

**Report of the
Comptroller and Auditor General of India
on
General, Social and Economic (Non-PSU) Sectors**

for the year ended 31 March 2012

Government of Jharkhand
Report No 3 of the year 2013

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PREFACE

This Report of the Comptroller and Auditor General of India has been prepared for submission to the Governor under Article 151 of the Constitution for being laid before the State Legislature.

The Report contains significant results of the compliance audits and performance audits of the Departments of the Government of Jharkhand under the General, Social and Economic (Non-PSU) Sectors.

Chapter 1 of this Report narrates the planning and extent of audit, responses of the departments to draft paragraphs and Audit Reports and provides a synopsis of significant audit observations included in this Report. Chapter 2 deals with the findings of performance audits of selected schemes/projects, while Chapter 3 contains observations arising out of District centric audit of Palamu. Chapter 4 deals with findings on Chief Controlling Officer based audit of the Animal Husbandry and Fisheries Department and Chapter 5 deals with audit findings of compliance audit in various Departments.

The Reports containing observations on finances of the State Government, observations on the entities under revenue sector and observations on Public Sector Undertakings are being presented separately.

The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts for the year 2011-12, as well as those which had come to notice in the earlier years but could not be reported in previous Audit Reports. Matters relating to the period subsequent to 2011-12 have also been included, wherever necessary.

CHAPTER – 1

INTRODUCTION

Chapter-1

Introduction

1.1 About this Report

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from performance audit of selected programmes and activities and compliance audit of Government departments and autonomous bodies.

Compliance audit refers to examination of the transactions relating to expenditure of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the competent authorities are being complied with. On the other hand, performance audit examines whether the objectives of a programme/activity/department have been achieved economically, efficiently and effectively.

The primary purpose of the Report is to bring to the notice of the State Legislature, important results of audit. Auditing Standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of audit are expected to enable the Executive to take corrective action as also to frame policies and directives that will lead to improved financial management of the organisations, thus, contributing to better governance.

This chapter, in addition to explaining the planning and extent of audit, provides a synopsis of the significant deficiencies and achievements in implementation of selected schemes, significant audit observations made during the audit of transactions and follow-up on previous Audit Reports. Chapter-2 of this report contains findings arising out of performance audit of selected programmes/activities/departments. Chapter-3 contains our observations on District Centric Audit of Palamu. Chapter-4 presents the findings of Chief Controlling Officer-based audit of the working of Animal Husbandry and Fisheries Department. Chapter-5 contains observations on compliance audit in Government departments.

1.2 Audited entity profile

There are 43 departments in the State at the Secretariat level, headed by Secretaries/Principal Secretaries, who are assisted by Directors/Commissioners and subordinate officers under them which are audited by the Principal Accountant General (Audit), Jharkhand. There are 112 Autonomous Bodies under the control of various Government Departments. Moreover, there are 4,706 Panchayati Raj Institutions (PRIs) and 39 Urban Local Bodies (ULBs) in the State.

The expenditure incurred by the Government during the year 2011-12 vis-à-vis the previous year is given in Table-1.

Table-1: Summary of Current Year's Fiscal Transactions

(₹ in crore)

2010-11	Receipts	2011-12	2010-11	Disbursements	2011-12		
Section-A: Revenue					Non-plan	Plan	Total
18781.12	Revenue Receipts	22419.45	17944.74	Revenue Expenditure	13345.30	7646.28	20991.58
5716.63	Tax revenue	6953.89	6990.80	General Services	7399.49	446.07	7845.56
2802.89	Non-Tax revenue	3038.22	6707.30	Social Services	3728.14	3558.89	7287.03
6154.35	Share of Union Taxes/ Duties	7169.93	4246.47	Economic Services	2217.67	3641.32	5858.99
4107.25	Grants from Government of India	5257.41	0.17	Grants-in-aid and Contributions	--	--	--
Section-B: Capital							
-	Misc. Capital Receipts	-	2664.30	Capital Outlay	47.88	3111.49	3159.37
24.12	Recoveries of Loans and Advances	23.42	307.56	Loans and Advances disbursed	31.21	185.89	217.11
1.39	Inter State Settlement						
2446.51	Public Debt Receipts *	2671.23	1299.43	Repayment of Public Debt	-	-	1639.01
-	Transfers to Contingency Fund	-	-	Expenditure from Contingency Fund	-	-	-
7721.42	Public Account Receipts	10813.40	7399.85	Public Account Disbursements			9727.77
640.91*	Opening Cash Balance	(-)0.41	-	Inter State Settlement			75.40
			(-)0.41	Closing Cash Balance			116.85
29615.47	Total	35927.09	29615.47	Total	13424.40	10943.66	35927.09

Source: Finance Accounts for the years 2010-11 and 2011-12.

*Excluding net transactions under Ways and Means advances and overdraft.

1.3 Authority for audit

The authority for audit by the C&AG is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, C&AG conducts audit of expenditure of the Departments of Government of Jharkhand under Section 13¹ of the C&AG's (DPC) Act. C&AG is the sole auditor in respect of 23 autonomous bodies which are audited under sections 19(2)² and 20(1)³ of the C&AG's (DPC) Act. In addition, C&AG also conducts audit of 89 other autonomous bodies, under Section 14⁴ of C&AG's (DPC) Act, which are substantially funded by the Government. Principles and methodologies for various audits are prescribed in the Auditing Standards and Regulations on Audit and Accounts, 2007 issued by the C&AG.

¹ Audit of (i) all transactions from the Consolidated Fund of the State, (ii) all transactions relating to the Contingency Fund and Public Accounts and (iii) all trading, manufacturing, profit and loss accounts, balance sheets and other subsidiary accounts.

² Audit of the accounts of Corporations (not being Companies) established by or under law made by the State Legislature in accordance with the provisions of the respective legislations.

³ Audit of accounts of any body or authority on the request of the Governor, on such terms and conditions as may be agreed upon between the C&AG and the Government.

⁴ Audit of all receipts and expenditure of a body/authority substantially financed by grants or loans from the Consolidated Fund of the State and (ii) all receipts and expenditure of any body or authority where the grants or loans to such body or authority from the Consolidated fund of the State in a financial year is not less than ₹ 1 crore.

1.4 Planning and conduct of audit

Audit process starts with the assessment of risks faced by various departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns of stakeholders. Previous audit findings are also considered in this exercise. Based on this risk assessment, the frequency and extent of audit are decided.

After completion of audit of each unit, Inspection Reports containing audit findings are issued to the heads of the departments. The departments are requested to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies are received, audit findings are either settled or further action for compliance is advised. Significant audit observations arising out of these Inspection Reports are processed for inclusion in the Audit Report, which are forwarded to the concerned administrative departments/Government for their replies/comments within six weeks. In case of non-receipt of the reply or if the reply furnished by the departments/Government is not satisfactory, the draft paragraphs are included in the Audit Report and finally submitted to the Governor of the State under Article 151 of the Constitution of India for causing them to be laid on the Table of the State Legislature.

During 2011-12, in the General, Social and Economic (non-PSU) Sectors 5,053 party-days were utilised to carry out audit of 527 units and to conduct six performance audit reviews and audit of various departments. The audit plan covered those units⁵/entities which were vulnerable to significant risk as per our assessment.

1.5 Significant audit observations

Audit has reported on several significant deficiencies in implementation of various programmes/activities through performance audits, district centric audit and Chief Controlling Officer based audit, which impact the success of programmes and functioning of the departments. Similarly, the deficiencies noticed during compliance audit of the Government departments/organisations were also reported upon.

1.5.1 Performance audit

1.5.1.1 Tribal Welfare Programmes in Meso Areas

For socio-economic upliftment and protection of tribals in the State, the Central scheme, "Special Central Assistance (SCA) to Tribal Sub-Plan (TSP)" was grouped into 15 Integrated Tribal Development Projects (ITDPs) covering 13 districts fully and two districts partially which are locally known as Meso areas. During performance audit, the following was observed:

- In February 2009, the State Government decided to strengthen and re-organise the ITDPs into Integrated Tribal Development Agencies (ITDAs) for comprehensive planning and integration of TSP at district level. The ITDAs were registered only in February 2011 and the proposed

⁵ Economic (Non-PSU) and General Sectors:87, Social Sector:440.

reorganisation had not been completed as of December 2012. As a result, Perspective Plans for the Meso Areas were not prepared.

- GoI provides 100 *per cent* financial assistance for SCA to TSP and grants under Article 275 (1) of the Constitution. During the period 2007-12, GoI released ₹ 559 crore, against which ₹ 557 crore was disbursed to the Tribal Welfare Commissioner (TWC). Utilisation certificates (UCs) were submitted to GoI without ascertaining the end-use of funds in the ITDAs and implementing agencies, as reflected from large amount of unspent balances lying with the TWC, Sampled ITDAs and implementing agencies.
- While Central funds of ₹ 19.47 crore could not be drawn during 2011-12 due to non-submission of DC bills against funds already drawn on abstract contingent bills, the TWC had drawn (March 2012) Central funds of ₹ 91.81 crore for depositing in Personal Ledger account.
- In the sampled ITDAs, 167 schemes (92 *per cent*) were incomplete out of 181 schemes sanctioned under Prototype schemes.
- Against 90 sanctioned posts of various categories, persons in position (as on 1st July 2012) were 45 i.e. 50 *per cent*. The posts of Additional Project Director and Assistant Project Manager were vacant since creation of ITDAs in February 2009.
- Monitoring and Evaluation Cell at the State Level in the Department was not functional though it was reconstituted in February 2011.

(Paragraph 2.1)

1.5.1.2 Implementation of Jawaharlal Nehru National Urban Renewal Mission

Government of India (GoI) launched the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) on 3 December 2005, to be implemented over a period of seven years (2005-12) with the aim to provide an enabling environment for the growth of the cities.

A performance audit on JNNURM was conducted and the following was observed:

- Out of the total 31 reforms committed in the Memorandum of Agreement (MoA) executed with the GoI by the State Government/ULBs only 22 were implemented fully, seven were partly implemented while two were yet to be implemented. Due to non-implementation/part implementation of reforms, *inter alia*, the second installment of Additional Central Assistance (ACA) to the tune of ₹ 39.39 crore was not released by the GoI.
- Against the available funds of ₹ 589.20 crore, only ₹ 326.51 crore (55.42 *per cent*) could be utilised under JNNURM projects.
- Procurement /supply of 900 mm dia pipes in excess of the requirement as per Bill of Quantity (BoQ), entailed excess/unauthorised payment to the

tune of ₹ 8.21 crore to the contractor in case of Ranchi Water Supply project.

- Rupees 22.48 lakh was defalcated in Gumla under IHSDP on account of purchase of street lighting material against fake invoices.

(Paragraph 2.2)

1.5.1.3 Creation of Irrigation potential in Jharkhand under Accelerated Irrigation Benefit Programme (AIBP)

The audit on Creation of Irrigation potential under Accelerated Irrigation Benefit Programme (AIBP) revealed the following:

- The programme had failed to achieve its targeted objective of accelerating completion of ongoing irrigation projects and delivery of the benefits of irrigation water to the farmers even after lapse of more than five to twelve years since its inception.
- Against the target of creating irrigation potential of 1.20 lakh ha, irrigation potential of only 0.45 lakh ha could be created by the State as of March 2012.
- Major and medium irrigation projects suffered heavily due to slow pace of implementation due to delay in land acquisition and the required survey. Progress of minor irrigation projects were also disrupted due to delay in tendering process and slow pace of work.
- The test-checked divisions could not utilise 33 *per cent* of the allotted funds. Even the irrigation potential created under AIBP projects was not being fully utilised due to non-maintenance of completed medium irrigation projects and non-installation of micro lifts in minor irrigation projects.
- Monitoring of the projects was not effective.

(Paragraph 2.3)

1.5.1.4 Construction of Panchayat Bhawans

The audit on Construction of Panchayat Bhawans (PBs) revealed the following deficiencies:

As against 4,423 PBs, 2,694 PBs were not yet completed/taken up as on June 2012. Instances of ineffective planning, financial mismanagement and absence of regular supervision and monitoring of the schemes at various levels were observed. Moreover, some PBs, though already constructed, were either not handed over or were not being used for the purposes for which they were constructed. Thus, the objective to provide PBs in all the Gram Panchayats of the State as facilitation centres to aid local governance remained unfulfilled.

(Paragraph 2.4)

1.5.2 District centric audit of Palamu

The District-Centric Audit of Palamu aimed to focus on devolution of finances and implementation of significant socio-economic development programmes in the district. The Audit covered implementation of *Sampurna Gram Swarojgar Yojana* (SGSY), *Indira Awaas Yojana* (IAY), *Sarva Shiksha Abhiyan* (SSA), Mid-day Meal (MDM) Programme, National Rural Health Mission (NRHM), Integrated Child Development Services (ICDS), Disaster Management, Drinking Water & Sanitation, State Roads and Modernisation of Police Force (MoPF). Significant audit findings are narrated below:

- There is no mechanism in vogue to capture the entire sector-wise funds flow in the district in an aggregated manner at any given point of time. The District Planning Committee met only once and its functioning remained perfunctory and incomplete. Five year Perspective Plans as well as the Annual Action Plans for the district were not prepared. Transfer of funds, functions and functionaries to Panchayati Raj Institutions (PRIs), as envisaged in the Act, was also not done (December 2012).
- Despite intervention of SSA, a large number of children remained out of school and Pupil-Teacher Ratio (PTR) was below the prescribed norm.
- In implementation of MDM, 1,974.79 MT of rice valuing ₹ 4.12 crore was not taken into stock of schools, though shown issued by SFC godowns. Diversion of MDM rice to other schemes and misutilisation of cooking funds were also noticed.
- Even after implementation of National Rural Health Mission (NRHM) there were shortages of health care centres at district, block and village levels compared to the norms of NRHM. Infrastructural facilities for health care services in the health care centres were inadequate. Institutional delivery was only 40 *per cent* of the total number of women registered during 2009-12.
- In implementation of Supplementary Nutrition Programme (SNP) under Integrated Child Development Services (ICDS), most of Anganwadi Centres (AWCs), had no basic facilities like toilets, drinking water etc.
- In Drinking Water & Sanitation Division two piped water supply schemes for a population of 75,000 were stopped midway after incurring an expenditure of ₹ 19.17 crore on procurement of pipes was rendered unfruitful. There was infructuous expenditure of ₹ 7.01 crore due to defunct fluoride removal attachment units.
- Under RGGVY, only 668 villages out of 1,457 villages were electrified.
- Phasing out of old and outdated weapons of the police force in Palamu district was not done.

(Paragraph 3.1)

1.5.3 Working of Animal Husbandry and Fisheries Department

Animal Husbandry and Fisheries Department of the Government of Jharkhand is responsible for treatment, vaccination, castration, artificial insemination of animals as well as to ensure increase in production of milk, meat, eggs and wool in the State. Chief Controlling Officer based audit of Animal Husbandry and Dairy Development Directorates revealed the following:

- There were only 451 Veterinary Hospitals in the State against 1,756 hospitals required as per norms of the National Commission on Agriculture. Infrastructure in veterinary hospitals/dispensaries was not adequate. Besides, there were shortages (32 *per cent*) of veterinary doctors.
- There were large savings of Plan funds and rush of expenditure in the month of March, mainly due to delays in allotment of funds.
- Government did not synchronise the distribution of goats and creation of goat sheds for goat rearing by the proposed beneficiaries. Funds meant for procurement of goats were diverted.
- Under milch cattle induction programme, against the target of 3,670 units, only 2,611 units (71 *per cent*) were established during 2007-11 in the test-checked districts.
- Jharkhand Dairy Project (JDP) managed (under MoU) by National Dairy Development Board (NDDDB) could cover only three out of targeted 12 districts for procurement and processing of milk after incurring expenditure of ₹ 11.10 crore during the period 2008-12.

(Paragraph 4.1)

1.5.4 Compliance Audit

1.5.4.1 Non-compliance with Rules, Orders, etc.

For sound financial administration and control, it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authority. This not only prevents irregularities, misappropriation and frauds, but helps in maintaining good financial discipline. This report contains instances of non-compliance with rules involving ₹ 55.20 crore. Some audit findings are as under:

- Allowance of excess time for completion of road work in violation of Government orders resulted in inclusion of price adjustment clause in the agreement and consequential avoidable expenditure of ₹ 6.25 crore.

(Paragraph 5.1.1)

- The Department allowed execution of a work valued at ₹ 47.53 crore with provision for escalation and mobilisation advances to a contractor who had quoted the price against an NIT with conditions for non-payment of price

escalation and mobilisation advances. This was in violation of the Government orders to ensure right to equal opportunity to the tenderers.

(Paragraph 5.1.2)

- Non-adherence to the codal provisions by the departments regarding grant of temporary advances and their adjustments led to non-recovery of Government money worth ₹ 48.34 lakh.

(Paragraph 5.1.3)

- Sanction of House Rent Allowance higher than the entitled limit resulted in inadmissible payment of ₹ 70.87 lakh and Transport Allowance amounting to ₹ 23.18 lakh.

(Paragraph 5.1.4)

1.5.4.2 *Audit against propriety/expenditure without justification*

Authorisation of expenditure from public funds has to be guided by the principles of propriety and efficiency of public expenditure. Authorities empowered to incur expenditure are expected to enforce the same vigilance as a person of ordinary prudence would exercise in respect of his own money and should enforce financial order and strict economy at every step. Audit has detected instances of impropriety and extra expenditure involving ₹ 10.47 crore as detailed under:

- Non-adherence to the Government directives in the terms and conditions of the contract led to undue financial benefit to a contractor due to payment of inadmissible amount of ₹ 6.77 crore.

(Paragraph 5.2.1)

- Non-adherence to the condition of the agreements and orders of the higher authority led to undue financial aid of ₹ 1.08 crore to the contractor by payment for drawings and designs of Bhairwa and Kesho Reservoir schemes for residual works.

(Paragraph 5.2.2)

- Unfruitful expenditure of ₹ 1.02 crore was incurred on a high level bridge due to taking up the work without acquisition of land for approach road.

(Paragraph 5.2.3)

- Failure of the Executive Engineer (EE) to take timely action resulted in unfruitful expenditure of ₹ 1.34 crore besides non-recovery of liquidated damages of ₹ 25.50 lakh.

(Paragraph 5.2.4)

1.5.4.3 Failure of oversight/governance

The Government has an obligation to improve the quality of life of the people for which it works towards fulfillment of certain goals in the area of health, education, development and upgradation of infrastructure and public services etc. However, Audit noticed instances where the funds released by the Government for creating public assets for the benefit of the community remained unutilised/blocked and/or proved unfruitful/unproductive due to indecisiveness, lack of administrative oversight and concerted action at various levels involving ₹ 15.76 crore. Such cases are mentioned below:

- Advance made to South Eastern Railway in contravention to the codal provision/Government order, without approval/acceptance of estimate of a Road Over-Bridge proposed to be constructed on cost sharing basis resulted in blocking of government money amounting to ₹ 7.37 crore besides loss of interest of ₹ 2.30 crore.

(Paragraph 5.3.1)

- Due to lack of preparedness and planning of erection and assembly of bailey bridges in the event of a disaster, the Department failed to provide connectivity through bailey bridges even after spending a sum of ₹ 6.09 crore.

(Paragraph 5.3.2)

1.5.4.4 Persistent and pervasive irregularities

An irregularity is considered persistent if it occurs year after year. It becomes pervasive when it is prevailing in the entire system. Recurrence of irregularities, despite being pointed out in earlier audits, is not only indicative of non-seriousness on the part of the Executive, but is also an indication of lack of effective monitoring. This, in turn, encourages willful deviations from observance of rules/regulation and results in weakening of the administrative structure. Audit observed the following:

- Short raising of demand for Penal Compensatory Afforestation and Net Present Value led to short realisation cost of Penal Compensatory Afforestation of ₹ 65.34 lakh and Net Present Value of ₹ 80 lakh.

(Paragraph 5.4.1)

1.6 Recoveries at the instance of audit

During 2011-12, at the instance of audit, ₹ 20.64 lakh was recovered in 26 cases. In addition, DFO, Saranda Forest Division, West Singhbhum had realised (September 2012) the amount of NPV for ₹ 17.20 crore at the instance of audit.

1.7 Lack of responsiveness of Government to Audit

Outstanding Inspection Reports

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 Secretaries of the departments concerned to facilitate monitoring of the audit observations and their disposals. 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).

As of 30 June 2012, 2,819 IRs containing 17,857 paragraphs pertaining to the period 2002-12 were pending. The year-wise break-up of these IRs and paragraphs is indicated in *Appendix-1.1*. Of these, first replies had not been received in respect of 6,682 paragraphs in 921 IRs.

The status of pendency of IRs/paragraphs at the end of June 2010, June 2011 and June 2012 is shown in **Table -2**:

Table-2: Position of outstanding IRs/Paragraphs

Items	Pending as at the end of		
	June 2010	June 2011	June 2012
Number of IRs	3658⁶	3286	2819
Number of paragraphs	20047	18962	17857

Lack of action on audit IRs and paragraphs is fraught with the risk of perpetuating serious financial irregularities pointed out in these reports, dilution of internal controls in the process of governance, inefficient and ineffective delivery of public goods, fraud, corruption and loss to public exchequer.

The Secretaries, who were informed of the position through half yearly reports, could not ensure prompt and timely action by the concerned officers.

1.8 Response of the Departments to Draft Audit Paragraphs

During 2012-13, 11 draft paragraphs and six draft performance audits/District Centric audit/CCO based audit/long draft paragraphs were forwarded to the Principal Secretaries/Secretaries of the Departments concerned, drawing their attention to the audit findings and requesting them to send their response within six weeks. It was brought to their personal attention that in view of the likely inclusion of these paragraphs in the Audit Report of the Comptroller and Auditor General of India, which would be placed before the State Legislature, it would be desirable to include their comments/responses to the audit findings. Despite this, Government replies in respect of five draft paragraphs and three reviews/ long draft paragraphs have not been received. The responses of the departments, where received, have been appropriately incorporated in the Report.

⁶ The number of pending IRs and paragraphs decreased.

1.9 Follow-up on Audit Reports

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 explanatory notes to the Assembly Secretariat on paras and reviews included in the 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 Accounts Committee (PAC) and indicate therein, the circumstances and reasons for occurrence of such irregularities and deviations from the 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 in the Union, the States and the Union Territories having legislative assemblies where Legislative Committees were functioning or where the Government desired the Comptroller and Auditor General to vet the Action Taken Notes (ATN), the Secretaries to the 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 a period of time as may be decided for submission of self-explanatory Action Taken Notes prescribed by the PAC.

It was noticed that as of December 2012, 13 departments⁷ did not submit any compliance or explanatory/Action Taken notes in respect of 128 out of 271 paragraphs/ reviews included in the Audit Reports for the years 2000-01 to 2010-11 and presented to the Legislature up to December 2012.

Action not taken on recommendations of the Public Accounts Committee

As per the 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 December 2012, 201 paragraphs were discussed by the PAC and recommendations were made against 31 paragraphs between November 2000 and February 2013. Of these, ATNs were received only in 11 cases, as of December 2012.

1.10 Status of placement of Separate Audit Reports of Autonomous Bodies in the State Legislature

No Separate Audit Reports of Autonomous Bodies were placed in the State Assembly during 2011-12.

⁷ Animal Husbandry & Fisheries; Art, Culture, Sports & Youth Affairs; Cabinet Secretariat Co-ordination (Election); Cabinet (Vigilance); Disaster Management; Energy; Food, Civil Supply & Consumer Affairs; Housing; Home (Jail); Labour Employment & Training; Public Health Engineering; Raj Bhasha and Tourism Departments.

CHAPTER – 2

PERFORMANCE AUDIT

Chapter-2

Welfare Department

2.1 Tribal Welfare Programmes in Meso Areas

Executive Summary

For socio-economic upliftment and protection of tribals in the State, the Central scheme, “Special Central Assistance (SCA) to Tribal Sub-Plan (TSP)”, was grouped into 15 Integrated Tribal Development Projects (ITDPs) covering 13 districts fully and two districts partially which are locally known as Meso areas.

The Tribal Welfare Programmes implemented by ITDAs are funded by the Government of India (GoI) in order to generate income with sustainable livelihood through “Prototype Schemes” under SCA to TSP and for filling up of infrastructural gaps through grants under Article 275 (1) of the Constitution.

We conducted a Performance Audit of the implementation of ‘Tribal Welfare Programmes in Meso Areas’ covering the period from 2007-08 to 2011-12. Significant audit findings are narrated below:

- In February 2009, the State Government decided to strengthen and re-organise the ITDPs into Integrated Tribal Development Agencies (ITDAs) for comprehensive planning and integration of TSP at district level. The ITDAs were registered only in February 2011 and the proposed re-organisation had not been completed as of December 2012. As a result, Perspective Plans for the Meso Areas were not prepared. Further, the State Government prepared annual plan proposals for Central grants without obtaining inputs from the ITDAs. We observed that a database of economic and social conditions of villages was prepared in 2005 through an NGO ‘PRADAN’, but the same has not been updated during last seven years. Thus, the actual need of the Meso Areas was not ascertained while preparing the Annual Plans by the Government.

Government should complete the proposed re-organisation of ITDPs and integration of TSP for comprehensive planning in Meso Areas. The database prepared by PRADAN should be updated and Plans finalised only after inputs from the targeted areas to be benefited under the schemes.

- The GoI provides 100 per cent financial assistance for SCA to TSP and grants under Article 275 (1) of the Constitution. During 2007-12, GoI released ₹ 559 crore, against which ₹ 557 crore was disbursed to the Tribal Welfare Commissioner (TWC). We observed that utilisation certificates (UCs) were submitted to GoI without ascertaining the end-use of funds in the ITDAs and implementing agencies, as reflected from large amount of unspent balances lying with the TWC, Sampled ITDAs and implementing agencies. As a result, large number of schemes remained incomplete.

- While Central funds of ₹ 19.47 crore could not be drawn during 2011-12 due to non-submission of DC bills against funds already drawn on abstract contingent bills, the TWC had drawn (March 2012) Central funds of ₹ 91.81 crore for depositing in Personal Ledger account.

Government should ensure timely utilisation of funds and the UCs should be submitted based on end-use of funds.

- As of December 2012, there were instances of 271 incomplete schemes (77 per cent) out of 353 schemes sanctioned (2006-12) in the Meso Areas. In the sampled ITDAs, 167 schemes (92 per cent) were incomplete out of 181 sanctioned under Prototype schemes. We also observed instances of expenditure on schemes which proved infructuous, unfruitful, wasteful and also beyond the scope of the schemes.
- We noticed instances of construction works for infrastructure creation remaining incomplete. In the sampled ITDAs, out of 193 Anganwadi Centres (AWCs) sanctioned, 96 AWCs remained incomplete while 46 were not taken up. Four hostels sanctioned in 2005 for ST Residential Schools were not completed as of January 2013. Further, construction of 14 Meso Rural Hospitals proposed in 2003 to function as First Referral Unit was delayed and five of them are yet to be made functional.

Government should expedite implementation of the schemes and ensure completion of the projects within the time schedule fixed.

- Shortage of manpower was a constraint in implementation of the schemes under the sampled ITDAs. Against 90 sanctioned posts of various categories, persons in position (as on 1st July 2012) were 45 i.e. 50 per cent. The posts of Additional Project Director and Assistant Project Manager were vacant since creation ITDAs in February 2009.

Government should ensure providing adequate manpower for implementation of the programmes.

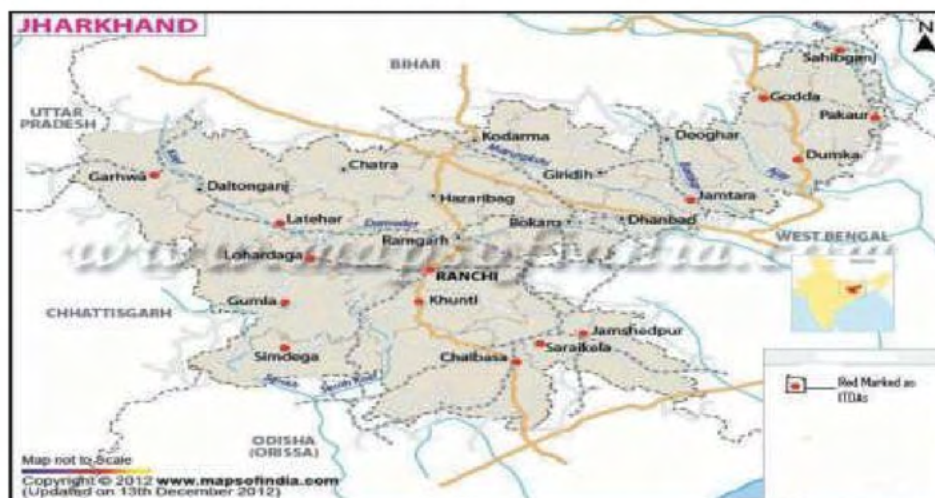
- Monitoring and Evaluation Cell at the State Level in the Department was not functional though it was reconstituted in February 2011. Similarly, review of the progress of schemes by Project Implementation Committees (PIC) and Project Directors (PDs) was not done at regular interval. Government did not prescribe any schedule of inspections for site visits by the PDs. Absence of an effective monitoring mechanism affected proper implementation of the schemes.

Monitoring of implementation of the schemes at all level should be prescribed and ensured.

2.1.1 Introduction

Jharkhand has the sixth largest population of Scheduled Tribes in the country. In Jharkhand, the population of Scheduled Tribes (STs) was 70.87 lakh constituting 26 per cent of the total population of 2.69 crore according to the 2001 census. Literacy rate among the STs was only 40.7 per cent (2001), which was much lower than the National average for ST population (47.1 per cent). In order to supplement the efforts of the State Government for tribal development, Government of India (GoI) had launched (1977-78) Special

Central Assistance (SCA) to Tribal Sub-Plan (TSP). Accordingly, the TSP in the State was grouped (February 2009) into 15 Integrated Tribal Development Projects (ITDPs) covering 13 districts¹ fully and two² districts partially. The area covered by these ITDPs was declared as Scheduled Areas, locally known as Meso (Micro Economic Social Organisation) Areas, for taking up comprehensive development programmes for the ST population. The Meso areas are depicted below in the map of Jharkhand.



The Welfare Department (Department) is responsible for implementing various schemes³ funded by the Government of India (GoI) and the State Government for socio-economic upliftment and protection of tribals against exploitation as well as for the welfare of Scheduled Castes, Other Backward Classes and minorities. The State Government receives SCA from the GoI as a 100 per cent grant for income generating schemes and infrastructure development. Based on recommendations of the Tribal Advisory Council of the State, the Government resolved (February 2009) to re-organise and strengthen the Meso areas each headed by a Project Officer, who implements the schemes under SCA to TSP and under Article 275(1) of the Constitution by creating Integrated Tribal Development Agency (ITDA) to be registered as a Society under the Societies Registration Act, 1860, headed by a Project Director in order to ensure better utilisation of funds for tribal development. The ITDAs were registered under the Societies Registration Act only in February 2011 and the proposed re-organisation has not been completed as of December 2012, as the merging of District Welfare Officers with ITDA for integration of TSP was not done.

2.1.2 Organisational set-up

The Welfare Department is the administrative department for implementation of tribal welfare programmes in Meso Areas and is headed by the Principal Secretary, assisted by a Special Secretary, a Joint Secretary and three Deputy

¹ Dumka, East Singhbhum, Gumla, Jamtara, Khunti, Latehar, Lohardaga, Pakur, Ranchi, Sahibganj, Saraikela, Simdega and West Singhbhum (Chaibasa and Chakradharpur)

² One block in Garhwa District and two blocks in Godda District.

³ Special Central Assistance to Tribal Sub-Plan and Schemes under Article 275 (1) of the Constitution (i.e. Eklavya Model Residential Schools and Meso Rural Hospitals etc.) are funded by the Government of India.

Secretaries. The Tribal Welfare Commissioner (TWC) is the Implementing Agency at State level. At the Meso area level, there is a Project Implementation Committee (PIC), consisting of the Deputy Commissioner as the ex-officio Chairman, Project Director, ITDA as Vice Chairman-cum-Member Secretary, District Planning Officer, Deputy Development Commissioner of District Rural Development Agency, District level officers of Technical Departments and people's representatives⁴ as members. The PIC is responsible for identification of beneficiaries and getting administrative approval from the Governing Body of ITDA for implementation of the schemes. At block level, the schemes are implemented through line departments and Non-Government Organisations (NGOs). Under the re-organised structure, District Welfare Officer (DWO) was to be brought under the umbrella of ITDA. However, the proposed merger has not materialised as of December 2012.

2.1.3 Audit objectives

The objectives of the Performance Audit were to assess whether:

- planning for identification of welfare schemes was adequate and based on reliable data;
- allocation, release and utilisation of funds was economic, efficient and effective;
- implementation of various programmes/ schemes in Meso areas was efficient and effective;
- human resources available for the ITDAs were adequate;
- the objectives of various programmes/schemes implemented in Meso areas were achieved and
- the monitoring system was effective.

2.1.4 Audit criteria

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

- Guidelines on utilisation of Special Central Assistance (SCA) and grants under Article 275 (1) of the Constitution;
- Guidelines for execution of Prototype Schemes⁵;
- Conditions of agreement of Public Private Partnership projects and
- Prescribed monitoring system of the Department.

⁴ Members of Parliament and Members of State Legislative Assembly of respective Meso Areas

⁵ Prototype scheme envisaged sustainable income generation activity for ST population. It was introduced in 2005-06 and was based on geographical parameters, human and natural resources, occupation/business, market etc. of the locality. Ten types of Prototype schemes were identified by the State Government

2.1.5 Scope and methodology of Audit

We conducted the Performance Audit of 'Tribal Welfare Programmes in Meso Areas' during April to July 2012 through test check of records of the Secretariat, Welfare Department and Tribal Welfare Commissioner's office at the State level, six⁶ out of 15 ITDAs/Meso offices consisting of 54 blocks. In the selected ITDAs, three⁷ out of six Eklavya Model Residential Schools (EMRS)/Ashram Schools and two⁸ out of nine Meso Rural Hospitals were examined covering the period 2007-12. Joint physical inspection of the irrigation schemes and horticulture schemes were carried out. We discussed the audit objectives, criteria and methodology with the Secretary, Welfare Department in an entry conference held on 20 April 2012. An exit conference was held on 12 December 2012 with the Secretary, Welfare Department to discuss the significant audit findings. Replies of the Government have been incorporated in appropriate places.

Audit findings

2.1.6 Planning

The Project Officers in Meso areas were responsible for preparation of comprehensive plans involving identification of economic activities for sustainable income generation and assessment of gaps in infrastructure incidental to such activities at the village level for submission to the Department/TWC.

The Department issued (November 2005) guidelines for identification and sanction of the schemes under SCA to TSP. The guidelines were based on the Report of 'PRADAN', a Non-Government Organisation (NGO), which surveyed various economic and social aspects⁹ of the STs in all villages of the Meso areas in the State. Based on the Report, the State Government identified 10 types¹⁰ of activities namely 'Prototype' schemes for implementing under SCA.

The Report also included a model estimate for each Prototype scheme including its activities and economic benefits to be accrued (*Appendix-2.1*). The Report also suggested the type of Prototype scheme to be implemented in each village. Therefore, the report was to be the basis for assessing the need of the Meso areas for preparation of Annual Plans.

Further, the State Government was to send the plan proposals separately for each ITDA for implementation of schemes under SCA to TSP and under

⁶ Gumla, Ranchi, Sahibganj, Simdega and West Singhbhum (Chaibasa and Chakradharpur)

⁷ Bhognadih (Sahibganj), Tamar (Ranchi) and Torsinduri (Chaibasa)

⁸ Jonha (Ranchi) and Kendua (Sahibganj)

⁹ Human resources, natural resources, traditional occupations, topography of land, existing infrastructure, nearest urban commercial centres, etc.

¹⁰ 1. Water harvesting, Irrigation and Land Development; 2. Homestead Poultry; 3. Dairy Development; 4. Horticulture (Mango) and Timber (Multi tier Cropping) on uplands; 5. Rangini Lac on Existing Trees; 6. Package for improved Agriculture with Rain Water harvesting; 7. Goat rearing; 8. Mulberry Plantation and Silk Worm Rearing; 9. Tassar Pre-Cocoon; 10. Tassar Post Cocoon.

Perspective Plans of ITDAs were not prepared. Government prepared Annual Plans without obtaining inputs from the ITDAs

Article 275(1) of the Constitution to the GoI in March every year for the next year's Plan expenditure. We observed that the State Government delayed submission of the plan proposals to the GoI during 2007-12¹¹. The GoI allocated the funds earmarked for the State of Jharkhand under SCA to TSP and Grants under Article 275 (1) of the Constitution and the State Government prepared the Plan within the allocated funds.

During 2007-12, the Government prepared the annual plan proposals¹² without obtaining proposals from the ITDAs and allocated funds to them. We observed that the PRADAN report, which was the only source for assessing the need of the Meso areas, was also not updated during the last seven years. It was noticed that the ITDAs prepared the estimates of the prototype schemes and beneficiaries to be covered based on the old 'PRADAN' database. Test-check of the records of two ITDAs (Gumla and Simdega) revealed that two schemes viz. Water harvesting and Mulberry plantation & Worm rearing respectively were sanctioned and funds (₹ 83.23 lakh) released to the ITDAs during batch III (2007-10) and batch IV (2010-13) respectively. The schemes were not executed and the funds lapsed (₹ 54.14 lakh) as the concerned PICs opined that the schemes were non-viable/unsuitable for the localities. Thus, the Annual Plan proposal/ Action Plans were prepared without ascertaining the need of the Meso areas.

Further, as per the proposed reorganisation of ITDAs, the Project Directors were to update the database of villages for integration of TSP and to prepare Perspective Plans for the respective ITDAs.

Scrutiny revealed that the proposed integration of TSP and preparation of the Perspective Plan for the ITDA were not done as of December 2012 in any of the test-checked ITDAs.

The Government stated (December 2012) that efforts were being made to strengthen the ITDAs and make them functional so that planning becomes need based.

2.1.7 Financial management

The GoI provides 100 *per cent* financial assistance to the State through SCA to TSP and grants under Article 275 (1) of the Constitution for implementation of income generation activities and infrastructure development programmes for ST population. Grant-wise receipt of funds from GoI and releases to TWC during the years 2007-08 to 2011-12 are detailed in **Table-1**:

¹¹ 2007-08: October 2007, 2008-09: December 2008, 2009-10: October 2009, 2010-11: July 2010 and 2011-12: July 2011

¹² ITDAs wise and scheme wise proposals for funds

Table-1: Statement showing receipts and disbursements of Central fund

(₹ in crore)

Year	SCA to TSP				Grants under Article 275(1)			
	Opening balance	Receipts	Allotment to TWC	Closing balance	Opening balance	Receipts	Allotment to TWC	Closing balance
2007-08	Nil	77.11	77.11	Nil	Nil	30.60	30.60	Nil
2008-09	Nil	21.98	21.98	Nil	Nil	18.52	18.52	Nil
2009-10	Nil	NIL	Nil	Nil	Nil	37.30	2.53	34.77
2010-11	Nil	94.82	85.92	8.90	34.77	80.04	78.72	36.09
2011-12	8.9	107.04	115.94	Nil	36.09	91.81	125.40	2.50
Total		300.95	300.95			258.27	255.77	

(Source: Department of Welfare, Government of Jharkhand)

Central funds for 2009-10 was not released by GoI for want of Utilisation Certificates and Statement of Expenditure

During 2007-12, the GoI released ₹ 300.95 crore and ₹ 258.27 crore under SCA to TSP and Article 275(1) respectively to the State Government for implementation of Prototype schemes and schemes under Article 275(1). Of these, ₹ 300.95 crore under SCA and ₹ 255.77 crore under Article 275(1) were disbursed to the TWC. We observed that the Government submitted the utilisation certificates (UCs) to GoI based on amounts released to the TWC, without ascertaining actual utilisation of scheme funds. We also observed that there were unspent balances of ₹ 57.75 crore with the TWC as of 31 March 2012. Besides, the test-checked ITDAs were having unspent balance of ₹ 57.14 crore as of 31 July 2012. As per the GoI instructions, the State Government was to submit the proposals for SCA to GoI in the prescribed format accompanied by all outstanding UCs, Statement of Expenditure of the funds received in the previous year and Physical and Financial Progress Reports of the previous years for which proposals for activities were made. Scrutiny revealed that though the GoI had earmarked (June 2009) ₹ 74.61 crore for the State during 2009-10, the Department did not submit the UCs/Expenditure Statements for the funds received during 2008-09 along with the progress reports for the SCA, resulting in non-release of funds by GoI under SCA during 2009-10. Grant-wise receipt of funds from TWC and their utilisation by the sampled ITDAs for Prototype schemes of Batch I (2005-08), Batch II (2006-08), Batch III (2007-10) and Batch IV (2010-13) under SCA, and Article 275(1) for the period 2007-12 are as detailed in **Table-2**:

Table-2: Statement of receipts and utilisation of funds by sampled ITDAs

(₹ in crore)

Name of ITDA	Funds available		Released to Implementing Agencies		Expenditure		Balance with ITDA as on 31 July 2012	
	SCA	275(1)	SCA	275(1)	SCA	275(1)	SCA	275(1)
Chaibasa	19.59	9.48	14.56	6.60	14.08	2.66	5.03	2.88
Chakradharpur	13.33	7.89	10.64	5.41	9.9	5.18	2.69	2.48
Gumla	25.10	9.36	18.31	6.07	17.18	3.21	6.79	3.29
Simdega	16.04	2.83	8.65	1.70	6.57	1.45	7.39	1.13
Ranchi	30.69	14.43	23.89	3.21	20.55	3.97	6.8	8.97 ¹³
Sahebganj	14.85	15.49	11.12	11.78	8.28	10.65	3.73	3.71
Total	119.60	59.48	87.17	34.77	76.56	27.12	32.43	24.71

(Source: Tribal Welfare Commissioner, Welfare Department, Government of Jharkhand)

Sampled ITDAs could spend only 64 per cent and 46 per cent against total receipt of allotment under SCA and Article 275 (1) respectively

It was evident from **Table-2** that the sampled ITDAs could spend only 64 per cent and 46 per cent against receipt of allotment under SCA and Article 275 (1) respectively. Further, it was observed that there were delays in release of SCA funds by ITDAs to the Implementing Agencies for periods ranging between 12 and 36 months (**Appendix-2.2**). As a result, a large number of

¹³ A sum of ₹ 2.25 crore could not be drawn by ITDA, Ranchi during 2011-12

SCA schemes remained incomplete as of December 2012 as discussed in paragraphs 2.1.8, 2.1.8.1, 2.1.8.3, 2.1.8.4 and 2.1.8.5. Delays in completion of schemes/works under 275(1) of Constitution were due to delays in selection of implementing agencies, site changes, delays in selection of contractor and lack of electricity, as discussed in paragraphs 2.1.9.1 and 2.1.9.2.

The Government has accepted (December 2012) the audit observations.

2.1.7.1 *Non-accountal of funds*

In the cash book of the office of the Tribal Welfare Commissioner ₹ 11.14 crore was not accounted for

According to Rule 86 of the Jharkhand Treasury Code, each Government servant receiving money on behalf of the Government should maintain a cash book in Treasury Challan Form 6. We noticed that no cash book for the period prior to 1 July 2009 was available with the TWC. A fresh cash book was opened from 1 July 2009 by the TWC with opening balance of ₹ 50,48,05,407.02. The cash analysis showed bank balance of ₹ 39,36,29,610.40, uncleared cheques amounting to ₹ 2,70,000 and ₹ 11,14,45,796.62 due from a retired Cashier. Further scrutiny revealed that closing balance as of 31 March 2012 was ₹ 57,75,49,194.02, of which ₹ 11,14,45,796.62 continued to be in the name of the then Cashier. The TWC instructed (September 2010) the retired cashier to submit the cash book, failing which a criminal case would be lodged and stopped his entitlement due on superannuation. However, no criminal case has been lodged against him (December 2012). Thus, non-accountal of a sum of ₹ 11.14 crore for a period of more than three years is fraught with the risk of misappropriation of Government money.

2.1.7.2 *Irregular deposit in Personal Ledger Account*

According to Rule 300 of the Jharkhand Treasury Code Volume- I, no money should be withdrawn from the treasury unless it is required for immediate payment. It is not permissible to draw advances in anticipation of demand either for execution of the works or to prevent lapse of appropriations.

Scheme funds of ₹ 91.81 crore were deposited in Personal Ledger Account

The GoI released (September 2011) ₹ 91.81 crore to the Welfare Department for the schemes under Article 275(1). The State Government permitted (March 2012) drawal of the scheme funds in advance. The amount was drawn in March 2012 and deposited in the Personal Ledger (PL) Account of the Scheduled Caste Development Corporation (SCDC), Ranchi to avoid reduction in the subsequent year's allotment.

The Government stated (December 2012) that UCs of the said amount had not been issued to GoI.

Drawal of funds without immediate requirement and keeping it in the PL account of SCDC was a violation of the financial rules.

2.1.7.3 *Surrender of scheme funds*

Central funds of ₹ 19.47 crore could not be drawn due to non-submission of DC bills for AC bills already drawn

During 2011-12, the Government permitted four¹⁴ ITDAs to draw scheme funds in advance on Abstract Contingent (AC) bills. We observed that due to non-submission of detailed bills against the AC bills drawn earlier (₹ 48.06 crore) during 2001-12 by them, the Treasury Officers stopped further drawal

¹⁴ Chaibasa, Chakradharpur, Gumla and Ranchi

of AC bills. As a result, scheme funds of ₹ 19.47 crore¹⁵ could not be drawn by them and were surrendered.

Due to non-submission of DC bills in respect of funds already drawn, the Government could not draw and utilise the scheme funds thus depriving the ST population of these four districts of the benefits under the scheme.

The Government stated (December 2012) that efforts were being made to submit the DC bills by March 2013.

2.1.7.4 *Irregularities in adjustment of advances given for works expenditure*

The final expenditure booked against any work executed departmentally must be supported by muster rolls (MRs), vouchers and measurement books (MBs). In the ITDAs, Chaibasa and Sahibganj construction of hostels, Anganwadi Centres (AWCs), *pucca* check dams and boundary walls of *sarna sthal* were taken up departmentally during 2005-10 for completion within 12 months. We observed that 42 construction works taken up departmentally remained incomplete as of July 2012 even after lapse of 3 to 4 years from the date of commencement of the works. For execution of these works the ITDAs advanced ₹ 9.30 crore¹⁶ during (2005-11) (*Appendices 2.3 and 2.4*) to the departmental engineers and exhibited the same as final expenditure. We observed (June- July 2012) that expenditure of ₹ 2.96 crore was adjusted (July 2012) on the basis of Running Account bills. However, the related MBs, MRs and vouchers by the engineers were not made available to audit. On our further query, the PDs stated that the required documents would be collected from the engineers. Thus, the veracity of the expenditure could not be ascertained in audit. Besides, ₹ 6.34 crore was not adjusted as of December 2012 against the advances given to the concerned engineers.

The Government stated (December 2012) that the schemes were likely to be completed and MRs and vouchers were to be submitted by the JE. The reply was not acceptable as MBs, MRs and vouchers for the works executed should have been submitted by the engineers along with the work bill.

In ITDAs Chaibasa and Sahibganj, work bills of ₹ 2.96 crore were adjusted against advances paid to AEs/JEs without MBs, MRs and vouchers

Major schemes implemented in Meso Areas

2.1.8 Special Central Assistance (SCA)

Special Central Assistance (SCA) is being extended by GoI to the States as a 100 *per cent* grant for family-oriented income generating schemes and supporting infrastructure development with focus on tribal population below the poverty line. The Department issued (November 2005) guidelines for implementation of Prototype schemes for sustainable livelihood which cover 10 activities. The Prototype schemes are to be implemented either through Self Help Groups (SHGs) of beneficiaries viz. *Labhuk Samitis* (LS) in clusters of villages formed by the NGO or through line departments. The funds are to be released to the SHGs through their bank accounts. The costs of the projects are

¹⁵ Chaibasa: ₹ 3.60 crore; Chakradharpur: ₹ 1.64 crore; Gumla: ₹ 6.22 crore and Ranchi: ₹ 8.01 crore

¹⁶ Chaibasa: ₹ 4.10 crore (*Appendix 2.3*) and Sahibganj: ₹ 5.20 crore (*Appendix 2.4*)

to be fixed based on the estimates of model projects prepared by PRADAN¹⁷. The prototype schemes are to be taken up in batches¹⁸ (of three years for batches I, III and IV and two years for batch II) and to be completed in the second year. The project facilitator would, however, continue through the third year for capacity building and networking.

The details of Prototype units¹⁹ undertaken and completed in the State during 2005-12 as of December 2012 are furnished below in **Table-3**. These units were implemented by the selected NGOs/line departments in the Meso areas/ITDA.

Table-3: Prototype units taken up and their completion in the State (December 2012)
(₹ in crore)

Sl. No	Prototype units	Batch I (2005-08), Batch II (2006-08), Batch III (2007-10) and Batch IV (2010-13)						
		Units taken-up	No. of PIAs involved	Amount sanctioned	Amount released to PIAs	Expenditure	No. of units completed	No. of units incomplete
1	Water harvesting, Irrigation and land development	182	139	151.26	116.64	107.05	45	137
2	Horticulture (Mango) and Timber (Multi-tier Cropping) on uplands	56	56	35.51	25.38	24.39	17	39
3	Dairy Development	10	10	9.42	6.04	5.47	1	9
4	Rangini Lac on Existing Trees	25	17	5.85	3.78	3.56	7	18
5	Goat rearing	21	23	8.17	6.74	6.08	3	18
6	Package for improved Agriculture with Rain Water harvesting	26	25	17.07	13.18	11.31	6	20
7	Homestead Poultry	9	9	8.93	6.39	6.01	3	6
8	Mulberry Plantation and Silk Work rearing	4	2	2.69	1.73	1.73	0	4
9	Tassar Pre Cocoon	18	15	11.72	5.45	5.18	0	18
10	Tassar Post Cocoon	2	2	4.38	2.45	2.45	0	2
Total		353	298	255.00	187.78	173.23	82	271

(Source: Tribal Welfare Commissioner, Welfare Department, Government of Jharkhand)

Only 82 units out of 353 sanctioned were completed

From the **Table-3** it was evident that the Department sanctioned ₹ 255 crore for execution of 353 Prototype units in all ITDAs. The ITDAs released ₹ 187.78 crore to the Implementing Agencies, out of which ₹ 173.23 crore was spent. Thus, due to short release of ₹ 67.22 crore coupled with delays in taking up the Prototype schemes by the ITDAs, only 82 units (23 per cent) of 353 sanctioned units were completed.

The details of prototype units taken up and completed during 2005-12 in the test-checked ITDAs are given in **Table-4**.

¹⁷ The rates of various items of work have been revised according to the current SoR, but the total cost of each project shown in PRADAN Report has not been changed. The volume of work and number of beneficiaries has been reduced to adjust the total cost of project

¹⁸ Batch I (2005-08):146 units; Batch II (2006- 08):70units, Batch III (2007-10):183units and Batch IV (2010-13): 83units were sanctioned

¹⁹ A cluster of scheme/works in one prototype activity

Table-4: Prototype units taken up and their completion in the sampled ITDAs (December 2012)

Sl. No	Prototype Unit	Schemes taken and completion under Prototype for sampled ITDAs in Batch I (2005-08), Batch II (2006-08), Batch III (2007-10) and Batch IV (2010-13)											
		Chaibasa		Chakradhar pur		Gumla		Ranchi		Sahibganj		Simdega	
		No. of units taken up	Completed	No. of units taken up	Completed	No. of units taken up	Completed	No. of units taken up	Completed	No. of units taken up	Completed	No. of units taken up	Completed
1	Water harvesting, Irrigation and land development	15	0	9	5	20	0	23	0	11	0	15	0
2	Horticulture (Mango) and Timber (Multi tier Cropping) on uplands	04	0	04	0	08	0	11	6	01	0	02	0
3	Dairy Development	0	0	0	0	0	0	03	0	0	0	0	0
4	Rangini Lac on Existing Trees	04	0	04	0	0	0	06	0	0	0	03	0
5	Goat rearing	01	0	0	0	05	0	0	0	01	0	04	01
6	Package for improved Agriculture with Rain Water harvesting	03	0	01	0	0	0	04	2	0	0	0	0
7	Homestead Poultry	0	0	0	0	01	0	01	0	0	0	01	0
8	Mulberry Plantation and Silk Work rearing	0	0	0	0	03	0	0	0	0	0	01	0
9	Tassar Pre Cocoon	06	0	05	0	0	0	0	0	0	0	0	0
10	Tassar Post Cocoon	0	0	0	0	0	0	0	0	01	0	0	0
Total		33	0	23	5	37	0	48	8	14	0	26	1

(Source: Tribal Welfare Commissioner, Welfare Department, Government of Jharkhand)

Only 14 units out of 181 units were completed

From Table-4, it would be seen that in the sampled ITDAs, only 14 (8 per cent) out of 181 units were completed as of December 2012 at a cost of ₹10.54 crore.

Audit findings on implementation of Prototype schemes in the six sampled ITDAs are discussed below:

2.1.8.1 Water Harvesting, Irrigation and Land Development Schemes

Only 24 per cent Water Harvesting schemes were completed in Meso Area

According to the guidelines for Water Harvesting, Irrigation and Land Development schemes six type of activities²⁰ were prescribed as cluster of schemes. The cluster of schemes incorporates components which were to be carried out such as creation of water infrastructure, construction of pump houses, installation of pumps, laying of distribution pipes to the fields of beneficiaries, development of command area (providing field channels, fencing, application of farmyard manure, lime application, seeds and fertilisers). As shown in Table-3, only 45 units of Water Harvesting, Irrigation and Land Development as cluster of schemes (24 per cent) were completed out of 182 taken up during the four batch periods in the State. However, in the sampled ITDAs, 5 out of 93 units taken up were completed (Table-4) after having incurred an expenditure of ₹ 48.25 crore.

Shortcomings in the implementation of the test-checked schemes are discussed below:

²⁰ (1) Surface Water Micro Lift Irrigation from Streams (2) Homestead Well (3) Lowland Well (4) Earthen Dam (5) Water harvesting Tank (6) Land Levelling.

113 schemes remained incomplete after incurring ₹ 4.71 crore

- We observed that two NGOs, viz. AROUSE and Social Welfare Education and Development Organisation, in Simdega and Chakradharpur respectively were entrusted (July 2006 to October 2008) with the construction work of 116 Micro Lift Irrigation Systems, 104 Lowland Wells and 23 Water Harvesting Tanks pertaining to Batches I & II (four units in Simdega and one unit in Chakradharpur) at an agreed cost of ₹ 5.16 crore to benefit 3,590 tribal families whose cultivable land was spread over an area of 5,122 acres. The stipulated period of setting up the water infrastructure was two years from the date of commencement of the work.

We observed that as of December 2012, an expenditure of ₹ 4.71 crore was incurred on execution of the schemes. As per report of the NGOs, which verified by the Meso Officers, 91 Micro Lift Irrigations, 20 Low land Wells and two Water Harvesting Tanks remained incomplete as 31 pump houses and 7 parapets of wells were not constructed, 27 pumps had not been supplied, distribution pipes were not laid to the fields of beneficiaries and command areas (spread over 1,599 acres) had not been developed. The ITDAs had, however, submitted the completion reports of the schemes to the Department in their monthly progress report.

As the schemes had not been completed, intended irrigation potential in 3,365 acres was not created, depriving 2,040 tribal families. The Government accepted (December 2012) the audit observation and stated that the pending schemes would be completed.

- In Sahibganj, *Samaj Kalyan Vikas Seva Sadan* (an NGO) was entrusted (May 2007) with construction of 38 schemes²¹ covering 590.50 acres of 475 families (one unit) at a cost of ₹ 87.60 lakh, against which ₹ 74.30 lakh was advanced (between May 2007 and September 2011) to the NGO.

18 schemes remained incomplete and ₹ 19.46 lakh was lying unadjusted with NGO for more than four years

We observed that the NGO reported (September 2011) completion of 30 schemes and submitted the accounts for ₹ 54.84 lakh leaving eight schemes incomplete (December 2012) for which ₹ 19.46 lakh was lying unadjusted with the NGO even after a lapse of four years of release of the amount. Further, we observed that 20 schemes having coverage area of 289.50 acres of irrigated land for 245 families were actually completed. Our scrutiny of measurement books, vouchers etc. revealed that the outlets were not constructed in 10 Water Harvesting tanks and command areas were also not developed though shown as completed by ITDA, Sahibganj. Thus, due to non-completion of 18 schemes²², irrigation potential of 301 acres of land for 220 families could not be created.

Further, it was seen that in Sahibganj, seven units of Water Harvesting, Irrigation and Land Development were taken up during 2008-12 pertaining to batches III & IV. However, none of these were completed despite incurring an expenditure of ₹ 3.05 crore against the released amount of ₹ 5.38 crore.

²¹ One Homestead Well, 10 Lift Irrigations, 16 Low land Wells and 11 Water Harvesting Tanks

²² Five Lift Irrigations, two Lowland wells and 11 Water Harvesting Tanks.

49 schemes remained incomplete for want of purchase of PVC pipes

- Soil Conservation Officer (SCO), Simdega was entrusted (August 2009) with execution of 257 Water Harvesting and Irrigation schemes for Batch III (2007-10) at a cost of ₹ 2.60 crore. These works were to be completed by March 2011 for 1,680 tribal families covering 1,632 acres of land. We observed that ITDA, Simdega released the money to the SCO during March 2010 to January 2012. The entire amount was shown (June 2012) as spent by the ITDA to the Department. We observed that 208 schemes (three units) were completed leaving 49 schemes incomplete up to October 2012 i.e. 20 months after the scheduled date of completion. Thus, due to delay in release of fund by the ITDA the intended irrigation benefits covering 306 acres of land could not be provided to 234 targeted tribal families.

In reply, the Department stated (December 2012) that due to non-finalisation of purchase of PVC pipes by the ITDA, Simdega, micro lift schemes were not completed. The reply was not in order as timely purchase of pipes should have been ensured by the implementing agency.

- Minor Irrigation (MI) Division, Ranchi was entrusted (December 2006) by ITDA, Ranchi with the execution of works of 65 Micro Lift Irrigation Schemes, 19 Water Harvesting Tanks, 93 Lowland Wells and 192 Homestead Wells duly approved by the PIC at an agreed cost of ₹ 6.96 crore. The amount was released during December 2006 and June 2012, against which expenditure incurred was ₹ 5.32 crore as of December 2012. These works were executed in nine blocks²³ of Ranchi.

As per the scheme estimates, irrigation potential for 3,689 acres was to be created to benefit 2,380 tribal families. These schemes were to be completed by the end of the second year (December 2008) from the date of commencement and the project facilitating unit (MI Division) was to continue the work with the community, viz. *Labhuk Samities* through the third year for capacity building and networking.

20 Micro Lift Irrigation scheme shown as completed were found incomplete during physical verification

Scrutiny of records of ITDA, Ranchi revealed that as per reports of MI Division, Ranchi 318 out of 369 schemes were completed while 39 remained incomplete and 12 could not be started due to non-execution of agreement by the contractors as of December 2012. We observed from the monthly reports that 20 schemes pertained to batches I & II reported by MI Division as completed were actually not completed. We also noticed that based on beneficiaries' complaints physical inspections of these works were carried out by the Block Development Officer (BDO), Bero. The BDO reported that these 20 works were not actually executed. The MI Division, Ranchi refunded ₹ 17.28 lakh on account of the irregularities detected by the BDO.

Thus, the intended benefits could not be extended to the tribal families as the 59 irrigation schemes were not completed as of December 2012. During joint field visit (February 2013) along with the Sub-divisional Officer, MI Division, Ranchi at Chanho block, we observed that three Micro Lift Irrigation (MLIs) schemes and one Homestead Well (HSW)

²³ Bero, Burmu, Chanho, Kanke, Lapung, Mander, Ormanjhi, Ratu and Silli.

Unfruitful
expenditure of
₹ 25.28 lakh was
incurred on 11
Micro Lift
Irrigation schemes

scheme remained incomplete²⁴ due to non-execution of civil works in MLIs and pump set was not supplied for HSW though MI, Division reported completion of these four schemes to ITDA, Ranchi. Thus, there was incorrect reporting of execution of schemes by MI Division, Ranchi. Possibility of misappropriation of funds by the executing agencies cannot be ruled out.

The Government stated (December 2012) that the schemes are under execution.

- Construction of 11 MLIs was entrusted (February 2010) to MI Division, Gumla by ITDA, Gumla at a cost of ₹ 30.25 lakh (at ₹ 2.75 lakh each) and the amount was released between April and August 2010. The Division incurred an expenditure of ₹ 25.28 lakh as of May 2012. The works were to be executed through *Labhuk Samitis* with the MI Division as the Project facilitator.

Our scrutiny of records of ITDA, Gumla revealed that the works were shown as completed (May 2012) in the monthly progress report of MI Division, Gumla (December 2012) without any development of the command areas including field channels, fencing, application of farmyard manure, lime application, seeds and fertilisers by the MI Division, Gumla. No action was taken by the ITDA, Gumla to get these works completed as of May 2012. Besides, the MI Division did not carry out capacity building and training of beneficiaries in the third year as envisaged in the scheme guidelines.

Thus, expenditure incurred for construction of 11 Micro Lift Irrigation schemes amounting to ₹ 25.28 lakh proved unfruitful due to non-development of command areas.

- According to the prototype scheme guidelines, creation of water infrastructure includes components viz, laying of pipelines, installation of pumps and development of command areas so that the water from the sources could be channeled to the fields of the beneficiaries to be utilised for irrigation purposes. The works were to be executed through *Labhuk Samities* (LS) with the support of the implementing agency (IA).

ITDA, Gumla entrusted and issued (February 2007) work orders for 128 schemes (two units) of Water Harvesting, Irrigation and Land Development Schemes to Jharkhand Hill Area Lift Irrigation Corporation (JHALCO) at an agreed cost of ₹ 1.75 crore with coverage of total command area of 809 hectares for 1,412 farmers in Kamdara and Chainpur Blocks in Gumla. Funds were released during February-September 2007. The works were to be completed within three years from the date of commencement (February 2007).

Expenditure of
₹ 1.36 crore was
incurred towards
inadmissible
works

Our scrutiny of records of ITDA, Gumla revealed that JHALCO utilised (February 2010) ₹ 1.36 crore for construction of 18 “*pucca*” check dams which was beyond the scope of the scheme guidelines. Reasons for the deviation were not on record. Scrutiny also revealed that the PO, ITDA, Gumla had already instructed (June 2007) the Regional Manager,

²⁴ Three MLIs (Patuk Sarna Toli, Sarna Toli and Oppa II) and one HSW (Hutar)

JHALCO not to construct check dams. Thus, due to non-completion of essential infrastructure, viz. pipelines, installation of pumps etc and construction of check dams in violation of guidelines, work order and instructions, the beneficiaries were deprived of the benefits of irrigation facilities on their lands.

PD, ITDA Gumla accepted the audit observation and stated (August 2012) that explanation from the IA had been called for.

2.1.8.2 Schemes for Horticulture (Mango) and Timber (Multi-tier crops) on uplands

Schemes for Horticulture (Mango) and Timber (Multi-tier crops) on uplands envisaged plantation of fruit crops on upland farms with reasonable top soil and potential water sources and their execution was envisaged to be spread over a period of three years. Under this scheme, Mango plants surrounded by timber plants, viz. gamhar, sisam, teak etc were to be planted.

Shortcomings in implementation of the scheme in three²⁵ out of five test-checked ITDAs²⁶ where the scheme was executed are discussed below:

- Execution of four schemes of Horticulture (Mango) and Timber (Multi-tier crops including 1,05,999 plants) on uplands at Chaibasa and Chakradharpur were entrusted (2005-08) to four²⁷ NGOs for benefiting 642 tribal families of seven blocks²⁸ on 267 acres of land at an agreed cost of ₹ 2.44 crore.

We observed that an expenditure of ₹ 1.94 crore was incurred (December 2009) on plantation work. However, plants on 126 acres in Chaibasa Meso Area did not survive due to drought and plants on 38 acres in Chakradharpur Meso area were burnt down by unidentified persons as reported by the beneficiaries. The concerned ITDAs did not release ₹ 50 lakh for the third year's activities viz. manuring and pruning of branches to NGOs due to mortality of plants after the second year. A joint field visit (February 2013) conducted along with the Assistant Engineer, Meso Area, Chaibasa at Tuibana village in Tantt Nagar Block revealed that the plantations done by Disha (NGO) failed as there was no water body in that area as depicted in the following photographs.

²⁵ Chaibasa, Chakradharpur and Simdega.

²⁶ Chaibasa, Chakradharpur, Gumla, Ranchi and Simdega

²⁷ (1) Disha, (2) Samekit Jan Vikas Kendra (SJVK), (3) Singhbhum Gramodyog Vikas Sansthan (SGVS) and (4) Srijan Mahila Vikash Manch

²⁸ Tonto, Jhikpani, Tantt Nagar, Majgaon, Khuntpani and Jagannathpur in Chaibasa Meso area and Chakradharpur Sadar in Chakradharpur Meso area



Photographs of plantations failed due to drought at Tuibana village in Tantanagar block at Chaibasa

Wasteful expenditure of ₹ 1.48 crore was incurred on horticulture scheme due to non-survival of plantation

The ITDA/Meso Area officials did not ensure the creation of water body for survival of plants as required under the scheme guidelines. This resulted in failure of plantations. Thus, an expenditure of ₹ 1.48 crore²⁹ on failed plantations proved wasteful, depriving 541 beneficiaries of the envisaged economic benefits.

The Project Director, ITDA Chaibasa and the Project Officer Meso Area, Chakradharpur stated (June 2012) that remedial steps would be taken to prevent failure of plantations.

The Government stated (December 2012) that directions had been given to the concerned NGOs for fresh plantation of trees.

Wasteful expenditure of ₹ 8.80 lakh was incurred due to wrong selection of sites

- ITDA, Simdega released (January 2008) ₹ 18.23 lakh to BDO, Thethai Tanger for the execution of Horticulture plantation with the help of an NGO (*Parwatiya Durgam Shiksha Vikas Sanshtan*) as the project facilitator. The scheme was to be executed through *Labhuk Samiti*. Accordingly, the BDO transferred ₹ 8.80 lakh to the bank accounts of eight *Labhuk Samitis* at ₹ 1.10 lakh each as first installment. The ITDA, Simdega intimated (June 2009) DC, Simdega (the Chairman of PIC) that plantation carried out by *Labhuk Samitis* could not survive due to wrong selection of sites by the PIC and lack of direction by the concerned NGO. This resulted in wasteful expenditure of ₹ 8.80 lakh.

The Project Director stated (June 2012) that the matter would be examined.

2.1.8.3 Goat Rearing Scheme

The scheme envisaged income generation for ST population through rearing of goats. The scheme included supply of goats (four does and a buck), provision of medicines, insurance cover for stock, cost of sheds, training cost of beneficiaries and promotional cost (remuneration of field worker and veterinary doctor, their travel cost and administrative cost of facilitating agency). Out of six ITDAs, the Goat rearing scheme was implemented in three

²⁹ ₹1.30 crore in Chaibasa where no plantation survived and ₹ 0.18 crore in Chakradharpur where plantation (15,086 plants) survived partially.

ITDAs³⁰. Irregularities found in implementation of the scheme are discussed below:

- ITDA, Sahibganj entrusted (March 2010) execution of the scheme for 240 beneficiaries to *Sona Santhal Samaj* (NGO) at an agreed cost of ₹ 45.29 lakh. Scrutiny of records of ITDA revealed that as of December 2012, 388 goats were distributed to 80 beneficiaries. However, construction of sheds was not taken up, goats were not insured and visits of veterinary doctors were not arranged by the agency, resulting in the death of 54 goats after being afflicted by disease.

The Government stated (December 2012) that instructions had been issued to the NGO to ensure prompt medical assistance to the beneficiaries. The reply was not in order as this should have been ensured during implementation of the scheme.

- In Simdega, ₹ 1.27 crore was released to two NGOs (AROUSE and NIDAN) between 2005-06 and 2007-08 for distribution of 3,425 goats among 685 STs, construction of sheds, arrangement of training etc. Scrutiny of the reports submitted by the NGOs to the ITDA, Simdega revealed that out of 1,575 goats to be distributed by AROUSE among 315 STs, the NGO did not distribute 625 goats among 125 STs. Similarly, out of 1,850 goats to be distributed among 370 STs, NIDAN did not distribute 270 goats among 161 STs (seven STs got none). However, the entire funds were shown as spent for implementation of the scheme for 370 STs by the NGOs. Besides, 125 sheds were constructed for sheltering goats and training for goat rearing was imparted by AROUSE at a cost of ₹ 14.12 lakh to those STs to whom no goats were distributed. The expenditure remained unfruitful as of June 2012 and 132 beneficiaries were deprived of the benefits of the scheme.

The Government accepted (December 2012) the audit observation and stated that the scheme would be implemented in totality.

- In Gumla District, five units of Goat rearing were taken up during Batch I (2005-08) and Batch III (2007-10). However, none of these schemes were completed as of June 2012 as only ₹ 1.82 crore was released against ₹ 2.27 crore sanctioned; against which expenditure incurred was ₹ 1.74 crore. Scrutiny revealed that the PO assigned (March 2006) two goat rearing units to two NGOs (NIDAN, Gumla and Gramin Utthan Sansthan, Sisai) and released (March 2006 to April 2007) ₹ 40 lakh. However, the PIC terminated (October 2008) the work order due to unsatisfactory work. The benefits under the scheme were thus not provided to proposed targeted tribals.

2.1.8.4 Mulberry Plantation and Silk Worm Rearing Scheme

The scheme envisaged income generation for tribal people through Mulberry Plantation and Silk Worm Rearing. The scheme included setting up of plantations and their maintenance, purchase of rearing equipment, rearing house, and provision of working capital, training costs and promotional costs. The programme was implemented only in one selected ITDA, Gumla.

³⁰ Gumla, Sahibganj and Simdega

**Mulberry plants
in 120 acres out
of 180 acres were
not survived**

AROUSE, an NGO, was entrusted with the work of Mulberry Plantation and Silk Worm rearing on an area of 180 acres to benefit 360 beneficiaries and ₹ 1.73 crore was released during March 2006 to March 2008. We observed that ITDA Gumla released funds at regular intervals despite poor survival rate³¹ (20 per cent to 50 per cent) of mulberry plantation during 2005-08. Plantations had survived on 60 acres out of total plantation of 180 acres during 2008-09.

Further, the scheme guidelines did not make provision for creation of water bodies for irrigation of plants as the mulberry plantations were rain-fed. The NGO attributed the shortfall in survival of plantations to scanty rainfall and lack of irrigation facilities. Sixty two out of 360 beneficiaries requested (2007) the Deputy Development Commissioner, Gumla for provision of irrigation facilities to improve the survival of plantations. Thus, lack of planning and follow up action by the PO resulted in mortality of mulberry plantations.

2.1.8.5 Dairy Development Scheme

The scheme envisaged distribution of two cows to each tribal, provision of training, insurance cover, medicines, construction of cow sheds and setting up of milk production centre. The programme was implemented only in one selected ITDA, Ranchi. District Dairy Development Officer (DDDO), Ranchi was entrusted (March 2007) with the execution of one unit of Dairy Development Scheme to benefit 100 tribals at an agreed cost of ₹ 98.82 lakh against which ₹ 76.36 lakh was released by ITDA in October 2007 (₹ 49.82 lakh) and in January 2008 (₹ 26.54 lakh) along with the list of beneficiaries duly approved by the PIC to the Implementing Agency (DDDO). The DDDO was required to maintain documents viz. measurement books, vouchers etc. and submit the same when called for. The scheme was to be completed in two years and the progress of implementation was to be submitted on a monthly basis.

Our scrutiny of records of the DDDO, Ranchi revealed that the implementing agency spent (up to January 2012) ₹ 49.36 lakh on construction of two Milk Collection Centres, construction of 100 cow sheds, provision of minerals, feed supplement, purchase of milk analyser, purchase of cows and provision of insurance cover for cows.

