



**Report of the
Comptroller and Auditor General of India
on
General, Social and Economic (Non-PSUs) Sectors
for the year ended 31 March 2013**



झारखण्ड सरकार

Government of Jharkhand

Report No. 2 of the year 2014

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PREFACE

This Report for the year ended 31 March 2013 has been prepared for submission to the Governor of the State of Jharkhand under Article 151 of the Constitution of India.

The Report contains significant results of the performance audit and compliance audit of the Departments of the Government of Jharkhand under the General, Social and Economic Sectors including Departments of (i) Agriculture and Sugarcane Development, (ii) Animal Husbandry and Fisheries, (iii) Building Construction, (iv) Drinking Water and Sanitation, (v) Health, Medical Education and Family Welfare, (vi) Human Resources Development, (vii) Information Technology, (viii) Labour, Employment and Training, (ix) Road Construction, (x) Rural Development, (xi) Rural Works and (xii) Welfare covered in the report.

The instances mentioned in the Report are those, which came to notice in the course of test audit for the period 2012-13 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2012-13 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

OVERVIEW

OVERVIEW

This Report comprises three Chapters: the first Chapter contains the financial profile of the State, planning and conduct of audit and follow up on Audit Reports. Chapter 2 of this Report deals with the findings of six performance audit reviews and one long paragraph and Chapter 3 deals with compliance audit in the various Departments. The Audit findings included in the Performance Audits and Compliance Audit paragraphs in this Report have total money value of ₹ 2,633.69 crore.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling as well as risk based judgemental sampling. The specific audit methodology adopted has been mentioned in each Performance Audit. The audit conclusions have been drawn and recommendations have been made taking into consideration the views of the Government. A summary of main audit findings is presented in this overview.

1 Performance Audit of programmes/activities/Departments

(i) Implementation of Indira Awaas Yojana (IAY)

The review of Indira Awaas Yojana (IAY) was carried out to examine the implementation of the scheme in the backdrop of its objective to help rural people below the poverty-line (BPL) in construction of dwelling units and upgradation of existing unserviceable *kutcha* houses by providing assistance in the form of lump sum grant. The objective of IAY in providing housing to the rural poor was not fulfilled to the extent originally envisaged due to implementation lapses. There were deficiencies beginning with allocations of inter block/ inter GP funds without considering the actual housing shortage as required under the guidelines. Financial management was also affected due to short release of Government of India (GoI) as well as state share, treatment of advances as expenditure, diversion and suspected misappropriation of scheme funds, non-credit of interest amounts and non-utilisation of scheme funds which reduced the utilisation efficiency. Besides non-provision of IAY scheme benefits to additional identified BPL families, there were instances of non/improper preparation of permanent waitlist, fraudulent/multiple allotment of houses to ineligible beneficiaries due to non-transparent process adopted for selection of beneficiaries. There was lack of monitoring and evaluation at each level which deprived the scheme benefit of supervision and guidance.

(Paragraph 2.1)

(ii) Implementation of Rashtriya Krishi Vikas Yojana (RKVY)

Government of India (GoI) launched Rashtriya Krishi Vikas Yojana (RKVY) in May 2007 to incentivise States so as to increase public investment to bring about quantifiable changes in production and productivity of various components of agriculture and allied sectors by addressing them in a holistic manner. A performance review of RKVY for 2007-08 to 2012-13 was conducted to assess the effectiveness of Planning, financial management, execution and monitoring of projects in the implementation of RKVY in the

State. District Agriculture Plans for the year 2012-13 were not prepared as such local needs were not reflected in projects taken up. Government of Jharkhand was deprived of grants of ₹ 93.37 crore from Government of India during 2008-09 and 2010-11 due to non-utilisation of available funds. We noticed that envisaged irrigation facility to the farmers' group could not be provided due to non-completion of 119 units of micro lifts irrigation system in test-checked districts. Due to delay in initiating work and delayed finalisation of tender for purchase of machines, Jharkhand Agriculture Machinery Testing and Training Centre could not be established as envisaged. Envisaged seed production and training of farmers in agriculture farms could not be started due to lack of seed plan, slow progress of strengthening work and lack of man power. State level committee to review the implementation of RKVY projects was not constituted.

(Paragraph 2.2)

(iii) Rural Drinking Water Programmes

The Government of India (GoI) launched (1972-73) Accelerated Rural Water Supply Programme (ARWSP) to ensure provision of adequate drinking water supply to the rural community through the Public Health Engineering System. The goal of the State was to provide every rural person with adequate safe water for drinking, cooking and other domestic basic needs on a sustainable basis. In the State about seven *per cent* of the rural population were covered through piped water supply schemes and the remaining by dispersed sources i.e. tube wells and wells. The Annual Action Plan for the year 2008-09 and 2009-10 was not prepared in respect of ARWSP. In respect of NRDWP the State Programme Management Unit did not prepare the Rolling Plan. The Village Water Security Plan and District Water Security Plan were not prepared. In respect of State Plan Schemes, the Department had not prepared Perspective Plan and shelf of Schemes. There were instances of non-functioning of Rural Piped Water Supply Schemes, award of work without acquiring land, large number of incomplete Rural Piped Water Supply Schemes/Mini Rural Piped Water Supply Schemes etc. and non realisation of water charge from the users. The objective to provide safe drinking water to all villages was not achieved as required number of water sources were not tested for quality.

(Paragraph 2.3)

(iv) Infrastructure and functioning of Community Health Centres

Community Health Centres (CHCs) were planned as First Referral Units (FRUs) alongwith increase in number of Primary Health Centres (PHCs). Out of 220 PHCs required under 36 test-checked CHCs, only 53 (24 *per cent*) PHCs were in existence as of July 2013. Further, out of 53 PHCs, 17 PHCs were running without doctors. As a result patients were directly coming to CHCs and the objective of CHCs being FRU was not achieved. As of July 2013, 111 CHCs buildings were incomplete beyond their due date of completion after incurring an expenditure of ₹ 221.98 crore due to delay in site selection and slow progress of work by executing agencies and against 1,354 Specialist doctors required in the State as per IPHS norms, no Specialist

doctors were deployed in the State as of July 2013. Facilities for new born care, Intra-Natal examination of gynaecological conditions, caesarean deliveries, AYUSH and Blood Storage facilities were not available. Out of 36 test-checked CHCs, in 30 CHCs only six functional beds existed against the requirement of 30 beds. Purchase of machines and equipments by the respective Civil Surgeons was not requirement driven which led to idling of these equipment and their benefit to patients. Shortfall in availability of essential medicines ranged between 26 and 85 *per cent* in 36 test-checked CHCs and ANMs of Sub-centres, though not competent to administer the Schedule-H drugs, distributed the same among the rural patients which was fraught with the risk of severe health hazard among them. No inspection was conducted by the district health authority during the period 2008-13 in test checked CHCs. Shortfall in number of meetings by Rogi Kalyan Samiti (RKS) ranged between 75 to 84 *per cent* during 2008-13.

(Paragraph 2.4)

(v) Functioning of Road Construction Department

The Road Construction Department (Department) constructs and maintains State Highways (SH), Major District Roads (MDR) and Other District Roads (ODR). The focus of the Department is on improving connectivity and increasing the road density in the State. The performance review revealed that financial management, planning, implementation and monitoring of the projects including ADB and PPP projects in the Department were deficient. The Department prepared budget estimates without receiving requirements from the field offices. A systematic planning process according to the prescribed norms was missing in the Department. The Department did not achieve the target of Eleventh Plan of upgradation/construction of roads and bridges. There were instances of upgradation of roads without rehabilitation of old and narrow bridges on these roads. The Department adopted BOT (Annuity) model through Special Purpose Vehicle (SPV) for Public Private Partnership (PPP) projects without performing due diligence. The Department did not have adequate control over the Concessionaire's activities due to it being under the control of private partner in SPV. Bottlenecks in progress of ADB aided Project viz. delays in finalisation of changes in sanctioned DPR, land acquisition, utility shifting etc. could not be resolved. Prescribed quality tests were not conducted during execution of works and there was lack of inspections at Chief Engineer and Superintending Engineers' levels.

(Paragraph 2.5)

(vi) Information Technology Audit of e-District-a project under National e-Governance Plan
--

As a part of the National e-Governance Plan (NeGP), a pilot e-District project at Ranchi district was approved for implementation by Government of India (GoI) in March 2008. The project became operational in September 2011 in which only one service (issue of certificates) out of ten services identified was being provided to the citizen through e-District as of March 2013. The basic objective of speedy service delivery could not be met due to delay in issue of certificates in prescribed time. The system was not fully secure and reliable as multiple birth, death and caste certificates were issued to the same persons.

There were no alternative measures in place to handle accidental loss of data and start the services (e-District portal) immediately in case the e-District server went down.

(Paragraph 2.6)

(vii) Utilisation of Twelfth Finance Commission Grants under Education Sector

Based on the assessment of needs and developmental concerns of Jharkhand, Twelfth Finance Commission (TFC) recommended grants-in-aid of ₹ 3032.82 crore for nine sectors of the State for the award period 2005-10, of which ₹ 651.73 crore was for Education Sector. Audit of utilisation of TFC grants for education sector revealed that the State Government failed to obtain the allocated grants from GoI for four years continuously due to non-fulfilment of conditions laid down by the GoI. Against the allocated grants of ₹ 651.73 crore, only ₹ 379.77 crore was received by the State Government. Due to short receipt of grant, the coverage for construction of buildings in schools was reduced. The Human Resources Development Department (HRDD) even failed to utilise the available grants and amount of ₹ 57.04 crore was lying unutilised. As proper monitoring was not done at State and district level, 204 works remained incomplete as of December 2013, even after the lapse of TFC period in March 2010. Thus, the very objective of providing better infrastructural facilities and accessibility of education by utilisation of TFC grants in the State was not fully achieved.

(Paragraph 2.7)

2. Compliance Audit Findings

Audit observed significant deficiencies in critical areas, which impact the effectiveness of the State Government. Some important findings arising out of compliance audit (twelve paragraphs) are featured in the Report. The major observations relate to non-compliance with rules and regulations, audit against propriety and cases of expenditure without adequate justification and failure of oversight/governance. Some of them are mentioned below:

- Irregular payment of equipment advance of ₹ 4.90 crore.

(Paragraph 3.1.1)

- Purchase of higher priced medical equipment without recording justification and ignoring lowest priced technically approved equipment resulted in avoidable expenditure of ₹ 92.36 lakh.

(Paragraph 3.1.2)

- Improper management of cash and non-adherence to financial rules resulted in non-accountal of receipt of ₹ 1.14 crore, unauthorised refund of ₹ 44.58 lakh and non-deposit of ₹ 4.06 lakh.

(Paragraph 3.1.3)

- Non-forfeiture of bank guarantee, non-recovery of penalty and excess payment to the contractor led to loss of ₹ 1.09 crore.

(Paragraph 3.1.4)

- Construction of bridge without acquisition of complete land for approach road resulted in unfruitful expenditure of ₹ 2.07 crore.

(Paragraph 3.1.5)

- Due to non-synchronisation of activities, the Industrial Training Institutes failed to provide trainings to students even after spending a sum of ₹ 3.72 crore on purchase of machineries and equipment.

(Paragraph 3.2.1)

- Purchase based on inaccurate demand resulted in bicycles remaining undistributed leading to unfruitful expenditure of ₹ 2.07 crore, including theft and missing bicycles of ₹ 97.13 lakh.

(Paragraph 3.2.2)

- Lack of co-ordination between Departments and approval of estimate without considering external source of water rendered expenditure of ₹ 2.14 crore on construction of government quarters unfruitful.

(Paragraph 3.3.1)

- Injudicious lifting and non-utilisation of rice in time under Sampoorna Gramin Rozgar Yojana led to loss of ₹ 1.54 crore due to deterioration in quality and embezzlement.

(Paragraph 3.3.2)

- Due to lackadaisical approach of the executing agency and lack of monitoring and supervision by the authorities, the hospital building remained incomplete even after six years of its sanction, thereby resulting in unfruitful expenditure of ₹ 1.39 crore and denial of medical facilities to the people.

(Paragraph 3.3.3)

- Due to lack of co-ordination between authorities and non-taking/handing over, the Civil Surgeon Office building at Giridih constructed at a cost of ₹ 83.82 lakh remained idle for more than four years and could not be utilised for its intended purpose of providing proper accommodation for Civil Surgeon Office thereby adversely affecting the delivery of health care services.

(Paragraph 3.3.4)

- Purchase of Cardiology and Cardiothoracic equipment well before completion of physical infrastructure and non-availability of medical team resulted in non-installation/non-utilisation of equipment and consequent blockage of Government money amounting to ₹ 1.47 crore in idle equipment.

(Paragraph 3.4.1)

CHAPTER – 1
INTRODUCTION

CHAPTER-1

1.1 Introduction

1.1.1 Budget profile

There are 43 Departments and 74 autonomous bodies in the State. The position of budget estimates and actual expenditure thereagainst by the State Government during 2008-13 is given in **Table 1.1.1**

Table 1.1.1 Budget and expenditure of the state government during 2008-13

(₹ in crore)

Particulars	2008-09		2009-10		2010-11		2011-12		2012-13	
	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals
Revenue expenditure										
General services	4760.67	4923.99	7052.77	6605.36	5877.15	6990.80	7866.66	7845.56	8556.05	8696.49
Social services	5564.46	5385.18	7314.86	5610.30	6730.03	6707.30	9524.39	7287.03	11611.28	8308.59
Economic services	3256.07	2532.48	3844.87	2912.38	3943.26	4246.47	6646.17	5858.99	7632.67	6394.79
Grants-in-aid & contribution	0.66	35.25	0.45	0.20	0.45	0.17	0.55	0.00	0.55	0.00
Total (1)	13581.86	12876.90	18212.95	15128.24	16550.89	17944.74	24037.77	20991.58	27800.55	23399.87
Capital expenditure										
Capital Outlay	3966.47	3051.27	3530.66	2703.04	3826.02	2664.30	6352.73	3159.37	6856.83	4218.43
Loans and advances disbursed	531.09	418.19	439.26	319.98	415.01	307.56	1328.02	217.10	829.37	600.81
Repayment of Public Debt	771.64	863.40	809.50	1190.21	1505.67	1299.43	1403.18	1639.01	1627.05	2183.06
Inter State Settlement		145.87						75.40		100.00
Contingency Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Accounts disbursements*	4227.89	7185.19	7332.05	7290.30	9065.67	7399.85	11762.85	9727.77	18519.83	13416.31
Closing Cash balance		637.52		757.13		(-)0.41		116.85		704.75
Total (2)	9497.09	12301.44	12111.47	12260.66	14812.37	11670.73	20846.78	14935.50	27833.08	21223.36
Grand Total (1+2)	23078.95	25178.34	30324.42	27388.90	31363.26	29615.47	44884.55	35927.08	55633.63	44623.23

(Source: Annual Financial Statements and Explanatory Memorandum of the State Budget)

* Excluding cash balance investments and departmental balances.

1.1.2 Application of resources of the State Government

As against the total outlay of the budget of ₹ 38,494 crore¹, total expenditure² was ₹ 30,402 crore in 2012-13 in the consolidated fund of the State. The total expenditure of the state increased by 77 per cent from ₹ 17,209 crore to ₹ 30,402 crore during 2008-09 to 2012-13, the revenue expenditure of the state government increased by 82 per cent from ₹ 12,877 crore in 2008-09 to ₹ 23,400 crore in 2012-13. Non-Plan revenue expenditure increased by 73 per cent from ₹ 9,064 crore to ₹ 15,657 crore and capital expenditure increased by 38 per cent from ₹ 3,051 crore to ₹ 4,218 crore during the period 2008-09 to 2012-13.

The revenue expenditure constituted 75 to 81 per cent of the total expenditure during the years 2008-09 to 2012-13 and capital expenditure 12 to 18 per cent. During this period, Compound Annual Growth Rate (CAGR) of total

¹ Includes original grants of ₹ 37,114 crore and supplementary grants of ₹ 1,380 crore.

² The total expenditure excludes Public Accounts Disbursements and inter State settlement.

expenditure was 15.29 per cent, whereas revenue receipts grew at CAGR of 17 per cent during 2008-09 to 2012-13.

1.1.3 Persistent savings

In 16 cases (15 Departments), there were persistent savings of more than ₹ one crore in each case during the last five years as per the details given in Table 1.1.2:

Table 1.1.2: List of grants with persistent savings during 2008-13

(₹ in crore)

Sl. No.	Number and name of the Grant	Amount of savings				
		2008-09	2009-10	2010-11	2011-12	2012-13
Revenue-Voted						
1	1- Agriculture and Sugarcane Development Department	499.65(70)	178.10(44)	181.21(39)	228.82(35)	264.25(37)
2	2-Animal Husbandry Department	58.61(29)	54.21(27)	46.11(22)	31.52(23)	35.50(22)
3	17- Finance (Commercial Tax) Department	6.11 (20)	3.79 (11)	8.27 (17)	11.24 (18)	27.17 (38)
4	18- Food, Public Distribution and Consumer Affairs Department	34.17 (18)	98.68 (28)	84.27 (13)	168.00 (15)	307.90 (28)
5	19- Forest and Environment Department	40.34 (16)	61.60 (23)	68.35 (23)	52.20 (19)	48.17 (15)
6	20-Health, Medical Education & Family Welfare Department	184.31(23)	480.56(45)	178.41(21)	277.93(25)	326.13(53)
7	23- Industry Department	83.42(42)	73.27(32)	31.89(18)	157.41(45)	82.94(29)
8	26- Labour, Employment and Training Department	187.81 (25)	162.39 (23)	148.44 (19)	193.07 (23)	232.43 (25)
9	35- Planning and Development Department	129.49 (87)	72.02 (82)	14.00 (46)	291.78 (58)	594.38 (88)
10	40-Revenue and Land Reforms Department	32.11 (13)	47.00 (17)	27.94 (11)	79.15 (24)	77.17 (23)
11	43- Science & Technology Department	76.74(50)	66.06(59)	51.83(41)	40.29(42)	37.03(40)
12	49- Water Resources Department	17.52(09)	57.85(22)	30.98(13)	83.77(27)	92.55(29)
13	51- Welfare Department	219.46(23)	304.76(28)	208.83(16)	309.14(33)	250.26(31)
Capital-Voted						
14	10- Energy Department	68.92 (17)	383.67 (61)	132.56 (32)	1130.05 (87)	252.30 (32)
15	41- Road Construction Department	88.05(14)	230.19(31)	146.70(18)	899.94(53)	174.55(10)
16	49- Water Resources Department	254.29(48)	277.49(56)	153.71(40)	714.70(78)	1232.85(74)

(Source: Appropriation Accounts)

1.1.4 Funds transferred directly to the State implementing agencies

During 2012-13, GoI directly transferred ₹ 2621.91 crore to various State implementing agencies without routing through the State budget. There is no single agency in the State to monitor the funds directly transferred by the Government of India (GoI) to the implementing agencies and no data readily available as to how much money has actually been spent in a particular year on major flagship schemes and other important schemes which are being implemented by State implementing agencies and funded directly by GoI. Details have been given in para 1.2.2 (page 8-9) of Report of Comptroller and Auditor General of India on State Finances for the year ended 31 March 2013.

1.1.5 Grants-in-aid from Government of India

The Grants-in-aid received from GoI during the years 2008-09 to 2012-13 have been given in **Table 1.1.3**:

Table 1.1.3: Grants-in-aid from GoI

Particulars	₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Non-Plan Grants	591.91	1145.33	1281.40	1550.77	1483.41
Grants for State Plan Schemes	1054.18	982.97	1826.99	2404.61	2393.94
Grants for Central Plan Schemes	31.22	55.05	8.62	66.87	30.81
Grants for Centrally Sponsored Schemes	438.57	633.28	990.24	1235.16	914.05
Total	2115.88	2816.63	4107.25	5257.41	4822.21
Percentage of increase over previous year	15	33	46	28	(-)8
Percentage of Revenue Receipts	16.01	18.63	21.87	23.45	19.47

1.1.6 Planning and conduct of audit

The Audit process starts with the risk assessment of various Departments, autonomous bodies, schemes/ projects, etc. based on criticality/ complexity of activities, level of delegated financial powers, internal controls and concerns of stakeholders and previous audit findings. Based on this risk assessment, the frequency and extent of audit are decided and an Annual Audit Plan is formulated.

After completion of audit, Inspection Report containing audit findings is issued to the head of the office with request to furnish replies within one month. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations pointed out in these Inspection Reports are processed for inclusion in the Audit Reports of the Comptroller and Auditor General of India, which are submitted to the Governor of Jharkhand under Article 151 of the Constitution of India.

During 2012-13, compliance audit of 263 drawing and disbursing officers of the State and 37 autonomous bodies was conducted by the office of the Principal Accountant General (Audit), Jharkhand. Besides, seven Performance Audits were also conducted.

1.1.7 Lack of responsiveness of Government to Inspection Reports

The Principal Accountant General (Audit), Jharkhand conducts periodical inspection of Government Departments by test-check of transactions and verify the maintenance of important accounting and other records as per the prescribed rules and procedures. These inspections are followed by issue of Audit Inspection Reports (IRs). When important irregularities, etc., detected during audit inspection are not settled on the spot, these IRs are issued to the heads of offices inspected, with a copy to the next higher authorities.

The heads of offices and next higher authorities are required to report their compliance to PAG (Audit) within four weeks of receipt of IRs. Serious irregularities are also brought to the notice of the Heads of the Departments by the office of PAG (Audit), Jharkhand through a half yearly report of pending IRs sent to the Principal Secretary (Finance).

Based on the results of test audit, 17,284 audit observations contained in 2,707 IRs outstanding as on 31st March 2013³ are given in **Table 1.1.4:**

Table 1.1.4: Outstanding Inspection Reports/Paragraphs

(₹ in crore)

Sl. No.	Name of Sector	Inspection Reports	Paragraphs	Amount involved
1.	Social Sectors	1888	12741	67722.79
2.	General & Economic Sector (Non-PSUs)	819	4543	5587.84
Total		2707	17284	73310.63

During 2012-13, 24 meetings of the Audit Committee were held in which 25 IRs and 742 paragraphs were settled.

A detailed review of IRs issued to 1,583 Drawing and Disbursing Officers (DDOs) up to September 2012 pertaining to 34 Departments showed that 17,284 paragraphs having financial implications of about ₹ 73,310.63 crore relating to 2,707 IRs remained outstanding at the end of 31 March 2013. The year-wise position of these outstanding 2,707 IRs and 17,284 paragraphs is detailed in **Appendix-1.1.1** and types of irregularities in **Appendix-1.1.2**.

The departmental officers failed to take action on observations contained in IRs within the prescribed time frame resulting in erosion of accountability.

It is recommended that the Government may look into the matter to ensure prompt and proper response to audit observations.

1.1.8 Recoveries at the instance of Audit

The audit findings involving recoveries that came to notice in the course of test audit of accounts of the Departments of the state government during central audit were referred to various departmental Drawing and Disbursing Officers (DDOs) for confirmation and further necessary action under intimation to audit.

Against recovery of ₹ 21.04 lakh pointed out and accepted by DDOs in nine cases, DDOs concerned had effected recovery of ₹ 0.23 lakh in one case during 2012-13 as per the details given in **Table 1.1.5:**

³ Including IRs and paragraphs issued upto 30 September 2012 and outstanding as on 31 March 2013.

Table 1.1.5: Recoveries pointed out by audit and accepted/recovered by the Departments

(₹ in lakh)

Department	Particulars of recoveries noticed	Recoveries pointed out in Audit and accepted by the Departments during 2012-13		Recoveries effected during 2012-13	
		Number of cases	Amount involved	Number of cases	Amount involved
Economic & General Sector					
Minor Irrigation	Non-recovery of cost of empty cement bags	02	4.91	Nil	Nil
	Short recovery of Royalty	03	10.49	Nil	Nil
	Less recovery of labour cess	01	0.45	Nil	Nil
Forest	Non-recovery of Govt. revenue	01	3.95	Nil	Nil
	Short realisation of royalty	01	1.01		
Total		08	20.81	Nil	Nil
Social Welfare Department	Adjustment of amount deducted inadvertently	01	0.23	01	0.23

1.1.9 Follow-up on Audit Reports

According to the Rules of procedure for the internal working of the Committee on Public Accounts, the Administrative Departments were to initiate, *suo motu* action (Explanatory Notes) on all Audit Paragraphs and Reviews featuring in the Comptroller and Auditor General's Audit Reports (ARs) regardless of whether these are taken up for examination by the Public Accounts Committee or not. They were also to furnish detailed notes, duly vetted by audit indicating the remedial action taken or proposed to be taken by them within three months of the presentation of ARs to the State Legislature.

The position regarding receipt of Explanatory Notes on the paragraphs included in ARs up to the period ended 31 March 2012 as on 31 August 2013 is given in **Table 1.1.6**:

Table 1.1.6: Position regarding receipt of Explanatory Notes on the paragraphs included in ARs

Audit Reports	Year of Audit Reports	Date of presentation of Report in State Legislature	Total No. of Paras	Explanatory notes received from Departments	Explanatory notes not received from Departments
Civil/Social, General and Economic (Non-PSUs) Sectors	Up to 2008-2009		227	137	90
	2009-2010	29.08.2011	23	05	18
	2010-2011	06.09.2012	21	01	20
	2011-2012	27.07.2013	39	00	39
Total			310	143	167
State Finance	Up to 2008-2009		12	00	12
	2009-2010	29.08.2011	12	00	12
	2010-2011	06.09.2012	16	05	11
	2011-2012	27.07.2013	13	00	13
Total			53	05	48

1.1.9.1 Action not taken on recommendations of the Public Accounts Committee

As per standing order No. 41(1) under rule 315(2) for procedure and functioning of Jharkhand Legislative Assembly, Departments are required to furnish the Action Taken Notes (ATNs) to PAC within six months from the date of recommendations tabled before Legislative Assembly by PAC.

It was noticed that PAC, Jharkhand had made recommendations on seven paras and six sub-paras of the Audit Report for the year 1999-2000 to 2007-2008 but no Action Taken Notes (ATNs) were received from the Departments on above paras and sub-paras as of December 2013.

1.1.10 Government response to significant audit observations (draft paragraphs/reviews)

In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/activities as well as on the quality of internal controls in selected Departments, which have negative impact on the success of programmes and functioning of the Departments. The focus was on auditing the specific programmes/schemes and to offer suitable recommendations to the executive for taking corrective action and improving service delivery to the citizens.

As per the provision of Comptroller and Auditor General of India's Regulations on Audit and Accounts, 2007, the Departments are required to send their responses to draft performance audit reports/ draft paragraphs proposed for inclusion in the Comptroller and Auditor General of India's Audit Reports within six weeks. It was brought to their personal attention that in view of likely inclusion of such paragraphs in the Reports of the Comptroller and Auditor General of India, to be place before the Jharkhand Legislature, it would be desirable to include their comments in the matter. They were also advised to have meeting with the Principal Accountant General to discuss the draft reports of Performance Audits and draft audit paragraphs. These draft reports and paragraphs proposed for inclusion in the Report were also forwarded to the Additional Chief Secretaries/Principal Secretaries/Secretaries concerned for seeking their replies. For the present Audit Report, draft reports on seven Performance Audits and 12 draft paragraphs were forwarded to the concerned Administrative Secretaries. Government reply has been received in seven cases in respect of Performance Audit and three cases of draft paragraphs only.

1.1.11 Status of placement of Separate Audit Reports of Autonomous Bodies in the State Assembly

Several Autonomous Bodies have been set up by the State government. A large number of these bodies are audited by the Comptroller and Auditor General of India for verification of their transactions, operational activities and accounts, regulatory compliance audit, review of internal management, financial control and review of systems and procedure, etc.

The audit of accounts of three Autonomous Bodies⁴ in the State has been entrusted to the Comptroller and Auditor General of India under section 19(3) of C&AG's DPC Act. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Report and its placement in the Legislature is as indicated below.

- (i) Rajendra Institute of Medical Sciences (RIMS) Act was enacted in the year 2002 and the audit of the accounts of RIMS was entrusted to Principal Accountant General (Audit) under section 19(3) of CAG's DPC Act, 1971 which was accepted by the Principal Accountant General (Audit) in October 2009. However, inspite of active persuasion annual accounts have not been submitted to Audit as of January 2014.
- (ii) Separate Audit Reports (SARs) of Jharkhand State Legal Services Authority (JHALSA) for the year 2009-10 and 2010-11 were issued in November 2013. Their placement in State Legislature had not been intimated. Entrustment for the year 2011-12 and 2012-13 have not been received (January 2014).
- (iii) The audit of Accounts of Jharkhand State Electricity Regularity Commission (JSERC) has been completed and SAR has been issued up to 2011-12. However, status of placement of the same for the years 2003-04 to 2011-12 before State Legislature has not been intimated as of November 2013. The accounts for 2012-13 have not been received (January 2014).

⁴ (i) RIMS, (ii) JHALSA and (iii) Jharkhand State Electricity Regulatory Commission (JSERC).

CHAPTER – 2
PERFORMANCE AUDIT

CHAPTER-2

Rural Development Department

2.1 Implementation of Indira Awaas Yojana (IAY)

Executive Summary

Indira Awaas Yojana (IAY) was launched by the Ministry of Rural Development in May 1985 with an objective to help rural people below the poverty-line (BPL) in construction of dwelling units and upgradation of existing unserviceable *kutcha* houses by providing assistance in the form of lump sum grant. Review of IAY in the State for the period April 2008 to March 2013 was conducted between May and September 2013. Some of the major audit findings are discussed below:

Financial Management

There was a short release of state share of ₹ 11.89 crore, besides State lost central share amounting to ₹ 256.42 crore due to excess carry over fund, short release of state share etc.

(Paragraphs 2.1.5.2 and 2.1.5.3)

Implementing agencies had not accounted for interest of ₹ 1.05 crore earned on IAY funds despite credit by banks.

(Paragraph 2.1.5.8)

In 16 blocks, Utilisation Certificates (UCs) for an expenditure of ₹ 142.61 crore were not submitted by Block Development Officers (BDOs) to District Rural Development Agencies (DRDAs), as of May 2013.

(Paragraph 2.1.5.9)

Financial management under the scheme should be bolstered with accurate accounting and effective utilisation of scheme funds.

Identification and selection of beneficiaries

Additional 9.90 lakh BPL families identified in revised BPL survey 2010 were deprived of IAY scheme as State government did not sanction their names for inclusion in eligible beneficiaries list on the ground of extra burden on public exchequer.

(Paragraph 2.1.6.1)

Out of six test checked districts permanent waitlist was not prepared in Garhwa and Deoghar district to select IAY beneficiaries and in 14 test-checked blocks, 25,424 beneficiaries were selected without *Gram Sabha* approval.

(Paragraph 2.1.6.2)

In seven blocks of Garhwa and Ranchi districts, names of 593 selected beneficiaries did not match with the names mentioned in BPL list. Further, in six blocks of three test-checked districts, 474 houses were allotted to beneficiaries whose BPL numbers were not present in BPL list.

(Paragraph 2.1.6.4)

In twelve blocks of six districts, 134 beneficiaries were allotted 279 houses under IAY during 2008-13.

(Paragraph 2.1.6.5)

Preparation of correct Permanent Waitlist by the Gram Panchayats with approval of Gram Sabha as envisaged in IAY guidelines should be ensured.

Construction of Houses and Quality

In 17 test-checked blocks, 22 *per cent* houses, out of 29,118 houses sanctioned during 2008-11, were incomplete as of July 2013. Delay in completion ranged from four months to more than three years.

(Paragraph 2.1.7.1)

Inventory of constructed/upgraded houses under IAY not maintained in test checked blocks.

(Paragraph 2.1.7.2)

Implementing agency should ensure completion of targeted IAY houses in prescribed timeframe.

Convergence with other Schemes

Test checked districts neither had any co-ordination with other departments in identifying the schemes/programmes that could be converged with IAY nor did they have any information on different facilities provided under Convergence. Further, in nine blocks, irregular deductions of ₹ 13.81 lakh were made from the instalments of beneficiaries.

(Paragraphs 2.1.8.1 and 2.1.8.2)

DRDAs should identify the programmes/schemes implemented by various Departments for dovetailing with IAY to ensure provision of intended facilities to IAY beneficiaries under Convergence.

Monitoring and Evaluation

The State Level Vigilance and Monitoring Committee (SLVMC) met only twice against the required 12 meetings to be held during 2010-13. Further, against the required 12 meetings of District Level Village Monitoring Committee (DLVMC) there was a shortfall ranging between 17 and 50 *Per cent* in number of meetings in four districts.

(Paragraph 2.1.9.4)

Meetings of SLVMC and DLVMC in required numbers should be ensured for better monitoring and supervision of implementation of IAY scheme.

2.1.1 Introduction

Indira Awaas Yojana (IAY), the flagship scheme of the Ministry of Rural Development (MoRD) for fulfilment of housing needs of rural poor was launched in May 1985 as a sub-scheme of Jawahar Rozgar Yojana (JRY). It is being implemented as an independent scheme since 1 January 1996.

2.1.1.1 Objective of IAY

The objective of the Indira Awaas Yojana is to help in construction/ upgradation of dwelling units of rural Below Poverty Line (BPL) households¹ belonging to members of Schedule Castes (SCs)/Schedule Tribes (STs), freed bonded labourers, minorities and other non-SC/ST rural households by providing them a lump sum financial assistance.

2.1.1.2 Assistance Pattern

Indira Awaas Yojana is a Centrally Sponsored Scheme funded on cost-sharing basis between Government of India (GoI) and the State Governments in the ratio of 75:25. In addition to the entitled grant², an IAY beneficiary can also avail a loan up to ₹ 20,000 under differential rate of interest (DRI) scheme at an interest rate of 4 per cent per annum.

2.1.2 Organisational structure

In Jharkhand, the scheme is being implemented in the districts by District Rural Development Agencies (DRDAs) headed by the Deputy Commissioners (DCs)/ Deputy Development Commissioners (DDCs) under the overall supervision of the Principal Secretary, Rural Development Department (RDD). Organisational structure of Rural Development Department for implementation of IAY is as in *Appendix-2.1.1*. RDD is responsible for monitoring of scheme implementation although the funds were directly released by GoI to DRDAs.

2.1.3 Audit approach

2.1.3.1 Audit objectives

We reviewed the implementation of Indira Awaas Yojana in Jharkhand state to assess whether:

- The allocation and release of funds under IAY were made in an adequate and timely manner and that these were utilised economically and efficiently in accordance with the scheme provisions;
- The identification and selection of the target groups and the processes for allotment, construction and up-gradation of dwelling units were adequate and conformed to the scheme guidelines;
- The physical performance under IAY in terms of number of units constructed/ upgraded was as planned and targeted and that the constructions corresponded to the quality and financial parameters set out in the scheme guidelines;

¹ As per IAY guidelines, 60 per cent of physical targets of IAY houses will be utilised for SC/ST BPL households, 40 per cent for non SC/ST-BPL households. Three and fifteen per cent of the above categories are for physically/ mentally challenged persons and BPL minorities respectively.

² Effective rates of assistance for new construction of dwelling unit under IAY: from the year 2008: ₹ 35,000 (plain area) and ₹ 38,500 (hilly & difficult area), from the year 2010: ₹ 45,000 (plain area) and ₹ 48,500 (hilly & difficult area). Effective rates for Upgradation of dwelling unit under IAY: for the years 2008-13: ₹ 15,000.

- The convergence of IAY activities with other programmes as envisaged was effectively achieved and ensured availability of a complete functional dwelling unit; and
- The mechanism in place for monitoring and evaluation of the outcomes of the programme was adequate and effective.

2.1.3.2 *Audit criteria*

The audit criteria for the review of IAY were adopted from the following sources:

- Indira Awaas Yojana guidelines issued by MoRD, Government of India (GoI);
- Circulars/instructions issued by MoRD and RDD, Government of Jharkhand (GoJ);
- Accounts Code 2001 issued by Government of India for accounting procedure of District Rural Development Agencies (DRDAs); and
- Periodical reports/ returns prescribed under IAY Guidelines, BPL List and National Level Monitors (NLMs) Report.

2.1.4 **Audit scope and methodology**

The review of the implementation of IAY in the State for the period 2008-2013 was conducted between May 2013 and September 2013 through issuing questionnaire/proformas and test check of records at the Department, six³ (out of 24) districts/DRDAs and 18⁴ (out of 260) blocks. Audit also conducted joint physical inspection of 1198 IAY houses in 102 *Gram Panchayats* (GPs) and interviewed beneficiaries/owners of these houses.

Review of IAY commenced with Entry Conference with the Principal Secretary, Rural Development Department on 23 May 2013, wherein the methodology, scope, objectives, and criteria were discussed. Exit Conference with the Secretary, Rural Development Department, Government of Jharkhand (GoJ) was held on 17 February 2014. Interim reply on report was furnished by RDD on 20 February 2014 which has been suitably incorporated.

Audit findings

2.1.5 **Financial management**

2.1.5.1 *Non-adherence to IAY guidelines for fund allocation to blocks*

The State Government did not consider giving 75 per cent weightage to housing shortage prescribed for inter-block/ inter-panchayat allocation of funds.

As per para 4.1 of IAY Guidelines, inter-district/inter-panchayat allocation within a State was to be made by giving 75 per cent weightage to housing shortage and 25 per cent weightage to rural SC/ST population of the concerned districts. Audit noticed that during 2008-13, the inter-block/ inter-GP allocation of funds was being done by DRDAs by using census population

³ Deoghar, East Singhbhum, Godda, Garhwa, Palamu, and Ranchi districts.

⁴ Sadar Deoghar, Madhupur, Ghatshila, Gourabanda, Godda Sadar, Thakurgangti, Chinia, Dandai, Nagaruntari, Garhwa Sadar, Medininagar, Leslignan, Chainpur, Bishrampur, Namkum, Ratu, Mandar and Nagri

figures of SC, ST, Minority and others without considering the actual housing shortage as required under the guidelines.

In reply, RDD stated (February 2014) that funds were allocated by Government of India directly to the districts following the principles adopted in the guidelines.

However, RDD did not reply in respect of non-adoption of prescribed principle for allocations within the district.

2.1.5.2 Financial Utilisation and Reporting

As per the scheme guidelines, central assistance to the State Government was to be released in two instalments. The first instalment (50 per cent of the total allocation) was to be released in the beginning of the financial year. Release of second instalment was subject to utilisation of 60 per cent available funds.

The position of Central and State releases and expenditure reported by the Rural Development Department for the period 2008-13 is shown in the **Table 2.1.1:**

Table 2.1.1: Release and Expenditure of IAY funds in the state

(₹ in crore)						
Financial Year	Opening balance	Central Release	State Release	Available fund (2+3+4)	Expenditure	Savings (5-6) in per cent (Column 7 to 5)
1	2	3	4	5	6	7
2008-09	47.28	190.01	44.50	281.78	180.06	101.71 (36)
2009-10	101.71	389.97	134.86	626.54	401.61	224.93 (36)
2010-11	224.93	558.64	173.94	957.51	713.58	243.93 (25)
2011-12	243.93	207.25	82.30	533.49	511.37	22.12 (4)
2012-13	22.12	259.71	87.71	369.55	434.20	(-) 64.65 (-17)
Total	639.97	1605.58	523.31	2768.87	2240.82	

(Source: Information provided by RDD)

Savings for 2008-12 remained four to 36 per cent of the total available funds, while it exceeded the available funds by ₹ 64.65 crore (17 per cent) during 2012-13.

Overall short release of State share in the State was ₹ 11.89 crore during 2008-13.

- As can be seen from the table above that although savings for 2008-12 remained four to 36 per cent of the total available funds, the expenditure exceeded the available funds by ₹ 64.65 crore (17 per cent) during 2012-13. Reasons of savings were due to non/delayed completion of targeted IAY houses and receipt of funds at the end of financial year.

Regarding excess expenditure during 2012-13 RDD stated (February 2014) that records would be verified and statements will be furnished. With respect to savings, Department stated that concerned districts will be asked to specify the reason for not using the balance amounts.

- Further, as per 75:25 funding ratio between GoI and State government, the State share against central release (₹ 1605.58 crore) should have been ₹ 535.19 crore for 2008-13. However, we noticed a short release of state share amounting to ₹ 11.89 crore (2008-13) for IAY due to inadequacy in budget provisions prepared by RDD.

