

**CHAPTER IV**

**Chief Controlling Officer based Audit**

**ANIMAL RESOURCES DEVELOPMENT DEPARTMENT**

**4 Report on the Chief Controlling Officer based Audit of  
Animal Resources Development Department**

**Executive Summary**

Animal Resources Development (ARD) Department aims to produce quality animal resources and products to usher in sustainable improvement in the quality of life of rural people. The objective is to progressively reduce the gap between demand and supply of milk, meat and eggs through introduction of production improvement schemes, animal health care and improved management practices.

The department largely succeeded in achieving the yearly targets of production of milk, meat and eggs. The yearly targets set for Artificial insemination were also achieved by the department.

However, there were some institutional weaknesses like outdated departmental manual further compounded by a largely ineffective monitoring mechanism, absence of periodical review of departmental manpower and vacancies in key functionaries along with staff of closed units not being gainfully deployed, inadequate control over the properties, especially land, leading to encroachments, etc.

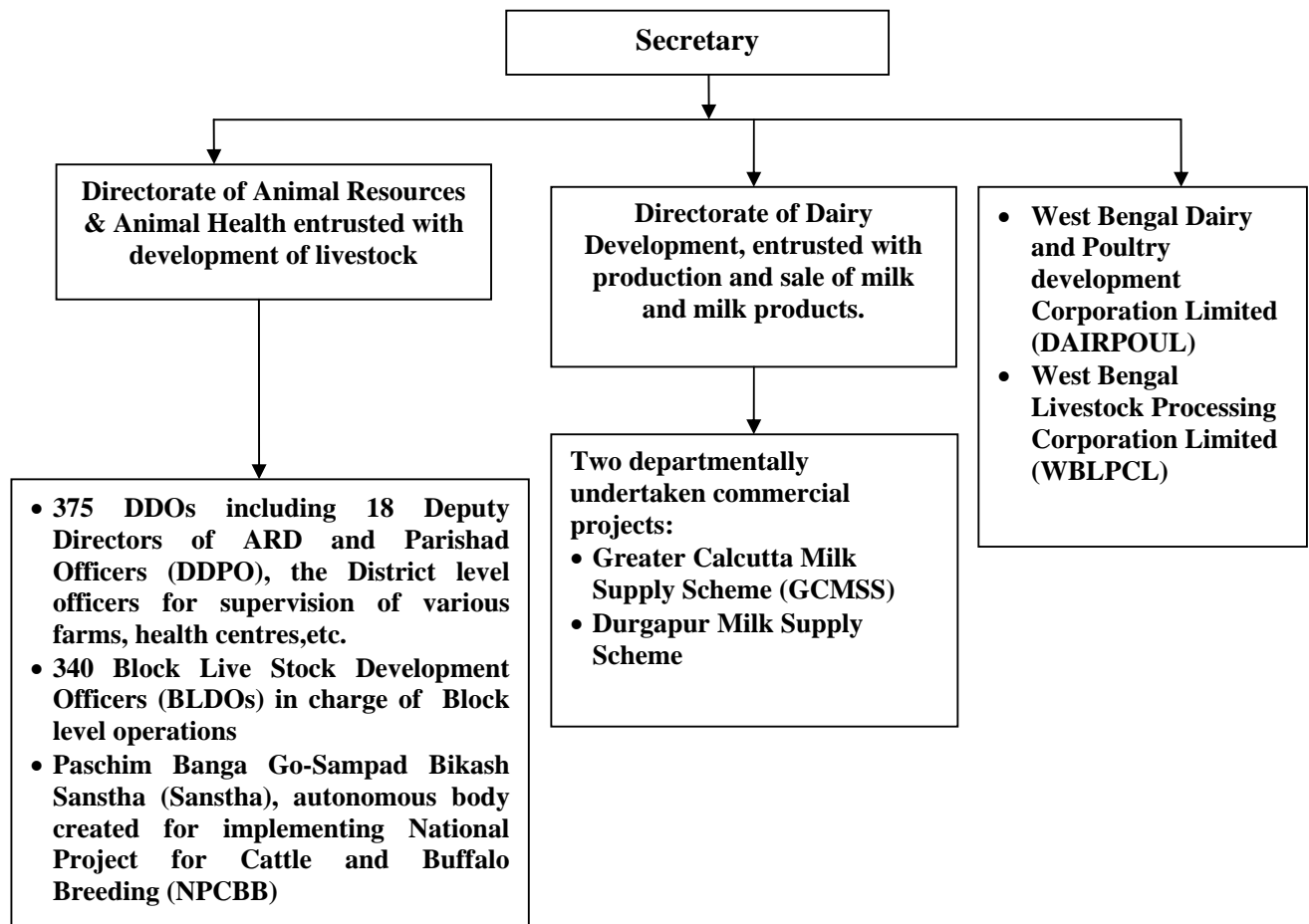
Examination of level of compliance to rules and regulations on the part of the department also showed various instances of breach of provisions of West Bengal Treasury Rules (WBTR) and West Bengal Financial Rules (WBFR) as well as inadequacies in store management. This included retention of departmental receipts out of Government account, parking of scheme funds in the deposit account of a Government company, etc.

On the service delivery front widening gap was noticed between requirement and production of milk, meat and eggs. Shortcomings in the execution of schemes adversely affected their outcome. Implementation of schemes suffered due to lack of planning and initiative on the part of implementing authorities, and delay in release and diversion of funds. The schemes did not bring about sustainable improvement in quality of life of rural people adequately. Health services suffered due to non-functional Animal Development Aid Centres (ADACs) and owing to shortage of medicines for prolonged periods in animal health centres.

#### 4.1 Introduction

Animal Resources Development (ARD) Department aims to produce quality animal resources and products to usher in sustainable improvement in the quality of life of rural people. The objective is to progressively reduce the gap between demand and supply of milk, meat and eggs through production improvement schemes, animal health care and improved management practices. The department has established an extensive network throughout the state to provide animal health care and training facilities, encourage genetic upgradation of breeds of different livestock and poultry birds with the aid of modern scientific techniques and set up co-operative establishments for promotion of processing and marketing of milk and livestock products and employment generation through livestock and poultry farming.

#### 4.2 Organisational Structure



### **4.3 Audit objectives**

Audit objectives of the CCO based audit is to assess whether:

- financial management of the department was prudent;
- operations/project management including material management was done economically as well as effectively;
- utilisation of human resource in the department was optimal;
- there was an effective monitoring mechanism with adequate internal controls.

### **4.4 Audit scope, methodology and sampling procedure**

CCO based audit of Animal Resources Development Department for the period 2005-06 to 2009-10 was conducted between April and August 2010 through test check of records of the Department, Directorate and Sanstha. DDPOs of four selected districts viz. Bardhaman, Birbhum, Jalpaiguri and Nadia were test checked including at least one-third of Block Livestock Development officers (BLDOs), State Animal Health Centres (SAHCs), Block Animal Health Centres (BAHCs), Additional Block Animal Health Centres (ABAHCs), Animal Development Aid Centres (ADACs), various farms and laboratories in these districts (*Appendix-4.1*). Further, records of Central Dairy Belgachia and Haringhata Dairy under GCMSS, Durgapur Milk Supply Scheme, DAIRPOUL and WBLPCL were test checked. Interviews of Self Help Groups (SHGs) were also conducted to assess the impact of various schemes. The districts were selected on the basis of expenditure levels with a view to cover North and South regions.

An entry conference was held with the Secretary of the department in May 2010. Observations arising out of field audit were discussed with the department in a mid-term meeting in August 2010 and the results are incorporated in the Report. The audit findings have also been discussed with the Secretary and other officers of the Department and Directorates in February 2011 in an Exit Conference. The views of the department have been taken into consideration while finalising the report.

#### **Audit findings**

#### **Institutional weaknesses**

### **4.5 Perspective Plan**

With the objective of increasing productivity of milk, eggs and meat, the Department had set a long term target for Five Year Plan Period. The same was split into Annual targets mainly based on past trends of production.

The department, however, did not have a long term plan to mobilise resources so as to fully bridge the gap between requirement and production of milk, egg

and meat. Moreover, as discussed in succeeding paragraphs, available resources were not fully utilised.

#### 4.6 Departmental Manual

Every organisation should have a comprehensive manual prescribing the procedure of work, responsibility structures and control mechanisms. However, during exit conference (January 2011), on an audit query, the department clarified that there existed a manual which was very old and needed to be updated and a new version is to be framed.

#### 4.7 Human Resource Management

The performance of an organisation depends on optimal utilisation of its manpower resources. This requires the organisation to undertake a periodical review of its available man power to determine that adequate manpower is available and that available manpower is optimally utilised. Audit observed that the department did not undertake any such review during 2005-10. There were vacancies in key posts and in para veterinary cadres (**Table 4.1**) which affected the performance and service delivery of the department.

