting to ₹ 7.21 crore (***Appendix-2.1***) were irregularly paid on the cost of materials supplied and used by the contractors themselves, including carriage and profit for ₹ 42.01 crore in gross violation of the Government order.

Thus, non/partial incorporation of the Government decision in the terms and conditions of contract resulted in excess payment of ₹ 7.21 crore to contractors. No action had been taken against the officer(s) responsible for ignoring the Government order and making excess payment of ₹ 7.21 crore to the contractors (May 2010).

[6] (i) Road Construction Division, Garhwa, (ii) Subernrekha Canal Division, Gangudih, (iii) Subernrekha Canal Division, Jamshedpur, (iv) National Highways Division, Jamshedpur, (v) Drinking Water & Sanitation Division, Saraikella and (vi) Building Construction Special Division, Ranchi.

The matter was reported (June 2010) to the Government. The Joint Secretary, Water Resources Department and Engineer-in-Chief, Drinking Water & Sanitation Department stated (September 2010) that as per Cabinet (Vigilance) Department, Technical Examination Cell, Bihar, Patna (letter issued in December 1983, June 1989 and September 1989) the contractor would be allowed premium rate on wages as well as on the materials purchased by him.

The reply of the department is not acceptable because they did not follow the resolution passed in March 2002 by the Cabinet of the Government of Jharkhand, though it was made applicable to all the departments, which automatically superseded the previous orders.

ROAD CONSTRUCTION DEPARTMENT

2.2.2 Excess payment

Wrong interpretation of terms and conditions of a contract led to undue financial benefit to a contractor through payment of inadmissible amount of ₹ 1.32 crore.

Based on the approval (May 2006) of the Chief Engineer (CE), Road Construction Department (RCD), Ranchi, the Executive Engineer (EE), Road Division, Latehar executed (August 2006) an agreement with M/s Mini Construction, Daltonganj for widening and strengthening of the Kutmu-Garu-Mahuadar road (0 to 84 km) at a total cost of ₹ 29.47 crore against the technically sanctioned estimate of ₹ 30.28 crore. The work was awarded on item rate contract basis through standard bidding documents, where item rates were offered by the contractor himself which included their profit. The work was scheduled to be completed within 24 months *i.e.* by July 2008. On the basis of a decision taken as per RCD notification No. 405 (S) dated 31 January 2004, the terms and conditions of the contract provided for reimbursement of the differential cost between "the accepted rate as per agreement" and "the price based on original invoices against actual purchase" of bitumen supplied and used in the works. There was no provision for payment of element of contractor's profit over the differential cost of bitumen.

Scrutiny (February 2010) of the records of the Road Construction Division, Latehar revealed that the contractor executed works valuing ₹ 30.03 crore (paid up to November 2009) and used 3,847.25 MT bitumen in the road works. The EE, Latehar, with the approval of the Superintending Engineer (SE), Road Construction Circle, Daltonganj paid the differential cost of bitumen including carriage amounting to ₹ 7.48 crore. It was further observed in audit that the amount also included ₹ 1.32 crore towards contactor's profit (10 *per cent*) on the invoiced cost of bitumen including carriage, which was not admissible as per the terms of the contract and the notification of the department. As per the above notification, the differential cost of bitumen was to be compensated to the contractor in the light of hike in price of bitumen. However, apart from compensating the cost differential, 10 *per cent* profit on hiked price was also allowed, which was not admissible.

Thus the terms and conditions of the contract were wrongly interpreted by the EE/SE to give undue financial benefit to the contractor, which resulted in

excess payment of inadmissible amount of ₹ 1.32 crore. The amount was recoverable from the contractor or the concerned officers of the department as per the conditions of the notification which had not been done so far.

The matter was reported (May 2010) to the Government. Their reply had not been received (November 2010).

BUILDING CONSTRUCTION DEPARTMENT

2.2.3 *Excess payment*

Reimbursement of Customs duty in violation of the provisions of the NIT resulted in excess payment and undue benefit of ₹ 13.81 crore to a contractor.

The Government of Jharkhand, Art, Culture, Sports and Youth Affairs Department (ACSYAD) decided (March 2005) to construct a 'Mega Sports Complex' at Hotwar (Ranchi) at an approved estimated cost of ₹ 206 crore for holding the National Games, 2007. The work was to be executed by the Special Works Division, Building Construction Department (BCD), Ranchi, Jharkhand in four packages. Tenders were invited (May 2005) under the two-bid system. M/s Nagarjuna Construction Company Limited (NCCL) was not declared (July 2005) pre-qualified by the consultant Meinhardt-SAA on the ground that the agency did not have the required experience as stipulated in the Notice Inviting Tender (NIT). Despite this, the price bid tendered by NCCL was opened under the orders of the Secretary ACSYAD (February 2008), relaxing the terms and conditions of NIT and the company was declared the lowest tenderer for package-II work at their quoted price of ₹ 171.48 crore, which was 31.57 *per cent* higher than the estimated cost of ₹ 130.33 crore for the package. Works of Package–II included design, engineering, fabrication and installation of 13,278 sqm. high quality PTFE[7] coated fiberglass tension membrane fabric for the main stadium roof canopy at the quoted rate of ₹ 13,090 per sqm. which was inclusive of all taxes and duties. While approving the award of the work, the Secretary, ACSYAD decided (May 2006) to delete PTFE roofing work from the scope of the contract on the ground that the cost was very high and entered (May 2006) into an agreement with NCCL for a total cost of ₹ 152.22 crore.

It was observed in audit that after a lapse of 21 months from the date of award of the work, the department decided (February 2008) to use a PTFE roof canopy, which was earlier deleted from the scope of contract with NCCL. This item, which was deleted (May 2006) by the Secretary ACSYAD from the scope of work earlier on the ground that cost of the proposed PTFE was very high, was now allotted to NCCL as an extra item of work at the negotiated enhanced rate of ₹ 13,549 per sqm which was higher by ₹ 459 per sqm.

Scrutiny (between February and March 2010) of the records of the Executive Engineer, Special Works Division, BCD, Ranchi revealed the following:

- Though the value of the PTFE roofing work was ₹ 17.38 crore as per the earlier agreement, the department did not re-tender the work when it was

[7] Design, Engineering, Patterning, fabrication, supply and installation of high quality PTFE coated fiber glass tension membrane fabric.

decided again to use the same PTFE roofing in order to ascertain the current market price. No rate analysis for this extra item of work was taken from the contractor for evaluation of proposed work. Audit, however, made its own analysis of contractors receipts and contractors expenditure for PTFE roofing works which indicated excess payment of ₹ 9.94 crore (***Appendix-2.2***). Allotment of work on negotiation basis without any rate analysis to a single party was contrary to the provisions of the Jharkhand Public Works Department (JPWD) code.

- Deletion of PTFE roofing from the scope of package-II contract without deciding a suitable substitute and later, executing the same work by the same agency at an enhanced rate resulted in avoidable extra expenditure of ₹ 51.88 lakh[8].

- As per clause 73.1 of the NIT, the contractor was liable to pay all the costs, charges, duties and levies etc in respect of imported specialised items within the agreed rate. After execution of the work, the contractor demanded (January 2009) release of Customs duty paid by them on the ground that their rate for PTFE roofing was exclusive of Customs duty. It was observed that the department agreed and reimbursed the Customs duty amounting to ₹ 1.40 crore to the contractor (***Appendix- 2.3***). This constituted undue benefit to the contractor.

- Though the contractor imported only 9,866 sqm of PTFE fabric roofing as per the invoices presented for reimbursement of customs duty, the division measured a quantity of 11,302.537 sqm and paid accordingly, leading to excess payment of ₹ 1.95 crore.

In response to an audit query, the Executive Engineer replied that payment was made as per the orders of the Secretary but the matter would be referred to the concerned authority for further reply.

Thus, the award of work to NCCL against the opinion of the consultants, deletion of PTFE roofing from the scope of the contract, re-allotment of the same work at enhanced rate without re-tendering, excess measurements for PTFE work and reimbursement of Customs duty in violation of the provisions of NIT resulted in excess payment and undue benefit of ₹ 13.81 crore to the contractor. No action against the official(s) responsible for the financial irregularities and causing loss to the Government was taken as of May 2010.

The matter was reported (June 2010) to the Government. Their reply had not been received (November 2010).

[8] Quantity billed – 11,302.537 sqm multiplied by ₹ 459.

ROAD CONSTRUCTION DEPARTMENT

2.2.4 Wasteful expenditure

Despite being aware that a work was sub-standard, the Executive Engineer made payment of ₹ 9.92 crore which proved wasteful. He also failed to recover liquidated damages of ₹ 1.06 crore and encash the bank guarantee of ₹ 77.97 lakh.

Work for widening and strengthening of the Sarath-Palajori road (20 km) under the Central Road Fund was administratively approved (March 2007) by the Ministry of Shipping, Road Transport and Highways, Government of India, New Delhi for ₹ 15.97 crore and technically sanctioned (May 2007) by the Chief Engineer, Central Design Organisation, Road Construction Department, Ranchi for ₹ 16.54 crore. The Executive Engineer (EE) executed an agreement with a contractor for ₹ 15.59 crore with the date of start as 25 July 2007 and the scheduled date of completion as 24 January 2009. The defect liability period was one year from the actual completion of the road.

As per clause 13 of the terms and conditions of the contract, the contractor was liable to re-execute/rectify the whole or part of the work at his own cost or pay compensation for the damaged work/imperfect or unskillful workmanship or with materials of any inferior description not in accordance with the contract. Otherwise, such works were to be executed through other agencies at the risk and cost of the contractor.

Scrutiny (October 2009 and March 2010) of the records of the EE, Road Construction Division (RCD), Deoghar revealed as under:

- The contractor commenced the work in August 2007 and the first Running Account Bill was paid (30 October 2007) for ₹ 91.23 lakh even though the EE, RCD, Deoghar inspected (12 October 2007) the work site and observed irregularities in construction of Granular Sub Base (GSB) in which the required ratio of stone metal and stone dust was not properly mixed and oversized metals were used. Non-use of proper mix of downsized metal and dust would create voids/gaps. Further, Rotator (a machine) was not used for mechanical mixing of materials and compaction was done without proper watering and rolling. As the contractor was not executing the work as per the specifications, the then EE directed (15 October 2007) the contractor to rectify the defects in the GSB as these defects were bound to create voids in the GSB/Water Bound Macadam (WBM) and ultimately lead to failure of the road crust. The EE, RCD, also stated that he would not be responsible for payment of such irregular work.

- In view of the defects observed by the EE, the Superintending Engineer (SE), Road Construction Circle, Dumka directed (13 November 2007) the EE to reject the old work and ensure re-execution of defective works maintaining quality and using required machinery and equipment as per the Bill of Quantities as otherwise, the road would get damaged. It was seen that rectification of the defective work was not done by the contractor. The Junior Engineer, Assistant Engineer, EE and the SE again observed (between December 2007 and February 2008) use of oversize metals in GSB and non-watering of WBM. Despite highlighting of the irregularities in the use of

materials and sub-standard execution, the contractor continued the work up to 5 December 2008 (date of last measurement) without rectification of defects and the then EE, RCD, made payments amounting to ₹ 9.92 crore between October 2007 and December 2008 in 10 Running Account bills.

- The EE further noticed (February 2009) irregularities in construction of road crust like faulty earth work and WBM work and their compaction, less thickness of bituminous layers[9] than given in the contract and reminded (between February to June 2009) the contractor to rectify the defects as these defects may cause failure of road in future. The contractor neither rectified the defects nor completed the works as of March 2010. As a result, the executed road crust was completely damaged in almost total length due to non-rolling/ compaction of earthwork and execution of off-specification GSB and WBM. The Deputy Commissioner (DC), Deoghar (September 2009) and the EE, RCD, Deoghar (October 2009) reported (September and October 2009) the failure of the road to the Secretary and the Deputy Secretary, Road Construction Department respectively. In spite of the fact that the road work was sub-standard and the road crust was completely damaged, no action as per clause of the contracts was initiated against the contractor by the EE, SE or the Department.

- The contractor had deposited two bank guarantees (BGs) for ₹ 77.97 lakh valid up to July 2009 as security deposit. The work was neither completed, nor did the contractor extend the validity of the BGs. The department failed to ensure that the BGs were renewed in time. The EE also failed to take any action for encashment as per the terms of BGs.

- In spite of non-completion of the work in time, liquidated damages (LD) amounting to ₹ 1.56 crore (10 *per cent* of the estimated contract value) were not recovered from the contractor as per the terms of the contract.

Thus, payment of ₹ 9.92 crore by the then EE, despite being aware that the work was sub-standard and that the contractor had committed serious irregularities, proved wasteful. Besides, LD of ₹ 1.06 crore (₹ 1.56 crore – ₹ 49.58 lakh recovered/adjusted from security deposit) and security of ₹ 77.97 lakh was recoverable from the contractor. No action was taken by the department against the Executive Engineer who made payment for the sub-standard work as of October 2010.

On this being pointed out, the EE replied (April 2010) that the contractor had been reminded to rectify the defective work and to deposit the required security. He further stated that the matter had already been reported to the higher authorities.

The matter was reported (April 2010) to the Government. Their reply had not been received (November 2010).

[9] Built-up spray grout in thickness of 48 to 58 mm in place of 75 mm, bituminous macadam in thickness of 32 to 42 mm in place of 50 mm and non-covering of bituminous macadam by semi-dense bituminous concrete, immediately as provisioned.

2.2.5 Wasteful expenditure

Execution of work without acquisition of land resulted in its stoppage midway and wasteful expenditure of ₹ 1.83 crore besides loss to Government of ₹ 19.01 lakh.

The Jharkhand Public Works Account Code[10] provides that projects requiring acquisition of land are to be technically sanctioned and work awarded only after the acquisition. Rule 126 of the Jharkhand Public Works Department (JPWD) Code stipulates that a properly detailed estimate for every work must be prepared and technical sanction of the competent authority obtained before construction of the work is commenced. Further, for widening and strengthening of a road, a survey should be conducted as per the norms of the Indian Road Congress to ascertain the traffic density of the road.

Widening and strengthening of the Rahe-Sitafall road (length 11.4 km) was administratively approved (August 2005) for ₹ 6.03 crore by the Road Construction Department (RCD), Ranchi. After tendering (September 2005), the Executive Engineer (EE), Road Construction Division, Ranchi (Rural) executed (March 2006) an agreement with a contractor for ₹ 5.89 crore with scheduled completion as June 2007, in spite of the fact that technical sanction for the work had not been accorded. In fact, the technical sanction was accorded eight months after the award of work in November 2006 by the Chief Engineer, Central Design Organisation, RCD, Ranchi for ₹ 5.83 crore. Award of work without technical sanction was a clear violation of the JPWD code[11]. As per the technical note attached to the technical sanction, the roadway and carriageway were provided for nine metres and 5.5 metres respectively. However, the width of the available land was between one metre/2.5 metres and seven metres only.

Scrutiny (April 2010) of the records of the EE, Road Construction Division, Ranchi (Rural) revealed that the EE submitted (9 August 2007) an application for acquisition of the required land to the Deputy Commissioner, Ranchi, which was not accepted as the same was prepared based on a survey map of 1971-72, not approved by the Government. The EE had not been able to submit the documents in the desired map of 1932-33 as of March 2010 due to its non-availability in the relevant offices and hence, the required land had not been acquired till March 2010. In the meantime, the contractor executed earthwork in box cutting, road embankment, Granular Sub Base (GSB) (sand and moorum) and Water Bound Macadam (WBM) –II and III on the width of available land from km 1 to km 8.6. Bituminous work which was necessary to cover the executed WBM work for smooth plying of motor vehicles and safety of the road from damage was not done at all. The contractor also executed only 17 out of the 36 culverts designed to be constructed. Though the work was not executed according to the approved design in the full width of nine metres, the value of work done for ₹ 1.83 crore up to February 2008 was accepted and payment was made by the EE. The EE finally rescinded (May 2009) the agreement and took final measurements in June 2009.

[10] Annexure 'A' –Cabinet Secretariat and Co-ordination Department (Vigilance Cell) resolution No-948 dated 16 July 1986, para 4.5.

[11] Rule 126 of Jharkhand Public Works Department Code.

Further scrutiny revealed that the tenth and final bill was prepared for ₹ 1.64 crore only as against ₹ 1.83 crore already paid upto ninth running account bill. This amount could not be recovered as the bank guarantees (BGs) for ₹ 29.47 lakh obtained as security deposit had lapsed because the EE failed to either get them revalidated or to encash them within their validity period. No action had been taken by the department against the officials responsible for excess measurement and lapse of the BGs (March 2010). Further, it was seen in audit that the work was awarded and execution was commenced without acquisition of the required land in full width in violation of codal provisions, which resulted in partial execution of the road (1 to 8.6 km) up to the limited width for which land was available, and only up to WBM, level-III. In some stretches, the road was constructed in a width of 2.5 metres only which was not adequate[12] for plying motor vehicles. More than two years had lapsed since execution of the WBM work, which was likely to deteriorate. The Superintending Engineer (SE), Road Circle, RCD, Ranchi submitted (June 2008) a report to the Chief Engineer (Transport) stating that the transportation of vehicles in the proposed road was low, traffic density was poor and the purpose could be achieved only after completing the road with bituminous work even where the width was less than three metres. It was also stated that the detailed project report was required to be prepared afresh in chainage 8.6 km to 11.4 km. The SE submitted (February 2010) a revised estimate for completion of the work for ₹ 7.94 crore which was 31.77 *per cent* higher than the sanctioned estimate. This was not approved so far.

Thus, the award, commencement and execution of road work without acquisition of land, proper survey and planning etc resulted in stoppage of the work midway and wasteful expenditure of ₹ 1.83 crore. Besides, due to failure on the part of EE to encash the BG within the validity period, loss of ₹ 19.01 lakh to the Government could not be recovered.

The matter was reported (June 2010) to the Government. The Government accepted and stated (September 2010) that efforts were being made to get the balance work completed at the risk and cost of the original contractor and steps had been taken to recover the amount of ₹ 19.10 lakh of damaged WBM from the contractor.

WELFARE DEPARTMENT

2.2.6 Wasteful expenditure

Failure of the Tribal Welfare Commissioner to exercise due diligence before signing a Memorandum of Understanding and to ensure submission of bank guarantee against payment of advance of ₹ 2.27 crore to the Academy resulted in failure to provide training besides wasteful expenditure of ₹ 91 lakh.

In order to provide commercial pilot training to youth belonging to Scheduled Castes, Scheduled Tribes and Other Backward Castes, the Tribal Welfare Commissioner (TWC), Government of Jharkhand sought (August 2007) Expressions of Interest (EOI) from Pilot Training Academies/Institutes asking

[12] Carriage way of 5.5 metres is necessary for plying of vehicles.

them to submit a concept note showing their capability to handle the assignment, evidence of affiliation to the airport (in case, it did not have its own airport), authorisation by the International Air Transport Association (IATA), details of courses and number of students in each batch/year/semester, profile of the institute and details of current activities, fee structure and history of the last three years including details of companies which visited the institute for campus selection. The institute to be selected to provide training was required to be approved by the Director General of Civil Aviation (DGCA). As per Rule 437 of the Jharkhand Financial Rules, whenever a firm contracted with the Government to execute a work, it was required to give security for the fulfilment of the contract and suitable provisions regarding the security were to be incorporated in the agreement.

The Institute of Aviation and Aviation Safety (IAAS), Mumbai which was the lowest tenderer at the rate of fees of ₹ 20.50 lakh per student, was awarded (November 2007) the work. IAAS refused (June 2008) to provide the services. The work was then awarded to Ahmedabad Aviation and Aeronautics Ltd. who was the second lowest bidder. On being refused by it, finally the work was awarded to M/s Spica Airlines and Aviation Academy (P) Ltd, Hyderabad (SAAA), the third lowest bidder. The fact that the DGCA's website showing the names of the institutes approved for imparting commercial pilot training did not indicate the name of M/s Spica Airlines and Aviation Academy (P) Ltd., Hyderabad was overlooked by the TWC. A memorandum of understanding was signed (February 2009) by the TWC with the SAAA at the rate of ₹ 20.50 lakh per student. Scrutiny (November 2009) of records revealed that the Principal Secretary had desired (January 2009) inspection of the infrastructure available with SAAA before signing of the MOU. The MOU was, however, hurriedly signed by the TWC on 5 February 2009 before the inspection by the Special Secretary was carried out on 16-17 February 2009.

The Special Secretary carried out the inspection and noticed that the hostel arrangements provided to the trainees were not adequate and the aircraft earmarked for training were not available at the Begampet Airport. The Special Secretary specifically asked SAAA to show the DGCA's permission/ license but it failed to do so.

Further examination of the relevant records revealed that the Committee, while recommending award of work to SAAA relied upon the information provided by the said academy (September 2007) to the Tribal Welfare Department. As per the concept note, the permission/ license issued by the DGCA was stated to have been enclosed. This was, however, not found enclosed. Though this fact was intimated by the Special Secretary categorically advising the TWC to examine this issue, the same was not considered by the TWC.

The concept note as per the requirement of EOI should have indicated history of the last three years including details of companies which participated in the campus interviews and the number of students selected by them. It was observed that this vital requirement was ignored by the recommending committee. Since SAAA came into existence in the year 2007, the fulfilment of the three years' condition by the academy was impossible. It was also observed that 30 students were sponsored (March 2009) for training against a

fee of ₹ 6.15 crore out of which ₹ 2.67 crore was paid. The said payment was, however, made without any bank guarantee (BG).

In view of the absence of essential facilities and vital infrastructure, the Government was forced to call back (April 2009) the trainees and ask the SAAA to refund the fees of ₹ 2.67 crore paid to it. SAAA refunded ₹ 1.75 crore (as of December 2009) only. Since advance payments were made without any BG, TWC failed to realise the remaining fee of ₹ 91 lakh.

TWC in its reply accepted (May 2010) the audit observations and stated that steps were being taken for recovery of the outstanding fees of ₹ 91 lakh.

Thus, failure of TWC to exercise due diligence before signing the MOU and to ensure submission of BG against payments of advance of ₹ 2.27 crore to the SAAA resulted in wasteful expenditure of ₹ 91 lakh to the Government and failure to provide training to weaker sections of society.

The matter was reported (April and June 2010) to the Government. The Government accepted the audit observations and stated that it had taken cognizance of the failure in this case and instructions had been issued to the TWC to be careful in future. The Government also stated that the opinion of Law Department had been sought (July 2010) in the matter.

AGRICULTURE AND SUGARCANE DEVELOPMENT DEPARTMENT

2.2.7 Infructuous expenditure

Commencement of work in forest area without obtaining no objection certificate led to stoppage of work midway and rendered the expenditure of ₹ 3.32 crore infructuous.

Under the Forest Conservation Act, 1980, no civil work could be taken up in a forest area without the clearance of Government of India (GOI). Further, the Jharkhand Public Works Account (JPWA) Code[13] provided that acquisition of land in forest area must be settled before preparation of estimates of work or award of work.

Construction of an agricultural college in Godda district, land for which was identified (February 2006) by the Site Selection Committee[14], was administratively approved (March 2006) by the department for ₹ 15.02 crore including ₹ 12.19 crore for building construction (colleges, hostels, quarters, etc.) and technically sanctioned (August 2006) by the Chief Engineer, Building Construction Department, Ranchi for ₹ 15.43 crore for construction work subject to the approval of the Detailed Project Report (DPR). After tendering (April 2006), the work was awarded (October 2006) to two contractors for ₹ 15.43 crore to be completed by October 2008.

[13] Annexure – A: 4.5 of Cabinet Secretariat and Co-ordination Department (Confidential Cell) Resolution No.948 dated 16 July 1986 incorporated in Bihar PWA Code.

[14] Members of Site Selection Committee: (1) Joint Director, Agriculture, Santhal Pargana Region, Dumka, (2) Project Director, ATMA, Dumka, (3) District Agriculture Officer, Godda and (4) Representative, Dean (Agriculture), BAU, Ranchi.

Scrutiny (March 2010) of the records of the Birsa Agricultural University (BAU), Kanke revealed that the Government released (June 2007) ₹ four crore as a grant to the BAU with the conditions that the amount was to be drawn in three instalments after obtaining approval of DPR, no objection certificate (NOC) from the Forest Department was to be obtained, statements of expenditure, Utilisation Certificates and Physical Progress Reports etc were to be furnished by BAU. It was observed that BAU invited (April 2006) tenders and awarded (July 2006) the work prior to the approval of DPR. The DPR was submitted to the Government in July 2006 but the approval was still awaited (March 2010). BAU awarded the construction work of buildings to two tenderers at ₹ 7.71 crore, each which was in excess of the sanctioned amount by ₹ 3.24 crore[15]. The Deputy Director (Works and Plant), BAU directed (October 2006) the contractors to start the work in spite of the fact that neither had the land been acquired nor had the DPR been approved by the Government. Moreover, the availability of funds was also not ensured at the time of commencement of the work.

It was further observed that the work was stopped (February 2007) midway by the Forest Department as the site of work was in a forest area and clearance/permission was not obtained from GOI which was mandatory. The work had not been restarted as of October 2010. In violation of the conditions of the sanction, BAU withdrew (March 2008) the total grant of ₹ four crore in one instalment and utilised the same for payment of ₹ 3.32 crore to two contractors against the work executed up to February 2007. Physical verification (April 2010) of the site revealed that some parts of the building were damaged and left abandoned.

Thus, failure of the BAU to comply with the condition of obtaining the approval of the DPR by the Government before drawing the sanctioned amount and taking up the construction work on forest land without obtaining NOC from the Forest Department, led to the work being stopped midway, resulting in infructuous expenditure of ₹ 3.32 crore.

The matter was reported (May 2010) to the Government. Their reply had not been received (November 2010).

2.3 Unfruitful/non-realisation/undue expenditure

ROAD CONSTRUCTION DEPARTMENT

2.3.1 Unfruitful expenditure

Due to non-completion of a high level bridge and non-casting of deck slabs according to specification and quality, expenditure of ₹ 1.32 crore became unfruitful besides non-recovery of liquidated damages of ₹ 31.60 lakh from contractor.

The work of construction of an RCC submersible bridge at Saptarghat Patro river of Deoghar – Madhupur road comprising 66 piers, deck slabs, and allied

[15] Excess ₹ 3.24 crore = Tendered amount (₹ 15.43 crore) minus sanction amount (₹ 12.19 crore).

works was allotted to the Bihar Rajya Pul Nirman Nigam Ltd. (BRPNNL) at a cost of ₹ 1.48 crore. Out of 66 piers, 22 piers were constructed during 2002-03 at a cost of ₹ 2.58 crore by (BRPNN). The work remained closed since 2002-03 due to agitation by the local public on the selection of site at Saptarghat. This point was mentioned in paragraph 4.2.1 of the Report of the Comptroller and Auditor General of India (Civil and Commercial) Government of Jharkhand for the year ended 31 March 2004. Thereafter, the remaining work of construction of 44 piers, deck slabs and allied works of the bridge was administratively approved (April 2007) for ₹ 2.89 crore and technically sanctioned (May 2007) for ₹ 2.90 crore by the Road Construction Department, Ranchi. The Executive Engineer (EE), Road Construction Division (RCD), Deoghar executed an agreement (December 2007) with a contractor for ₹ 3.16 crore for construction of 44 piers, deck slabs and allied works of the bridge for scheduled completion by June 2009. As per the terms of the agreement, the selected contractor was to deposit five *per cent* of the rate contract value as security money in cash in the treasury or in government securities[16] duly endorsed to the EE. Instead, the contractor deposited eight pass books[17] with balance at credit of ₹ 15.81 lakh. The nature of the pass books could not be ascertained as the same were not produced to Audit on the plea of non-handing over of the pass books by the ex-cashier.

Scrutiny (November 2009 and January 2010) of the records of the division revealed as under:

- During execution of work the EE inspected (May 2008) the work site and observed that the shuttering installed for casting the deck slabs was not adequate and directed (May 2008) the contractor to improve the shuttering installation. Otherwise, responsibility for any damage to the deck slabs would be on the contractor's account. Though the contractor failed to strengthen the shuttering installation as evidenced by the sagging of deck slabs later on, he was allowed to do the casting of the deck slabs and was paid (June 2008) ₹ 32.62 lakh for the same. The contractor executed only 29 pier shafts and six spans of deck slabs including supporting works and was paid (upto June 2008) ₹ 1.31 crore. The Chief Engineer, Road Construction Department, Ranchi also inspected (May 2009) the site and observed that the progress of the work was very slow and two newly cast deck slabs had sagged. The Secretary, Road Construction Department directed (October 2009) the EE to get the deck slabs between P-25 and P-26 dismantled and recast. However, no action was taken to carry out the directives of the Government. The EE, RCD, Deoghar proposed (October 2009) that prior to construction of the bridge, load test and deflection of all the 28 (22 old + 6 new) spans of deck slabs should be carried out by the contractor. However, no such tests had been conducted so far.

- Though the work was discontinued by the contractor in June 2008, the department did not take action to rescind the agreement and get the remaining work executed at the risk and cost of the defaulting contractor. The EE also

[16] Rule 416 of Bihar Public Works Accounts Code: Government Securities other than National Certificates, Municipal Debenture and Port Trust Bond, National Savings Certificates, Post Office Savings Pass Book, State Development Loan or National Plan Loan Certificates and Deposit Receipt of the State Bank of India.

[17] Types of Pass book was not on record.

failed to recover liquidated damages amounting to ₹ 31.60 lakh (10 *per cent* of contract value) as per the agreement clause.

- As per the terms of the agreement, five *per cent* amount was to be deducted from each running account bill towards the balance security deposit. Against this, only ₹ 6.58 lakh was deducted from the gross value of three running account bills. The balance of ₹ 9.23 lakh was not deducted as the work was not completed.

Thus, failure of the EE to initiate timely action against the contractor as per terms of agreement resulted in unfruitful expenditure of ₹ 1.32 crore besides non-recovery of liquidated damages of ₹ 31.60 lakh.

The matter was reported (April 2010) to the Government. Their reply had not been received (November 2010).

CIVIL AVIATION DEPARTMENT

2.3.2 Unfruitful expenditure

Purchase of aircraft without necessary preparation resulted in their becoming unserviceable leading to unfruitful expenditure of ₹ 3.98 crore.

The Civil Aviation Department (CAD), after finalisation of a global tender, resolved (June 2006) to purchase three pilot training aeroplanes and one motor glider at a cost of ₹ 3.78 crore. For this purpose, an agreement was executed (July 2006) between M/s Varman Aviation Private Limited (VAPL), Bangalore and the Government of Jharkhand. Accordingly, the Principal Secretary, CAD sanctioned and allotted (February 2007) ₹ 3.78 crore to the Civil Aviation Authority (CAA), Government of Jharkhand. M/s VAPL supplied three Zlin 143L Aeroplanes and one Motor Glider (September 2007) to CAD at a price of ₹ 3.98 crore.

Scrutiny (April 2010) of records of CAD revealed that these aeroplanes were lying idle and had become unserviceable. It was also observed that there were no pilots to fly these aircrafts in the CAD even though there was provision for imparting training by the vendor to one pilot, one mechanic and one engineer per aircraft. This training could not be imparted because these personnel were not in existence.

In response to an audit query, CAD replied (May 2010) that the tender for the Annual Maintenance Contract (AMC) was in progress. The Government replied (August 2010) that the AMC was valid up to February 2009 and thereafter, due to lack of spare parts, the aircraft had become unserviceable.

The reply of the Government confirmed the unserviceability of the aircraft, but was silent on the appointment of pilots and the failure on the part of the vendor to provide training.

Thus, purchase of aircraft without necessary preparation *i.e.* appointment of pilots, arrangement for scheduled maintenance and ensuring supply of spare parts resulted in the aircraft becoming unserviceable and the expenditure of ₹ 3.98 crore becoming unfruitful.

HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

2.3.3 Unfruitful Expenditure

Non-completion of work in time led to unfruitful expenditure of ₹ 50 lakh.

The Health, Medical Education and Family Welfare Department (HMFWD) invited (June 2008) tender enquiries for establishing a Health Management Information System (HMIS) for effective monitoring of physical and financial performance data that emanated from the Health Sub-Centres to the State. The main tasks of the project included study phase (study present data collection system and conversion into browser based systems), installation and commissioning of software and hardware, network connectivity from block to state, wi-fi zone implementation, training, post implementation support and system implementation.

Scrutiny (March 2010) of the records of HMFWD revealed that the work order was issued (September 2008) by the Secretary, HMFWD in favour of M/s IBilt Technologies Ltd (ITL) to provide the aforesaid services to be completed by 31 March 2009 at a total fee of ₹ 10.50 crore. Payments were to be made to ITL after submission of security deposit of 90 *per cent* of the total value as performance guarantee[18] in the form of a bank guarantee.

The said work order was followed by a fresh work order (March 2009) by the State Reproductive and Child Health (SRCH) office to Vayam Technologies Ltd. (VTL), formerly known as ITL, with a new time schedule of completion to 31 December 2009 at the same price. There was no recorded reason for extension of the time limit. Also, no records were there to show that the work order awarded previously to M/s ITL and subsequently to M/s VTL was done on the basis of competitive bidding. According to the work order, M/s VTL was required to furnish a security deposit of ₹ 50 lakh as a performance guarantee in the form of a bank guarantee.

Instead, M/s ITL was paid (March 2009) advance of ₹ 50 lakh. There were no records to show that any bank guarantee was submitted by the said party. The Mission Director, National Rural Health Mission, Jharkhand stated (March 2010) that the file along with the bank guarantee was not available in the office.

M/s VTL claimed to have submitted (May 2009) a System Requirement Study (SRS) and established (June 2009) a wi-fi connectivity zone at the State RCH office. As per the work order, SRS was required to be approved by the Government to carry out works of HMIS. The records made available to Audit, however, showed that wi-fi connectivities were not functioning (October 2010).

[18] Performance guarantee is to ensure that the goods purchased or services provided give performance as envisaged in the specification whereas bank guarantee safeguards the interest of the purchaser in case the goods purchased do not conform to the envisaged specification.

Thus, award of work without any competitive bidding and failure to complete the work in time led to the expenditure of ₹ 50 lakh incurred on it, becoming unfruitful.

The matter was reported (April 2010) to the Government. Their reply had not been received (November 2010).

FOREST AND ENVIRONMENT DEPARTMENT

2.3.4 Unfruitful expenditure

There was unfruitful expenditure of ₹ 1.35 crore on construction of an Aquarium and a Snake House.

Construction of an Aquarium and a Snake House at the Bhagwan Birsa Biological (BBB) Park, Ormanjhi under the 'Scheme for development of sanctuarie' estimated at ₹ 1.40 crore (Aquarium: ₹ 1.02 crore[19] and Snake House: ₹ 37.47 lakh) was administratively approved in November 2004. Technical sanction for the building portion was accorded (March 2005) by the Chief Engineer, Building Construction Department, Jharkhand for ₹ one crore[20]. Scrutiny (November 2009) of records of the Conservator of Forests (CF) cum Director, BBB Park, Ormanjhi revealed the following:

Aquarium

The Construction of the Aquarium was taken up during 2004-05 and was scheduled to be completed by 2005-06. Scrutiny revealed that construction of the Aquarium's main building (₹ 68.99 lakh), other allied works[21] (₹ 12.77 lakh) and development of outer area of the Aquarium (₹ 15.91 lakh) were completed at a total expenditure of ₹ 97.67 lakh during 2005-09. However, the construction work of the actual Aquarium was not taken up (November 2009) due to release of funds at the fag end of the financial years, which were ultimately surrendered. Due to late release of funds, the designated agency expressed its inability to execute the work for want of sufficient time. Thus, due to improper planning, the Aquarium could not be commissioned and opened to the public even after the lapse of more than three years from the scheduled date of completion.

Snake House

Similarly, the construction of a Snake House was taken up during 2004-05 and was to be completed by March 2006. Allotment of ₹ 37.47 lakh for the purpose was received between December 2004 and June 2005.

Scrutiny revealed that construction of the Snake House was completed within the stipulated period *i.e.* 31 March 2006 at an expenditure of ₹ 37.47 lakh. However, even after the lapse of more than three years from its completion, it

[19] Aquarium main building: ₹ 63.87 lakh, Aquarium proper: ₹ 32.90 lakh and provision for water supply: ₹ 5.68 lakh.

[20] Aquarium Building: ₹ 62.95 lakh (excluding estimated expenditure of ₹ 32.90 lakh on construction of Aquarium proper consisting of glasswork, aqua scaping, specific lighting, provision for fresh/marine water species etc. and provision for water supply for ₹ 5.68 lakh) and Snake House: ₹ 37.27 lakh.

[21] Approach road, gates etc.

was not opened to public (November 2009), reasons for which were not on record.

On these being pointed out, the Conservator of Forests cum Director accepted (November 2009) the observations made by Audit. The department stated that due to non-availability of snakes, the Snake House could not be commissioned.

Thus, due to improper planning and lack of commitment towards implementation of the scheme, the total expenditure of ₹ 1.35 crore incurred on construction of the Aquarium (₹ 97.67 lakh) and Snake House (₹ 37.47 lakh) became unfruitful and defeated the very purpose of the scheme.

Further scrutiny revealed that the Forest and Environment Department, by a notification, (September 2007) had fixed rates for entry for visitors into the Snake House at ₹ 15 and ₹ 8 per adult and per child respectively. However, due to non-operation of the Snake House, the Government had to sustain potential revenue loss of ₹ 68.91 lakh[22], in the shape of entry tickets for visitors into the BBB park.

The matter was reported (June 2010) to the Government. Their reply had not been received (November 2010).

2.3.5 *Non/short realisation of Net Present Value and cost of Compensatory Afforestation*

Under-assessment of density of vegetation and incorrect computation led to short raising of demand of net present value by ₹ 5.19 crore while non/short raising of demand of compensatory afforestation led to consequent non/short realisation of ₹ 3.17 crore.

Under the provisions of the Forest (Conservation) Act, 1980, approval for diversion of forest land for non-forest purposes is accorded by the Government of India (GOI) on fulfilment of stipulated conditions, which include payment of net present value (NPV), carrying out mandatory compensatory afforestation (CA), cost of penal CA, creation of safety zone etc. The cost of such measures is to be borne by the user agency.

Short raising of demand for Net Present Value: ₹ 5.19 crore

According to a Supreme Court judgment of October 2002 and orders issued by the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) in October 2006, the NPV was to be determined between ₹ 5.80 lakh and ₹ 9.20 lakh per hectare, depending upon the quality of forest, density of vegetation and type of species in the areas under diversion. Accordingly, the Principal Chief Conservator of Forests (PCCF), Jharkhand worked out (February 2006) a formula[23] for calculating NPV which was prevalent as of

[22] Calculated on the basis of number of visitors entry into the BBB Park for the period from 13 September 2007 to 31 October 2009 as per entry fee register maintained by the park authorities.

[23] **NPV** (per hectare) in ₹ =5.8 + 1/3 [Quality (9.2-5.8) + Density (9.2-5.8) + Species (9.2-5.8)]. **Quality-** (a) Blank area with nil rootstock or exposed morrum/gravel: value- zero (b) Area supporting high forest: value-1 (c) Area other than falling in category (a) and (b): value- 0.5. **Density-** As per field inspection varying from 0 to 1. **Species standing on the land-** (a) For natural species-1 (b) For plantation- 0.5.

March 2008. However, in the light of the Supreme Court's orders of March 2008, rates varying from ₹ 4.38 lakh to ₹ 10.43 lakh per hectare were fixed by classifying the forest land into six categories[24]. The forest land in Jharkhand was classified into two categories *i.e.,* Eco-class-I and Eco-class-III (rates varying from ₹ 6.26 lakh to ₹ 10.43 lakh per hectare).

Scrutiny (between January and March 2010) of records of three forest divisions[25] revealed that GOI accorded (between December 2004 and December 2008) in-principle/final approval for diversion of 592.5326 hectares of forest land to eight user agencies for non-forest purposes. Demands for NPV of ₹ 43.74 crore were raised between December 2004 and February 2009 and paid by the user agencies between December 2004 and March 2009. Audit scrutiny revealed that due to under-assessment of the density of vegetation and incorrect computation by Divisional Forest Officers (DFOs) (Chatra South, Koderma and Saranda forest divisions) during December 2004 and February 2009, there was short levy of demand for NPV by ₹ 5.19 crore (based on the formula laid down by the PCCF and rates fixed by the GOI in March 2008) ***(Appendix-2.4)***.

On these being pointed out the DFO, Saranda Forest Division, Chaibasa stated (March 2010) that the cases would be reviewed and action would be taken accordingly. The DFO, Chatra South Forest Division stated (March 2010) that action would be taken to rectify the error while the DFO, Koderma Forest Division stated (January 2010) that the land transferred was non-forest/*raiyati* land which was handed over by a lessee for compensatory afforestation. Hence, the amount of NPV was calculated on the rates specified for plantation category. The reply is not acceptable as the trees standing on the questionable land were of natural species and no plantation was done by the department on the same.

Non/short raising of demand for compensatory afforestation

In order to mitigate the adverse effects of diversion of forest land, GOI, while granting approval under the Forest (Conservation) Act, 1980, stipulated carrying out of CA over equivalent area of land made available by the user agency or double the area of degraded forest land in case land was not made available by the user agency. The cost of such CA was to be borne by the user agency. Further, in order to maintain uniformity in raising the demand for compensatory afforestation, the PCCF-cum-Executive Director, Wasteland Development Board, Jharkhand, Ranchi issued (June 2007) a Schedule of Rates (to be calculated for seven years vide orders issued by the Government in May 2001), for different plantation schemes.

[24] **Eco-Class I:** Consisting of Tropical Wet Evergreen Forests, Tropical Semi Evergreen Forests and Tropical Moist Deciduous Forests, **Eco-Class II:** Consisting of Littoral and Swamp Forests, **Eco-Class III:** Consisting of Tropical Dry Deciduous Forests, **Eco-Class IV:** Consisting of Tropical Thorn Forests and Tropical Dry Evergreen Forests, **Eco-Class V:** Consisting of Sub-tropical Broad leaved Hill Forests, Sub-tropical Pine Forests and Sub-tropical Dry Evergreen Forests and **Eco-Class VI:** Consisting of Montane Wet Temperate Forests, Himalayan Moist Temperate Forests, Himalayan Dry Temperate Forests, Sub-Alpine Forest, Moist Alpine and Dry Alpine Scrub.

[25] Chatra South, Koderma and Saranda.

Audit scrutiny (between January and March 2010) revealed that in three forest divisions[26], GOI, while giving in-principle/final approval for diversion of forest land for non-forest purposes to six user agencies, stipulated CA in 833.5744 hectares of land. However, the demand for cost of CA was either not levied or short levied resulting in non/short raising of demand and consequent non/short realisation of ₹ 3.17 crore ***(Appendix-2.5)***.

On these being pointed out, the DFO, Saranda Forest Division, Chaibasa stated (March 2010) that the cases would be reviewed and action would be taken accordingly. DFO, Dhalbhum Forest Division stated (August 2009) that the estimates would be examined and the shortfall in demand, if found, would be realised from the user agency The DFO, Latehar Forest Division stated (January 2010) that demands would be raised.

Similar cases were pointed out in the Audit Report (Civil & Commercial) of the Comptroller and Auditor General of India, for the year ended 31 March 2009 vide Para Nos. 1.1.9.3 & 1.1.9.4. Despite this, the department failed to take action and the error still persisted resulting in short raising of demand of NPV by ₹ 5.19 crore and non/short raising of demand and consequent non/short realisation of ₹ 3.17 crore on account of CA due to under-assessment of density of vegetation and incorrect computation.

The matter was reported (June 2010) to the Government. Their reply had not been received (November 2010).

ROAD CONSTRUCTION DEPARTMENT

2.3.6 Undue aid to a contractor

Award of work without acquisition of required land and non-recovery of mobilisation advance resulted in undue aid to a contractor of ₹ 2.30 crore and loss of interest of ₹ 35.10 lakh.

The Jharkhand Public Work Account (JPWA) Code[27] provided that in the first phase, estimate for land acquisition only was to be sanctioned and land was to be acquired. Only after this, estimate for construction of work was to be sanctioned to start a work.

The Road Construction Department technically sanctioned (January 2008) a project for reconstruction of the Pakur-Barharwa road (13 to 29 km) and the Barharwa-Digghi More up to NH-80 link road (0 to 3.65 km) for ₹ 36.18 crore. The Executive Engineer (EE), Road Construction Division (RCD), Sahibganj executed (March 2008) an agreement for ₹ 23.01 crore with the contractor for completion of work by March 2009. As per the Detailed Project Report, the roads were to be widened for 12 metres in 'formation width' with seven metres in 'pavement width (carriage way)' against the average width of available land of 8.19 metres only, along with construction of 79 culverts. The EE filed (April 2008) an application with the Land Acquisition Officer (LAO) for acquisition of 15 metres of land on each side of the road from the centre

[26] Dhalbhum, Latehar and Saranda.

[27] Annexure- A: Para 4.5 of Cabinet Secretariat and Co-ordination Department (Confidential Cell) Resolution No. 948 dated 16th July 1986 incorporated in JPWA Code.

after technical sanction of the work which was in contravention of the provisions of the JPWA code. The application was initially set aside due to insufficient documentation but finally accepted in September 2008 with a demand of ₹ 2.97 crore as compensation for land. The EE deposited (March 2009) the amount after the scheduled date of completion of work *i.e.* March 2009. The land had not been acquired as of July 2010.

Scrutiny (May 2008 and January 2010) of the records of the EE, RCD, Sahebganj and further information collected (July 2010) revealed that the contractor was paid (March 2008) interest-free mobilisation advance of ₹ 2.30 crore on submission of four bank guarantees (BGs) for ₹ 57.50 lakh each, valid up to 31 March 2009 (subsequently extended to March 2011). According to clause 51.2 of the conditions of contract and guidelines issued (April 2007) by the Central Vigilance Commission, mobilisation advance was to be used for purchase of equipment, plant and mobilisation expenses specifically required for the work and the contractor was to supply copies of relevant invoices and other documents. Recovery of such advance was to be time based and not linked with the progress of work with clear stipulation of interest to be charged on delayed recoveries. Recovery of such advances could be ensured by encashing the BGs. It was observed that the contractor neither supplied any such invoices/documents nor brought any plant/equipment to the site nor started the road work barring partial construction of culverts (11 out of 79) for a value of ₹ 34.29 lakh only. The payment was made (March 2010) after deducting ₹ 24.18 lakh, leaving the balance amount of mobilisation advance of ₹ 2.06 crore unrealised so far (July 2010).

Further, the Superintending Engineer, Road Circle, Dumka directed (June 2008) the EE to recover the mobilisation advance with interest from the contractor, if he failed to abide by his directives and complete the work in stipulated time. In spite of this, the advance was not recovered by the EE as of July 2010.