RDD accepted and stated (February 2014) that the audit observation would be verified and accordingly balance amount would be released.

2.1.5.3 *Loss of Central share: ₹ 256.42 crore*

As per IAY Guidelines (clause 4.2) at the time of submitting the proposal for the second instalment, the opening balance of the district should not exceed 10 per cent of the funds available during the previous year and that the State Government should have also released all its due contribution up to the date of the application.

We during audit noticed that although there was no loss of central share in the State during 2008-09, central allocation was curtailed by ₹ 285.48 crore during 2009-13 due to excess carryover of funds by the districts, short release of State share, non-submission of Utilisation Certificates (UCs) etc. However, ₹ 29.06 crore out of ₹ 285.48 crore was recouped by MoRD during 2013-14. Thus, State lost central share amounting to ₹ 256.42 crore⁵ which would have been sufficient to construct 53,598 additional houses⁶ for the houseless BPL families under IAY.

In reply, RDD stated (February 2014) that the effective loss of central share would be worked out and districts will be directed to demand the deducted central share after utilising the available amount at the earliest.

2.1.5.4 *Delays in release of State share*

As per clause 4.6 of IAY Guidelines the State Government shall release its share to DRDA within one month of release of Central assistance.

We noticed during audit that during 2008-13, in five out of six test-checked districts (except Garhwa), state share to DRDAs was released by RDD with a delay ranging from two to 239 days (*Appendix-2.1.2*). Delays in release of State share of funds could have significantly increased the risk of non-achievement of physical targets under the Scheme.

RDD accepted and stated (February 2014) that sometimes there is delay due to late receipt of information from GoI/districts regarding release of central funds which results in delay in release of state share.

However, audit observed from allotment letters of state share that due to inadequate budget provision the state share was not released/allotted to DRDAs timely.

2.1.5.5 *Diversion of fund*

As per clause-2 Chapter-VI of Accounting Code, 2001, funds cannot be diverted from one scheme to another scheme or from central scheme to state scheme. We however noticed during audit following instances of diversion of IAY fund towards other scheme/purposes;

- In DRDA, Ranchi an amount of ₹ 28 lakh⁷ was diverted from IAY to Birsa Awas Yojana (BAY), implemented by Integral Tribal Development Authority (ITDA), Ranchi between August 2011 and March 2012.

⁵ ₹ 285.48 crore - ₹ 29.06 crore

⁶ Additional houses that could be constructed: 2009-10: 2187 (₹ 765.318 lakh / ₹ 0.35 lakh) + 2010-11: 1626 (₹ 731.675 lakh / ₹ 0.45 lakh) + 2011-12: 7781 (₹ 3773.661 lakh / ₹ 0.45 lakh) + 2012-13: 42004 (₹ 20371.74 lakh / ₹ 0.485 lakh)

⁷ ₹ 3,50,000 (vide cheque no. 254338 dated 20.08.2011) + ₹ 3,50,000 (vide cheque no. 254339 dated 25.01.2012) + ₹ 21,00,000 (vide cheque no. 254340 dated 12.03.2012)

State lost central share amounting to ₹ 256.42 crore which would have been sufficient to construct 53,598 houses.

There was diversion of IAY fund in Ranchi and East Singhbhum DRDAs.

- In DRDA, East Singhbhum IAY funds amounting to ₹ 11.88 lakh was diverted towards BPL survey work during 2008-09.

Diversion of funds from IAY to other schemes or purposes was irregular.

In reply, RDD stated (February 2014) that show cause would be given to concerned districts.

2.1.5.6 Non-utilisation of Funds

Finance Department, GoJ issued instructions (June 2011) that money under IAY should be withdrawn by respective Drawing & Disbursing Officers only when it is immediately required for payment to the beneficiaries.

We during audit of six test checked districts noticed instances of funds remaining unutilised at DRDAs/Blocks/other implementing agencies level as detailed in **Table 2.1.2**:

Table 2.1.2: Non-utilisation of funds by DRDAs/Blocks/Other implementing agencies

Districts	Period	Observation
Godda, Palamu, and Ranchi	2008-13	Funds of ₹ 24.86 crore provided to twenty four blocks during 2008-13 remained unutilised at the end of respective year (<i>Appendix-2.1.3</i>). Schemes were implemented from funds already available with the blocks.
East Singhbhum and Ranchi	2010-12	Out of Cheques for ₹ 21.61 crore provided to blocks, ₹ 20.84 crore was encashed during 2011-12 and ₹ 0.77 crore was encashed during 2012-13. Thus, the amounts remained blocked upto two years.
Ranchi	2011-13	Cheques amounting to ₹ 53.77 lakh ⁸ during January-March 2011, were shown in transit as of March 2013.
Deoghar, East Singhbhum, Garhwa, Godda and Palamu,	2008-13	₹ 3.12 crore remained unutilised as of March 2013 for various reasons viz. non-taking up of sanctioned schemes, non-payment of instalment etc. (<i>Appendix-2.1.4</i>).

(Source : DRDAs)

Thus, government money remained unutilised without any purpose due to inaction on the part of concerned implementing agencies.

RDD stated (February 2014) that concerned districts would be asked to explain the reasons.

The fact remains that funds remained unutilised for long periods thereby obstructing achievement of envisaged scheme objectives.

2.1.5.7 Suspected misappropriation of funds

As per Accounts Code 2001(Chapter XV), DRDAs and Blocks are responsible for the correct accounting of money distributed to the implementing agencies

⁸ ₹ 27.37 lakh to Mandar Block (vide cheque no. 016186 dated 31.3.2011) and ₹ 26.40 lakh to Silli Block (vide cheque no. 935174 dated 4.1.2011).

Government money remained unutilised due to inaction on the part of concerned implementing agencies.

There was suspected misappropriation of funds amounting to ₹ 49.53 lakh in test checked districts.

by supervising and controlling the whole accounting functions. Audit, however noticed several instances of suspected misappropriation of funds as discussed in **Table 2.1.3**:

Table 2.1.3: Statement showing suspected misappropriation of funds

DRDA/Blocks	Observation
Ranchi, Garhwa	A sum of ₹ 4.47 lakh was provided to Circle Officer (CO), Nagaruntari prior to 2008-09. Though the amount was reflected in the cash book but it was not found in the bank accounts of Circle Office. The concerned CO showed his ignorance about the availability of aforesaid funds.
	As per audited accounts ⁹ of DRDA Ranchi ₹ 5.82 lakh was shown as issued to CO, Murhu during 2008-09. However, this was absent from opening balance of 2009-10 without indicating any reason.
	In DRDA Garhwa there was a variation of ₹ 8.40 lakh ¹⁰ in the closing balance and opening balance of audited account of the year 2008-09 and 2 009-10 respectively.
Bishrampur, Madhupur, Ratu Blocks	No records in respect of selection of private agencies and vouchers were provided to audit for payment of ₹ 30.84 lakh for construction of toilets, smokeless <i>chulha</i> and marble plates to 12 agencies.

(Source: DRDAs, blocks)

In reply, RDD stated (February 2014) that concerned districts would be asked to explain the reasons.

The non-availability of details of these amounts in the accounts indicates the possibility of misappropriation.

2.1.5.8 Non-accounting of accrued interest in cash book

As per Accounts Code 2001, Bank Interest earned on each scheme should be added in the scheme funds and reflected in the scheme cash book. Further as per clause 4.8 of IAY Guidelines, the interest accrued on the deposits of IAY funds shall be treated as part of IAY resources.

In the test-checked districts, we found that implementing agencies had not accounted for at-least ₹ 1.05 crore earned as interest on IAY funds despite credit by the banks in the pass books (**Appendix-2.1.5**). Further, it was noticed from the audited accounts of test checked DRDAs that bank interests were not being credited in the cash books of blocks against IAY deposits kept in bank accounts for various periods during 2008-13 in all blocks in the test-checked districts (**Appendix-2.1.6**). Reasons for the same included keeping funds in non-interest bearing bank accounts (refer to paragraph 2.1.5.13), merging funds with other scheme funds (paragraph 2.1.5.11), non-reconciliation of bank accounts (refer to paragraph 2.1.5.12).

Implementing agencies had not accounted for interest of ₹ 1.05 crore accrued on scheme fund despite credit by banks in the pass books.

⁹ Accounts were audited by the Chartered Accountants appointed for audit of IAY.

¹⁰ In DRDA, Garhwa closing balance for 2008-09: ₹ 41.63 lakh; Opening Balance for 2009-10: ₹ 33.22 lakh. Difference: ₹ 8.40 lakh.

As the government remained unaware of accrued interest on the fund balances available with Blocks, possibility of mis-utilisation/ defalcation/ misappropriation of government money cannot be ruled out.

In reply, RDD accepted and stated (February 2014) that DRDAs would be instructed to follow financial and accounting norms.

2.1.5.9 Treatment of Advances as expenditure and Non-Submission of Utilisation Certificates

As per clause 10, Chapter 1, Accounts Code 2001 issued by GoI, funds transferred to Block Development Officers (BDOs)/implementing agencies shall be reflected as advance in the cash book/balance sheet and not as final expenditure which should be finalised only on the basis of Utilisation Certificates (UCs)/Adjustment bills received from them.

Rupees 604.11 crore were treated as expenditure without obtaining UCs/adjustment bills.

- In DRDAs of six test checked districts, ₹ 604.11 crore advanced/provided to BDOs/ other implementing agencies¹¹ was booked as expenditure without obtaining UCs/adjustment bills (**Appendix-2.1.7**) on the date of release itself.
- We noticed in audit that in 16 test-checked blocks, UCs were not submitted (May 2013) by BDOs to DRDAs against an expenditure of ₹ 142.61 crore made during 2008-13 (**Appendix-2.1.8**). No reason for the same was found on record. Further, we noticed in audit that despite non-submission of UCs by BDOs, DRDAs submitted incorrect utilisation certificates to MoRD as mentioned in paragraph number 2.1.9.3.

UCs against the expenditure of ₹ 142.61 crore were not submitted by BDOs to DRDAs during 2008-13.

RDD accepted and stated (February 2014) that DRDAs would be instructed to follow proper financial and accounting norms.

2.1.5.10 Poor utilisation of Differential Rate of Interest scheme

IAY guidelines (clause 3.3) stipulated that a beneficiary could also avail a loan upto ₹ 20,000 per housing unit under Differential Rate of Interest (4 per cent per annum) scheme (DRI) in addition to the assistance provided under the scheme. The State Governments/ DRDAs concerned were to coordinate with financial institutions to get this credit facility extended to interested beneficiaries.

No housing loan was given to any beneficiary in six test-checked districts except East Singhbhum.

Audit found that no housing loan was given to any beneficiary during 2008-13 in six test-checked districts except East Singhbhum where 456 beneficiaries were provided DRI loan amounting to ₹ 56.46 lakh in 2009-10.

RDD did not furnish any reply on the observation.

2.1.5.11 Operation of multiple Bank accounts

As per clause 4.7 of IAY Guidelines, IAY funds shall be kept in a nationalised/ scheduled/ cooperative bank or a Post Office in an exclusive savings bank account by DRDAs. We noticed in audit that:

- In violation of the above guidelines, in all the six test-checked DRDAs, IAY funds were kept in up to six bank accounts. Such multiple bank

In all the six test-checked DRDAs, IAY funds were kept in multiple bank accounts while violating the norms.

¹¹ Circle offices in certain cases

accounts for IAY funds were noticed in fifteen out of eighteen test-checked blocks.

- Further, in four¹² out of 18 test-checked blocks IAY funds were merged with other scheme funds (*Appendix-2.1.9*).

RDD accepted audit observation and stated (February 2014) that DRDAs have been instructed to take necessary action in the light of audit observations.

2.1.5.12 Non-reconciliation of bank accounts

As per clause 2 Chapter-VIII of Accounts Code 2001, GoI, DRDAs should reconcile their bank accounts on a monthly basis.

Bank accounts were not reconciled by five out of six test-checked DRDAs.

However, we noticed during audit that cash book and bank accounts were not reconciled by five out of six test-checked DRDAs (except East Singhbhum). Therefore, the amount of interest accrued and earned on unutilised IAY scheme funds and the exact expenditure position of IAY scheme, wherever it was merged with other scheme funds could not be ascertained by Audit. RDD accepted and stated (February 2014) that DRDAs have been instructed to take necessary action in the light of audit observations.

2.1.5.13 Keeping funds in non-interest bearing accounts

In two blocks IAY funds were kept in non-interest bearing account.

As per IAY Guidelines (clause 4.7 and 4.8), IAY funds were required to be kept in Savings Accounts of Bank/Post Offices and interest earned was to be treated as additional scheme funds.

In two blocks (Namkum and Mandar Block) IAY funds were kept in Current Account/Savings-Institutional account under which no interest was provided by banks (*Appendix-2.1.10*). This was contrary to the norms and resulted in loss of interest on deposits.

RDD accepted and stated (February 2014) that DRDAs have been instructed to take necessary action in the light of audit observations.

2.1.5.14 Non-maintenance of separate cash book for IAY

Separate cash book for IAY was not maintained in DRDA East Singhbhum, Ranchi and Deoghar.

As per clause 1 Chapter II of Accounts Code 2001, DRDAs are required to maintain a separate cash book for each scheme.

We noticed during audit that separate cash book for IAY was not maintained in DRDA East Singhbhum, Ranchi and Deoghar as transactions from other schemes were also recorded in IAY cash book (*Appendix-2.1.11*).

RDD accepted and stated (February 2014) that DRDAs have been instructed to take necessary action in the light of audit observations.

2.1.5.15 Irregular payment of funds through bearer's cheque

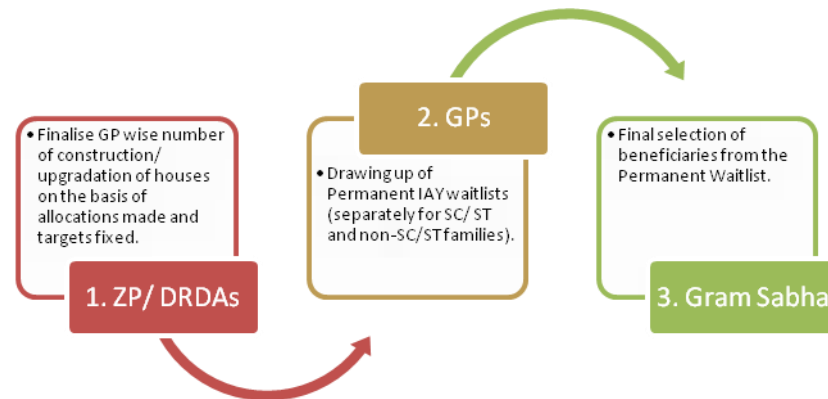
529 beneficiaries were paid ₹ 66.80 lakh through bearer cheques during 2008-10.

As per IAY Guidelines, payment to beneficiaries should be released in their bank/post office accounts only. Scrutiny revealed that in Medininagar Sadar block, Palamu, ₹ 66.80 lakh was paid to 529 beneficiaries through bearer cheques during 2008-10. In reply, RDD accepted and stated (February 2014) that matter will be enquired into and action will be taken accordingly.

¹² Mandar, Sadar Deoghar, Ghatshila and Gourabanda

2.1.6 Identification and Selection of beneficiaries

As per clause 2.1 of IAY guidelines, the Zila Parishad (ZP)/DRDAs were to decide the number of houses to be constructed/ upgraded Panchayat-wise under IAY, during a particular financial year on the basis of allocations made and targets fixed by MoRD. The following flowchart depicts the process of selection of beneficiaries thereafter.



2.1.6.1 Families added in revised BPL survey deprived of IAY benefits

9.90 lakh BPL families were deprived of IAY scheme as RDD did not approve them on the ground of extra burden on public exchequer.

State Cabinet ordered revised survey to update BPL list 2002-07 which was carried out in 2010-11 and added 9.90 lakh BPL families in BPL list. Although RDD acknowledged additional BPL families, they were deprived of IAY scheme benefits (as of August 2013) as it did not approve them for different welfare schemes including IAY on the ground of extra burden on public exchequer.

RDD accepted and stated (February 2014) that at present the work of Socio Economic Caste Census (SECC) is in progress. BPL list will be revised on the basis of SECC data. However, the facts remains that these families were deprived of IAY benefits despite their inclusion in updated BPL list.

2.1.6.2 Irregularities in preparation of Permanent Wait List of beneficiaries

MoRD instructed (November 2005) the State Government to prepare two fresh Permanent Waitlists - one for SC/STs and other for non-SC/ST, in accordance with BPL survey list based on the ranking in BPL survey 2002 with the poorest-of-poor on the top. We noticed during audit that:

- Permanent Waitlist was not prepared in two (Garhwa and Deoghar) out of six test-checked districts and beneficiaries were selected directly from BPL lists. In reply, Deputy Development Commissioner (DDC), Garhwa stated that compliance will be furnished to audit after taking necessary steps, (September 2013). In the remaining three test-checked districts (Godda, Palamu and Ranchi), Permanent Waitlists were prepared by DRDAs instead of these lists being prepared by GPs.
- Permanent Waitlist was not updated in any of the test-checked DRDAs/ Blocks as was required under the Guidelines.

Out of six test-checked districts, Permanent Waitlist was not prepared in Garhwa and Deoghar districts to select the beneficiaries for IAY housings.

- Further, instead of two waitlists - one each for SC/ST and non-SC/ST, in four test-checked Blocks¹³, only one waitlist incorporating both SC/ST and non-SC/ST was prepared. In reply BDOs stated that action will be taken to follow IAY guidelines in future (November 2013).
- In five blocks¹⁴ 50 beneficiaries though with 'zero' score (landless¹⁵) in BPL list were allotted IAY houses during 2008-13. Audit noticed that though the selected beneficiaries had constructed houses on their own land, they were given 'zero' score during BPL Survey which was to be provided to landless BPL households only. This created doubt over the authenticity of BPL list itself, on the basis of which the permanent waitlist had been drawn up. In reply, BDOs stated that IAY houses were allotted to beneficiaries having their own land. Reply confirms the audit observation that these beneficiaries were not landless and therefore irregularly placed at a higher level in the priority list.
- During 2008-13, in 14¹⁶ out of 18 test-checked blocks, 25,424 out of 37,038 beneficiaries were selected without approval from Gram Sabhas.

In reply, RDD accepted and stated (February 2014) that follow up action will be taken up on receipt of districts reply.

2.1.6.3 *Incorrect Permanent IAY Waitlists*

Audit scrutiny revealed that:

In three blocks¹⁷ names of 527 beneficiaries had not been included in IAY waitlist. These beneficiaries were directly selected from BPL list during 2012-13.

- During 2008-12, in three blocks (Mandar, Nagri and Ratu) of Ranchi district, 71 beneficiaries selected from IAY Waitlist, to whom IAY grant for construction of houses amounting to ₹ 22.12 lakh was made, were not present in the corresponding BPL list. BDOs in reply stated that names of some beneficiaries were deleted in 2010 while revising BPL list 2002. However, permanent wait list was not accordingly updated, which would have resulted in selection of such beneficiaries.

Reply of BDOs confirms the audit observation that ineligible beneficiaries were selected due to discrepancy in IAY Waitlist.

- In Sadar Block of Godda district, the wait list was not prepared by giving priority to poorest of poor on the top as persons with higher BPL score

71 beneficiaries, selected from Waitlist found to have been fictitious as their BPL number did not match with BPL list.

¹³ Namkum, Nagri, Mandar and Ratu

¹⁴ Mandar, Nagri and Ratu blocks of Ranchi district; Sadar and Madhupur blocks of Deoghar district

¹⁵ As per MoRD letter no. Q-16025/4/2002-A.I (RD) dated 5 April 2005, 'zero' score in BPL list will be awarded to those BPL beneficiaries who are landless, besides other criteria.

¹⁶ Sadar and Madhupur blocks of Deoghar district; Ghatshila and Gourabanda blocks of East Singhbhum districts; Chinia, Dandai, Sadar and Nagarutanri blocks of Garhwa district; Sadar and Thakurgangti blocks of Godda district; Chainpur block of Palamu district and Mandar, Ratu and Namkum blocks of Ranchi district.

¹⁷ Namkum Block of Ranchi district, Sadar block of Godda district and Ghatshila block of East Singhbhum district

were positioned higher than people with lower score. BDO, Godda Sadar stated that the matter was being intimated to DRDA.

- In two test-checked blocks (Ghatshila and Gourabanda) of East Singhbhum district, Permanent Waitlist was prepared without mentioning corresponding BPL Score. Thus, whether the priority as required under the guidelines was maintained in selection of beneficiaries by the concerned blocks or not, could not be ascertained in Audit.
- In two test-checked blocks¹⁸ of Godda district various discrepancies in waitlist viz. non-mentioning of names of father/husband of beneficiary (50 out of 5688 cases), inclusion of names of general beneficiaries in SC/ST waitlist (15 out of 459 cases) etc. were noticed.
- In three blocks in Garhwa district, 15 houses were allotted to the relatives of BPL number holders. BDOs stated that necessary steps would be taken to avoid such irregularities in future.

RDD accepted and stated (February 2014) that DRDAs have been instructed to take necessary action in the light of audit observations.

2.1.6.4 Selection of ineligible persons as beneficiaries

Scrutiny of Scheme Register, Beneficiary list, BPL list and Waitlist of test-checked blocks revealed that:

- Names of 593 beneficiaries selected during 2008-13 were not traceable from BPL list in seven blocks of Ranchi and Garhwa. Thus fraudulent payment of ₹ 1.87 crore to 593 ineligible beneficiaries could not be ruled out (*Appendix-2.1.12/A*).
- Scrutiny revealed that in six blocks¹⁹ of three districts²⁰ 474 houses have been allotted against fictitious BPL number as these numbers were non-existent in BPL list. Thus, payment of ₹ 1.29 crore made to 474 beneficiaries, whose names could not be traced in BPL list appeared fictitious (*Appendix-2.1.12/B*).
- In eight blocks²¹ of four districts²² 485 beneficiaries were selected during 2008-13 without ascertaining their BPL status as no BPL number was mentioned in the records (Scheme register, Scheme file and list of approved beneficiaries) against the selected beneficiaries. Thus payment of ₹ 1.01 crore appeared to be fictitious (*Appendix-2.1.12/C*).

RDD accepted and stated (February 2014) that DRDAs have been instructed to take necessary action in the light of audit observations.

In three blocks of Garhwa district, 15 houses were allotted to the relatives of BPL number holders.

In seven blocks, names of 593 beneficiaries selected during 2008-13 were not traceable from BPL list.

¹⁸ Godda Sadar and Thakurgangati blocks.

¹⁹ Ghatshila, Namkum, Nagri, Mandar, Ratu and Sadar block Godda.

²⁰ East Singhbhum, Godda and Ranchi.

²¹ Chinia, Dandai, Ghatshila, Thakurgangti, Madhupur, Sadar block Deoghar, Sadar block Garhwa and Sadar block Godda.

²² Deoghar, Garhwa, Godda and East Singhbhum.

2.1.6.5 Multiple allotments of IAY houses to Single beneficiary/ household

134 beneficiaries/ households selected during 2008-13 were irregularly allotted 145 additional houses involving ₹ 43.06 lakh under IAY against the prescribed one house.

In twelve²³ test-checked blocks of six test checked districts, 134 beneficiaries/households selected during 2008-13 were irregularly allotted multiple (total 279) houses under IAY. Thus, 145 additional houses involving ₹ 43.06 lakh were fraudulently allotted to beneficiaries already allotted houses by the concerned BDOs.

RDD accepted the observation and stated (February 2014) that show cause would be given to the concerned district officials.

2.1.6.6 Multiple allocations due to overlapping with State Scheme

In three blocks (Chinia, Dandai and Sadar block) of Garhwa district and in two blocks (Ghatshila and Gurabanda) of East Singhbhum district, 19 households were allotted 45 houses from both IAY and Sidhu-Kanhu Awaas Yojana²⁴ during 2008-11. Thus, allotment of 26 houses and payment made so far to beneficiaries for these extra houses amounting to ₹ 7.51 lakh proved to be irregular. RDD accepted and stated (February 2014) that show cause would be given to concerned district officials.

2.1.6.7 Non-Selection of beneficiaries under Homestead Scheme

As per clause 8.1 of IAY Guidelines, rural BPL households without house sites were to be provided financial assistance (₹ 10,000 per beneficiary) for purchase/acquisition of a homestead site of an area around 100- 250 sqm.

Without assessing the actual requirements i.e. identification of the landless and houseless BPL families, recognising government/ private lands to be transferred to beneficiary, funds for Homestead Scheme were released to the blocks.

Audit scrutiny revealed that neither the required steps were taken at any level to assess the availability of government land for transfer as homestead site nor land was identified for acquisition/purchase nor central government was informed about non-availability of land. GoI released 1st instalment of ₹ 122.61 crore²⁵ under the scheme in February 2013 only for construction of houses and no money was released for land acquisition as required steps were not taken by the state government. Thus, state failed to get financial assistance for acquisition/purchase of land for homestead sites and the fund provided under the scheme was spent on construction of IAY houses for those BPL families who are in possession of land. The status of fund utilisation is presented in the **Table 2.1.4:**

Table 2.1.4: Statement of utilisation of fund

Test checked DRDAs	Status
Godda, Garhwa, Palamu	Entire ₹ 27.81 crore released under the homestead scheme remained unutilised at DRDAs as of August 2013.
East Singhbhum, Deoghar and Ranchi	₹ 15.44 crore spent on construction of houses for those BPL families who were in possession of land.

(Source: DRDAs)

²³ Chinaia, Dandai, Ghatshila, Gurabanda, Garhwa Sadar, Godda Sadar, Lesliganj, Madhupur, Medininagar Sadar, Namkum, Nagaruntari and Ratu.

²⁴ Sidhu Kanhu Awaas Yojana is a state sponsored housing scheme implemented on the lines of IAY guidelines.

²⁵ State government also released its matching share of ₹ 40.87 crore.

RDD accepted and stated (February 2014) that DRDAs have been instructed to identify the landless BPL number holders and take necessary action.

2.1.7 Physical Achievement and Construction of Houses under IAY

2.1.7.1 Delay in completion of houses

6,396 houses sanctioned during 2008-11 remained incomplete with a delay in completion ranging between four months and more than three years.

As per IAY guidelines (clause 5.10), maximum time provided for completion of houses was two years. Thus all the houses sanctioned upto 2010-11 should have been completed by March 2013. However, in 17 out of 18 test-checked blocks²⁶, out of 29,118 houses sanctioned for new construction/up-gradation during 2008-11, 6,396 (22 *per cent*) houses were incomplete as of July 2013. Delay in completion ranged from four months to more than three years. No action was taken up by the concerned BDOs to get the houses completed though funds required for construction of houses were released to them by DRDAs.

RDD accepted and stated (February 2014) that during 2009-10, additional IAY units were allotted to the State in the last quarter of year which affected achievement of targets.

2.1.7.2 Non-maintenance of year-wise inventory

No inventory for houses constructed/upgraded under IAY was maintained.

The guidelines (clause 5.9) provided that the implementing agencies should have a complete inventory of houses constructed/upgraded under IAY with details of commencement of construction, its completion, etc.

However, scheme register was the only record maintained at the Block level which only showed personal details of the beneficiary and did not record construction status. Due to non-maintenance of detailed inventory, the Blocks/DRDAs were unable to ascertain the total number of houses sanctioned to a GP, number of houses completed, number of houses left incomplete etc. for a given period.

RDD accepted and stated (February 2014) that DRDAs have been instructed to take necessary action.

2.1.7.3 Non-provision of Innovative technologies

No effort was made to contact any expert institutions for seeking information on innovative technologies, materials, designs etc.

As per clause 5.2 of IAY Guidelines, DRDAs should contact various organisations/institutions for seeking information on innovative technologies to help beneficiaries in construction/upgradation of cost effective and disaster resistant houses. However, during audit we noticed that no effort was made by any of the test-checked DRDAs to contact any expert institutions for seeking information on innovative technologies, materials, designs etc.

RDD accepted and stated (February 2014) that DRDAs have been instructed to take necessary action.

2.1.7.4 No Quality Inspection of IAY houses

As per IAY Guidelines (clause 5.7.1), technical supervision was required to be provided for construction of IAY houses at least at foundation laying and lintel level.

²⁶ Nagri block was separated from Ratu block of Ranchi district since 2011-12.

In none of the Blocks technical officers were engaged for technical supervision of construction work.

However, in none of the Blocks technical supervision of construction work was carried out. Thus, sub-standard construction of IAY houses could not be ruled out which was confirmed in joint verification of houses (paragraph 2.1.10.2 of this report).

In reply, RDD stated (February 2014) that DRDAs have been instructed to take necessary action.

2.1.7.5 Lack of awareness about scheme provisions among beneficiaries

No IEC activities were carried out under IAY.

As per IAY Guidelines State/DRDAs were required to carry out Information, Education and Communication (IEC) activities to create awareness among citizens about IAY and its provisions. As per information furnished to audit, no IEC activities were carried out in any of the test-checked districts. In reply RDD stated (February 2014) that DRDAs have been instructed to take necessary action.

No application/request for procurement of construction material was found provided by beneficiaries due to lack of awareness about the relevant provisions of IAY.

- As per IAY Guidelines 2010, DRDAs can help the beneficiaries in acquiring raw material on control rates, if they so request. This will result in economy in cost, ensure quality of construction, lead to greater satisfaction and acceptance of the house by the beneficiary.

During audit we noticed that no request for procurement of construction material was made by the beneficiaries in any of the test-checked Blocks. This could be due to lack of awareness about the relevant provisions of IAY. RDD accepted and stated (February 2014) that DRDAs have been instructed to take necessary action.

2.1.8 Convergence with other Schemes

2.1.8.1 Poor Convergence activities

IAY Guidelines provide for identifying programmes/ schemes implemented by Central Government²⁷ for dovetailing them with Indira Awaas Yojana.

DRDAs of test-checked districts neither had any co-ordination with other Departments in identifying the schemes/programmes that could be converged with IAY nor did they have any information on different facilities provided under Total Sanitation Campaign (TSC), Rajiv Gandhi Grameen Vidutikaran Yojana (RGGVY) etc. in IAY. However, as per State Monthly Progress Report for the year 2009-13, provision of facilities under convergence in the State was as detailed in **Table 2.1.5**.

²⁷ Total Sanitation Campaign (TSC), Rajiv Gandhi Grameen Vidutikaran Yojana (RGGVY) and National Rural Drinking Water Programme (NRDWP) etc.

Table 2.1.5: Details showing provision of facilities under convergence

Period	State/ Selected districts	No. of complete IAY houses	Provision of facilities under convergence in comparison with complete IAY houses with percentage					
			Sanitary Latrines constructed/ Per cent	Smokeless <i>Chulha</i> provided/ Per cent	Free power connection under RGGVY/ Per cent	Aam Admi Bima	Self help group membership under SGSY/ Per cent	Job Card issued under NREGA/ Per cent
2009-13	State	337154	33035	27758	4710	2757	6622	59251
			9.80 <i>per cent</i>	8.23 <i>per cent</i>	1.39 <i>per cent</i>	0.81 <i>per cent</i>	1.96 <i>per cent</i>	17.57 <i>per cent</i>

(Source: State MPR, State government could not provide figures for 2008-09)

Thus, status of convergence in the State ranged from less than one *per cent* to 17 *per cent*.

RDD accepted and stated (February 2014) that districts have been asked to take necessary action to comply with the guidelines.

2.1.8.2 Irregular deduction from the instalments of beneficiaries

According to paragraph 3.2 of IAY guideline 2004, if the beneficiary is unable to construct smokeless *chulha* and toilet, deduction of ₹ 100 and ₹ 600 respectively would be made from the assistance. The provision of deduction of ₹ 600 from IAY unit assistance for non-construction of toilet was deleted with effect from February 2006. The provision for deduction due to non-construction of smokeless *chulha* was withdrawn from IAY guidelines issued in the 2010.

Irregular deduction from the instalments was made while making payment to beneficiaries.

In nine blocks²⁸ of four districts (Deoghar, Godda, Garhwa and Ranchi) irregular deductions amounting to ₹ 13.81 lakh were made from instalments released to the beneficiaries during 2008-12. Deductions²⁹ were on account of non-construction of toilet, smokeless *chulha*, non-installation of marble plate for Logo of IAY etc. except in blocks of Godda and Ranchi district where no reasons for deductions were found mentioned in the records. In reply, BDOs stated that no such deductions were being made from the beneficiaries at present (September 2013).

RDD accepted and stated (February 2014) that districts have been asked to take necessary action to comply with the guidelines.

2.1.9 Monitoring and evaluation

RDD at state level, DRDA at district level and BDOs at block level were responsible for effective implementation of IAY through adequate and effective monitoring. Besides, the *Jan Sewaks* and *Panchayat Sewaks* at GP level were required to monitor the progress of construction.

²⁸ Ratu, Mandar, Godda sadar, Thakurgangti, Madhupur, Chinia, Dandai, Garhwa sadar and Nagaruntari.

²⁹ As per IAY Guideline 2004, sanitary latrine and smokeless *chulha* will be provided with each IAY house. In case, the beneficiary is unable to construct sanitary latrine, due to some reasons, an amount of ₹ 600 would be deducted from the assistance to be provided. This clause was deleted in 2006.

2.1.9.1 Maintenance of records

Several important records were not maintained in test checked DRDAs/ Blocks.

We noticed that in all six test-checked DRDAs and in all the test-checked blocks several important records relating to preparation of permanent wait list, records of credit-cum-subsidy and DRI loans, Inventory/ Asset Register, records of IEC activities, Complaints Register, Monthly Progress Reports (MPRs) for Homestead schemes and Convergence, Utilisation Certificates³⁰ etc. were not maintained (*Appendix-2.1.13*). In reply, RDD stated (February 2014) that show cause would be given to concerned districts.

2.1.9.2 Discrepancies in Data

Wide variations were noticed in Financial and Physical status recorded in MPRs and UCs of DRDAs.

Scrutiny of UCs and MPRs³¹ of six test-checked DRDAs revealed that there were wide variations (ranging upto 377 per cent) in data of financial status and physical status given in these two records as detailed in *Appendix-2.1.14*.

Thus in the absence of any reconciliation of MPRs and UCs, financial accountability and transparency in the records in the districts could have been affected. In reply, RDD stated (February 2014) that show cause would be given to concerned districts.

2.1.9.3 Incorrect submission of facts to Ministry of Rural Development

Incorrect facts were submitted to MoRD in respect of diversion of fund, parking of funds in savings account, constitution of Village level vigilance monitoring committees etc. by the test checked DRDAs.

As per IAY guidelines (provision 4.2) DRDAs were to attach various certificates with UC while submitting applications for release of second instalments. We noticed during audit that incorrect facts were submitted to MoRD in respect of diversion of fund, parking of funds in savings account, constitution of Village level vigilance monitoring committees, receipt and scrutiny of UCs of previous years etc. by the test checked DRDAs as detailed in *Appendix-2.1.15*. In reply, RDD stated (February 2014) that districts have been instructed to comply with the guidelines.

2.1.9.4 State Level Monitoring and Evaluation

Ministry of Rural Development, Government of India issued (4 September 2009) guidelines for constitution of Vigilance & Monitoring Committee at State and district level for monitoring implementation of IAY and proper utilisation of funds etc. under the chairmanship of minister of Rural Development Department of the concerned State. Committee was to have members from the Parliament and Legislative Assembly besides state level officers. We noticed that:

- State level Vigilance and Monitoring Committee (SLVMC) met only twice against the required 12 meetings (one meeting every quarter) to be held during the 2010-13. Further, as per the proceedings of the meetings financial/physical targets/achievements, process of allotment and complaints cases were discussed but remedial steps to be taken, new time lines etc. were either not finalised or were not on record.
- No meeting of District Level Vigilance and Monitoring Committee (DLVMC) was held in two (Garhwa and Palamu) out of six test-checked

SLVMC met only twice against prescribed 12 meetings during 2010-13.

³⁰ Utilisation Certificates to be maintained by Blocks for submission to DRDAs.

³¹ Monthly Progress Report (MPR) depicting month wise physical and financial performance of the scheme.

districts, while there was a shortfall ranging between 17 and 50 per cent in number of meetings in other four districts.

- Further, as per the information furnished to audit no village level vigilance committees were created in any of the test-checked blocks.

In reply, RDD stated (February 2014) that regular meetings of SLVMC could not be held during President's Rule in the State. It was further stated that districts have been instructed to comply with the guidelines for DLVMC meetings.

Reply in respect of meeting of SLVMC is not acceptable as President's rule did not restrict RDD from holding monitoring committee meetings since as per guidelines of Vigilance and Monitoring Committee (provision 4A) in the absence of elected government in the State, senior most Parliament member from the Committee was to be deemed its Chairman.

2.1.9.5 Absence of Grievance Redressal Mechanism

IAY Guidelines (provision 6.1.2) prescribe for setting up of effective Complaint Monitoring System with adequate staff which can independently give a report about the short-comings/shortfalls, for effective redressal.

As per the information furnished to audit no complaint register was maintained at any level. Further, during the scrutiny of records of four districts, 139 complaint cases³² were found received during 2008-13, none of which were disposed off as of July-September 2013. In Deoghar and Garhwa district, no complaints were shown to have been received during 2008-13.

In reply, RDD stated (February 2014) that districts have been instructed to comply with the guidelines.

2.1.9.6 Internal verification of Works at field level

As per IAY Guidelines (provisions 6.1) state government was to prescribe a schedule of inspection for each supervisory level functionary from the State level to the block level to ascertain satisfactory programme implementation.

It was observed that RDD did not prescribe any schedule of inspection indicating minimum number of field visits for supervisory level officers. Audit did not find records in respect of field visits carried out by State/District/Block level officers in the test-checked DRDAs/ blocks. Lack of regular and effective inspection was evident from the fact that out of 29,118 houses sanctioned during 2008-11 in 18 blocks³³ of six test checked districts, 6,396 houses were incomplete as of September 2013.

In reply, RDD stated (February 2014) that districts have been instructed to comply with the guidelines.

2.1.9.7 Social Audit and Monitoring by NGOs

As per IAY Guidelines (clause 6.3.5), social audit of the Scheme shall be conducted. However no system of social auditing was followed, due to which

³² Palamu-133 complaint cases; Godda-three complaint cases; East Singhbhum-compliant two cases and Ranchi-one case.

³³ Including Nagri block which was separated from Ratu block of Ranchi district from 2011-12.

No Complaint Monitoring System for redressal of grievances was set up at any level.

No schedule of inspections indicating minimum number of field visits for each supervisory level officer at State, district and block level was prepared by RDD.

Social Audit of IAY was not carried out in the State.

community monitoring and transparency in implementation of IAY scheme could have been insufficient. Again, no supervision, guidance and monitoring of construction of IAY houses by Non-Government Organisation (NGOs) as envisaged under the programme guidelines was noticed in audit.

In reply, RDD stated (February 2014) that concerned districts will be instructed to send the action taken report.

2.1.9.8 AWAASSoft

A web-based MIS Programme Software 'AWAASSoft' to capture beneficiary-wise data to monitor IAY Scheme was launched in July 2010 as a management tool to generate all reports, track released funds, progress in construction of houses and convergence of all benefits.

Prescribed period of implementation of AWAASSoft was 2010-11 however; this has been started from 2012-13 and is on un-updated condition.

We noticed that AWAASSoft has been implemented in the State with effect from 2012-13 though it was prescribed to be carried out from 2010-11. Further, information furnished by RDD and test-checked DRDAs disclosed discrepancies in various information (*Appendix-2.1.16*) between the data uploaded in MIS and MPR.

In reply, RDD stated (February 2014) that records on AWAASSoft will be updated by July 2014.

2.1.10 Findings of the Joint Inspection and Beneficiary Survey

1,198 sampled beneficiaries were interviewed by audit to assess their perception and experiences with the Scheme during the joint physical verification³⁴ of IAY sites. The findings are as follows:

2.1.10.1 Problems faced by beneficiaries in getting assistance under the Scheme

- 59 (4.92 per cent) beneficiaries stated that they faced problems in getting their IAY houses sanctioned.
- 852 (71.12 per cent) beneficiaries were not aware of the Permanent Waitlist of IAY.