**Table: 4.1: Position of man power in key posts**

Post	Sanctioned Strength	Men-in-position	Vacancy
Deputy Director	46	35	11
Joint Director	12	7	5
Additional Director	5	3	2
Assistant Director/Veterinary Officer/ BLDO	1433	1327	106
<b>Para Veterinary Staff</b>			
Veterinary Pharmacist	487	269	218
Veterinary Field Supervisor	341	183	158
Livestock Development Assistant (LDA)	3362	2628	734

(Source:- Animal Resources Development Department)

As of March 2010, in test checked districts there were vacancies in key posts like Deputy Director (1), Assistant Director (11), Project Officer (1), BLDO (7), Veterinary Officer (16) and para veterinary posts like Veterinary Pharmacist (44), Veterinary Field Supervisor (37), Laboratory technician (6) and Livestock Development Assistants (302). The department intimated that (January 2011) rationalisation of manpower is on the anvil.

The department provides village level animal health care services through LDAs posted at ADACs in each Gram Panchayat. In addition LDAs are also posted at Block level in BAHCs and ABAHCs where their role is to assist veterinary doctors. In July 2007, the department decided to create 319 posts of Veterinary Field Supervisors by abolishing equal number of vacant posts of LDAs at Block level. It, however, transpired that implementation of this decision, which is in progress, would eventually render 199 ADACs in 15 districts non-functional, affecting village level animal health care services

adversely as the posts which are proposed to be abolished included LDAs of 199 ADACs instead of vacant posts of LDAs at Block level. This gained significance in view of the fact that a substantial number of ADACs were non-functional due to shortage of LDAs as mentioned in para 4.15.

The Department stated (January 2011) that there was more than one sanctioned post of LDA in ADACs and abolition of posts of LDA would not render the ADACs non-functional. This, however, could not be verified in audit.

#### **4.7.1 Payment of idle wages**

The assets of the State Dairy, Krishnanagar were handed over (March 2006) to the West Bengal Co-operative Milk Producers' Federation Limited without transfer of staff. Out of 98 staff, 37 were redeployed to other offices of the ARD Department, while the remaining 61 were paid idle salary and wages worth ₹ 4.50 crore during 2006-2009. Thus, the department paid ₹ 4.50 crore as idle wages during 2006-2009 without redeploying these employees to offices where their services could have been gainfully utilised.

The department stated (January 2011) that out of 61 staff only 13 remained as others had retired.

#### **4.8 Internal Control**

##### **4.8.1 Asset Register**

The Department did not have a record of all immovable Government property including land and buildings as no asset register was maintained in the Directorate. Asset Registers were also not available with any of the test checked district ARD offices and at five<sup>1</sup> farms out of nine test checked.

Test check revealed that in Katwa (Bardhaman) fodder farm, the entire area of 11.12 ha was unauthorisedly occupied by local people since 2000 and encroachers were not evicted as of May 2010. Similarly, a dispute regarding the boundary of SPF, Golapbag has been going on with the neighbouring NCC unit prior to September 2005. Thus, in absence of asset registers, the directorate could not exercise control over the assets owned by it.

##### **4.8.2 Internal Audit**

Internal audit is an important management tool of a department to examine and evaluate the level of compliance with departmental rules and procedures. The Internal Audit wing of the Directorate of Animal Resources and Animal Health consisting of three auditors, and one head clerk (Audit) was functioning under a Joint Director. The Department had no internal audit manual nor did it prepare any audit plan. Register to monitor number of auditable units and periodicity of audit was also not maintained. No action was also taken to impart training to audit personnel.

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<sup>1</sup> DCF, Suri; Jotiakali Forage Research, Development and Training Centre; SPF, Durgapur; SPF, Mohitnagar; SPF, Tollygunje

The Directorate did not fix targets of conducting audit for the years 2006-10. For the year 2005-06, targets were fixed in terms of districts to be covered. Against the target of covering nine districts, only five districts were covered in 2005-06. Two districts were covered in 2006-07 and one district each was covered in 2008-09 and 2009-10. Moreover, audit was not conducted in the year 2007-08. Out of 375 units of the Directorate of Animal Resources and Animal Health, only 55 units were audited during 2005-2010.

Joint Director (Internal Audit) stated that as the number of posts of Internal Wing of the Directorate was much less in comparison with the total number of units to be audited, no plan could be prepared for covering all the units under the Directorate. The fact, however remains that the Directorate did not consider auditing important units to achieve some degree of assurance.

#### **4.9 Monitoring**

According to the norms of the Directorate, the Joint Director of each Division was required to inspect two districts each month to cover all districts under his administrative jurisdiction in rotation. Similarly, the DDPO was required to inspect Block level offices at least three days in a month. The Block Livestock Development Officer (BLDO) was to visit Block Animal Health Centres (BAHCs) and Additional Block Animal Health Centres (ABAHCs) under his jurisdiction periodically while he must inspect every Animal Development Aid Centres (ADACs) in the Block at least once within two months. Each inspecting officer was to record his observation in the Inspection Book kept with the officer-in-charge of each office/unit. The Joint Directors and DDPOs were to submit a report of inspections conducted in a particular month to the Directorate within the 10<sup>th</sup> of the following month.

Out of 39 test checked units, (DDPO -4, BLDOs-26, farms-9) inspection books were not available in 23<sup>2</sup> units. None of the test checked BLDOs produced records of inspection of ADACs. Scrutiny of Inspection Books relating to inspection of BLDOs revealed that during 2005-2010, inspections conducted ranged from one to three.

Scrutiny of records at the Directorate revealed that

- Out of three Joint Directors of three divisions, no inspection was conducted by Joint Director, Jalpaiguri during 2005-10.
- Joint Director, Bardhaman Division inspected only one to three districts in a year instead of all the five districts under his jurisdiction during 2005-10. Similarly, Joint Director, Presidency Division inspected only two to four districts in a year instead of eight districts under his jurisdiction during 2005-10.
- Inspections were not conducted by Joint Director, Bardhaman Division during 2006-07 and 2008-09 and during 6 months in 2005-06, 11 months in 2007-08 and 9 months in 2009-10. Similarly, inspections were not

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<sup>2</sup> DDPO Bardhaman, DDPO Birbhum, 17 BLDOs and 4 farms.

conducted by Joint Director, Presidency Division during 2006-07, 2008-09 and 2009-10 and during six months in 2005-06 and 10 months in 2007-08.

- Out of 18 DDPOs, inspections were conducted by one officer in 2005-06, one in 2006-07, three in 2007-08 and three in 2009-10. Inspections were not conducted by any of the DDPOs during 2008-09.

Such shortfall in inspections has the potential of rendering the monitoring system ineffective.

## Compliance Issues

### 4.10 Compliances to Financial regulations

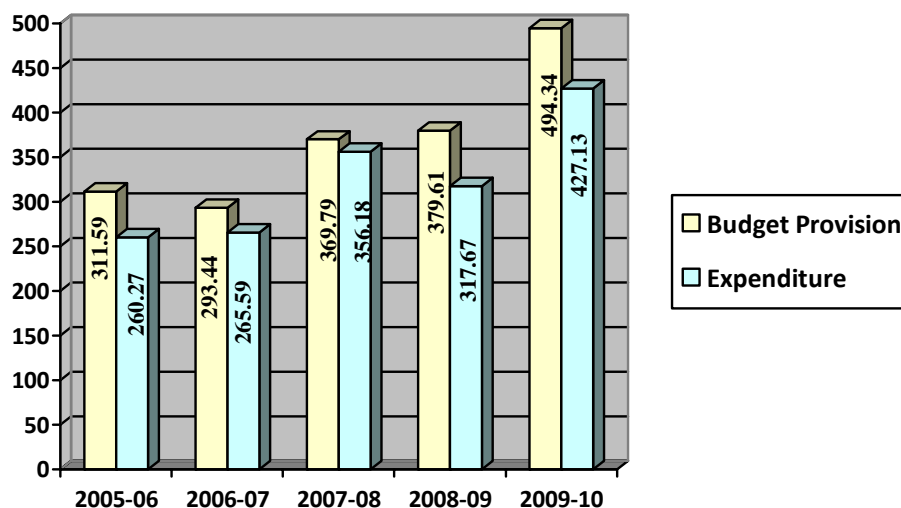
#### 4.10.1 Budget outlay and expenditure

Budget provisions *vis-à-vis* actual expenditure and savings during 2005-10 were as under:

**Table: 4.2: Position of Budget allotment and actual expenditure during last five years**  
(₹ in crore)

Year	Budget provision		Expenditure		Savings(-)/Excess (+)		Percentage of savings(-)/excess(+)	
	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital
2005-2006	306.50	5.09	223.11	37.16	(-) 83.39	(+) 32.07	(-) 27.21	(+) 630.06
2006-2007	285.54	7.90	230.34	35.25	(-) 55.20	(+) 27.35	(-) 19.33	(+) 346.20
2007-2008	355.51	14.28	321.54	34.64	(-) 33.97	(+) 20.36	(-) 9.56	(+) 142.58
2008-2009	367.59	12.02	315.31	2.36	(-) 52.28	(-) 9.66	(-) 14.22	(-) 80.37
2009-2010	451.48	42.86	418.91	8.22	(-)32.57	(-)34.64	(-) 7.21	(-)80.82
<b>Total</b>	<b>1766.62</b>	<b>82.15</b>	<b>1509.21</b>	<b>117.63</b>				

(Source: Appropriation Accounts of respective years)



It is evident from the above table that savings under revenue heads ranged

between seven to 27 per cent during the period, while excess expenditure ranged between 630 and 142 per cent under Capital heads during 2005-06 to 2007-08, indicating poor correlation between activities of the department and budget projection. In 2008-09 and 2009-10, under Capital, 80 per cent of the provisions could not be utilised.