However, further scrutiny of the inspection notes of PD, ITDA, Ranchi (August 2011) and physical verification report (March 2012) of the District Animal Husbandry Officer, Ranchi, revealed that the DDDO had distributed one cow each against the provision of two cows to 88 beneficiaries out of 97 proposed beneficiaries. Out of 88 cows distributed, 46 had died, cow sheds were not constructed and Milk Collection Centres were not in use. Though insurance coverage was provided to the cows the claims for insurance of dead cows could not be made due to lack of follow-up action by the DDDO and ITDA, Ranchi. This indicated improper monitoring by the PD, ITDA and deficient implementation of the scheme by the DDDO.

In view of the failure of the DDDO in implementation of the scheme, on the recommendations of PIC, the ITDA re-allotted (May 2012) the scheme to

³¹ Plantation during 2005-06: 60 Acres, 2006-07: 60 Acres, 2007-08:60 Acres (Total plantation: 180 acres) and actual survival in 2008-09 was 60 Acres only

Expenditure of ₹ 11.50 lakh was rendered wasteful due to non-survival of cattle

District Animal Husbandry Officer (DAHO), Ranchi. The ITDA also released ₹ 27.35 lakh to the DAHO for completion of the scheme. However, the scheme was still incomplete as of November 2012.

Thus, the scheme failed to generate intended income for the beneficiaries. Besides, the expenditure of ₹ 11.50 lakh was rendered wasteful as 46 cows did not survive.

The Secretary, Welfare stated (December 2012) that the prototype schemes shall be completed at the earliest.

2.1.9 Schemes under Article 275 (1) of the Constitution of India

Article 275(1) of the Constitution of India provides for grants from the Consolidated Fund of India each year for promoting the welfare of Scheduled Tribes. Accordingly, the Ministry of Tribal Affairs provides funds to the State. The objective of the Scheme is promotion of the welfare of Scheduled Tribes and infrastructure development in tribal areas.

Grants under Article 275 (1) of the Constitution were utilised in the State for schemes such as construction of Anganwadi Centres (AWCs), construction of hostels and provision of electric connections therein, construction of additional class rooms in residential schools, setting up of rural hospitals, meeting recurring expenditure, costs of Eklavya Model Residential Schools, etc. Shortcomings noticed in implementation of the schemes are discussed below:

2.1.9.1 Construction of Anganwadi Centres

Despite availability of funds construction of 150 Anganwadi Centres were incomplete

Secretary, Welfare Department sanctioned (May, 2010) 387 AWCs at an agreed cost of ₹ 16.72 crore for 12 Meso areas at a unit cost of ₹ 4.32 lakh each. The construction works were to be completed within 12 months. The status of construction of AWCs in five test-checked ITDAs as of December 2012 is as given in Table-5.

Table-5: Status of construction of AWCs in sampled ITDAs (December 2012)
(₹ in lakh)

Selected ITDAs	AWCs Sanctioned	Amount released	AWC completed	AWC not taken up	AWC remained incomplete	Funds utilised	Unspent balances with the Agencies
Chaibasa	50	216.00	10	32	08	60.83	155.17
Gumla	30	129.60	0	05	25	48.48	nil
Ranchi	50	216.00	12	0	38	183.94	32.06
Sahebganj	40	129.60	0	17	23	70.13	59.47
Simdega	23	99.36	21	0	2	88.64	10.72
Total	193	790.56	43	54	96	452.02	257.42

(Status as of December 2012)

Deficiencies noticed in implementation of the scheme are discussed below:

- In Chaibasa, out of 50 AWCs sanctioned, construction of 16 AWCs was entrusted (March 2011) to the Executive Engineer (EE), National Rural Employment Programme (NREP), Chaibasa by the PD, ITDA Chaibasa and construction of 34 AWCs was entrusted to the EE, Rural Development Special Division, Chaibasa (RDSD). The PD advanced (March 2011) ₹ 69.12 lakh and ₹ 1.47 crore to EE, NREP and RDSD respectively with the stipulated date of completion as March 2012.

Out of 193 AWCs sanctioned, only 43 were completed; ₹ 2.57 crore remained unspent

During scrutiny of records of ITDA, Chaibasa we observed that out of 16 AWCs entrusted to NREP, work of 12 AWCs did not commence as the contractors did not respond to the tenders invited by the EE, NREP. Out of four AWCs taken up only two were completed as of December 2012. Out of 34 AWCs entrusted to RDSD, construction of 20 AWCs could not be started as of December 2012 due to non-execution of agreement with the contractors (10 AWCs) and non-availability of land (10 AWCs). Only eight out of 14 AWCs taken up were completed as of December 2012.

The Government accepted (December 2012) the facts and stated that efforts were being made to retender the work and make the land available.

- In Gumla, ₹ 1.30 crore was sanctioned and allotted (May 2010) for construction of 30 AWCs in 12 months which was to be executed by the ITDA. However, work order was entrusted to the Junior Engineer, ITDA in January 2011 after a delay of seven months for completion within two months, i.e. by March 2011. Scrutiny revealed that five AWCs were taken up as of December 2012 due to delay in selection of sites by ITDA Gumla. Expenditure incurred on the remaining 25 incomplete AWCs was ₹ 48.48 lakh as of June 2012 and the balance fund of ₹ 81.12 lakh lapsed. There was lack of synchronisation in arranging funds and sites for AWC buildings. The Government accepted (December 2012) the facts and stated that fund allotment would be made for commencement of the work.
- In Sahibganj, ₹ 1.30 crore was sanctioned (May 2010) to the Project Director, ITDA, Sahibganj for construction of 40 AWCs. The work was to be executed through the Junior Engineer, ITDA. Scrutiny revealed that construction of 23 out of 40 AWCs was taken up (November 2010) for completion within 12 months. All the 23 AWCs were incomplete as of June 2012, though the progress report of June 2012 showed utilisation of ₹ 70.13 lakh towards construction of these AWCs. However, it was noticed from the progress report of January 2013 of ITDA, Sahibganj that against advance of ₹ 43.50 lakh paid (July 2011) to the JE, ₹ 20.66 lakh was lying unadjusted (January 2013).

The Government stated (December 2012) that the agencies had been directed to submit the respective MBs/vouchers/bills.

- ITDA, Simdega had taken up all 23 AWCs sanctioned (August 2010) of which 21 were completed through *Jan Sewaks* (Village Level Workers) as of December 2012.
- Construction of 50 AWCs was entrusted (November 2010) to the Zila Parishad, Ranchi at an agreed cost of ₹ 2.16 crore by ITDA, Ranchi. Scrutiny revealed that only 12 AWCs (24 *per cent*) were completed and the remaining 38 AWCs remained incomplete (August 2012) even though an expenditure of ₹ 1.84 crore (85 *per cent*) was shown as utilised in the progress report.

Thus, even after a lapse of 17 months from issue of the work orders construction works were yet to be completed despite availability of fund with the implementing agency.

2.1.9.2 Provision of infrastructure facilities in ST Residential School

There are 89 ST Residential Schools (SRS) (35 High Schools, 45 Middle Schools and nine Primary Schools) being run by the Department. Deficiencies noticed in construction of hostels and provisions of electricity in the hostels are discussed below:

There was cost escalation of ₹ 11.61 lakh due to delay in construction

- **Delay in construction of hostels in ST Residential Schools** Construction of four³² 50-bedded hostels in SRSs at an estimated cost of ₹ 34.49 lakh each was allotted (September 2005) by TWC to Meso Office, Sahibganj. Three works were allotted (January 2006) to the departmental Junior Engineer (JE) and one work to the Junior Statistical Assistant (JSA). Due to slow progress in execution, the works were reallocated (July 2006) to the Executive Engineer, NREP, Sahibganj and RDSD, Godda and ₹ 99.65 lakh was released to them. The agencies expressed their inability to execute the work due to non-availability of land and inadequate fund and refunded (May 2007) the amount. The works were again assigned (July 2007) to the departmental JE and JSA for completion in one year from the date of commencement of work. Due to delays in commencement/completion of the hostels, the estimated cost of each hostel was revised twice to ₹ 39.08 lakh in September 2007 and ₹ 46.10 lakh in March 2010 by the Department. Construction of these hostels was not completed as of January 2013.

Excess payment of ₹ 14.40 lakh was made to the JE/JSA

- **Excess payment of ₹ 14.40 lakh**

Scrutiny of records revealed that ITDA, Sahibganj issued work order of six³³ works (cost ₹ 1.63 crore) between January 2006 and June 2008 to the JE and JSA. The works were to be completed within one year from the date of their commencement. As the construction was delayed, all the estimates were revised (March 2010). It was noticed that the works (ranging between 84 and 90 *per cent*) were completed (June 2008 and September 2009) prior to revision of rates of various items of work and the payments made (June 2008 and September 2009) in Running Account (RA) bills. However, after the rates were revised (March 2010), the JE and JSA, in the subsequent RA bills, claimed the difference between the old and new rates in respect of the works already executed, measured and paid for. These RA bills were also were passed for payment (June 2011).

The Project Director, ITDA stated (July 2012) that the matter would be examined

Thus, ITDA made excess payment of ₹ 14.40 lakh to the JE and JSA by accepting RA bills on revised rates and adjustment of advances thereagainst for those items which were executed prior to revision.

³² Dhamdhamia, Kartik Bhitha, Kurtika and Ratanpur

³³ ST Residential Schools at Dhamdhamia, Kartik Bhitha and Ratanpur (three schemes); Five Additional Class Rooms at Primitive Tribe Groups (PTG) Residential School, Adro (one scheme); Eight Additional Class Rooms at PTG, Residential School, Banjhi (one scheme) and Doctor's quarters in Meso Rural Hospital, Pathna (one scheme)

• Provision of electricity in ST Residential School

During 2007-08, 15 transformers were sanctioned for installation in SRSs of six sampled ITDAs. Scrutiny of records of ITDA, Gumla revealed that TWC allocated (2007-08) ₹ 1.54 lakh for installation of 63 KVA transformers in two SRSs (Chapa Toli: ₹ 0.77 lakh and Ghagra: ₹ 0.77 lakh) and ₹ 5.94 lakh for installation of 63 KVA transformer and 1 KVA HT line for SRS, Sakhuapani. However, it was seen that a transformer was installed (2011-12) only at SRS, Chapa Toli after incurring an expenditure of ₹ 8.79 lakh. Scrutiny of records of the school revealed that the school had no internal electric wiring. Therefore, even after incurring an expenditure of ₹ 8.79 lakh, the school was running without electricity.

As against a sanctioned cost of ₹ 0.77 lakh for the installation of a transformer at SRS, Chapa Toli, ITDA incurred an expenditure of ₹ 8.79 lakh which indicated that the expenditure was not correctly estimated. No transformers were installed in the two other schools for which funds had been allocated.

2.1.10 Eklavya Model Residential School

During the Ninth Five Year Plan, the GoI sanctioned (March 2004) six Eklavya Model Residential Schools (EMRS)³⁴ for the State, for ST students studying in classes VI to XII out of the grants under Article 275 (1) on the pattern of Navodaya Vidyalayas. The objectives of EMRS was to provide quality education to ST students of remote areas to enable them to avail the best opportunities in education at par with the non-ST population.

A Registered Society³⁵ was to be constituted for construction, maintenance and management of these schools. However, no Society was constituted as of December 2012.

Scrutiny revealed that six EMRSs were set up by the Welfare Department in January 2006 for 300 to 420 tribal students in each school (60 students in each class).

The EMRS guidelines envisaged providing higher pay scales to the Principal and teaching staff as compared to their counterparts in Government schools, residences for all teaching staff, fixing time table to give sufficient time for teaching, vocational training, sports, cultural and extra-curricular activities.

Shortcomings noticed during audit scrutiny of records of three³⁶ out of six EMRSs are discussed below:

- Schools were being run by private parties/NGOs instead of establishing a Registered Society, as envisaged in the guidelines.
- As per the MoUs with the NGOs, a Local Management Committee consisting of representatives of GoJ, Deputy Commissioner, educationists, parents and teachers' representatives and the Principal as Member

³⁴ Bhognadih, Kuchai, Kathijoria, Salgadih, Sisai and Torsunderi

³⁵ Consist of departmental representatives, eminent educationists, selected representatives and tribal community leaders

³⁶ Bhognadih (Sahibganj), Salgadih (Ranchi) and Torsundri (West Singhbhum).

Secretary was to be constituted for efficient running of the school. This was not done.

- Medium of education in the EMRSs was Hindi whereas as per the MoU signed by the Welfare Department with the NGOs in October 2007, medium of education should be English. Moreover, the schools should have been affiliated with Central Board of Secondary Education (CBSE) which has not yet been complied with. However, the EMRSs were affiliated with the Jharkhand Academic Council.
- We observed that 125 students (43 *per cent*) out of 291 failed to clear the Jharkhand Academic Council Examination for class XII under Science stream during 2010-12. The results were not commensurate with the stated aims.

2.1.11 Meso Rural Hospitals

In order to improve the accessibility and availability of good health care facilities in the Scheduled Areas of the State, Government decided (July 2003) to set up 14 fifty-bedded Meso Rural Hospitals (MRHs) on Public Private Partnership (PPP) mode. Out of these, nine became functional (February 2009) and the remaining five are yet to be functional (December 2012). The scheme is being implemented out of Central funds under Article 275(1) of the Constitution.

The hospitals would function as a First Referral Unit (FRU) to reach the most underprivileged and to cater to the poorest of the poor.

Scrutiny of the records of the MRH in TWC, Ranchi revealed the following:

- NPCC had completed construction of nine out of 14 hospitals and handed them over between December 2004 and March 2008. Expression of interest was invited (March 2006) by the Department from reputed NGOs, corporate houses and faith based organisations for running of these hospitals. Four³⁷ NGOs were selected by the Selection Committee³⁸ headed by TWC and MoUs were signed (February 2009) with them for running these nine MRHs. It was noticed that at the time of taking over (February 2009), the buildings of eight³⁹ hospitals were in a dilapidated condition and the NGOs spend ₹ 47.76 lakh on repairing of the buildings.
- We observed that construction of the remaining five MRHs were completed and allocated to three⁴⁰ NGOs in August 2012. However, the MRHs were not functional as the MoUs with the NGOs were not signed as of February 2013.

Expenditure incurred ₹ 47.76 lakh on repairing of the buildings due to delayed establishment of MRHs

³⁷ (1) Institute of Continuing Education, Research and Training (ICERT) (i) Kuchai (ii) Parasdihi (2) Research Institute for Civil Health Integration (RINCHI) Trust Hospital (i) Johna (ii) Arki (iii) Littipara (iv) Kathikund (3) Vikash Bharti- Bahragora. (4) Dynamic Tarang (i) Kendua and (ii) Nala

³⁸ TWC as Chairman, Representative of Health Department, Director RINPAS, Chief Medical Superintendent of HEC Hospital, Dr. Sudhir Kumar, Associate Professor of Orthopedics and Representative of CARE

³⁹ MRHs at Dumka, Khunti, Pakur and Ranchi, Lohardaga, Saraikela, Sahibganj and Jamtara

⁴⁰ Barachiru West Singhbhum and Mananchutang, Latehar to ICERT, Bano, Simdega and Lodhodih, Chakradharpur to Dynamic Tarang and Nagpheni, Gumla to Vikash Bharti

2.1.12 Human Resource Management

Adequacy of staff is paramount in implementation and monitoring of the schemes. For successful implementation of Tribal Welfare schemes in the State, GoJ (February 2009) sanctioned 18 posts ⁴¹ of various categories for each ITDA. We observed that there were large vacancies in the key posts in the five test-checked ITDAs⁴².

- Against the 90 sanctioned posts of various categories, actual persons in position (as on 1st July 2012) were only 45 i.e. 50 *per cent* in sampled test-checked districts (*Appendix 2.5*).
- The posts of Additional Project Director and Assistant Project Manager in sampled districts were vacant since creation of the ITDAs in February 2009.
- Project Officers were functioning in place of Project Directors in four⁴³ test-checked ITDAs.

Thus, 50 *per cent* shortage of manpower adversely affected the implementation of the schemes and their monitoring in the Meso Areas as discussed in the preceding paragraphs.

The Secretary of the Department stated (December 2012) that shortages of manpower would be minimised.

2.1.13 Monitoring

A State Level Monitoring and Evaluation Cell⁴⁴ was constituted in February 2008 in TWC office to facilitate the implementation process; monitor and evaluate the schemes/projects, build capacity of implementing partners and other stakeholders and create and manage the database of all ITDAs. The cell was responsible for creation of a Management Information System (MIS) for ongoing project planning, budgeting, implementation and review.

The Monitoring and Evaluation Cell was, however, not functional as the officer-in-charge of the Cell was never appointed. There was one Training Officer and two Assistants appointed on contractual basis since July 2008, who only managed the database of the Department. Even the post of MIS Officer, which was vacant since May 2009, was not filled up till February 2011. As, the Cell did not start functioning even in three years it was reconstituted (February 2011) with Secretary, Welfare Department as Chairman, TWC as Chief Executive Officer and Deputy Secretary/Under Secretary, Welfare Department as Members including five Technical Consultants and five Office Executives. It was, however, noticed that the consultants and office executives were not appointed as of December 2012.

At the Meso area level, the PIC was to monitor the progress in the implementation of the schemes by conducting review meetings at an interval

⁴¹ One Project Director, two Additional Project Directors, two Assistant Project Managers, One Assistant Engineer, one Office Superintendent, one Accountant, two Clerks, one Personal assistant, four Peons and three Drivers.

⁴² Manpower of Chakradharpur included in ITDA Chaibasa

⁴³ Chakradharpur, Gumla, Simdega and Sahibganj.

⁴⁴ Comprising of an Officer In-charge, Training Officer, MIS Officer and two assistants

of 60 days (i.e. six times in a year) as required under the State Government orders (November 2005).

Scrutiny of records relating to monitoring by three PICs revealed that during 2007-12 only 24 review meetings⁴⁵ were conducted to monitor progress of the schemes against 30 meetings due by each PIC. Besides, the Government did not prescribe the schedule of inspections for site visits by the PD level functionaries.

Absence of an effective monitoring mechanism was one of the reasons for deficiencies in the implementation of the schemes.

The Government stated (December 2012) that vigorous monitoring and inspection of the scheme would be done and to this end the Monitoring Cell is being reconstituted, which has started functioning from the office of the Tribal Cooperative Development Corporation (TCDC), Ranchi.

2.1.14 Impact evaluation of the scheme

Jharkhand Tribal Welfare Research Institute, Ranchi conducted (June 2008) an evaluation study to assess the impact of the schemes implemented under SCA and Article 275 (1) in Meso Areas. The study concluded that income generation for STs and filling up gaps in infrastructure in Meso areas was far from satisfactory as the tribals did not have their own agricultural land, irrigation facilities were inadequate, there were shortcomings in the implementation of the schemes, lack of awareness among beneficiaries and the intended benefits did not reach the tribals in the remote areas. The study also depicted that only 46 *per cent* of tribal people were getting the benefit of tribal welfare programmes.

The Secretary of the Department stated (December 2012) that impact assessment of income generation schemes by NABARD Consultancy Services (P) Ltd (NABCONS) was under way and on the basis of their study and observations corrective measures would be taken.

2.1.15 Conclusion

While State Government took up several schemes under SCA to TSP and Article 275 (1) of the Constitution in order to improve the implementation of the Tribal Welfare Programmes in Meso areas during 2007-12 suffered due to deficiencies in planning, financial management, execution of the schemes and monitoring:

- In February 2009, the State Government decided to strengthen and re-organise the ITDPs into ITDAs, to be registered as a society for comprehensive planning and integration of TSP at the district level. The ITDAs were registered only in February 2011 and the proposed re-organisation has not been completed as of December 2012. As a result, Perspective Plans for the Meso areas were not prepared. Further, the Government prepared annual plan proposals for Central grants without obtaining inputs from the ITDAs. We observed that a database of economic and social conditions of the villages was prepared in 2005

⁴⁵ PIC, Ranchi: 7 meetings; PIC, Simdega: 11 meetings and PIC, Sahibganj: 6 meetings during 2007-12

through an NGO 'PRADAN', but the same has not been updated during the last seven years. Thus, the actual need of the Meso areas was not ascertained by the Government while preparing the Annual Plans.

- GoI provides 100 *per cent* financial assistance for SCA to TSP and grants under Article 275 (1) of the Constitution. During 2007-12, GoI released ₹ 559 crore, against which ₹ 557 crore was disbursed to the TWC. We observed that utilisation certificates (UCs) were submitted to GoI without ascertaining the end-use of funds in the ITDAs and implementing agencies, as reflected from the large amount of unspent balances lying with the TWC, sampled ITDAs and implementing agencies. As a result, a large number of schemes remained incomplete.
- While Central funds of ₹ 19.47 crore could not be drawn during 2011-12 due to non-submission of DC bills against funds already drawn on abstract contingent bills, the TWC had drawn (March 2012) Central funds of ₹ 91.81 crore for depositing in Personal Ledger account.
- As of December 2012, there were instances of 271 incomplete schemes (77 *per cent*) out of 353 schemes sanctioned (2006-12) in the Meso areas. In the sampled ITDAs, 167 schemes (92 *per cent*) were incomplete out of 181 schemes sanctioned under Prototype schemes. We also observed instances of expenditure on schemes which proved infructuous, unfruitful, and wasteful and were also beyond the scope of the schemes.
- We noticed instances of construction works for infrastructure creation remaining incomplete. In the sampled ITDAs, out of 193 AWCs sanctioned, 96 AWCs remained incomplete while 54 were not taken up. Further, construction of 14 Meso Rural Hospitals proposed in 2003 to function as First Referral Unit was delayed and five of them are yet to be made functional. Four hostels sanctioned in 2005 for ST Residential Schools were not completed as of January 2013.
- Shortage of manpower was a constraint in implementation of the schemes under the sampled ITDAs. Against 90 sanctioned posts of various categories, persons in position (as on July 2012) were 45 i.e. 50 *per cent*. The posts of Additional Project Director and Assistant Project Manager were vacant since creation of ITDAs in February 2009.
- Monitoring and Evaluation Cell at the State Level in the Department was not functional though it was reconstituted in February 2011. Similarly, review of the progress of schemes by Project Implementation Committee (PICs) and Project Director (PDs) was not done at regular interval. No schedule of inspections was prescribed /drawn up by the PDs for site visits. Absence of an effective monitoring mechanism affected proper implementation of the schemes.

2.1.16 Recommendations

We recommend the following:

- *Government should complete the proposed re-organisation of ITDPs and integration of TSP for comprehensive planning in Meso areas. The database prepared by PRADAN should be updated.*

- *Government should ensure timely utilisation of funds and the utilisation certificates should be submitted based on end-use of funds.*
- *Government should expedite implementation of the schemes and completion of the projects within the time schedule fixed.*
- *Government should ensure providing adequate manpower for implementation of the programmes.*
- *Monitoring of implementation of the schemes at all level should be prescribed and ensured.*

The Government accepted (December 2012) the recommendations.

Urban Development Department

2.2 Performance audit of implementation of Jawaharlal Nehru National Urban Renewal Mission

Executive Summary

Government of India (GoI) launched the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) on 3 December 2005, to be implemented over a period of seven years (2005-12) with the aim to provide an enabling environment for the growth of the cities. Under the Mission, 27 projects were approved in Jharkhand from January 2008 to March 2011 by the GoI. This was to be achieved by enhancing effective urban service delivery and civic infrastructure through improvements in urban management, land management, financial management and stakeholder participation in local governance in the State of Jharkhand.

Performance Audit of the implementation of 'JNNURM' covering the period from 2005-06 to 2011-12 was conducted in respect of 12 out of the 15 projects being implemented by seven Urban Local Bodies (ULBs). Significant audit findings are stated below:

- The status of implementation of reforms in respect of the State furnished by the State Level Nodal Agency revealed that out of a total of 31 reforms to be implemented, as committed in the MoA executed (December 2007 to July 2011) with the GoI by the State/ ULBs, only 22 reforms were implemented in full, whereas seven reforms were partially implemented and two reforms were yet to be implemented
- We noticed in DPRs of the 12 selected projects that tenders were finalised or the projects were undertaken without availability of clear and unencumbered land, which resulted in delayed execution of projects.

Government should ensure that encumbrance free land may be identified and acquired before initiation of a project to avoid delay in completion of the projects and blocking of government money to that extent.

- Against the available funds of ₹ 589.20 crore, only ₹ 326.51 crore (55.42 per cent) could be utilised leaving an unutilised balance of ₹ 262.69 crore. The position was particularly alarming in the case of BSUP where only 6.13 per cent of the available funds could be utilised.

Government should ensure to take necessary steps to utilise the funds in a time bound manner for the earmarked projects to extend the infrastructural services for the urban population and basic services to the urban poor.

- JNNURM funds received by State Level Nodal Agency (SLNA) from Central/State Government were meant for disbursement to the implementing agencies and interest earned on these funds/deposits was not the income of the GRDA Ltd. However, scrutiny revealed that a total sum of ₹ 8.00 crore was earned as interest on these funds/deposited up to March 2012, out of which ₹ 4.02 crore was utilised for incurring administrative expenses (₹ 85.50 lakh) and for payment of income tax (₹ 3.17 crore).

- In Ranchi water supply project, it was seen that as per BoQ the requirement of 900 mm dia pipes, by Headworks division Ranchi, was for only 100 metres but excise exemption certificate was issued for 7,550 metres against which 7,050 metres DI pipes was procured/supplied. The procurement/supply of 900 mm dia pipes in excess of the requirement as per BoQ entailed excess/unauthorised payment to the tune of ₹ 8.21 crore to the contractor.

Government should ensure execution of works in an economic, efficient and effective manner to prevent extra cost and also to ensure timely completion of the project along with quality of work.

- As per DPRs of three ULBs, proposed beneficiaries were identified through Ration Card, BPL Card and Primary survey of the pockets. Widows, single women and old aged persons were to be given special attention during the preparation of the beneficiaries list. However, scrutiny of the lists prepared by the committee prescribed by the UDD (October 2009), after verification of the lists contained in the DPR, revealed that the DPRs lacked correct information as they included deceased, untraceable, landless, doubtful beneficiaries as well as beneficiaries with “Pucca” houses, ineligible beneficiary being Government servant or beneficiaries already allotted houses under VAMBAY etc.
- Rupees 22.48 lakh was defalcated in Gumla under IHSDP on account of purchase of street lighting materials against fake invoices.
- As per the provision of IHSDP guidelines, the SLCC was required to meet at least quarterly for reviewing the progress of ongoing projects and for sanctioning new projects. But it met only thrice after its constitution (June 2006) against the requirement of 23 meetings (March 2012). Similarly, the State Level Sanctioning Committee was required as per UIDSSMT guidelines, to meet at least thrice in a year for reviewing the progress of ongoing projects and for sanctioning new projects. But it met only twice after its constitution in June 2006 when it should have actually met at least 18 times till March 2012.
- MoHUPA has also evolved a mechanism to appoint Third Party Inspection and Monitoring Agencies for reviewing and monitoring BSUP and IHSDP projects. M/s Shristi Urban Infrastructure Development Limited, New Delhi was selected (May 2011) as Third Party Inspection and Monitoring Agency (TPIMA) by the Tender committee constituted for the purpose. Though approval to the agency selected was accorded (February 2012) by the CSMC, however, the MoA with the firm selected had not been executed.

Government should ensure strengthening monitoring mechanism for implementation of schemes in an effective and time bound manner.

2.2.1 Introduction

The GoI launched the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) on 3 December 2005 with the objectives of focused attention to integrated development of infrastructural services in the cities covered under the Mission; securing effective linkages between asset creation and asset management so that the infrastructural services created in the cities are

not only maintained efficiently but also become self-sustaining over time; ensuring adequate investment of funds to fulfill deficiencies in the urban infrastructural services; planned development of identified cities including peri-urban areas, outgrowths and urban corridors, so that urbanisation takes place in a dispersed manner, scaling up delivery of civic amenities and provision of utilities with emphasis on universal access to urban poor; taking up urban renewal programme, i.e., re-development of inner (old) cities area to reduce congestion. The Mission period was spread over seven years, i.e. 2005-12.

The Mission comprised of four components viz. (i) Urban Infrastructure and Governance (UIG), (ii) Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), (iii) Basic Services to the Urban Poor (BSUP) and (iv) Integrated Housing and Slum Development Programme (IHSDP). The GoI approved 27 projects (11 projects in three Mission cities – Ranchi, Dhanbad and Jamshedpur- and 16 projects in 12 non-mission cities) in the State of Jharkhand during January 2008 to March 2011 under these four components of the Mission valuing ₹ 1691.88 crore. A total sum of ₹ 590.20 crore was received by State Level Nodal Agency upto March 2012. Of this, ₹ 589.20 crore was released to the executing agencies and the expenditure incurred thereagainst was ₹ 326.51 crore (March 2012). As far as the projects are concerned, all 27 projects remained incomplete as on 31 March 2012.

2.2.2 Organisational set-up

The JNNURM guidelines provide for constitution of a State Level Steering Committee (SLSC), headed by the Chief Minister along with members from the concerned departments/authorities¹, to be set up by each state for deciding and prioritising the projects under the Mission, at the State level. The SLSC was to be assisted by the nodal agency identified by the State Government for implementation of JNNURM. The State Level Nodal Agency (SLNA) for Jharkhand was Greater Ranchi Development Agency (GRDA) Limited. To strengthen the capacity of SLNA to manage and implement the tasks associated with JNNURM, a Programme Management Unit (PMU) was to be established at the SLNA. To enhance their capability to effectively implement projects and reforms under JNNURM, Project Implementation Units (PIUs) were to be established in the ULBs of mission cities,

2.2.3 Audit objectives

The objectives of the Performance Audit were to assess whether:-

- the planning was adequate at State and ULB level;
- financial management controls were adequately exercised;
- projects were executed economically, efficiently and effectively to achieve integrated development of infrastructural services and ensured basic services to urban poor; and
- a mechanism for adequate and effective monitoring and evaluation

¹ Urban Development Department, Housing Department, Member of Parliament/Member of Legislative Assembly, Finance Department, Drinking Water & Sanitation Department, Mayor/Administrator/Special Officer.

existed.

2.2.4 Audit criteria

The audit criteria adopted for arriving at the audit conclusions were drawn from the following sources:-

- Guidelines, instructions/circulars/orders issued by Ministry of Urban Development (MoUD), Ministry of Housing and Urban Poverty Alleviation (MoHUPA), Ministry of Finance (MoF) and Urban Development Department (UDD), Government of Jharkhand;
- Memorandum of Agreement and Detailed Project Reports of selected projects;
- Toolkits issued by MoUD/MoHUPA for various issues under JNNURM; and
- Minutes of the meetings of the Central Sanctioning and Monitoring Committee (CSMC).

2.2.5 Scope of audit and methodology

Out of 27 projects (*Appendix-2.6*) approved upto March 2012 under JNNURM in Jharkhand, we selected 12 projects² being implemented in seven³ districts, on a random basis, for the purpose of the Performance audit. The audit was conducted between April 2012 to June 2012, for the period 2005-12 by test-check of records and files in SLNA, UDD and Drinking Water & Sanitation Department (DW&SD), GoJ, implementing agencies⁴ and also through joint physical verification of the projects.

An Entry Conference was held with the Secretary, UDD on 20 April 2012 to discuss the audit objectives, criteria, scope and methodology of the performance audit.

The findings of the audit were discussed with the Secretary, UDD in the exit conference held on 15 November 2012. The outcome of the discussion has been suitably incorporated in the performance audit report.

Audit findings

2.2.6 Planning

2.2.6.1 Preparatory Framework at State and ULB level

SLNA

The Greater Ranchi Development Agency Ltd.(GRDA) was nominated as the SLNA by the State Government (April 2006⁵ and June 2006⁶) for prioritising and implementing the projects under JNNURM. The main functions of the SLNA were appraisal of projects submitted by different agencies, obtaining

² Ranchi-Water Supply and BSUP (Phase II), Dhanbad- Water Supply and BSUP (Phase II), Deoghar-Water Supply, Hazaribag- Solid Waste Management (SWM) and IHSDP, Lohardaga-SWM and IHSDP, Gumla-IHSDP, Chas (SWM and Water Supply)

³ Ranchi and Dhanbad-Mission cities, Deoghar, Hazaribag, Lohardaga, Gumla, Chas (Bokaro)-Non-mission cities

⁴ ULBs

⁵ For UIG and BSUP projects

⁶ For UIDSSMT and IHSDP projects

sanction of the SLSC for seeking assistance from the Central Government under JNNURM, management of State and Central grants, release of funds to the executing agencies, monitoring of physical and financial progress of the projects, etc. The physical and financial progress of the projects was to be watched through the Quarterly Progress Reports (QPRs) furnished by the ULBs. It was however intimated by the SLNA (June 2012) that against 266 QPRs required to be sent to the GoI during the period April 2008 to March 2012, only 201 reports had been sent.

PMU

There was delay in constitution of PMU. It was also understaffed

The SLNA was to be assisted by the PMU at the State level in managing and implementing the tasks associated with JNNURM by recruitments from the open market with Fixed Term Contracts and as far as possible under a single contract, to ensure that the PMU team is well coordinated and remains accountable as a whole to the SLNA. It was noticed that the Administrative Staff College of India (ASCI), Hyderabad was nominated (August 2009) as the consultant for constituting PMU in the SLNA. However, the nomination was cancelled in February 2010 by the State Government as no work was done by ASCI in this regard. Thereafter, interviews were conducted for 11 identified posts of experts. Only six experts were found fit for appointment out of which five persons joined the PMU (March/April 2010).

Although the PMU actually came into existence (March 2010) with five⁷ experts nearly four years after the constitution of the SLNA, two of them resigned subsequently (July 2010 and April 2011) and only three⁸ were exclusively working (March 2012) for the PMU against the total requirement of 11 experts⁹. Clearly the PMU was understaffed to lend much needed engineering/technical support to the ULBs.

It was assured by the Secretary, UDD during the exit conference that necessary steps would be taken to strengthen the PMU.

PIU

PIU was to be constituted as an operational unit to supplement and enhance the skill of the ULBs. Rather than a supervisory body, it was expected to work in tandem with the existing staff to focus on strengthening implementation of JNNURM. The focus of the PIU was to enhance the pace and quality of implementation of the Mission activities. Selection and recruitment of the PIU personnel was to be undertaken by the ULBs as per their respective procurement practices.

⁷ MIS Expert, Social Development Expert, Specialist (Social and Development), Specialist/Community Mobilisation and MIS, Urban Poverty Management Specialist, Research and Training Co-ordinator

⁸ Social Development Expert (UIG/MoUD), Urban Poverty Management Specialist (BSUP/MoHUPA) and Research & Training Co-ordinator (BSUP/MoHUPA)

⁹ Social Development Expert, Urban Poverty Management Specialist, Research and Training Coordinator, Project Management and Procurement Specialist, Project Specialist (Housing & Slum Development), Program Manager/Team Leader, Public Works & Public Health Engineer, Municipal Finance Expert, MIS Expert, Specialist/Community Mobilisation and MIS and Specialist (Social and Development)

Against the requirement of 13¹⁰ PIU personnel (eight for UIG/Sub-mission I and five for BSUP/sub-mission II), an equal number was appointed (between May 2009 and February 2010) by Ranchi Municipal Corporation (RMC) while only seven PIU personnel could be appointed (September 2009) by Dhanbad Municipal Corporation (DMC), through the open recruitment process. However, gradually four officers resigned from PIU at RMC and an equal number of officers resigned from PIU at DMC (between December 2009 and May 2012) leaving only nine and three at RMC and DMC respectively. It was further noticed that on the requisition of the UDD, the Information Technology Officer of the PIU/RMC and the Research & Training Coordinator of the PIU/DMC were deputed (December 2010) to the UDD. Thus, only eight PIU personnel in RMC and only two PIU personnel were working in DMC since December 2010 against the initial appointment of 13 and seven respectively. It would be evident from the above that the situation was graver in the PIU of DMC where only two UIG personnel were actually working in the PIU and there was no person to look after the BSUP sub-component as the person appointed for the purpose was on deputation to the UDD as on June 2012.

The PIU personnel were also engaged by RMC in assignments/tasks, other than those stipulated in their defined scope of work, such as works related to *Valmiki Ambedkar Malin Basti Aawas Yojana* (VAMBAY), Census 2011 and Below Poverty Line (BPL) survey.

The PIU constituted in RMC and DMC was understaffed which affected the functioning of PIU as a whole

Thus, PIU in RMC was understaffed from December 2009 onwards while in DMC it was understaffed from the very beginning. Thus, the work of 13 persons had to be managed by the existing eight and two personnel at RMC and DMC respectively thereby affecting the efficient functioning of the PIUs as a whole.

It was assured by the Secretary, UDD during the exit conference that necessary steps would be taken to strengthen the PIU.

2.2.6.2 Implementation of Reforms

For achieving the objectives of improving urban governance, so that ULBs became financially sound and the assets created were maintained properly, the State Government and ULBs were required under the JNNURM scheme to accept implementation of an agenda of reforms¹¹ and to execute a Memorandum of Agreement¹² (MoA) with the GoI, indicating their commitment to implement identified reforms within the Mission period (2005-12). Signing of the MoA was a necessary pre-condition to access Additional Central Assistance (ACA).

¹⁰ Project co-ordinator (Housing and Slum Development), Social Development Officer, Livelihood Development Specialist, Research officer, Research and Training co-ordinator, Information Technical Officer, Municipal Finance Officer, Public Health Engineer, Social Development Officer, Urban Planning Officer, Procurement Officer, Environment Officer, Human Resource Development Officer

¹¹ 21 mandatory reforms (13 State level and eight ULB level) and 10 ULB level optional reforms. Any two reforms to be implemented together by State & ULBs in each year.

¹² Between State Government/SLNA and the GoI. In case of UIDSSMT and IHSDP projects subsidiary agreement was to be executed between the SLNA and the ULB.

Out of 31 reforms committed, only 22 were totally implemented

Perusal of the status of implementation of reforms in respect of the State furnished by the SLNA revealed that out of a total of 31 reforms to be implemented, as committed in the MoA executed (December 2007 to July 2011) with the GoI by the State/ ULBs, only 22 reforms were implemented in full, whereas seven reforms were partially implemented and two reforms were yet to be implemented (*Appendix-2.7*)

While all the State level mandatory reforms were implemented except holding of elections in Jamshedpur, Jugsalai and Mango ULBs due to Hon'ble Supreme Court's stay order (June 2006), important ULB level mandatory reforms such as E-governance set up, drawing up of Accounting Manual and full recovery of Solid Waste Management (SWM) charges from beneficiaries/households were still under process. Thus, the State/ULBs did not achieve the milestones agreed upon, for the implementation of reforms within the Mission period i.e., by March 2012.

Non-implementation/part implementation of reforms affected release of the second installment of ACA, amounting to ₹ 39.39 crore, by GoI thereby denying the benefits of the scheme to the people of the area.

It was intimated by the Secretary, UDD during the exit conference that necessary steps are being taken to implement the remaining reforms.

2.2.6.3 *Preparation of Detailed Project Reports (DPR)*

As per DPR Preparation Toolkit issued by MoUD, the DPR was an essential building block for JNNURM in creating infrastructure and enabling sustainable quality service delivery. It was to be prepared carefully and with sufficient details to ensure appraisal, approval and subsequent project implementation in a timely and efficient manner. It, *inter alia*, needed to provide information with regard to total quantum of land required and provided thereagainst for the project and a confirmation that the required land was owned or already been purchased by the ULB. In other words, the title of land was to be clear and unencumbered. Jharkhand Public Works Accounts (JPWA) Code also provides that tender process should be initiated only after acquisition of land required for the purpose.

We, however, noticed on scrutiny of DPRs of the 12 selected projects¹³ that tenders¹⁴ were finalised or the projects¹⁵ were undertaken without availability of clear and unencumbered land, which resulted in delayed execution of projects which have been mentioned in Paragraph 2.2.8.

The Secretary, UDD accepted the fact that the DPRs were defective and lacked correct information.

¹³ Ranchi-Water supply and BSUP (Phase II), Dhanbad- Water supply and BSUP (Phase II), Deoghar- Water Supply, Hazaribag- SWM and IHSDP, Lohardaga-SWM and IHSDP, Gumla- IHSDP, Chas (SWM and Water Supply)

¹⁴ Ranchi and Dhanbad Water Supply projects

¹⁵ BSUP projects at Ranchi and Dhanbad, SWM projects at Chas and Hazaribag

2.2.7 Financial Management

2.2.7.1 Allotment and expenditure

The funding pattern applicable to the cities where projects under JNNURM were being implemented in Jharkhand has been detailed in **Appendix-2.8**.

Additional Central Assistance (Central Grant) was released by the Central Government to the State Government. The State Government passed on the Central funds along, with their matching share and ULBs share to the SLNA which thereafter passed it on to the implementing agencies.

The abstract of total funds received by the ULBs from Central and State Government for the execution of schemes under the Mission and the expenditure incurred there against, as on March 2012, is indicated in **Table-1**.

Table-1: Statement showing allotment and expenditure in respect of JNNURM projects

Sub-component	Approved Project Cost	Receipts				Expenditure	Receipts utilised (Per cent)
		Central Share	State share	ULB share	Total		
BSUP	504.44	40.26 (30.15)	27.42 (20.53)	65.89 (49.3)	133.57	8.19	6.13
UIG	832.15	132.62 (48.96)	47.33 (21.52)	90.91 (41.33)	270.86	219.97	81.21
IHSDP	225.64	56.35 (71.79)	19.86 (25.30)	2.29 (2.92)	78.50	31.94	40.69
UIDSSMT	129.65	71.34 (67.13)	30.93 (29.10)	4.00 (3.76)	106.27	66.41	62.49
TOTAL	1691.88	300.57 (51.02)	125.54 (21.31)	163.09 (27.68)	589.20	326.51	55.42

Source: Data compiled from Cash Books and as per figures supplied by SLNA. Figures in bracket show percentage.

It would be evident from **Table-1** that:-

(i) while in case of UIDSSMT the receipt was 81.96 *per cent*, in case of BSUP, UIG and IHSDP projects, 26.48 *per cent*, 32.55 *per cent* and 34.79 *per cent* of the approved project costs were only received respectively.

(ii) against the available funds of ₹ 589.20 crore, only ₹ 326.51 crore (55.41 *per cent*) could be utilised leaving an unutilised balance of ₹ 262.69 crore.

The position was particularly alarming in the case of BSUP where only 6.13 *per cent* of the available funds could be utilised.

The meager receipt and expenditure of funds was attributed by the State Government to delayed implementation of reforms and delayed initiation of projects respectively.

2.2.7.2 *Irregular utilisation of funds vis-à-vis furnishing of Utilisation Certificates to the GoI*

UIDSSMT Guidelines provided for release of 50 *per cent* of the Central share, on signing of MoA¹⁶, to the SLNA after ascertaining availability of state share, balance 50 *per cent* of the central share was to be released on submission of Utilisation Certificates by the nodal agency for 70 *per cent* of funds (Central and State grants) released earlier. The SLNA was to release 25 *per cent* of Central grant on ascertaining availability of State share and the balance Central grant after release of State grant and after assessment of progress of implementation of reforms.

We observed that UCs in respect of five¹⁷ (three SWM and two water supply) projects of four ULBs were furnished to GoI and request for release of second and final installment of ACA to these ULBs was made by SLNA (April 2011). The request was not entertained as reforms were overdue at various stages of implementation and Financial Closure Certificates (FCCs)/ULB resolutions/Copy of State Budgetary allocation for 2011-12 under UIDSSMT were also not submitted with the UCs.

In case of SWM projects¹⁸, the request was categorically rejected as the expenditure reported was less than 70 *per cent* of the Central and State share taken together. It was, however, noticed that the expenditure in case of SWM Lohardaga was more than 72 *per cent* but as the figures furnished by SLNA to GoI, while requesting for release of second installment of ACA, included the amounts of ULB share which had not been released to the ULB till then (April 2011), the percentage utilisation was assessed below 70 *per cent* by the GoI and resultantly the second installment of ACA was not released.

The status with regard to utilisation of funds and furnishing of UCs to GoI, as on March 2012, has been detailed in *Appendices-2.9 and 2.10* respectively.

Thus, inadequate utilisation of funds, non-submission of requisite documents alongwith the UCs and incomplete implementation of the reforms agenda together with furnishing of incorrect information by SLNA affected the release of the second installment of ACA to the tune of ₹ 39.39 crore¹⁹ out of which ₹ 31.83 crore was released (January 2012) by GoJ for Chas and Deoghar Water Supply projects from the State Budget as paucity of funds was hampering the execution of projects.

¹⁶ Between State Government/SLNA and the GoI

¹⁷ Chas (for Water Supply and SWM projects), Deoghar (for Water Supply project), Hazaribag (for SWM project) and Lohardaga (for SWM project)

¹⁸ Chas Municipal Council, Hazaribag Municipal Council, Lohardaga Municipal Council

¹⁹ Chas Municipal Council:-Water Supply project (ACA due ₹ 14.09 crore)SWM project (ACA due ₹ 2.27 crore) Deoghar Municipal Corporation-Water Supply Project (ACA due ₹ 18.95 crore) Hazaribag Municipal Council-SWM project (ACA due ₹ 2.29 crore), Lohardaga Municipal Council-SWM project(ACA due ₹ 1.79 crore)

2.2.7.3 Irregular utilisation of interest earned on deposit

Interest earned on JNNURM funds were utilised for incurring of administrative expenses and for payment of Income Tax by SLNA

The GRDA Ltd., an undertaking of GoJ, registered under Indian Companies Act 1956, was designated as SLNA *inter alia* for transferring JNNURM funds to ULBs received from the Central/State Government and for monitoring the effective implementation of JNNURM projects and mandated reforms. As per section 10(20) of the Income Tax Act, 1961 income of ULBs is exempted from income tax. JNNURM guideline is silent about the utilisation of interest earned on the JNNURM deposits.

JNNURM funds received by SLNA from Central/State Government were meant for disbursement to the implementing agencies and interest earned on these funds/deposits was not the income of the GRDA Ltd. Scrutiny revealed that a total sum of ₹ eight crore (**Appendix-2.11**) was earned as interest on these funds deposited up to March 2012, out of which ₹ 4.02 crore was utilised for incurring administrative expenses (₹ 85.50 lakh) and for payment of income tax (₹ 3.17 crore), vide details indicated in **Table-2**.

Table-2: Statement showing payment of income tax by GRDA Ltd.

Assessment Year	Income Tax Paid(₹)					Total (₹)
	TDS	Self-assessment	Date	Advance Tax	Date	
2010-11	37,71,584	36,94,705	30.10.2010	-	-	74,66,289
2011-12	27,48,000	-	-	1,00,00,000	15.03.2011	1,27,48,000
2012-13	34,84,426	-	-	80,00,000	12.12.2011	1,14,84,426
TOTAL						3,16,98,715

Source: Data supplied by SLNA

On this being pointed out, the SLNA replied (July 2012) that GRDA Ltd. is a GoJ owned agency registered under the Companies Act and the interest earned on the deposits, formed part of the income of the GRDA Ltd., by virtue of which, it was liable to pay taxes.

The reply was not acceptable as the GRDA Ltd., and not the SLNA, was liable for payment of income tax on its own income and the interest earned on JNNURM funds/deposits should have not been treated as the income of the GRDA Ltd. as it was only the custodian of the fund.

The Secretary, UDD however stated during the exit conference (November 2012) that the Income Tax authorities would be pursued to refund the Tax paid. Administrative expenses incurred by GRDA Ltd. would be refunded when four *per cent* allocations are received for Administrative & Other Expenses (A &OE) from the Centre.

2.2.8 Execution of projects

Water Supply Projects

The Drinking Water & Sanitation Department (DW&SD), Jharkhand was made executing agency by the UDD, GoJ for all the Water Supply projects being implemented in the selected cities. The status with regard to execution of the projects is summarised below in **Table-3**.

Table-3: Statement showing details in respect of Water Supply projects

(₹ in crore)

Name of Projects	Approved Project Cost	Date of approval by CSMC/SLSC	Date of award of contract	Contract Value	Date of starting of execution	Target date of completion	Physical status as on 31.03.12	Name of Contractors
Ranchi Water Supply project	288.39	13.08.2008	12.03.2010	234.71	12.03.2010	12.09.2012	In progress	M/s IVRCL Infrastructure and Projects Ltd. Hyderabad
Dhanbad Water Supply project	365.85	21.11.2008	30.04.2011	298.00	07.05.2011	29.05.2013	In progress	M/S L&T Ltd., Chennai
Deoghar Water Supply Scheme	47.38 ²⁰	14.02.2008	14.12.2007	49.56	14.12.2007	13.12.2009	In progress	M/s IVRCL Infrastructure and Projects Ltd. Hyderabad
Chas Water Supply Scheme	34.24 ²¹	14.02.2008	22.12.2008	50.02	22.12.2008	21.06.2010	In progress	M/s Vishwa Infrastructure and Service Pvt. Ltd, Hyderabad

Source : Information collected from Divisions

It would be evident from the above that the projects at Chas and Deoghar were incomplete, despite lapse of 21 and 27 months of the stipulated date of completion respectively, as on March 2012. The Physical Progress Reports prepared by the concerned DWSD Divisions indicate that the pace of execution of projects at Ranchi and Dhanbad was tardy. The reasons for delays and non-completion are detailed in the succeeding paragraphs.

2.2.8.1 Delayed and incomplete projects

• Ranchi Water Supply Project

The project was approved (August 2008) by the Central Sanctioning and Monitoring Committee²². Initially the work was to be executed by Ranchi Municipal Corporation and accordingly tenders were invited (November 2008). But according to the decision (February 2009) of UDD, DW&SD was made the executing agency and fresh tenders were invited in October 2009 by DW&SD which was finalised in February 2010.

Pace of work was affected due to non-availability of land and RoU clearances

There was no acquisition of land prior to the issuance of work order for construction of ESR at Kusai to M/s IVRCL Infrastructure and Projects Ltd., Hyderabad. Moreover, due to non-furnishing of Right of Use (RoU) clearance by different departments²³ the work of pipeline alignment (rising/distribution mains) from Water Treatment Plant (WTP) at Rukka to the Under Ground Reservoir (UGR)-3, from UGR-1 at Kanke to UGR-2 at Lalgutwa, UGR-2 to 6 ESRs²⁴ and in the distribution networks as well as construction of Under Ground Reservoir (UGR)-3 at Rampur remained uninitiated.

²⁰ Revised Sanctioned Project Cost- ₹ 48.07 crore

²¹ Revised Sanctioned Project Cost- ₹ 50.26 crore

²² CSMC was established in MoUD and MoHUPA for sanctioning projects relating to UIG and BSUP projects respectively

²³ National/State Highways, Railways, Ring Road etc.

²⁴ Harmu, Kusai, Dibdihi, Pundag, Hatia and Tupudana

Pending finalisation of the issues stated above, the deadline (September 2012) has already passed which may result in cost overrun and delay in providing intended benefits to the people.

- **Dhanbad Water Supply Project**

The project was sanctioned by CSMC (November 2008) for ₹ 365.85 crore. At the time of technical appraisal of the DPR, the base year was suggested to be changed from 2009 to 2011 by the Central Public Health and Engineering Environmental Organisation (CPHEEO), due to change in the provisional population figures, which entailed subsequent change in the structural design of the project components. The consultant²⁵ was directed to comply accordingly for which it demanded an extra sum of ₹ 30 lakh. After several correspondences/queries the final updated DPR was submitted (November 2010) by the consultant and technical sanction was accorded (November 2010). The work was awarded to M/s L&T Ltd. (May 2011) and was under progress (June 2012).

Pace of work affected due to non-finalisation of sites for 16 ESRs, CWR, etc.

However, due to non finalisation of sites, the work of 16 out of 36 Elevated Service Reservoirs (ESRs) could not be started (May 2012). Further, construction of Clear Water Reservoir (CWR)-1, at Kirkand and of Pump House and Control room therein could also not be started because the selected site was situated in the fire zone area belonging to Bharat Coking Coal Ltd. (BCCL) which was reluctant to transfer possession of the site to Dhanbad Municipal Corporation (DMC). Similarly, the construction of ESR-1 at Sindri and pipe laying work in 19.6 km was held up by the Fertiliser Corporation of India Ltd. (FCIL) as there was a proposal to set up a steel plant by Steel Authority of India Limited (SAIL) and a Fertiliser Plant by National Fertilisers Limited on the sites identified for construction of ESR-1 and laying of pipe lines.

Thus, the time lag in submission of the revised DPR by the consultant and the award of contract without finalisation of sites for ESRs, CWR and pump house resulted in delayed commencement of the project and slow pace of implementation.

It was intimated by the Secretary, UDD during the exit conference that at present, (November 2012) all issues relating to land/sites have been cleared and the progress of the project was good.

- **Deoghar Water Supply Scheme**

The project (cost: ₹ 47.38 crore) was incomplete (June 2012) even after lapse of more than two years of the stipulated date of completion (December 2009). We observed that a total sum of ₹ 30.36 crore initially released to Deoghar Municipal Corporation till April 2008, was eventually transferred to DW&S Division, Deoghar by February 2010 and the entire sum was spent by March 2010. No further funds were, thereafter, received till March 2012. Due to the delay in release/receipt of funds, the work was stopped (April 2010) by the contractor for two years. As on 31 March 2012, ₹ 3.35 crore was payable to the contractor which could only be released in June 2012 when further

Execution was delayed due to paucity of funds

²⁵ Infrastructure Development Corporation Limited-IIDC (IL&FS), New Delhi

allotment of ₹ 17.71 crore²⁶ was received in March 2012. Thus, inordinate delay in release of funds resulted in delay in completion of the project.

• **Chas Water Supply Scheme**

According to the directions (December 2008) of the Engineer-in-Chief, DW&SD to the Executive Engineer, DW&S Division, Chas at the time of issue of work order to the contractor, the project (cost ₹ 34.24 crore) was to be implemented in such a manner that all the major components²⁷ were constructed first. Scrutiny revealed that the entire allotment of ₹ 20.64 crore²⁸ made available to the division till June 2010 was utilised on payment towards procurement of pipes only. No amount was available for execution of other components of the project as the second and final instalment of ACA amounting to ₹ 13.60 crore was not released by GoI due to non-implementation of reforms. A sum of ₹ 6.40 crore was outstanding for payment to the contractor which could be released only when further allotment of ₹ 29.62 crore was received (March 2012) from the State Government. The project remained incomplete (June 2012) even after lapse of more than two years of the stipulated date of completion due to the disproportionate and imprudent expenditure on a single component only and also due to delay in release of funds.

2.2.8.2 Incorrect provision in DPR of Ranchi Water Supply Project resulted in increase in the estimated cost of the project to the tune of ₹ 60.33 crore.

According to the technical comments made in August 2008 by Central Public Health and Environmental Engineering Organisation (CPHEEO) in the Appraisal note for consideration of the Ranchi Water Supply project, no cost escalation was admissible during the implementation period and if at all there was any cost escalation the same was to be met by the GoJ/RMC.

The DPR of Ranchi Water Supply Project, prepared by Nano System Consultants Pvt. Ltd, was technically approved by the Chief Engineer, Technical Cell, UDD and was sanctioned (August 2008) by the CSMC for ₹ 288.39 crore. RMC, being the implementing agency, invited tenders (November 2008) and spent ₹ 18.01 lakh on publication of Notice Inviting Tender (NIT). However, UDD designated (February 2009) DW&SD as the executing agency for execution of the work instead of RMC. This rendered the expenditure of ₹ 18.01 lakh incurred on the publication of NIT by RMC infructuous. No reason was on record for change of executing agency. Technical sanction was accorded (May 2009) by the Engineer-in-Chief, DW&SD for the same amount for which technical approval had been accorded by the Chief Engineer, Technical Cell, UDD. The contract was awarded (March 2010) to M/s IVRCL Infrastructures and Projects Ltd. Hyderabad for ₹ 234.71 crore.

During the course of execution of the scheme, it was brought to the notice of the UDD/RMC by the Engineer-in-Chief, DW&SD (August 2010) that as per

²⁶ Central share released by State Government along with the difference in revised cost

²⁷ Intake Well, Infiltration Gallery, Approach Bridge, Water Treatment Plant, Elevated and Ground Service Reservoirs

²⁸ Central share(1st instalment)- ₹ 13.80 crore, State share- ₹ 3.42 crore, ULB share- ₹ 3.42 crore

the Report submitted by the contractor after detailed survey, there were the following deficiencies in the DPR:-

- there was no provision for pump house in any of the three UGRs and boundary walls in the three UGRs and eight ESRs;
- length of rising mains pipes from Water Treatment Plant to UGRs I and III and length of distribution mains pipes were wrongly assessed²⁹;
- the location of Intake Well was not proper;
- there was no provision of High Tension connection from the existing feeder to the proposed three UGR stations;
- it was not clear that from which UGR water would be fed to the ESR at Kusai Colony;
- provision for river crossing/NH crossing/Railway crossing was not clearly made and
- the land proposed for ESRs and UGRs was not as per field conditions.

It was the technical and administrative responsibility of UDD and DW&SD to scrutinise all the practical aspects related to the project execution prior to award of work, which was not done and the work was started/awarded without examining the scope of work and without correct estimation of the expenditure involved in the project.

Cost escalation to the tune of ₹ 60.33 crore was anticipated due to incorrect preparation of DPR

Due to the deficiencies in DPR, escalation to the tune of ₹ 60.33 crore was anticipated by the DW&SD (February 2011). Had the correctness of the estimates been verified by the Technical Cell of UDD prior to according technical approval or even by DW&SD prior to according technical sanction and invitation of tenders, the deficiencies would have been rectified in time and the cost escalation over and above the approved project cost would not have to be borne by the State Government.

Besides, late decision by UDD with regard to execution of the work by the DW&SD instead of RMC, rendered the expenditure of ₹ 18.01 lakh incurred on the publication of NIT by RMC infructuous.

The audit observation was accepted by the Secretary, UDD during the exit conference. It was stated that responsibility would be fixed on the persons who failed to look into the aspects at the time of Technical approval/Technical sanction.

2.2.8.3 Short realisation of mobilisation advance

As per Standard Bid Document (SBD), the recovery for interest free mobilisation advance was to commence in the next interim payment certificate following that in which the total of all such payments to the contractor reached not less than 20 *per cent* of the contract price or six months from the date of payment of first installment of advance, whichever period concluded earlier, and was to be made at the rate of 20 *per cent* of the amounts of all interim

²⁹ Length of Rising Main from Water Treatment Plant (WTP) to UGR-1 increased from 13.1 Km to 23.5 Km and length of Rising Main from WTP to UGR-3 increased from 23.81 Km to 34.20 Km

payment certificates until such time as the advance was repaid, provided that advances were to be completely repaid prior to the expiry of the original time for completion.

Scrutiny of the records of the DW&SD at Ranchi and Dhanbad revealed that interest free mobilisation advance amounting to ₹ 53.27 crore, which was equal to 10 per cent of the agreement value³⁰ was paid to the contractors³¹ from April 2010 to June 2011, against unconditional Bank Guarantee submitted for 10 per cent of the agreed value.

There was short realisation of mobilisation advance to the tune of ₹ 13.09 crore

Of ₹ 53.27 crore³² paid as mobilisation advance, only ₹ 15.85 crore was recovered (March 2012) (*Appendix-2.12*). Scrutiny further revealed that the contractors were paid ₹ 144.70 crore (Ranchi: ₹ 79.93 crore and Dhanbad: ₹ 64.77 crore) and according to the provision ₹ 28.94 crore (20 per cent of ₹ 144.70 crore) should have been recovered i.e., ₹ 13.09 crore was short realised.

It was stated during the exit conference by the DW&SD that necessary steps would be taken to recover the mobilisation advance early.

2.2.8.4 *Unauthorised payment on excess procurement/supply of DI pipes*

As per Notification No. 26/2009-Central excise dated 4 December 2009 issued by Ministry of Finance, Department of Revenue, Government of India, all types of DI pipes, rising as well as distribution, of all diameters were exempted from excise duty. To enable the supplier to supply the DI pipes without excise duty, Excise exemption certificate was to be issued by the concerned Deputy Commissioner (DC).

Table-4 below indicates the quantity of DI pipes required for the Ranchi Water Supply project by Headworks Division, Ranchi as per Bill of Quantity (BoQ), quantity for which Excise exemption certificate was issued by the DC and quantity accounted and paid for till March 2012.

Table-4: Statement showing requirement and procurement of 900 mm dia DI pipes

Diameter of pipes	Quantity required as per BoQ	Quantity for which Excise exemption certificate was issued by the DC	(Quantity in metres)
			Quantity supplied/paid for till 31.03.2012
900 mm	100	7550	7050

Source: Information collected from Division

Procurement of DI pipes in excess of requirement led to excess/ unauthorised payment to the tune of ₹ 8.21 crore

As per BoQ the requirement of 900 mm dia pipes was of only 100 metres but excise exemption certificate was issued for 7,550 metres against which 7,050 metres DI pipes was procured/supplied. The procurement/supply of 900 mm

³⁰ Ranchi-₹ 234.71 crore, Dhanbad-₹ 298 crore

³¹ Ranchi Water Supply-IVRCL Infrastructure and Projects Ltd, Hyderabad, Dhanbad Water Supply-L & T Ltd. Chennai

³² Ranchi-₹ 23.47 crore during April 2010 to February 2011 and Dhanbad ₹ 29.80 crore in June 2011

dia pipes in excess of the requirement as per BoQ entailed excess/unauthorised payment to the tune of ₹ 8.21 crore to the contractor given in **Table-5**.

Table-5 Statement showing excess payment of DI pipes

Diameter of pipes	Quantity accounted for till 31.03.12	Payment made (₹)			Quantity Required as per BoQ	Value of pipe required as per BoQ	Payment admissible(₹) (75% of pipe supplied + 15% of pipe laid)	Excess/ unauthorised payment (₹) (6-9)
		for supply of pipes (At the rate of 75 per cent of value of pipe supplied)	for laying of pipes (At the rate 15 per cent of value of pipe laid)	Total payment made for supplying and laying (4+5)				
1	2	3	4	5	6	7	8	9
900 mm	7,050 mts.	75 per cent of 9,76,91,850= 7,32,68,888	15 per cent of the value of 4856 metres =1,00,93,439	8,33,62,327	100 mts	13,85,700 (at the rate of ₹13,857/mtr)	90 per cent of 13,85,700= 12,47,130/-	8,21,15,197

Source: Information collected from Division

DW&SD stated during the exit conference that the excess pipes had to be procured due to change in design as the length of rising mains pipeline actually required as per the survey by the contractor was more than the length assessed in the DPR. The Secretary, UDD accepted that the payment should not have been made without prior approval of CPHEEO of the change in the scope/ design of the project.

2.2.8.5 Loss of ₹43.51 lakh due to non-auctioning of excavated rock

On scrutiny of the measurement books of Deoghar Water Supply project, it was observed that 82,878.75 M³ of hard rock was excavated³³ during the execution of the scheme at Nandan Pahar. However, the above quantity was neither taken into material at site account nor was any record available showing the utilisation of the excavated hard rock. Further, it was noticed that out of net quantity of rock excavated, only 1,417.23 M³ was auctioned by the District Mining Officer (DMO), Deoghar for a sum of ₹ 75,700/-. However, the remaining quantity of 81,461.52 M³ was not auctioned by the DMO, Deoghar since the date of last measurement (September 2010). During the exit conference (November 2012), the State Government stated that due to non-stacking of the excavated rock the measurement could not be recorded and auction could not be arranged. The stacking was in progress and the auction shall be arranged after this is done. Moreover, the fact remains that the possibility of pilferage or loss of rocks to the tune of ₹ 43.51 lakh³⁴ at least cannot be ruled out.

2.2.8.6 Excess payment for DI pipes in contravention of agreement

As per Clause 2.32 contained in Notes to Tenderers forming part of the agreement executed with the contractor, payment for the supply of plant and equipment and accessories, supply of pipes, specials³⁵ and valves was to be made at the rate of 80 per cent on receipt of material in good condition at site

³³ After taking into account loss of 10 per cent during blasting and carriage

³⁴ 75700/1417.23=53.41, 81,461.52 X 53.41=43.51 lakh

³⁵ Pipe fitting accessory

after proper certification by the Engineer-in-charge and the balance on satisfactory erection and running.

On scrutiny of MBs/R.A Bills/BoQ of DW&S Division, Chas revealed that against total provision of 92,227 mts. pipes of various diameters in the BoQ, 91,958 mts. pipes valuing ₹ 24.17 crore were supplied against which 93 *per cent* payment amounting to ₹ 22.48 crore was made whereas payment of ₹ 19.34 crore (80 *per cent*) should have been made in accordance with the tender documents. This was rendered possible because Clause 10 contained in the Letter of Acceptance (LoA) issued (December 2008) to the contractor provided for payment at the rate of 93 *per cent* of the value of DI pipes after receipt of material in good condition at site and proper certification by the Engineer-in-charge.

LoA issued in contravention of agreement led to undue favour to the contractor the tune of ₹ 3.14 crore

The Division replied (July 2012) that against provision of 2,450 mts. of K-9 pipes of 500 mm dia, 2,447.50 mts. pipes were actually supplied and 93 *per cent* payment was made and denied that any excess payment was made to the contractor. The reply was not in accordance with the provisions made in the tender documents as the terms included in the LoA were in contravention of the agreement and undue favour was extended to the contractor to the tune of ₹ 3.14³⁶ crore.

The State Government, however, accepted the audit observation during the exit conference.

BSUP/IHSDP Projects

The Mission objectives of BSUP, as per Paragraph 4.1 of the BSUP guidelines, was focussed attention to the integrated development of Basic Services to the Urban Poor (security of tenure at affordable prices, improved housing, water supply, sanitation etc.) in the cities covered under the mission. Paragraph 2 of IHSDP guidelines provided for holistic slum development with a healthy and enabling urban environment by providing adequate shelter and basic infrastructure facilities to the slum dwellers of the identified urban areas. As per minutes of the 26th Central Sanctioning and Monitoring Committee (CSMC) meeting the aim was to cover the poorest among the poor under housing who were not in a position to build houses on their own. The ultimate objective was to cover first the needy people who require shelter so that the poor get the maximum benefit out of JNNURM. Utmost importance was to be accorded to identification of beneficiaries.

The status with regard to execution of the BSUP/IHSDP projects selected for detailed scrutiny in audit is given in **Table-6**.

³⁶ ₹ 22.46 crore - ₹ 19.32 crore = ₹ 3.14 crore

Table-6: Statement showing details execution of BSUP/IHSDP projects

Sl. No.	Name of ULB	Stipulated time of completion as per DPR	Date of start of project ³⁷	No. of DUs to be constructed	Status as on March 2012		
					Installments released to no. of beneficiaries	No. of DUs constructed	Development of infrastructure
1	Ranchi	15 months	17.03.2008	2358	276 ³⁸	NIL	Not started
2	Dhanbad	15 months	17.03.2008	1090	31	NIL	Not started
3	Hazaribag	15 months	06.03.2009	1230	738 ³⁹	NIL	Not started
4	Lohardaga	18 months	06.03.2009	1623	1014	48	In progress
5	Gumla	18 months	05.03.2008	1292	NIL	NIL(list of beneficiaries not finalised)	In progress

Source: Information collected from ULBs

2.2.8.7 Delay in execution of BSUP (Phase-II) projects⁴⁰

The DPRs proposed for construction of DUs in G+1/G+3 structures on slums situated on Government/Municipal as well as private lands. Initially, the construction of DUs and development of infrastructure in the slums was to be done through open competitive bidding. However, the tenders invited⁴¹ for the purpose could not be finalised as the beneficiaries of slums situated in private lands were unwilling to accept such mode of construction of DUs on their private lands. It was, therefore, directed by the UDD (February 2011) to get single-storeyed DUs constructed in slums situated on private lands by the beneficiaries themselves, after verification of the beneficiaries identified as per the DPR, in light of directions issued in the 85th CSMC meeting. During the course of verification by the municipal authorities, it was noticed that many beneficiaries identified by the consultant earlier were landless/tenants/deceased/traceless, and were excluded during the verification. Against 2,358 proposed beneficiaries identified as per DPR for Ranchi BSUP project (Phase-II), only 1,259 targeted beneficiaries could be finally selected after verification, till March 2012, and funds amounting to ₹ 132.37 lakh was released to 276 beneficiaries in four instalments (March 2012). Against 1,090 beneficiaries identified as per DPR for Dhanbad BSUP project (Phase-II), only two instalments amounting to a total of ₹ 30.14 lakh were released to 31 beneficiaries; verification of land of the other beneficiaries was under progress(June 2012).

Though the project was to be completed in 15 months time, however, not a single unit could be constructed and infrastructure could not be developed mainly due to non-finalisation of tenders on account of reluctance of the beneficiaries for construction of DUs in G+1/G+3 structures/development of infrastructure on their land, time lost (February 2009 to December 2009) on account of cancellation of tenders finalised earlier (in case of RMC) and time consumed in the verification of beneficiaries lists. Had the willingness of the beneficiaries been taken at the time of preparation of the DPR for the proposed mode of construction, time would have been saved.

³⁷ Date of release of 1st installment of ACA

³⁸ Out of 1,259 finally selected

³⁹ Out of 1,096 finally selected

⁴⁰ Ranchi and Dhanbad

⁴¹ Ranchi-July and October 2010, Dhanbad-October 2009

Thus, the proposed mode of construction of DUs in the DPR, which was not agreed to by the proposed beneficiaries later on, was the main cause for the delay of implementation of the BSUP project at Ranchi and Dhanbad.

During the exit conference the State Government accepted the fact that the willingness of the beneficiaries for the proposed mode of construction of DUs (G+1/G+3) was not taken initially due to which the tenders could not be finalised which delayed the initiation/implementation of the project.

2.2.8.8 Delay in execution of IHSDP projects⁴²

• Incorrect selection of proposed beneficiaries

As per DPRs of three⁴³ ULBs, proposed beneficiaries were identified through Ration Card, BPL Card and Primary survey of the pockets. Widows, single women and old aged persons were to be given special attention during the preparation of the beneficiaries list. However, scrutiny of the lists prepared by the committee⁴⁴ prescribed by the UDD (October 2009), after verification of the lists contained in the DPR, revealed that the DPRs lacked correct information as they included deceased, untraceable, landless, doubtful beneficiaries as well as beneficiaries with “Pucca” houses, ineligible beneficiary being Government servant or beneficiaries already allotted houses under VAMBAY etc., vide details indicated in Table-7.

Table-7: Statement showing details with regard to incorrect selection of beneficiaries

Name of ULB	No. of beneficiaries included in DPR	No. of beneficiaries residing in Pucca/asbestos roofed houses	No. of cases of duplicity of names	No. of deceased beneficiaries	No. of tenants/outsiders	No. of beneficiaries who had no land/sufficient land /resided in tribal land/un-traceable and either self or member of a Government servant/pensioner	No. of VAMBAY allottees	Doubtful
Lohardaga	1623	38	52	12	16	169	3	3
Hazaribag	1230	37	-	12	-	68	11	44
Gumla	1282	-	-	-	-	666	-	-
Total		75	52	24	16	903	14	47

Source: Lists supplied by ULBs

The State Government stated during the exit conference that the construction of DUs was initially to be done through bidding but in light of the practice being followed in Kerala and Tamil Nadu, it was decided to get the DUs constructed by the beneficiaries themselves. The beneficiaries lists prepared initially by the consultant was, therefore, got verified by the committee constituted for the purpose by the UDD, which noticed that some ineligible beneficiaries had been included under the scheme. Such beneficiaries have since been excluded from the final list of beneficiaries.

Thus, the improper identification of beneficiaries by the ULBs delayed the execution of the project.