2.1.10.2 Construction of houses

- 522 (43.54 per cent) houses were found incomplete though out of this, 151 houses were shown as complete in the block level records.
- 81 beneficiaries (6.76 per cent) did not construct houses after receiving 1st instalment (74 beneficiaries) or even after receiving full payment (seven beneficiaries).
- 25 houses (2.17 per cent) were abandoned for various reasons such as migration, lack of interest in construction work by the beneficiaries, financial assistance spent on domestic purposes etc. after providing ₹ 8.32 lakh.
- 302 beneficiaries (32.72 per cent) stated that no inspection was carried out by any authority during construction;

³⁴ Conducted by Audit personnel along with *Panchayat Sevak* and *Jan Sevak* of concerned blocks in 102 test checked *Gram Panchayats* of 18 blocks in six selected districts.

- Only one out of 1198 beneficiaries was aware of DRI loan/Credit-cum-subsidy scheme for construction or upgradation of houses while none of the beneficiaries were aware of the provisions of the Homestead Scheme.
- Against prescribed 20 square meters, plinth area of physically verified IAY houses varied from 7.8 to 185.805 sq. meters.
- As per IAY guidelines (clause 5.2.1) efforts should be made to ensure that house is a *pucca* one with permanent walls and roofing. The walls are plastered at least externally. However, audit noticed that eight *per cent* of test-checked houses were constructed with mud and bricks; 33 *per cent* IAY houses were constructed with asbestos/ *Khaprail* roof; and 28 *per cent* IAY houses were constructed without external plaster.
- 1096 (91 *per cent*) out of 1198 beneficiaries stated that their houses were not provided with sanitary latrines; 201 beneficiaries complained about shortage of water as they were fetching water from a distance of 1-5 kms. Electricity supply under RGGVY had been provided to 283 (23.6 *per cent*) out of 1198 households, while 1050 (87.6 *per cent*) beneficiaries stated that they did not get assistance under LIC- Janshree Bima or Aam Admi Bima.

In respect of findings of the Joint Inspection cum Beneficiary Survey RDD stated (February 2014) that instructions have been issued to concerned districts to submit related reports.

Incomplete IAY houses noticed in Joint Physical Inspection but reported as complete in records



BPL No. 3996, Scheme No- 51/08-09 at Gorsanda in GP in Sadar block, Godda was paid ₹34,300.



BPL No. 8243, Scheme No.198 /2008-09 at Sodag in Namkum block of Ranchi was paid ₹35,000.

2.1.11 Conclusion

The envisaged objective of IAY to provide housing to the rural poor was not achieved due to lapses in implementation of the scheme. Scheme was affected due to short /delayed release of funds by State Government, loss of central share, diversion and non-utilisation of government money, suspected misappropriation of scheme funds, non-accounting of interest amounts, which hampered the overall utilisation efficiency. Besides non-provision of IAY Scheme benefits to 9.90 lakh additional identified BPL families there were instances of non/improper preparation of IAY waitlist, non-transparent process for selection of beneficiaries resulting in fraudulent/multiple allotment of houses to ineligible beneficiaries at the cost of eligible BPL Households. Targeted IAY houses were not completed within stipulated time schedule. There was lack of co-ordination with other Departments to identify the

schemes/programmes that could be dovetailed with IAY to provide intended facilities to IAY beneficiaries under Convergence. There were discrepancies between MPR and MIS data which reduced the reliability of information. There was lack of monitoring and evaluation at each level and as a result outcomes /shortcomings of scheme could not be evaluated adequately. Inadequate numbers of meeting of SLVMC and DLVMC deprived the scheme of the benefits of supervisions and guidance of these Committees.

2.1.12	Recommendations
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The Government may consider:

- *Financial management under the scheme should be bolstered with accurate accounting and continuous supervision of affairs of implementing agencies for effective utilisation of scheme fund;*
- *Preparation of correct Permanent Waitlist by the Gram Panchayats with due approval of Gram Sabha as envisaged in IAY guidelines should be ensured;*
- *Implementing agency should ensure completion of targeted IAY houses in prescribed timeframe;*
- *Programmes/schemes implemented by various Departments should be identified for dovetailing with IAY to ensure provision of intended facilities to IAY beneficiaries under Convergence; and*
- *Meetings of SLVMC and DLVMC in required numbers should be ensured for better monitoring and supervision of implementation of IAY scheme.*

Agriculture and Sugarcane Development Department

2.2 Implementation of Rashtriya Krishi Vikas Yojana in Jharkhand

Executive Summary

Government of India (GoI) launched Rashtriya Krishi Vikas Yojana (RKVY) in May 2007 to incentivise States so as to increase public investment to bring about quantifiable changes in production and productivity of various components of agriculture and allied sectors by addressing them in a holistic manner. We reviewed the performance of RKVY for 2007-08 to 2012-13 to assess the effectiveness of Planning, financial management, execution and monitoring of projects in the implementation of RKVY in the State. Important findings are discussed below:

The Agriculture and Sugarcane Development Department (ASDD) failed to reflect local needs in projects implemented in 2012-13 as District Agriculture Plans for 2012-13 were not prepared.

ASDD should ensure preparation of District Agriculture Plans.

(Paragraph 2.2.6.2)

The State failed to tap funds of ₹ 93.37 crore of second installments due to non-utilisation of available funds.

ASDD should ensure timely utilisation of available funds.

(Paragraph 2.2.7.4)

Project implementation under RKVY was not satisfactory. ASDD could not provide envisaged irrigation facility to the farmers' group due to non-completion of 119 out of 491 units of microlifts irrigation system in test-checked districts. Further, hostels facility to farmers to attend training programme regarding new technique of agriculture was not made available due to non-completion of three 50-bedded hostels. Data available with Automatic Weather Station Reception centre could not be utilised for agromet advisory service due to non-establishment of expert centre in ASDD. ASDD failed to start training to farmers and envisaged seed production in Government Agricultural Farms as these farms were not strengthened.

ASDD should ensure timely completion of projects to extend desired benefits of projects to farmers.

(Paragraph 2.2.8)

ASDD failed to review the implementation of project as state level committee was not formed. Further, ASDD also failed to update RKVY Database and Management Information System with correct entries to reflect actual position of various projects implemented.

ASDD should ensure formation of State level committee to review the implementation of projects and actual status of projects should be reflected in RKVY Database and Management Information System for proper monitoring of projects.

(Paragraphs 2.2.9.3 and 2.2.9.5)

2.2.1 Introduction

In Jharkhand, 52 *per cent* of geographical area is under cultivation by 39 lakh farmers. The cultivated area in Jharkhand is spread over three agro-climatic zones of Central and North Eastern Plateau, Western Plateau and South Eastern Plateau zones¹. Irrigation is available for 10 *per cent*² of the cultivated area.

Concerned by the slow growth in the Agriculture and allied sectors, the National Development Council launched (29th May 2007) a special Additional Central Assistance Scheme known as National Agriculture Development Programme, also known as Rashtriya Krishi Vikash Yojana (RKVY) with the aim of achieving four *per cent* growth rate in Agriculture Sector during XI Five Year Plan Period (2007-12). NDC resolved that agriculture development strategies must be reoriented to meet the needs of farmers and called upon the Central and State Government to re evolve a strategy to rejuvenate agriculture.

In Jharkhand, various Central and State Schemes such as National Food Security Mission (NFSM), Integrated Scheme of Pulses, Agricultural Technology Management Agency (ATMA), Accelerated Irrigation Benefit Programme (AIBP) etc., are being implemented for development of agriculture. The State achieved 4.85 *per cent*³ growth in the agriculture sector during the XI Plan period (2007-12) against the targeted growth of four *per cent* as envisaged in RKVY guidelines.

2.2.2 Organisational set up

The Ministry of Agriculture, Department of Agriculture and Cooperation (DAC), Government of India (GoI) is responsible for budgetary controls, release of funds and overall administration of the scheme at the Central level. The State Agriculture and Sugarcane Development Department (ASDD) was the nodal Department for the implementation of RKVY in the State. State Level Sanctioning Committee (SLSC) headed by the Chief Secretary of the State was the apex body for selection of projects and monitoring of the Yojana. In the state RKVY was implemented by the Departments of Agriculture and Sugarcane Development and Animal Husbandry and Fisheries (AH&FD) headed by the Principal Secretaries/Secretaries. Three directors (Agriculture, Soil Conservation and State Agricultural Management and Extension Training Institute (SAMETI)) in ASDD and Director, Fisheries in AH&FD assisted their Principal Secretaries/ Secretaries. Director, SAMETI functioned as nodal officer up to November 2010. Thereafter, Director, Agriculture functioned as nodal officer. Principal Secretary, ASDD and Director, Agriculture withdrew funds from treasury and made available to the Director, SAMETI for the implementation of RKVY projects. District Officers were key functionaries for implementation of RKVY.

¹ Source: The State Agriculture Plan (2008-12).

² Source:- State Agriculture Plan(2008-09 to 2011-12).

³ Source:-Central Statistical Organisation (CSO); Ministry of Agriculture, GoI (As on 30.09.2013).

2.2.3 Audit objectives

The audit objectives were to examine whether:

- planning process during the implementation of scheme was effective and according to RKVY guidelines;
- financial management ensured adequate and timely availability of funds and their effective and economic utilisation;
- projects were implemented according to the regulatory structure in place and the intended objectives of the projects were achieved and
- monitoring and supervision was adequate to ensure effective implementation.

2.2.4 Audit criteria

The audit criteria applied for framing the audit comments were drawn from the following sources:

- Guidelines of Rashtriya Krishi Vikas Yojana;
- Website of RKVY scheme titled 'rkvy.nic.in';
- District Agriculture Plans (DAPs) and State Agriculture Plan (SAP);
- Instructions/guidelines issued at State/District level for implementation of RKVY; and
- Jharkhand Financial Rules, Jharkhand Treasury Code and Jharkhand Public Works Accounts Code.

2.2.5 Audit scope and methodology

We reviewed the Performance of RKVY in the State covering the period from 2007-08 to 2012-13 which involved audit of the records of Agriculture Department (Nodal Department for implementation of RKVY in the State) and Animal Husbandry and Fisheries Department (Fisheries sector). A total of nine projects out of 225 projects under Stream-I⁴ covering five sectors were selected and two projects based on higher expenditure in 2009-10 under Stream-II⁵ were selected. Based on project execution, six districts⁶ were selected. The details of projects and districts selected are given in **Appendix-2.2.1**.

An entry conference was held with the Secretary, ASDD on 13 May 2013 in which audit objectives, scope and criteria were discussed. ASDD furnished replies in December 2013. An exit conference between the Principal Accountant General and Secretary, ASDD was held on 18 February 2014

⁴ The specific projects which the State chooses to implement under various sectors viz. agriculture mechanisation, integrated development of major food crops, Animal Husbandry and Fisheries activities etc. should be included in the District Agriculture Plan (DAPs) and State Agriculture plan (SAP) under Stream-I.

⁵ Projects under State plan proposed by the State Government and approved by the Planning Commission were to be taken up to strengthen the existing state sector schemes and also for meeting the resource gap of state Government under Stream-II.

⁶ Dhanbad, Dumka, Hazaribag, Ramgarh, Ranchi and Saraikela.

wherein the audit findings were discussed. Replies and views of the Secretary, ASDD have been suitably incorporated in the Audit Report.

Audit findings

2.2.6 Planning

As per guidelines of RKVY, District Agriculture Plans (DAPs) were to be prepared and State Agriculture Plan (SAP) was to be prepared by consolidating DAPs. SLSC was to monitor and ensure the preparation of DAPs and SAP. Further, SLSC was responsible for sanctioning the projects which were part of DAPs/SAP under Stream I of RKVY. DAPs and SAP were to be approved by the Planning Commission and Department of Agriculture and Cooperation (DAC), GoI. The States were exempted from submission of DAPs for 2007-08 as the State plan had already been finalised.

2.2.6.1 Non- inclusion of projects in DAPs and SAPs

Two projects were taken up though these were not part of DAPs/SAP.

Scrutiny of records revealed that DAPs and SAPs for 2008-09 to 2011-12 were prepared by the Department through consultants and submitted to SLSC between September and November 2008. Approval of DAPs and SAP by Planning Commission and DAC, GoI, if any, was not on record. Further scrutiny revealed that two projects viz. distribution of High Yield Varieties (HYV) seeds in 2010-11 and distribution of Hybrid Notified seeds in 2011-12 were taken up by the State though these projects were not part of DAPs and SAP of the respective years.

Total 136 sanctioned projects costing ₹ 833.76 crore were dropped.

Further, we observed that subsequent to audit observation SLSC dropped (October 2013) 136 sanctioned projects of ₹ 833.76 crore due to reasons of (i) projects not being as per RKVY guidelines, (ii) non-availability/dispute of land and (iii) impractical proposals. This showed that due diligence was not performed at the approval stage for these projects.

The Department did not reply specifically on the issue of non-approval of DAPs/SAP for 2008-09 to 2011-12. Further, the Department while accepting the absence of above two projects in DAPs and SAP stated that these projects were relevant as seeds was a priority area in DAP and SAP. The fact remains that only those projects were to be taken up for implementation which were included in DAPs and SAP.

2.2.6.2 Non- preparation of DAPs

DAPs for 2012-13 were not prepared.

DAPs of 2012-13 were not prepared by the districts though required as per guidelines of RKVY, whereas SAP of 2012-13 was prepared by the Nodal Department by considering the proposals submitted by the different Directorates. Thus, local needs were not considered in State plan of 2012-13 as DAPs were not prepared for the year.

ASDD did not give specific reply.

2.2.6.3 Blocking of unspent fund for preparation of DAPs

During 2007-08, ₹ 1.90 crore was received (January 2008) from GoI by the ASDD out of which ₹ 1.48 crore was spent as of March 2009 as payment to consultants for preparation of DAPs/SAP and the unspent amount of ₹ 0.42 crore lying with SAMETI was remitted into treasury in January 2014 after being pointed out by audit.

2.2.6.4 Irregular appointment of Consultant for preparation of DAPs

ASDD engaged (March 2008) NABCONS⁷ for the preparation of DAPs of 24 districts and SAP of the State for 2008-12 at a consultation fee of ₹ five lakh plus service tax (12.36 per cent) per district. However, the work of preparation of DAPs for three districts was withdrawn (June 2008) from NABCONS and entrusted (July 2008) to another consultant, Gene Campaign an NGO at a cost of ₹ 10 lakh per district against ₹ five lakh given to NABCONS. The reasons for engagement of a new consultant for three districts at a higher rate were not available in records. This resulted in excess and avoidable expenditure of ₹ 13.15 lakh⁸. Further, it was also noticed that clause for charging service tax was not included in the Memorandum of Understanding (MoU) made between ASDD and the Gene Campaign.

2.2.7 Financial management

Norms of funding

Allocation of fund under RKVY is determined by Planning commission for the eligible states based on three parameters (i) percentage share of net un-irrigated area in the state to the net un-irrigated area of the eligible states (ii) projected growth rate to be achieved by the States by the end of XI five year plan in Agriculture and allied sectors compared to the growth rate in Agriculture and allied sectors in the base year i.e. 2005-06 and (iii) increase in total plan expenditure in Agriculture and allied sectors in the previous year over the year prior to that year.

2.2.7.1 Release of funds against norms

(i) Non-eligibility under RKVY

As per paragraph 2.5 of RKVY guidelines, a State would be eligible to receive allocation if the baseline share (average percentage of expenditure incurred under agriculture by the State Government in the State Plan during the three years prior to the previous year) of expenditure in Agriculture and allied sectors in total State plan (excluding RKVY funds) expenditure is at least maintained. After determination of the eligibility GoI allocated funds to a State.

We observed that as per Finance Accounts the percentage of expenditure (excluding RKVY funds) on Agriculture and allied Sector to State Plan expenditure (excluding RKVY funds) during 2007-08 (5.51), 2008-09 (4.97) and 2009-10 (4.45) was less than the baseline expenditure average during the year 2004-05 to 2006-07 (6.92), 2005-06 to 2007-08 (6.85) and 2006-07 to 2008-09 (6.62) respectively. Thus, the State was not eligible for receipt of fund under RKVY during 2008-09 to 2010-11. However, GoI released funds of ₹ 196.34 crore during this period.

ASDD replied that the Planning Commission of India made the State eligible on the basis of data furnished by ASDD and the State Planning Department also. The facts remains that the State did not increase expenditure in

⁷ NABARD Consultancy Services.

⁸ Gene Campaign: ₹ 30 lakh-₹ 16.85 lakh for three districts at the rate of ₹ five lakh plus service tax ₹ 61800 per district.

The State was not eligible for receipt of fund under RKVY during 2008-11 due to non-maintenance of baseline expenditure during 2007-10.

Agriculture and allied sector under State Plan to become eligible for receiving RKVY funds.

(ii) Irregular release of installment of projects

As per guidelines of RKVY, fund was to be released in two equal installments of 50 per cent of central allocation under Stream II.

We noticed that GoI released 100 per cent of fund (₹ 32.84 crore) under stream II during 2010-11 in contravention of prescribed norms of RKVY guidelines.

Thus, the State received funds from GoI in violation of RKVY guidelines.

2.2.7.2 Receipt of grants and its utilisation

RKVY fund is available to the States in two distinct streams. As per paragraphs 7.1.1 and 7.1.6 of guidelines of RKVY, at least 75 per cent of the allocated amount was to be proposed under Stream-I for specific projects and as per paragraph 7.2.1 remaining 25 per cent of allocated amount was to be proposed under Stream-II untied to any particular project. SLSC is authorised to sanction projects under Stream-I. Under Stream-II, projects under State plan proposed by the State Government and approved by the Planning Commission were to be taken up to strengthen the existing state sector schemes and also for meeting the resource gap.

ASDD failed to provide bifurcated data for Stream-I and II. During 2007-08 to 2012-13, DAC released ₹ 645.96 crore against the total allocation of ₹ 761.48 crore, of which ₹ 507.53 crore was spent. Thus, GoJ could spend 66.65 per cent of the allocation and 78.57 per cent of fund received as detailed in Table 2.2.1 below:

Table 2.2.1: Details of funds under RKVY

(₹ in crore)							
Year	GOI's allocation	Opening balance	Released from DAC	Total funds available	Expenditure	Closing Balance	Percentage of under-utilisation
1	2	3	4	5 (3+4)	6	7	8 (5:7)
2007-08	61.66	00	55.68	55.68	00	55.68	100
2008-09	58.62	55.68	29.31	84.99	45.93	39.06	45
2009-10	70.13	39.06	70.13	109.19	95.91	13.28	12
2010-11	160.96	13.28	96.90	110.18	95.26	14.92	13
2011-12	168.56	14.92	174.56 [†]	189.48	143.83	45.65	24
2012-13	241.55	45.65	219.38	265.03	127.78*	137.25	52
Total	761.48		645.96		507.53		

(Source: Agriculture Directorate, Government of Jharkhand)

* Excluding Irrigation sector etc as Director Soil Conservation did not furnish the details.

† During 2011-12, additional funds of ₹ six crore were released by GoI over and above the allocation of funds for the year.

- The above table indicates that during 2007-08 to 2012-13, under utilisation of funds ranged between 12 and 100 per cent.

ASDD attributed under utilisation of funds to late start of RKVY in the State. The reply was not entirely correct as under utilisation continued during 2008-09 to 2012-13 though RKVY was already launched in 2007-08, which deprived the State of second installment of grants as discussed in paragraph 2.2.7.4.

- Scrutiny revealed that SLSC proposed list of schemes along with the cost to be met out of RKVY outlay and that of by State and others in the proposed projects. DAC released funds for the projects sanctioned by SLSC within the funds allocated by the Planning Commission for the State. As per release order of DAC, the State was to prepare a priority list of projects to be implemented within the allocated funds. But, the State did not prepare priority list in any of the years. Further, as per terms of reference for the preparation of State Agriculture Plan, the State Government was to make good the short release of funds under RKVY by GoI. ASDD did not furnish data regarding release of deficient funds/contribution by the State for the projects sanctioned by SLSC. Therefore, State outlay on those projects could not be assessed in audit. We further observed in audit that GoI approved 225 projects at an estimated cost of ₹ 1595.24 crore⁹ under RKVY proposed by SLSC during 2007-08 to 2012-13 but GoI allocated only ₹ 761.48 crore and released ₹ 645.96 crore. The balance required amount was to be bridged with State resources. Details of funds released from State resources to meet the requirement for the projects sanctioned by SLSC was not furnished to audit though called for in January 2014.

2.2.7.3 Delay in release of funds

Details of release of funds for RKVY projects in the State were not furnished by ASDD. However, the information regarding sanction and release of funds relating to test-checked projects were obtained at the time of scrutiny of project files and delays were noticed in eight out of 11 test-checked projects as detailed in the **Table 2.2.2** below:

Table 2.2.2: Statement showing delay in release of funds in test checked projects

Year	Receipt of funds from GoI		Release of fund for test-checked projects to implementing agencies			Delay in months
	Date	Amount (₹ in crore)	Amount (₹ in crore)	Name of project	Date	
2007-08	Between 11/2007 and 12/2007	53.78	23.50	Distribution of Micro Lift Irrigation system and (₹ 21.50 crore)	02/2009	14 months
				Strengthening of Government Fish Seed Farm, Ramgarh (₹ two crore)	02/2009 (₹ 1.90 crore) and 03/2009 (₹ 0.10 crore)	
2008-09	Between 06/2008 and 03/2009	29.31	3.05	Establishment of Fisheries and Livestock Research Institute (₹ 0.50 crore)	06/2013	51 months
				Construction of 50 bedded hostels (₹ 2.55 crore)	12/2011	33 months
2009-10	Between 06/2009 and 01/2010	70.13	1.05	Establishment of Automatic Weather Stations (AWS) Reception Centre	Between 04/ 2010 and 06/2010	Between three and five months
2010-11	Between 04/2010 and 08/2010	96.90	27.85	Distribution of High Yield Varieties (HYV) Seeds (₹ four crore)	11/2010	Three months
				Improved Irrigation System (₹ 23 crore)	12/2010	Four months
				Jharkhand Agriculture Machinery Testing and Training Centre (₹ 0.85 crore)	12/ 2011	16 months

(Source: Agriculture and Sugarcane Development Department. Note: Delay was calculated from release of last installment for the year concerned)

⁹ 2007-08: ₹ 142.25 crore, 2008-09: ₹ 28.59 crore, 2009-10: ₹ 116.83 crore, 2010-11: ₹ 297.42 crore, 2011-12: ₹ 320.23 crore and 2012-13: ₹ 689.92 crore.

Due to delayed release of funds by ASDD/Nodal Officer¹⁰ the test-checked projects were either completed with delays or not completed which defeated the very purpose of the project as discussed in paragraph 2.2.8.

ASDD accepted the facts of delayed release but did not furnish any reason for delay.

2.2.7.4 *Deprivation of second installment of grants*

As per guidelines of RKVY, 50 per cent of funds under Stream-I was to be released in the first installment and 40 per cent of fund after physical progress of at least 50 per cent of prescribed milestone. Further, 10 per cent fund was to be released after completion of projects. Under Stream II, fund was to be released in two equal installments of 50 per cent of central allocation. The first installment was to be released in April and the second and the final installment after submission of Utilisation Certificates for the fund released upto previous financial year, expenditure of at least 60 per cent of available fund and submission of physical and financial performance report on regular basis.

Scrutiny revealed that GoI allocated ₹ 58.62 crore during 2008-09 and released ₹ 29.31 crore as first installment. Out of ₹ 29.31 crore the Department could utilise only ₹ 10.46 crore. As such, second installment of ₹ 29.31 crore could not be released. During 2010-11, GoI allocated ₹ 160.96 crore and released first installment of ₹ 96.90 crore¹¹ (Stream-I: ₹ 49.26 crore, Stream-II: ₹ 32.84 crore and Sub-scheme: ₹ 14.80 crore) only and did not release second installment of ₹ 64.06 crore (for Stream-I and Sub-scheme) due to non-utilisation of available balance as prescribed. Thus, GoI was deprived of GoI Grants of ₹ 93.37 crore (2008-09: ₹ 29.31 crore and 2010-11: ₹ 64.06 crore). ASDD did not give specific reply to audit observation.

2.2.7.5 *Interest from savings bank accounts of RKVY funds*

We observed that eight implementing agencies¹² withdrew funds from treasuries during 2007-08 to 2012-13 and kept it in savings bank accounts in contravention of resolution¹³ of the Finance Department of Government of Jharkhand. There was no provision of transactions through banks in the RKVY guidelines also as the funds were to be routed through State treasury. Further, in April 2010 DAC decided that interest earned would be counted towards grants-in-aid for respective scheme fund. But, the implementing agencies kept the funds in banks in violation of above provision and earned interest of ₹ 0.69 crore¹⁴ as of March 2013. Besides, SAMETI (nodal agency) also parked the funds in saving bank account and earned interest of ₹ 1.03 crore (as of December 2012). Implementing agencies did not maintain the bank account scheme-wise (Stream-I, Stream-II and Sub-scheme) and in its absence the interest earned could not be treated as fund of respective scheme.

¹⁰ Directors, Agriculture and SAMETI, Jharkhand, Ranchi.

¹¹ For Stream-II, DAC released full amount in one lump sum.

¹² DAO Dumka, ATMAS; Dumka, Ranchi, Hazaribag, Ramgarh and Saraikela; DSCO Saraikela and DFO Ranchi.

¹³ Resolution no 118 dated 21.01.2007 in which drawing of fund from treasury and keeping it in bank was not allowed.

¹⁴ DAO Dumka: ₹ 0.02 crore, ATMA Dumka: ₹ 0.15 crore, ATMA Saraikela: ₹ 0.02 crore, ATMA Ranchi: ₹ 0.19 crore, ATMA Hazaribag: ₹ 0.12 crore, ATMA Ramgarh: ₹ 0.07 crore, DSCO Saraikela: ₹ 0.05 crore and DFO Ranchi: ₹ 0.07 crore.

The State was deprived of GoI Grants of ₹93.37 crore due to non-utilisation of available funds.

Revenue of ₹ 1.72 crore was not counted towards respective scheme funds.

The State Government also did not inform of the interest earned out of scheme fund to GoI as revealed from the Utilisation Certificates submitted by GoJ to GoI. Thus, interest earned of ₹ 1.72 crore was not counted towards respective scheme funds.

ASDD did not reply. However, the Secretary assured in exit conference to look into the matter.

2.2.7.6 Non- utilisation of advance paid to NGO

ASDD sanctioned ₹ 40 lakh for the establishment of seed village¹⁵ by NGO Gene Campaign and Director, Agriculture executed (February 2010) an agreement with NGO for establishment of seed village in Ormanjhi, Ranchi and provided (April 2010) ₹ 27.50 lakh in advance to NGO. As per agreement, NGO was to submit the half-yearly progress report and in absence of progress of work/utilisation of funds action was to be initiated against NGO by the Director. But scrutiny of records revealed that NGO never submitted the progress reports as no work was executed and kept the funds unutilised (November 2013). The Director also did not initiate any action. Thus, the Director, Agriculture irregularly extended undue benefit to NGO.

2.2.8 Implementation of projects

For the purpose of Performance Audit, total nine projects covering five sectors under Stream-I and two projects under Stream-II were selected for detailed checking. The selected projects and sectors are shown in *Appendix-2.2.1*.

Stream- I Projects

Micro/Minor Irrigation Sector

Two Stream-I projects namely Distribution of Micro lift Irrigation System among progressive farmers' groups during 2008-09 and Construction of Improved Irrigation System during 2010-11 from this sector were test-checked. Shortcomings noticed in implementation of these projects are discussed in following paragraphs:

2.2.8.1 Distribution of Microlift Irrigation System among progressive farmers' group

With a view to provide irrigation facility through lift irrigation to progressive farmers of the State ASDD sanctioned (February 2009) distribution of 2000 units (costing ₹ 2.15 lakh each) of Micro lift Irrigation System. This system consisted of installation of 8 HP diesel pump set, laying of PVC pipes, construction of vats and pump house. Water from pre-identified source was to be lifted by pump set (installed in pump house) through PVC pipes to vats¹⁶. The estimated cost of 2000 units was ₹ 43 crore which was to be shared ₹ 21.50 crore from RKVY, ₹ 10.75 crore from state and ₹ 10.75 crore by farmers. Project Directors, ATMA were implementing agencies of the project. As against 2000 units sanctioned, only 1515 units were distributed after incurring an expenditure of ₹ 17.77 crore under RKVY by the implementing agencies. In six test-checked districts total 372 units¹⁷ of micro lift systems

¹⁵ Seed Village deals with production and processing of seed.

¹⁶ It is a pucca water tank-cum-chamber having outlets in all walls.

¹⁷ Dhanbad: 26, Dumka: 37, Hazaribag: 89, Ramgarh: 16, Ranchi: 128 and Saraikela: 76.

could only be distributed as of November 2013 against target of 491 units¹⁸ after incurring expenditure of ₹ 7.08 crore¹⁹.

Following shortcomings in the project of distribution of Micro lift Irrigation Systems were noticed in the test-checked districts:

(i) **Non- completion of Micro lift Irrigation System**

- In Dumka, ₹ 171.45 lakh was provided (May 2009) by DAO Dumka to Project Director (PD), Agricultural Technology Management Agency (ATMA) for distribution of 106 units of Micro lift Irrigation System, out of which ₹ 50 lakh was spent on 37 completed units and ₹ 61.83 lakh on 69 incomplete units as of June 2013 based on physical progress of units. Owing to non-payment of supplier's bills and non-construction of vats by PD and Junior Engineer, ATMA 69 units could not be completed and the objectives of micro lift irrigation in Dumka could not be achieved.

ASDD replied that the matter was under investigation and further action would be taken after getting report from the investigating team.

- In Ramgarh, 19 (at an expenditure of ₹ 23.09 lakh) out of 35 units were not completed as of August 2013 by PD ATMA against scheduled date of completion by March 2010 due to slow progress in execution of work. Further, 16 units were completed after delays ranged between 11 and 34 months for which no reasons were found in records.

ASDD replied that (December 2013) the matter would be thoroughly investigated and results intimated.

- In Dhanbad, out of 54 units PD ATMA transferred (November 2009) execution of 15²⁰ units to Prerna Niketan (an NGO) and executed 39 units. Total 26 out of 39 units executed by PD were completed (May 2011) after a delay of 18 months and 13 units (₹ 34.72 lakh) were incomplete as of November 2013 after delay of 48 months. Further, PD ATMA had no information till date of audit (November 2013) regarding progress of 15 units to be executed by NGO to whom ₹ 18.25 lakh was paid (November 2009) in advance. We further observed that excess payment ₹ 1.69 lakh for purchase of 9550 meters of PVC pipes for the beneficiaries pertaining to 19 units in five blocks²¹ was made to the Secretary/President of the beneficiary group at ₹ 139.70 per metre as per entries in MB in place of ₹ 122 per metre billed by suppliers.

ASDD did not reply to audit observation.

- In Ranchi three out of 131 units were not taken up for which no reason was intimated by PD ATMA cum District Agriculture Officer (DAO) Ranchi. The unutilised amount of ₹ 4.97 lakh related to three units was remitted into treasury in March 2014 after lapse of four years from receipt of funds.

¹⁸ Dhanbad: 54, Dumka: 106, Hazaribag: 89, Ramgarh: 35, Ranchi: 131 and Saraikela: 76.

¹⁹ Dhanbad: ₹ 0.75 crore, Dumka: ₹ 1.12 crore, Hazaribag: ₹ 1.43 crore, Ramgarh: ₹ 0.49 crore, Ranchi: ₹ 2.06 crore and Saraikela: ₹ 1.23 crore.

²⁰ Estimated cost: ₹ 32.25 lakh.

²¹ Baghmara, Dhanbad, Jharia, Nirsa and Topchanchi.

Desired benefit of providing irrigation could not be achieved due to non-completion of 119 microlift irrigation system.

- Though all targeted 89 units of micro lift schemes in Hazaribag were completed, 11 units were completed after delay ranging between four and 14 months whereas no record was furnished to audit to ascertain the delay for six units executed by an NGO. The remaining 72 units were completed on time.
- In Saraikela, 76 units were completed after delays ranging between seven and 29 months against scheduled date of completion by 15 June 2009. We further observed that one unit of micro lift system for farmers' group of Purusilli village was shifted to Block Nursery, Chandil (Saraikela) by PD, ATMA without ensuring provision of fund equal to farmers' contribution. In the absence of which the unit could not be installed.

(ii) **Results of physical verification**

Joint physical verification with representatives of PD ATMA was carried out at 23 places²² in test-checked districts. During physical verification of Block Nursery Chandil, Saraikela we observed that neither pump sets, pipes and accessories were available nor construction of civil work was executed though measurements were taken in MB against supply of pump sets, pipes and accessories and execution of civil works done and payment of ₹ 1.61 lakh was shown to be made. Thus, expenditure was not supported by evidence of work done during joint physical verification and ₹ 1.61 lakh was suspected to have been misappropriated by then PD ATMA. In Ranchi, in three out of four units, pump houses were not found constructed; pump sets and pipes were lying in the houses of three beneficiaries. DAO Ranchi²³ replied that full systems with pump house were constructed and handed over to the beneficiaries whose maintenance rests with beneficiary committees. The reply is contrary to the facts found during joint physical verification. Thus, the payment²⁴ made for construction of three pump houses was not in order as pump houses had not been constructed. In Dhanbad, Hazaribag, Saraikela and Dumka, nine pump sets were lying in the houses of beneficiaries in case of nine²⁵ out of 17 physically verified units.

Although District Agriculture Officers (DAOs) were to monitor the execution of works after release of funds to implementing agencies, this was not done which resulted in doubtful and delayed execution of works. Total 119 out of 491 units of micro lift irrigation system could not be completed in test-checked districts. This resulted in non-achievement/delayed achievement of objective of providing irrigation besides unfruitful expenditure of ₹ 119.64 lakh²⁶ on these incomplete units.

ASDD replied (December 2013) that the matter would be thoroughly investigated and results would be intimated.

²² Dhanbad: five, Dumka: five, Hazaribag: two, Ramgarh: two, Ranchi: four and Saraikela: five.

²³ The then PD ATMA Ranchi.

²⁴ ₹ 1.73 lakh (at the rate of ₹ 57750).

²⁵ Dhanbad: two, Dumka: three, Hazaribag: one and Saraikela: three.

²⁶ Ramgarh: ₹ 23.09 lakh, Dhanbad: ₹ 34.72 lakh and Dumka: ₹ 61.83 lakh.

2.2.8.2 Construction of Improved Irrigation System

ASDD sanctioned (December 2010 and February 2011) construction of 602 Improved Irrigation Systems²⁷ for ₹ 60.18 crore²⁸ at a cost of ₹ 11 lakh²⁹ each under RKVY Stream-I and under Bringing Green Revolution in Eastern India (BGREI), a sub scheme of RKVY for the development of barren land and 'Rice Fallow Land'³⁰ area in 24 districts. Total 602 units were to be constructed with 370 units under RKVY stream I and 232 units under BGREI. Scheme was to be executed, operated and maintained through *Pani Panchayat* (a village level beneficiary society) with their contribution (10 per cent of estimated cost of ₹ 11 lakh) either in cash, labour or material. Execution of the project through *Pani Panchayats* was to ensure involvement of members of *Pani Panchayats* with the projects. In test-checked districts all targeted 171 units³¹ were completed after incurring expenditure of ₹ 16.81 crore³².

Scrutiny of records revealed the following irregularities:

(i) Non-creation of revolving funds

As per guidelines to *Pani Panchayat* and Government order, revolving funds was to be created for operation and maintenance of the Irrigation system by cash contribution of farmer in shape of user charges. *Pani Panchayat* was responsible to submit annual report to Soil Conservation Officer (SCO) regarding deposit of user charges in savings bank account and SCO was responsible to maintain the details of accumulated fund in savings bank account and their utilisation. Scrutiny of scheme files of all 171 units and bank statements of *Pani Panchayats* in test-checked districts revealed that no user charges had been fixed by the *Pani Panchayats* towards cost of diesel and other maintenance charges. Further, joint physical verification of 13 units³³ of test-checked districts revealed that six units³⁴ were not operational as pump sets were not installed at sites and these pump sets were kept in the houses of Secretary/President of *Pani Panchayat*. As such, operation and maintenance of the projects in absence of revolving fund and their use by all beneficiary members of *Pani Panchayat* concerned could not be ensured.

ASDD replied that *Pani Panchayat* had been authorised to fix amount of user charges which had been deposited in the bank accounts of *Pani Panchayat*. The reply is incorrect as no deposit of user charges by *Pani Panchayat* was

Operation and maintenance of Improved Irrigation System could not be ensured in absence of revolving fund.

²⁷ It contains Pucca Check Dam (Named as BPCD), Loose Boulder Check Dam (LBCD) with Guard Wall and Micro lift Irrigation System

²⁸ Sanction order 102: ₹ 365 lakh+103: ₹ 321 lakh+163: ₹ 5994 lakh = ₹ 6680 lakh minus farmers contribution: ₹ 662.20 lakh= ₹ 6017.80 lakh.

²⁹ (a) Construction of Pucca Check Dam: ₹ 5.00 lakh, (b) Construction of Loose Boulder Check Dam and Guard Wall: ₹ 2.50 lakh and Micro lift Irrigation System (contains Intake Well, Pump House, Pump set, pipes and Vat) ₹ 3.50 lakh .

³⁰ After the cultivation of paddy crop field remain unused due to availability of excess moisture/water in the soil.

³¹ Dhanbad: 16, Dumka: 26, Hazaribag: 38, Ramgarh: 31, Ranchi: 40 and Saraikela: 20.

³² Dhanbad: ₹ 1.58 crore, Dumka: ₹ 2.56 crore, Hazaribag: ₹ 3.72 crore, Ramgarh: ₹ 3.01 crore, Ranchi: ₹ 3.96 crore and Saraikela: ₹ 1.98 crore..

³³ Dhanbad: two, Hazaribag: two, Dumka: two, Ramgarh: three, Ranchi: two and Saraikela: two.

³⁴ Dhanbad: one, Dumka: two, Ramgarh: two, Ranchi: one.

shown in their accounts as verified in audit during scrutiny of bank statements/passbooks.

(ii) Lack of vouchers

As per Jharkhand Financial Rules (Sl. 2 appendix-vii) in the case of execution of work departmentally muster roll should be maintained for labour in support of wages received by the labourers. The cost of materials obtained should be supported by sub vouchers where necessary.

We observed in audit that payments by SCOs were made through running account bills prepared on the basis of MBs without obtaining vouchers of boulder, stone chips, sand, bricks, cement etc. and Muster Rolls for engagement of labourers by SCOs. However, vouchers of pump sets, pipes and fittings were submitted by *Pani Panchayats*.

ASDD replied that work was executed as per manual and submission of supporting vouchers of materials and muster roll for labour were not required as project was beneficiary oriented. Reply was not convincing as the work was not allotted through tender to *Pani Panchayats* as such the execution of work was supposed to have been done by Department. Therefore, SCOs were required to ensure the genuineness of the expenditure incurred by *Pani Panchayats* by submission of vouchers and muster rolls by the *Pani Panchayats to SCOs*.

(iii) Short deduction of royalty

As per Mines & Geology Department circular letter (December 2010) the drawing and disbursing officers were required to make payments to the executing agency/supplier against the construction material used in execution of works after deduction of payable royalty at double the prescribed rates if the supplies of those materials have not been transported with valid challan. Scrutiny revealed that in test-checked districts in 149 units during 2010-11 and 2011-12 the transported mining materials were not accompanied with valid challans. As per instruction (December 2010) of Mines and Geology Department, royalty of ₹ 78.38 lakh at double rate was recoverable. However, the concerned SCOs deducted royalty of ₹ 40.32 lakh only from the executing agencies (*Pani Panchayats*). This resulted in short deduction of royalty of ₹ 38.06 lakh.

The Secretary assured in exit conference to look into the matter.

Seed Sector

Two projects namely, distribution of High Yield Varieties seeds in 2010-11 and distribution of Hybrid Notified Seeds in 2011-12, were selected from this sector. Shortcomings noticed in implementation of these projects are discussed in following paragraphs.

2.2.8.3 Distribution of High Yield Varieties (HYV) seed and Seed production at Government Agriculture Farm

ASDD sanctioned (October 2010) two projects through which seeds to farmers under RKVY and BGREI would be made available though the distribution of High Yield Varieties (HYV) was not included DAPs and SAP. The details are given in **Table 2.2.3**.