During exit conference (January 2011) the department attributed the savings to receipt of GoI funds at the fag end of the year.

Audit analysis revealed that supplementary provisions aggregating to ₹ 7.07 crore obtained during 2008-10 proved unnecessary as the department did not fully utilise the original provision which in turn resulted in savings. During 2009-10, ₹ 5.80 crore was incurred without any budget provision. Further, accounts were reconciled with that of Accountant General (A&E) till March 2008. Excess expenditure over grant/appropriation amounting to ₹ 125.48 crore pertaining to years 2004-08 was not regularised as required under Article 205 of the Constitution of India.

#### **4.10.2 Parking of funds**

**Parking of  
scheme funds in  
Deposit  
Account of  
DAIRPOUL**

In order to avoid surrender of GoI grants, funds were drawn and transferred along with the state share to the deposit account of DAIRPOUL. Due to failure in utilisation of fund in respective financial years (2005-10), scheme funds aggregating to ₹ 5.49 crore<sup>3</sup> out of ₹ 28.64 crore were parked in the deposit account<sup>4</sup> of DAIRPOUL as of March 2010. Moreover, DAIRPOUL withdrew funds from this account from time to time and earned interest amounting to ₹ 2.24 crore by investing in short-term deposits during 2005-10, which was not taken into the scheme account. Thus substantial amount of scheme funds were lying outside the Government account.

While accepting the facts, Secretary informed (January 2011) that this was resorted to in order to avoid lapse and consequent revalidation of central funds.

#### **4.10.3 Departmental receipts lying outside Government account.**

In contravention to Rule 3.01 (3) of WBTR, departmental receipts on account of charges collected against Foot and Mouth Disease (FMD) vaccination amounting to ₹ 1.32 crore was kept in the Saving Bank Account of Paschim Banga Go-Sampad Bikash Sanstha (Sanstha) as of March 2010. The receipts were not taken into account while preparing the budget of the Department.

The Department stated (January 2011) that it had kept the receipts with the intention of spending it, but could not produce any order in this regard.

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<sup>3</sup> It included funds meant for ASCAD (₹2.16 crore), Chicks/Ducklings Distribution Scheme (₹84.27 lakh), Assistance to State Poultry Farms (₹1.95 crore) etc.

<sup>4</sup> Under the head of account 8449-Other Deposits-00-120-Miscellaneous Deposit-001-Deposit to Government Companies and Corporations-DAIRPOUL



#### 4.10.4 Non-reconciliation of remittances to treasury

According to SR 31 (V) of WBTR, at the end of each month a consolidated statement of all remittances made during the month is to be obtained from the treasury and the same should be reconciled with the cash book. None of the test checked DDOs collected the statements from the treasury and reconciled them with cash books during 2005-2010. Therefore, correctness of entries in cash books could not be ensured.

#### 4.10.5 Non-closure of inoperative Personal Ledger accounts

Rule 6.09(5) of WBTR provides that Personal Ledger (PL) accounts not operated for two consecutive years should be closed and the balance amount be transferred to Government account. Two PL accounts of Joint Director, Animal Husbandry (Poultry) remained inoperative for more than five and three years respectively but the balance of ₹ 37.68 lakh was not transferred to Government account till March 2010.

Joint Director stated (May 2010) that the two PL accounts could not be closed due to non-reconciliation of balances. During exit conference the Department informed (January 2011) that reconciliation of PL account balance was underway.

#### 4.10.6 Rush of expenditure

Rule 389A of WBFR provides that rush of expenditure particularly in the closing month of the financial year will be regarded as a breach of financial regularity. A review of VLC data for the years from 2005-06 to 2009-10 revealed that 37 to 52 per cent of the expenditure was incurred by the Department in the last quarter of the respective financial years, while expenditure in March during this period ranged from 19 to 30 per cent as evident from the following table.

The Department incurred 19 to 30 per cent of expenditure in the month of March.

**Table: 4.3 : Expenditure during the last quarter and in March during 2005-2010**  
(₹ in crore)

Year	Total expenditure	Expenditure during last quarter	Percentage of expenditure during last quarter	Expenditure in March	Percentage of expenditure in March
2005-2006	260.27	107.13	41	73.24	28
2006-2007	265.59	97.76	37	67.97	26
2007-2008	356.18	184.92	52	105.87	30
2008-2009	317.67	134.61	42	79.73	25
2009-2010	427.13	165.3	39	80.57	19

(Source: VLC Data of respective years)

The tendency to undertake expenditure at the end of the financial year was indicative of weak internal controls and lax financial management in the Department.

#### 4.10.7 Incurring of liability for expenses

According to Rule 389 of WBFR, all charges incurred must be paid and drawn at once and under no circumstances may be allowed to spill over to be paid from the grant of another year. State Poultry Farms (SPF), Golapbag, Bardhaman and Durgapur incurred liability of ₹ 54.57 lakh on purchase of poultry feed during 2007-2010. Out of this, liability of ₹ 23.36 lakh incurred in 2007-09 was paid from the allotment of 2009-10 and ₹ 31.21 lakh was outstanding as of March 2010.

The department did not furnish any reply.

#### 4.10.8 Cash management

It was noticed from the records of test checked districts that the authority maintained bank accounts<sup>5</sup> for scheme funds. Though there were substantial differences<sup>6</sup> between cash book balance and bank pass book balance, reconciliation was not done by the Bardhaman district authority. In Birbhum district, funds kept in bank account were not reflected either in the main Cash Book or in the Subsidiary Cash Book till 10 April 2010.

Audit scrutiny further revealed the following

**Defalcation of  
Government  
receipts in  
Ganganagar**

- Project Administrator & Co-ordinator and Ex-Officio Joint Secretary (WFP) did not deposit the shed rent/electricity charges from the Cattle Resettlement Project, Ganganagar in time into Government Account. In February 2008, Audit detected shortage of cash of ₹ 143205 and the Cashier and Accounts Officer were suspended in April 2008 and June 2008 respectively after an enquiry, which reported the defalcated amount as ₹ 109247. The matter is pending with the Vigilance Commission. During physical verification of cash on 23 April 2010 in presence of Audit team, cash shortage was found to be ₹ 57612.

The above facts and figures were confirmed by the unit.

- Rule 3.01 of WBTR provides that all moneys received for deposit into Government account should be deposited into treasury linked bank within next working day and in no case there should be delay of over three days in depositing the money. Six out of 45 test checked DDOs had instances<sup>7</sup> of delays ranging between six days and 118 days in depositing Government receipts rendering it vulnerable to possible defalcation.

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<sup>5</sup> One Current and one Savings account in Bardhaman and one Savings account each in Birbhum, Jalpaiguri and Nadia

<sup>6</sup>As on 31.03. 2010, savings account balance as per pass book was ₹ 206967 more than the Cash Book balance while the current account pass book balance was ₹ 6103859 less than the Cash Book Balance

<sup>7</sup> 47 instances involving ₹ 1426540

## 4.11 Store Management

### 4.11.1. Non-maintenance/Improper maintenance of Stock Register.

Flock register of a poultry farm shows up-to-date position of poultry maintained in a farm. In SPF, Durgapur, Flock Register for Rhode Island Red (RIR), ducks and guinea fowl was not maintained prior to October 2006 and September 2006 respectively. The entries in the flock register were overwritten and date-wise disposal of birds was not shown during May to October 2008. In one instance, 3194 RIR birds/chicks worth ₹ 0.76 lakh was not carried forward to the opening balance in October 2007. The mortality rate ranged between 11 and 50 *per cent* during July to October 2008 against the permissible five *per cent*. Similarly, in DCF, Bardhaman, during August 2009 to February 2010 mortality rate ranged between nine and 55 *per cent* in case of Khaki Campbell Duck against the permissible mortality rate of five *per cent*. Instances of significant loss of birds were not investigated and written off as mandated in WBFR 134. Moreover, in the absence of egg register in SPF, Durgapur during 2005-07, production and utilisation of eggs could not be ascertained.