⁴² Gumla, Hazaribag and Lohardaga

⁴³ Gumla, Hazaribag and Lohardaga

⁴⁴ Composition of the Committee:-Ward councillor of the concerned Ward, Officer/official authorised by the Executive Officer of the Council and an Officer authorised by the Deputy Commissioner

• *Delay in construction of DUs*

In case of IHSDP projects, construction of DUs and development of infrastructure in the slums was to be done initially through open competitive bidding. Accordingly, tenders were floated by Gumla Nagar Panchayat thrice⁴⁵ but while the tenders for development of infrastructure were finalised (October 2008 and January 2009), tenders for the construction of DUs could not be finalised, due to the non-approval of the revised estimates of ₹ 1.49 lakh per DU⁴⁶ by UDD. Meanwhile, the UDD directed (September/October 2009) construction of single storied DUs for and by the beneficiaries themselves in case of all IHSDP projects after verification of the beneficiaries list contained in the DPRs, by the committee⁴⁷ prescribed for the purpose. Release of instalments to the beneficiaries started in Hazaribag from October 2009 prior to verification while in Lohardaga release to the beneficiaries was started from January 2011 after due verification⁴⁸ by the said committee. Till March 2012, ₹ 8.13 crore was released to beneficiaries in Hazaribag, out of which three instalments⁴⁹ had been released to 544 beneficiaries only. However, not a single DU was complete, while in Lohardaga only 48 units had been completed against the release (₹ 9.17 crore) of upto four instalments (against norms prescribed by UDD, Ranchi for three installments) to 1,014 beneficiaries.

The initiation of construction of DUs at Hazaribag and Lohardaga was delayed by two years due to time consumed in verification of beneficiaries' lists and also due to slow execution of work by the beneficiaries. Shortage of funds due to non-release of subsequent funds by the Central/State Government was also one of the reasons in case of Lohardaga Municipal Council where the entire allotment made available had been exhausted (March 2012). The construction of DUs could not be initiated at Gumla because tenders were not finalised due to non-approval of the revised estimates of ₹ 1.49 lakh per DU by UDD and also because of non-finalisation/non-approval of the list of beneficiaries (March 2012).

The State Government accepted the audit observation during the exit conference and stated that the estimated cost of DU for Gumla shall be finalised shortly.

• *Delay in infrastructure works*

As per Paragraph 4.1 of IHSDP Guidelines, infrastructure facilities like water supply and sewerage were also to be provided in the slums. The infrastructure projects in Hazaribag could not be initiated till March 2012 due to delay in submission of BoQ (July 2010) by the Municipal Council to UDD and its

⁴⁵ July 2008 for construction of DUs, October 2008 for development of infrastructure, November 2008 for construction of DUs alongwith development of infrastructure

⁴⁶ The DPR approved by the CSC provided for in situ construction of 1,292 DUs at the rate of ₹ 80,000 per DU

⁴⁷ Constitution of the Committee:- Concerned Ward Councillor, officer/staff authorised by the Executive Officer and an Officer authorised by the Deputy Commissioner

⁴⁸ Hazaribag-May 2010 and August 2010, Lohardaga-February 2010

⁴⁹ On execution of agreement-25 per cent, on execution of work upto foundation level-40 per cent and on execution of work upto roof level- 35 per cent (1st installment – 737 beneficiaries – ₹ 2.72 crore IIrd installment -587 beneficiaries – 2.89 crore and IIIrd installment – 544 beneficiaries – ₹ 2.52 crore

approval⁵⁰ and also due to shortage of funds. Shortage/non-receipt of further allotment of funds was stated to be the reason for non-completion of the infrastructure works by Lohardaga Municipal Council.

It was stated by the State Government during the exit conference that in Hazaribag the infrastructure works were delayed due to delay in finalisation of BoQ. Now all the formalities have been completed, subsequent funds have been allotted by the State Government and the work would start shortly. As regards shortage/non-release of subsequent funds, it was stated that funds were not received from the Centre due to non-implementation of reforms and non/delayed submission of UCs.

Therefore, due to deficiencies in the implementation of BSUP/IHSDP projects, the objective of holistic slum development with a healthy and enabling urban environment by providing adequate shelter and basic infrastructure facilities to the slum dwellers of the identified urban areas remained to be fulfilled even after incurring an expenditure of ₹ 27.86 crore.⁵¹

2.2.8.9 *Inflated estimates of DUs due to non-deduction of contractor's profit (CP)*

Initially construction of the DUs under BSUP/IHSDP was to be done through tender. However, as per instructions/decision of the UDD (September 2009/February 2011), the DUs were to be constructed by the beneficiaries themselves. As per BSUP/IHSDP Guidelines, housing was not to be provided free to the beneficiaries by the State Government. A minimum of 12 per cent beneficiary contribution was to be stipulated, which in the case of SC/ST/BC/OBC/PH and any other weaker section was 10 per cent. Accordingly, agreements were executed with the selected beneficiaries at the estimated cost which was inclusive of 9.1 per cent contractor's profit resulting in creation of liability to the tune of ₹ 2.97 crore, as detailed in Table-8 below:-

Estimates of DUs inflated due to non-deduction of CP leading to creation of liability to the tune of ₹ 2.97 crore

Table-8: Statement showing excess liability

Name of ULBs	BSUP/IHSDP	Number of beneficiaries with whom agreements have been executed	Agreed Cost per DU (₹ in lakh)	Total expenditure involved (₹ in crore)	Estimated cost per DU after deduction of C.P (₹ in lakh)	Total expenditure after deduction of C.P (₹ in crore)	Excess liability created (₹ in crore)
Ranchi	BSUP (Ph-II)	276	1.72	4.75	1.57	4.32	0.43
Dhanbad	BSUP (Ph-II)	31	1.70	0.53	1.64	0.51	0.02
Hazaribag	IHSDP	738	1.48	10.92	1.34	9.89	1.03
Lohardaga	IHSDP	992	1.64	16.27	1.49	14.78	1.49
TOTAL		2037		32.47		29.50	2.97

Source: Estimates and Agreements executed with beneficiaries

⁵⁰ Technically sanctioned in December 2010 and administratively approved in June 2011

⁵¹ Ranchi BSUP-₹ 132.37 lakh paid to beneficiaries, Dhanbad BSUP -₹ 30.14 lakh paid to beneficiaries, Lohardaga IHSDP-₹ 1,186.94 lakh, Gumla IHSDP-₹ 622.60 lakh, Hazaribag IHSDP-₹ 251.95 lakh

The audit observation was accepted by the State Government and it was stated that the C.P. would be deducted from the payment of last installment to the beneficiaries.

2.2.8.10 Irregular execution of works without approval of BoQ

Paragraph 126 of the JPWD Code stipulates that for every work, a proper detailed estimate must be prepared and sanctioned by the competent authority before execution of the work starts.

Works were executed on the basis of Model estimates and without approval of BoQ

Our scrutiny of records of Gumla Nagar Panchayat revealed that infrastructure works (Road, Drains etc.) under IHSDP worth ₹ 6.23 crore (*Appendix-2.13*) were awarded to the successful tenderers without the approval of the BoQ by the competent authority. The works were executed on the basis of model estimates, sanction of which was not on record. Moreover, full description of the works (viz., exact location and length/area) to be undertaken was not available in the NIT, tender documents, work order(s) and agreements executed with the contractors. As such the works executed as per Measurement Books could not be authenticated and necessary audit checks could not be exercised.

Physical verification of the works executed was difficult due to lack of details in the records regarding the exact location where these works had been undertaken. However, the audit team visited a few localities with the staff of the Nagar Panchayat where works were stated to be executed under IHSDP. The quality of construction is evident from the images below:-



Photographs taken on 18 May 2012 showing poor quality of PCC road and Culvert constructed at Tuku Toli, Gumla



Photographs taken on 18 May 2012 showing construction of road and drain at Pandit and Baraik Muhalla, Gumla

On this being pointed out, the Executive Officer replied that the works were allotted to the tenderers according to the decision of the Tender Committee and any clarification offered by him against the decision would be improper. The reply was evasive as the works were undertaken without adherence to the codal provisions and the genuineness of the expenditure and assessment of the performance could not be ascertained without the requisite details in NIT, tender documents and work order.

During the exit conference the State Government accepted the fact that the process was wrong and the matter would be investigated and action taken against the persons responsible,

2.2.8.11 Suspected defalcation of Government money to the tune of ₹22.48 lakh against the purchase of street lighting materials

The DPR, prepared by Ketki Engineering and Consultancy Services, for IHSDP for Gumla Nagar Panchayat was approved (January 2008) for ₹ 19.67 crore by Central Sanctioning Committee(CSC), *inter alia*, included ₹ 73.91 lakh for the provision of electrification (street lighting) in the slums.

On the basis of quotations received (June/July 2008) from six firms⁵², M/s Super Sales Corporation⁵³, Ranchi, who quoted the lowest rates, was selected for supplying the requisite items as per the decision (August 2008) of the Tender Committee.

Scrutiny (May 2012) revealed that payment amounting to ₹ 22.48 lakh was made to M/s Super Sales Corporation against the supply of street lighting materials, vide details indicated in **Table-9**.

₹ 22.48 lakh was defalcated on account of purchase of street lighting materials against fake invoices

Table-9: Statement showing details of payments made against purchase of street lighting materials

Purchase Order No./Date	Particulars	Challan No./Date	Invoice No./Date	Gross amount of Invoice	Deductions (in ₹)	Amount paid (₹ in lakh)	Cheque ⁵⁴ No./Date
August 2008	500 nos. CFL lamps (85 watt) with complete fittings	03/08-09/102 dated 06.09.2008	120 dated 08.09. 2008	14,76,562	I.T.-33,075 Keep Back ⁵⁵ - 2,95,312 ⁵⁶	11.48	44526 dated 12.09. 2008
N.A	Aluminium Cable, Copper Wire, 5 ampere switches including labour cost	03/08-09/102 dated 15.09.2008	121 dated 17.09.2008	2,69,800	I.T.-4,252	2.66	44530 dated 01.10.2008
September 2008	200 nos. 85 watt CFL lamps alongwith wire, switches, Board etc	03/08-09/102 dated 31.09.2008	125 dated 02.10.2008	6,50,175	I.T.-12,981, 15 per cent Performance Guarantee, Recovery of excess payment-1,125	5.39	18602 dated 12.12. 2008
Total amount paid (including keep back amount of ₹ 2.95 lakh)						22.48	

Source: Data compiled from concerned purchase file

It would be evident from **Table-9** that all the supplies were made vide the same Challan No 03/08-09/102. The supply of materials vide Challan dated 31.09.2008 was also questionable. Scrutiny revealed that Gumla Nagar Panchayat had its account at Bank of India, Gumla. As all the cheques were drawn on the said Bank, the Chief Manager of the Bank was contacted (May

⁵² Ranchi Cable, Ranchi, Super Sales Corporation, Ranchi, Intech Systems, Ranchi, Sri Santosh Kumar Singh, Sri Deepak Kumar, and Sri Sunil Kumar Gupta

⁵³ Proprietor - Shri Umesh Chandra Mishra

⁵⁴ Drawn on Bank of India, Gumla

⁵⁵ Amount withheld

⁵⁶ Released vide Cheque No.44531 dated 01 October 2008

2012) by the audit team to intimate the details with regard to the payments made to M/s Super Sales Corporation through the said cheques. The Chief Manager intimated that all the cheques had been received for clearance from Gumla Simdega Central Co-operative Bank (GSCCB), Gumla. The Managing Director, GSCCB was, therefore, requested to intimate the details (viz., name of the proprietor/account holder in whose favour the amount had been transferred/payments had been made) with regard to the payments made to M/s Super Sales Corporation Ltd/amount transferred to GSCCB. From the records made available by GSCCB, following facts came to light:-

- A fictitious account in the name of M/s Super Sales Corporation was opened on 09 September 2008 at GSCCB (Current Account No. 381) which was being operated by Sri Manoj Kumar Singh, who was the proprietor of the firm. The address was mentioned as DTPO Gumla on the relevant page No. 204 of the Current Account Ledger.
- After the cheques were cleared by Bank of India (between September and December 2008), Sri Manoj Kumar Singh, who had his account at GSCCB, issued four⁵⁷ cheques of GSCCB in the name of one Sanjay Sinha and one cheque in his own name. GSCCB was also having its account at Bank of India, Gumla (Current Account No. CD-49). As such it issued cheques⁵⁸ of Bank of India against the cheques received from Sri Manoj Kumar Singh.

The vouchers in respect of two cheques were not made available by GSCCB. As such relevant details, as to whether cheques of BoI were issued by GSCCB in favour of Sri Sanjay Sinha like the other three cheques or payment was made in cash against the cheques issued by Sri Manoj Kumar Singh, could not be furnished.

- M/s Super Sales Corporation, owned by Sri Mishra which had been selected for supplying the articles, did not receive any written Purchase Order from Gumla Nagar Panchayat.

It supplied 500 Nos. of 85 Watt CFL and acrylic cover on the basis of orders taken over telephone and accordingly raised the invoice for ₹ 7.28 lakh. It may be mentioned that payment amounting to ₹ 11.48 lakh was made to the firm, whose proprietor was Sri Manoj Kumar Singh, against the same invoice number, as has been detailed in the preceding paragraphs.

Comparison of the invoices, against which payments were made by Gumla Nagar Panchayat to the firm owned by Sri Manoj Kumar Singh, with the invoices raised by the firm owned by Sri Mishra revealed that the contents

⁵⁷ (a) Cheque No. 52452 dated 12.09.08 for ₹11,45,000/- in the name of Sri Sanjay Sinha
 (b) Cheque No. 52451 dated 03.10.08 for ₹ 5,50,000/- in the name of Sri Sanjay Sinha.
 (c) Cheque No. 52455 dated 13.12.08 for ₹ 5,40,000/- in his own name
 (d) Cheque No. 52457 dated 12.05.09 for ₹ 2,00,000/- in the name of Sri Sanjay Sinha
 (e) Cheque No. 52456 dated 27.05.09 for ₹ 5,000/- in the name of Sri Sanjay Sinha

⁵⁸ (a) Cheque No. 011459/ dated 13.09.08 for ₹ 11,45,000/- in favour of Sri Sanjay Sinha, against Cheque No. 52452 dated 12.09.08 for the same amount,
 (b) Cheque No. 011466 dated 03.10.08 for ₹ 5,50,000/- in favour of Sri Sanjay Sinha, against Cheque No. 52451 dated 03.10.08 for the same amount,
 (c) Cheque No. 011499 dated 13.12.08 for ₹ 5,40,000/- in favour of Sri Sanjay Sinha, against Cheque No. 52455 dated 13.12.08 for the same amount.

of the invoices raised by the latter were typewritten whereas those against which the payments had been made had the contents filled in by computer. Further, the invoice numbers against which payments had been made to the firm owned by Sri Manoj Kumar Singh, were found issued to other institutions/ organisations by the firm whose proprietor was Sri Mishra.

- On our enquiry, M/s Super Sales Corporation, owned by Sri Mishra, stated that they did not receive any money for the supplies made by them, either in cash or through cheque/bank draft and the invoices against which the payments had been made did not belong to their firm and were counterfeits. It was also stated that neither their firm nor the proprietor ever had any bank account at Gumla. The transactions carried out by the firm of which Sri Manoj Kumar Singh was the Proprietor also indicate that payment was not received by the firm which had been selected as the L1 firm and which had Sri Umesh Chandra Mishra as its proprietor.

Further, stock entry of the articles purchased and the list showing slums/locations where the CFL or lights were installed were not shown to Audit. It was stated by the ULB that the stock register was untraceable.

From the facts stated above, it can be construed that payments towards purchase of street lighting materials have been made to a fictitious firm and Government money to the tune of ₹ 22.48 lakh has been defalcated. The matter requires detailed investigation at the Government level.

The audit observation was accepted by the State Government in the Exit Conference and it was stated that action would be taken against the persons responsible.

2.2.8.12 Irregular selection/approval of schemes under IHSDP-Lohardaga

As per Paragraph 2 of IHSDP guidelines, the basic objective of the IHSDP was to strive for holistic slum development with a healthy and enabling urban environment by providing adequate shelter and basic infrastructure facilities to slum dwellers of the identified urban areas.

Scrutiny revealed that the ULB, Lohardaga *inter alia* proposed (September 2010) for construction of PCC roads and drains valuing ₹ 2.13 crore (PCC road: ₹ 1.08 crore and drains: ₹ 1.05 crore) in non slum areas within the Municipal Council area in addition to the infrastructural works to be executed in the identified slums, for which Technical Sanction was accorded (July 2010) and BoQ was approved (October 2010) by UDD. A total amount of ₹ 38.57 lakh (PCC roads - ₹ 10.59 lakh, Drains - ₹ 27.98 lakh) was spent on these works till March 2012.

As the project was meant for integrated development of slums and not for non-slum areas of the Municipal Council, the expenditure on infrastructure works relating to construction of PCC roads and drains in non-slum areas of the Municipal Council Area was not justified.

Schemes worth ₹ 2.13 crore were taken up/ technically sanctioned by the UDD against the spirit of the guidelines

Thus, the schemes were taken up/technically sanctioned by the UDD against the spirit of the guidelines.

The audit observation was accepted by the State Government during the exit conference and it was stated that expenditure should not have been incurred on schemes outside slum areas. However, the matter shall be investigated and appropriate action would be taken.

Solid Waste Management

The components of the project as mentioned in DPR preparation Toolkit issued by MoUD were as shown in **Table-10**.

Table-10: Statement showing components of the SWM Project

Sl. No.	Major Components	Sub-components
1.	Primary Collection of waste	(i) System of collection (Door-to-door collection, segregation of waste) (ii) Waste Storage and collection Bins (Household bins, Community Bins) (iii) Primary Collection vehicles (for collection and transfer to Transfer stations)
2.	Transfer Station	(i) Development of Transfer Stations (ii) Equipment
3.	Transportation	(i) Vehicles (for transfer from Transfer stations to disposal site)
4.	Disposal of waste	(i) Development of disposal site(Landfill site, Compost Plant, Vehicle Depot) (ii) Equipment at disposal Site

Source: DPR preparation Toolkit issued by MoUD

The observations on implementation of SWM projects are as follows:-

2.2.8.13 Delay in execution of SWM projects

The DPRs of SWM projects were approved by the State Level Sanctioning Committee (SLSC) in February 2008 constituted by the State Government.

Our scrutiny revealed that the approved DPRs of three⁵⁹ ULBs neither indicated the quantum nor the availability of land required for construction of Land Fill site/Transfer Station/Compost Plant. The status with regard to acquisition/transfer/identification of land for construction of landfill site/compost plant/transfer station by the concerned ULBs was as under:-

- **Chas Municipal Council:-** As per orders of the Hon'ble Supreme Court dated 12 December 1996, approval of the Forest Department was to be obtained for non-forest use of the land identified at Village Sumta, for construction of landfill since the nature of the land was "*Jungle-jhari*". However, no action was taken by the Municipal Council and the land selected could not be transferred/acquired (April 2012).
- **Lohardaga Municipal Council:-** The District Land Acquisition Officer, Lohardaga was requested (December 2010) for acquisition of land at Village Chitri (Thana- Senha) for construction of landfill. In response, the DLAO requested (February 2011) the ULB to send the proposal for land acquisition through the UDD for facilitating early action. Accordingly, UDD was requested (May 2011) to send the acquisition proposal to the

⁵⁹ Chas, Hazaribag and Lohardaga

SWM projects were delayed due to non-availability of land for Landfill site/Compost Plant etc.

DLAO. The UDD forwarded the acquisition proposal (August 2011) to the DLAO for necessary action. No further development was seen on record (May 2012).

- **Hazaribag Municipal Council:-** The requisite land had been identified (June 2010) at Mandai Khurd Village. However, the land could not be acquired though the process was continuing (May 2012).

Due to non-acquisition of land for the construction of the landfill site/Compost Plant/Transfer Station even after more than four years of approval (February 2008) of the projects, sanitary equipment/vehicles purchased under the project were either lying unutilised or were not being utilised as envisaged in the DPR and resultantly the solid waste generated by the cities continued to be disposed of in a non-scientific manner.

The audit observation was accepted by the State Government during the exit conference and it was stated that as of now, land has been identified at Lohardaga (for Landfill) and Hazaribag (for Landfill/Transfer stations/Compost Plant). The land issue at Chas, however, remained unsolved.

2.2.8.14 *Infructuous expenditure on construction of Compost Plant and Transfer station at Khadgarha under SWM at Lohardaga*

Paragraph 126 of JPWD Code stipulates that for every work, a properly detailed estimate must be prepared and sanctioned by the competent authority before the execution of the work starts.

Scrutiny revealed that the works of construction of Compost Plant and Transfer station at Khadgarha were taken up/awarded without TS/approval of the BoQ by the competent authority. Further, the tender papers and agreement executed with the contractors were not available on record.

Expenditure of ₹ 30.49 lakh was incurred on construction of Transfer Station, Compost Plant etc without TS to the estimates and without approval of the BoQ by the competent authority

The work of construction of Compost Plant was awarded to Shri Balbir Kumar Deo (July 2008) for ₹ 33.89 lakh and a total sum of ₹ 27.14 lakh was paid to the contractor till October 2009, which was abandoned due to local hindrance. The work of construction of Transfer station awarded to Shri Umar Shah, contractor was at the initial stage although more than three and a half years had elapsed since payment of ₹ 3.35 lakh (November 2008) was made to the contractor.

On this being pointed out, it was stated that as TS to the DPR/project was not accorded by the UDD, approval of the competent authority to the BoQ could not be obtained and the works were taken up as per need. The reply was not acceptable as the decision was against the codal provisions and the entire expenditure was rendered infructuous due to non-completion of the works.

The State Government stated during the exit conference that the matter shall be investigated and action taken against the persons responsible.



Photograph taken on 3 May 2012 showing incomplete compost plant at Khadgarha



Photograph taken on 9 May 2012 showing the incomplete Transfer station at Khadgarha

2.2.8.15 Excess expenditure to the tune of ₹ 68.91 lakh on purchase of sanitary equipment/vehicles

As per Rule 11 of Jharkhand Financial Rules, a Controlling Officer must see not only that the total expenditure is kept within the limits of the authorised appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

Sanitary equipment/ vehicles were purchased at rates, in excess of the rates approved by the SLSC, resulting in excess expenditure of ₹ 68.91 lakh

Scrutiny revealed that sanitary equipment/ vehicles⁶⁰, as detailed in *Appendix-2.14* were purchased by three⁶¹ ULBs under SWM project at rates in excess of the rates approved by the SLSC, ranging from 5.06 per cent to 200 per cent, resulting in excess expenditure of ₹ 68.91 lakh. Decision of the Purchase Committee was neither communicated to the Department⁶² nor was post facto approval of the Department obtained for purchasing the equipments/vehicles at rates higher than those approved.

The State Government accepted the audit observation during the exit conference and stated that a vigilance case was already going on against the then Deputy Commissioner of Hazaribag and the Executive Officer of Lohardaga. It was also stated that the sanitary equipments/vehicles should have been purchased after the construction of Landfill/Transfer station/Compost Plant.

2.2.8.16 Blocking of funds of ₹ 1.06 crore due to Domestic Bins and Twin Bins lying unutilised

A total number of 50,013 domestic bins and 50 twin bins valuing ₹ 1.64 crore and ₹ 6.80 lakh respectively were purchased during September 2008 to September 2010, by three⁶³ ULBs under the SWM Project. The domestic bins were to be distributed to the households for segregation of dry and wet waste at source for their further treatment at the Compost Plant. The twin bins were meant for installation at convenient nooks and corners in the municipal area for segregation of bio-degradable and non-biodegradable waste at source.

Domestic Bins/Twin Bins worth ₹ 1.06 crore were lying unutilised

Scrutiny of the Stock/Issue registers revealed that out of 50,013 domestic bins purchased by the Municipal Councils, only 22,243 Nos. had been distributed (April 2012) and 27,770 Nos. valuing ₹ 98.90 lakh were lying idle in store. Twin bins (50 Nos.) worth ₹ 6.80 lakh purchased by Lohardaga Municipal

⁶⁰ Containerised Rickshaw Trolley, Seamless Hand Cart, Community Dust Bins, Twin Bins, Dumper Placer, Dumper Placer, Hydraulic Trailer etc.

⁶¹ Chas Municipal Council, Lohardaga Municipal Council, Hazaribag Municipal Council

⁶² Urban Development Department

⁶³ Chas, Hazaribag and Lohardaga

Council had not been installed and were lying idle in store. Thus, in total, bins worth ₹ 1.06 crore were lying unutilised as detailed in **Table-11**.

Table-11 Statement showing Domestic/ Twin bins lying unutilised

Item	Date of purchase	Quantity	Value (₹in lakh)	Issued till April/May 2012	Balance lying in store	Value (₹in lakh)
Lohardaga Municipal Council						
Domestic Bins	September 2008	10000	38.50	NIL	10000	38.50
Twin Bins	September 2008	50	6.80	NIL	50	6.80
Chas Municipal Council						
Domestic Bins	September 2008	10080	71.64	5563	14617	51.89
	December 2009 and September 2010	10100				
Hazaribag Municipal Council						
Domestic Bins	January 2010	19833	53.55	16680	3153	8.51
TOTAL			170.49			105.70

Source: Data compiled from ULBs

Moreover distribution of the bins to the households by Chas and Hazaribag Municipal Councils was practically not serving any purpose as the Compost Plants where the wastes are to be treated have not been constructed. The sanitary vehicles purchased at a cost of ₹ 2.03 crore⁶⁴ by all the three ULBs could also not be adequately utilised due to non-construction of Landfill site/Transfer Station/Compost Plant and due to shortage of drivers and sanitation staff, as would be evident vide details in **Appendix-2.15**.

Thus, the sanitary equipment and vehicles were purchased without assessing the immediate need and manpower which resulted in blocking of funds besides their improper/inadequate utilisation.

The State Government stated during the exit conference that a vigilance case was already going on against the then Deputy Commissioner of Hazaribag and the Executive Officer of Lohardaga. It was also stated that the sanitary equipment/vehicles should have been purchased after the construction of Landfill/Transfer station/Compost Plant.



Photographs taken on 4 May 2012 showing Domestic Bins and Twin Bins lying in the store of Lohardaga Municipal Council

⁶⁴ Chas Municipal Council- ₹ 0.62 crore, Hazaribag Municipal Council- ₹ 0.83 crore, Lohardaga Municipal Council- ₹ 0.58 crore



Photograph taken on 31 May 2012 showing Domestic Bins lying in the store of Hazaribag Municipal Council



Photograph taken on 26 April 2012 showing Domestic Bins lying in the store of Chas Municipal Council

2.2.9 Monitoring and evaluation

Monitoring at State Level

2.2.9.1 Role of the State Level Steering Committee (SLSC) or any other State level Committee for monitoring

- As per Paragraph 16 of JNNURM guidelines, the primary role of SLSC was deciding and prioritising the projects under JNNURM. It was also to monitor the implementation of the projects and review the progress of urban reforms in the State. We noticed that the SLSC met only four times (January 2008, April 2008, October 2009 and July 2010) for approval of UIG/BSUP projects.
- As per Paragraph 10.2 of IHSDP Guidelines and as per Paragraph 12.2 of UIDSSMT Guidelines, State Level Coordination Committee (SLCC) and State Level Sanctioning Committee were constituted for examining, approving and periodical monitoring of IHSDP and UIDSSMT projects respectively.

As per Paragraph 10.3 of IHSDP guidelines, the SLCC was required to meet at least quarterly for reviewing the progress of ongoing projects and for sanctioning new projects. But it met only thrice⁶⁵ after its constitution (June 2006) against the requirement of 23 meetings (March 2012).

Again as per Paragraph 12.3 of UIDSSMT guidelines, the State Level Sanctioning Committee was required to meet at least thrice in a year for reviewing the progress of ongoing projects and for sanctioning new projects. But it met only twice⁶⁶ after its constitution in June 2006 when it should have actually met at least 18 times till March 2012.

Moreover, the two State Level Committees (SLCC & SLSC) met only for examining and approving the IHSDP/UIDSSMT projects. No meetings were held for monitoring of the projects. Thus, the Committees failed to effectively fulfill the objectives for which these were constituted.

- For monitoring of Water supply projects being implemented in Ranchi and Dhanbad, a High-level Committee had been constituted (February 2009)

⁶⁵ August 2007, March 2009 and February 2010

⁶⁶ February 2008 and March 2011

by UDD under the Chairmanship of Principal Secretary, DW&SD/UDD. The said Committee met six⁶⁷ times since its constitution.

Review meetings were also held (January 2011 and December 2011) under the Chairmanship of Engineer-in-Chief/Chief Engineer, DW&SD.

Thus, though monitoring of Water Supply projects was being done at the State/Department level yet the progress of the projects was delayed/ slowed due to constraints related to land acquisition/RoU clearances and funds.

2.2.9.2 Role of SLNA in monitoring

As per Paragraph 17 of JNNURM guidelines, the SLNA i.e., GRDA Ltd. was required to monitor physical and financial progress of the sanctioned projects and also to monitor implementation of reforms as committed in the MoA.

The web enabled Project Monitoring and Evaluation System (PMES), implemented by the Mission Directorate designed to capture the physical and financial progress aspects of JNNURM projects as reported by the Project Executing Agency (PEA) and the Independent Review & Monitoring Agency (IRMA), are non-operational as the crucial post of MIS expert was vacant (since July 2010) in the PMU.

2.2.9.3 Monitoring and evaluation arrangements at the ULB level

The PIUs established in ULBs of Mission Cities were to assist the ULBs in monitoring project progress in co-ordination with other departments for projects being implemented by the ULB, besides performing other functions. However, due to shortage of staff in the PIUs, the works to be performed by specified experts, had to be managed by the existing personnel, affecting the efficient functioning of the PIU as a whole.

The execution of the projects in the Mission and Non-mission cities was being supervised by the departmental Junior/Assistant/Executive Engineer who failed to ensure time bound and effective execution of projects.

2.2.9.4 Third Party Monitoring

The Ministry of Urban Development had instituted a state level mechanism for third party monitoring and review in respect of UIG and UIDSSMT projects by Independent Review and Monitoring Agencies (IRMAs). Similarly, MoHUPA has also evolved a similar mechanism to appoint Third Party Inspection and Monitoring Agencies for reviewing and monitoring BSUP and IHSDP projects. The release of further instalments of ACA, *inter-alia*, depended upon the reports of the Third Party Inspection and Monitoring Agency (TPIMA)/IRMA.

⁶⁷ January 2011, February 2011, April 2011, September 2011, February 2012 and June 2012

- **Third Party Inspection and Monitoring Agency**

M/s Shristi Urban Infrastructure Development Limited, New Delhi was selected (May 2011) as TPIMA by the Tender committee⁶⁸ constituted for the purpose. Though approval to the agency selected was accorded (February 2012) by the CSMC, however, the MoA with the firm selected had not been executed. The firm was intimated (December 2012) to sign the MoA and to commence the work immediately after signing it.

Thus, TPIMA was yet to become operational due to which the review and monitoring of BSUP and IHSDP projects in Jharkhand could not be carried out.

- **Independent Review and Monitoring Agency**

CSMC approved the appointment of National Consultancy for Planning and Engineering (NCPE), Hyderabad (October 2009) as IRMA for monitoring the physical and financial progress of UIG and UIDSSMT projects being implemented in the State of Jharkhand. An agreement between the SLNA and NCPE was executed in May 2011 after lapse of 19 months of its approval by CSMC due to delay in approval of the Contract Agreement by the Department of Finance, GoJ.

In the initial phase, requisite documents were not made available to the IRMA by ULBs, thereby hampering its functioning. As on June 2012, Pre-construction reports and Construction Stage Report I in respect of Ranchi and Dhanbad Water Supply projects and Construction Stage report II in respect of Ranchi Water Supply project had been submitted by the Agency. The reports after being appraised by SLNA were forwarded to GoI (December 2011) alongwith its recommendations to release further installments. Accordingly, second installment of ACA in respect of Ranchi and Dhanbad Water Supply Projects was received in January 2012. However, non-submission of reports in respect of other UIG and UIDSSMT projects *inter alia* affected the release of second installment of ACA.

2.2.9.5 Outsourcing of monitoring of implementation of reforms

Monitoring of progress of the implementation of reforms was to be outsourced to specialised/technical agencies. CRISIL Risk and Infrastructure Solutions Limited (CRIS) was appointed by MoUD, GoI as the agency for appraisal of reforms of the states of Bihar, Jharkhand and Orissa. The agency conducted six field visits⁶⁹ for the appraisal of reforms in Jharkhand during July 2010 to August 2012.

As per the last (sixth) appraisal report submitted (September 2012) by the agency, the overall progress in the implementation of reforms proposed under JNNURM in the State of Jharkhand was slow since the start of the programme, but good progress has been made in the last two years.

⁶⁸ Tender committee: Chairman -Officer on Special Duty, GRDA Ltd., Members: Engineer-in-chief, technical cell, UDD, General Manager, GRDA Ltd., Superintending Engineer, Technical Cell, UDD, Smt. Rita Singh, PMU GRDA Ltd., Sri Vinay Kumar, PUM, GRDA Ltd.

⁶⁹ July 2010, December 2010, May 2011, November 2011, February 2012, August 2012

2.2.10 Conclusion

Though the Mission period was 2005-12, implementation of projects under JNNURM actually started in the State of Jharkhand from March 2008.

However, the objective of JNNURM-reforms driven and fast track development of cities across the country, with focus on bringing about efficiency in urban infrastructure, service delivery mechanisms, community participation and accountability of Urban Local Bodies towards citizens could not be achieved within the stipulated Mission period (2005-12). This was largely due to defective DPRs, award of works without earmarking/finalising land sites and delay in release of funds. Further, the monitoring of JNNURM projects could also not be effectively carried out as the, PMU in the SLNA and the PIUs in the ULBs were understaffed, IRMA had just started functioning while TPIMA was yet to start functioning.

The Mission coverage has been extended for two more years beyond the mandated Mission period (2005-12) for completion of projects sanctioned during the Mission period 2005-12. However, considering deficiencies and the pace at which the projects are being executed, completion of the projects needs to be closely monitored. Only 55.42 *per cent* of the total funds made available could be utilised and none of the 27 projects taken up during the last four years was completed till March 2012. The position was particularly alarming in the case of BSUP where only 6.13 *per cent* of the funds could be utilised (**Appendix-2.16**). ULBs have therefore failed to achieve enhanced effective urban service delivery and civic infrastructure through improvements in urban management, land management and financial management. It is, therefore, imperative that all the agencies involved take committed and concrete steps for early completion of the projects and for the implementation of reforms, failing which the objectives of the mission would be defeated.

2.2.11 Recommendations

- *Necessary steps may be taken to utilise the funds in a time bound manner for the earmarked projects to extend the infrastructural services for the urban population and basic services to the urban poor.*
- *Encumbrance free land may be identified and acquired before initiation of a project to avoid delay in completion of the projects and blocking of government money to that extent.*
- *Works may be executed in an economic, efficient and effective manner to prevent extra cost and also to ensure timely completion of the project along with quality of work.*
- *The monitoring mechanism should be strengthened to ensure that the scheme is implemented in an effective and time bound manner.*

Water Resources Department

2.3 Creation of Irrigation potential under Accelerated Irrigation Benefit Programme (AIBP)

2.3.1 Introduction

Agriculture is the main source of livelihood of more than 60 *per cent* of the population of Jharkhand. Irrigation is the critical factor for increasing agricultural production and productivity. Jharkhand has a total cultivable area of about 29.74 lakh hectare (ha) of which irrigation potential can be created for 24.25 lakh ha. However, at the end of March 2012, irrigation potential created in the State was only 7.46 lakh ha¹ i.e. 31 *per cent* of the cultivable land. This included an irrigation potential of 0.45 lakh ha (6 *per cent*) created under Accelerated Irrigation Benefit Programme (AIBP).

In order to expedite completion of the ongoing irrigation projects, AIBP was conceived in the year 1996 by the Government of India (GoI) so that the envisaged irrigation potential could be created and thereby irrigation extended to more areas.

In Jharkhand, two major², eight medium³ and 456 minor irrigation projects⁴ were included under AIBP between 1997-98 and 2011-12 for creation of irrigation potential of 4.07 lakh ha. The details are given in **Appendix-2.17**. Of these, two medium projects were completed in 2002-03 and one was kept in abeyance since 1999-2000. One major project (Subernarekha Multipurpose Project) and 171 minor irrigation projects were included under AIBP during 2011-12 and are scheduled to be completed between 2012-13 and 2014-15.

Out of the ongoing projects scheduled for completion by 2011-12, one major project (Gumani Barrage) and two medium projects (Panchkhero and Uppershankh Reservoir Schemes) were selected for audit through random sampling without replacement method. The five districts⁵ covered by these selected major and medium irrigation projects were also selected for audit of 62 minor irrigation projects⁶ being executed in these districts. Additionally, two districts (East Singhbhum and Ramgarh) were selected for audit of 30 more minor irrigation projects⁷ in these districts.

Water Resources Department (WRD), Government of Jharkhand, is responsible for implementation and monitoring of the projects taken up under AIBP. Audit was conducted between April 2012 and January 2013 through test-check of records of the Water Resources Department (WRD), two Chief

¹ Annual Report for 2012-13 of the Water Resources Department.

² Gumani Barrage Project and Subernarekha Multipurpose Project.

³ Kansjore, Latratu, Panchkhero, Sonua, Surangi, Tapkara, Torai and Uppershankh Reservoir Schemes.

⁴ Sukari Reservoir Scheme and 455 check dams/series of check dams (Series means more than one check dams in a project at a regular interval based on slope gradient and soil type)

⁵ Gumla, Hazaribag, Koderma, Pakur and Sahebganj.

⁶ Gumla-26, Hazaribag-06, Koderma-18, Pakur-04 and Sahebganj-08.

⁷ East Singhbhum-16 and Ramgarh-14.

Engineers⁸, two Superintending Engineers⁹ and 14 Executive Engineers¹⁰ and information was also collected from the Director, Monitoring and Appraisal, Central Water Commission (CWC), Ranchi. In the selected projects, irrigation potential of 11,053 ha was created against the target of 44,079 ha during 2007-12. The overall performance of the Department in execution of the selected projects was assessed in audit with thrust on the performance during 2007-12. Besides, deficiencies in execution of projects which impacted creation of irrigation potential were also examined.

Audit findings

2.3.2 Financial management

2.3.2.1 Adequacy of funds

Funding under AIBP was started (1996-97) as Central Loan Assistance (CLA). From April 2005, GoI is providing grant of 90 *per cent* of the project cost to the projects benefiting drought-prone and tribal areas.

Except Panchkhero Reservoir Scheme, all projects in Jharkhand, approved under AIBP, were to benefit tribal and drought prone areas and as such were eligible for grant of 90 *per cent*. Panchkhero Reservoir Scheme was to provide irrigation facility partially in drought prone areas and was therefore approved for grant of 38 *per cent*.

We observed that though the State Government (WRD) submitted proposals to the Ministry of Water Resources (MoWR), GoI for release of grant in the prescribed format showing physical and financial progress of the projects, GoI did not release the due Central share of grants to the State. However, there was no recorded reason for short release of grant by GoI. Against the estimated cost of ₹ 1,029.31 crore of the sanctioned projects (between 1997-98 and 2010-11), MoWR released loan/grants of only ₹ 444.11 crore (43 *per cent*) up to March 2012 for the projects¹¹ scheduled to be completed by March 2012. As of March 2012, ₹ 326.07 crore was utilised. However, the total expenditure on these projects including State fund was ₹ 783.37 crore (*Appendix-2.18*).

2.3.2.2 Utilisation of funds

Details of releases made by the GoI and State Government and expenditure incurred on the AIBP projects in the State during the period 2007-12 were as given in **Table-1**.

⁸ Chief Engineer, Waterways, Hazaribag and Chief Engineer (Monitoring), Ranchi.

⁹ Superintending Engineers, Waterways Circles, Hazaribag and Gumla.

¹⁰ Irrigation Divisions, Barhait, Barharwa and Pakur; Waterways Divisions, Gumla, No. I Chainpur, No. II Chainpur and Barhi and Minor irrigation Divisions, East Singhbhum, Gumla, Hazaribag, Koderma, Pakur, Ramgarh and Sahebganj.

¹¹ Excluding Latratu, Tapkara and Torai Reservoir Schemes (completed/kept in abeyance).

Table-1: Statement of allotment and expenditure during 2007-12

(₹ in crore)

Year	Central share	State share	Total	Expenditure	Balance
2007-08	9.22	42.19	51.41	49.64	1.77
2008-09	3.72	51.63	55.35	42.97	12.38
2009-10	0.00	30.46	30.46	20.64	9.82
2010-11	231.64	35.65	267.29	72.22	195.07
2011-12	114.15	29.93	144.08	200.97*	(-) 56.89
Total	358.73	189.86	548.59	386.44	162.15

*Source: Water Resources Department) * Excess expenditure than allotment was because of utilisation of Central grant remaining unspent during 2010-11.*

Total grant of ₹ 358.73 crore included ₹ 334.55 crore released for minor irrigation projects sanctioned under AIBP during 2010-12. The Department could not utilise ₹ 162.16 crore (30 per cent) of the total allotted fund.

Allotment and expenditure in respect of the test-checked projects during the period 2007-12 are given in Table-2.

Table-2: Allotment and expenditure on selected projects during 2007-12

(₹ in crore)

Sl. No.	Name of the selected projects	Allotment	Expenditure	Savings	
				Amount	Per cent
1	Gumani Barrage	69.57	46.53	23.04	33
2	Panchkhero Reservoir	34.65	23.27	11.38	33
3	Uppershankh Reservoir	64.51	37.87	26.64	41
4	92 series (304 check dams)	76.22	56.79	19.43	25
Total		244.95	164.46	80.49	33

Source: Concerned divisions

As given in Table-2, the test-checked divisions could not utilise 33 per cent (₹ 80.49 crore) of the allotted fund. Short utilisation was mainly due to slow progress of works because there was commencement of works without land acquisition, delay in finalisation of tender, slow/non-execution of works by contractors and non-execution of micro lifts in minor projects (check dams), as discussed in paragraph 2.3.4.

2.3.3 Deficiencies in execution of projects

Completion/progress of the projects

According to the AIBP guidelines, major and medium projects were to be completed within four years and minor irrigation projects within two years of their inclusion in AIBP. Further, the project should be completed in a phased manner so that the envisaged benefits could start flowing early.

Major and medium irrigation projects mainly comprise of two components, namely storage¹² and distribution¹³ system. Completion of all components of

¹² Storage system includes dam, barrage, reservoir, spillway, spill channel and outlet. Dam, barrage and reservoir store water; spillway and spill channel allow flow of excess water from the reservoir and outlet feeds the water to the canals.

¹³ Distribution system includes main canals, branch canals and distributaries to carry water from the reservoir to the command area. Minors and water courses are subsidiaries of canals and distributaries carry water to the agricultural fields.

a project is necessary to create the envisaged irrigation potential. In minor irrigation projects, check dams to store water and micro lifts¹⁴ provide irrigation to the fields.

2.3.3.1 Status of AIBP projects in the State

- According to the detailed project reports, creation of irrigation potential of 1.08 lakh¹⁵ ha was targeted during 2007-12 by completing one major, six medium and 285¹⁶ minor irrigation projects. However, the State could create irrigation potential of only 27,344 ha (25 per cent) during 2007-12 in one medium (Uppershankh) and 148 out of 284 series check dams (*Appendix-2.17*).
- We observed that six¹⁷ ongoing major and medium irrigation projects (excluding one kept in abeyance), sanctioned under AIBP in 1997-98 and 2004-05, targeted to create irrigation potential of 0.43 lakh ha, could not be completed by March 2012 even after incurring an expenditure of ₹ 533.24 crore against the original estimated cost of only ₹ 44.76 crore (*Appendix-2.18*). The State Government periodically revised the tentative dates of completion of these projects and they are now scheduled to be completed in 2012-13.
- Out of 284 series of check dams, sanctioned during 2010-11 and scheduled to be completed by 2011-12, only 148 series of check dams were completed as of March 2012 and irrigation potential of 26,944 ha created. The remaining 136 series of check dams aimed to create irrigation potential of 29,291 ha were incomplete as of March 2012. The Sukari Minor Project, started in 2008 (targeted irrigation potential: 440 ha) was included under AIBP during 2010-11. The project remained incomplete and no irrigation potential was created as of March 2012 (*Appendices-2.17 and 2.18*). Further, for providing irrigation to agricultural fields from completed minor irrigation projects (check dams), micro lifts were sanctioned with each check dam. However, in September 2011 the WRD decided not to construct micro lifts owing to their doubtful utility based on their present design. An alternative arrangement to lift the water was not decided as of December 2012. In absence of micro lifts, completed series of check dams were not providing envisaged irrigation as discussed in paragraph 2.3.5.

2.3.3.2 Progress of selected AIBP projects

Against the targeted irrigation potential (IP) of 0.44 lakh ha, only 0.11 lakh ha IP was created by the test-checked projects during the period 2007-12, as given in **Table-3**.

¹⁴ The system comprises of a pump house to lift the water from the reservoir and a network of pipes to irrigate fields.

¹⁵ Excluding irrigation potential of 0.12 lakh ha created by Latratu and Tapkara in 2002-03.

¹⁶ 284 series check dams and Sukari Reservoir Scheme (Minor Irrigation)

¹⁷ Gumani, Kansjore, Panchkhero, Sonua, Surangi and Uppershankh excluding Torai (kept in abeyance).

Table-3: Physical status and IP creation by selected projects*(Figures in ha)*

Name of the Project	IP to be created by March 2012	IP created during 2007-12	Physical status
Gumani Barrage Project	16190	Nil	The project was included in AIBP in 1997-98 and was to be completed in four years. As of November 2012, storage system of the project was complete but due to absence of required submergence area the project was not in a position to store water. Distribution network of the project was not complete.
Panchkhero Reservoir Scheme	3085	Nil	The project was included in AIBP in 2004-05 for completion by 2005-06. Storage as well as distribution system of the project were incomplete as of November 2012.
Uppershankh Reservoir Scheme	7070	400	The project was included in AIBP in 2004-05 for completion by 2005-06. Storage system was complete but distribution system was incomplete as of November 2012.
92 series of 304 check dams	17734	10653	Series of check dams were included in AIBP in 2010-11 and were to be completed by March 2012. Against 92 series (304 check dams), only 63 series (220 check dams) were completed. Further, micro lifts were installed only in 2 series ¹⁸ (8 check dams) and the remaining 61 series (212 check dams) were without micro lifts (December 2012).
Total	44079	11053	

(Source: WRD and concerned divisions)

As detailed in Table-3, except for the check dams on Senegarha and Maramgarha *nalas* none of the projects were complete. Non-completion of projects was due to non-availability of land, non-payment of compensation, slow/non-execution of works by the contractors etc. as discussed in paragraph 2.3.4.

2.3.4 Non-completion of works

According to Rule 146 of the Jharkhand Public Works Department Code and instructions issued (July 1986) thereunder, no work should be technically sanctioned and tendered for without acquisition of required land. Further, contract documents stipulated initiation of penal action against defaulting contractors who failed to complete the allotted work.

Eighty agreements were incomplete after incurring an expenditure of ₹ 26.18 crore due to awarding of work without acquiring land and paying compensation

For completing storage and distribution network of the three selected major and medium projects, 53 agreements¹⁹ were executed during 2007-12 at an agreed cost of ₹ 27.58 crore. These works were to be completed between October 2007 and April 2012 (*Appendix-2.19*). However, these works remained incomplete (November 2012) even after lapse of seven to 61 months from the scheduled date of completion after incurring an expenditure of ₹ 17.72 crore²⁰ (64 per cent of agreed value). Further scrutiny revealed that 27 agreements valuing ₹ 10.94 crore were entered between 2002-03 and 2006-07 and the works were incomplete for more than five to nine years after incurring an expenditure of ₹ 8.46 crore (77 per cent of agreed value) (*Appendix-2.20*).

¹⁸ Series check dams on Senegarha and Maramgarha *nalas* in Ramgarh district.

¹⁹ Gumani Barrage Project: 13 agreements for ₹ 8.79 crore; Uppershankh Reservoir Scheme: 32 agreements for ₹ 8.36 crore and Panchkhero Reservoir Scheme: 8 agreements for ₹ 10.43 crore.

²⁰ Gumani: ₹ 7.15 crore, Uppershankh: ₹ 5.77 crore and Panchkhero: ₹ 4.80 crore.

We observed that these works were incomplete mainly due to awarding of work without acquiring land and paying compensation²¹ resulting in objection to execution of works by the land owners, obstruction by displaced persons²² as they had not been properly rehabilitated and slow/non-execution of works²³ by contractors. Further, 27 agreements entered into prior to 2007-08 were still in force and there was nothing on record to show that the divisions were initiating penal action against the defaulting contractors or were closing these agreements so that the residual work could be resumed. The concerned EEs accepted the audit observations.

Thus, the deficiencies as mentioned above affected completion of the projects and creation of irrigation potential as discussed in the succeeding paragraphs.

2.3.4.1 *Gumani Barrage Project*

The project, started in 1976, comprised of a barrage with eight gates on the river Gumani near village Petkhasa of Barhait Block, an afflux bundh, an ungated spillway, a spill channel and one outlet to feed Gumani main canal. In addition, one branch canal (Barharwa), 10 distributaries²⁴ and a network of minors and water courses were to be constructed for providing irrigation to an area of 16,190 ha in three blocks (Barhait, Barharwa and Pathna) of Sahebganj District and three blocks (Littipara, Hiranpur and Pakur) of Pakur District. As per information furnished (August 2012) by WRD, 99 per cent of head works, 100 per cent of canal works and 80 per cent of distributaries were completed as on March 2012. However, the reported progress did not match the physical status of the project as on November 2012, as discussed below:

Storage system

- As per the latest Detailed Project Report (DPR) (2009), there was requirement of 16.19 ha of land for submergence area which had already been acquired. However, during trial run (August 2011) of the project, when water was stored up to 50 meters (full supply level of the canal), required for creating targeted irrigation potential, land of six more villages got submerged beyond the assessed submergence area. The CE, WRD, Deoghar instructed (August 2011) the SE, Irrigation Circle, Sahebganj to initiate the process for acquisition of the required land. For this purpose, the Division tried (February and May 2012) to conduct survey but had to postpone it due to strong opposition from villagers who did not want their land to be acquired. Thus, due to submergence area of the project not being properly assessed initially, there was a need to acquire the additionally proposed submerged land for creating envisaged irrigation potential leading to delay.

Due to non-assessment of submergence area, land of six more villages was submerged

²¹ Branch canal of Gumani barrage, main canal of Panchkhero reservoir and distributaries of Gumani barrage and Uppersankh reservoir.

²² Head work of Panchkhero reservoir.

²³ Head work of Panchkhero, canal network of Uppershankh, Panchkhero and Gumani.

²⁴ Barmasia, Bishunpur, Chutia, Dariapur, Fatehpur, Jhikatia, Mayurkola, Pathna, Sahridompara and Satyagachhi.

Distribution system

Due to absence of required clearance from NH and Railway, Barharwa branch canal was not constructed at three points

- The total length of the Gumani main canal is 33 km (1083 chain). The main canal was complete except construction of a bridge at 14.93 km (490 chain) since 1989-90. Further, during physical inspections in the year 2010, the EE, Irrigation Division, Pakur observed that there was need of complete restoration of the main canal beyond 19.17 km for carrying water as it was constructed prior to 2005 and there was erosion in canal banks, siltation in canal beds and structures were damaged. Though survey of this portion was approved in the Annual Plans of 2010-13, it could not be conducted by the EE as of November 2012. Thus, the main canal beyond 19.17 km was in dilapidated condition and needed survey for taking up restoration work.
- Barharwa branch canal was complete (as of November 2012) only in 16.66 km out of 24.63 km. The canal was complete from 1.83 km to 18.49 km. However, the branch canal was not constructed as of November 2012 at three points²⁵ in the 17th and 19th km where Railway tracks and National Highway No. 80 were crossing. Three bridges at these points had not been constructed due to failure of the Department in getting required clearances/approval from the CE, National Highway Wing of Jharkhand and Eastern Railway since 2007-08. As such flow of water in the branch canal beyond these points was not possible.
- Out of ten distributaries (85.25 km) of Gumani main canal and Barharwa branch canal, four distributaries²⁶ (45.38 km) were complete as of November 2012. Three distributaries²⁷ were complete in a length of only 3.96 km (as of November 2012) out of 25.02 km mainly due to delays in payment of compensation to affected land owners. Work on the remaining three²⁸ (14.85 km) distributaries was yet to begin due to non-preparation of investigation reports of two distributaries (Jhikatia and Satyaghachhi) by the concerned division and non-acquisition of 18.21 ha of land (for all three distributaries). Thus, six out of ten distributaries were incomplete in a length of 35.90 km and were not creating any irrigation potential.
- In addition, minors and water courses branching off from the Gumani main canal, Barharwa branch canal and eight²⁹ distributaries, required for carrying water to fields, were yet to be constructed as the Divisions (Barhait and Pakur) did not initiate surveys for assessing actual requirement of land as of November 2012. Out of three, only one Division (Barharwa) had worked out requirement of 100.04 ha of land for constructing minors and water courses³⁰ in a length of 94.03 km from Gumani main canal, Barharwa branch canal and four distributaries. The remaining two Divisions (Barhait and Pakur) failed to assess requirement

²⁵ At chains 554 (16.88 km), 606 (18.47 km) and 618 (18.84 km).

²⁶ Barmasia- 19.87 km, Dariapur-10.36 km, Fatehpur-10.06 km and Pathna-5.09 km.

²⁷ Bishunpur-6.40 km, Chutia-12.22 km and Sahridompara-6.40 km.

²⁸ Jhikatia, Mayurkola and Satyagachhi.

²⁹ Bishunpur, Chutia, Dariapur, Jhikatia, Mayurkola, Pathna, Sahridompara and Satyagachhi.

³⁰ GMC: 14.16 ha (33.35 km); BBC: 33.14 ha (22.65 km); Bishunpur: 8.70 ha (6.80 km); Chutia 24.54 ha (15.69 km); Pathna: 10.01 ha (7.31 km) and Saharidompara: 9.49 ha (8.23 km).

of land for construction of minors and water courses from Gumani main canal and Dariyapur distributary.

Further, construction of water courses of two distributaries (Barmasia and Fatehpur under Pakur Division), originating beyond 19.17 km of the main canal, were started between December 2004 and March 2006 and remained incomplete as of November 2012. The EE, Irrigation Division, Pakur stated (May 2012) that these water courses had been completely damaged and needed fresh survey for assessing and completing the balance works. Thus, most of the minors and water courses were yet to be constructed for carrying water to agricultural fields so that irrigation potential could be created.

Thus, the project which was started in 1976 was not in a position to store water to give full supply to the canal until the additional submergence area was acquired. The main canal was not yet ready to carry water beyond 14.93 km and in the lower reaches. Even though the main canal upto 14.93 km was completed, water could not be taken to the fields due to non-laying of minors and water courses. This resulted in non-creation of targeted irrigation potential by phased implementation even after incurring an expenditure of ₹ 150.84 crore on the project till November 2012.

2.3.4.2 Uppershankh Reservoir Scheme

The Scheme included construction of an earthen dam on the river Shankh near village Nawgain of Chainpur Block, an ungated spillway, a spill channel including energy dissipater, two outlets feeding two main canals (right and left), eight distributaries and six minors. The Scheme was started in 1987 with the aim to provide irrigation in an area of 7,070 ha of Chainpur block of Gumla District. Physical status of the scheme as on November 2012 was as under:

Storage system

- Storage system of the Scheme was complete. However, the Central Water Commission in its monitoring report of 2011-12 observed that the gates of the head regulator were defective and inoperative and there was leakage from the gates. Thus, though the storage system of the reservoir was completed in 2006-07, it needed rectification of gates for supply of water to the canals.

Distribution system

- Left Main Canal (LMC) of the reservoir was complete only in 9 km out of the total length of 14.04 km. The canal was not complete in a regular stretch starting from its origin and remained incomplete in the 2nd to 6th km. The canal was also incomplete in some stretches in the 7th to 14th km due to slow/non-execution of agreed work by the contractors. The Division had reminded (November 2011) the contractors for completion of the works but the works remained incomplete as of November 2012. Thus, due to piecemeal construction, the canal could not be utilised for irrigation purpose.

Siphon at the mouth of LMC was filled with silt and was not able to pass the water to the canal

- Construction of a 150 metre long hume pipe siphon³¹ at the mouth of LMC was started in November 2002 based on the design approved by the CE, Design, Advance Planning and Hydrology, WRD, Ranchi. During execution the contractor intimated (June 2005) the Division that the level of siphon was nine metres below the bed level of the canal and would result in silting and choking of the siphon in future. However, no corrective measure was taken by the Department as of November 2012 and the siphon ultimately got filled up with silt as observed by the EE and the CWC. Thus, the siphon was not able to pass the water to the canal.
- An agreement for executing earth work and structures³² in LMC was executed (April 2005) for ₹ 88.36 lakh³³ to be completed by April 2006. The contractor did not complete the work and requested (July 2008) for closure of the agreement as land for the structures had not been acquired.

The CE, WRD, Ranchi initially ordered (August 2008) for closure of the agreement without imposing any penalty on the contractor on the ground of non-acquisition of land. Later on, the CE revoked (December 2008) his earlier order regarding closure of the agreement because land acquisition was not the real problem as intimated (November 2008) by the EE, Water Ways Division (WWD) II, Chainpur. The CE asked the EE, to submit actual reasons for stoppage of the work. However, the EE did not submit the reasons and took (May 2009) final measurement of the work. In the final measurement, inflated measurement of ₹ 4.47 lakh, recorded by the AE/EE, in respect of the canal work was detected for recovery which the EE intimated (April 2010) to the contractor. However, the amount was not recovered from the contractor by the EE in 7th and the final bill³⁴. The final bill was also passed (August 2011) without levying any compensation as initially ordered (August 2008) by the CE regarding closure of the agreement. Up to the final bill, ₹ 83.65 lakh had been paid to the contractor. The EE also refunded (September 2011) security of ₹ 8.38 lakh to the contractor. Thus, closure of the agreement by the EE without levying penalty ignoring the order (December 2008) of the CE resulted in loss of ₹ 8.84 lakh on account of compensation. Besides ₹ 4.47 lakh was paid in excess to the contractor.

- Similarly, Right Main Canal (RMC) was completed in 10.92 km out of a total length of 13.11 km. However, it remained incomplete in different stretches of 1st to 11th km due to non-completion of works by the contractors. For earth work, cross drainages and bridges in RMC, seven agreements for ₹ 3.43 crore were executed between January 2004 and April 2010 by the EE, WWD II, Chainpur, Gumla. These works were to be completed between July 2004 and July 2010. However, the contractors did not complete the works despite several reminders issued by the EE. The contractors had been paid ₹ 3.07 crore by the Division through Running Account (RA) bills. All agreements were rescinded (June 2011) by the EE

³¹ A structure to carry water beneath the spill channel in the canal.

³² Earth work from 5.22 to 5.31 km, Single Lane Road Bridge at 6.53 km, Cross Drainage at 5.225 km and Foot Bridge at 6.13/6.21 km.

³³ Canal: ₹ 18.45 lakh and structures: ₹ 69.91 lakh.

³⁴ Work value was ₹ 83.65 lakh (canal: ₹ 17.95 lakh and structures: ₹ 65.70 lakh).

and final measurements of works valuing ₹ 2.59 crore was taken. Thus, the contractors were already paid excess amount of ₹ 47.69 lakh through RA bills due to recording and admitting inflated measurements by the JEs/AEs/EEs. Additionally, compensation of ₹ 34.28 lakh was imposed by the EE on the contractors for non-completion of works within the scheduled time. However, against recoverable amount of ₹ 81.97 lakh (₹ 47.69 lakh + ₹ 34.28 lakh), the Division could recover only ₹ 17.26 lakh by withholding Security Deposit and compensation from RA bills resulting in non-recovery of ₹ 64.71 lakh (April 2012) from the defaulting contractors (*Appendix - 2.21*). Besides the RMC remained incomplete.

- All eight major distributaries of main canals (proposed length of 30.04 km) were not constructed as acquisition of the required 80.98 ha of land was under progress as of November 2012. Out of eight distributaries, work on five distributaries (12.54 km) was started between March 2008 and September 2010 for completion between July 2008 and June 2011. However, the works remained incomplete for want of the required land because of non-payment of compensation and objections raised by the land owners. Physical progress of various components of the works ranged between 3 and 87 per cent (November 2012). Work on remaining three distributaries could not be started as of November 2012.
- Construction of six minors of LMC having length of 9.88 km was not complete for which acquisition of 33.02 ha of land was under progress as of November 2012. Out of six, work on one minor (length 3.50 km) was started in March 2009, for completion by September 2009, without acquiring land. The work was in progress and work on remaining five distributaries was not started as of November 2012.

Thus, due to non-completion of canals, distributaries and minors in a synchronised manner, phased implementation of targeted irrigation was not achieved in spite of completion of storage system and incurring an expenditure of ₹ 136.82 crore as of November 2012.

2.3.4.3 Panchkhero Reservoir Scheme

The Scheme, started in 1986, included construction of an earthen dam (including left dyke³⁵) on the river Panchkhero near village Arkosa of Markaccho block in Koderma District and village Gorhan of Raj Dhanwar Block in Giridih District, an ungated spillway, a spill channel, two outlets feeding two main canals (right and left), two branch canals and five distributaries. Total proposed annual irrigation of the scheme is 3,085 ha of Hazaribag, Giridih and Koderma districts. The physical status of the scheme as of December 2012 is discussed as under:

Storage system

- The earthen dam (proposed length 2,310 metres including spillway) was almost complete except river closure of 170 metres which was essential for storing water. The work of river closure was started in April 2011 for

Work of the river closure was not completed due to less deployment of required plant and machinery and manpower by the contractor

³⁵ Small dam with less height constructed by the side of the main dam to check spreading of water.

completion by June 2012. However, the work was incomplete due to less deployment of required plant and machinery and manpower by the contractor as observed (February and March 2012) by the SE and the EE. As of December 2012, physical progress of the river closure was only 40 per cent. Further, construction of the spill channel, left outlet and slope/berm drains on the dam was started between April 2005 and May 2007 for completion between January 2006 and February 2008. These works were not completed by the contractors. Out of three, two agreements (left outlet and slop/berm drains) were rescinded in February 2012 by the EE, Waterways Division, Barhi but the residual works were not started as of December 2012. For completing the spill channel (third agreement) a revised estimate has been submitted (January 2013) by the EE to the SE.

Non-completion of the storage system hampered the creation of irrigation potential.

Distribution system

- Seven agreements were executed between February 2006 and July 2009 at an agreed cost of ₹ 1.18 crore for earth work in the left main canal (LMC). The work of these agreements was to be completed between August 2006 and October 2009. However, the work remained incomplete after incurring an expenditure of ₹ 1.02 crore due to non-execution by the contractors, non-payment of compensation to the land owners resulting in hindrance in execution of work (from chain 141 to chain 241) and need of earth work in excess of the agreed quantities (chain 172 to chain 185) for which revised estimates were to be sanctioned. Two agreements (chain 109 to chain 138 and chain 185 to chain 241) were rescinded (December 2010) by the EE due to non-execution of work by the contractors but the balance work was not retendered as of December 2012. The remaining five agreements were still in force. However, the Department could not sort out the problem of land compensation and revision of estimate as of December 2012. Thus, LMC was not complete in its entire length of 7.35 km (chain 0 to chain 241).
- Construction of an aquaduct³⁶ over spill channel at the mouth of LMC was started in February 2008 to be completed by November 2008 at an agreed cost of ₹ 67.93 lakh. The contractor stopped (March 2011) the work and the agreement was rescinded in February 2012 after incurring expenditure of ₹ 18.07 lakh. The work was re-allotted in January 2013 at an agreed cost of ₹ 71.96 lakh for completion within nine months. Flow of water in the canal was not possible in the absence of the aquaduct.
- Right Main Canal (RMC) was not complete in its total length of 3.25 km as of December 2012. For constructing the canal (chain 0 to chain 20.5 and chain 45 to chain 106.5), two agreements were executed in February 2008 at an agreed cost of ₹ 19.83 lakh to be completed by August 2008. However, the work remained incomplete as of December 2012 due to non-execution of work by the contractors. Further, there was need of revision of estimates as per site condition. For residual work, the Division

³⁶ A structure to carry water over the spill channel to the canal.

submitted (January 2013) a revised estimate (chain 0 to chain 20.5) to the SE and for the stretch chain 45 to 106.5 revision of estimate was pending.

- Construction of two branch canals and five minors of main canals having proposed length of 19.33 km were not started as of December 2012. The proposal for acquisition of 58.15 ha of land for this purpose was submitted in September 2010 by the Division to the Special Land Acquisition Officer, Tenughat Project, Hazaribag. The land acquisition process was in progress as of December 2012.

Rehabilitation and Resettlement

- According to the instructions of the Planning Commission (July 2010), GoI, rehabilitation and resettlement work of the Panchkhero Reservoir Scheme is required to be completed before submergence begins.

The Department assessed (between 1989 and 2008) that 107 families were to be rehabilitated under the Panchkhero project. However, the displaced persons regularly demanded (since 2006) reassessment of the number of families, compensation³⁷ for Government land which had been settled in their name and complete rehabilitation. The Secretary, WRD assured (February 2011) to fulfil these demands and directed (February 2011) the Deputy Commissioners, Koderma and Giridih to sort out the problem of settled Government land and the Chief Engineer, WRD, Hazaribag for completing rehabilitation. However, the problems were not sorted out as of December 2012 and displaced persons were objecting to the execution of the river closure work.

Basic infrastructure facilities to the rehabilitated persons were not provided by the RO, Panchkhero

Further, to provide basic infrastructure facilities like roads, health sub-centre, schools, drinking water facilities, training centre etc. 22 agreements valued at ₹ 2.64 crore were executed during 2007-10 by the Rehabilitation Officer (RO), Panchkhero. The works were scheduled to be completed between April 2007 and November 2010. Out of 22 agreements, 11 agreements (₹ 92.04 lakh) executed for construction of school, drinking water facility, training centre, temple, children's park etc. could not be completed due to slow execution of work by contractors. The RO issued notice in November 2011 to the contractors for completing works. However, the contractor did not complete the works and in September 2012 the RO rescinded five out of 11 agreements. All these works remained incomplete as of December 2012 despite incurring an expenditure of ₹ 67.27 lakh though land and funds were available with the Division.

Thus, the project started in 1986 was not in a position to store water in its reservoir since the river closure and the balance works of the dam were not completed. Main canals were also not complete and construction of the branch canal, distributaries and minors was yet to be started. Rehabilitation of displaced persons was also still to be completed for ensuring obstruction free work of the dam. The envisaged benefits of the scheme of providing irrigation have not been met in spite of incurring an expenditure of ₹ 71.66 crore as of December 2012.

³⁷ Through change of title of *Gair Majrua* (Government) land to the *Raiyati* (private) land.

2.3.4.4 Minor irrigation schemes (check dams)

Ninety two schemes of series of check dams were sanctioned (2010-11) for ₹ 130.64 crore under Phase I to III of AIBP in the test-checked seven districts. These schemes were planned to be completed by March 2012. Under these schemes, 92 series (304 check dams) were to be constructed for creating irrigation potential of 17,734 ha (*Appendix-2.22*).

Scrutiny (April 2012 to January 2013) revealed the following:

- Out of 92 series (304 check dams), only 63 series (220 check dams) were completed after incurring expenditure of ₹ 62.31 crore as of December 2012 and creating irrigation potential of 10,653 ha. One scheme (Gauri Nala check dam, Koderma) was dropped due to public objection. The remaining 28 schemes were under progress after having incurred an expenditure of ₹ 8.78 crore. These could not be completed by December 2012 due to delayed commencement of work because of delay in finalising tenders and slow progress of work by the contractors.
- To utilise the created irrigation potential there was a need to install two micro lifts in each check dam. Out of 440 micro lifts to be installed in 220 completed check dams, only 12 micro lifts were installed in eight check dams (two series) of Ramgarh District. Micro lifts could not be installed in the remaining check dams as ordered (September 2011) by the Department, though micro lifts were included in the DPRs sanctioned under AIBP.

2.3.5 Under utilisation of created irrigation potential

Under AIBP, 45,344 ha of irrigation potential had been created between 2002-03 and 2011-12 through completed and ongoing projects. The utilisation of irrigation potential created as compiled by the Department is given in **Table-4**.

Table-4 Statement showing irrigation potential created

Name of the project	IP to be created	IP created	Irrigation potential (IP) in hectares
			IP utilised (annual average during 2007-12)
Tapkara	1860	1840	294 (16 per cent)
Latratu	9900	9900	1057 (11 per cent)
Kansjore	6260	6260	875 (14 per cent)
Uppershankh	7070	400	20 (5 per cent)
Sub total	25090	18400	2246
148 minor irrigation projects	26944	26944	NA ³⁸
Total	52034	45344	2246

Source: Water Resources Department

From **Table-4** it can be seen that the average annual irrigation from four medium projects was merely 2,246 ha which was ranging between five and sixteen *per cent* of created irrigation potential. The reasons behind less utilisation of created irrigation potential are discussed below:

- After completion of Tapkara (2002) and phase I of Kansjore project (2006), the Department did not make allotment for regular maintenance of the distribution system which was constructed prior to 1988. As a result,

³⁸ The projects were completed during 2011-12 and utilisation will be assessed after providing irrigation in 2012-13.

these were severely damaged and were not able to carry water for providing envisaged irrigation. The EE, Waterways Division No. 1, Simdega, stated (September 2012) that there was need for renovation of these projects for utilising created potential and a proposal for renovation of the projects was to be submitted to the Department.

- In Uppershankh project the created irrigation potential (400 ha) was not being utilised because water was not discharged in the canal due to non-completion of the distribution system.
- State level data regarding irrigation from minor irrigation projects (check dams) was not compiled by the Department as of December 2012. However, in the selected districts, the position regarding utilisation of created irrigation potential as of December 2012 is given in **Table-5**.

Table-5 Statement showing irrigation potential utilised

Sl. No.	Name of district	No. of completed check dams	Irrigation potential (IP) in hectares	
			IP created	IP utilized (percentage)
1	Koderma	47	1564	553
2	Hazaribag	19	855	445
3	Pakur	17	905	9
4	Ramgarh	51	2012	384
5	Gumla	25	1442	95
6	Sahebganj	22	634	482
7	East Singhbhum	39	3241	444
Total		220	10653	2412 (23)

Source: Progress reports of Divisions

As detailed in **Table-5**, only 23 *per cent* of created irrigation potential was utilised. Completed check dams included 154 check dams which were constructed between April 2011 and April 2012 but were not providing envisaged irrigation due to non-construction of micro lifts with them.

2.3.6 Monitoring of the projects

As per AIBP guidelines, a comprehensive physical and financial monitoring of major/medium projects was to be carried out by Central Water Commission (CWC). Monitoring of the minor irrigation schemes was to be done by the State Government themselves through agencies independent of construction agencies. CWC was also to monitor these schemes on a sample basis against predetermined targets set by MoWR.

Our scrutiny revealed the following:

- The CWC was not satisfied with the implementation of major and medium irrigation projects. The CWC observed (October 2011 and March 2012) that water courses were still to be constructed in Gumani project, storage and distribution system of Panchkhero reservoir was incomplete, distribution system of Uppershankh project was incomplete and there was erosion and breaches in the constructed canals. CWC also observed delays in land acquisition and survey of distributaries, minors and water courses. CWC suggested that phase-wise work should be taken up so that farmers

start getting irrigation water. Minor irrigation schemes were, however, not inspected by CWC as of December 2012.

- A State Level Monitoring Committee³⁹ was formed (February 2011) for monitoring of all irrigation projects. The Committee was to review physical and financial progress of the projects and to frame policies for completion of the projects within the time schedule. The Committee monitored progress of projects through review meetings (held in March 2011 and December 2012) but their monitoring was mainly confined to review of minor irrigation projects sanctioned during 2010-12. It was decided (December 2012) to complete the ongoing minor irrigation projects by January 2013.
- For monitoring of minor irrigation schemes, a third party agency, Water and Power Consultancy Services (WAPCOS) Ltd., was engaged (May 2012) by the Department. The WAPCOS was to submit its report by October 2012. However, the agency had not submitted monitoring reports as of December 2012.
- At the field level, though the Chief Engineers and the Superintending Engineers monitored the schemes (major and medium) through field visits and review meetings. However, there was absence of corrective measures like timely survey and acquisition of land, closure of agreements, revision of estimates etc. as annual plans periodically included those works in which contractors had stopped the works due to land acquisition problem, deviation in agreed quantity, rates being old and the works where revision of estimates was required.