Six SCOs deducted short royalty of ₹ 38.06 lakh.

Table 2.2.3: Statement of utilisation of RKVY and BGREI fund for distribution of seeds (2010-11)

(₹ in crore)				
Head	Name of project	Outlay/ Sanction	Allotment	Expenditure
RKVY	Distribution of HYV seed and Seeds production at Agriculture Farm	7.40	4.00	1.69
BGREI	Intensive pulse development	3.45	3.45	1.09
	Intensive maize and wheat production	4.11	4.10	1.24
Total		14.96	11.55	4.02

(Source: Agriculture and Sugarcane Development Department and RKVY website)

It may be seen from above table that ₹ 7.53 crore out of allotment of ₹ 11.55 crore in the state was not utilised. Further, it was noticed that against the allotted fund of ₹ four crore by ASDD, the Director, Agriculture sub-allotted ₹ 2.16 crore only to DAOs. The other reasons of less utilisation of funds were delay in approval of rates of seeds (*maize*), non-issue of purchase orders for seeds (pulses, certified seeds), fertilizers, micronutrients etc., non-supply of seeds by the suppliers and lack of monitoring by DAOs, Joint Director and Director (Agriculture). We observed that:

(i) **Less utilisation of RKVY funds**

As per orders (16 June 2010) of SLSC, seeds of different crops were to be provided to the beneficiary farmers by DAOs through the Block Agriculture Officers at 75 per cent subsidy. The subsidy was to be charged 50 per cent from RKVY and 25 per cent from State Government funds. However, ASDD did not follow SLSC's instruction and charged lesser rates of subsidy from RKVY funds for different crops during 2010-11. The deficient amount of subsidy (not charged from RKVY funds) was spent out of state resources. This resulted in less utilisation of RKVY funds under this project and corresponding excess burden of ₹ 49.09 lakh on State exchequer during 2010-11 as detailed in **Appendix-2.2.2**.

Further, in three³⁵ out of six test-checked districts the achievement for procurement and distribution of *Kharif* seeds for paddy was 4,431 quintal as against target of 6,215 quintal and the remaining three³⁶ districts were not covered by RKVY under the project because these districts were covered under National Food Security Mission scheme.

Thus, due to non-observance of SLSC's instruction for charging 50 per cent subsidy to farmers from RKVY fund, the State had to bear excess expenditure from its own resources. Further, due to less distribution than the targeted distribution of seeds the intended benefit of distribution of HYV seeds to farmers could not be achieved.

The Secretary accepted the audit observations.

³⁵ Dhanbad, Dumka and Saraikela.

³⁶ Hazaribag, Ramgarh and Ranchi

Subsidy of ₹49.09 lakh during 2010-11 was charged excess to State exchequer.

(ii) Non-production in Government Agriculture farm

Even though the project³⁷ included seed production in Government Agriculture Farms for integrated development of pulses, certified seed, hybrid paddy and hybrid maize, production of seeds could not be started due to reasons as stated by DAOs (i) non-issue of purchase order of seeds by the Director, Agriculture to DAOs at Ranchi and Hazaribag, (ii) absence of fencing/boundary wall of the farm at Ramgarh and (iii) non-withdrawal of allotted funds from the treasuries by DAOs at Dhanbad and Saraikela. However in Dumka 151 quintals of paddy seeds were produced in two Agriculture Farms during 2010-11. The produced seeds were transferred (November 2012) by Sub-divisional Agriculture Officer Dumka to Seed Production Farm, Chitra (Saraihat) but yield report was not received by him as of July 2013. As such, further utilisation and yield of seeds could not be ascertained in audit.

The Secretary accepted the facts in exit conference.

2.2.8.4 Distribution of Hybrid Notified Seed (2011-12)

ASDD sanctioned (June 2011) distribution of different types of seeds in the State on subsidy basis under State Plan, National Food Security Mission and RKVY to meet the requirement in the State. Accordingly, under RKVY ASDD issued (October 2011) sanction order for distribution of hybrid notified seeds on 50 per cent subsidy. ASDD was to select seed suppliers and approve rates of hybrid notified seeds. Seeds were to be distributed among farmers by seed suppliers who were to claim subsidy amount from DAOs. Under this scheme, the following targets of distribution of different kinds of hybrid seeds during 2011-12 were fixed.

Table 2.2.4: Statement of target for distribution of subsidised notified hybrid seeds (2011-12)

Sl. No.	Name of crop	Requirement (In quintal)	Rate per quintal (₹ in thousands)	Cost (₹ in crore)	Subsidy sanctioned (₹ in crore)	Subsidy disbursed (₹ in crore)
1	Paddy	15000	20	30.00	15.00	8.20
2	Arhar	3700	10	3.70	1.85	0.00
3	Maize	12760	10	12.76	6.38	0.00
4	Mustard	500	10	0.50	0.25	0.00
5	Sunflower	160	30	0.48	0.24	0.00
Total				47.44	23.72	8.20

(Source: Agriculture and Sugarcane Development Department)

In respect of paddy seed the Department allotted ₹ 8.93 crore only against sanctioned amount of ₹ 15.00 crore for subsidy on distribution of hybrid notified seed. Out of which ₹ 8.20 crore was shown as spent.

Scrutiny of records revealed that:

(i) Short coverage by Hybrid Notified Seeds of paddy

The supply orders were issued only on 20 June 2011 to nine firms for supply of paddy seeds and three firms for supply of maize seeds by 30 June 2011.

³⁷ Distribution of HYV seeds and Seed production at agriculture Farm.

Hybrid Notified Varieties of Arhar, maize, mustard and sunflower seeds could not be distributed.

Total 8,929.27 quintals of paddy seeds were received and supplied to beneficiaries against the requirements of 15,000 quintals. However, no allotment was given by the Department for procurement of maize seeds and hence no maize seeds were procured.

ASDD replied (December 2013 and February 2014) that apart from distribution of 8,929.27 quintals of notified hybrid paddy seed on subsidy, 10,341.62 quintals was distributed on non-subsidy out of which 3,830.89 quintals was notified hybrid seed. Although subsidy of ₹ 3.83 crore was payable on distribution of above 3,830.89 quintals of notified hybrid seed, we observed that the subsidy was not paid to the farmers as fund of ₹ 8.93 crore only was allotted by ASDD which was consumed in subsidising the distribution of 8,929.27 quintals. Besides, only 12,760.16 quintals (Subsidy basis: 8,929.27 quintal and Non-subsidy basis: 3,830.89 quintals) of hybrid notified paddy was distributed against the target of 15,000 quintals.

In exit conference the Secretary stated that less funds were allotted by the Department because the project was demand driven.

Reply was not in order as farmers were deprived of subsidy of ₹ 3.83 crore due to less allotment by the Department despite existence of demand.

(ii) ***Absence of procurement of Mustard, Sunflower and Arhar seed***

Seeds of sunflower and mustard were not distributed by ASDD during 2011-12 as Department approved rate of purchase in September 2011 only and purchase order was not issued as of November 2011 and in the meantime sowing period³⁸ for sunflower and mustard was over. *Arhar* seeds could not be procured for distribution as there was no response to tender and ASDD did not initiate retender.

In reply, ASDD accepted the facts.

(iii) ***Non-organisation of awareness programme***

MoUs executed with suppliers prescribed that awareness programmes were also to be organised by the suppliers and ATMA for farmers regarding utilisation and productivity of hybrid notified seeds. In test-checked districts, no documentary evidence was shown to audit regarding awareness programme arranged by suppliers and ATMA. Despite awareness programmes for utilisation of Hybrid Notified Seeds not being organised by the suppliers, full payment of ₹ 4.37 crore was released to them by DAOs of test-checked districts.

ASDD stated that the farmers were already aware of the hybrid variety. Reply was contrary to terms and conditions of MoU in which organisation of awareness programme was mandatory for suppliers.

(iv) ***Non- assessment of productivity***

As per MoU executed (June 2011) between PD ATMA and suppliers, at least one crop cutting must be taken up from each of the clusters of villages following random sampling method and the yield must be recorded in the

³⁸ Mustard: 20 September to 20 November and Sunflower: 01 October to 15 October.

Awareness programme regarding utilisation and benefits of hybrid notified varieties of seeds was not organized by the suppliers in test-checked districts.

presence of representative of suppliers and Departmental Officers. At least 10 per cent of crop cutting must be attended by DAO/Sub-divisional Agriculture Officer/Deputy PD ATMA to identify the productivity of crops. But, no such crop cuttings were carried out in test-checked districts during 2011-12. Thus, evaluation of impact of the scheme could not be carried out.

ASDD stated (December 2013) that photography and video-recording of crop cutting were being done from 2012-13, however ASDD was silent about crop cutting done during 2011-12 in which the project was implemented.

Fisheries Sector

Two projects namely (i) Strengthening of Government Seed Farm and Construction of Fish Seed hatchery at Ramgarh and (ii) Establishment of Fisheries and Livestock Research Institute at Gourikarma, Hazaribag from this sector were selected. Observations in implementation of these projects are discussed in following paragraphs:

2.2.8.5 Strengthening of Government Fish Seed Farm and construction of Fish Seed Hatchery and other infrastructure at Ramgarh

Government Fish Seed Farm at Bijulia Tank (20.14 acre) Ramgarh was washed away during the rainy season of 2008. Strengthening³⁹ of the same was sanctioned (2008-09) by ASDD for ₹ two crore. The project was aimed at development of composite fish culture with production of at least one quintal per acre per year with a revenue target of ₹ 16.11 lakh per year. District Fisheries Officer (DFO) Ramgarh spent (between March 2009 and January 2011) ₹ two crore on departmental execution of work. We observed the following:

(i) Absence of tendering process in procurement of material

Considerable quantum of material like bricks, cement, stone chips and Hume Pipes costing ₹ 16.54 lakh were purchased from local market without tender process as required under circular of October 2002⁴⁰ of Finance Department of GoJ. A comparison of the rate at which material purchased with the rate provided in the Schedule of Rates was made and the excess cost in purchase of the material was worked out amounting to ₹ 5.37 lakh⁴¹.

ASDD replied that the rates of material provided in SoR were without carriage and loading/unloading cost. Reply was not correct as carriage and loading/unloading charge of ₹ 1.33 lakh was separately claimed and paid in addition to the payment for materials purchased.

³⁹ Strengthening of embankment, construction of spillway and construction of drain.

⁴⁰ As per Circular order for purchase of materials more than ₹ 50,000, tender in newspaper is required to be published.

⁴¹ Cement: ₹ 1.26 lakh (for 11780 bags ;SoR-₹ 215/bag actually paid-₹ 278-290/bag), Sand: ₹ 0.42 lakh (for 220.12 M³-SoR-₹ 70/M³ but actually paid at the rate of ₹ 260/M³, Bricks: ₹ 0.12 lakh (for 64300 SoR-₹ 2600/thousand actually paid-₹ 2800/thousand), Chips: ₹ 0.30 lakh (for 187.80 M³, SoR-₹ 700/M³ actually paid ₹ 860/M³) and Hume pipe: ₹ 3.27 lakh (for 115 meter SoR-₹ 3650/meter actually paid ₹ 6490/meter).

(ii) **Non-achievement of sales target**

During 2010-13, revenue from sale of fish was short realised by ₹ 42.50 lakh.

While approving the projects by SLSC, target of sale proceeds of ₹ 48.33 lakh⁴² during 2010-11 to 2012-13 was estimated from sale of fish by Fish Seed Farm Ramgarh. We observed that only ₹ 5.83 lakh could be collected on sale of fish. Though DFO, Ramgarh stated in his reply to audit observation that target of ₹ 10 lakh from sale of fish in the years 2010-11 to 2012-13 was fixed by the Director, Fisheries, he did not state any basis of fixation of above target against originally envisaged while approving the project. This resulted in short realisation of ₹ 42.50 lakh in three year period from sale of fish due to lesser production of fish.

ASDD replied that it would take two years to produce marketable fish and also attributed poaching as the reason for drop in fish production which could not be prevented due to absence of fencing.

Thus, despite incurring ₹ two crore in strengthening of fish farm, there was inadequate increase in fish production in comparison to estimated quantity. DFO ought to have ensured that no poaching was done on the premises of the seed farm by whatever measures he found necessary.

2.2.8.6 Non-implementation of Fisheries and Livestock Research Institute at Goriyakarma

Fisheries Livestock Research Institute at Goriyakarma could not be established besides diversion of ₹ 50 lakh.

To develop suitable practices, breeds/species etc in livestock and fish culture ASDD sanctioned ₹ 2.00 crore for establishment of Fisheries and Livestock Research Institute at Goriyakarma, Hazaribag and ₹ 50 lakh out of ₹ 2.00 crore was made available (March 2009) by ASDD to the Director, SAMETI for implementation of the scheme. The fund was transferred (June 2013) to District Fisheries Officer Gumla by the order of Secretary, AH&FD to meet expenditure for establishment of Fisheries Engineering College, Gumla which was not in the list of approved projects under RKVY. Thus, the transfer of fund of ₹ 50 lakh to DFO, Gumla was diversion of fund besides non-implementation of the approved project.

ASDD accepted the fact that the funds were lying unutilised as equipment for Fisheries Engineering College Gumla were yet to be purchased. However ASDD did not reply regarding diversion of fund to a non-RKVY scheme.

Extension Sector

Three 50-bedded hostels could not be established due to delay in department's decision.

Two projects namely Construction of 50-bedded hostels for farmers at Dumka, Ranchi and Saraikela and Establishment of Jharkhand Agriculture Machinery Testing and Training Centre at Ranchi were selected from this sector. Shortcomings noticed in implementation of these projects are discussed in following paragraphs:

2.2.8.7 Non-completion of 50-bedded hostels for farmers at Dumka, Ranchi and Saraikela

Establishment of three Krishi Gyan and Udyog Kendras (Bokaro, Dumka and Palamau) was sanctioned (February 2009) for ₹ 2.55 crore (each at the cost of ₹ 85 lakh) and the funds required were withdrawn from treasury and

⁴² At the rate of ₹ 16.11 lakh per annum for 20.14 quintals of fish.

transferred (March 2009) to SAMETI for implementation of the project. As per sanction order of ASDD, the work plan of the project was to be prepared and submitted by Birsa Agricultural University (BAU) but the status of preparation and submission of work plan by BAU was not furnished by the Director Agriculture. After more than two years the Department decided (December 2011) to construct three 50-bedded hostels for farmers in Ranchi, Dumka and Saraikela in place of Krishi Gyan and Udyog Kendras. The reason of changing of project was not furnished by Director Agriculture though called for (June 2013). SAMETI provided (December 2011) funds of ₹ 85 lakh each to DC, Dumka and Saraikela and Secretary, Ramkrishna Mission, Ranchi to complete the work by March 2013. The project was aimed to provide hostel facility to the farmers who were to attend the training programme in the district headquarters regarding new techniques of agriculture. Due to delay in Department's decision and delayed execution of work by implementing agencies, the required buildings could not be completed (September 2013) and the desired benefits of the project could not be achieved even after more than four years of its sanction and withdrawal of funds. Status of works as of August 2013 is reflected in the photographs given below:



Partially completed hostels at Ranchi and Dumka

ASDD did not reply to audit observation.

2.2.8.8 Partial Establishment of Jharkhand Agriculture Machinery Testing and Training Centre at Ranchi

ASDD sanctioned (October 2010) ₹ 85 lakh⁴³ for establishment of Farm Machinery Testing and Training Centre at Birsa Agriculture University (BAU), Ranchi. As there was no progress of work site for location of centre was shifted (November 2011) to another place at Hehal, Ranchi under Soil Conservation Directorate. The project was to be implemented by Assistant Director (Survey), Soil Conservation, Ranchi and was aimed for testing of agriculture machinery like tillage implement, sowing and planting equipment, harvesting and threshing equipment, equipment for residue management etc., for use by farmers in the State, providing training for repair of machinery to young farmers and motivating them for self-employment, and doing work in the area of Agriculture Engineering and Mechanisation in the State in co-ordination with BAU. For this purpose, prime movers like tractor, power tiller, electric motor etc, instrumentation like dynamometer, set of measuring instruments, stop watch, moisture measuring instruments, digital electronic balance, platform type balance etc., were to be procured. The

JAMTTC at Ranchi could not be established fully even after lapse of about three years after sanction.

⁴³ Salary and wages: ₹ 13.10 lakh, recurring expenditure: ₹ 10 lakh and Machines: ₹ 61.90 lakh.

project was to be completed in five years period from 2011-12 to 2015-16. The sanctioned cost of machines for the period from 2011-12 to 2015-16 was ₹ 1.17 crore. In 2011-12, ₹ 61.90 lakh were allocated for procurement of machinery which was revised to ₹ 86.90 lakh in 2012-13 by making addition of allotment of fund of ₹ 25 lakh earmarked for this year.

We noticed that:

- ASDD could not finalise tender and approve rate till 2011-12 for purchase of required machinery. Again in 2012-13, only 34 per cent (₹ 29.12 lakh) of allotted fund of ₹ 86.90 lakh was utilised on purchase of 12 machines viz. tractor, turbo tractor, dynamometer, digital soil moisture meter, grain moisture meter, tipping trailer, digital vermin, welding machine, chop saw machine, pump set, table top weighing scale and platform weighing scale due to finalisation of tender only for 12 out of 44 machinery. As such, required machines could not be procured till 2013 and JAMTTC could not be established as envisaged.

ASDD stated that less expenditure was reported due to delay in issue of sanction order and tender process in 2011-12 and no reason was furnished for 2012-13.

- Training for farmers for utilisation of machines procured was started only in December 2012 though ₹ 3.15 lakh was utilised on salary, wages and contingency till March 2012. However, the evaluation of the training was not done as such usefulness of the training for self employment to young farmers could not be assessed.

ASDD replied that evaluation of training would be done in coming year.

- Only three agricultural equipments of private companies were tested till March 2013 and no report was prepared regarding their use by farmers in the State.
- Work⁴⁴ for progress of Agriculture Engineering and mechanisation in the State done by this centre in co-ordination with BAU could not be assessed by audit as no record was furnished in this regard.

ASDD did not reply to audit observations.

Thus, due to lack of action initially by BAU and delayed finalisation of tender for purchase of required machines, the required machine could not be procured and envisaged testing of machines and training of farmers could not be commenced even after lapse of about three years after sanction.

Agricultural Research Sector

One project viz. establishment of Automatic Weather Stations (AWS) Reception Center was selected from this sector. Observations in implementation of this project are discussed in following paragraphs.

⁴⁴ Sustaining manufacturing quality and continual dissemination of technology for practical use.

2.2.8.9 *Establishment of AWS Reception Center in Ranchi*

Establishment of AWS Reception Center in the campus of Jharkhand Space Application Centre (JSAC) Ranchi was sanctioned (October 2009) for ₹ 98.33 lakh by ASDD to receive data on temperature, rainfall, humidity, wind speed etc to facilitate irrigation scheduling, prevention of crop pests infestation, fertilizer application etc. ASDD also sanctioned (October 2009) establishment of Expert Centre for Agromet Advisory Service Generation at Agriculture Department for ₹ 5.65 lakh to receive the data from JSAC for further dissemination to districts and blocks. The funds for recurring expenditure⁴⁵ were also sanctioned (October 2009). ASDD provided (April and June 2010) ₹ 104.65 lakh to JSAC, the implementing agency. The implementing agency spent ₹ 93.97 lakh on establishment of AWS Reception Centre. We observed that:

(i) *Non-utilisation of Infrastructure created*

Against target date of completion by March 2010, AWS Reception Center could only be established in May 2011 as funds were provided to implementing agency between April and May 2010 by the nodal officer though allotment order of ASDD was issued in September 2009.

Further, Expert Center at Agriculture Department could not be established to receive the data from JSAC for further dissemination to the district and block level officers for which no reason was stated by ASDD. Funds for this purpose had been lying with JSAC since June 2010.

We noticed that the data generated by AWS Reception Centre was used by Agriculture Insurance Companies only as of July 2013. In the absence of Expert Center, ASDD could not use the data for planning irrigation scheduling, crop pests infestation, fertilizer application etc. This defeated the very purpose of the project.

ASDD did not reply to audit observation.

ASDD was not getting required data from JSAC even after establishment of AWS Reception centre.

Stream-II Projects

Two projects namely (i) Construction of 0.30 acre fish rearing ponds and fish hatcheries as well as providing net, fish seeds, fertilizer, lime and medicines as input and (ii) Strengthening of Agriculture Seed farms from stream-II were selected. Shortcomings noticed in implementation of these projects are discussed in following paragraphs:

2.2.8.10 *Construction of 0.30 acre fish seed rearing ponds and fish hatcheries as well as providing net, fish seeds, fertilizer, lime and medicines as input*

The project for construction of 450 fish seed rearing ponds (five feet depth at an estimated cost of ₹ 0.55 lakh each) and 10 fish hatcheries (estimated cost of ₹ 3.40 lakh each) on private lands of the beneficiaries on 100 per cent subsidy

⁴⁵ From State's fund-recurring expenditure for AWS Reception Center: ₹ 31.06 lakh and Expert Center for Agromet advisory Service Generation at Department of Agriculture: ₹ 6.60 lakh.

basis was sanctioned (October 2009) for ₹ 3.04 crore⁴⁶ by AH&FD. Unemployed beneficiaries having interest in fish production and owning land were to be selected by the Deputy Commissioner-cum-chairman of ATMA. Sites available to the beneficiaries were to be verified jointly by DFO, JE and Fisheries Extension Supervisor. Further, availability of sufficient water, feasibility and success of the project was the responsibility of Departmental officers. Inputs like net, fish spawn, fertilizer, lime and medicine for cleaning pond bed, feed supplement etc., were to be provided in the first year for commencement of rearing of fish seeds. AH&FD spent ₹ 2.89 crore during 2009-10. In six test-checked districts ₹ 0.92 crore was allotted for construction of 131 ponds and four hatcheries, out of which 126 ponds and two hatcheries were completed after incurring expenditure of ₹ 0.87 crore as of March 2010.

We observed following:

(i) ***Selection of beneficiary against prescribed norms***

In five test-checked districts, Fisheries Extension Supervisor alone selected sites.

In five test-checked districts (except Ranchi⁴⁷) the Fisheries Extension Supervisor alone verified the sites and recommended beneficiaries for construction of ponds but availability of sufficient water and feasibility of the project was not ensured by the Departmental officers.

Further, it was observed that the inputs were not distributed by DFOs in the test-checked districts and the allotted fund of ₹ 5.79 lakh was surrendered as such the beneficiaries were deprived of the facility for starting rearing of fish seeds.

ASDD did not reply to audit observation.

(ii) ***Non-maintenance of records as per norms***

As per administrative order (February 2010) of the Director, Fisheries, AH&FD, folder/register containing information regarding benefits and facilities made available to beneficiaries as well as information on improvement of the financial position of beneficiaries after implementation of the project was to be maintained by DFOs. Further, as per sanction order of AH&FD, 30 per cent of total targeted units must be provided to women beneficiaries. But, no record was found maintained by DFOs of test-checked districts. As such, it could not be ascertained whether beneficiaries derived any benefit after implementation of the projects and they were using these ponds for rearing of fish seeds as prescribed. Further, it was also noticed that in test-checked districts only 27⁴⁸ women beneficiaries were selected against target of 41⁴⁹ women.

⁴⁶ Ponds: 450 (estimated cost of ₹ 0.55 lakh)- ₹ 247.50 lakh, Hatchery: 10 (estimated cost of ₹ 3.40 lakh)- ₹ 34.00 lakh and Inputs: ₹ 22.50 lakh.

⁴⁷ Where 13 units were selected without inspection of sites, two units were selected after inspection by three officials, two units were selected after inspection by two officials and 13 units were selected after inspection by one official.

⁴⁸ Dhanbad: 10, Dumka: 04, Hazaribag: 06, Ramgarh: 03, Ranchi: 04, and Sarikela: nil.

⁴⁹ Dhanbad: 05, Dumka: 10, Hazaribag: 06, Ramgarh: 03, Ranchi: 10, and Sarikela: 07.

(iii) Result of physical verification

During joint physical verification⁵⁰ (between July and November 2013) of 34 ponds in test-checked districts it was noticed that 10 ponds were dry whereas three ponds had insufficient water. Thus, selection of inappropriate site could not be ruled out.

The Director, Fisheries replied (February 2014) that drying, cleaning and exposure to sun of the pond bed were prime requirements for seed rearing as such ponds were dry. The reply is not convincing as although joint physical verification was conducted by audit along with official of DFOs during the monsoon season and just after the monsoon (July-November 2013), the ponds were found to be dry. Photographs of dry ponds taken during joint physical verification can be seen below:



Dry ponds of two beneficiaries at Dombhui, Dhanbad

2.2.8.11 Strengthening of Government Agricultural Farm

ASDD sanctioned (October 2009) ₹ 30 crore to strengthen 40 Government agricultural farms which were to function as farmer's seed production training centre for seed production so that the farmers may produce certified/improved seeds in their own fields and use these seeds for increasing the production of various crops in their fields. The estimated cost for strengthening each farm was ₹ 75 lakh⁵¹. A State Level Technical Committee⁵² (SLTC) was to be constituted for monitoring and implementation of this project. SLTC was to prepare farm wise seed plans consisting of production cycle, target for five years and varieties of seeds to be produced etc. within three months of date of sanction. Further, SLTC was also to technically monitor the implementation of the plan at the state level.

ASDD allotted (October 2009) only ₹ 16.48 crore to Director, Agriculture who further sub-allotted (between December 2009 and January 2010) ₹ 14.04 crore to DAOs and reported expenditure of ₹ 11.42 crore was as of March 2010. We observed the following:

⁵⁰ By audit team with DFO/representative of DFO.

⁵¹ ₹ 65 lakh for development of farm i.e. construction of boundary, Different stores, Land development, development of water resources etc., rest ₹ 10 lakh was earmarked for seed development i.e. for construction of threshing floor, crop shed and seed storage.

⁵² SLTC was to consist of Deputy Director (farm), Deputy Director (soil conservation), Birsa Agricultural University (BAU), Seed Experts of Ramkrishna Mission, Director (Extension) BAU and Director Horticulture under chairmanship of Director, Agriculture.

(i) **Non-constitution of SLTC**

SLTC was not constituted as of August, 2013 resulting in non-preparation of seed plans consisting of production cycle, target for five years and varieties of seeds to be produced in the farms. In absence of SLTC, technical monitoring of production of seeds in the agricultural farms could not be ensured.

(ii) **Absence of production in seed farms**

Production of seed could not be started in three out of six⁵³ test checked farms whereas 30 quintals of wheat seed were produced (2011-12) in Bundu (Ranchi) and information regarding 2010-11 and 2012-13 was not furnished, five quintals of *Masoor* pulse were produced (2012-13) in Nimdih (Saraikela) and 71.24 quintals of paddy seeds were produced (2010-11) in Asanbani (Dumka) whereas no seeds were produced in absence of allotment of fund during 2011-12 in Asanbani (Dumka) and information was not furnished for the year 2012-13.

Further, none of the test checked farms imparted any training for seed production to the farmers of their service area due to incomplete civil works and lack of manpower in the farms. We observed in audit that against sanctioned 22 posts (Farm Assistant: five, Farm Sardar: two, Ploughman: 14 and Tractor driver: one) in six test checked Agricultural Farms, only in nine posts (Farm Assistant: four, Ploughman: five) men were in position.

(iii) **Expenditure without execution of work**

Joint physical verification of Nimdih (Saraikela) farm, revealed that work of boundary wall with barbed wire fencing and agricultural implement shed was incomplete even after incurring ₹ 23.47 lakh as against estimated amount of ₹ 24.62 lakh. Construction of Crop shed was not done even though the estimated amount of ₹ 3.45 lakh was shown as paid in the measurement book. Thus, expenditure was shown as incurred without executing the work of construction of crop shed.

Thus, due to lack of seed plan, slow progress of strengthening work and lack of man power, production of seed and training of farmers in these farms could not be started as envisaged.

The Secretary agreed with non-functioning of Government Agriculture Farms.

2.2.9 Monitoring and supervision

SLSC is the apex body for monitoring of RKVY. SLSC was required to meet at least once in a quarter and to carry out field studies to ensure that the programmes are implemented according to the prescribed guidelines. We observed the following:

2.2.9.1 Absence of adequate meetings

Only 11 out of required 22 meetings of SLSC were held during 2007-08 to 2012-13. In test checked districts, SLSC did not conduct any field study to monitor the progress of the scheme though prescribed.

ASDD did not reply to audit observation.

⁵³ Alakhdiha and Baliapur (Dhanbad), Asanbani (Dumka), Bundu (Ranchi), Charhi (Hazaribag) and Nimdih (Saraikela).

None of the test checked farms imparted any training for seed production to the farmers due to incomplete civil works and lack of manpower.

2.2.9.2 *Absence of monitoring in execution of projects*

Three⁵⁴ out of nine test checked projects were started after delays ranging between six to 48 months. But, instructions/directions issued by SLSC in this regard were not on record.

ASDD did not reply to audit observation.

2.2.9.3 *Non-formation of State level committee*

As per direction (July 2008) of DAC, a State level Committee under chairmanship of Agriculture Production Commissioner (Secretary, ASDD) was to be constituted to review the implementation of projects. The committee had not been constituted as of May 2013.

- Quarterly physical and financial reports were not submitted to GoI by ASDD except in 2012-13 as required under paragraph 5.2(iv) of RKVY guideline.
- Non-adherence to norms prescribed for checking of measurement of civil works by the responsible officers of the Soil Conservation Directorate was noticed as mentioned in paragraph 2.2.9.4 below.

2.2.9.4 *Inadequate checks of measurement*

As per manual of Soil Conservation Directorate under ASDD, Assistant Soil Conservation Officer (ASCO) was authorised for 100 *per cent* measurement of *Pucca* structures and implementation of schemes⁵⁵ as per plan only with the assistance of Junior Engineer. SCOs were to measure 50 *per cent* of work executed. Thereafter, measurement of 20 *per cent* of the work is checked by the District Soil Conservation Officer (DSCO)/Assistant Director (AD), as no payment could be made after execution of 60 *per cent* of the work unless measurement had been checked by DSCO/AD. Scrutiny of records in test-checked districts revealed following deficiencies:

- ASCOs took measurements without assistance of JE.
- MBs showed checking of numbers of units by SCOs and DSCOs/AD without showing the percentage of measurement of quantity of executed work checked. However, in Hazaribagh and Ramgarh, certificate of 50 *per cent* checking of measurement by SCO was recorded in MB but no such certificate was found in respect of checking by DSCO/AD and in Ranchi checking of measurement by SCO or DSCO/AD, was not recorded in MB. In Dumka and Dhanbad, initials in token of measurements were recorded but the quantity and item of work measured was not identified. However, in Saraikela certificate of measurement was recorded in the bills. But, in all test-checked districts payments were released by DSCOs/ADs.

Thus, SCOs and DSCOs/ADs could not carry out sufficient check of measurement of executed works, however, full payments were irregularly made.

ASDD did not reply to audit observation.

⁵⁴ AWS Reception Center (2009-10): six months, JAMTTC (2010-11): 13 months and Establishment of 50-bedded hostels: 48 months.

⁵⁵ Construction of Improved Irrigation Systems.

State level Committee under chairmanship of Agriculture Production Commissioner was not constituted to review the implementation of projects.

Payments were released without sufficient checks of measurements by SCOs and DSCOs/ADs.

2.2.9.5 *Incorrect feeding of data in RKVY Database and Management Information System (RDMIS)*

Data entry of Projects in RDMIS made by the Nodal agency was not in conformity with actual expenditure

According to guidelines, DAC was to monitor the schemes by a web-based⁵⁶ Management Information System for RKVY, called RKVY Database and Management Information System (RDMIS), in order to collect and disseminate relevant information and data related to each project and also to collect progress and completion details of each project over its life cycle. We observed that status (as of May 2013) of projects entered in RDMIS was not in conformity with actual expenditure viz. (i) the projects establishment of Krishi Gyan and Udyog Kenrdas was shown completed in RDMIS though in reality the project was shelved and in its place construction of three 50-bedded hostels for farmers were taken up which were still to be completed, (ii) on establishment of JAMTTC, ₹ 31.15 lakh was shown as expenditure in RDMIS though in reality only ₹ 3.15 lakh was spent during 2011-12 and expenditure of ₹ 55 lakh was shown in place of actual expenditure of ₹ 58.30 lakh during 2012-13, (iii) establishment of Fisheries and Live Stock Research Institute at Goriakarma was shown as complete at an expenditure of ₹ two crore though in reality ₹ 50 lakh only was released and that too was subsequently diverted to other schemes and (iv) against 50 approved projects recorded in RDMIS (*Appendix-2.2.3*) expenditure incurred were not recorded. Thus, entries in RDMIS did not reflect the actual position of various projects implemented and the integrity of data was doubtful.

2.2.10 Conclusion

The State has implemented Rashtriya Krishi Vikas Yojana (RKVY) besides various Central and State schemes for development of agriculture and was able to achieve 4.85 *per cent* growth during the XI five year plan (2007-12) in the agriculture sector against the targeted growth rate of four *per cent* envisaged under RKVY. However, audit noticed various deficiencies in implementation of scheme in the State. Agriculture and Sugarcane Development Department (ASDD) failed to consider local needs in projects of 2012-13 as District Agriculture Plans were not prepared. The Government of India released funds of ₹ 196.34 crore during 2008-09 to 2010-11 though the State was not eligible for receipt of fund due to non-maintenance of baseline expenditure. ASDD could not tap allocated funds of ₹ 93.37 crore under RKVY as second installments due to non-utilisation of available funds. Most of the projects reviewed were delayed or incomplete. ASDD could not provide envisaged irrigation facility to the farmers' group due to non-completion of 119 out of 491 units of micro lifts irrigation system in test-checked districts. Further, hostels facility to farmers to attend training programme regarding new technique of agriculture was not made available due to non-completion of three 50-bedded hostels. Data available with Automatic Weather Station Reception centre could not be utilised for agromet advisory service due to non-establishment of expert centre in ASDD. ASDD failed to start training to farmers and envisaged seed production in Government Agricultural Farms as these farms were not strengthened. State level committee under the chairmanship of secretary was not constituted to review the implementation of projects. Further, ASDD also failed to update RKVY Database and

⁵⁶ Website address: www.rkvy.nic.in.

Management Information System to reflect actual position of various implemented projects.

2.2.11 Recommendations

ASDD should ensure:

- *preparation of District Agriculture Plans and selection of projects as per local needs;*
- *increase in expenditure in Agriculture and allied sector with respect to previous year and timely utilisation of available funds so that sufficient funds could be received from GoI;*
- *timely completion of projects to extend desired benefits of projects to farmers';*
- *formation of State level committee to review the implementation of projects; and*
- *regular and correct updating of data on RKVY Database and Management Information System to reflect correct picture of all projects and proper monitoring of projects for their timely completion.*

Drinking Water and Sanitation Department

2.3 Rural Drinking Water Programmes in Jharkhand

Executive Summary

The Government of India (GoI) launched (1972-73) Accelerated Rural Water Supply Programme (ARWSP) to ensure provision of adequate drinking water supply to the rural community through the Public Health Engineering System. In order to address the major issues like sustainability of water availability and quality, ARWSP was renamed by GoI as National Rural Drinking Water Programme (NRDWP) for the Eleventh Plan Period (2007-12). The State Government resolved (January 2010) to implement NRDWP from the financial year 2009-10.

The goal of the State was to provide every rural person with adequate safe water for drinking, cooking and other domestic basic needs on a sustainable basis. In the State about seven *per cent* of the rural population were covered through piped water supply schemes and the remaining by dispersed sources i.e. tube wells and wells.

We conducted a review of Rural Drinking Water Programmes in Jharkhand covering period from 2008-13. Significant audit findings are narrated below:

The Annual Action Plan for the year 2008-09 and 2009-10 required under ARWSP was not prepared. In respect of NRDWP the State Programme Management Unit did not prepare the Rolling Plan. The Village Water Security Plans and District Water Security Plans were not prepared. The Department had not prepared Perspective Plan and shelf of Schemes for short, medium and long term development planning.

The Government should ensure preparation of Annual Comprehensive Water Security Action Plan of the State on the basis of District Water Security Plans and Rolling Plan in respect of NRDWP and Perspective Plan for State Plan schemes.

(Paragraph 2.3.6)

There were surrenders/ savings in the Central/State funds allocated to the executing agency by the Department under various components.

The Government should ensure full utilisation of funds under state plan as well as NRDWP.

(Paragraph 2.3.7)

There were instances of non-functioning of Rural Piped Water Supply Schemes, award of work without acquiring land, large number of incomplete Rural Piped Water Supply Schemes/Mini Rural Piped Water Supply Schemes etc. and also completed schemes were not handed over to the Village Water Sanitation Committees. Household water connections in completed Rural Piped Water Supply Schemes/Mini Rural Piped Water Supply Schemes were not issued or less issued and water user charges were not realised from households issued water connections.

The Government should ensure completion of schemes within time frame, handing over of completed Rural Piped Water Supply Schemes/Mini Rural Piped Water Supply Scheme to concerned Village Water Sanitation Committees, release of household water connections and realisation of water charges from the users in respect of completed schemes.

(Paragraphs 2.3.8.1 and 2.3.8.3)

Field testing kits had not been procured. The objective to provide safe drinking water to all villages was not achieved as required number of water sources were not tested for quality. Prescribed monitoring by CEs and SEs was not done.

The Government should strengthen water quality monitoring and surveillance network to provide the safe drinking water to all villages and effective monitoring of implementation of the schemes should be ensured.

(Paragraphs 2.3.11 and 2.3.14)

2.3.1 Introduction

Provision for safe drinking water for people is a basic necessity. In 1972-73 the Government of India (GoI) launched Accelerated Rural Water Supply Programme (ARWSP) to ensure provision of adequate drinking water supply to the rural community through the Public Health Engineering System¹. In order to address the major issues like sustainability of water availability and quality, ARWSP was renamed by GoI as National Rural Drinking Water Programme (NRDWP) for the Eleventh Plan Period (2007-12). The State Government resolved (January 2010) to implement NRDWP during the financial year 2009-10. In the State, Drinking Water and Sanitation Department (Department) is the administrative Department responsible for implementation of schemes like Rural Piped Water Supply Schemes (RPWSSs) and Drilled Tube Wells (DTWs) under ARWSP/NRDWP as well as State Plan.

Under NRDWP the goal of the State is to provide every rural person with adequate safe water for drinking, cooking and other domestic basic needs on a sustainable basis. The basic water requirement was to meet certain minimum water quality standards² and to be readily and conveniently accessible at all times. Issues of potability, reliability, sustainability, convenience, equity and consumer preference were the guiding principles while planning for water supply schemes in rural areas. Further, the norms of NRDWP lays down that ultimately all rural households are to be provided with adequate piped safe drinking water supply within the household premises for preventing contamination likely while fetching water from a distant source. Under NRDWP, there was paradigm shift from 'just providing a water supply system in the village to ensuring water supply security at household level'. As per

¹ Protection against diseases by providing safe water supply and hygienic disposal of Sewage.

² Desirable limit as per BIS norms: pH - 6.5 TO 8.5, Arsenic 0.05 mg/L, Fluoride 1.0 Mg/L, TDS 500mg/L, Nitrate 45 mg/L, Iron 0.30 mg/L, Calcium (as Ca) 75 mg/L, Turbidity 5 NTU, Alkalinity 200 mg/L etc.

norms, 40 litres of drinking water per capita per day is to be provided to meet the requirements based on basic minimum needs for Drinking, Cooking, Bathing, Washing Utensils and House Ablution. In the State, as of March 2013, about seven *per cent* of the rural population were covered through piped water supply schemes and the remaining by dispersed sources i.e. tube wells and wells.

In the State, there were 174 ongoing RPWSSs under state plan at the beginning of the 2008-09 and 88³ new schemes were sanctioned and taken up under state plan and NRDWP during 2008-13.

Out of 262⁴, 203 RPWSSs were completed during 2008-13 and 58⁵ RPWSSs could not be completed which included 19 new RPWSSs taken up in 2012-13 due to be completed in 18 months or more.