Similarly, no details/records were available in respect of consumption of 361.60 MT of poultry feed costing ₹ 73.49 lakh during March 2005 to October 2008 as feed consumption register showing the daily consumption of feed was not maintained at SPF, Durgapur. Consumption per layer per day during November 2008 to March 2010 varied from 91 to 348.57 gm indicating inconsistency. In the absence of any benchmark for feed consumption, over-consumption of feed could not be ascertained and analysed. Considering maximum probable consumption as 140 gm<sup>8</sup> per layer per day, excess of 11.12 MT of feed worth ₹ 1.56 lakh was consumed at SPF, Durgapur.

The department informed (January 2011) that these issues would be investigated.

### 4.11.2 Physical verification of stock

As per WBFR 108, Stock balance should be examined half-yearly to see whether the balance in hand represents the actual quantities as well as the value borne on the account books. None of the test checked units carried out stock verification as mandated.

### 4.11.3 Short supply of medicines

DDPO of each district was to obtain indent of medicines from each SAHC/BAHC/ABAHC to assess actual quantity required for procurement. In all the test checked districts, medicines were procured by the authorities on *ad-hoc* basis without considering indents which resulted in short supply of medicines. Some of the medicines were not in stock for one to 38 months

<sup>8</sup> 140 gm per layer per day being the maximum feed consumption in test checked farms as per annual reports.

during 2005-10. The department attributed (January 2011) this to shortage of funds.

The reply is not tenable as substantial savings were noticed under revenue head during 2005-10.

### Service Delivery

#### 4.12 Requirements, targets and achievement

Though the Annual targets were by and large achieved, the department failed to reduce the gap between demand and supply as would be evident from the table below:

Table: 4.4: Position of requirement, target and achievement in production

Year	Milk Production (in thousand MT)				Egg Production (in million nos.)				Meat Production (in thousand MT)			
	R*	T*	A*	percentage of A to R	R	T	A	percentage of A to R	R	T	A	percentage of A to R
2005-06	5596	3900	3891	70	8517	3000	2964	35	933	525	487	52
2006-07	5672	4000	3982	70	8633	3100	3039	35	945	501	501	53
2007-08	5747	4100	4077	71	8747	3117	3057	35	958	515	505	53
2008-09	5819	4225	4176	72	8857	3193	3145	35	970	528	517	53
2009-10#	5889	4360	4279	72	8964	3269	3223	36	982	540	536	54
*R-Requirement, T-Target, A-Achievement #Provisional figures												

(Source: ARD Department)

The Department stated (January 2011) that feasible targets were set taking into account the trend of past production, whereas incremental increase in population resulted in the widening gap between requirement and production. Further, production of private firms will be taken into account to get the true picture.

#### 4.13 Programme implementation

In order to examine whether the programme management of the department is efficient and effective, six schemes were studied in detail and audit findings are discussed in succeeding paragraphs.

##### 4.13.1 Assistance to States for Control of Animal Diseases (ASCAD)

The scheme 'Assistance to States for Control of Animal Diseases (ASCAD)' envisaged activities viz. control/eradication of one identifiable disease – *Peste des Petits Ruminants* (PPR), immunisation against other diseases affecting

rural economy, training programme for veterinarians and para-veterinarians, awareness camps, surveillance and monitoring etc. with the fund sharing ratio of 75:25 between Centre and State. During 2005-10, Government of India (GoI) released ₹ 24.95 crore, of which the State Government could draw ₹ 22.89 crore. Out of total fund of ₹ 29.86 crore (Central share: ₹ 22.89 crore, State share: ₹ 6.97 crore), ₹ 15.91 crore was allotted to districts during 2006-10. Records showed that out of ₹ 4.15 crore allotted to the test checked districts<sup>9</sup>, ₹ 2.52 crore<sup>10</sup> was utilised leaving unspent funds of ₹ 1.63 crore.

Detailed scrutiny revealed the following:

- The department did not draw funds amounting to ₹ 2.06 crore released by GoI during the year 2008-09 (₹ 56.28 lakh) and 2009-10 (₹ 150 lakh). The amount was not revalidated further by GoI resulting in lapse of funds to that extent.
- As of April 2010, ASCAD funds amounting to ₹ 2.16 crore remained parked in the deposit account of DAIRPOUL. There were delays ranging from four to 17 months in release of funds to districts after receipt of GoI share, affecting implementation of the programme.
- A sum of ₹ 8.96 lakh (Bardhaman district- ₹ 7.46 lakh and Jalpaiguri district- ₹ 1.50 lakh) meant for training, seminar/workshops, vaccination, control of emergent diseases was diverted for purchase of computers, accessories, instrument cabinet, galvanized bucket, repair and replacement work, etc. defeating the purpose for which the funds were allocated under ASCAD.

In reply DDPO, Bardhaman, stated that the funds were utilised to strengthen reporting system. The fact, however, remains that the funds were not utilised for the intended purpose.

- Equipment worth ₹ 2.62 lakh purchased for 'Modernisation and strengthening of Regional/District Laboratories' during 2006-07 could not be installed in the laboratories till June 2010 either for lack of space (Bardhaman) or for want of electrical connectivity (Durgapur and Katwa).
- Target for training of veterinarians and para-veterinarians was not fixed in the test checked districts except in Nadia, where training was imparted as targeted during 2007-09. Training was not conducted in Birbhum during 2007-08 and 2009-10 and in Nadia during 2009-10. In Bardhaman, training for veterinarians was not imparted during 2007-08 and 2009-10 and for para-veterinarians during 2008-10.
- Financial as well as component-wise physical progress of the scheme could not be assessed as records were not available with the

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<sup>9</sup> Bardhaman- ₹1.48 crore, Birbhum- ₹98.65 lakh, Jalpaiguri- ₹89.23 lakh and Nadia- 79 lakh,

<sup>10</sup> Bardhaman- ₹80.92 lakh, Birbhum- ₹36.11 lakh, Jalpaiguri- ₹67.98 lakh and Nadia- ₹67.38 lakh,

Directorate which indicated tenuous monitoring over the implementation of the scheme.

Delayed release and diversion of scheme funds coupled with lack of initiative at the implementing stage resulted in benefits largely not having accrued under various components of the scheme.

#### **4.13.2 Assistance to farmers affected by outbreak of Avian Influenza**

West Bengal was severely affected by *Avian Influenza* (Bird-flu) on three occasions (January/December 2008 and January 2010) and birds had to be culled to contain the disease. The expenses for control and containment of bird flu were to be shared at 50:50 ratio between the GoI and GoWB. This also included compensation on the basis of number and type of birds culled and quantity of feed destroyed. During 2007-10, ₹ 41.21 crore (Central share: ₹ 12.73 crore, State share: ₹ 28.48 crore) was placed with various District Magistrates, DDPOs, etc for culling operation and compensation. In addition, GoI provided an Additional Central Assistance (ACA) with cost sharing ratio of 30:70 between the GoI and GoWB for (a) Interim relief to families affected by bird flu at the rate of ₹ 500 per family and (b) introduction of Alternative Animal Husbandry Scheme at the rate of ₹ 1500 per family for families affected by bird flu whose monthly income was upto ₹ 5000. Between January 2008 and March 2010, ₹ 55.81 crore (Central share: ₹ 15.30 crore, State share: ₹ 40.51 crore) was released to various DMs. Out of total allotted funds of ₹ 40.98 crore to the test checked districts<sup>11</sup>, the districts utilised ₹ 22.26 crore<sup>12</sup> (54 per cent) leaving unspent funds of ₹ 15.86 crore<sup>13</sup> (39 per cent).

Audit scrutiny revealed the following:

- Out of ₹ 97.02 crore released to District Magistrates, DDPOs, etc, UCs amounting to ₹ 47.69 crore were pending while out of GoI share of ₹ 28.03 crore, UCs for ₹ 15.03 crore is yet to be sent to GoI. In Bardhaman, Nadia and Jalpaiguri, out of ₹ 1.49 crore, ₹ 4.80 crore and ₹ 67.95 lakh placed with the respective BDOs, the Block authority sent UCs for ₹ 13.36 lakh (eight per cent), ₹ 2.57 crore (53 per cent) and ₹ 56.81 lakh (83 per cent) respectively. Further, UC sent by DM, Nadia was inflated to the tune of ₹ 71.78 lakh.
- Audit observed misuse of funds of ₹ 25.46 lakh in four test checked blocks of two test checked districts. In three<sup>14</sup> of the above blocks, the number of cases in which interim relief paid exceeded the number of families whose birds were culled and in one block<sup>15</sup> the number of birds against which compensation paid exceeded number of birds culled.

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<sup>11</sup> Bardhaman- ₹ 4.87 crore, , Birbhum- ₹ 27.71 crore, Jalpaiguri- ₹ 1.50 crore and Nadia- ₹ 6.90 crore

<sup>12</sup> Bardhaman- ₹ 1.88 crore, Birbhum- ₹ 16.91 crore and Jalpaiguri- ₹ 0.75 crore Nadia- ₹ 2.72 crore

<sup>13</sup> ₹ 15.57 lakh, ₹ 2.15 crore, ₹ 55 lakh was deposited to the treasury by DMs, Jalpaiguri, Birbhum and Bardhaman respectively.