Thus, failure to take up the work in phased manner as envisaged in JPWA Code and subsequent non-recovery of mobilisation advance resulted in undue financial aid of ₹ 2.30 crore which was lying with the contractor for more than two years and loss of interest of ₹ 35.10 lakh[28] together with unfruitful expenditure of ₹ 34.29 lakh on partial execution of culverts.

The matter was reported (October 2010) to the Government. Their reply had not been received (November 2010).

[28] Calculation: 7.91 per cent of ₹ 2.30 crore for six months and 7.91 *per cent* of ₹ 2.15 crore for 18 months = ₹ 9.10 lakh + ₹ 26 lakh = ₹ 35.10 lakh.

2.4 Blocking of funds

TOURISM DEPARTMENT

2.4.1 Blocking of funds

Non-utilisation of funds led to blockage of ₹ 2.96 crore besides loss of interest of ₹ 23.88 lakh.

The Tourism Department decided (March 2008) to produce 10 short theme films on different subjects. For this purpose, the department invited (March 2008) open tenders in two parts *i.e.* technical and financial, setting forth the criteria that the prospective bidder should have produced films at a cost of more than ₹ 5 lakh each and should have had experience in producing films in the tourism sector during the last three years. Three bids of M/s Genesis Media (P) Ltd, New Delhi, M/s Cine India International and M/s Genesis, Mumbai were found suitable after technical bid evaluation. The lowest bid of M/s Genesis Media (P) Ltd., New Delhi was rejected on the ground that the rate quoted by it was not workable. Out of the remaining two bidders, M/s Genesis, Mumbai was the lowest and accordingly, an order was placed (January 2009) with them for ₹ 6.29 crore to produce eight theme films in two languages[29].

The order was placed with the approval of the concerned Minister, violating the existing provision of placing of orders beyond ₹ 5 crore with the approval of the Cabinet. The value and scope of order was subsequently modified (March 2009) to ₹ 3.15 crore for four theme films only due to curtailment in the Plan allocation of the department during the period 2009-10.

Scrutiny (between April and May 2010) of the records of the Tourism Department revealed the following facts:

- During 2004-05, films on Parasnath and Eco Tourism of 15-20 minutes duration each were prepared for the Tourism Department by M/s Genesis Media (P) Ltd., New Delhi and M/s Gulbaher Singh at costs of ₹ 3.25 lakh and ₹ 3.45 lakh respectively. Films on the same themes were again ordered by the department (January 2009) to encourage, promote and attract tourism and investments in the State at a much higher cost *i.e.* ₹ 75.84 lakh each, from M/s Genesis, Mumbai. The overall differential amount of the order placed on M/s Genesis, Mumbai as compared to M/s Genesis Media (P) Ltd., New Delhi, which was the lowest bidder, worked out to ₹ 2.63 crore.

- Films on Parasnath and Eco Tourism were made at a much lower cost and these films were still being displayed by the department in various marts/festivals/conferences/seminars for promoting tourism in the State. In view of this, the criterion fixed by the department of producing films at a cost of more than ₹ 5 lakh (no reasons were available on record for fixing the limit) in the preceding three years seemed arbitrary. Moreover, the decision to treat the bid of M/s Genesis Media (P) Ltd. as unworkable was also without any justification.

[29] English and Hindi.

●? It was also noticed that the Secretary, Tourism Department, in his note dated February 2009 to the Minister, did not mention the requirement of the Cabinet's approval for orders beyond ₹ 5 crore.

●? The department paid (August 2009) ₹ 18.91 lakh (25 *per cent* of the cost of production of theme films related to Deoghar excluding taxes) to M/s Genesis, Mumbai and fixed the date of submission of the final script, the rough cut and the final cut of the films between June and October 2009, but the films were not ready as of May 2010.

●? Rupees 3.15 crore was withdrawn (March 2009) from the treasury and subsequently kept (March 2009) in the Personal Deposit Account of the Jharkhand Tourism Development Corporation, Ranchi. An unspent amount of ₹ 2.96 crore was still lying (June 2010) in the said account. Thus, the purpose of the Government of promoting tourism through these films was defeated as the funds remained blocked.

Thus, fixation of unjustifiable criterion for selection of bidders, award of work at much higher cost to the tenderer and non-utilisation of funds created avoidable liability of ₹ 2.63 crore and loss of interest of ₹ 27.70 lakh[30].

The matter was reported (June 2010) to the Government. Their reply had not been received (November 2010).

2.5 General

Follow-up on Audit Reports

2.5.1 Non-submission of Explanatory (Action Taken) Notes

The manual of instructions (1998) of the Finance Department, Government of Bihar (as adopted by Government of Jharkhand) envisaged that the Secretaries to Government of the concerned departments were required to submit the explanatory notes to the Assembly Secretariat on paras and reviews included in Audit Report (AR) duly vetted by audit within two months from the date of presentation of the ARs before the legislature without waiting for any notice or call from the Public Account Committee (PAC) and indicate therein, the circumstances and reasons for occurrence of such irregularities and deviations from prescribed norms and the action proposed to be taken or taken thereagainst.

Further, Regulation 213 of the Regulations on Audit and Accounts (November 2007) envisaged that the Union, the States and the Union Territories having legislative assemblies where legislative committees were functioning or where the Government desires the Comptroller and Auditor General to vet the Action Taken Notes (ATN), the Secretaries to Government of the concerned departments should send two copies of draft self-explanatory Action Taken Notes to the Principal Accountant General (Audit) for vetting along with the relevant files and documents for which the explanatory notes have been formulated, properly referenced and linked. This was to be done within such period of time as may be decided for submission of self-explanatory Action Taken Notes prescribed by the PAC.

[30] Calculated @ 8.03 % per year for 14 months (₹ 2.96 crore X 8.03% divided by 12 X 14).

It was noticed that as of July 2010, seven departments had not submitted any compliance or explanatory/Action Taken notes in respect of 151 out of 227 paragraphs/ reviews included in the Audit Reports for the years 2000-01 to 2008-09 and presented to the legislature up to 13 August 2010.

2.5.2 Action not taken on recommendations of the Public Accounts Committee

As per Manual of Instructions for settlement of paragraphs featured in the Audit Reports of the Comptroller and Auditor General of India, departments are required to furnish the Action Taken Notes (ATNs) to the PAC within two months from the date of recommendations made by the PAC in their report.

It was noticed that as of July 2010, 134 paragraphs were discussed by the PAC and recommendations were made against 27 paragraphs between November 2000 and July 2010. Of these, only in seven cases, ATNs were received as of November 2010.

2.5.3 Lack of response

The Principal Accountant General (Audit) arranges to conduct periodical audit inspections of Government departments to test check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs). Half-yearly reports of pending IRs are sent to the Principal Secretaries/Secretaries of the departments concerned to facilitate monitoring of the audit observations and their disposal. The Heads of offices and the next higher authorities are required to comply with the observations contained in the IRs and rectify the defects promptly and report their compliance to the Principal Accountant General (Audit).

The status of pendency of IRs/paragraphs at the end of June 2008, June 2009 and June 2010 is shown below:

Items	Pending as at the end of		
	June 2008	June 2009	June 2010
Number of IRs	3744	3924	3658[31]
Number of paragraphs	20866	20942	20047

Out of the 3,658 IRs/20,047 paragraphs pending as on 30 June 2010, even first replies had not been received in respect of 1092 IRs/6813 paragraphs. The year-wise break-up of these IRs and paragraphs is indicated in ***Appendix-2.6.*** The Principal Secretaries/Secretaries, who was informed of the position through half yearly reports, could not ensure prompt and timely action by the concerned officers.

2.5.4 Constitution of Audit Committees

A State level Audit Committee, under the chairmanship of the Chief Secretary, was constituted (February 2005) following recommendations of the Shakdher Committee to monitor the compliance of Audit Reports/IRs and to

[31] The number of pending IRs and paragraphs decreased.

develop internal audit systems in all departments. In the State, the Secretary, Finance Department was designated as the Member (Co-ordination) and all departmental Secretaries and the Principal Accountant General were to be members of the committee. The committee did not meet during October 2009 to September 2010.

Audit Committees were formed in 18 departments and meetings were held on 18 occasions between April 2009 and March 2010 in which 51 IRs and 892 paragraphs were settled. Principal Secretary/Secretary and representatives of Finance Department, however, did not take part in the Audit Committee meetings even though they were informed about them.

This indicated lack of seriousness on the part of these departments in rectifying the deficiencies pointed out by Audit.

It is recommended that the Government should (i) constitute Audit Committees at the department and district level, (ii) conduct Audit Committee meetings regularly for speedy settlement of pending IRs and paragraphs, (iii) ensure timely and proper responses to the IRs of the Principal Accountant General and (iv) effect recoveries pointed out in the IRs, promptly.

Chapter
III

Chief Controlling Officer Based Audit

3.1 Science and Technology Department

Highlights

The aim of the Science and Technology Department was to provide quality technical education and promote scientific awareness among the masses. In order to add value and power to technical education and to provide easy access to the students of the State, the department planned to launch programmes oriented towards building a large and substantial capacity in addition to taking up establishment of new institutions such as engineering colleges, polytechnics and Centres for Advanced Studies in the departments of universities/colleges. Deficient operational controls were noticed in the department. There were large scale vacancies in the operational cadres. Effective grievance redressal, vigilance and internal control mechanisms were absent. Evaluation of different projects in hand and their monitoring was not effectively done.

Budgetary control was deficient as estimates were unrealistic. Estimation during 2005-10 was on the higher side leading to large scale savings which were not surrendered in time and were allowed to lapse.

[Paragraph 3.1.7.1]

The department persistently delayed submission of budget estimates during 2005-10 by 66 to 131 days.

[Paragraph 3.1.7.3]

Detailed Contingent bills for ₹ 81 crore drawn on Abstract Contingent bills were not submitted to the Accountant General (A&E).

[Paragraph 3.1.7.4]

Spending of the units during March alone ranged between 27 and 61 *per cent* of the total expenditure.

[Paragraph 3.1.7.6]

The department paid ₹ 2.60 crore and created liability of ₹ 2.36 crore on account of salaries to contractual staff, which was irregular.

[Paragraph 3.1.7.7]

Expenditure of ₹ 1.24 crore incurred on construction of boys' hostels was rendered unfruitful due to non-construction of approach road and non-provision of water supply.

[Paragraph 3.1.8.3]

There was acute shortage of manpower in the engineering colleges and polytechnics. Thus, the quality of technical education was compromised due to lack of adequate manpower.

[Paragraph 3.1.9]

Monitoring mechanism was not effective in the department.

[Paragraph 3.1.10]

3.1.1 Introduction

The department aimed to provide quality technical education and promote scientific awareness among masses. In order to add value and power to technical education and to provide easy access to the students of the State, the department planned to launch programmes oriented towards building a large and substantial capacity in addition to taking up establishment of new institutions such as engineering colleges, polytechnics and Centres for Advanced Studies in the departments of universities/colleges. The vision of the department was to create wealth and prosperity in the society through application of technical and scientific knowledge. The mission of the department was to facilitate centres of teaching with modern resources for better knowledge transfer, to train the technical people of the department by providing them opportunities to interact and exchange knowledge with other educational institutions of excellence and organisations to ensure technical as well as scientific proficiency in the students in their related fields of study and to establish centres for excellence to match global standards.

3.1.2 Organisational Structure

The department was headed by a Principal Secretary, who was assisted by a Deputy Secretary and two Under Secretaries. The Principal Secretary was the Controlling Officer of the Department. The department had a Directorate headed by a Director, assisted by a Joint Director, three Deputy Directors, two Assistant Directors, supporting staff for implementation of field level programmes. There were 13 Polytechnic Institutes, five Women Industrial Schools (WISs), an Engineering College, a State Board of Technical Education (SBTE) and a State Project Facilitation Unit (SPFU) for imparting / improving technical education in the State.

In order to popularise science related activities in the State, the Jharkhand Council of Science and Technology (JCST) functioned under the Secretary of the Department, headed by an Executive Director.

3.1.3 Audit objectives

The working of the department was reviewed in audit to ascertain whether:

- planning of the department was adequate and effective;
- financial management was efficient and effective;
- programme implementation was adequate and effective;
- the manpower management was effective; and
- monitoring at different levels was adequate and there was proper co-ordination between the Department and institutions.

3.1.4 Audit criteria

The audit was conducted using the following criteria:

- Vision document, 2010 of Government of Jharkhand;
- Norms of All India Council for Technical Education (AICTE);
- Project description and guidelines of Technical Education Quality Improvement Programme (TEQIP); and
- Jharkhand Budget Manual, Jharkhand Financial Rules (JFR) and Jharkhand Treasury Code (JTC).

3.1.5 Scope and Methodology of audit

Chief Controlling Officer (CCO) based audit of the Science and Technology Department was conducted between April and July 2010 by test check of the records of the Secretariat, JCST and SPFU at the State level and one engineering college[1], nine[2] out of 13 polytechnics and three out of five Women's Industrial Schools[3], selected on the basis of the simple random sampling without replacement method covering the period 2005-10.

The audit objectives, criteria and methodology were discussed in the entry conference with the Principal Secretary, Science and Technology Department on 9 March 2010. An exit conference was held on 23 October 2010 with the Principal Secretary, Science and Technology Department where the audit findings, conclusions and recommendations were discussed.

Audit findings:

3.1.6 Planning

The department had not prepared any Annual Plan prior to 2009-10. It had also not prepared any Perspective Plan. In order to add value and power to technical education and to provide easy access to the students of the State, the State Government allocated funds of ₹ 392.50 crore during the eleventh Five Year Plan (2007-12).

3.1.7 Financial Management

3.1.7.1 Improper Budgeting and Unrealistic Budget Estimation

According to Rules 65 and 112 of the Jharkhand Budget Manual, budget estimates were to be consolidated by the department based on proposals received from subordinate offices. Budget estimates were to be as accurate as possible and it was the responsibility of the Controlling Officer of the department to ensure timely re-appropriation/surrenders in the event of savings. Further, Rule 57 of the Jharkhand Budget Manual emphasized avoidance of over-estimation and enjoined upon the officer responsible for

[1] Bihar Institute of Technology, Sindri.

[2] Bokaro (Boys and Girls), Dhanbad (Boys), Dumka (Boys), Jamshedpur (Girls), Kharsawan (Boys), Latehar (Boys) and Ranchi (Boys and Girls).

[3] Bokaro, Daltonganj and Jamtara.

preparing estimates to ensure that there was no provision for such sum which would not be spent. Annual allotments and expenditure of the department during the period of review were as given in **Table 1**.

Table-1 : Statement showing allotments and expenditure

(₹ in crore)

Year	Grant	Amount surrendered during the year	Actual amount of grant	Expenditure	Percentage of expenditure to grant	Percentage of savings to grant
2005-06	172.49	0.00	172.49	123.09	71	29
2006 07	147.22	1.90	145.32	77.55	53	47
2007-08	186.81	0.00	186.81	133.34	71	29
2008 09	224.07	0.75	223.32	141.40	63	37
2009-10	173.22	40.66	132.56	98.81	75	25
Total	**903.81**	**43.31**	**860.50**	**574.19**	**67**	**33**

(Source: Appropriation Accounts)

Estimation during 2005-10 was on the higher side leading to large savings varying between 25 and 47 *per cent* which were not surrendered in time

Scrutiny of the records revealed that estimation during 2005-10 was on the higher side, which resulted in persistent savings ranging from 25 to 47 *per cent* whereas the expenditure ranged between 53 and 75 *per cent* as shown in the table above. This showed improper budgeting on the part of the department.

Though the Controlling Officer of the department was responsible for ensuring timely re-appropriation/surrenders of funds, it was observed that the savings were not surrendered in time and were allowed to lapse during 2005-10.

3.1.7.2 Monitoring of expenditure

According to Rules 121 and 122 of the Jharkhand Budget Manual, all Drawing and Disbursing Officers (DDOs) were required to furnish Statements of Expenditure (SOE) to the Controlling Officers, duly reconciled with the records of treasuries. The Controlling Officers were required to reconcile them with the records of Accountant General (A&E). If any discrepancies relating to excess over allotment by the DDOs were noticed, the Controlling Officers were to enforce responsibility against the defaulting DDOs.

Scrutiny of the records revealed that SOEs were not submitted by the DDOs to the Controlling Officer. As a result, the reconciliation exercise with the Accountant General (A&E) was not carried out. This adversely affected monitoring of expenditure and preparation of the actual budget estimates, resulting in huge savings regularly as discussed in ***paragraph 3.1.7.1*** of this Report.

3.1.7.3 Belated submission of budget estimates

As per Rule 72 (Chapter III) of the Jharkhand Budget Manual, the Controlling Officer was to submit the revised estimates for the current year and budget estimates for the next year to the Finance Department by 14 October every year or as on the date notified by the Finance Department.

Scrutiny of the budget estimate records revealed that the department persistently delayed submission of budget estimates during 2005-10 by 66 to 131 days as given in **Table-2.**

The department persistently delayed submission of budget estimates during 2005-10 by 66 to 131 days

Table- 2: Belated submission of budget estimates

Year	Due date of submission as notified by the Finance department	Actual date of submission	Delay in days
2005-06	06.10.04	14.02.05	131
2006-07	12.09.05	16.12.05	95
2007-08	13.09.06	11.12.06	89
2008-09	01.10.07	06.12.07	66
2009-10	01.10.08	NA	NA

(Source: Records of Science and Technology department)

Relevant records of the year 2009-10 were not made available to Audit.

3.1.7.4 Pending Detailed Contingent bills

According to Rules 319 and 320 of the Jharkhand Treasury Code, a certificate to the effect that Detailed Contingent (DC) bills for Abstract Contingent (AC) bills drawn upto the last date in the previous month have been submitted for counter-signature to the Controlling Officer was to be attached to the first AC bill presented for payment after the 10th of each month. On no account was an AC bill to be cashed after the 10th of the month, without the certificate.

There were abnormal delays in submission of DC bills indicating ineffective financial control and monitoring

Audit, however, noticed that according to the department's own records, outstanding DC bills for ₹ 81 crore drawn during 2006-10 on AC bills were not submitted (June 2010) to the Accountant General (A&E) as given in **Table-3**.

Table- 3: Unadjusted AC Bills

Year	Unadjusted AC bills (₹ in crore)	Period of delay (in months)
2006-07	16.90	38
2007-08	5.75	26
2008-09	40.55	14
2009-10	17.80	02
Total	**81.00**	

(Source: Science and Technology department)

It is evident from the table above that AC bills of ₹ 81 crore remained unadjusted during 2006-10. Such inordinate delays in the adjustment of AC bills was fraught with the risk of fraud/misappropriation.

3.1.7.5 Improper maintenance of cash book

Rule 86 (ii) of the Jharkhand Treasury Code (Vol. I) provides that all monetary transactions should be entered into the cash book as soon as they occur and be attested by the head of the office. The cash book should be closed and balanced each day regularly and completely checked. The head of the office should verify the totalling of the cash book or have this done by some responsible subordinate other than the writer of the cash book, and initial it as correct. At the end of each month, the DDO should verify the cash balance in the cash book and record a signed and dated certificate to that effect.

Scrutiny of the cash books of all the 16 test-checked units revealed that cash books were not maintained properly in five[4] units. It was observed in these units that the heads of the offices neither recorded the certificate of the verification of cash balance at the end of each month nor had it done by some other responsible subordinates other than the writers of the cash books during the review period. The failure to follow the prescribed procedure for maintenance of the cash books entailed the risk of misappropriation of Government money.

3.1.7.6 Rush of expenditure in March

Spending of the units during March alone ranged between 27 and 61 *per cent* of the total expenditure

Rule 113 of the Jharkhand Budget Manual provides that money should not be spent hastily or in an ill-considered manner merely because it is available or that the lapse of a grant could be avoided. Rush of expenditure particularly in the closing months of the financial year would be a breach of financial regularity.

Scrutiny of relevant records pertaining to the period 2007-10 of all the test-checked units revealed that expenditure incurred by the units during March ranged between 27 and 61 *per cent* of the total expenditure as detailed in ***Appendix-3.1***.

3.1.7.7 Irregular payment and creation of liability

In order to implement the World Bank Project captioned 'Strengthening of Polytechnic Education', 106 persons were appointed (October 1996) on contract basis for a period of three years. The said project ceased to exist beyond October 1998. Payment of salaries to the contractual staff was made from the World Bank Project up to September 1998 and thereafter, from the budget of the department with the approval of the Chief Minister up to the extended period of contract up to June 2007 on the condition that the department would appoint regular staff for these contract posts.

Scrutiny of records of seven[5] test-checked units revealed that the department did not initiate efforts to fill up the contractual posts with regular staff in the technical institutions. It was also observed that even after February 2007 neither the services of those staff were extended nor terminated. They were, however, not being paid any salaries for the duties performed by them after February 2007.

Department paid ₹ 2.60 crore and created liability of ₹ 2.36 crore on account of salaries which was irregular

In the meantime, the department made irregular payment ***(Appendix-3.2)*** of ₹ 2.60 crore[6] between December 2000 and February 2007 and created liabilities of ₹ 2.36 crore between March 2007 and February 2010 on account of their salaries as the department had never obtained sanction from the Finance Department for extension of their services and payment of salary. It was observed that the order of the Chief Minister for payment of their salary was subject to initiating the recruitment process by the department but nothing had been done so far (November 2010).

[4] Bihar Institute of Technology, Sindri, Government Polytechnics; Bokaro, Dhanbad, Dumka and Ranchi.

[5] Government Polytechnics, Bokaro (Boys and girls), Dhanbad (Boys), Dumka (Boys), Latehar (Boys), Ranchi (Boys and girls).

[6] The amount has been calculated for the period after creation of Jharkhand.

3.1.7.8 Non-submission of utilisation certificates

As per Government's orders and instructions issued from time to time, utilisation certificates (UC) by executing agencies were to be submitted to the Government against the allotments made to them.

Scrutiny of records revealed that the department withdrew ₹ 126.60 crore from treasuries during 2005-10 and transferred the same to various executing agencies *viz.* Executive Engineers, Building Construction Division, National Rural Employment Programme (NREP), Drinking Water and Sanitation Division, National Buildings Construction Corporation Limited (NBCCL) and Deputy Commissioners for execution of works on 51 projects relating to purchase of land, construction, repairs and renovation of buildings and other purposes. The year-wise details of funds drawn and transferred to executing agencies are detailed in **Table 4**.

Table- 4: Details of works allotted by the department to executing agencies

Year	Amount (in ₹)	Number of works
2005 -06	2,19,39,700	11
2006 -07	28,13,86,983	06
2007 -08	35,75,73,338	27
2008 -09	42,69,27,326	04
2009 -10	17,80,10,170	03
Total	**1,26,58,37,517**	**51**

(Source: Science and Technology department)

Further, it was observed that no UC had been submitted by the executing agencies till date (November 2010). The department, however, neither insisted upon the submission of the UCs nor reconciled its accounts with the records of the Accountant General (A&E). In the absence of the UCs, the department was also not aware as to the amounts spent against each project.

3.1.8 Programme implementation

The Vision Document 2010 of the Government of Jharkhand, *inter alia*, envisaged strengthening of institutional framework to render science and technology accessible to the people, creating scientific aptitude and temperament in the masses to remove various myths and practices in the society, creating a conducive scientific environment for real e-governance for providing transparent, smart, paperless and quick services to the masses and developing information technology and bio-technology schemes in the State.

In the workshop of the Confederation of Indian Industries (CII), eastern region under Technical Education Quality Improvement Programme (TEQIP) held in April 2007, there was consensus on continuous migration of students for higher technical education. It was also observed that the students had to pay much higher fees and bear higher expenses to meet their cost of living in the various States. Accordingly, it was felt that the State had a responsibility to provide suitable avenues of equipping eligible youth with technical qualifications to meet the working needs of the country.

3.1.8.1 Non-establishment of technical institutions

The Vision Document of the Government planned enhancement of the enrolment capacity. However, there had been no increase in the enrolment capacity so far due to no addition in the number of technical institutions. Since the inception of Jharkhand (November 2000), only one new polytechnic at Kharsawan was started (2006).

The Government decided (between December 2006 and August 2007) to set up three engineering colleges at Ramgarh, Chaibasa and Dumka at an estimated cost of ₹ 36 crore each and nine[7] new polytechnics in the State at an estimated cost of ₹ 16 crore each. The construction of the buildings of these engineering colleges and polytechnics was entrusted (between February 2007 and April 2010) to three Public Sector Undertakings (PSUs) *viz.* National Projects Construction Corporation Limited (NPCCL), National Buildings Construction Corporation Limited (NBCCL) and Engineering Projects (I) Ltd (EPIL) on turnkey basis.

The PSUs were also provided (between March 2007 and March 2008) mobilisation advance of ₹ 29.42 crore for construction works without ensuring availability of land as land for only three engineering colleges and three polytechnics (Kharsawan, Silli and Bhaga) was provided by the Government to PSUs. Land for the remaining six polytechnics was to be provided as of June 2010.

Scrutiny further revealed that construction of buildings was incomplete even after the lapse of 16 to 22 months (June 2010) from the scheduled dates of completion as detailed in ***Appendix-3.3***. Thus, the Plan of the department to establish technical institutions as envisaged in the vision document remained unfulfilled.

3.1.8.2 Expenditure on repairs/renovation

Administrative approval for ₹ 83.57 lakh for repairs/renovation/construction work of Government Polytechnic, Bhaga was accorded by the department in March 2008 and the work was allotted to the Executive Engineer, NREP, Dhanbad in April 2008.

The department ordered stoppage of the repairs/ renovation/ construction work of Government Polytechnic, Bhaga after an expenditure of ₹ 38.67 lakh

Scrutiny of records revealed that the department ordered (September 2008) the Principal, Government Polytechnic, Bhaga as well as the executing agency to stop the work forthwith as there was no need for such repair/renovation/construction because a new polytechnic building was coming up at Bhaga, Dhanbad at an estimated cost of ₹ 17 crore which was likely to be completed in June 2009. Meanwhile, an expenditure of ₹ 38.67 lakh was already incurred. It was seen in audit that the remaining amount of ₹ 45 lakh was still lying (September 2010) with the agency.

Thus, award of sanction for repair and renovation of the existing polytechnic without assessing its need in view of the new polytechnic building resulted in avoidable expenditure of ₹ 38.67 lakh besides blocking of funds of ₹ 45 lakh.

[7] Bahragora, Bhaga, Chandil, Garhwa, Gola, Jagganathpur, Kharsawan, Pakur and Silli.

3.1.8.3 Faulty estimation delayed the boys' hostel functional.

Despite having incurred an expenditure of ₹ 1.24 crore, the hostel buildings were not suitable for use

The department accorded (September 2004) administrative approval of ₹ 1.24 crore for construction of two 100-bedded boys' hostels in the premises of the Government Polytechnic, Latehar for which technical sanction for ₹ 1.38 crore was accorded (November 2005) by the Chief Engineer, Building Construction Department (BCD). The work was allotted to the Executive Engineer, Building Division, Latehar.

Scrutiny of records revealed that the technical estimates prepared by the Chief Engineer, BCD did not include any provision for water supply and approach road to the hostel. As a result, the hostel, completed (October 2009) after incurring expenditure of ₹ 1.24 crore, could not be put to use so far (June 2010).

3.1.8.4 Non-implementation of schemes as per AICTE norms

As a part of its functions, the All India Council for Technical Education (AICTE), provides financial assistance to promote research and development activities in technical institutions and to enhance industry institute interaction under various schemes like Entrepreneurship Development Cell (EDC), Industry Institute Partnership Cell (IIPC), National Facilities in Engineering and Technology with Industrial Collaboration (NAFETIC) and National Coordinated Projects (NCP) in the technical disciplines through the Bureau of Research and Institutional Development.

(I) Non-submission of proposal to the AICTE

Entrepreneurship Development Cells (EDC) were established in AICTE approved polytechnics and degree technical institutions to encourage students to consider self-employment as a career option. To provide training in entrepreneurship and increase the relevance of management, the institutions were required to send proposals to AICTE to get financial assistance. Proposals under the EDC scheme were to be submitted to AICTE, duly certifying that the institutions would discharge all their obligations.

Scrutiny revealed that none of the test-checked Polytechnics sent any proposal in this regard to AICTE. As a result, they could not avail of the benefits of financial assistance from AICTE and the students were deprived of the intended benefits.

(II) Non-submission of proposal to AICTE under Industry Institute Partnership Cell

AICTE launched the Industry Institute Partnership Cell (IIPC) scheme for its approved institutions with a view to reduce the gap between industry expectations (practice) and academic offerings (theory). In order to get financial assistance from AICTE under this scheme, the institutes were required to send their proposals for the project to the AICTE.

Scrutiny revealed that none of the test-checked polytechnics sent any proposal in this regard to the AICTE. As a result they could not get financial assistance from AICTE and the students were deprived of the intended benefits.

(III) Lack of performance appraisal system and training to faculties

As per norms 6.2.11 and 6.2.12 of AICTE, a performance appraisal system for teachers was to be set up, well integrated with the institutional functioning, to identify individual training and development needs and teachers were to be provided the opportunity to improve their qualifications through the quality improvement programme, which was to be both industry oriented and practice based.

Scrutiny of records revealed that neither had performance appraisal system been set up by the institutions nor was training imparted to faculty members in all the test-checked institutions except the Bihar Institute of Technology, Sindri.

3.1.8.5 Implementation of TEQIP scheme

The Technical Education Quality Improvement Project (TEQIP) initiated by the Government of India with the assistance of the World Bank in March 2003 aimed at improvement of the quality of the technical education sub-sector into a dynamic, demand-driven, quality conscious, efficient and forward-looking system, responsive to rapid economic and technological developments occurring both at national and international levels.

Funding for the scheme was provided by the World Bank on loan basis. The loan was to be repaid by the Central and State Governments in the ratio of 30:70.

The State Government passed a resolution for implementation of the project only in May 2004 and started work from December 2005. The TEQIP project was to be implemented by the State Project Facilitation Unit (SPFU) at the State level.

The project had four components *viz.* developing academic excellence, networking, service to community and economy and development of management capacity to be implemented in the first stage. Initially, four[8] technical institutions were selected in the first phase spread over the period 2005-09. SPFU, Jharkhand received (August 2007) ₹ 31.87 crore through the National Project Implementation Unit (NPIU), GOI as a life time allocation (LTA) for implementation of the scheme.

Scrutiny of the records of three[9] test-checked units revealed that:

- As per the TEQIP guidelines, selected technical institutions were to have academic, administrative, managerial and financial autonomy for receiving grants. The State Government passed a resolution to this effect in May 2004. It was, however, observed that the units did not have academic, administrative, managerial and financial autonomy for receiving grants. In only one test-checked institute viz. Bihar Institute of Technology, Sindri academic, administrative and financial autonomy was available to some extent. Further, these institutes were provided funds from GOI under

[8] Bihar Institute of Technology, Sindri, Birla Institute of Technology, Mesra, Rajkiya Polytechnic, Dumka and Ranchi.

[9] Bihar Institute of Technology, Sindri, Rajkiya Polytechnic, Dumka and Ranchi.

TEQIP project by the SPFU without ensuring fulfilment of the required criteria.

- As per the TEQIP scheme, there was to be a Board of Governors (BOG) at the institutional level to take policy decisions and overall management of the institutions. No Board of Governors was formed in the Rajkiya Polytechnics, Dumka and Ranchi. Also, need based training and science awareness programme among local people such as popularisation of solar system, water quality assessment, water harvesting etc as required under TEQIP were not organised by them.
- As per the TEQIP project, funds such as corpus fund, a staff development fund, a maintenance fund and a depreciation fund were to be created to ensure sustainability of the reform process beyond the project period. The sources of funds were to be fees collected from students, savings from block grants, donations from charitable organisations, internal resource generation (IRG) and matching grant on IRG to be provided by the State Government.
- Scrutiny of the records of two Rajkiya Polytechnics, at Dumka and Ranchi revealed that though they received ₹ 1.80 crore, they had not established any fund for sustainability of the reform process.
- The second component of the project, i.e. 'Networking' was to be established with selected institutes for resource sharing and optimisation, faculty development, curriculum development, research participation, information dissemination and bringing a competitive spirit among faculty and students of the participating institutes.
- Scrutiny of records revealed that the Department had not even identified (June 2010) the institutes where networking was required to be done. The SPFU at the State level was to identify the institutions from where the human resource sharing could be done through networking under the TEQIP scheme. It was also observed that networking equipment worth ₹ 7.93 lakh was purchased during 2005-09 by two institutes *viz.* Dumka and Ranchi but the same were still to be made functional due to lack of conferencing machines.

3.1.8.6 Non-establishment of district science centre-cum-technical libraries

The department conceptualised (2001-02) a project to establish district science centre-cum-technical libraries for popularisation of science at the district level and dissemination of scientific temperament among students and the general masses.

Accordingly, administrative approval for construction of six[10] district science centre-cum-technical libraries was accorded during 2001-02 at an approved rate of ₹ 41 lakh each and additional funds of ₹ 26 lakh were provided during the year 2004-05 for construction of a planetarium at the science centre-cum-technical library, Deoghar. The works were required to be completed within a period of one and half years.

[10] Bokaro, Daltonganj, Deoghar, Dhanbad, Dumka and Hazaribag.

Scrutiny of the records of JCST revealed that funds of ₹ 2.54 crore were provided (between October 2002 and January 2007) to the concerned district authorities for execution of the project, in three instalments. The works were, however, not completed (April 2010) despite the lapse of eight years at five centres[11]. The department did not monitor the progress of the works and only in March 2010, enquired from the DCs whether there were difficulties in the execution of works. The DCs were still to reply (October 2010).

The department had already incurred (February 2009) an expenditure of ₹ 1.05 crore. Latest details of expenditure though called for (August 2010) were not provided (October 2010).

Thus, due to improper monitoring by the department and delay in execution of works, the envisaged benefits could not be passed on to the beneficiaries.

3.1.8.7 Non-functional Regional Science Centre

GOI decided to establish a science centre at Ranchi. The cost of the project was to be shared by the National Council of Science Museum (NCSM) on behalf of the Central Government and the State Government on 50:50 basis. The main purpose was to develop an activity based science learning centre with strong infrastructure. Administrative approval of ₹ 5 crore accorded in February 2002 was revised (October 2004) to ₹ 6.50 crore. The funds for the project were released by the State Government between November 2003 and March 2006. Land was acquired (August 2005) at village Chiraundi (Ranchi).

Scrutiny of the records revealed that the construction work of the regional science centre was given (October 2002) to the National Council of Science Museum (NCSM), Kolkata on turnkey basis. The work was to be completed within 30 months from the date of commencement of the project which was to be reckoned from the date of handing over of the site to the executing agency. The site was actually handed over in January 2007 and accordingly, construction should have been completed by July 2009. It was observed that the science centre had not been completed and made functional till the date of audit (June 2010).

3.1.8.8 Non-establishment of technical university

The State Government decided (2005-06) to establish a technical university at Ranchi which was to be the affiliating university for the technical institution and was to ensure all-round development and maintenance along with reforms in curriculum. Besides, the technical university was also to conduct and publish timely results of all technical educational institutions as well as to ensure uniformity in the academic calendar. It was observed that no such university was established (June 2010) in the State and this hampered the updation and regulation of technical education in the State.

3.1.9 Human Resources Management

The performance of institutions and efficient implementation of the schemes depend on availability of the required manpower. An analysis of manpower

[11] Bokaro, Daltonganj, Dhanbad, Dumka, and Hazaribag.

management revealed acute shortage of manpower in the engineering college and polytechnics.

(a) Engineering College

The only engineering college in the government sector was the Bihar Institute of Technology, Sindri. Scrutiny revealed acute shortage of manpower as detailed in **Table 5**.

Table- 5: Shortage of manpower in BIT, Sindri

Sl No.	Designation	Sanctioned Strength	Persons in position	Vacancies
1	Director	01	01	Nil
2	Professor	26	02	24 (92)
3	Assistant Professor	42	05	37 (88)
4	Lecturer	128	76	52 (41)
Total		**197**	**84**	**113 (57)**

(Source: Science and Technology department) (Figures under bracket indicate percentage.)

As can be seen, the percentage of vacancies in teaching cadres ranged from 41 to 92 *per cent.* Appointments on *ad-hoc* basis for short periods were made by the institute to tide over the crisis. Failure of the department to fill up the vacancies on permanent basis deprived the premium engineering college of experienced faculty. Such large scale vacancies adversely impacted the functioning of the institute.

As per the AICTE norms of 15:1 student teacher ratio, the number of teachers should have been 195 for 2,924 students enrolled. The actual strength was, however 84 only. No efforts were made by the department to fill up the vacancies.

There was acute shortage of teaching and non- teaching staff in Government polytechnics

(b) Polytechnics

According to the AICTE norms, the desirable and minimum student and teacher ratio is 11: 1 and 16:1 respectively. As per the teacher student ratio of AICTE norms, the desirable and minimum number of teachers should have been 512 and 352 respectively for 5,634 students enrolled. Scrutiny revealed that as per AICTE norms the sanctioned strength should have been 352 but it was actually 240. The acute shortage of teaching and non-teaching staff in Government polytechnics is detailed in **Table 6**.

Table- 6: Statement showing teacher student ratio

Sl. No.	Designation	Sanctioned strength	Men in position	Vacancy
1	Principal	12	01	11 (92)
2	Head of department	15	02	13 (87)
3	Lecturer	209	90	119 (57)
4	Work shop Superintendant.	04	Nil	04 (100)
	Total	**240**	**93**	**147 (61)**

(Source: Science and Technology department)(Figures under bracket indicate percentage)

As can be seen, the percentage of vacancies in the various cadres ranged from 57 to 100 *per cent.* Such acute shortage of staff was bound to adversely impact the functioning of the polytechnics. The actual strength of 93 was grossly inadequate. Similarly, there were only 20 laboratory assistants against the

sanctioned strength of 44. It was noticed that the department had not taken any initiative to fill up these vacant posts (October 2010).

Thus, the quality of technical education provided to students by the polytechnic institutions was at the risk of being compromised due to lack of adequate manpower.

3.1.10 Monitoring and Internal control

The overall aim of the department was to provide quality technical education, to build solid infrastructure for substantial capacity enhancement and to add value and power to technical education for easy access to the students of the State. A system of internal control was necessary to provide reasonable assurance that the Management's objectives were achieved in an economical, efficient and effective manner.

Scrutiny revealed that the department did not evolve any mechanism to evaluate/inspect/review the working pattern of technical institutes under its jurisdiction and develop a management information system. The department had no manual of its own. It did not take any effective steps to obtain reports regarding utilisation of funds from various executing agencies and was not aware of the status of ongoing works. No complaint redressal mechanism existed in the department.

It was observed that the department did not have an internal audit wing. The internal audit wing of the finance department of the State Government conducted audit of only one out of 16 test-checked units during the period 2005-10. The department also did not have any vigilance mechanism. Some examples are given in paragraphs 3.1.8.6 and 3.1.8.7, where department did not effectively monitor the activities which led to denial of intended benefits.

3.1.11 Outstanding audit observations of previous year(s)

The regularity audit of the Department was conducted regularly by the Principal Accountant General (Audit), Jharkhand, Ranchi as per the Audit Plan and, accordingly, Inspection Reports (IRs) were issued to the concerned Drawing and Disbursing Officer (DDO). Abstract of outstanding audit observations in IRs is given in **Table-7**.

Table- 7: Abstract of outstanding audit observations in Inspection Reports Position as on 31.3.2010

Year	Number of Inspection Reports issued	Number of Paras issued	Para settled	Outstanding paras	Initial reply not received
2005-06	6	27	2	25	5
2006-07	Nil	Nil	Nil	Nil	Nil
2007-08	5	41	9	32	3
2008-09	3	20	1	19	2
2009-10	2	14	-	14	2
Total	**16**	**102**	**12**	**90**	**12**

(Source: Office of the Principal Accountant General (Audit), Jharkhand, Ranchi)

From the above table it is evident that there were 90 paragraphs outstanding for a period of four to 60 months even though regular reminders for

compliance of audit paragraphs were issued to the department. The department did not take (July 2010) any initiative for settling the old paragraphs.

3.1.12 Conclusion

The provisions of the budget manual were not being adhered to. As a result, huge savings were noticed. Cash books were not being maintained properly. DC bills, for money drawn on AC bills, were not submitted timely. Deficient operational controls were noticed in the department. There were large scale vacancies in the operational cadres. An effective grievance redressal mechanism was absent in the department. Vigilance and internal control mechanisms were totally absent. Evaluation of different projects in hand and their monitoring were not effectively done.

3.1.13 Recommendations

- Budget estimates should be prepared after obtaining inputs from the institutions in time and the same should be submitted to the Finance department in time.
- It should be ensured that expenditure statements from all the DDOs are sent to the department regularly.
- Financial rules and principles of financial propriety should be adhered to strictly.
- Effective implementation of projects should be ensured.
- Shortage of manpower should be effectively dealt with.
- Proper system of monitoring the progress of work should be developed.
- An internal audit wing should be established in the department.

Chapter
IV

Government Commercial And Trading Activities

4.1 Overview of State Public Sector Undertakings

Introduction

4.1.1 The State Public Sector Undertakings (PSUs) consist of State Government Companies and Statutory Corporations. The State PSUs are established to carry out activities of commercial nature while keeping in view the welfare of people. In Jharkhand, the PSUs occupy a minor place in the state economy. The PSUs registered a turnover of ₹ 1565.52 crore for 2009-10 as per their latest finalised accounts as of September 2010. This turnover was equal to 1.88[1] *per cent* of State Gross Domestic Product (GDP) for 2009-10**.** Major activities of State PSUs/Statutory Corporation are concentrated in power sector. The State PSUs incurred aggregate loss of ₹ 442.43 crore as per their latest accounts finalised during 2009-10. They had employed 8385 employees as of 31 March 2010. The State PSUs do not include 31 Departmental Undertakings (DUs), which carry out commercial operations but are a part of Government departments. Audit findings of these DUs are incorporated in Audit Report (State Finances) Government of Jharkhand for the year ended 31 March 2010.

4.1.2 As on 31 March 2010, there were ten Government companies and one Statutory Corporation (all working). No company was listed on the stock exchange(s).

4.1.3 During the year 2009-10, one PSU[2] was established and no PSU/Statutory Corporation closed down.

Audit Mandate

4.1.4 Audit of Government Companies is governed by Section 619 of the Companies Act, 1956. According to Section 617, a Government company is one in which not less than 51 *per cent* of the paid up capital is held by Government(s). A Government Company includes a subsidiary of a Government Company. Further, a company in which not less than 51 *per cent* of the paid up capital is held in any combination by Government(s), Government Companies and Corporations controlled by Government(s) is treated as if it were a Government Company (deemed Government Company) as per Section 619-B of the Companies Act.

4.1.5 The accounts of the State Government Companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors, who are appointed by CAG as per the provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by CAG as per the provisions of Section 619 of the Companies Act, 1956.

[1] Percentage is based on advance estimate figure of GDP.

[2] Karanpura Energy Limited, a subsidiary of Jharkhand State Electricity Board.

4.1.6 Audit of Statutory Corporations is governed by its respective legislations. CAG is the sole auditor for Jharkhand State Electricity Board.

Investment in State PSUs

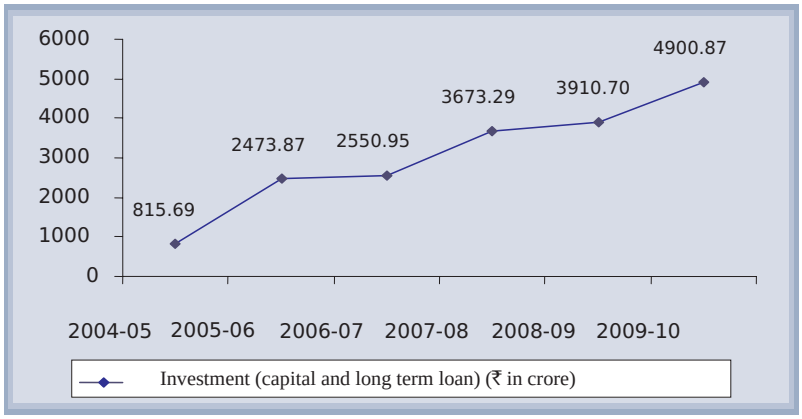
4.1.7 As on 31 March 2010, the investment (capital and long-term loans) in 11 PSUs (including one Statutory Corporation) was ₹ 4900.87 crore as per details given below.

(₹ in crore)

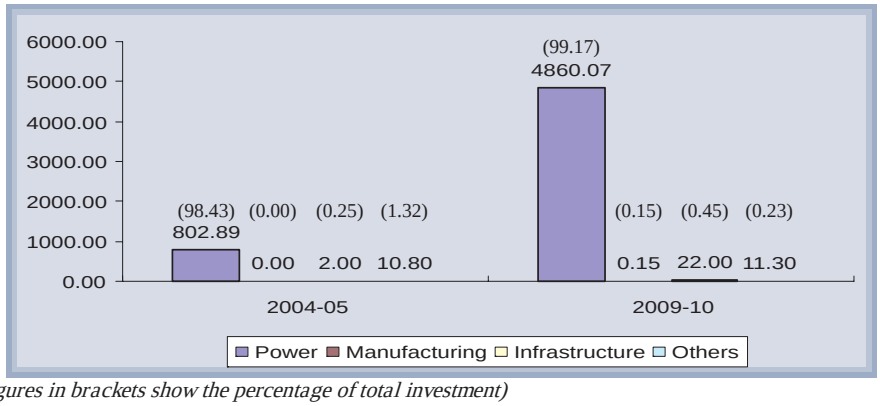
Government Companies			Statutory Corporations			Grand Total
Capital	Long term loans	Total	Capital	Long term loans	Total	
140.60	674.18	814.78	-	4,086.09	4,086.09	4,900.87

A summarised position of Government investment in State PSUs is detailed in ***Appendix-4.1***.

4.1.8 As on 31 March 2010, of the total investment in PSUs, 2.87 *per cent* was towards capital and 97.13 *per cent* in long-term loans. The investment has grown by 500.82 *per cent* from ₹ 815.69 crore in 2004-05 to ₹ 4900.87 crore in 2009-10 as shown in the graph below.



4.1.9 The investment in various important sectors and percentage thereof at the end of 31 March 2005 and 31 March 2010 are indicated below in the bar chart.



(Figures in brackets show the percentage of total investment)

The thrust of PSU investment was mainly in power sector during the past six years which increased 505.32 *per cent* from ₹ 802.89 crore in 2004-05 to

₹ 4860.07 crore in 2009-10 due to loan amounting to ₹ 4086.09 crore given by Government and others to JSEB and also including investment in Karanpura Energy Limited and TVNL which was transferred to Jharkhand in August 2007. The other sectors have also shown marginal growth during 2009-10.