Thus, the monitoring of the projects was inadequate and works were not executed in a synchronised manner. Absence of concrete action in reaching water to the fields resulted in huge funds invested in these projects remaining idle without deriving any benefit.

2.3.7 Conclusion

AIBP had failed to achieve its targeted objective of accelerating completion of ongoing irrigation projects and delivery of the benefits of irrigation water to the farmers after lapse of more than five to twelve years since its inception. Against the target of creating irrigation potential of 1.20 lakh ha, irrigation potential of only 0.45 lakh ha could be created by the State as of March 2012. All the three test-checked major and medium irrigation projects suffered heavily due to slow pace of implementation. Submergence area of Gumani Barrage Project, storage system of Panchkhero Reservoir and distribution system of all three projects were incomplete due to delay in land acquisition and required survey. Progress of minor irrigation projects were also disrupted due to delay in tendering process and slow pace of work. Project execution was also deficient, with lack of synchronised execution of different

³⁹ Headed by the Special Secretary, Water Resources Department; other members are Engineers in Chief I and II, Chief Engineer, Planning, Monitoring and Evaluation, Superintending Engineers, Planning and Monitoring Circles 1, 2 and 3 and Director, Monitoring and Appraisal, Central Water Commission.

components of the project (dam and head work, main and branch canals, distributaries and water courses) and starting of work without land acquisition. The selected divisions could not utilise 33 *per cent* of the allotted funds. Even the irrigation potential created under AIBP projects was not being fully utilised due to non-maintenance of completed medium irrigation projects and non-installation of micro lifts in minor irrigation projects. Monitoring of the projects was not so effective so as to resolve the bottlenecks like land acquisition, slow progress, survey etc.

2.3.8 Recommendations

- *Process of land acquisition should be expedited and survey of distributaries, minors and water courses should be ensured in order to speed up execution of the projects;*
- *Major and medium irrigation projects should be completed in a phased manner so that benefits of irrigation could be accrued at the earliest. Annual plans should be prepared after assessing condition of site and actual work progress;*
- *Utilisation of allotted fund should be ensured;*
- *Decision regarding construction of micro lifts with check dam should be taken on priority basis so that the envisaged irrigation potential can be utilised from the completed check dams;*
- *Progress of the projects should be monitored regularly so that the projects can be completed at the earliest.*

The matter was reported to the Government (between September 2012 and January 2013). Their reply had not been received (February 2013).

Panchayati Raj Department

2.4 Construction of Panchayat Bhawans

2.4.1 Introduction

The 73rd Constitutional Amendment Act, 1992 envisaged a three-tier Panchayati Raj system at the village, intermediate and district level to ensure a more participative governance structure in the country. The Panchayati Raj Institutions (PRIs) are entrusted with the responsibility of preparing micro-plans for economic development, implementing schemes aimed at socio-economic development and exercising powers delegated in respect of 29 development items as prescribed in the 11th Schedule of the Constitution of India. The State in turn was required to entrust Panchayats with such funds, functions and functionaries so as to enable them to function as institutions of self-government.

Viewed against this objective, the State Government decided (March 2002) to construct Panchayat Bhawans (PBs) in all the Gram Panchayats in the State. Accordingly, funds were made available for construction of PBs from State funds (2004-08), *Rastriya Sam Vikas Yojana* (RSVY) (2007-09), Backward Region Grant Fund (BRGF) (2008-12) and *Bharat Nirman Rajiv Gandhi Sewa Kendra* (BNRGSK) cum *Panchayat Sachivalaya* under Convergence of Mahatma Gandhi National Rural Guarantee Scheme (MGNREGS) with BRGF (2010-12).

The PBs were constructed with the following objectives:

- to be used as a Panchayat office in every *Gram Panchayat* for implementation of socio-economic schemes;
- for conducting *Gram Sabha* meetings, assemblies and meetings for selection and execution of rural development schemes and proposing labour budget;
- to be used as citizen access centres for imparting information of MGNREGS at the village level;
- to operate Information and Communication Technology (ICT) facilities to support Gram Panchayat and block offices and for entering Management Information System (MIS) data at the Panchayat level; and
- to be used as a venue for meetings for redressal of grievances of the rural public.

Thus, PBs were planned to be facilitation centres for local self-governance.

2.4.2 Audit scope and methodology

We conducted an audit of the construction of PBs covering the period 2007-12 to see whether the PBs were constructed timely as per the approved target and were being utilised for the purposes for which they were envisaged, funds released for the purposes were managed efficiently and monitoring of the project execution was done properly. The audit was conducted between April and July 2012 through test check of records of the offices of the Panchayati

Raj Department (PRD) and the executing agencies¹ in 175 panchayats (**Appendix-2.23**) of 18² blocks under eight³ districts. We also conducted joint physical inspection with the executing agencies of 31 PBs.

Audit findings

2.4.3. Planning

Proper planning is imperative to achieve the objectives of a programme in a cost effective and timely manner. The Government of Jharkhand (GoJ) decided (March 2002) to construct PBs in all the Gram Panchayats so that after elections to Panchayati Raj Institutions (PRIs), the elected bodies may perform their duties efficiently. Accordingly, the Chief Secretary, Jharkhand issued instructions (August 2002) for the construction of PBs in all 4,423 GPs so that the State Government employees posted at the Gram Panchayat level could discharge their duties under one roof for the benefit of the rural people.

The PRD, GoJ initially prepared a model estimate (March 2003) for construction of each PB at a cost of ₹ 17.48 lakh. However, the estimate was revised (July 2005) to ₹ 19 lakh as per Schedule of Rates (SoR), 2005. Construction of 188 PBs was sanctioned out of State Plan funds from 2003-04 to 2006-07.

The model estimate was again modified (May 2007) to ₹ 16.24 lakh and 479 PBs were sanctioned from the State Plan. Further, the Panchayati Raj Department (PRD), GoJ issued (June 2007) instructions to the Deputy Commissioners (DCs)/District Development Commissioners (DDCs) to incorporate construction of PBs under from BRGF in their annual action plans.

Based on the data obtained from the PRD, we observed that 4,072 PBs were planned to be constructed from State Fund, RSVY, BRGF and Convergence of MGNREGS with BRGF funds up to March 2012 as detailed in **Table-1**.

Table-1: Scheme-wise construction of Panchayat Bhawans

Sl. No.	Year	State Plan	RSVY	BRGF	Convergence of MGNREGS & BRGF	Total	No. of PBs	
							Complete	Incomplete
1.	Prior to 2007-08	188	-	--	--	188	1729	2343
2.	2007-08	479	135	--	--	614		
3.	2008-09	--	71-	1023	--	1094		
4.	2009-10	--	-	507	73	580		
5.	2010-11	--	-	323	1273	1596		
6.	2011-12	--	-	--	--	0		
Total		667	206	1853	1346	4072	1729	2343

Source: Panchayati Raj Department

¹ Block Development Officer (BDO), District Rural Development Agency (DRDA), District Planning Office (DPO), National Rural Employment Programme (NREP), Rural Development Special Division, Rural Works Divisions and Zila Parishads.

² Chandwa, Chatra, Deoghar, Dhanbad, East Singhbhum, Ghatsila, Govindpur, Itkhor, Jamtara, Kara, Kalebira, Kuru, Latehar, Lohardaga, Madhupur, Narayanpur, Palojori and Simdega.

³ Chatra, Deoghar, Dhanbad, East Singhbhum, Jamtara, Latehar, Lohardaga and Simdega.

Thus, against the decision of the GoJ in August 2002 for construction of 4,423 PBs in all Gram Panchayats, only 4,072 PBs were sanctioned and taken up for construction while 351 PBs were not planned for construction (March 2012). Thus, the target to construct PBs in all the GPs could not be achieved even after 10 years of taking the decision to construct PBs in all the Gram Panchayats.

- Out of 4,072 GPs, PBs in 1,729 (42.46 per cent) GPs only were completed (March 2012) and 2,343 (57.54 per cent) were still under construction (July 2012). The scheme wise list of completed PBs was not available with the PRD.
- Our detailed examination of the records of 169⁴ PBs in the eight districts selected for test-check revealed that only 61 PBs were completed after incurring expenditure of ₹ 12.13 crore (*Appendix-2.24*) and with delays ranging between two and 40 months while 108 Panchayat Bhawans were incomplete even after incurring expenditure of ₹11.63 crore (*Appendix-2.25*).

Moreover, out of the 61 completed PBs, only 27 were handed over to the GPs during 2010-11, after delays ranging up to 14 months from the date of their completion. These PBs were utilised for activities like holding assemblies and meetings and selection and execution of schemes but in absence of electric connections, data entry of records and MIS entry was not done. At present, this work is being done in the block offices. The remaining 34 PBs were not handed over to the Panchayat Authorities in spite of having been completed upto 42 months before (March 2012) as reflected in the progress reports of the executing agencies. Though it was the responsibility of the BDO/Block Programme Officer to hand over the completed PBs to the GPs, neither was there any reason on record for not doing so nor was any reply given to audit by the BDOs in this regard.

Thus, even after incurring an expenditure of ₹ 11.63 crore, 108 PBs remained incomplete. Further, even the completed PBs are not fully operational due to non-initiation of action by the GPs to get the electricity and water connection etc. Since these are not fully operational, the expenditure of ₹ 12.13 crore on these PBs was only partially fruitful.

2.4.4. Financial Management

2.4.4.1 Release of funds and expenditure

The districts received funds from State Plan fund, RSVY, BRGF and MGNREGS. Thereafter, funds were released to the executing agencies for construction of PBs. Details of release and utilisation of fund during 2007-12 in the eight selected districts are given in **Table-2**.

⁴ Construction of four panchayat bhawans was not started under any scheme

Table-2: Release and expenditure on construction of Panchayat Bhawans in the selected eight districts during 2007-12(*₹ in crore*)

Name of District	Number of PBs to be constructed	Estimated cost	Release	Expenditure	Unutilised balance	Status of Panchayat Bhawans		
						Complete	Incomplete	Abandoned/Suspended
Chatra	156	30.34	21.32	14.91	6.41	27	129	0
Latehar	115	24.21	16.89	15.65	1.24	34	81	0
Simdega	94	17.21	14.41	13.76	0.65	71	22	1
Dhanbad	263	40.48	36.38	27.83	8.55	89	174	0
Jamtara	113	23.75	45.42	19.61	25.81	71	41	1
Lohardaga	59	11.60	10.56	8.98	1.58	28	29	2
Deoghar	201	27.79	27.75	24.20	3.55	95	106	0
East Singhbhum	199	43.63	28.36	26.84	1.52	57	142	0
TOTAL	1200	219.01	201.09	151.78	49.31	472	724	4

Source: Information furnished by PRD

Against allocation of ₹ 201.09 crore only ₹ 151.78 crore (75.48 per cent) was spent in the selected districts

As evident from **Table-2**, against the estimate of ₹ 219.01 crore, ₹ 201.09 crore (91.84 per cent) was released for construction of 1200 PBs out of which ₹ 151.78 crore (75.48 per cent) was spent leaving an unutilised balance of ₹ 49.31 crore during 2007-12. Out of 1200 PBs, 472 PBs were completed, 724 PBs were incomplete while four PBs were abandoned/suspended.

Thus, while on one hand the fund remained unutilised, on the other hand the non-completion of PBs defeated the intended objectives of the scheme.

2.4.4.2 Irregular retention of fund

Rule 611 of the Jharkhand Treasury Code (JTC), Vol. I stipulate that advances granted under special orders of the competent authority to government servants for departmental or allied purposes may be drawn on the responsibility and receipt of the government servants for whom they are sanctioned, subject to adjustment by submission of detailed accounts supported by vouchers or by refund, as may be necessary. Further, Rule 100 of Public Works Accounts Code (PWAC) prescribes that advances are granted to government servants against the passed vouchers and government servants are required to submit adjustment bills for advances drawn as soon as possible. No further advance can be granted to the government servant without adjustment/recovery of the previous advances. Advance register was also required to be maintained to monitor the adjustment of advances.

Our scrutiny of the records of Zila Parishad, Chatra revealed that a sum of ₹ 16 lakh was advanced by the District Engineer (August 2007 and April 2008), to the Assistant Engineer, out of State Funds for construction of Moktama Panchayat Bhawan at an estimated cost of ₹ 19 lakh. The scheme file, measurement book, vouchers and other allied records were not produced to Audit. As a result, we could not ascertain whether the construction of the PB had been completed or had even started. The advance remained unadjusted (June 2012).

On this being pointed out, the District Engineer, Zila Parishad, Chatra stated (September 2012) that a letter has been sent to the Certificate Officer, Chatra for filing a certificate case against the defaulter.

2.4.4.3 *Defalcation from Backward Region Grant Fund*

There was defalcation from Backward Region Grant Fund amounting to ₹ 1.70 crore

Construction of 17 PBs⁵ at an estimated cost of ₹ 3.38 crore at the rate of ₹ 19.91 lakh for each PB was allotted (December 2008) to Zila Parishad by the DC, Chatra under BRGF scheme. Out of this, ₹ 1.70 crore was made available (January 2009) to the District Engineer for execution of the schemes. The entire amount was subsequently advanced (January 2009) to Sri Lalan Chaudhary, Assistant Engineer for construction of the PBs though he had neither submitted the adjustment bills and vouchers for the previous advance nor refunded the money provided for construction of Moktama Panchayat Bhawan (advanced to him in July 2007 and April 2008), violating the codal provision. The adjustment vouchers for 17 PBs were not submitted even after lapse of 42 months (June 2012).

Scrutiny of records revealed that the First Information Report (FIR) had been lodged on 17 June 2009 (FIR no.134/09) by the Sub-Divisional Officer, Chatra against the Assistant Engineer and others (six retired District Engineers (DE), one retired JE and one DE) for defalcation of government money, but the advance of ₹ 1.70 crore still remained to be adjusted/recovered (June 2012).

The advance was not adjusted as the advance ledger was not maintained to watch recovery of unadjusted advances and initiate action against the defaulters. Thus, there was complete laxity in discharge of duties by the DDC regarding adjustment/ recovery of advances given to the executing agencies as the concerned AE was given subsequent advances in spite of non-adjustment of the previous one.

2.4.4.4 *Payment on fake vouchers*

Payment of ₹ 7.38 lakh was made on vouchers having fake TIN

Rule 12 read with Rule 34 of the Jharkhand Financial Rules envisages that every controlling officer must satisfy himself that the prescribed checks against loss of public money have been effectively applied and government servants should be held responsible for any losses to the Government through fraud or negligence on their part.

During scrutiny of the records of PBs at Baghuria, Maghulia and Ulda in Ghatsila block of East Singhbhum we noticed that ₹ 7.38 lakh was paid by BDO, Ghatshila to M/s Amla Materials, Ghatsila against the purchase of building materials (bricks, steel, cement, chips and sand) between August 2011 and February 2012. According to the bills, the Tax Identification Number (TIN) of the dealer was 20562405243. The details of the vouchers are given in **Table-3**.

⁵ Koyad, Kalyanpur, Benti Churi (North) in Tandwa Block, Margada in Kunda Block, Babhne, Rampur, Sidki in Pratappur Block, Giddhaur in Giddhaur Block, Tarwagada, Kataiya, Tilhet, Karailibar, Jabda, Urauli in Hunterganj Block and Jamribuxpura, Damdoiya in Chatra Block.

Table-3: Statement showing payment on fake vouchers

Sl. No.	Bill No/Date	Amount (in ₹)
1.	8/3.9.11	39446
2.	48/8.2.12	93250
3.	66/14.9.11	33448
4.	69/11.8.11	81295
5.	70/12.8.11	84154
6.	71/17.10.11	109505
7.	87/2.12.11	165742
8.	88/23.11.11	64190
9.	89/22.11.11	57966
10.	156/28.1.12	9302
Total		738298

Source: Scheme files of the block

As evident from **Table-3** bill nos. 69 and 70 were issued in August 2011 while bill number 8 and 66 were issued in September 2011, 88 and 89 issued in November 2011, 87 in December 2011, 156 in January 2012 and 48 in February 2012 which was irregular keeping in view the chronological order of the bills. Further, on verification of the TIN of the shop on the website of the Department of Commercial Taxes it was found that the aforesaid TIN was not issued to any such firm by the Department, which was also confirmed by the Commercial Tax Department.

As such the genuineness of the said bills could not be confirmed and payment of ₹ 7.38 lakh on fake bills cannot be ruled out.

On this being pointed out in audit, the BDO did not give any proof regarding the genuineness of the bills.

2.4.4.5 Unadjusted advance

Scrutiny of the records relating to the construction of the PB at Salgi panchayat in district Lohardaga revealed that against the estimated cost of ₹ 16.24 lakh, ₹ 13.72 lakh was advanced by BDO, Kuru (between October 2007 and May 2009) to Member Secretary, KAIRO Larger Area Multipurpose Society (LAMPS) for construction of the PB. The stipulated date of completion was March 2008. Work valued at ₹ 10.68 lakh was measured (March 2009) up to the fourth Running Account (RA) bill. The fifth RA bill was submitted after a lapse of nine months (December 2009) by the executing agency for ₹ 14.29 lakh, without supporting vouchers and muster rolls amounting to ₹ 3.61 lakh (₹14.29 lakh - ₹ 10.68 lakh). Though a period of four years has passed since the due date of completion, the work still remained incomplete (April 2012).

Thus, due to the fifth and subsequent advances made between September 2008 and May 2009 after the scheduled date of completion and non-submission of the adjustment vouchers by the executing agency, the advance of ₹ 3.04 lakh (₹ 13.72 lakh-₹ 10.68 lakh) remained unadjusted which is fraught with the risk of misappropriation of government money.

On this being pointed out, BDO, Kuru stated (April 2012) that Member Secretary, KAIRO Larger Area Multipurpose Society (LAMPS) has been asked to submit the Muster Rolls and vouchers for adjustment of advance.

The fact remains that even after lapse of more than three years, the BDO, Kuru did not take any action against the defaulter for adjustment of the advance or for completion of the work.

2.4.4.6 *Blocking of funds*

As per the directions issued (July 2007) by the PRD, the Deputy Development Commissioners (Administrative Head of Zila Parishad) will transfer the grants obtained from the PR Department for construction of PBs to the BDOs. The DDCs will ensure completion of the PBs within six to seven months from the date of issue of the sanction order and submit monthly physical and financial progress reports to the Department.

Scrutiny of records in three⁶ out of eight test-checked districts revealed that:

- Rupees 6.50 crore was released between 2007 and 2011 by the PR Department to the DDCs of the three districts⁷ for construction of 40 PBs, against which ₹ 4.62 crore was released to the BDOs⁸ and the executing agencies and the balance ₹ 1.88 crore remained with the DDCs since March 2011 in violation of the orders of the Department where it was clearly instructed that the allotted fund would be transferred to the BDOs.

On this being pointed out (April to July 2012) by us it was stated by the District Engineer, Chatra that the BDOs were asked to furnish the latest position of the schemes so that after evaluation of the work, the remaining allotment could be released.

The reply of the District Engineer, Chatra confirms that the DDCs were not monitoring the progress of work.

- PRD, Government of Jharkhand released ₹ 1.11 crore to Zila Parishad, Chatra for construction of six⁹ PBs during 2004-07. The work was required to be completed within six months.

Scrutiny of records revealed that in spite of expenditure of ₹ 90 lakh (March 2012) against release of ₹ 1.11 crore, all six PBs were incomplete and the balance grant of ₹ 21 lakh remained unutilised/unspent.

Rupees 69.50 lakh released to seven executing agencies remained unutilised

- A total sum of ₹ 69.50 lakh released (2010-11) to seven executing agencies¹⁰ for construction of 22 PBs/ *Bharat Nirman Rajiv Gandhi Seva Kendras* (BNRGSKs) in Deoghar (21 BNRGSK) and Lohardaga (one PB)

⁶ Chatra, East Singhbhum and Latehar

⁷ Chatra (18), East Singhbhum (13) and Latehar (9)

⁸ **CHATRA**- Block Chatra, Giddhaur, Hunterganj, Itkhori, Lawalong, Mayurhand, Pathalgada, Pratappur, Simaria and Tandwa. **LATEHAR**- Block Barwadih, Balumath, Chandwa, Latehar and Mahuatar and **EAST SINGHBHUM** Block Bahragoda, Dhalbhumgarh, Ghatshila, Jamshedpur, Musabani and Patmada.

⁹ Bagra, Garilong, Jori, Kanhachatti, Muktama, Pitiz (west), in Chatra District.

¹⁰ Zila Parishad, Deoghar(13), RD Special Division(2), BDOs Deoghar(1), Mohanpur (2), Sarwan (2), Sarath (1) and Zila Parishad, Lohardaga (1)

remained unutilised since February 2011 and was lying with the executing agencies.

On this being pointed out, DDC, Zila Parishad, Deoghar furnished a copy of an order in which it was mentioned that construction of 21 BNRGSKs was cancelled (December 2011) on the basis of the report of the District Engineer/Executive Engineer, RD Special Division and BDOs that construction was not possible. The reasons for this were, however, not on record. Regarding cancellation of the PB in Lohardaga it was stated by BDO, Senha that construction could not be started as the site was in a hilly and remote location.

This implies that the sites for the PBs were not being selected after due process and as such the construction of PBs in those Panchayats was not taken up/completed. Thus, the objective of using these bhawans as panchayat offices remained unfulfilled.

2.4.4.7 Construction of Panchayat Bhawans without title to the land

As per the order issued by DC (March 2009), PBs were to be constructed on government land and in case of non availability of government land, the PBs could be constructed on Raiyati¹¹ land after donation of the land by the owner in the name of the Hon'ble Governor through registered deed before construction of PBs by the executing agencies. Otherwise, the executing agencies would be held responsible for any litigation/dispute regarding land arising after commencement of work.

Scrutiny of the records in three districts¹² revealed that contrary to the provision mentioned above, construction of 11¹³ PBs was taken up during the period 2007-08 to 2010-11 on Raiyati land at a cost of ₹ 1.97 crore without transfer of ownership of land. Instead, the plots of land were obtained from the owners through notarised affidavits, which was irregular and a deviation from the rules rendering the expenditure of ₹ 1.33 crore irregular.

On this being pointed out (between April 2012 and July 2012) by us no reasons were assigned by the executing agencies as to why the title was not transferred to the Government of Jharkhand and why the construction was taken up without transfer of title.

2.4.4.8 Irregular expenditure out of MGNREGS fund

According to paragraph 6 of the guidelines of Government of India for construction of *Bharat Nirman Rajiv Gandhi Sewa Kendra cum Panchayat Sachivalaya* (BNRGSK), the maximum expenditure permissible to be incurred on each BNRGSK from MGNREGS funds is ₹ 10 lakh. We noticed that this ceiling of ₹ 10 lakh was violated during construction of 33 PBs in district Latehar and three PBs in district Jamtara.

- Construction of 33 numbers of PBs was administratively approved by DC, Latehar in 2010-11 under convergence schemes. The estimated cost of

Construction of 11 PBs was taken up on Raiyati land without transfer of ownership

¹¹ Land belongs to private person (Raiyat)

¹² Chatra, Simdega and Latehar

¹³ Chandwa East P/B (Chandwa), Karni, Malakpur (Itkhor), Bangru, Kulukera, Adharma, Domtoli (Kolebira), Nawatoli, Raisia, Shahpur, Bendi (Latehar)

Rupees 1.16 crore was irregularly diverted from MGNREGS fund

each building was ₹ 24.50 lakh. Out of ₹ 24.50 lakh, ₹ 13.50 lakh was allocated from MGNREGS against the permissible limit of ₹ 10 lakh only and ₹ 11 lakh was allocated from BRGF. This resulted in excess allocation of ₹ 3.50 lakh from MGNREGS in each scheme.

Therefore, for the construction of these 33 PBs, ₹ 1.16 crore was irregularly diverted from MGNREGS fund.

- Scrutiny of records of three PBs¹⁴ constructed (2010-11) under the convergence schemes in Jamtara revealed that the entire expenditure of ₹ 59.80 lakh was incurred out of MGNREGS fund resulting in excess expenditure of ₹ 29.80 lakh (₹ 59.80 lakh- ₹ 30 lakh) beyond the ceiling fixed for expenditure from MGNREGS.

BDO, Jamtara stated (July 2012) that MGNREGS funds were utilised in anticipation of allotment of fund from BRGF.

The reply is not acceptable as the expenditure was incurred against the provisions of BNRGSK guidelines.

2.4.4.9 Irregular use of Panchayat Bhawans

As per State and BNRGSK guidelines, the purpose of construction of PBs was to use them as panchayat offices at Gram Panchayat level for conducting Gram Sabha meetings/assemblies for selection and execution of rural development schemes, as citizen access centres for imparting information relating to MGNREGS and to operate ICT facilities at village level.

However, scrutiny of the scheme files and physical verification of 31 PBs in the selected districts revealed that six completed PBs (only one i.e., Sonebad PB handed over) were being irregularly used by ineligible occupants as detailed below:

- Two PBs¹⁵ constructed at Narayanpur (Jamtara District) and Chandwa (Latehar District) were occupied by the Police Department since January 2011 and June 2011 respectively.



Deolbari Panchayat Bhawans occupied by Police Department
(Photographs taken on 04 July 2012)

- One PB at Udalbani (Jamtara District) was occupied by the Fire Services Department since July 2010.
- Two PBs in Ghatsila (East Singhbhum District) and Chatra Blocks (Chatra District) were being utilised as Block offices.

¹⁴ Beva, Ladhna and Supaidih in Jamtara

¹⁵ Deolbari, PB in Narayanpur and Boda PB in Chandwa Block.

- One PB (Sonbad, which was handed over to GP) in Jamtara was converted into a godown wherein foodgrains were being stocked by State Food Corporation (SFC) as depicted in the picture given below:



Sonbad Panchayat Bhawan in Jamtara

On this being pointed out, the DDC, Jamtara stated (July 2012) that the Deolbari PB was constructed at a very remote place i.e., on the border of Jamtara and Giridih districts and due to law and order problems a police camp was temporarily stationed there. However, a request had been made to the Superintendent of Police (SP) to remove the camp. As for the Udalbani PB the DDC stated (July 2012) that a new building of the Fire Services Department has already been constructed and a request to vacate the PB had been made to DC, Jamtara but it was not vacated till June 2012.

In Ghatshila, as the PB constructed for Dharambahal Panchayat was being used as a block office, the Mukhiya had requested (April 2011) the BDO, Ghatshila for construction of the PB at another location but this had not materialised till June 2012. The BDO, Ghatshila replied (September 2012) that as the existing building was in a dilapidated condition the Block office had been shifted to the Panchayat Bhawan.

Thus, due to unauthorised occupation of the six PBs, the purpose of construction of PBs was defeated.

2.4.5 Monitoring

As per the directions (September 2007) of the PRD, there should be an Inspection Committee constituted by the Gram Sabha for inspection and monitoring of the construction in each gram panchayat. Zila Parishad/DRDAs also issued guidelines (June 2007) for constitution of such Inspection Committees. The purpose of the inspections was to offer guidance and to improve efficiency in execution and timely completion of the schemes.

We noticed that though such committees were constituted in all the test checked Gram Panchayat, no report with regard to inspection being conducted, if any, by the committees was on record.

The Department also issued directions (July 2007) to the DDCs for furnishing monthly progress reports showing the status of the work to the Department. Further, as per the guidelines of BNRGSK issued by Government of India (January 2010), it was the responsibility of the District Programme Co-ordinator (DPC) i.e., Deputy Commissioner to ensure the quality of construction and timely completion of BNRGSK-cum-Panchayat Sachivalaya buildings.

Monitoring and supervision of work was not effective

We noticed that while the progress report in respect of PBs being constructed out of funds made available under BRGF/Convergence of BRGF with MGNREGS were prepared by the executing agencies and submitted to the DCs, those in respect of PBs being constructed out of State Plan were not furnished to the DDCs by the executing agencies i.e., BDOs. This implied that PRD was unaware of the status of the construction of the PBs out of State Plan funds.

In response to our query regarding the monitoring mechanism in place to ensure qualitative and timely completion of the PBs, only DDC, Jamtara replied (July 2012) that site inspection was done from time to time and verbal instructions were issued while the Executive Engineer, RD (Special Division), Chatra stated (September 2012) that inspection of the work was conducted by the Assistant Engineer and Executive Engineer from time to time.

Thus, it would be evident that the monitoring mechanism was not effective, as 108 PBs remained incomplete much after (3 to 58 months) the stipulated date of completion.

2.4.6 Conclusion

The objective to provide PBs in all the *Gram Panchayats* of the State remained unfulfilled as against 4,423 PBs, 2,694 PBs were not yet completed/taken up as on June 2012. We noticed instances of ineffective planning, financial mismanagement and absence of regular supervision and monitoring of the schemes at various levels. Moreover, some PBs, though already constructed were either not handed over or were not being used for the purposes for which they were constructed. Resultantly, the aim to make PBs as facilitation centers to aid local governance remained unfulfilled.

2.4.7 Recommendations

- *Regular inspection and monitoring should be carried out to ensure timely implementation of the works and utilisation of released fund according to the orders and guidelines of the scheme.*
- *Due diligence in site selection and transfer of title of private land before construction need to be ensured to avoid future litigation.*
- *PBs should be handed over to the Gram Panchayats immediately on completion, so that objectives underlying their construction can be achieved.*

The matter was reported to the Government (September 2012). Their reply had not been received (February 2013).

CHAPTER – 3

DISTRICT CENTRIC AUDIT

Chapter-3

3.1 District-Centric Audit of Palamu

Executive Summary

The District-Centric Audit of Palamu aimed to focus on devolution of finances and implementation of significant socio-economic development programmes in the District. The report covered implementation of Sampurna Gram Swarojgar Yojana (SGSY), Indira Awaas Yojana (IAY), Sarva Shiksha Abhiyan (SSA), Mid-day Meal (MDM) Programme, National Rural Health Mission (NRHM), Integrated Child Development Services (ICDS), Disaster Management, Drinking Water & Sanitation, State Roads and Modernisation of Police Force (MoPF). Significant audit findings are narrated below:

- There is no mechanism in vogue to capture the entire sector-wise funds flow in the district in an aggregated manner at any given point of time. District Planning Committee in Palamu was constituted in December 2011 i.e. 18 years after the 74th Constitutional amendment. The DPC met only once and its functioning remained perfunctory and incomplete. Five year Perspective Plans as well as the Annual Action Plans for the district were not prepared. Transfer of funds, functions and functionaries to Panchayati Raj Institutions (PRIs), as envisaged in the Act, was also not done (December 2012).

Government should ensure the involvement of PRIs in planning and implementation of schemes.

- Despite intervention of SSA, large number of children remained out of school, Pupil-Teacher Ratio (PTR) was below the prescribed norm and the PTR was worse in the blocks located away from District headquarters. Construction of a large number of buildings and class rooms was either incomplete or was stopped mid way for want of land. There was shortfall in supply of free text books to children. There was lack of basic amenities in the schools.

Government should ensure that adequate infrastructure and basic amenities are provided in schools.

- In implementation of MDM, 1,974.79 MT of rice valuing ₹ 4.12 crore was not taken into stock of schools, though shown issued by SFC godowns. We also observed diversion of MDM rice to other schemes and misutilisation of cooking funds. MDM was found disrupted in some schools due to inadequate supply of foodgrains.
- Even after implementation of NRHM there were shortages of health centres at district block and village levels compared to the norms of NRHM. Basic health care services like blood storage, Obstetric care, facilities of Ultra Sound, ECG, services of gynaecologists etc. were not available in the CHCs. CT Scan Machine, Mechanised Laundry and Incinerator installed in Sadar Hospital remained non-functional. Despite implementation of Janani Suraksha Yojana, all the registered pregnant

women did not receive all three ante-natal check ups and institutional delivery was only 40 *per cent* of the total number of women registered during 2009-12.

Government should ensure basic infrastructure/health care facilities at Community Health Centres (CHCs), Primary Health Centres (PHCs) etc. under NRHM

- In implementation of Supplementary Nutrition Programme (SNP) under ICDS, we observed that out of 2,583 Anganwadi Centres (AWCs), 2,484 had no toilets and 2,026 had no hand pumps during 2009-12. Shortfall in SNP also ranged between 36 and 38 *per cent*.
- Foodgrains valuing ₹ 44.96 crore for BPL, AAY, Annapurna and Additional BPL Schemes shown issued by SFC were not shown received by Fair Price Shops. The discrepancy was not reconciled.
- In Drinking Water & Sanitation Division two piped water supply schemes for a population of 75,000 were stopped midway and expenditure of ₹ 19.17 crore incurred on procurement of pipes was rendered unfruitful.
- Thirty one roads completed at a cost of ₹ 27.86 crore during 2007-12 under PMGSY were not maintained and 86 roads covering 181 habitations remained incomplete after incurring an expenditure of ₹ 42.60 crore.

Under PMGSY, Government should ensure providing all weather road connectivity to unconnected habitations.

- Under RGGVY, only 668 villages out of 1,457 villages were electrified. Unfruitful expenditure of ₹ 3.86 crore was incurred on providing meters to electrified BPL connections, as the consumers were billed at a flat rate.
- Under SGSY, 861 *swarojgaris* were deprived of bank finance as they were not imparted training for want of a building.
- Police force in Palamu lacked infrastructure like police station and out post buildings, quarters for lower and upper sub-ordinates, barracks, vehicles etc. Phasing out of old and outdated weapons was also not done in the district.
- District Planning Committee (DPC) was required to review the progress of schemes in its meetings. In the solitary meeting of DPC, no review of schemes was done. Besides this, the committees of GPs, PSs and ZP were also to be constituted for looking after the functions within their jurisdiction but due to non-constitution of these standing committees monitoring of developmental works could not be done.

Government should ensure strengthening of monitoring mechanism to achieve desired objectives.

3.1.1 Introduction

The district of Palamu has a population size of 19.36 lakh inhabitants, who primarily depend upon agriculture, forestry and livestock rearing for their subsistence. It is bounded by Aurangabad district (Bihar) in the north, Chatra district in the east, Latehar district in the south and Garhwa district in the west.



Having an area of 5,043.80 sq. km., Palamu district is divided into three sub-divisions¹ and 20 blocks. It includes 283 *Gram Panchayats*, 20 *Panchayat Samities*, one Municipal Council and one *Zila Parishad*. Some important indicators of socio-economic development in the district are given below:

Administrative division	Palamu division
District Headquarters	Daltonganj (Medininagar)
Police Station	21
Population density	381 per sq. km.
Scheduled Caste	4.24 lakh (27.55 per cent)
Scheduled Tribes	1.39 lakh (9.03 per cent)
Sex ratio	947 female per thousand male
Literacy rate	65.50 per cent
Percentage of BPL families	79 per cent of total families
Total Households	2,52,319
Rural Households	2,37,337
Urban Households	14,982
Number of villages	1,918
Villages with electricity	34.50 per cent
Population covered under water supply schemes	99.83 per cent
Fair Price Shops	1,434
Number of Schools	2,818
Health Care Centres	220 including private health facility
Infant Mortality Rate (per 1,000)	38
Maternal Mortality rate (per lakh)	208
Total Fertility rate	3.2 per cent
Number of branches of banks	60 commercial and 33 co-operative banks
Road connectivity	23.57 per cent villages

Source: District profile prepared by District Planning Officer and census 2001

¹ Chhattarpur, Hussainabad and Medininagar.

The district-centric audit of Palamu aims to focus on a district-centric approach to devolution of finances for socio-economic development programmes, utilisation of funds and implementation of programmes relating to education, health, rural development, social welfare, drinking water and sanitation, roads, disaster management, electricity and law and order.

3.1.2 Administrative structure

The Deputy Commissioner (DC) is the administrative head of the district and is the sanctioning authority for all programmes. The DC, being the Chairman of the District Rural Development Agency (DRDA), ensures co-ordination between the DRDA, Panchayati Raj Institutions (PRIs), Block Development Officers (BDOs) and all line departments in the district.

The DC is assisted by the Deputy Development Commissioner (DDC) and district level officers of various departments. The DC is responsible for planning and monitoring of progress in implementation of various developmental programmes in the district. He is assisted by the Superintendent of Police (SP) and four Deputy Superintendents of Police.

Further, Article 243 ZD of the Constitution provides for a District, District Planning Committee (DPC) headed by the Minister In-Charge.

The DPC in the district was constituted in December 2011. As envisaged in the Jharkhand Panchayati Raj Act, (JPRA), 2001 the Government was to transfer 75 functions to *Gram Panchayats* (GPs), 114 functions² to *Panchayat Samiti* (PS) and 124 functions to *Zila Parishad* (ZP) pertaining to 29 matters.

However, the identified functions were not transferred to PRIs (December 2012).

Audit framework

3.1.3 Audit objectives

The audit objectives were to examine whether:

- the decentralised planning in the district was effective;
- the financial management was efficient;
- the scheme objectives were achieved; and
- an effective monitoring mechanism was in place.

3.1.4 Audit criteria

The audit criteria applied for framing the audit comments were drawn from:

- Jharkhand Panchayati Raj Act, 2001;

² Functions pertained to details of works to be done under different matters such as land development, agriculture and horticulture, development of dairy farms, providing drinking water facilities etc.

- Annual Action Plans and Project Implementation Plans;
- Guidelines of the concerned programmes and schemes;
- Jharkhand Financial Rules, Jharkhand Public Works Accounts/ Department Code and Police Manual etc and
- Prescribed monitoring mechanisms of the selected programmes.

3.1.5 Scope and methodology of audit

A district-centric audit of Palamu district encompassed an appraisal of significant socio-economic developmental programmes³ implemented in the district during the period 2009-12.

The audit commenced with an entry conference held in March 2012 with the Deputy Commissioner, Palamu to discuss the audit objectives, audit criteria and the desired outcomes. The audit was conducted (April-June 2012) by test check of records in respect of various district level offices responsible for implementation of various welfare schemes (*Appendix-3.1*). A report on implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) in the State is being published separately. The results of the audit were discussed in the exit conference held with the Deputy Commissioner on 13 December 2012, and his views have been suitably incorporated in the review. The replies of the Government are awaited (February 2013).

Audit findings

3.1.6 Planning

3.1.6.1 District Planning Committee

According to Section 127 of the JPRA, the DPC was to prepare a five-year plan as well as Annual Action Plans (AAPs) for the district, a database of all natural and human resources and list out all the activities to be taken up. The DPCs were to consolidate development plans prepared by PRIs and ULBs and monitor the progress of implementation of the District Plan and to intimate the progress of implementation to the Government. As per Section 130 of the JPRA, 2001, DPC meetings were to be held at least once in an interval of two months.

We observed that the five year plan as well as the Annual Action Plan (AAP) for the district was not prepared during the period 2009-12. Though required under the provision of the Act, the DPC did not monitor the progress of implementation of the schemes.

However, monitoring of the schemes was conducted through regular monthly meetings by DC.

Five-year plans as well as the Annual Plans for the district were not prepared

³ **Social Sector:** Health, Education, Water Supply and Sanitation; **Economic sector:** Infrastructure, Road connectivity, Rural Electrification, Employment generation and **General Sector:** Law and Order.

We further observed that the DPC was instituted on 22 December 2011 after one year of PRI elections and met only once (27 December 2011) as of June 2012. In its first meeting the DPC approved the Annual Action Plan (AAP) of MGNREGS for the year 2012-13 and accorded ex-post-facto sanction to the AAP of Backward Region Grant Fund (BRGF) for the period 2011-12.

Thus, due to delayed institution of the DPC, the objective of comprehensive, participative and bottom up planning for the district remained unfulfilled.

3.1.6.2 Transfer of functions, functionaries and funds (3Fs) to PRI

According to Section 69 of the JPRA, 2001, the GPs were to meet every month to discuss the progress of implementation of the decisions taken in the previous meeting and the financial and physical progress of developmental works carried out in the previous month. Sections 71 and 72 of the JPRA further, provide for constitution of seven⁴ standing committees for GPs and eight⁵ each for PS and ZP to look after the functions⁶ within their jurisdiction. Besides this, as per the Article 77B of the JPRA, the existing District Rural Development Agency (DRDA) was to be merged with ZP.

Since transfer of power to PRIs did not take place, permanent committees at GP, PS and ZP levels were also not constituted as of June 2012. Due to non-transfer of works to the PRIs, bottom up planning and monitoring of developmental works could not be achieved in the district, as has been envisaged in the JPRA.

The District Planning Officer stated (December 2012) that the process of transfer of funds, functions and functionaries was being initiated.

3.1.7 Financial management

3.1.7.1 Fund flow arrangements

- In regard to most of the rural social welfare schemes in the district, especially in case of Centrally Sponsored Schemes, funds flow directly to the implementing agencies outside the Government account. Various departments implement developmental schemes through the implementing agencies like District Rural Development Agency (DRDA), District Health Society (DHS) National Rural Health Mission (NRHM), and District Programme Officer (DPO) *Sarva Shiksha Abhiyan* (SSA) etc. at district level.
- The centralised data of availability of funds for the schemes and expenditure incurred thereagainst under various sectors by Government departments as well as agencies like DRDA, DHS etc. was not available

⁴ General Administration Committee, Development Committee, Women, Children and Social Welfare Committee, Health, Education and Environment Committee, Government Estate Committee, Infrastructure Committee and Village Defence Committee.

⁵ General Administration Committee, Agriculture and Industries Committees, Health and Education Committee, Finance and Audit Committee, Planning and Development Committee, Co-operative Committee, Women, Child and Social Welfare Committee, Forest, Environment, Communication and works Committee.

⁶ General administration, development work, agriculture, health and family welfare, forest and environment, public assets etc.

with the District Planning Officer. Arrangement for fund flow, both from GoI and the State Government, with respect to important social and economic sectors schemes/ programmes in the district is given in **Appendix-3.2**.

A compilation of the Funds Available (FA) with the DDOs and other agencies received from the State Governments and the GoI Ministries and Expenditure⁷ incurred (Ex) thereagainst, for the period 2009-12 in important social and economic sector developmental schemes in Palamu District is detailed in **Table-1**.

Table-1: Fund position of important social and economic developmental schemes in Palamu District

(₹ in crore)

Sector	Scheme	DDO/ Agency	2009-10		2010-11		2011-12		Progressive unspent balance
			FA	Ex	FA	Ex	FA	Ex	
1	2	3	4	5	6	7	8	9	10 (8-9)
Social	NRHM	DHS	11.36	8.13	23.21	19.06	23.44	12.75	10.69
Social	ICDS	DSWO	17.89	16.17	31.69	30.39	32.29	30.50	1.79 surrendered
Social	SGSY	DRDA	12.57	8.23	12.33	5.41	14.42	2.92	11.50
Social	IAY	DRDA	23.18	13.17	60.62	26.11	52.98	34.80	18.18
Social	SSA	DPO	120.94	119.03	109.83	91.15	93.39	62.90	30.49
Social	MDM	DSE	23.94	23.04	26.08	18.73	40.93	27.10	13.83
Social	Disaster Management Programme	DC	10.55	10.38	19.35	19.35	0.70	0.70	-
Social	NRDWP	EE, DW&SD	46.78	8.09	45.76	25.46	26.24	5.27	20.97
Economic	State Roads	EE, RCD	43.65	42.94	20.37	18.30	11.91	10.75	1.16 Lapsed
Economic	RGGVY	EE, JSEB	18.57	1.61	16.96	-	16.96	-	16.96

Source: Designated DDOs and executing agencies

Note: (I) FA=It includes closing balances of previous year in respect of schemes having non-lapsable nature of funds.

(II) As MoPF budget is prepared for the State level as a whole and is not district centric, hence, information regarding availability of funds and expenditure thereagainst was not available with the SP, Palamu.

Under-utilisation of funds shown in **Table-1** was mainly due to non-commencement of work for want of land, slow progress of work, release of fund at the end of the financial year etc, as discussed in the succeeding paragraphs.

Programme implementation

Social sector

A review of the implementation of the flagship programmes under social sector viz Sarva Shiksha Abhiyan (SSA), Mid-Day Meal (MDM), National Rural Health Mission (NRHM), Integrated Child Development Programme (ICDS) and schemes related to drinking water and sanitation under Departments of Human Resource Development, Health, Social Welfare and

⁷ Expenditure including disbursement made to implementing agencies

Drinking Water & Sanitation, revealed several shortcomings as discussed in the succeeding paragraphs:

3.1.8 Elementary education- Sarva Shiksha Abhiyan (SSA)

SSA, a Centrally Sponsored scheme, was launched by GoI (January 2001) for universalisation of primary education by 2010 for all children in the age group of 6 years to 14 years. According to paragraph 9.1 of the manual of SSA, it was essential to conduct household surveys and have a micro plan in every habitation to gather information about all children from 6 years to 14 years enrolled or never enrolled, out of school or within the system, studying in private schools or schools of autonomous bodies/Government.

Jharkhand Education Project Council (JEPC) is the agency for implementation of SSA in the State. The State Project Director (SPD) is in-charge of overall implementation at the state level. At the district level, the District Programme Officer (DPO), at block level, the Block Extension Education Officer (BEEO) and at village level, the Village Education Committee (VEC) are responsible for planning, implementation and monitoring.

During 2009-12, out of ₹ 303.59 crore available including opening balance of ₹ 9.22 crore for the scheme, expenditure of ₹ 273.10 crore was incurred. There was an unspent balance of ₹ 30.49 crore.

Shortcomings noticed in implementation of SSA in the district are discussed below:

3.1.8.1 Enrolled, never-enrolled and dropped out children

The position of children in the age group of 6 to 14 years for the period 2009-12 who were 'enrolled', 'never enrolled' and 'dropped out' in the District is given in Table-2:

Table-2: Details showing children enrolled, never enrolled and dropped out

Year	Enrolled			Never enrolled			Dropped outs			Total out of school children (7+10)
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	
1	2	3	4	5	6	7	8	9	10	11
2009-10	262739	242875	505614	641	954	1595	940	1399	2339	3934
2010-11	260983	251191	512174	351	523	874	583	871	1454	2328
2011-12	250162	243002	493164	1163	1218	2381	1927	2019	3946	6327

Source: Enrollment data compiled by DPO, Palamu

Table-2 shows that enrolment during 2010-11 increased marginally over the preceding year whereas it decreased during 2011-12. Similarly, the number of never enrolled and drop out children decreased marginally during 2010-11, whereas a sharp increase was noticed during 2011-12.

3.1.8.2 Pupil-teacher ratio and deployment of teachers

As per paragraph 21.3 of SSA Manual, Pupil-Teacher Ratio (PTR) should be 40:1. We observed that against this norm, PTR was as high as 60:1 in Hussainabad, Panki and Pipra Blocks of the district during 2011-12. Analysis

Pupil-Teacher Ratio (PTR) ranged between 48:1 and 60:1 in the blocks which were far away from the District headquarters

of District Information System of Education (DISE)⁸ data for the year 2011-12 revealed that the deployment of teachers⁹ against total number of students varied between various blocks. In Medininagar Sadar Block, PTR was 38:1 whereas in other blocks which were far away from the District headquarters, the PTR ranged between 48:1 and 60:1 (*Appendix-3.3*). We observed that the remote areas are more dependent on Para teachers who are locally recruited and cannot be transferred. Shortage of teachers has an adverse impact on the quality of education, especially in far flung areas of the district.

During the exit conference the DPO stated (December 2012) that rationalisation of PTR is being done by proper deployment of government teachers.

3.1.8.3 School infrastructure

As per Paragraph 26 of SSA Manual, under civil works, New School Building (NSB), Additional Classrooms (ACR), Block Resource Centre (BRC), Cluster Resource Centre (CRC) etc. were to be included in AWP&B and construction was to be taken up as per approved / sanctioned target.

We observed that construction of NSB and two/three room set of additional classrooms was sanctioned under SSA during 2009-12, the period of completion of which was six months from the release of fund. It was noticed that 34 NSBs sanctioned at an estimated cost of ₹ 2.72 crore during 2010-11 were not taken up as of December 2012 due to non-availability of land.

Further, out of 4,858 schemes (9,721 ACRs) sanctioned during 2009-11 at an estimated cost of ₹ 19.95 crore, for construction of 688 schemes (1,381 ACRs) were not taken up as of December 2012, as shown in **Table-3**:

Table-3: Details showing schemes sanctioned, completed, not taken up and incomplete
(₹ in crore)

Year	Name of schemes	No. of schemes sanctioned	Amount	No. of schemes completed	Amount	No. of schemes not taken up	Amount	No. of schemes incomplete	Amount
2010-11	NSB	34	2.72	Nil	Nil	34	2.72	Nil	Nil
2009-10	2ACR	1800	58.48	1462	47.50	Nil	Nil	338	10.98
2010-11	2ACR	2253	63.08	967	27.08	285	7.98	1001	28.03
2011-12	2ACR	800	23.28	39	1.14	398	11.58	363	10.56
2010-11	3ACR	05	0.39	Nil	Nil	05	0.39	Nil	Nil
Total		4892	147.95	2468	75.72	722	22.67	1702	49.57

Source: Compiled by JEPC on the basis of information furnished by DPO, Palamu

Note: During 2009-10 and 2011-12 no NSB and ACR (three rooms) was sanctioned

1,702 schemes were pending after incurring expenditure of ₹ 49.57 crore even after expiry of the due date of completion

It would be seen from **Table-3** that of 4,170 schemes taken up for construction of ACRs, 1,702 (41 per cent) schemes were pending after incurring expenditure of ₹ 49.57 crore even after expiry of the due date of completion. These schemes were pending mainly due to dispute among VEC members, non-availability of adequate land etc as reported by DPO in his monthly progress report.

⁸ DISE: Base line data generated from school level and compiled at district level as part of information system of education.

⁹ Both para teachers and government teachers.

Thus, due to non-completion of the 1,702 ACRs the intended purpose of creating infrastructure was not fully achieved. It was also noticed that in 312 upgraded primary schools there were 1,532 rooms (DISE data of March 2012) against the requirement of 936 rooms (three rooms in each school as per SSA norms) resulting in 596 excess class rooms. The construction of rooms was approved by DPO. The cost of construction of these rooms was ₹ 7.45 crore calculated at the minimum rate of ₹ 1.25 lakh (reported by Chief Engineer, JEPC)

During the exit conference DPO stated (December 2012) that steps were being taken to complete the schemes. Regarding excess class rooms, it was stated that the matter would be investigated.

3.1.8.4 Basic amenities

According to paragraph 26.10 of the SSA Manual, the SSA and Drinking Water and Sanitation programmes will co-ordinate their efforts to ensure coverage of all schools for the provision of safe drinking water, common toilets as well as separate toilets for girl students. The basic amenities available as of April 2012 in 2,656 schools in the district as furnished by DPO are given in *Appendix-3.4*. We observed that in the district 84 *per cent* schools did not have common toilets, 60 *per cent* schools had no girls' toilets and 98 *per cent* schools were without electricity. Absence of basic amenities in schools affect the enrolment and retention of children schools.

During the exit conference, DPO stated (December 2012) that updated data would be furnished.

3.1.8.5 Distribution of free text books

According to paragraph 25 of SSA Manual, sets of text books free of cost were to be provided to all students of class I-VIII. The number of text books to be supplied was to be determined by the DPO on the basis of total enrolment in schools, who places demand on the SPD was to supply text books to the district. On receipt of the books in the district at the beginning of the session (April) Block Extension Education Officers (BEEOs) were to distribute the same among the students through the Headmaster of the schools.

We observed that due to incorrect demand placed by the DPO and further curtailment by SPD there was short supply of books by the SPD which ranged between 24 and 34 *per cent* of students enrolled during the years 2009-10 to 2011-12.

The DPO attributed the short supply of books to supply based on average attendance of students covered under MDM scheme in the schools. The reply is not in order as the concept of average attendance was not relevant for calculating the requirement for text books, which resultantly deprived students of the facility of free text books.

During the exit conference, the DPO stated (December 2012) that supply of text books on the basis of average attendance of students covered under MDM scheme was wrong.

3.1.9 Implementation of Mid-Day Meal (MDM)

Mid-Day Meal (MDM) Programme was launched in November 2003 by GoI with the intention to boost the universalisation of primary education by increasing enrolment, attendance and retention in schools in classes I to V. In October 2007, the scheme was extended to cover the students of classes VI to VIII in all 20 educationally backward blocks of the district. Under this scheme, cooked meals was to be given to the students of classes I to V by providing 100 grams of rice per child per school day and 150 grams of rice to the students of classes VI to VIII per child per school day. Cost of cooking the meals was to be provided to the *Saraswati Vahini Sanchalan Samiti* (SVSS), a sub-committee under Village Education Committee (VEC), established to implement the scheme at school level. The District Superintendent of Education (DSE) and the BEEOs are responsible for implementation of the scheme at the district and block level respectively.

We observed that ₹ 68.87 crore was spent under MDM out of available funds of ₹ 82.71 crore leaving a balance of ₹ 13.84 crore (17 per cent) during the period 2009-12. The major portion of the balance fund (₹ 13.53 crore out of ₹ 13.84 crore) pertained to cooking cost not released to the schools by the DSE during January 2012 to March 2012 as utilisation demanded for previous releases were not furnished by the schools .

3.1.9.1 Allotment, lifting and utilisation of food grains

Human Resources Development Department, designated as the nodal department for implementation of MDM, furnishes district-wise requirement of foodgrains to the Ministry of Human Resource Development, GoI, based on enrolment data of students. The Ministry conveys allocation of food grains to the State Government. The Department communicates the allotments to the district authorities as well as to the Food Corporation of India (FCI) and State Food Corporation (SFC). The allotment of rice by GoI and lifting of foodgrains by State Food Corporation (SFC) are detailed in **Table-4**:

Table-4: Details showing short lifting of rice

Year	Allotment by GoI	Qty lifted by SFC	Quantity in MT
			Short lifting
2009-10	7706.27	6036.27	1670.00 (22)
2010-11	7616.25	6484.04	1132.21 (15)
2011-12	5970.78	5382.44	588.34 (10)

Source : HRD, Jharkhand and DM, SFC, Palamu

From **Table-4**, it could be seen that there was short lifting of rice every year. The DSE stated that the short lifting was due to non-supply of food grains by FCI to SFC resulting in lapse of allotment. This indicated lack of co-ordination between the district authorities and the SFC.

We noticed from the records made available by DSE, that during January and February 2012, out of 1,133 schools in seven blocks¹⁰, mid-day-meal was not served in 167 schools for duration of five to 24 days due to non-supply of

¹⁰ Chhattarpur, Hariharganj, Hussainabad, Lesliganj, Nawdihabazar, Patan and Satbarwa

foodgrains. Non-supply of foodgrains by SFC resulted in denial of benefits of MDM to 41,126 children enrolled in the above mentioned schools.

3.1.9.2 *Discrepancy between issue by SFC and receipt by schools authorities of food grain*

Allotment of rice under MDM by GoI for the district is lifted by SFC from FCI and stored in its godowns. BEEOs of respective blocks issue permits to the schools for lifting of rice from SFC godowns and compile a report of receipt of food grains at block level.

Scrutiny of grain statement of 10 SFC godowns/ transport register Form-B and BEEOs' report of receipt of food grains by schools, (made available by the DSE), revealed that during 2010-12, SFC issued 12,900.73 MT of rice to schools authorities. However, as per DSE's report (based on compilation made by BEEOs) on total receipt of rice by schools was only 10,925.94 MT. As such, there was discrepancy of 1,974.79 MT (12,900.73 MT-10,925.94 MT) rice valuing ₹ 4.12 crore¹¹ There was nothing on record to show that any reconciliation was done by the DSE with the SFC.

The DSE stated (December 2012) during the exit conference that the discrepancy would be reconciled.

3.1.9.3 *Temporary diversion of MDM rice not recouped*

Scrutiny of grain statements of SFC godowns revealed that the Assistant Godown Managers (AGMs) of seven SFC godowns¹² diverted 6,840.28 quintals of MDM rice valuing ₹ 38.65 lakh (at purchase rate of ₹ 565 per quintal to other schemes like Below Poverty Line (BPL), *Antyodaya Ann Yojana* (AAY) and Additional BPL which remained un-recouped as of March, 2012. As there was no provision for diversion of foodgrains to other schemes in MDM guidelines, diversion of MDM foodgrains was irregular.

The DSE stated (December 2012) that the discrepancy would be reconciled.

3.1.9.4 *Disbursement of cooking fund*

Cooking fund at the rate of ₹ 3.17 per child per school day for standards I to V and ₹ 4.75 per child per school day for standards VI to VIII was to be provided to the SVSS for preparation of meals. The DSE was required to disburse cooking fund through banker's cheque, supported with bank advice, indicating the names of the schools and the same were to be credited in the bank accounts of SVSS. Scale of cooking fund per child per day for standards I to V and VI to VIII were different, hence segregated allotment for these two categories was to be made.

On scrutiny of records relating to utilisation of the cooking fund we observed the following irregularities:

There was discrepancy of 1,974.79 MT rice valuing ₹ 4.12 crore which was not reconciled

6,840.28 quintals of MDM rice valuing ₹ 38.65 lakh was diverted to other schemes

¹¹ At the economy rate prescribed by GoI for rice at ₹ 20,880 per MT

¹² Bishrampur, Chainpur, Chhattarpur, Hariharganj, Overbridge (Medininagar), Padma and Panki

- Test check of records of DSE revealed that cooking fund amounting to ₹ 16.29 lakh was disbursed to 53 Upgraded Primary Schools and Government Primary Schools during April to October 2011 for classes I to V. Apart from this, allotment of ₹ 10.33 lakh was provided to the same schools through the same advices for standards VI to VIII. However, DISE reports of schools also revealed that standards VI to VIII were not being run in these schools. As such, there were no students of standards VI to VIII in these schools. Providing cooking funds for students in classes which were not being run in the schools casts serious doubts about proper utilisation of the cooking fund.
- The BEEOs compile school-wise monthly reports showing the number of students enrolled and benefited, number of school days in the month, opening and closing balances of food grain and cooking fund, and receipt and utilisation of both during the month, under MDM, school-wise and report it to the DSE. Test check of these monthly accounts of BEEOs made available for the months of August, September, October 2011 and March 2012 revealed that in Hussainabad Block, 23 schools showed negative balance of ₹ 6.29 lakh on account of cooking fund and food grains during August and October 2011, which indicated that both the items were not available and SVSS/ school authorities were managing preparation of meals by themselves and the negative balances were adjusted after receipt of fund from the DSE. Since there was no such provision in the MDM guidelines, adjustment of negative balances on account of foodgrains and cooking cost by SVSS was irregular.

The DSE stated (December 2012) that the discrepancy would be reconciled.

3.1.9.5 Transportation charges

The DSE is responsible for proper utilisation of transportation cost received from GoI. Transportation of foodgrains from the nearest FCI depot to the schools is carried out by SFC at the rate of ₹ 37 per quintal (₹ 55 with effect from April 2011). On submission of claims, DSE reimburses the transportation charges to SFC after cross verification of the quantity of foodgrains transported with the actual lifting of foodgrains by the schools.

We observed that SFC claimed ₹ 77.26 lakh against issue of 1.81 lakh quintals of rice during the period 2009-12. However, on scrutiny of stock/utilisation report and on the basis of information furnished by all 20 BEEOs, we observed that lifting of rice under MDM was 1.78 lakh quintals, for which transportation cost of ₹ 73.87 lakh was to be paid to SFC during the period. However, DSE paid ₹ 92.03 lakh to SFC, without verifying the SFC's claim with the actual lifting of rice by schools. Thus, excess payment of ₹ 18.16 lakh was made to SFC on account of transportation charges which remained unadjusted as of December 2012.

During the exit conference, the DSE stated (December 2012) that the matter would be examined.

3.1.10 National Rural Health Mission (NRHM)

NRHM was launched by GoI in April 2005, with a view to provide accessible, affordable, effective and reliable healthcare facilities in the rural areas of the

Transportation charges claimed by SFC was paid without verifying the actual lifting of foodgrains

country, especially to poor and vulnerable sections of the population. The programme was introduced in the State in October 2007.

The Chief Medical Officer (CMO) cum Secretary of District Health Society (DHS) NRHM, Palamu, functioning under the Health, Medical Education and Family Welfare Department, is responsible for providing health care services to the people through Sadar Hospital at Medininagar, two Sub-divisional hospitals, 10 Community Health Centres (CHCs), 21 Primary Health Centres (PHCs), 171 Health Sub-Centres (HSCs) and 32 *Rogi Kalyan Samities*.

During the period 2009-12, total funds for various components of NRHM available was ₹ 19.31 crore including opening balance of ₹ 4.14 crore expenditure incurred was ₹ 12.75 crore and there was an unspent balance of ₹ 10.69 crore.

3.1.10.1 Planning

House hold and facility survey required for planning was not conducted

Under NRHM, a household and facility survey was to be carried out to identify the gaps in health care facilities in rural areas. The District Health Society (DHS) headed by the Deputy Commissioner, the implementing agency of NRHM at the district level, was required to prepare an Annual Plan for the district. The Plan was to be prepared after receipt of the survey reports from the lower level functionaries.

In accordance with the NRHM guidelines, an integrated DHS was formed (May 2009) and a District Health Mission (DHM) was formed (July 2012), headed by the Chairperson, *Zila Parishad* at the district level. The Governing Body of the DHS is headed by the DC and the Executive Committee is headed by the DDC/CMO. The DHS is responsible for planning, monitoring, evaluation, accounting and database management down to the grass roots level.

We observed that the Annual Plan was not prepared during 2009-10 due to delayed formation of DHS. Even after formation of DHS, no household and facility survey has been conducted as of December 2012. The Annual Plans for 2010-11 and 2011-12 were prepared without any inputs from the blocks and villages.

During the exit conference, the CMO stated (December 2012) that the Annual plans are now being prepared by the DHS after taking feedback from PHSSs and CHCs.

3.1.10.2 Infrastructure

There was significant shortage of health care centres

As per NRHM guidelines, there was to be a CHC, PHC and HSC for population over 80,000, 20,000 and 3,000 respectively. Accordingly, 26 CHCs, 104 PHCs and 699 HSCs were required in the district. Against this, there were 10 CHCs, 21 PHCs and 171 Health Sub-centres (HSCs) as of December 2012. We observed that the health centres were not provided with the additional facilities as per norms of Indian Public Health Standards (IPHS), as discussed in the succeeding paragraphs.

We further observed that 10 CHCs, 21 PHCs and 171 HSCs were running in the buildings of erstwhile PHCs, APHCs and SCs without creating the

required facilities¹³ after their upgradation. However, construction of new buildings for five CHCs, five PHCs and 12 HSCs was in progress (June 2012).

During the exit conference, the CMO stated (December 2012) that the position of health centres was reported to the Department.

Lack of health care centres results in denial of intended benefits of health care in the district and services to the rural poor.

3.1.10.3 *Basic health care facilities at health centres*

Basic health care services were not available in most of the health centres

According to Indian Public Health Standards (IPHS) norms, the CHCs should be equipped with blood storage facility, facility for new born care, X-ray, electro-cardiogram (ECG), operation theatre, ultrasound machine, obstetric care, labour room, water supply and power supply etc. for providing proper health care. The PHCs/HSCs should also be equipped with labour room facilities.

We observed (June 2012) that none of the CHCs, had all the basic health care services viz. blood storage, obstetric care, facilities of X-ray, ultra-sound machine, ECG and services of gynaecologists. The number of beds was also only six against the IPHS norms of 30 in all the CHCs. Besides, 99 out of 171 HSCs were running in rented buildings and there was no round the clock water supply in 11 PHCs and all the 171 HSCs. Labour room was not available in 11 PHCs and in 136 HSCs (*Appendix-3.5*). Thus, IPHS standards were not adhered to in the district.

During exit conference the CMO stated (December 2012) that a policy decision to provide basic health care facilities is being taken by the Government.

3.1.10.4 *Human Resource*

There was acute shortage of doctors and para medicos

Efficiency and quality of health care services largely depends on availability of adequate number of qualified doctors, nurses and other para-medical staff.

Against the sanctioned strength of 430 medical and para medical staff, only 214 persons were posted (December 2012) by the State Government leaving 216 posts (50 *per cent*) vacant in the cadres of doctor (34 *per cent*), Auxiliary Nurse Midwife (ANM) (49 *per cent*), Lab Technician (94 *per cent*), Staff nurse (20 *per cent*), Pharmacist (91 *per cent*) and Ladies Health Visitor (LHV) (65 *per cent*) in the district (*Appendix-3.6*).

During the exit conference, the CMO stated (December 2012) that a policy decision to increase the manpower was under consideration by the Government.

Under NRHM, one *Sahiya*¹⁴ was to be appointed per one thousand population and at least one in each revenue village to act as an interface between the community and the health care system to motivate and make aware each person of the village about health related issues.

¹³ Blood storage, paediatric, ultra sound, ECG etc.

¹⁴ Female Community Health Worker.

Considering the population the requirement of *Sahiya* under NRHM was assessed by the DHS as 2,700, out of which 1,992 *Sahiyas* were appointed as of December 2012.

Further, *Sahiyas* in the district were to be imparted training in six modules¹⁵. However, we observed that 148 out of 1,992 *Sahiyas* remained untrained in the 5th and 6th modules as of December 2012. The training for the first four modules was imparted through private agencies. However, the relevant records were not available with the CMO.

During the exit conference, the CMO stated (December 2012) that a policy decision to increase the manpower was under consideration by the Government.

3.1.10.5 Janani Suraksha Yojana

The main objective of *Janani Suraksha Yojana* (JSY) was to reduce the overall maternal and infant mortality rate and to increase institutional (in hospitals) rather than domiciliary (at home) deliveries. Ante-natal care was an important part of JSY, for which three full checkups and other medical advices were to be given to all registered pregnant women.

We observed that during the period 2009-12 total funds of ₹ 14.24 crore was available out of which ₹ 11.33 crore was incurred on this scheme. We observed that 83,213 (74 per cent) pregnant women received all three ante-natal checkups (ANCs) during 2009-12. There were only 45,310 (40 per cent) institutional deliveries out of 1,12,363 pregnant women registered. The details are given in Table-5:

Table-5: Year wise position of Janani Suraksha Yojana

Year	Registered women	Three ANC received	Institutional delivery (per cent)
2009-10	40059	28083	10759 (26.85)
2010-11	42028	32894	17649(41.99)
2011-12	30276	22236	16902(55.82)
Total	112363	83213	45310(40.32)

Source: DHS, Palamu

During the exit conference, the CMO stated (December 2012) that further steps would be taken to spread awareness and increase Information Education and Communication.

3.1.10.6 National Programme for Control of Blindness

The National Programme for Control of Blindness (NPCB) aimed at reducing the incidence of blindness through increased cataract surgeries, screening of eyes of school children, providing free glasses to children, promotion of eye donation and creation of donation centres and eye banks.

Only 45,310
(40 per cent)
institutional
deliveries carried out
as against 1,12,363
pregnant women
registered in the
district

¹⁵ 1st Module: Sahiya Sandesh Parichay, 2nd Module: Sahiya Sandesh Swasthya Sishu Ujjwal Bhavisya, 3rd Module: Bhojan pani and Safai, 4th Module: Surakshit Matritwa, 5th Module: Netritwa Kshamta Vikash and 6th Module: Bimari and Poshan.

Only 2,219 spectacles were provided to school children against 4,962 refractive error cases detected

During the period 2009-12, ₹ 1.20 crore was available for the programme and expenditure of ₹ 1.07 crore was incurred as of March 2012. Scrutiny of records showed that the district performed well in conducting cataract surgeries as achievement was 5,664 (86 per cent of the target of 6,600) in 2009-10, 6,013 (93 per cent of the target of 6,500) in 2010-11 and 6,083 (87 per cent of the target of 7,000) in 2011-12. However, only 2,219 spectacles (45 per cent) were provided to school children as against 4,962 refractive error cases detected during the period. Further, the facility for eye donation did not exist and no eye bank was established.

During the exit conference, the CMO stated (December 2012) that due to paucity of fund, spectacles could not be provided. We do not agree as there was nothing on record to indicate that the CMO pursued the matter with the department in order to get funds.

3.1.10.7 Non-functional equipment

Our scrutiny revealed idling of non-functional equipment, as discussed below:

CT Scan Machine purchased at ₹ 1.69 crore during 2008-09 remained idle for want of Radiologist

- During 2008-09, one CT Scan machine worth ₹ 1.69 crore was purchased by the Government, which was installed at Sadar Hospital Palamu in March 2009. As per Memorandum of Understanding between the supplier and the State Government (January, 2008), the user (CMO) was to provide a three-phase transformer and the seller was to provide manpower for its maintenance on payment basis during the warranty period of one year.

We observed that the process of appointment of a radiologist had been initiated by CMO in August 2012, but no radiologist was appointed and the transformer was not installed as of December 2012. Thus, the equipment was non-functional even after spending ₹ 1.69 crore and the patients were deprived of the facility.

During the exit conference, the CMO stated (December 2012) that effective step was being taken to make the machine functional and the matter had been reported to the higher authorities.

- The Purchase Committee headed by the DC, Palamu decided (March 2006) to install a mechanised laundry in the Sadar Hospital at a cost of ₹ 19.59 lakh. The mechanised laundry was installed in December 2010. As per the agreement, the supplier (M/s Font System (P) Ltd., Ranchi) was responsible for its installation and running it at a negotiated rate of ₹ 1.50 per garment and ₹ 5 per blanket for Sadar Hospital. The supplier was to maintain the machine for the next five years from the date of installation. However, the mechanised laundry remained non-functional since installation (December 2010). Despite several correspondences made with the supplier, the supplier did not turn up. The CMO did not initiate legal action against the supplier as of December 2012. Thus, ₹ 19.59 lakh incurred on installation of the mechanised laundry proved unfruitful.
- An incinerator with accessories was purchased (March 2006) at a cost of ₹ 27.45 lakh and was installed in August 2009 in Sadar Hospital. According to the agreement, trained personnel were to be provided by the supplier to run the incinerator. However, the incinerator remained non-functional since its installation as trained personnel was not provided by

the supplier in spite of reminders issued by the District officials. Thus, even after incurring an expenditure of ₹ 27.45 lakh, the purpose of installation of the incinerator, i.e. disposing medical waste in a scientific manner was not achieved and it was observed that medical wastes were lying in the open, thereby creating health hazards.



Bio-medical waste lying open in the premises of Sadar Hospital, Medininagar

During the exit conference, the CMO stated (December 2012) that steps were being taken to make the mechanised laundry and incinerator functional.

3.1.11 Integrated Child Development Services (ICDS) Scheme

The Integrated Child Development Services (ICDS) Scheme, a Centrally sponsored scheme, aims to improve the nutritional and health status of children and enhance the capability of mothers through proper nutrition and health education. The services included in the scheme are Supplementary Nutrition Programme (SNP), Immunisation, Pre-School Education (PSE), Health check-up and nutrition and health education for women. The beneficiaries in the scheme include children in the age group of six months to six years, pregnant women, lactating mothers and adolescent girls (between ages of 11 and 18 years). The services are delivered to the targeted beneficiaries through Anganwadi Workers (AWWs) and Anganwadi Helpers (AWHs) at Anganwadi Centres (AWCs), the focal point of the scheme at village level. The scheme is supervised at the block level by the Child Development Project Officers (CDPOs) with the help of Lady Supervisors (LSs) and at the District level by the District Social Welfare Officer (DSWO). There were 11 CDPOs' offices (Projects) covering all 20 blocks and 2,583 AWCs in the district.

During the period 2009-12, scheme funds of ₹ 148.40 crore was available with the DSWO under all components of ICDS. Of this, expenditure of ₹ 139.55 crore was incurred. There was an unspent balance of ₹ 8.85 crore.

Construction of 36 AWCs was not taken up for want of land

3.1.11.1 Construction of Anganwadi Centres not taken up

As per GoI instructions (April 2007), one AWC was to be established for a population of 400 to 800. However, requirement of AWCs in the district was not assessed, as stated (February 2013) by the DSWO. Based on the population of the district, on an average there was one AWC for a population of 750. We observed that the Social Welfare Department, Jharkhand allotted ₹ 1.64 crore for construction of 38 AWCs under ICDS during 2009-11. The

funds were released to two executing agencies¹⁶. As of December 2012, two AWCs were completed by the Building Division at a cost of ₹ 7.53 lakh. The executing agencies did not commence construction of the remaining 36 AWCs, as land was not made available by the Circle Officers (COs). This resulted ₹ 1.57 crore lying with the executing agencies as of December 2012.