2.3.2 Organisational structure

Additional Chief Secretary is the head of the Department. Engineer-in-Chief (EIC) was responsible for the execution of the schemes/programmes under the overall administrative control of the Additional Chief Secretary. EIC is assisted by five Chief Engineers (CEs), three at Headquarters and two in the field, 17 Superintending Engineers (SEs) at circle levels and 51⁶ Executive Engineers (EEs) at Headquarters and field level. There are 32 Drinking Water and Sanitation Divisions in the State for implementing Rural Drinking Water Schemes and Programmes headed by EEs. State Programme and Management Unit (SPMU) is headed by CE cum Executive Director who is overall in-charge for planning, implementation and monitoring of NRDWP in the State.

2.3.3 Audit objectives

The objectives of the review of Rural Drinking Water Programmes in Jharkhand were to examine and assess whether:

- Planning for Rural Drinking Water schemes and programmes was effective;
- Financial management was adequate and effective;
- Programmes, schemes and projects were implemented economically, efficiently and effectively;
- Human Resource Management was efficient and effective; and
- Monitoring mechanism of the schemes and programmes at different levels were effective.

³ 2008-09: 20; 2009-10: 7; 2010-11: 14; 2011-12: 18 and 2012-13: 19 = 78 under state plan and 10 schemes under NRDWP during 2010-12.

⁴ 174+78 (state plan) + 10 (NRDWP)=262 .

⁵ Taken upto 2010-11:20, 2011-12:14 and 2012-13:19 = 53 (state plan) + 2010-12-05 (NRDWP).

⁶ 32 - Civil Divisions, 09 - Mechanical Divisions, 04 -Urban Divisions and 06 - Hqrs

2.3.4 Audit criteria

The main criteria to arrive at audit conclusions are drawn from the following sources:-

- Guidelines of State Plan Schemes, ARWSP and NRDWP;
- Guidelines of National Rural Drinking Water Quality & Surveillance Programme (January 2006);
- Project Implementation Plan for individual scheme/programme; and
- Jharkhand Public Works Accounts (JPWA) and Jharkhand Public Works Department (JPWD) code.

2.3.5 Scope and methodology

The review was conducted for the period 2008-09 to 2012-13 between May 2013 and August 2013 in ten⁷ out of 32 divisions covering 40 *per cent* of total expenditure. Ten divisions included two divisions, Pakur and Sahibganj, having unsafe drinking water due to high arsenic, fluoride and iron content. Entry conference was held on 17 May 2013 with the Additional Chief Secretary of the Department in which objectives and scope of audit were discussed.

Review covered scrutiny of records/documents/information collected/available at Secretariat, offices of EIC, CEs and EEs of sampled divisions and office of the State Programme Management Unit (SPMU) for NRDWP schemes. Audit also gathered evidence through joint physical verification of two works in each division and took photographs. An exit conference was held on 6 February 2014 with the Additional Chief Secretary of the Department to discuss significant audit findings. Replies of the Government have been suitably incorporated.

2.3.6 Planning

The guidelines of ARWSP envisaged that the State shall prepare Annual Action Plans (AAPs) six months before the commencement of the financial year on the basis of prepared shelf of schemes, the likely size of the allocation under State sector, Minimum Need Programme (MNP) and ARWSP as well as likely carry over of funds from the earlier year. While preparing AAPs, completion of the incomplete works shall be given priority over taking up of new works.

ARWSP was modified to NRDWP with effect from 2009-10. The guidelines of NRDWP envisaged that the village community will prepare the Village Water Security Plan (VWSP⁸). Based on all VWSPs in a district, the District Water Security Plan (DWSP) will be prepared. Under the broad goals set by the State, a five year rolling plan would be prepared and during each financial

⁷ Deoghar, Dhanbad II, Dumka II, Gumla, Giridih II, Jamshedpur, Latehar, Pakur, Ranchi and Sahibganj.

⁸ VWSP consists of the demographic, physical features, water sources, available drinking water infrastructure and gaps, proposed works to augment the existing infrastructure and water sources details of management, operations & maintenance of the systems and sources etc.

year the sub-goals and priorities would be fixed by preparing an Annual Comprehensive Water Security Action Plan (ACWSAP). ACWSAP *inter alia* includes broad directions and tangible targets/projects planned to be achieved in the financial year.

In respect of schemes under State Plan, Advance Planning and Investigation Organisation (APIO) under EIC was to be constituted⁹ in every Works Department so that the organisation may keep vigil over the project from formulation of project report to the stage of completion of the project under State Plan. Further, a select committee was also to be constituted which was to be accountable for short, medium and long term development planning. EIC was to be the ex-officio Secretary and some experts from multidisciplinary areas were to be members of the committee. The committee was to approve the feasibility report of a project after which the Detailed Project Report (DPR) was to be prepared. The Department was also to establish field units for survey and investigation so that Perspective Plan and shelf of schemes with sufficient numbers of DPRs were to be prepared for all regions and projects were to be taken up as and when resources were available.

Audit scrutiny revealed that:

The Department had not prepared the AAP in respect of ARWSP for the years 2008-10.

The Department/SPMU had not prepared the Rolling Plan. However, the SPMU prepared AAPs for the period of 2010-11 to 2012-13 for the State as a whole in the absence of DWSPs.

The Department had not prepared perspective plan and shelf of schemes. The Department had also not constituted APIO.

- The Department had not prepared AAP in respect of ARWSP for the years 2008-10. In an earlier audit of ARWSP which featured in CAG's Audit Report of the State for the year ended 31 March 2007 it was pointed out that AAPs for the period 2002-07 were not prepared.
- In respect of NRDWP, VWSP and DWSP were not prepared by any village and district (July 2013). The Department/SPMU did not prepare the Rolling Plan as envisaged under the guidelines. Further, SPMU prepared AAPs in place of ACWSAP for the period 2010-11 to 2012-13 for the State as a whole in the absence of DWSPs. Thus, there was an absence of bottom up and grassroots based planning and the schemes/projects taken up for execution were Department driven.
- In respect of State Plan schemes, the Department had not prepared perspective plan and shelf of schemes. The Department had also not constituted APIO and field units for survey and investigation for keeping vigil over process of formulation of project reports and survey and investigation for identification of suitable schemes for needy habitations.

In reply, the Government stated (February 2014) that VWSP and DWSP could not be prepared due to shortage of manpower and also agreed that Perspective Plan shall be prepared. It was further stated that shelf of schemes has been prepared from the financial year 2013-14.

The reply confirms that the Department failed to ensure planning at grassroots level, preparation of rolling/annual plans for ARWSP, NRDWP and State Plan schemes and in setting up goals for the long and short term. Also there was no apparent integration and coordination of planning process under ARWSP/NRDWP and state plan schemes.

⁹ Resolution No.948 dated 16 July 1986 issued by the Cabinet Secretariat and Co-ordination Department, Government of Bihar as per Annexure A of Bihar Public Works Account Code.

2.3.7 Financial management

According to the guidelines of ARWSP, the allocation of Central Assistance was subject to the matching share by the State Government for the projects under the State Sector MNP. Under NRDWP components¹⁰ wise funds were provided by both GoI and the State Government. The funds were to be released in two instalments in different sharing pattern for each component. First instalment amounting to 50 *per cent* of the allocated fund was to be released without any condition. However, the second instalment to cover the balance of the annual allocation was to be released on fulfilment of the conditions which *inter alia* included utilisation of 60 *per cent* of the available resources.

For NRDWP, SPMU opened two separate bank accounts at State level for crediting Programme¹¹ Funds and Support¹² Activities Funds. GoI was to release Central Share for Programme and Support activities directly into respective bank accounts. The State Government was to release the matching share to Programme Funds Account for Coverage, Water Quality and Operation and Maintenance (O&M). The funds were to be allotted by SPMU to the Divisions for execution of schemes.

Besides, funds were also provided by the State Government under State Plan for capital outlay on implementation of RPWSSs and construction of DTWs. In respect of ARWSP against the allotment of ₹ 143.97 crore and ₹ 82.95 crore respectively from GoI and State share during 2008-09, only ₹ 93.47 crore and ₹ 73.56 crore was spent. Unspent allotment of GoI fund amounting to ₹ 50.50 crore was included as GoI share of NRDWP (April 2009). The Department surrendered unspent State contribution of ₹ 9.39 crore (March 2009). To that extent the Rural Drinking Water Programmes in the state suffered.

Details of fund received and expenditure incurred under NRDWP for both Programme and Support activities during 2009-13 is given in **Table 2.3.1**.

¹⁰ Coverage, Operation & Maintenance and water quality - 50:50 share between GoI and State and National Rural Water Quality Monitoring & Surveillance Programme (NRDWQMSP) 100 *per cent* share by GoI.

¹¹ Coverage, Operation & Maintenance and water quality

¹² Under Support activities five *per cent* of NRDWP funds on a 100 *per cent* Central Share basis was to be used for: Management Information System, National Rural Water Quality Monitoring & Surveillance Programme Communication and Capacity Development Programme and Project Monitoring and Evaluation, Research and Development.

Table 2.3.1: Funds received and expenditure incurred under NRDWP during 2009-13
(₹ in crore)

Year	Opening Balance (Central)	Opening Balance (State)	Actual releases to SPMU			Interest	Total fund available	Expenditure			Closing Balance (per cent)
			Central	State	Total			Central	State	Total	
1	2	3	4	5	6	7	8	9	10	11 (9+10)	12
					(4+5)		(2+3+6+7)				(8-11)
2009-10	64.88 ¹³	Nil	111.34	80.53	191.88	0.06	256.82	86.46	68.91	155.37 (60)	101.44 ¹⁴ (40)
2010-11	89.82	Nil	129.95	108.50	238.45	8.29	336.55	128.19	77.50	205.69 (61)	130.86 (39)
2011-12	96.4	34.46	148.17	168.00	316.17	9.68	456.72	169.84	149.40	319.24 (70)	137.48 (30)
2012-13	79.31	58.17	243.43	178.05	421.48	8.33	567.29	204.87	155.32	360.19 (63)	207.10 (37)

(Source: Data provided by SPMU)

It is evident from the above table that SPMU spent only 60 to 70 per cent of total fund available every year during 2009-13.

During 2009 to 2013, out of ₹ 429.56 crore received by test checked divisions expenditure of ₹ 368.05 crore was made leaving unspent balance of ₹ 61.51 crore (Appendix-2.3.1). The savings ranged between 5.87 per cent and 28.04 per cent.

The allotment and expenditure incurred during 2008-09 to 2012-13 under State Plan for Rural Drinking Water Programmes in the State is given in Table 2.3.2.

Table 2.3.2: Statement showing allotment and expenditure during 2008-13 under State Plan

Sub Head	Year	Allotment	Expenditure	Surrender	Percentage of surrender
					(₹ in crore)
Rural W/S Schemes (Piped)	2008-09	56.64	51.27	5.37	9.48
	2009-10	36.80	29.68	7.12	19.36
	2010-11	56.15	45.50	10.65	18.97
	2011-12	60.60	36.84	23.76	39.2
	2012-13	111.85	74.49	37.36	33.4
Total		322.04	237.78	84.26	
Rural W/S (Tube Wells)	2008-09	25.00	18.78	6.22	24.88
	2009-10	71.77	71.31	0.46	0.64
	2010-11	41.77	41.13	0.64	1.54
	2011-12	6.45	3.98	2.47	38.26
	2012-13	2.95	0.44	2.51	85.03
Total		147.94	135.64	12.30	

(Source: Data provided by Department)

The above table revealed that there was under utilisation of allotment in both schemes ranging upto 39.20 per cent in respect of Rural Water Supply Schemes (Piped) and upto 85 per cent in respect of Rural Water Supply Scheme (Tube Wells) during 2008-13.

Under State Plan during 2008 to 2013 out of total amount ₹ 193.18 crore received by test checked divisions expenditure of ₹ 172.26 crore were incurred and ₹ 20.91 crore were surrendered. (Detailed in Appendix-2.3.2)

¹³ NRDWP Programme- ₹ 61.48 crore and in Support- ₹ 3.40 crore

¹⁴ A sum of ₹ 11.63 crore of state fund under ARWSP was surrendered

In reply, the Government stated (February 2014) that necessary steps would be taken to utilise funds.

2.3.7.1 *Non-submission of UCs for funds allocated under Operation and Maintenance (O&M) ₹ 4.21 crore*

The details of expenditure and UCs of ₹ 4.21 crore was not submitted by the VWSCs.

During 2011-12 and 2012-13, the test checked divisions released ₹ 2.76 crore and ₹ 1.45 crore respectively to Village Water and Sanitation Committees (VWSCs) of the State under O&M component of the programme. VWSCs were to submit utilisation certificates (UCs) to SPMU for ₹ 4.21 crore within three to six months of release of funds through concerned divisions. But it was observed (December 2013) that neither details of expenditure nor UCs were submitted by these VWSCs.

In reply, the Government stated (February 2014) that steps were being taken to train VWSCs for proper book keeping, accounting procedure so that VWSCs would be able to submit UCs.

2.3.8 Implementation of the Schemes

2.3.8.1 *Rural Piped Water Supply Scheme of State Plan*

The objective of Rural Piped Water Supply Scheme (RPWSS) was to maximise the use of surface water and reduce the burden on ground water (as it was a limited reserve) and provide adequate piped safe drinking water supply within the household premises to the rural households in a phased manner. There are 390 RPWSSs as of September 2013 under State Plan (337 completed RPWSSs and 53 ongoing RPWSSs). The completed schemes are being operated by the Department, VWSCs and contractors (O&M for two years as per agreement). The details of RPWSSs at State level are given in **Table 2.3.3:**

Table 2.3.3: Status of RPWSSs at state level

								(₹ in lakh)
Number of Schemes operated by	Number of stand posts	Number of Vats	Number of schemes where house connections were issued	Number of house connections	No of schemes where realisation of user charges was nil	Number of schemes where no house connection	Amount of water user charges ¹⁵ realised during 2010-11	
Department	157	1089	148	116	20841	63	41	40.47
VWSCs	119	783	172	76	11802	20	43	7.34
Contractor	16	56	4	12	1485	06	4	0.11
Total	292*	1928	324	204	34128	89	88	47.92

(Source: Data provided by Department) (*292 RPWSS are functional out of 337 completed RPWSS)

Scrutiny revealed that

- Forty five out of 337 completed RPWSSs were non-functional for various reasons viz. low voltage, motor disorder, failure of bores, theft of motors, pipes and transformers, dried sources, defects in civil works, dispute among villagers, damaged pipeline/rising main etc.
- There were no household water connections in 88 out of 292 schemes.

Out of 337, 45 RPWSSs were non-functional for various reasons.

¹⁵ Water Charges was ₹ 62 per month for each household to be collected from the users on account of consumption of water from piped water supply schemes.

- Out of 292 completed and functional schemes, schemes numbering 270 schemes were completed upto 2010-11. Under these 270 schemes, 33140 household connections were issued.
- Water user charges collected during 2010-11 amounted to ₹ 47.92 lakh which was 19 per cent against the demand of ₹ 2.47 crore (₹ 62 x 12 month x 33140). Details of collection of water charges for 2008-09, 2009-10, 2011-12 and 2012-13 were not provided by the Department.
- No realisation of water user charges was made in 89 schemes where household connections had been released.

Further, we did a detailed scrutiny¹⁶ (June to August 2013) of records of 20 numbers of RPWSSs in the test-checked divisions. These were constructed at an estimated cost of ₹ 48.07 crore (sanctioned between June 2006 and March 2012) for coverage of 1,07,238 population. We observed that 13 out of 20 were operational. Of the remaining seven, six RPWSSs were completed but were not functional (December 2013) after incurring ₹ 19.04 crore. The remaining one RPWSS was still incomplete (December 2013). Thus, the objective of providing safe piped drinking water to 34,633 populations in their homes was not achieved (**Appendix-2.3.3**).

The Government admitted (February 2014) the fact that the number of house connections under RPWSSs was very low and stated that efforts would be made in this regard. Department has issued (September 2013) an order that any scheme will not be considered as completed unless 50 per cent households are provided with domestic water connection. Further, RPWSS shall not include public stand posts and vats from 2013-14 onwards. Department also stated that all efforts would be made to realise all the arrears of water charges and complete RPWSSs in the least possible time. However, the fact remains that the objectives of the schemes could not be achieved in the incomplete/non-functional schemes.

2.3.8.2 Rural Piped Water Supply Schemes implemented under NRDWP

To provide safe and adequate drinking water in rural areas of the State, ten¹⁷ major RPWSSs were taken up during 2010-12 under NRDWP in seven divisions¹⁸. During 2012-13, no new schemes were taken up. The details of RPWSSs at State level implemented under NRDWP are given in **Table 2.3.4**.

¹⁶ Scrutiny of sanction orders, Notice inviting Tender, Estimates, Agreements, MBs, Running account Bills, Vouchers etc.

¹⁷ Bhatinda (DhanbadII), Baralota, Bishrampur and Chainpur, (Medninagar), Gandey (Giridih-I), Manika and Netarhat (Latehar) Motia (Godda), Jari-Jarmana (Gumla) and Mega RPWSS (Sahibganj)

¹⁸ Dhanbad II, Giridih I, Godda, Gumla, Latehar, Palamu and Sahibganj

Table 2.3.4: Status of RPWSSs at State level under NRDWP as of January 2014

Details of Schemes undertaken in the State		Number of Schemes operated by VWSCs	Number of schemes where house connection were issued	Number of house connections	Number of schemes where no house connection	Amount of water charges realised during 2012-13
Nos. of completed schemes	Nos. of incomplete schemes					
5	5	5 ¹⁹	5	1214	Nil	NA ²⁰

(Source: Data provided by Department)

Out of ten, only five²¹ RPWSSs were completed and made functional (January 2014).

Observations on two²², out of five²³ incomplete RPWSSs, being implemented in test checked divisions are given below:

(i) ***Wasteful expenditure besides loss to the Government due to non-revalidation and non-encashment of Bank Guarantee***

In Gumla²⁴ the RPWSS was sanctioned for ₹ 2.07 crore (₹ 1.035 crore central share and ₹ 1.035 crore State share) in August 2010 for villages Jari and Jarmana at Albert Ekka Block covering 1095 people and allotted to the contractor on estimated value of ₹ 2.24 crore with the stipulated date of completion as July 2012. Our scrutiny (June 2013) revealed that after incurring an expenditure of ₹ 4.61 lakh, the work was stopped (June 2012). CE cum Executive Director, SPMU, Ranchi (July 2012) rescinded the work due to non-execution of the work by the contractor. Further, we observed that the division failed to revalidate and encash Bank Guarantee²⁵ (BG) of ₹ 11.25 lakh which expired on 5 January 2012 during currency of contract. Thus, the expenditure of ₹ 4.61 lakh on the scheme became wasteful besides loss to the Government on account of non-revalidation and non-encashment of BG worth ₹ 11.25 lakh.

The Government accepted (February 2014) the audit observation and stated that action would be taken against the concerned EE.

(ii) ***Slow progress of work due to delay in acquisition of land***

A mega RPWSS was sanctioned (November 2011) for ₹ 138.77 crore (₹ 69.38 crore Central share and ₹ 69.38 crore State share) for providing drinking water to the people of 62 villages of four blocks²⁶ covering 1,27,386 people of Sahibganj district. The scheme work was awarded in June 2012 at an

¹⁹ Bhatinda (Dhanbad), Chainpur (Medninagar), Gandey (Giridih-I), Manika and Netarhat (Latehar).

²⁰ These schemes are being managed by VWSCs and the collection of water charges realised by the VWSCs and the details are not available with the department.

²¹ Bhatinda (Dhanbad), Chainpur (Medninagar), Gandey (Giridih-I), Manika and Netarhat (Latehar).

²² Gumla and Sahibganj.

²³ Baralota and Bishrampur RPWSSs at Medninagar Division, RPWSS at Gumla and Sahibganj and Motia (Godda).

²⁴ Construction of Jari and Jarmana Rural Water Supply Scheme at Albert Ekka Block (Dumri).

²⁵ BG no. 4907IPEBG-110001 dated 6.1.2011 for ₹ 11,25,000 issued from Bank of India, Booty More Branch.

²⁶ Barhait, Rajmahal, Sahibganj and Udhua.

The expenditure incurred on the schemes became wasteful besides loss to the Government on account of non-encashment of BG.

Due to non-acquisition of land there was slow progress of work which was only 45 per cent as of February 2014.

agreement cost of ₹ 133.68 crore to be completed by July 2014. Our scrutiny (August 2013) of work files and other records revealed that the mega RPWSS commenced without acquiring land required for Water Treatment Plants²⁷, Elevated Service Reservoirs²⁸ and Rising Main Pipe²⁹ which was in violation of the provision³⁰ of JPWA code that no work was to commence without acquiring land. We observed that the division sought No-Objection-Certificates (NOCs) from various Departments only after commencement of work in July 2012. We also observed that due to non-acquisition of land there was slow progress of work. As of February 2014, only 45 per cent work was done after incurring ₹ 64.66 crore though the scheme is to be completed by July 2014.

In reply, the Government stated (February 2014) that delayed execution of work was due to non-availability of NOCs from District Administration, Railway Department and Municipal Corporation for acquisition of land and efforts shall be made to acquire the land. The reply confirms the audit observations.

2.3.8.3 Mini Rural Piped Water Supply Schemes implemented under NRDWP

In order to provide piped water supply at household level covering a population of 500 to 1000, the Department had introduced (September 2010) Mini Rural Piped Water Supply Scheme (MRPWSS). The components of a MRPWSS were a High Yield Drilled Tube well (HYDT), Submersible pump set, PVC overhead tank, PVC distribution pipe line, India Mark II Hand pump, rainwater harvesting structure etc.

During 2010-12 total 5,044³¹ MRPWSSs were sanctioned in the State with the instruction that MRPWSS was to be constructed if the discharge of the HYDT was more than 5,000 litre per hour. These MRPWSSs were to be completed within three to six months of issue of work order. In case discharge of HYDT be less than 5,000 litre per hour, it would be utilised as hand pump and other components would not be constructed/installed.

Out of 5,044 sanctioned MRPWSSs, only 1,884 HYDTs were eligible for conversion into MRPWSS on the basis of their discharge rate. It was observed that 1,496 (79 per cent) out of 1,884 MRPWSSs were still incomplete as of August 2013 in the State. As two to four years have lapsed since their sanction, their non-completion indicates improper implementation of the schemes.

Out of 1884, 1496 MRPWSS (79 per cent) were still incomplete as of August 2013 despite lapse of two to four years since their sanction.

²⁷ At Sahibganj block from Railway Department and at Barhait block from Water Resources Department.

²⁸ 16 ESRs-(Barhait-5, Rajmahal-3, Sahibganj-5 and Udhwa-3) and work started on the consent of concerned VWSCs in 3 out of 16 ESRs.

²⁹ NOCs were to be obtained from Road Construction Department, Rural Works Department, Municipal Corporation and Railway Department.

³⁰ Paragraph number 7.5 of No.948 dated 16 July 1986 issued by the Cabinet Secretariat and Co-ordination Department, Government of Bihar as per Annexure A of Bihar Public Works Account Code.

³¹ 478 in 1st phase (September 2010) and 240 in 2nd phase in 2010-11 and 4197 in 3rd phase in 2011-12 and 129 for quality affected areas in 2010-11.

During 2010-12, total 1,575 MRPWSSs were sanctioned in the ten test-checked divisions of which only 641 HYDTs (41 per cent) qualified for conversion into MRPWSS on the basis of discharge of HYDT (*Appendix-2.3.4*).

Scrutiny of records of the test checked divisions in respect of conversion of HYDT into MRPWSSs revealed that:

- In four³² test checked divisions, ₹ 19.07 crore was sanctioned in 2010-12 for construction of 124 MRPWSs in 124 habitations. Out of ₹ 19.07 crore, ₹ 12.05 crore was allotted during 2010-13 by SPMU to the divisions of which ₹ 10.30 crore was spent as of July 2013. Scrutiny of records (July and August 2013) of the concerned divisions revealed that only 64 out of 124 HYDTs were eligible for conversion into MRPWSs. However, 26 out of 64 MRPWSSs were still incomplete after incurring expenditure of ₹ 2.22 crore as of July 2013 although the period of three to six month prescribed for their completion was over³³. Incomplete schemes did not fulfil the objective of the schemes and thus expenditure incurred on these schemes proved unfruitful.
- In four³⁴ test-checked divisions, 24 HYDTs of quality affected areas were eligible for conversion into MRPWSSs. Scrutiny (August 2013) revealed that in three³⁵ divisions these MRPWSSs were completed whereas at Sahibganj construction of three MRPWSSs which commenced in March 2012 and were to be completed by June 2012 were incomplete. A sum of ₹ 13.33 lakh was incurred (March 2013) but these MRPWSSs remained incomplete (September 2013). Thus, the expenditure incurred on these MRPWSSs of quality affected areas of Sahibganj did not fulfil the objectives of the scheme to provide safe drinking water.

In reply, the Government stated (February 2014) that efforts would be made for early completion of MRPWSSs.

2.3.8.4 *Unfruitful expenditure*

Under ARWSP, ₹ 3.96 crore was sanctioned during 2008-09 for construction of 17 RPWSSs for quality affected habitations in Pakur division. Scrutiny of records revealed that though eight RPWSSs were shown completed (March 2012) after incurring expenditure of ₹ 1.03 crore, but none of these were functional (August 2013) due to various reasons viz. want of electric connection, low voltage, dispute among villagers, motor disorder etc. (*Appendix-2.3.5*). Thus, the expenditure incurred on these schemes proved unfruitful.

2.3.8.5 *Sanction of inadmissible works*

In State Plan, under the minor head Direction and Administration (D&A), proposals for purchase of machinery & equipment, training of personnel, survey & consultancy fee for preparation of DPR of schemes, purchase of new vehicles & Minor Construction works etc. for RPWSS were to be taken up.

³² Dhanbad-II, Dumka-II, Pakur and Sahibganj.

³³ Between August 2011 and March 2012 : three months to six months.

³⁴ Giridih- II, Gumla, Pakur and Sahibganj.

³⁵ Giridih- II, Gumla and Pakur.

Out of 64, 26 MRPWSS were still incomplete after incurring expenditure of ₹ 2.22 crore as of July 2013.

Eight RPWSSs were shown completed after incurring expenditure of ₹ 1.03 crore, but none of these were functional due to various reasons.

Rupees 61.05 lakh was sanctioned on inadmissible works.

On scrutiny of sanctions and allotment letters and other relevant records and information collected from EE, Gonda division, Ranchi, we noticed that ₹ 61.05 lakh was sanctioned (December 2012) under D&A Head for execution of 12 schemes for construction of HYDT with fitting of submersible motors, laying of pipes, construction of Reinforced Cement Concrete (RCC) staging, construction of soak pits, drainage, septic tank sewer lines in residences of senior officers³⁶ of the State in urban areas of Ranchi although the expenditure of ₹ 61.04 lakh incurred (March 2013) under minor head Direction and Administration ought to have been incurred for RPWSSs.

In reply, it was stated (February 2014) by the Government that the expenditure incurred was admissible under item 'Provision of Water in Government buildings' under Direction and Administration. The reply was not acceptable as these items were included from 2013-14 onwards, whereas the expenditure has been incurred in the year 2012-13.

2.3.9 Results of joint physical verification

In an attempt to ascertain the operational position of schemes on the ground, the audit team physically verified (June and August 2013) along with officers of the Department, 19 schemes³⁷ in test checked divisions. The estimated cost of these schemes was ₹ 20.23 crore and expenditure incurred on was ₹ 17.36 crore. Scheme wise details are mentioned in *Appendix-2.3.6*.

We observed that:

- One MRPWSS covering 343 persons at Phulbhanga, Sahibganj division was found non-functional though it was being shown as operational in the monthly progress report (March 2013) of the division. Thus, there was a discrepancy between the documentation available in the division and the actual status of the scheme.
- Five³⁸ out of 18 MRPWSSs under NRDWP were found non-functional/incomplete and expenditure incurred on these schemes was ₹ 66.54 lakh. Hence, as these schemes were non-functional/incomplete, 4,025³⁹ persons were deprived of benefit of piped water.
- No household connections were released in 13 MRPWSSs though these were shown as completed and were to provide piped drinking water to 10307 persons.
- One RPWSS covering 24250 people under State Plan at Madhuban Pirtand had been completed. This was being operated under trial and run condition. There was no household connection released in the scheme.

³⁶ Hon'ble Minister of PWD Department; Divisional Commissioner South Chhotanagpur Division; PA to CM; Section office Raj Bhawan; Deputy Commissioner; Hon'ble Lokayukt; SIB Office; Residence of Civil SDO, Sadar Ranchi and Residence of Deputy Commissioner at PWD Colony RIMS Campus.

³⁷ One RPWSS under state plan and 18 MRPWSSs under NRDWP.

³⁸ Banderkuppi, Dhwachita, Ichak, Kothya and Maharo.

³⁹ Population of Banderkuppi : 681, Dhwachita: 469, Ichak: 1420, Kothya: 819 and Maharo: 636.

Thus despite 13 schemes being functional the major component of releasing household connections was not implemented. In reply, the Government stated (February 2014) that efforts would be made for completion of the schemes.

The fact remains that due to non-completion/non-functioning of schemes and household connections not released in functional schemes, the targeted population (38,925) was deprived of full benefit of the scheme viz. piped drinking water.



Photograph of non-functional Phoobhanga MRPWSS of Sahibganj

2.3.10 Lack of testing of water sources

National Rural Water Quality Monitoring & Surveillance Programme (NRWQMSP) a component of NRDWP emphasised the availability of safe and potable drinking water. Under the programme, laboratories were to be set up at the State, districts, sub-divisions level and all drinking water sources⁴⁰ were to be tested at least once in a year for checking chemical contamination and twice in a year (pre and post monsoon) for checking bacteriological contamination. State level laboratory was also to be involved in testing concentrations of rare elements and extend all necessary help in providing water quality test reports to the State Government during natural calamities and disasters. Sample from 100 *per cent* of the sources were to be tested by sub divisional laboratories for bacteriological, chemical and physical parameters, 10 *per cent* of samples were to be tested including positively tested samples by the district laboratories apart from routine cross verification by the State laboratory.

We noticed (August 2013) that only one chemist and one sample collector were deployed in the State laboratory. All other posts⁴¹ at the State lab were vacant. The infrastructure of State laboratory was also inadequate as there was lack of instruments⁴² as required under Drinking Water Quality Monitoring

⁴⁰ Water sources are sources of water that are useful or potentially useful which are either from Wells, DTWs or Piped water supply.

⁴¹ Chief Chemist, Bacteriologist, Laboratory Technician, Analyst, Laboratory Attendant and Senior System Analyst

⁴² Water Still, Heating Mentle, Water bath, Hot air Oven, Atomic Absorption spectrophotometer with Electrode lamp, UV Luminar Air flow chamber for Bacteriological Analysis, Milipore Filter assembly with a vacuum-pump, Plate count and coloney counter, Arsenic testing Instrumentation, Hydride generator, Flume Coup Board, Auto Burette, Uranium Analyser, Double Distillation Apparatus, Argon, Nitrogen, Oxygen gas cylinder, Pressure pump, Deep Freezer (-20⁰c) etc. required under DWQMP were not available.

Protocol⁴³ (DWQMP). We observed that district laboratories were not functional in districts covered by test-checked divisions during the period 2008-13 except at Jamshedpur where only one chemist was posted.

We observed that DW&SD sanctioned (November 2010) ₹ 1.02 crore for the construction of 35 laboratories at sub-divisional level of 24 districts at a cost of ₹ 2.90 lakh each in the State. In test checked divisions, we observed that the sub-divisional laboratories (numbering 10) could not be made functional as of January 2014 due to lack of equipment and manpower in nine⁴⁴ divisions and non-completion of building in Dhanbad-II division.

Thus, the required tests of drinking water sources for chemical and bacteriological parameters were not conducted due to non-functioning of the sub-divisional and district laboratories.

The Government stated (February 2014) that the laboratories in six districts⁴⁵ had been developed in May 2013 and three⁴⁶ more district laboratories had been established in August 2013 and also efforts are being made to establish the laboratories in all the districts of the State. In regard to State laboratory it was stated that the laboratory building was under construction and orders for required instruments had been placed which would be delivered to the new laboratory. Further, the Sub divisional Laboratories would be equipped during the year 2014-15 and creation of posts would be processed.

The fact remains that required test of water sources could not be conducted due to non-availability of laboratories.

2.3.11 Non-procurement of Field Test Kit (FTK)

NRWQM&S programme was launched (2005-06) with the prime objective of institutionalisation of community participation and involvement of Panchayati Raj Institutions (PRIs) for water quality monitoring and surveillance of all drinking water sources (hand pumps, wells, piped water supply scheme). Under this programme one field test kit (FTK) was to be provided to each Gram Panchayat (GP) for primary detection of chemical and biological contamination for all drinking water sources of GP. While modifying ARWSP as NRDWP in 2009-10 NRDWQM&S strategy was also modified. As per modified strategy, for sample collection at the household level and at the habitation level one person, preferably a woman member of VWSC may be nominated and designated as *Jal Surakshak*. The *Jal Surakshak* was to use FTK to obtain preliminary results of water quality. There were 4,562 GPs in the State as of July 2013. We noticed that no FTK was procured during 2009-12 to be issued to GPs for preliminary examination of the water sources. During 2012-13, SPMU procured 2,800 FTKs at a cost of ₹ 70 lakh under funds available under Support component of NRDWP, out of which 2,785 FTKs were distributed to divisions covering 16 districts of the State. Each

⁴³ The Department of Drinking Water Supply, GoI, New Delhi develop a separate uniform protocol to standardised the requirements for setting up and functioning of Laboratories at various levels.

⁴⁴ Deoghar, Dumka II, Giridih II, Gumla, Jamshedpur, Latehar, Pakur, Ranchi East and Sahibganj.

⁴⁵ Chaibasa, Garhwa, Jamshedpur, Latehar, Palamau and Ranchi.

⁴⁶ Chatra, Hazaribagh and Jhumritilaiya.

FTK was to be used to conduct 100 tests. As against 1,79,241 water sources in 13 districts only 72,101 tests were conducted as of September 2013. In three districts namely Hazaribagh, Ramgarh and Deoghar having 28,567 water sources not a single test was conducted despite 614 FTKs provided to them. Moreover, remaining eight districts having 1,28,265 water sources were not provided any FTK. Thus, no test of water sources was conducted in these districts at GP level. (*Appendix-2.3.7*)

In reply, the Government stated (February 2014) that due to remote and inaccessible area only 1,12,454 sources had been tested as of January 2014 and assured that during 2014-15 all sources would be tested.

The fact remains that objective to provide safe drinking water was not achieved due to non-testing of 100 *per cent* water sources as envisaged in the scheme.

2.3.12 Non-formation of VWSC

As per NRDWP guidelines, a Village Water and Sanitation Committee is to be set up as a standing committee in each GP for planning, monitoring, implementation and operation and maintenance of the Water Supply Scheme to ensure active participation of the community. Each VWSC was required to open bank account.

The State Government resolved (March 2010) to create a VWSC in each village of the State and also prescribed the procedure of formation of VWSCs and their functions. The Gram Sabha (GS) will elect the nine members for VWSC of which five would be women. GS will also elect the *Jal Surakshak*. The State Government also directed (April 2010) all Deputy Commissioners cum Chairpersons of the District Water and Sanitation Mission to hand over assets and infrastructures of rural water supply schemes to VWSC by 26 January 2011.

Scrutiny of records of SPMU revealed that in the State, 28,177 out of 29,413 VWSCs were formed (January 2014). Further, in test-checked divisions it was observed that against the requirement of 11,025 VWSCs 10,725 VWSCs were formed, out of which only 9,929 VWSCs were having their bank accounts. Thus, there was shortfall of 300 VWSCs and 796 VWSCs had no bank accounts in ten test-checked divisions.

In reply, the Government accepted (February 2014) the fact and stated formation of remaining VWSCs and opening of their Bank Accounts are under process.

2.3.13 Human Resource Management

2.3.13.1 Shortage of man power

The status of technical and non-technical staff in test-checked divisions of the Department as of November 2013 was as under:

Table 2.3.5: Position of technical staff in test-checked divisions as of November 2013

Name of post	Sanctioned Strength	Person-in-position	Shortage	Shortage (per cent)
Executive Engineer	10	10	0	0.00
Assistant Engineer	28	27	1	3.57
Estimating Officer	5	3	2	40.00
Junior Engineer	75	55	20	26.67
Estimator	4	0	4	100.00
Total	122	95	27	22.31

(Source: Data provided by Divisions)

Table 2.3.6: Position of non-technical staff in test-checked divisions as of November 2013

Name of post	Sanctioned Strength	Person-in-position	Shortage	Shortage (per cent)
Head clerk/ Accounts Clerk/ Typist/ Clerk/ Peon	535	330	205	38.31
Total	535	330	205	38.31

(Source: Data provided by Divisions)

It was evident from the above table that there was 22 per cent shortage of technical staff and in case of non-technical staff, shortage was 38 per cent. Shortage of staff slows down the pace of implementation of schemes/ programmes and hampers the attainment of started objective of the schemes. Further, we observed that there were shortages of staff in State laboratory, districts laboratories as well as sub-divisional laboratories which adversely affected the functioning of laboratories as mentioned in paragraph 2.3.10.

In reply, the Government stated (February 2014) efforts would be made for creation of posts of Assistant Engineers/Junior Engineers and Office staff for Circles and Divisions.

The reply was not acceptable, as Department needed to fill the existing technical and non-technical posts in the first instance.

2.3.14 Monitoring

A “State Level Scheme Sanctioning Committee” (SLSSC) was to be constituted under the chairpersonship of Additional Chief Secretary of the Department for furnishing complete and timely information to GoI and also to ensure that proper system of close monitoring and evaluation is in place in respect of NRDWP schemes. Meetings of the Committee were to be held at least twice in a year, wherein apart from sanctioning new schemes, progress, completion and commissioning of the schemes approved earlier by the Committee were to be reviewed.

We observed that SLSSC meetings were held biennially where the new schemes were sanctioned and progress of ongoing schemes were reviewed.

According to JPWA Code CEs/SEs/EEs should inspect/monitor the implementation of works/schemes at different levels under their control.

EIC is the technical head and is responsible for the proper and efficient working of the Department. Powers and Duties of EIC will be vested in CE where he is the administrative and technical head of a branch of the Department. As per Rule 20 of JPWA Code, CE will inspect each circle office under his charge once in a year and each divisional office once in every two years and submit a report to EIC soon after the inspection has been made. SE

has to inspect each divisional office once every six months, each sub-divisional office once every year, and each sectional office once every two years. EE should inspect each Sub divisional Office within the limit of his charge once every six months and each Sectional Office once in a year and submit report of his inspection in the prescribed form to SE.

Test checked ten divisions were under administrative control of two Regional Chief Engineers⁴⁷ and four SEs⁴⁸. As per the provision CE had to conduct fifty inspections of circles and 90 inspections of divisions under his control during the period 2008-13. We observed that no inspection was conducted by CE of the circles and divisions under their control as no record was available.

Similarly four SEs had to conduct 170 inspections of 17 divisions under their control during 2008-13, however, it was noticed that no inspection was conducted by SE as no record regarding inspections was made available.

The number of inspections carried out by RCEs and SEs during 2008-13 was not made available though called for (July and August 2013). Further the information regarding inspection carried out by RCEs and SEs and report thereof, to be submitted to EIC were also called for (September 2013) from EIC. In reply to audit query EIC issued (October 2013) letters to RCEs and SEs to furnish the details of inspection conducted during 2008-13, which itself shows that the laid down procedure of inspections by the officials was not followed.

Further, the Government stated (February 2014) that officials were being directed to follow the rules and orders strictly.

Non-monitoring by the authorities of the divisions/circles under their control was a violation of the codal provision resulting in shortcomings and deficiencies in implementation apart from delays and failure to make RPWSSs fully functional as mentioned in the above paragraphs. However, shortcomings and deficiencies were noticed in implementation apart from delays.