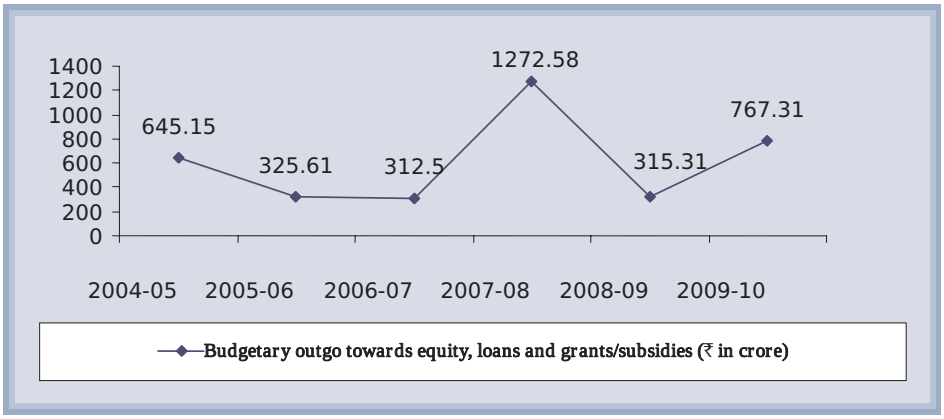
Budgetary outgo, grants/subsidies, guarantees and loans

4.1.10 The details regarding budgetary outgo towards equity, loans and grants/subsidies in respect of State PSUs at the end of March 2010 are given in ***Appendix-4.3***. The summarised details are given below for three years ended 2009-10.

(₹ in crore)

Sl. No.	Particulars	2007-08		2008-09		2009-10	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	2	4.10	2	10.40	4	2.75
2.	Loans given from budget	1	347.34	1	224.91	1	362.76
3.	Grants/Subsidy received	1	921.14	1	80.00	2	401.80
4.	Total outgo[?]	3	1272.58	3	315.31	6	767.31

4.1.11 The details regarding budgetary outgo towards equity, loans and grants/subsidies for past six years are given in a graph below.



The budgetary outgo during the year has increased from ₹ 315.31crore in 2008-09 to ₹ 767.31 crore in the year 2009-10 mainly because of budgetary support in respect of subsidy given to JSEB.

Reconciliation with Finance Accounts

4.1.12 The figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of differences. The position in this regard as at 31 March 2010 is stated below.

[3] Total outgo represents total number of PSUs.

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	19.30	140.55	121.25
Loans	6137.33	4592.51	1544.82

4.1.13 We observed that the difference occurred in respect of seven[4] PSUs including JSEB (Statutory Corporation) and was pending reconciliation since 2001-02. The Accountant General had taken up the issue with Secretary to the Finance Department of the Government of Jharkhand and JSEB to reconcile the differences after examination. The Government and the PSUs should take concrete steps to reconcile the differences in a time-bound manner.

Performance of PSUs

4.1.14 The financial results of PSUs, financial position and working results of working Statutory Corporations are detailed in ***Appendices-4.2*** *and* ***4.5.*** A ratio of PSU turnover to State GDP shows the extent of PSU activities in the State economy. Table below provides the details of turnover of working PSUs *vis-à-vis* State GDP for the period 2004-05 to 2009-10.

(₹ in crore)

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Turnover[5]	1,216.37	1,216.12	30.77	364.90	1,552.32	1565.52
State GDP	57,939	62,239	73,579	87,620	75,710.78	83077.90[6]
Percentage of turnover to State GDP	2.10	1.95	0.04	0.42	2.05	1.88

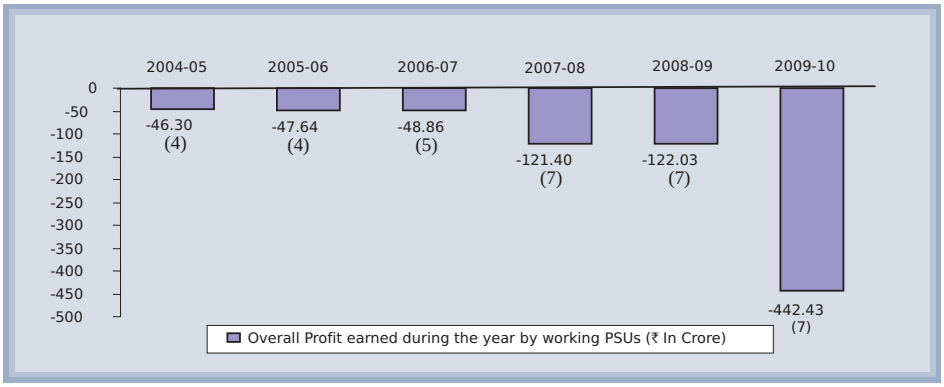
The percentage of turnover of PSUs to the State GDP has declined from 2.05 *per cent* in 2008-09 to 1.88 *per cent* in 2009-10, although there was an increase in turnover and state GDP during the current year as compared to previous year.

4.1.15 Profit (losses) earned (incurred) by State PSUs during 2004-05 to 2009-10 are given below in a bar chart.

[4] Tenughat Vidyut Nigam Ltd., Jharkhand Industrial Infrastructure Development Corporation Ltd., Jharkhand Tourism Development Corporation Ltd., Jharkhand Silk Textile & Handicraft Development Corporation Ltd., Greater Ranchi Development Agency Ltd., Jharkhand Hill Area Lift Irrigation Corporation Ltd. & Jharkhand State Electricity Board.

[5] Turnover as per the latest finalized accounts as of 30 September 2010.

[6] The figure of GDP for 2009-10 based on advance estimate at current prices (as of June 2010).



As per the latest accounts finalised, out of 11 working PSUs, four PSUs earned a profit of ₹ 4.05 crore and three PSUs incurred loss of ₹ 446.48 crore. The above included heavy losses incurred by Tenughat Vidyut Nigam Limited (TVNL) (₹ 70.94 crore) and JSEB (₹ 374.13 crore) for their accounts for the years 1993-94 and 2001-02 finalised in the year 2000-01 and 2010-11 respectively. The accounts in respect of all these PSUs are in arrears. Remaining four PSUs either did not carry out their activities or prepared its accounts so far.

4.1.16 The losses of PSUs are mainly attributable to deficiencies in financial management, planning, implementation of their activities, their operations and monitoring. A review of latest Audit Reports of CAG shows that the State PSUs incurred losses to the tune of ₹ 2978.89 crore and infructuous investment of ₹ 74.71 crore which were controllable with better management. Year wise details from Audit Reports are stated below.

(₹ in crore)

Particulars	2007-08	2008-09	2009-10	Total
Net loss	121.40	122.02	442.43	685.85
Controllable losses as per CAG's Audit Report	1779.36	57.25	1142.38	2978.89
Infructuous Investment	57.81	16.49	0.41	74.71

4.1.17 The above losses pointed out by Audit Reports of CAG are based on test check of records of PSUs. The actual controllable losses would be much more. The above table shows that with better management, the losses can be minimised (or eliminated or the profits can be enhanced substantially). The PSUs can discharge their role efficiently only if they are financially self-reliant. The above situation points towards a need for professionalism and accountability in the functioning of PSUs.

4.1.18 Some other key parameters pertaining to State PSUs are given below.

(₹ in crore)

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Debt	808.14	2466.07	2537.65	3550.89	3774.90	4760.27
Turnover[7]	1,216.37	1,216.12	30.77	364.90	1,552.32	1565.52
Debt/ Turnover Ratio	0.66:1	2:1	82:1	10:1	2:1	3.04:1
Interest Payments	-	-	3.61	6.00	-	123.55
Accumulated losses	44.76	43.86	42.90	265.45	269.30	589.81

4.1.19 The State Government had not formulated any dividend policy under which all PSUs are required to pay a minimum return on the paid up share capital contributed by the State Government. As per their latest finalised accounts, four[8] PSUs earned an aggregate profit of ₹ 4.05 crore but did not declare any dividend.

Arrears in finalisation of accounts

4.1.20 The accounts of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956. Similarly, in case of Statutory Corporation, its accounts is finalised, audited and presented to the Legislature as per the provisions of the Act. The table below provides the details of progress made by working PSUs in finalisation of accounts by September 2010.

Sl. No.	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
1.	Number of Working PSUs	6	8	9	10	11
2.	Number of accounts finalised during the year	2	6	3	7	14
3.	Number of accounts in arrears	18	24	43	48	46
4.	Average arrears per PSU (3/1)	3.00	3.00	4.78	4.80	4.18
5.	Number of Working PSUs with arrears in accounts	6	8	9	10	11
6.	Extent of arrears (years)	1 to 4	1 to 5	1 to 14	1 to 15	1 to 16

4.1.21 The number of arrears of accounts of the PSUs had increased over the years. The number of arrears of accounts during 2005-06 in respect of six PSUs was 18 which had increased to 46 in 2009-10 in respect of 11 PSUs. The increased number of accounts in arrears was due to inclusion of Tenughat Vidyut Nigam Limited (TVNL) consequent upon its transfer from Bihar to Jharkhand in August 2007 which had its accounts in arrears since 1994-95. The Jharkhand Silk Textile and Handicrafts Development Corporation Limited (JHARCRAFT) had its arrears of accounts for four years. The Karanpura Energy Limited had its arrears of accounts for two years during the year 2009-10. However, the JSEB and Jharkhand Tourism Development Corporation had also its accounts in arrears since 2002-03 and 2004-05 respectively.

4.1.22 The State Government had invested ₹ 4,408.34 crore (Equity ₹ 28.25 crore, loans: ₹ 1,826.20 crore, grants: ₹ 2,553.89 crore) in 11 PSUs including one Statutory Corporation during the years for which accounts have not been finalised as detailed in ***Appendix-4.4***. In the absence of accounts and their

[7] Turnover of PSUs as per the latest finalised accounts as of 30 September.

[8] JSFDC, JIIDCO, JPHC and JTDC.

subsequent audit, it can not be ensured whether the investments and expenditure incurred have been properly accounted for and the purpose for which the amount was invested has been achieved or not and thus Government's investment in such PSUs remain outside the scrutiny of the State Legislature. Further, delay in finalisation of accounts may also result in risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 1956.

4.1.23 The administrative departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalized and adopted by these PSUs within the prescribed period. Though the concerned administrative departments and officials of the Government were informed regularly of the arrears in finalization of accounts, no significant remedial measures were taken. As a result of this the net worth of these PSUs could not be assessed in audit. The position of arrears of accounts of the PSUs was also appraised by the Principal Accountant General in April 2010 to the Chief Secretary / Principal Secretary, Finance Department and requested to expedite the backlog of arrears of account in a time bound manner.

4.1.24 In view of the above state of arrears, the Government may impress upon the respective PSUs to expedite the process of finalization of accounts and bring them up to date at the earliest.

Accounts Comments and Internal Audit

4.1.25 As of 30 September 2010 five Companies forwarded their nine audited accounts to PAG during the year 2009-10. Of these, seven accounts of four companies were selected for supplementary audit. In respect of JHALCO, the Company had forwarded its two accounts for the year 2007-08 and 2008-09, of which, a non-review certificate for the year 2007-08 was issued. The audit of accounts for the year 2008-09 was in progress. The audit reports of statutory auditors appointed by CAG and the supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of CAG are given below.

(₹ in crore)

Sl. No.	Particulars	2008-09		2009-10	
		No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	1	0.37	2	0.74
2.	Increase in loss	3	3.13	1	0.03
3.	Non-disclosure of material facts	-	-	2	-

(The aggregate money value are based on CAG's comments only)

4.1.26 During the year 2009-10, eight accounts of five PSUs were finalised. Out of which, the statutory auditors had given unqualified certificates for one accounts and qualified certificate for seven accounts. The compliance of companies with the Accounting Standards remained poor as there were two instances of non-compliance in two accounts during the year.

4.1.27 Some of the important comments in respect of accounts of companies are stated below.

Jharkhand State Forest Development Corporation Limited (2008-09) and (2007-08)

- No provision for the amount of collection cost and khaliyan expenses as operational expenses of kendu leaves payable to kendu leaves pluckers has been made in the accounts, though valuation of closing stock of kendu leaves was inclusive of collection cost and khaliyan expenses. This resulted in understatement of Operational expenses as well as Current liabilities & provisions and overstatement of Inventories as well as profit by ₹ 13.17 lakh.
- Provision for gratuity and leave encashment had not been made in the accounts after actuarial assessment of liability contravening the provisions of Accounting Standard 15.
- Non provision of stock of kendu leaves destroyed by fire and rain which is required to be made till it is written off has resulted in understatement of provision and overstatement of closing stock by ₹ 35.30 lakh. Consequently, the net profit is also overstated to that extent.
- The accounts for the year ended 31 March 2007 have not been adopted in the Annual General Meeting as required under section 166 read with section 210 of the Companies Act 1956. Further, the Statutory Auditor has also not mentioned in his report that the previous year's accounts have not been placed before the Annual General Meeting.

Jharkhand Police Housing Corporation Limited (2008-09)

- Tax on declared dividend for the financial year 2002-2003 and 2003-04 (assessment year 2003-04 and 2004-05) amounting to ₹ 2.48 lakh and ₹ 2.56 lakh respectively has not been deposited with the appropriate authority, as required by sec115-O of the Income Tax Act, 1961.
- Dividend payable for the financial year 2002-2003 and 2003-04 amounting to ₹ 19.80 lakh and ₹ 20 lakh respectively had neither been paid nor transferred to a special bank account named as unpaid Dividend A/c with any scheduled bank, as required by sec. 205A(8) of the Companies Act, 1956.

Jharkhand State Mineral Development Corporation Limited (2004-05)

- The Assets & Liabilities of the undivided Bihar State Mineral Development Corporation Ltd (BSMDC Ltd) were divided on 17 July 2009 between the successor Companies in the ratio of 24.33 *per cent* (Bihar) and 75.67 *per cent* (Jharkhand) of net assets based on the financial statement as on 31 March 2002 of BSMDC Ltd, with effect from the date of establishment of Jharkhand State Mineral Development Corporation Ltd (JSMDC Ltd) i.e. 7 May 2002. Accordingly, JSMDC Ltd had made payment of ₹ 8.90 crore to BSMDC Ltd on 24 September 2009. This significant and material event occurring after balance sheet date requiring disclosure as per Accounting Standard - 4 had not been reported.

4.1.28 JSEB, a statutory corporation has also forwarded their six accounts for the period 2001-02 to 2006-07 (including revised accounts of 2001-02) for sole audit by CAG. The audit of revised accounts for 2001-02 was completed and audit of remaining accounts wer being conducted. The audit report of the

sole audit of CAG indicates that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of CAG are given below.

(₹ in crore)

Sl. No.	Particulars	2009-10	
		No. of accounts	Amount
1.	Decrease in profit	-	-
2.	Increase in loss	1	8.50
3.	Non-disclosure of material facts	1	-
4.	Errors of classification	1	-
Total		1	8.50

(The aggregate money value are based on CAG's comments only)

4.1.29 Some of the important comments in respect of accounts of statutory corporation are stated below.

Jharkhand State Electricity Board (2001-02)

- As per the guidelines of Government of India (GoI), a sum of ₹ 2,343.00 crore had to be accounted towards fixed assets, investments and current assets (excluding loans and advances to staff and the amount recoverable from employees). But the Board had accounted a total sum of ₹ 2,284.80 crore towards assets including the assets not distributed by the Ministry of Power, Government of India. This resulted in understatement of assets by ₹ 58.20 crore.
- As per the guidelines of GoI, a sum of ₹ 2,583.88 crore had to be accounted for by the Board towards current liabilities (excluding staff related liabilities and electricity duty and other levies payable to Government) and capital liabilities (excluding State Government loans). But the Board accounted a sum of ₹ 1,552.45 crore towards liabilities including the liabilities not distributed by the Ministry of Power, GoI. This resulted in understatement of liabilities by ₹ 1,031.43 crore.
- Sundry receivables included ₹ 0.86 crore and ₹ 1.55 crore towards cost of water sold to M/s Bihar Aluminium Steel Alloy Limited (now liquidated) and Central Coalfields Limited respectively. Non-creation of provision for doubtful receivables resulted in understatement of provision and overstatement of receivables.
- A sum of ₹ 0.84 crore and ₹ 1.67 crore have been shown as 'assets not in use' in SRHP and PTPS respectively for which details were not available with the units which had resulted in overstatement of assets. Further, two VENTRA locomotives valued at ₹ 0.90 crore lying at PTPS were out of use due to fire hazards therein since June 1998 / March 2000 had not been transferred to this head.
- Loans and advances included an amount of ₹ 4.16 crore on account of pay revision advance which had required to be debited against existing liability instead of showing as advance. Misclassification resulted in overstatement of loans & advances and staff related liability each to that extent.
- Sundry receivables included a sum of ₹ 4.64 crore shown as receivable from railway for missing coal wagons, but non-reversal of missing wagon

claims when these wagons were received subsequently resulted in overstatement of receivables to the extent of ₹ 2.34 crore.

- Loans and advances included liability of ₹ 38.97 crore and also advance of ₹ 28.83 crore against I.O.C with respect to P.T.P.S., Patratu. Due to non-adjustment of advance against supply made, other current liabilities and loans & advances was both overstated to the extent of ₹ 28.83 crore.
- Interest and finance charges included interest on GPF calculated @ 9.5 *per cent* on the opening balance only and interest at the applicable rate was not provided which worked out to ₹ 4.99 crore. This resulted in understatement of interest of ₹ 4.99 crore and finance charges and staff related liabilities to that extent.
- State Government loans had not been considered for compilation of interest and finance charges as the same were not distributed by MOP. This fact was needed to be disclosed in Notes on Accounts.

4.1.30 The Statutory Auditors (Chartered Accountants) are required to furnish a detailed report upon various aspects including internal control / internal audit systems in the companies audited in accordance with the directions issued by the CAG to them under Section 619(3) (a) of the Companies Act, 1956 and to identify areas which needed improvement. An illustrative resume of major comments made by the Statutory Auditors on possible improvement in the internal audit/ internal control system in respect of three companies[9] on the accounts finalised during the year 2009-10 are given below.

Sl. No.	Nature of comments made by Statutory Auditors	Number of companies where recommendations were made	Reference to serial number of the companies as per Appendix 2
1.	Absence of internal audit system commensurate with the nature and size of business of the company	02	A-01, A-03
2.	Non maintenance of proper records showing full particulars including quantitative details, situations, identity number, date of acquisitions, depreciated value of fixed assets and their locations	01	A-02

Recoveries at the instance of audit

4.1.31 During the course of propriety audit in 2009-10, recoveries of ₹ 3.33 crore were pointed out to the management of various PSUs/Corporation, of which, no recovery for the same were affected by PSUs/Corporation so far.

Disinvestment, Privatisation and Restructuring of PSUs

4.1.32 No PSU is under disinvestment, privatisation and restructuring in the State.

[9] Sl. No. A-01, A-02 & A-03 in Appendix–2.

Reforms in Power Sector

4.1.33 The State has Jharkhand Electricity Regulatory Commission (Commission) formed in April 2003 under Section 82 of the Electricity Act, 2003 with the objective of rationalisation of electricity tariff, advising in matters relating to electricity generation, transmission and distribution in the State and issue of licenses. During 2009-10, JERC did not issue any order on annual revenue requirements but issued 12 other orders.

4.1.34 Memorandum of Understanding (MoU) was signed in April 2001 between the Union Ministry of Power and the State Government as a joint commitment for implementation of reforms programme in power sector with identified milestones. The progress achieved so far in respect of important milestones is stated below.

Sl. No.	Milestone		Achievement
1.	100 *per cent* reduction of T&D losses		62.84 *per cent* (2009-10)
2.	100 *per cent* metering of all consumers	Single Phase (Urban)	88.66 *per cent* upto March 2010.
		Three Phase (LTCT & whole current)	96.89 *per cent* upto March 2010.
		HT	98.08 *per cent* upto March 2010

Section 'A' Performance Review

4.2 Power Generating Undertakings in Jharkhand

Introduction

4.2.1 Power is an essential requirement for all facets of life and has been recognised as a basic human need. The availability of reliable and quality power at competitive rates is very crucial to sustain growth of all sectors of the economy. The Electricity Act 2003 provides a framework conducive to the development of the Power Sector, promote transparency and competition and protect the interest of the consumers. In compliance with Section 3 of the *ibid* Act, the Government of India (GOI) prepared the National Electricity Policy (NEP) in February 2005 in consultation with the State Governments and Central Electricity Authority (CEA) for development of the Power Sector based on optimal utilisation of resources like coal, gas, nuclear material, hydro and renewable sources of energy. The Policy aims at, *inter alia*, laying guidelines for accelerated development of the Power Sector. It also requires CEA to frame National Electricity Plan once in five years. The Plan would be short term framework of five years and give a 15 years' perspective.

Average electricity requirement in Jharkhand in 2005-06 was 5,344 Million Units (MUs) of which only 2,065 MUs were generated leaving a shortfall of 3,279 MUs, which works out to 61.36 *per cent* of the requirement. Similarly, the electricity requirement in 2009-10 was 6,833 MU against which the energy actually available from generation was 2,945 MU, the shortfall being 3,888 MU *i.e.*, 56.9 *per cent* of the requirement. The total installed power generation capacity in the State was 1,390 Mega Watt (MW) (derated capacity 1,320 MW) in 2005-06 which remained the same at the end of 2009-10.

In Jharkhand, generation of power is carried out by Jharkhand State Electricity Board (JSEB), created in March 2001 as a result of Bihar Reorganisation Act, 2000 and by Tenughat Vidyut Nigam Limited (TVNL), a wholly owned Company incorporated on 26 November 1987 under the Companies Act, 1956 under the administrative control of the Energy Department of the Government of Jharkhand. The Management of JSEB is vested with a Board comprising of four members including the Chairman, Member (Finance) appointed by the State Government. The day-to-day operations in JSEB are carried out by the Chairman, who is the Chief Executive of the JSEB, with the assistance of General Manager-cum-Chief Engineer heading the Thermal Power Station at Patratu, (PTPS)(770 MW) and Project Manager heading the Swarnarekha Hydel Power Station (SRHP) at Sikidiri (130 MW).

The Management of TVNL is vested with a Board of Directors comprising five members including the Chairman appointed by the State Government. The day-to-day operations in TVNL are carried out by the Managing Director, with the assistance of General Manager who heads the Station at Lalpania. The installed capacity of TVNL is 420 MW.

The revenue from sale of power generated in its power stations by JSEB in 2009-10 was ₹ 196.26 crore while it was ₹ 377.73 crore in TVNL. Number of

employees in PTPS and in SRHP in March 2010 was 1,486 and 148 respectively. In TVNL, the manpower was 651.

Scope and Methodology of Audit

4.2.2 The present review conducted during February 2010 to April 2010 covers the performance of the power generation in JSEB and TVNL during the period from 2005-06 to 2009-10. All the three power generating stations in the State were selected for the review. The review mainly deals with Planning, Project Management, Financial Management, Operational Performance, Environmental Issues and Monitoring by Top Management. The audit examination involved scrutiny of records at the head office of JSEB, its thermal power station at Patratu and hydel power station at Sikidiri; at the head office of TVNL and its thermal power station at Lalpania.

The methodology adopted for attaining the audit objectives with reference to audit criteria consisted of explaining audit objectives to top management, scrutiny of records at Head Office and selected units, interaction with the auditee personnel, analysis of data with reference to audit criteria, raising of audit queries, discussion of audit findings with the Management and issue of draft review to the Management for comments.

Audit Objectives

4.2.3 The objectives of the performance audit were:

Planning and Project Management

- To assess whether capacity addition programme taken up / to be taken up to meet the shortage of power in the State is in line with the National Policy of Power for All by 2012;
- To assess whether a plan of action is in place for optimisation of generation from the existing capacity;
- To ascertain whether the contracts were awarded with due regard to economy and in transparent manner; and
- To ascertain whether the execution of projects were managed economically, effectively and efficiently.

Financial Management

- To assess whether all claims including energy bills and subsidy claims were properly raised and recovered in an efficient manner; and
- To assess the soundness of financial health of the generating undertakings.

Operational Performance

- To assess whether the power plants were operated efficiently and preventive maintenance as prescribed was carried out minimising the forced outages;
- To assess whether requirements of each category of fuel worked out realistically, procured economically and utilised efficiently;

- To assess whether the manpower requirement was realistic and its utilisation was optimal; and
- To assess whether the life extension (renovation and modernisation) programme were ascertained and carried out in an economic, effective and efficient manner.

Environmental Issues

- To assess whether the various types of pollutants (air, water, noise, hazardous waste) in power stations were within the prescribed norms and complied with the required statutory requirements; and
- To assess the adequacy of waste management system and its implementation.

Monitoring and Evaluation

- To ascertain whether adequate MIS existed in the entity to monitor and assess the impact and utilise the feedback for preparation of future schemes.

Audit criteria

4.2.4 The audit criteria adopted for assessing the achievement of the audit objectives were:

- National Electricity Plan, norms / guidelines of Central Electricity Authority (CEA) regarding planning and implementation of the projects;
- standard procedures for award of contract with reference to principles of economy, efficiency and effectiveness;
- targets fixed for generation of power ;
- parameters fixed for plant availability, Plant Load Factor (PLF) etc;
- performance of best achievers in the regions / all India averages;
- prescribed norms for planned outages; and
- Acts relating to Environmental laws.

Financial Position and Working Results

4.2.5 The financial position of TVNL for the years ending 2005-06 to 2009-10, given below is provisional.

(₹ in crore)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
A. Liabilities					
Paid up Capital	105.00	105.00	105.00	105.00	105.00
Borrowings (Loan Funds)					
Secured					
Unsecured	1870.91	1964.79	2051.50	2138.21	2224.92
Current Liabilities & Provisions	298.84	462.14	735.80	1030.90	1484.96
Total	**2274.75**	**2531.93**	**2892.30**	**3274.11**	**3814.88**
B. Assets					
Gross Block	1310.33	1317.77	1350.26	1351.90	1360.75
Less: Depreciation	389.02	432.85	477.01	522.26	567.54
Net Fixed Assets	921.31	884.93	873.24	829.64	793.21
Capital works-in-progress	66.52	82.53	90.55	92.67	102.29
Investments	28.04	73.75	143.90	169.34	177.91
Current Assets, Loans and Advances	904.58	1155.34	1408.21	1790.51	2247.59
Accumulated losses	354.30	335.38	376.40	391.95	493.88
Total	**2274.75**	**2531.93**	**2892.30**	**3274.11**	**3814.88**

We observed that TVNL had investments of ₹ 177.91 crore in fixed deposits as at the end of the year 2009-10 which should have been utilised for gainful purposes. Had the Current Assets, Loans and advances, major portion of which comprised the dues arising from unpaid energy bills of JSEB and BSEB (₹ 1,910.05 crore in 2009-10), been realised, the same could have been utilised for capacity addition. Also, Capital works-in-progress of ₹ 102.29 crore represented the amount spent on railway siding (MGR) remaining under construction since the year 1988; delay in completion of which deprived the company of the benefit of the substantial capital expenditure for a long period.

JSERC allowed return on equity (ROE) (₹ 105 crore) at 14 *per cent* during the period of review. However, ROE upto 30 *per cent* of the project cost was admissible. Accordingly, 30 *per cent* of project cost worked out to ₹ 406.70 crore upto which ROE could have been allowed. TVNL proposed to raise its equity capital to ₹ 1,100 crore by converting the outstanding loan of ₹ 608.90 crore and part of accumulated interest of ₹ 949.52 crore. The Board of TVNL amended the Memorandum of Association and Articles of Association after incorporating the change in the capital clause and fee of ₹ 1.58 crore had been paid (January 2006) to the Registrar of Companies for increase in authorised capital to ₹ 1,100 crore in January 2006. Though over 4 years have elapsed, approval of the Government has not yet been received. As such the matter remained pending for abnormally long time leading to recurring loss to the Company which should have been avoided if expeditious action had been taken by the GOJ. Thus, due to under capitalisation, additional revenue of ₹ 199.94[10] crore was not available to TVNL which, if available, could have been utilised for capacity addition.

4.2.6 The accounts of JSEB for the years 2002-03 to 2009-10 have not yet been finalised/audited. In the absence of certified accounts, we are unable to comment on the financial position of the Board. Effective control and decision making by the JSEB management was also not feasible in absence of authentic financial position.

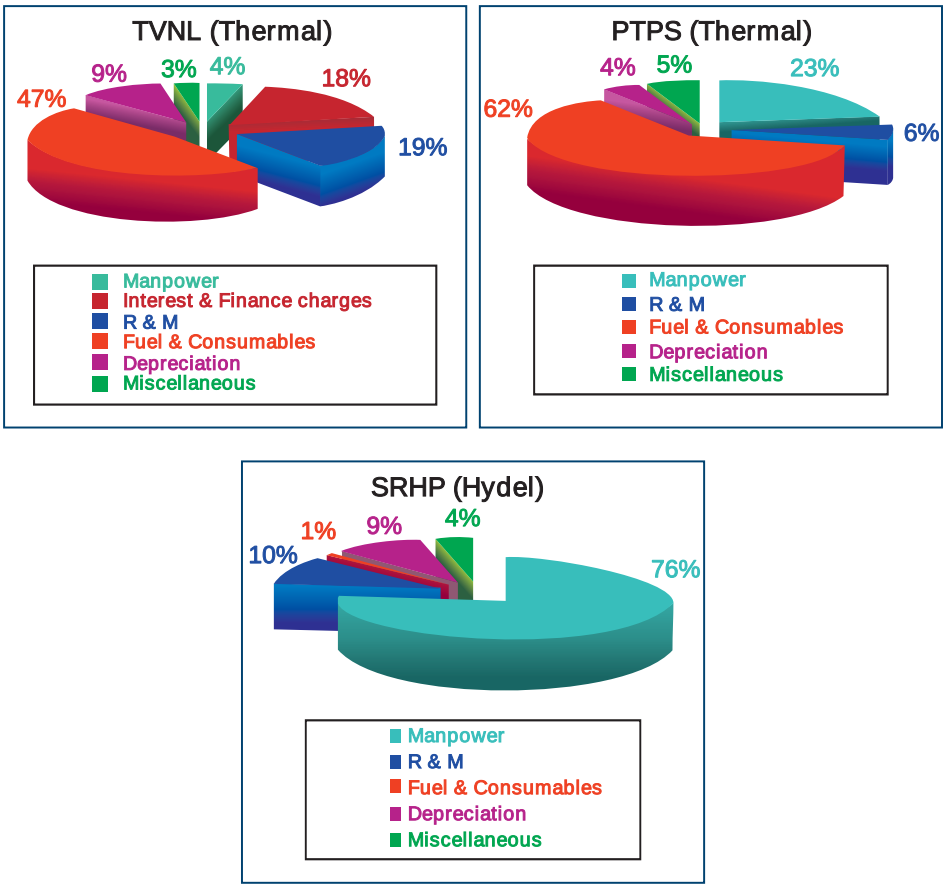
[10] ₹ 284.69 crore {₹ 56.94 crore (14 per cent of ₹ 406.70 crore) x 5}- ₹ 84.75 crore actually allowed by JSERC.

4.2.7 The details of working results of PTPS, SRHP and TVNL like cost of generation of electricity, revenue realization, net surplus/loss and earnings and cost per unit of operation are given in ***Appendix-4.6.*** Since the Board is undertaking transmission and distribution of power also, the figures pertaining to generation activity exclusively were not available with the Board. Therefore, the revenue realisation from sale of power to consumers has been taken as generation revenue.

Elements of Cost

4.2.8 The percentage break-up of costs for TVNL, PTPS and SRHP for the year 2009-10 is given below in the pie-chart.

Components of various elements of cost



In TVNL, Fuel & Consumables, Repair & Maintenance and Depreciation together accounted for 75 *per cent* of total cost and thus constituted major element of cost. The interest and finance charges were 18 *per cent* which was also high. As loans of TVNL were from Government of Bihar and Jharkhand on which interest was not being paid by TVNL, there was no cash outflow for payment of interest on these loans.

In PTPS, Fuel & Consumables constituted 62 *per cent* of total cost being major element of cost which was relatively high as compared to the cost of

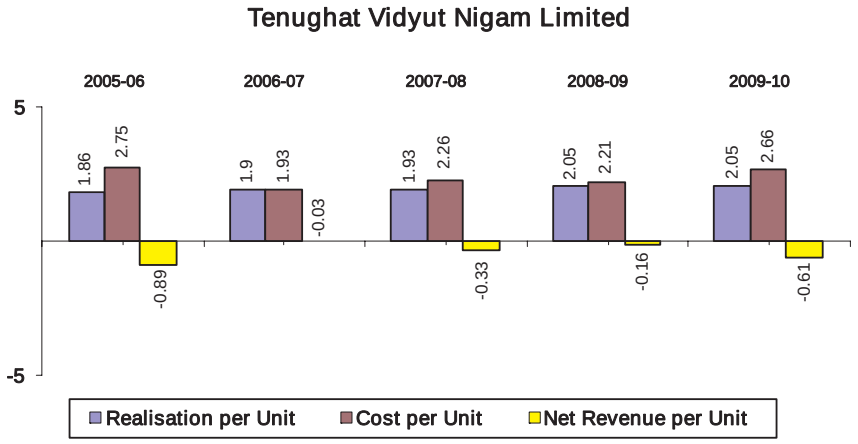
fuel & consumables of TVNL *i.e.,* 47 *per cent,* the other power generating undertaking in the State.

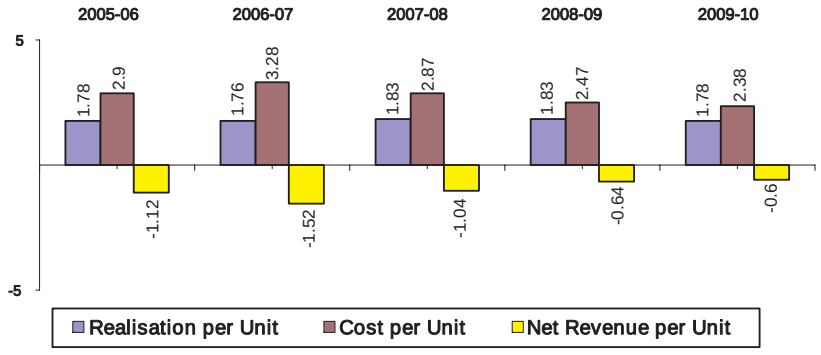
Elements of revenue

4.2.9 Sale of power constitutes the major element of revenue of TVNL which was 97 *per cent* of the total revenue.

Recovery of cost of operations

4.2.10 TVNL as well as PTPS were not able to recover its cost of operations. During the last five years ending 2009-10, the net revenue was as shown in the graph below:





Had the total revenue earned by TVNL and PTPS been sufficient to cover the cost, an additional amount of ₹ 321.26 crore and ₹ 338.1 crore respectively could have been available for capacity addition / life extension programmes. The main reasons for high cost of generation had been poor maintenance of the old and outlived plants, low plant availability, poor capacity utilisation, high level of auxiliary consumption *etc.*

Audit Findings

4.2.11 Audit explained the audit objectives to the JSEB and TVNL during an 'entry conference' held on 9 March 2010. The audit findings were reported to the Principal Secretary, Energy Department, GOJ as well as management of JSEB and TVNL on 7 July 2010. The audit findings were discussed with the Principal Secretary, Energy Department, GOJ in the 'exit conference' held on 7 October 2010. The views of the Management have been taken into consideration during finalisation of the performance audit review.

The results emerging from performance audit are discussed in the succeeding paragraphs.

Operational Performance

4.2.12 The operational performance of JSEB/TVNL for the five years ending 2009-10 is given in the ***Appendices-4.7 & 4.8.*** The operational performance of JSEB/TVNL was evaluated on various operational parameters as described below. It was also seen whether JSEB/TVNL was able to maintain pace in terms of capacity addition with the growing demand for power in the State.

Audit findings in this regard are discussed in the subsequent paragraphs. These audit findings show that the losses were controllable and there was scope for improvement in performance.

Planning

4.2.13 National Electricity Policy aims to provide availability of over 1,000 Units of per capita electricity by 2012, for which it was estimated that need based capacity addition of more than 1,00,000 MW would be required during 2002-2012 in the country. The Government has laid emphasis on the full development of hydro potential being cheaper source of energy as compared to thermal. The power availability scenario in the state indicating own generation, purchase of power, peak demand and net deficit was as under:

During the period 2005-10, the actual generation in the state was substantially less than the peak as well as average demand as shown below:

Year	Generation (MW)	Peak Demand (MW)	Average Demand (MW)	Percentage of actual generation to Peak Demand	Percentage of actual generation to Average Demand
2005-06	236	706	610	33	39
2006-07	355	751	660	47	54
2007-08	275	847	720	32	38
2008-09	360	859	740	42	49
2009-10	336	897	780	37	43

As may be seen from the above, the actual generation ranged between only 38 *per cent to 54 per cent* of the average demand and 32 to 47 *per cent* of the peak demand.

However, the total supply even after import was not sufficient to meet the peak demand, as shown below.

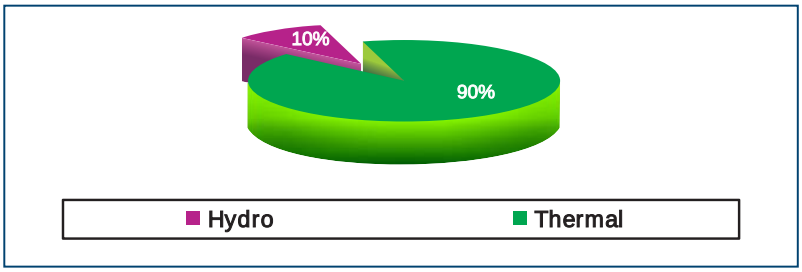
Year	Peak Demand (MW)	Peak Demand met (MW)	Sources of meeting peak demand (MW)		Peak Deficit (Percentage of Peak Demand)
			Own	Import	
2005-06	706	696	236	460	1.5
2006-07	751	723	355	368	4.0
2007-08	847	753	275	478	11.0
2008-09	859	856	360	496	0.5
2009-10	897	842	336	506	6.0

There remained a shortfall of 3 MW to 94 MW (about 0.5 *per cent* to 11 *per cent* of the peak demand) even after import. It was observed that during 2005-06 to 2009-10, though the Board incurred expenditure of ₹ 202.54 crore as Unscheduled Interchange (UI) charges during 2005-06 to 2009-10, still there was peak deficit in the State. Consequently, rotational load shedding was forced on the populace.

This section deals with capacity additions and optimal utilisation of existing facilities. Environmental aspects have been discussed in subsequent paragraphs at later stage.

Capacity Additions

4.2.14 The State had total installed capacity of 1,320 MW at the beginning of 2005-06 which remained the same at the end of 2009-10. The break up of generating capacities, as on 31 March 2010, under thermal and hydro is shown in the pie chart below.



We observed that against energy requirement of 780 MW in the State during 2009-10, the actual generation in the State was 336 MW. Despite acute shortage of power, no project was either under construction or committed for capacity addition during the review period. However, six projects of 7,070 MW for which coal blocks were assigned in respect of three TPS each by JSEB and TVNL were at initial stage as discussed subsequently.

4.2.15 The particulars of the generation capacity, peak demand *vis-à-vis* energy supplied during review period are given below.

Sl.No	Description	2005-06	2006-07	2007-08	2008-09	2009-10
1.	Capacity at the beginning of the year (MW)	1320	1320	1320	1320	1320
2.	Peak demand (MUs)	6184.56	6578.76	7419.72	7524.84	7857.72
3.	Energy supplied (MUs)					
	a) Energy produced	2064.74	3111.48	2408.14	3152.60	2945.21
	b) Energy Purchased	4392.29	3879.58	5066.12	5039.56	4582.88
Total energy available for sale[11] (MU)		**6457.03**	**6991.06**	**7474.26**	**8192.16**	**7528.09**

[11] The figures do not take into account the Transmission and Distribution losses which were around 37 to 49 *per cent*.

4.2.16 To meet the demand for power in the state, GOJ proposed to set up three TPSs with 4,620 MW generation capacity through JSEB and three TPS units at Tenughat by TVNL with generation capacity of 2,450 MW. We observed that

- Thermal power station with installed capacity of 1,320 MW with the available infrastructure *i.e.*, land, water etc, at Patratu was proposed for which GOI had allotted (August 2006) a Coal Block at Banhardi to JSEB. Production from the coal block was to be started within 42 months in case of Open cast mining and in 54 months in case of Underground mining as per the allocation letter. However, Department of Mines and Geology, GOJ did not issue prospecting license due to non submission of documents e.g. land schedule, map of the coal block etc and application fee by JSEB. Subsequently, GOJ appointed (March 2010) PFC Consulting Ltd. (PFCCL) as consultant for selection of a JV partner for setting up the power project after 43 months from allotment of the coal block, at a fee of ₹ 21 crore. PFCCL had invited (26 April 2010) Expression of Interest and a pre-bid meeting was scheduled on 10 May 2010. The meeting was, however, not held till date (September 2010). Thus, JSEB had failed in adhering to the milestones fixed by the GOI which may result in deallocation of the coal block.

- JSEB proposed to set up a new TPS of 3x660 MW for which GOI allocated (July 2007) Urmapaharitola Coal Block jointly to JSEB & Bihar State Mineral Development Corporation (BSMDC). Accordingly, a Joint Venture Company viz. 'Jharbihar Colliery Limited' (JCL) between Jharkhand and Bihar was incorporated (June 2009). After one year, JCL issued (August 2010) work order to JINFRA Ltd for advisory services in selection of mine developer cum operator (MDO)/JV partner. In the meantime, MOC, GOI had issued (September 2009) show cause notice for de-allocating the coal block due to non adherence of the milestones as per terms of the allocation letter. The prospecting license had not yet been issued by the Department of Mines & Geology, GOJ due to non submission of map of coal block and other necessary maps, land schedule *etc*. Further, water for the new power plant was not yet allocated by GOJ due to which site selection for the plant could not be done and appointment of the consultant for land survey, preparation of feasibility report and JV partner for exploration of the coal block had been deferred. Thus, lapses on the part of JSEB and GOJ had resulted in delay in development of the coal block and in setting up of the power plant which may result in de-allocation of the Coal Block.

- JSEB formed a Special Purpose Vehicle (SPV), M/s Karanpura Energy Limited, for awarding the work of 2x660 MW greenfield thermal power project under the tariff based competitive bidding route within a time limit of two years from the date of allocation of coal block. Maurya Coal Block was allotted for the project by the Ministry of Power, GOI, in June 2009. The power generated from the end user power plant from this coal block had to be distributed to Jharkhand, Bihar and Uttar Pradesh in the ratio of 60:25:15. Power Finance Corporation (PFC) was appointed (February 2008) as consultant for selection of Developer(s) for the proposed thermal power project linked to Maurya Coal Block at a fee of ₹ 14 crore. PFC had

been paid ₹ 3.93 crore on issue of LOI/LOA. Mining lease for the Coal Block had not been obtained and site selection for the plant was yet to be made. Water Resource Department, GOJ had not yet allocated water for the power plant due to which selection of JV partner was not made. Further, non-allocation of water for the power project had virtually stalled the progress of development of the coal block and implementation of the power project which may result in deallocation of coal block.

- TVNL had planned to set up a TPS of 3x210 MW capacity for which Badam coal block was allotted by GOI (January 2003). TVNL appointed M/s Desein as consultant for the project, invited Global tender (2004) and finalised M/s Skoda Export Czech as the L-1 bidder. However, financial closure for the project was not reached as the GOJ did not furnish the Government guarantee for the proposed loan from PFC for financing the project. The tender was cancelled in May 2009 and the project was closed. Similarly, in another project of TVNL, Gondulpara Coal Block was allotted (January 2006) jointly with DVC for 3rd phase extension project of 1x500 MW. The Board of TVNL had approved (May 2009) the proposal for appointment of NTPC as consultant for conducting feasibility study, survey and preparation of DPR for the project which had not yet been approved by the GOJ. TVNL had formed a Joint Venture with EMTA for mining of Badam and Gondulpara coal blocks. Rajbar coal block was allotted (August 2006) for another 2x660 MW TPS. However, mining of these coal blocks had not started as forest clearances had not yet been obtained and land was not acquired. Thus, projects connected with Gondulpara and Rajbar coal blocks were at the initial stages of implementation.

We observed that the Coal Blocks allotted for establishment of the TPSs had not been developed as per milestones set by the GOI and hence allotment of the coal blocks may be cancelled by the GOI, jeopardising setting up of the proposed TPSs. Also, DPRs for the power projects had not been prepared and no progress had been made for implementation of the project. Thus, despite allotment of six coal blocks by the GOI for new power projects, no capacity addition for power generation in the State was achieved during the period of review.

Optimum Utilisation of existing facilities

None of the units due for R&M/LE Programme in the State was actually taken up due to non-availability of fund

4.2.17 In order to cope with the rising demand for power, not only the additional capacity need to be created as discussed above, a plan needs to be in place for optimal utilisation of existing facilities and also undertaking life extension programme/replacement of the existing facilities which have outlived their normal life or are near completion of their age besides timely repair/maintenance. The PTPS had 10 generating units and SRHP had two units. As per CEA norms Renovation and Modernisation (R&M)/Life Extension (LE) was to be taken up after 25 years or 1 lakh hours of operation of the plant.

We observed that the unit No. 1 to 9 of PTPS and two units of SRHP, established between 1966 to 1984, were about 26 to 44 years of age and fell due for R&M/LE long back from 1991-1997 (unit 1 to 6), 2002-2004 (unit 7 & 8), 2009 (unit 9) and 2002-2005 (unit 1 & 2 of SRHP) respectively. However, none of the units was actually taken up due to non-availability of

fund. This situation deserves immediate attention of top level management for corrective action in the matter.

Operational Performance

4.2.18 Operations of generating companies are dependent on input efficiency consisting of material and manpower and output efficiency in connection with Plant Load Factor, plant availability, capacity utilisation, outages and auxiliary consumption. These aspects have been discussed below.

Input Efficiency

Procedure for procurement of coal

4.2.19 The Central Electricity Authority (CEA) fixes power generation targets for TPSs considering capacity of plant, average plant load factor, and past performance. The Power Generating Company works out coal requirement on the basis of targets so fixed and past coal consumption trends. The coal requirement so assessed is conveyed to the Standing Linkage Committee (SLC) of the Ministry of Energy (MOE), Government of India, which decides the source and quantity of coal supply to TPSs on quarterly basis. On the basis of linkage source approved by SLC, the Power Generating Company enters into Coal Supply Agreement (CSA) with collieries.