During the exit conference, the DSWO stated (December 2012) that instructions have been issued to executing agencies to complete their works in the current financial year.

Inadequate facilities in AWCs

Out of total 2,583 AWCs, 2,484 had no toilet facilities and 2,026 had no hand pumps

We observed that out of total 2,583 AWCs, 2,484 (96 per cent) had no toilet facilities and 2,026 had no hand pumps (water facilities), eight out of eleven CDPO offices did not have their own buildings and 2,167 AWCs were housed in rented buildings in the District. Thus, most of the AWCs were deficient in basic facilities. During joint physical verification carried out in 15 AWCs, 10 AWC buildings were found to be in dilapidated condition.



Photographs showing dilapidated condition of Chiyaniki AWC (19 June 2012)

Absence of basic facilities may adversely affect the outreach of the Scheme as AWCs are the delivery points of all the services under ICDS.

3.1.11.2 Shortfall in Supplementary Nutrition Programme

The Supplementary Nutrition Programme (SNP) aimed at holistic development of children up to six years, adolescent girls, pregnant women and lactating mothers. The scheme is an effective tool to fight malnutrition amongst children. The target under this scheme had been fixed each year by the district based on the population. Supplementary nutrition was to be provided in all AWCs for 300 days in a year or 25 days in a month. The SNP was meant to provide 300 calories and 10 grams of protein per day, for children between six months and six years of age, and double the quantity for malnourished children of the same category. Besides, pregnant women, lactating mothers and adolescent girls were provided raw food grains as Take Home Ration (THR). During the period 2009-12, the target remained unachieved in 10 test-checked projects out of 11 as detailed in **Table-6:**

¹⁶ 2009-10: Building Division, Medininagar- ₹ 12.96 lakh for 3 AWCs, and in 2010-11: Rural Development Special Division, Medininagar- ₹ 1.51 crore for 35 AWCs

Table-6: Cumulative target, achievement and shortfall

Year	Number of Beneficiaries under SNP		
	Target	Achievement	Shortfall (Percent)
2009-10	229300	142333	86967 (38)
2010-11	233200	148813	84387 (36)
2011-12	232829	148682	84147 (36)
Total	695329	439828	255501(36.74)

Source: DSWO Office, Palamu

It is evident from Table-6 that there was a shortfall which ranged between 36 per cent and 38 per cent against the target fixed. As a result 1.92 lakh children, 0.26 lakh lactating mothers, 0.25 lakh pregnant women and 0.13 lakh adolescent girls were not covered under the scheme. However, DSWO did not take effort to spread awareness among the masses for the scheme.

3.1.11.3 Manpower management

Efficacy and quality of ICDS services largely depends on the availability of adequate number of trained supervisory cadres like CDPOs and LSs as well as ground level functionaries (AWWs and AWHs). The prime responsibility of CDPOs and LSs was to inspect and supervise AWCs, who were responsible for implementation of the scheme. Scrutiny of records of DSWO revealed vacancies in all cadres of staff of ICDS as of July 2012 as detailed in Table-7:

Table-7: Details of Men-in-position (as of July 2012)

Category	Sanctioned Strength	Men-in-position	Vacancy (per cent)
CDPO	11	03	08 (73)
Lady Supervisor	69	20	49 (71)
Statistical Assistant	12	03	09 (75)
Clerk	13	08	05 (38)
Total	105	34	71 (68)
AWW	2583	2428	155 (6)
AWH	2276	2081	195(9)
Total	4859	4509	350 (7)

Source: DSWO, Palamu

It is evident from Table-7 that an overall vacancy of 68 per cent exists in the district in all cadres. Besides, 155 and 195 posts of AWW and AWH were also lying vacant; as a result 350 AWCs were functioning with a single staff supported by AWWs of the nearest AWCs. Lack of adequate manpower and short visits to AWC by the CDPOs and LSs affected delivery of services under ICDS.

We observed that during the period 2009-12, nine CDPOs visited only 4,703 centres against the target of 9,720 centres and 10 LSs visited only 16,833 centres against the target of 29,220 centres.

3.1.11.4 Training

As per the guidelines of the scheme, job orientation training once in the entire service period and Refresher course once in two years was to be imparted to the AWWs, AWHs, Lady Supervisors (LSs) and CDPOs. DSWO was to provide list of untrained staff to the Directorate for imparting training at their level

There was shortfall in job orientation training course and in refresher course

Scrutiny of records of DSWO revealed that job orientation and refresher trainings were inadequate as detailed in **Table-8**:

Table-8: Details of shortfall in imparting training as of July 2012

Course	Target			Achievement			Shortfall		
	AWW	AWH	LS	AWW	AWH	LS	AWW	AWH	LS
Job orientation	2428	2081	20	2057(85)	1426(69)	10 (50)	371(15)	655(31)	10(50)
Refresher	2428	2081	20	804(33)	343(14)	00(00)	1624(67)	1738(86)	20(100)

Source: DSWO, Palamu. Figures in brackets indicate per cent.

Lack of training to AWWs, AWHs and LSs could affect the effective delivery of services under various components of ICDS.

The DSWO stated (December 2012) that action would be taken to impart training to all untrained AWWs, AWHs and LSs.

3.1.11.5 Shortage of cash

As per the provision contained in Rule 86 (II) of Jharkhand Treasury Code Vol-I, the cash balance at the end of the every month is required to be physically verified by the DDO in order to ensure that the cash balances shown in the cash book agree with the physical balances.

We observed that cash book of DSWO, Palamu showed a closing balance of ₹ 6,93,23,558 on 31 March 2012 while as per the advance register, voucher registers and bank pass book/statement, actual balance worked out to ₹ 6,06,84,887 as on 31 March 2012. The difference of ₹ 86,38,671 was indicative of defalcation of Government money as reconciliation of the records with bank statement was not done by DSWO.

The DSWO, after reconciliation confirmed (December 2012) a shortage of ₹ 2.48 lakh which was to be recovered for the Ex-Nazir.

During the exit conference, the DSWO stated (December 2012) that steps were being taken to recover the said amount from the Ex-Nazir.

Shortage of cash amounting to ₹ 2.48 lakh was recoverable from Ex-Nazir

Rural Development

3.1.12 Sampurna Gram Swarojgar Yojana

The *Sampurna Gram Swarojgar Yojana* (SGSY) aims to bring the assisted families (*Swarojgaries*) above the poverty line by ensuring appreciable sustainable level of income. The objective is to be achieved by *inter-alia* organising the rural poor into Self Help Groups (SHGs) through the process of social mobilisation, training and capacity building and provision of income generating assets. Financial assistance for income generating assets to SHGs was to be provided in the form of loan and subsidy through the lead banks of the district. Overall implementation of the scheme was done by DRDA.

As per the guidelines issued (October 2009) by MoRD (GoI), Rural Self Employment Training Institutes (RSETIs) were to be established in each district for imparting training to *swarojgaries* selected by the lead bank of the district. During the period 2009-12, scheme funds of ₹ 28.06 crore was available with DRDA, Palamu, of which expenditure of ₹ 16.56 crore was incurred. There was an unspent balance of ₹ 11.50 crore as of March 2012.

Swarojgaris were deprived of bank finance, as they were not imparted training

Audit scrutiny (June 2012) of the records of DRDA, Palamu revealed that 1,631 SHGs were formed during the period 2009-12 (430 during 2009-10, 730 during 2010-11 and 471 during 2011-12).

- For imparting training to the *swarojgaris* of SGSY, RSETI in the district was set up in March 2010 under the lead bank (State Bank of India). We observed that 861 SHGs selected after creation of RSETI were not imparted training due to non-availability of building. Consequently, the lead bank refused to finance the SHGs. In March 2012, a building was arranged and ₹ 4.44 lakh was paid (March 2012) to the lead bank for imparting training.

Thus, 861 *swarojgaris* were deprived of the intended benefits during 2010-12.

On this being pointed out, the Director Accounts, DRDA, Palamu accepted (July 2012) that no training had been imparted to the SHGs during March 2010 to March 2012.

Further, a sum of ₹ 1.48 crore was advanced (April 2008) to the Executive Engineer, Minor Irrigation Division, Medininagar, for construction of Multipurpose *Sadbhawana Bhawans* in eight blocks¹⁷ at an estimated cost of ₹16 lakh per *Bhawan* to serve as training centres for SHGs and for holding meetings, venues for exhibition of agriculture produce and their sale. Construction of the *Bhawans*, due for completion by July 2008, was not completed as of June 2012, though ₹ 67.29 lakh was spent as of July 2011.

The DDC, Palamu stated (December 2012) that the *Bhawans* were completed and correspondences were being made with the Executive Engineers for handing over the *Bhawans*.

Thus, the intended purpose for construction of *Sadbhawana Bhawans* was not fulfilled even after incurring expenditure of ₹ 1.48 crore.

3.1.13 Indira Awaas Yojana

The Indira Awaas Yojana (IAY) is a Centrally Sponsored Scheme implemented through DRDA in the district under the Rural Development Department for BPL families. Under this scheme, financial assistance was provided for construction of houses by beneficiaries themselves at per unit cost of ₹ 48,500 in Palamu to be paid in two equal instalments.

We observed that during the period 2009-12, under AAY ₹ 92.26 crore was available with DRDA, Palamu, out of which ₹ 74.08 crore was spent on the scheme.

Further, we observed that 25,136 houses¹⁸ were taken up for construction during 2009-12. Out of these, 20,356 houses (81 per cent) were completed during the said period leaving 4,780 houses (19 per cent) incomplete as of June 2012. These houses were to be completed within three months from the date of sanction. The status of physical achievement of construction under

33 to 79 per cent houses taken up for construction remained incomplete

¹⁷ Chainpur, Chhattarpur, Hariharganj, Lesliganj, Manatu, Medininagar, Satbarwa and Vishrampur

¹⁸ 4,070 incomplete houses prior to 2009-10 and 21,066 houses sanctioned during 2009-10

various categories (new construction, upgradation, etc) during the years 2009-12 is given in *Appendix-3.7*. We observed that at the end of 2011-12, 33 *per cent* houses taken up for new construction. However, performance in respect of construction/upgradation¹⁹ of houses under IAY in *Naxal* affected areas shows an encouraging trend.

During the exit conference the Director, DRDA stated (December 2012) that prompt action was being taken to complete the incomplete schemes.

3.1.14 Disaster Management

Food security under disaster management

Palamu district was declared as drought affected during the period 2009-11. To counter the menace of drought, the State Government decided (August 2009 and August 2010) to focus on wage employment through MNREGS thereby augmenting food security, providing additional foodgrains under BPL, apart from streamlining the ongoing schemes like *Antyodaya Ann Yojana* (AAY), Targeted Public Distribution System (TPDS), and *Annapurna* etc. to 1.27 lakh households²⁰

In addition, 1.43 lakh BPL households, identified as additional BPL households but not covered under the above mentioned schemes, were decided (November 2010) to be covered. Foodgrains are issued to Fair Price Shop (FPS) according to the allotment made to them by SFC and distributed among the beneficiaries under the overall supervision of the respective supply inspectors/marketing officers of the block. DSO was primarily responsible for ensuring proper distribution among beneficiaries in the district through FPS. The Marketing Officers (MOs) compile the reports of lifting by FPS which is further consolidated by the DSOs. As such, total quantity of foodgrains issued by SFC must tally with the reports of MOs and the DSOs.

The following deficiencies were found in implementation of the schemes:

- Scrutiny of grain statement of SFC and compiled report on lifting of rice by DSO revealed discrepancy between the quantity issued by SFC and that received by FPS as detailed in *Appendix-3.8*. During the period 2009-12, the total quantity of rice issued by SFC to FPS was 14,13,426.46 quintals (as per grain statement of godowns) whereas the fair price shops had shown receipt of 12,12,778.46 quintals (as per the report of MOs compiled by DSO). Thus, there was short receipt shown by FPSs of 2,00,648 quintals valued at ₹ 41.89 crore²¹ under *Annapurna*, BPL, AAY and additional BPL schemes. The discrepancy was not reconciled by DSO.
- Similarly, in case of wheat total quantity issued by SFC to FPS dealers during 2009-11 was 2,05,788.14 quintals whereas FPS network had shown receipt of 1,85,674.87 quintals under BPL and AAY schemes. The

Receipt of foodgrains shown by FPS network was less than the quantity shown as issued by SFC

¹⁹ Out of 7,553 houses taken up under *Naxal* affected –General category, 7,176 (95 *per cent*) houses were completed while under *Naxal* affected- Upgradation category, out of 4,406 houses, 4,252 (97 *per cent*) houses were completed during 2009-12.

²⁰ BPL (0.64 lakh households), AAY (0.50 lakh households) and *Annapurna* (0.13 lakh beneficiaries).

²¹ at economy price of ₹ 2,088 per quintal

difference of 20,113.27 quintals of wheat (valuing ₹ 3.07 crore²²) was also not reconciled

During the exit conference the DSO stated (December 2012) that reconciliation would be done.

3.1.15 Urban Development

The overall objective of the Urban Development Department is to provide civic amenities to people in urban areas. The Department executes various programmes to provide facilities to the urban people. At the district level, the programmes are implemented by the *Nagar Parishad* (Municipal Council). The deficiencies noticed in implementation of schemes by the *Nagar Parishad* are discussed below:

3.1.15.1 Delayed execution of Integrated Housing and Slum Development Programme (IHSDP)

IHSDP is a Centrally Sponsored scheme under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) implemented by Municipal Council, Palamu for construction of houses by the beneficiaries themselves, and to provide basic amenities to those living in slum areas. The responsibility of the Municipal Council was to prepare Detailed Project Report (DPR). Identification of the slum dwellers was one of the components of the DPR. On the basis of the DPR, ₹ 1.81 lakh per dwelling unit was to be provided to the identified beneficiaries, to be disbursed in three installments. The construction of the houses was to be completed within 18 months. The period of the scheme was up to March 2012.

We observed that 969 beneficiaries were identified (September 2008) in the DPR and their names were forwarded to the Department in September 2008. The Department released ₹ 11.36 crore (between February 2010 and May 2012). We also observed that only 420 beneficiaries were selected as they had land on which the dwelling units could be constructed. The balance 549 beneficiaries could not show proof of ownership of land as required under the scheme.

Construction of 420 dwelling units was taken up during 2010-11 for which ₹ 4.42 crore were disbursed to the beneficiaries. However, as per the progress report of the Municipal Council, all 420 dwelling units remained incomplete as of December 2012.

The Executive Officer stated (December 2012) that prompt action would be taken to complete the schemes. The reply was not in order as the Municipal Council was responsible for timely completion of the work.

Thus, there was unfruitful expenditure of ₹ 4.42 crore, besides ₹ 6.94 crore remained blocked with the Municipal Council, due to flawed identification of beneficiaries at the DPR preparation stage.

²² at economy price of ₹ 1,526 per quintal.

3.1.15.2 Non-utilisation of funds for construction of landfill under Solid Waste Management

The proposed land fill at Medininagar was not constructed and funds were kept in personal Ledger Account since October 2006

With a view to disposing solid waste of the Municipal Council area, Medininagar, a request was sent by Executive Officer (September 2006) to the Department for acquiring 30 acres of land in the vicinity of the town at an estimated cost of ₹ 4.50 crore for construction of landfill at Medininagar. Accordingly, ₹ 1.50 crore was released (October 2006) for acquiring 10 acres of land. The Municipal Council requested (April 2008) the DC to provide land. However, no land was provided to the Municipal Council, Medininagar as the District Administration could not identify the land for proposed landfill site as of December 2012. The amount was kept in the Personal Ledger Account of Municipal Council since October 2006.

Thus, due to non-availability of land the solid waste management project could not be executed as of December 2012 and the objective of the scheme could not be achieved.

During the exit conference, the Executive Officer stated (December 2012) that prompt action would be taken.

3.1.16 Drinking Water and Sanitation

Government of India introduced the Accelerated Rural Water Supply Programme in 1972, which was renamed (1991-92) as Rajiv Gandhi National Drinking Water Mission. It was implemented with the basic objective of providing the stipulated quantity (40 litres per capita per day) of safe drinking water to all rural habitations by installation of one drinking water source for every 250 persons. In Palamu district, rural habitations (6806 number) covering the rural population (17.10 lakh) were already provided with drinking water through 18,319 tube wells (March 2012).

Further, as per the guidelines of the National Rural Drinking Water Programme (NRDWP), safe drinking water to be provided to the entire population on a sustainable basis which would be possible through installation of Rural Piped Water Supply Scheme (RPWSS). For implementation of RPWSS in Palamu district, a total of 353 schemes were sanctioned of which only 153 schemes were completed during the period 2009-12.

The major findings noticed in audit are discussed below:

Piped water supply schemes

- Bishrampur Rural Water Supply Scheme²³, for a population of 25,000 residents, was awarded by the Executive Engineer, DW&S Division, Palamu to a contractor in February 2008 at an agreed cost of ₹ 7.54 crore to be completed by February 2009. However, the work was rescinded in December 2008 due to non-availability of dispute free land. The work was awarded to another contractor (January 2010) after re-tendering at an agreed cost of ₹ 9.70 crore for completion by July 2011, without resolving the land dispute. As a result, no work was done as of December 2012, except procurement of pipes worth ₹ 6.90 crore. The EE paid (February 2012) ₹ 6.90 crore to the contractor towards the cost of the pipes. Thus,

Unfruitful expenditure of ₹ 19.17 crore was incurred on incomplete piped water supply schemes

²³ Water treatment plant, procurement and laying of pipes, earth excavation etc.

due to non-resolving the bottlenecks by the Department, expenditure of ₹ 6.90 crore remained unfruitful as of November 2012 and the benefits of piped water supply was denied to the residents of Bishrampur.

- Baralota Rural Water Supply Scheme for a population of 50,000 people was taken up after tendering and was allotted (October 2009) to an agency at an agreed cost of ₹ 16.38 crore to be completed by January 2011. We observed that no work was executed (December 2012) by the contractor except procurement of pipes worth ₹ 12.27 crore which was paid to him by the EE in February 2012. It was seen that the contractor did not start the work as hard rock was found in the construction site for which permission for blasting was sought (May 2010). Permission for blasting was accorded by the DC Palamu in March 2012. This led to unfruitful expenditure of ₹ 12.27 crore besides denial of the benefits to the residents of Baralota.

During the exit conference the EE, DW&S stated (December 2012) that both the works were in the process of being rescinded.

3.1.16.1 *Implementation of fluoride mitigation schemes*

In 2005-06, the DW&S Division, Medininagar carried out a survey for detection of fluoride contamination in ground water under Accelerated Rural Water Supply Programme. On the basis of this survey the Department sanctioned installation of 1,679 fluoride removal attachment units to be attached with already drilled tube wells at a cost of ₹ 7.26 crore during 2008-09. The work was awarded (June 2008) with stipulated period of commissioning being three months from the date of work order to a Kolkata based supplier. As per terms and conditions of the agreement, the supplier was to provide operational and maintenance guarantee of these units for a period of two years against which 10 per cent of total cost was to be retained by the Division and released after successful maintenance by the supplier. We observed that the work was completed by the supplier between November 2008 to August 2009 and ₹ 7.01 crore was paid without withholdings 10 per cent maintenance guarantee. However, the supplier did not maintain the fluoride removal attachment units as per the terms of the agreement. As a result, all the installed units became defunct between May 2011 to May 2012, rendering the entire expenditure of ₹ 7.01 crore infructuous.

During the exit conference the EE, DW& S stated (December 2012) that the matter would be thoroughly examined.

Economic Sector

3.1.17 State Roads

The district is dependent more on road communication as there are only 29 rail heads covering two blocks and one town. The State roads bring the remote and backward areas closer to the district headquarters for inclusive growth of the economy.

The Road Construction Department (RCD) is the administrative department responsible for construction of new roads, improvement, widening and strengthening of existing roads and their maintenance. The Rural Works

Department (RWD) was responsible for construction and maintenance of rural black topped roads in the district through Rural Works Divisions.

There were 241.14 km State highways, 124 km National highways and 550.135 km of black-topped rural roads in the district as of December 2012. Out of 16 State highways²⁴, six²⁵ roads (111.99 km) were taken up for widening and strengthening during 2009-12, of which two²⁶ roads (68.375 km) were completed, three²⁷ roads (39.54 km) were in progress and one road (4.075 km) was in tender finalisation stage.

Though widening and strengthening of roads was taken up, the length of the State highways in the district remained unchanged during 2009-12.

3.1.17.1 Non-completion of works

Jharkhand Public Works Accounts (JPWA) Code²⁸ provides that clearance for forest land required for a project must be ensured before preparing the estimate of any work. Further, as per Indian Road Congress (IRC), bituminous work must be executed after completely dry Water Bound Macadam (WBM) work before allowing traffic movement on the road.

- Widening and Strengthening of Bishrampur Mahuagain Itko road (18.90 km) was taken up in June 2009 at an agreed cost of ₹ 10.23 crore for completion by July 2010 (extended up to June 2012). The work included items of WBM and bituminous work. Forest clearance for strengthening work was provided (May 2008) subject to the condition that no trees should be cut and there should be no widening of the road.

We observed that the contractor executed the work only upto WBM level as of February 2012 and was paid ₹ 6.03 crore (May 2012) on this account. Thereafter, the work was stopped because of objections raised by the Forest Department due to breach of the conditions specified while providing clearance. As a result, bituminous work was not executed by the contractor as of May 2012. As per the provision contained in Para 4.8.2 of IRC, WBM surface not covered by bitumen was unfit for traffic movement. Thus, the entire expenditure incurred on WBM amounting to ₹ 6.03 crore was rendered unfruitful.

During the exit conference, the EE stated (December 2012) that in future forest clearance in all such works would be ensured before execution.

3.1.18 Status of Rural Roads under Pradhan Mantri Gram Sadak Yojana (PMGSY)

Construction, up-gradation and maintenance of rural roads in the district were taken up under both Pradhan Mantri Gram Sadak Yojana and the State plan. PMGSY was launched in December 2000 to provide all weather road connectivity to all rural habitations with population of more than 500 by the

²⁴ Single : Six (71.70 km); Intermediate lane :124.27 km; Double lane: One (45.17km)

²⁵ Chhatarpur-Dumaria Road;Medininagar-Lesliganj-Panki Road; Bishrampur-Mahuagaon-Itko Road; Medininagar-Chainpur Road; Medininagar-Hariharganj Road and Kajari-Patan-Manatu Road.

²⁶ Medininagar-Lesliganj-Panki road and Chhatarpur Dumariya Road.

²⁷ Bishrampur Mahuagaon Itko road; Medininagar Chainpur Road; Medininagar Hariharganj Road and Kajari Patan Manatu Road.

²⁸ Annexure-A-Cabinet & Co-ordination Department (Vigilance Cell) resolution no-948 dated 16 July 1986:-paragraphs 4.5 and 6.3

Unfruitful
expenditure of ₹ 6.03
crore was incurred on
incomplete works

end of the Tenth Plan Period (2007). In tribal areas, habitations with more than 250 persons were eligible for connectivity. When roads pass through villages, a concrete pavement, dust-proof and low maintenance road was to be provided.

3.1.18.1 Planning

For planning purposes, a survey was conducted in 2001-02, based on which a District Core Network of Roads to be constructed was prepared for selection of roads under PMGSY.

As per the survey, nearly 53 per cent of rural habitations (924 out of 1,754) of the district were found unconnected with all-weather roads. Accordingly, a revised Core Network of Roads and a Core Network of New Connectivity Priority List (CNCPL) was prepared in 2005 for providing connectivity to all unconnected rural habitations under PMGSY. The CNCPL included 221 roads having a length of 912.15 km to connect 518 habitations on priority basis²⁹. Out of 518 habitations, 222 habitations have been connected up to 2008-09 (Phase VI).

Out of the balance 296 unconnected habitations, 269 habitations having 125 roads (440 km) were sanctioned from CNCPL during 2009-12 (VIIth phase).

The physical and financial progress of these roads (125) as of December 2012 is given in **Appendix-3.9**.

181 targeted
habitations remained
unconnected

We observed that out of 125 roads, 39 roads (31 per cent) were completed as of December 2012 and 86 roads covering remained incomplete after incurring an expenditure of ₹ 42.59 crore. As stated by the EE (August 2012) the delay in progress was due to slow progress of works by the contractors, *Naxal* problems, scarcity of bitumen and not receiving forest clearance. Thus, 181 habitations targeted to be covered by all weather roads remained unconnected.

3.1.18.2 Quality control

Under PMGSY, the Programme Implementation Unit (PIU) is responsible for all quality control. The tests are to be conducted by the contractors through qualified staff in the presence of the departmental officers. A quality control register is required to be maintained for each road work by the contractor. The State Quality Monitor (SQM) should inspect the roads at least twice. The first inspection should be carried out by SQM during execution of work and the last should be carried out by SQM within one month of completion of the work. All work rated 'unsatisfactory' or 'requiring improvement' are to be re-inspected by the National Quality Monitor (NQM) or SQM after rectification reports are received from the State Quality Co-ordinator.

²⁹ First priority: covering 1000+habitations; Second priority: 500+habitations and Least priority: 250+habitations

Out of 82 roads inspected by SQM up to March 2012, six were rated as 'requiring improvement'

Scrutiny of inspection reports of SQM revealed that out of 20 completed roads during the period 2009-12, 15 were inspected twice and five were inspected only once by SQM. Out of 82 roads inspected up to March 2012 by SQM, six were rated as "requiring improvement". Action taken with respect to these roads was not on record. Hence, quality of these roads was not verified by second and third tier of quality control monitors i.e., SQM and NQM. The quality control registers were also not maintained by PIU.

Thus, the PIU did not ensure quality control test by the contractor and the quality test by the SQM was inadequate. The construction of inferior quality roads cannot be ruled out.

The EE noted (June 2012) the audit observation for future guidance.

3.1.18.3 Non-maintenance of roads built under PMGSY

According to paragraph 17.2 of the PMGSY guidelines, the cost of maintenance of the roads constructed under PMGSY was to be borne by the State Government. Further, the maintenance clause of the contracts envisaged a defect liability period of five years from the date of completion. During this period, the contractors were required to inspect the roads every month and to carry out routine maintenance and necessary rectification to keep the roads motorable. The programme implementation units are also required to inspect the roads every month.

31 roads (123.77 km) completed during 2007-12 were not maintained

Scrutiny of the records of Programme Implementation Unit (PIU), Palamu, revealed that 31 roads (123.77 km) valued ₹ 27.86 crore were completed during 2007-12. These completed roads were not maintained by the contractors. In reply to an audit query Jharkhand State Rural Road Development Agency (JSRRDA) stated (September 2012) that neither maintenance bills were submitted nor funds demanded by the PIU, Palamu.

During joint physical verification (on 10 June 2012) of a road at Budhibir to Chottasa 5.10 km, we observed that pot holes had developed on the black top surface on its entire stretch and PCC surface was also found cracked and damaged (photograph below), though the agreement for maintenance was found executed in May 2008. It was also noticed that SQM team had inspected the road during its execution but did not inspect the road after its completion.

Though there was a maintenance agreement with the contractor, the maintenance work was neither taken up by the contractor nor did the EE direct the contractor to maintain the road. Thus, the primary objective of PMGSY to provide all-weather roads to rural habitations was not fully achieved because of non-maintenance of the roads.



(Photograph showing damaged bituminous Road from Budhibir to Chottasa Road)



(Photograph showing damaged PCC Road from Budhibir to Chottasa Road)

The EE stated (June 2012) that the action would be taken according to the agreements.

3.1.19 Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)

Government of India (GoI) introduced RGGVY in March 2005, with the objective to provide electricity to all rural households and improvement of electrical infrastructure by 2009.

The Jharkhand State Electricity Board (JSEB) was to implement the scheme in Palamu District. Telecommunication Consultants India Ltd (TCIL) was engaged by JSEB as the Third Party Inspecting Agency (TPIA) for inspection of the implementation of RGGVY. At district level, the Electrical Superintending Engineer (ESE) was the nodal officer for execution of works under the scheme. Rural Electrification Corporation (REC) was the nodal agency for implementation and financing of the scheme.

Under RGGVY, electrification of 1,457 villages under Palamu district was planned at a cost of ₹ 185.33 crore during December 2006 to June 2008. The work of electrification in Palamu (Package-G) was awarded to a Hyderabad based contractor on turnkey basis in December 2006. A proposal to revise the cost of the work to ₹ 214 crore was made (August 2009) but not approved by the REC. Single point electricity connection to 1,15,068 Below Poverty Line (BPL) households were to be provided under this scheme. Government of Jharkhand and JSEB were to ensure the provision of rural electricity distribution backbone (REDB)³⁰, deployment of franchisees for management of rural distribution, and electrification of un-electrified below poverty line (BPL) households with 100 per cent capital subsidy before completion of the project and declaring all villages electrified³¹.

During the course of our audit the following points were noticed:

- In the district, 1,457 villages consisting of 1.15 lakh BPL households were targeted for electrification under RGGVY by June 2008. However, as of March 2012, electrification was completed in 668 villages and was in progress in 789 villages. Only 214 villages out of 668 electrified villages were charged i.e., connected to Power Sub-Stations (PSS). We observed that constructions of three out of four PSSs taken up were completed. Even these completed PSSs were not free from deficiencies as electrical work, earthing and graveling, trench cover, control room flooring and stringing work was not done, as noticed by the Telecommunication Consultants India Ltd (TCIL) in its inspection. Thus, expenditure of ₹ 57.75³² crore

Only 668 villages out of 1,457 were electrified

³⁰ REDB means provision of sub-stations (33/11 KV or 66/11 KV) of adequate capacity and lines for purpose of distribution of electricity.

³¹ A village can be declared electrified only if :

- i) Basic infrastructure such as Distribution transformers and distribution lines are provided to the inhabitants as well as the *Dalit basti*/hamlets.
- ii) Electricity is provided to public places like Schools, *Panchayats*, Health centres, Dispensaries, Community centres etc. and
- iii) The number of households electrified should be at least 10 per cent of the total number of households in the village.

³² Average cost of electrification of one village (Total contract price of ₹1,85,32,54,319/ 1457 villages = ₹12,71,966) X No. of villages not charged (454) = ₹ 57,74,72,564

incurred on electrification of these villages became largely unfruitful as 454 villages remained deprived of electricity.

- Only 415 villages were taken over by the JSEB. As a result, only 17,056 BPL connections in these villages out of 44,535 electrified connections in 668 villages were billed as of July 2012. This resulted in recurring loss of revenue of ₹ 9.62³³ lakh per month due to non-billing of 27,479 connections.
- Further, out of 668 villages electrified, 305 were issued electrification certificates declaring them as electrified and the remaining villages were under process of certification. Thus, electrification of 363 villages was not complete as per the stipulated guidelines for declaring villages as electrified since the required certificates were not issued by Block Development Officers (BDOs).
- In Jamunae village under Sadar block a transformer of 63 KVA was reported burnt in December 2004, which was to be replaced. JSEB, instead of replacing the transformer, included the village in the DPR for electrification. Considering the cost of a 63 KVA transformer (₹ 36,727), ₹ 12.35³⁴ lakh incurred on electrification of this village was avoidable.
- Electric connections under RGGVY were to be provided as per the norms of *Kutir Jyoti* Programme (KJP)³⁵. Unfruitful expenditure of ₹ 3.86³⁶ crore was incurred on providing meters to 44,535 electrified BPL connections, as meter readings of BPL connections were not being taken and these consumers were billed at a flat rate.
- On test check of certificates issued by BDOs to declare villages as electrified, it was noticed that connections were not given to public places in any village. Out of 305 villages, 28 villages were declared electrified even though the electrification of at least 10 *per cent* of the total households of the villages, required for issue of certificates as per the scheme, had not been completed. We observed that in 39 villages, the number of BPL households shown as electrified were more than the total households electrified, raising doubts about reliability of data.

During the exit conference, the ESE stated (December 2012) that the action would be taken.

General Sector

3.1.20 Maintenance of Law and Order

Palamu is a *Naxal* affected District. For maintenance of law and order in the district there were 21 police stations (PSs) and three outposts (OPs) under the administrative control of Superintendent of Police (SP), who is the overall in-

³³ Rate as per tariff (₹ 35) X no. of connections unbilled (27,479)

³⁴ Average cost of electrification of one village (₹12.72 lakh) – cost of 63 KVA transformer (₹ 36,727) = ₹ 12.35 lakh.

³⁵ As per the norms of KJP connections were to be given free of cost with 100 *per cent* capital subsidy. Cost of providing connection under KJP and RGGVY in Palamu were ₹ 750 and ₹ 1,616

³⁶ Increase in cost of RGGVY connections due to inclusion of meter (₹ 866) X Total number of connections released (44,535) = ₹ 3,85,67,310

charge of internal security in the district. To provide modern weapons, vehicles and housing facilities for police personnel, Modernisation of Police Force (MoPF), a Centrally Sponsored scheme was implemented in the State. Planning for the scheme, fund arrangements, purchase of modern weapons, vehicles etc. was to be done at Police Headquarters for the entire State.

The deficiencies in implementation of various components of the scheme are discussed in the succeeding paragraphs:

3.1.20.1 Infrastructure and security arrangements

Proper infrastructure and security arrangements at all PSs and OPs are essential to provide a suitable working environment to the police personnel.

We observed that basic infrastructure facilities and security arrangements were inadequate in the PSs and OPs. Five out of 21 PSs and two out of three OPs did not have their own buildings. There was no provision of barracks in the five PSs and only one watch tower was available in the PS of Hussainabad.

In the absence of sufficient infrastructure facilities and security arrangements in a *Naxal* affected District, PSs/OPs face the risk of dire consequences in case of extremist attacks.

3.1.20.2 Residential buildings of police personnel

The National Police Commission (NPC) recommended housing accommodation for all police personnel with special emphasis for upper and lower subordinates³⁷. However, Palamu district lagged behind in achieving this goal as shown in **Table-9**:

Table-9: Availability of housing facility against the requirement

Types of building	Total requirement	Position as on 31 March 2012	Deficiency (Percent)
Quarters for Lower Subordinates	786	115	671 (85)
Quarters for Upper Subordinates	369	82	287 (78)
Barracks	65	38	27 (42)
Garage	218	24	194(89)

Source: SP, Palamu

Thus, shortage of basic infrastructure in the district ranged between 42 and 89 *per cent*, which was bound to have an adverse impact on the efficiency level of the police.

3.1.20.3 Mobility of police

One of the thrust areas under MoPF was to increase mobility of the district police so that challenges to internal security were dealt with effectively and the response time reduced. The position of availability of various types of vehicles with the district police during the period 2009-12 is given in **Table-10**:

³⁷ Upper Subordinate: Assistant Sub Inspector to Inspector and Lower Subordinate: Head Constable and Constable.

Table-10: Position of availability of various types of vehicles in the District

	Light Vehicle	Medium Vehicle	Heavy Vehicle	Motor Cycle	Total
Total requirement	178	91	24	306	599
Available	101	37	13	106	257
Shortage	77	54	11	200	342
Per cent of shortage	43	59	46	65	57

Source: SP, Palamu

There was 57 per cent shortage of vehicles in the district

It would be seen that the overall shortage of vehicles in the District as on 31 March 2012 was 57 per cent.

We also observed that against the requirement of 76 special vehicles³⁸ only 15 were available. Thus, the deficiency of special vehicles was 80 per cent of the requirement.

3.1.20.4 Weaponry

Phasing out of out-dated and old weapons was not done

Palamu being the oldest *Naxal* affected district in the State required adequate weapons as an important component under MoPF scheme. Inspector General (Provision), Jharkhand stated (May 2007) to phase out the out-dated and old weapons like .303 and SLR rifles and planned to replace it with modern firearms like AK 47 and INSAS rifles.

The scale of arms holding was fixed as a modern or main strike weapon³⁹ for each police personnel.

During audit scrutiny (July 2012), we observed that 489 (7.52 mm SLR) and 453 (.303 Rifles) were retained with the District Police as of March 2012. We also noticed that 157 SLR (out of 489) and 346 .303 Rifles (out of 453) were kept idle in the District armoury. As of March 2012, 2,194 weapons⁴⁰ were available for the sanctioned strength of 2,070 police personnel in the District. Besides, 163 weapons were not functioning as on March 2012. The same position prevailed as of December 2012.

Non-replacement of these weapons by modern strike weapons even six years after the decision taken in May 2007 to phase out old weapons could hamper the preparedness of the police in Palamu district.

3.1.20.5 Security equipment

There were large shortage of bullet proof jackets and helmets

Security equipment like Bullet Proof (BP) jackets and BP helmets are essential for safety of the police involved in anti-insurgency operations. Each combat personnel was to have one set of the above mentioned security equipment. We observed that out of total sanctioned strength of 2,070 combat personnel in the district, only 482 BP jackets and helmets (23 per cent) were available out of which 19 BP jackets and six BP helmets were permanently damaged in

³⁸ Ambulances, Medium Mines Protective Vehicles and Bullet proof vehicles.

³⁹ Main strike weapons: 5.56 mm INSAS Rifles, AK 47, 9mm Sten Guns, 9 mm Pistols, .38 Revolvers and VL Pistols.

⁴⁰ 5.56 mm INSAS Rifles, 7.62 mm SLRs, AK 47, 9mm Sten Guns, 9 mm Carbines, 9 mm Pistols, .38 Revolvers and .303 Rifles.

landmine blasts. Shortage of the security equipments left the combat force vulnerable to risk to life or serious injury.

3.1.20.6 *Mobile Forensic Van*

Bureau of Police Research and Development suggested providing a mobile forensic van to each district. Police headquarters provided (March 2004) one mobile forensic van to Palamu district police for improving the quality of crime investigation. The Log book of the van made available for the period from January 2012 revealed that only two trips for unspecified purposes to Bishrampur were recorded during January 2012. Thereafter, the van was found to be kept idle. In response to the audit query the Sergeant Major, Palamu stated (July 2012) that two trained police personnel deployed in mobile forensic van were transferred (May 2012) to Ranchi and Deoghar and no trained personnel were posted in their place. As such, in the absence of trained police personnel, the van remained idle. Thus, exhibits were being collected and packaged by investigating officers⁴¹ in absence of trained police personnel.

3.1.20.7 *Manpower management*

Efficacy and quality of police services largely depends on the availability of adequate number of trained police personnel. We observed that there were a shortage of Deputy Superintendent of Police (50 per cent), Sub-Inspector (44 per cent) Assistant Sub-Inspector (10 per cent) and 10 to 43 per cent in the constabulary cadre as on March 2012 (*Appendix-3.10*). Two sanctioned posts of Sergeant were also vacant. Thus, large scale vacancies may adversely affect the preparedness of the police force in the district which is a severely *Naxal* affected one.

Shortage of 10 to 100 per cent in the officer cadre and 10 to 43 per cent in the constabulary cadre was noticed

3.1.21 *Monitoring*

Under the provisions of Jharkhand Panchayati Raj Act (JPRA), the District Planning Committee (DPC) was required to review the progress of schemes in its meeting. Only one meeting was held in December 2011. In the solitary meeting of the DPC, no review of schemes was done.

The District Planning Committee did not monitor the progress of implementation of ongoing schemes

Further, Sections 71 and 72 of the Act stipulate for constitution of seven standing committees for GPs and eight each for PSs and ZP to look after the functions within their jurisdiction. These committees could not be formed (December 2012) even after the election of PRIs during December 2010 due to non-transfer of functions as discussed in the preceding paragraph 2.1.6.2. Thus, due to non-constitution of standing committees at GP, PS and ZP levels monitoring of developmental works could not be achieved as envisaged in JPRA. However, prior to implementation of JPRA, monitoring of schemes was done through regular monthly meetings by the DC.

During the exit conference (December 2012), the District Planning Officer stated that formation of standing committees was in process.

Thus, absence of effective monitoring mechanism was one of the reasons for deficiencies noticed in scheme implementation.

⁴¹ Assistant Sub-Inspector, Sub-Inspector, Inspector of Police and Dy. Superintendent of Police.

3.1.22 Conclusion

The district-centric audit of Palamu aimed to focus on devolution of finances and implementation of significant socio-economic development programmes in the district. Significant audit findings are narrated below:

- There is no mechanism in vogue to capture the entire sector-wise funds flow in the district in an aggregated manner at any given point of time. District Planning Committee in Palamu was constituted in December 2011 i.e. 18 years after the 74th Constitutional amendment. The DPC met only once and its functioning remained perfunctory and incomplete. Five year Perspective Plans as well as the Annual Action Plans for the district were not prepared. Transfer of funds, functions and functionaries to Panchayati Raj Institutions (PRIs), as envisaged in the Act, was also not done (December 2012).
- Despite intervention of SSA, large number of children remained out of school, Pupil-Teacher Ratio (PTR) was below the prescribed norm and the PTR was worse in the blocks located away from District headquarters. Construction of a large number of buildings and class rooms was either incomplete or was stopped mid way for want of land. There was shortfall in supply of free text books to children. There was lack of basic amenities in the schools.
- In implementation of MDM, 1,974.79 MT of rice valuing ₹ 4.12 crore was not taken into stock of schools, though shown issued by SFC godowns. We also observed diversion of MDM rice to other schemes and misutilisation of cooking funds. MDM was found disrupted in some schools due to inadequate supply of foodgrains.
- Even after implementation of NRHM there were shortages of health centres at district, block and village levels compared to the norms of NRHM. Basic health care services like blood storage, Obstetric care, facilities of Ultra Sound, ECG, services of gynaecologists etc. were not available in the CHCs. CT Scan Machine, Mechanised Laundry and Incinerator installed in Sadar Hospital remained non-functional. Despite implementation of Janani Suraksha Yojana, all the registered pregnant women did not receive all three ante-natal check ups and institutional delivery was only 40 *per cent* of the total number of women registered during 2009-12.
- In implementation of Supplementary Nutrition Programme (SNP) under ICDS, we observed that out of 2,583 Anganwadi Centres (AWCs), 2,484 had no toilets and 2,026 had no hand pumps during 2009-12. Shortfall in SNP also ranged between 36 and 38 *per cent*.
- Foodgrains valuing ₹ 44.96 crore for BPL, AAY, *Annapurna* and Additional BPL Schemes shown issued by SFC were not shown received by Fair Price Shops. The discrepancy was not reconciled.
- In Drinking Water & Sanitation Division two piped water supply schemes for a population of 75,000 were stopped midway and expenditure of ₹ 19.17 crore incurred on procurement of pipes was rendered unfruitful.

There was infructuous expenditure of ₹ 7.01 crore due to non-functioning of fluoride removal attachment units.

- Thirty one roads completed at a cost of ₹ 27.86 crore during 2007-12 under PMGSY were not maintained and 86 roads covering 181 habitations remained incomplete after incurring an expenditure of ₹ 42.60 crore.
- Under RGGVY, only 668 villages out of 1,457 villages were electrified. Unfruitful expenditure of ₹ 3.86 crore was incurred on providing meters to electrified BPL connections, as the consumers were billed at a flat rate.
- Under SGSY, 861 *swarojgaris* were deprived of bank finance as they were not imparted training for want of a building
- Police force in Palamu lacked infrastructure like police station and outpost buildings, quarters for lower and upper sub-ordinates, barracks, vehicles etc. Phasing out of old and outdated weapons was also not done in the district.
- District Planning Committee (DPC) was required to review the progress of schemes in its meetings. In the solitary meeting of DPC, no review of schemes was done. Besides this, the committees of GPs, PSs and ZP were also to be constituted for looking after the functions within their jurisdiction but due to non-constitution of these standing committees monitoring of developmental works could not be done.

3.1.23 Recommendations

- *Government should ensure the involvement of PRIs in planning and implementation of schemes.*
- *Government should ensure that adequate infrastructure and basic amenities are provided in schools.*
- *Government should ensure basic infrastructure/health care facilities at (Community Health Centres) CHCs, (Primary Health Centres)PHCs etc. under NRHM*
- *Under PMGSY, Government should ensure providing all weather road connectivity to unconnected habitations.*
- *Government should ensure strengthening of the monitoring mechanism to achieve the desired objectives.*

The matter was reported to the Government (February 2013). Reply had not been received (March 2013).

CHAPTER – 4
CHIEF CONTROLLING OFFICER BASED
AUDIT OF
A GOVERNMENT DEPARTMENT

Chapter-4

Chief Controlling Officer Based Audit of a Government Department

4.1 Working of Animal Husbandry and Fisheries Department

Executive Summary

Animal Husbandry and Fisheries Department of the Government of Jharkhand is responsible for treatment, vaccination, castration, artificial insemination of animals as well as to ensure increase in production of milk, meat, eggs and wool etc. in the State. The Department is also responsible for implementation of different schemes/programmes viz. goat development schemes, poultry development schemes, pig development schemes, milch cattle induction schemes, etc. Working of two Directorates (Animal Husbandry and Dairy Development) of the Department was examined in audit, covering the period 2007-12. Significant audit findings are narrated below:

- There were only 451 Veterinary Hospitals in the State against the required 1,756 hospitals as per norms of the National Commission on Agriculture (1976). Infrastructure in veterinary hospitals/dispensaries was not adequate. The Department had only eight functional chilling plants in the State which badly affected the objective of facilitating profitable disposal of milk for the milk producers. Even milk booths were not established for want of sites. Besides, there were shortages (32 per cent) of veterinary doctors.

Government should ensure availability of adequate number of veterinary hospitals, chilling plants, milk booths and veterinary doctors.

- There were large savings of Plan funds and rush of expenditure in the month of March, mainly due to delays in allotment of funds. Large amounts of subsidies were lying with DAHO/banks and District Animal Husbandry Officers (DAHOs) did not monitor crediting the subsidies into the bank accounts of the beneficiaries.

Government should ensure maximum utilisation of Plan funds and timely allotment of funds to avoid rush of expenditure in March. Government should also ensure monitoring of subsidy amount lying in the banks for achievement of the desired objectives.

- Under the goat development scheme, Government did not synchronise the purchase of goats and creation of sheds for goats. Funds meant for procurement of goats were diverted. Implementation of the scheme suffered due to lack of monitoring. Interviews with beneficiaries revealed death of goats, which was not known to the DAHOs.

Government should ensure purchase of goats and monitoring the scheme.

- Under poultry development schemes, there was short achievement against the target set due to delayed selection of beneficiaries. DAHOs were not aware of death of chicks.

The Department should ensure proper healthcare of chicks and regular follow up to achieve desired benefits of the scheme.

- Joint interview of 38 beneficiaries of the five test-checked districts revealed that during the period 2009-12 though 46 out of 223 pigs of 17 beneficiaries died, no claims could be made as pigs were not insured due to failure of DAHOs in creating awareness amongst beneficiaries in spite of availability of fund.

The Department should ensure creation of awareness regarding insurance of pigs to safeguard losses to the beneficiaries.

- Under Assistance to States for Control of Animal Diseases (ASCAD), during the period 2007-12 achievement of vaccination targets was short by seven per cent in Foot and Mouth Disease (FMD), 89 per cent in Peptides Petits Ruminants (PPR), 40 per cent in Black Quarter (BQ) and Hemorrhagic Septicemia (HS) and 88 per cent in Ranikhet due to delayed/short supply of vaccines.

The Department should ensure timely and adequate supply of vaccines for control of animal diseases through vaccination.

- Under milch cattle induction programme, out of 3,670 units only 2,611 units (71 per cent) were established during the period 2007-11 in the test-checked districts due to partial purchase of cows.

The Department should ensure purchase of all cows as envisaged in the scheme to achieve the desired benefit.

- Jharkhand Dairy Project (JDP) managed (under MoU) by National Dairy Development Board (NDDB) could cover only three out of targeted 12 districts for procurement and processing of milk after incurring expenditure of ₹ 11.10 crore during the period 2008-12. The Department took over (December 2012) the charge of management of JDP only after expiry of MoU.

4.1.1 Introduction

Animal Husbandry and Fisheries Department (AH&FD) is responsible for control of animal diseases, increase in production of milk, egg, meat etc. and enhancement of productivity of animals by intensive implementation of goat, poultry and pig development schemes, milch cattle induction, breed improvement and heifer rearing programmes etc. The AH&FD also plays a crucial role in the rural economy by providing gainful employment to small and marginal farmers and agricultural labourers.

Audit frame work**4.1.2 Organisational set up**

The Animal Husbandry and Fisheries Department (AH&FD) is headed by the Secretary to Government of Jharkhand (GoJ) who is assisted by three Directors (Animal Husbandry, Dairy Development and Fisheries) at the State level. The District Animal Husbandry Officers (DAHOs) are responsible for implementation of the schemes. They are assisted by Veterinary Surgeons (VSs), Touring Veterinary Officers (TVOs) and Block Animal Husbandry Officers (BAHOs) under Animal Husbandry sector. The District Dairy Development Officers (DDDOs) are responsible for implementation of the schemes of Dairy Development sector. Besides, the Department has its own vaccine production institute, cattle, piggery and poultry farms and farmers' training centres to support the schemes towards achievement of its objectives. The organogram of the Department is given in *Appendices 4.1 and 4.2*.

4.1.3 Objectives of the Department

The objectives of the Animal Husbandry Directorate are:

- to consolidate and strengthen the existing infrastructure facilities for livestock development in the State;
- to increase livestock production, such as milk, egg, meat etc.; and
- to promote animal husbandry as a viable subsidiary income source for the rural population by providing improved facilities of cross-breeding, feeding, proper management and animal health coverage.

The objectives of the Dairy Development (DD) Directorate are:

- to develop efficient marketing system for procurement, transportation and sale of milk and milk products;
- arrangement of feed, fodder, mineral and other feed supplement at the door step of the milk producers and breed improvement of cattle and
- to boost up milk production to meet the requirement of the State and to generate sustainable employment.

4.1.4 Audit objectives

The audit objectives were to assess whether the Department had:

- adequate infrastructure, manpower and budgetary resources for implementation of the schemes;
- implemented the schemes/ programmes in a timely and effective manner;
- achieved the targets of production milk, eggs and meat and
- an adequate monitoring and internal control mechanism.

4.1.5 Audit criteria

The criteria adopted for benchmarking the audit findings were drawn from the following sources:

- Jharkhand Financial Rules, Budget Manual and Jharkhand Treasury Code;
- Guidelines of *Rashtriya Krishi Vikas Yojana* and other Central Schemes;
- Government orders and instructions for implementation of various schemes; and
- Memorandum of Understanding (MoU) executed between the State Government and the implementing agencies (NGOs).

4.1.6 Audit scope and methodology

The CCO-based audit covered the activities of the Department for the period 2007-12 and its scope was limited to the Animal Husbandry and Dairy Development Directorates of the Department. Audit was conducted (April to July 2012) in eight¹ out of 24 districts involving 16 Drawing and Disbursing Officers (DDOs) selected through Simple Random Sampling without Replacement method. Records and files were examined at the Secretariat, Directorates and their district units. Information relating to blocks was obtained through district offices.

Besides, information was collected from other allied offices² by issue of questionnaires. Interviews of 282 beneficiaries (out of 6,278) were taken in the presence of Departmental officers and information obtained by issue of questionnaires.

The audit objectives and scope of audit were discussed with the Secretary of the Department on 30 March 2012 in an entry conference. In spite of several requests, the Secretary/Principal Secretary did not give time and as such the exit conference could not be held. However, the Department's replies have been received (between November 2012 and January 2013) and have been incorporated in this report at appropriate places.

Audit findings

4.1.7 Institutional arrangement

Every organisation needs to have sound planning, adequate infrastructure, sufficient skilled manpower and funds to manage and achieve its objectives. This ensures soundness and appropriateness of the internal system and control in its key areas of activities and drives the organisation towards its objectives in an economical, efficient and effective manner.

We observed that the Department prepared the Five-Year Plan and the Annual Plans during the period 2007-12. However, the need of targeted beneficiaries was not ascertained as no inputs were obtained from the lower level functionaries. Some areas where the management of activities was found weak are discussed in the succeeding paragraphs:

¹ Bokaro, Deoghar, Dhanbad, Dumka, East Singhbhum, Gumla, Latehar and Ranchi.

² Piggery Farm, Kanke, Poultry Farms, Hotwar and Bokaro, Animal Health and Production Institute (AHPI), Kanke, Office of the Artificial Insemination Officer, Hotwar, Farmer's Training Centre, Kanke and Veterinary Hospitals under the Department.

4.1.7.1 *Inadequacy of infrastructure in Animal Husbandry (AH)*

For efficient vaccination and treatment of animals, vaccine production institute and sufficient number of animal hospitals with adequate infrastructure are required. We noticed the following shortcomings in the vaccine production institute and the veterinary hospitals/dispensaries.

- *Infrastructure for vaccine manufacture*

The Animal Health and Production Institute (AHPI), Kanke, Ranchi had been producing vaccines³ for bacterial and viral diseases since 1986 for supply and consumption in Government veterinary hospitals. The institute was operating as of January 2013 without a manufacturing license as required under Section 18 C of the Drugs and Cosmetics Act, 1940 as the license had expired on 31 December 2000. This was an offence attracting penalty under section 27 (A) of the Act, *ibid*.

As per Schedule F(1), Part I(A) Drugs and Cosmetic Rules, 1945, the establishment in which viral/bacterial vaccines are prepared must be under the direction and control of a competent expert in bacteriology with specialised training in virology with sufficient experience in the manufacture and standardisation of vaccines.

Analysis of information furnished by AHPI revealed that the institute lagged behind in achieving the target of production of vaccines and the achievement ranged between six *per cent* and 46 *per cent* of the targets fixed during 2007-12 (*Appendix-4.3*), which resulted in less vaccination of cattle during 2007-12 (as discussed in paragraph 4.1.9.4) and the cattle remained exposed to contagious diseases.

Further, the institute could not manufacture viral vaccines during 2007-12 as specialised equipment viz. Lyophiliser and Egg Incubator required for production of viral vaccines were not purchased (August 2012) and the laboratory was undergoing modernisation as per Good Manufacturing Practice⁴ (GMP) standards.

We observed that after July 2007, no microbiologist⁵ was appointed as head of the Institute. Non-posting of an experienced and qualified person as head of the institution was one of the reasons stated by the Director, AHPI for less production of vaccines.

The Department accepted (November 2012) the audit observations and stated that the fees with necessary documents were deposited (May 2008) for renewal of drug license. The Department also stated that the Director of the Institute was directed to look into the matter regarding persons engaged in

Production of vaccines by AHPI, Ranchi ranged between 6 *per cent* and 46 *per cent* of the target fixed during 2007-12

³ For Hemorrhagic Septicemia, Black Quarter, Ranikhet Disease and Swine Fever disease.

⁴ As per norms prescribed in Schedule 'M' of the Drugs and Cosmetic Rules 1945 (Rules) GMP is to be complied with by all the manufacturing units/testing laboratories. GoI made these norms mandatory with effect from July 2005.

⁵ Microbiology includes the disciplines virology, mycology, parasitology, bacteriology and so on.

production of vaccines. However, the Department was silent about non-posting of a qualified person as head of the institute.

• ***Adequacy of Veterinary Hospitals (VHs)/Veterinary Dispensaries (VDs)***

The Department had 451 VHs/ dispensaries i.e. 19,470 animals per hospital against the norm of 5,000 cattle

As per resolution of the Government of Jharkhand based on National Commission on Agriculture (NCA), 1976, one VH was required for 5,000 cattle for delivery of veterinary services. There were 87.81 lakh cattle⁶ in the State and accordingly, 1,756 VHs were required. As of March 2008, there were only 451 hospitals⁷ (i.e. one hospital for approx. 19,470 cows) in the State and the number of hospitals could not be increased till March 2012. The Department planned (March 2008) for construction of 300⁸ VH buildings in two phases (2007-08: 115 and 2008-09: 185) during 2007-09 under the State Plan. The Department sanctioned and allotted (March 2008) ₹ 6.99 crore⁹ to five Regional Directors (RDs) for construction of 115 VHs in the first phase. Further, the Department sanctioned ₹ 38.32 crore¹⁰ for construction of 250 hospitals during 2010-12 (new construction: 194 VHs and 4 VDs and renovation: 46 VHs and 6 VDs).

Construction of only 130 VHs/VDs was completed against 365 sanctioned during 2007-12

Scrutiny of records and information collected revealed that against 90 VHs taken up during 2007-08, construction work of 84 VHs was completed and six VHs remained incomplete due to their slow progress as of December 2012. Construction of 25 VHs could not be started due to non-availability of land and non-revision in cost despite increase in Schedule of Rates (May 2008). As per direction (December 2009) of the Department, ₹ 1.52 crore was returned (December 2009: ₹ 1.46 crore and May 2010: ₹ 0.06 crore) to the concerned RDs by the executing agency. Further, only one¹¹ VH out of eight sanctioned in 2010-11 and 45 VHs/VDs out of 242 sanctioned in 2011-12 could be completed as of January 2013.

Thus, only 130 VHs/VDs out of 365 VHs/VDs sanctioned during 2007-12 could be completed as of January 2013.

The Department did not furnish any specific reply.

• ***Infrastructure facilities in field hospitals and dispensaries***

Many VHs/VDs did not have water and electricity supply, refrigerator, storage facilities, etc.

The VHs¹²/VDs¹³ play an important role in delivery of veterinary services. As per GoI guidelines, the VHs/VDs should have a hospital building in good condition, clean water availability, storage facility, refrigerator and modern machinery/equipment.

⁶ As per 18th Animal Census, 2007.

⁷ VHs: 424, VDs: 23 and Mobile hospital: 4.

⁸ 153 having no building, 61 delapidated and 86-required repair.

⁹ Estimated cost was Rs 6.08 lakh for each VH.

¹⁰ Estimated cost: ₹ 15 lakh for new construction and ₹ 10 lakh for renovation of VHs; and ₹ 11.60 lakh for new construction and ₹ 6 lakh for renovation of VDs.

¹¹ Kolecbira (Simdega).

¹² Headed by TVOs in block and cluster of villages.

¹³ Headed by Veterinary Surgeons at district.

Analysis of information furnished by 128 TVOs and nine VSs out of 173 TVOs and 10 VSs of eight test-checked districts revealed that out of 137 VHs/VDs, 39 did not have their own building. There was lack of clean water availability in 47 VHs/VDs and storage facility in 31 VHs/VDs. Sixty VHs/VDs did not have any refrigerator. Further, due to lack of electricity supply in 73 VHs/VDs, functioning of the refrigerator was doubtful. Lack of infrastructure badly affects the delivery of animal healthcare services.

The Department stated (January 2013) that funds for basic infrastructure for VHs and VDIs were being released in the current financial year.

Dairy Development

• Infrastructure for chilling of milk

To provide profitable disposal of milk produced by the rural milk producers, strengthening/renovation of the existing milk chilling centres and establishment of new chilling plants was to be taken up as per Annual plan 2007-08. The status of chilling plants in the State as of February 2013 is given in **Table-1**:

Table-1: Position of chilling plants in the State

Total districts	Number of Chilling plants in the State			Test-checked districts	
	Functional	Non-functional	Sanctioned / under-construction	Functional	Non-functional
24	8 ¹⁴	6 ¹⁵	6 ¹⁶	4 ¹⁷	3

Source: Dairy Development Directorate

Scrutiny of Sale register of milk and other related records of the chilling plants in test-checked districts revealed the following:

- Two Chilling plants, one each in Dumka and Gumla Districts, were defunct since 2006 and March 2012 respectively due to obsolete equipment as stated by the DDDOs. The plants required renovation of equipments. In East Singhbhum, the Department released ₹ 2.25 crore (March 2010: ₹ 0.25 crore and March 2011: ₹ 2 crore) to the DDDO for construction of a chilling plant at Jamshedpur. The DDDO, East Singhbhum spent ₹ 0.25 crore on construction of the boundary wall, leveling work and installation of deep tube well. He transferred ₹ 0.75 crore (March 2011) to the Executive Engineer (EE), Building Division, Jamshedpur (executing agency) for construction of a building for the chilling plant and kept ₹ 1.25 crore (April 2011) in saving bank account. The EE could not start construction as of July 2012 as the estimates regarding consumption of electricity in the chilling plant, which was required for facilitating electrical arrangement in the building, was not made available to him. Thus, construction of the plant could not be started despite availability of fund.

There were only eight Chilling plants functional in 24 districts. Six Chilling plants remained non-functional

Rupees 1.25 crore meant for Chilling plant was kept in savings account

¹⁴ Deoghar, Dhanbad, Hazaribag, Giridih, Koderma, Latehar, Lohardaga and Ranchi.

¹⁵ Dumka, Gumla, Khunti, Ranchi, Saraikela and Sahibganj.

¹⁶ Godda, Jamtara, Jamshedpur, Simdega and Ranchi (2).

¹⁷ Deoghar, Dhanbad, Latehar and Ranchi.

- In Deoghar and Latehar districts, machinery to make curd, *ghee*, *paneer* and *khoa* installed between September 2007 and March 2008 at a cost of ₹ 18.51 lakh¹⁸ could not be put to use as there was short supply of milk to the chilling plants. As such, expenditure of ₹ 18.51 lakh remained unfruitful.

Thus, the objective of the Department to provide market for profitable disposal of milk for the milk producers was not fully achieved.

The Department stated (December 2012) that selection of suitable private partners for strengthening the defunct chilling plants and phase-wise creation of chilling plants in all other districts was in process. The reply was not convincing because no attempt was made to restart the defunct chilling plant at Dumka; rather the chilling plant at Gumla ceased functioning in March 2012 and the construction of the chilling plant at Jamshedpur could not be started.

• **Idle investment on milk booths**

The Department sanctioned ₹ 2.63 crore¹⁹ (August 2010 and July 2011) for installation of 108 portable milk booths (milk parlours) (2010-11: 28 and 2011-12: 80) in urban areas of nine districts (including four²⁰ out of eight test-checked districts) of Jharkhand to ensure stable arrangement for proper sale of milk and milk products to the urban consumers. The DDDOs were to select the sites of the milk booths and to report the same to the Department for release of funds.

Scrutiny of records revealed that 18 milk booths (Deoghar; 13 and Gumla; 5) sanctioned during 2010-12 were not installed due to non-availability of sites. However, out of allotted funds of ₹ 44.25 lakh an amount of ₹ 42.33 lakh was utilised for purchase of material for 18 milk booths²¹ which remained idle as of July 2012. Further, the chilling plant in Gumla ceased functioning from March 2012. As a result, the milk booths cannot be utilised even after installation. In Ranchi and Dhanbad, installation of milk booths was in progress.

Thus, the objectives of the scheme could not be achieved after incurring expenditure of ₹ 42.33 lakh.

The Department stated (December 2012) that suitable land was being identified to establish the remaining milk booths. The reply was not in order as the Department released the funds without ensuring availability of suitable site.

4.1.7.2 Adequacy of manpower

The BAHOs, TVOs and livestock/technical assistants in Animal Husbandry sector and DDDOs, Assistant Dairy Extension Officer and Input Supervisors

18 milk booths were not installed for want of sites

Material worth ₹ 42.33 lakh remained idle as milk booths at Deoghar and Gumla were not established

¹⁸ Deoghar: ₹ 16.33 lakh and Latehar: ₹ 2.18 lakh.

¹⁹ 2010-11: Material for Milk Booth- ₹ 1.85 lakh and Furniture- ₹ 0.40 lakh and 2011-12: Material for Milk Booth- ₹ 2.00 lakh and Furniture- ₹ 0.50 lakh.

²⁰ Dhanbad: 14, Deoghar: 13, Gumla: 5 and Ranchi: 44.

²¹ Worth ₹ 42.33 lakh (Deoghar: ₹ 30.47 lakh and Gumla: ₹ 11.86 lakh)

in Dairy Development sector were the key functionaries for implementation of the schemes implemented by the Department.

There was 32 per cent shortage of veterinary doctors

We noticed that there were shortage of 249 veterinary doctors (32 per cent) in the State and 78 veterinary doctors (26 per cent) in the test-checked districts as compared to the sanctioned strength. Shortages of non-gazetted staff in the State and in the test-checked districts were 37 per cent and 38 per cent respectively. Further, in Dairy Development sector, shortages of technical officers/staff and non-technical officers/staff were 48 per cent and 28 per cent respectively in the State. In the test-checked districts, shortages were 53 per cent and 45 per cent as compared to the sanctioned strength. Details of shortage of manpower as on March 2012 in both the Directorates are detailed in *Appendix-4.4*.

Shortage of manpower affected the service delivery as discussed in Paragraph 4.1.9. We also observed that in the Animal Husbandry Directorate, the BAHOs were engaged in other development works of the Rural Development Department, law and order duties, examination and election duties etc, which affected monitoring/follow up of the schemes by them. The DAHOs and DDOs accepted the fact.

4.1.8 Compliance with financial rules, orders etc.

For sound financial administration and control, it is essential that expenditure conforms to the financial rules, regulations and orders issued by the competent authorities. Instances of non-compliance with the rules and regulations are discussed below:

4.1.8.1 Financial control, budget allotment and expenditure

There were large savings of Plan fund

The Department was financed mainly through the State budget under the major head of account '2403-Animal Husbandry' and '2404-Dairy Development'. Besides, the funds for Centrally Sponsored Schemes (CSS) were also routed through the State budget to the extent of the State's committed share and the share of GoI. The overall budget allocation and expenditure incurred during the period 2007-12 are shown in **Table-2**:

Table-2: Budget provision and expenditure

Animal Husbandry

Year	Plan			Non-plan		
	Allocation	Expenditure	Saving	Allocation	Expenditure	Saving
2007-08	32.14	23.20	8.94 (28)	44.60	41.81	3.16 (7)
2008-09	32.89	26.89	6.01 (18)	56.46	53.02	3.43(6)
2009-10	26.05	21.89	4.16 (16)	77.02	61.69	15.33(20)
2010-11	42.45	26.97	15.48 (36)	67.67	63.43	4.24(6)
2011-12	59.21	37.60	21.61 (36)	75.42	71.86	3.56(5)
Total	192.74	136.55	56.20 (29)	321.17	291.81	29.72 (9)

Source: AH &FD. Figures in bracket represent per cent to fund allocation

Dairy Development

(₹ in crore)

Year	Plan			Non-plan		
	Allocation	Expenditure	Saving	Allotment	Expenditure	Saving
2007-08	39.65	34.53	5.12 (13)	3.93	3.67	0.26 (7)
2008-09	46.00	44.15	1.85 (4)	4.69	4.48	0.21 (4)
2009-10	47.10	46.09	1.01 (2)	5.87	5.59	0.28 (5)
2010-11	55.00	46.74	8.26 (15)	6.05	5.83	0.22 (4)
2011-12	66.00	53.64	12.36 (19)	6.84	6.54	0.30 (4)
Total	253.75	225.15	28.60 (11)	27.38	26.11	1.27 (5)

Source: AH & FD. Figures in bracket represent per cent to fund allocation

During the period 2007-12, the plan expenditure of Animal Husbandry (AH) Directorate ranged between 64 and 84 per cent of the allotted funds while expenditure of the Dairy Development Directorate ranged between 81 per cent and 98 per cent.

Allocation of funds under Animal Husbandry was not synchronised with the population increase of livestock

The allocation of funds under Animal Husbandry was not synchronised with the actual population of livestock²². Although the population of livestock increased in 2008-09 by 1.03 per cent in comparison to 2007-08, allocation and expenditure of funds under AH decreased in 2009-10 from the previous year by ₹ 6.84 crore (20.80 per cent) and ₹ 5.00 crore (18.59 per cent) respectively.

Thus, adverse impact on animal health and livestock products due to less allocation of funds could not be ruled out.

As per standing executive instruction contained in Finance Department letter dated 17 April 1998, advance drawal from the treasury can only be made by observing the Rule 300 contained in JTC. Scrutiny revealed that Government allotted (March 2012) ₹ 1.10 crore, against budgetary allocation for the year 2011-12 for construction of 11 veterinary hospitals in Ranchi. The Treasury Officer, Doranda, Ranchi, however, objected to advance drawal of the amount in violation of the standing executive instructions (April 1998). This resulted in non-drawal and consequent lapse of ₹ 1.10 crore.

4.1.8.2 Rush of expenditure in the month of March

According to Rule 113 of the Jharkhand Budget Manual, rush of expenditure particularly in the closing months of the financial year is considered as a breach of financial regularity and is to be avoided.

We observed that during the years 2007-08 to 2011-12, Plan expenditure incurred during the month of March ranged between 55 per cent and 66 per cent of total expenditure under Animal Husbandry and between 56 per cent and 85 per cent under Dairy Development. Similar trend²³ was noticed in the test-checked districts. Rush of expenditure in the month of March was fraught with the risk of inadequate monitoring of expenditure by the Department.

²² 2007-08: 159.37 lakh; 2008-09: 161.01 lakh; 2009-10: 161.76 lakh; 2010-11: 152.52 lakh and 2011-12: 166.05 lakh.

²³ Animal Husbandry: 44 per cent to 78 per cent; Dairy Development: 43 per cent to 86 per cent.

Further, scrutiny of Governments' orders and allotment letters revealed that the allotments of fund to all DAHOs were made after delays of 53 days to 180 days from the date of issue of sanction orders in eleven²⁴ cases under three schemes during 2007-12.

The rush of expenditure in March could have been avoided had the Department released the funds soon after the issue of sanction orders. This also indicated weak financial management by the CCO.

The Department stated (December 2012) that this was due to time taken in selection of beneficiaries. The reply was not convincing because allotment letters were not issued instantly after issue of sanction orders.

4.1.8.3 Subsidy management

Animal Husbandry

DAHOs had no information about the subsidy amount credited into the bank account of the beneficiaries

As per sanction orders, subsidy amount was to be released by the DAHOs to the beneficiaries' savings bank accounts. In absence of a prescribed mechanism, DAHOs released the subsidy amount to the bank branches concerned on receipt of claim bills containing information regarding loan sanctioned or in the process of being sanctioned to the proposed targeted beneficiaries. During 2009-12, subsidy of ₹ 3.47²⁵ crore for 2,051 beneficiaries in the test-checked districts was drawn from treasury to release to different bank branches for crediting into their accounts.

Scrutiny of information furnished by the DAHOs of the test-checked districts revealed that although subsidy of ₹ 2.65 crore for 1,676 beneficiaries was released during 2009-12 to different banks, the DAHOs had no information about the amount of loan sanctioned by the banks, the amount actually credited into the accounts of the proposed beneficiaries and the self-contribution made by them.

We observed that subsidy of ₹ 0.82 crore involving 375 selected beneficiaries remained with the DAHOs for want of claims from the banks. On being asked, the DAHOs stated that they would furnish the information regarding credit of subsidy in the bank accounts of 1,676 targeted beneficiaries after collection of the same from the concerned banks. This showed absence of control mechanism over utilisation of subsidy in the Department.

Dairy Development

Under the Milch Cattle Induction Programme²⁶ the applications of beneficiaries were to be sent to the banks for processing loans. The banks, after requisite verification of the application and eligibility, were to submit claims of subsidy to the DDDOs. According to the GoJ orders, cattle were to

²⁴ Goat Development: 2007-08; 160 days in each of three allotment orders; 2009-10; 103 days and 158 days; 2010-11; 164 days and 2011-12; 53 days, 80 days and 180 days), Pig Development: 2009-10; 103 days and Construction of hospitals/dispensaries buildings: 2011-12: 170 days.

²⁵ Except poultry and pig development schemes in East Singhbhum for which information was not furnished by the DAHO.

²⁶ A programme in which the Government distributed cross breed cows and buffalos to the proposed beneficiaries on subsidy (ranged between 20 and 50 per cent) basis.

Subsidy amount of ₹ 3.04 crore was lying unutilised in the banks

be purchased in two phases with a gap of six months. Accordingly, the subsidy was to be released to the banks.