<sup>14</sup> Purbasthali-II (₹ 11.30 lakh) and Galsi-I (₹ 0.26 lakh) in Bardhaman and Sadar block (₹ 10.43 lakh) in Jalapiguri

<sup>15</sup> Mangalkote-I in Bardhaman

**Excess payment of ₹ 1.07 crore on culling operation in Birbhum**

During the interim meeting (August 2010) Department stated that there was difference between the list of farmers whose birds were culled and the list of beneficiaries of interim relief as the interim relief was paid after a gap of two months. The reply is not tenable as interim relief was meant only for the farmers whose birds were culled.

- In Birbhum district, ₹ 4.80 crore was paid instead of ₹ 3.73 crore for 1342346 birds culled in 17 blocks resulting in excess payment of ₹ 1.07 crore. On the other hand, against 213688 affected families in the district, interim relief was paid to 212066 families depriving 1622 families.

DDPO, Birbhum stated (August 2010) that compensation was paid treating broiler chicks as adult birds. Secretary stated that GoI's order in this regard was wrongly interpreted by DDPO, Birbhum.

- For implementation of Alternative Animal Husbandry Programme for 'rearing of sheep/ goat involving single family' a sum of ₹ 12.64 crore<sup>16</sup> was allotted to the DMs of test checked districts. However, implementation was grossly inadequate in all districts. In Nadia district, the entire amount of ₹ 1.50 crore was not utilised since receipt in October 2009 while in Birbhum the amount was sub-allotted to BDOs (March 2010), but UCs were yet to be received (May 2010). In Bardhaman and Jalpaiguri districts, ₹ 20.11 lakh and ₹ 1.28 lakh was spent by the district authority and balance funds of ₹ 2.32 crore and ₹ 58.72 lakh respectively were lying in the DM's PL account. The DDPO, Bardhaman stated that non-receipt of beneficiary list from concerned Panchayat Samities was responsible for non-implementation of the scheme. No reply in this regard was furnished by DM, Jalpaiguri.

Lack of coordination between ARD department and block administrative authorities resulted in excess payment of culling compensation and interim relief of ₹ 1.32 crore and delayed implementation of Alternative Animal Husbandry Programme.

#### **4.13.3 National Project for Cattle and Buffalo Breeding**

National Project for Cattle and Buffalo Breeding (NPCBB) was introduced by GoI in October 2000 with the objective of covering the entire population of breedable cattle under organised breeding through artificial insemination within a period of 10 years i.e. by 2011-12 The project envisaged 100 per cent Grant-in-Aid to the implementing agency, the Paschim Banga Go-Sampad Bikash Sanstha (Sanstha), a State autonomous body. The Sanstha received non-recurring part of the project cost directly from Central Government and the recurring component from the State Government.

<sup>16</sup> Bardhaman- ₹2.52 crore, Birbhum- ₹8.02 crore, Jalpaiguri- ₹60 lakh and Nadia- ₹1.50 crore

Out of total available funds of ₹ 82.37<sup>17</sup> crore during 2005-10, ₹ 15.24 crore remained unspent as of March 2010 mainly due to delay in execution of different components of NPCBB. Out of sanctioned funds of ₹ 38.74 crore during 2005-10 by the GoI, ₹ 36.20 crore was released and the Sanstha furnished utilisation certificates of ₹ 21.13 crore. Out of this, UC amounting to ₹ 11.17 crore sub-allotted to districts were furnished without ascertaining actual utilisation in the districts.

The Sanstha stated that funds meant for 2009-10 (₹ 13 crore) was received in December 2009 and hence could not be utilised.

#### **4.13.3.1 Non-acceptance of lowest tender in procurement of medicines**

The Sanstha purchased medicines from time to time through district units for organising fertility camps at block level. The authority did not consider lowest offers while selecting rates in some cases. At the time of issue of tender notices (during 2005-06 and 2007-08), the rates of the generic name of the medicine were called for; but selection was made on the basis of trade name. Though samples produced by suppliers were not sent to the State Drugs Control Laboratory for quality tests, drugs at higher rates were selected on grounds of 'quality, usefulness and higher efficacy rate' of medicines. Thus, due to selection of tenders at higher rates, the department incurred extra expenditure of ₹ 73.90 lakh (*Appendix 4.2*). The Department stated (January 2011) that the efficacy of these medicines were judged from the experience of veterinarians. The reply is not tenable as such pre-judgement pre-empts the need for tender and leaves the system without any checks and balances to ensure prudence in purchase.

#### **4.13.3.2 Coverage of breedable cattle under AI**

There were 69.20 lakh breedable cattle (pedigree- 11.52 lakh, breed- 55.85 lakh and buffalo- 1.83 lakh) in the State according to livestock census of 2008; of which 57.68 lakh were poor yielders (300 litre per lactation) as compared to 1500 kg per lactation among descriptive breeds in other states. For augmentation of milk production, NPCBB envisaged bringing the entire population of breedable cattle under comprehensive Artificial Insemination (AI) programme. Targets and achievement during 2005-10 are indicated in the following table.

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<sup>17</sup> Opening Balance: ₹ 2.02 crore, GoI funds: ₹ 36.20 crore, GoWB funds: ₹ 29.67 crore and other receipts: ₹ 14.47 crore



**Table: 4.5: Target and achievement of AI**

(Figures in lakh)

Sl No.	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
1	Number of breedable cattle in the State	68.28	68.75	69.20	69.69	70.16
2	Target for A.I.	18.00	20.00	22.00	22.00	25.00
3	Target of coverage of breedable cattle under AI programme	12.00	13.33	14.67	14.67	16.67
4	Coverage of cattle under AI (percentage to target)	10.38 (86.50)	12.17 (91.30)	12.91 (88)	14.67 (100)	18.51 (111.03)
5	Percentage of coverage to total breedable cattle	15.20	17.70	18.66	21.06	26.38
6	Shortfall in coverage of cattle against target fixed (percentage)	1.62 (13.50)	1.16 (8.70)	1.76 (12)	-	-
7	Number of AI done	15.57	18.25	19.37	22.02	27.76
8	Number of calves born	4.88	5.96	6.71	6.88	8.24
9	Percentage of calves born to					
	(a) AI done	31.34	32.66	34.64	31.26	29.68
	(b) Cattle covered	47.01	48.97	51.98	46.90	44.52

(Source: Annual Reports of Sanstha of respective years)

It is seen from the above that the target set for AI was largely achieved. However, only 15 to 26 per cent of breedable cattle were covered during 2005-2010 under AI indicating that the scheme was way behind the target of 100 per cent coverage in ten years. Thus, the targets set were low and unrealistic. This coupled with non-creation of adequate number of AI centres and poor performance of AI centres resulted in lower coverage of cattle.

#### 4.13.3.3 Performance of AI centres

AI was done through Government AI centres, Pranibandhus<sup>18</sup> and others including Co-operatives. According to GoI norms, each AI centre/Pranibandhu was required to inseminate 800 cattle per year. During the years 2005-10, number of cattle inseminated ranged far below the capacity as would be evident from the table below:

**Table: 4.6: Performance of AI centres**

	2005-06	2006-07	2007-08	2008-09	2009-10	
Number of Government AI centre	2352	2131	2088	2081	2059	
Number of Pranibandhu	2697	2776	2816	2940	2990	
Others	546	604	625	681	695	
Total A.I. Centres	5595	5511	5529	5702	5744	
Capacity of AI as per norm (Number of cattle in lakh)	44.76	44.09	44.23	45.62	45.95	
Number of cattle (in lakh) inseminated by	Government. centres	3.84	3.89	3.73	3.82	4.24
	Pranibandhus	5.02	6.55	7.39	8.92	12.03
	Others	1.52	1.73	1.79	1.94	2.23
	Total	10.38	12.17	12.91	14.68	18.50
	(Per cent)	(23)	(28)	(29)	(32)	(40)
Shortfall (in lakh)	34.38	31.92	31.32	30.94	27.45	

(Source: Annual Reports of Sanstha of respective years)

<sup>18</sup> Private AI workers engaged by the Sanstha

Against a requirement of 8650 AI units to cover the existing population of 69.20 lakh bovines<sup>19</sup>, only 5744 AI units exist in the State (2009-10).

A comparison of the performance of Government AI Centre and Pranibandhus indicated that performance of Government AI centres lagged behind Pranibandhus. The average number of cattle inseminated by each Government AI Centre was only 183 each year vis-à-vis 278 (52 *per cent* more in comparison to Government AI centres) inseminated by each Pranibandhu during 2005-2010.

The Department was of the view that (January 2011) cent *per cent* insemination is not possible to achieve. However, it was informed that the target of insemination had been enhanced to 1000 cattle per AI centre per year. The department also informed that West Bengal became the first state in India to successfully breed a calf of desired gender by segregating the X/Y chromosome sperm.