4.2.20 On the basis of allocation, JSEB / TVNL was procuring coal from Central Coalfields Limited (CCL). However, no agreement stipulating the terms and conditions for supply of coal was entered into with CCL and coal was being procured on 'cash and carry' basis. As per the standard format of Fuel Supply agreement (FSA), full payment of the coal bills was to be made through Letter of Credit and to avoid this, Fuel Supply Agreement was not entered by TVNL. The reason for non entering into FSA by JSEB was misplacement of file relating to FSA for a long time which indicates lack of seriousness in entering into FSA.

4.2.21 The position of coal linkages fixed, coal received, generation targets prescribed and actual generation achieved during the period from 2005-06 to 2009-10 covering all the TPSs in the State was as under:

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	Total
Coal Linkage fixed (lakh MT)	34.41	40.80	32.70	34.20	43.80	185.91
Quantity of coal received (lakh MT)	20.71	36.84	19.42	31.02	28.64	136.63
Shortfall in quantity of coal received	13.70	3.96	13.28	3.18	15.16	49.28
Percentage of shortfall	39.81	9.71	40.61	9.30	34.61	26.51

It would be seen from the above that the total linkage of coal during the five years fixed by the SLC was 185.91 lakh MT for the State. Against this, only 136.63 lakh MT of coal was received, resulting in short receipt of 49.28 lakh MT (26.51 *per cent*) of coal. In absence of any agreement with the coal companies, the Management failed to procure allotted quantity of coal.

Further, various claims of PTPS and TVNL regarding quality and grade of coal, presence of foreign materials in coal supplied, weighment of coal etc. were not accepted by CCL. Such claims amounted to ₹ 4.57 crore and ₹ 17.25 crore in respect of PTPS and TVNL respectively as on 31 March 2010.

Transit loss in excess of norms

Allowing transit loss in excess of norms resulted into loss of 1.15 lakh MT of coal valuing ₹ 11.63 crore

4.2.22 As per CERC norms, 0.3 *per cent* transit loss for transportation of coal was to be allowed for pit head generating unit. TTPS, which was transporting coal by road, provided in the transport contract for transit loss of one *per cent* (up to January 2006), 0.8 *per cent* (February 2006 to October 2008) and 0.3 *per cent* (from November 2008). We observed that transit loss was allowed in excess of norms upto October 2008 in TTPS which resulted in loss of 22,284 MT of coal valuing ₹ 2.46 crore. In PTPS, where transportation of coal was done by rail, transit loss varied between 0.91 *per cent* and 3.13 *per cent* during the review period. Thus, 93,019.40 MT of coal valuing ₹ 9.17 crore was lost in transit in excess of norm during 2005-06 to 2009-10 in PTPS. The loss of 1.15 lakh MT of coal valuing ₹ 11.63 crore was controllable by the Management of JSEB/TVNL.

Quality of coal

4.2.23 Each thermal station is designed for usage of particular grade of coal. Usage of envisaged grade of coal ensures optimizing generation of power and economising cost of generation. We observed that the grade of coal received from collieries was not always of the specified grade required by the thermal stations and was either inferior or ungraded coal.

Excess expenditure of ₹ 169.21 crore was incurred due to payment for the higher grade of coal

TVNL plant was designed for 4200 Kcal/kg GCV coal of F grade. Coal received at TTPS during 2005-06 to 2009-10 was of E grade as per test report of laboratory conducted daily at TTPS. We observed that the grade of coal, determined on the basis of test of sample collected from colliery at the same laboratory of TTPS, were of higher grade in most cases for which TVNL had been paying. During 2005-06 to 2009-10, payments to CCL were made for 12.54 lakh MT of E grade coal, 6.57 lakh MT power coal and 56.45 lakh MT washery grade IV coal. Thus, excess expenditure of ₹ 169.21 crore had been incurred due to payment for the higher grade of coal. The plant management may take up steps to ensure supply of designated coal from CCL.

Loss of generation due to inadequate fuel stock

4.2.24 The minimum fuel stock fixed by TVNL was for 45 days which was not maintained at TVNL and it faced problems of shortage of fuel ***(Appendix- 4.9)***. We observed that the TPS of TVNL had to run at partial load during the year 2009-10 due to shortage of coal and non availability of coal in coal bunkers, resulting in loss of generation aggregating to 20.73 MU valued at ₹ 4.25 crore. This indicated defective planning in arranging supply/ availability of coal and poor monitoring in feeding coal to coal bunkers.

Consumption of fuel

Excess consumption of coal

4.2.25 The consumption of coal depends upon its calorific value. The norms fixed by JSERC for various power generation stations for production of one unit of power in the State *vis-à-vis* maximum and minimum consumption of coal during the period of five years ending 2009-2010 is depicted in the table below:

(in KGs)

Name of the Station	Norms fixed by JSERC	Average min consumption during the year	Average max consumption during the year
TVNL	0.577	0.655 (2007)	0.743 (2010)
PTPS	0.721	0.889 (2010)	0.960 (2006)

(Figures in brackets indicate the year in which the maximum/minimum consumption was obtained).

From the above, it may be seen that in PTPS and TTPS the consumption remained higher than the norms in all the years under review. This had resulted in excess consumption of coal in the TPSs as indicated in the tables below:

Sl.No.	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
1.	Unit generated (MUs)	2375.49	3329.78	2491.50	3236.86	3179.84
2.	Coal required as per norms (lakh MT)	14.07	19.48	15.98	20.84	20.53
3.	Coal consumed (lakh MT)	18.59	23.71	19.08	25.34	25.48
4.	Excess consumption (lakh MT) (3 – 2)	4.52	4.23	3.11	4.51	4.95
5.	Rate per MT (₹)(Average rate)	949.81	1003.62	1071.64	1109.16	1105.81
6.	Coal consumed per Unit (Kg.) [(3 x 1000) / 1]	0.783	0.712	0.766	0.783	0.801
7.	Value of excess coal (₹ in crore) (4 x 5)	42.93	42.43	33.28	49.99	54.77

Consumption of coal above the norms was 21.32 lakh MT valuing ₹ 223.40 crore

It may be observed from the above that consumption above the norms resulted in excess consumption of coal to the tune of 21.32 lakh MT valued at ₹ 223.40 crore.

The reasons for excess consumption, as analysed by us, were non functioning of high pressure heater since inception and unburnt coal in excess of norm as discussed below.

4.2.26 TTPS was designed for 2 *per cent* unburnt carbon in bottom ash and 0.5 *per cent* unburnt carbon in fly ash. Actual unburnt carbon in bottom ash during the period 2005-06 to 2009-10 ranged from 8.87 *per cent* to 10.83 *per cent* and unburnt carbon in fly ash from 3.74 *per cent* to 4.76 *per cent* resulting in 1.22 lakh MT excess unburnt carbon. This unburnt carbon generated from 3.06 lakh MT coal resulted in loss of ₹ 33.77 crore. PTPS was designed for 5 *per cent* unburnt bottom ash and one *per cent* unburnt fly ash. During 2006-07, unburnt bottom ash was 10.17 *per cent* and unburnt fly ash was 1.32 *per cent* leaving 3,044 MT unburnt carbon in excess of norms resulting in loss of ₹ 69.03 lakh. The reasons for excess unburnt carbon were low combustion due to poor operating condition of the plant.

Excess consumption of Secondary Oil

Excess oil consumption than norms resulted into expenditure of ₹ 110.49 crore

4.2.27 As per JSERC norms specific oil consumption was 2 ml/kwh for TVNL whereas for PTPS it ranged between 2 to 15.95 ml/kwh. However, the actual specific oil consumption ranged between 2.043 to 3.49 ml/kwh in TVNL and 9.15 to 25.86 ml/kwh in PTPS resulting in excess expenditure of ₹ 110.49 crore. Frequent tripping/ breakdown of the units at PTPS/TTPS and lighting up of the units resulted in excess oil consumption.

Manpower Management

4.2.28 The CEA had recommended 1.76 person per mega watt of the installed capacity for the year 2005-06 & 2006-07 and 1.58 people per MW for the years 2007-08 to 2009-10. The position of actual manpower, sanctioned strength & manpower as per CEA recommendation in JSEB and TVNL are given below:

Sl. No.	Particulars.	2005-06	2006-07	2007-08	2008-09	2009-10
PTPS						
1	Sanctioned strength	4053	4053	4053	4053	4053
2	Manpower as per the CEA recommendations	1356	1356	1217	1217	1217
3	Actual manpower	2008	1737	1567	1540	1459
4	Excess manpower	652	381	350	323	242
5	Expenditure on salaries (₹ in lakh)	4797.29	4996.70	4415.87	4604.45	4432.10
6	Extra expenditure with reference to CEA norms (₹ in lakh) [(4/3) x (3–2)]	1557.68	1095.99	986.31	965.74	428.83
TVNL						
1	Sanctioned strength	631	631	631	631	631
2	Manpower as per the CEA recommendations	739	739	667	667	667
3	Actual manpower	651	651	654	651	651
4	Expenditure on salaries (₹ in lakh)	1073	1268	1259	1546	1806

Actual manpower in PTPS was in excess over the norms of CEA resulting in expenditure of ₹ 50.35 crore

Above table shows that actual manpower in PTPS was in excess over the norms of CEA during the years 2005-06 to 2009-10 resulting in extra expenditure of ₹ 50.35 crore. However, the Board has been able to reduce its excess manpower from 652 to 242 during review period. Despite having excessive manpower, the generating stations were regularly employing temporary / contract staff for regular jobs such as housekeeping, cleaning of coal handling plant, cleaning of condenser etc. We further observed that:

- In technical category, TVNL had shortage of 210 employees and adequate technical manpower was not available for the crucial operations of the plant. Though there was surplus manpower of 276 to 285 in unskilled and other cadres, TVNL had engaged 524 workmen through contractor on regular jobs incurring expenditure of ₹ 24.31 crore during 2005-06 to 2009-10. Moreover, TVNL had engaged 32 to 46 engineers and 47 to 59 workmen on direct contract basis for which ₹ 3.96 crore had been paid as salary during the review period. No action was taken to rationalise its staff strength or to utilise them optimally.

One unit of PTPS could not be operated due to shortage of technical manpower

- In PTPS, 915 posts were vacant in technical cadres. Due to shortage of technical staff normal operation of the plant was being affected. In fact, one unit of PTPS, though available for generation, could not be operated during January 2010 to March 2010 due to inadequate manpower resulting in loss of generation of 54.42 MU of power valuing ₹ 9.69 crore.

Output Efficiency

Shortfall in generation

4.2.29 The targets for generation of power for each year are fixed by JSEB/TVNL and approved by the CEA. It was observed in Audit that the State was able to generate a total of 14,613 MU of power during 2005-06 to 2009-2010 against a target of 20,883 MU fixed. This resulted in a net shortfall of 6,270 MU as shown in the following table:

Unit No. 6 of Kota TPS of PRVUNL achieved 101.10 *per cent* which was highest among all the State sector units.
(*Source: Performance Review of Thermal Power Stations 2008-09 by CEA*).

Year	Target	Actual	Shortfall
2005-06	3960	2375	1585
2006-07	4848	3330	1518
2007-08	3580	2492	1088
2008-09	4110	3236	874
2009-10	4385	3180	1205
Total	20883	14613	6270

The year-wise details of energy to be generated as per design, actual generation, plant load factor (PLF) are as given in ***Appendix-4.10***.

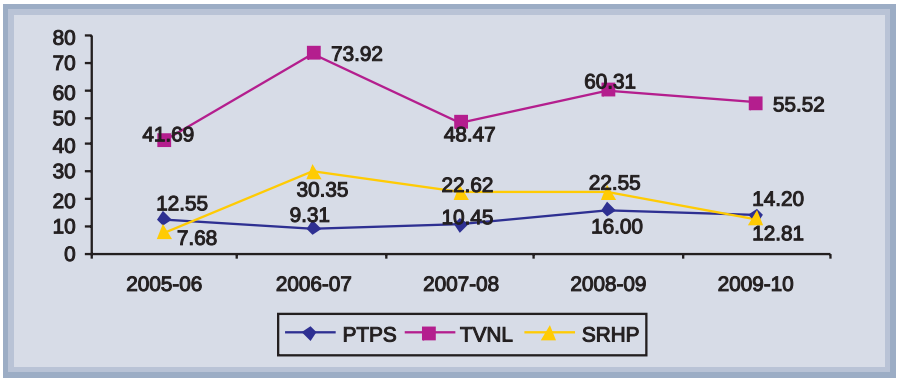
The details in the Appendix indicate that:

- The actual generation and actual PLF achieved were far below the energy to be generated and PLF as per design during all the five years upto 2009-2010.
- As against the total designed generation of 18,396 and 26,981 MU of energy by TVNL and PTPS during the five years ended 2009-2010, the actual generation was 10,311 and 4,302 MU leading to the shortfall of 8,085 and 22,679 MU respectively, which could have been technically produced.
- As the PLF had been designed considering the availability of inputs the above loss of generation (30,763.33 MU) during the period 2005-2006 to 2009-2010 indicated that resources and capacity were not being utilised to the optimum level due to design deficiencies, frequent breakdown of units and delay in timely rectification of defects as discussed in subsequent paragraphs.
- We observed that due to overloading of the transmission lines power generated at TVNL and PTPS could not be evacuated in full and generation was to be backed down. As a result TVNL had suffered generation loss of 244.06 MU involving revenue of ₹ 46.85 crore and PTPS had suffered loss of generation of 77.287 MU involving revenue of ₹ 13.67 crore.

Low Plant Load Factor (PLF)

4.2.30 Plant load factor (PLF) refers to the ratio between the actual generation and the maximum possible generation at installed capacity. According to norms fixed by Central Electricity Regulatory Commission (CERC), the PLF for thermal power generating stations should be 80 *per cent*, against which the

national average was 73.71 *per cent*, 77.03 *per cent*, 78.75 *per cent*, 77.22 *per cent and 77 per cent* during 2005-06 to 2009-10 respectively. Line graph depicting the PLF of PTPS, TVNL and SRHP over the review period have been indicated below.



The details of average realisation *vis-à-vis* average cost per unit, PLF achieved, average realisation at national PLF, PLF at which average cost would be recovered and the difference of PLF in *per cent* are given in the following table:

S.No.	Description	2005-06	2006-07	2007-08	2008-09	2009-10
PTPS						
1.	Average Realisation (Paise per Unit)	178	176	183	183	178
2.	Average Cost (Paise per Unit)	290	328	287	247	213
3.	Actual PLF (Per cent)	12.55	9.31	10.45	16.00	14.20
4.	Average Realisation at National PLF (Paise per Unit)	49.38	39.64	38.08	51.18	39.28
5.	PLF at which average cost stands recovered (*Per cent*) (2/1 X 3)	20.45	17.35	16.39	21.60	16.99
6.	Difference (*Per cent*) (5– 3)	7.90	8.04	5.94	5.60	2.79
TVNL						
1.	Average Realisation (Paise per Unit)	185.66	190	193.09	205	205
2.	Average Cost (Paise per Unit)	275	193	226	2210	266
3.	Actual PLF (Per cent)	41.69	73.92	48.47	60.31	55.52
4.	Average Realisation at National PLF (Paise per Unit)	155.54	185.21	139. 10	172. 60	191.80
5.	PLF at which average cost stands recovered (*Per cent*) (2/1 X 3)	61.75	75.09	56.73	65.02	72.04
6.	Difference (*Per cent*) (5– 3)	20.06	1.17	8.26	4.71	16.52

The estimated shortfall in generation works out to 3,806.28 MU and 21,579.72 MU as compared to national PLF in case of TVNL and PTPS respectively during 2005-06 to 2009-10 resulting in loss of contribution amounting to ₹ 945.84 crore and ₹ 3,876.08 crore respectively.

4.2.31 The main reasons for the low PLF, as observed in audit were low plant availability, low capacity utilisation and major shut downs and delays in repairs and maintenance. These are discussed in the following paragraphs.

Low plant availability

4.2.32 Plant availability means the ratio of actual hours operated to maximum possible hours available during certain period. As against the CERC norm of 80 *per cent* plant availability during 2004-2009 and 85 *per cent* during

2009-10, the average plant availability of power stations of TTPS and PTPS was 62.6 *per cent* and 22.91 *per cent* respectively during the five years up to 2009-10.

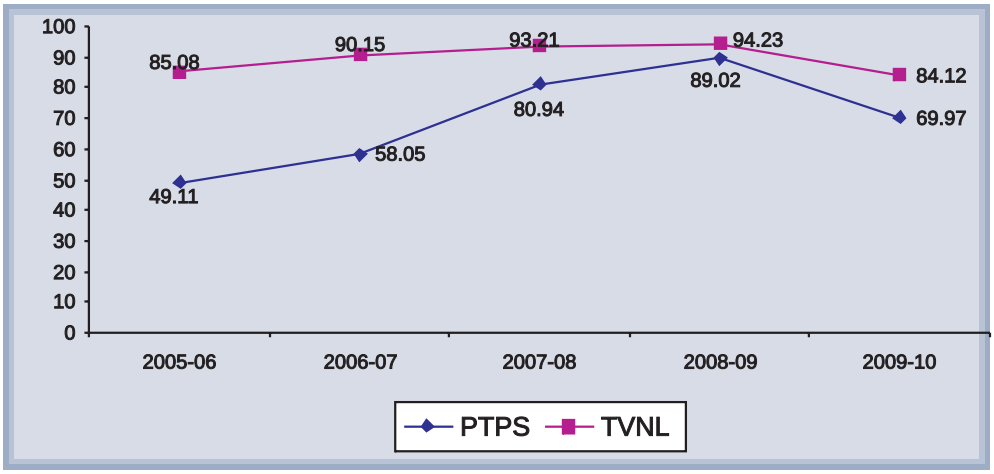
The details of total hours available, total hours operated, planned outages, forced outages and overall plant availability are shown below:

S.No.	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
TVNL						
1.	Total hours available	17520	17520	17520	17520	17520
2.	Operated hours	8607	14406	9138	11245	11526
3.	Planned outages (in hours)	Nil	Nil	Nil	Nil	Nil
4.	Forced outages (in hours)	8912	3078	6222	6275	5994
5.	Plant availability (*per cent*)	49	82	52	64	66
PTPS						
1.	Total hours available	87600	87600	87840	87600	87600
2.	Operated hours	20456	14817	16153	23395	25578
3.	Planned outages (in hours)	747	669	573	2143	1607
4.	Forced outages (in hours)	66397 (75.80)	72114 (82.32)	71114 (80.96)	62062 (70.85)	60415 (68.97)
5.	Plant availability (*per cent*)	23.35	16.91	18.39	26.71	29.20

The low availability of Power plants was due to longer duration of outages caused by inordinate delays in repair and maintenance. In TVNL there were no planned outages and preventive maintenance was not done. Also, planned outages taken in PTPS were very less ranging between 0.65 to 2.45 *per cent* against 10 *per cent* allowed by CEA. Consequently, number of trippings in the TPSs was very high. During the years 2005-06 to 2009-10, 367 trippings occurred in the plant and 13,170 hours were spent on the maintenance resulting in production loss of 1,939.16 MU. This could have been substantially controlled had the preventive maintenance of the plant been done. Besides, capital maintenance had also not been planned and administrative formalities like obtaining approval and placement of order were done keeping the plant idle which if previously planned could have reduced the period of capital maintenance.

Low Capacity Utilisation

4.2.33 Capacity utilisation means the ratio of actual generation to possible generation during actual hours of operation. The audit analysis revealed that 30.03 *per cent* and *15.88 per cent* of the installed capacity in PTPS and TVNL respectively remained unutilised.



The main reasons for the low utilisation of available capacity during 2005-10, as analysed in audit were:-

- Running of units with partial load / without load;
- Reduced capacity of old generating unit; and
- Constraints on transmission capacity

Outages

Forced outages in excess of norms resulted into loss of 3.16 lakh hours with consequent generation of 30,884 MU valuing ₹ 5600 crore

4.2.34 Outages refer to the period for which the plant remained closed for attending planned/forced maintenance. Audit observed following deficiencies in planned and forced outages:

- CEA had allowed 10 *per cent* outages for maintenance and repair of the plants. We observed, that most of the outages occurred in PTPS and TVNL were not planned outages and capital maintenance was carried out during the forced outages consuming unduly high time in capital maintenance. There was no system of preventive maintenance in PTPS and only breakdown maintenance was being done. The forced outages were due to bending of rotor, tube leakage, low pressure in boiler, flashing in breaker, heavy electrical jerk, flame failure, very high and low drum level *etc*. The forced outages in TVNL ranged between 17.57 to 50.87 *per cent* and in PTPS the same was 68.97 to 82.32 *per cent*.
- Had the forced outages in TVNL kept within the CEA norm availability of the plant for generation would have increased for additional 21,721 hours with consequent generation of 2,936.49 MU valuing ₹ 575.19 crore during 2005-06 to 2009-10.
- Similarly, in PTPS the availability of plant would have increased for additional 2.94 lakh hours with consequent generation of 27,947.43 MU valuing ₹ 5,024.92 crore during 2005-06 to 2009-10.

Auxiliary consumption of power

4.2.35 Energy consumed by power stations themselves for running their equipments and common services is called Auxiliary Consumption. JSERC norm for Auxiliary Consumption was 9 *per cent* in respect of TVNL. As the power stations of PTPS were old and outlived their normal life, JSERC had

Auxiliary consumption in excess of norms resulted into non-dispatch of 396.24 MU of energy valuing ₹ 73.58 crore to the grid

allowed higher norms of Auxiliary Consumption for PTPS which were 9 *per cent* for 2005-06 and 2006-07, 10.55 *per cent* for 2007-08 and 10.50 for 2008-09 and 2009-10.

- The actual auxiliary consumption of TVNL was 8.66 *per cent* to 14.67 *per cent* during 2005-06 to 2009-10. Auxiliary consumption in excess of norm was by 233.47 MU valuing ₹ 44.45 crore.
- In PTPS, the actual auxiliary consumption was 12.14 *per cent* to 16.56 *per cent* against the JSERC norms of 9 *per cent* to 10.55 *per cent* during 2005-06 to 2009-10. Auxiliary consumption in excess of norm was by 162.77 MU of energy valuing ₹ 29.13 crore.

Thus, excess energy consumption of 396.24 MU valuing ₹ 73.58 crore could not be dispatched to the grid. Reasons for the excess auxiliary consumption of power in PTPS was, continuous running of Cooling Tower fans, CW fans due to having in wet area and AC Seal oil pumps and other equipments at minus level after shut down of units. In TVNL, inefficient working of equipment like feed pumps, cooling water pumps, air fans, coal grinding mills, ash handling equipment, common auxiliaries etc. of the generating station led to high auxiliary consumption. However, these reasons were controllable and the plant management should have controlled them.

Wanakbari Thermal Power Station of GSECL achieved the lowest auxiliary power consumption at 7.05 *per cent* during 2008-09. (*Source: Performance Review of Thermal Power Stations 2008-09 by CEA.*)

High transformation loss of energy

Due to poor maintenance of switch yard and bus bar 103 MU of energy of ₹ 18.40 crore was lost

4.2.36 As per the Monthly Progress Report on Operation & Maintenance in PTPS, 103 MU of energy valuing ₹ 18.40 crore was shown as Transformation and other losses in the process of transfer of energy from generating units to switch yard, bus bar *etc*. The above loss of energy was due to poor maintenance of switch yard and Bus bar *etc*. which could have been controlled. Also, CEA has not allowed such loss.

Repairs & Maintenance

4.2.37 To ensure long term sustainable levels of performance, it is important to adhere to periodic maintenance schedules. The efficiency and availability of equipment is dependent on the strict adherence to annual maintenance and equipment overhauling schedules. Non adherence to schedule carry a risk of the equipment consuming more coal, fuel oil and a higher risk of forced outages which necessitate undertaking R&M works. These factors lead to increase in the cost of power generation due to reduced availability of equipments which affect the total power generated.

As per CEA capital maintenance of boilers was to be done every alternate year within a period of 30 days and capital maintenance of turbo generator was to be done once in five years along with boilers and should not exceed 50 days.

4.2.38 Capital maintenance of boiler and turbo generator of unit 1 & 2 of TVNL was done only twice after their commissioning in 1996 with delay of 31 to 37 months and only at the time when the units had undergone forced

outages due to major faults. Time taken in the capital maintenance was between 7 to 23 months which were much higher than the norm.

4.2.39 We observed that capital maintenance of PTPS unit No. 3, 5, 6, 8 and 9 was not carried out for 8 to 15 years though the units had already outlived their normal life. Delay in capital maintenance of the units ranged between 6 years to 10 years. There was no preventive maintenance and only breakdown maintenance were carried out. Consequently, condition of the plants deteriorated and the units suffered frequent breakdown resulting in generation loss.

Shut down in absence of preventive maintenance resulted in generation loss of 582.38 MU valued at ₹ 104.60 crore

4.2.40 Unit No. 3 and 5 were shut down since August 2003 and April 2004 respectively. There was no system of preventive maintenance in PTPS and only breakdown maintenance was being done. The average PLF of unit No. 3 & 5 were 17.54 and 6.97 *per cent* respectively. CEA had directed that the units had to be restored and 60 *per cent* PLF and stabilised power generation was to be achieved first by adopting better O&M practices before taking up R&M of the units. Restoration of unit No. 3 & 5 was proposed in July 2007 at an estimated cost of ₹ 25.29 crore and ₹ 35.88 crore respectively. The Board approved the proposal and tender was invited in August 2008. However, the tender was cancelled in February 2010 due to non availability of fund. Thus, the units, with a combined installed generation capacity of 130 MW remained shut down for more than 6 years and suffered generation loss of 582.38 MU valuing ₹ 104.60 crore.

4.2.41 The units No. 9 & 10 (110 MW each) of PTPS were shut down since August 2006 after a fire accident. The cost for restoration of the units was initially estimated at ₹ 98 crore. The Board decided for restoration of the units by BHEL, the Original Equipment Manufacturer (OEM) on turn key basis at negotiated rate and placed open order in September 2006. The estimated expenditure for restoration of the Units was revised by the Board (June 2007) to ₹ 244.14 crore. The purchase order/work orders for ₹ 160.52 crore were placed on BHEL (August 2007) and the units were to be commissioned by August 2008 and October 2008 respectively. However, the units have not been commissioned yet.

Non providing adequate fund resulted in delay in restoration of generating units which remained idle entailing generation loss of 661.91 MUs of ₹ 141.10 crore

Though the expenditure was to be financed by GOJ/loan from Power Finance Corporation (PFC), we observed that the funds were not tied up before commencement of the project. The GOJ had provided only ₹ 116.75 crore, JSEB failed to make timely payment to BHEL and could not execute other works required for restoration of the units. Total expenditure of ₹ 190.91 crore (July 2010) had been incurred. Meanwhile, the estimated cost on completion of the work had gone up to ₹ 350 crore including taxes and duties. Thus, inappropriate estimation of the cost of work and failure of GOJ in providing adequate fund resulted in delay in restoration of the 220 MW capacity generating units which remained idle for three and half years entailing generation loss of 661.91 MUs valuing ₹ 141.10 crore.

Thus, periodic maintenance as well as capital maintenance of the plants was not done which resulted into low efficiency and availability of equipment, high forced outages and higher consumption of coal and fuel oil as discussed in the respective paragraphs of the report. Main reasons for the same was non-availability of fund as the GOJ did not provide adequate fund in a timely

manner for the purposes and JSEB had no internal resource to meet the expenditure.

Renovation & Modernisation

4.2.42 Renovation & Modernisation (R&M) and refurbishment activities involve identification of the problems of unit of TPS, preparation of techno economic viability reports and preparation of detailed project reports (DPR) to lay down benefits to be achieved from these works.

R&M activities are aimed at overcoming problems in operating units caused due to generic defects, design deficiency and ageing by re-equipping, modifying and augmenting them with latest technology/systems. R&M activities are undertaken in TPS operating at Plant Load Factor (PLF) of 40 *per cent* and above after assessing the performance and requirement of the units. As per CEA norms Renovation and Modernisation (R&M)/Life Extension (LE) was to be taken up after 25 years or one lakh hours of operation of the plant. The 11 units of PTPS and SRHP being 26 to 44 years of age, were due for R&M/LE programme, none of the units were actually taken up. In this regard, we observed the following:

- JSEB decided in August 2003 for conducting Residual Life Assessment (RLA) in respect of unit No. 1 to 8 of PTPS. However, RLA of unit No. 4 and 7 only had been conducted during 2003-04 and 2005-06 respectively though R&M of units No.4 and 7 had not yet been done. RLA of Boiler and Turbine of unit No. 8 had also been conducted (May 2010).
- Unit No. 8 was under shut down since October 2005. Renovation, Modification & Uprating (RM&U) of capacity from 110 MW to 120 MW of unit No. 7 & 8 was proposed by the Board at an estimated cost of ₹ 500 crore. However, RM&U of the unit had not yet been taken up.
- The two units of SRHP, which were due for R&M / LE in 2002 / 2005 was proposed for R&M in the budget of the Board for the year 2005-06. However, the R&M of the two units of SRHP had not been done as the requisite fund was not provided by the GOJ.

Thus, R&M/LE of the 9 units of PTPS and 2 units of SRHP, though due, were not taken up. Main reasons for the same were non-provision of adequate fund for capital repair & maintenance, R&M/LE of the old and outlived units by the GOJ. GOI had earmarked ₹ 300 crore at concessional rate of interest under AGS & P scheme for Patratu TPS during 10th Five Year Plan period. The fund was to be made available to JSEB through PFC/REC. The Board did not send proposal to GOJ for availing the loan under AGS & P scheme and did not avail of the concessional loan extended by the GOI for restoration/R&M of the units.

Operation & Maintenance

4.2.43 The operation and maintenance (O&M) cost includes expenditure on the employees, repair & maintenance including stores and consumables, consumption of capital spares not part of capital cost, security expenses, administrative expenses etc of the generating stations besides corporate

expenses apportioned to each generating stations etc., but exclude the expenditure on fuel.

4.2.44 Further, as per the 'Generation Tariff Regulation, 2004 for plants set up before April 2004, O&M expenditure should be 2.50 *per cent* of the capital cost with an escalation of 6 *per cent* per annum. Accordingly, JSERC had approved the O&M expenditure of ₹ 316.01 crore only for the years 2005-06 to 2009-10 though the actual expenditure incurred during the period was ₹ 437.31 crore *i.e.*, higher by ₹ 121.30 crore as per the JSERC norm. Thus, disallowance of the O&M expenditure over the JSERC norm resulted in loss of ₹ 121.30 crore.

Financial Management

4.2.45 Efficient fund management is the need of the hour in any organisation. This also serves as a tool for decision making, for optimum utilisation of available resources and borrowings at favourable terms at appropriate time. The power sector companies, should, therefore, streamline their systems and procedures to ensure that

- Funds are not invested in idle inventory,
- Outstanding advances are adjusted / recovered promptly, and
- Funds are not borrowed in advance of actual need.

The main sources of funds were realisations from sale of power, subsidy from State/Central Government, loans from State Government/Banks/Financial Institutions (FI), etc. These funds were mainly utilised to meet cost of generation, payment of power purchase bills, debt servicing, employee and administrative costs, and system improvement works of capital and revenue nature.

4.2.46 The details of cash inflow and outflow in respect of TVNL for the years 2005-06 to 2009-10 are given below:

TVNL

(₹ in crore)

S.No.	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Cash Inflow						
1.	Net Profit/(loss)	(116.14)	(2.72)	(41.02)	(15.55)	(101.76)
2.	Add: adjustments	128.84	129.70	130.88	131.96	132.10
3.	Operating Activities	201.03	186.68	205.40	217.03	321.57
4.	Investing Activities	19.53	8.90	2.54	4.28	1.52
5.	Financing Activities	5.00	-	-	-	-
Total		**238.26**	**322.56**	**297.78**	**337.72**	**353.43**
Cash Outflow						
6.	Operating Activities	199.38	263.23	202.46	279.99	330.87
7.	Investing Activities	18.54	44.87	63.82	16.74	2.32
8.	Financing Activities	15.47	12.53	35.66	18.09	17.39
Total		**233.39**	**320.63**	**301.94**	**314.82**	**350.58**
Net Increase/Decrease in cash equivalent		4.87	1.93	(4.14)	22.90	2.85

We observed from the above that there was increase in cash equivalent during review period excepting 2007-08. Net cash outflow from operating activities during the period 2006-07, 2008-09 and 2009-10 was mainly due to poor

recovery/delay in recovery of power supply bills. Cash position was also adversely affected due to locking up of funds in inventory not required immediately and heavy capital expenditure without adequate returns. Therefore, there was an urgent need to optimise internal resource generation by enhancing the PLF to national level and vigorous pursuance of outstanding dues as well as effective recovery of energy bills. On the other hand, the Company could not utilise the available funds for the intended purposes and kept substantial funds in fixed deposits.

Following deficiencies in financial management were noticed:

- JSEB had been preparing budget estimate every year for capital expenditure. As it did not have its own resource, the budget provisions were made assuming that fund will be received from GOJ. Budget provision during 2005-06 to 2009-10 and funds received from GOJ are indicated below:

Year	Budget provision	Fund received
2005-06	183.00	103.13
2006-07	359.00	Nil
2007-08	470.00	63.88
2008-09	1237.00	Nil
2009-10	101.06	61.75

- It is evident from above that the fund received from the GOJ was not commensurate with the budget provision. JSEB had made provision of ₹ 2,350.06 crore in its annual budget for capital schemes during 2005-06 to 2009-10 against which ₹ 228.76 crore only was received from GOJ. Also, JSEB did not arrange fund from internal/other sources nor it was arranged from the Financial Institutions. As such, the planned capital schemes/projects were either not started or were not completed and capital maintenance of the units could not be done in a planned and timely manner.
- As per the guidelines of CERC, the Thermal Power Stations (TPS) had to maintain spares of ₹ 4 lakh for each MW of installed capacity. As per the CERC guidelines, the value of spares to be maintained by the TPSs worked out to ₹ 16.80 crore in TVNL. However, TTPS held a stock of spares valued at ₹ 45.83 crore to ₹ 66.75 crore at the end of the years 2005 to 2009 which was in excess of the norm. As at the end of 2009, TTPS held a stock of spares valued at ₹ 66.75 crore which was in excess of the CERC norm by ₹ 49.95 crore. This resulted in blocking up of funds involving substantial loss of interest.

Power Purchase Agreement with JSEB

4.2.47 TVNL entered into a Power Purchase Agreement (PPA) with JSEB (July 2005). The applicable rate for sale of energy to JSEB would be the rate decided by JSERC at delivery point as per the PPA. The tariff decided by the JSERC would be a single part tariff including fixed charge and variable charge and there was no provision for recovery of capacity charges. Further, in a situation where TVNL would be generating net energy lower than that

approved by JSERC for fixation of tariff, it would not be able to recover the entire fixed cost. We observed that

- TVNL could not generate the quantity of energy approved by JSERC and the net generation was substantially lower in 2005-06 and in the years 2007-08 to 2009-10. Consequently, there was under recovery of fixed cost by ₹ 97.92 crores.
- As per Tariff Policy notified by MOP in January 2006, the PPA should ensure adequate and bankable payment security arrangements to the Generating companies. However, in the PPA with JSEB, no payment security mechanism in the form of 'Escrow Account'or 'Letter of Credit' was stipulated. Consequently, huge amount of ₹ 555.50 crore remained outstanding as on 31.03.2010 due to non-payment of energy bills by JSEB. Thus, substantial working capital remained blocked during the period, recovery of which needs vigorous pursuance.

In absence of specific provision in the PPA, TVNL could not realize the DPS claim of ₹ 1106.06 crore

- As JSEB was not making full payment of energy bills to TVNL, the board of TVNL decided to levy Delayed Payment Surcharge (DPS) with effect from July 2003. Despite the decision of the Board of TVNL, no provision for levy of DPS was made in the PPA by the management. However, TVNL continued raising the DPS claims every month. As JSEB did not pay for any DPS claim, ₹ 1,106.06 crore remained outstanding as on 31.3.2010. Thus, in absence of specific provision in the PPA, TVNL would not be able to realise the amount.

Tariff Fixation

4.2.48 The power generating company is required to file the application for approval of Generation Tariff for each year 120 days before the commencement of the respective year or such other date as may be directed by the JSERC. The Commission accepts the application with such modifications /conditions as may be deemed just and appropriate and after considering all suggestions and objections from public and other stakeholders, issue an order containing targets for controllable items and the generation tariffs for the year within 120 days of the receipt of the application.

The Commission sets performance targets for each year of the Control Period for the items or parameters that are deemed to be controllable which include Station Heat Rate, Availability, Auxiliary Energy Consumption, Secondary Fuel Oil Consumption, Operation and Maintenance Expenses, Plant Load Factor, Financing Cost which includes cost of debt (interest), cost of equity (return) and Depreciation. Any financial loss on account of under performance on targets for above parameters is not recoverable through tariffs.

Delay in filing tariff petition resulted in loss of ₹ 5.68 crore

In this connection, we observed that TVNL had filed petition for FY 2005-06 in September 2005 *i.e.,*after a delay of 10 months on which the JSERC issued the Tariff Order in March 2006 fixing the power tariff at ₹ 1.90 per unit. As TVNL delayed filing the Tariff petition, the Commission implemented the tariff *w.e.f.* 1 January 2006 instead of 1 April 2005. As a result, TVNL had to sell power during the period April 2005 to December 2005 at pre revised rates. Thus, delay in filing tariff petition resulted in loss of revenue of ₹ 5.68 crore.

Environment Issues

4.2.49 In order to minimize the adverse impact on the environment, the GOI had enacted various Acts and statutes. At the State level, Jharkhand State Pollution Control Board (JSPCB) is the regulating agency to ensure compliance with the provisions of these Acts and statutes. Ministry of Environment and Forests (MoE&F), GOI and Central Pollution Control Board (CPCB) are also vested with powers under various statutes.

Audit scrutiny relating to compliance with the provisions of various Acts in this regard revealed the following:

Operation of plant without consent

4.2.50 The plant of TVNL was granted Air and Water consent under the Air (Prevention & Control of Pollution) Act, 1981 and Water (Prevention & Control of Pollution) Act, 1974 to operate the TPS for the period from January 2005 to December 2005 with certain conditions. Request of TVNL for renewal of Air and Water consent for the subsequent periods had not been acceded to by the JSPCB. Though TVNL had stated that most of the conditions were being complied by TVNL, conditions of 100 *per cent* ash water recirculation, Silo system to provide dry ash to the users outside the premises had not yet been complied. Thus, the plant was running without consent since January 2006 due to non-compliance of conditions set out by the JSPCB for which TVNL had been issued show-cause notices several times since 2005. In fact, TVNL had been threatened with closure of its TPS in the interest of public health and environment.

4.2.51 JSPCB had allowed (January 2007) PTPS to run production of electricity only upto 80 MW on the ground that SPM level and TSS of effluent water were above the norms. Since the SPM level and TSS of effluent water discharged could not be brought into the limit, JSPCB had not yet increased the production capacity beyond 80 MW and the TPS had been generating electricity with disregard to limit fixed by JSPCB.

Air Pollution

4.2.52 Coal ash, being a fine particulate matter, is a pollutant under certain conditions when it is airborne and its concentration in a given volume of atmosphere is high. Control of dust levels *i.e.,* Suspended Particulate Matters (SPM) in flue gas is an important responsibility of thermal power stations. Electrostatic Precipitator (ESP) is used to reduce dust concentration in flue gases. Control of dust level is dependent on effective and efficient functioning of ESPs.

Non-achievement of specified SPM levels

4.2.53 The SPM level in the Flue gas in PTPS was 241 µg/NM^3 to 910 µg/NM^3 against the JSPCB norm of 150 µg/NM^3. The high SPM level required replacement/modification of the ESPs. However, ESP of unit No. 10 only was modified in 2003 and there was no proposal for modification of the ESPs of the remaining units. In TVNL, the recorded SPM levels for the years under review ranged from 217 to 235 µg/NM^3 as against the designed level of 150 µg/NM^3.

Ash disposal

4.2.54 MoE&F issued a notification (September 1999) which provided that all existing thermal power plants have to achieve ash utilization level of 100 *per cent* in a phased manner by 2013-14. Also the thermal plant should supply fly ash to building material manufacturing units free of cost at least for 10 years. Ministry of Power, GOI directed the thermal power stations to ensure adequate dry fly ash collection & storage facilities to the users free of cost and the users were to lift the dry ash from there. In PTPS, fly ash is mixed with water to make slurry and pumped out to ash ponds. PTPS committed before the GOI in February 2006 to install dry ash storage facilities within 2 years. As per direction of Hon'ble High Court of Jharkhand, PTPS was required to construct dry fly ash collection system by October 2007 so that fly ash could be used for manufacturing value added products. The Hon'ble High Court had directed the Pollution Control Board to monitor the measures taken by the JSEB and take suitable action. JSEB appointed (August 2005) a consultant for setting up a dry fly ash collection system & SILO for unit No. 1 to 6 in PTPS and placed the work order (August 2008) after three years at a lump sum price of ₹ 21.00 crore. The work was to be completed by April 2009. However, the work was not yet complete.

4.2.55 TVNL had not yet constructed the dry fly ash collection system & SILO and placed only the order for preparation of DPR for dry fly ash collection system and SILO. TVNL had not sold ash to any brick or cement manufacturer during the period 2005-10. However, 18.96 MT of pond ash out of total 24.48 lakh MT of ash generated had been utilised by TVNL for filling of low lying areas at a cost of ₹ 11.65 crore. Since the ash pond had already been filled there was need for evacuation of the ash pond for which substantial expenditure was required.

This suggests that effective action had not been taken by PTPS/TVNL to construct the Dry Ash Collection System. Had the Dry Ash Collection System been constructed as per direction of MOEF, MOP, disposal of dry ash could have been made at minimal expenditure and a substantial portion of the expenditure of ₹ 11.65 crore incurred by TVNL on evacuation of ash could have been avoided.

Noise Pollution

4.2.56 Noise Pollution (Regulation and Control) Rules, 2000 aim to regulate and control noise producing and generating sources with the objective of maintaining ambient air quality. To achieve the above, noise emission from equipment be controlled at source, adequate silencing equipment should be provided at various noise sources and a green belt should be developed around the plant area to diffuse noise dispersion. The TPSs are required to record sound levels in all the areas stipulated in the rules referred to above.

We observed that no silencing equipments were installed to control the noise level and system for recording the sound levels was not in place in PTPS and TVNL as required under the rules. Also, recording of noise level at PTPS and TVNL were not being done.

Water pollution

4.2.57 The waste water of the power plant is the source of water pollution. As per the provisions of the Water (Prevention & Control of Pollution) Act, 1974, the TPSs are required to obtain the consent of JSPCB which *inter-alia* contains the conditions and stipulations for water pollution to be complied with by the TPSs.

As per norms prescribed by JSPCB, total suspended solids (TSS) in effluents from the TPSs should not exceed 100µg/litre. We noticed that TSS in effluent discharges from the following TPSs exceeded the standards for the years mentioned against them:

Sl.No.	Name of the TPS	Norms	2005-06	2006-07	2007-08	2008-09	2009-10
			Actual	Actual	Actual	Actual	Actual
1.	Patratu Thermal Power Station	100	462	164	77	94	2071
2.	Tenughat Thermal Power Station	100	16	2567	220	424	250

TSS present in effluent discharges from PTPS was 462 µg/litre in 2005-06 which increased to 2071 in 2009-10. In TTPS the percentage of TSS ranged between 16 to 2567 µg/litre during the period. The main reasons for exceeding the TSS standards were absence of sedimentation tanks, ineffective functioning of effluent treatment plants and leakage in pipes carrying ash slurry and non-maintenance of the Ash Pond area as per guidelines of Pollution Control Board. As the reasons are controllable, effective and time bound steps could have avoided the non-repairable damage caused to the water bodies.

Monitoring by top management

MIS data and monitoring of service parameters

4.2.58 JSEB/TVNL plays an important role in the State economy. For such a giant organisation to succeed in operating economically, efficiently and effectively, there should be documented management systems of operations, service standards and targets. Further, there has to be a Management Information System (MIS) to report on achievement of targets and norms. The achievements need to be reviewed to address deficiencies and also to set targets for subsequent years. The targets should generally be such that their achievement would make an organisation self-reliant. Audit review of the system existing in this regard revealed the following.

- Though JSEB/TVNL had an MIS system whereby information on various operational parameters/targets was sent to its headquarters on a monthly/quarterly basis, no follow up action was taken by the Board/company headquarters on regular basis.
- We observed that the post of the Chairman of TVNL remained vacant for different periods of about 25 months during the period under review. As a result the meetings of the Board of Directors could not be held regularly and only 10 Board meetings could be held in the year 2005-06 to 2009-10 as against 20 Board meetings required under the Companies Act, 1956. Also no

AGM was held during the year 2006-07 to 2009-10.Thus, Apex level monitoring of the affairs of the company was not done effectively. It was further observed that unit No. 1 of TTPS was under forced outage from 31 May 2007 due to damage of rotor. Overhauling work of the rotor was to be awarded to BHEL with approval of the Board. As the post of Chairman was vacant, approval of the Board could be obtained only in December 2007 delaying the commissioning of the unit by 7 months with resultant loss of power generation. Thus, normal operation of the plant was affected and generation loss of ₹ 140.77 crore was suffered by the company.

- Appointment of Managing Director of TVNL was being made on ad-hoc basis, The GOJ appointed the Member (Technical), JSEB as Director (Technical) cum Managing Director in November 2004 for a maximum period of six months which was extended till October 2007. Thereafter, General Manager cum Chief Engineer, JSEB was appointed as Managing Director of TVNL in December 2007 for three months, who was holding the post till date with periodical extensions. The post of Managing Director remained vacant for 207 days during the period under review. As a result of the failure to fill up the top management post and appoint a regular incumbent as MD, the quality of management suffered and important decisions were delayed.

Conclusion

- There was no addition in power generation capacity during 2005-2010 to meet the power demand in line with the National Policy of Power for All by 2012.
- Adequate funds for the projects for capacity additions, R&M/life extension, capital maintenance of the units and for restoration of the shut down units were not made available by the GOJ.
- Manpower was not rationalized and there was no recruitment policy in TVNL
- Generation from the existing TPSs of JSEB/TVNL was abysmally low due to inefficient operation/lack of maintenance of the power plants.
- There was no system of preventive maintenance in JSEB and planned shut downs were not taken in TVNL for capital maintenance.
- Renovation and modernisation/Life extension and adequate capital maintenance of the old and outlived plants of the State had not been done.
- Effective monitoring was not done at TVNL as the post of Chairman remained vacant for a considerable period and ad-hoc appointments were made in the post of Managing Director.

Recommendations

We suggest that:

- GOJ should implement the proposed projects for capacity addition, particularly those planned with the available infrastructure in PTPS/TVNL without any delay.