Scrutiny of the register of cow purchase and information furnished by the DDDOs of seven²⁷ test-checked districts revealed that subsidy of ₹ 3.04 crore²⁸ (State scheme: ₹ 26.84 lakh and RKVY: ₹ 2.77 crore) was lying unutilised in the banks during 2007-12 due to non-purchase of cows by the beneficiaries. The DDDOs stated that since the loans were not repaid by the beneficiaries after purchase of cows in the first phase, the banks did not credit the subsidy and loan of the second phase and the subsidy amount remained unutilised in the banks. The reply was not entirely correct as even the cows of the first phase were not purchased in 332 out of 3,670 cases during 2007-11. Further, the amount released to the banks but not utilised, was irregularly shown as expenditure in the accounts of DDDOs. No steps were taken to withdraw the undisbursed amount from the banks for remittance into the treasury.

The Department stated (December 2012) that necessary steps would be taken to achieve cent *per cent* utilisation of subsidy.

4.1.9 Service delivery

To boost up the production of egg, milk and meat with consequent generation of employment to rural people and enhance their income, the Department implemented schemes of poultry development, piggery development, backyard poultry, goat development, cattle distribution and grassland development and rendered services like vaccination, treatment of livestock, artificial insemination (AI), etc.

Animal Husbandry

During 2007-12, goat development, poultry development and piggery development schemes were taken up by the Department under the State Plan schemes and the *Rashtriya Krishi Vikash Yojana* (RKVY). The objectives/targets of the schemes, the fund allocation and expenditure under the schemes are detailed in *Appendix-4.5*.

4.1.9.1 Goat Development scheme

(a) Construction of sheds for goats

Under Goat Development Scheme, Government sanctioned (September 2007) ₹ 6.49 crore under State plan for creation of infrastructure (sheds) and purchase of goats etc. Of this, ₹ 5.47 crore was re-appropriated in March 2008 for construction of veterinary hospitals. Based on Government order (February 2008) an amount of ₹ 1.02 crore was drawn in March 2008 by the Department and was made available in May 2008 to two DAHOs²⁹ through bank drafts for creation of 375 units of goat shed for goat rearers in Ranchi (150 units) and Dumka (225 units). The cost of each unit was ₹ 27,130 (construction of shed:

Only sheds for goats were created as the funds for goats were diverted

²⁷ DDDO Deoghar did not furnish.

²⁸ 2007-08: ₹ 26.62 lakh, 2008-09: ₹ 64.79 lakh, 2009-10: ₹ 29.60 lakh, 2010-11: ₹ 46.90 lakh and 2011-12: ₹ 135.87 lakh

²⁹ DAHO Dumka: ₹ 61.04 lakh and DAHO Ranchi: ₹ 40.70 lakh

₹ 24,000, feeding equipment: ₹ 2,650 and monitoring and transportation: ₹ 480). The DAHOs paid (between September 2008 and March 2010) ₹ 81.97 lakh³⁰ to the beneficiaries in advance for construction of 356 sheds. They also spent ₹ 7.03 lakh³¹ on purchase of feeding equipments and on transportation. The remaining 19 sheds³² were not completed. Out of the unspent amount, ₹ 8.07 lakh remained with DAHO Ranchi while DAHO Dumka remitted (June 2010) ₹ 4.67 lakh. The Department had no information about actual number of sheds completed by the farmers. Though the scheme sanctioned in September 2007 provided for distribution of both sheds and goats, we observed that Government order of February 2008 did not provide for purchase of goats. As a result, expenditure of ₹ 89.00 lakh incurred on construction of sheds and materials could not generate income for the beneficiaries.

The Department stated that the scheme was meant for the beneficiaries having goats but not having basic infrastructure. The reply was not correct because the Department was to purchase and distribute goats as per the sanction letter.

(b) Distribution of improved breed of goat

The Department sanctioned (August 2011) distribution of goat units (each unit consisting of five female and one male goat) with requisite material for goat rearing, medicines, vaccines and insurance coverage for three years at 50 per cent subsidy. The cost of each unit was ₹ 22,500. Besides, for each unit ₹ 800 was to be spent on publicity by the DAHOs. The beneficiaries were to give an undertaking that they had goat sheds and they would deposit their own contribution in the bank account either through bank loan or savings. The departmental officers were to motivate, formulate and cooperate in successful completion of the scheme. The Government sanctioned (August 2011) 1949 units and allotted ₹ 2.35 crore for establishment of goat units in the State.

In eight test-checked districts 652 units were established against the target of 761. The Department spent ₹ 84.13 lakh during 2011-12 out of the allotment of ₹ 89.81 lakh. The remaining fund of ₹ 5.68 lakh for 46 units was surrendered during 2011-12.

The deficiencies noticed in the test-checked districts are discussed below:

Subsidy of ₹ 3.15 lakh was not credited by bank into beneficiaries account

- DAHO, Deoghar released (March 2012) subsidy of ₹ 3.15 lakh to Syndicate Bank for 28 beneficiaries without ascertaining that the beneficiaries would get loans from the bank. The bank sanctioned (April and May 2012) loans only to five eligible beneficiaries, but did not credit the subsidy to them as of June 2012. Hence, ₹ 3.15 lakh remained unutilised with the bank.

During interview (June 2012), four out of five beneficiaries stated that they had purchased 14 female and one male goat against the prescribed number of 20 female and four male goats. The purchase of lesser number of goats and in a disproportionate manner may affect the productivity.

³⁰ Dumka: ₹ 50.07 lakh for 209 units and Ranchi: ₹ 31.90 lakh for 147 units.

³¹ Dumka: ₹ 6.30 lakh and Ranchi: ₹ 0.73 lakh.

³² Dumka: 16 and Ranchi: Three.

- Interview with three beneficiaries (out of 52) in Dhanbad revealed that they had no goat sheds.
- In Gumla, out of targeted 118 units to be constructed at a cost of ₹ 13.28 lakh, only 52 units were established at a cost of ₹ 5.85 lakh. The subsidy of ₹ 7.43 lakh for 66 units was lying with banks/post offices as of July 2012.
- DAHO Ranchi paid subsidy of ₹ 23.74 lakh to 211 beneficiaries for 211 units of goats through bank drafts/bankers cheque to the selected beneficiaries instead of crediting the subsidy amount in their bank accounts violating the sanction order (August 2011). Thus, possibility of mis-utilisation of fund cannot be ruled out as the Department might lose control over actual assets created.

The Department accepted (January 2013) the audit observation.

Rashtriya Krishi Vikas Yojana (RKVY)

In compliance with the National Development Council Resolution (May 2007), Ministry of Agriculture launched *Rashtriya Krishi Vikas Yojana* (RKVY), a scheme with 100 per cent Additional Central Assistance over and above State plan budget. Under the scheme, State Government had to initiate specific projects with definite time-lines and clear objectives and as per local requirements so that the outcomes are equal to the objectives as envisaged under RKVY. The Deputy Commissioner was to be the nodal officer and the scheme was to be implemented under his guidance. Out of ₹ 24.75 crore sanctioned for the following three schemes a total amount of ₹ 21.76 crore was spent during the period 2008-12.

(c) Goat Development Scheme

The State Government sanctioned (between February and October 2009) ₹ 4.06 crore for distribution of 1,143 goats units during 2008-10, out of which 1,054 units were established after incurring expenditure of ₹ 3.96 crore. Details of schemes are detailed below in Table-3:

Table-3: Detail of provision under Goat development scheme

Year	Scheme	Cost of unit (₹)	Subsidy (₹)		Beneficiary contribution (₹)		Annual income generation (₹)
			SC/ST	Other	SC/ST	Other	
2008-09 (for all districts)	One Goat unit (10 female goats of black Bengal breed and one male goat of improved breed)	60000 ³³	54000	51000	6000	9000	No estimation
2009-10 (for 11 districts including Dumka and Deoghar of test-checked districts)	One Goat unit (10 female goats of local breed and one male goat of black Bengal breed)	18000 ³⁴	9000	7200	9000	10800	18600

Source: AH&FD

³³ Purchase of goat with transportation: ₹ 26,000, Insurance: ₹ 1,600, Construction of shed (150 sq. feet): ₹ 30,000, Purchase of utensils, other essential materials etc: ₹ 1,200, Medicines and vaccines: ₹ 700 and Monitoring and signboards: ₹ 500.

³⁴ Unit cost consists of purchase of goat unit including transportation – ₹ 15,000, Insurance for goat unit – ₹ 1,100, Purchase of utensils, other essential materials etc. – ₹ 1,200 and Expenditure on medicines and vaccines – ₹ 700.

During 2008-09, out of the target of 687 units for the State, 251 units were to be established in the test-checked districts. Against these, 243 units (97 *per cent*) were established in the test-checked districts at a cost of ₹ 1.31 crore. During 2009-10, 43 units (96 *per cent*) out of the targeted 45 units were established in Dumka at a cost of ₹ 3.91 lakh. No unit, out of 40 units targeted, was established in Deoghar, for which no reasons were on records, and allotment of ₹ 3.68 lakh was surrendered.

The following deficiencies were noticed:

- The Government orders of February and October 2009 did not prescribe who would arrange purchase of goats, materials, insurance and construction of sheds i.e. the beneficiaries or the Department. We observed that in the test-checked districts, the DAHOs advanced the funds directly to the beneficiaries. They had no information about construction of goat sheds as monitoring of the progress of the schemes was not done. As such, misutilisation of scheme funds could not be ruled out.
- In four test-checked districts³⁵, interview with 27 out of 126 beneficiaries (2008-09) revealed that 156 goats out of 297 died due to various diseases. The DAHO, Dumka stated (July 2012) that the insurance claims for these goats could not be lodged for want of post mortem reports and non-renewal of insurance policy.
- In Dumka, interview of seven beneficiaries out of 43 units (2009-10) revealed that they purchased only 28 female goats and no male goat as against 70 female and seven male goats out of the entire subsidy amount of ₹ 63000 paid to them. The records of DAHO, however, showed purchase of 77 goats. Thus, doubtful purchase of 49 goats could not be ruled out.

The above position indicated lack of monitoring by the DAHOs

The Department accepted (January 2013) the audit observation.

4.1.9.2 Poultry Development Scheme (PDS)

Under RKVY, during 2008-09 the Department established 4,775 units of backyard poultry against the sanctioned unit of 4,793 (60 chicks in each unit). In test-checked districts, during 2010-12, against the target of 1,010 units (2010-11: 250 and 2011-12: 760) (400 broiler chicks in each) 948 units were established (2010-11: 238 and 2011-12: 710) in the selected districts³⁶.

(a) Backyard Poultry (60 chicks scheme)

As per Government sanction order (February 2009) issued for the year 2008-09, cost of each unit of poultry was ₹ 8,000. Out of this, the Assistant Directors (ADs) of Regional/State Poultry Farms, at Bokaro and Ranchi were to supply chicks to the DAHOS for which funds at the rate of ₹ 1,800 per unit were allotted to them, and the DAHOs were allotted the balance ₹ 6,200 per unit for implementation of the scheme. The Department estimated a net profit of ₹ 17,000 and ₹ 16,600 per unit in the first year of its implementation for

³⁵ Bokaro, Dumka, East Singhbhum and Latchar

³⁶ Five districts during 2010-11 and 21 districts during 2011-12.

Out of 1,585 poultry units targeted, 1,547 poultry units were set up in seven selected districts (except Latehar)

SC/ST and other beneficiaries respectively, depending upon the subsidies³⁷ paid to them.

Scrutiny of records and information furnished by the test-checked DAHOs and two ADs (Poultry) revealed that the Department allotted (February 2009) ₹ 3.40 crore for implementation of 4,793 units in the State. For the eight test-checked districts, ₹ 32.13 lakh was allotted (February 2009) to two ADs,³⁸ for supply of chicks for 1,785 units. Out of these, the ADs supplied chicks for 1,547 units³⁹ established (target: 1,585 units) in seven test-checked districts (except Latehar). In Latehar, the scheme could not be implemented due to non-selection of beneficiaries in time, though there was a target of 200 units.

Further, the DAHOs of eight test-checked districts were allotted (February 2009) ₹ 94.12 lakh for purchase of materials, viz. bamboo, wire etc. construction of shed, feed, medicines etc. to be distributed among the selected beneficiaries. The DAHOs spent ₹ 93.89 lakh on this account and distributed the material among the beneficiaries.

All chicks of 52 beneficiaries died of diseases. The DAHOs were not aware of it

Interview (between May and July 2012) of 61 beneficiaries out of 1,306 (except Ranchi) conducted in the presence of departmental authorities revealed that all the chicks of 52 beneficiaries had died of diseases. This was, however, not in the knowledge of DAHOs, as stated (between June and July 2012) by the DAHOs (Bokaro, East Singhbhum and Gumla). Out of the remaining nine beneficiaries two in East Singhbhum stated (July 2012) that they earned (₹ 24,000 and ₹ 50,000) more than the projected income while seven earned (ranged between ₹ 100 to ₹ 10,000) less than the projected income.

In Latehar, no chicks were supplied due to delayed selection of beneficiaries. But, the DAHO distributed the poultry material. Interview of 16 beneficiaries in Latehar revealed that material like poultry feed (₹ 1.37 lakh), bamboo, wire-net etc (₹ 4.73 lakh) distributed to them got spoiled/lost their strength and medicines worth ₹ 1.30 lakh expired due to passage of time. As such, expenditure of ₹ 7.40 lakh proved wasteful.

Thus, there was absence of proper arrangement and monitoring for implementation of the scheme.

The Department accepted (January 2013) the audit observation.

(b) Establishment of poultry rearing units (400 broiler chicks per unit)

For the year 2010-12, the Department sanctioned 1010 units in the State under Poultry Development Scheme (400 broiler chicks per unit) in December 2010 (250 units) and in July 2011 (760 units). The estimated cost per unit was ₹ 86,000⁴⁰ with 50 per cent government subsidy and the remaining cost was to

³⁷ SC/ST: 90 per cent and others: 85 per cent.

³⁸ Regional Poultry Farm, Ranchi: ₹ 15.93 lakh for 885 units and State Poultry Farm, Bokaro: ₹ 16.20 lakh for 900 units

³⁹ Ranchi: 657 units (₹ 12.39 lakh) and Bokaro: 890 units (₹ 15.27 lakh).

⁴⁰ Cost of chicks, feed, medicines: ₹ 32,000; cost of shed: ₹ 47,600 and poultry equipment: ₹ 6,400.

Out of 370 poultry units targeted, 232 units were established in the selected districts

be met from bank loan to be arranged by the proposed beneficiaries. Department estimated annual income generation of ₹ 42,700 per unit out of seven cycles in a year.

Against total allotment of ₹ 4.35 crore (December 2010 and July 2011), ₹ 4.06 crore was spent for 948 units involving 948 beneficiaries in the State. In the seven⁴¹ test-checked districts, ₹ 1.59 crore⁴² was allotted to the DAHOs for 370 units. The DAHOs drew ₹ 1.38 crore for 321 units as of December 2012 and surrendered ₹ 0.21 crore. They, however, released subsidy ₹ 1.06 crore for 248 units and kept the balance subsidy of ₹ 0.32 crore for 73⁴³ units in their bank accounts as of July 2012. As of January 2013, 232 units were established and 16 units (in Deoghar) could not be established due to non-sanction of loan by the banks.

We observed the following deficiencies in implementation of the scheme:

- Four out of 30 beneficiaries in Bokaro were paid only ₹ 0.63 lakh (subsidy ranged between ₹ 13,000 and ₹ 20,000) against admissible amount of ₹ 1.72 lakh (₹ 43,000 per beneficiary) which was not adequate to derive the desired benefit.
- Interview of 15⁴⁴ out 136 beneficiaries in four⁴⁵ test-checked districts revealed that production of chicks was in progress in Bokaro and Dhanbad and poultry sheds were under construction in Latehar. In Deoghar four beneficiaries interviewed did not get loan or subsidy from the bank.

Thus, the progress of the scheme was not uniform in the test-checked districts and the follow up action for timely release of funds by the banks were not properly monitored either by the Department or by the DAHOs. This resulted in non-achievement of desired benefits of the scheme.

The Department accepted (January 2013) the audit observation and stated that proper monitoring of the concerned districts would be done.

4.1.9.3 Pig Development Scheme (Reproduction Units)

Under RKVY, the Government sanctioned implementation of Pig Development Scheme in 14⁴⁶ districts during the years 2009-10 and 2010-11. In 2011-12, the Government extended the scheme to 24 districts. The scheme contained distribution of pigs of improved breed for piggery reproduction units⁴⁷ amongst the selected beneficiaries. As per the guidelines contained in the sanction orders, subsidy was to be transferred to the beneficiaries'

⁴¹ Bokaro, Deoghar, Dhanbad, Dumka, East Singhbhum, Latehar and Ranchi. There was no scheme for Gumla.

⁴² 2010-11: ₹ 43.40 lakh and 2011-12: ₹ 116.10 lakh.

⁴³ Bokaro: ₹ 1.09 lakh, Dumka: ₹ 2.58 lakh, East Singhbhum: ₹ 7.31 lakh in 2010-11 and ₹ 20.21 lakh in 2011-12 and Latehar: ₹ 1.29 lakh.

⁴⁴ Bokaro: two; Dhanbad: six, Deoghar: four and Latehar: three.

⁴⁵ Bokaro, Deoghar, Dhanbad and Latehar.

⁴⁶ It includes only six test-checked districts viz. Bokaro, Dhanbad, East Singhbhum, Gumla, Latehar and Ranchi in 2009-11.

⁴⁷ Each unit comprising of two males and four females pigs.

accounts after ensuring deposit of beneficiaries' contribution or bank loan. The pigs were to be insured for which funds were included in the cost of the unit. Departmental officers were to act as facilitators and were required to provide technical knowhow, training, monitor and ensure quality control. Details of the schemes are given in Table-4:

Table-4: Detail showing provision under pig development scheme

Year	Scheme	Unit cost (₹)	Subsidy (₹)		Beneficiary contribution/Bank loan (₹)		Expected average income per annum per unit(₹)
			SC/ST	Other	SC/ST	Other	
2009-10	Six pigs (four females and two males)	30000	15000	12000	15000	18000	23000
2010-11	Six pigs (four female sand two males)	40000	13200	13200	26800	26800	26900
	13 pigs (eight females and five males)	71000	23430	23430	47570	47570	66000
	Construction of one unit consisting of three piggery sheds	40000	13200	13200	26800	26800	--
2011-12	Six pigs (four females and two males)	27500	13750	13750	13750	13750	20 piglets

Source: AH&FD

Scrutiny of records and information furnished by the DAHOs revealed the following:

- During the years 2009-10 to 2011-12, against the targets of 1,241 units⁴⁸ in the test-checked districts, the achievement was 1,102 units⁴⁹. During 2009-11, DAHO Latehar failed to implement the scheme and the allotted fund of ₹ 18.42 lakh was surrendered.
- In East Singhbhum and Dhanbad, despite availability of funds (Dhanbad: ₹ 1.17 lakh and East Singhbhum: ₹ 1.25 lakh) for training, monitoring, extension and creating awareness of the scheme, no expenditure was incurred on this account and funds were surrendered during 2009-12.
- During 2009-10, the entire subsidy of ₹ 20.03 lakh (Gumla: ₹ 11.03 lakh and East Singhbhum: ₹ 9.00 lakh) was transferred (between April and July 2010) to 139 (Gumla: 75 and East Singhbhum: 64) selected beneficiaries' accounts. Out of 75, five beneficiaries in Gumla were not interested and refused to take up the scheme as such subsidy amount was remitted into the treasury. In East Singhbhum, four beneficiaries could not purchase the pigs as loans were not sanctioned by the bank.
- In all the test-checked districts none of the pigs distributed under the scheme was found insured which the DAHOs accepted. During interview of 38 out of 1,102 beneficiaries of the schemes (2009-12) of five test-checked districts it was noticed that 46 pigs (worth ₹ 0.67 lakh) of 17 beneficiaries died and the beneficiaries could not get the insurance coverage as the pigs were not insured.

In the selected districts, 1,102 units (89 per cent) were established against the target of 1,241

⁴⁸ 2009-10: 380 units, 2010-11:433 units and 2011-12:428 units.

⁴⁹ 2009-10: 344 units, 2010-11:368 units and 2011-12:390 units.

There were disproportionate purchases of male and female pigs by the beneficiaries

- We observed that in 21 units⁵⁰ of four test-checked districts, the DAHOs purchased 29 males, 89 females and four neuter gender pigs against the requirement of 42 males and 84 female pigs. Thus, purchases of less number of pigs would affect the objective (expected income of the beneficiaries) of the scheme.
- Interview of nine out of 134 beneficiaries of East Singhbhum and Gumla districts revealed that from the scheme of 2009-10, seven beneficiaries earned (₹ 3,000 to ₹ 20,000) less than the annual average projected profit. However, two beneficiaries earned more (₹ 50,000) as of July 2012. Interview of 11 beneficiaries in Dhanbad revealed that in 2010-11, sheds for pigs were not constructed and one beneficiary did not purchase the pigs whereas another beneficiary purchased less number of pigs.

The Department stated that proper monitoring of the concerned districts would be done and action would be taken.

Other Schemes

4.1.9.4 Assistance to States for Control of Animal Diseases

The Centrally Sponsored Scheme 'Assistance to States for Control of Animal Diseases (ASCAD)' was aimed to control contagious diseases like Swine Fever, *Khurha Chapka*⁵¹ and other animal diseases. The scheme was funded by Central and State Governments in the ratio of 75:25 except training component which is fully funded by GoI. The GoI accorded sanction of the ASCAD projects for the years 2007-08 to 2011-12, amounting to ₹ 16.53 crore (including state share of ₹ 3.85 crore). However, GoI released only ₹ 8.14 crore out of central share of ₹ 12.68 crore. Short release was due to under-utilisation of Central funds already released. Under the scheme, the AH&FD was to manufacture the vaccines in its vaccine production institute or procure the same from other firms. During the period 2007-12, the Department utilised ₹ 5.95 crore (Central: ₹ 4.49 crore and State: ₹ 1.46 crore). Under utilisation was due to short production of vaccines by State's production institute and short-procurement of vaccines from other firms. This also affected the achievement of vaccination under the Scheme as detailed in Table-5.

Table-5: Statement showing target and achievement of vaccination

(Number in lakh)

Year	FMD		PPR		BQ		HS		Swine fever		Ranikhet	
	Target	Ach.	Target	Ach.	Target	Ach.	Target	Ach.	Target	Ach.	Target	Ach.
2007-08	2	0.89	3	0	10	3.19	10	4.37	0.50	0.05	5	0
2008-09	2	0.11	3	0	10	8.79	10	9.21	0.50	0.05	5	0
2009-10	2	0.77	3	1.00	10	6.54	10	5.09	0.50	0.01	5	1.39
2010-11	2	0.29	3	1.47	10	4.64	10	7.64	0.50	0	5	0.54
2011-12	5	10.00	10	0.05	10	6.59	15	6.51	0.50	0	5	1.00
Total	13	12.06	22	2.52	50	29.75	55	32.82	2.50	0.11	25	2.93

Note: 1. FMD-Foot and Mouth Disease; 2. PPR-Peste des Petits Ruminantes; 3. BQ-Black Quarter; 4. HS-Haemorrhagic Septicaemia. (Source: AH&FD)

⁵⁰ East Singhbhum: two, Gumla: four, Bokaro: two and Ranchi: 13.

⁵¹ Foot and Mouth Disease.

The following deficiencies were noticed:

There was short achievement of vaccinations

- There was short achievement of vaccination of targets of seven *per cent* in FMD, 89 *per cent* in PPR, 40 *per cent* in BQ and HS, 96 *per cent* in swine fever and 88 *per cent* in Ranikhet during 2007-12.
- DAHOs, Bokaro and Gumla stated (June and July 2012) that the vaccination target could not be achieved due to short and delayed supply of vaccines from AHPI. The DAHOs Dumka and Dhanbad stated (June and July 2012) that due to shortage of technical staff and para-vets they could not vaccinate the targeted animals. Four⁵² DAHOs did not furnish any reply (August 2012).

Thus, despite availability of funds⁵³ the animals remained exposed to risk of contagious diseases in absence of vaccination. The Department failed to strengthen the infrastructure of the AHPI and monitor the production/procurement of vaccines by the institute.

The Department attributed (January 2013) short achievement to non-production of all types of vaccines in the Institute, insufficient supply by private institutes/other States' institutes and shortage of para-vets in the Department. The reply was not entirely correct as there were delays in preparation of Plan for ASCAD and delays in approval of rate for purchase of vaccines from other firms.

4.1.9.5 Animal Health Care and Veterinary Services

To provide health cover and for containment of diseases of animals, the Department fixed targets for vaccination, treatment and castration for the State. But, no target was set for districts. The details of target and achievement during years 2007-08 to 2011-12 is detailed in Table-6:

Table-6: Status of vaccination, treatment, castration and AI

(Number in lakh)

Year	Vaccination			Treatment			Castration			Artificial insemination		
	State target	Achievement	Achievement (test-checked districts)	State target	Achievement	Achievement (test-checked districts)	State target	Achievement	Achievement (test-checked districts)	State target	Achievement	Achievement (test-checked districts)
2007-08	NF	NA	2.69	NF	NA	4.56	NF	NA	0.36	1.51	0.57 (38)	0.26
2008-09	8.81	10.81 (123)	4.14	6.65	10.59 (159)	4.56	0.45	0.87 (193)	0.42	1.51	0.51 (34)	0.25
2009-10	30.00	15.38 (51)	3.40	12.00	15.26 (127)	6.09	0.55	1.03 (187)	0.39	1.56	00	0.01
2010-11	30.00	20.22 (67)	7.00	15.00	15.32 (102)	6.87	0.90	1.12 (124)	0.45	1.56	0.42 (28)	0.22
2011-12	NF	NF	7.20	20.00	14.14 (71)	6.94	0.90	0.76 (84)	0.36	1.56	0.84 (54)	0.41

(Source: AH & FD) Figures in brackets indicate percentage. NF-Target not fixed and NA-Not available.

⁵² Deoghar, East Singhbhum, Latehar and Ranchi.

⁵³ Revalidated and released: ₹ 8.14 crore and Utilised: ₹ 4.49 crore (55.16 *per cent*) during 2007-12.

Number of vaccination against the target ranged between 51 and 123 per cent during 2008-11

It is evident from the **Table-6** that the achievement in the State under vaccination ranged between 51 and 123 per cent of the targets during the years 2008-11. Under artificial insemination (AI) achievement was between 28 per cent and 54 per cent during 2007-08 to 2011-12 except in 2009-10. During 2009-10, achievement was negligible because the Frozen Semen Bank, Hotwar, Ranchi did not supply liquid nitrogen and straw to the Government hospitals. The DAHOs attributed low performance under AI in Government hospitals to opening of Dairy Cattle Development Centres (DCDCs) by Bhartiya Agro Industries Federation (BAIF) in close vicinity of government hospitals. As per MoU, the DCDCs were to be opened at a minimum distance of five kilometer from Veterinary hospitals to avoid duplicacy. This indicated lack of co-ordination between the two Directorates.

The Department noted (January 2013) the audit observation.

Dairy Development Directorate

4.1.9.6 Milch Cattle Induction Programme

The Milch Cattle Induction Programme an existing State programme taken up under RKVY since 2008-09. The programme is to provide subsidy for induction of high yielding milching cattle with a view to boost the milk production of the State and to provide gainful self employment to the rural families. Under this programme prototype schemes⁵⁴ were implemented with subsidy and bank loan. For this purpose, the list of beneficiaries prepared by DDDOs and approved by the DC were to be sent to different banks for processing loans to the proposed beneficiaries. The subsidy released to the banks was to be transferred to the bank accounts of beneficiaries as and when bank loans were credited in their accounts. The cost of the projects under various schemes during the years 2007-08 to 2011-12 is given in **Appendix-4.6**.

According to the GoJ orders cattle were to be purchased in two phases⁵⁵ with a gap of six months after the purchase of cows in the first phase in each type of dairy unit to maintain the continuous flow of milk throughout the year, which would also help the farmer to repay the installments of bank loan.

During 2007-08, the Scheme was funded by the State Government, while it was fully funded by GOI, under RKVY since 2008-09. During the period 2007-12, an expenditure of ₹ 53.66 crore was incurred against the sanction amount of ₹ 56.45 crore. In the eight test-checked districts ₹ 27.81 crore was spent against ₹ 29.08 crore allotted to them.

Scrutiny of records revealed the following:

⁵⁴ Two cows/buffalos, five cows/buffalos (Mini dairy), ten cows /buffalos (Midi dairy), 20 cows/buffalos (Commercial dairy), 50 cows/buffalos (Modern dairy) and 100 cows /buffalos (Modern dairy).

⁵⁵ Two cows dairy- One cow in each phase; Mini dairy of five cows- three cows in first phase and two cows in second phase, Midi dairy of 10 cows – five cows in each phase; Commercial dairy of 20 cows – 10 cows in each phase; Modern dairy (50 cows) - 25 cows in each phase and Modern Dairy (100 cows) - 50 cows in each phase.

Out of 3,670 targeted dairy units only 2,611 units were established as cows for both the phases were purchased

In the test-checked districts, out of 3,670 targeted units of Milch Cattle Induction Programme, cows for 3,338 units were purchased during 2007-11⁵⁶. We observed that against the target of 3,670 dairy units, 3,338 units (91 per cent) were supplied cows in the first phase. However, only 2,611 units (78 per cent of the units covered under first phase) were supplied cows in the second phase (*Appendix-4.7*). The short achievement (332 units) of first phase was attributed by DDDOs to non-sanction of loans by the banks and lack of interest of the beneficiaries. Shortfall in achievement in the second phase was attributed to non-release of loans by the banks due to poor repayment of loan by the beneficiaries.

The Department stated that district-wise cattle purchase camps were being organised to expedite the pending purchase and instructions had been issued to the DDDOs to resolve the issues pertaining to disbursement of loan by the banks.

- Further, as per executive order of the Department farmers were to be motivated for supply of milk to Chilling plants so that cattle farmers could be benefitted by adequate market facility for sale of milk. However, out of eight test-checked districts, chilling plants were functioning only in four districts⁵⁷. Besides, the plants were running at partial capacities⁵⁸ against their full capacity⁵⁹ mainly due to lack of infrastructure in chilling plants and supply of insufficient quantity of raw milk. Thus, proper market facility for sale of milk could not be made available to the farmers, which resulted in less supply/denial of quality milk to the public.

The Department stated (December 2012) that the pricing structure of surplus milk in rural areas would be examined.

- Interview of 94 out of 3,338 beneficiaries revealed that, 35 beneficiaries (37 per cent) were earning more than the projected average annual income while 34 (36 per cent) were earning less than the projected average annual gross income⁶⁰. While, 15 beneficiaries (16 per cent) did not earn any income and 10 beneficiaries did not give reply.

The Department stated (December 2012) that proposals had been invited for Expression of Interest for assessment of impact of the scheme. Suitable action would be taken accordingly.

4.1.9.7 *Heifer Rearing Programme*

The objective of the Heifer Rearing programme was to support the cross breed heifers specially produced under breed improvement programme and milch cattle induction programme to achieve early maturity of heifers to provide longer lactation life. The Department implemented the programme since

⁵⁶ Purchase of cows for 2011-12 was not finalized as of July 2012 whereas DDDO, Deoghar and Dumka did not furnish information for 2007-08.

⁵⁷ Dhanbad, Deoghar, Latehar and Ranchi.

⁵⁸ Dhanbad-1,600 LPD, Deoghar- 800 LPD, Latehar-630 LPD and Ranchi- Not available.

⁵⁹ Full capacity-Dhanbad-5,000 Litre per day (LPD), Deoghar - 10,000 LPD, Latehar-2,000 LPD and Ranchi-20,000 LPD

⁶⁰ Two Cows: ₹ 35,830, Mini dairy: ₹ 91,114, Midi dairy: ₹ 1,62,850 and Commercial dairy: ₹ 3,38,200.

2008-09 under RKVY through Bhartiya Agro Industries Foundation (BAIF). Under this programme all female calves in the DCDC area were to be registered, tagged, dewormed, vaccinated and insured. Besides, calf starter at 100 *per cent* subsidy and concentrated feed at subsidy of ₹ 5 per kg was to be provided to heifer owners.

Government sanctioned ₹ 14.68 crore during the period 2009-11, but released ₹ 11.21 crore to BAIF for implementation of this Scheme. In 2011-12, no fund was released to BAIF. Against ₹ 11.21 crore, only ₹ 3.22 crore was spent and ₹ 8 crore remained with BAIF as on 31 March 2012.

Analysis of information furnished by the DD Directorate revealed that there was short achievement in heifer rearing programme as detailed in **Table-7**:

Table-7: Targets and achievement of Heifer Rearing programme

Particulars	Target (2009-12)	Unit	Achievement			
			2009-10	2010-11	2011-12	Total
Registration	16000	No.	8144	14608	18715	41467
Calf starter (feed)	320	Ton	49.42	135.99	241.28	426.69
De-worming	16000	No.	13839	13106	15868	42813
Vaccination	16000	No.	7000	14064	Nil	21064
Concentrate feed	21300	Ton	1026.88	1461.32	2250.88	4739.08
Insurance	16000	No.	890	5165	3517	9572

Source: Dairy Development Directorate

- During 2009-12, 41,467 heifers were registered against the targets of 16,000 heifers.
- Out of 41,467 registered heifers, achievement of 42,813 shown under de-wormed seems flawed.
- Target of concentrate feed was 21,300 ton for 16,000 heifers against which 4,739.08 ton was used during 2009-12. The quantity was adequate to feed only 3,560 heifers.
- Insurance coverage was given to 9,572 heifers against 41,467 heifers registered and 16,000 heifers targeted.

The Department stated that registration figure did not indicate that full dose of benefits were to be provided to all the registered heifers. It was provided to maximum numbers of heifers subject to availability of fund and further that completion of insurance coverage was under progress. Reply was not correct because as there was short achievement even with reference to targets set.

4.1.9.8 Grassland Development Scheme (100 per cent Centrally sponsored)

Under the Grassland Development Scheme, GoI sanctioned (December 2008) ₹ 1.87 crore⁶¹ (100 *per cent* Central Grant) for development of 22 grasslands of 220 hectares in the State. Its objective was to ensure availability of green fodder for cattle throughout the year by developing barren land and arresting soil erosion. The DDDOs were to arrange land for this purpose through district administration and BAIF was to implement the scheme.

In five test-checked districts the grassland scheme could not be implemented due to non-availability of land

⁶¹ Estimated cost of ₹ 8.50 lakh each.

Scrutiny of records of the test-checked districts revealed that in three⁶² districts the grasslands were established in 30 hectares after incurring expenditure of ₹ 14.05 lakh during 2010-12 and in the remaining five⁶³ districts grasslands could not be created due to non-availability of land/land dispute though an expenditure of ₹ 2.81 lakh⁶⁴ was incurred on seeds and fertilizer, wages for supervisory staff, etc. This resulted in denial of green fodder in adequate quantity to cattle in the test-checked districts. The Department did not get the remaining 50 *per cent* fund from GOI due to less utilisation of funds allotted earlier.

The Department stated that DDDOs were directed to follow up the progress of availability of land at Deputy Commissioner level.

4.1.9.9 Milk procurement, processing and marketing

Jharkhand Dairy Project (JDP) was constituted in the State for commercial operation of established dairy cum chilling plants. An MoU was signed (December 2007) between GoJ and National Dairy Development Board (NDDB) Anand, Gujarat to run the JDP. The implementation of the JDP was to be based on plan and programmes jointly formulated by NDDB and GoJ. As per GoJ order (November 2008), the NDDB was to cover 12 districts in five years in the first phase. However, there was no clause in the MoU for compensation/penalty in case NDDB failed to achieve the target.

Analysis of information furnished by the Dairy Development Directorate revealed that the JDP could cover only three districts⁶⁵ (25 *per cent*) during 2008-12 covering 2,212 milk producers (seven *per cent*). Total milk procurement was 7,330 liter per day (11 *per cent*) though ₹ 11.10 crore was spent by NDDB out of provided ₹ 26.80 crore during 2008-12. Details of target and achievement are given in *Appendix-4.8*.

The period of MoU ended on 06 December 2012 and the NDDB expressed (06 December 2012) its inability to manage the project further. As such, the Department took (December 2012) decision of taking over the charge of JDP for commercial operation.

The Director stated (August 2012) that the banks had been reluctant to extend financing under the Milch Cattle Induction Programme to the farmers which was the main reason for non-achievement of the targets for the JDP. The reply was not correct as the Department while entering into the MoU was aware of the new system and the related complications.

Thus, the Department failed to mobilise NDDB to achieve the target fixed though it conducted several meetings time to time with NDDB. It also could not penalise NDDB for poor performance as no compensation clause was kept in the MoU.

The Department accepted the facts.

⁶² Deoghar, Dumka and Ranchi.

⁶³ Bokaro, Dhanbad, East Singhbhum, Gumla and Latchar.

⁶⁴ Bokaro: ₹ 0.36 lakh and Dhanbad: ₹ 2.45 lakh

⁶⁵ Lohardaga, Ramgarh and Ranchi.

4.1.9.10 Non-evaluation of impact of different schemes

As per the perspective plan (2007-12), the impact of different schemes of animal husbandry programme being implemented by the State Government was to be evaluated by hiring a team of experts from a professional and reputed organisation.

Scrutiny revealed that no fund was allocated for the purpose during 2007-11. In 2011-12, though ₹ 14.32 lakh was sanctioned, only ₹ 3 lakh was allotted, which also could not be utilised. As such, no impact evaluation of implementation of schemes which involved expenditure of ₹ 136.55 crore, was carried out during the-period. Thus, the Department remained deprived of the knowledge about outcome of the schemes implemented.

In Dairy Development sector, however, the impact evaluation was got done by NABARD Consultancy Services, which provided a detailed road map for Dairy Development in the State.

4.1.10 Monitoring

As per order (February 2005) of the Department, all schemes in the Dairy Development Directorate were to be physically verified by the Regional Joint Director (RJD) twice in a year. The Department further ordered (November 2009) that only commercial and modern dairies established were to be 100 per cent physically verified by the RJD once in every six months.

In Animal Husbandry Directorate, no orders regarding monitoring were issued. However, the sanction orders of the Government contained some instructions regarding monitoring of particular schemes.

Scrutiny of information furnished by the six⁶⁶ test-checked DDDOs revealed that only seven inspections of dairy schemes were carried out by the RJDs out of required 60 inspections during 2007-12. The details of inspection are given in *Appendix-4.9*. On an audit enquiry, two⁶⁷ DDDOs stated (May 2012) that though inspections were carried out yet they had no records in support.

As per the instructions laid down in the sanction letters (2011-12), the Director was monitor the units under the schemes once in six months, the DAHOs were to carryout inspection once in three months and BAHOs was to inspect on monthly basis. They were to make entries in the prescribed directory-cum-monitoring books. But, there was nothing on records in the test-checked districts to show that any inspection has been carried out during the period.

In absence of required numbers of inspection, possibility of irregularity/shortcomings could not be ruled out.

The Department stated (January 2013) that a monitoring cell at headquarters' level was constituted during 2011-12 for monitoring of all ongoing schemes.

⁶⁶ Bokaro, Dhanbad, Dumka, East Singhbhum, Gumla and Latchar.

⁶⁷ Deoghar and Ranchi.

4.1.11 Internal audit

Internal Audit is the means by which an organisation assures itself that the prescribed systems are functioning well. Internal Audit is an important component of internal control. The Internal Audit Wing headed by the Chief Controller of Accounts under the administrative control of Finance Department conducts internal audit of all the Departments including AH&FD. The AH&FD did not have any internal audit wing of its own.

Scrutiny revealed that the internal audit wing of the Finance Department had also not conducted audit of test-checked districts during 2007-12. Thus, lapses and irregularities in the functioning of the Department remained undetected.

The Department accepted the fact and stated that system of internal control as suggested by audit would be implemented.

4.1.12 Conclusion

The planning, monitoring and implementation of the schemes in Animal Husbandry and Dairy Development Directorates were deficient, as reflected from the following audit findings:

- There were only 451 Veterinary Hospitals in the State against the required 1,756 hospitals as per norms of the National Commission on Agriculture (1976). Infrastructure in veterinary hospitals/dispensaries was not adequate. The Department had only eight functional chilling plants in the State which badly affected the objective of facilitating profitable disposal of milk for the milk producers. Even milk booths were not established for want of sites. Besides, there were shortages (32 *per cent*) of veterinary doctors.
- There were large savings of Plan funds and rush of expenditure in the month of March, mainly due to delays in allotment of funds. Large amounts of subsidies were lying in banks and District Animal Husbandry Officers (DAHOs) did not monitor crediting the subsidies into the bank accounts of the beneficiaries.
- Under the goat development scheme, Government did not synchronise the purchase of goats and creation of sheds for goats. Funds meant for procurement of goats were diverted. Implementation of the scheme suffered due to lack of monitoring. Interviews with beneficiaries revealed death of goats, which was not known to the DAHOs.
- Under poultry development schemes, there was short achievement against the target set due to delayed selection of beneficiaries. DAHOs were not aware of death of chicks.
- Joint interview of 38 beneficiaries of the test-checked districts revealed that during the period 2009-12 though 46 pigs 17 beneficiaries died, no claims could be made as pigs were not insured due to failure of DAHOs in creating awareness amongst beneficiaries in spite of availability of fund.
- Under Assistance to States for Control of Animal Diseases (ASCAD), during the period 2007-12 achievement of vaccination targets was short by seven *per cent* in Foot and Mouth Disease (FMD), 89 *per cent* in Peptides Petits Ruminants (PPR), 40 *per cent* in Black Quarter (BQ) and

Hemorrhagic Septicemia (HS) and 88 *per cent* in Ranikhet due to delayed/short supply of vaccines.

- Under milch cattle induction programme, out of 3,670 units only 2,611 units (71 *per cent*) were established during the period 2007-11 in the test-checked districts due to partial purchase of cows.
- Jharkhand Dairy Project (JDP) managed (under MoU) by National Dairy Development Board (NDDB) could cover only three out of targeted 12 districts for procurement and processing of milk after incurring expenditure of ₹ 11.10 crore during the period 2008-12. The Department took over (December 2012) the charge of management of JDP only after expiry of MoU.

4.1.13 Recommendations

- *Government should ensure availability of adequate number of veterinary hospitals, chilling plants, milk booths and veterinary doctors.*
- *Government should ensure maximum utilisation of Plan funds and timely allotment of funds to avoid rush of expenditure in March. Government should also ensure monitoring of subsidy amount lying in the banks for achievement of the desired objectives.*
- *Government should ensure purchase of goats and monitoring the scheme.*
- *The Department should ensure proper healthcare of chicks and regular follow up to achieve desired benefits of the scheme.*
- *The Department should ensure creation of awareness regarding insurance of pigs to safeguard losses to the beneficiaries.*
- *The Department should ensure timely and adequate supply of vaccines for control of diseases through vaccination.*
- *The Department should ensure purchase of all cows as envisaged in the scheme to achieve the desired benefit.*

The matter was reported to the Government (October 2012). Their reply had been received (December 2012 and January 2013) and suitably incorporated in this report.

CHAPTER – 5

COMPLIANCE AUDIT

CHAPTER-5

Compliance Audit

Compliance Audit of Government departments and their field formations brought out several instances of lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs under broad objective heads.

5.1 Non-compliance with the Rules, Orders, etc.

For sound financial administration and financial control, it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authority. This not only prevents irregularities, misappropriation and frauds, but also helps in maintaining good financial discipline. Some of the audit findings on non-compliance with Rules, Orders, etc. are as under.

ROAD CONSTRUCTION DEPARTMENT

5.1.1 *Avoidable expenditure on price adjustment*

Allowance of excess time for completion of road work in violation of Government orders resulted in inclusion of price adjustment clause in the agreement and consequential avoidable expenditure of ₹ 6.25 crore.

Based on the criteria prescribed by the Indian Road Congress (IRC) for fixation of completion schedule of a road work, Government of Jharkhand in Road Construction Department (RCD) ordered (August 2007) that the widening and strengthening of a road up to a length of 15 km shall be completed within 10 months (less than one year) and the time limit shall not be deviated under any circumstances. In November 2007, RCD decided that price adjustments shall be payable on cement, bitumen, steel and other material for projects valued above ₹ 2.5 crore, completion schedule of which is more than one year. The decision was incorporated as a clause in the Standard Bidding Document (SBD) introduced in November 2007. Thus, the work of widening and strengthening of a road up to a length of 15 km does not attract price adjustment clause.

During audit scrutiny (June 2011 and February 2012) we observed that the Executive Engineers (EEs), Road Division (RD), Godda and National Highway (NH) Division, Chaibasa issued (between February and June 2009) three Notice Inviting Tenders (NITs) for widening and strengthening of four roads¹ (with road length between 8 and 13 km), the value of which ranged between ₹ 10.45 crore and ₹ 24.60 crore. The NITs were issued based on the Bill of Quantity (BoQ) of the works approved (February 2009) by the Superintending Engineers, Road Circle Dumka and NH Circle, Ranchi. The time schedule mentioned in the NITs ranged between 13 months to 15 months. We observed that in the case of both the roads of NH Chaibasa, initially the EE invited tender (19 January 2009) stipulating completion period of 12 months. Later on, a corrigendum was issued (21 January 2009) increasing the

¹ (1) **Godda-Pirpaiti Road** from 25 to 32 km (length: 8 km, completion schedule: 15 months, and 33 to 42 km -10 km, completion schedule: 15 months) (2) **Chaibasa-Jaitgarh Road** from 177 to 189 km and 190 to 202 km of NH 75E (length 13 km each and completion schedule: 13 months for each road).

period to 13 months without according any reason. There was nothing on record justifying the deviation from the permissible time limit fixed by the RCD. The Departmental Tender Committee², while according approval to the tenders, also did not ensure adherence to the Government orders of August 2007.

The EEs executed (between August and October 2009) four SBD agreements for ₹ 68.56 crore³ with three contractors⁴. As the completion schedule fixed was more than one year, price adjustment clause was included in the agreements. Against the agreed value of ₹ 68.56 crore, the contractors were paid (between December 2010 and January 2012) ₹ 77.40 crore (RD Godda: ₹ 21.05 crore; NH Chaibasa: ₹ 56.35 crore) which was inclusive of price adjustment of ₹ 6.25 crore (RD Godda: ₹ 1.42 crore; NH Chaibasa: ₹ 4.83 crore). The road works were completed between September 2010 and February 2011. We observed that out of the four roads, one road (Chaibasa-Jaitgarh Road: 13 km) was completed in 11 months 6 days for which the completion time was initially fixed as 12 months and later extended to 13 months. Another road (Godda-Pirpaiti Road: 10 km) whose completion time was fixed as 15 months was actually completed in 13 months. This indicated that the time schedule provided was more than the requirement and was injudicious.

On this being pointed out (May 2012), the Special Secretary, RCD, forwarded (November 2012) the replies of EE, RD, Godda and Chief Engineer (CE), NH Wing, Ranchi. In the case of RD, Godda, the reply stated that under the SBD, the norms regarding the number of plant and machinery to be deployed at the site were fixed according to the value of the bid which resulted in decreased deployment of plant and machinery necessitating provision of a longer time for completion of the work. Besides, the work included additional items viz construction of guard wall, culverts, drains etc.

The issue of decreased deployment of machinery under SBD was again referred (March 2013) to the Engineer-in-Chief, RCD, who stated that the requirement of plant and equipment provided in SBD is only a guideline and is not mandatory. The scale of deployment of machinery has to be decided in keeping with the requirement of the specific work. Thus, the EE, RD, Godda should have assessed the requirement of machinery keeping in mind the time schedule prescribed in RCD order of August 2007. Further, only 15 days was prescribed for the additional items (construction of guard wall, culverts, drains etc. mentioned in the reply) for which enhancement of time schedule for completion was not in order.

In the case of NH Chaibasa, it was stated that the RCD order of August 2007 was not applicable for NH works in Jharkhand as works on NHs are governed by the guidelines issued by the Ministry of Road Transport and Highways. The reply was not acceptable as the order of August 2007 also directed the CE, NH Wing to follow the same completion schedule while granting technical sanction of such work.

² Headed by Engineer-in-Chief

³ RCD, Godda: ₹ 11.33 crore + ₹ 8.97 crore, NH, Chaibasa: ₹ 25.82 crore + ₹ 22.44 crore

⁴ RCD, Godda: (1) Calcutta Industrial Supply Corporation, Kolkata;

NH Division, Chaibasa: (1) Khokhar Infrastructure Pvt. Limited, Tata Road, Chaibasa (2) Ram Kripal Singh Construction Pvt. Limited, Ranchi.

Thus, due to irregular fixation of completion schedule of road works by the Departmental authorities at the time of inviting tenders, in violation of the Government order of August 2007, an avoidable expenditure of ₹ 6.25 crore was incurred on price adjustment.

BUILDING CONSTRUCTION DEPARTMENT

5.1.2 *Unauthorised execution of agreement*

The Department allowed execution of a work valued at ₹ 47.53 crore with provision for escalation and mobilisation advances to a contractor who had quoted the price against an NIT with conditions for non-payment of price escalation and mobilisation advances. This was in violation of the Government orders to ensure right to equal opportunity to the tenderers.

According to Finance Department order issued in September 2005, any condition of the Notice Inviting Tender (NIT) should not be changed during the process of finalisation of the tender after issue of the NIT, so that the right to equal opportunity may not be denied to the tenderers.

Construction of the Collectorate Complex, Phase-II, at Ranchi was technically sanctioned (March 2007) and administratively approved (September 2007) for ₹ 41.65 crore by the Building Construction Department (BCD). The work involved construction of three buildings after demolition of an old building and shifting of records to a new building which was under construction in Phase-I. According to the condition of the administrative approval (AA), the tender for construction of the Collectorate building Phase-II was to be invited in such a manner that the agreement could be executed just before the building under Phase-I was nearing completion.

Scrutiny (December 2011) of records of the Executive Engineer (EE), Special Works Division, BCD, Ranchi revealed that the Phase-I building was due for completion by January 2008. Notice Inviting Tender (NIT) for Phase-II work was issued in December 2007 by the EE. According to the conditions of the NIT, sealed tenders on approved Bill of Quantity (BOQ) to be drawn in PWD form F2⁵ were invited and no claim was admissible in case of sudden fluctuation and/or increase in rates of labour, material etc. No mobilisation advance was also payable to the contractor. The Tender Evaluation Committee (TEC) decided (March 2008) the tender at ₹ 47.53 crore (8.5 per cent above BoQ value) in favour of the same contractor⁶ to whom the work of Phase-I was allotted earlier. The SE, Building Construction Circle, Ranchi intimated (April 2008) the EE about the decision of tender. However, the EE did not execute an agreement with the contractor because the site for construction of the buildings in Phase II was not clear as work of Phase I was not complete. Meanwhile, the Government introduced (November 2008) the Standard Bidding Document (SBD) for works costing above ₹ 2.50 crore. Payment of price adjustment and grant of mobilisation/ equipment advances was allowable under SBD. The contractor requested (24 November 2008) the EE for execution of agreement under SBD as the value of the work was ₹ 47.53 crore. The EE sought (25 November 2008) permission from the Special Secretary,

⁵ In an F2 agreement, the tenderer quotes his rates on overall items in percentage above or below the estimated cost and there is no provision for price adjustment and mobilisation advance.

⁶ Shri Ram Kripal Singh Construction Pvt. Ltd, Ranchi.

BCD for execution of agreement under SBD. The Department allowed (12 December 2008) execution of SBD agreement with the contractor at the original approved cost of ₹ 47.53 crore which was already at 8.5 per cent premium. The EE executed (December 2008) SBD agreement with the contractor and paid (March 2012) price adjustment amounting to ₹ 5.85 crore till March 2012 and mobilisation/equipment advance of ₹ 7.13 crore to the contractor as per terms and conditions of SBD.

As the SBD agreement attracts price adjustment and payment of mobilisation advances, contrary to the conditions of the NIT of December 2007, execution of SBD agreement at the contract price which had been decided on the basis of the conditions of the NIT was unjustified. Award of work to the original contractor without inviting fresh tenders was also in violation of the Finance Department's instructions (September 2005) for ensuring right to equal opportunity.

Thus, the Department unauthorisedly allowed execution of SBD agreement with the original contractor for work worth ₹ 47.53 crore which also provided for payment of price adjustment and mobilisation/equipment advances.

The matter was referred to the Government (May 2012). The Department stated (August 2012) that the site was not available due to delay in shifting of offices, removing of encroachment and demolition of the old Collectorate building. This resulted in signing of SBD agreement in place of F2 agreement. The reply was not in order as change in the original terms and conditions of the NIT on which the tender was decided was not permissible and award of work without inviting fresh tender under SBD agreement resulted in denial of right to equal opportunity to the other tenderers.

RURAL WORKS AND RURAL DEVELOPMENT DEPARTMENTS

5.1.3 Non-recovery of advances

Non-adherence to the codal provisions by the departments regarding grant of temporary advances and their adjustment led to non-recovery of Government money of ₹ 48.34 lakh.

Rule 100 of the Jharkhand Public Works Account Code provides that when a disbursing officer makes a remittance to a subordinate officer for making petty payments on muster rolls or other vouchers, it should be treated as a temporary advance and should be accounted for in Form 2 (Schedule XLV-form no.113). The accounts of temporary advances were to be closed by the Executive Engineers (EEs), as soon as possible, after recovery or adjustment of advances. As per Government order⁷ (December 1983), the accounts of temporary advances were to be rendered by the officials to the EE within one month from the date of drawal of such advances and subsequent advances should be granted only after assessing the progress of work done and adjustment of the previous advances.

Scrutiny (November 2011) of the Cash Book and details of outstanding advances in Rural Works Division (RWD), Garhwa revealed that advances amounting to ₹ 56.46 lakh paid (between February 2007 and March 2011) to

⁷ Letter dated 31 December 1983 of Technical Vigilance Cell, Cabinet (Vigilance) Department

four Assistant Engineers, for execution of various schemes⁸ and work charged payments, remained outstanding (*Appendix-5.1*). We observed that advances were paid 2 to 29 times to each AE and the same remained unadjusted for 8 to 57 months as of November 2011. Thus, payment of advances without adjustment of previous advances was in violation of the codal provision.

On this being pointed out by Audit, the EE, RWD, Garhwa stated (12 March 2013) that against ₹ 56.46 lakh, ₹ 39.30 lakh has been recovered (between May and November 2012) and the balance outstanding advance of ₹ 17.16 lakh remained unadjusted/unrecovered as of February 2013.

Similarly, we noticed (April 2010) in Rural Development Special Division (RDS), Gumla, that advances amounting to ₹ 37.10 lakh were paid (January 2004 to February 2010) to 10 JEs for execution of various schemes/works, which remained outstanding as of April 2010 for periods ranging from 2 to 76 months (*Appendix -5.2*). We observed that advances were paid 2 to 54 times to each JE, in violation of the codal provision.

When we pointed this out, the EE, RDS, Gumla, stated (12 March 2013) that an amount of ₹ 5.92 lakh was adjusted, leaving a balance of ₹ 31.18 lakh unadjusted/unrecovered as of February 2013.

It was further noticed that advances of ₹ 4.44 lakh (sl. nos. 1 and 4 of *Appendix-5.1* and sl.nos. 4 and 9 of *Appendix-5.2*) were outstanding against four officials⁹ who had either retired or were transferred to other divisions, while ₹ 14.75 lakh was outstanding against an official of RWD, Garhwa (sl. no. 2), who had expired in August 2010.

The matter was reported to the Government (June 2012). Their reply had not been received (February 2013).

Thus, due to non-adherence to the codal provisions by the EEs regarding grant of advances and their adjustment, scheme funds of ₹ 48.34 lakh remained unadjusted/unrecovered as of February 2013.

FINANCE DEPARTMENT

5.1.4 *Inadmissible Payment of House Rent Allowance and Transport Allowance*

Sanction of House Rent Allowance higher than the entitled limit resulted in inadmissible payment of ₹ 70.87 lakh along with Transport Allowance amounting to ₹ 23.18 lakh.

Rule 4(b) (ii) of the Bihar State Employees (House Rent Allowances) Rules, 1980, as applicable in Jharkhand, stipulates that the Administrative Departments, in respect of staff serving under them, are authorised to sanction House Rent Allowance (HRA) admissible in the qualified city provided they are satisfied that:

⁸ District Scheme, Health, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Member of Legislative Assembly (MLA) Fund, Member of Parliament (MP) Fund, Mukhya Mantri Vikas Yojana (MMVY), National Food For Work Programme (NFFWP), Sunischit Swarn Jayanti and Sam Vikas Yojana.

⁹ Two officials (₹ 2.41 lakh) of RWD, Garhwa and two officials (₹ 2.03 lakh) of RDS, Gumla

- (1) the distance between the place of duty and the periphery of the municipal limit of the qualified city does not exceed eight kilometers and
- (2) the staff concerned have to reside within the qualified city out of necessity, i.e., for want of accommodation nearer their place of duty.

Note 2 of Rule 4(b) (ii) further stipulates that this rule will not apply to establishments entitled to HRA, project allowance, remote locality allowance, hill allowance or other such allowance under any other provision of this rule or other general or special order.

The Finance Department, during revision of pay scales, fixed (February 1999) HRA for unclassified cities/towns at the rate of five *per cent* of basic pay drawn with effect from 1 February 1999. The rate was subsequently enhanced (February 2009) to 10 *per cent* of pay plus grade pay with effect from 1 September 2008. Thus, with the introduction of a fixed rate of HRA for unclassified cities/towns, the staff posted in those areas were not entitled to get the benefit available under Rule 4(b)(ii).

Scrutiny (April 2011 and July 2012) of salary vouchers (March 2007 to May 2011) of employees of five¹⁰ offices situated within the periphery of eight Kms of Ranchi revealed that 192 employees of these offices were paid HRA of ₹ 1.31 crore at Ranchi rate (15 *per cent* and 20 *per cent*) under the provision of the Rule 4(b) (ii). Based on the Finance Department's orders of February 1999 and February 2009, the employees of these offices were entitled for HRA of ₹ 60.60 lakh at the rate of 5 *per cent* (February 1999 to August 2008) and 10 *per cent* (September 2008 to May 2011). However, 192 employees were paid HRA of ₹ 131.47 lakh resulting in inadmissible payment of HRA of ₹ 70.87 lakh during March 2007 to May 2011 (*Appendix 5.3*).

Further, according to Resolution No.660 dated 28 February 2009 of the Finance Department, Transport Allowance was admissible only to the employees posted within the notified municipal corporation limits of Ranchi, Jamshedpur and Dhanbad.

Scrutiny revealed that inadmissible Transport Allowance of ₹ 23.18 lakh was paid during March 2009 to May 2011 to 177 employees of these offices in contravention of the Finance Department resolution (*Appendix 5.4*).

On this being pointed out in audit (September 2012), the Government forwarded a copy of the clarification issued (2 February 2013) to the concerned authorities wherein it was stated that the rate of HRA for establishments situated within the periphery of eight km of classified cities will be the same as for unclassified cities. While the clarification of the Government was in line with the audit observations, the Government did not offer any comments on the excess payments made on HRA and TA.

5.2 Audit against propriety/Expenditure without justification

Authorisation of expenditure from public funds is to be guided by the principles of propriety and efficiency of public expenditure. Authorities empowered to incur expenditure are expected to enforce the same vigilance as

¹⁰ Circle Officer (CO) Namkum, Block Development Officer (BDO) Namkum, Primary Health Centre (PHC), Namkum, Child Development Project Officer (CDPO), Ratu and CDPO, Namkum, Ranchi

a person of ordinary prudence would exercise in respect of his own money and should enforce financial order and strict economy at every step. Audit detected instances of impropriety and extra expenditure, some of which are given hereunder:

DRINKING WATER AND SANITATION DEPARTMENT

5.2.1 *Inadmissible payment to contractor*

Non-adherence to the Government directives in the terms and conditions of the contract led to undue financial benefit to a contractor due to payment of inadmissible amount of ₹ 6.77 crore.

Based on the approval of the Cabinet, Government of Jharkhand (GoJ), Road Construction Department issued (26 March 2002) a resolution that all material required for execution of works valued at ₹ 10 lakh and above would be supplied by the contractor and not by the Department. It was also decided that “approved percentage rates” over the tendered Bill of Quantities (BoQ), i.e. premium rates will not be payable to contractors on the cost of material like bitumen, cement, steel, rods, pipes and other construction material supplied and utilised by them in the works including carriage and profit. Further, the Schedule of Rates (SoR) prepared (2006-07) by the Rate Fixation Committee included 10 *per cent* as contractor’s profit for each item including cost of material. According to the resolution (March 2002), the order regarding non-payment of premium rate on material was applicable to all Works Departments in the State.

Scrutiny (October 2010) of the records of Executive Engineer (EE), Drinking Water & Sanitation Division No. I, Dhanbad, revealed that the EE executed (December 2007) an agreement with a contractor (M/s Nagarjuna Construction Corporation Limited, Gurgaon) for Renovation and Augmentation¹¹ of Dhanbad Phase II, Water Supply Scheme for ₹ 68.67 crore. The agreement was executed at 15 *per cent* over and above the BoQ on all items including pipes, bitumen, steel, cement etc. contrary to the Government resolution of March 2002. This resulted in inadmissible payment of premium rates of ₹ 4.44 crore (*Appendices 5.5 and 5.6*) on the cost of Ductile Iron (DI) pipes utilised in the work.

Further, the agreement provided for a lead of 300 km for carrying the DI pipes. However, scrutiny of the invoices revealed that the rates on which the contractor purchased DI pipes (K7 and K9) from the supplier were inclusive of all taxes and carriage cost up to Dhanbad Railway Station. Thus, providing carriage cost from Kolkata to the site i.e. lead of 300 km in the agreement was actually excess provision of carriage by the Department which resulted in injudicious payment of ₹ 2.33 crore to the contractor for carriage cost of DI pipes (K7 and K9) (*Appendices 5.7 and 5.8*).

Thus, non-adherence to the Government directive and excessive allowance of rates for supply of DI pipes by the Department resulted in inadmissible payment and injudicious expenditure of ₹ 6.77 crore to the contractor.

¹¹ Renovation and augmentation of Dhanbad Phase II Water Supply Scheme including detailed survey, levelling, design and drawing of each concerned items, water treatment plant, rising main DI K-9 pipes and distribution main pipes DI K-7 etc.

The matter was reported (June 2012) to the Government. The Department stated (August 2012) that “the order issued (March 2002) by the Road Construction Department (RCD) on non-payment of premium rate on material was not applicable to the Drinking Water & Sanitation Department (DW&SD).”

The reply of the Department is not in order as the said resolution (March 2002) was applicable for all Works Departments including DW&SD and copies of the same were circulated to the concerned departments including DW&SD. The Department did not furnish any reply on excess payment of carriage cost.

WATER RESOURCES DEPARTMENT

5.2.2 *Undue financial aid to the contractor*

Non-adherence to the condition of the agreements and orders of the higher authority led to undue financial aid of ₹ 1.08 crore to the contractor by payment for drawings and designs of Bhairwa and Kesho Reservoir schemes for residual works.

In Hazaribag and Barhi, two medium irrigation projects, namely Bhairwa and Kesho Reservoir schemes, were started in 1987-88 and 1990-91 respectively for creating irrigation potential of 9,073 hectare (Bhairwa: 4,858 ha and Kesho: 4,215 ha). The drawings and designs of the components (dam, spillway, canals etc.) of these projects were approved by the Chief Engineer, Water Resources Department (WRD), Ranchi between August 1986 and March 1991. Works on these projects, however, stopped in 1991-92 (Kesho) and 1993-94 (Bhairwa) due to non-release of funds by the Government of Bihar.

After creation of Jharkhand, the residual works of the projects were taken up (Bhairwa: July 2005 and Kesho: March 2007) on turnkey basis at an agreed cost of ₹ 122.67 crore (Bhairwa: ₹ 55.73 crore and Kesho: ₹ 66.94 crore) to be completed within 30 months from the date of agreements¹². According to the agreements, the works were to be executed as per the drawings and designs approved in 1986/1991, as these were in the nature of residual works. However, the payment schedule attached with the agreements included the item 'submission of drawings and designs by the contractors and their approval by the department', which was not in order.

Scrutiny (May and June 2011) of records of the divisions revealed that the contractors submitted their own drawings and designs and the EEs paid ₹ 1.08 crore¹³ (May 2008 and October 2009) to the contractors for submission of drawings and designs and their approval. This was in contravention of the clauses of the agreements which stated that the work would be executed as per already approved designs. It was further seen in Kesho project that the Superintending Engineer (SE), Water Ways Circle, Hazaribag also instructed (January 2008) the EE, Water Ways Division, Barhi that the agreement had been executed for doing work on already approved (1986-91) drawings and

¹² Bhairwa: 1F2/2005-06 executed by the Executive Engineer, Water Ways Division, Hazaribag on 2 July 2005 and Kesho: 15 F2/2006-07 executed by the Executive Engineer, Water Ways Division, Barhi on 23 March 2007.

¹³ Bhairwa: ₹ 57.95 lakh up to May 2008 and Kesho: ₹ 49.58 lakh up to October 2009.

designs and any deviation from the approved drawing and designs would not be allowed. The Chief Engineer (CE), WRD also instructed (March 2008) the SE, Hazaribag to get the written consent of the contractor that the work was being done as per already approved drawings and designs. There was nothing on record to indicate that the SE had obtained any consent in this regard from the contractor. Thus, payment of ₹ 1.08 crore by the EEs on account of drawings and designs was in violation of the orders of the higher authorities resulting in undue financial aid to the contractors.

On this being pointed out by Audit (May and June 2011), the Government stated (September 2012) that in the case of Kesho and Bhairwa schemes, in the payment schedule, which was attached with the agreement, one *per cent* of the cost of different components was provided (July 2005 and March 2007) for preparation and approval of drawings and designs.

The reply was not acceptable as the payments made for submission of drawings and designs were in violation of the agreements which stipulated that the works were to be executed as per already approved designs and drawings. Further, the SE, Hazaribag had already directed the EE to follow only the original approved drawings and designs.

ROAD CONSTRUCTION DEPARTMENT

5.2.3 *Unfruitful expenditure on construction of a bridge without approach road*

Unfruitful expenditure of ₹ 1.02 crore was incurred on a high level bridge due to taking up the work without acquisition of land for approach road.

According to Rule 132 of the Bihar Public Works Department (BPWD) Code, as adopted in Jharkhand, except in case of emergent work such as repair of breaches etc., no work should be started on land which has not been duly made over by a responsible Civil Officer. Further, as per provisions¹⁴ of BPWD Code, the process of tender should be initiated only when technical sanction has been accorded, allotment of funds has been ensured and land has been acquired, if required for the work.

Construction of a High Level Bridge and approach road over Chamgadha River/Nala in 29th km Hazaribag-Barkagaon-Tandwa Road was necessitated for replacing the old narrow and unserviceable existing bridge with a wide bridge in order to provide better road communication. The administrative approval for construction of the High Level Bridge and approach road was accorded (August 2007) by the Road Construction Department (RCD) for ₹ 1.26 crore and technical sanction was granted (July 2007) by the Chief Engineer (CE), Central Drawing Organisation, RCD, Ranchi for ₹ 1.27 crore. The work was awarded (November 2007) to the contractor by the Executive Engineer (EE), Road Division, Hazaribag for ₹ 1.26 crore and an agreement was executed in January 2008. The work was scheduled to be completed in one year, i.e. by January 2009.

Scrutiny (January 2012) of the records of the EE revealed that the contractor completed the work of the High Level Bridge in April 2010 except the work of

¹⁴ Paragraphs 4.5 and 7.5 of memo no. 948 dated 16 July 1986 of Cabinet Secretariat and Co-ordination Department (Vigilance Cell), incorporated in BPWD Code

bridge furniture¹⁵ and the work of approach road due to non-acquisition of the proposed land. The contractor repeatedly requested¹⁶ the EE to provide land for construction of the approach road. Finally, the contractor stopped the work (May 2010) mid way after execution of only the bridge work valued at ₹ 98.80 lakh, the payment for which was made up to August 2010.

Further scrutiny of records and information furnished by the Department (June-October 2012) revealed that possession of land (on paper) was communicated in December 2011 by the Land Acquisition Officer (LAO) to the EE, but the work was not started due to public hindrances as two landowners refused (May 2012) to accept the compensation amount on the plea of valuation at a lower rate. The matter could not be resolved by the LAO and the approach road could not be constructed as of October 2012 for want of land.

A total expenditure of ₹ 1.02 crore¹⁷ was incurred (June 2012) on the construction of the bridge, which could not be put to use in the absence of the approach road. Thus, the processing/tendering of work by the EE and according technical sanction by the CE, Central Drawing Organisation, without ensuring availability of land, resulted in unfruitful expenditure of ₹ 1.02 crore.

The Department stated (October 2012) that the expenditure was not infructuous as pedestrians and cyclists are utilising the bridge. The reply was not in order as the purpose of the high level bridge to replace the existing narrow unserviceable bridge for easy plying of vehicles was not served. Besides, the objective of providing better road communication to the road users throughout the year remained unachieved.

RURAL WORKS DEPARTMENT AND JHARKHAND STATE RURAL ROAD DEVELOPMENT AUTHORITY

5.2.4 Unfruitful expenditure and non-recovery of liquidated damages

Failure of the Executive Engineer (EE) to take timely action resulted in unfruitful expenditure of ₹ 1.34 crore besides non-recovery of liquidated damages of ₹ 25.50 lakh.

According to paragraph 4.8.2 of the standard specification and Code of practice for Water Bound Macadam (WBM) of the Indian Road Congress, the base course is to be provided with bituminous surfacing. The latter shall be laid only after the WBM course is completely dry and before allowing any traffic on it. Further, as per clauses 44 and 52 read with clause 21 (b) (c) of the SBD, if the contractor failed to complete the work within the stipulated period, Liquidated Damages (LD) at the rate of one *per cent* of the initial contract price¹⁸ including maintenance cost of the whole work per week subject to a maximum 10 *per cent* rounded off to the nearest thousand was leviable on the contractor. Further, according to the instructions¹⁹ issued in January 1991, the

¹⁵ Divider, reflector, pavement marker, signboard etc

¹⁶ Contractor's letter no. nil dated 04 April 2010, 24 May 2010, 13 January 2011, 16 July 2011, 28 November 2011, 21 January 2012 and 08 May 2012

¹⁷ Contractor's Payment ₹ 98.80 lakh + Contingency: ₹ 0.42 lakh + Land Acquisition: ₹ 2.89 lakh

¹⁸ Contract price (₹ 3.49 crore) including maintenance cost

¹⁹ Letter no. 34/90-2 dated 15 January 1991 issued by Department of Water Resources, Bihar,

genuineness of Bank Guarantees (BGs) submitted by the contractors should be verified from the bank by the Executive Engineers (EEs) at the earliest.

Chief Engineer (CE), Jharkhand State Rural Road Development Authority (JSRRDA) accorded (December 2007) technical sanction to the work of construction of 10 Kms. bituminous road from Kolkole Khurd to Banwar (package No. JH 0202) under Pradhan Mantri Gram Sadak Yojana (PMGSY) in Chatra District at a cost of ₹ 3.49 crore. The work was allotted (April 2008) to M/s Lovely Transport, Ranchi through tender at a cost of ₹ 3.48 crore. The contract was signed (May 2008) between the Executive Engineer (EE), Rural Work Division, Chatra and the contractor. The work was scheduled to be completed by May 2009.

Scrutiny (June 2011) of the records of the Division revealed that the contractor failed to execute the work within the stipulated period of time. Though no time extension had been granted, the contractor continued to execute the work even after 29 weeks from the scheduled date of completion and was paid ₹ 10.31 lakh and ₹ 15.49 lakh in December 2009 and January 2010 respectively after the scheduled date of completion. Subsequently, the contractor left (January 2010) the work midway without assigning any reason after executing work up to WBM Grade²⁰ II and III valued at ₹ 1.34 crore. The contract was rescinded in June 2010 by the EE. The remaining work (valued ₹ 2.14 crore) was not resumed as of February 2013 due to non-response to re-tender. As such, the bituminous work was not executed after WBM-grade II and III on the entire stretch though it was necessary to provide all weather road connectivity under PMGSY. More than three years had lapsed since execution of the WBM work, which was likely to deteriorate with the passage of time. Thus, stoppage of the work midway resulted in unfruitful expenditure of ₹ 1.34 crore.