#### **4.13.4 Fodder Development Programme**

West Bengal is a fodder deficit state as only 110.81 lakh MT green fodder is produced annually against a requirement of 439.15 lakh MT. The GoI released ₹ 40 lakh (February 2006) and ₹ 1.36 crore (December 2007) under 'Assistance to States for implementation of Fodder Development Programme' as 100 *per cent* central assistance. The Department, however, could not initiate proposals in 2006-07, 2008-09 and 2009-10 to avail of central assistance.

The Department intimated (January 2011) that owing to difficulty in finding beneficiaries with land holding of 10 ha in the State, which was a pre-requisite for the scheme, proposals could not be initiated. However, the Department took up the matter with GoI and the norm was relaxed from 2010-11, enabling it to send more proposals.

#### **4.13.5 Rashtriya Krishi Vikas Yojana**

Rashtriya Krishi Vikas Yojana (RKVY) administered by the Ministry of Agriculture and Co-operation, GoI is a 100 *per cent* ACA scheme introduced in 2007-2008 to incentivise States to draw up plans for their Agriculture sector. Department of ARD is responsible for implementing projects undertaken in Animal Husbandry sector.

During 2007-08 to 2009-10, ARD department released ₹ 84.66 crore to six implementing agencies<sup>20</sup> for implementation of different schemes under RKVY of which implementation of schemes by the Directorate (in four test checked districts) and DAIRPOUL were scrutinised.

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<sup>19</sup> As per 2008 census

<sup>20</sup> Directorate of AR&AH, DAIRPOUL, Sanstha, West Bengal Co-operative Milk Producers Federation Ltd. West Bengal University of Animal and Fishery Sciences and West Bengal Livestock Processing Corporation Ltd.

Scrutiny revealed the following:

- The Directorate furnished utilisation certificates (in January 2009 for 2007-08 and in July 2009 for 2008-09) to the department showing utilisation of the entire fund of ₹ 22.26 crore<sup>21</sup> in the years 2007-2009 while progress reports from implementing authorities showed 85 *per cent* and 42 *per cent* utilisation for 2007-08 and 2008-09 respectively.

The Directorate stated that UCs indicating entire fund as utilised were submitted as the funds were committed for expenditure.

- Out of ₹ 7.88 crore received during 2007-10 by the test checked DDPOs, the district authorities utilised 54 *per cent* of the allotted fund as of March 2010. Again, out of ₹ 1.01 crore sub-allotted to the Block authorities, 65 *per cent* was utilised during the period.
- Under the rearing of day old chicks scheme, SHGs were to be supplied brooder units. SHGs were to receive day old chicks/ducks (DOC/DOD) from Government farms and rear in the brooder units for 28 days for further sale. Out of 244 brooder units worth ₹ 23.68 lakh purchased (between July 2008 and March 2009) in 61 blocks of three<sup>22</sup> test checked districts, 199 units costing ₹ 19.69 lakh remained unutilised for non-supply of DOCs/DODs, apathy of SHGs in rearing, non-completion of brooder houses, etc.

The Department accepted (January 2011) that the scheme was conceptually faulty as supply of chicks could not be ensured. It was further added by the Department that the SHGs were selected carelessly by PRIs and outbreak of bird flu also discouraged people from taking up poultry farming.

- In order to derive maximum price advantage by procuring the entire years' consumption of maize during the harvesting season (May-June), ARD department sanctioned (March 2008) ₹ 52.95 lakh (90 *per cent* of project cost) for installation of two silos<sup>23</sup> to augment the storage capacity in Kalyani Feed Milling Plant at a cost of ₹ 58.83 lakh as per proposal (November 2007) of DAIRPOUL. The proposal was incomplete since it indicated the cost of silos without the cost of requisite allied infrastructure. The silos procured (November 2008) at a cost of ₹ 97.72 lakh (including DAIRPOUL's fund of ₹ 44.77 lakh) and erected in January 2010 after completion of requisite civil works, could not be commissioned in the absence of allied infrastructure as of July 2010. Thus due to an incomplete proposal, the entire investment of ₹ 97.72 lakh was rendered unfruitful. Further, owing to non-commissioning of the project, the company continues to lose ₹ 28 lakh per year on account of failure to avail of the price advantage in procurement of maize during harvest seasons, as planned.

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<sup>21</sup> ₹ 4.05 crore in 2007-08 and ₹ 18.21 crore 2008-09

<sup>22</sup> Bardhaman, Jalpaiguri and Nadia

<sup>23</sup> With storage capacity of 500 MT each

No reply was furnished by DAIRPOUL in this respect. However, during exit conference (January 2011) department accepted that silos could not be operationalised till date.

Thus, defective planning coupled with ineffective project implementation resulted in non-achievement of desired benefits of the Yojana.

#### **4.13.6 Conservation of threatened breeds**

Under 'Conservation of Threatened Breeds', a 100 *per cent* centrally sponsored scheme, GoI released ₹ 125.29 lakh (between March 2006 and March 2007) for conservation of Garole Sheep (₹ 60.79 lakh) at Nimpith Village, South 24 Paraganas, a saline zone, the original breeding tract of Garole sheep and Black Bengal goat (₹ 64.50 lakh) at Composite Animal Husbandry Farm, Salboni, Paschim Midnapore through rearing and experiments on 520 animals each in proven agro-environmental conditions. The scheme involved training of farmers, distribution of reared animals to them and providing breeding services.

Audit observed that the project of conservation of Garole sheep taken up (January 2008) at a saline zone, Machranga Dwip, South 24 Parganas, (instead of Nimpith) with a delay of 23 months. It was further shifted (November 2008) on grounds of soil erosion to State Livestock Farm (SLF), Kalyani, a non-saline zone after expending ₹ 2.82 lakh, thus, losing its main thrust. Similarly, the project of conservation of Black Bengal goat was taken up with a delay of 15 months at Kotulpur farm, Bankura (instead of Salboni farm) clubbing the project with the State's scheme of establishment of Goat Farm at Kotulpur on the ground of economy and better technical supervision.

Against the target of purchase of breeding stock of 520 animals for starting the scheme, only 95 Garole sheep (18 *per cent*) and 258 Black Bengal goat (50 *per cent*) were purchased as of March 2010 despite availability of adequate funds. Despite training of 400 (40 *per cent*) and 388 (39 *per cent*) breeders, as against target of 1000 in each case of Garole sheep and Black Bengal goat respectively, a progeny of 148 Garole sheep and 168 Black Bengal goats produced as of March 2010, were not distributed to farmers.

Thus, the objectives of the programme remained unachieved due to poor planning and lackadaisical implementation.

The Directorate stated (April 2010) that the department has made every endeavour to implement the projects in accordance with the GoI instructions but due to unavoidable circumstances the department had to shift the project and this led to some delay in implementation and the department hoped to achieve the objectives of establishing both the farms.

### **4.14 Performance of Government Farms**

#### **4.14.1 Cattle farms**

Performance of four cattle farms *viz.*, Bull Mother Farm (under Sanstha) at Haringhata, District Composite Farm, (DCF) Birbhum, Haringhata Farm and

State Livestock Farm (SLF), Kalyani was reviewed. Revenue earned, expenditure and operational loss of Haringhata Cattle Farm, DCF Birbhum and SLF Kalyani during the period 2005-10 is shown in the table below:

**Table: 4.7: Expenditure incurred and revenue earned thereagainst by the test checked Cattle Farms**

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Total revenue earned including sale of animals(₹ in Lakh)	59.33	NA	37.82	34.72	32.62
Expenditure towards fodder and feed (₹ in lakh)	NA	NA	106.34	98.53	121.34
Operational Loss(₹ in Lakh)	NA	NA	68.52	63.81	88.72
No of milch animals(average)	361	NA	131	111	111

(Source: Annual reports of respective farms)

The farms suffered operational loss of ₹ 2.21 crore during the period 2007-10. Production of milk per milch cattle being lower than the average norm of lactation of different varieties of cattle was one of the factors that contributed to the loss. Production as per norms would have reduced the quantum of loss by ₹ 71.47 lakh through production of 510.209 MT of milk during 2007-10.

On the other hand, in the case of the farm maintained by Sanstha, the production of milk was more than the average lactation of both Gir and Sahiwal varieties (except in 2008-09 when production was 96 per cent of average lactation).

Thus, performance of the Government cattle farms was far below the performance of bull mother farm.

Assistant Director, Haringhata Farm (June 2010) and Joint Director, SLF, Kalyani (August 2010) stated that the farms were functioning mainly for different research work since their inception and not as profit making commercial dairy farms.

The reply is not tenable as all the research work has been shifted to Sanstha after introduction of NPCBB.