- GOJ/JSEB should provide/arrange adequate fund for restoration/ renovation & modernisation of the units of PTPS and undergoing restoration of the shut down units of PTPS should be completed without delay.
- Rationalisation of manpower should be done to achieve its optimum utilisation.
- Scheduled preventive maintenance as well as prompt breakdown maintenance in the operating units should be conducted to control forced outages and maximise generation in PTPS/TVNL.
- Planned shut down should be taken for capital repair/maintenance in JSEB/TVNL.
- GOJ and the Board should undertake renovation and modernisation/Life extension as well as capital maintenance of the units of JSEB/TVNL in a planned and timely manner.
- GOJ should ensure effective monitoring at Board level in TVNL and the post of Managing Director be filled up as per the selection process.

Section 'B' Transaction Audit Observation

Important audit findings emerging out of test check of transactions of the State Government companies/ corporation are included in this Chapter.

Government Companies

Jharkhand Police Housing Corporation Limited

4.3 Irregular award of work

Lack of financial propriety in the construction of portable huts and avoidable payment of transportation charges of ₹ 1.84 crore to the contractor.

The Government of Jharkhand (GOJ) entrusted (March 2006) Jharkhand Police Housing Corporation Limited (JPHCL) the project for construction of 46 portable huts to provide shelter to Central Para Military Force personnel at a cost of ₹ 31.60 crore. The construction of portable huts included construction of foundation and plinth, supply and erection and this composite work was not covered by the Schedule of Rates (SoR). According to the resolution of GOJ (February 2002), JPHCL was required to invite tenders for the works which were not covered under SoR.

We, however, observed (October 2009) that the work was awarded (March 2006) to M/s Sintex Industries Ltd (SIL), Kalol, Gujrat (contractor) on the basis of a suo-moto proposal received from them to complete the work at DGS&D[1] rate contract. The contractor neither provided Schedule 'C'[2] nor JPHCL obtained it from the available sources to find the economic parallel rate contracts under DGS&D. The committee of JPHCL, constituted on 29 March 2006, did not consider purchase of the items from any parallel rate contract holders who were located in nearby places like Kolkata and accepted (31 March 2006) proposal of SIL, Kalol, Gujarat.

According to the circular (October 2003) of Finance Department, GOJ, the articles on DGS&D rate contract should be purchased locally to minimize the net cost to the Government. The circular also stated that if in the list of DGS&D firms, there were authorized dealers in the State of Jharkhand then the articles would be purchased from such dealers only. We observed that an amount of ₹ 1.84 crore was paid to the contractor on account of transportation of portable huts from Kalol, Gujrat to Jharkhand. This could have been avoided, had the contract been awarded to the local contractor or through inviting tender. Previously, the local dealer of the contractor had also supplied the portable huts without charging any transportation cost to Jharkhand Armed Police (JAP) I battalion at Ranchi. We further observed that as per the DGS&D rate contract the station of dispatch of portable huts was Kalol, Gujarat, but 30 numbers of portable huts were dispatched from Uleberia, West

[1] Director General of Supplies and Disposal

[2] Schedule 'C' provides the list of parallel rate contract holders

Bengal and the contractor charged excess transportation cost from Kalol, Gujarat though the items were shipped from Uleberia, West Bengal.

We further observed that the quality inspection which was required to be done by DGS&D was dispensed with at the behest of the contractor itself which suggested that in view of the urgency, the quality inspection by DGS&D officials be dispensed with. In the absence of quality inspection, the quality of the portable huts constructed was poor and there were numerous complaints about inferior quality from users. The main constituents of the work of construction of portable huts were construction of plinth and foundation and supply and erection. But measurements were recorded only for the construction of plinth and foundation work and no measurement was recorded for supply and erection of portable huts. Stock account of portable huts was also not maintained. After completion of erection work, inspection was to be carried out at consignee's end but no such inspection was conducted by JPHCL.

Thus, award of the work of construction of portable huts without tendering was in violation of prescribed rules and regulations and allowing unnecessary transportation charges to the contractor of ₹ 1.84 crore led to non safeguarding the financial interests of Government and a sum of ₹ 28.70 crore was paid to the contractor without inspection to ensure that the work was completed as per DGS&D specification.

The Management accepted (October 2010) that Schedule 'C' relating to parallel rate contract holders and other alternative proposal of any agency other than SIL for purchase of portable huts was not available in the records of the JPHCL. It further stated that its Technical Committee had assessed the technical work experience of the contractor by scrutinizing various work orders of different departments and by visiting the site of portable huts constructed at Jharkhand Armed Police (JAP-I), Ranchi. It also stated that the portable huts were handed over after the site engineers of JPHCL had examined and satisfied themselves.

The reply was not correct as by the time Technical Committee submitted its report in March 2006, the work of JAP-I, Ranchi was not started and all the work orders by different departments were given to the contractor following the prescribed procedure of inviting tenders /quotations. Also, the measurement book (MB) did not show that the materials had actually arrived and handing/taking over note by JPHCL engineers was not given. Further, certificate that the work has been completed as per DGS&D specification was also not recorded in the MB.

The matter was reported (June 2010) to the Government; its reply was awaited (October 2010).

Statutory Corporation

Jharkhand State Electricity Board

4.4 Lack of financial propriety

Lack of financial propriety in purchase of meter boxes/cable and non-installation of the meter boxes resulted in blocking of ₹ 10.50 crore with loss of interest of ₹ 3.13 crore.

The Board procured 1, 20, 000 (November 2005) single phase electronic meters. In order to check the theft of energy and to enhance the revenue realization, the Board decided (May 2006) to install these single phase meters with meter box at the consumers' premises and authorised the General Manager-cum-Chief Engineer (GM-cum-CE) at the Electric Supply Area (ESA) Offices for procurement of the meter boxes.

Accordingly, Electric Supply Area (ESA) office at Dumka invited tender (June 2006) for procurement of 20,000 single phase meter boxes in which M/s D.N. Engineering, Deoghar, at quoted price of ₹ 501 per meter box was adjudged the lowest tenderer. However, purchase orders for 32,700 meter boxes were placed at the rate of ₹ 501 per meter box (March 2007) on 11 parties splitting the total quantity. Similarly, in the tender (May 2007) for purchase of 50 kms cable M/s Raja Enterprises was the L-1 with a price of ₹ 72,000 per km. However, purchase orders (P.Os) for 50 kms cable were split up and placed (July 2007) on three tenderers. The repeat orders for the additional quantity of 150 kms cables, were also placed (June 2008) on M/s Raja Enterprises at the same price.

The Chief Engineer (Store & Purchase) further directed (May 2007) other ESAs to procure meter boxes by completing the tender process and to negotiate with the L-1 bidder for bringing down the price equal to or below the price at which ESA Dumka procured the meter box. However, ESA, Medininagar and Dhanbad adopted the L-1 price *i.e.* ₹ 501 per meter box and ₹ 72,000 per km of cable as the bench mark fixed by the CE (S&P) and placed orders for meter boxes and cable on nomination basis without inviting tender. The Board procured a total quantity of 1,51,443 meter boxes and 783 kms of metering cable by issuing 58 P.Os and 37 P.Os respectively at a total cost of ₹ 13.23 crore during July 2007 to November 2008.

We observed (May 2009/January 2010) that the Member (T) delegated (June 2007) the financial power of ₹ 2 crore to GM-cum-CE, which was in contravention of the rule 9(b) of "Delegations of Financial Power" (financial delegations) of JSEB which authorized only the Central Purchase Committee (CPC) of the Board to delegate such financial power. As per the terms & conditions of financial delegations (Sl. No. 5), the work should not be split up into parts to bring them within delegated powers but contrary to this, 85 nos. of P.Os valuing ₹ 7.67 crore were split up and placed by GM-cum-CE of 5 ESAs to bring the value within the delegated financial power of ₹ 10 lakh. The GM-cum-CE was delegated with financial power of ₹ 10 lakh in each case for purchase of store (Rule 9 (b) (2) of financial delegations) but contrary

to this 10 P.Os above ₹ 10 lakh were placed by GM-cum-CE of 3 ESAs[3] for total value of ₹ 5.57 crore. Further, as per CVC guidelines[4] for tendering principle, price bid of those bidders who were technically qualified should be opened only. Contrary to this, ESA, Dumka considered price bids of 6 tenderers who were technically disqualified and orders were placed on them.

Out of 1,51,443 meter boxes and 783 kms of metering cables, only 22,059 meter boxes and 224.78 kms of cable were installed (October 2010) and balance 1,29,384 meter boxes and 558.22 kms cable valuing ₹ 10.50 crore were lying idle for about 16 to 38 months which resulted in blocking of funds of ₹ 10.50 crore and consequential loss of interest of ₹ 3.13 crore[5] The requirement of meter boxes and cables was not assessed before finalising the procurement and thus the purchase decisions were hasty and lacked financial propriety.

The Board in its interim reply (September 2010) has accepted that procurement of excess quantity was not justified in respect of ESA Dumka and also the meter boxes procured in all 5 ESA were lying unutilised ranging between 50 *per cent* and 91.40 *per cent.* The Board further stated that the action was being initiated against all erring officers involved in making such futile procurement without adhering to the rules and regulations.

We suggest that the purchase of bulk quantity of equipment should be made in a centralised manner by the purchase wing of the Board after properly assessing the requirement and adhering to the laid down policy / rules of the Board.

The matter was reported to the Board/Government in January 2010; their replies were awaited (October 2010).

4.5 Loss of revenue due to short levy of demand charges

The Board was deprived of revenue to the tune of ₹ 0.94 crore due to delay in assessment of load and not adhering to the prescribed procedure for HTSS consumer.

M/s Bimaldeep Steel (P) Ltd[6], 11 KV High Tension Service (HTS) consumer with contract demand of 600 KVA at Electric Supply Area, Jamshedpur, requested (June 2008) the Board for extension of load to 4800 KVA at 33 KV under HTSS tariff which was sanctioned (August 2008). The consumer further requested (November 2008) for extension of load to 7000 KVA which was also sanctioned (November 2008). An agreement was executed (February 2009) with the consumer and the General Manager-Cum-Chief Engineer, Jamshedpur accorded the approval (April 2009) for energisation of the electric connection to consumer in anticipation of final approval of tapping of the line by the Board. The connection was energized in (April 2009) by tapping the line.

[3] Medninagar, Jamshedpur & Hazaribag.

[4] Vide O.O.No. 44/09/03.

[5] Calculated at 13 *per cent* interest rate, at which the Board borrows fund from the State Government.

[6] Consumer No. HJAP-163

We observed (January 2010) that the Board granted (May 2009) permission for tapping the line without assessing the exact load requirement of the tonnage of induction furnace in contravention of the tariff schedule of JSEB which stipulated that in the case of High Tension Special Service (HTSS) consumer having induction furnace, the supply to the induction furnace should be made available only after ensuring that the loads sanctioned were corresponding to the load requirement of tonnage of furnace and no supply would be given below this norms. The demand charges should be levied on actual demand recorded in the meter during the month or 100 *per cent* of the contract demands whichever was higher. Though measurement of capacity of the induction furnace crucibles had already been made by the Board in March 2009, the Board fixed the load requirement at 10,800 KVA only in October 2009 i.e. after a delay of seven months. The Board also instructed the Area Office to complete the necessary formalities for a minimum contract demand of 11,000 KVA at 33 KV line. We further observed that despite the Board's instructions, the Electric Supply Area (ESA) did not contemplate any formalities for finalization of agreement with the consumer and continued levying the demand charges based on the contract demand of 7000 KVA recorded from April 2009 onwards. As a result, the realization of demand charges was lower by ₹ 0.94 crore[7] during the period April 2009 to May 2010 due to energisation of supply without assessing the exact required load as per the capacity of the induction furnace.

The Board accepted (September 2010) the facts and stated that the load of the consumer had been enhanced to 11000 KVA (June 2010) and raised additional supplementary bill of ₹ 1.31 crore[8] for the excess demand charge on the consumer. The Board further stated that against the claim, the consumer had filed a writ petition and as an interim relief the court had directed not to disconnect the line of the petitioner, if he had paid his current bill. The facts remained that due to non adhering to the prescribed procedure for sanctioning of power supply and non finalisation of agreement with the consumer, the Board could not realise the revenue of ₹ 0.94 crore.

The matter was reported to the Government (March 2010); its reply was awaited (October 2010).

4.6 Avoidable expenditure

Avoidable expenditure of ₹ 1.36 crore due to non synchronisation of information in computerised bills.

The Electric Supply Area (ESA), Jamshedpur of Jharkhand State Electricity Board (Board) outsourced (August 2002) the entire operations of computerised energy billing right from meter reading to generation of monthly energy bills, bill distribution, meter surveillance, hard board (paper bond) binding, preparation of consumer's assessment ledger, Revenue Statement – I and other reports, list of defaulter consumers/disconnected consumers etc to three agencies namely M/s Crystal Computer Informatics Centre Pvt. Ltd., Ranchi, M/s Prakriti Enterprises, Patna under Electric Supply Division(ESD),

[7] Worked out at contract demand of 10,800 KVA.

[8] Worked out by the Board at contract demand of 11,000 KVA for the period April 2009 to May 2010.

Jamshedpur and M/s Info Softdata Services Pvt. Ltd., Jamshedpur under ESD, Adityapur.

The agreements (September 2002) entered with M/s Crystal Computer Informatics Centre, M/s Info Softdata Services and M/s Prakriti Enterprises stipulated that besides other works, preparation of Revenue Statement- I and other compiled reports containing all the information in respect of all the consumers in the Division. We observed (January 2010) that M/s Crystal Computer Informatics Centre and M/s Info Softdata Services had been preparing Revenue Statement-I, category wise and tariff wise and M/s Prakriti Enterprises was preparing the Revenue Statement I, division wise and also sub-division wise. The payment for preparation of the revenue statement was made @ ₹ 0.09 per consumer/per month/per copy separately for each category as per the agreement. Accordingly, the Board made payment separately for preparation of Revenue Statement- I (category wise, tariff wise) to two agencies[9] and also (division-wise and sub division-wise separately) to one agency[10]. The information contained in the Revenue Statement-I either category-wise/tariff-wise or division-wise/subdivision wise was similar and only one statement either category wise or tariff wise prepared in respect of all the consumers would have served the purpose. Further, the Board also made payment to M/s Info Softdata for Revenue Statement-IV as category wise and tariff wise separately which was replicated information. The Board paid ₹ 12 lakh to these agencies during the period 2007-08 to 2008-09 for such reports which could have been avoided.

Further, these agencies prepared a number of compiled reports viz., (i) tariff-wise assessment of all consumers (ii) tariff-wise assessment of non-Government consumers (iii) billing status of non-Government and Government consumers (iv) tariff-wise collection of all consumers (v) tariff-wise collection of non-Government consumers (vi) tariff-wise assessment (vii) cash book collection (viii) category-wise running arrear analysis of non-Government consumers (ix) category-wise arrear analysis of non-Government and Government consumers (x) category-wise running arrear analysis of non-Government and Government consumers (xi) category-wise arrear analysis of non-Government consumers (xii) statement of accounts (xiii) category-wise total assessment of current month (xiv) category-wise units sold in current month (xv) meter reading and billing, tariff –wise and section-wise etc. and charging @ ₹ 0.09 per consumer/per month/per copy. The Board paid ₹ 1.24 crore for the period April 2007 to March 2009 for all such information generated by these agencies, which was already available in Consumer's Assessment Ledger and Revenue Statement-I and could have been utilised.

We further observed that the ESA/Board did not have any adequate mechanism to cross check or verify the necessity of information/report/ statement prepared by these agencies which were either similar or available in Consumer's Assessment Ledger. The ESA neither reviewed the optimum requirement of reports/statements nor made efforts to control the avoidable expenditure on production of these duplicate information and its multiple

[9] M/s Info Softdata Services Pvt. Ltd and M/s Crystal Computer Informatics Centre Pvt. Ltd.

[10] M/s Prakriti Enterprises.

copies for which Board had made the payment. The Chairman, JSEB had also directed (February 2008) to stop granting further extension to the agencies and to go for fresh tendering besides review the ongoing practice of computerized billing. However, no effective action was taken by the Board in this regard and extension was granted to all the three agencies at regular intervals till September 2009. The Board, however, made the payment to these agencies upto March/July 2009 and ordered (May 2010) to suspend all the payments to these agencies involved in computerized billing.

Thus, due to lackadaisical approach and inaction to synchronise the requisite information with reports generated through computerized billing, the Board incurred an avoidable expenditure of ₹ 1.36 crore.

The matter was reported to the Board/Government in June 2010; their replies were awaited (October 2010).

4.7 Injudicious Procurement

Injudicious procurement of copper control cables worth ₹ 2.29 crore and consequent loss of interest of ₹ 79 lakh.

Jharkhand State Electricity Board (Board) issued (December 2006) a purchase order in favour of M/s Insucon Cables and Conductors (P) Ltd., for supply of 140 kms, FRLS PVC copper conductor control cable of different sizes and cores for augmentation and construction of 33 KV bays at different locations under various transmission zones *i.e.* Ranchi, Dumka and Jamshedpur at a total landed cost of ₹ 2.53 crore. The delivery was completed in April 2007.

We observed (May 2009) that without assessing the further requirement and availability of 143.439 kms of copper control cables in stores (as on November 2007), two subsequent purchase orders were issued (December 2007) to M/s Ashoka Industries and M/s Insucon Cables & Conductors (P) Ltd. for supply of 136 kms of same material at a total cost of ₹ 2.29 crore on same terms and conditions. The delivery of the material was completed in February 2008. Subsequent to procurement of copper conductor control cables (February 2008), only 68.493 kms of cable were issued till October 2010. This requirement of copper conductor cables of the Board could have been met easily from the stock available (November 2007) in the various stores under these transmission zones. This indicated that there was no further requirement of the copper conductor control cables for which subsequent purchase orders were placed. Thus, the procurement of 136 kms of copper conductor control cables was injudicious which resulted in blocking of funds of ₹ 2.29 crore with consequential loss of interest of ₹ 79 lakh[11] as the Board was borrowing for its working capital.

The matter was reported to Board / Government in June 2010, their replies were awaited (October 2010).

[11] Interest calculated at 13 *per cent* per annum.

4.8 Wasteful procurement

Procurement of Space Clima Boiler Maintenance Platform followed by its non-utilisation resulted in infructuous expenditure of ₹ 40.47 lakh

A manufacturer, M/s Tractel Tirfor India Pvt Ltd. approached (July 2004) Jharkhand State Electricity Board (Board) with a proposal for supply of Space Clima Boiler Maintenance Platform for maintenance and cleaning of inner walls of boilers of Thermal Power Station to reduce boiler maintenance time and help to produce more electricity. To assess its usefulness and requirement, the GM, Patratu Thermal Power Station (PTPS) recommended the Board (January 2005) to procure one set on propriety basis. On further ascertaining (February 2005 and April 2005) its techno-economic feasibility with cost benefit analysis, the PTPS intimated (May 2005) that Space Clima would be useful for Station-B [12] only. Since the Board had no Space Clima available at PTPS, it was not possible for them to do any cost benefit analysis. JSEB further asked (December 2005) PTPS for its suitability for Russian make 50 MW boilers at station 'A'[13] of PTPS, but without waiting for the reply, CE (Generation) moved (December 2005) an agenda in Central Purchase Committee (CPC) for the said procurement.

We observed (March 2010) that the letter of intent (LOI) was issued (January 2006), prior to its approval by CPC. The scheduled delivery period of this equipment was 10-12 weeks from the date of receipt of LOI. However, the CPC approved its procurement (March 2006) and ordered (June 2006) for procurement of one set of Space Clima at a landed cost of ₹ 40.47 lakh. The material was received (June 2006) at PTPS.

We further observed that the Space Clima Boiler Maintenance Platform was procured as a proprietary item without any tender process and ascertaining its techno-economic feasibility for the units of stations A and B of PTPS but this equipment remained idle for almost four years till March 2010. On being pointed out in audit, the Board issued it (April 2010) for residual life assessment study purpose (RLA). Thus, an expenditure of ₹ 40.47 lakh incurred on its purchase proved infructuous.

The Board stated (September 2010) that the equipment had been issued from the store (April 2010) and being used in boiler of unit no. 8 for residual life assessment (RLA) study purpose and would also be utilized for maintenance of boilers of 110 MW station B as per requirement. The reply of the Board does not hold good and as the equipment was issued not for the purpose it was purchased. The equipment was kept idle in stores for almost four years and was issued from the store for RLA study after pointing out by audit. The warranty/guarantee of the equipment against any bad workmanship and defects had already been elapsed in May 2007.

[12] comprising four units of 110 MW each of PTPS.

[13] comprising 6 units (4 units of 50 MW and 2 units of 100 MW each).

The matter was reported (June 2010) to the Government; their reply was awaited (October 2010).



Ranchi,
The

(RAKESH KUMAR VERMA)
Principal Accountant General (Audit)
Jharkhand

Countersigned



New Delhi,
The

(VINOD RAI)
Comptroller and Auditor General of India

Appendix - 1.1
(Refer paragraph 1.1.7.1; page- 5)

Statement of funds released by JSRRDA to PIUs and its utilisation

(₹ in crore)

Year	Name of PIUs	Opening balance	Fund received	Total available fund	Amount surrendered to JSRRDA	Expenditure	Closing balance
2005-06	Bokaro	7.44	0	7.44	0	2.97	4.47
	Chaibasa	6.31	0	6.31	0	1.85	4.46
	Chakradharpur	3.40	0	3.40	0	1.26	2.14
	Daltanganj	7.38	0	7.38	0	2.36	5.02
	Deoghar	5.83	0	5.83	0	2.85	2.98
	Dumka	4.68	4.59	6.67	2.60	0.84	5.83
	Giridih	0	5.05	5.05	0	5.00	0.05
	Gumla	6.32	0	6.32	0	2.46	3.86
	Ranchi	9.95	0	9.95	0	4.70	5.25
Sub total		**51.31**	**9.64**	**58.35**	**2.60**	**24.29**	**34.06**
2006-07	Bokaro	4.47	1.68	6.15	0	2.34	3.81
	Chaibasa	4.46	1.07	4.38	1.15	1.66	2.72
	Chakradharpur	2.14	0	2.14	0	0.85	1.29
	Daltanganj	5.02	2.67	7.69	0	1.95	5.74
	Deoghar	2.98	1.74	4.72	0	2.24	2.48
	Dumka	5.83	2.84	8.67	0	5.03	3.64
	Giridih	0.05	5.44	5.49	0	4.32	1.17
	Gumla	3.86	1.46	5.32	0	1.90	3.42
	Ranchi	5.25	4.13	9.38	0	4.13	5.25
Sub total		**34.06**	**21.03**	**53.94**	**1.15**	**24.42**	**29.52**
2007-08	Bokaro	3.81	7.27	11.08	0	3.71	7.37
	Chaibasa	2.72	1.65	4.37	0	2.22	2.15
	Chakradharpur	1.29	1.24	1.24	1.29	0.14	1.10
	Daltanganj	5.74	8.65	8.93	5.46	3.77	5.16
	Deoghar	2.48	6.25	8.73	0	4.62	4.11
	Dumka	3.64	5.25	6.33	2.56	2.62	3.71
	Giridih	1.17	8.45	9.62	0	4.47	5.15
	Gumla	3.42	4.32	2.88	4.86	2.14	0.74
	Ranchi	5.25	6.78	7.42	4.61	4.65	2.77
Sub total		**29.52**	**49.86**	**60.60**	**18.78**	**28.34**	**32.26**
2008-09	Bokaro	7.37	22.84	30.21	0	27.46	2.75
	Chaibasa	2.15	5.61	7.76	0	5.39	2.37
	Chakradharpur	1.10	4.25	4.25	1.10	3.23	1.02
	Daltanganj	5.16	10.49	11.81	3.84	10.56	1.25
	Deoghar	4.11	9.75	13.86	0	9.69	4.17
	Dumka	3.71	7.12	7.96	2.87	5.43	2.53
	Giridih	5.15	29.44	31.52	3.07	28.13	3.39
	Gumla	0.74	6.68	7.24	0.18	5.60	1.64
	Ranchi	2.77	10.39	10.99	2.17	8.22	2.77
	HSCL	0	0.31	0.31	0	0.14	0.17
Sub total		**32.26**	**106.88**	**125.91**	**13.23**	**103.85**	**22.06**
	Bokaro	2.75	43.71	46.46	0	46.46	0.00
	Chaibasa	2.37	20.79	18.63	4.53	18.63	0.00

(₹ in crore)

Year	Name of PIUs	Opening balance	Fund received	Total available fund	Amount surrendered to JSRRDA	Expenditure	Closing balance
	Chakradharpur	1.02	12.42	10.83	2.61	10.73	0.10
	Daltanganj	1.25	12.28	12.28	1.25	12.24	0.04
	Deoghar	4.17	10.80	14.97	0	14.97	0.00
	Dumka	2.53	25.44	19.65	8.32	19.65	0.00
	Giridih	3.39	77.75	70.57	10.57	70.57	0.00
	Gumla	1.64	23.53	21.26	3.91	21.26	0.00
	Ranchi	2.77	11.06	11.07	2.76	11.06	0.01
	HSCL	0.17	1.38	1.55	0	0.59	0.96
Sub total		**22.06**	**239.16**	**227.27**	**33.95**	**226.16**	**1.11**
Grand total		**51.31**	**426.57**	**477.88**	**69.71**	**407.06**	**1.11**

Appendix - 1.2
(Refer paragraph 1.1.7.5; page- 7)

Statement showing short deduction of royalty

(₹ in lakh)

Name of PIUs	Details of the agencies		Phase Nos./	Vr. Nos/Date	Royalty	Royalty	Short
	Nos.	Name	Package Nos.		deductible	deducted	deduction
	1	Kumar A.S. Const.	I/ JH1506	1/03-01-04	0.96	0.48	0.48
	2	Kumar Const.	II/ JH 1705	2/03-01-04	0.20	0.10	0.10
	3	A.S. Const.	I/ JH1506	1/01-02-04	1.00	0.50	0.50
	4	Krishna Nand	II/ JH1501	2/20-02-04	0.20	0.10	0.10
	5	A.K. Pandey	II/ JH 1704	3/28-02-04	0.30	0.15	0.15
	6	M/s Kumar Const.	II/ JH 1705	4/28-02-04	1.28	0.64	0.64
	7	M/s Durga Const.	II/ JH 1703	5/28-02-04	0.52	0.26	0.26
	8	M/s Sunil Tiwari	II/ JH 1701	7/28-02-04	0.82	0.41	0.41
	9	M/s Lal Suraj	II/ JH 1702	1/20-03-04	0.20	0.10	0.10
	10	M/s A.K. Pandey	II/ JH 1704	2/31-03-04	0.20	0.10	0.10
	11	M/s Sunil Tiwari	II/ JH 1701	3/31-03-04	0.96	0.48	0.48
	12	M/s Lal Suraj	II/ JH 1702	1/16-04-04	0.34	0.17	0.17
	13	do	II/ JH 1702	1/04-06-04	0.16	0.08	0.08
	14	M/s Durga Const.	II/ JH 1703	2/04-06-04	0.50	0.25	0.25
	15	M/s Kumar A.S Cont.	I/ JH1506	3/04-06-04	0.50	0.25	0.25
	16	M/s Lal Suraj	II/ JH 1702	6/16-06-04	0.58	0.29	0.29
	17	M/s Sunil Tiwari	II/ JH 1701	7/16-06-04	0.30	0.15	0.15
	18	M/s Lal Suraj	II/ JH 1702	1/21-07-04	2.92	1.46	1.46
	19	M/s Sunil Tiwari	II/ JH 1701	1/09-08-04	0.10	0.05	0.05
	20	do	do	2/10-08-04	1.18	0.59	0.59
Daltonganj	21	M/s Kumar Const.	III/ JH 1703	1/14-09-04	0.46	0.23	0.23
	22	M/s Lal Suraj	III/ JH 1702	2/15-09-04	0.68	0.34	0.34
	23	M/s Kumar Const.	III/ JH 1703	2/10-11-04	2.28	1.14	1.14
	24	M/s Lal Suraj	II/ JH 1702	3/24-11-04	0.22	0.11	0.11
	25	M/s Kumar Const.	III/ JH 1703	1/07-12-04	2.26	1.13	1.13
	26	M/s Durga Const.	II/ JH 1703	3/07-12-04	0.42	0.21	0.21
	27	M/s Kumar A.S Cont.	I/ JH 1506	4/08-12-04	0.22	0.11	0.11
	28	M/s Shivam Plannets	III/ JH 1705	5/16-12-04	1.40	0.70	0.70
	29	M/s Lal Suraj	II/ JH 1702	6/21-12-04	1.34	0.67	0.67
	30	M/s Krishna Nandan	I/ JH 1503	9/29-12-04	0.72	0.36	0.36
	31	do	I/ JH 1503	10/31-12-04	0.12	0.06	0.06
	32	M/s Shivam Plannets	III/ JH 1705	2/25-01-05	1.54	0.77	0.77
	33	M/s Durga Const.	II/ JH 1703	1/09-02-05	0.40	0.20	0.20
	34	M/s Kumar A.S Cont.	I/ JH 1506	2/09-02-05	0.18	0.09	0.09
	35	M/s Shivam Plannets	III/ JH 1705	2/21-03-05	0.82	0.41	0.41
	36	M/s Kumar Const.	III/ JH 1703	3/29-03-05	0.94	0.47	0.47
	37	do	do	4/29-03-05	0.34	0.17	0.17
	38	M/s Shivam Plannets	Patkholia to Dabra	3/09-05-05	1.04	0.52	0.52
	39	M/s Durga Const.	II/ JH 1702	2/04-06-05	0.42	0.21	0.21
	40	M/s Lal Suraj	II/Tarhari Middle School Packri	3/28-06-05	0.24	0.12	0.12

(₹ in lakh)

Name of PIUs	Details of the agencies		Phase Nos./ Package Nos.	Vr. Nos/Date	Royalty deductible	Royalty deducted	Short deduction
	Nos.	Name					
	41	M/s Shivam Plannets	V/Dhub to Basaria	1/17-07-05	0.42	0.21	0.21
	42	do	III/Patkholia to Dabra	2/17-07-05	0.22	0.11	0.11
	43	M/s Kr. A.S.Con.	I/ JH 1506	6/22-07-05	0.24	0.12	0.12
	44	M/s Shivam Plannets	III/ JH 1705	1/03-12-05	1.02	0.51	0.51
	45	M/s Sunil Tiwari	II/ JH 1701	3/07-12-05	4.98	2.49	2.49
	46	M/s Lal Suraj	II/ JH 1702	4/08-12-05	0.84	0.42	0.42
	47	M/s Durga Const.	II/ JH 1703	6/12-12-05	1.96	0.98	0.98
	48	M/s Kumar A.S Cont.	I/ JH 1506	10/13-12-05	1.06	0.53	0.53
	49	M/s Lal Suraj	II/ JH 1702	11/13-12-05	0.42	0.21	0.21
	50	M/s A.K.Pandey	II/ JH 1704	12/26-12-05	0.50	0.25	0.25
	51	M/s Lal Suraj	II/Sangwar Main Rd. to Kunwar	1/17-02-06	0.28	0.14	0.14
	52	M/s Lal Suraj	II/PWD Rd. Surajwan to Dandkla	2/17-02-06	0.38	0.19	0.19
	53	M/s Shivam Plannets	III/ JH 1705	3/09-03-06	0.50	0.25	0.25
	54	M/s Sunil Tiwari	BMDC mines to Bedma badhandi	4/29-03-06	1.08	0.54	0.54
	55	M/s Lal Suraj	II/ JH 1702	1/06-11-06	1.52	0.76	0.76
	56	M/s Durga Const.	II/ JH 1703	2/03-11-06	0.76	0.38	0.38
	57	M/s Sunil Tiwari	II/ JH 1701 Chorhart to Ramgarh	1/26-12-06	0.20	0.10	0.10
	58	M/s Arvind Const.	IV/ JH 1702	1/05-01-07	4.64	2.32	2.32
	59	M/s Shivam Plannets	III/ JH 1705	10/09-03-07	0.28	0.14	0.14
	60	do	III/ JH 1705	11/09-03-07	0.58	0.29	0.29
	61	M/s Arvind Const.	IV/ JH 1702	12/10-03-07	5.26	2.63	2.63
	62	do	IV/ JH 1702	17/31-03-07	2.84	1.42	1.42
	63	M/s Kumar Const.	III/ JH 1703	1/05-04-07	2.66	1.33	1.33
	64	M/s Arvind Const.	IV/ JH 1701	6/10-05-07	0.01	0.00	0.01
	65	M/s Kr. A.S. Const.	I/ JH 1506	7/10-05-07	5.12	2.56	2.56
	66	do	I/ JH 1506	12/10-05-07	0.82	0.41	0.41
	67	M/s Arvind Const.	IV/ JH 1701Bansi more to Patkony	1/04-06-07	0.82	0.41	0.41
	68	do	IV/ JH 1701Japla dang.rd.to Mahuar	2/04-06-07	1.02	0.51	0.51
	69	do	IV/ JH 1701 Goradih to Bholi	3/04-06-07	0.62	0.31	0.31
	70	do	IV/ JH 1701Haidar nagar Pansa rd. to Kabra Kola	4/04-06-07	1.14	0.57	0.57
	71	do	Jm rd. to Mokhar kala/ JH 1701	5/04-06-07	0.74	0.37	0.37
	72	M/s Arvind Const.	Sigi to Lahar/ JH 1702	6/04-06-07	1.02	0.51	0.51
	73	do	Japla Dangwar to Mahuary	3/26-07-07	0.36	0.18	0.18
	74	do	IV/ JH 1701Haidar Nagar to Pansa Rd.	2/08-10-07	0.22	0.11	0.11

(₹ in lakh)

Name of PIUs	Details of the agencies		Phase Nos./ Package Nos.	Vr. Nos/Date	Royalty deductible	Royalty deducted	Short deduction
	Nos.	Name					
	75	do	IV/ JH 1701 Goradih to Bholi	5/08-10-07	0.24	0.12	0.12
	76	do	IV/ JH 1701 Dangwar to Mahuary	6/08-10-07	0.24	0.12	0.12
	77	M/s Chandi Enterprises	V/ JH 1704 PWD Rd. to Bhawar	1/30-05-08	1.78	0.89	0.89
	78	do	V/ JH 1704 Araruakhurd to Turi	2/30-05-08	1.48	0.74	0.74
	79	M/s Durga Const.	II/ JH 1703 Haidar Nagar to Khargera	10/30-06-08	0.28	0.14	0.14
	80	M/s Singh & Bathla	V/ JH 1705 Dhawadih to Ekta	1/14-07-08	1.06	0.53	0.53
	81	do	V/ JH 1705Bansari to Kalhwa	2/14-07-08	1.48	0.74	0.74
	82	do	V/ JH 1705 Sonepura to Janghosi	3/14-07-08	1.14	0.57	0.57
	83	M/s Ganga Const.	V/ JH 1707 Burhibil to Chathara	2/30-08-08	2.38	1.19	1.19
	84	M/s Indian Electricals	V/ JH 1707 Burhibil to Chathara	3/15-10-08	1.76	0.88	0.88
	85	M/s Ashutosh Const.	V/ JH 1702 Bishrampur to Gharatia	4/25-10-08	5.72	2.86	2.86
	86	M/s Triveni Const.	V/ JH 1708 Nawagarh to Bhadania	5/25-10-08	0.56	0.28	0.28
	87	M/s Singh & Bathla	V/ JH 1705 Banjan to Kalhua	6/25-10-08	3.10	1.55	1.55
	88	M/s Kalawati Const.	V/ JH 1706 Ashehar to Khushri	7/25-10-08	0.86	0.43	0.43
	89	M/s Kalawati Const.	V/ JH 1706Boradih to Kelwe	8/25-10-09	0.42	0.21	0.21
	90	do	V/ JH 1706Chanpi to Sakaldeepar	9/25-10-10	0.42	0.21	0.21
	91	do	V/ JH 1706Bedani more to Delha	10/25-10-08	1.72	0.86	0.86
	92	do	V/ JH 1706 Shahad to Oriya	11/25-10-08	0.68	0.34	0.34
	93	M/s Singh & Bathla	V/ JH 1705 Dhawadih to Ekta	5/26-11-08	3.28	1.64	1.64
	94	M/s Chandi Enterprises	V/JH 1704 Japla chatarpur to Hira Sikaria	4/31-03-08	3.16	1.58	1.58
	95	M/s Chandi Enterprises	V/ JH 1704 Araruakhurd to Turi	5/31-12-08	0.92	0.46	0.46
	96	M/s Indian Electricals	V/ JH 1703 Mahuari to Laxmipur	6/06-12-08	0.38	0.19	0.19
	97	M/s Ashutosh Const.	V/1702 Sulumdog to Urshula	7/29-12-08	4.42	2.21	2.21

(₹ in lakh)

Name of PIUs	Details of the agencies		Phase Nos./ Package Nos.	Vr. Nos/Date	Royalty deductible	Royalty deducted	Short deduction
	Nos.	Name					
	98	do	V/ JH 1702 Bishrampur to Gharatia	8/29-12-08	0.50	0.25	0.25
	99	M/s Indian Electricals	V/ JH 1703 Murumdang to Shildakurd	9/29-12-08	1.54	0.77	0.77
	100	M/s Singh & Bathla	V/ JH 1705 Dhawadih to Ekta	10/29-12-08	1.06	0.53	0.53
	101	do	V/ JH 1705 Banzari to Kalua	11/29-12-08	0.38	0.19	0.19
Chaibasa	102	Ashok Kr.Pradhan	I/ JH 1804	1/31-01-04	1.24	0.62	0.62
	103	do	I/ JH 1804	1/23-05-04	0.92	0.46	0.46
	104	do	I/ JH 1804	1/18-10-04	0.76	0.38	0.38
	105	do	I/ JH 1804	1/29-11-04	0.32	0.16	0.16
	106	do	I/ JH 1804	1/25-02-05	0.16	0.08	0.08
	107	Md.Quiyamuddin Khan	I/ JH 1801	1/31-03-05	0.48	0.24	0.24
	108	do	I/ JH 1801	1/25-08-05	0.78	0.39	0.39
	109	Ashok Kr. Pradhan	I/ JH 1804	1/17-08-06	0.76	0.38	0.38
	110	M/s Sanjay Trans.ag.	II/ JH 2202	1/25-12-03	4.20	2.10	2.10
	111	M/s K.K. Builders	II/ JH 2201	2/26-12-03	7.00	3.50	3.50
	112	do	II/ JH 2201	1/22-01-04	3.48	1.74	1.74
	113	M/s Sanjay Trans. ag.	II/ JH 2202	1/06-02-04	1.18	0.59	0.59
	114	do	II/ JH 2202	1/27-03-04	2.74	1.37	1.37
	115	do	II/ JH 2202	1/18-06-04	1.74	0.87	0.87
	116	do	II/ JH 2202	2/19-10-04	0.06	0.03	0.03
	117	do	II/ JH 2202	1/29-11-04	0.12	0.06	0.06
	118	do	II/ JH 2202	1/07-10-05	0.28	0.14	0.14
	119	M/s KK Builders	II/ JH 2201	1/28-09-07	2.80	1.40	1.40
	120	M/s Sanjay Trans.	II/ JH 2202	1/29-07-09	12.36	6.18	6.18
	121	M/s K.K. Builders	III/ JH 2203	1/08-10-04	3.14	1.57	1.57
	122	do	III/ JH 2203	1/08-12-04	3.18	1.59	1.59
	123	Md.Quiyamuddin Khan	III/ JH 2201	2/20-10-04	0.62	0.31	0.31
	124	M/s K.K Builders	III/ JH 2203	1/28-01-05	3.72	1.86	1.86
	125	Md.Quiyamuddin Khan	III/ JH 2201	1/11-03-05	2.12	1.06	1.06
	126	do	III/ JH 2201	2/11-03-05	4.04	2.02	2.02
	127	M/s K.K Builders	III/ JH 2203	3/11-03-05	3.18	1.59	1.59
	128	M/s Lakheswari Builder	III/ JH 2202	5/31-03-05	1.74	0.87	0.87
	129	Md.Quiyamuddin Khan	III/ JH 2201	6/31-03-05	1.66	0.83	0.83
	130	M/s Lakheswari Builder	III/ JH 2202	3/18-05-05	4.02	2.01	2.01
	131	M/s K.K Builders	III/ JH 2203	1/15-06-05	3.78	1.89	1.89
	132	Md.Quiyamuddin Khan	III/ JH 2201	1/17-08-05	0.70	0.35	0.35
	133	do	III/ JH 2201	1/21-03-06	1.44	0.72	0.72
	134	M/s Lakheswari Builder	III/ JH 2202	1/25-04-06	3.28	1.64	1.64
	135	do	III/ JH 2202	1/18-05-06	4.50	2.25	2.25
	136	do	III/ JH 2202	1/20-09-06	0.96	0.48	0.48
	137	Md.Quiyamuddin Khan	III/ JH 2201	1/14-11-06	0.92	0.46	0.46
	138	M/s Lakheswari Builder	III/ JH 2202	1/16-01-07	1.50	0.75	0.75

(₹ in lakh)

Name of PIUs	Details of the agencies		Phase Nos./ Package Nos.	Vr. Nos/Date	Royalty deductible	Royalty deducted	Short deduction
	Nos.	Name					
	139	Md.Quiyamuddin Khan	III/ JH 2201	1/14-03-07	0.76	0.38	0.38
	140	M/s Lakheswari Builder	III/ JH 2202	1/17-04-07	2.04	1.02	1.02
	141	M/s Paramjit Singh Bedi	IV/ JH 2202	1/23-03-07	2.86	1.43	1.43
	142	M/s Ojha & Brother	IV/ JH 2206	2/31-03-07	1.40	0.70	0.70
	143	M/s Paramjit Singh Bedi	IV/ JH 2202	1/12-04-07	1.00	0.50	0.50
	144	M/s Ojha & Brother	IV/ JH 2206	2/17-04-07	1.20	0.60	0.60
	145	do	IV/ JH 2206	1/04-06-07	0.48	0.24	0.24
	146	M/s Paramjit Singh Bedi	IV/ JH 2202	1/02-07-07	1.50	0.75	0.75
	147	M/s Ojha & Brother	IV/ JH 2206	2/25-07-07	0.82	0.41	0.41
	148	M/s Paramjit Singh Bedi	IV/ JH 2202	1/29-08-07	1.00	0.50	0.50
	149	do	IV/ JH 2202	1/08-12-07	1.14	0.57	0.57
	150	M/s Ojha & Brother	IV/ JH 2206	2/10-01-08	1.56	0.78	0.78
	151	M/s Paramjit Singh Bedi	IV/ JH 2202	1/26-03-08	0.78	0.39	0.39
	152	do	IV/ JH 2202	1/15-09-08	1.26	0.63	0.63
	153	M/s Ojha & Brother	IV/ JH 2206	1/12-11-08	0.74	0.37	0.37
	154	do	IV/ JH 2206	4/27-12-08	0.22	0.11	0.11
	155	do	IV/ Busbaha to Bambasai	1/01-09-09	2.24	1.12	1.12
	156	do	IV/ REO Road to Pitchra	2/01-09-09	0.20	0.10	0.10
	157	M/s Paramjit Singh Bedi	V/ JH 2204	1/05-06-08	2.12	1.06	1.06
	158	do	V/ JH 2204	1/21-08-08	3.90	1.95	1.95
	159	Maa Shakti Const.	V/ JH 2202	1/16-09-08	0.36	0.18	0.18
	160	do	V/ JH 2202	2/25-09-08	1.18	0.59	0.59
	161	M/s Paramjit Singh Bedi	V/ JH 2204	1/22-10-08	0.50	0.25	0.25
	162	do	V/ JH 2204	1/27-11-08	1.00	0.50	0.50
	163	Maa Shakti Const.	V/ JH 2202	2/27-11-08	1.46	0.73	0.73
	164	Maa Shakti Const.	V/ JH 2202	1/09-01-09	0.44	0.22	0.22
	165	M/s Paramjit Singh Bedi	V/ JH 2204	2/28-01-09	2.76	1.38	1.38
	166	M/s Satyam Builder	V/ JH 2203	1/04-02-09	7.24	3.62	3.62
	167	Maa Shakti Const.	V/ JH 2202	1/29-07-09	0.90	0.45	0.45
	168	M/s Satyam Builder	V/ JH 2203	2/29-07-09	2.18	1.09	1.09
	169	M/s Paramjit Singh Bedi	V/ JH 2204	3/29-07-09	1.74	0.87	0.87
	170	M/s Satyam Builder	VI/ JH 2204	2/16-07-09	9.70	4.85	4.85
	171	M/s Paramjit Singh Bedi	VI/ JH 2217	3/17-07-09	6.82	3.41	3.41
	172	do	VI/ JH 2217	4/17-07-09	2.14	1.07	1.07
	173	do	VI/ JH 2216	5/17-07-09	6.52	3.26	3.26
	174	M/s Ishwar C. Vidyasagar	VI/ JH 2208	6/17-07-09	4.32	2.16	2.16
	175	M/s R.V. Const.	VI/ JH 2215	7/17-07-09	3.98	1.99	1.99
	176	M/s Kolhan Developer	VI/ JH 2210	8/17-07-09	2.54	1.27	1.27
	177	do	VI/ JH 2210	9/17-07-09	2.14	1.07	1.07
	178	M/s Kolhan Developer	VI/ JH 2210	10/17-07-09	3.38	1.69	1.69
	179	M/s A. K. Const.	VI/ JH 2209	11/17-07-09	8.16	4.08	4.08
	180	M/s Pramchand Choudhary	VI/ JH 2201	12/17-07-09	7.72	3.86	3.86

(₹ in lakh)