Further, the EE failed to recover the full amount of LD from the contractor as per the agreement on account of non-completion of the assigned work within the stipulated date of completion. We noticed that the EE irregularly deducted LD of ₹ 2.58 lakh²¹ and forfeited Security Deposit for ₹ 6.72 lakh instead of ₹ 34.80 lakh²² as for delay of more than 10 weeks, at 10 per cent (maximum leviable) of the initial contract price including maintenance cost of the whole work was to be recovered. The short deduction of LD was due to wrong calculation of LD on the value of bills submitted instead of on the initial contract price. This resulted in less recovery of ₹ 25.50 lakh in the shape of LD.

It was further noticed that instead of forfeiting the performance security by encashing the BG in time, the EE accepted (February 2010) a new BG for ₹ 17.50 lakh in place of the lapsed BGs. The genuineness of the new BG was not verified by the EE from the bank, violating the Government orders of January 1991. The EE, after lapse of three months, requested (May 2010) the bank for verification of the BG. The bank intimated (May 2010) that the said BG was not issued by it. As such, the Department could not encash the BG for

²⁰ These are parts of water bound macadam (WBM) in which the size of stone metal utilised are 45 mm to 63 mm and 22.40 mm to 53 mm respectively for Grade II and III

²¹ ₹ 1.03 lakh and ₹ 1.55 lakh (10 per cent of the bill value and not of initial contract price) from 7th and 8th Running Account bills

²² Prescribed time of completion was May 2009. The work not completed up to the last measurement (8th RA bill) i.e. 10 January 2010. Total 29 weeks x one per cent of contract price of ₹ 3.48 crore = ₹ 1.00 crore, limited to 10 per cent of contract price i.e. ₹ 34.80 lakh - ₹ 2.85 lakh LD already deducted and ₹ 6.72 lakh security deposit already forfeited = ₹ 25.50 lakh

₹ 17.50 lakh. Due to failure of the EE to get the BGs revalidated in time, the Department was deprived of ₹ 17.50 lakh.

The matter was reported to the Government (June 2012) followed by reminders issued between July and August 2012. Their reply had not been received (February 2013).

Thus, failure of the EE to initiate timely action according to the provisions of the agreement against the contractor resulted in unfruitful expenditure of ₹ 1.34 crore on the incomplete road which denied the intended benefits to the rural people. Besides, the LD for ₹ 25.50 lakh was also not recovered.

5.3 Failure of oversight/governance

The Government has an obligation to improve the quality of life of the people for which it works, towards fulfillment of certain goals in the areas of health, education, development and upgradation of infrastructure, public service etc. However, Audit noticed instances where the funds released by the Government for creating public assets for the benefit of the community remained unutilised/ blocked and/or proved unfruitful/ unproductive due to indecisiveness, lack of administrative oversight and concerted action at various levels. A few such cases have been discussed below:

ROAD CONSTRUCTION DEPARTMENT

5.3.1 Blocking of Government money

Advance made to South Eastern Railway in contravention to the codal provision/Government order, without approval/acceptance of estimate of a Road Over-Bridge proposed to be constructed on cost sharing basis resulted in blocking of government money amounting to ₹ 7.37 crore besides loss of interest of ₹ 2.30 crore.

According to Paragraph 7.2 of the Government decision²³ mentioned in Bihar Public Works Accounts (BPWA) Code, as adopted by Jharkhand, no work should be taken up without technical sanction accorded to the estimate. Further, as per para 11 of the fund allotment letter issued (February 2008) by the Government; expenditure was to be incurred after obtaining the technical sanction.

The High Court of Jharkhand, while hearing a Writ Petition²⁴, ordered (December 2005) construction of a Y-Leg Road Over Bridge (ROB) at Dibdih level crossing, Ranchi by the South Eastern Railway (SER) to enable the road users to travel towards MECON²⁵ colony. The work was to be done on a cost sharing basis²⁶ of 50:50 between the Railways and Government of Jharkhand (GOJ).

Scrutiny (December 2009 and April 2011) of the records of the Executive Engineer (EE), Road Division, Ranchi and information collected (May 2012) revealed that administrative approval for the work was accorded (December

²³ Vigilance Department letter no. 948 dated 16.7.1996

²⁴ WP (PIL) No. 6085 of 2002

²⁵ Metallurgical Engineering and Consultants of India Limited

²⁶ Cost sharing basis – Road over/under bridge works are undertaken by Railways in lieu of existing level crossing (LC) on cost sharing basis if the traffic density at the LC is one lakh or more Train Vehicle Units (TVUs). TVU is a unit obtained by multiplying the number of trains to the number of road vehicles passing over the LC in 24 hours. (Policy no. 2007/CE I/LX/90 of Railways)

2007) for ₹ 7.37 crore by the Road Construction Department (RCD), for 50 per cent State share i.e. ₹ 7.37 crore. Scrutiny further revealed that the EE advanced (April 2008) ₹ 7.37 crore to the Financial Advisor & Chief Accounts Officer (FA&CAO), SER, Garden Reach, Kolkata without entering into an agreement and accord of technical sanction (TS) to the estimate which was against the codal provision and Government order.

It was further noticed that the Detailed Estimate²⁷ was prepared and submitted (February 2011) to the RCD by the SER having an estimated cost of ₹ 22.24 crore enhancing the Railways share to ₹ 11.22 crore and State Government's share to ₹ 11.22 crore, which was accepted (April 2011) by the Chief Engineer, RCD after lapse of more than three years of advance. After accepting the estimate, the site inspection was undertaken (June 2011) jointly by a team of engineers of RCD and SER during which it was observed that the additional Y Leg ROB towards MECON would give rise to a point of conflict²⁸. In the inspection note, the Chief Engineer (CE), RCD advised (July 2011) not to connect the additional leg with the existing four lane ROB. On an enquiry made (April 2012) by audit from the SER, it was stated (May 2012) that the ROB would not be constructed as advised (July 2011) by the CE, RCD and the said work had been dropped from the Railway budget. The Department did not pursue with the SER to refund the advance of ₹ 7.37 crore (April 2008) even after the advice of the CE in July 2011 to not construct the proposed ROB.

The Government stated (November 2012) that the proposal for construction of ROB was dropped due to strong possibility of traffic congestion/accident due to conflict point of the ROB. Accordingly, the SER has been requested (October 2012) to refund the advance with interest accrued thereon. Follow up action is awaited (February 2013).

Thus, the sum of ₹ 7.37 crore advanced to the SER in contravention of the codal provision/Government order, without approval/acceptance of the estimate, remained unutilised for more than three years on the proposed ROB which was ultimately found unfit for construction. Besides, there was loss of interest²⁹ of ₹ 2.30 crore at a rate equal to the average borrowing rate of the State Government.

5.3.2 Lack of planning in erection of Bailey bridge

Due to lack of preparedness and planning for erection and assembly of bailey bridges in the event of a disaster, the Department failed to provide connectivity through bailey bridges even after spending a sum of ₹ 6.09 crore.

The Secretary, Road Construction Department submitted (June 2009) a proposal to the Advisory Council³⁰ for purchase of three bailey bridges³¹ to restore traffic in the event of an emergency/a disaster. Accordingly, Road

²⁷ Estimate no. 1478W/2010

²⁸ A conflict point is the point at which a highway user crossing, merging with, or diverging from a road or driveway conflicts with another highway user using the same road or driveway. It is any point where the paths of two through or turning vehicles diverge, merge or cross.

²⁹ At the rate of 7.83 per cent per annum on ₹ 7.37 crore x 4 years.

³⁰ comprising of Advisers to the Governor of Jharkhand

³¹ Bailey bridge is a portable steel bridge which is assembled at site to provide "through" type roadway between two main girders.

Construction Department (RCD), Government of Jharkhand (GoJ) accorded (June 2009) administrative approval for procurement of three bailey bridges for Ranchi, Hazaribag and Dumka Road Divisions at a cost of ₹ 6.89 crore.

During scrutiny of records (April 2011 and April 2012) of the Executive Engineers (EE), Road Divisions, Ranchi, Hazaribag and Dumka, we observed that the RCD nominated (June 2009) M/s Garden Reach Ship Builders & Engineers Limited, Kolkata, a Government of India Undertaking (agency), for supplying the bailey bridges, for which the EEs paid (between January 2010 and March 2011) ₹ 6.09 crore to the agency. The agency supplied the components between March and May 2010 to the EEs of these three Divisions.

We further noticed that the agency, while communicating the price and payment terms, had suggested (October 2009) that the bridges could be erected through their empanelled erectors. However, the Department did not act on this suggestion. We also noticed that the Technical Secretary of Engineer-in-Chief (EIC), RCD instructed (June 2010) the CE (Communication) to arrange training for the officials of the Mechanical Divisions so that the bailey bridges could be assembled within a week in case of need. However, this was not followed up by the CE and the EIC and the officials remained untrained.

Further, there was nothing on record to indicate that the availability of bailey bridges was communicated to all the divisions of RCD, so that the same could be requisitioned by the divisional officers in the event of a disaster.

We further noticed that under the jurisdiction of Dumka Road Division, one span of Gumra Bridge on Dumka-Sahebganj road collapsed in August 2010. The EE, Road Division, Dumka communicated (August 2010) the fact directly to the Secretary, RCD for utilisation of the bailey bridge. However, due to absence of directions regarding installation of the bailey bridge, the traffic was restored (March 2011) by constructing a diversion.

Another bridge over River Dharwa, on the State highway of Jasidih-Deoghar stretch under Deoghar Road Division, collapsed in June 2011. The Superintending Engineer (SE), Dumka Circle, Dumka requested (June 2011) the EIC to issue necessary orders for transfer of components of bailey bridge from Dumka and Hazaribag Road Divisions to the Deoghar Road Division to restore the traffic. However, no orders were issued regarding transfer of the bailey bridges, and the road connectivity was maintained by making a causeway during June-December 2011.

When we pointed this out (September 2012), the CE (Communication), RCD admitted (September 2012) that the erectors have not been empanelled and the Divisions did not have the expertise to assemble the components of the bailey bridges. He further stated that the bailey bridges could not be installed at the site of the damaged Gumra Bridge because the piers were not strong enough to take the load of moving vehicles. In case of the bridge over River Dharwa, the CE stated that initially installation of the bailey bridge was considered but due to the need for construction of piers and abutment, which would take a lot of time, restoration of traffic was started by constructing a causeway. The reply of the CE was not in order as according to the description of the bailey bridge by the supplier, M/s Garden Reach Ship Builders & Engineers Limited

(GRSE), the bailey bridge is so designed that it can be completely erected on rollers on one side of the gap to be bridged and then launched across without the use of any temporary support within the gap. Besides, the Divisions took one to five months for construction of the causeway/diversion for restoration of connectivity in the two damaged bridges, while the bailey bridges were purchased at a cost of ₹ 6.09 crore to restore the traffic in an emergent situation could be assembled within a week were lying unutilised.

Thus, due to failure of the Department to empanel the erector or to get the officials trained in assembling the bailey bridges even 28 months after their procurement, the bailey bridges could not be utilised when the bridges collapsed. This shows lack of preparedness and deficient planning in case of a disaster and resulted in non-achievement of the objective of procuring the bailey bridges even after spending a sum of ₹ 6.09 crore on their procurement.

The matter was referred to the Government (May 2012). Their reply had not been received (February 2013).

5.4 Persistent and pervasive irregularities

An irregularity is considered persistent if it occurs year after year. It becomes pervasive when it prevails in the entire system. Recurrence of irregularities, despite their being pointed out in earlier audits, is not only indicative of non-seriousness on the part of the Executive, but is also an indication of the lack of effective monitoring. This, in turn, encourages wilful deviations from the observance of rules/regulation and results in weakening of the administrative structure. A significant case noticed is described below:

DEPARTMENT OF FOREST AND ENVIRONMENT

5.4.1 Short realisation of penal Compensatory Afforestation and Net Present Value

Short raising of demand for Penal Compensatory Afforestation and Net Present Value led to short realisation cost of Penal Compensatory Afforestation of ₹ 65.34 lakh and Net Present Value of ₹ 80 lakh.

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 fulfillment of stipulated conditions, which include payment of Net Present Value (NPV)³², and cost of mandatory compensatory afforestation (CA)³³ and penal CA³⁴ (PCA), wherever applicable. The expenditure on such measures is to be borne by the user agency. Any user agency intending to use forest land for non-forest purposes is required to apply to the Principal Chief Conservator of Forest, who gets the proposal processed in the respective Divisional Forest Offices at various

³² "Net Present Value" means the quantification of the environmental services provided for the forest area diverted for non-forestry uses, as may be determined, by an expert committee appointed by the Central Government from time to time in this regard;

³³ Compensatory afforestation (CA) is to be carried out 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.

³⁴ Penal CA means afforestation work to be undertaken over and above the prescribed compensatory afforestation under the Forest (Conservation) Act, 1980, in lieu of the extent of area over which non-forestry activities have been carried out without obtaining prior approval of the competent authority for which PCA shall be raised two times over double degraded forest land.

stages³⁵, which is sent to GoI for approval. The demand for cost of NPV/CA/PCA etc. is raised after receipt of in-principle approval from GoI and the user agency is required to pay the demand before diversion of land. However, as per Paragraph 3.2 (viii) (d) of the Guidelines and Clarifications of the Forest Conservation Act and Rules, cost of CA is not to be realised in respect of cases of renewal of mining lease. As per order (May 2006) of the Hon'ble Supreme Court of India, the cost of NPV/CA/PCA etc received from the user agency is to be transferred to the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) fund.

Scrutiny (August 2011) of records of Dhalbhum Forest Division, Jamshedpur revealed that GoI, while according (July 2009) in-principle approval for diversion of 225.363 ha of forest land for renewal of Kendadih copper mining lease to M/s Hindustan Copper Limited (user agency), directed to realise the cost of penal CA of two times over double degraded forest land ($48.69 \times 2 = 97.38$ ha.) involved in violation³⁶ of the Forest (Conservation) Act, 1980. However, the DFO while raising the demand calculated (June 2010) the cost of penal CA on 97.38 ha at ₹ 65.34 lakh only instead of the correct sum of ₹ 1.31 crore (two times of 97.38 ha i.e., 194.76 ha). This resulted in short raising of demand for penal CA amounting to ₹ 65.34 lakh.

Further, out of 225.363 ha of forest land, diversion of which was approved in-principle, GoI directed (July 2009) to realise NPV for the land diverted which comes to ₹ 11 crore (for 48.69 ha of surface area mining at the rate of ₹ 8.03 lakh per ha and for remaining 176.673 ha of underground mining at the rate of 50 *per cent* of ₹ 8.03 lakh per ha). However, the Division while raising the demand, calculated the NPV amounting to ₹ 10.20 crore for 205.473 ha only (48.69 ha surface area mining and 156.783 ha for underground mining) which resulted in short raising of NPV of ₹ 80 lakh.

The DFO, Dhalbhum Forest Division in his reply (September 2012) stated that as per direction³⁷ (July 2009) of GoI, it was clear that the penal CA shall be raised and maintained at the cost of the user agency two times over double degraded forest land involved in violation of the Forest Conservation Act 1980, which worked out to $48.69 \times 2 = 97.38$ ha. Accordingly, demand was raised for 97.38 ha. The DFO was, however, silent about short raising of NPV, amounting to ₹ 80 lakh.

The reply of the DFO was not in order as the above mentioned letter refers to penal CA raised at two times over double degraded forest land. The DFO has raised demand for double of degraded forest only i.e for 97.38 ha whereas the demand should have been two times of 97.38 ha, i.e. twice the cost of afforestation of 97.38 ha.

³⁵ GoI accords approval for diversion of forest land for non-forest purposes in two stages i.e. In-principle approval and Final approval

³⁶ The surface area of the forest land has been broken by the user agency without GoI permission.

³⁷ Letter no. F. No. 8-26/1997-FC dated 30th July 2009 of Govt. of India, Ministry of Environment & Forest (FC Division).

The matter was reported (June 2012) to the Government followed by reminders between August and November 2012. Their reply had not been received (February 2013).

Ranchi,
The


(MRIDULA SAPRU)
Principal Accountant General (Audit)
Jharkhand

Countersigned

New Delhi,
The


(VINOD RAI)
Comptroller and Auditor General of India

APPENDICES

Appendix – 1.1
(Referred to paragraph 1.7; page 10)

Statement showing the position of outstanding Inspection Reports and Paragraphs

Year	Economic Sector (Non-PSU)			Social Sector I			Social Sector II		
	IRs	No. of Paragraphs		IRs	No. of Paragraphs		IRs	No. of Paragraphs	
		Section A	Section B		Section A	Section B		Section A	Section B
2002-03	07	18	24	--	--	--	--	--	--
2003-04	30	25	162	33	67	233	02	--	07
2004-05	123	130	483	24	14	112	98	300	681
2005-06	160	172	723	98	66	458	119	261	746
2006-07	206	253	956	63	83	282	130	360	425
2007-08	160	216	707	78	81	240	105	269	482
2008-09	161	281	653	86	64	372	108	131	667
2009-10	133	107	541	127	70	697	86	70	607
2010-11	155	279	838	146	61	703	69	169	500
2011-12	100	137	703	134	34	480	78	87	570
Total	1235	1618	5790	789	540	3577	795	1647	4685

Appendix 2.1
(Referred to Para 2.1.6; page 17)

Prototype schemes at a glance and its unit cost

	Water harvesting, Irrigation and Land Development	Package for improved Agriculture with Rain Water harvesting	Horticulture (Mango) and Timber (Multi tier Cropping) on uplands	Dairy Development	Homestead Poultry	Goat rearing	Tassar Pre-Cocoon	Tassar Post Cocoon	Rangini Lac on Existing Trees	Mulberry Plantation and Silk Worm Rearing
Size of Cluster	10 villages	50 hectares in 2-5 villages	25 hectares in 5-7 villages	5 villages	10 villages	10 villages	6 villages, 100 acres	12 villages	10 villages	6 villages, 30 acres.
Number of beneficiaries in each clusters	500	250	60	50	60	60	112	360	100	60
Number of units in Cluster	1	3	3	3	4	4	1	1	4	
Number of beneficiaries in all clusters	500	750	180	150	240	240	112	360	400	
Institutional arrangements	Informal user groups	Informal user groups	Informal user groups	Cooperative of rearers	Cooperative of rearers	Committee of rearers	Cooperative of rearers	Cooperative of rearers	Informal user groups	Cooperative of rearers
Size of enterprises	0.2 to 0.4 hectare	2 hectare	0.4 hectare	2 cross bred cows	300 birds in each batch, 7 batches	Initially 5 goats, increasing to 15 plus kids	1 hectare for plantation		25 Kg. Brood lac on 12 trees	0.4 hectare
Annual net profit to each beneficiary.	₹ 10,000 to 20,000	₹ 16,000		₹ 12,000	₹ 13,000	₹ 9000	₹ 6000	₹ 9,000	₹ 4,000	₹ 26,375
Cost of project (working capital & creation of assets)	80,00,000	40,15,876	63,02,430	88.77.625	11,031,547	35,41,200	16,40,500	20,073,100	11,84,900	9504760
Promotional cost & capacity building costs	9,89,850	13,99,108	10,53,938	12,67,033	20,00,015	9,87,310	57,65,585	11,91,654	11,23,710	1052436
Total unit cost	89,89,850	54,14,984	73,56,368	101,44,658	130,31,562	45,28,510	74,06,085	218,64,754	23,08,610	105,57,196

Appendix 2.2
(Referred to Para 2.1.7; page 19)

Statement of Batch wise details of release of fund by TWC to ITDAs and ITDAs to Implementing Agencies
(₹ in lakh)

Batch	Amount released by Department To TWC	Letter No. & date	No. of prototype (units) sanctioned	Amount released by TWC to ITDA/ MADA	Amount	Period	ITDAs to IAs	Period
I (2005-08)	11122.41	139 dated 22.8.06	146	ITDA MADA	9608.80 1613.61	08/06 to 03/ 09	1.Simdega 2. Ranchi 3.Chakradharpur 4. Gumla	03/06 to 07/11 11/06 to 10/07 04/06 to 08/08 01/06
II (2006-08)	5397.05	171 dated 19.8.08	70	ITDA MADA OSM	4752.34 255.44 389.22	09/2006 to 10/2008	1.Simdega 2. Ranchi 3.Chakradharpur 4.Gumla	02/07 to 10/09 01/08 to 12/08 02/07 to 01/08 04/07
III (2007-10)	13310.39	174 dated 19.08.09 396 dated 5.3.09 161 dated 29.7.10 245 dated 23.10.10	183	ITDA MADA OSM Cluster PTG	9714.24 1756.02 1166.91 147.12 526.10	11/2008 to 11/2010	1.Simdega 2.Ranchi 3Chakradharpur 4.Gumla	03/10 to 03/12 02/09 to 12/10 05/10 to 04/11 08/10

Appendix 2.3
(Referred to Para 2.1.7.4; page 21)

Statement of incomplete schemes in ITDA Chaibasa

(Amount in ₹)

Sl. No.	Scheme No.	Name of work	Advances Paid	As per RA bills submitted	Name of Junior Engineer
1	1/05-06	Check dam in Gitilipi in Manjhari block	635000	408160	Sukhram Kunkal
2	2/05-06	Check dam in Rangpukharia at Tantt Nagar block	580000	521419	Dinesh Chandra Nandi
3	7/05-06	Check dam in village Dehri Kandiyatirya at Kumardungi block	580000	202391	Kanish Raut
4	8/05-06	Check dam in Kudahatu in Jagarnathpur block	600000	00	Lal Singh Lamay
5	9/05-06	Construction of building in Gitilipi village in Manjhari block	1307012	822684	Sukhram Kunkal
6	1/06-07	Construction in Jahira sthal in village Kasira in Jagarnathpur block	300000	00	Saket Thakur
7	4/06-07	Sarna Sthal boundary in Badakomta (Tantt Nagar block)	500000	168989	Prem Prakash Hembrom
8	5/06-07	Check dam at ;Kedemasai at Jagarnathpur block	600000	560451	Saket Kumar
9	7/06-07	Construction of ST Hostel Building (PG), Chaibasa.	550000	00	Prem Prakash Hembrom
10	8/06-07	Repairs of K.B.Hostel, Chaibasa	950000	00	Saket Kumar
11	2/07-08	Construction of ST Residential Hostel of Government High School, Kumardungi block	4771574	1822364	Prem Prakash Hembrom
12	1/08-09	Boundary Wall at Tarapai in Manjhari block	537300	481413	Prem Prakash Hembrom
13	2/08-09	Construction of Dining Hall, Store, Kitchen in Residential Schools (ST), Chaibasa	691400	600000	Prem Prakash Hembrom
14	3/08-09	Electric work at ST Residential Girls School, Chaibasa	600000	418793	Prem Prakash Hembrom
15	8/08-09	50 bedded hostel of Government Girls School, Chaibasa	4856700	3090022	Upendra Thakur
16	9/08-09	Government Residential High School, Jagarnathpur	5538270	5369604	Upendra Thakur
17	10/08-09	50 bedded hostel at Girls High School, Chitimiti at Tantt Nagar block	5490573	5123185	Upendra Thakur
18	1/07-08	Construction of staff quarter in 50 bedded hospital at Sabdachik.	4307108	3254521	Prem Prakash Hembrom
19	5/07-08	Construction of Anganwadi Centre at Depre Bua at Majhaon block	200000	87843	Prem Prakash Hembrom
20	6/07-08	Construction of Anganwadi Centre at Sagagrif at Majhgaon block	200000	110708	Prem Prakash Hembrom
21	7/07-08	Construction of Anganwadi in Dirgo at Kumardhubi block	200000	54627	Prem Prakash Hembrom
22	9/07-08	Construction of Anganwadi at Bhairabharsai in Jagarnathpour block	198300	227904	Prem Prakash Hembrom
23	10/07-08	Construction of Anganwadi centre at Debuwa at Jagarnathpur block	220000	227904	Prem Prakash Hembrom
24	11/07-08	Construction of Anganwadi centre in Luiya at Tonto block	200000	00	Prem Prakash Hembrom
25	2/08-09	Pacca check dam in Dikuna Sakar in Kumardhubi block	1481300	1164091	Prem Prakash Hembrom
26	7/08-09	Construction of 50 bedded ST Girls Hostel at Chaibasa	4899784	4864649	Upendra Thakur
Total			40994321	29581722	

Appendix 2.4
(Referred to Para 2.1.7.4; page 21)

**Statement of unadjusted advance against incomplete schemes in ITDA
Sahibganj**

Sl No	Scheme No.	Name	Place	Work Order Date	Estimated Cost (₹ in lakh)	Advance Amount (In ₹)	Date of last Advance
1	2/10-11	100 bedded Hostel for Girls High Schools	Bandherkola	8.11.10	94.28	1767172	20.9.11
2	3/10-11	100 bedded Hostel for High School	Taljhari	8.11.10	94.28	8000000	29.3.12
3	4/10-11	50 bedded Hostel for Girls	Pathna	8.11.10	56.15	5300000	29.3.12
4	5/10-11	50 bedded Hostel for Girls	Taljhari	8.11.10	56.15	5000000	28.7.11
5	6/10-11	50 bedded Hostel for Middle School	Pathna	8.11.10	56.15	5000000	29.3.12
6	7/10-11	50 bedded Hostel for Middle School	Barheit	8.11.10	56.15	2054403	20.9.11
7	8/10-11	50 bedded Hostel for boys	Bourijor	8.11.10	56.15	1521900	20.9.11
8	9/10-11	50 bedded Hostel for boys	Bourijor	8.11.10	56.15	1507075	20.9.11
9	10/10-11	50 bedded Hostel for boys	Bourijor	8.11.10	56.15	1399387	31.3.12
10	11/10-11	School Maintenance	Bourijor	8.11.10	3.27	300000	31.3.11
11	12/10-11	50 bedded boys Hostel for PTG	Bourijor	8.11.10	56.15	1899287	27.9.11
12	02/08-09	8 ACR, Banjhi	Banjhi	08-09	42.03	4203000	-
13	03/80-09	Doctor's quarter	Pathna	08-09	13.14	1313403	-
14	08/05-06	50 bedded Hostel	Ratanpur	08-09	46.10	4530307	-
15	10/05-06	50 bedded Hostel	Kartik Bhaitha	08-09	46.10	4366656	-
16	07/05-06	50 bedded Hostel	Kurtika	08-09	46.10	3835134	-
Total					834.5	51997724	

Appendix 2.5
(Referred to Para 2.1.12; page 36)

Statement of Sanctioned strength and persons in position in five ITDAs

Name Of Posts	Sanctioned Strength	Men in Position	Vacancies
Project Director	5	5	Nil
Additional Project Director	10	Nil	10
Assistant Project Manager	10	Nil	10
Assistant Engineer	5	3	2
Office Superintendent	5	4	1
Accountant	5	3	2
Clerk	10	9	1
Personal Assistant cum Stenographer	5	3	2
Peon	20	15	5
Driver	15	3	12
Total	90	45	45

Appendix 2.5 (contd.)
(Referred to Para 2.1.12; page 36)

Statement of Sanctioned strength and persons in position in five ITDAs

Name of posts	Chaibasa		Gumla		Ranchi		Sahibganj		Simdega	
	Men in position	Vacancy	Men in position	Vacancy	Men in position	Vacancy	Men in position	Vacancy	Men in position	Vacancy
Project Director	1	0	1	0	1	0	1	0	1	0
Additional Project Director	0	2	0	2	0	2	0	2	0	2
Assistant Project Manager	0	2	0	2	0	2	0	2	0	2
Assistant Engineer	0	1	1	0	1	0	1	0	0	1
Office Superintendent	0	1	1	0	1	0	1	0	1	0
Accountant	1	0	0	1	1	0	1	0	0	1
Clerk	2	0	2	0	2	0	2	0	1	1
Personal Assistant cum Stenographer	1	0	1	0	0	1	1	0	0	1
Peon	2	2	4	0	3	1	4	0	2	2
Driver	1	2	1	2	0	3	1	2	0	3
Total	08	10	11	07	09	09	12	06	05	13

Appendix-2.6
(Referred to paragraph 2.2.5; page 43)

List of Projects Sanctioned Under JNNURM in Jharkhand up to March 2012

Sl. No	Name of Projects	Name of ULB/Implementing agency
1	Basic Services to Urban Poor (BSUP)	Ranchi Municipal Corporation
2	Basic Services to Urban Poor (BSUP)	Dhanbad Municipal Corporation
3	Basic Services to Urban Poor (BSUP)	Jamshedpur Urban Agglomeration
4	UIG-Urban Transport System (UTS)	Ranchi Municipal Corporation
5	UIG-Urban Transport System (UTS)	Dhanbad Municipal Corporation
6	UIG-Urban Transport System (UTS)	Jamshedpur Urban Agglomeration
7	UIG-Water Supply (WS)	Ranchi Municipal Corporation
8	UIG-Water Supply (WS)	Dhanbad Municipal Corporation
9	UIG-Solid Waste Management (SWM)	Ranchi Municipal Corporation
10	UIG-Solid Waste Management (SWM)	Dhanbad Municipal Corporation
11	UIG-Solid Waste Management (SWM)	Jamshedpur Urban Agglomeration
12	UIDSSMT-Water Supply (WS)	Deoghar Municipal Corporation
13	UIDSSMT-Water Supply (WS)	Chaibasa Nagar Parshad
14	UIDSSMT-Water Supply (WS)	Chas Nagar Parshad
15	UIDSSMT- Solid Waste Management (SWM)	Chas Nagar Parshad
16	UIDSSMT- Solid Waste Management (SWM)	Lohardaga Nagar Parshad
17	UIDSSMT- Solid Waste Management (SWM)	Hazaribag Nagar Parshad
18	Integrated Housing and Slum Development Programme (IHSDP)	Lohardaga Nagar Parshad
19	Integrated Housing and Slum Development Programme (IHSDP)	Hazaribag Nagar Parshad
20	Integrated Housing and Slum Development Programme (IHSDP)	Gumla Nagar Panchayat
21	Integrated Housing and Slum Development Programme (IHSDP)	Chaibasa Nagar Parshad
22	Integrated Housing and Slum Development Programme (IHSDP)	Giridih Nagar Parshad
23	Integrated Housing and Slum Development Programme (IHSDP)	Medininagar Nagar Parshad
24	Integrated Housing and Slum Development Programme (IHSDP)	Phusro Nagar Parshad
25	Integrated Housing and Slum Development Programme (IHSDP)	Chatra Nagar Panchayat
26	Integrated Housing and Slum Development Programme (IHSDP)	Saraikela Nagar Panchayat
27	Integrated Housing and Slum Development Programme (IHSDP)	Mihijam Nagar Panchayat

APPENDIX-2.7

(Referred to paragraph 2.2.6.2; page 46)

Status of Implementation of State Level Reforms

Sl. No.	Particulars	Timeline for implementation	Status as on 31 March 2012	
1	74 th CAA (Transfer of 18 functions under 12 th Schedule)	31.03.10	18 functions of 12 th schedule of CAA have been incorporated in the Jharkhand Municipal Act 2011.	Fully implemented.
2	Elections in municipalities	31.03.09	Elections held in all the ULBs barring Jamshedpur, Jugsalai and Mango due to Supreme Court stay order. It shall be constituted in due course.	Implemented.
3	Status of SFC	31.03.09	Constituted and first report submitted to State Government.	Implemented.
4	74 th CAA (Constitution of District Planning Committee)	31.03.09	Constituted and rules framed vide Notification No.563 dated 02.08.11	Implemented.
5	74 th CAA (Constitution of Metropolitan Planning Committee)	31.03.09	Provisions made in Section 384 of the Jharkhand Municipal Act-2011	Implemented.
6	Transfer-City Planning functions	31.03.10	Incorporated in the Jharkhand Municipal Act 2011 which is enacted vide Jharkhand Act No-07/2012 dated-30-01-12.	Implemented.
7	Transfer-City water supply and sanitation	31.03.10	Incorporated in the Jharkhand Municipal Act 2011 which is enacted vide Jharkhand Act No-07/2012 dated-30-01-12.	Implemented.
8	Transfer-Public Transport	31.03.10	Bus service has been started in Ranchi, Dhanbad and Jamshedpur (U/A) and it is run by SPV on behalf of ULBs.	Implemented.
9	Reform in rent control	31.03.09	Enacted vide Jharkhand Act No-06/2012 dated-30-01-12.	Implemented.
10	Rationalisation of Stamp Duty to five per cent	-	Implemented, vide Registration Department's Notification No. 141 dated 31.05.04.	
11	Repeal of Urban Land Ceiling and Regulation Act (ULCRA)	31.03.11	Repealed vide Legislation No.91 dated 24.01.11.	Implemented.
12	Enactment of Community Participation Law	31.03.10	Provisions made in Section 52 of Chapter 5 of Jharkhand Municipal Act 2011	Implemented.
13	Enactment of Public Disclosure Law	31.03.09	Provisions made in Section 52 of Chapter 6 of Jharkhand Municipal Act 2011	Implemented.

ULB Level Reforms

Sl. No.	Particulars	Timeline for implementation	Status as on 31 March 2012	
14	E-governance set up	31.03.09	Pilot Project under NMMP on e-Governance in Dhanbad sanctioned by GoI. After installation of main application at Head Quarter Level and implementation of pilot project in Dhanbad Municipal Corporation, other municipalities shall be hooked up to it in due course.	Partly implemented
15	Shift to accrual based Double Entry Accounting.	31.03.10	The consultant, M/s Price Water House Coopers Pvt. Ltd., Gurgaon, is implementing the project. Draft Jharkhand Municipal Accounts Manual has been prepared. Accrual based Double Entry Accounting system shall be in practice shortly.	Partly implemented

Sl. No.	Particulars	Timeline for implementation	Status as on 31 March 2012	
16	Property Tax.(85 per cent coverage)	31.03.12	ULBs have been directed to take steps to enlarge Property Tax coverage by engaging private persons for identification of unregistered holdings. Jharkhand Space Application Centre (JSAC), Ranchi is implementing the GIS mapping of household properties for Ranchi Municipal Corporation. Presently, against the total estimated nos. of holdings in Jharkhand, ULBs are able to cover 60-80 per cent households. The process is going on to cover all the left over holdings to achieve the desired level.	Partly implemented
17	Property Tax 90 per cent collection efficiency	31.03.12	Against the total recorded holdings the nos. of holding paying taxes comes out to approximately 60-75 per cent. Government. is making efforts to increase the base using GIS method. The property tax collection efficiency is low but would improve considerably after GIS mapping and registration of all holdings. Urban Development Department has issued instruction to ULBs to gradually improve collection of PT up to 90 per cent.	Partly implemented
18	100 per cent cost recovery - Water supply	31.03.11	Water tax is being levied. G.O. issued to collect water tax on revised rate.	Implemented
19	100 per cent cost recovery- SWM	31.03.11	It is under implementation in Ranchi Municipal Corporation on PPP basis and 100 per cent cost recovery mechanism is included.	Partly implemented
20	Internal earmarking of funds for services to the Urban poor.	31.03.09	Provision made in Section-105 of Jharkhand Municipal Act, 2011.	Implemented
21	Provision of basic services to the urban poor	31.03.09	Provision made in Section-105 of Jharkhand Municipal Act, 2011.	Implemented

OPTIONAL REFORMS

Sl. No.	Particulars	Timeline for implementation	Status as on 31 March 2012	
22	Introduction of Property Title Certification System in ULBs	31.03.11	Revenue and Land Reforms Department has been requested to do needful.	Partly implemented
23	Revision of Building Bye-Laws-streamlining the approval process	31.03.10	Building Bye-Laws was revised in 2006.New Building Bye-Laws with modifications for all the ULBs have been prepared and it has been scrutinised by concerned Department viz. Law, Registration, Building. It shall be notified very shortly.	Not implemented
24	Revision of Building Bye-Laws to make rainwater harvesting mandatory	31.03.09	It is provided in the Building Bye-laws 2006	Implemented
25	Earmarking 25 per cent developed land in all housing projects for EWS/LIG	31.03.10	Provision of 20 per cent developed land made in Section-427 (5) (a) of Jharkhand Municipal Act, 2011.	Implemented.
26	Simplification of legal and procedural framework for conversion of agricultural land for non-agricultural purposes	31.03.10	Revenue and Land Reform Department, GoJ has to amend Santhal Paragana Tenancy Act and Chotanagapur Tenancy Act to make enabling provisions to implement this reform. The proposal is	Not implemented

Sl. No.	Particulars	Timeline for implementation	Status as on 31 March 2012	
			under active consideration.	
27	Introduction of computerised process of registration of land and property	31.03.09	Computerised process of Registration of land and property has been introduced all over the State	Implemented.
28	Bye-laws on reuse of recycled water	31.03.11	It is already made mandatory in Section 17.6.2 (b) of existing Building Bye-laws 2006 "Recycling of waste water shall be made mandatory for any building consuming more than 12,000 litre per day or having 24 flats or more whichever is lower".	Implemented.
29	Administrative reforms	31.03.09	The Government. has created 1,190 new posts for various levels to strengthen the ULBs and a technical cell in the state headquarter is in place. Posts have been rationalized and action is on to formulate service rules for these services.	Partly implemented
30	Structural reforms	31.03.09	To administer urban governance the department has created other line organisations at state level namely TCPO, SUDA, Directorate of Municipal Administration	Implemented
31	Encouraging Public Private Participation	31.03.10	Implementation of this agenda is based on specific projects. To implement projects on PPP basis, action shall be initiated as per scope of the project. Presently, SWM project in Ranchi is under implementation on PPP basis. Projects of SWM for Dhanbad and Jamshedpur (UA) are being implemented on PPP basis.	Implemented

Source: Data supplied by SLNA

Appendix-2.8

(Referred to paragraph 2.2.7.1; page 47)

Funding pattern applicable to the cities where projects under JNNURM were being implemented in Jharkhand

Programme Components	Dhanbad & Jamshedpur	Ranchi and Others ¹
UIG	50 per cent Central Share, 20 per cent State Share and 30 per cent ULB/Parastatal/ Loan from financial Institution	80 per cent Central Share, 10 per cent State Share and 10 per cent ULB/Parastatal/Loan from financial Institution
BSUP	50 per cent Central Share and 50 per cent State/ULB/Parastatal share including beneficiary contribution	80 per cent Central Share and 20 per cent State/ULB/Parastatal share including beneficiary contribution
UIDSSMT	Not applicable	80 per cent Central Share, 10 per cent State Share and 10 per cent Loan from financial institutions by Nodal/Implementing agencies or internal resources of implementing agencies.
IHSDP	Not applicable	80 per cent Central Share and 20 per cent by State/ULB from own sources or from beneficiary contribution/financial institutions.

Source: JNNURM Guidelines

¹ Non-mission cities- Chaibasa, Chas, Chatra, Deoghar, Giridih, Gumla, Hazaribag, Lohardaga, Medininagar, Mihijam, Phusro and Saraikela.

Appendix-2.9

(Referred to paragraph 2.2.7.2; page 48)

Statement showing percentage utilisation of funds (Selected projects)

(₹ in crore)					
Sl. No.	Name of ULB/Project	Project Cost	Receipt till March 2012	Expenditure till March 2012	per cent utilised
BSUP					
1	Ranchi/BSUP-Phase II	67.47 ²	37.08	7.75 ³	20.90
2	Dhanbad/BSUP-Phase II	34.28	6.12	0.44 ⁴	7.19
Total		101.75	43.20	8.19	18.96
UIG					
3	Ranchi Water Supply	288.39	96.92	96.92 ⁵	100.00
4	Dhanbad Water Supply	365.85	99.12	99.12	100.00
Total		654.24	196.04	196.04	100.00
UIDSSMT					
5	Chas/Solid Waste Management	5.68	3.21 ⁶	1.76	54.83
6	Chas/Water supply	34.24	50.26 ⁷	30.64	60.96
7	Lohardaga/Solid Waste Management	4.48	2.08 ⁸	1.54	74.04
8	Hazaribag/ Solid Waste Management	5.69	2.65 ⁹	2.11	79.62
9	Deoghar Water Supply	47.38	48.07 ¹⁰	30.36	63.16
Total		97.47	106.27	66.41	62.49
IHSDP					
10	Lohardaga/IHSDP	35.05	11.52	11.87 ¹¹	103.04
11	Gumla/IHSDP	19.67	9.31	5.61	60.26
12	Hazaribag/IHSDP	19.83	9.02	8.14	90.24
Total		74.55	29.85	25.62	85.83
Grand Total		928.01	375.36	296.26	78.93

Source: Sanctioning Letters, Cash Books and QPRs

² Revised Technically approved cost=₹ 81.01 crore

³ Funds received for all phases were kept in the same Bank Account and expenditure was incurred therefrom. Expenditure in respect of Phase-II, in particular, was not ascertainable.

⁴ Funds received for all phases were kept in the same Bank Account and expenditure was incurred therefrom. Expenditure in respect of Phase-II, in particular, was not ascertainable

⁵ Actual expenditure by 5 Divisions=₹ 91.82 crore

⁶ Includes ₹ 0.09 crore for DPR preparation

⁷ Includes ₹ 0.50 crore for DPR preparation

⁸ Includes ₹ 0.07 crore (₹ 6.72 lakh) for DPR preparation

⁹ Includes ₹ 8.54 lakh for DPR preparation

¹⁰ Includes ₹ 0.71 crore for DPR preparation

¹¹ The expenditure, in excess of allotment received, was met from interest earned on deposits.

Appendix-2.10
(Referred to paragraph 2.2.7.2; page 48)

Statement showing position with reference to Utilisation Certificates

(₹ in crore)

City	Name of Project	Approved Project Cost	Total amount received by ULB up to 2010-11 (Central +State + ULB share) excluding amount received for DPR preparation	UCs furnished to GoI against expenditure incurred till 2010-11	Total amount received by ULB up to 2011-12 (Central +State + ULB share) excluding amount received for DPR preparation	Amount spent by ULB upto 2011-12	UCs furnished to GoI against expenditure incurred till 2011-12
Ranchi	BSUP(Phase II)	67.47	20.84	NIL	37.08	7.75	Nil
	Water Supply	288.39	96.92	71.67	96.92	96.92	83.93
Dhanbad	BSUP(Phase II)	34.28	6.12	NIL	6.12	0.44	Nil
	Water Supply	365.85	99.12	NIL	99.12	99.12	74.80
Deoghar	Water supply	47.38	29.65	29.06	47.36	30.36	29.06
Hazariabag	SWM	5.69	2.55	0.84	2.56	2.12	0.84
	IHSDP	19.83	5.69	NIL	9.02	8.14	Nil
Lohardaga	IHSDP	35.05	10.22	NIL	11.52	11.87	10.22
	SWM	4.48	2.01	1.52	2.01	1.54	1.52
Gumla	IHSDP	19.67	9.31	NIL	9.31	5.61	Nil
Chas	SWM	5.68	2.55	1.71	3.12	1.76	1.71
	Water supply	34.24	20.14	15.51	49.76	30.64	20.64
Total		928.01	305.12	120.31	373.90	296.27	222.72

Source: Data compiled from ULBs and SLNA

Appendix-2.11

(Referred to paragraph 2.2.7.3; page 49)

Statement showing details of interest earned, withdrawn and transferred to administrative account of GRDA Ltd.

Details of Interest earned

(Amount in ₹)

Sl. No.	Financial Year	Interest Earned
1	2008-09	27,33,503.49
2	2009-10	2,53,68,944.52
3	2010-11*	2,28,32,840.10
4	2011-12	2,91,00,741.62
Total		8,00,36,029.73

*Figures available up to Jan'2011 only

Sl. No	Date	Cheque No.	Transfer from account of	Name of Bank	Account No.	Amount in ₹	Reason of Withdrawals
1	29.09.2008	232503	BSUP/Ranchi	State Bank of India	30357050316	10,00,000	For Administration Expenses
2	06.02.2009	232456	UIDSSMT-WS/Chas	State Bank of India, Hatia	30357050815	8,00,000	Do
3	24.02.2009	232504	BSUP/Ranchi	State Bank of India	30357050316	1,00,000	Do
4	19.02.2009	232457	UIDSSMT-WS/Chas	State Bank of India, Hatia	30357050815	2,00,000	Do
5	19.02.2009	47973	BSUP/Dhanbad	Allahabad Bank, Main Branch	50001409373	1,00,000	Do
6	13.06.2009	181329	IHSDP/Gumla	Bank of India, Vikas Bhawan Branch	496610210000035	1,00,000	Do
7	13.06.2009	232509	BSUP/Ranchi	State Bank of India, Hatia	30357050316	1,50,000	Do
8	13.06.2009	47983	UIDSSMT-WS/Deoghar	Allahabad Bank, Main Branch	50001410049	1,00,000	Do
9	27.08.2009	17230	UIG-WS/Ranchi	Bank of India	496610210000209	30,00,000	Do
10	16.02.2010	17231	UIG-WS/Ranchi	Bank of India	496610210000209	30,00,000	Do
11	24.10.2010	17234	UIG-WS/Ranchi	Bank of India	496610210000209	40,00,000	Self-assessment Tax (A.Y.2010-11)
12	14.03.2011	232512	BSUP/Ranchi	State Bank of India, Hatia	30357050316	1,00,00,000	Advance Tax (A.Y.2011-12)
13	12.12.11	232513	BSUP/Ranchi	State Bank of India, Hatia	30357050316	80,00,000	Advance Tax (A.Y 2012-13)
Total						3,05,50,000	

Source: Data supplied by SLNA

Appendix-2.12

(Referred to paragraph 2.2.8.3; page 54)

Statement showing payment and recovery of Mobilisation Advance

Sl. No.	Name of Division	Mobilisation Advance paid (₹)	Date	Mobilisation Advance recovered till March 2012 (₹)	Balance to be recovered as on March 2012 (₹)
Ranchi					
1	Headworks	68884300	26.04.10	68884300 ¹²	NIL
2	Distribution	41422300	29.04.10	11586523	29835777
3	Gonda	55814820	28.04.10	28070995	27743825
4	Hatia	45340000	07.05.10/21.02.11	10457603	34882397
5	Mechanical Urban	23248000	03.05.10/19.02.11	NIL	23248000
TOTAL		234709420		118999421	115709999
Dhanbad					
1	Division-1	298000000	02.06.11	39537706	258462294
TOTAL		298000000		39537706	258462294
GRAND TOTAL		532709420		158537127	374172293

Source: Measurement Books

¹² Recovered in full till September 2011.

Appendix-2.13
(Referred to paragraph 2.2.8.10; page 61)

Statement showing infrastructure works awarded to Tenderers without approval of BoQ

Sl./ Group No.	Name of work	Estimated Cost (₹)	Work awarded to	Work Order No./Date	Payment made (₹)
1	Development of infrastructure in Tuku Toli and Kadam Toli	47,98,475	M/s Suresh Agrawal	1212/22.10.08	47,96,175
2	Development of infrastructure in Dunduria	26,00,276	Nripendra Kumar Singh	1213/22.10.08	2600276
3	Development of infrastructure in Karanj Toli and Dadu Toli	49,95,660	New India Constructions	1215/22.10.08	41,95,521
4	Development of infrastructure in Chetar and Kumhar Toli	87,02,655	Balaji Constructions	1216/22.10.08	76,22,305
5	Development of infrastructure in Azad Basti and Hussain Nagar	48,54,470	Rampait Sahu	1217/22.10.08	48,37,021
6	Development of infrastructure in Ambedkar Nagar	24,20,745	M/s Wadud Khan Construction	1218/22.10.08	22,72,570
7	Development of infrastructure in Khariya para and Bhatti Muhalla	45,73,665	M/s Uday Construction	1219/22.10.08	44,89,293
8	Development of infrastructure in Gosh Nagar and Dumber Toli	23,23,115	M/s Vikky Constructions	1220/22.10.08	23,00,139
9	Development of infrastructure in Shanti Nagar and Ghato Bagicha	48,38,645	M/s Amber Constructions	1222/22.10.08	41,51,247
10	Development of infrastructure in Ward No. 10,11 and 12	8,89,455	Sri Ranjeet Singh	1227/22.10.08	8,89,455
11	Development of infrastructure in Dhobi Muhalla and New Bus Stand	9,21,000	Sri Ajit Kumar Sahu	1223/22.10.08	9,15,827
12	Development of infrastructure in Karam Toli	77,04,385	M/s D.K. Constructions	1221/22.10.08	72,99,398
13	Development of infrastructure in Shastri Nagar	9,11,920	Sri Arvind Kumar	1224/22.10.08	8,88,046
14	Development of infrastructure in Pandit Muhalla	9,88,540	Sri Rupesh Kumar Singh	1225/22.10.08	5,58,323
15	Development of infrastructure in Baraik Muhalla	24,18,080	Sri Ajit Kumar Sahu	1222/22.10.08	23,70,050
16	Development of infrastructure in Harijan Toli and Sarna Toli	21,23,000	Sri Ajay Kumar Singh	96(i)/27.01.09	19,03,306
17	Construction of park in Dunduria	23,67,000	Sri Ajit Kumar Sahu	98/28.01.09	23,25,716
18	Construction of Informal Sector market in Tangra Market	38,29,000	M/s Punjab Ara Machine	111/30.01.09	29,48,682
Total		6,22,60,086			5,73,63,350

Source: Scheme Files

Appendix-2.14
(Referred to paragraph 2.2.8.15; page 67)

Statement showing sanitary equipment and vehicles purchased at rates higher than approved

Sl. No.	Name of equipment	Quantity	Purchase Rate/pc (₹)	Approved rate as per DPR (₹)	Excess as percentage	Excess/irregular expenditure (₹)
Chas Municipal Council						
1	Containerised Rickshaw Trolley	75	11900	8000	48.75	292500
2	Seamless Hand Cart	10	4500	2500	80.00	20000
3	Community Dust Bins	40	45000	40000	12.50	200000
4	Twin Bins	200	7491	5691	31.63	360000
5	Dumper placer	3	1272000	900000	41.33	1116000
TOTAL						1988500
Lohardaga Municipal Council						
1	Containerised Hand Carts	30	4625	3250	42.31	41250
2	Containerised Rickshaw Trolley	25	13720	8000	71.50	143000
3	Seamless Hand Cart	5	4625	2500	85.00	10625
4	Community Dust Bins	20	61900	40000	54.75	438000
5	Twin Bins	50	13600	10400	30.77	160000
6	Hydraulic Tractor Trailer	2	457900	250000	83.16	415800
7	Dumper placer	2	945500	900000	5.06	91000
8	Small vehicle for direct waste collection	2	474500	275000	72.54	399000
TOTAL						1698675
Hazaribag Municipal Council						
1	Containerised Hand Carts	75	6500	3250	100.00	243750
2	Containerised Rickshaw Trolley	100	16000	8000	100.00	800000
3	Seamless Hand Cart	40	7500	2500	200.00	200000
4	Community Dust Bins	40	53500	40000	33.75	540000
5	Hazardous Waste Container	10	32200	20000	61.00	122000
6	Hydraulic Tractor Trailer	3	526000	250000	110.40	828000
7	Dumper placer	4	995000	900000	10.56	380000
8	Small vehicle for direct waste collection	3	305000	275000	10.91	90000
Total						3203750
Grand Total						6890925

Source: DPRs and Purchase records

Appendix-2.15
(Referred to paragraph 2.2.8.16; page 68)

Statement showing inadequate utilisation of sanitary vehicles

Vehicle	Quantity	Date of purchase	Total distance travelled as per Milometer (Km)	Average/month (in Km)	Total distance travelled as per Log Book (in Km)	Average/month (in Km)
Hazaribag Municipal Council (position as on 29 May 2012)						
	2	3	4	5	6	7
Truck Tipper	2	08.10.09	(i) 4123 (ii) 8723	(i) 128.84 (ii) 272.59	(i) 13608 (ii) 15485	(i) 425.25 (ii) 483.91
Hydraulic Tractor Trailer	3	03.11.09	(i) 1887EH ¹³ (ii) 1178 EH (iii) 1284 EH	(i) 60.87 EH (ii) 38 EH (iii) 41.42 EH	(i) 22685 (ii) 25121 (iii) 24784	(i) 731.77 (ii) 810.35 (iii) 799.48
Closed Dumper Placer	2 2	25.02.10 04.03.10	(i) 4925 (ii) 2122 (iii) 2673 (iv) 3228	(i) 182.41 (ii) 78.59 (iii) 99 (iv) 119.56	(i) 7506 (ii) 1405 (iii) 1505 (iv) 3410	(i) 278 (ii) 52.03 (iii) 55.74 (iv) 126.30
Small vehicle for direct waste collection	3	02.09.09	(i) 5230 (ii) 1586 (iii) 180	(i) 158.48 (ii) 48.06 (iii) 5.45	(i) 2944 (ii) 1760 (iii) Log book N.A	(i) 89.21 (ii) 53.33 (iii) --
Lohardaga Municipal Council (position as on 05 May 2012)						
Truck Tipper	2	23.06.08	(i) 1581 (ii) 1797	34 38.64	Log Book N/A	-
Hydraulic Tractor Trailer	2	23.06.08	(i) 414 EH (ii) 19 EH	8.9 EH 0.41 EH	Do	-
Closed Dumper Placer	2	23.06.08	(i) 6426 (ii) 4333	138.19 93.18	Do	-
Small vehicle for direct waste collection	2	23.06.08	(i) 2754 (ii) 465	59.29 10	Do	-
Chas Municipal Council (position as on 27 April 2012)						
Truck Tipper	2	30.12.08	2858 3386	71.45 84.65	Do	-
Closed Dumper Placer	3	15.11.08	6083 4296 12007	152.08 107.40 300.18	Do	-

Source: Data compiled from Physical verification of milometers of vehicles and Log Books

¹³ Engine Hours

Appendix-2.16
(Referred to paragraph 2.2.10; page 77)
Statement showing brief of all Projects

Statement showing Status of all Projects							(₹ in crore)
Sl. No.	Name of City	Name of Project	Approved Project Cost	Amount received upto March 2012	Amount spent upto March 2012	Percentage utilised against release	Percentage utilised against Project cost
BSUP							
1	Ranchi	BSUP	263.59	108.64	7.75	7.13	2.94
2	Dhanbad	BSUP	91.99	21.34	0.44	2.06	0.48
3	Jamshedpur	BSUP	148.86	3.59	NIL	NIL	NIL
Total			504.44	133.57	8.19	6.13	1.62
UIG							
4	Ranchi	City Bus Service	17.50	10.50	6.43	61.24	36.74
		Water Supply Project	288.39	96.92	96.92	100.00	33.61
		Solid Waste Management	51.39	20.56	6.24	30.35	12.14
5	Dhanbad	City Bus Service	14.30	9.29	6.69	72.01	46.78
		Water Supply Project	365.85	99.12	99.12	100.00	27.09
		Solid Waste Management	55.86	30.34	0.44	1.45	0.79
6	Jamshedpur	City Bus Service	5.50	4.13	4.13	100.00	75.09
		Solid Waste Management	33.36	Nil	Nil	Nil	Nil
Total			832.15	270.86	219.97	81.21	26.43
IHSDP							
7	Giridih	IHSDP	25.32	9.18	0.15	1.63	0.59
8	Gumla	IHSDP	19.67	9.31	5.61	60.26	28.52
9	Lohardaga	IHSDP	35.05	11.52	11.87	103.04	33.87
10	Chaibasa	IHSDP	12.99	5.77	3.45	59.79	26.56
11	Medininagar	IHSDP	22.25	9.25	2.72	29.44	12.22
12	Phusro	IHSDP	15.94	7.31	NIL	NIL	NIL
13	Chatra	IHSDP	19.83	5.86	NIL	NIL	NIL
14	Saraikela	IHSDP	27.69	11.28	NIL	NIL	NIL
15	Hazaribag	IHSDP	19.83	9.02	8.14	90.24	41.05
16	Mihijam	IHSDP	27.07	NIL	NIL	NIL	NIL
Total			225.64	78.50	31.94	40.69	14.16
UIDSSMT							
17	Deoghar	Water Supply	47.38	48.07	30.36	63.16	64.08
18	Chas	Water Supply	34.24	50.26	30.64	60.96	89.49
19	Chas	SWM	5.68	3.21	1.76	54.83	30.99
20	Lohardaga	SWM	4.48	2.08	1.54	74.04	34.38
21	Hazaribag	SWM	5.69	2.65	2.11	79.62	37.08
22	Chaibasa	Water Supply	32.18	NIL	NIL	NIL	NIL
Total			129.65	106.27	66.41	62.49	51.22
Grand Total			1691.88	589.20	326.51	55.42	19.30

Appendix – 2.17

(Referred to paragraphs 2.3.1 and 2.3.3.1; pages 73 and 76)

Projects taken up under AIBP and their status as on March 2012

Irrigation potential (IP) in hectares

Sl. No.	Name of Projects (Major/Medium/Minor)	IP to be created	Year of inclusion in AIBP	Status of the Project	IP created
1	Gumani Barrage (Major)	16190	1997-98	Incomplete	Nil
2	Kansjore Reservoir ¹ (Medium)	6260	1997-98	Partially complete (2006-07)	6260
3	Sonua Reservoir (Medium)	8008	1997-98	Incomplete	Nil
4	Surangi Reservoir (Medium)	2601	1997-98	Incomplete	Nil
5	Uppershankh Reservoir (Medium)	7070	2004-05	Partially complete	400
6	Panchkhero Reservoir (Medium)	3085	2004-05	Incomplete	Nil
7	Tapkara Reservoir (Medium)	1860	1997-98	Complete (2002-03)	1840
8	Torai Reservoir (Medium)	8000	1997-98	Abandoned	Nil
9	Latratu Reservoir (Medium)	9900	1997-98	Complete (2002-03)	9900
10	Sukari Reservoir (Minor)	440	2010-11	Incomplete	Nil
11	284 series check dams (Minor)	56235	2010-11	148 complete	26944
Sub Total		119649			45344
12	Subernrekha Multipurpose Project (Major)	265000	2011-12	Incomplete	Nil
13	171 series of check dams (Minor)	21898	2011-12	Incomplete	Nil
Sub Total		286898			Nil
Total		406547			45344

Source: Water Resources Department

¹ Phase I complete.

Appendix – 2.18
(Referred to paragraphs 2.3.2.1 and 2.3.3.1; pages 74 and 76)

Expenditure on ongoing irrigation projects including central loan/grants as on March 2012

(₹ in crore)

Sl. No.	Name of Projects	Year of starting of Project	Estimated cost		Year of inclusion in AIBP	Loan/grant under AIBP			Expenditure out of loan/grant	Total expenditure including state fund
			Original	Latest		Loan (1996-2005)	Grant (2005-2012)	Total		
Major and medium projects										
1	Gumani	1976	3.84	185.76	1997-98	25.94	5.46	31.40	31.40	150.27
2	Kansjore	1987	8.66	52.97	1997-98	10.56	0.48	11.04	11.04	54.99
3	Sonua	1982	8.92	82.65	1997-98	17.64	1.61	19.25	19.25	75.71
4	Surangi	1987	4.60	41.17	1997-98	12.15	1.13	13.28	13.28	47.03
5	Upper Shankh	1987	9.19	141.19	2004-05	8.27	18.08	26.35	17.73	136.16
6	Panchkhero	1986	9.55	75.69	2004-05	4.49	3.75	8.24	8.24	69.08
Sub Total			44.76	579.43		79.05	30.51	109.56	100.94	533.24
Minor projects										
7	Sukari	2008	9.35	9.35	2010-11	0.00	5.67	5.67	2.55	2.83
8	284 MI	2010-11	440.53	440.53	2010-11	0.00	328.88	328.88	222.58	247.30
Sub Total			449.88	449.88		0.00	334.55	334.55	225.13	250.13
Total			494.64	1029.31		79.05	365.06	444.11	326.07	783.37

Source: Water Resources Department

Appendix – 2.19
(Referred to paragraph 2.3.4; page 77)

Statement showing incomplete works of selected Projects as on November/ December 2012

(₹ in lakh)

Sl. No.	Name of the division/ work	Name of work	Agreement no.	Date of agreement/ due date of completion	Agreed value	Up to date payment	Remarks/ Reasons for non-completion
Gumani Barrage Project (position as on November 2012)							
1	Irrigation Division (ID), Barhait (head work)	Installation of barrage gates and stop logs	24 F2/07-08	25.3.08/ 30.6.11	748.02	668.57	Non-approval of design
2	ID, Barhait (Gumani Main Canal)(GMC)	Bed clearance from ch 216 to 253	5 F2/11-12	28.12.11/ 25.2.12	20.48	15.41	Slow progress
3	ID, Barharwa (GMC)	SLR bridge at ch 584/585	1 F2/12-13	7.4.12/ 31.4.12	31.04	0	-do-
4	ID, Barharwa (Barharwa branch canal)	12 outlets	3 F2/08-09	18.8.08/ 31.1.09	4.47	0	No work by contractor
5		Res e/work ch 606.50 to 618	16 F2/10-11	25.3.11/ 24.7.11	6.14	0.56	Slow progress
6		Res e/work ch 618.50 to 708	5 F2/10-11	5.7.11/ 4.3.12	20.35	10.20	-do-
7		SLR bridge at 233	2 F2/12-13	7.4.12/ 31.4.12	14.95	0	-do-
8	ID Barhait (Dariyapur distributary)	CD at ch 270	5 F2/09-10	19.12.09/ 18.6.10	10.97	4.21	-do-
9	-do- (Pathna distributary)	12 Nos outlets	8F2/07-08	25.07.07/ 24.10.07	3.58	2.09	Slow progress
10	ID Pakur (Barmasaia distributary)	Water course at ch 578	14F2/07-08	18.03.08/ 31.3.08	4.22	3.86	-do-
11		Res e/w for w/c at ch 167	08F2/10-11	12.01.11/ 11.4.11	4.99	4.40	-do-
12		Res c/w for w/c at ch 240	09F2/10-11	17.02.11/ 16.5.11	4.75	3.34	-do-
13		Res e/w ch 510 to 520	11F2/10-11	17.02.11/ 16.5.11	4.63	2.49	-do-
Sub Total					878.59	715.13	
Uppershankh Reservoir Scheme (position as on November 2012)							
14	Water ways Division (WWD) II, Chainpur, Gumla (left main canal)	CD at 3.84 km	4 F2/09-10	6.3.10/ 5.4.11	18.73	17.53	Slow progress
15		Residual work of CD at 6.00/5.67 km	2 F2/09-10	29.7.09/ 29.8.09	7.70	7.13	Public objection
16		Causeway at 0.20, 11.07, 11.34, 11.72, 12.24, 13.50, 13.75 km	12 F2/10-11	1.11.10/ 31.1.11	161.83	138.97	Slow progress
17		9 nos. of direct outlets between 0.0 to 14.04 km & escape regulator at 11.72/11.70 km	13 F2/10-11	2.11.10/ 1.1.11	21.95	17.90	Slow progress
18	Water ways	E/w from 9926 to 10082 m	13F2/07-08	15.10.07/ 14.7.08	52.44	51.76	Slow progress

(₹ in lakh)

Sl. No.	Name of the division/ work	Name of work	Agreement no.	Date of agreement/ due date of completion	Agreed value	Up to date payment	Remarks/ Reasons for non-completion
19	Division I, Chainpur, Gumla (right main canal)	CD at 9.303 km	33F2/07-08	19.12.07/18.9.08	71.39	69.36	-do-
20		CD at 11.25 km	53F2/07-08	14.03.08/13.12.08	27.16	25.31	-do-
21		CD at 12.15 km	08F2/08-09	15.10.08/14.4.09	9.52	7.03	-do-
22		E/w 7141 to 7765 m & boulder pitching 8080 to 8360 meter	09F2/08-09	15.10.08/14.4.09	5.71	4.73	-do-
23		Residual work of super passage from 3360 to 3420 m & 3660 m	10F2/08-09	06.11.08/4.5.09	17.18	17.17	-do-
24		Escape 13050 to 13110 mtr	14F2/08-09	30.01.09/29.4.09	4.78	4.20	
25		Outlet 2 nos at 2.70 and 3.12 Km	15F2/08-09	09.02.09/8.5.09	1.75	1.62	-do-
26		Outlet 5 nos at 0.72, 1.62 & 2.46 km	17 F2/08-09	20.02.09/19.5.09	2.60	2.49	-do-
27		Head regulator at 2.79 km	28F2/08-09	13.03.09/12.5.09	2.68	2.05	-do-
28		Head regulator at 3.84 km	29F2/08-09	13.03.09/12.5.09	3.32	2.89	E/w not done by the contractor
29		Head regulator at 1.50	32F2/08-09	23.03.09/18.9.09	1.48	1.39	Slow progress
30		CD, bridge & earthwork 3.6 to 3.9 km	01F2/10-11	12.04.10/11.7.10	38.16	20.86	Work stopped by contractor
31		CD at 1.85 km & 4.65 km earth work from 90 m to 660 m	02F2/10-11	12.04.10/11.7.10	168.21	111.83	To be closed for lining work as suggested by CWC
32		HR at 7.68 km	03F2/10-11	12.04.10/11.7.10	8.27	7.73	Slow progress
33		Const of drain after rock cutting from 110 m to 140	01F2/11-12	1.6.11/30.6.11	4.9	4.61	-do-
34		E/w for commission 6823 m to 7000m	03F2/11-12	16.06.11/16.7.11	13.71	2.90	-do-
35		E/w for commission 1330 m to 3550m	04F2/11-12	24.06.11/23.7.11	25.75	14.87	-do-
36		E/w for commission 690 to 1320 m	05F2/11-12	27.06.11/26.7.11	21.89	7.41	-do-
37		E/w for commission 6540 to 6815 m	06F2/11-12	27.06.11/26.7.11	15.82	3.40	-do-
38		E/w for commission & bed clearness 4020 to 6480 m	07F2/11-12	27.06.11/26.7.11	11.14	4.23	-do-
39	-do- (Distributaries)	Earth work of Akashi distributaries	20 F2/08-09	21.02.09/18.8.09	9.78	8.55	Agreement without acquiring land
40		Const of distributor no-5	05F2/10-11	17.09.10/16.6.11	59.94	3.67	
41		E/w distributor no. 2	41F2/07-08	03.03.08/2.7.08	15.73	7.00	-do-
42		Earth work distributor no 1	02F2/08-09	06.05.08/4.9.08	5.57	0	Land compensation to be paid
43		-do-	04F2/08-09	15.10.08/14.2.09	5.62	1.93	-do-
44		Minor of LMC from 7 km	31F2/08-09	23.03.09/	6.67	6.31	-do-

(₹ in lakh)

Sl. No.	Name of the division/ work	Name of work	Agreement no.	Date of agreement/ due date of completion	Agreed value	Up to date payment	Remarks/ Reasons for non-completion
				22.9.09			
45		E/work Putrangi distributary	34 F2/08-09	26.03.09/ 24.5.09	14.41	0.55	-do-
Sub Total					835.79	577.38	
Panchkhero Reservoir Scheme (position as on December 2012)							
46	Water ways Barhi	Spill channel	1 F2/07-08	7.5.07/ 6.2.08	356.91	218.55	Revised estimate submitted in January 2013
47	(Head work)	River closer 1200 to 1370 m and coffer dam	SBD 1/11-12	18.4.11/ 15.6.12	598.31	188.60	Slow work
48		Residual earth work on ch 20 to 45.47	21 F2/07-08	29.2.08/ 28.11.08	30.69	28.35	CD needed
49	-do-	Residual earth work on ch 137.77 to 172	9 F2/07-08	12.1.08/ 11.10.08	19.77	16.58	Compensation not paid
50	(Left main canal)	Residual earth work on ch 172 to 185	11 F2/07-08	18.1.08/ 17.7.08	6.60	2.55	Slow progress
51		Residual earth work ch 45.47 to 109.47	1 F2/09-10	16.7.09/ 15.10.09	11.24	10.58	Compensation not paid
52	-do-	Residual earth work ch 0.50 to 20.50	13 F2/07-08	6.2.08/ 5.8.08	3.90	1.58	Revision needed
53	(Right main canal)	Earth work ch 45.10 to 106.50	22 F2/07-08	29.2.08/ 28.8.08	15.93	13.66	-do-
Sub Total					1043.35	480.45	
Grand Total					2757.73	1772.96	

Source: Irrigation Divisions, Barharwa, Barhait and Pakur, Waterways Divisions, No.1, Chainpur, No. 2, Chainpur and Barhi

Appendix – 2.20

(Referred to paragraph 2.3.4; page 77)

Statement showing agreements executed up to 2007-08 and remained incomplete

(₹ in lakh)

Sl. No.	Name of the division/ work	Name of work	Agreement no.	Date of agreement/ due date of completion	Agreed value	Up to date payment	Remarks/ Reasons for non- completion
Gumani Barrage Project (position as on November 2012)							
1	Irrigation Division, Barharwa (Chutia Distributary)	SLR bridge at ch 80	22 F2/05-06	22.3.06/ 21.9.06	3.33	2.98	Public hindrance because works were awarded without acquiring land
2		SLR bridge at ch 167.50	24 F2/05-06	28.3.06/ 27.9.06	4.00	0	
3		SLR bridge at ch 58.50	1 F2/06-07	8.4.06/ 7.10.06	3.47	2.99	
4		SLR bridge at ch 224	9 F2/06-07	20.10.06/ 31.3.07	4.54	0	
5		SLR bridge at ch 258	12 F2/06-07	7.11.06/ 31.3.07	4.05	0	
6		SLR bridge at ch 283	13 F2/06-07	16.11.06/ 31.3.07	4.54	0	
7		SLR bridge at ch 363	3 F2/06-07	20.5.06/ 19.11.06	2.02	0	
8		SLR bridge at ch 390	2 F2/06-07	4.5.06/ 3.11.06	2.52	0	
9	ID Pakur (Fatehpur Distributary)	Water course at ch 4	4 F2/04-05	29.11.04	5.40	0.33	Contractors stopped execution long ago after partial execution
10		Water course at ch 56	9F2/04-05	13.12.04	8.05	4.95	
11		Water course at ch 320 R	7F2/04-45	8.12.04	3.90	2.29	
12		Water course at ch 31	29F2/05-06	8.12.05	5.72	5.89	
13		Water course at ch 76.50	30F2/05-06	8.12.05	5.50	4.83	
14		Water course at ch 275 R	46F2/05-06	19.3.06	1.24	0.97	
15		Water course at ch 306 L	37F2/05-06	22.12.05	5.35	3.65	
16		Water course at ch 320 L	36F2/05-06	22.12.05	3.54	2.36	
17	-do (Barmasaia	Water course at ch 360	12F2/04-05	15.12.04	6.37	4.85	-do-
18	Distributary)	Water course at ch 468.50	14F2/04-05	15.12.04	6.63	4.76	
Sub Total					80.17	40.85	
Uppershankh Reservoir Scheme (position as on November 2012)							
19	Water ways Division II, Chainpur, Gumla (Head work)	Residual spill channel 180 to 400 metre and siphon at 0.20 mt	4F2/02-03	--/ 31.12.07	664.17	540.94	Slow progress
20	Water ways Division II, Chainpur, Gumla (Left main canal)	E/work in 6.06 to 6.75 km, CD at 6.65 km	8 F2/04-05	6.1.05/ 31.3.06	47.31	36.52	-do-
21		E/work in 12.81 to 13.17 km, CD at 13.03 km, SLR at 13.09 km	7 F2/04-05	6.1.05/ 5.7.05	15.81	14.24	-do-
22		E/work in 13.17 to 13.77 km	9 F2/04-05	6.1.05/ 5.7.05	7.96	5.58	-do-
23		E/work in 11.34 to 11.77 km, CD at 11.72 km, SLR at 11.52 km	10 F2/05-06	30.4.05/ 29.4.06	54.38	52.48	-do-
24	Water ways Division I, Chainpur, Gumla (Right main canal)	Bridge at 3990 m	49F2/05-06	17.01.06/ 16.7.06	31.95	24.19	Public objection
Sub Total					821.58	673.95	

(₹ in lakh)

Sl. No.	Name of the division/ work	Name of work	Agreement no.	Date of agreement/ due date of completion	Agreed value	Up to date payment	Remarks/ Reasons for non- completion
Panchkhero Reservoir Scheme (position as on December 2012)							
25	Water ways Barhi (Head work)	Residual e/w of earthen dam 1370 to 2180 m	3 F2/05-06	7.7.05/ 6.6.06	158.80	102.03	Public hindrance and compensation not paid
26	-do- (Left main canal)	Earth work on ch 0 to 20	5 F2/05-06	23.2.06/ 22.8.06	12.73	11.64	Compensation not paid
27	-do- (Right main canal)	CDs at ch 29.5 and 41	14 F2/02-03	15.1.03/ 14.5.03	21.07	17.57	No work by contractor
Sub Total					192.60	131.24	
Total					1094.35	846.04	

Source: Irrigation Divisions, Barharwa and Pakur; Waterways Divisions, No. I and II, Chainpur, Gumla and Barhi

Appendix – 2.21

(Referred to paragraph 2.3.4.2; page 82)

Statement showing non-realisation of excess amount paid

₹ in lakh

Sl. No.	Name of work	Agreement no.	Date of agreement/ completion	Agreed amount	Payments to contractors	Work value as per final measurement	Excess paid	Penalty imposed	Recoverable after adjusting security
1	E/W 6279 M to 6300M & Bridge	51F2/05-06	11.2.06/ 10.01.07	25.02	21.60	16.89	4.71	2.50	6.13
2	E/W 5070 M to 6120 M	38 F2/03-04	29.1.04/ 28.07.04	20.60	20.18	17.67	2.51	2.06	4.01
3	E/W 6775 to 6840	01F2/05-06	19.4.05/ 18.10.05	22.96	24.83	17.09	7.74	2.30	7.57
4	CD on 1890 & bridge on 2150 M, cut bridge on 2600 and E/W 3600 to 3900m	01F2/ 10-11	12.4.10/ 11.07.10	38.61	20.86	20.85	0.01	3.86	0.90
5	E/W 6660 to 6715	02F2/05-06	19.4.05/ 18.10.05	22.96	9.24	5.25	3.99	2.30	3.81
6	E/W 3600 m to 3990	61 F2/03-04	19.2.04/ 18.08.04	33.12	22.09	22.09	0	3.31	0.37
7	EW 6140 to 6240 and CD cum barrel	28F2/05-06	24.1.06/ 23.04.07	179.53	187.85	159.12	28.73	17.95	41.92
Total				342.80	306.65	258.96	47.69	34.28	64.71

Source: Waterways Divisions, No. I, Chainpur, Gumla

Appendix – 2.22
(Referred to paragraph 2.3.4.4; page 85)

**Statement showing status of selected minor irrigation projects as on
December 2012**

Phase	Sanctioned schemes with provision of check dams (CDs)				Completed schemes and check dams (CDs)				Incomplete schemes		
	No.	CDs	Cost (AIBP)	Targeted IP	No.	CDs	Created IP	Exp	No.	CD	Exp
Koderma											
I	4	11	469.21	619	3	8	373	196.11	0 ²	0	0.00
II	5	20	584.71	685	5	20	672	419.07	0	0	0.00
III	9	30	928.52	1000	5	19	519	304.20	4	11	79.16
Sub Total	18	61	1982.44	2304	13	47	1564	919.38	4	11	79.16
Hazaribag											
I	4	13	495.07	615	4	13	595	400.11	0	0	Nil
II	2	6	305.01	260	2	6	260	178.48	0	0	Nil
Sub Total	6	19	800.08	875	6	19	855	578.59	0	0	Nil
Pakur											
I	2	10	419.20	495	2	10	495	305.72	0	0	Nil
II	2	7	242.70	410	2	7	410	178.01	0	0	Nil
Sub Total	4	17	661.90	905	4	17	905	483.73	0	0	Nil
Ramgarh											
I	5	19	602.50	1107	4	18	1002	405.37	1	1	Nil
II	2	5	131.79	170	2	5	170	102.47	0	0	Nil
III	7	28	891.45	1284	7	28	840	810.95	0	0	Nil
Sub Total	14	52	1625.74	2561	13	51	2012	1318.79	1	1	Nil
Gumla											
I	4	10	544.19	684	4	10	551	417.18	0	0	Nil
II	5	13	979.12	914	4	12	741	668.39	1	1	12.83
III	17	56	3333.67	3556	1	3	150	86.97	16	53	557.70
Sub Total	26	79	4856.98	5154	9	25	1442	1172.54	17	54	570.53
Sahebganj											
I	5	18	541.98	585	3	13	359	235.63	2	5	76.13
II	3	9	251.84	520	3	9	275	251.39	0	0	Nil
Sub Total	8	27	793.82	1105	6	22	634	487.02	2	5	76.13
East Singhbhum											
I	6	20	697.09	1590	6	20	1381	547.79	Nil	0	Nil
II	1	3	172.26	270	1	3	180	137.20	Nil	0	Nil
III	9	26	1473.60	2970	5	16	1680	585.61	4	10	152.51
Sub Total	16	49	2342.95	4830	12	39	3241	1270.60	4	10	152.51
Grand Total	92	304	13063.91	17734	63	220	10653	6230.65	28	81	878.33

Source: Concerned Minor Irrigation Divisions

² One series (three check dams) in Koderma District was dropped.