#### **4.14.2. State Poultry Farms.**

There are 26 State Poultry Farms. The farms sell hatching eggs and chicks of different age groups. According to incubation and hatchery management, there are two indicators viz. fertility (egg production/layer) and hatchability, which affect the production of chicks and consequently, economic returns. As per 'A text book of Animal Husbandry'<sup>24</sup>, commercial layers' egg production was 300 eggs per layer and as per 'Poultry Production'<sup>25</sup>, hatchability was 86.06 per cent. Further, according to project proposal prepared by the State Government for central assistance to farms, 240 eggs per layer and 80 per cent hatchability were indicated. Further, interviews with SHGs indicated that production of 240 eggs per layer had been achieved in backyards of village

<sup>24</sup> Authored by G.C. Banerjee (1964)

<sup>25</sup> A book authored by R.A. Singh (1990)

homes. The department, however, lowered the norms to 180 eggs per layer and 70 per cent hatchability, for assessing performance of farms.

Analysis of performance of 19 poultry farms out of 26 during 2006-10 disclosed that none of the farms achieved the norm of 240 eggs per layer. Eggs per layer ranged between 120 and 230. On the other hand, against the hatchability norms of 80 per cent, the hatchability performance ranged between 43 and 83. Only five farms achieved hatchability of 80 per cent or above, that in one out of four years<sup>26</sup>. 14 farms suffered operational losses amounting to ₹ 88.65 lakh. Had the norms indicated in the project proposal for central assistance been followed, these farms should have produced an additional quantity of 13.80 lakh eggs and 2.58 lakh day old chicks. This would have eliminated the operational losses.

The department stated (January 2011) that norms of egg production and hatchability would be looked into to fix norms specifically for each variety of bird.

#### 4.14.3 Fodder Farms.

The department maintains 13 fodder farms for production of fodder and fodder seed, of which two farms (Katwa and Rosulpur,) remained defunct due to encroachment and staff shortage respectively. The farms were not utilised optimally as 53 per cent of cultivable area of 3891.652 ha was brought under cultivation while 25 per cent out of the total cultivable area was irrigated.

Test check of records of Haringhata Fodder Farm in Nadia district and Jotiakali Forage Research, Development and Training Centre (FRDTC) in Jalpaiguri disclosed the following:

The main objectives of Haringhata farm was to produce various types of green forage for feeding livestock housed at Haringhata and Bull mother farms (under Sanstha), and to act as a model farm for efficient fodder production activities. Haringhata farm had two fodder farms viz. Haringhata Farm Main (457.59 ha) and North (133.436 ha) whose net cultivable areas were 46 per cent and 67 per cent respectively. Irrigated areas of the Main and North farms were 30 and 32 per cent of the net cultivable areas respectively The FRDTC produced various types of seeds for distribution among farmers of North Bengal districts and 95 per cent of the cultivable area (9.25 ha) was irrigated.

During 2008-10, crops were not cultivated in the North farm. Besides, 19 to 35 per cent of the effective cultivable area of the farms (775.43 ha in Haringhata and 26.75 ha in FRTDC ) was cultivated during 2005-06 to 2009-10. Besides,

<sup>26</sup> The hatchability/productivity range of these farms is indicated below.

Productivity Range	No. of farms*	Hatchability Range	No. of farms*
120-150	7	43-60	8
151-179	14	61-70	13
180-200	13	71-79	14
201-230	6	80-83	5

\*This was achieved at least in one year during 2006-10.

targets were fixed lower than norms. Non-availability of irrigation facilities, etc. contributed to shortfall in production.

Had the entire 'net cultivable area' under the farm been utilised, 2.03 lakh MT of fodder could have been produced during 2005-10, against 0.22 lakh MT of fodder produced resulting in shortfall in production of 1.81 lakh MT worth ₹ 13.05 crore. Similarly, in FRDTC, shortfall of seed production during 2005-10 was 10.29 MT (vis-à-vis target of 44.30 MT) valuing ₹ 6.03 lakh.

As per ICAR hand book of Animal Husbandry 'if 32 to 40 Kgs of green fodder is available per animal, it is possible to produce more than 5 kg of milk even without concentrated mixture'. Short production of green fodder led to purchase of 3120 MT of paddy straw and 3234 MT of concentrated feed at a cost of ₹ 42.92 lakh and ₹ 3.15 crore respectively during 2007-10 by Haringhata Farm and Sanstha authorities.

Accepting the fact Deputy Director of Haringhata Farm stated (June 2010) that minimum infrastructure, inadequate irrigation facility, security, etc. led to short- coverage of land and consequent shortfall in production of fodder.

#### **4.15 Coverage of Health services**

Animal Development Aid Centers (ADAC) were established to augment health care services at Gram Panchayat level by engaging Livestock Development Assistants (LDA). Out of 3000 ADACs in the state, 1100 (37 per cent) remained non-operational owing to shortage of LDAs indicating non-extension of health services to 1100 Gram Panchayats (GP). In test checked districts, health care facilities were not extended to 260 GPs as 260<sup>27</sup> ADACs (36 per cent) out of 713 were non-functional due to shortage of LDAs.

Accepting the fact in the exit conference, department stated (January 2011) that steps were being taken to recruit LDAs

#### **4.16 Performance of Regional Laboratories**

Though Regional Laboratory, Bardhaman had jurisdiction over seven districts<sup>28</sup>, its activities like conducting camps for collection of samples for various tests, examination of infertility cases, etc, were largely limited to Bardhaman. One camp was conducted in Bankura in 2007-08 and two camps in West Midnapore in 2009-10. Four kinds of tests could not be done in laboratory, as the reagents required for conducting these tests were not supplied for 18 to 26 months as of May 2010. Further, a Microplate Photometer (ELISA Reader) costing ₹ 3.64 lakh could not be put to use (since August 2006) for want of accessories like microplate, washer, test kits, etc depriving the beneficiaries of early detection of antibody / antigen tests for

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<sup>27</sup> Bardhaman- 103 out of 277, Birbhum- 39 out of 129, Jalpaiguri- 37 out of 120 and Nadia- 81 out of 187

<sup>28</sup> Bankura, Bardhaman, Birbhum,, Hooghly, Paschim Midnapore, Purba midnapore and Purulia

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animal diseases. Similarly, activities of Regional Laboratory, Nadia having jurisdiction over three<sup>29</sup> districts were limited to Nadia district.

The Deputy Directors (Microbiology) of both laboratories stated that other districts could not be covered due to non-availability of vehicles. The Deputy Director (Microbiology), Bardhaman attributed this to poor response by the concerned district authorities also.

#### 4.17 Economically Unviable Milk Scheme

Greater Calcutta Milk Supply Scheme (GCMSS) was economically unviable as operating losses during 2005-09 ranged from ₹ 47.53 crore to ₹ 52.43 crore. Operating loss was between 166 and 242 *per cent* of the operating income. This was attributable to high cost of salary and wages (ranging from 153 to 219 *per cent* of the operating income) and higher cost of consumption of raw materials (ranging from 86 to 99 *per cent* of the operating income). Further, a comparison of expenditure under various heads as percentage of sales with that of industry norms<sup>30</sup> indicated that expenses of GCMSS under all the heads were substantially higher.

The department agreed that (January 2011) the milk scheme was not commercially viable and they were not running on commercial lines. The reply, however, did not justify shouldering of containable losses on account of low capacity utilisation, non-accountal of stock of milk, non-adherence to the norms of contents of fat and Solid but Not Fat (SNF) etc. as discussed in the subsequent paragraphs.

##### 4.17.1 Non-adherence to norms resulting in higher cost of production

Fat and Solid but Not Fat (SNF) content in milk is one of the factors which affects the cost of production of various types of milk. To ensure quality of milk, the Prevention of Food Adulteration Act, 1954 and the Prevention of Food Adulteration Rules, 1955 as amended in 2006, has stipulated minimum fat and SNF content of various categories of milk. The minimum stipulation for fat and SNF content and that achieved by Central Dairy, Belgachia under Greater Calcutta Milk Supply Scheme (GCMSS) and some leading brands are indicated in the table below:

**Table: 4.8: Fat and SNF content in various brands of milk vis-a-vis minimum stipulation**

	Minimum Stipulation	GCMSS	Amul	Mother Dairy
	<i>(Per cent)</i>			
<b>(i) Pasteurised cow milk</b>				
Fat	3.5	4.02	NA	3.5
SNF	8.5	8.61	NA	8.5
<b>(ii) Double Toned Milk</b>				
Fat	1.5	1.63	1.5	1.5
SNF	9	9.15	9	9

(Source:- Dairy's records and websites of Amul and Mother Dairy)

<sup>29</sup> Malda, Murshidabad and Nadia

<sup>30</sup> As indicated in the report on Restructuring Central Dairy prepared by Deloitte & Touche Consulting India Pvt. Ltd.



Consequently, during 2005-10, Central Dairy, Belgachia consumed an excess of 202<sup>31</sup> MT of fat (154 MT in cow milk and 48 MT in double toned milk) and 87 MT of SNF (32 MT in cow milk and 55 MT in double toned milk) vis-à-vis minimum norms in production of 29350 MT of cow milk and 36852 MT of double toned milk resulting in higher cost of production to the extent of ₹ 3.32 crore.

The Department (January 2011) stated that the matter would be looked into to amend the existing orders in this regard.