2.3.15 Conclusion

Implementation of Rural Drinking Water Programme in the State suffered from deficiencies. The Annual Action Plan for the year 2008-09 and 2009-10 required under ARWSP was not prepared. In respect of NRDWP the State Programme Management Unit did not prepare the Rolling Plan. The Village Water Security Plans and District Water Security Plans were not prepared. The Department had not prepared Perspective Plan and shelf of Schemes for short, medium and long term development planning. There were surrenders/ savings in the Central/State funds allocated to the executing agency by the Department under various components. There were instances of non-functioning of Rural Piped Water Supply Schemes, award of work without acquiring land, large number of incomplete Rural Piped Water Supply Schemes/Mini Rural Piped Water Supply Schemes etc and also completed schemes were not handed over to the Village Water Sanitation Committees. There were no/less number of household water connections in functional Rural Piped Water Supply Schemes/Mini Rural Piped Water Supply Schemes and water user charges

⁴⁷ Dumka and Ranchi.

⁴⁸ Dhanbad, Dumka, Gumla and Ranchi.

were not realised from the households issued water connections. Field testing kits had not been procured. Prescribed monitoring by CEs and SEs was not done. The objective to provide safe drinking water to all villages was not achieved as required number of water sources were not tested for quality. There was shortage of technical staff in the test checked divisions.

2.3.16 Recommendations

We recommend that the Government should ensure:

- *preparation of Annual Comprehensive Water Security Action Plan of the State on the basis of District Water Security Plans and Rolling Plan in respect of NRDWP and Perspective Plan for State Plan schemes;*
- *full utilisation of funds under state plan as well as NRDWP;*
- *completion of schemes within time frame and handover of completed Rural Piped Water Supply Schemes/Mini Rural Piped Water Supply Scheme to concerned Village Water Sanitation Committees;*
- *release of household water connections and realisation of water charges from users in respect of completed schemes;*
- *strengthen water quality monitoring and surveillance network to provide safe drinking water to all villages; and*
- *effective monitoring of implementation of the schemes.*

The Government accepted (February 2014) all recommendations.

Health, Medical Education and Family Welfare Department

2.4 Infrastructure and functioning of Community Health Centres in Jharkhand

Executive Summary

Health policy of the Government of Jharkhand envisages a three tier structure comprising the primary, secondary and tertiary health care facilities to bring the health care services within the reach of the people. In this framework, the Community Health Centre (CHC), the third tier¹ of the network of rural health care units, was required to act primarily as a referral centre (for the neighbouring Primary Health Centres (PHCs) usually four in number) for the patients requiring specialised treatment in the areas of medicine, surgery, paediatrics and gynaecology. The objective was two-fold; to make modern health care services accessible to the rural people and to ease the overcrowding in the district hospitals. To enable CHCs to contribute towards meeting the intended objectives, these were designed to be manned by seven specialists² in addition to six General Duty Medical Officers and function as 30 bedded hospital for indoor patients, equipped with operation theatre, labour room, X-ray machine, pathological laboratory, generator backup etc. alongwith the complementary medical and para medical staff. The audit of infrastructure and functioning of CHCs in Jharkhand revealed:

Community Health Centres (CHCs) were planned as First Referral Units (FRUs) also alongwith increase in number of Primary Health Centres (PHCs). Out of 220 PHCs required under 36 test-checked CHCs, only 53 (24 per cent) PHCs were in existence as of July 2013. Further, out of 53 PHCs, 17 PHCs were running without doctors. As a result patients were directly coming to CHCs and the objective of CHCs being FRU was not achieved.

PHCs should be established in sufficient numbers and deployed with adequate manpower to enable the functioning of CHCs as First Referral Units.

(Paragraphs 2.4.6.1 and 2.4.6.2)

As of July 2013, 111 CHCs buildings were incomplete beyond their due date of completion after incurring an expenditure of ₹ 221.98 crore due to delay in site selection and slow progress of work by executing agencies and against 1,354 Specialist doctors required in the State as per IPHS norms, no Specialist doctors were deployed in the State as of July 2013.

(Paragraphs 2.4.8.1 and 2.4.9)

Out of 36 test-checked CHCs, in 30 CHCs only six functional beds existed against the requirement of 30 beds.

(Paragraph 2.4.10.1)

Completion of CHC buildings should be done in time bound manner alongwith availability of infrastructure and Specialist doctors in all CHCs.

¹ 1st tier: Health Sub-Centres, 2nd tier: Primary Health Centres and 3rd tier: Community Health Centres.

² General Surgeon, Physician, Obstetrician & Gynaecologist, Paediatrician, Anaesthetist, Public Health Manager and Dental Surgeon

Purchase of machines and equipments by the respective Civil Surgeons was not requirement driven which led to idling of these equipment and their benefit to patients.

Purchase of machines and equipments should be need based and their proper utilisation may be ensured.

(Paragraph 2.4.10.2)

Shortfall in availability of essential medicines ranged between 26 and 85 per cent in 36 test-checked CHCs and ANMs of Sub-centres, though not competent to administer the Schedule-H drugs, distributed the same among the rural patients which was fraught with the risk of severe health hazard among them.

Availability of all essential medicines in CHCs should be ensured.

(Paragraphs 2.4.11.1 and 2.4.11.2)

No inspection was conducted by the District health authority during the period 2008-13 in test checked CHCs. Shortfall in number of meetings by *Rogi Kalyan Samiti* (RKS) ranged between 75 to 84 per cent during 2008-13.

Regular and effective monitoring of CHCs should be ensured.

(Paragraph 2.4.13)

2.4.1 Introduction

Recognizing the importance of Health in the process of economic and social development, the State Government had underlined the strengthening of the primary health care units as its thrust area in its Annual and Five Year Plans. These primary health care units were proposed to be strengthened and upgraded as per Indian Public Health Standards³ (IPHS) prescribed by the Ministry of Health and Family Welfare, Government of India.

In this framework, the Community Health Centre (CHC), the third tier⁴ of the network of rural health care institutions, was required to act primarily as a First Referral Unit (FRU) for neighbouring Primary Health Centres (PHCs), for patients requiring specialised health care services. CHC was to provide services to 80,000 population in tribal areas and 1,20,000 population in other than tribal areas. The objective of having a referral centre for the primary health care institutions was twofold i.e. to make modern health care services accessible to the rural people and ease the overcrowding in the district hospitals. CHCs were, accordingly, designed to be equipped with specialist doctors, 30 beds for indoor patients, operation theatre, labour room, X-ray, ultrasound and ECG machines, pathological laboratory, generator backup etc. along with the complementary medical and para medical staff.

³ In order to provide quality care in the primary health care units, IPHS are being prescribed to provide optimal expert care to the community and achieve and maintain an acceptable standard of quality of care.

⁴ 1st tier: Health Sub-Centres, 2nd tier: Primary Health Centres and 3rd tier: Community Health Centres.

2.4.2 Organisational set-up

At Government level, Principal Secretary, Health, Medical Education and Family Welfare Department (HME&FWD) and Mission Director (MD), National Rural Health Mission (NRHM) were responsible for implementation of standards stipulated under IPHS. Directors (Health & Family Welfare and Finance) were to assist the Principal Secretary and MD in planning, supervision and monitoring the creation of CHCs. Besides, one Engineering Cell existed for construction work of the Department. The Civil Surgeon cum Chief Medical Officer (CS cum CMO) and Medical Officer in charge (MOIC) of CHCs were responsible for implementation of the health programme at district/block level.

2.4.3 Audit objectives

The specific objectives of Audit were:

- To assess whether planning for establishment of CHCs was done as per IPHS norms;
- To assess whether financial management for establishment of CHCs was effective and efficient;
- To assess the availability and adequacy of medical, para medical and supportive staff in CHCs;
- To assess whether necessary health infrastructure including complementary facilities and medicines were available in CHCs to enable them to act as First Referral Units (FRUs);
- To assess if proper facilities for disposal of biomedical waste were available in CHCs; and
- To check whether monitoring mechanism prescribed in IPHS norms are being followed to oversee the functioning of CHCs and their evaluation.

2.4.4 Audit criteria

Following are the sources of criteria on the basis of which audit tests were carried out:

- Plan documents for upgradation of CHCs;
- Provisions of IPHS and sanctions of GoI/State Government;
- Provisions of Financial Management prescribed under NRHM, PWD code, Treasury code and government orders, circulars etc;
- Various reports and returns submitted/maintained in the Department and prescribed monitoring norms; and
- Provisions of Bio-medical Waste (Management and Handling) Rules, 1998.

2.4.5 Audit coverage and methodology

Audit covered nine⁵ out of 24 districts of the State covering 51 per cent of total expenditure incurred on construction of CHC buildings. In each district, four CHCs⁶ were selected keeping in view the population being covered by each CHC. Besides, records relating to planning, budget formulation and release of funds, sanction and implementation of civil works etc. for 2008-13 were examined at the offices of Principal Secretary, Mission Director and Chief Engineer, Engineering Cell at Ranchi and other executing agencies like National Rural Employment Programme (NREP), Rural Development (Special) Divisions of concerned districts etc. Besides, the audit team also conducted Joint Physical Verification of civil works in the sample districts and also took feedback from patients.

The audit objectives and scope of audit were discussed with the Principal Secretary of the Department on 25 June 2013 in an entry conference. In spite of several requests⁷, the Principal Secretary did not give time and as such the exit conference could not be held. However, the Department's replies have been received (February 2014) and have been incorporated in this report at appropriate places.

Audit findings

2.4.6 Planning process

The Government of Jharkhand has been endeavoring to provide accessible, affordable and quality health care to the people of the State, with focus on rural population. In order to achieve this goal, the State Government has embarked on infrastructure development of CHCs, PHCs and Health Sub Centres (HSCs) during 2007-12. The State Government has emphasized on construction of new CHC building as part of infrastructure development.

CHCs were proposed to be placed at every block headquarter. Out of 212 existing blocks in Jharkhand in 2006-07, 24 blocks situated in district headquarters, where either sadar hospitals or sub-divisional hospitals already existed, were excluded for construction of CHC buildings. Further, out of remaining 188 proposed CHCs, 32 existing referral hospitals needed to be upgraded to the level of CHCs. As these referral hospitals were already 30 bedded, construction of hospital buildings were not planned for them. Thus, remaining 156 CHC buildings were required to be constructed for the setting up of 30 bedded hospitals. The State Government planned to construct 154 CHC buildings (132 from state plan and 22 from NRHM fund) during 2008-13. Remaining two CHC buildings (Poraiyahat of district Godda and Tisri of district Giridih) were not included in the plan.

⁵ Bokaro, Deoghar, Dumka, East Singhbhum, Gumla, Hazaribag, Lohardaga, Ranchi and West Singhbhum

⁶ Bokaro (Berma, Gomia, Jaridih and Peterwar), Deoghar (Jasidih, Mohanpur, Sarwan and Madhupur), Dumka (Gopikandar, Jarmundi, Masalia and Shikaripara), East Singhbhum (Dhalbhumgarh, Golmuri, Patamda and Potka), Gumla (Bharno, Palkot, Raidih and Sisai), Hazaribag (Bishnugarh, Chauparan, Ichak and Katkamsandi), Lohardaga (Bhandra, Kisko, Kuru and Senha), Ranchi (Angara, Chanhoo, Kanke and Mandar) and West Singhbhum (Bundhgaon, Jhinkpani, Khutpani and Tantnagar).

⁷ Letter Nos. Report civil/AR/2012-13/353, 369, 385 & 394 dated 20.12.2013, 09.01.2014, 27.01.2014 and 05.02.2014 respectively.

2.4.6.1 *Establishment of Community Health Centres*

During 2007-08 the State Government planned to remodel the primary health care services on the basis of IPHS guidelines which envisaged CHCs to be the first referral unit to provide health care services to patients referred from PHCs and HSCs. Under IPHS guidelines, population norms of 80,000 in tribal areas and 1,20,000 in general areas were fixed for creation of one CHC which was to be located at the centre of the block headquarter in order to improve access to the patients.

Scrutiny of Eleventh Five Year Plan document (2007-12) for creation of CHCs revealed that population norms were not taken into consideration. In fact, 212 CHCs were proposed (February 2007) to be set up covering each block of the State. PHCs and referral hospitals operating in 188 rural blocks were renamed as CHCs. However, issue of Government notification for creation of these CHCs was pending as of June 2013.

The Department while accepting the audit observation stated (February 2014) that population norms would be taken care of in new sanctions of CHCs as per resources.

2.4.6.2 *Establishment of Primary Health Centres*

CHC is primarily a referral centre for PHCs. Each CHC in tribal area covering a population of 80,000 was required to be a referral centre for four PHCs covering 20,000 population each. Similarly, each CHC in general area covering a population of 1,20,000 was required to be a first referral centre for four PHCs covering 30,000 population each. As such, CHC was designed to cater to the needs of four PHCs at an average which would refer cases to CHCs for specialised health care. Thus, the functioning of CHCs as First Referral Units (FRUs) is directly related to the establishment of PHCs.

Out of 36 test-checked CHCs in nine districts, it was found that the number of PHCs established under each CHC was far less in number than prescribed. Besides, these PHCs were drastically lacking in doctors and para medical staff (*Appendix-2.4.1*). Further, out of 220 PHCs required in above mentioned 36 CHCs, only 53 (24 *per cent*) PHCs were in existence as of July 2013. Further, as against 90 sanctioned posts of doctors in these PHCs, only 59 doctors were posted. However, it was observed that out of 59 doctors posted in PHCs, 15⁸ doctors were actually working elsewhere and two doctors were absent since more than one year which further reduced the actual strength of doctors in position to only 42. Out of above mentioned 53 PHCs, 17 PHCs were running without any doctor. Likewise, number of para medical staff was 76 as against sanctioned posts of 218 resulting in a shortfall of 65 *per cent*.

Thus, the overall scenario clearly indicated that neither PHCs nor CHCs were established following the required population norms and the feeder units (PHCs) for referring cases to CHCs were lacking in terms of requisite man power due to which CHCs were not functioning as FRUs. This fact was further confirmed by the patients' response taken during interviews conducted

⁸ In CHCs- 5, in Sub-divisional Hospitals- 3, in Sadar Hospitals- 6 and in Director, Health Training Institute, Ranchi- 1.

CHCs were proposed for creation by consideration of geographical areas of existing blocks and not on population norms.

Out of 220 PHCs required in 36 CHCs, only 53 (24 *per cent*) PHCs were in existence as of July 2013. Further, out of 53 PHCs, 17 PHCs were running without doctors.

in all 36 test-checked CHCs, wherein all the patients interviewed stated that they were directly coming to CHCs without being referred from anywhere.

2.4.7 Financial management

Funding Pattern

For construction of NRHM funded CHC buildings, funds were provided by the Jharkhand State Rural Health Society (JSRHS) to the executing agencies. Similarly, Principal Secretary, Health, Medical Education & Family Welfare Department allotted fund either to the Deputy Commissioners (DCs) of the districts or directly to the executing agencies from the state budget under the state plan. DCs of the districts, in turn transferred the fund to the executing agencies for construction of CHC buildings.

The budget allocation and expenditure incurred there against under NRHM and state plan during 2008-13 is shown in **Table 2.4.1**:

Table 2.4.1: Budget Allotments and expenditure as of March 2013

(₹ in crore)

Year	NRHM			State plan		
	Allotment	Expenditure	Savings (-) (Per cent)	Allotment	Expenditure	Savings (-) (Per cent)
2008-09	62.68	42.09	20.59	00	00	00
2009-10	00	00	00	179.95	150.44	29.51
2010-11	00	00	00	44.89	40.65	04.24
2011-12	12.72	03.88	08.84	61.88	62.14	(+) 0.26*
2012-13	00	00	00	46.80	38.52	08.28
Total	75.40	45.97	29.43 (39)	333.52	291.75	41.77 (13)

(Source: Jharkhand Rural Health Mission Society)

*In Angara CHC, allotment was ₹ 3,59,200 and expenditure during the year was ₹ 30,00,000. The excess expenditure of ₹ 26,40,800 was incurred from the previous unspent balance.

Table 2.4.1, above, indicates that there were savings of 39 per cent under NRHM and 13 per cent under state plan during 2008-13. Savings were due to delay in site selection, slow progress of work by the executing agencies, non-finalisation of tenders by the competent authority, political dispute etc. Consequently, 135 CHCs are yet to be constructed resulting in denial of envisaged health services.

The Department accepted (February 2014) the audit observation and stated that in future huge savings would be avoided.

The fact remains that allotted funds could not be fully utilised for creation of health infrastructure in CHCs.

2.4.8 Construction of Community Health Centre buildings

2.4.8.1 *Physical and financial status of Community Health Centre buildings*

Scrutiny revealed that out of 154 CHC buildings planned for construction, 141 CHC buildings, at an estimated cost of ₹ 399.24 crore, were taken up during 2008-13, of which only 19 buildings (13 per cent) were completed and handed over as detailed in **Table 2.4.2**. Remaining 13 buildings were not taken up for want of required land.

Table 2.4.2: Number of CHC Buildings taken up, completed and pending as of July 2013

(₹ in crore)

Year	No. of works taken up	Total allotment	Completed CHCs		Incomplete CHCs		
			No.	Expenditure	No.	Expenditure	No. of work not yet to start
2008-09	18	62.68	02	7.20	16	55.48	-
2009-10	99	179.95	16	54.80	83	125.15	13
2010-11	13	44.89	01	03.54	12	41.35	-
2011-12	08	74.60	-	-	08	74.60	-
2012-13	03	46.80	-	-	03	46.80	-
Total	141	408.92	19	65.54	122	343.38	13

(Source: Jharkhand Rural Health Mission Society)

In case of 111 CHC buildings taken up during 2008-11, due date of completion was already over after incurring an expenditure of ₹ 221.98 crore against estimated cost of ₹ 399.24 crore.

Further, 122 (87 per cent) CHC buildings were incomplete as of July 2013 after incurring an expenditure of ₹ 343.38 crore. Scrutiny further revealed the due date of completion of CHC buildings was 18 months from the date of commencement. Thus, in case of 111 CHC buildings taken up during 2008-11, due date of completion was already over after incurring an expenditure of ₹ 221.98 crore against estimated cost of ₹ 399.24 crore. Audit observed that reasons for huge pendency in completion of buildings were delay in site selection and slow progress of work by the executing agencies. Thus, due to delay in completion of CHC buildings the very purpose of creating infrastructure facilities of 30 bedded hospitals in time bound manner was defeated.

The Department accepted (February 2014) the fact and stated that all executing agencies have been time and again instructed in meetings at different levels to complete the incomplete works.

2.4.8.2 Non-imposition of penalty

According to clause two of the terms and conditions of contract, if a contractor fails to complete the work within the stipulated period, penalty at the rate of 0.5 per cent per day of estimated cost of unexecuted work, subject to maximum of 10 per cent of the total estimated cost is leviable. Further, as per provision of the clause five of the contract, if a contractor desires to get extension of time for completion of work on the ground of unavoidable hindrances, he will have to apply in writing to the Executive Engineer (EE) within 40 days from the date of starting of the hindrances.

Scrutiny revealed that, out of 10 works for construction of CHC buildings in test-checked districts at a total estimated cost of ₹ 37.88 crore, construction of only two CHC buildings in Jugsalai (East Singhbhum) and Manoharpur (West Singhbhum) were completed after delay of five months and one year respectively. No time extension was applied for by the contractor in case of Jugsalai CHC (East Singhbhum) as of July 2013 although time extension was sought by contractor at Manoharpur and granted. In remaining nine ongoing CHC works, due dates of completion have already lapsed between April 2011 and April 2013. Of these, in case of Goelkera CHC in West Singhbhum, time extension was applied for by the contractor and granted (up to April 2012) by the Chief Engineer (CE) during March 2012. In case of remaining eight ongoing works, no time extension was applied for by the contractors as of July 2013.

However, in spite of delay in execution of works, the EE did not impose any penalty on these contractors to whom time extension has not been granted. Non-imposition of penalty on contractors resulted in a total loss of ₹ 2.87 crore to the Government (**Appendix-2.4.2**).

The Department accepted (February 2014) the audit observation and stated that instructions shall be issued to executing agencies for imposition/recovery of penalty.

2.4.9 Manpower Management

CHCs are required to deliver specialised health care services to the rural people. In the absence of these services, rural population would be forced to spend a lot of time and money in availing themselves of such services in the urban areas. To enable CHCs to discharge this responsibility, CHCs were envisaged to be manned by medical specialists, para medical staff and necessary infrastructure. As per IPHS norms, in each CHC, there shall be seven posts of specialist doctors which include one each of General Surgeon, Physician, Obstetrician & Gynaecologist, Paediatrician, Anaesthetist, Public Health Manager, Dental Surgeon and one Eye Surgeon among a group of five CHCs.

In addition, there shall be six General Duty Medical Officers in each CHC. Besides, there shall also be one post of Specialist, AYUSH (Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy) and one post of General Duty Medical Officer of AYUSH in each CHC. However, the Government did not plan for deployment of AYUSH doctors as of July 2013.

Details of man-power as per IPHS norms, posts sanctioned and persons in position there against with respect to doctors and para medical staff as of July 2013 is given in **Table 2.4.3**:

Table 2.4.3: Details showing requirement of manpower for 188 CHCs as per IPHS norms, posts sanctioned and persons in position as on July 2013

Sl. No	Category	Requirement as per IPHS norms	Sanctioned by the Government	Shortfall in sanction against IPHS norms (per cent)	Persons in position	Shortfall against sanction by the Government (per cent)	Shortfall against IPHS norms (Per cent)
1	2	3	4	5 (3-4)	6	7 (4-6)	8 (3-6)
1	Specialist Doctor	1354	564*	790 (58)	Nil	564 (100)	1354 (100)
2	General duty Doctor	1128	775	353 (31)	624	151 (19)	504 (45)
3	Staff Nurse	3572	900	2672 (75)	408	492 (55)	3164 (89)
4	Pharmacist	564	200	364 (65)	97	103 (52)	467 (83)
5	Laboratory Technician	564	400	164 (29)	232	168 (42)	332 (59)
6	Radiographer	376	150	226 (60)	80	70 (47)	296 (79)

(Source: Jharkhand Rural Health Mission Society)

*Posts of Specialist Doctors were sanctioned by the Government only in June 2013.

Against 1,354 Specialist doctors required in the State as per IPHS norms, Specialist doctor had not been deployed in the State as of July 2013.

From **Table 2.4.3** it was evident that the manpower (i.e. General duty Doctor, Staff Nurse, Pharmacist, Laboratory Technician and Radiographer) was not deployed by the Government as per IPHS norms. Though the posts of three specialist doctors (Physician, Paediatrician and Dental Surgeon) for each CHC were sanctioned (June 2013) by the Government, the deployment was not made as of July 2013. The shortfall in deployment of manpower as per IPHS norms and against posts sanctioned by the Government, as portrayed in

Table 2.4.3, ranged between 45 to 100 *per cent* and 19 to 100 *per cent* respectively. Hence, the objective of providing specialised health care services to the rural people was not achieved.

Scrutiny of the records and information furnished by the 36 test checked CHCs of nine⁹ districts revealed that the vacancies in respect of General Duty Doctors substantially reduced in East Singhbhum and Hazaribag due to fresh appointments against the sanctioned posts. However, vacancies continue to persist in respect of other cadres.

The Department accepted (February 2014) the audit observation and stated that 564 posts of specialist doctors including one Physician, one Paediatrician and one Dental Surgeon for each CHC have been sanctioned (June 2013) and requisition had been sent to Jharkhand Public Service Commission for their appointment (February 2014). Further, revision of sanction and/or deployment of manpower in all cadres as per recommendations of IPHS norms was under process and also stated that the gap in deployment of manpower in all cadres would be filled up in the coming years.

2.4.10 Basic health infrastructure including equipment and medicines

One of the main objectives of the establishment of CHCs is to provide specialist health care services for both routine and referral cases. To meet the objective, it was envisaged that besides man power, CHCs should also be equipped with adequate health infrastructure including physical facilities, equipment and medicines so that the specialised health care services available in CHCs could be optimally utilised.

Keeping this in view, the IPHS norms provide that CHCs as referral centres should be well equipped with essential complementary facilities like operation theatre, labour room, blood storage, laboratory and safe drinking water. Besides, equipments like refrigerators, X-ray machine, Electrocardiogram (ECG) machine, Ultra-sound machine, generator set etc. are also to be provided in CHCs.

2.4.10.1 Availability of physical facilities in Community Health Centres

The availability of physical facilities, during 2008-09 and 2012-13, in nine test-checked districts (four CHCs in each district) is presented in **Appendix-2.4.3** for comparing the position at the beginning of its upgradation *vis-a-vis* the present status.

⁹ Bokaro, Deoghar, Dumka, East Singhbhum, Gumla, Hazaribag, Lohardaga, Ranchi and West Singhbhum.

From **Appendix-2.4.3** following important deficiencies in infrastructure and facilities can be seen in 36 test-checked CHCs:

In all 36 test-checked CHCs no facility for new born care, intranatal examination of gynaecological condition and AYUSH was available. Surgical procedures, except routine family planning operations were not provided in any test-checked CHC for want of surgeons.

- In all 36 test-checked CHCs no facility for new born care and intranatal examination of gynaecological condition was available for want of specialist doctors. Though required as per IPHS norms, AYUSH facility was not created in any of the test-checked CHCs.
- Delivery services were being provided by CHCs as were being provided by the erstwhile PHCs now upgraded as CHCs. As such, labour rooms were available in all the test-checked CHCs. However, no caesarean deliveries were being performed for want of specialist gynaecologists.
- CHCs are required to be equipped with 30 functional beds. Against this norm, out of 36 test-checked CHCs, only four CHCs (Jaridih, Madhupur, Mandar and Sarwan) had 30 beds. Besides, two CHCs (Raidih and Sisai) had 20 beds and rest 30¹⁰ test-checked CHCs had only six or less beds each which were sanctioned for erstwhile PHCs. Further, in case of 30 six-bedded CHCs, there were no separate male and female wards except at Kanke (Ranchi). Thus, as the new CHC buildings had not come into being, the bed capacity in these PHCs upgraded as CHCs did not conform to prescribed norms.
- As per IPHS norms, CHCs are required to have a well-equipped operation theatre. However, it was seen that only Tubectomy and Vasectomy operations were being performed as routine family planning operations in 36 test-checked CHCs. As no specialist surgeon was posted, other surgeries were not performed. Thus, services of CHCs were limited only to family planning surgeries.
- Though required, in none of the test-checked CHCs, facilities for treatment of Reproductive Tract Infection (RTI)/Sexually Transmitted Infection (STI) were found in existence. However, counselling facilities for Acquired Immune Deficiency Syndrome (AIDS)/Sexually Transmitted Disease (STD) was found in all four test-checked CHCs of Bokaro, Deoghar, East Singhbhum and West Singhbhum, three CHCs in Hazaribag and one CHC each in Gumla and Ranchi, out of 36 test-checked CHCs. However, facility of counselling in eight CHCs of two districts (Dumka and Lohardaga) was totally absent.
- As per IPHS norms, provision for quarters has been made in 'Residential Zone' and minimum requirement was shown as eight quarters for Doctors, another eight for Nurse/Paramedical Staff, two for Ward Boys and one for Driver. We observed that during 2008-13, residential quarters for doctors and para medical staff were available only in Jaridih CHC (Bokaro) and Sisai CHC (Gumla) out of 36 test-checked CHCs. These quarters were part

¹⁰ Bokaro (Bermo, Gomia and Petarwar), Deoghar (Jasidih and Mohanpur), Dumka (Gopikandar, Jarmundi, Masalia and Sikaripara), East Singhbhum (Dhalbhumgarh, Golmuri, Patamda and Potka), Gumla (Bharno and Palkot), Hazaribag (Bishnugarh, Chauparan, Ichak and Katkamsandi), Lohardaga (Bhandra, Kisko, Kuru and Senha), Ranchi (Angara, Chanho and Kanke) and West Singhbhum (Bundhgaon, Jhinkpani, Khutpani and Tantanagar).

of the erstwhile referral hospitals situated at these places and no new additions were made since then (February 2007).

Blood storage facility was not available during 2008-13 in any of the test-checked CHCs except CHC Sarwan (Deoghar).

- As a quality assurance in service delivery, blood storage facility in CHC is an essential part. We observed that blood storage refrigerators were provided in 11 CHCs, out of 36 test-checked CHCs. However, except in CHC Sarwan (Deoghar) these could not be utilised in the absence of license from the State Drug Controller. Further, no blood storage refrigerator was purchased for remaining 25 CHCs. Hence, blood storage facility was not available in any of the test-checked CHCs, except CHC Sarwan, during 2008-13.
- As per IPHS norms, facilities of X-Ray, Electro Cardiogram (ECG) and Ultra-sonography (USG) machines are essential in each CHC. Out of 36 test-checked CHCs, only three CHCs (Jaridih in Bokaro, Sisai in Gumla and Mandar in Ranchi) had working X-ray machines while eight other CHCs had dysfunctional X-ray machines. Remaining 25 CHCs did not have the X-ray facility. Besides, facility of Ultrasound was available only in five¹¹ CHCs and ECG machines were available in only thirteen¹² CHCs but these could not be put to use as specialists were not deployed. Thus, during 2008-13, a majority of CHCs did not provide basic diagnostic facilities due to either lack of equipments or specialist doctors/technicians.

CHCs were not upgraded up to the norms envisaged in IPHS during 2008-13 to cater specialised services to the rural people as FRU.

Thus, it was evident that CHCs were not upgraded as envisaged in IPHS norms till date (July 2013) to provide specialised health services to the rural people as FRUs.

The Department stated (February 2014) that the Government established Jharkhand Medical and Health Infrastructure Development and Procurement Corporation and all equipment & furniture would be procured by this Corporation on the requisition of Director-in-Chief based on the real requirement of different hospital /centres.

The facts remains that due to lack of physical facilities CHCs could not fulfill their objective of providing specialised health care to rural population as First Referral Units.

2.4.10.2 Medical Equipments not put to use in Community Health Centres

Purchase of machines and equipments by the respective Civil Surgeons was not well thought and need driven which led to not put to use in Community Health Centres.

Owing to audit scrutiny of stock register, and physical verification of equipment pertaining to central store of test-checked CHCs and replies furnished by Medical Officers in-charge of CHCs, it was revealed that a large number of machines and equipment purchased were not put to use as of July 2013 as detailed in *Appendix-2.4.4*.

It was noticed that:-

- In Dhalbhumgarh (East Singhbhum district), Raidih and Sisai (Gumla district), Mandar (Ranchi district), Bundhgaon, Jhinkpani and Tantanagar

¹¹ Madhupur, Mohanpur and Sarwan (Deoghar), Golmuri and Potka (East Singhbhum)

¹² Madhupur and Mohanpur (Deoghar), Potka (East Singhbhum), Sisai (Gumla), Bhandra and Kisko (Lohardaga), Angara, Chanho and Mandar (Ranchi), Bundhgaon, Jhinkpani Khuntpani and Tantanagar (West Singhbhum).

(West Singhbhum district) CHCs, 59 general beds (cost ₹ 1.76 lakh) were not placed in wards owing to lack of space since March 2012.

- In Mandar (Ranchi), Palkot and Raidih (Gumla) and Bundhgaon (West Singhbhum) CHCs, five shadow less lamps (cost ₹ 8.11 lakh) were not put to use since March 2012 due to lack of space in operation theatre in Mandar, Palkot and Bundhgaon CHCs. In Raidih one old lamp (not shadow less) was functional in operation theatre and shadow less lamp was not installed as of July 2013.
- In four test-checked CHCs of Gumla, three-phase Sterilizers each (Surgeon Model) costing ₹ 9.25 lakh were lying idle in their central stores since April 2012 for want of three-phase electricity connection as per reply concerned Medical Officers In-charge.
- In nineteen¹³ test checked CHCs, Blood Gas Analyzers¹⁴ with electrolytes valuing ₹ 89.86 lakh were lying in the store due to non-availability of Air-Conditioners since March 2012 as intimated by concerned Medical Officers In-charge.
- One ECG machine each in thirteen¹⁵ test-checked CHCs, valuing ₹ 5.46 lakh were not put to use since March-April 2012 for want of technicians/physicians.
- In five CHCs (Jasidih, Madhupur, Mohanpur in Deoghar and Golmuri, Potka in East Singhbhum), Ultrasound machines valuing ₹ 13.50 lakh were not put to use since February 2012 for want of specialists/ technicians/ doctors.
- In Palkot CHC (Gumla) one operation theater table purchased at a cost of ₹ 1.10 lakh during March 2012 was not in use due to lack of space in the operation theatre situated in the old building.
- Three Diathermy machines, purchased during March 2012, at a cost of ₹ 18 lakh were lying idle in Madhupur (Deoghar district), Bhandra and Kuru CHCs (Lohardaga district) as technicians and specialist surgeons were not posted.
- Ten¹⁶ numbers of Blood Storage Freezers worth ₹ 18.10 lakh were purchased between January and March 2012 but could not be utilised due to non-obtaining licenses for blood storage from the State Drug Controller.

¹³ Jaridih (Bokaro), Jashidih, Mohanpur, Sarwan (Deoghar), Dhalbhumgarh, Golmuri, Patamda, Potka (East Singhbhum), Bharno, Raidih, Sisai (Gumla), Bhandra, Kuru (Lohardaga), Angara, Chanho, Kanke, Mandar (Ranchi) and Bundhgaon, Tantanagar (West Singhbhum).

¹⁴ Blood Gas Analysis, also called Arterial Blood Gas (ABG) Analysis, is a test which measures the amount of oxygen and carbon dioxide in the blood as well as the acidity (pH) of the blood.

¹⁵ Madhupur, Mohanpur (Deoghar), Potka (East Singhbhum), Sisai (Gumla), Bhandra, Kisko (Lohardaga), Angara, Chanho, Mandar (Ranchi) and Bundhgaon, Jhinkpani, Khuntpani, Tantanagar (West Singhbhum).

¹⁶ Jaridih, Petarwar (Bokaro), Jarmundi (Dumka), Patamda (East Singhbhum), Sisai (Gumla), Bishnugarh (Hazaribag), Bhandra, Kisko, Kuru (Lohardaga) and Angara (Ranchi).

- In Bundhgaon CHC (West Singhbhum) one Pathfast¹⁷ machine valuing ₹ 13.91 lakh, purchased during April 2012, was not put to use as of July 2013.
- Three sets each of Advanced Ventilator¹⁸ with accessories and Cardiac Monitor with Defibrillator¹⁹ was purchased at a cost of ₹ 41.71 lakh by CS cum CMO, Hazaribag during February 2012. Of these, two sets each were issued to Barhi and Bishnugarh CHCs and one set was issued to Sadar Hospital, Hazaribag during the same month. During scrutiny of Stock Registers of Machine and Equipments in Barhi and Bishnugarh (February 2012) CHCs, it was found that Advanced Ventilator and Cardiac Monitors with Defibrillator valuing ₹ 27.80 lakh were not put to use since their receipt (February 2012) for want of specialist doctors.
- In Bundhgaon CHC (West Singhbhum) one Multi Paramonitor²⁰ purchased on April 2012 at a cost of ₹ 1.88 lakh was found lying in store as of July 2013.

Thus, purchase of machines and equipments by Civil Surgeons was not well considered considering the non-availability of specialists and technicians and lack of space which led to non-use of these equipment for the benefit of patients.

All Medical Officers/ CS-CMOs accepted the audit comment and stated that the equipments could not be used for want of specialist doctors/trained para medical staff as well as paucity of space.

The Department accepted (February 2014) the audit observation and stated that Jharkhand Medical and Health Infrastructure Development and Procurement Corporation has been established for procurement of equipments and furniture on the requisition of Director in Chief based on the real requirement of different hospitals and centres. The Department also stated that all Civil Surgeons would be instructed to make functional the non-functional equipments. However, the Department did not address the issues of non appointment of specialists and non-completion of buildings needed for installation of these equipments.

2.4.10.3 Diagnostic services

For providing assured quality health service delivery to the rural people, availability of full range of diagnostic services is essentially required in CHCs. IPHS norms provide detailed list of diagnostic services to be provided by the

¹⁷ Pathfast, an equipment, provides fast differential diagnosis with high precision for a full scale test of six samples in few minutes only from whole blood, serum or plasma and is used in intensive care and emergency ward.

¹⁸ Ventilator is a machine mainly used in hospital to get oxygen into the lungs, remove carbon dioxide (a toxic gas) from the body, help people, who have lost all ability to breathe on their own, breathe easier.

¹⁹ Defibrillation is a common treatment for life-threatening cardiac dysrhythmias, ventricular fibrillation and pulseless ventricular tachycardia. Defibrillation consists of delivering therapeutic dose of electrical energy to the heart with a device called a Defibrillator.

²⁰ Multi Paramonitor is used in Intensive Care Unit (ICU) to measure the heart rate, respiration, temperature, pulse, blood oxygen saturation, non-invasive blood pressure and pulse.

CHCs. In audit, availability of diagnostic services, required under IPHS norms in test-checked CHCs during 2008-13 is given in **Appendix-2.4.5**.

Detailed analysis revealed the following deficiencies in all test-checked CHCs:

- Under Haematology, 14 tests are prescribed by IPHS norms, of which only two tests (Haemoglobin estimation and detection of Malaria parasite) were being conducted in all test-checked CHCs. There were no facilities for other tests.
- In urine analysis, it was noticed that out of eight prescribed tests, only two tests (Albumin and Sugar) were being conducted in all the 36 test-checked CHCs.
- Out of three prescribed tests under stool analysis, none was being done in any of the 36 test-checked CHCs.
- Under biochemistry, out of five prescribed tests, only blood sugar test was being carried out in all test-checked CHCs.
- X-ray facility was not available in 33 out of 36 test-checked CHCs. Even in the three CHCs, where X-ray facility was there, out of five prescribed tests, only two tests (chest and bones) were being carried out. Besides, facilities for dental X-ray and ultra sonography were not available in any of the 36 test-checked CHCs.
- Under Microbiology, Serology, Cardiac Investigation and Ophthalmology, 10 tests were prescribed. However, none of them were being conducted in any of the 36 test-checked CHCs.

The Medical Officer in-charge attributed non-conducting of above mentioned tests in CHCs to non-availability of trained man power (Laboratory Technicians, Radiographer etc.) and infrastructure in existing CHC buildings.

Above deficiencies clearly indicate that CHCs were lagging behind in achieving the goals set for delivery of quality health care service to rural people.

The Department accepted (February 2014) the audit observation and stated that efforts were being taken to render all the facilities as per IPHS norms in coming years.

2.4.11 Medicine

Availability of medicines is an important factor that could influence the utilisation of CHCs as a centre of quality service delivery. Non-availability of essential medicines as prescribed in IPHS guidelines for CHCs would have a bearing on expenditure being incurred by the rural/tribal people.

Medicines were being procured from two sources. Under NRHM, medicines were being procured by Jharkhand Rural Health Mission Society for all units including CHCs and supplied through CS cum CMO of the districts. Besides, lump sum allotment was made directly to the Medical Officers in charge (MO I/C) of CHCs. MOs I/C purchased the medicines from Government companies at the rates approved by the Director-in-Chief, Health Services.

During audit, following deficiencies in procurement and utilisation of medicines were noticed:

2.4.11.1 Non-Availability of essential medicines in Community Health Centres

As per IPHS norms, 111 medicines are required to be stocked in each CHC.

In audit, complete sets of central stock register of medicines for only 2012-13 was made available on the basis of which availability of essential medicines *vis-à-vis* requirement as per IPHS norms for CHCs was compared. Details of availability of essential medicines are given in *Appendix-2.4.6*.

From the details, it was evident that shortfall in availability of essential medicines ranged between 26 to 85 *per cent* in 36 test-checked CHCs. The fact was further strengthened by the views of 167 patients respondents interviewed in 36 CHCs of which 155 (93 *per cent*) respondents stated that all medicines were not provided to them by CHCs. MOs I/C of CHCs stated that shortage was owing to less allotment of funds.

The Department accepted the facts and stated (February 2014) that all essential medicines would be procured by the Jharkhand Medical and Health Infrastructure Development and Procurement Corporation on real requirement of different hospitals and centres. Non-availability of essential medicines deprived the rural people of the benefit of access to free medicines.

2.4.11.2 Administration of Schedule-H drugs by Auxiliary Nurse Midwife

As per provisions made under Rule 97 (c) of Drugs & Cosmetics Rules, 1945, drugs listed in Schedule-H are to be strictly issued and administered with the prescription of registered medical practitioners only. Under this category, 536 drugs were enlisted.