Appendix-2.23
(Referred to paragraph 2.4.2; page 90)

Statement showing total number of PBs examined in eight selected districts

Sl. No.	Name of District	Name of Block	Name of Gram Panchayat
1	Lohardaga	Lohardaga	Rampur
2	Lohardaga	Lohardaga	Aarkosa
3	Lohardaga	Lohardaga	Bhatkhijri
4	Lohardaga	Lohardaga	Hesal
5	Lohardaga	Lohardaga	Jori
6	Lohardaga	Lohardaga	Nigni
7	Lohardaga	Lohardaga	Juria
8	Lohardaga	Lohardaga	Bagha
9	Lohardaga	Lohardaga	Hirhi
10	Lohardaga	Lohardaga	Manho
11	Lohardaga	Kuru	Zingi
12	Lohardaga	Kuru	Lawagain
13	Lohardaga	Kuru	Sundru
14	Lohardaga	Kuru	Kolsimri
15	Lohardaga	Kuru	Tati
16	Lohardaga	Kuru	Pandra
17	Lohardaga	Kuru	Kakergarh
18	Lohardaga	Kuru	Badkichapi
19	Lohardaga	Kuru	Channdlaso
20	Lohardaga	Kuru	Salgi
21	Dhanbad	Dhanbad	Nawadih
22	Dhanbad	Dhanbad	Damodarpur
23	Dhanbad	Dhanbad	Siyal Gudri
24	Dhanbad	Dhanbad	Patiya
25	Dhanbad	Dhanbad	Algaria
26	Dhanbad	Dhanbad	Parcea
27	Dhanbad	Dhanbad	Bardubi
28	Dhanbad	Dhanbad	Samshikhara
29	Dhanbad	Dhanbad	Dubrajdihi
30	Dhanbad	Dhanbad	Dhokra
31	Dhanbad	Gobindpur	Barwa East
32	Dhanbad	Gobindpur	Gobindpur East
33	Dhanbad	Gobindpur	Birajpur
34	Dhanbad	Gobindpur	Kharni
35	Dhanbad	Gobindpur	Tilaiya
36	Dhanbad	Gobindpur	Damkara Barwa
37	Dhanbad	Gobindpur	Nagar Kiyari
38	Dhanbad	Gobindpur	Pathuria
39	Dhanbad	Gobindpur	Bario
40	Dhanbad	Gobindpur	Kanchanpur
41	Deoghar	Deoghar	Sarsa
42	Deoghar	Deoghar	Shankari
43	Deoghar	Deoghar	Giluachanddih
44	Deoghar	Deoghar	Khorapanan
45	Deoghar	Deoghar	Mahtodih Udaipura
46	Deoghar	Deoghar	Sangram Lodhia
47	Deoghar	Deoghar	Pichribad
48	Deoghar	Deoghar	Kenmankathi
49	Deoghar	Deoghar	Kokribank
50	Deoghar	Deoghar	Masanjore
51	Deoghar	Palojori	Bandhdih

Sl. No.	Name of District	Name of Block	Name of Gram Panchayat
52	Deoghar	Palojori	Birajpur
53	Deoghar	Palojori	Bhurkundi
54	Deoghar	Palojori	Mahuadabur
55	Deoghar	Palojori	Basaha
56	Deoghar	Palojori	Raghuadih
57	Deoghar	Palojori	Dhawa
58	Deoghar	Palojori	Jamua
59	Deoghar	Palojori	Dudhani
60	Deoghar	Palojori	Kunjbana
61	Deoghar	Madhupur	Pahrudih
62	Deoghar	Madhupur	Goneya
63	Deoghar	Madhupur	Jamuni
64	Deoghar	Madhupur	Sikatia
65	Deoghar	Madhupur	Darve
66	Deoghar	Madhupur	Jamagudi
67	Deoghar	Madhupur	Suggapahadi-2
68	Deoghar	Madhupur	Pasia
69	Deoghar	Madhupur	Dalha
70	Deoghar	Madhupur	Saptar
71	Deoghar	Madhupur	Bara Narayanpur
72	Jamtara	Jamtara	Chandradip
73	Jamtara	Jamtara	Gopalpur
74	Jamtara	Jamtara	Sonbad
75	Jamtara	Jamtara	Shahardal
76	Jamtara	Jamtara	Barjora
77	Jamtara	Jamtara	Dakhinbahal
78	Jamtara	Jamtara	Sukhjora
79	Jamtara	Jamtara	Piyalsola
80	Jamtara	Jamtara	Duladi
81	Jamtara	Jamtara	Nawadih
82	Jamtara	Narayanpur	Narayanpur
83	Jamtara	Narayanpur	Nayadih
84	Jamtara	Narayanpur	Dhavakendra
85	Jamtara	Narayanpur	Budhudih
86	Jamtara	Narayanpur	Bankudih
87	Jamtara	Narayanpur	Nawadih
88	Jamtara	Narayanpur	Pabia
89	Jamtara	Narayanpur	Shaharpura
90	Jamtara	Narayanpur	Roopdi
91	Jamtara	Narayanpur	Topatar
92	Jamtara	Narayanpur	Dighari
93	Jamtara	Karmatar	Alagchuan
94	Jamtara	Karmatar	Barmundi
95	Jamtara	Karmatar	Tarkojori
96	Jamtara	Karmatar	Karmatar
97	Chatra	Chatra	Ara
98	Chatra	Chatra	Baraini
99	Chatra	Chatra	Dadha
100	Chatra	Chatra	Devria
101	Chatra	Chatra	Gandharia
102	Chatra	Chatra	Moktama
103	Chatra	Chatra	Paradih
104	Chatra	Chatra	Sikid
105	Chatra	Chatra	Sima
106	Chatra	Chatra	Tikar
107	Chatra	Itkhor	Dhankeri

Sl. No.	Name of District	Name of Block	Name of Gram Panchayat
108	Chatra	Itkhori	Dhuna
109	Chatra	Itkhori	Halmata
110	Chatra	Itkhori	Itkhori
111	Chatra	Itkhori	Karni
112	Chatra	Itkhori	Koni
113	Chatra	Itkhori	Malakpur
114	Chatra	Itkhori	Nawadah
115	Chatra	Itkhori	Parsauni
116	Chatra	Itkhori	Tonatarh
117	Simdega	Simdega	Arani
118	Simdega	Simdega	Bangru
119	Simdega	Simdega	Baraparpani
120	Simdega	Simdega	Biru
121	Simdega	Simdega	Garja
122	Simdega	Simdega	Jokbahar
123	Simdega	Simdega	Kochedega
124	Simdega	Simdega	Kullukera
125	Simdega	Simdega	Pithara
126	Simdega	Simdega	Tamra
127	Simdega	Kolebira	Aengeda
128	Simdega	Kolebira	Agharma
129	Simdega	Kolebira	Banderchua
130	Simdega	Kolebira	Barasloa
131	Simdega	Kolebira	Domtoli
132	Simdega	Kolebira	Kolebira
133	Simdega	Kolebira	Lachragarh
134	Simdega	Kolebira	Nawatoli
135	Simdega	Kolebira	Raisia
136	Simdega	Kolebira	Shahapur
137	Latehar	Latehar	Arangundi
138	Latehar	Latehar	Bendi
139	Latehar	Latehar	Demu
140	Latehar	Latehar	Dhankara
141	Latehar	Latehar	Hethpochra
142	Latehar	Latehar	Ichak
143	Latehar	Latehar	Nawagarh
144	Latehar	Latehar	Peshrar
145	Latehar	Latehar	Sasang
146	Latehar	Latehar	Sisi
147	Latehar	Chandwa	Alaudiya
148	Latehar	Chandwa	Boda
149	Latehar	Chandwa	Chakala
150	Latehar	Chandwa	Chandwa East
151	Latehar	Chandwa	Dumaro
152	Latehar	Chandwa	Jamira
153	Latehar	Chandwa	Ladhup
154	Latehar	Chandwa	Malhan
155	Latehar	Chandwa	Serak
156	East Singhbhum	Jamshedpur	Bagbera West
157	East Singhbhum	Jamshedpur	Bayangbil
158	East Singhbhum	Jamshedpur	Beko
159	East Singhbhum	Jamshedpur	Chota Govindpur North
160	East Singhbhum	Jamshedpur	Chota Govindpur South Central
161	East Singhbhum	Jamshedpur	Ghaghidih East
162	East Singhbhum	Jamshedpur	Haludabni-Central

Sl. No.	Name of District	Name of Block	Name of Gram Panchayat
163	East Singhbhum	Jamshedpur	Hurlung
164	East Singhbhum	Jamshedpur	Keruadungri
165	East Singhbhum	Jamshedpur	Kitadih North
166	East Singhbhum	Ghatshila	Maubhandar (North)
167	East Singhbhum	Ghatshila	Kalchiti
168	East Singhbhum	Ghatshila	Barajuri
169	East Singhbhum	Ghatshila	Baghuria
170	East Singhbhum	Ghatshila	Mahuliya
171	East Singhbhum	Ghatshila	Ulda
172	East Singhbhum	Ghatshila	Karaduba
173	East Singhbhum	Ghatshila	Bankari
174	East Singhbhum	Ghatshila	Jhatijharna
175	East Singhbhum	Ghatshila	Pabara

Appendix-2.24
(Referred to paragraph 2.4.3; page 91)

Statement showing details of expenditure made on completed Panchayat Bhawans in selected Districts during 2007-12

Sl.No.	Name of Districts	Blocks	Name of PBs	Due date of Completion	Date of Completion	Expenditure incurred	Delay in Months
1	Lohardaga	Lohardaga	Jori	30.09.08	25.11.09	1350000	14
2	Lohardaga	Kuru	Channdlaso	31.12.10	05.05.11	2008846	04
3	Lohardaga	Kuru	Lawagain	31.10.10	04/2011	1975800	06
4	Lohardaga	Kuru	Badkichapi	30.11.07	28.01.10	1620239	26
5	Dhanbad	Dhanbad	Parcea	31.03.09	08.10.10	1990700	18
6	Dhanbad	Dhanbad	Bardubi	31.03.09	10.12.10	1990700	20
7	Dhanbad	Dhanbad	Samshikhara	30.03.09	10.12.10	1990700	20
8	Dhanbad	Dhanbad	Dubrajdihi	31.03.09	07.09.10	1990700	17
9	Dhanbad	Gobindpur	Nagar Kiyari	31.08.10	25.03.12	1900000	18
10	Dhanbad	Gobindpur	Bario	31.03.09	30.12.10	1990700	21
11	Dhanbad	Gobindpur	Kanchanpur	31.03.09	25.01.10	1990700	10
12	Deoghar	Deoghar	Shankari	27.09.10	06/2011	2096580	09
13	Deoghar	Deoghar	Giluachanddih	01/2010	07.08.10	2097273	06
14	Deoghar	Deoghar	Khorapanan	13.04.09	06.09.10	2090024	16
15	Deoghar	Deoghar	Mahtodih Udaipura	27.10.10	04.06.11	2065161	07
16	Deoghar	Deoghar	Sangram Lodhia	21.03.11	08.08.11	1718971	05
17	Deoghar	Deoghar	Pichribad	13.04.09	14.09.10	2087453	18
18	Deoghar	Palojori	Bandhdih	02.11.09	28.12.10	2097470	14
19	Deoghar	Palojori	Birajpur	31.10.08	07.01.09	1624000	02
20	Deoghar	Palojori	Bhurkundi	04/2009	11.01.10	2097500	08
21	Deoghar	Palojori	Pahrudih	11.04.09	28.12.10	2097450	19
22	Deoghar	Madhupur	Goneya	27.06.10	15.02.11	1883013	07
23	Deoghar	Madhupur	Jamuni	27.07.08	15.03.10	1623966	19
24	Deoghar	Madhupur	Sikatia	13.04.09	15.02.10	2097500	09
25	Deoghar	Madhupur	Darve	04/2009	10.10.09	2096716	05
26	Deoghar	Madhupur	Jamagudi	31.10.10	08.08.11	2180572	09
27	Deoghar	Madhupur	Suggapahadi-2	31.12.10	05.03.12	2043168	14
28	Deoghar	Madhupur	Pasia	31.12.10	02.08.11	2177516	07
29	Deoghar	Madhupur	Dalha	19.03.11	07.02.12	2182200	11
30	Deoghar	Madhupur	Saptar	31.10.10	07.08.11	2178853	09
31	Deoghar	Madhupur	Bara Narayanpur	31.12.10	31.07.11	2179185	07
32	Jamtara	Jamtara	Gopalpur	24.03.10	20.10.10	2070100	10
33	Jamtara	Jamtara	Sonbad	15.03.10	26.08.10	2066100	05
34	Jamtara	Jamtara	Sahardal	07.08.10	12.08.11	2070100	12
35	Jamtara	Jamtara	Barjora	06.11.10	11.07.11	2070100	07
36	Jamtara	Jamtara	Dakhinbahal	06.11.10	10.07.11	2070100	07
37	Jamtara	Jamtara	Sukhjora	08.07.09	14.06.10	2059990	11
38	Jamtara	Jamtara	Duladi	07.07.09	16.10.10	2070100	15

39	Jamtara	Jamtara	Nawadih	10.08.09	26.03.10	2066730	07
40	Jamtara	Jamtara	Piyalsola	06.11.10	05.11.11	2070100	19
41	Jamtara	Narayanpur	Bankudih	08.04.09	09.03.10	2065161	10
42	Jamtara	Narayanpur	Pabia	07.07.09	09.03.10	2065372	06
43	Jamtara	Narayanpur	Saharpura	23.03.09	20.06.10	2070100	15
44	Jamtara	Narayanpur	Roopdi	10.08.09	20.06.10	1990700	10
45	Jamtara	Narayanpur	Topatar	20.08.10	20.05.11	2070100	09
46	Jamtara	Narayanpur	Dighari	08.07.09	06/2010	2070100	10
47	Jamtara	Karmatar	Alagchuan	20.09.10	10.02.11	2070100	05
48	Jamtara	Karmatar	Barmundi	30.06.10	10.01.11	2070100	06
49	Simdega	Simdega	Arani	22.01.10	12.10.10	2003400	08
50	Simdega	Simdega	Bangru	19.06.08	16.10.11	1624000	40
51	Simdega	Simdega	Barabarpani	01.05.09	18.11.11	2003400	30
52	Simdega	Simdega	Biru	31.12.09	02.09.10	2003400	08
53	Simdega	Simdega	Garja	31.03.08	05.10.08	1624000	04
54	Simdega	Simdega	Jokbahar	20.04.11	29.10.11	2066000	07
55	Simdega	Simdega	Kochedega	10.06.08	28.08.11	1624000	38
56	Simdega	Simdega	Kullukera	02.10.10	15.04.11	2066000	06
57	Simdega	Simdega	Pithara	31.03.08	05.10.08	1624000	06
58	Simdega	Simdega	Tamra	20.04.11	10.12.11	2048072	07
59	Simdega	Kolebira	Aengeda	30.04.09	05.03.11	1987918	22
60	Latehar	Latehar	Aragundi	11.02.09	10.09.11	1990700	31
61	Latehar	Latehar	Hethpochra	11.02.09	11.10.11	1990700	32
Total						121254399	

Appendix-2.25
(Referred to paragraph 2.4.3; page 91)

Statement showing number of Panchayat Bhawans remained incomplete and expenditure incurred thereagainst

Sl. No.	District	Block	Gram Panchayat	Expenditure up to 30-06-12	Due date of completion	Delay in months (upto June12)
1	Lohardaga	Lohardaga	Rampur	1060000	31.12.10	18
2	Lohardaga	Lohardaga	Aarkosa	1526175	31.11.10	19
3	Lohardaga	Lohardaga	Bhatkhijri	1286000	30.12.10	18
4	Lohardaga	Lohardaga	Hesal	1646276	30.11.10	19
5	Lohardaga	Lohardaga	Nigni	1393515	31.12.10	18
6	Lohardaga	Lohardaga	Juria	1376064	31.12.10	18
7	Lohardaga	Lohardaga	Bagha	1707244	30.11.10	19
8	Lohardaga	Lohardaga	Hirhi	1513786	30.11.10	19
9	Lohardaga	Lohardaga	Manho	1595763	31.08.07	58
Total				13104823		
1	Lohardaga	Kuru	Zingi	1450772	31.10.10	18
2	Lohardaga	Kuru	Sundru	1958425	30.11.10	19
3	Lohardaga	Kuru	Kolsimri	1751209	30.11.10	19
4	Lohardaga	Kuru	Tati	1951630	20.11.10	17
5	Lohardaga	Kuru	Pandra	1282357	31.12.10	17
6	Lohardaga	Kuru	Kakergarh	1917409	31.12.10	18
7	Lohardaga	Kuru	Salgi	1068030	30.03.08	51
Total				11379832		
1	Dhanbad	Dhanbad	Nawadih	998918	02.10.11	09
2	Dhanbad	Dhanbad	Damodarpur	850438	02.10.11	09
3	Dhanbad	Dhanbad	Siyalgudri	582405	02.10.11	09
4	Dhanbad	Dhanbad	Patiya	407268	02.10.11	09
5	Dhanbad	Dhanbad	Algaria	634443	02.10.11	09
6	Dhanbad	Dhanbad	Dhokra	1398857	31.03.09	39
Total				4872329		
1	Dhanbad	Govindpur	Barwa East	1527991	31.03.10	27
2	Dhanbad	Govindpur	Gobindpur East	1204285	31.03.10	27
3	Dhanbad	Govindpur	Birajpur	1557609	09/2010	20
4	Dhanbad	Govindpur	Kharni	995705	31.03.10	27
5	Dhanbad	Govindpur	Tilaiya	1624532	31.03.10	27
6	Dhanbad	Govindpur	Damkara Barwa	796000	30.07.10	23
7	Dhanbad	Govindpur	Pathuria	1600000	31.05.10	25
Total				9306122		
1	Deoghar	Deoghar	Sarsa	453456	05/2011	13
2	Deoghar	Deoghar	Kenmankathi	477583	21.01.11	17
3	Deoghar	Deoghar	Kokribank	450764	05/2011	13
4	Deoghar	Deoghar	Masanjore	988882	26.06.11	12
Total				2370685		
1	Deoghar	Palojori	Mahuadabur	656399	31.07.11	11
2	Deoghar	Palojori	Basaha	684925	31.07.11	11
3	Deoghar	Palojori	Raghuadih	1867720	10/2010	19
4	Deoghar	Palojori	Dhawa	761935	31.07.11	11
5	Deoghar	Palojori	Jamua	355000	31.05.11	13
6	Deoghar	Palojori	Dudhani	681641	31.05.11	13
7	Deoghar	Palojori	Kunjbona	435684	31.05.11	13
Total				5443304		

Sl. No.	District	Block	Gram Panchayat	Expenditure up to 30-06-12	Due date of completion	Delay in months (upto June12)
1	Jamtara	Jamtara	Chandradip	606571	25.05.11	13
Total				606571		
1	Jamtara	Narayanpur	Narayanpur	1132560	11.12.07	54
2	Jamtara	Narayanpur	Nayadih	644746	30.06.08	48
3	Jamtara	Narayanpur	Dhavakendra	1337554	04.04.11	14
4	Jamtara	Narayanpur	Budhudih	762445	12.06.08	54
5	Jamtara	Narayanpur	Nawadih	2069800	30.07.11	11
Total				5947105		
1	Jamtara	Karmatar	Tarkojori	518147	31.12.11	06
2	Jamtara	Karmatar	Karmatar	564947	21.12.11	06
Total				1083094		
1	Simdega	Kolebira	Agharma	1449600	8.2.08	52
2	Simdega	Kolebira	Banderchua	1412375	3.8.08	46
3	Simdega	Kolebira	Barasloa	1176650	10.2.08	52
4	Simdega	Kolebira	Domtoli	1190954	25.2.08	52
5	Simdega	Kolebira	Kolebira	1353909	30.7.07	55
6	Simdega	Kolebira	Lachragarh	1161000	10.3.08	51
7	Simdega	Kolebira	Nawatoli	825995	31.3.08	51
8	Simdega	Kolebira	Raisia	1308875	30.9.07	53
9	Simdega	Kolebira	Shahapur	1184046	10.2.08	52
Total				11063404		
1	Latehar	Latehar	Bendi	648124	16.6.10	24
2	Latehar	Latehar	Demu	1318147	16.6.10	24
3	Latehar	Latehar	Dhankara	1034113	16.6.10	24
4	Latehar	Latehar	Peshrar	00		
5	Latehar	Latehar	Ichak	1485840	16.6.10	24
6	Latehar	Latehar	Nawagarh	967031	16.6.10	24
7	Latehar	Latehar	Sasang	1487462	16.6.10	24
8	Latehar	Latehar	Sisi	452563	15.3.11	15
Total				7393280		
1	Latehar	Chandwa	Alaudiya	899469	21.12.07	50
2	Latehar	Chandwa	Boda	1803484	11.2.09	40
3	Latehar	Chandwa	Chakala	1721925	11.2.09	40
4	Latehar	Chandwa	Chandwa East	869468	14.11.07	51
5	Latehar	Chandwa	Dumaro	409925	16.6.10	24
6	Latehar	Chandwa	Jamira	505768	16.6.10	24
7	Latehar	Chandwa	Ladhup	858533	21.12.07	50
8	Latehar	Chandwa	Malhan	482212	15.3.11	15
9	Latehar	Chandwa	Serak	15000	12.7.10	23
Total				7565784		
1	East Singhbhum	Jamshedpur	Bagbera West	658034	15.1.11	17
2	East Singhbhum	Jamshedpur	Bayangbil	1101209	30.6.11	12
3	East Singhbhum	Jamshedpur	Beko	2179452	15.1.11	17
4	East Singhbhum	Jamshedpur	Ghaghidi East	500000	31.3.12	03
5	East Singhbhum	Jamshedpur	Hurlung	540890	15.1.11	17
6	East Singhbhum	Jamshedpur	Keruadungri	1454426	13.1.11	17
Total				6434011		
1	East Singhbhum	Ghatshila	Maubhandar (North)	1645240	31.10.09	30
2	East Singhbhum	Ghatshila	Kalchiti	1707944	30.11.10	19
3	East Singhbhum	Ghatshila	Barajuri	1345352	30.6.11	12
4	East Singhbhum	Ghatshila	Karaduba	1000000	28.6.08	48

Sl. No.	District	Block	Gram Panchayat	Expenditure up to 30-06-12	Due date of completion	Delay in months (upto June12)
5	East Singhbhum	Ghatshila	Bankari	200000	30.6.11	12
6	East Singhbhum	Ghatshila	Jhatijharna	639100		
7	East Singhbhum	Ghatshila	Baghuria	1471818	30.6.11	12
8	East Singhbhum	Ghatshila	Mahuliya	1017830	23.11.11	07
9	East Singhbhum	Ghatshila	Ulda	1685715	5.1.11	18
Total				10712999		
1	Chatra	Chatra	Ara	1010000	6.1.11	18
2	Chatra	Chatra	Baraini	965000	6.1.11	18
3	Chatra	Chatra	Dadha	1472762	6.1.11	18
4	Chatra	Chatra	Devria	755000	6.1.11	18
5	Chatra	Chatra	Gandharia	1330000	6.1.11	18
6	Chatra	Chatra	Paradih	00	6.1.11	18
7	Chatra	Chatra	Moktama	637000	6.1.11	18
8	Chatra	Chatra	Sikid	914662	1.7.08	48
9	Chatra	Chatra	Sima	938000	6.1.11	18
10	Chatra	Chatra	Tikar	593824	1.8.08	47
Total				8616248		
1	Chatra	Itkhori	Dhankeri	1312200	30.4.08	43
2	Chatra	Itkhori	Halmata	1053457	6.1.11	18
3	Chatra	Itkhori	Itkhori	1245291	31.1.08	53
4	Chatra	Itkhori	Karni	452464	7.10.10	32
5	Chatra	Itkhori	Dhuna	00	6.1.11	18
6	Chatra	Itkhori	Koni	1832914	10.3.11	16
7	Chatra	Itkhori	Malakpur	1724409	6.1.11	18
8	Chatra	Itkhori	Parsauni	1813662	6.6.11	13
9	Chatra	Itkhori	Tonatarh	1000000	6.1.11	18
Total				10434397		
Grand Total				116333988		

Appendix 3.1
(Referred to Para 3 .1.5; page 105)

Details of various district level offices responsible for implementation of various welfare schemes

Serial No.	Scheme	DDO/ Agency
1	SSA	DPO
2	MDM	DSE
3	NRHM	DHS
4	ICDS	DSWO
5	SGSY	DRDA
6	IAY	DRDA
7	Disaster Management Programme	AC
8	NRDWP	EE, DW&SD
9	State Roads	EE, RCD
10	PMGSY	EE, RWD
11	RGGVY	EE, JSEB

Appendix –3.2
(Referred to Para 3.1.7.1; page 107)

Funds flow arrangement with respect to important social and economic sector schemes/ programmes

Sector	Schemes	Fund flow
Social	MGNREGS	GoI and the Government of Jharkhand (GoJ) transfer their respective shares of MGNREGS fund into a separate Bank Account maintained in the District. The State Employment Guarantee Fund (SEGF) was not setup at state level till the end of financial year 2011-12. Commissioner, MNREGS is responsible for overall programme implementation and reporting at state level. At District level, DC is the Ex-officio District Programme Co-ordinator (DPC) who allocates funds between blocks, <i>panchayats</i> and line departments.
Social	SSA	GoI and GoJ transfer SSA funds into bank account of the State Implementing Society (SIS) outside the state accounts. SIS is a society, set up by GoJ for implementation of SSA headed by a State Project Director (SPD). Finance Controller and Senior Finance Officer of SSA are the joint custodians of the SSA bank account funds at state level. SPD is the administrator of the funds transferred to District Programme Officer (DPO)-SSA, established by GoJ for each District within SIS. At District level, DPO and Accounts Officer in the DPO offices jointly act as custodians of the bank account in the District.
Social	NRHM	GoI and GoJ transfer their shares of NRHM funds into the bank account of the State Health Society (SHS), outside State Government account. Mission Director and State Accounts Manager, NRHM are jointly responsible for operation of the bank account of SHS. Mission Director is the administrator of the fund. He transfers the funds to the District into the bank account of the District Health Society (DHS). Civil Surgeon cum CMO is the Secretary, DHS. District Programme Manager (DPM) and District Accounts Manager (DAM) jointly operate the bank account.
Social	MDM	MDM scheme has four components for payment, viz. (i) food grains, (ii) transportation of food grains, (iii) conversion cost of food grains into meals and (iv) Management, Monitoring and Evaluation (MME) of the scheme. Transfer of fund by GoI- Food grains —GoI reimbursed the cost of food grains directly to Food Corporation of India (FCI) up to financial year 2010 and it is now done through GoJ budget. Transportation of food grains: District Superintendent of Education (DSE) reimburses it directly to transporters through GoJ budget. Conversion cost and MME- GoI transfers these funds to DSE through GoJ budget. Arrangement by GoJ All the above four components are drawn by the DSE through GoJ budget at District level.
Social	IAY	GoI transfers its share directly to DRDA. GoJ share is drawn by DRDA from treasury. Both are kept in a single bank account. DDC, DRDA operates the bank account and is the administrator of the fund. He transfers the fund to the beneficiary's accounts through the Block Development Officer (BDO) for implementation of the schemes.
Social	TSC	GoI transfers its share directly in the bank account of the District Water and Sanitation Mission, set up in each District. Mission Director, who is Ex-officio Secretary of the Mission, draws the GoJ share from District treasury on the basis of allotment received from GoJ and deposits into the Mission's bank account.
Economic	PMGSY	Jharkhand State Rural Road Development Agency (JSRRDA) established (2004) as an autonomous agency for receiving fund from the Ministry of Rural Development (MoRD), Govt. of India and providing fund to Programme Implementation Units (PIUs).

Appendix -3.3
(Referred to para 3.1.8.2; page 109)

Pupil Teachers Ratio as per DISE Data as of March 2012

Sl. No	Name of block	Enrolment	Teachers	Ratio
1	Bishrampur	21343	402	53
2	Chainpur	52115	889	58.62
3	Chhaterpur	39483	809	48.80
4	Medininagar	25575	680	37.61 (38)
5	Hyder Nager	16980	330	51.45
6	Hariharganj	18681	319	58.56
7	Hussainabad	36022	632	60
8	Lesliganj	23807	465	51.19
9	Manatu	13281	242	55
10	Mohamodganj	9852	169	58.29
11	Nawa Bazaar	12138	207	58.64
12	Nawdiha Bazaar	26019	539	48.27
13	Pandu	15047	262	57.43
14	Pandwa	10763	226	47.62
15	Panki	43395	722	60.10
16	Patan	31329	537	58.34
17	Pipra	11396	190	59.98 (60)
18	Satbarwa	18519	328	56.46
19	Tarhasi	19025	355	53.59
20	Utari Road	7927	137	57.86

Appendix-3.4
(Referred to para 3.1.8.4; page 110)

Details of basic amenities in schools

Sl.No	Name of block	Total number of school	School without drinking water facility	School without common toilet facility	School without girls toilets facility	School without access ramps	Schools without boundary wall	Schools without electrification
1	Sadar (U)	175	28 (16)	148 (85)	122 (70)	120 (69)	121(69)	165(94)
2	Chainpur (R)	303	35 (12)	245 (81)	202 (67)	213 (70)	272(90)	295(97)
3	Safbarwa (R)	135	17 (15)	105 (78)	79 (59)	94 (70)	111(82)	132(98)
4	Lesliganj (R)	166	10 (6)	136 (82)	103 (62)	142 (86)	144(87)	166(100)
5	Panki (R)	289	20 (7)	260 (90)	156 (54)	272 (94)	261(90)	285(99)
6	Manatu (R)	92	06 (7)	81 (88)	51 (55)	57 (62)	83(90)	92(100)
7	Patan (R)	194	15 (8)	166 (86)	119 (61)	103 (53)	175(90)	190(98)
8	Bishrampur (R)	118	03 (3)	90 (76)	67 (57)	106 (90)	95(81)	113(96)
9	Pandu (R)	73	10 (14)	63 (86)	48 (66)	58 (79)	70(96)	71(97)
10	Chhatarpur (R)	241	23 (10)	199 (83)	176 (73)	229 (95)	191(79)	238(99)
11	Hariharganj (R)	86	01 (1)	80 (93)	41 (48)	51 (59)	73(85)	84(98)
12	Hussainabad (U)	168	13 (8)	154 (92)	130 (77)	95 (57)	144(86)	161(96)
13	Haidarnagar (R)	63	08 (13)	48 (76)	33 (52)	36 (57)	55(87)	63(100)
14	Mohammadganj (R)	40	07 (18)	31 (78)	24 (60)	26 (65)	34(85)	40(100)
15	Pipra (R)	61	04 (7)	46 (75)	46 (75)	42 (69)	56(92)	61(100)
16	Nawa Bazaar (R)	69	09 (13)	56 (81)	37 (54)	57 (83)	59(86)	66(96)
17	Pandwa (R)	56	01 (2)	47 (84)	23 (41)	38 (68)	47(84)	55(98)
18	Nawdiha Bazaar (R)	170	15 (9)	149 (88)	106 (62)	168 (99)	143(84)	168(99)
19	Untari Road (R)	40	03 (8)	32 (80)	33 (83)	35 (88)	32(80)	37(93)
20	Tarhasi (R)	117	09 (8)	100 (85)	63 (54)	77 (66)	104(89)	117(100)
Basic amenities not available		2656	237 (9)	2236 (84)	1659 (62)	2019 (70)	2270 (85)	2599 (98)
Basic amenities available			2419 (91)	420 (16)	997 (38)	637 (30)	386 (15)	56 (02)

Source: - District Programme Office, SSA, Palamu. Figures in bracket show percentage. U= Urban, R= Rural.

Appendix -3.5
(Referred to Para 3.1.10.3; page 115)

Statement showing details /position of availability of basic health care services

Particulars	CHCs	PHCs	HSCs	Sub Divisional Hospital	Sadar Hospital
Total number of health centres	10	21	171	02	01
Facility of Blood storage	02	0	0	02	01
Facility of New born care	08	0	0	02	01
Facility of 24 X 7 deliveries	08	10	35	02	01
Facility of In-patient services	08	10	0	02	01
Facility of X-rays	02	0	0	01	01
Facility of Ultra-sound	0	0	0	0	01
Facility of ECG	0	0	0	0	01
Facility of Obstetric care	0	0	0	01	01
Facility of Emergency Services (24 hours)	08	10	0	02	01
Facility of Family planning (Tubectomy and Vasectomy)	01	0	0	02	01
Facility of Intra-natal examination of gynaecological conditions	01	0	0	0	01
Facility of Paediatrics	01	0	0	01	01
Facility of OT	08	0	0	02	01
Facility of Labour room	08	10	35	02	01
Facility of free medicine	08	0	0	02	01
Facility of uninterrupted power supply	08	0	0	02	01
No. of centres running in rented buildings	0	0	99	0	0
No. of beds in the health centres	06	02	01	06	100
Facility of 24 hours water supply	08	10	0	0	0

Note: - All facilities mentioned above are essentially required in CHCs as per IPHS norms

Appendix –3.6
(Referred to para 3.1.10.4; page 115)

Statement showing sanctioned strength and persons in position in the district under NRHM

	Regular Doctor			Auxiliary Nurse Midwife			Lab. Technician			X-Ray Technician			Staff nurse			Pharmacist			Ladies Health Visitor		
	S	P	V	S	P	V	S	P	V	S	P	V	S	P	V	S	P	V	S	P	V
District level	26	20	06	6	4	2	3	1	2	2	2	0	8	8	0	2	2	0	0	0	0
CHC level	41	30	11	45	23	22	10	0	10	0	0	0	2	0	2*	10	1	9	20	7	13
DHC level	42	22	20	42	16	26	4	0	4	0	0	0	0	0	0	21	0	21	0	0	0
HSC level	0	0	0	146	78	68*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	109	72	37 (34)	239	121	118 (49)	17	1	16 (94)	2	2	0	10	8	2 (20)	33	3	30 (91)	20	7	13 (65)

Total sanctioned posts-430

Men in position-214

Vacancy -216 (50 per cent)

Figures in bracket show percentage

Appendix 3.7
(Referred to para 3.1.13; page 123)

Physical performance of the construction of IAY houses

Category	Year	Incomplete houses of previous years	Taken up for construction	Total houses	Incomplete houses (per cent)
General	2009-10	2622	5550	8172	6462 (79)
	2010-11	6462	10433	16895	10597 (63)
	2011-12	10597	3817	14414	4780 (33)
Upgradation	2009-10	1448	1266	2714	1431 (53)
	2010-11	1431	Nil	1431	Nil
	2011-12	Nil	Nil	Nil	Nil
Naxal affected-General	2009-10	Nil	7553	7553	7054 (93)
	2010-11	7054	Nil	7054	377 (5)
	2011-12	377	Nil	377	377 (100)
Naxal affected-Upgradation	2009-10	Nil	4406	4406	4302 (98)
	2010-11	4302	Nil	4302	154 (4)
	2011-12	154	Nil	154	154 (100)

(Source : Records of DRDA, Palamu)

Appendix –3.8
(Referred to para 3.1.14; page 123)

Details of food grains under Annapurna, BPL, AAY and Additional BPL schemes less receipts shown by Fair Price Shops.

(in Quintal)

Name of scheme	Year	Name of food grain	Grain actually issued by SFC to FPS network	Grain actually received by FPS network as per compilation of MO report	Less receipt by FPS network	Economy rate	Amount in ₹
Annapurna	2009-10	Rice	12416.64	10402.50	2014.14	2088	4205524
	2011-12	Rice	5752.55	4184.40	1568.15	2088	3274297
BPL	2009-10	Rice	199037.85	173791.99	25245.86	2088	52713356
	2010-11	Rice	246590.57	219918.72	26671.85	2088	55690822
	2011-12	Rice	273690.23	264521.98	9168.25	2088	19143306
	2009-10	Wheat	73020.25	66889.83	6130.42	1526	9355020
	2010-11	Wheat	25574.50	23137.20	2437.30	1526	3719320
AAY	2009-10	Rice	121102.87	106461.74	14641.13	2088	30570679
	2009-10	Wheat	76782.19	69881.04	6901.15	1526	10531155
	2010-11	Wheat	30411.20	25766.80	4644.22	1526	7087080
	2010-11	Rice	187320.85	162460.73	24860.12	2088	51907930
Additional BPL	2010-11	Rice	57687.72	57110.40	577.32	2088	1205444
	2011-12	Rice	309827.18	213926.00	95901.18	2088	200241664
Total							44.96 cr

(in Quintal)

Grain	Actually issued by SFC to FPS network	Grain actually received by FPS network as per compilation of MO report	Less receipt by FPS network
Rice	1413426.46	1212778.46	200648.00
Wheat	205788.14	185674.87	20113.27

Appendix-3.9
(Referred to para 3.1.18.1; page 128)

Details of Physical and financial progress of PMGSY roads

(₹ in crore)

Year	Roads sanctioned			Roads completed			Roads incomplete			Habitations to be connected	
	No. of road	Length (km)	Agreement cost	No of road	Length (km)	Expenditure	Nos. of road	Length (km)	Expenditure	Above 1000	Below 1000
2000-09	86	385.66	90.21	63	264.38	63.78	23	114.38	15.69	210	12
2009-10	90	279.15	77.14	27	87.30	22.25	63	191.85	31.21	0	177
2010-11	35	160.46	43.39	12	44.50	10.10	23	115.96	11.38	92	0
2011-12	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	125	439.61	120.53	39	131.80	32.35	86	307.81	42.59	92	177

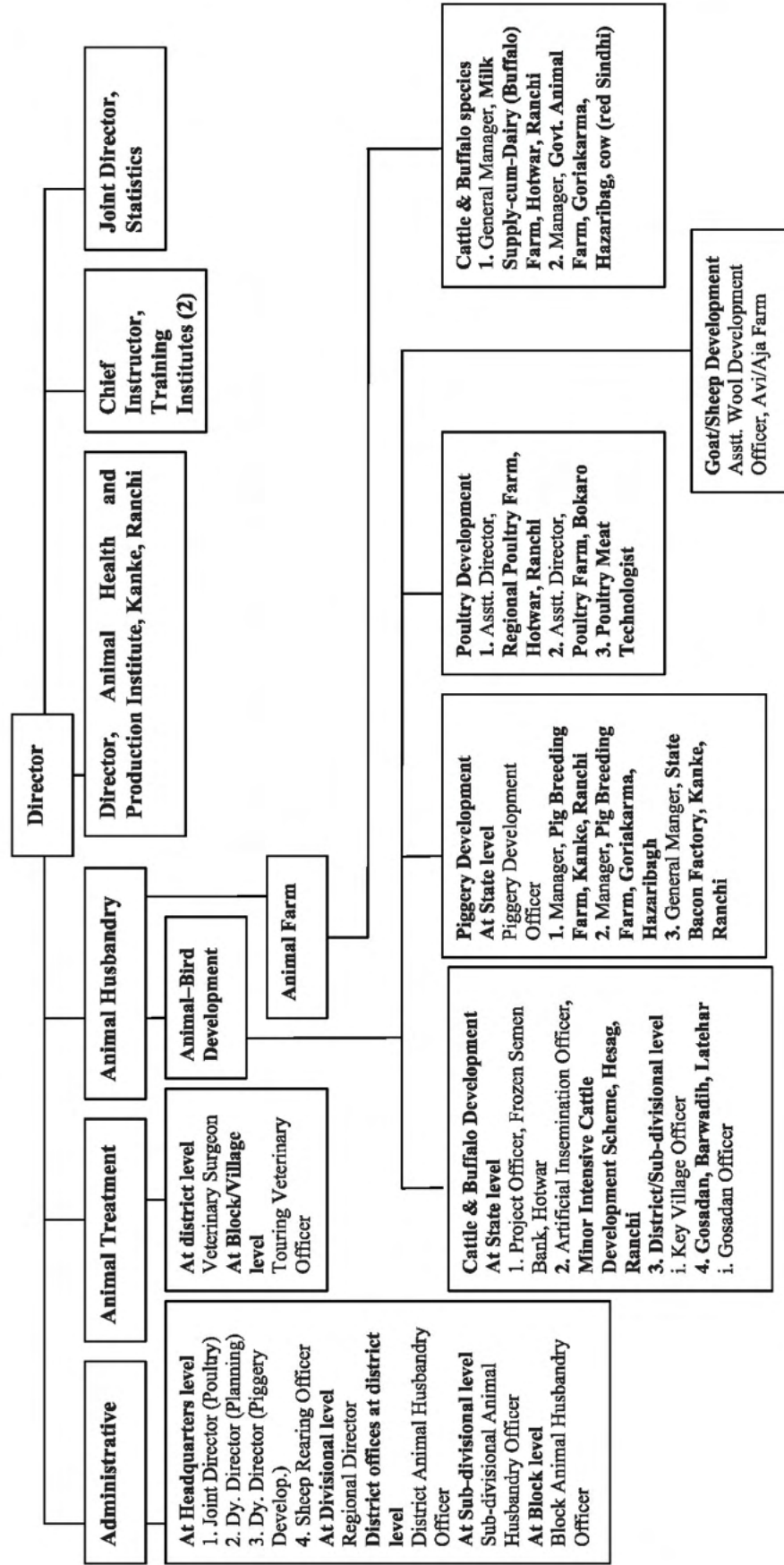
Source: - RWD, Division, Medininagar and JSRRDA

Appendix 3.10
(Referred to para 3.1.20.7; page 134)

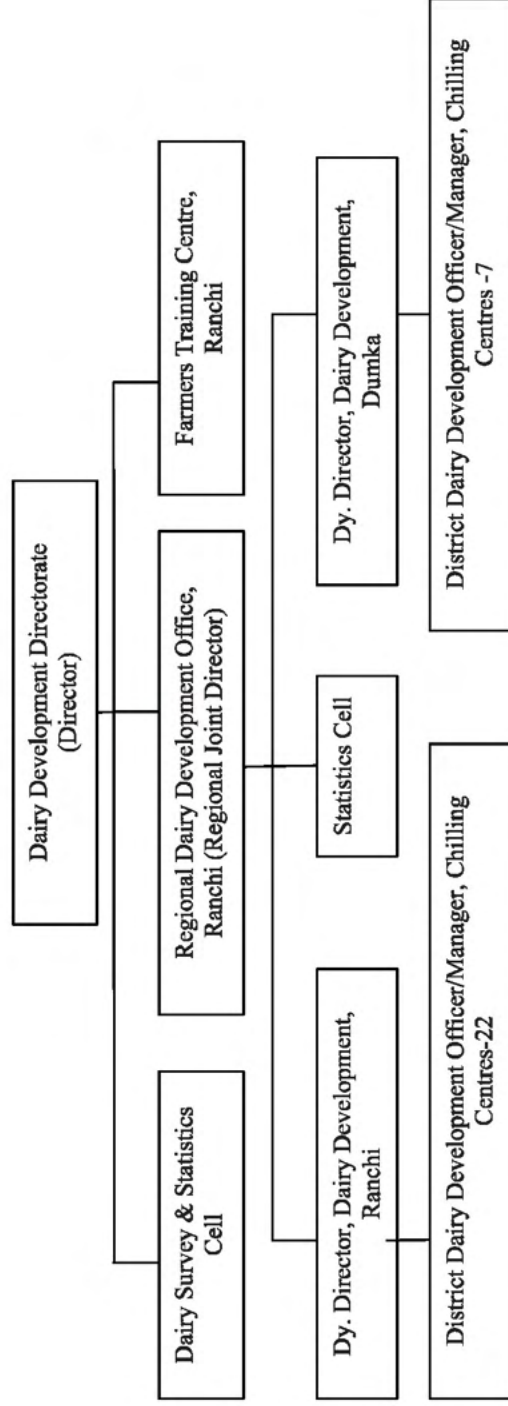
Statement showing sanctioned strength and men in position as on 31 March 2012

		Position as on April 2009			Position as on 31 March 2012			
Officer Cadre								
Name of cadre	Sanctioned post	Men-in position	Shortage	Shortage in percentage	Sanctioned post	Men-in position	Shortage	Shortage in percentage
SP	1	1	00	00	1	1	00	00
Dy. SP	4	4	00	00	4	02	02	50
Inspector	6	5	01	17	7	7	00	00
SI	98	62	36	37	142	79	63	44
ASI	141	98	43	30	195	176	19	10
Sergeant Major	1	1	00	00	1	1	00	00
Sergeant	2	1	01	50	2	0	02	100
Constabulary cadre								
Havaldar	366	216	150	41	426	241	185	43
Constable	1652	1357	295	18	1892	1710	182	10
Driver	90	44	46	51	150	88	62	41

Appendix-4.1
(Referred to paragraph 4.1.2; page 139)
Organisational structure of Animal Husbandry Directorate



Appendix—4.2
(Referred to paragraph 4.1.2; page 139)
Organisational Structure of Dairy Development Directorate



Appendix-4.3

(Referred to paragraph: 4.1.7.1; page 141)

(a) Details of target and achievement of production of different vaccines by AHPI, Kanke, Ranchi

Year	Target (In lakh doses)					Achievement (In lakh doses)				
	HS	BQ	Anthrax	RD	SF	Total	HS	BQ	Anthrax	Total
2007-08	16	11	2	25	0.1	54.10	3.199	4.665	Nil	7.86
2008-09	16	11	2	25	0.1	54.10	1.84	1.14	Nil	2.98
2009-20	16	11	2	25	0.1	54.10	4.951	2.27	Nil	7.22
2010-11	16	11	2	25	0.1	54.10	6.04	5.17	2.00	13.21
2011-12	16	11	2	5	0.5	34.50	6.516	6.59	2.50	15.60
										45.22

Source: AHPI, Kanke

(b) Details of target and achievement of vaccination

Year	Target					Achievement				
	HS	BQ	Anthrax	RD	SF	Total	HS	BQ	Anthrax	Total
2007-08	10	10	Nil	5	0.5	25.5	4.37	3.19	Nil	7.61
2008-09	10	10	Nil	5	0.5	25.5	9.21	8.79	Nil	18.05
2009-10	10	10	Nil	5	0.5	25.5	5.09	6.54	0.99	14.02
2010-11	10	10	Nil	5	0.5	25.5	7.64	4.64	0.98	13.80
2011-12	15	10	2	5	0.5	32.5	6.51	6.59	2.50	16.60

Source: AH Directorate

Appendix-4.4
(Referred to paragraph 4.1.7.2; page 145)
Statement showing sanctioned strength and men in position

(a) Animal Husbandry Directorate

Classified posts	State level			In test checked districts		
	Sanctioned	Men-in-position	Shortage (per cent)	Sanctioned	Men-in-position	Shortage (per cent)
Gazetted (Class – II) Veterinary Doctors	773	524	249(32)	296	218	78 (26)
Non-Gazetted (Class– III)	1362	590	772(57)	525	206	319(61)
Non-Gazetted (Class– IV)	1453	1197	256(18)	484	418	66(14)
Total	3588	2311	1277(36)	1305	842	463(35)

Source: AH&FD, Government of Jharkhand

(b) Dairy Development Directorate

Classified posts	State level			In test checked districts		
	Sanctioned	Men-in-position	Shortage (per cent)	Sanctioned	Men-in-position	Shortage (per cent)
Technical officer and staff	160	84	76 (48)	49	23	26 (53)
Non-technical officer and staff	136	98	38 (28)	38	21	17 (45)
Total	296	182	114 (39)	87	44	43(49)

Source: AH&FD, Government of Jharkhand

Appendix-4.5
(Referred to paragraph 4.1.9; page 148)
Details of Schemes under Animal Husbandry Directorate

Goat Development Scheme						
Year	Scheme	Plan	Unit cost (₹)	Allocation (₹ in crore)	Expenditure (₹ in crore)	Objective
2007-08	Creation of infrastructure for Self Help Groups of goat rearers	State Plan	27,130	1.02	0.89	Availability of infrastructure (375 units) to the SHGs of goat rearers of Dumka and Ranchi Districts
2008-09	10 Black Bengal female goats and one improved breed male goat	RKVY	60000	3.65	3.63	Distribution of goats units (687) of improved breeds for goat development in the State
2009-10	10 local female goats and one black Bengal male goat	RKVY	18000 and 1100 for training and monitoring	0.42	0.33	Reproduction of goats of improved breeds in order to make the beneficiary able to earn ₹ 18,600/- per year
2011-12	Five black Bengal female goats and one black Bengal male goat under State plan	State Plan	22500 and Advertisement and extension for 800	4.40	3.83	Reproduction of goats (11,694 in first year and 40,929 in second year) of improved breeds
Poultry Development Scheme						
2008-09	Backyard Poultry Scheme (60 chicks per unit)	RKVY	8,000	3.40	3.38	To increase production of eggs and poultry meat in villages with estimated net profit of ₹ 0.17 lakh in first year to each beneficiary of 4793 units belonging to economically weaker section.
2010-11	Distribution of 400 broiler chicks unit to unemployed rural women	RKVY	86,000	1.61	1.03	Availability of proteinous food and enhancement of economic condition of villagers with estimated net income ₹ 0.43 lakh per year by establishing 250 poultry units
2011-12	-do-	RKVY	86,000	3.27	3.04	-do- by establishing 760 poultry units
Piggery Development Scheme						
2009-10	Distribution of reproductive piggery units of improved breed	RKVY	30,000 (2M + 4F)	1.50	1.09	Distribution of piggery units (1,006) of T&D breed for production of piglets amongst pig rearers or trained beneficiaries in pig rearing with estimated average benefit of ₹ 0.23 lakh per year
2010-11	-do-	RKVY	40,000 (2 M + 4 F) 71,000 (5 M + 8 F) 40,000 (3 Piggery sheds unit)	1.80	1.64	-do- (636 for 2M + 4F, 243 for 5M + 8F and 229 for piggery sheds) -do- benefit of (₹ 0.27 lakh for 2M + 4F, ' 0.66 lakh for 5M + 8F and not estimated under shed construction unit)
2011-12	-do-	RKVY	27,500 (2M + 4F)	3.16	2.13	Distribution of piggery units (1,294) of T&D breed for production of piglets amongst pig rearers or trained beneficiaries in pig rearing with estimated target for production of 25,880 piglets at the end of first year

Source: AH&FD, Government of Jharkhand. M= Male, F= Female.

Appendix-4.6
(Referred to paragraph 4.1.9.6; page 157)

Details of Milch Cattle Induction Programme

(Amount in ₹)

Year	Two cows scheme			Mini Dairy (five cows)			Midi dairy (ten cows)		
	Unit cost	Subsidy		Unit cost	Subsidy		Unit cost	Subsidy	
		Total	I phase		Total	Phase I		Total	Phase I
2007-08	48910	24460	13530	10930	140825	35225	24475	10750	
2008-09	72000	36000	22750	13250	184000	92000	62000	30000	
2009-10	67000	33500	20250	13250	174000	69600	48100	21500	44550
2010-12	80760	40380	23690	16690	208400	104200	70520	33680	67760

(Amount in ₹)

Year	Commercial dairy (20 cows)			Modern dairy (50 cows)			Modern dairy (100 cows)		
	Unit cost	Subsidy		Unit cost	Subsidy		Unit cost	Subsidy	
		Total	I phase		Total	Phase I		Total	Phase I
2007-08	561340	112268	69344	42924					
2008-09	715000	178750	111250	67500			5450000	1090000	820000
2009-10	700000	175000	107500	67500			5450000	1090000	820000
2010-12	837600	209400	124700	84700	2269000	453800			

Source: Dairy Development Directorate

Appendix-4.7
(Referred to paragraph 4.1.9.6; page 158)
Details showing Status of Cattle Induction Scheme

(Figures in number of units)

Year	Two cows			Mini Dairy			Midi Dairy			Commercial dairy			Modern dairy (50 cows)			Modern dairy (100 cows)		
	Target	Achievement		Target	Achievement		Target	Achievement		Target	Achievement		Target	Achievement		Target	Achievement	
		Phase I	Phase II		Phase I	Phase II		Phase I	Phase II		Phase I	Phase II		Phase I	Phase II		Phase I	Phase II
2007-08	1067	973	850	96	88	74	-	-	-	28	28	25	-	-	-	-	-	-
2008-09	859	724	486	100	99	85	-	-	-	58	53	41	-	-	-	9	8	7
2009-10	192	192	192	275	261	214	59	56	40	25	23	19	-	-	-	-	-	-
2010-11	575	538	346	229	208	163	72	64	54	24	21	14	2	2	1	-	-	-
Total	2693	2427	1874	700	656	536	131	120	94	135	125	99	2	2	1	9	8	7

Year	Targets		Achievement		Shortfall	
	1 st phase	2 nd phase	1 st phase	2 nd phase	1 st phase	2 nd phase
2007-08	1191	1191	1089	949	102	242
2008-09	1026	1026	884	619	142	407
2009-10	551	551	532	465	19	86
2010-11	902	902	833	578	69	324
Total	3670	3670	3338	2611	332	1059

Source: Test-checked districts

Appendix-4.8
(Referred to paragraph: 4.1.9.9; page 160)

Statement showing progressive target and achievement of JDP

Particulars	Unit	2008-09		2009-10		2010-11		2011-12	
		Target	Achi.	Target	Achi.	Target	Achi.	Target	Achi.
Villages to be covered	No.	130	00	360	111	580	242	850	292
Milk producers to be covered	No.	4600	00	11800	715	20850	1368	32450	2212
Total milk collection in the covered villages	LPD	8000	00	21000	2500	40000	4230	65000	7330
Sale of milk	LPD	8000	00	21000	1450	36000	2260	58000	5020
Sale of curd	LPD	0	00	00	00	4000	00	7000	30
Sale of Ghee	MT	11	00	40	00	74	00	129	00

Source: Dairy Development Directorate. Note: LPD-Litre per day.

Appendix-4.9

(Referred to paragraph: 4.1.10; page 161)

Details of inspection by RJD

District	Number of dairy units established			Number of commercial and modern dairy		Inspection of schemes by RJD		Remarks
	2007-08	2008-09	2009-10	2010-11	2011-12	Required	Done	
Bokaro	06	61	27	02	Nil	10	2	Once in 2009-10 and once in 2011-12.
Dhanbad	173	104	50	04	03	10	1	Once in 2009-10 for Commercial dairy.
Dumka	NA*	145	20	01	Nil	10	1	Once in 2009-10 for Commercial dairy of 2008-09.
Gumla	04	46	12	01	Nil	10	1	Once in 2010-11 for all Commercial & Modern dairies of 2008-11.
East Singhbhum	227	182	29	02	01	10	1	Once in 2008-09 for Commercial and Modern dairy.
Latehar	164	35	16	Nil	Nil	10	1	Once in 2008-09
Ranchi	515	182	317	09	07	10	NA	Inspection done but no written document was available.
Deoghar	129	129	55	04	Nil	10	NA	

* Information was not furnished. (Source: Test-checked DDDOs) NA: Not Available

Appendix-5.1
(Referred to Paragraph: 5.1.3; page 169)

Statement of outstanding temporary advances in Rural Works Division, Garhwa

(Amount in ₹)

Sl No.	Name S/Shri	Designation	Amount of outstanding advance	Date/Period during which advances were granted (no. of advances)	Scheme for which advance was granted	Present position of official	Period of outstanding as on November 2011	Balance recoverable as of March 2013
1	Sukram Prasad	A.E.	1054391	June 2010 to March 2011 (11 Nos.)	MNREGS and MP Fund	Retired on 31 July 2011	8 to 17 months	95139
2	Late S. N. Singh	A.E.	2611407	February 2008 to March 2010 (23 Nos.)	MNREGS, Health, MP Fund, Swarn Jayanti, NFFWP	Expired in August 2010	20 to 45 months	1474810
3	D. B. Sharma	A.E.	1834352	February 2007 to March 2010 (29 Nos.)	MNREGS, District Scheme, MLA Fund SSJSVY, SGSY, MMVY, MP Fund	Transferred in July 2010	20 to 57 months	0
4	Kamlesh Kumar	A.E.	145858	June 2009 to August 2009 (02 Nos.)	Pay of Work Charged payment	Transferred in August 2009.	27 to 29 months	145858
Total			5646008					1715807

(Source: Figure supplied by the division)

AE- Assistant Engineer

MGNREGS: Mahatma Gandhi National Rural Employment Guarantee Scheme; **MLA Fund:** Member of Legislative Assembly Fund; **MP Fund:** Member of Parliament Fund; **MMVY:** Mukhya Mantri Vikas Yojana; **NFFWP:** National Food For Work Programme, **SSJSVY:** Sunischit Swarn Jayanti and Sam Vikas Yojana.

Appendix-5.2
(Referred to Paragraph: 5.1.3; page 169)

**Statement of outstanding temporary advances in Rural Development
Special Division (RDS), Gumla**

(Amount in ₹)

Sl. No.	Name S/Shri	Designation	Amount of outstanding advance	Date/ Period during which advances were granted (No. of advances)	Purpose for which advance was granted	Present position of the official	Period of outstanding as on April 2010	Balance recoverable as of March 2013
1	Umesh Pd. Sinha	J.E.	908182	April 2005 to June 2007 (32 Nos.)	NFFWP, MMY, MLA, SSJSVY, MGNREGA RSVY	Deputation to RDSD, Hazaribag	34 to 60 months	908182
2	Shradhanand Singh	J.E.	383770	February 2008 to May 2009 (10 Nos.)	MGNREGA	REO, Gumla	11 to 26 months	0
3	Rameshwar Singh	J.E.	73312	April 2005 to February 2010 (34 Nos.)	RSVY, NFFWP, MGNREGA	Present	2 to 60 months	0
4	Banarasi Pd. Singh	J.E.	145691	May 2005 to July 2008 (24 Nos)	RSVY, MLA Fund, NFFWP	Retired	21 to 59 months	145691
5	Ajay Kumar Jaiswal	J.E.	83485	2007 to November 2009 (42 Nos.)	RSVY, MLA Fund	Present	5 to 40 months	83485
6	Sawna Oraon	J.E.	560264	February 2004 to November 2006 (05 Nos)	RSVY, MLA Fund, MMY	NREP, Gumla	41 to 74 months	560264
7	Mahendra Kr. Sinha	J.E.	1363201	April 2005 to June 2007 (54 Nos.)	RSVY, MLA Fund, NFFWP, SSJSVY, MGNREGA	Present	34 to 60 months	1363201
8	Ramanuj Singh	J.E.	3589	January 2004 to March 2009 (07 Nos.)	MLA Fund, WF	Present	13 to 75 months	0
9	Sidheshwar Prasad	J.E.	176167	2004 to August 2004 (02 Nos.)	MLA Fund, WF	Transferred to Bihar	68 to 76 months	56915
10	Arvind Kr. Singh	J.E.	12704	2006 to December 2008 (28 Nos.)	RSVY, Police	Present	16 to 52 months	0
Total			3710365					3117738

(Source: Figure supplied by the Division)

JE- Junior Engineer

MGNREGS: Mahatma Gandhi National Rural Employment Guarantee Scheme; **MLA Fund:** Member of Legislative Assembly Fund; **MP Fund:** Member of Parliament Fund; **MMVY:** Mukhya Mantri Vikas Yojana; **NFFWP:** National Food For Work Programme, **SSJSVY:** Sunischit Swarn Jayanti and Sam Vikas Yojana.

Appendix 5.3
(Referred to Paragraph: 5.1.4; page 170)

Statement showing inadmissible House Rent Allowance drawn during March 2007 to May 2011

(Amount in ₹)

Sl. No.	Name of the Office	Number of Employees	HRA allowable (percent)	HRA allowable	HRA allowed and drawn (percent)	HRA allowed and drawn	Excess HRA drawn (Col.7- Col.5)
1	2	3	4	5	6	7	8
1	Block Development Office, Namkum	65	5	2,26,699	15	6,80,102	4,53,403
			10	9,87,906	20	19,75,812	9,87,906
Total		65		12,14,605		26,55,914	14,41,309
2	Circle Office, Namkum	33	5	1,83,940	15	5,51,819	3,67,879
			10	6,78,967	20	13,57,930	6,78,963
Total		33		8,62,907		19,09,749	10,46,842
3	Child Development Project Office, Namkum	16	5	1,00,933	15	3,02,799	2,01,866
			10	5,66,111	20	11,32,222	5,66,111
Total		16		6,67,044		14,35,021	7,67,977
4	Primary Health Centre, Namkum	67	5	5,15,614	15	15,46,841	10,31,227
			10	23,40,981	20	46,81,962	23,40,981
Total		67		28,56,595		62,28,803	33,72,208
5	Child Development Project Officer, Ratu	11	10	4,58,906	20	9,17,812	4,58,906
Total		11		4,58,906		9,17,812	4,58,906
Grand Total		192		60,60,057		1,31,47,299	70,87,242

Appendix 5.4
(Referred to Paragraph: 5.1.4; page 170)

Statement showing inadmissible Transport Allowance paid during March 2009 to May 2011

(Amount in ₹)

Sl. No.	Name of the Office	Number of Employees	Transport Allowance paid
1	Block Development Office, Namkum	65	6,25,538
Total		65	6,25,538
2	Circle Office, Namkum	24	3,52,378
Total		24	3,52,378
3	Child Development Project Office, Namkum	10	2,95,425
Total		10	2,95,425
4	Primary Health Centre, Namkum	67	8,21,801
Total		67	8,21,801
5	Child Development Project Officer, Ratu	11	2,22,876
Total		11	2,22,876
Grand Total		177	23,18,018

Appendix-5.5
(Referred to Paragraph: 5.2.1; page 171)

**Statement showing excess payment due to incorrect rate analysis of
DI pipes (K9)**

(Amount in ₹)

Dia of DI pipes	Actual cost (invoice) including tax & carriage cost	Rate by allowing 10 per cent contractors profit over (B)	Rate as per BOQ/estimate	Rate as per Agreement (15 per cent above (D)/ paid	Excess rate provided after allowing 10 per cent contractors profit (E-C)
(A)	(B)	(C)	(D)	(E)	(F)
200mm dia	1145.00	1259.50	1365.59	1570.00	310.50
250mm dia	1513.00	1664.30	1794.95	2064.00	399.70
300mm dia	1930.00	2123.00	2272.98	2614.00	491.00
350mm dia	2420.00	2662.00	2834.03	3259.00	597.00
400mm dia	2905.00	3195.50	3419.12	3932.00	736.50
450mm dia	3475.00	3822.50	4086.99	4700.00	877.50
600mm dia	5356.00	5891.60	6276.09	7218.00	1326.40
700mm dia	6927.00	7619.70	8128.44	9348.00	1728.30

**Statement showing excess payment made due to high rate of DI pipes
provided in the estimate/agreement**

(Amount in ₹)

Dia of DI pipes	Length of DI pipes in meter as per MB	Excess rate	Excess payment
200 mm dia	995.50	310.50	309103.00
250 mm dia	1496.00	399.70	597951.00
300 mm dia	6283.50	491.00	3085199.00
350 mm dia	6171.00	597.00	3684087.00
400 mm dia	2579.00	736.50	1899434.00
450 mm dia	7621.50	877.50	6687866.00
600 mm dia	4994.50	1326.40	6624705.00
700 mm dia	1550.00	1728.30	2678865.00
Total	31691.00	6466.90	25567210.00

Appendix-5.6
(Referred to Paragraph: 5.2.1; page 171)

Statement showing excess payment due to incorrect rate analysis of DI pipes (K7)

(Amount in ₹)

Dia of DI pipes	Actual cost (invoice) including tax and carriage cost	Rate by allowing 10 per cent contractors profit over (B)	Rate as per BOQ/ estimate	Rate as per Agreement (15 per cent above (D)/ paid	Excess rate provided after allowing 10 per cent contractors profit (E-C)	Remarks
(A)	(B)	(C)	(D)	(E)	(F)	
100mm dia	604.00	664.40	616.44	709.00	44.60	Though the rate on which contractor purchased DI pipes were inclusive of carriage cost but a sum of ₹ 1,34,49,791.00 was paid to contractor as the same was included in agreement.
150mm dia	875.00	962.50	893.08	1027.00	64.50	
250mm dia	1803.00	1983.30	1736.99	1998.00	14.70	
300mm dia	1652.00	1817.20	2223.82	2557.00	739.80	
350mm dia	2079.00	2286.90	2799.92	3220.00	933.10	
400mm dia	2492.00	2741.20	3402.58	3913.00	1171.80	
450mm dia	2954.00	3249.40	4098.82	4714.00	1464.60	
500mm dia	3470.00	3817.00	4889.18	5623.00	1806.00	
600mm dia	4570.00	5027.00	6507.88	7484.00	2457.00	

Statement showing excess payment made due to high rate of DI pipes provided in the estimate

(Amount in ₹)

Dia of DI pipes	Length of DI pipes in meter as per MB	Excess rate	Excess payment
100 mm dia	133155.00	44.60	5938713.00
150 mm dia	48380.00	64.50	3120510.00
250 mm dia	16860.00	14.70	247842.00
300 mm dia	7012.50	739.80	5187848.00
350 mm dia	3729.00	933.10	3479530.00
400 mm dia	181.50	1171.80	212682.00
450 mm dia	352.00	1464.60	515539.00
500 mm dia	27.50	1806.00	49665.00
600 mm dia	49.50	2457.00	121622.00
Total	209747.00		18873951.00

Appendix-5.7
(Referred to Paragraph: 5.2.1; page 171)

Statement showing injudicious expenditure of carriage cost of DI pipes (K9)

(Amount in ₹)

Dia of DI pipes	Length of DI pipes in meter as per MB	Amount as per MB	15 per cent premium as per MB	Excess payment on carriage cost as per MB (Col.3 + Col.4)
1	2	3	4	5
200 mm dia	995.50	77391.00	11608.00	89000.00
250 mm dia	1496.00	158696.00	23804.00	182500.00
300 mm dia	6283.50	862285.00	129343.00	991628.00
350 mm dia	6171.00	1199766.00	179965.00	1379731.00
400 mm dia	2579.00	668580.00	100287.00	768867.00
450 mm dia	7621.50	2262518.00	339378.00	2601896.00
600 mm dia	4994.50	2329335.00	349400.00	2678735.00
700 mm dia	1550.00	983243.00	147486.00	1130729.00
Total	31691.00			9823086.00

Appendix-5.8
(Referred to Paragraph: 5.2.1; page 171)

Statement showing injudicious expenditure of carriage cost of DI pipes (K7)

(Amount in ₹)

Dia of DI pipes	Length of DI pipes in meter as per MB	Amount as per MB	15 per cent premium as per MB	Excess payment on carriage cost as per MB (Col.3 + Col.4)
1	2	3	4	5
100 mm dia	133155.00	3881468.00	582220.00	4463688.00
150 mm dia	48380.00	2257894.00	338684.00	2596579.00
200 mm dia	24655.00	1917665.00	287649.00	2205316.00
250 mm dia	16860.00	1767292.00	265094.00	2032387.00
300 mm dia	7012.50	962325.00	144349.00	1106674.00
350 mm dia	3729.00	724992.00	108749.00	833741.00
400 mm dia	181.50	47052.00	7058.00	54110.00
450 mm dia	352.00	104495.00	15674.00	120169.00
500 mm dia	27.50	9199.00	1379.00	10578.00
600 mm dia	49.50	23086.00	3463.00	26549.00
Total	234402.00			13449791.00

Total of Appendix-5.7 and Appendix-5.8 = ₹ 98,23,086 + ₹ 1,34,49,791 = ₹ 2,32,72,877