Name of PIUs	Details of the agencies		Phase Nos./ Package Nos.	Vr. Nos/Date	Royalty deductible	Royalty deducted	Short deduction
	Nos.	Name					
	181	do	VI/ JH 2224	13/17-07-09	6.74	3.37	3.37
	182	M/s Paramjit Singh Bedi	VI/ JH 2225	15/17-07-09	1.34	0.67	0.67
	183	do	VI/ JH 2226	16/17-07-09	0.42	0.21	0.21
	184	M/s Satyam Builder	VI/ JH 2227	17/29-07-09	0.44	0.22	0.22
	185	Maa Shakti Const.	VI/ JH 2228	18/29-07-09	7.26	3.63	3.63
	186	M/s Pintu Engineering	VI/ JH 2229	19/29-07-09	1.18	0.59	0.59
	187	M/s Pintu Engineering	VI/ JH 2230	20/29-07-09	2.22	1.11	1.11
	188	do	VI/ JH 2231	21/29-07-09	0.74	0.37	0.37
	189	M/s Satya Narayan Agrawal	VI/ JH 2232	23/29-07-09	1.28	0.64	0.64
	190	M/s Garg & Company	VI/ JH 2233	25/29-07-09	1.70	0.85	0.85
	191	M/s Satyam Builder	VI/ JH 2234	26/29-07-09	1.08	0.54	0.54
	192	M/s Pramchand Choudhary	VI/ JH 2235	27/29-07-09	1.44	0.72	0.72
	193	do	VI/ JH 2236	28/29-07-09	0.80	0.40	0.40
	194	M/s Kolhan Developer	VI/ JH 2237	29/29-07-09	1.50	0.75	0.75
	195	do	VI/ JH 2238	30/29-07-09	1.28	0.64	0.64
Bokaro	196	M/s East India Const. Co.	III/ JH 0101	…	13.42	7.30	6.12
Giridih	197	M/s A. P. Bariar & Sons	V/ JH 0803	…	49.35	15.49	33.86
Total					**397.22**	**190.01**	**207.21**

Appendix - 1.3
(Refer paragraph 1.1.7.6; page- 7)
Statement showing list of expired bank guarantees

(₹ in lakh)

PIUs	Phase	Package No.	Name of agencies	B.G no. & date	Amount	Date of expiry of B.Gs.
Gumla	IV	JH 1001	M/s Adarsh Cons., Palamu	10911 LG 00306	7.50	06.04.07
				10911 LG 000606	9.10	13.11.07
	VI	JH 1003	M/s K.N.P Singh	490/IPEB GO 90066	1.09	30.11.09
	III	JH 1002	M/s Classic Coal Const. (Pvt.) Ltd. Hazaribag	46/13 dt. 15.9.2004	15.56	14.09.05
	VI	JH 1002	M/s Ganga Const.	90062 dt. 30.5.09	10.50	30.05.10
		JH 1007	Vijay Kant Pandey	090073 dt. 4.6.09	1.53	03.06.10
	VI	JH 1001	Mahesh Narayan Singh	090033 dt. 16.7.09	2.35	16.12.09
				4910 F1B.G. 0900059	9.35	16.05.09
		JH 1014	R.D. Enterprises (Pvt.) Ltd.	RMB/B.G/02 10021/8009 dt. 7.5.09	5.91	26.02.10
	VI	JH 1009	Krishna Const.	28/2009 dt. 26.2.09	5.90	25.08.09
		JH 1008	Krishna Const.	15/2009 dt. 2.02.09	9.66	25.08.09
	VI	JH 1001	Ganga Const.	490/JPE B.G 090057 dt. 8.5.09	7.60	07.11.09
		JH 1002	M/s Manish Const. Ranchi	7/6/1950	9.35	13.11.07
Dumka	V	JH 0501	M/s Bhupendra Engineering & Const. (Pvt.) Ltd.	NA	14.65	08.12.08
Chaibasa	IV	JH 2206	M/s Ojha and Brother	NA	4.51	01.12.07
		JH 2202	M/s Lakheshwari Brothers (Pvt.) Ltd.	0009606BG 000139	15.98	20.10.06
	III	JH 2203	M/s K.K. Builders (Pvt.) Ltd.	46/04 dt. 9.8.04 of Corporation Bank JSR	11.90	08.08.07
				13/04 dt. 23.2.04 as Corporation Bank JSR	7.95	22.08.04
	III	JH 2201	Md Quiyamuddin Khan & Company	61/4/12/7 Canara Bank Bistupur	28.00	20.03.05
				13/4/96/6 Canara Bank Bistupur	4.00	21.09.06
				53/6/24/7 Canara Bank Bistupur	5.98	15.02.07
				59/8/45/7 Canara Bank Bistupur	0.83	15.01.10
Daltonganj	V	JH 1708	M/s Triveni Const, Daltonganj	01071LG 000608 Canara Bank Bistupur	9.30	15.10.07
	IV	JH 1702	M/s Arvind const.	210021/55/06	9.71	15.10.07

(₹ in lakh)

PIUs	Phase	Package No.	Name of agencies	B.G no. & date	Amount	Date of expiry of B.Gs.
Giridih	V	JH 0813	M/s A.P Bariar & Sons	0211149/143/08 dt. 24.1.08 Allahabad Bank Harmu, Ranchi	7.51	04.05.10
Ranchi	IV	JH 1802	M/s Ganga Const.	FG 06-07/40	9.20	06.12.08
				FG 06-07/53 of Bank of India	12.00	06.12.08
	V	JH1807	M/s Arunaditya Project & Minerals	CBG-20080000006,Corporation Bank, Ranchi	28.12	06.06.10
Chakradharpur	III	JH 2205	M/s Highway & Hydel Projects (Pvt.) Ltd.	No-38/06 dt. 6.9.06	8.70	06.09.06
	III	JH 2204	M/s Girijesh Kr. Singh	No. 46/04 dt. 21.6.04 Canara Bank, Golmuri	4.19	20.12.04
					5.49	08.08.05
Total					**283.42**	

Appendix - 1.4
(Refer paragraph 1.1.7.7; page -8)

Statement showing roads not covered with insurance

(₹ in lakh)

Name of PIUs	Details of works		Package/Phase Nos.	Agreement Value
	Sl. No.	Name		
Bokaro	1	(i) REO Road Modidih to Shakakuri (9 km) (ii) Sawra More to Kumhartola *via* Asanbani (5.20 km)	JH 0111/V	432.26
	2	(i) Construction of road from Chandankiyari to Lalpur (8.00 km) (ii) Construction of road from Shilphore more to Babudih	JH 0101/III	218.91
	3	Changhari to Adrakuli (10.80 km)	JH 0105/V	342.68
	4	(i) NH32 to Nirdha via Agarsa Road (3.375 km) (ii) NH32 to Padudih Road (7.50 km)	JH 0109/V	353.63
	5	(i) Construction of PWD Road Katghara More to Kodwadih Nana Road length 2.80 km (ii) 7th Km Hirak road near Bhandvidha to Chirudih Road length 4.45 km (iii) Turitola Govindpur to Lahariatanr Road length 2.075 km	JH 0110/V	300.20
	6	Arajoo to Bhaski (9.60 km)	JH 0113/V	242.10
	7	(i) Construction of road from Chirudih Telo road to Bermo Block Seema Daidih (6.10 km) (ii) Construction of PWD road to Amlo (1.3 km)	JH 0104/V	292.82
	8	(i) Jaina More to Tand Mohanpur (2.15 km) (ii) NH23 to Kalyanpur (3.80 km) (iii) Gangjori to Birasaram (4.50 km)	JH 0114/ V	246.48
	9	(i) NH 23 (Holy Cross School) to Dharampura Road (8.00 km) (ii) NH32 (Kura High School) to Kurma road (6.38 km)	JH 0103/ IV	289.98
	10	(i) PWD Road Nawadih to Argamo via Kurpawa (3.70 km) (ii) PWD road Surthi (Asurbandh) to Ahardih (2.375 km) (iii) PWD Road Nawadih to Kharpitto (1.50 km)	JH 0104/ IV	197.78
	11	(i) Khaira Chatar to Nawadih (4.00 km) and (ii) Shiv Mandir to Malhen Tand (1.50 km)	JH 0103/ V	158.15
	12	Hardagadda to Dhawaiya Road (7.25 km)	JH 0107/ V	202.14
	13	Kunda to Chargi (8 km)	JH 0115/ V	283.51
Chaibasa	14	(i) Naitola to Mundasai (4.90 km) and (ii) Kanka to Mohalipokhar (3 km)	JH 2202/ V	218.36
	15	(i) REO Road to Pichua (1.5 km) and (ii) Bombasai to Buruborta (8 km)	JH 2206/ IV	174.85
	16	Parsa to Sapramguttu road (12 km)	JH 2202/ III	292.52
	17	Talasai to Basasai via Kenjra Road (13.55 km)	JH 2203/ III	396.74
	18	Ulihatu to Goralayoung (10.50 km) in Kumardungi Block	JH 2204/ V	285.12
	19	Pateta to Baiterkiya Road	JH 2201/ III	182.93
	20	Birsabasa Border to Bund (15.25 km)	JH 2203/V	464.95
	21	Kanta Billa to Pukharisia (length 4.85 km)	JH 2202 of Phase IV	148.82
Daltonganj	22	Godarma to Nawgarh (12.5 km to 18.6 km) (length 6.10 km)	JH 1708/ V	185.82
	23	Budhibir to Chothasa Road (5.10 km)	JH 1707/ V	128.66
	24	Sigsigi to Laharbanjari (9 km)	JH 1702/ IV	194.21

(₹ in lakh)

Name of PIUs	Details of works		Package/Phase Nos.	Agreement Value
	Sl. No.	Name		
	25	(i) PWD Road to Bhawar (4.25 km) (ii) Araruwa to Turi (3.10 km) (iii) Japla Chhattarpur Road to Hira Sikni (4 km)	JH 1704/ V	300.79
	26	(i) Dhub to Basariya via Pakariya road (10.50 km) (ii) Pat Khaulia to Dabra via Gentha Road (7 km)	JH 1705/ III	249.63
	27	(i) Haider Nagar Barewa to Jamua (2 km) (ii) Bilashpur to Sariya (4 km) (iii) Japla Chhatterpur Road to Bairwan (2.70 km) (iv) JM Road to Birdhwar (2.50 km) (v) Poldih to Uradwar (5 km)	JH 1702/ V	409.92
	28	(a) Bedani More to Delha (length 3.00 km) (b) Chapi Khurd to Sakaldipa (4.50 km) (c) Borodiri to Kawal (4.10 km) (d) Sahed to Oria (1.50 km) (e) Ashaher to Kushri (5 km)	JH 1706/ V	516.81
	29	(i) Haider Nagar Pansa road to Kabra (6 km) (ii) Goradih to Bholi (1.92 km) (iii) Japla Dangwar road to Mahuwari (4.4 km) (iv) JH road to Mokhni Kouen (5.475 km) and (v) Bansi More to Pataria (2.10 km)	JH 1701/ IV	481.39
	30	Sighna to Lalgara via Rishiyapa road (length 9.36 km)	JH 1703/ III	134.72
	31	(i) Banjori to Kolhua (6.10 km) (ii) Dhawadih to Ekta (8.125 km) (iii) Kishunpur to Jangashi (3.50 km)	JH 1705/ V	474.97
		Mohammadganj to Mahudand	JH 1705/ V	759.20
Deoghar	32	Birmati to Simla Road (5.07 km)	JH 0304/ III	119.23
		(i) Karon to Saltar Road (ii) Pathara to Gapjebari (iii) Tanderi to Govindpur (iv) Nawadih Bill Road to Jamuni	JH 0304/ III	389.25
	33	(i) PWD road to Karchubani and (ii) Gopibandh to Jhiluwa road	JH 0305/ IV	167.30
	34	Pindra to Jamua road (length 6.75 km)	JH 0301/ VI	211.43
	35	(i) Construction of road from Bichgarha to Manikpur Road (ii) Construction of road from Birajpur to Karobandra (iii) Construction of road from Basmaria to Binja, (iv) Construction of road from Bara Karam Dangal to Balidih	JH 0303/ V	413.18
	36	(i) Balthar to Babupur (4.05 km), (ii) Nawadih to Jharkhandi (1.70 km) (iii) Sonebadia to Raghunathpur (Bhangia Pahari) (1.62 km) (iv) Ghormara to Kulharia Bhangia Pahari	JH 0308/ V	286.07
	37	Pandhaniya to Chetnari road	JH 0301/ III	164.54
	38	(i) Ratanpur to Punasia (ii) PWD Nokhil More to Nakti (i) Tabhaghat to Gangti (2.10 km)	JH 0303/ III	131.76
	39	(ii) Mathurapur to Kashati (6.10 km) (iii) Mahuadabar to Simla (7.23 km)	JH 0302/ III	353.55
	40	(i) Construction of road from Jamuasol to PWD road (2.50 km) (ii) Construction of road from Karmataljhari to Karon road (3.65 km) (iii) Construction of road from PWD Khairabani to Bagdogra (9.28 km)	JH 0304/ V	434.77

(₹ in lakh)

Name of PIUs	Details of works		Package/Phase Nos.	Agreement Value
	Sl. No.	Name		
	41	(i) Construction of road from Bandhdih to Chupkyari Road length 3.425 km (ii) Construction of road from Madhupur S.H. to Tekra Road length 3.775 km (iii) Construction of road from Teliyadih to Majhtar Road length 1.975 km	JH 0307/ V	286.09
	42	(i) Rangamatia to Singtuta (2.35 km)		
		(ii) REO 4th KM to Banskuti (2.78 km)		
		(iii) PWD Road to Sri Amra (2.23 km)	JH 0503/ V	305.34
		(iv) REO Road to Bartoli (2.71 km)		
	43	Gumro to Baskidih road	JH 0504/ V	574.53
	44	(i) Jordine to Koridih (4.50 km) (ii) Saltolia to Latuliya Road (4.40 km)	JH 0504/ III	182.13
Dumka	45	(i) REO Road (Chotta Chapuria) to Jhunki (3.50 KM), (ii) Chirudih to Madhuban (3.50 KM) in Shikaripara and Gopi Kandar Blocks	JH WB 0505	206.75
	46	Asanthar to Tapsi (6.265 km) Road	JH 0506/ IV	168.25
	47	(i) Construction of road from Potabandhdih to Lakhanpur (4.38 km) (ii) Construction of road from Mohanpur to Phitkoria (8.75 km)	JH 0502/ V	439.96
	48	Dholpathar to Siltha Balikhora Road	JH 0501/ V	289.67
	49	Shikarpur More to Suggapahari (8 km)	JH WB 0501	181.56
Giridih	50	(i) Khetko to Balak (5 km) and (ii) Dabarsaini Gurha Road to Kharidih	JH 0814/ V	200.45
	51	TO1 to Phuljori	JH 0813/ V	375.43
	52	G.T. Road Kulgo Khas Madhupur to Bharkhar (5.525 km)	JH 0801/ V	161.54
	53	SH Giridih Dumri (Katwara) More to Bhandaro Road	JH 0803/ III	229.28
	54	(i) SH (Giridih- Dumri) Dhanwaratand to Atki (5.20 km) and (ii) NH2 (Gopaldih) to Khetko via Pachori	JH 0805/ II	211.45
	55	(i) SH Bengabad Chatro (Siyateer) to Navdiha (4.85 Km) and (ii) Ghorthamba Nawagarh Chotti Raj (Kubri) to Chandrakho (4.30 km)	JH 0802/ III	214.32
	56	To4 (Jamua Pachamba) to Sugasor	JH 0802/ V	169.65
	57	Manikbad Kodambari (Lawania) Jamkhukhro raod	JH 0802/ IV	290.31
	58	Jamua Pachamba Road Koridih to Berhobad	JH 0815/ V	114.42
	59	S.H. Giridih Madhupur (Karamjosi) Gando Road	JH 0801/ III	192.56
	60	Bander Kuppi More to Berdonga	JH 0809/ V	162.06
	61	(i) Koderma Khori Mahua Road to Bhalutanr (5.20 km) (ii) Ghorthamba to Gundri Road (3.30 km) (iii) Koderma Khori Mahua Road to Garjasaran (2 km) (iv) Koridih Jharkhandidham to Argali (2 km)	JH 0801/ V	295.00
	62	Hesla-Kapilo-Beko (Chirwa) to Koyridih Road (length 8.50 km)	JH 0804/ V	148.61
	63	Laxmipur to Nimadih Road	JH 0803/ IV	228.37
	64	To4 Gandey Mankadiha to Banguwa	JH 0816/ V	298.69
Gumla	65	(i) Amba Toli to Sikri via Pagura Road (6.00 km) (ii) REO Road Natwal to Dina via Katagaon road (8 km)	JH 1001/ IV	331.92

(₹ in lakh)

Name of PIUs	Details of works		Package/Phase Nos.	Agreement Value
	Sl. No.	Name		
	66	(i) Samal to Olmeenda (length 9.225 km) (ii) PWD Road to Surhu Road (length 2.00 km)	JH 1001/ III	179.53
	67	TO3 to Banpur via Siayanchegri (7 km)	JH 1003/ VI	204.40
	68	(i) From Chharda to Arko (Lenth 12 km) (ii) B.P.D.P. Road to Pusho (Length 4.50 km)	JH 1002/ III	285.61
	69	NH 23 Dumbo to Butkari Road (11 km)	JH 1002/ V	356.85
Total				**19516.86**

Appendix - 1.5
(Refer paragraph 1.1.8.1; page -9)

Statement showing phase-wise progress of work and expenditure of test-checked PIUs

Sl. No.	Year	Name of PIUs	Phase No.	Projects approved by NRRDA			Projects completed		
				No. of roads	Length of roads (in km)	Estimated cost	Nos. of roads completed (percentage shown in bracket)	Length of roads (in km)	Expenditure (₹ *in lakh*)
1	2005-06	Bokaro	**No work was allotted to any PIUs due to non-sanction of proposal by State Government**						
		Daltonganj (Palamu)							
		Deoghar							
		Dumka							
		Giridih							
		Gumla							
		Ranchi							
2	2006-07	Bokaro	**No work was allotted to any PIUs due to non-sanction of proposal by State Government**						
		Daltonganj (Palamu)							
		Deoghar							
		Dumka							
		Giridih							
		Gumla							
		Ranchi							
3	2007-08	Bokaro	V	25	146.500	4825.66	22	127.990	4156.18
		Daltonganj (Palamu)	V	24	105.750	2518.38	5	45.200	1614.22
		Deoghar	V	33	116.310	3346.23	20	76.048	2432.94
		Dumka	V	12	65.370	2021.66	4	34.646	1299.19
		Giridih	V	21	150.260	4219.33	16	120.955	3173.05
		Gumla	V	8	35.880	1065.01	2	20.690	881.81
		Ranchi	V	21	64.930	1788.96	13	45.838	1322.55
		West Singbhum	V	9	70.350	2243.90	6	50.250	1364.03
		Total		**153**	**755.350**	**22029.13**	**88 (58)**	**521.617**	**16243.96**
4	2008-09	Bokaro	VI	65	267.333	8315.86	0	70.715	3481.43
		Daltonganj (Palamu)	VI	16	87.775	2630.391	0	3.700	605.56
		Deoghar	VI	2	9.750	305.09	0	1.555	147.04
		Dumka	VI	32	165.190	5189.71	0	13.125	1276.57
		Giridih	VI	82	414.104	13183.42	0	189.433	7835.06
		Gumla	VI	24	198.230	5568.92	0	13.632	1816.24
		Ranchi	VI	24	94.850	2813.64	0	0.595	666.44
		West Singbhum	VI	54	225.445	6861.34	0	15.365	2594.14
		Total		**299**	**1462.677**	**42237.98**	**0**	**308.120**	**18422.48**
5	2009-10	Bokaro	VII	0	0	0	0	0	0
		Daltonganj (Palamu)							
		PIU	VII	35	160.515	40.76	0	0	0
		HSCL	VII	90	279.550	80.37	0	0	0

Sl. No.	Year	Name of PIUs	Phase No.	Projects approved by NRRDA			Projects completed		
				No. of roads	Length of roads (in km)	Estimated cost	Nos. of roads completed (percentage shown in bracket)	Length of roads (in km)	Expenditure (₹ *in lakh)*
		Deoghar	VII	0	0	0	0	0	0
		Dumka	VII	0	0	0	0	0	0
		Giridih	VII	0	0	0	0	0	0
		Gumla	VII	11	55.250	13.22	0	0	0
		Ranchi	VII	0	0	0	0	0	0
		West Singbhum	VII	0	0	0	0	0	0
		Total		**136**	**495.315**	**134.35**	**0**	**0**	**0**
6	2009-10	Bokaro HSCL	VIII	65	209.545	58.14	0	0	0
		Daltonganj (Palamu)	VIII	0	0	0	0	0	0
		Deoghar	VIII	2	4.775	1.21	0	0	0
		Dumka	VIII	107	338.380	91.81	0	0	0
		Giridih	VIII	0	0	0	0	0	0
		Gumla	VIII	71	316.485	75.73	0	0	0
		Ranchi	VIII	1	4.800	1.35	0	0	0
		West Singbhum	VIII	0	0	0	0	0	0
Total				**246**	**873.985**	**228.24**	**0**	**0**	**0**

Appendix - 1.6
(Refer paragraph 1.1.8.6; page-13)

Payments on spare/duplicate/crossed copies of invoices

(₹ in lakh)

PIUs	Sl. No.	Phase No.	Package No.	Agency	Agreement value	Detail of invoices		
						No. of invoices	Quantity (in MT)	Value
Dumka	1	V	JH 0504	M/s Concrete, Asansol	574.52	11	128.200	40.56
	2	IV	JH 0506	M/s Singh Son Arch Const. (Pvt.) Ltd. Deoghar	175.26	3	45.385	10.63
Bokaro	3	III	JH 0101	M/s East India Const.Co. Bokaro	218.9	2	18.154	3.40
	4	IV	JH 0103	M/s Jagjit Singh & Co. Ranchi	289.97	4	45.542	11.63
Chaibasa	5	V	JH 2202	M/s Shakti Const. (P). Ltd.	218.36	2	30.674	10.04
	6	III	JH 2203	M/s K.K Builders (Pvt.) Ltd.	374.64	7	127.078	18.44
	7	V	JH 2204	M/s P.S. Bedi	285.12	7	96.800	31.69
	8	IV	JH 2202	M/s P.S Bedi	148.81	4	63.852	15.48
Deoghar	9	IV	JH 0303	M/s Singh Son Arch Const. (Pvt.) Ltd. Deoghar	370.45	7	127.078	38.46
	10	IV	JH 0305	M/s Royal Associats Deoghar	178.54	6	53.836	15.41
Giridih	11	III	JH 0805	M/s Surendra Pd. & Co. Nawada	211.44	6	63.539	9.58
	12	III	JH 0802	do	214.31	2	18.154	3.40
	13	III	JH 0801	M/s A.P. Bariar & Sons	192.56	6	63.539	11.04
Chakardharpur	14	III	JH 2205	M/s Highway & Hydel Project (Pvt.) Ltd.	173.6	9	81.693	12.78
Total						**76**	**963.524**	**232.54**

Appendix - 1.7
(Refer paragraph 1.1.8.9; page-16)

Statement showing excess length executed against planned in CNCPL

(₹ in lakh)

Name of PIUs	Sl. No	Package No./ Phase No.	Name of the roads	Length of road as per agreement (in km)	Length of road as per CNCPL (in km)	Excess length of road (in km)	Rate per km	Amount involved
Deoghar	1	III/ JH 0302	Mathurapur railway station to Kasathi	6.10	1.25	4.85	22.91	111.11
	2	IV/ JH 0303	Karon to Sattar Rd.	2.15	2.00	0.15	27.44	4.12
	3	V/ JH 0301	(a) Patharia to Chorkata PWD Road	4.45	3.50	0.95	33.48	31.81
	4		(b) Sabijore PWD Rd. toTittahiyabank	4.35	4.00	0.35	33.48	11.72
	5		(c) Suggapahari PWD Rd. to Asta	2.50	2.00	0.50	33.48	16.74
	6	V/ JH 0302	(a) Bhalpahari Rd. to Singho	2.83	2.50	0.33	29.05	9.59
	7		(b) Tinghara to Suggapahari Rd.	5.35	5.00	0.35	29.05	10.17
	8		(c) Jhilwa to Gaganpur	2.03	1.50	0.53	29.05	15.40
	9	V/ JH 0304	Karma Taljhori to Karon Rd.	3.65	2.00	1.65	28.17	46.48
	10	V/ JH 0306	(a) Biraniya to Ganjora Rd.	2.00	1.75	0.25	33.33	8.33
	11		(b) Sangram Loriya to Lakhangahria Rd.	2.60	1.50	1.10	33.33	36.66
	12		(c) Jasidih SH to Jatahi More	2.05	1.50	0.55	33.33	18.33
	13	V/ JH 0308	Balthar to Babupur Rd.	4.05	3.00	1.05	28.84	30.28
	14	V/ JH 0309	Dubrajpur to Pathalghatia Rd.	2.50	2.00	0.50	29.11	14.56
	15	V/ JH 0310	(a) Dharmpur to Nakti Road	4.70	1.50	3.20	29.46	94.27
	16		(b) Pokhariya to Ranganatia Road	4.30	4.00	0.30	29.46	8.84
	17		(c) Uparbandha to Kanki Rd.	3.47	2.50	0.97	29.46	28.58
	18	VI/ JH 0302	PWD Rd. Kisandih to Dahijor	2.00	1.00	1.00	41.56	41.56
Giridih	19	V/JH 0803	Dhanwar Sariya to Rupaidih	9.00	8.00	1.00	29.68	29.68
	20	V/JH 0805	Kowar-Koderma to Bari	5.15	5.00	0.15	34.76	5.21
	21	V/JH 0809	Banderkuppi to Berdonga	6.25	6.00	0.25	25.93	6.48
	22	V/JH 0810	Kower-Koderma to Manjhladih	11.20	10.00	1.20	29.82	35.78
	23	V/JH 0812	Jamua Pachamba Samadih Nawadih via Merho, Chaparkto	3.80	3.00	0.80	30.78	24.62
	24	V/JH 0815	Jamua Pachamba Karudih to Barhobad	5.00	4.50	0.50	22.88	11.44
	25	V/JH 0818	To 3 to Angaiya	10.60	7.50	3.10	31.73	98.36
	26	VI/JH 0801	To 1 to Amanari	15.20	15.00	0.20	26.20	5.24
	27	VI/JH 0807	Giridih Jamua Rd. Balbola to Balgo	7.00	6.50	0.50	31.45	15.73
	28	VI/JH 0807	Doman Pahari Durgagard Rd. to Nawadih To 3 (Giridih Chirki	1.75	1.50	0.25	31.45	7.86
	29	VI/JH 0808	Palma) Hirapur more to Tuio	5.20	5.00	0.20	32.54	6.51
	30	VI/JH 0810	To 2 to Bathania	3.16	3.00	0.16	29.94	4.79
	31	VI/JH 0813	Kower-Koderma to Kusmai	6.63	5.50	1.13	35.22	39.80

(₹ in lakh)

Name of PIUs	Sl. No	Package No./ Phase No.	Name of the roads	Length of road as per agreement (in km)	Length of road as per CNCPL (in km)	Excess length of road (in km)	Rate per km	Amount involved
	32	VI/JH 0814	Gorthamba Itasani Rd. to Galwati	7.50	4.00	3.50	29.35	102.73
	33	VI/JH 0815	Kower-Koderma to Saranda	15.10	11.00	4.10	34.03	139.53
	34	VI/JH 0816	Torn Bigha to Gadi Khurd	10.10	10.00	0.10	30.11	3.01
	35		Jamua to Harla	2.97	1.00	1.97	30.11	59.32
	36	VI/JH 0817	Bhandaro Nawadih to Bhawannand	9.68	9.00	0.68	27.73	18.86
	37	VI/JH 0817	To 7 to Chhotki Bergi	4.34	4.00	0.34	27.73	9.43
	38	VI/JH 0818	Tisri to Khatponk	10.10	10.00	0.10	34.43	3.44
	39	VI/JH 0818	To 4 to Kharsan	5.40	2.00	3.40	34.43	117.06
	40	VI/JH 0819	To 2 (Dhanwar Soniya) to Mangago	6.30	4.00	2.30	34.13	78.50
	41	VI/JH 0819	To 2 (Dhanwar Soniya) to Jasingha	7.50	5.00	2.50	34.13	85.33
	42	VI/JH 0822	To 7 To Jitkundi	7.58	6.00	1.58	34.37	54.30
	43	VI/JH 0823	Koradih Parsan to Kailadhab	4.00	3.00	1.00	33.15	33.15
	44	VI/JH 0823	Khorimahua Nimdih to Bhabhni	5.45	3.50	1.95	33.15	64.64
	45	VI/JH 0825	To1 to Daber to Chorwa	8.00	3.00	5.00	38.84	194.20
	46	VI/JH 0826	Ghorthamba Itsani to Orkhar	3.75	2.00	1.75	32.69	57.21
	47	VI/JH 0827	Asnasingha to Dumarchutiya	3.62	2.00	1.62	34.09	55.23
	48		To 8 Barganda to Jaridih	5.32	4.00	1.32	34.09	45.00
	49	VI/JH 0828	To 1 to Jharkatta	8.00	7.00	1.00	33.59	33.59
	50	VI/JH 0829	(a) Kurhobindo Gamhardih Rd. to Dharampur	2.05	1.25	0.80	32.40	25.92
	51		(b) Bangabed Chatro to Goro	1.43	1.00	0.43	32.40	13.93
	52		(c) Kaiarodih to Okherasal	2.53	1.25	1.28	32.40	41.47
	53	VI/JH 0830	Barjo Itachanch to Sapamaran	3.85	2.50	1.35	30.88	41.69
	54	VI/JH 0830	Kower- Koderma to Dobhi	4.20	3.50	0.70	30.88	21.62
	55	VI/JH 0831	To 7 Khurjio to Mangluahar	4.70	4.50	0.20	33.80	6.76
	56	VI/JH 0832	Chatro Nayasankho to Bansadih	2.00	1.00	1.00	29.81	29.81
	57		To 3 Jamua Tisari to Khatani	9.70	8.00	1.70	29.81	50.68
	58		To 1 (Chatro Deori) Nawadih to Berodih	2.08	1.50	0.58	29.81	17.29
	59	VI/JH 0833	To 4 to Karmo	1.60	1.50	0.10	31.11	3.11
	60	VI/JH 0834	To 1 to Pasnaur	12.00	7.00	5.00	39.67	198.35
Dumka	61	V/ JH 0502	Patatandh to Lakhanpur	4.38	3.00	1.38	33.51	46.24
	62		Mohanpur to Fitkoria	8.75	8.50	0.25	33.51	8.38
	63	V/ JH 0503	PWD Rd. to Sri Amara	2.23	2.00	0.23	28.61	6.58
	64	V/ JH 0505	Kalichuan to Ramjam	6.23	5.00	1.23	32.70	40.22
	65	VI JH 0507	PWD Rd. to Bilayfanr	10.30	5.00	5.30	30.64	162.39

(₹ in lakh)

Name of PIUs	Sl. No	Package No./ Phase No.	Name of the roads	Length of road as per agreement (in km)	Length of road as per CNCPL (in km)	Excess length of road (in km)	Rate per km	Amount involved
Daltonganj	66	VI/ JH 0509	Karrasol to Sikatia	7.56	6.00	1.56	27.39	42.73
	67		Uparsitua to Hat Majhindih	6.17	4.00	2.17	27.39	59.44
	68		REO Rd. to Murjalani	3.50	1.00	2.50	27.39	68.46
	69	VI/ JH 0510	Astayora to Hathiapathar	11.22	10.00	1.22	28.15	34.34
	70		Hidayori to Putberia	10.92	9.00	1.92	28.15	54.05
	71	VI/ JH 0501	Jawari Bhaturia Pamgarh to Bhaturia Dalobar	7.35	5.50	1.85	32.05	59.29
	72	VI/ JH 0504	REO Rd. to Gadijhopa	6.15	5.50	0.65	30.38	19.75
	73	VI/ JH 0505	Saraihat to Madhudinda	8.45	8.00	0.45	27.99	12.60
	74	VI/ JH 0506	Behrapahar to Banki Jori	5.70	4.50	1.20	32.54	39.05
	75	V/ JH 1704	PWD TO1 to Bhawar	4.25	4.00	0.25	26.50	6.63
	76	VI/ JH 1702	Gua Sarai to Jamari	8.50	8.00	0.50	29.48	14.74
	77	V/ JH 1703	Madanpur to Kanhanpur	2.00	1.50	0.50	28.17	14.09
	78	V/ JH 1706	Chanpikhurd to Sangeldopa	4.50	3.00	1.50	26.37	39.56
	79	V/ JH 1706	Boridiri to Kewal	4.10	4.00	0.10	26.37	2.64
	80	V/ JH 1705	Benjari to Kothua	6.10	6.00	0.10	26.80	2.68
	81	V/ JH 1706	Ashar to Kusri	6.50	5.00	1.50	26.37	39.56
	82	V/ JH 1705	Dhahadih to Ekta	8.12	6.00	2.12	26.80	56.82
	83	VI/ JH 1705	Ramgarh to Baghi	4.00	3.00	1.00	29.77	29.77
	84	V/ JH 1707	Burhiber to Chothosa	5.10	5.00	0.10	25.23	2.52
	85	VI/ JH 2219	Baidmara to Tenda	5.17	3.00	2.17	31.35	68.03
	86	VI/ JH 2221	(a) Toybo to Kotsai Rd. *via* Hoyahatu.	3.30	3.00	0.30	30.10	9.03
Chakradharpur	87		(b) Toklo to Sarjamhatu *via* Ramda	4.00	3.50	0.50	30.10	15.05
	88		(c) Baihatu Ladurasai Rd. to Nayak Tola	2.20	2.00	0.20	30.10	6.02
	89	VI/ JH 2222	PWD Rd. to Beratulunda	3.00	2.56	0.44	29.55	13.00
	90	VI/ JH 2223	(a) Main Rd. to Kharwan	3.00	2.50	0.50	31.13	15.57
	91		(b) Kuituka to Bangrasai	3.00	2.50	0.50	31.13	15.57
	92	VI/ JH2224	Manoharpur Aam Bagan to Patharbasa	4.00	3.50	0.50	32.41	16.20
	93	VI/ JH 2225	(a) Sagipi to Ghandhamara via Higiya.	3.00	2.50	0.50	30.16	15.08
	94		(b) Domardiha to Pariya Rd.	2.20	2.00	0.20	30.16	6.03
	95	VI/ JH 2226	Tunia to Nawagaon via Belposh	4.00	3.00	1.00	29.52	29.52
	96	VI/ JH2227	(a) Baihatu Surubura Rd to Jamtara.	11.00	1.50	9.50	27.51	261.34
	97		(b) Jhargraon to Kasrua	2.40	2.00	0.40	27.51	11.00
	98	VI/ JH2228	REO Rd Charkatungri to Tumsai	4.88	4.00	0.88	30.49	26.83
Ranchi	99	V/ JH 1082	Reo Rd. Patracholi More to Patracholi	1.65	1.40	0.25	23.43	5.86
	100	V/ JH 1807	Jarga to Ambajhoria	9.10	9.00	0.10	31.95	3.19
	101	V/ JH 1809	Burha Khokhra Rd to Mahuwajari	2.65	2.50	0.15	29.17	4.37
	102	V/ JH 1809	Tangarbasulit Rd. to Poryago	2.05	2.00	0.05	29.17	1.46

(₹ in lakh)

Name of PIUs	Sl. No	Package No./ Phase No.	Name of the roads	Length of road as per agreement (in km)	Length of road as per CNCPL (in km)	Excess length of road (in km)	Rate per km	Amount involved
	103	V/ JH 1810	Manjhlatola to Turup	4.65	4.00	0.65	31.81	20.68
	104	V/ JH 1810	Ranchi Purlia Rd. to Luputg	2.06	2.00	0.06	31.81	1.91
	105	VI/ JH 1805	Kumhoria to Sangrampur via Bonhara	3.20	2.50	0.70	28.67	20.07
	106	VI/ JH 1805	Umedanda to Kedoli	5.73	2.00	3.73	28.67	106.94
	107	VI/ JH 1806	Betangi (Umedanda-Susai) to Role	4.85	3.00	1.85	29.83	55.18
	108	VI/ JH 1807	Cholra Sataki Rd to Baupur	3.50	3.00	0.50	28.48	14.24
	109	VI/ JH 1807	Sursu to Harjahom	2.50	2.00	0.50	28.48	14.24
	110	VI/ JH 1808	Kormidih to Sayaromars	10.70	9.00	1.70	29.79	50.64
Gumla	111	IV/ JH 1001	Ambatoli to Sakri	6.00	3.00	3.00	23.71	71.13
	112	V/ JH 1003	To 1 to Korel	2.25	2.00	0.25	32.10	8.02
	113	V/ JH 1004	Novatoli to Sarangsore	3.18	3.00	0.18	30.47	5.48
	114	VI/ JH 1001	Parwal to Maladon	12.30	9.00	3.30	30.70	101.31
	115	VI/ JH 1002	Puto to Ludgo	13.05	11.00	2.05	32.07	65.74
	116	VI/ JH 1004	PWD Koremtoli to Bontoli via Londra	7.00	6.00	1.00	33.28	33.28
	117	VI/ JH 1005	PWD Rd. Bhondartoli to Seregdag	7.48	6.00	1.48	31.10	46.03
	118	VI/ JH 1001	BPDP Rd. to Lalgori	6.30	5.00	1.30	29.44	38.27
	119	VI/ JH 1012	To 4 Bhathauti to Dokapad to PAS- A	12.50	11.00	1.50	29.68	44.52
	120	VI/ JH 1013	BPDP Rd. to Lalpur to Garwalimada	15.40	9.00	6.40	28.68	183.55
	121	VI/ JH 1016	(a) Tikrona to Kochedega	5.10	4.50	0.60	28.27	16.96
	122		(b) Chendali to Bansea	4.50	4.00	0.50	28.27	14.14
	123	VI/ JH 1017	Leonkel to Kilri Pol-II	12.30	6.00	6.30	28.92	182.19
	124	VI/ JH 1018	Kosin to Kainjon Rd	4.70	3.90	0.80	29.25	23.40
	125	VI/ JH 1008	Dahudar to Marda	17.10	1.50	15.60	29.96	467.38
Chaibasa	126	VI/ JH 2201	(a) Jorapokhar to Asuoa Rd	7.60	7.00	0.60	27.92	16.75
	127		(b) Jetia to Hotimanda Rd	7.43	5.00	2.43	24.34	59.14
	128	VI/ JH 2203	Dumtisai to Bramudi	2.50	2.00	0.50	30.30	15.15
	129	VI/ JH 2204	Kunta to Abru	7.15	6.00	1.15	26.25	30.19
	130	VI/ JH 2205	(a) REO Rd. to Bolkand	1.95	1.40	0.55	30.40	16.72
	131		(b) REO Rd. to Lamjhari	1.77	1.00	0.77	29.89	23.01
	132		(c) Poradha to Kadelbora	2.35	2.00	0.35	28.65	10.03
	133	VI/ JH 2206	(a) Gulbasachuk to Unelkuti Ponia	2.70	2.00	0.70	26.36	18.45
	134		(b) Bingburasai to Kotsona	3.80	2.00	1.80	30.68	55.22
	135		(c) Tuhbosa to Pathaguira	1.95	1.00	0.95	28.39	26.97
	136		(d) Siphory to Teropi	3.20	2.50	0.70	24.08	16.85
	137	VI/ JH 2210	(a) Sorbol khas to Mahudil Lemang	6.23	3.50	2.73	30.63	83.62
	138		(b) Borakundrihose to Jareya forest	2.42	2.00	0.42	31.13	13.07

(₹ in lakh)

Name of PIUs	Sl. No	Package No./ Phase No.	Name of the roads	Length of road as per agreement (in km)	Length of road as per CNCPL (in km)	Excess length of road (in km)	Rate per km	Amount involved
			Jareya forest					
	139		(c) Jotia Bombasite to Lampohesa	4.32	3.50	0.82	29.51	24.20
	140	VI/ JH 2211	PWD Lokesai to Jetia Rd	6.40	4.50	1.90	30.51	57.97
	141	VI/ JH 2212	Barakundrijha to Rako forest	6.10	4.50	1.60	30.44	48.70
	142	VI/ JH 2213	Mundaram to Iohapic	7.00	5.00	2.00	26.86	53.72
	143	VI/JH0101	Ormo to Madhukarpur	3.60	2.00	1.60	29.83	47.73
	144	VI/JH 0101	Polytechnic to Khutri	4.20	2.00	2.20	30.21	66.46
	145	VI/JH 0104	Pilpilo more Pipradih Rd. to Bermo Block Sima	3.90	1.00	2.90	30.50	88.45
	146	V/JH 0102	Hardagadda to Simrabera	12.05	11.00	1.05	35.98	37.78
	147	V/JH 0106	Pilpilo to Lahiya via Pipradih	11.38	10.00	1.38	30.96	42.72
	148	V/JH 0112	Chirudih to Bhendra via Tilaiya tanr Bodro	8.00	3.00	5.00	37.51	187.55
	149	VI/JH 0103	Manpur Bijulia Rd to Siyaljori Rd.	7.10	5.00	2.10	30.91	64.91
	150	V/JH 0109	NH32 to Padndih Rd.	7.50	5.00	2.50	32.10	80.25
	151	V/JH 0105	REO Rd. to Adrakuri Rd.	10.80	9.00	1.80	29.50	53.10
	152	V/JH 0110	7Km Hirak road near Bhandaridah	4.45	3.00	1.45	35.89	52.04
Bokaro	153	VI/JH 0107	Karma to Hissim	6.30	5.00	1.30	29.30	38.09
	154	VI/JH 0113	Janamdih to Ranichirka Rd.	3.40	2.00	1.40	30.93	43.30
	155	do	NH32 to Barpokhar	4.00	2.00	2.00	29.51	59.02
	156	VI/JH 0108	Honhey to Kander	8.10	6.50	1.60	29.51	47.22
	157	VI/JH 0115	Baridih to Misiridih	6.70	4.00	2.70	30.82	83.21
	158	VI/JH 0117	Dahawa Tanr to Godro Tanr	3.20	1.00	2.20	33.90	74.58
	159	IV/JH 0103	NH32 Kura High School to Kurma	6.38	4.00	2.38	18.41	43.81
	160	VI/JH 0117	Nawadih to Kurlilwa via Taratan	3.80	2.00	1.80	29.30	52.74
	161	VI/JH 0111	Zila Parishad to Kumardaga Rd	13.00	10.00	3.00	25.75	77.25
	162	VI/JH 0118	NH32 to Sijua	3.00	1.50	1.50	30.50	45.75
	163	VI/JH 0105	Banchatara to Lodhi Rd.	10.54	7.00	3.54	30.56	108.18
	164	VI/JH 0118	REO to Kalikapur Rd.	3.10	2.00	1.10	30.30	33.33
	165	VI/JH 0117	Baradih to Dahiyari North Tola	5.60	3.00	2.60	27.76	72.18

(₹ in lakh)

Name of PIUs	Sl. No	Package No./ Phase No.	Name of the roads	Length of road as per agreement (in km)	Length of road as per CNCPL (in km)	Excess length of road (in km)	Rate per km	Amount involved
	166	VI/JH 0112	Chipari to Narkandi	7.60	6.00	1.60	29.11	46.57
	167	VI/JH 0118	Mohanpur to Chirda Rd	3.50	2.00	1.50	30.42	45.63
	168	VI/JH 0122	Chutte to Tisare	5.60	4.00	1.60	25.75	41.20
	169	VI/JH 0121	Madhunia Rd. to Labudih Rd.	7.70	4.00	3.70	28.35	104.89
	170	VI/JH 0106	Mines Board Rd to Kathko	9.60	7.50	2.10	26.81	56.30
	171	VI/JH 0120	Chilgadda to Gopalpur	3.20	2.50	0.70	25.93	18.15
	172	VI/JH 0119	Lepo NH23 Rd to Mungasarela	3.10	2.50	0.60	26.85	16.11
	173	VI/JH 0119	Dumri to Gosay	3.50	2.70	0.80	25.05	20.04
	174	V/JH 0115	Kunda to chagri	8.00	6.00	2.00	35.43	70.86
	175	VI/JH 0115	Pilpilo Pipradih to Misirdih via Jura Thana	5.60	5.00	0.60	31.15	18.69
Total				**993.27**	**731.96**	**261.31**		**7914.04**

Appendix - 1.8
(Refer paragraph 1.1.8.10; page- 16)

Statement showing short/non-deduction of liquidated damages

(₹ in lakh)

PIUs	Details of works		Package No.	Scheduled date of completion	Actual date of completion	Liquidated damages to be deducted	Liquidated damages actually deducted	Short deduction of liquidated damages
	Sl. No.	Name						
Bokaro	1	(i) REO Road Modidih to Shakakuri (9 km) (ii) Sawra More to Kumhartola via Asanbani (5.20 km)	JH 0111 of Phase V	25.05.09	incomplete	43.23	0.00	43.23
	2	Piplo to Lahiya via Piradih (11.375 km)	JH 0106 of Phase V	27.10.08	incomplete	37.42	0.00	37.42
	3	(i) Construction of road from Chandankiyari to Lalpur (8.00 km) (ii) Construction of road from Shilphore more to Babudih	JH 0101 of Phase III	08.04.09	incomplete	21.89	11.62	10.27
	4	Changhari to Adrakuli (10.80 km)	JH 0105 of Phase V	08.04.09	incomplete	34.27	0.00	34.27
	5	(i) NH32 to Nirdha via Agarsa Road (3.375 km) (ii) NH32 to Padudih Road (7.50 km)	JH 0109 of Phase V	08.04.09	21.11.09	35.36	0.00	35.36
	6	Arajoo to Bhaski (9.60 km)	JH 0113 of Phase V	08.04.09	28.07.09	24.21	0.00	24.21
	7	(i) Jaina More to Tand Mohanpur (2.15 km) (ii) NH23 to Kalyanpur (3.80 km) (iii) Gangjori to Birasaram (4.50 km)	JH 0114 of Phase V	29.04.09	29.07.09	24.65	0.00	24.65
	8	(i) NH 23 (Holy Cross School) to Dharampura Road (8.00 km) (ii) NH32 (Kura High School) to Kurma road (6.38 km)	JH 0103 of Phase IV	25.08.07	incomplete	26.65	11.57	15.08
	9	(i) Khaira Chatar to Nawadih (4.00 km) and (ii) Shiv Mandir to	JH 0103 of Phase V	14.09.09	incomplete	15.82	0.00	15.82

(₹ in lakh)