During audit, it was seen that in all test-checked CHCs various types of antibiotics (both injectable and tablet/capsule forms) were issued by CHCs to Health Sub-centres where only Auxiliary Nurse Midwife (ANMs) were posted. All antibiotics are categorised as Schedule-H drugs. ANMs of the sub-centres though not competent to administer such medicines, distributed them among the patients. Administration of Schedule-H drugs by ANMs without being prescribed by registered medical practitioners in violation of provisions of Drugs & Cosmetics Rule, 1945 is fraught with the risk of severe health hazard to the rural people.

The Department accepted (February 2014) the audit observation and stated that direction would be issued for the proper administration of Schedule-H medicines.

2.4.12 Inadequate facilities for disposal of Bio-medical waste

Proper disposal of bio-medical waste generated in hospitals is crucial for protection and improvement of environment in and around the hospital. This is equally important for complying with the requirement of laws on protection of environment. As per provisions of Bio-medical Waste (Management and Handling) Rules, 1998 issued by the Ministry of Environment and Forest,

Shortfall in availability of essential medicines ranged between 26 to 85 *per cent* in 36 test-checked CHCs.

ANMs of Sub-centres, though not competent to administer the Schedule-H drugs, distributed the same among the rural patients which was fraught with the risk of severe health hazard among them.

Deep pits were not constructed in CHCs at Chanho and Mandar (Ranchi) and Tantnagar (West Singhbhum) and bio-medical wastes were disposed of in the open. It was also observed that in spite of availability of deep pit in CHC Kuru (Lohardaga), bio-medical wastes were disposed of in the open. hazard among them.

Government of India, deep pit burial of biomedical waste generated by rural health care units is essential.

It was observed that during 2008-12 none of the 36 test-checked CHCs had the facility of covered deep pit for bio-medical waste generated by them. However, during 2012-13, covered deep pits were constructed in all test checked CHCs except in CHCs at Chanho and Mandar (Ranchi) and Tantnagar (West Singhbhum). Bio-medical waste generated by these CHCs were disposed of in the open. It was also observed that in spite of availability of deep pit in CHC Kuru (Lohardaga), bio-medical waste was disposed of in the open behind the hospital ward as shown in the following photograph.



Bio medical wastes are lying open behind the ward of Kuru CHC, Lohardaga

The Department stated (February 2014) that the funds have been provided to all CHCs for proper disposal of Bio-medical waste.

2.4.13 Monitoring

As per the provisions contained in IPHS, following monitoring norms should be strictly followed for monitoring CHCs by the various notified levels:

Internal monitoring:

- Routine monitoring by District health authority at least once in a month,
- Social Audit through Rogi Kalyan Samiti (RKS)/ Panchayati Raj Institution (PRI),
- Medical Audit and others like death audit, technical audit, Disaster preparedness audit etc.,
- Patient satisfaction survey.

External monitoring:

- Gradation of the Centre by Nagar Parishad/ Rogi Kalyan Samiti,
- Community monitoring of laboratory both by external as well as internal agencies.

In course of audit following deficiencies in monitoring were noticed:

- Routine monthly monitoring by District health authority (CS-CMO) was not done in any of test-checked CHCs during 2008-13.

- Rogi Kalyan Samiti (RKS)/Hospital Management Society²¹, at CHC level headed by Block Development Officer was formed during April 2006. It was required to meet quarterly for monitoring the functioning of CHCs. Actual number of meetings held in all test-checked CHCs against the required norms is given in **Table 2.4.4:**

Table 2.4.4: Details of Rogi Kalyan Samiti meetings in test checked CHCs

Year	Number of meetings required in a year in all 36 CHCs	Actual number of meetings held	Shortfall (Per cent)
2008-09	144	22	122 (84)
2009-10	144	25	119 (83)
2010-11	144	35	109 (77)
2011-12	144	36	108 (75)
2012-13	144	34	110 (76)

(Source: Data furnished by CHCs)

No inspection was conducted by the District authority during the period 2008-13. Shortfall in number of meetings by RKS ranged between 75 to 84 per cent during 2008-13.

From **Table 2.4.4** it is evident that every year the RKS failed to conduct the required number of meetings and the shortfall in number of meetings ranged between 75 to 84 per cent during 2008-13. Further, it was also seen that out of 36 test-checked CHCs, in 24 CHCs, RKS meetings were not held at all during the said period. Thus, monitoring by RKS was inadequate.

- Neither medical audit and other audits like social audit, death audit, technical audit, disaster preparedness audit nor patient satisfaction survey, gradation of the Centre by Nagar Parishad/ Rogi Kalyan Samiti and community monitoring of laboratory was conducted during 2008-13.

Thus, due to weak monitoring, idle medical equipments, insufficient diagnostic services, lake of essential medicines and administration of Schedule- H drugs by ANMs resulted in poor quality service delivery by CHCs.

The Department stated (February 2014) that eight State Review Mission teams under NRHM were reviewing the progress of all health programmes and each team was allotted three districts.

The fact remains that deficiencies viz, lack of regular monitoring, lack of disaster preparedness, non-conducting of patient satisfaction surveys were not addressed which led to non-adherence of IPHS guidelines and inadequacies are persisting as mentioned in paragraphs 2.4.10.2, 2.4.10.3, 2.4.11.1 and 2.4.11.2.

2.4.14 Conclusion

Community Health Centres (CHCs) were planned as First Referral Units (FRUs) also along with increase in number of Primary Health Centres (PHCs). Out of 220 PHCs required under 36 test-checked CHCs, only 53 (24 per cent) PHCs were in existence as of July 2013. Further, out of 53 PHCs, 17 PHCs were running without doctors. As a result patients were directly coming to

²¹ Officer in charge of CHC, AYUSH doctor of CHC, Block level officers of Integrated Child Development Services, Rural Development, Panchayati Raj, Water and Sanitation, Education and Social Welfare, Representative of Health Sector Non Government Organisation working in the area and PRI representatives.

CHCs and the objective of CHCs being FRU was not achieved. As of July 2013, 122 (87 per cent) CHC buildings were pending completion after incurring an expenditure of ₹ 343.38 crore due to delays in site selection and slow progress of work by the executing agencies. Against requirement of 1,354 Specialist doctors in the State as per IPHS norms, no specialist doctors were deployed as of July 2013. Out of 36 test-checked CHCs, in 30 CHCs only six functional beds existed against the requirement of 30 beds. Purchase of machines and equipments by the respective Civil Surgeons was not well thought and need based which led to idling of these equipment and denial of their benefit to patients. Shortfall in availability of essential medicines ranged between 26 to 85 per cent in 36 test-checked CHCs. ANMs of Sub-centres, though not competent to administer the Schedule-H drugs, distributed the same among the rural patients which was fraught with the risk of severe health hazard among them. No inspection was conducted by the district health authority during the period 2008-13. Shortfall in number of meetings by Rogi Kalyan Samiti ranged between 75 to 84 per cent during 2008-13.

Thus, CHCs were not upgraded in accordance with the IPHS norms and were still running practically as PHCs.

2.4.15 Recommendations

Government should ensure:

- *Establishment of PHCs in sufficient numbers and deployment of adequate manpower that ensures the functioning of CHCs as First Referral Units;*
- *Completion of CHC buildings in time bound manner with availability of basic health infrastructure and appointment of Specialist doctors in all CHCs;*
- *Purchase of machines and equipments should be need based and their proper utilisation may be ensured;*
- *Availability of all essential medicines in CHCs and administration of Schedule-H medicines on the prescription of authorised medical practitioners only; and*
- *Regular and effective monitoring of CHCs by the competent authorities as envisaged in IPHS guidelines.*

Working of a Government Department

2.5 Functioning of Road Construction Department

Executive Summary

The Road Construction Department constructs and maintains State Highways (SH), Major District Roads (MDR) and Other District Roads (ODR) generally called Public Works Department (PWD) Roads. There were 7,049.60 kilometers (km) of PWD roads in the State as of March 2013. The focus of the Department is on improving connectivity and increasing the road density in the State. Audit was conducted to assess functioning of the Road Construction Department (Department). Some of the major audit findings are discussed below:

The Department prepared Budget Estimates without collecting requirements from the fields. The Department taken up Road and Bridge projects worth ₹ 661.87 crore and incurred expenditure of ₹ 217.15 crore as of December 2013 for which there was no budget provision.

The Department should ensure budget estimates to be more realistic.

(Paragraphs 2.5.6.1 and 2.5.6.3)

A systematic planning process according to the prescribed norms was missing in the Department and projects were selected without assessing their feasibility as required under planning norms.

(Paragraph 2.5.7.1)

Up-gradation of 22 roads at an expenditure of ₹ 450.87 crore could not achieve objective of smooth traffic movement due to non-rehabilitation of 43 old and narrow bridges on them.

The Department should take up construction of bridges in tandem with road works to make the roads all weather roads.

(Paragraph 2.5.8.4)

The Department did not exercise due diligence before opting for Build, Operate and Transfer (BOT) Annuity model for development of projects under Public Private Partnership (PPP). By incorporating a clause in Programme Development Agreement (PDA) executed with the private partner, Concessionaire was not selected in fair and competitive manner and the Department did not have adequate control over the Concessionaire's activities.

Adequate Government control over public expenditure involved in PPP Projects should be ensured.

(Paragraphs 2.5.9.1, 2.5.9.2 and 2.5.9.4)

The Department formed a Special Purpose Vehicle (SPV), a Joint Venture Company with a private partner, but adopted BOT (Annuity) model through SPV for executing the projects under PPP, which defeated the objective of forming SPV, as under SPV model SPV was required to invest the project cost

and to recover the same through collection of toll as per guidelines of Ministry of Road Transport and Highways (MoRTH), Government of India (GoI).

(Paragraph 2.5.9.3)

Non-completion of pre-construction activities like finalisation of design of road and structures, land acquisition, resettlement & rehabilitations etc. delayed scheduled completion of the Asian Development Bank aided project.

(Paragraph 2.5.10.1)

The prescribed quality tests were not ensured during construction of roads.

Adequate quality tests should be conducted to ensure quality of works.

(Paragraph 2.5.11.1)

There was shortage of manpower mainly at headquarters' level and junior officers (Executive Engineers) were holding higher and supervisory posts (Superintending Engineer (SE), Chief Engineer (CE) and Engineer-in-Chief).

(Paragraph 2.5.13.1)

The Inspecting authorities conducted inspections of sub-ordinate offices less than 10 per cent of prescribed norms. There was lack of inspection of works at CE and SE level.

The Department should ensure monitoring of works through regular inspections.

(Paragraph 2.5.14.1)

There was absence of internal audit of the field offices. Internal audit of test-checked units was not conducted during 2008-13, which was fraught with the risk of continued non-detection of irregularities.

(Paragraph 2.5.15.1)

2.5.1 Introduction

The road infrastructure of the State is divided into three categories viz. primary system (National Highways), secondary system (State Highways and Major District Roads) and tertiary system (Rural Roads and Other District Roads). The Road Construction Department (Department) constructs and maintains State Highways (SH), Major District Roads (MDR) and Other District Roads (ODR) generally called Public Works Department (PWD) Roads while the National Highways are the property of the Ministry of Road Transport and Highways (MoRTH), Government of India (GoI) and the Department only maintains them. There were 7,049.60 kilometers (km) of PWD roads¹ in the State (density being 88.44 km per 1,000 sq km against national average of 182.40 km per 1,000 sq km) as of March 2013. The focus of the Department is on improving connectivity and increasing the road density in the State as per XIth and XIIth Five Year Plans.

¹ SH: 1,886.40 km, MDR: 4,987.40 km and ODR: 175.80 km.

2.5.2 Organisational set-up

The Principal Secretary is the Chief Controlling Officer of the Department, assisted by an Engineer-in-Chief and three Chief Engineers. The field units of the Department are Circles, Divisions, Sub-divisions and Sections headed by the Superintending Engineer (SE), Executive Engineer (EE), Assistant Engineer (AE) and the Junior Engineer (JE) respectively. The organisational set-up of the Department and major functions of the Officers are shown in *Appendix-2.5.1*. In addition, the Department has other agencies like State Highway Authority of Jharkhand (SHAJ)², Jharkhand Accelerated Road Development Company Limited³ (JARDCL) and a Project Implementation Cell (PIC) for implementation of Asian Development Bank (ADB) aided project, which help the Department in achieving its objectives.

2.5.3 Audit objectives

Audit was conducted to assess whether:

- financial management resulted in economic, efficient and effective utilisation of resources;
- the planning process of the Department was efficient and effective;
- programme implementation inclusive of ADB and PPP Projects achieved its objectives in an economic, efficient and effective way;
- store and human resource management was efficient to achieve the objective of the Department; and
- monitoring mechanism was efficient and effective.

2.5.4 Audit criteria

The audit criteria were drawn from the following sources:

- Jharkhand Budget Manual (JBM), Jharkhand Public Works Account (JPWA) and Department Codes;
- MoRTH guidelines, scheme guidelines, contract documents and related orders and instructions;
- Policy documents, agreements and Manuals related to PPP and ADB aided projects;
- Relevant Circulars, Instructions, Notifications etc. issued from time to time by the Department/Government of Jharkhand (GoJ).

2.5.5 Audit coverage and methodology of audit

Audit covered the functioning of the Department for the period 2008-13 excluding activities of the Department relating to National Highways. Out of 42⁴ Drawing and Disbursing Officers (DDOs) looking after PWD roads, 24⁵

² Created under State Highway Authority of Jharkhand Act, 2007 notified in June 2008.

³ A joint venture of Government of Jharkhand (GOJ) and a private company for taking up road projects on Public Private Partnership mode.

⁴ Two Chief Engineers, seven Superintending Engineers and 33 Executive Engineers (26 Road Divisions, two Road (Mechanical) Divisions, four Planning Divisions and one Division for ADB aided Project).

DDOs were selected for test-check. Two⁶ out of five ongoing PPP projects and the only ADB aided project were selected for test check. Records of the office of the Principal Secretary and Engineer-in Chief were also examined.

We commenced the audit with an entry conference with the Special Secretary of the Department on 6 May 2013 wherein audit objectives, scope and methodology were discussed. The audit was conducted between May 2013 and December 2013. The exit conference was held on 19 December 2013 with the Principal Secretary of the Department where audit observations were discussed. The Department furnished (December 2013 and January 2014) replies which have been suitably incorporated in the report.

2.5.6 Financial management

2.5.6.1 Deficient preparation of Budget Estimates

According to Rules 65 and 133 of Jharkhand Budget Manual (JBM), the Controlling Officer (CO) should examine the budgets received from the Disbursing Officers to see that they are correct and should ensure that possibility of occurrence of large excesses or savings should be negligible.

We noticed that the Department did not call for the Budget Estimates (BEs) of works (Plan and Non-Plan) from EEs of the test-checked units. BEs for the works (Plan) were prepared on the basis of approved Annual Plans whereas a lump sum provision for works (Non-Plan) was made in BEs without collecting requirements from the field. EEs submitted BEs for only establishment expenditure. Preparation of BEs without assessing requirements of field units led to under utilisation of funds as discussed in paragraph 2.5.6.2.

The Principal Secretary stated (January 2014) that the Department itself prepared BEs to meet huge current and future demands with available resources. However, the Department has now conducted priority road corridors studies and prepared a Vision Document for future planning.

The reply confirms that BEs were prepared without collecting requirements from field units. Moreover, the priority road corridors study was conducted in 2012-13 and would be considered by the Department for budget estimation in future only.

2.5.6.2 Under utilisation of funds

The budget outlay, release, expenditure, savings and surrender of the Department for the period 2008-13 are shown in **Tables 2.5.1 and 2.5.2:**

The Department prepared BEs for works without collecting requirements from the field units which led to the under utilisation of funds.

⁵ Two Chief Engineers (CEs, Communication and Central Design Organisation), Five SEs (three Road Circles: Dumka, Hazaribagh and Palamu, one Road Mechanical Circle: Ranchi and one Advance Planning Circle: Ranchi) and 17 EEs (13 Road Divisions: Chaibasa, Dumka, Daltonganj, Dhanbad, Godda, Garhwa, Jamtara, Jamshepur, Koderma, Ramgarh, Ranchi, Simdega, Sahebganj; one Road Mechanical Division: Sahebganj, two Planning Divisions: Advance Planning and Field Survey Division, Dumka and Planning and Investigation Division, Ranchi and EE, Project Implementation Cell, ADB Project, Ranchi).

⁶ Adityapur-Kandra Road (AK) and Ranchi-Patratu Dam Road (RPR-1)

Table 2.5.1: Details of Budget outlay, release and expenditure (Capital)

₹ in crore							
Year	Budget outlay	Fund released	Expenditure	Less release than budget	Savings of release	Total savings (Col. 5 + Col. 6)	Surrender
1	2	3	4	5	6	7	8
2008-09	635.07	570.57	547.02	64.50	23.55	88.05	95.84
2009-10	737.29	513.68	507.10	223.61	6.58	230.19	48.21
2010-11	817.45	768.33	670.75	49.12	97.58	146.70	136.20
2011-12	1696.60	799.74	796.66	896.86	3.08	899.94	912.14
2012-13	1673.45	1565.50	1498.90	107.95	66.60	174.55	157.42
Total	5559.86	4217.82	4020.43	1342.04	197.39	1539.43	1349.81

(Source : Appropriation Accounts and data of the Department)

Table 2.5.2: Details of Budget outlay, release and expenditure (Revenue)

₹ in crore							
Year	Budget outlay	Fund released	Expenditure	Less release than budget	Savings of release	Total savings (Col. 5 + Col. 6)	Surrender
1	2	3	4	5	6	7	8
2008-09	189.92	172.72	160.66	17.20	12.06	29.26	25.23
2009-10	200.55	133.78	118.38	66.77	15.40	82.17	76.17
2010-11	188.91	178.89	168.31	10.02	10.58	20.60	15.30
2011-12	221.11	203.16	203.09	17.95	0.07	18.02	10.56
2012-13	321.20	290.68	287.34	30.52	3.34	33.86	16.63
Total	1121.69	979.23	937.78	142.46	41.45	183.91	143.89

(Source : Appropriation Accounts and data of the Department)

From the **Tables 2.5.1 and 2.5.2**, it can be seen that:

- The Department did not release capital grant of ₹ 1,342.04 crore. This included an amount of ₹ 900 crore surrendered by the Department in March 2012 due to curtailment (February 2012) in Annual Plan outlay⁷ of the Department for the year 2011-12.
- Against the savings of ₹ 1,723.34 crore⁸ during 2008-13, the Department surrendered ₹ 1,493.70 crore⁹ which included surrender of ₹ 310.84 crore on 31 March of related financial years. Remaining balance of ₹ 229.64 crore was allowed to lapse. Thus, due to non-surrender of savings or surrender on 31 March, other spending departments could not utilise ₹ 540.48 crore.

The Department could not surrender ₹ 540.48 crore in time so as to utilise this funds by other spending Departments.

Further, the test-checked units could not utilise capital grant of ₹ 198.78 crore and revenue grant of ₹ 29.78 crore during 2008-13 (**Appendix-2.5.2**).

The Principal Secretary attributed (January 2014) delays in land acquisition, utility shifting and receiving mandatory forest clearances as main reasons behind under utilisation of funds. Regarding surrender, the Principal Secretary assured to assess the likely surrenders in advance.

The reply shows that the Department did not ensure timely acquisition of land and other activities/clearance to utilise the budget provisions. Further, the Department did not estimate the likely savings and its timely surrender as required under JBM.

⁷ Annual Plan Outlay of the Department was reduced from ₹ 1,700 crore to ₹ 800 crore.

⁸ Capital grant: ₹ 1,539.43 crore and Revenue grant: ₹ 183.91 crore.

⁹ Capital grant: ₹ 1,349.81 crore and Revenue grant: ₹ 143.89 crore.

2.5.6.3 *Expenditure on the works which were not in the budget estimates*

The Department sanctioned Road and Bridge projects worth ₹ 661.87 crore for which there was no budget provision.

The Department administratively approved plan works¹⁰ of 45 road projects (613.71 km) for ₹ 520.35 crore and construction of 46 bridges for ₹ 141.52 crore during 2008-13. However, these projects were not included in BEs for making provision of fund. As of December 2013, ₹ 217.15 crore¹¹ was incurred on these projects. On other hand, the Department did not sanction 31 road (522.48 km) and 19 bridge projects as of December 2013 though these were included in BEs of 2008-09 to 2012-13 and shown as ongoing or as new projects. Thus, the Department sanctioned projects worth ₹ 661.87 crore and incurred expenditure of ₹ 217.15 crore and created liabilities of ₹ 444.72 crore¹² without making any budget provision.

The Principal Secretary stated (January 2014) that BEs included on-going as well as new works, however, the expenditure of the Department was always kept within budget provisions.

The reply is not acceptable as the Department had taken up those works which were not included in BEs either as ongoing works or as new works.

2.5.6.4 *Irregular booking of advances as expenditure*

According to Rules 4, 370 and 386 of Jharkhand Public Works Account (JPWA) Code, suspense¹³ account is maintained by the division for the temporary passage of transactions which are taken to the account of the sanction or grant concerned, but cannot be cleared finally either because the relevant payment, recovery or adjustment is awaited.

Advance of ₹ 620.80 crore for land acquisition and utility shifting was booked as expenditure in divisional accounts.

We noticed that 13 (except Dhanbad) out of 14 test-checked Road Divisions granted advance of ₹ 620.80 crore to different authorities¹⁴ during 2008-13 for land acquisition and utility shifting. However, these were booked as expenditure in divisional accounts instead of classifying them as advance under suspense account Miscellaneous Public Work Advance (MPWA). Further, against advance of ₹ 620.80 crore, the concerned authorities submitted adjustment vouchers or expenditure report for only ₹ 83.36 crore as of December 2013 (*Appendix-2.5.3*).

Classification of advances as expenditure led to non-monitoring of utilisation of advances by EEs as these were booked as expenditure.

On this being pointed out, the Principal Secretary stated (January 2014) that the field officers shall be instructed to monitor utilisation of advances.

¹⁰ Widening and strengthening (of existing road carriage way and crust), strengthening (of existing road carriage way and crust) and Improvement of Riding Quality (strengthening of bituminous or concrete road crust).

¹¹ Road projects: ₹ 146.35 crore and Bridge projects: ₹ 70.80 crore.

¹² Administratively approved cost of ₹ 661.87 crore minus expenditure of ₹ 217.15 crore.

¹³ Purchase, Stock, Miscellaneous Public Work Advance, Store and Workshop are suspense head/accounts.

¹⁴ District Land Acquisition Officers, EEs, Drinking Water and Sanitation Divisions and Accounts Officers, Electrical Supply Circles.

2.5.7 Planning

2.5.7.1 *Absence of proper planning*

A systematic planning process according to the prescribed norms was found missing in the Department.

As per a Resolution¹⁵ of 1986, every working department should constitute Advance Planning and Investigation Wing (Wing) under the Engineer-in-Chief to keep vigil over the project formulation. A Select Committee should be constituted, with the Engineer-in-Chief of the Wing as ex-officio Secretary and some experts¹⁶ as members of the Committee, for short, medium and long term development planning. Detailed Project Reports (DPRs) of a project should be prepared after approval of the feasibility report of the project by the Select Committee. The Department should also prepare shelf of projects which should be taken up as and when resources are available.

We noticed that although the Department had Advance Planning and Investigation Wing, i.e. Central Design Organisation (CDO)¹⁷ headed by CE, CDO, the Wing was not involved in the project formulation i.e. selection of the projects. The Wing prepared DPRs after selection of Projects by the Department. The Department did not have a Select Committee required for selection of the project. The Department also did not prepare a shelf of schemes. Thus, a systematic planning process according to the prescribed norms was found missing in the Department.

The Principal Secretary stated (January 2014) that to address the acute deficit in infrastructure, schemes were selected for execution on the basis of need and available financial means.

The reply is not acceptable as the Department had no documents to support need analysis. Moreover, the Department neither involved Advance Planning Wing in planning process nor prepared shelf of schemes as required under the Resolution of July, 1986. Further, a lump sum provision for construction of roads and bridges was made in Comprehensive Outlay of Budgetary Transaction (COBT)¹⁸ during 2009-12 without giving list of proposed schemes.

2.5.7.2 *Selection of projects*

As per MoRTH guidelines, the project is initiated with Technical Appraisal Report (TAR). DPR ought to be prepared after TAR is approved. Further, Rules 100 and 101 read with appendix VIII of Jharkhand Public Work Department (JPWD) Code stipulate that all work proposals will be called for from EE and it is his duty to oppose any demand which he thinks is not really necessary.

We noticed that during 2008-13, the Department only once sought (October 2011) proposal of schemes from the Chief Engineer (Communication) and these proposals were included in COBT for 2012-13. During 2009-12, only

¹⁵ Para 3.3 of Resolution 948 dated 16 July 1986 issued by the Cabinet Secretariat and Co-ordination Department, Government of Bihar.

¹⁶ From multidisciplinary areas as members of the Committee.

¹⁷ Comprised of one Circle and four Divisions.

¹⁸ As per approved annual plan, physical and financial proposal with details of schemes is submitted by the Departments for approval of the Cabinet and the Legislature. Approved proposal is called COBT.

lump sum targets (Road: 1,649 km and Bridge: 37 numbers) for new projects were fixed with the comment that the individual projects would be selected as and when required.

The Principal Secretary stated (January 2014) that some projects were taken up on the basis of priority road corridors study conducted by the Department to achieve its objectives.

The reply is not acceptable because the priority road corridors study was done only in 2012-13 for future planning and no projects taken up from the priority road corridors study during 2008-13.

2.5.7.3 *Absence of long term planning denied benefit of plan expenditure*

The Department had gone for widening and strengthening the roads without exhausting their designed life for which ₹ 260.93 crore had been incurred.

We noticed that the Department approved DPRs of PWD roads with a design life of non-bituminous road crust¹⁹ for 10 to 15 years and bituminous crust²⁰ for five years after their completion, following the norms of MoRTH. The Department sanctioned widening & strengthening²¹ of nine (376.59 km) roads between July 2003 and October 2011. Out of this, widening and strengthening of six roads (264.89 km) was completed between April 2008 and December 2013 and in remaining three roads (111.70 km), work was in progress. As of December 2013, ₹ 203.99 crore had been incurred on these works. Similarly, Improvement of Riding Quality (IRQ)²² of five roads (186.93 km) was sanctioned between August 2011 and January 2013. One road (52 km) was complete as of December 2013 and works on other four roads were under progress after incurring expenditure of ₹ 56.94 crore as of December 2013. Further, after spending ₹ 260.93 crore, the Department had again gone for widening and strengthening of these 14 roads at a tentative cost of ₹ 3,222.12 crore in 2013-14 including strengthening of existing road crust (non-bituminous) within 10 to 15 years or within five years (bituminous crust) of their completion. (Details are given in *Appendix 2.5.4*).

Thus, need for widening and strengthening of same roads without exhausting the designed life of road crusts (non-bituminous and bituminous) within one to six years of their construction renders the expenditure of ₹ 260.93 crore incurred on existing crust unfruitful and shows that the Department had absence of long term planning and the works were being executed in ad-hoc fashion.

On this being pointed out, the Principal Secretary stated (January 2014) that preparation of DPRs for widening and strengthening was ordered for preparation of a shelf of schemes and DPRs necessarily factored the works done in past.

The reply is not acceptable because design life of all these projects will exhaust from 2018 onwards only. Further, five out 14 roads have also been technically sanctioned (between October 2012 and September 2013) for ₹ 996.81 crore with provision for laying of fresh road crust (non-bituminous

¹⁹ Sub-base and Base layers consist of mix of mainly stone chips/metal and granular materials like moorum, stone dust and sand.

²⁰ Bituminous layers consist of mix of mainly stone chips and bitumen.

²¹ Construction of new road in widened portion and strengthening of existing road crust.

²² Strengthening of existing bituminous or concrete crust through fresh overlaying.

and bituminous) over existing road crust although the prescribed life of existing road crust was not over.

2.5.8 Programme implementation

2.5.8.1 Under achievement of targets

The Department prepared Five Year Plans which included physical targets. We observed in audit that the target of XIth Plan was shown revised in Annual Plan for 2011-12 without assigning any reason. The targets fixed in XIth and XIIth Plans and achievements against them are detailed in **Table 2.5.3**:

Table 2.5.3: Targets and achievement of Five Year Plan

	XI th Plan			XII th Plan		
	Target	Revised target	Achievement	Plan target	Target for 2012-13	Achievement in 2012-13
Strengthening of PWD Roads	500	500	2544	3000	550	747
Widening to four lane	300	150		400		
Widening and strengthening to two Lane	2000	900		2500		
Sub-total	2800	1550	2544	5900	1000	747
Widening of Bridges	83	30	47	300	84	25
Construction/Reconstruction of Bridges	223	55		154		
Sub-Total	306	85	47	454	84	25

(Source : Annual Plans furnished by the department)

We noticed that:

- Achievement in case of up-gradation²³ of road works was 2,544 km (164 per cent) and in case of bridge work was 47 numbers (55 per cent) against revised target of XIth Five Year Plan. However, completed road projects were only 1050.70 km²⁴ (68 per cent of revised target) and the remaining 1493.30 km were ongoing projects. Thus, the Department could not complete major portion of road projects taken up during XIth Five Year Plan within the Plan period. Similarly, achievement in 2012-13 was also low as it was 75 and 30 per cent respectively in the case of road and bridge works.
- Additionally, the Department could not achieve targets of construction of Bypasses (15 nos.), Railway Over Bridges (ROBs-17 nos.), establishment of a training institute fixed during XIth Five Year Plan. We noticed that the Department had released ₹ 71.16 crore to the Railways till December 2013 for construction of only six²⁵ out of targeted 17 ROBs.

The Department could not complete road projects so as to achieve the targets of XIth Plan.

²³ Widening and strengthening, Strengthening/Re-construction and IRQ.

Sl.	Brief of sanction and status of road projects	Length in km
1	Ongoing Road projects as on 01.04.2007	2126.66
2	Projects sanctioned during 2007-12	2927.11
3	Total Road projects taken up during 2007-12 (Sl. No. 1 plus Sl. No. 2)	5053.77
4	Ongoing Road projects as on 01.04.2012	4003.07
5	Road projects completed during 2007-12 (Sl. No. 3 – Sl. No. 4)	1050.70

(Source : Derived from COBTs and Annual Plans)

²⁵ Five ROBs in Dhanbad (₹ 57.57 crore) and one ROB in Koderma District (₹ 13.59 crore).

The Principal Secretary stated (January 2014) that the target of XIth Five Year Plan was revised due to reduction in Plan size. However, target of bridges could not be achieved mainly due to delays in land acquisition and other clearances.

However, the fact remains that even after curtailment of ₹ 900 crore in Annual Plan size of 2011-12, the revised plan size of XIth Five Year Plan of ₹ 3370.50 crore²⁶ was more than the original plan size (₹ 2,887.80 crore) of XIth Five Year Plan. Further, the Department incurred expenditure of ₹ 2822.76 crore during XIth Five Year Plan period (2007-12) which was less by ₹ 65.04 crore (two per cent) than the original plan size.

2.5.8.2 Slow execution of road and bridge projects

The Department executed 262 road and 159 bridge projects during 2008-13. Physical and financial achievements of these projects are detailed in **Table 2.5.4:**

Table 2.5.4: Physical and financial achievements of road and bridge projects (as of December 2013)

(Amount in crore and length in kilometer)

Sl	Work	Number of projects	Sanctioned length	AA cost	Agreed cost	Expenditure	Completed projects	Completed length
1	Widening and strengthening	165	3091.27	3161.95	2824.67	2394.19	93	2066.12
2	Strengthening	42	785.36	918.97	838.84	839.45	29	624.01
3	Improvement of Riding Quality	55	870.88	322.14	333.32	286.67	39	721.06
	Sub total	262	4747.51²⁷	4403.06	3996.83	3520.31	161	3411.19
4	Construction/reconstruction/widening of bridges.	159 ²⁸	--	303.28	290.89	224.39	80	--

(Source: Monthly progress reports of the divisions)

We further noticed that out of 101 incomplete road projects, 50 projects (1156.39 km) were scheduled to be completed by March 2013 but were incomplete as of December 2013 with completed length of only 612.93 km (53 per cent). Similarly, 31 out of 79 bridge projects were not completed as of December 2013 though were to be completed by March 2013.

The Principal Secretary attributed delay in land acquisition, utility shifting and forest clearances as the main reasons behind slow execution.

As seen in audit in case of six²⁹ test-checked road projects, the need of land acquisition and utility shifting had already been mentioned in the technically sanctioned (between December 2007 and January 2012) DPRs, but the divisions initiated (between October 2008 and March 2013) the process for land acquisition and utility shifting only after commencement of work. Besides, slow execution of works by the contractors and delay in revision in

²⁶ During XIth Five Year Plan (2007-12) budget outlay of the Department was ₹ 4428.88 crore. Discrepancy in revised plan size of XIth Five Year Plan and Budget outlay was due to non-reconciliation of figures by the Finance and Planning Departments of the State.

²⁷ Including 3171.41 km of ongoing road projects as on 1 April 2008.

²⁸ Including 90 no. of ongoing bridge projects as on 1 April 2008.

²⁹ Khorimahua-Dhanwar-Saria, Kathal more-Argora, Traffic rotary at Kantatoli chowk, Ranchi, Kanthitanr-Pithoria, Kanke bazartanr-Block chowk and Pakur-Barharwa-Dighi more.

estimates were other reasons for non-completion of works as seen in 13³⁰ test-checked projects.

2.5.8.3 *Status of test-checked projects*

Audit of test-checked 46 roads and seven bridge projects/agreements of 13³¹ Road Divisions disclosed the following:

- Out of 46 test-checked road projects, 41 road projects (795.39 km) were scheduled to be completed by December 2013 but only 21 projects (377.64 km) were completed. Remaining 20 projects were incomplete due to delay in land acquisition, utility shifting besides non/slow execution of works by contractors. Further, out of seven bridge projects six were complete as of December 2013.
- Agreements for eight out of 21 (20 roads and one bridge) incomplete projects were terminated mid-way due to non-execution of works by the contractors, however, balance work of four of these works was yet to be re-started as of December 2013.

Other irregularities noticed in test-checked projects/Divisions have been discussed in succeeding paragraphs.

2.5.8.4 *Non-construction of bridges on upgraded roads*

One of the prime objectives of the Department was to ensure fast traffic movement which could not be achieved without rehabilitation of narrow and old bridges simultaneously with up-gradation of roads. We noticed during audit that:

- In six test-checked Divisions³², up-gradation of 11 roads (230.49 km) was completed and that of two roads (47.65 km) was near completion as of December 2013 at an expenditure of ₹ 236.33 crore. But, construction or re-construction of 21 out of 39 old, narrow and damaged bridges on these 13 roads was not sanctioned as of December 2013 though these bridges have been identified for re-construction between October 2012 and February 2013 by EEs of test-checked Divisions.
- In eight Divisions³³, nine roads (249.05 km) had been upgraded³⁴ at an expenditure of ₹ 214.54 crore as of December 2013 but 22 out of required 35 bridges on these nine roads were not sanctioned as of December 2013 despite repeated requests (between December 2008 and January 2013) to the Department by the field engineers during construction of roads.

³⁰ Jharia-Baliapur, Park market-Howrah Motor, Meralbana-Ambakhoria, Mangalhaat-Taljhari, Murgabani-Rajnagar-Kundhit, Godda-Sunderpahari-Dharampur, Gola-Charu missing link, Chaibasa-Saitwa, Kasidah-Hulung, Barabhum-Bandowan, Simdega-Rengari-Karsai-Bolba-Orissa Border, Kowar-Koderma and a HL Bridge in Sahebganj-Mirjachowki-Boarijore road.

³¹ Out of 14 test-checked road divisions, one division (Project Implementation Cell) was for ADB aided Project, observation on which is discussed in paragraph 2.5.10.

³² Chaibasa, Dumka, Godda, Ramgarh, Ranchi and Sahebganj

³³ Four test-checked Divisions: Chaibasa, Jamshedpur, Koderma and Sahebganj and four other Divisions: Bokaro, Khunti, Pakur and Saraikella-Kharsawan.

³⁴ Five roads (137.84 km) were complete.

Twenty out of 41 test-checked road projects were incomplete due to delay in land acquisition, utility shifting besides non/slow execution of works by contractors.

Without rehabilitation of bridges, up-gradation of 22 roads with expenditure of ₹ 450.87 crore could not achieve objective of fast traffic movement.

Thus, due to not sanctioning the rehabilitation of 43 out of required 74 bridges in tandem with up-gradation of 22 roads, the expenditure of ₹ 450.87 crore on up-gradation of roads could not achieve objective of fast traffic movement.

The Principal Secretary stated (January 2014) that the matter has been taken up seriously and the Department had already sanctioned 180 bridges from 2011-12 till date and now roads and bridges are being sanctioned together as a single project.

However, the facts remains that the above 43 bridges as mentioned in audit observation are not yet sanctioned despite the roads completed or nearing completion.

2.5.8.5 Grant of interest free advance

According to Rule 251 of JPWA Code, advances to contractors as a rule is prohibited, however, in exceptional cases contractor may be granted advance on the security of materials brought to the site but the Government should prevent this from becoming a general practice. Further, as per Central Vigilance Commission (CVC) guidelines (November 2007), interest free advance should not be encouraged and its recovery should be made time-bound to reduce the scope of misutilisation of advance.

We observed that under clauses 51 and 52 of the Standard Bidding Document³⁵ (SBD) agreement (used by the Department), there was a provision for interest free advance to the contractor equivalent to 15 per cent³⁶ of contract price which was recoverable from the contractors proportionately³⁷. As per agreements, all 14 test-checked Divisions granted interest free advance of ₹ 218.10 crore³⁸ to contractors against 64 works during 2008-13. Of which, ₹ 134.63 crore³⁹ was proportionately recovered till December 2013. On the other hand, the State Government borrowed funds during 2008-13 at borrowing interest rates ranging between 7.42 and 8.79 per cent to meet its plan expenditure.

Thus, provision for grant of interest free advance and its proportionate recovery was generalised by inserting the related clauses in SBD which was not in accordance with the Codal provision and the guidelines of CVC.

On this being pointed out, the Principal Secretary stated (January 2014) that a proposal for suitable amendments in the relevant clauses of SBD was under consideration of the Government. Follow up action was awaited as of February 2014.

³⁵ SBD is a bid document comprising of tendering process, conditions of contract, technical specifications etc. of a work which was implemented (November 2007) by the Department for the work valued more than ₹ 2.50 crore.

³⁶ Mobilisation advance of 10 per cent and equipment advance of five per cent.

³⁷ At the rate of 20 per cent of amount of interim payments and shall commence in the next interim payment following that in which the total of all such payments to the contractor has 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 is earlier but always within intended date of completion.

³⁸ Mobilisation advance: ₹ 192.09 crore and equipment advance: ₹ 26.01 crore.

³⁹ Mobilisation advance: ₹ 114.29 crore and equipment advance: ₹ 20.34 crore.

2.5.8.6 *Non-raising of demand after termination of the contract*

As per clause 60 of SBD contract, if the contract is terminated because of a fundamental breach⁴⁰ of contract by the contractor, the Engineer shall issue a certificate for the value of the work done less applicable recoveries as per contract. If the total amount due to the employer exceeds any payment due to the contractor, it shall be a debt payable to the employer.

We noticed in audit that EEs of six test-checked Divisions⁴¹ did not raise demand for ₹ 25.42 crore after termination of seven test-checked agreements due to non/slow execution of works by the contractors (*Appendix-2.5.5*). Against the dues of ₹ 25.42 crore, the Divisions had ₹ 4.22 crore on account of security of the contractors. Besides, the Department was deprived of recovery of ₹ 56.79 lakh from securities as EEs did not ensure recovery of proper security or other dues (royalty and advance) from running bills during the currency of the contract and these dues were later on adjusted from available securities of contractors after termination of contracts.

On this being pointed out, the Principal Secretary stated (January 2014) that certificate cases would be instituted as per Public Demand and Recovery Act in these cases for recoveries of dues. Follow up action was awaited (February 2014).