#### **4.17.2 Excess consumption of raw materials**

Due to inadequate availability of raw milk, Central dairy, Belgachia had to resort to production of different varieties of milk by mixing SNF and fat in required proportion for which Skimmed Milk Powder (SMP) and white butter were purchased through open tender. As per tender specification, SNF content of SMP should be 96.5 per cent of the weight of the SMP while fat content of the white butter should be 82 per cent of the weight of the butter. The dairy did not conduct quality test to ensure that the purchased raw materials conform to the standards as specified in the tender. During 2005-10, the dairy recovered 3642 MT (an average 94.82 per cent recovery) SNF out of total purchase of 3841 MT of SMP against the Standard Minimum Recovery of 3707 MT of SNF. As a result, 68.22 MT of extra SMP worth ₹ 58.57 lakh was consumed by the dairy. Similarly, during 2005-10, 5913 kg of extra butter valuing ₹ 7.59 lakh was consumed by the dairy as the fat recovery from 237 MT of butter was 189 MT (an average 79.75 per cent recovery) vis-a-vis the Standard Minimum Recovery of 194 MT of fat. Thus, failure to adhere to the Standard Minimum Recovery of fat and SNF from white butter and SMP respectively as per specifications, resulted in loss of ₹ 66.16 lakh by way of excess consumption of white butter and SMP.

The department did not furnish reply in this regard.

#### **4.17.3 Low capacity utilisation leading to idling of man power**

Central Dairy, Belgachia has an annual installed capacity of 1095 lakh litres (3 lakh litres per day) from operation of three process lines for which it has a sanctioned strength of 1363 dairy process and Boiler department staff. GCMSS could utilise only one process line out of three with the capacity utilisation in each year during 2005-2010 ranging from 13 per cent (144 lakh litres) to 17 per cent (183 lakh litres) due to low demand of milk. Against the requirement of 455 employees for running one process line, the dairy had 680 employees leading to payment of idle wages of ₹ 19.76<sup>32</sup> crore during 2005-10 to 225 employees. Similarly, low capacity utilisation of Haringhata dairy

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<sup>31</sup> 1181 MT of fat (4.02 per cent) and 2527 MT of SNF (8.61 per cent) for production 29350 MT of cow milk against 1027 MT of fat and 2495 MT of SNF as per norms and 601 MT of fat (1.63 per cent) and 3372 MT of SNF (9.15 per cent) for production of 36852 MT of double toned milk against 553 MT of fat and 3317 MT of SNF as per norms.

<sup>32</sup> Calculated on the basis of average pay plus grade pay in different applicable time scales.

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during 2005-2010 ranging from four to 10 *per cent* led to payment of idle wages of ₹ 11.46 crore.

The department did not furnish reply in this regard.

#### **4.17.4 Non-accountal of stock of milk**

The net quantity of milk supplied (after adjusting the cold store return<sup>33</sup> and route return<sup>34</sup>) to the Indent & Despatch Wing by the Production Department of the Dairy should be equal to the net sales effected. At Central Dairy, Belgachia, there were differences in the net quantity of milk handed over to the Indent & Despatch Wing by the Production Department and net sales effected. During 2005-10, the Central Dairy, Belgachia handed over net quantity of 789.34 lakh litres of different variety of milk against which actual sales effected was 776.37 lakh litres indicating non-accountal of 12.97 lakh litres of milk. Pilferage of 12.97 lakh litres of milk worth ₹ 2.04 crore could not be ruled out. There was no system to reconcile the difference to check such pilferage.

The department stated (January 2011) that the process of reconciliation of figures was underway.

#### **4.17.5 Excess wastage of poly-film**

Central Dairy, Belgachia and Haringhata Dairy under GCMSS use polyfilms of thickness 49 micron to 55 micron and length of 155 mm (plus-minus 5 mm) for 500 ml and 250 ml pouches. Guaranteed yield per kg of film should be minimum 375 packets of 500 ml and 750 packets for 250 ml and admissible maximum wastage was two *per cent* of the weight of the film. During 2005-10, wastage of poly-film ranged between five *per cent* and 52 *per cent* and as against normative consumption of 461.67 MT of polyfilm for 2155.03 lakh of poly-pouches, actual consumption was 570.62 MT of poly-film resulting in excess consumption of film to the extent of 99.72 MT<sup>35</sup> valuing ₹ 1.07 crore. The management did not analyse the reasons for such huge wastage and did not take action to ascertain and control the extent of loss.

The department did not furnish reply in this regard.

#### **4.18 Benefits extended to Self Help Groups (SHG)**

With a view to improving the income of rural people and to increase the availability of milk, meat and eggs, ARD Department distributed animals/birds to SHGs under various schemes implemented by the department. The selection of SHGs is done by the Panchayat Samities (PS). Out of 26 test checked blocks, BLDOs of 12 blocks in three districts<sup>36</sup> stated that there was

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<sup>33</sup> Milk returned to the cold store for reasons such as leakage of crates, defective packaging, etc.

<sup>34</sup> Milk returned by delivery vans after distribution and sent to production department for reprocessing.

<sup>35</sup> After allowing two per cent normal wastage

<sup>36</sup> Bardhaman, Birbhum and Nadia

delay in selection of beneficiaries by the PSs resulting in protracted execution of schemes.

There is no mechanism in place in the department to monitor actual utilisation of livestock distributed among SHGs and measure the impact of schemes in alleviating poverty of rural population.

Interviews of 124 Self Help Groups (SHGs) out of 5194 in 26 blocks which received benefit from the ARD Department were undertaken by Audit for impact assessment. Analysis of data collected through interviews revealed the following.

- 52 SHGs received benefit without forwarding application to the authorities concerned.
- All birds received by 43 SHGs, died before the SHGs could derive any benefit therefrom.
- The percentage of survivability of goats ranged from 21 to 100 *per cent* and in case of birds, the same was between 10 to 100 *per cent*.
- 77 SHGs (62 *per cent*) stated that BLDOs did not conduct any inspection to ascertain the status of animals/birds provided to them.
- 58 SHGs (47 *per cent*) stated that they successfully sold eggs, birds and animals for income generation.
- 97 SHGs (78 *per cent*) stated that they got their animals vaccinated. 74 (60 *per cent*) availed of government facilities while 19 (15 *per cent*) utilised the services of pranibandhus, 4 made self arrangements for vaccination.
- Nine SHGs (43 *per cent*) out of 21 whose birds were affected by bird flu did not receive any compensation. Nine (43 *per cent*) received only interim relief and three SHGs (14 *per cent*) received both culling compensation and interim relief.
- There was no additional income generated by 26 SHGs after receipt of benefit (Pigs/Goats/Ducklings/DoC).
- In respect of 21 SHGs (17 *per cent*), additional income generated after getting benefits (receipt of Pigs/Goats/Ducklings/DoC) ranged between 20 and 233 *per cent*. Income generation was registered in 16 SHGs who did not have any income prior to receiving the benefit.
- 85 SHGs (69 *per cent*) stated that they were satisfied with the scheme

The department expressed (January 2011) reservations on the results of interviews of beneficiaries as the statements of the beneficiaries were not verifiable. However, the fact remains that the statements of beneficiaries were recorded in presence of Block Livestock Development Officer/Gram Pradhan.

#### **4.19. Conclusion**

Though the department largely succeeded in achieving the yearly targets of production of milk, meat and eggs as well as targets set for Artificial insemination, there were certain areas of institutional weaknesses as well as some concerns over compliance to rules and regulations by the departmental functionaries.

Deficient financial management was apparent from instances of non-compliance to various provisions of WBTR and WBFR, retention of Government receipts outside Government account, parking of scheme funds in deposit accounts of a Government company, etc.

On the service delivery front, implementation of schemes suffered due to lack of planning and initiative on the part of implementing authorities, and delay in release and diversion of funds. The gap between demand and supply of milk, meat and eggs indicated a marginally increasing trend despite annual targets for production being largely achieved. Impact of schemes on sustainable improvement in quality of life of rural people was not adequate. Health services were adversely affected due to non-functional ADACs and owing to shortage of medicines for prolonged periods in animal health centres.

Operational control of the department was also compromised by institutional weaknesses like, outdated departmental manual, deficient manpower management leading to key posts remaining vacant while staff of closed units not being gainfully deployed, ineffective monitoring mechanism, weak Internal Audit Wing of the department etc. Government farms were also not functioning to their full potential.

#### **4.20 Recommendations**

- *The department should review the performance of farms and commercial undertakings vis-à-vis comparable profitable organisations to identify good business practices followed by the latter and take suitable measures to adopt those practices;*
- *The department should review its strategy for setting targets for production of milk, meat and eggs to effectively and progressively reduce gaps between demand and production. The department should also review the norms set for fertility and hatchability for the state poultry farms.*

- *The department should ensure that monitoring system put in place functions efficiently to get assurance that the funds are utilised effectively for better implementation of schemes.*

**Kolkata  
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The**

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