PIUs	Details of works		Package No.	Scheduled date of completion	Actual date of completion	Liquidated damages to be deducted	Liquidated damages actually deducted	Short deduction of liquidated damages
	Sl. No.	Name						
		Malhen Tand (1.50 km)						
	10	Hardagadda to Dhawaiya Road (7.25 km)	JH 0107 of Phase V	23.04.09	24.03.10	20.21	4.25	15.96
	11	Kunda to Chargi (8 km)	JH 0115 of Phase V	23.05.09	incomplete	28.35	0.00	28.35
Deoghar	12	(i) PWD road to Karchubani and (ii) Gopibandh to Jhiluwa road	JH 0305 of Phase IV	03.01.08	incomplete	16.73	0.34	16.39
	13	(i) Construction of road from Bichgarha to Manikpur Road (ii) Construction of road from Birajpur to Karobandra (iii) Construction of road from Basmaria to Binja (iv) Construction of road from Bara Karam Dangal to Balidih	JH 0303 of Phase V	22.07.09	incomplete	41.32	0.00	41.32
	14	(i) Improvement of road from Tabhaghat to Gangti (2.10 km)	JH 0302 of Phase III	21.06.05	31.01.07	35.35	0.00	35.35
		(ii) Improvement of road from Mathurapur to Kashati (6.10 km)						
		(iii) Improvement of road from Mahuadabar to Simla (7.23 km)						
Giridih	15	(i) Khetko to Balak (5 km)	JH 0814 of Phase V	7.11.09	incomplete	20.04	0.00	20.04
		(ii) Dabarsaini Gurha Road to Kharidih						
	16	TO1 to Phuljori	JH 0813 of Phase V	23.05.09	incomplete	37.54	0.00	37.54
	17	SH Giridih Dumri (Katwara) More to Bhandaro Road	JH 0803 Phase III	22.06.05	incomplete	22.93	0.00	22.93
	18	(i) SH (Giridih- Dumri) Dhanwaratand to Atki (5.20 km)	JH 0805 Phase II	23.10.03	18.12.04	21.15	0.00	21.15

(₹ in lakh)

PIUs	Details of works		Package No.	Scheduled date of completion	Actual date of completion	Liquidated damages to be deducted	Liquidated damages actually deducted	Short deduction of liquidated damages
	Sl. No.	Name						
		(ii) NH2 (Gopaldih) to Khetko via Pachori						
	19	To4 (Jamua Pachamba) to Sugasor	JH 0802 of Phase V	09.04.09	incomplete	16.97	0.00	16.97
	20	Manikbad Kodambari (Lawania) Jamkhukhro raod	JH 0802 of Phase IV	23.05.07	incomplete	28.48	0.56	27.92
	21	Jamua Pachamba Road Koridih to Berhobad	JH 0815 of Phase V	11.04.09	incomplete	11.45	0.00	11.45
	22	S.H. Giridih Madhupur (Karamjosi) Gando Road	JH 0801 of Phase III	04.07.05	16.03.06	17.7	3.6	14.1
	23	Bander Kuppi More to Berdonga	JH 0809 of Phase V	10.04.09	incomplete	16.2	0.00	16.2
	24	(i) Koderma Khori Mahua Road to Bhalutanr (5.20 km)	JH 0801 of Phase V	08.05.07	incomplete	29.5	0.00	29.5
		(ii) Ghorthamba to Gundri Road (3.30 km)						
		(iii) Koderma Khori Mahua Road to Garjasaran (2 km)						
		(iv) Koridih Jharkhandidham to Argali (2 km)						
	25	To4 Gandey Mankadiha to Banguwa	JH 0816 of Phase V	03.04.09	incomplete	29.87	2.03	27.84
Chaibasa	26	(i) Naitola to Mundasai (4.90 km)	JH 2202 of Phase V	21.04.08	04.04.10	21.83	1.36	20.47
		(ii) Kanka to Mohalipokhar (3 km)			24.08.09			
		(i) REO Road to Pichua (1.5 km) and	JH 2206 of Phase IV	14.12.07	incomplete	17.48	1.35	16.13
		(ii) Bombasai to Buruborta (8 km)						
	27	Talasai to Basasai via Kenjra Road (13.55 km)	JH 2203 of Phase III	22.05.05	20.06.08	37.46	0.00	37.46
	28	Ulihatu to Goralayoung (10.50 km)	JH 2204 of Phase V	16.04.09	10.07.09	28.51	0.97	27.54
	29	Pateta to Baiterkiya Road	JH 2201 of Phase III	28.05.05	incomplete	18.29	0.94	17.35

(₹ in lakh)

PIUs	Details of works		Package No.	Scheduled date of completion	Actual date of completion	Liquidated damages to be deducted	Liquidated damages actually deducted	Short deduction of liquidated damages
	Sl. No.	Name						
	30	Birsabasa Border to Bund (15.25 km)	JH 2203 of Phase V	05.12.09	incomplete	46.49	0.00	46.49
	31	Kanta Billa to Pukharisia (length 4.85 km)	JH 2202 of Phase IV	24.10.07	28.03.08	14.89	0.00	14.89
Daltanganj	32	Godarma to Nawgarh (12.5 km to 18.6 km) (length 6.10 km)	JH 1708 of Phase V	30.09.07	incomplete	18.58	0.00	18.58
	33	Budhibir to Chothasa Road (5.10 km)	JH 1707 of Phase V	26.05.09	incomplete	12.87	0.00	12.87
		(i) PWD Road to Bhawar (4.25 km)	JH 1704 of Phase V (2007-08)	01.05.09	incomplete	30.08	0.00	30.08
	34	(ii) Araruwa to Turi (3.10 km)						
		(iii) Japla Chhattarpur Road to Hira Sikni (4 km)						
	35	(i) Dhub to Basariya via Pakariya road (10.50 km)	JH 1705 of Phase III	06.06.05	06.03.07	24.96	0.00	24.96
		(ii) Pat Khaulia to Dabra va Gentha Road (7 km)						
		(i) Haider Nagar Barewa to Jamua (2 km)	JH 1702 of Phase V	04.05.09	incomplete	40.99	3.83	37.16
		(ii) Bilashpur to Sariya (4 km)						
	36	(iii) Japla Chhatterpur Road to Bairwan (2.70 km)						
		(iv) JM Road to Birdhwar (2.50 km)						
		(v) Poldih to Uradwar (5 km)						
		(i) Bed ani More to Delha (length 3.00 km) (ii) Chapi Khurd to Sakaldipa (4.50 km)	JH 1706 of Phase V	18.05.09	incomplete	51.68	3.17	48.51
	37	(iii) Borodiri to Kawal (4.10 km)						
		(iv) Sahed to Orā (1.50 km)						
		(v) Ashaher to Kushri (5 km)						

(₹ in lakh)

PIUs	Details of works		Package No.	Scheduled date of completion	Actual date of completion	Liquidated damages to be deducted	Liquidated damages actually deducted	Short deduction of liquidated damages
	Sl. No.	Name						
	38	(i) Haider Nagar Pansa road to Kabra (6 km) (ii) Goradih to Bholi (1.92 km) (iii) Japla Dangwar road to Mahuwari (4.4 km) (iv) JH road to Mokhni Kouen (5.475 km) (v) Bansi More to Pataria (2.10 km)	JH 1701 of Phase IV	23.10.07	incomplete	48.14	5.59	42.55
	39	(i) Banjori to Kolhua (6.10 km) (ii) Dhawadih to Ekta (8.125 km) (iii) Kishunpur to Jangashi (3.50 km)	JH 1705 of Phase V	12.05.09	incomplete	47.5	0.18	47.32
Dumka	40	(i) Rangamatia to Singtuta (2.35 km) (ii) REO 4th km to Banskuti (2.78 km) (iii) PWD Road to Sri Amra (2.23 km) (iv) REO Road to Bartoli (2.71 km)	JH 0503 of Phase V	14.06.09	incomplete	30.53	0.00	30.53
	41	Gumro to Baskidih road	JH 0504 of Phase V	21.05.09	incomplete	57.45	1.76	55.69
	42	Asanthar to Tapsi (6.265 km) Road under PMGSY package no.	JH 0506 of Phase IV	10.11.07	25.10.08	16.82	0.00	16.82
	43	(i) Construction of road from Potabandhdih to Lakhanpur (4.38 km) (ii) Construction of road from Mohanpur to Phitkoria (8.75 km)	JH-0502 of Phase V	08.05.09	incomplete	43.95	0.00	43.95
	44	Dholpathar to Siltha Balikhora Road	JH 0501 of Phase V	14.06.09	incomplete	28.97	0.00	28.97
Gumla	45	Shikarpur More to Suggapahari (8 km)	JH WB-0501	20.12.06	31.01.07	18.16	10.17	7.99
	46	(i) Amba Toli to Sikri via Pagura Road (6.00 km) (ii) REO Road Natwal to Dina via Katagaon	JH 1001 of Phase-IV	19.08.07	20.02.09	33.19	0.00	33.19

(₹ in lakh)

PIUs	Details of works		Package No.	Scheduled date of completion	Actual date of completion	Liquidated damages to be deducted	Liquidated damages actually deducted	Short deduction of liquidated damages
	Sl. No.	Name						
		road (8 km)						
	47	(i) Samal to Olmeenda (length 9.225 km) (ii) PWD Road to Surhu Road (length 2.00 km)	JH-1001 of Phase III	08.06.05	incomplete	17.95	13.58	4.37
	48	TO3 to Banpur via Siayanchegri (7 km)	JH 1003 of Phase VI	29.05.10	incomplete	20.4	0.00	20.4
	49	(i) From Chharda to Arko (Lenth 12 km) (ii) B.P.D.P. Road to Pusho (Length 4.50 km)	JH-1002 of Phase-III	26.06.05	05.05.06 10.12.06	28.56	19.66	8.9
	50	NH 23 Dumbo to Butkari Road (11 km)	JH 1002 of Phase V	20.05.09	incomplete	35.68	1.19	34.49
Total						**1448.70**	**97.72**	**1350.98**

Appendix - 1.9
(Refer to paragraph 1.1.8.12; page- 17)
Statement showing details of unfruitful expenditure on incomplete works

PIUs	Sl. No.	Package & Phase No.	Name of works	Date of agreement	Stipulated date of completion	Agreed value	Upto date expenditure	Remarks
						(₹ in lakh)		
Garhwa	1	JH 0702/II	Chinia to Rangpur	12.09.02	11.06.03	188.46	134.52	Work had been executed upto WBM level
	2	Do	Birajpur to Khutwa	12.09.02	11.06.03	98.37	57.22	Work had been executed upto WBM level
Godda	3	JH 905/II	Donang to Sundmore	10.09.02	10.06.03	337.55	198.38	E.E had been directed to rescined the work & black list the contractor
Latehar	4	JH 1401/III	PW Rd. Ajmare to Kui	16.08.02	15.05.03	172.19	188.88	Forest problem
Giridih	5	JH 803/III	S.H.Giridih Dumri road to Bhandaro	23.09.04	22.06.05	229.78	197.46	Forest problem. FIR had been lodged by Forest Department
Godda	6	JH 901/III	(a)REO Rd Fulwaria to Piyaram	27.08.04	26.05.05	235.76	52.10	Roads became damaged due to flood. Revised estimate had been prepared
	7		(b)Parsato Bijwaskhami					
Hazaribag	8	JH 1107/III	Parnadi tola to Pindarkanuria Kakar	07.09.04	26.09.05	219.03	199.03	Forest problem work has not been started at the beginning (500m)
Palamu	9	JH 1705/III	Patkholia to Dabra	07.09.04	06.06.05	96.23	41.01	Forest problem
Latehar	10	JH 1401/III	Othepata to Masiyatu	15.10.04	17.07.05	247.42	223.57	Agreement had been rescinded
Lohardaga	11	JH 1501/III	Fatehpur to Tulmuh	16.08.04	15.05.05	101.00	24.70	Forest problem
Sahebganj	12	JH 1901/III	Bindupara to Kakjol Rd	09.10.04	08.07.05	117.55	35.60	Order had been issued to rescind the work
Hazaribag	13	JH WB1103-B/Tranch I	PWD Burku to Pachara	18.09.07	17.09.08	240.69	155.70	Work stopped
Chatra	14	JH 203/IV	Siddaki more to Ghumarwar	04.02.07	03.10.07	489.77	50.57	Forest problem
	15		To 2 to Manighat					
Dhanbad	16	JH 402/IV	Barkitand to Dignagar	18.08.06	17.08.07	31.60	17.99	Forest problem
Gumla	17	JH 701/IV	Kamta to Jalro Banjari	04.10.06	03.07.07	206.32	137.56	Work of premix carpet was incomplete due to non-availability of bitumen
	18	JH 706/IV	Barwati to Chudro	29.08.06	28.05.07	153.25	92.96	Notice had been issued to rescind

PIUs	Sl. No.	Package & Phase No.	Name of works	Date of agreement	Stipulated date of completion	Agreed value	Upto date expenditure	Remarks
						(₹ in lakh)		
	19		Birajpur to Baligarh			201.77	133.30	the works
Godda	20	JH 901/IV	Behram more to Simanpur	01.06.08	06.07.08	350.86	58.32	Works had been rescinded
	21		Thakurgangti to Rasitkar					
Gumla	22	JH 1001/IV	Natwar to Dina	20.11.06	19.11.07	376.11	376.11	E.E. had been directed to black list the contractor
Lohardaga	23	JH 1501/IV	Fatehpur to Tulmuh	12.09.06	11.06.07	351.91	222.85	Forest problem
Palamu	24	JH 1701/IV	(i)Haidernagar Panshah Rd. to Kabrakalam	24.01.07	23.01.08	481.38	281.58	Local disputes
	25		(ii)Japla Dangbar Rd to Mathuswari					
	26		(iii) Bansimore to Patalia					
Khunti	27	JH 1810/IV	Salgadih canal to Janmapirhi.	22.08.06	22.08.07	363.75	274.54	Works had been rescinded
	28		Sajmdih to Birgon					
Sahebganj	29	JH 1902/IV	N.H.80 Naya Bazar more to Narayanpur Diara	14.11.06	13.11.07	242.83	134.79	Proposal of foreclosure had been submitted to JSRRDA
West Singhbhum (Chaibasa)	30	JH 2206/IV	Bombathali to Buruborta Rd	15.03.07	14.12.07	174.86	112.62	Forest problem
Total							**3401.36**	

Appendix - 1.10
(Refer paragraph 1.1.8.12; page-17)

Wasteful expenditure due to non-execution of bituminous works

(₹ in lakh)

PIUs	Phase	Package No.	Agency (M/s)	Agreement Value	WBM work executed (in cubic metre)		Schedule date of completion	Date of measure ment	Payment made
					Gr. II	Gr. III			
Gumla	V	JH 1004	Tauhid Akhtar Const (P) Ltd. Gumla	96.74	956.81	638.44	08.05.09	12.02.09	69.97
Dumka	V	JH 0501	AGM Const Dumka	289.66	2715.72	--	14.06.09	06.01.09	184.21
	V	JH 0502	AGM Const Dumka	439.96	2429.98	421.87	08.05.09	22.04.09.	170.55
Bokaro	V	JH 0111	Jagajit Singh & Co. Ranchi	457.60	130.61	282.49	25.05.09.	21.04.09	122.25
	V	JH 0106	Sonu Enterprices	374.23	3455.15	2559.33	26.10.09	09.10.09	244.01
	V	JH 0115	Gautam Const	283.51	1653.60	1385.12	23.05.09	29.03.09	181.57
Chaibasa	IV	JH2206	Ojha & Brother	174.86	2414.78	1743.75	14.10.07	21.08.09	100.23
Daltonganj	V	JH 1704	Chandi Enterprises		1185.24	942.75	01.05.09	20.09.09	207.00
				300.79	1215.48	--			
					3343.47	--			
	V	JH 1702	Abhay Enterprises	409.92	3934.63	--	04.05.09		204.65
Giridih	V	JH 0814	Mandal Enterprises	200.45	1532.24	601.43	07.11.09	30.11.09	141.32
Total				3027.72					1625.76

Appendix - 1.11
(Refer paragraph 1.1.8.14; page-18)

Statement showing expenditure incurred on roads with unbridged gaps

PIUs	Sl. No	Phase No./ Pkg No.	Name of Road	Expenditure (₹ in lakh)	Length of un-bridged gap (in metre)
Giridih	1	II/JH 0801	Parwatpur to Manikadih	107.30	175
	2	IVJH 0803	Laxmipur to Nimadih	224.48	50
	3	V/JH 0813	To 1 to Phuljori	348.37	2 gaps of 50 mtrs each
	4	V /JH 0814	Khetko to Balak	103.60	6
	5	V /JH 0803	Dhanwar Sariya to Rupaidih	203.39	420
	6	V /JH 0819	Dhanwar Sariya to Pandariya	167.93	410
	7	V /JH 0804	Tulsidih to Naitanr	156.52	40
	8	V /JH 0807	Pachamba - Jamua (Chitradih to Kurhobindo)	206.91	52
	9	VI/JH 0824	To 5 to Paharpur	92.28	four gaps of 50 m,10 m, 100 m and 30 m
	10	VI/JH 0808	To 3 to Kharpokha	34.46	40
	11		To 3 to Tuio		50
	12	II/JH 0805	G.T.Road to Khetka	98.96	70
	13	VI/JH 0809	To 2(G.T) Road to Pipradih	131.33	two gaps of 50 m and 80 m
	14	VI/JH 0814	Itasani to Galwati	225.56	70
	15	VI/JH 0830	Kawanr-Koderma to Dabri	146.53	300
	16		Dwarpahari Khurjio to Kedwara	95.16	215
	17	VI/JH 0812	Mekhmargo Chanho to Bangerakalan	101.29	100
	18	VI/JH 0815	Kawanr-Koderma to Sarenda	371.48	207
	19	VI/JH 0813	Kawanr-Koderma to Sankhabera	73.65	150
	20		Dhanwar Saria to Petaria Saladih	186.00	70
	21	VI/JH 0819	To 2 (Dhanwar Saria) to Jarisingha	136.47	350
	22	VI/JH 0803	Jamua to Patra	28.37	45
	23	VI/JH 0816	Tam Bigha to Gadikhurd	239.07	two gaps of 15 m each
	24	VI/JH 0832	Chatro Nayasankho to Barisdih	42.34	40
	25	VI/JH 0832	Jamua Tisri to Khatori	196.49	45
	26	VI/JH 0801	To1 to Amnari	193.61	100
	27	VI/JH 0817	Bhandaro Nawadih to Bhawanand	157.39	50
	28	VI/JH 0827	Asnasingha to Domarchutiya	43.22	175
	29	VI/JH 0831	To7 Khurji to Mangluahar	64.59	70
Deoghar	30	V/ JH 0301	Patharia to Chorkatta Rd.	112.25	Two gaps of 250 m & 350m
	31	V/ JH 0307	Karo Ranga to Manjhtar Rd.	49.02	350m
	32	V/ JH 0308	Sanbadiya to Bhangiyapahari Rd.	52.81	Two culverts of 1m each
	33	V/ JH 0304	Khairbani to Bagdobra Rd.	260.02	100m
	34	IV/ JH 0305	Gopibandh to Jhilwa Rd.	110.85	70m
	35	V/ JH 0304	Karma Taljhori Rd.	79.97	300m

PIUs	Sl. No	Phase No./ Pkg No.	Name of Road	Expenditure (₹ in lakh)	Length of un-bridged gap (in metre)
	36	V/ JH 0303	Basbutia/ Bairmeria to Binjha Rd.	56.82	50m
	37	V/ JH 0310	Dharampur to Nakti Rd.	119.64	Two gaps of 25m & 40m
	38	III/ JH 0302	Mahuadabar to Simla Rd.	168.43	50m
	39	II/ JH 0301	Badriyabank to Manikpur Rd.	157.11	Three gaps of 100m, 150m & 300m
Bokaro	40	VI/ JH 0114	Aiyar to Tikahara	10.85	20m
	41	VI/ JH 0119	Lepo NH 23 to Mungasarla	44.30	20m
	42	VI/ JH 0122	Chutte to Tisari	82.10	30m
	43	VI/ JH 0106	Birhatanr Sidhwara to Baraki Sidhwara	59.46	20m
	44	II/ JH0103	Gangapur to Herdagadda	145.88	Two gaps of 6m & 40m
	45	VI/ JH0105	Banchatra to Lodhi Road	148.39	Two gaps of 40m & 16m
	46	VI/ JH 0108	Gangapur to Aiyar	113.29	25m
	47	I/ JH 0103	Lalpania Hirak Rd to Gangpur	42.41	50m
	48	V/ JH 0115	Kunda to Chagri (Tegha Kunda to Chagri Rd.)	281.31	40m
	49	IV/ JH0103	NH 23 Holy cross school to Dharampur	142.68	Three gaps of 120 m, 30 m and 30m
	50	IV/ JH 0103	Bandhudih to Madhudih	66.08	80m
	51	VI/ JH 0121	Madhuria Rd. to Labudih Rd.	91.12	80m
	52	V/ JH 0109	NH 32 to Padudih Rd.	238.31	50m
	53	V/ JH 0109	NH32 to Chahulia	26.13	12m
	54	VI/ JH 0121	Galgaltanr Amdiha Rd. to Tekura	20.37	80m
	55	VI/ JH0113	REO Rd. to Katia Pawar	50.54	60m
	56	I/ JH 0102	Bandhdih to Chirka	60.22	15m
	57	VI/ JH 0107	Gangjori to Baramasia	50.18	30m
	58	VI/ JH 0101	Ormo to Madhukarpur	84.55	15m
	59	VI/ JH 0117	Baridih to Dahiyari North tola	100.92	16m
	60	IV/ JH0104	PWD Rd. Asurbandih(Surhi) to Ahardih	54.11	140
	61	VI/ JH 0104	Pank Mahuatand to Siari More via Mungo Ramgamati	107.67	Two gaps of 35m each
	62	V/ JH 0101	PWD Rd to Bhendra via Gujudis Saharia	117.15	145m
	63	III/ JH 0103	Telo to Taranga Hirak Rd.	127.73	45m
Dumka	64	II/ JH 0501	Kardha More to Karudih	3.87	280m
	65	V/ JH 0504	Gumro to Buskidih	5.40	Two gaps of 150m & 100m
Gumla	66	V/ JH 1003	TO1 to Koral	35.02	80m
	67	I/ JH 1001	Ghangra to Arangi	156.21	30m
	68	VI/ JH 1013	BPDP Road Lalpur to Garwali Mada	145.22	40m
	69	VI/ JH 1001	Parwal to Maladon	181.29	50m
	70	V/ JH 1003	BPDP Road Palhakpur to Jararitoli	73.63	80m
Daltonganj	71	II /JH 1703	Haidarnagar Parta Road	65.01	20m
	72	III /JH 1703	PWD Rd (Bera)Singhna Lalgarhawa	134.72	Two gaps of 20m each
	73	IV /JH 1702	Sigsigi to Lehar Banjari (Pondyapur)	177.73	50m
	74	V/JH 1702	Sulumdag to Ursela	112.19	50m
	75	V/ JH 1704	Ararua to Turi	74.69	100m

PIUs	Sl. No	Phase No./ Pkg No.	Name of Road	Expenditure (₹ in lakh)	Length of un-bridged gap (in metre)
	76	V/ JH 1705	Banjori to Koulhuwa	146.64	Two gaps of 50m & 20m
	77	V/JH 1706	Boridiri to Kowal	21.65	Two gaps of 80m & 20m
	78	VI/ JH 1702	Gausarai to Jamari	47.95	50m
	79	VI/ JH 1702	Bishrampur to Kaudiya	21.97	35m
Ranchi	80	III/ JH 1805	Uragutu to Malsring Rd.(Sanga to Karketta)	111.37	100m
	81	VI/ JH 1803	Jitubera Raichand Rd.	45.75	75m
	82	VI/ JH 1807	Sikidiri Haratu Rd.	30.83	200m
Chakradharpur	83	VI/ JH 2221	Toybo to Kotsai Rd. Via Hoyahatu	63.45	Two gaps of 150 m & 200 m
	84	VI/ JH 2223	Kuituka to Bangrasai	95.66	50m
	85	VI/ JH 2227	Baihatu Surubura Rd. to Jamtuti	225.20	18.3 X 8.00(slab)
	86	VI/ JH 2224	PWD Rd. to Amra Via Koleda	25.83	50m
Total				**9610.68**	

Appendix –1.12
(Refer paragraph 1.2.9; page-34)

Details of non-installed equipment supplied by Hindustan Latex Limited under PMSSY

Sl. No.	Name of equipment	Date of supply to RIMS	Quantity (number)	Unit cost	Total cost	Total amount (in ₹)
1	Defibrillator with External and Internal Paddles and External Pace Maker	15-02-2010	3	$ 6082	$ 18246	842965
2	AGB machine	10-10-2009	4	₹ 291200	₹ 1164800	1164800
3	Multi para Meter Monitor	30-11-2009	29	$ 7525	$ 218225	10081995
4	AGB machine	10-10-2009	4	₹ 291200	₹ 1164800	1164800
5	Operating Microscope	15-01-2010	1	Euro 82574	Euro 82574	5037014
6	Syringe Infusion Pump	03-10-2009	12	₹ 24181	₹ 290172	290172
7	Multi para Meter Monitor	10-10-2009	26	$ 7525	$ 195650	9039030
8	Multi para Meter Monitor	14-12-2009	16	$ 7525	$ 120400	5562480
9	Anaesthesia Work Station	20-02-2010	6	$ 39700	$ 238200	11004840
10	Cell Saver Machine	20-11-2009	1	$ 29400	$ 58800	2716560
		29-12-2009	1			
11	Anaesthesia Work Station	20-02-2010	9	$ 39700	$ 357300	16507260
12	Syringe Infusion Pump	03-10-2009	25	₹ 24181	₹ 604525	604525
13	Computed Radiography Equipment Accessories	25-02-2010	1	$ 68000	$ 68000	3141600
		29-04-2010	-	₹ 436800	₹ 436800	436800
14	Ventilator High End (ICU)	13-01-2010	23	$ 15500	$ 356500	16470300
15	Syringe Infusion Pump	03-10-2009	16	₹ 24181	₹ 386896	386896
16	Automatic Film Processor	17-09-2009	1	₹ 187200	₹ 187200	187200
17	Ventilator High End (ICU)	13-01-2010	6	$ 17001.92	$ 102011.52	4712932
18	Coagulation Analyzer	13-01-2010	4	Euro 21543.38	Euro 86173.52	5256585
19	Digital Radiography System 1000 MA (Accessories and Turnkey work)	20-11-2009	1	$ 204500	$ 204500	9447900
				₹ 2559000	₹ 2559000	2559000
20	NIBP/ Vital Sign Monitor	23-11-2009	2	$ 1925	$ 3850	177870
Total			**191**			**106793524**

(Conversion rate: 1 $= ₹ 46.20, 1 Euro= ₹ 61.00 as on 06-08-2010.)

Appendix – 1.13
(Refer paragraph 1.2.10.4; page-39)

Short supply of medicines in wards for March 2010

Departm-ent	Ward	Name of medicine	20% Manitol 300 ml bottle pack	Injections					Normal Saline
				Rantac 150 mg ample	Reglan	Dilona	Dexona	Taxime 1 gm	
Neuro-sciences	ICU (NSC)	Indent from ward	-	600	600	400	-	-	300
		Supply from medical store	-	250	150	150	-	-	150
		Short Supply as per indent (%)	-	350(58)	450(75)	250(63)	-	-	150(50)
do	NSD2	Indent from ward	800	1500	1400	1500	400	-	200
		Supply from medical store	500	500	200	400	300	-	150
		Short Supply as per indent (%)	300(38)	1000(67)	1200(86)	1100(73)	100(25)	-	50(25)
do	NSCI +HDU	Indent from ward	1200	700	600	700	-	-	500
		Supply from medical store	600	400	200	300	-	-	250
		Short Supply as per indent (%)	600(50)	300(43)	400(67)	400(57)	-	-	250(50)
ENT	ENT	Indent from ward	-	300		500	-	400	-
		Supply from medical store	-	50		250	-	Nil	-
		Short Supply as per indent (%)	-	250(83)		250(50)	-	400(100)	-
Surgery	Surgery B	Indent from ward	-	300	-	200	50	-	100
		Supply from medical store	-	100	-	100	50	-	Nil
		Short Supply as per indent (%)	-	200(67)	-	100(50)	Nil	-	100(100)
Total		**Indent from ward**	**2000**	**3400**	**2600**	**3300**	**450**	**400**	**1100**
		Supply from medical store	**1100**	**1300**	**550**	**1200**	**350**	**Nil**	**550**
		Short Supply as per indent (%)	**900(45)**	**2100(62)**	**2050(79)**	**2100(64)**	**100(22)**	**400 (100)**	**550(50)**
Balance as on 31st March 2010 in Central Medical Store			**6252**	**2814**	**223**	**2233**	**3642**	**5572**	**5594**

Appendix – 1.14
(Refer paragraph 1.2.12.3; page-44)

Statement of civil works taken up during 2005-10

Sl No.	Name of work and year	Estimated cost (in ₹)	Date of work order	Scheduled date of completion	Executing Agency	Remarks
1	Construction of 900 (200000) capacity pump (2006-07)	28,86,825	07.02.2006	-	D.W. & S. Division, Gonda, Ranchi	-
2	Construction of Sewerage Treatment Plant (2006-07)	1,97,92,300	29.06.2006	-	D.W. & S. Division, Gonda, Ranchi	-
3	Construction of Dental College (2007-08)	8,00,00,000	07.09.2007	18 months	N.R.E.P. 2, Ranchi	Incomplete
4	Construction of 300 beded Nurses Hostel (2007-08)	5,17,00,000	25.01.2008	12 months	N.R.E.P. 2, Ranchi	Incomplete
5	Construction of Auditorium (2008-09)	6,88,72,600	25.01.2008	18 months	N.R.E.P. 2, Ranchi	Incomplete
6	Construction of 100 beded PG Girls Hostel (2008-09)	2,89,03,000	27.11.2008	18 months	N.R.E.P. 2, Ranchi	Incomplete
7	Construction of Community Hall (2008-09)	1,57,46,000	18.11.2008	6 months	N.R.E.P. 2, Ranchi	Completed and handed over in April 2010
8	Renovation of Basement (2008-09)	6,32,60,600	22.08.2008	18 months	N.R.E.P. 2, Ranchi	Incomplete
9	Renovation of Guest House (2008-09)	1,03,35,000	12.09.2008	18 months	N.R.E.P. 2, Ranchi	Incomplete
10	Construction of Dental College Hostel (2007-08)	6,88,47,800	27.11.2008	30 months	Zila Parishad, Ranchi	Incomplete
11	Construction of Motor Cycle Shed (2007-08)	13,68,000	05.10.2007	-	Zila Parishad, Ranchi	-
12	Construction of Boundary Wall at Residence Area (2008-09)	60,37,850	06.06.2008	3 months	N.R.E.P. 1, Ranchi	-
13	Construction of PCC Road at Nurses Quarters (2008-09)	5,91,200	11.06.2008	-	B C. Division-2, Ranchi	-
Total		41,83,41,175				

(Note: Sl. No. 3 to 10 was test-checked in Audit)

Appendix – 1.15
(Refer paragraph 1.2.12.6; page- 45)
Statement of blood collected and discarded during 2005-10

Year	Total No. of units collected	Total No. of units discarded	Reasons for discard (No. of units)						
			Haemolysed blood	Expired blood	VDRL positive	Antigen Malaria Test	HCV positive	HIV positive	Hbs Ag
2006	8335	86	22	Nil	1	56	3	4	Nil
2007	9471	142	45	5	3	57	31	1	Nil
2008	11,687	241	51	9	3	50	14	4	110
2009	11,085	230	58	21	Nil	9	5	4	133
Total	**41,120**	**699**	**176**	**35**	**7**	**172**	**53**	**13**	**243**

(Source: Data provided by blood bank, RIMS)

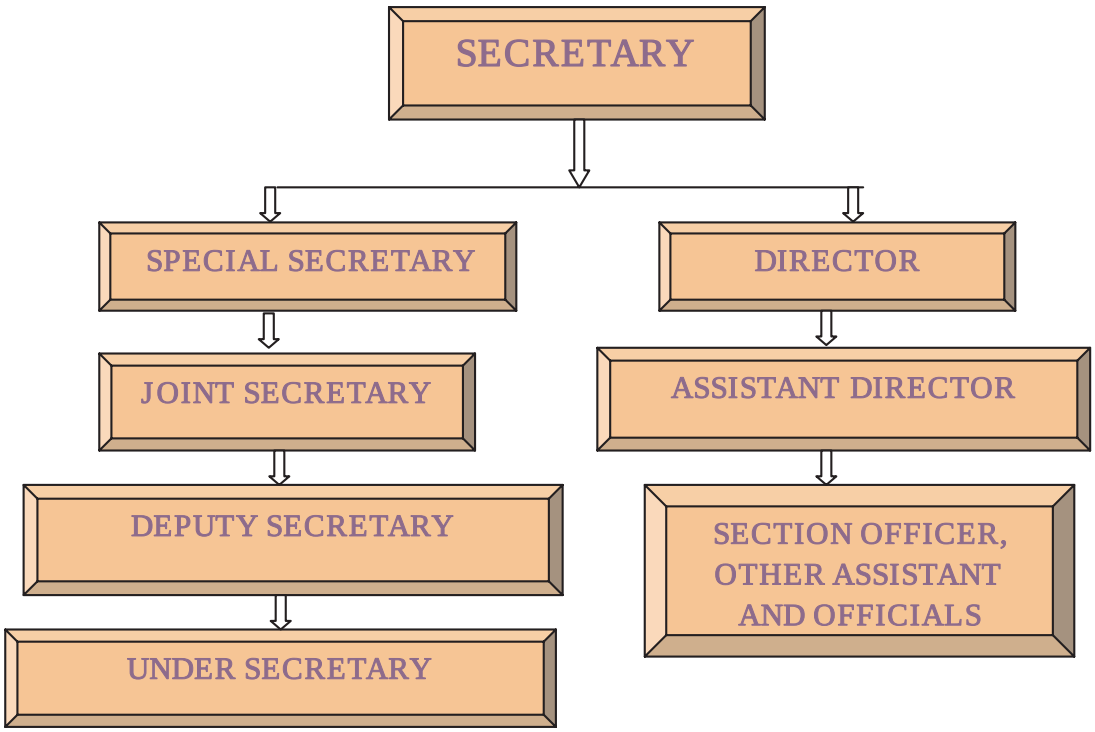
Appendix – 1.16
(Refer paragraph 1.2.12.7; page-46)
Statement showing availability and shortfall of quarters in RIMS

Sl No.	Category of officials	Sanctioned strength	Persons-in-position (31 March 2010)	Number of quarters available	Shortfall		Percentage of shortfall *vis-à-vis* sanctioned strength	Percentage of shortfall *vis-à-vis* persons-in-position
					vis-à-vis sanctioned strength	*vis-à-vis* persons-in-position		
1	Doctors/Teaching faculty	592	225	70	522	155	88	69
2	Paramedical/Group C Staff	208	182	100	108	82	52	45
3	Nursing staff	768	497	16	752	481	98	97
4	Resident doctors	150	23	16	134	7	89	30
5	Group D	598	282	72	526	210	88	74

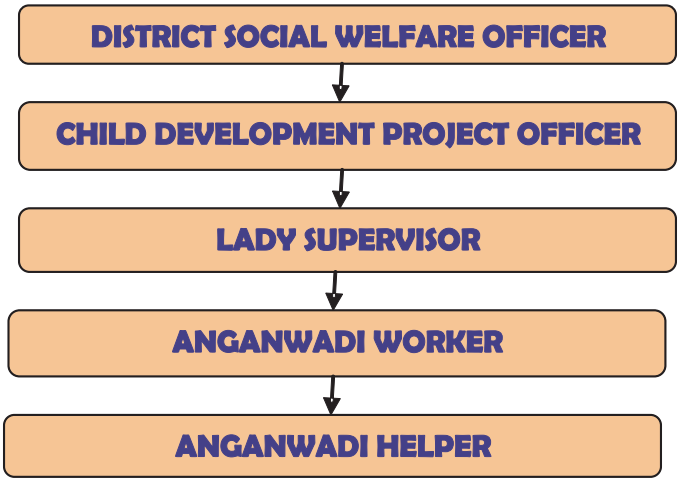
(Source: Data provided by RIMS)

Appendix 1.17
(Refer paragraph 1.3.2; page-49)

Organisational Set-up



Regional Establishment



Appendix - 1.18
(Refer paragraph 1.3.7; page-51)
Statement of budgetary provision, allotment & expenditure

(₹ in crore)

Sl No	Programme	2005-06			2006-07			2007-08			2008-09			2009-10		
		Bdgt	Allt	Exp	Bdgt	Allt	Exp	Bdgt	Allt	Exp	Bdgt	Allt	Exp	Bdgt	Allt	Exp
1	SNP	157.12	145.31	128.33	171.78	167.88	119.51	171.73	171.10	166.89	207.55	200.10	182.01	289.19	289.19	246.79
2	Establishment of ICDS	82.53	71.96	71.67	88.89	72.25	71.47	95.14	90.86	88.95	123.21	97.44	87.13	156.63	150.08	142.10
3	Innovative Scheme	0.32	0.32	0.30	0.32	0.32	0	0.32	0.32	0.22	0.32	0.32	0	0.29	0	0
4	Medicine Kits	1.47	0.51	0	1.47	1.47	0	1.47	1.47	0	1.94	1.94	0	1.75	0	0
5	Pre-School Kits	1.22	0	0	1.22	1.22	0	1.22	1.22	0	1.62	1.62	0	1.46	0	0
6	IEC	0.13	0	0	0.13	0.13	0	0.13	0.13	0	0.13	0.13	0.11	0.11	0	0
7	Kishori Shakti Yojana	2.24	0.55	0.54	1.87	1.12	0	2.24	2.24	1.98	2.24	1.12	1.12	1.50	0	0
8	Training	1.50	1.49	1.24	1.50	0.85	0.83	1.00	1.00	1.00	1.50	1.40	1.40	1.50	1.50	1.50
9	NPAG	1.79	0	0	1.83	1.83	0	1.50	1.50	0.15	1.00	0.75	0.75	1.00	0	0
10	Utensils	0	1.68	1.06	7.65	6.62	4.66	0.05	0.05	0	0.50	0.40	0.39	1.57	1.57	1.10
11	Weighing Machine & Growth Chart	0	0	0	0.99	0.99	0	1.00	1.00	0.55	1.00	1.00	0.46	0.64	0.20	0.15
12	Additional Honorarium	10.29	0	0	20.05	16.12	10.97	20.69	20.69	16.73	21.35	21.35	18.73	32.66	32.66	21.80
13	Construction of AWC building	5.45	5.45	5.45	0	0	0	0	0	0	0	0	0	3.50	3.50	2.62
14	Hand Pumps at AWCs	2.32	2.32	2.32	0	0	0	0	0	0	0	0	0	0	0	0
15	Construction of CDPO Building	0.25	0.25	0.25	0	0	0	0	0	0	0	0	0	0	0	0
Total		**266.63**	**229.84**	**211.16**	**297.70**	**270.80**	**207.44**	**296.49**	**291.58**	**276.47**	**362.36**	**327.57**	**292.10**	**491.80**	**478.70**	**416.06**

(Source: Director, Social Welfare, Women and Child Development department, Government of Jharkhand)

Appendix-1.19
(Refer paragraph 1.3.9.2; page- 57)

Period of interruption in distribution of supplementary nutrition

Sl. No.	Name of the project	Name of the centre	Code No.	Date of interruption	No. of days
1	CDPO, Chas (Rural), Bokaro	Kusum Tikri	298	1.9.2009 to 31.12.2009	120
2	CDPO, Deoghar (Rural)	Rupsagar	79	16.10.2005 to 21.3.2007	157
3	CDPO, Sarath, Deoghar	Moravari	114	7.3.2006 to 6.9.2006	184
		Rautara	132	20.10.2007 to 27.1.2008	100
4	CDPO, Ormanjhi, Ranchi	Harchanda	27	26.4.2005 to 25.10.2005	183
		Piska	77	26.5.2005 to 3.9.2005	101
		Ban Lotwa	61	April 2005 to July 2005	120
		Kamta	60	May 2005 to August 2005	120
5	CDPO, Sarath, Deoghar	Santhaldih	128	7/06, 8/06, 9/06 and 10/ 06	123

Appendix-1.20
(Refer paragraph 1.3.15; page-62)

Period of distribution of foodgrains to beneficiaries under National Programme for Adolescent Girls

Sl No	Name of project	Name of AWC	No of Beneficiaries	Month of distribution of foodgrains				
				1st	2nd	3rd	4th	5th
1	Chaibasa Sadar	Baragutusai	25	10/ 2006	10/2009	11/2009	-	-
2	do	Hind Chowk	25	11/2006	03/2009	01/2010	05/2010	-
3	do	Dhunia Toli	25	11/2006	03/2009	05/2010	-	-
4	do	Madkamhatu	18	09/2006	12/2008	08/2009	10/2009	05/2010
5	do	Munduadel	10	09/2006	10/2009	06/2010	-	-
6	do	Torangbasa Gutusai	25	11/2006	10/2009	03/2009	04/2010	-
7	do	Narsanda	25	09/2006	10/2009	11/2009	-	-
8	do	Tamarband –A	25	10/2006	10/2008	10/2009	-	-
9	do	Barakhunta	25	09/2006	10/2008	01/2009	11/2009	06/2010
10	do	Phulhatu	13	11/2006	03/2009	01/2010	05/2010	-
11	do	Tuibir Khas	16	10/2006	12/2008	07/2009	10/2009	-
12	Jhinkpani	Jora Pokhar Tanti Tola	34	10/2006	03/2007	03/2009	01/2010	05/2010
13	do	Tungrusai	15	10/2006	11/2008	05/2009	01/2010	-
14	do	Navagaon (Latasai)	18	10/2006	02/2007	09/2008	05/2009	05/2010
15	do	Nava Gaon Khas	14	10/2006	02/2007	09/2008	05/2009	01/2010
16	do	Kelende	39	10/2006	11/2008	05/2009	01/2010	-
17	do	Dikupi – I	24	10/2006	02/2007	10/2008	05/2009	05/2010
18	do	Gura Gaud Toli	27	10/2006	06/2009	12/2009	06/2010	-
19	do	Gura Dom Toli	13	10/2006	01/2007	07/2009	12/2009	06/2010
20	do	School Sai Gura	13	10/2006	01/2007	06/2009	12/2009	06/2010
21	do	Gura Tanti Toli	13	10/2006	01/2007	06/2009	12/2009	06/2010

Note: Illustrative examples of distributions of foodgrains after a long gap.

Appendix - 2.1
(Referred to paragraph 2.2.1; page-74)

Overpayment due to allowance of premium rate on inadmissible items

(₹ in lakh)

Sl. No.	Name of Division	Agreement No.	Estimated cost	Premium rate in *per cent*	Agreed value	Work done value	Cost of materials	Carriage	C.P. on materials	Total value of materials used	Over payment
1	RCD, Garhwa	1F2/07-08	1373.00	7.00	1400.00	1311.38	305.39	0.00	30.54	335.93	23.52
2	RCD, Garhwa	8 F2/07-08	1611.00	9.50	2017.40	1942.10	504.77	0.00	50.48	555.25	52.75
3	SRCD, Gangudih	6 F2/07-08	189.07	4.50	197.58	157.18	40.73	13.17	4.07	57.97	2.61
4	SRCD, Gangudih	10 F2/07-08	17.53	4.75	18.36	5.00	2.92	0.11	0.29	3.32	0.16
5	SRCD, Gangudih	4 F2/08-09	236.66	4.50	247.31	121.54	33.09	10.62	3.31	47.02	2.12
6	SRCD, Jamshedpur	15 F2/06-07	91.16	3.99	94.81	75.23	18.59	11.69	1.86	32.14	1.28
7	SRCD, Jamshedpur	17 F2/06-07	100.29	3.99	103.00	103.00	27.43	18.06	2.74	48.23	1.92
8	SRCD, Jamshedpur	7F2/08-09	23.92	4.89	25.09	20.66	6.47	2.12	0.65	9.24	0.45
9	NHD, Jamshedpur	1F2/07-08	371.68	4.80	389.52	383.92	240.54	0.00	24.05	264.59	12.70
10	NHD, Jamshedpur	7F2/06-07	401.58	4.90	417.19	321.02	117.08	0.00	11.71	128.79	6.31
11	NHD, Jamshedpur	17 F2/07-08	270.79	3.00	277.95	256.34	108.15	0.00	10.82	118.97	3.57
12	NHD, Jamshedpur	20F2/07-08	370.17	15.00	425.70	405.55	220.03	0.00	22.00	242.03	36.30
13	NHD, Jamshedpur	19 F2/07-08	136.57	15.00	157.66	156.27	83.78	0.00	8.38	92.16	13.82
14	DWSD, Saraikela	5F2/08-09	714.84	10.00	786.32	626.93	414.27	1.11	41.43	456.81	45.68
15	BCSD, Ranchi	1/2F2/06-07	-	34.25	11671.97	-	614.21	487.19	0.00	1101.40	377.23
16	BCSD, Ranchi	11/1F2/06-07	-	25.50	17147.60	-	234.73	176.11	0.00	410.84	104.76
17	BCSD, Ranchi	11/3F2/06-07	-	12.09	13516.41	-	171.51	124.60	0.00	296.11	35.80
Total					**48933.87**		**3143.78**	**844.78**	**212.32**	**4200.79**	**720.99**

(Resolution No.1680 (S) dated 26.3.2002)

Appendix -2.2
(Refer paragraph 2.2.3; page-77)
Statement Showing "Contract Receipt" of the Contractor for PTFE roofing work and cost of execution with materials etc.

CONTRACTOR'S RECEIPT	
11,302.537 sqM @ ₹ 13,549/sqM	**₹ 1531.38 lakh (A)**
EXPENDITURE BY CONTRACTOR	
PTFE roofing materials (including Hardware)	
AUS $ 10,27,140 @ ₹ 31.5 = ₹ 323.55 lakh	
AUS $ 1,97,900 @ ₹ 33.15 = ₹ 65.60 lakh	
AUS $ 2,30,859 @ ₹ 32.70 = ₹ 75.49 lakh	₹ 464.64 lakh
Transportation of material from Kolkata port to Ranchi Mega Sports Complex site	
46,244 kgs or say 5 truck loads @ ₹ 20,000 per truck	₹ 1.00 lakh
LABOUR CHARGES	
Semi-skilled workers	
1750 mandays @ ₹ 200/day = ₹ 3.50 lakh	
Foreman	
250 mandays @ ₹ 500/day = ₹ 1.25 lakh	₹ 4.75 lakh
Tools and Plant (special) 3% of material cost	₹ 13.94 lakh
10 *per cent* Contractor's Profit	₹ 48.23 lakh
Contingencies one *per cent*	₹ 4.82 lakh
	₹ 537.38 lakh (B)
Excess payment made to Contractor (A) – (B)	**₹ 994.00 lakh**

Appendix - 2.3
(Refer paragraph 2.2.3; page-77)

Statement showing import of roof fabric and payment of Customs duty by a contractor

Invoice No.	Material	Quantity (M^2)	Rate (In AUS $ per M^2)	Value (In AUS $)	Customs duty paid (in ₹)
MMK0810-4 dt. 30-10-08	PTFE (31 units)	8056	127.50	10,27,140.00	1,03,60,174
MMK0810-5 dt. 27-11-08	Hardware	--	--	1,97,900.00	17,78,992
MMK0810-7 dt. 05-03-09	PTFE (57 rolls)	1810	127.50	2,30,859.00	18,62,026
Total		**9866**	**127.50**	**14,55,899.00**	**1,40,01,192**

Appendix- 2.4
(Refer paragraph 2.3.5; page-90)

Statement showing short raising of demand for Net Present Value

Name of the division	Details of the user agencies		Area of forest land diverted (in hectares)	NPV realisable	NPV realised	Short levy of NPV	Remarks
	No.	Name		(₹ in lakh)			
Saranda Forest Division, Chaibasa	1	M/s Orissa Manganese & Mineral Pvt. Ltd.	141.447	1328.19	1247.29	80.90	GOI granted diversion of 141.447 hectares but NPV for only 132.832 hectares was charged treating 8.615 hectares of land as safety zone. This resulted in short levy of NPV.
	2	M/s Mishri Lal Jain & Sons	49.195	399.99	312.91	87.08	In disregard to the formula derived by the PCCF (February 2006), while computing NPV only two factors *i.e.*, density and quality was taken into account. This resulted in short levy of NPV.
	3	M/s Shah Brothers	24.856	206.14	181.68	24.46	As above
	4	M/s Devikabai Velji	15.57	127.85	103.14	24.71	As above
	5	M/s SAIL	55.90	482.60	458.24	24.36	As above
	6	M/s SAIL	24.23	220.17	200.62	19.55	As above
	7	M/s Usha Martin Industries Ltd.	29.4648	267.74	267.45	0.29	As above
Chatra South Forest Division, Chatra	8	M/s Central Coalfields Limited	96.72	776.66	605.47	171.19	According to field verification, the density of the area under diversion was assessed as 0.5 but at the time of calculation of NPV, the de nsity was taken as ranging from 0 to 0.4 resulting in short levy of NPV.
	9	M/s Damodar Valley Corporation	155.1498	1084.50	997.61	86.89	The species standing in the area under diversion was natural species (value: 1) but at the time of calculation for NPV , it was treated as plantation (value 0.5). This resulted in short levy of NPV.
		Total	**592.5326**	**4893.84**	**4374.41**	**519.43**	

Appendix-2.5
(Refer paragraph 2.3.5; page - 91)

Statement showing non/short raising of demand for cost of Compensatory Afforestation

Name of the division	Sl. No.	Name of the user agency	Area of forest land to be taken up for CA (in hectares)	Cost of CA realised	Cost of CA realisable	Short levy of cost of CA	Remarks
				(₹ in lakh)			
Saranda Forest Division, Chaibasa	1	M/s Orissa Manganese & Mineral Pvt. Ltd.	282.894	0.00	97.42	97.42	GOI while according approval for transfer of forest land stipulated realisation of cost of CA. Demand was, however, not raised.
	2	M/s Mishri Lal Jain & Sons	98.39	6.92	42.41	35.49	The cost of CA for safety zone was calculated for five years only instead of seven years and demand for cost of CA, though stipulated by GOI, was however, not raised.
	3	M/s Shah Brothers	49.712	2.50	20.62	18.12	The cost of CA for safety zone was calculated for four years only instead of seven years and demand for cost of CA, though stipulated by GOI, was however, not raised.
	4	M/s Rameshwar Jute Mills	269.9984	0.00	92.98	92.98	GOI while according approval for transfer of forest land stipulated realisation of cost of CA. Demand was, however, not raised.
Latehar Forest Division, Latehar	5	JSMDC	48.58	0.00	62.62	62.62	GOI while according approval for transfer of forest land stipulated realisation of cost of CA, cost of penal CA and cost of CA for safety zone. Demand was, however, not raised.
Dhalbhum Forest Division, Jamshedpur	6	Powergrid Corporation of India	84.00	36.80	47.39	10.59	The schedule of rate circulated by the department was not adhered to resulting in short realisation of cost of CA.
Total			**833.5744**	**46.22**	**363.44**	**317.22**	

Appendix – 2.6
(Refer paragraph 2.5.3; page-95)
Outstanding inspection reports and paragraphs as on 30 June 2010

Year	Works			RVP			OAD		
	IR	Para		IR	Para		IR	Para	
		Sec-A	Sec-B		Sec-A	Sec-B		Sec-A	Sec-B
1984-85	2	1	2	-	-	-	-	-	-
1985-86	0	0	0	-	-	-	-	-	-
1986-87	2	3	1	-	-	-	-	-	-
1987-88	1	0	1	5	4	4	-	-	-
1988-89	7	2	10	2	0	4	-	-	-
1989-90	6	2	8	1	0	1	-	-	-
1990-91	11	5	8	3	5	4	-	-	-
1991-92	10	1	9	13	24	9	-	-	-
1992-93	5	1	5	4	0	4	-	-	-
1993-94	21	12	15	6	17	1	-	-	-
1994-95	17	11	11	5	2	5	-	-	-
1995-96	27	10	34	1	0	1	-	-	-
1996-97	33	42	27	5	3	5	-	-	-
1997-98	15	34	21	1	1	1	-	-	-
1998-99	22	9	22	19	29	70	-	-	-
1999-00	28	19	26	11	18	46	-	-	-
2000-01	74	59	328	18	31	63			
2001-02	109	57	437	48	34	204	-	-	-
2002-03	148	156	575	31	22	64	-	-	-
2003-04	126	120	517	40	51	228	99	86	461
2004-05	122	147	479	32	37	145	340	420	1697
2005-06	128	165	506	46	46	311	364	371	1757
2006-07	171	222	882	44	52	174	232	433	889
2007-08	131	232	694	35	16	131	267	384	1211
2008-09	127	277	606	37	25	128	314	162	1622
2009-10	57	71	298	29	2	89	206	82	1181
Total	**1400**	**1658**	**5522**	**436**	**419**	**1692**	**1822**	**1938**	**8818**

Appendix - 3.1
(Refer paragraph 3.1.7.6; page-102)

Rush of expenditure in the month of March

(₹ in lakh)

Sl. No.	Name of Unit	Year 2007-08		Year 2008-09		Year 2009-10	
		Total expenditure	Expenditure in March	Total expenditure	Expenditure in March	Total expenditure	Expenditure in March
1	Government Polytechnic, Latehar	52.43	29.42	39.05	16.58	35.64	13.22
2	Bihar Institute of Technology, Sindri	819.61	180.31	930.39	236.36	951.04	164.12
3	Govt. Women Polytechnic, Bokaro	296.36	182.03	257.08	128.10	262.03	66.23
4	Government Polytechnic, Ranchi	206.05	110.46	249.75	64.05	198.68	46.00
5	Government Polytechnic, Dumka	57.19	14.30	75.44	34.93	61.87	9.61
6	Govt. Women Polytechnic, Jamshedpur	207.77	19.34	76.41	22.12	88.25	3.77
7	Government Polytechnic, Dhanbad	283.27	118.19	285.93	102.94	278.20	56.01
8	Govt. Women Polytechnic, Ranchi	84.91	48.86	64.07	23.37	68.64	10.24
9	Govt. Polytechnic, Khutri, Bokaro	NA	NA	127.11	62.51	142.44	33.74
10	Government Polytechnic, Kharsawan	NA	NA	26.00	17.72	51.57	11.36
11	Science and Technology Department's Secretariat	5538.78	3547.25	6964.16	4865.99	6315.19	1842.13
Total		**7546.37**	**4250.16 (56%)**	**9095.39**	**5574.67 (61%)**	**8453.55**	**2256.43 (27%)**

{Source: Data taken from Jharnet (Jharkhand Networking)}

Appendix - 3.2
(Refer paragraph 3.1.7.7; page-102)

Irregular payment by the Government

Plan Head	Year in which payment made	Payment made (in ₹)
2203	2000-01	60,51,724
2203	2001-02	61,83,120
2203	2002-03	82,40,228
2203	Prior to 2006 -07	55,30,000
Total		**2,60,05,072**

(Source: Science and Technology department)

Irregular creation of liability to the Government

Sl. No	Name of the institute	Amountof liability created between March 2007 and February 2010 (in ₹)
1	Govt. Polytechnic, Latehar	73,62,864
2	Govt. Polytechnic, Dumka	20,72,765
3	Govt. Polytechnic, Bokaro (Boys)	11,70,780
4	Govt. Polytechnic, Dhanbad	20,39,052
5	Govt. Polytechnic, Ranchi(Girls)	42,49,000
6	Govt. Polytechnic, Ranchi(Boys)	49,36,396
7	Govt. Polytechnic, Bokaro (Girls)	17,69,327
Total		**2,36,00,184**

(Source: Data furnished by above institutes)

Appendix - 3.3
(Refer paragraph 3.1.8.1; page-104)
Details of delay in the completion of construction works

Sl. No	Name of construction works	Sanctioned date	Contract value (₹ in crore)	Due date of start	Due date of completion	Status as on 30.6.2010
1	Engineering College, Ramgarh	22.12.06	36.00	19.02.07	18.02.09	Incomplete
2	Engineering College, Chaibasa	22.12.06	36.00	19.02.07	18.02.09	Incomplete
3	Engineering College, Dumka	07.08.07	32.71	24.04.10	29.04.12	-
4	Rajkiya Polytechnic, Bharagora	22.12.06	16.00	19.02.07	18.08.08	Work could not be started
5	Rajkiya Polytechnic, Bhaga	22.12.06	16.00	19.02.07	18.08.08	Incomplete
6	Rajkiya Polytechnic, Chandil	22.12.06	16.00	19.02.07	18.08.08	Work could not be started
7	Rajkiya Polytechnic, Garhwa	22.12.06	16.00	19.02.07	18.08.08	Work could not be started
8	Rajkiya Polytechnic, Gola	22.12.06	16.00	19.02.07	18.08.08	Work could not be started
9	Rajkiya Polytechnic, Jaggarnathpur	22.12.06	16.00	19.02.07	18.08.08	Work could not be started
10	Rajkiya Polytechnic, Kharsawan	22.12.06	16.00	19.02.07	18.08.08	Incomplete
11	Rajkiya Polytechnic, Pakur	22.12.06	16.00	19.02.07	18.08.08	Work could not be started
12	Rajkiya Polytechnic, Silli	22.12.06	16.00	19.02.07	18.08.08	Incomplete

Appendix – 4.1

(Refer paragraph 4.1.7; page -114)

Statement showing particulars of up to date paid-up capital, loans outstanding and manpower as on 31 March 2010 in respect of Government companies and Statutory corporations)

(Figures in column 5 (a) to 6 (c) are ₹ in lakh)

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital[$]				Loans[**] outstanding at the close of 2009-10				Debt equity ratio for 2009-10 (Previous year)	Manpower (No. of employees as on 31.3.2010)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	(7)	(8)
A. Working Government Companies													
AGRICULTURE & ALLIED													
1.	Jharkhand State Forest Development Corporation Ltd. (JSFDC)	Forest & Environment	27.3.2002	5.00	-	-	5.00	-	-	-	-	-	392
2.	Jharkhand Hill Area Lift Irrigation Corporation Ltd. (JHALCO)	Water Resources	22.3.2002	500.00	-	-	500.00	525.00	-	-	525.00	1.05:1 (1.05:1)	261
Sector wise total				**505.00**	**-**	**-**	**505.00**	**525.00**	**-**	**-**	**525.00**		**653**
INFRASTRUCTURE													
3.	Jharkhand Industrial Infrastructure Development Corporation Ltd. (JIIDCO)	Industry	15.12.2004	800.00 (300.00)*	-	-	800.00 (300.00)*	-	-	-	-	-	17
4.	Jharkhand Police Housing Corporation Limited (JPHCL)	Home	13.03.2002	200.00	-	-	200.00	-	-	-	-	-	68
5.	Greater Ranchi Development Agency Ltd.(GRDA)	Urban Development	23.01.2003	1200.00 (1150.00)	-	-	1200.00 (1150.00)	-	-	-	-	-	15
Sector wise total				**2200.00 (1450.00)**	**-**	**-**	**2200.00 (1450.00)**		**-**	**-**	**-**	**-**	**100**
MANUFACTURING													
6.	Jharkhand Silk Textile and Handicraft Development Corporation Limited (JHARCRAFT)	Industry	23.08.2006	550.00 (150.00)	-	-	550.00 (150.00)	-	-	-	-	-	38
7.	Jharkhand State Mineral Development Corporation Ltd. (JSMDC)	Mines & Geology	07.05.2002	200.00	-	-	200.00	-	-	-	-	-	437
Sector wise total				**750.00 (150.00)**	**-**	**-**	**750.00 (150.00)**	**-**		**-**	**-**	**-**	**475**
POWER													
8.	Tenughat Vidyut Nigam Limited.(TVNL)	Energy	26.11.1987	10500.00	-	-	10500.00	66500.00	-	-	66500	6.33:1	677
9.	Karanpura Energy Limited	Energy	19.09.2008	-	-	5.00	5.00	-	-	393.00	393.00	78.6:1	-
Sector wise total				**10500.00**	**-**	**5.00**	**10505.00**	**66500.00**	**-**	**393.00**	**66893.00**	**6.37:1**	**677**

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital[$]				Loans[**] outstanding at the close of 2009-10				Debt equity ratio for 2009-10 (Previous year)	Manpower (No. of employees as on 31.3.2010)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	(7)	(8)
SERVICES													
10.	Jharkhand Tourism Development Corporation Ltd. (JTDC)	Tourism	22.3.2002	100.00	-	-	100.00	-		-	-	-	105
Sector wise total				**100.00**	**-**	**-**	**100.00**	**-**		**-**	**-**	**-**	**105**
Total A (All sector wise working Government companies) (Share Application Money)				**14055.00 (1600.00)**		**5.00**	**14060.00 (1600.00)**	**67025.00**	**-**	**393.00**	**67418.00**	**4.80:1**	**2010**
B. Working Statutory corporations								-		-			
POWER													
1.	Jharkhand State Electricity Board (JSEB)	Energy	20.3.2001	-	-	-	-	392226.00	-	16383.00	408609.00	-	6375
Sector wise total				**-**	**-**	**-**	**-**	**392226.00**	**-**	**16383.00**	**408609.00**	**-**	**6375**
Total B (All sector wise working Statutory corporations)				**-**	**-**	**-**	**-**	**392226.00**	**-**	**16383.00**	**408609.00**	**-**	**6375**
Grand Total (A + B) (Share Application Money)				**14055.00 (1600.00)**	**-**	**5.00**	**14060.00 (1600.00)**	**459251.00**	**-**	**16776.00**	**476027.00**	**33.86: 1**	**8385**
C. Non working Government companies		NIL	-	-	-	-	-	-	-	-	-	-	-
D. Non working Statutory corporations		NIL	-	-	-	-	-	-	-	-	-	-	-
Grand Total (A + B + C + D) (Share Application Money)				**14055.00 (1600.00)**	**-**	**5.00**	**14060.00 (1600.00)**	**459251.00**	**-**	**16776.00**	**476027.00**	**33.86: 1**	**8385**

(The figures appear in bracket () in col. 5(a) & 5(d) represents share application money).

[$] Paid-up capital includes share application money.

* ₹ 1 crore released during each of financial year 2007-08,2008-09 and 2009-10 as share application money by the State Government awaiting conversion into share capital of the company.

Appendix – 4.2

(Refer paragraph 4.1.14; page -116)

Summarised financial results of Government companies and statutory corporations for the latest year for which accounts were finalised

(Figures in column 5 (a) to (6) and (8) to (10) are ₹ in lakh)

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed@	Return on capital employed$	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreci-ation	Net Profit/ Loss							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
A. Working Government Companies														
AGRICULTURE & ALLIED														
1.	JSFDC	2008-09	2010-11	210.97	-	13.17	197.80	4647.95	(-)27.51	5.00	403.53	408.69	197.80	48.40
2.	JHALCO	2007-08	2009-10	(-)139.83	-	0.92	(-)140.75	65.64	-	500.00	(-)565.85	124.28	(-)140.75	-
Sector wise total				**71.14**	**-**	**14.09**	**57.05**	**4713.59**	**(-)27.51**	**505.00**	**(-)162.32**	**532.97**	**57.05**	**10.70**
INFRASTRUCTURE														
3.	JIIDCO	2006-07	2010-11	46.91	-	1.33	45.58	0.00	-	300.00	69.55	697.19	45.58	6.54
4.	JPHC	2008-09	2010-11	146.66	-	7.33	139.33	352.76	-	200.00	674.90	873.56	139.33	15.95
5.	GRDA	2005-06	2009-10 **	-	-	-	-	-	-	50.00^	-	-	-	-
Sector wise total				**193.57**	**-**	**8.66**	**184.91**	**352.76**	**-**	**550.00**	**744.45**	**1570.75**	**184.91**	**11.77**
MANUFACTURING														
6.	JHARCRAFT	-	***	-	-	-	-	-	-	-	-	-	-	-
7.	JSMDC	2004-05	2010-11 ****	-	-	-	-	-	-	200.00	-	132.29	-	-
Sector wise total				**-**	**-**	**-**	**-**	**-**	**-**	**200.00**		**132.29**	**-**	**-**
POWER														
8.	TVNL	1993-94	2000-01	(-)7093.85	-	-	(-)7093.85	33482.79	-	10000.00	(-)22182.84	58852.10	(-)7093.85	-
9.	Karanpura Energy Ltd.	2008-09	$$	-	-	-	-	-	-	-	-	-	-	-
Sector wise total				**(-)7093.85**	**-**	**-**	**(-)7093.85**	**33482.79**	**-**	**10000.00**	**(-)22182.84**	**58852.10**	**(-)7093.85**	**-**
SERVICES														
10.	JTDC	2003-04	2008-09	23.94	-	1.62	22.32	47.59	(-)37.01	25.00	32.87	56.92	22.32	39.21
Sector wise total				**23.94**	**-**	**1.62**	**22.32**	**47.59**	**(-)37.01**	**25.00**	**32.87**	**56.92**	**22.32**	**39.21**
Total A (All sector wise working Government companies)				**(-)6805.20**	**-**	**24.37**	**(-)6829.57**	**38596.73**	**(-)64.52**	**11280.00**	**(-)21567.84**	**61145.03**	**(-)6829.57**	

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comments[#]	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed[@]	Return on capital employed[$]	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreci-ation	Net Profit/ Loss							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
B. Working Statutory Corporations														
Power														
1.	JSEB	2001-02	2010-11	(-)18597.46	12354.62	6461.30	(-)37413.38	117955.43	(-) 850.00	-	(-)37413.38	18857.52	(-)25058.76	-
Sector wise total				(-)18597.46	12354.62	6461.30	(-)37413.38	117955.43	**(-)850.00**	**-**	(-)37413.38	18857.52	(-)25058.76	**-**
Total B (All sector wise working Statutory corporations)				**(-)18597.46**	**12354.62**	**6461.30**	**(-)37413.38**	**117955.43**	**(-)850.00**	**-**	**(-)37413.38**	18857.52	**(-)25058.76**	**-**
Grand Total (A + B)				**(-)25402.66**	**12354.62**	**6485.67**	**(-)44242.95**	**156552.16**	**(-)914.52**	**11280.00**	**(-)58981.22**	**80002.55**	**(-)31888.33**	

Note: There is no non-working Government Company/Statutory Corporation in the State of Jharkhand.

[#] Impact of accounts comments include the net impact of comments of Statutory Auditors and CAG and is denoted by (+) increase in profit/ decrease in losses (-) decrease in profit/ increase in losses.

[@] Capital employed represents net fixed assets (including capital works-in-progress) plus working capital except in case of finance companies/corporations where the capital employed is worked out as a mean of aggregate of the opening and closing balances of paid up capital, free reserves, bonds, deposits and borrowings (including refinance).

[$] Return on capital employed has been worked out by adding profit and interest charged to profit and loss account.

** As no financial activities carried out during the financial year 2005-06, no Profit & Loss Account prepared by the company.

*** The company did not prepare any accounts so far.

**** Company has not carried any business activities during the financial year.

$$ The company incorporated in September 2008 and has not submitted its accounts so far.

^paid capital includes share application money pending allotment.

Appendix – 4.3

(Refer paragraph 4.1.10; page -115)

Statement showing grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2010

(*Figures in column 3 (a) to 6 (d) are ₹ in lakh*)

Sl. No.	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year[@]		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
(1)	(2)	3 (a)	3 (b)	4 (a)	4 (b)	4 (c)	4 (d)	5 (a)	5 (b)	6 (a)	6 (b)	6 (c)	6 (d)
A. Working Government Companies													
AGRICULTURE & ALLIED													
1.	JSFDC	-	-	-	-	-	-	-	-	-	-	-	-
2.	JHALCO	-	-	-	180.00	-	180.00	-	-	-	-	-	-
Sector wise total		-	-	-	-	-	-	-	-	-	-	-	-
INFRASTRUCTURE													
3.	JIIDCO	100.00	-	-	-	-	-	-	-	-	-	-	-
4.	JPHC	-	-	-	-	-	-	-	-	-	-	-	-
5.	GRDA	100.00	-	-	-	-	-	-	-	-	-	-	-
Sector wise total			-	-	-	-	-	-	-	-	-	-	-
MANUFACTURING													
6.	JHARCRAFT	50.00	-	-	-	-	-	-	-	-	-	-	-
7.	JSMDC	-	-	-	-	-	-	-	-	-	-	-	-
Sector wise total			-	-	-	-	-	-	-	-	-	-	-
POWER													
8.	TVNL	-	-	-	-	-	-	-	-	-	-	-	-
9.	KEL	-	-	-	-	-	-	-	-	-	-	-	-
Sector wise total		-	-	-	-	-	-	-	-	-	-	-	-
SERVICES													
10.	JTDC	25.00	-	-	-	-	-	-	-	-	-	-	-
Sector wise total		-	-	-	-	-	-	-	-	-	-	-	-
Total A (All sector wise		**275.00**	**-**	**-**	**180.00**	**-**	**180.00**	**-**	**-**	**-**	**-**	**-**	**-**

Sl. No.	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year@		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
(1)	(2)	3 (a)	3 (b)	4 (a)	4 (b)	4 (c)	4 (d)	5 (a)	5 (b)	6 (a)	6 (b)	6 (c)	6 (d)
working Government companies)													
B. Working Statutory corporations													
Power													
1.	JSEB	-	36276.00	-	40000.00	-	40000.00	-	-	-	-	-	-
Sector wise total		-	36276.00		40000.00		40000.00						
Total B (All sector wise working Statutory corporations)		-	36276.00	-	40000.00	-	40000.00	-	-	-	-	-	-
Grand Total (A + B)		275.00	36276.00	-	40180.00	-	40180.00	-	-	-	-	-	

Appendix – 4.4
(Refer paragraph 4.1.22; page- 118)
Statement showing investments made by the State Government in PSUs whose accounts are in arrears

(₹ in lakh)

Sl.No	Name of PSU	Year upto which accounts finalised	Paid up capital as per latest finalised accounts	Period during which accounts are in arrears	Investment made by State Government during the years for which accounts are in arrears			
					Equity	Loan	Grant	Others
Working Companies/Corporations								
A.	**Government companies**							
1.	Jharkhand Hill Area Lift Irrigation Corporation Ltd.	2007-08	500.00	2008-09	-	-	-	-
				2009-10	-	-	180.00	-
2.	Jharkhand Police Housing Corporation Ltd.	2008-09	200.00	2009-10	-	-	-	-
3.	Jharkhand Tourism Development Corporation Ltd.	2003-04	25.00	2004-05	25.00	-	-	-
				2005-06	25.00	-	-	-
				2006-07	-	-	-	-
				2007-08	-	-	-	-
				2008-09	25.00			
				2009-10	-	-	-	-
4.	Jharkhand State Forest Development Corporation Ltd.	2008-09	5.00	2009-10	-	-	-	-
5.	Jharkhand State Mineral Development Corporation Ltd.	2004-05	200.00	2005-06 to 2009-10	-	-	-	-
6.	Jharkhand Industrial Infrastructure Development Corporation Ltd.	2006-07	300.00	2006-07	200.00	-	-	-
				2007-08	100.00	-	-	-
				2008-09	100.00	-	-	-
				2009-10	100.00	-	-	-
7.	Greater Ranchi Development Agency Ltd.	2005-06	-	2005-06	50.00	-	-	-
				2006-07	-	-	-	-
				2007-08	110.00	-	-	-
				2008-09	940.00	-	-	-
				2009-10	100.00	-	-	-
8.	Tenughat Vidyut Nigam Ltd.	1993-94	10000.00	1994-95 to 2000-01	-	-	-	-
				2001-02	-	1500.00	-	-
				2002-03	-	1500.00	-	-
				2003-04	-	-	-	-
				2004-05	-	500.00	-	-
				2005-06	500.00	1400.00	-	-

Sl.No	Name of PSU	Year upto which accounts finalised	Paid up capital as per latest finalised accounts	Period during which accounts are in arrears	Investment made by State Government during the years for which accounts are in arrears			
					Equity	Loan	Grant	Others
				2006-07	-	800.00	-	-
				2007-08	-	-	-	-
				2008-09	-	-	-	-
				2009-10	-	-	-	-
9.	Jharkhand Silk Textile and Handicraft Development Corporation Ltd.	-	-	2006-07	200.00	-	-	-
				2007-08	200.00	-	-	-
				2009-10	150.00	-	-	-
10.	Karanpura Energy Limited	-	-	2008-09	-	-	-	-
				2009-10	-	-	-	-
	Total (A)		**11230.00**		**2825.00**	**5700.00**	**180.00**	**-**
B	**Statutory corporation**							
1.	Jharkhand State Electricity Board	2001-02	-	2002-03	-	14500.00	11482.00	-
				2003-04	-	8760.00	7500.00	-
				2004-05	-	27746.00	32265.00	-
				2005-06	-	27213.00	38848.00	-
				2006-07	-	5200.00	25000.00	-
				2007-08	-	34734.00	92114.00	-
				2008-09	-	22491.00	8000.00	-
				2009-10	-	36276.00	40000.00	-
	Total(B)				**-**	**176920.00**	**255209.00**	**-**
	Total (A)+(B)		**11230.00**		**2825.00**	**182620.00**	**255389.00**	**-**

Source: Data furnished by Government companies/Statutory Corporation.

Appendix – 4.5
(Refer paragraph 4.1.14; page-116)

Statement showing financial position of Statutory corporations

(₹ in crore)

JHARKHAND STATE ELECTRICITY BOARD	
Particulars	**2001-02**
A. Assets	
Gross Block	1177.21
Less : Depreciation	751.16
Net Fixed Assets	426.05
Capital Expenditure in progress	46.28
Assets not in use	4.05
Investment	39.94
Total Current Assets	2114.48
Deficit	374.13
Total A	**3004.93**
B. Liabilities	
Payment due on Capital Liabilities	253.68
Capital Liabilities	126.83
Funds from State Government	234.48
Contributions, Grants and Subsidies	33.94
Total Current Liabilities	2356.00
Total B	**3004.93**
***C.* Capital Employed**	188.58

Appendix – 4.6
(Refer paragraph 4.2.7; page - 128)
Statement showing working results

(₹ in crore)

PATRATU THERMAL POWER STATION						
Sl.No	Description	2005-06	2006-07	2007-08	2008-09	2009-10
1.	**Income**					
	Generation Revenue	125.69	93.07	109.22	162.94	175.72
	Other income including interest/subsidy					
	Total Income	**125.69**	**93.07**	**109.22**	**162.94**	**175.72**
2.	**Generation**					
	Total generation (In MUs)	846.32	614.66	696.72	1013.44	1131.15
	Less: Auxiliary consumption (In MUs)	140.19	85.87	99.87	123.07	143.95
	Total generation available for Transmission and Distribution (In MUs)	**706.13**	**528.79**	**596.85**	**890.37**	**987.20**
3.	**Expenditure**					
(a)	**Fixed cost**					
(i)	Employees cost	47.97	49.97	44.16	46.04	54.08
(ii)	Administrative and General expenses	9.09	8.60	8.20	9.61	12.38
(iii)	Depreciation	18.00	13.90	14.33	12.12	9.00
(iv)	Interest and finance charges?					
	Total fixed cost	**75.06**	**72.47**	**66.69**	**67.77**	**75.46**
(b)	**Variable cost**					
(i)	Fuel consumption					
	a. Coal	73.87	53.72	60.89	97.30	107.81
	b. Oil	43.52	32.29	25.53	36.44	31.65
	c. Other cost	0.62	2.29	2.27	2.16	2.40
(ii)	Cost of water (hydel/ thermal/ gas/ others)	0.51	0.34	0.61	1.09	1.61
(iii)	Lubricants and consumables	1.35	1.25	1.64	2.11	2.46
(iv)	Repair and maintenance	9.74	11.18	13.31	13.03	14.30
	Total variable cost	**129.61**	**101.07**	**104.25**	**152.13**	**160.23**
C.	**Total cost 3(a) + (b)**	**204.67**	**173.54**	**170.94**	**219.90**	**235.69**
4.	Realisation (₹ per unit)	1.78	1.76	1.83	1.83	1.78
5.	Fixed cost (₹ per unit)	1.06	1.37	1.12	0.76	0.76
6.	Variable cost (₹ per unit)	1.84	1.91	1.75	1.71	1.62
7.	Total cost ₹ per unit (5+6)?	2.90	3.28	2.87	2.47	2. 38
8.	Contribution (4-6) (₹ per unit)	(0.06)	(0.15)	0.08	0.12	0. 16
9.	**Profit (+)/Loss(-) (4-7 (₹ per unit)**	**(1.12)**	**(1.52)**	**(1.04)**	**(0.64)**	**(0.60)**
	Swarnrekha Hydel Project					
1.	**Income**					
	Generation Revenue	**8.93**	**36.50**	**39.57**	**43.00**	**20.54**
	Other income including interest/subsidy	8.93	36.50	39.57	43.00	20.54
	Total Income					
2.	**Generation**					
	Total generation (In MUs)	50.41	207.60	216.46	235.20	115.66
	Less: Auxiliary consumption (In MUs)	0.24	0.24	0.24	0.24	0.24
	Total generation available for Transmission and Distribution (In MUs)	**50.17**	**207.36**	**216.22**	**234.96**	**115.42**
3.	**Expenditure**					
(a)	**Fixed cost**					
(i)	Employees cost	5.25	5.41	6.41	6.65	6.92
(ii)	Administrative and General expenses	0.59	0.64	0.42	0.46	0.33

? Interest and finance charges apportioned for PTPS was not available
? Excluding interest & finance charges, transmission and distribution cost

(iii)	Depreciation	0.74	0.72	0.76	0.77	0.78
(iv)	Interest and finance charges?					
	Total fixed cost	**6.58**	**6.77**	**7.59**	**7.88**	**8.03**
(b)	**Variable cost**					
(i)	Cost of water (hydel/thermal/gas/others)	0.17	0.08	0.08	0.08	0.08
(ii)	Lubricants and consumables	0.02	0.03		0.03	
(iii)	Repair and maintenance	1.44	0.96	2.20	1.84	0.92
	Total variable cost	**1.63**	**1.07**	**2.28**	**1.95**	**1.00**
C	**Total cost 3(a) + (b)**	**8.21**	**7.84**	**9.87**	**9. 83**	**9. 03**
4.	**Realisation (₹ per unit)**	1.78	1.76	1.83	1.83	1.78
5.	**Fixed cost (₹ per unit)**	1.31	0.33	0.35	0.34	0.70
6	**Variable cost (₹ per unit)**	0.33	0.05	0.11	0.08	0.09
7.	**Total cost ₹ per unit (5+6)**	1.64	0.38	0.46	0.42	0.78
8.	**Contribution (4-6) (₹ per unit)**	1.45	1.71	1.72	1.75	1.70
9.	**Profit (+)/Loss(-) (4-7)(₹ per unit)**	**0.14**	**1.38**	**1.37**	**1.41**	**1.00**
TENUGHAT VIDYUT NIGAM LIMITED						
	Income					
	Generation Revenue	243.39	451.35	308.76	415.57	377.73
	Other income including interest/subsidy	1.24	3.78	12.46	15.43	9.85
	Total Income	**244.18**	**455.13**	**321.37**	**431.00**	**387.58**
	Generation					
	Total generation (In MUs)	1529.17	2715.12	1794.78	2223.42	2048.78
	Less: Auxiliary consumption (In MUs)	220.61	339.60	194.97	196.27	206.19
	Total generation available for Transmission and Distribution (In MUs)	**1308.56**	**2375.52**	**1599.81**	**2027.15**	**1842.59**
3.	**Expenditure**					
(a)	**Fixed cost**					
(i)	Employees cost	11.14	13.33	13.27	16.19	19.43
(ii)	Administrative and General expenses	7.83	6.23	6.88	11.14	13.60
(iii)	Depreciation	43.78	43.82	44.17	45.25	45.29
(iv)	Interest and finance charges	85.06	85.97	86.81	86.81	86.82
	Total fixed cost	**147.81**	**149.36**	**151.12**	**159.39**	**165.14**
(b)	**Variable cost**					
(i)	Fuel consumption					
	a. Coal	141.08	231.71	161.75	199.53	206.74
	b. Oil	14.05	18.50	7.94	24.28	24.71
	c. Other fuel related cost including shortages/surplus	1.18	1.73	1.22	0.60	1.13
(ii)	Cost of water (hydel/ thermal/ gas/ others)	0.39	0	0	0	0
(iii)	Lubricants and consumables	30.06	0.02	0	0	0
(iv)	Repairs and maintenance	25.76	56.51	40.36	62.75	92.31
	Total variable cost	**212.52**	**308.49**	**211.27**	**287.17**	**324.89**
C.	**Total cost 3(a) + (b)**	**360.33**	**457.85**	**362.39**	**446.56**	**490.63**
4.	Realisation (₹ per unit)	1.86	1.90	1.93	2.05	2.05
5.	Fixed cost (₹ per unit)	1.13	0.63	0.94	0.79	0.90
6.	Variable cost (₹ per unit)	1.62	1.30	1.32	1.42	1.76
7.	Total cost per unit (5+6)	2.75	1.93	2.26	2.21	2.66
8.	Contribution (4-6) (₹ per unit)	0.24	0.60	0.61	0.63	0.29
9.	**Profit (+)/Loss(-) (4-7)**	**(0.89)**	**(0.03)**	**(0.33)**	**(0.16)**	**(0.61)**

? Interest and finance charges apportioned for SRHP was not available

Appendix – 4.7
(Refer paragraph 4.2.12; page -130)
Statement showing operational performance of
JHARKHAND STATE ELECTRICITY BOARD

Sl.No	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
1.	Installed capacity			(MW)		
(a)	Thermal	770	770	770	770	770
(b)	Hydel	130	130	130	130	130
(c)	Gas	-	-	-	-	-
(d)	Other	-	-	-	-	-
	TOTAL	**900**	**900**	**900**	**900**	**900**
2.	Normal maximum demand	706	751	847	859	897
	Percentage increase/decrease (-) over previous year	-	6.37	12.78	1.42	4.42
3.	Power generated					(MKWH)
(a)	Thermal	846.324	614.660	696.716	1013.444	1131.152
(b)	Hydel	50.03	206.905	213.57	235.107	115.66
(c)	Gas	-	-	-	-	-
(d)	Other	-	-	-	-	-
	TOTAL	**896.354**	**821.565**	**910.286**	**1248.551**	**1246.812**
	Percentage increase/decrease (-) over previous year	-	(-)8.34	10.80	37.16	(-) 0.14
	Less: Auxiliary consumption					
(a)	Thermal	140.186	85. 866	99.868	123.068	143.953
	(Percentage)	16.56	13.97	14.33	12.14	12.73
(b)	Hydel	0.24	0.24	0.24	0.24	0.24
	(Percentage)	0.47	0.11	0.11	0.10	0.002
(c)	Gas	-	-	-	-	-
	(Percentage)	-	-	-	-	-
	TOTAL	**140.426**	86.106	**100.108**	**123.308**	**144.193**
	(Percentage)	15.67	10.48	11.00	9.88	11.56
5.	Net power generated	755. 928	735.45	810.178	1125.243	1102.619
6.	Total demand (in MUs)	6184.56	6578.76	7419.72	7524.84	7857.72
7.	Deficit power (In MU) {6-(5+8(i)}	4120.072	3467.781	5009.732	4372.447	4910.211
8.	**Power purchased**					
(a)	Within the State					
	(i)Government(TVNL)	1308.56	2375.52	1599.81	2027.15	1844.89
	(ii)Private					
(b)	Other States	4392.29	3879.58	5066.12	5039.56	4582.88
	Total power purchased/sold	5700.85	6255.10	6665.93	7066.71	6427.77
9.	Net deficit/loss due to non-evacuation	-	-	-	-	-

Appendix – 4.8
(Refer paragraph 4.2.12; page - 130)
Statement showing operational performance of
TENUGHAT VIDYUT NIGAM LIMITED

Sl.No	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
1.	Installed capacity			(MW)		
(a)	Thermal	420	420	420	420	420
(b)	Hydel	-	-	-	-	-
(c)	Gas	-	-	-	-	-
(d)	Other	-	-	-	-	-
	TOTAL	**420**	**420**	**420**	**420**	**420**
2.	Normal maximum demand	420	420	420	420	420
	Percentage increase/decrease (-) over previous year	-	-	-	-	-
3.	Power generated			(MKWH)		
(a)	Thermal	1529.17	2715.12	1794.78	2223.42	2048.78
(b)	Hydel	-	-	-	-	-
(c)	Gas	-	-	-	-	-
(d)	Other	-	-	-	-	-
	TOTAL	**1529.17**	**2715.12**	**1794.78**	**2223.42**	**2048.78**
	Percentage increase/decrease (-) over previous year	15.32	77.56	(-)33.90	23.88	(-)7.86
	LESS: Auxiliary consumption					
(a)	Thermal	220.61	339.60	194.97	196.27	206.19
	(Percentage)	14.43	12.51	10.86	8.83	9.95
(b)	Hydel	-	-	-	-	-
	(Percentage)	-	-	-	-	-
(c)	Gas	-	-	-	-	-
	(Percentage)	-	-	-	-	-
	TOTAL	**220.61**	**339.60**	**194.97**	**196.27**	**203.80**
	(Percentage)	14.43	12.51	10.86	8.83	9.95
5.	Net power generated	1308.56	2375.52	1599.81	2027.15	1842.59
6.	Total demand (in MUs)	-	-	-	-	-
7.	Deficit (-)/Surplus (+) power (In MU)	-	-	-	-	-
8.	**Power Sold**	**-**	**-**	**-**	**-**	**-**
(a)	Within the State					
	(i) Government	1308.56	2375.52	1599.81	2027.15	1842.59
	(ii) Private	-	-	-	-	-
(b)	Other States	-	-	-	-	-
	Total power sold	**1308.56**	**2375.52**	**1599.81**	**2027.15**	**1842.59**
9.	Net deficit/loss due to non-evacuation	-	-	-	-	-

Appendix – 4.9
(Refer paragraph 4.2.24; page -135)

Statement showing shortage in coal stock in TVNL

Year	Coal requirement (in MT)	Minimum coal stock required (in MT)	Average of coal stock at the end of each month (in MT)	Shortage (in MT)
2005 -06	18,24,000	2,24,877	1,35.907	88,970
2006 -07	24,00,000	2,95,890	2,71,038	24,852
2007 -08	19,20,000	2,36,712	2,41,208	No shortage
2008 -09	21,60,000	2,66,301	1,14,445	1,51,856
2009 -10	27,00,000	3,32,877	1,23,985	2,08,892

Appendix – 4.10
(Referred to in paragraph 4.2.29; page -138)

Statement showing station-wise/year-wise details of energy to be generated as per design, actual generation and plant load factor as per design *vis-à-vis* actual in PTPS and TVNL

Year	Energy Generation (MU)		Plant Load Factor (*per cent*)	
	As per design	Actual	As per (CERC norm)	Actual
PTPS				
2005-06	5396.16	846.32	80	12.55
2006-07	5396.16	614.66	80	9.31
2007-08	5396.16	696.72	80	10.45
2008-09	5396.16	1013.44	80	16.00
2009-10	5396.16	1131.15	80	14.20
Total	26980.80	4302.29		
TVNL				
2005-06	3679.20	1529.17	80	41.69
2006-07	3679.20	2715.12	80	73.92
2007-08	3679.20	1794.78	80	48.47
2008-09	3679.20	2223.42	80	60.31
2009-10	3679.20	2048.69	85	55.52
Total	18396.00	10311.18		
Grand Total	**45376.80**	**14613.47**		

GLOSSARY OF ABBREVIATIONS	
ACSYD	Art, Culture, Sports and Youth Affairs Department
AICTE	All India Council for Technical Education
AIIMS	All India Institute of Medical Sciences
AMC	Annual Maintenance Contract
AWCs	Anganwadi Centres
AWHs	Anganwadi Helpers
AWTCs	Anganwadi Training Centres
AWWs	Anganwadi Workers
BAU	Birsa Agriculture University
BCD	Building Construction Department
BDO	Block Development Officer
BEs	Budget Estimates
BG	Bank Guarantee
BHEL	Bharat Heavy Electricals Limited
BOG	Board of Governors
BOQ	Bill of Quantity
BPL	Below the Poverty Line
BRPNNL	Bihar Rajya Pul Nirman Nigam Ltd.
BSEB	Bihar State Electricity Board
BSMDC	Bihar State Mineral Development Corporation Limited
BSMDC	Bihar State Mineral Development Corporation
CA	Compensatory Afforestation
CAA	Civil Aviation Authority
CAD	Civil Aviation Department
CAMPA	Compensatory Afforestation Fund Management and Planning Authority
CARE	Co-operative for Assistance and Relief Everywhere
CCL	Central Coalfields Limited
CCO	Chief Controlling Officer
CDPOs	Child Development Project Officers
CE	Chief Engineer
CEA	Central Electricity Authority
CEO	Chief Executive Officer
CERC	Central Electricity Regulatory Commission
CF	Conservator of Forests
CII	Confederation of Indian Industries
CMC	Comprehensive Maintenance of Contract
CNCPL	Comprehensive New Connectivity Priority List
CO	Controlling Officer
CPC	Central Purchase Committee
CPCB	Central Pollution Control Board
CPWD	Central Public Works Department
CSA	Coal Supply Agreement
CUPL	Comprehensive Upgradation Priority List

CVC	Central Vigilance Commission
DAO	District Agriculture Officer
DC bill	Detailed Contingent bill
DCs	Deputy Commissioners
DDO	Drawing and Disbursing Officer
DFO	Divisional Forest Officer
DGS&D	Director General of Supplies and Disposal
DOT	Department of Transport
DPRs	Detailed Project Reports
DPS	Delayed Payment Surcharge
DRRP	District Rural Roads Plan
DSWOs	District Social Welfare Officers
DUs	Departmental Undertakings
DWSD	Drinking Water and Sanitation Department/Division
EDC	Entrepreneurship Development Cell
EE	Executive Engineer
EOI	Expression of Interest
EPIL	Engineering Project (I) Limited
ESA	Electric Supply Area
ESD	Electric Supply Division
ESP	Electrostatic Precipitator
FD	Finance Department
FPS	Fair Price Shops
FSA	Fuel Supply Agreement
GB	Governing Body
GDP	Gross Domestic Product
GOI	Government of India
GRDA	Greater Ranchi Development Agency Ltd
GSB	Granular Sub Base
HLL	Hindustan Latex Limited
HMFWD	Health, Medical Education and Family Welfare Department
HMIS	Health Management Information System
HOD	Head of Department
HTS	High Tension Service
HTSS	High Tension Special Service
IAAS	Institute of Aviation and Aviation Safety
IATA	International Air Transport Association
ICDS	Integrated Child Development Services
IOC	Indian Oil Corporation
IPD	Internal Patient Department
IRG	Internal Resource Generation
JAP	Jharkhand Armed Police
JCL	Jharbihar Colliery Limited

JCST	Jharkhand Council of Science and Technology
JERC	Jharkhand Electricity Regulatory Commission
JFR	Jharkhand Financial Rule
JHALCO	Jharkhand Hill Area Lift Irrigation Corporation Limited
JHARCRAFT	Jharkhand Silk Textile & Handicrafts Development Corporation Limited
JIIDCO	Jharkhand Industrial Infrastructure Development Corporation Ltd.
JMMC	Jharkhand Minor Mineral Concession
JPHCL	Jharkhand Police Housing Corporation Limited
JPWD	Jharkhand Public Works Department
JSEB	Jharkhand State Electricity Board
JSERC	Jharkhand State Electricity Regularity Commission
JSFDC	Jharkhand State Forest Development Corporation Limited
JSMDC	Jharkhand State Mineral Development Corporation Limited
JSPCB	Jharkhand State Pollution Control Board
JSRRDA	Jharkhand State Rural Road Development Agency
JTC	Jharkhand Treasury Code
JTDC	Jharkhand Tourism Development Corporation
JV	Joint Venture
KEL	Karanpura Energy Ltd
KSY	Kishori Shakti Yojana
KV	Kilo Volt
KVA	Kilo Volt Ampere
LAO	Land Acquisition Officer
LE	Life Extension
LOI	Letter Of Indent
LTA	Life Time Allocation
MAWCs	Mini Anganwadi Centres
MCI	Medical Council of India
MDO	Mine Developer cum Operator
MGMC & H	Mahatama Gandhi Medical College & Hospital
MIS	Management Information System
MLTC	Middle Level Training Centre
MOE	Ministry of Energy
MORD	Ministry of Rural Development
MoU	Memorandum of Understanding
MPRs	Monthly Progress Reports
MTC	Malnourished Treatment Centre
MUs	Million Units
MW	Mega Watt
NAFETIC	National Facilities in Engineering and Technology with Industrial Collaboration
NBCCL	National Building Construction Corporation Limited
NCCL	Nagarjuna Construction Company Ltd.

SLSC	State Level Standing Committee
SNP	Supplementary Nutrition Programme
SOE	Statement of Expenditure
SoR	Schedule of Rates
SPFU	State Project Facilitation Unit
SPM	Suspended Particulate Matters
SPV	Special Purpose Vehicle
SQC	State Quality Co-ordinator
SQM	State Quality Monitor
SRCH	State Reproductive Child Health
SRHP	Subernrekha Hydal Project
STA	State Technical Agency
STs	Scheduled Tribes
TEQIP	Technical Education Quality Improvement Programme
THR	Take Home Ration
TPS	Thermal Power Station
TPS	Thermal Power Station
TSS	Total Suspended Solids
TTPS	Tenughat Thermal Power Station
TVNL	Tenughat Vidyut Nigam Limited
TWC	Tribal Welfare Commissioner
UC	Utilisation Certificate
UGC	University Grants Commission
UHTC	Urban Health Training Centre
UI	Unscheduled Interchange
VAPL	Varman Aviation Private Limited
VTL	Vayam Technologies Limited
WBM	Water Bound Macadam
WISs	Women Industrial Schools
WTPs	Water Treatment Plants