2.5.9 **Public Private Partnership projects**

The Department executed (February 2008) a Programme Development Agreement (PDA) with a private company to create a Joint Venture (JV) as a Special Purpose Vehicle (SPV) for developing 1,500 lane km roads under the Jharkhand Accelerated Road Development Programme (JARDP) on Public Private Partnership (PPP) mode. SPV viz. Jharkhand Accelerated Road Development Company Limited (JARDCL) was formed in March 2008 with paid capital of ₹ 10 crore in which equity share of Government of Jharkhand (GoJ) was 26 *per cent* and equity share of the private company was 74 *per cent*.

We noticed that the Department did not have any defined policy regarding implementation of PPP projects before signing (February 2008) PDA and formation of JV/SPV in March 2008. The Department, however, issued a Resolution in this regard only in December 2010. As per the Resolution, all PPP projects of the Department are to be executed either by the Department or through SPV on Build, Operate and Transfer (BOT) Toll or BOT (Annuity) models. Financially viable projects are to be taken up on BOT (Toll) model and projects which cannot be taken up on this model, though essential for development of a particular region of the State, are to be taken up on BOT (Annuity) mode. Concessionaires are to be selected in transparent manner through open competitive bidding.

⁴⁰ As per clause 59.2 of SBD, fundamental breach of contract by contractor includes (i) the contractor stops work for 28 days, (ii) the contractor fails to correct a particular defect within a reasonable time determined by the engineer, (iii) the contractor does not maintain required security, (iv) the contractor has delayed the completion of works by the number of days for which the maximum amount of liquidated damage can be paid.

⁴¹ Chaibasa, Dhanbad, Godda, Ramgarh, Ranchi and Simdega.

As of March 2013, five road projects⁴² (182.38 km) had been taken up (between September 2009 and August 2011) on PPP mode in the State. Irregularities noticed in execution of PPP projects have been discussed in succeeding paragraphs.

2.5.9.1 *Lack of due diligence before inviting Expression of Interest*

As per Guidelines (May 2006) of MoRTH, there are three types of PPP model i.e. BOT (Toll)⁴³, BOT (Annuity)⁴⁴ and SPV⁴⁵ under which construction cost is recovered through collection of toll by private partner, concerned Government and SPV respectively.

The Department invited (March 2007) Expression of Interest (EoI) for development of 1500 lane kms of roads under PPP on BOT (Annuity) mode through a SPV. As per terms of EoI invited, the Department was to (i) select a private partner to form a JV/SPV, (ii) to decide the rate of annuity to be paid semi annually to SPV and (iii) to decide the other cost⁴⁶, as percentage of the awarded construction cost, for deciding the Total Project Cost (TPC), based on which amount of annuity was to be paid during concession period of 15 years. Concession agreement was to be executed between GoJ and SPV.

We observed that:

- Before inviting EoI, the Department did not assess financial viability of projects to select a suitable model for implementing the projects under PPP mode. The Department opted for BOT (Annuity) mode without anticipating the financial burden of annuity and its realisation through collection of toll during the concession period on the basis of traffic forecast. Due to non-assessment of financial viability of projects, other models viz. SPV and BOT (Toll) models could not be considered for implementation of PPP projects under which GoJ was not required to pay annuity.

We, further, observed that during concession period of five ongoing PPP projects, GoJ is required to pay ₹ 5,372.15 crore (*Appendix 2.5.6*) as annuity to SPV. It was seen in case of up-gradation of Adityapur-Kandra (AK) road that the project was initially not included in the list of roads for

The Department did not perform due diligence to assess the projected toll collection or to fix benchmark for annuity before opting BOT (Annuity) model for implementing PPP projects

⁴² (i) Adityapur-Kandra road (AK), (ii) Chaibasa- Kandra-Chowka road (CKC), (iii) & (iv) Ranchi-Patratu-Ramgarh road (RPR I and RPR II) and (iv) Ranchi Ring Road (RRR) (Section-III, IV, V & VI).

⁴³ It is a contractual PPP model in which the Concessionaire (private sector) meets the upfront/construction and annual maintenance cost and recovers the entire cost along with the interest and a return on investment by collection of toll.

⁴⁴ It is also a contractual PPP model in which the Concessionaire (private sector) meets the entire upfront/construction and maintenance cost and recovers the investment at a pre determined rate of return through annuities payable by the public sector. In this model the Government retains the risk of toll collection.

⁴⁵ It is an institutional PPP model under which a SPV is formed on revenue sharing basis proportionately to their equity participation jointly by the Government and the private partner under Companies Act, 1956. It involves very less cash support from the Government in form of equity. Rest of the funds comes from the private partner/financial institutions in form of equity/debt and amount spent on developments of projects is to be recovered in prescribed concession period by way of collection of toll by the SPV itself.

⁴⁶ Insurance cost, financial arrangements cost, interest during construction period, DPR cost, supervision and the project management cost, preliminary and pre-operative cost and contingencies.

which EoI was invited in March 2007. The project was earlier decided (September 2010) to be developed on Design, Build, Finance, Operate and Transfer (DBFOT) Toll model for which the Department had calculated Net Present Value (NPV)⁴⁷ of the cost of the project. Later on, the project was decided (December 2010) to be developed through the present SPV (JARDCL) on BOT (Annuity) mode. Keeping all the factors same⁴⁸, as considered by the Department in calculating NPV of AK road, NPV of cost of all five ongoing projects and annuity payable comes to ₹ 1,708.65 crore and ₹ 2,431.77 crore respectively, as calculated by audit, which shows that the net return on investment was nearly 43 *per cent* ranging between 34 and 48 *per cent* for different projects. However, the Department did not perform due diligence to assess the projected toll collection during concession period and to fix benchmark for annuity in EoI which may have safeguarded the Department against payment of such high rate of annuity.

Thus, BOT (Annuity) model for implementing PPP projects was selected without performing required due diligence.

On this being pointed, the Principal Secretary stated (January 2014) that viability was not assessed by the Department as the decision to take up work on BOT (Annuity) had been approved (January 2008) by the Cabinet.

The Reply confirms that viability of projects was not assessed before inviting (March 2007) EoI for development of roads under PPP on BOT (Annuity) model through SPV.

- As per the Guidelines issued (November 2007) by the Planning Commission, GoI, Total Project Cost (TPC) should normally include the likely construction cost plus about 25 *per cent* thereof for financing costs, physical and price contingencies etc.

We noticed that the Department did not restrict the TPC to 1.25 times of construction (awarded) cost as envisaged in above guidelines of GoI. Further, there was no record to show that the Department had done any assessment to anticipate other costs for calculation of TPC. TPC of projects was decided at 1.3 times based on the rate quoted by the lowest bidder. Thus, TPC was decided 1.3 times of construction cost without any assessment and in violation of GoI guidelines. This resulted in excess fixation of TPC by ₹ 72.48 crore for five ongoing projects and accordingly excess liability of annuity of ₹ 205.70 crore on the Department (**Appendix-2.5.6**).

The Principal Secretary replied (January 2014) that TPC in the instant case was based on awarded cost of construction which was based on the competitive bid.

⁴⁷ Future investment cost at current price.

⁴⁸ Routine maintenance @ ₹ 0.5 lakh per lane km, periodic maintenance @ ₹ 60 lakh per km in every fifth year, supervision and consultancy @ 3 *per cent* of construction cost, administrative cost @ ₹ 2 lakh per month, other operational cost @ ₹ 1 lakh per month, annual growth rate of 5 *per cent* for cost escalation and discount rate @ 12 *per cent* per annum.

The fact remains that the Department failed to insert condition in EoI for limiting TPC equivalent to 1.25 times of construction cost.

2.5.9.2 *Selection of new Concessionaire against the terms and conditions of EoI*

According to the guidelines (November 2007) of Ministry of Finance, GoI, the Concessionaire should be selected in fair and competitive manner.

We noticed that SPV (JARDCL) itself was to act as Concessionaire as per terms and conditions of EoI. However, a clause 4.2⁴⁹ was incorporated in PDA beyond the terms of EoI, regarding formation of another implementation SPV to act as Concessionaire. Accordingly, with the consent of the Department, the private partner of SPV formed (August 2009) another JV, Jharkhand Road Project Implementation Company Limited (JRPICL), with its subsidiary company⁵⁰ as Concessionaire. Subsequently, the Concessionaire (implementation SPV-JRPICL) executed (between September 2009 and August 2011) tripartite Concession Agreements (CAs)⁵¹ for projects handed over to the SPV (JARDCL).

Thus, by incorporating a clause in PDA, the Concessionaire was selected without competitive bidding and as such transparency and competition was circumvented in selection of Concessionaire. Besides, the Department did not have adequate control over activities of Concessionaire as discussed in paragraph 2.5.9.4.

The reply of the Department was silent on this issue.

2.5.9.3 *Non-fulfillment of objective of forming SPV*

We noticed that the Department invited (March 2007) EoI for formation of SPV but the Department through EoI itself opted for BOT (Annuity) model for implementation of projects. However, BOT (Annuity) being a contractual PPP model, the Concessionaire should have been selected directly by the Department rather than formation of a SPV to act as Concessionaire. As such, objective of forming SPV was not achieved as under SPV model the cost of construction and maintenance should have been recovered by SPV by way of toll.

Thus, the Department did not succeed in safeguarding public interest by forming SPV.

On this being pointed out the Principal Secretary stated (January 2014) that it was an “Institutionalised PPP” through SPV/JV to carry out PPP projects on BOT (Annuity) based on predefined terms and conditions under which right of collection of toll was with GoJ.

The reply is not acceptable because in an Institutionalised PPP mode, the Government imparts very less cash support and SPV/JV itself spends amount on development of projects and recover the same by way of collection of toll

⁴⁹ GoJ and JV partner may take up financing, construction, operation and maintenance of the roads either through this SPV or through other special purpose company incorporated by GoJ and/or JV partner.

⁵⁰ With 10 per cent share of JV partner and 90 per cent share of its subsidiary company.

⁵¹ Between GoJ, JARDCL and JRPICL.

The Concessionaire was not selected in fair and competitive manner.

Objective of forming SPV was not achieved and the Department did not succeed in safeguarding public interest by forming SPV.

as per guidelines of MoRTH which ought to have been considered before defining the terms and conditions of EoI.

2.5.9.4 *Absence of control mechanism*

As per provisions of PDA and Concession Agreement (CA), the Department has control tools i.e. Board of Directors⁵² of JARDCL, independent consultant (IC), Statutory Auditor (SA) and a technical auditor (TA)⁵³ to exercise controls over Concessionaire's activities.

We observed in audit that:

- As per Recital I of Concession Agreement, the Concessionaire was to fulfill and perform the obligations and exercise the rights of JV partner including designing, engineering, financing, procurement, construction, operation and maintenance of the projects on BOT (Annuity) basis as defined under PDA. However, the Concessionaire, being a JV of private companies, the Department did not have adequate control over its activities either through equity participation or through its representation in Board of Directors of the Concessionaire (JRPICL).

On this being pointed out, the Principal Secretary stated (January 2014) that the obligations of the Concessionaire and SPV (JARDCL) were clearly defined in Article IX and Article IXA respectively of CA and thus, inference of Audit that "Concessionaire would perform all obligations and duties which were to be performed by SPV" was unfounded.

The reply of the Department is not acceptable as under Recital I and para 9.2 of Article IX of CA, the Concessionaire (JRPICL) was to perform the obligations of designing, engineering, financing, procurement, construction, operation and maintenance of the project on BOT (Annuity) basis which were to be performed by SPV (JARDCL) as per EoI invited.

- Though the Independent Consultant (IC) and Statutory Auditor (SA) were appointed by the Department/SPV but their remuneration, other expenses and termination was to be decided by the concessionaire under Articles XX and XXVIII of CA, indicating that the independence of IC or SA was not ensured. Thus, possibility of working of IC/SA in favour of the Concessionaire from which they were getting their remuneration cannot be ruled out.

The Principal Secretary stated that as per advice of the Law Department, GoJ, payment to IC was not made by the Department because as per PDA the Department had only to pay annuity to the Concessionaire. The reply was silent about remuneration to SA.

The fact remains that IC and SA were being paid remuneration and other expenses as decided by the Concessionaire. Instead, the Department

⁵² Maximum with nine Directors including a Chairman, a Managing Director and at least one independent Director. The Chairman of the Board shall be nominated by the State Government not below the scale of the Chief Secretary; the Managing Director shall be nominated by the JV partner and other Directors by share holders.

⁵³ To be appointed during concession period by the Department at its own cost as a proof consultant to review the work of the independent consultant.

The Department did not have adequate control over the Concessionaire's activities.

should have decided the remuneration to IC and SA to ensure their independence.

As per clause 20.1 of Article XX of CA, the Department did not appoint a Technical Auditor (TA) as of September 2013, independent from Concessionaire, to review the work carried out by IC. Thus, the Department did not ensure review of work of IC by appointing a TA.

The Principal Secretary stated (January 2014) that clause regarding appointment of TA had been inserted by the Department as an additional safeguard and TA was to review the work of IC during the concession period. The concession period of the projects ranged between 15.75 to 17.5 years and the Department would appoint TA as and when required.

The reply confirms that TA was not appointed as of December 2013 in test-checked two projects even after 28 to 50 months from the date (October 2009 and August 2011) of signing of CAs and even though the projects have been declared completed and the Department has started paying annuity.

2.5.9.5 Non-collection of toll/user fee

As per Article VII of Concession Agreement (Volume I), GoJ was to collect toll either by itself or through any agency selected for this purpose.

We noticed during audit that toll plaza was not constructed by the Concessionaire in Adityapur-Kandra road within the construction period upto November 2012 which was extended up to January 2013. In Ranchi-Patratu Dam road toll plaza was to be constructed by the Department itself which was not constructed as of December 2013 though the project was declared completed in October 2012. As such, the Department has not yet started (December 2013) collection of toll though payment of first annuity of ₹ 47.98 crore⁵⁴ has already been made by the Department on the basis of submission of provisional completion certificate by IC.

Thus, due to delay in construction of toll plazas, no toll was collected even after lapse of 11 to 14 months from the date of completion of the projects.

The Principal Secretary stated (January 2014) that the Department would collect toll after completion of Toll Plaza in Adityapur-Kandra road and contemplate to collect toll in Ranchi-Patratu Dam road.

The fact remains that the Department did not start realisation of toll burden even though annuity payments has been started.

2.5.10 ADB aided project

Jharkhand State Roads Project (the Project) has been developed with the loan assistance from the Asian Development Bank (ADB) for improvement of 311 km of Govindpur to Sahebganj road in four packages⁵⁵ at administratively approved cost of ₹ 1,064.27 crore, targeted to be completed by June 2014. Deficiencies in implementation of the Project have been discussed in succeeding paragraphs.

⁵⁴ AK road: ₹ 22.91 crore (July 2013) and RPR I: ₹ 25.07 crore (April 2013).

⁵⁵ Package I: Govindpur-Jamtara (81 km), Package II: Jamtara-Dumka (82 km), Package III: Dumka-Barhet (98 km) and Package IV: Barhet-Sahebganj (50 km).

2.5.10.1 *Non-adherence to milestones*

The Project Administration Manual (PAM) of ADB aided project contained milestones for all pre-construction activities which could not be achieved as discussed under:

(i) *Delay in finalisation of DPR*

As per PAM, DPR of the project was to be finalised by December 2008.

We observed that DPR was initially finalised and technically sanctioned by CE, Central Design Organisation (CDO) in August 2009. The Construction and Supervision Consultant (CSC), CE, CDO and the Project Implementation Cell (PIC) visited (between May 2010 and December 2011) the sites and observed that the highest flood level and position of habitations in and around the alignment of the proposed road were not properly considered during preparation of DPR. This necessitated re-alignment of road in habitated areas, change in profile of road, bypasses at three places (Dumka, Govindpur and Jamtara), extra cross drainages etc. Thus, due diligence was not exercised in preparation of DPR. Revision of DPR was pending as of December 2013 and work was being executed on the basis of revised road profile (sanctioned by CE, CDO in March 2012) and after sanction of estimates as and when submitted by contractors.

On this being pointed out, the Principal Secretary stated (December 2013) that revised estimate of Package I, III and IV had been approved and that of Package II was to be submitted by the contractor.

The reply confirms that the DPR of the project was not yet finalised.

(ii) *Delay in land acquisition*

As per PAM, land acquisition was to be completed by June 2010.

We observed that the original requirement of land was 370.67 acres as per the project summary report prepared by ADB in September 2008. This was increased from time to time due to changes in design and alignment of road, location and numbers of cross drainages etc. Against the latest (December 2013) requirement of 1364.16 acres of land (including 168 acres of forest land), 361.72 acres of land was yet to be acquired.

The Principal Secretary stated (December 2013) that as per initial plan land requirement was assessed with respect to Right of Way⁵⁶ (ROW) of 15 metre whereas as per sanctioned DPR, land acquisition was done for ROW of 30 to 45 metre. Further, excess land was required for a completely new alignment of the road.

The reply confirms that the Department failed to assess actual requirement of land during preparation of DPR and the requirement was further increased due to change in alignment of road after commencement of construction work which caused delay in land acquisition. Moreover, DPR is yet to be finalised (December 2013) even after lapse of more than three years from commencement of works (September 2010).

⁵⁶ Width of road land.

(iii) Non-completion of Rehabilitation and Resettlement

As per PAM, Rehabilitation and Resettlement (R&R) of Project Affected Persons (PAPs) was to be completed by June 2010.

We observed that as per project summary report of ADB, initially 4,515 PAPs (households) were to be affected by the project. Number of PAPs increased time and again due to changes in design and road alignments. R&R of PAPs were pending as of December 2013. Additionally, 414 Common Property Resources (CPRs)⁵⁷ like religious places, community halls, hospitals and schools etc. were identified for rehabilitation and re-construction. Project Implementation Cell (PIC) advanced (July to September 2012) ₹ 7.30 crore to District Land Acquisition Officers (DLAOs) for re-construction of 326 CPRs of Package I to III through the Government Departments and related communities. It was, however, noticed that the money was lying with DLAOs as of December 2013 owing to non-finalisation of estimates and the construction sites required for construction of CPRs.

The Principal Secretary stated (December 2013) that out of 9,680 title holders, 1,108 had not been paid compensation due to non-submission of required papers, legal dispute and non-preparation of identity cards. Further, for re-construction of CPRs, funds had been transferred to DLAOs.

The reply confirms that the Department failed to resolve the issue of R&R and rehabilitation and reconstruction of CPRs which was cascading effect of changes in DPR.

(iv) Delay in development of online monitoring management system

As per PAM, Financial Management System (FMS) was to be developed by September 2010 for online monitoring of the project and to provide reports to GoJ and ADB.

We observed that PIC executed (September 2009) an agreement with a System Development Consultant (SDC) to develop FMS and Management Information System (MIS) by September 2010 and to link these with existing MIS of the Department and with the Quality Assurance System (QAS) to be developed by the Construction and Supervision Consultant (CSC) for online monitoring of the project. It was seen in audit that though FMS and MIS were developed and linked with QAS but were not fully operational due to non-procurement of required server and poor internet connectivity. Linking of FMS and MIS with the existing MIS of the Department was pending as of December 2013.

The Principal Secretary stated (December 2013) that quotation for procurement of independent server had been invited and would be procured within two to three months. The Principal Secretary further stated that PIC had no trained manpower to upload the data and the consultant and the contractors were not able to update the data due to poor internet connectivity in field.

⁵⁷ Religious CPRs: 101, Community CPRs: 33 and Government CPRs: 280.

The fact remains that procurement of server was delayed by the Department and training and capacity building had to go hand in hand with the system development.

2.5.10.2 Slow Progress of work

For ADB aided project, PIC executed (September 2010) four construction agreements, one for each package, at an agreed cost of ₹ 798.86 crore for completion of works by September 2013. As of January 2014, contractors were paid ₹ 442.44 crore including outstanding mobilisation and material advances against executed work value of ₹ 324.69 crore. Physical progress of works as of January 2014 was as shown in **Tables 2.5.6 and 2.5.7**:

Table 2.5.6: Physical progress of road work

Package	Length to be completed	Unhindered stretch	Work in progress	Bituminous work completed up to the top layer	Length in km			
					Forest land	Other land	Utility shifting	Total
I	81.00	66.74	65.89	50.72	6.56	6.07	1.63	14.26
II	82.00	69.44	53.45	15.63	5.78	3.37	3.41	12.56
III	98.00	81.42	72.00	37.87	13.62	0.90	2.06	16.58
IV	50.00	40.97	36.94	16.67	7.20	1.32	0.51	9.03
Total	311.00	258.57	228.28	120.89	33.16	11.66	7.61	52.43

(Source: Monthly progress report of the project)

Table 2.5.7: Physical progress of structures

Package	Structures to be constructed			Structures completed			Structures in progress		
	ROBs	Bridges	Culverts/VUPs	ROBs	Bridges	Culverts/VUPs	ROBs	Bridges	Culverts/VUPs
I	1	15	166	0	9	112	0	4	7
II	1	13	100	0	4	59	0	8	10
III	1	23	163	0	9	89	0	7	2
IV	0	5	120	0	0	91	0	4	2
Sub total	3	56	549	0	22	351	0	23	21
Total	608			373			44		

(Source: Monthly progress report of the project; ROB: Railway Over Bridge, VUP: Vent Under Pass)

From **Tables 2.5.6 and 2.5.7** it can be seen that:

- The road was to be constructed in 311 km out of which 258.57 km of unhindered stretch was available with the Department. Of these, work was in progress only in 228.28 km, however, it was complete only in 120.89 km (53 per cent) up to top bituminous layer.
- Out of 608 structures to be constructed, only 373 structures (61 per cent) were complete and work on 44 structures (seven per cent) was under progress. Work on remaining 191 structures (31 per cent) was not started due to non-submission of estimates by contractors.

On this being pointed out in audit, the Principal Secretary stated (December 2013) that land acquisition, forest clearance, utility shifting, mandatory clearance and delay in receiving approval of drawings of ROBs from Railway Department were major reasons behind slow progress.

The fact remains that the project was not completed within scheduled date (September 2013) due to non-finalisation of pre-construction activities like

changes in design of road and structures, land acquisition, utility shifting and rehabilitation and resettlement.

2.5.10.3 Avoidable burden of price adjustment

As per clause 13.8 of General Condition of Contract of ADB aided project, the price of specific materials (cement, steel and bitumen) utilised in the work was to be adjusted for rise or fall comparing the base prices effective on 28 days prior to the closing date of submission of bid and (i) current prices during the period of utilisation, for bitumen and (ii) current price either relevant to the period of purchase or related to the period of utilisation, for cement and steel. Actual quantities of bitumen, cement and steel delivered at the site and included in schedule of payment for advance payment was eligible for price adjustment.

Consideration of current price prevailing on the date of utilisation instead of date of purchase resulted into avoidable excess payment of ₹ 22.27 lakh.

We noticed that these materials were purchased by contractors in advance and incorporated in schedule of payment for getting material advance. However, the price adjustment for materials was paid to contractors comparing the base prices with the current prices prevailing on the date of their utilisation rather than the current prices prevailing on the date of purchases which had actual impact on variation in prices. This resulted in avoidable excess payment of ₹ 22.27 lakh as of April 2013 calculated only in one (Package I) out of four agreements.

On this being pointed out, the Principal Secretary agreed (December 2013) regarding excess payment of ₹ 50.59 lakh as price adjustment for steel and cement in all four packages and stated that ₹ 40.59 lakh had been adjusted and ₹ 10 lakh would be adjusted from next bills but did not agree to audit objection regarding bitumen citing the condition of the contract.

Reply regarding bitumen is not acceptable as the contractors were paid material advance against bitumen in same manner as were paid for steel and cements and as such same condition should have been incorporated in the contract.

2.5.11 Quality control

2.5.11.1 Inadequate quality tests

As per MoRTH guidelines, the engineer-in-charge of the work is to ensure through adequate quality tests that the work performed and the material incorporated in work conforms to required specification.

Adequate quality tests as per MoRTH norms were not ensured during execution of works.

We noticed that in 11 out of 13 test-checked Road Divisions, on an average only 5 to 250 tests per agreement in plan works and 2 to 26 tests in non-plan works were conducted. Whereas, in test checked Package-I of ADB aided project (81 kms of road between Govindpur and Jamtara), 84,418 quality tests were conducted by CSC against requirement of 79,933 tests as per the norms of MoRTH. Further, the tests conducted by the divisions generally related to physical requirement (strength) and grading (size) of aggregates. Other tests like testing of CBR (load capacity), density of various layers, compaction, thickness of road crusts, content of materials in mix was negligible. It was also seen that quality test results of two roads⁵⁸ conducted (August 2013) by SE,

⁵⁸ Godda-Sunderpahari-Dharpur road and Godda-Pirpainty road of Godda Road Division

Road Circle, Dumka disclosed less content of aggregates and bitumen in mix and less thickness of road crusts. Lack of trained manpower and testing equipments with Divisions and contractors were reasons behind less tests as intimated by EEs of the test-checked Divisions.

The Principal Secretary stated (January 2014) that adequate tests would be ensured in future.

The fact remains that adequate quality tests as per MoRTH norms were not ensured during execution of works.

2.5.12 Store management

2.5.12.1 Idle tools and plants

Plant and machineries were lying idle for more than four years and were deteriorated with passes of time.

We noticed during audit that the test-checked Road Mechanical Division, Sahebganj had 31 major plant and machineries⁵⁹ as on March 2013 which were received by the Division between 1988 and 2000. These were non-functional and required repair. During 2008-13, the Division was allotted (2009-10) only one work of special repair of Dumka-Hansdiha road. Out of 31, 23 plant and machinery⁶⁰ could be utilised economically after being repaired. But, neither did the Department provide required fund for repair nor did the Division initiate action to dispose of the idle plant and machinery. Thus, plant and machineries were lying idle for more than four years and had deteriorated with passes of time.

The Principal Secretary stated (January 2014) that the plant and machineries were very old. However, plant and machineries which were use-worthy would be utilised.

The reply confirms that the Department did not take action either for disposal of old plant and machineries or to repair and utilise usable plant and machineries. Moreover, as per conditions of contract, contractors are required to utilise their own plants and machineries in construction works.

2.5.13 Human resource management

2.5.13.1 Shortage of man power

Vacancies in respect of posts as on March 2013 have been given in **Table 2.5.8**.

Table 2.5.8: Sanctioned strength and men in position

Sl.	Posts	Sanctioned strength	Working strength	Vacancy	Percentage of vacancies
Headquarters' and field					
1	Engineer-in-Chief	1	0	1	100
2	Chief Engineer	3	0	3	100
3	Superintending Engineer	18	0	18	100
Headquarters'					
4	Deputy Secretary	2	1	1	50
5	Under Secretary	13	7	6	46
6	Assistant	48	4	44	92
7	Clerk (UDC/LDC)	44	15	29	66

(Source : Information furnished by the Department)

⁵⁹ Hot mix plants-2, road rollers-8, generators-5, loaders-3, crane-1, paver finisher-1, trucks-11

⁶⁰ Hot mix plants-2, road rollers- 8, generators-5, loaders-2, paver finisher-1, trucks-5

There was shortage of manpower mainly at headquarters' level and junior officers were holding higher posts.

From the **Table 2.5.8** it can be seen that:

- (i) There were 100 *per cent* vacancies in higher posts in the engineering cadre. These posts were being held temporarily during 2008-13 by Junior Officers of the Executive Engineer cadre.
- (ii) At headquarters' level, there were vacancies in the posts of Deputy and Under Secretary as well as in supporting (Assistant and Clerks) staff ranging from 46 to 92 *per cent* of sanctioned strength.

The Principal Secretary stated (January 2014) that promotion to higher posts to have regular officers were under consideration of the Government. Further action is awaited (February 2014).

2.5.14 Monitoring and evaluation

2.5.14.1 Lack of inspection

JPWD Code (Rules 20, 24, 45 and 50) envisage inspection schedule⁶¹ of different levels of officers of his sub-ordinate offices and in case of failure to do so, the inspecting officer has to submit a report stating reasons for non-inspection.

The inspecting officers conducted inspections less than 10 *per cent* of the prescribed inspection norms.

We noticed during audit that CE (Communication) did not inspect test-checked three Road Circles against prescribed 15 inspections and inspected only three⁶² (only once) out of 13 test-checked Road Divisions during 2008-13 against prescribed 26 inspections.

SEs conducted 10 inspections of only four⁶³ out of 13 test-checked Divisions during 2008-13 against prescribed 130 inspections in five years. Similarly, EEs of only five⁶⁴ out of 13 test-checked Road Divisions inspected their Sub-Divisions during 2008-13. As such, the inspecting officers conducted inspections less than 10 *per cent* of the prescribed inspection norms. Further, the inspecting officers neither prepared inspection reports nor reports stating reasons for not conducting prescribed inspections of sub-ordinate offices.

Lack of prescribed inspections was one of the reasons behind poor infrastructure at sectional level as 95 out of 105 Sections of 13 test-checked Divisions had no office of their own.

The Principal Secretary stated (January 2014) that the Department would initiate action to mitigate shortcomings and ensure compliance of the provisions of the Code regarding inspection.

The reply confirms that required inspections as prescribed under the Code were not done by the departmental authorities.

⁶¹ Chief Engineer: each Circle once in a year and each Division once in every two years. Superintending Engineer: each Division once in six months, each Sub-division once in a year and each Section once in every two years. Executive Engineer: each Sub-division once in six months and each Section once in a year. Assistant Engineer: each Section four times every year.

⁶² Jamshedpur, Ramgarh and Ranchi.

⁶³ Jamshedpur, Ramgarh, Ranchi and Simdega.

⁶⁴ Dumka, Garhwa, Jamshedpur, Ramgarh and Ranchi.

2.5.14.2 *Review meetings and inspection of works*

There were no prescribed mechanisms for review meetings and inspection of works by higher authorities. However, the Department issued instructions time to time regarding monthly inspection of roads by CE and SE and submission of action taken notes by EEs. We noticed during audit that:

- The Secretary conducted regular review meetings as well as visited sites.
- At CE and SE level, there was no compiled data showing numbers and frequency of review meetings and inspections of works. Further, action taken notes against shortcomings pointed out in inspection notes of CEs and SEs, if any, were not available though EEs concerned were to submit the same within 10 days.

Lack of inspection mainly at CE and SE level led to slow execution of works and non-assurance of quality works.

The Principal Secretary stated (January 2014) that inspection by the higher officers were being done on routine basis. However, they were instructed to have records of inspection and to ensure follow up action.

2.5.15 **Internal control**

2.5.15.1 *Internal Audit*

Establishment of a dedicated internal audit wing is important for effective monitoring of implementation of various schemes as well as the day-to-day activities.

The Department did not establish an internal audit wing. During 2008-13, internal audit of none of the test checked units were conducted by the audit wing of the Finance Department though the Department had 42 auditable units excluding offices of the Principal Secretary, Engineer-in-Chief and the Director, Quality Control. The Department had also not requested the Finance Department to conduct internal audit of other units. Absence of internal audit of the field offices was fraught with the risk of continued non-detection of irregularities, if any.

The Principal Secretary stated (January 2014) that the Finance Department was being requested for such audit. Further action is awaited (February 2014).

2.5.16 **Conclusion**

The financial management, planning, implementation and monitoring of the projects including ADB and PPP projects were deficient. The Department did not prepare budget estimates after receiving requirements from the field offices which led to under utilisation of funds. A systematic planning process according to the prescribed norms was missing in the Department and projects were selected without assessing their feasibility as required under planning norms. The Department did not achieve the targets of eleventh plan and upgraded roads without filling un-bridged gaps. The Department adopted BOT (Annuity) model through SPV for PPP projects without performing due diligence. Further, the Department did not select Concessionaire in fair and competitive manner and did not have adequate control over its activities due to it being under the control of the private partner. Bottlenecks in progress of

Absence of internal audit of the field offices was fraught with the risk of continued non-detection of irregularities.

ADB aided Project viz. delay in finalisation of changes in sanctioned DPR, land acquisition, utility shifting etc. could not be resolved. The Divisions did not conduct prescribed quality tests due to which quality of works could not be ensured. There was lack of inspection at CE and SE level and follow up action was not ensured.

2.5.17 Recommendations

The Department should ensure:

- *budget estimates to be more realistic;*
- *construction of bridges in tandem with road works to make the roads all weather roads;*
- *adequate Government control over public expenditure involved in PPP Projects;*
- *quality of works through prescribed quality tests; and*
- *monitoring of works through regular inspections.*

Information Technology Department

2.6 Information Technology Audit of e-District-a project under National e-Governance Plan

Executive Summary

As a part of the National e-Governance Plan (NeGP), a pilot e-District project at Ranchi district was approved for implementation by GoI in March 2008. The project became operational in September 2011 for only one out of ten services identified for implementation.

We conducted an IT Audit of e-District (pilot project) and analysed the data from September 2011 to August 2013. Following are the main audit findings:

As of March 2013 only one service was operational and subsequently three more categories of services were rolled out (January 2014).

The Government should have an action timeline for introduction of critical services like online delivery of PDS ration cards to the citizens.

(Paragraph 2.6.9)

Provision of digitization of data was made in the e-District but neither manually issued certificates were digitized nor the legacy data of e-Nagrik was migrated into the database of e-District.

The legacy data should be migrated in the database of e-District.

(Paragraph 2.6.10)

Data backup was not taken daily contrary to the backup policy. We noticed that data of a day was lost permanently.

The Government should devise a Business Continuity Plan and daily backup of data should be taken.

(Paragraph 2.6.12)

Though time limit was seven days as per Cabinet's decision for issue of certificates through e-District, these were issued with delay ranging from one to 557 days.

The Government should ensure timely issuance of certificates.

(Paragraph 2.6.13)

The software contains no programming elements to generate alerts or validation by restricting issuance of multiple certificates to one person. As a result multiple certificates with different caste were issued to same person. Similarly multiple Birth/Death certificates with different dates of birth/death were issued to same person.

The Government should address input and process control issues to ensure accuracy and reliability of data.

(Paragraph 2.6.14.2)

2.6.1 Introduction

The Government of India (GoI) approved (May 2006) the National e-Governance Plan (NeGP) with a vision to make all Government services accessible to the common man in his locality, through common service delivery outlets and ensure efficiency, transparency and reliability of such services at affordable costs to realise the basic needs of the common man.

e-District, one of the 31 Mission Mode Projects (MMPs) under NeGP, was approved by GoI in March 2008 which aims at strengthening the District Administration to deliver Government services in a cohesive manner leveraging Information and Communication Technology (ICT) to the citizens at his doorstep by utilizing three infrastructure pillars viz. State Wide Area Network (SWAN), State Data Centre (SDC) and Common Service Centres (CSCs).

The scheme was to be implemented in two phases. In Phase I - Pilot was to be undertaken covering one or two districts and in Phase II the project was to be rolled out across the State subsequent to successful implementation of the Pilot.

Being the capital district with the highest population in State, Ranchi was selected for pilot project of e-District in Jharkhand.

Administrative approval of Pilot e-District project for ₹ 3.20 crore was accorded (March 2008) by the Department of Information Technology¹ (DIT), GoI. All funds under the project for Pilot implementation were to be released directly to the State Designated Agency (SDA) identified by the State Government. The State Government designated the Jharkhand Agency for Promotion of Information Technology² (JAP-IT) as SDA for implementation of the project along with National Informatics Centre Service Inc.³ (NICS I).

2.6.2 Organisational set up of State Designated Agency

The Chief Minister of Jharkhand is the Chairman of JAP-IT and Minister In charge of Department of Information Technology (DoIT) is the vice-Chairman, who are assisted by the Chief Executive Officer i.e. the Principal Secretary of the DoIT, GoJ. The Chief Executive Officer is responsible for implementation of the project. However, the monitoring of e-District project is being done by the District e-Governance Society (DeGS), Ranchi headed by the District Collector formed and registered under Societies Registration Act as per the guidelines of NeGP. Further, Additional Collector, Land Reforms and Naxal, Ranchi has been appointed as the nodal officer for implementation of e-District project.

2.6.3 Objectives of the e-District

The primary purpose of the e-District project is to provide support to the basic administrative unit i.e., "District Administration" to enable content

¹ Rechristened as Department of Electronics and Information Technology (DeitY), GoI.

² An autonomous body under Department of Information Technology, Government of Jharkhand.

³ NICS I was set up under National Informatics Centre, Ministry of Communications and Information Technology, GoI to provide total IT solutions to Government organisations.

development of government to citizen (G2C) services. The key objectives of e-district are to e-enable the highly visible services offered to the citizens, infusion of transparency and accountability in Service delivery, reduction of administrative burden in delivering the services through process simplification and infusion of ICT, to integrate the e-District with other key Mission Mode Projects (MMP), to make use of Common Service Centres to deliver the services to citizens at the village level, to create and maintain accurate, current and complete citizen related data-sources for ensuring that government benefits are extended to the eligible citizens, and to create a sustainable model and supporting structures for effective implementation of MMP in all the Districts across the State.

Some of the key services targeted for delivery were Issuance of Birth/Death/Caste etc. certificates, old age/widow pension, electoral services, Public Distribution System (PDS) etc. Details of services identified for implementation under e-District in Jharkhand are shown in *Appendix-2.6.1*.

2.6.4 Audit objectives

The audit was conducted to ascertain whether:

- the enshrined objectives of e-District were achieved economically, efficiently & effectively;
- general and specific controls were in place to ensure data security, accuracy, reliability & consistency; and,
- robust backup plan existed and functioned effectively.

2.6.5 Audit criteria

The audit criteria were derived from the following:

- Guidelines issued by DIT, GoI for e-District;
- Jharkhand Municipal Act, 2011;
- General Financial Rules, 2005; and,
- Executive instructions issued from time to time.

2.6.6 Audit scope and methodology

Records related to implementation of pilot project of e-District were test checked in JAP-IT and working process of CSCs were also verified by visiting 25 CSCs (August 2013). Audit obtained database (September 2011 to August 2013) of e-District pilot project from JAP-IT and analysed the data of issuance of certificates⁴ using Computer Assisted Audit Techniques (CAATs) during August-September 2013. We discussed the audit objective, criteria and methodology with Officer on Special Duty (OSD), JAP-IT in an entry conference held on 13 August 2013. An exit conference was held with OSD, JAP-IT on 17 February 2014 to discuss the significant audit findings. Replies of the Government have been incorporated suitably.

⁴ (i) Birth, (ii) Death, (iii) Caste (iv) Income (v) Residential and (vi) OBC Creamy Layer

2.6.7 Fund flow under e-District

The first instalment as 50 per cent of project cost i.e. ₹ 1.60 crore (i.e. ₹ 40.12 lakh to NICS and ₹ 1.20 crore to JAP-IT) was released to the implementing agencies in March 2008 for consultancy, hardware, software, data digitisation, capacity building etc. components of the project. JAP-IT spent ₹ 1.34 crore (including interest on grant funds) by August 2013 for making payments to the Tata Consultancy Services (the vendor). The second instalment of ₹ 1.60 crore was to be released on utilisation of released funds, however, the same was not released by DeitY, GoI till date of audit (August 2013). Details of which are discussed in paragraph 2.6.11.

2.6.8 Delay in submission of Utilisation Certificate

As per the administrative approval, 50 per cent of the sanctioned amount was to be released as 2nd installment after receipt of Utilisation Certificate (UC) of the amount released as 1st installment. Further, as per Rule 212 of General Financial Rules, 2005, UC should be submitted within 12 months of the close of the financial year during which the amount was received.

As mentioned in para 2.6.7, DeitY, GoI released first installment of ₹ 1.20 crore to JAP-IT in March 2008 and interest of ₹ 14.61 lakh was earned on these funds. We noticed that JAP-IT submitted the first UC for ₹ 1.29 crore in September 2012 and final UC of ₹ 1.34 crore in August 2013 against these funds. As JAP-IT could not fully utilise the grant and furnish UC timely, the 2nd installment of ₹ 1.60 crore was not released by DeitY, GoI till date of audit (August 2013) which affected the initiation of data digitisation work.

On this being pointed out the Government while accepting the observation stated (January 2014) that the first UC was sent in September 2012, however transfer of the second installment was delayed owing to a direction (November 2012) from the Department of Expenditure, GoI which required that any Grant in Aid (GIA) funds available with the State may either be utilised or surrendered before any further transfer of funds.

The fact remains that had the State utilised the fund on time and furnished UC accordingly, the second installment of fund would have been received. In absence of second installment data digitisation of legacy data could not be done.

2.6.9 Implementation of e-District project

The Pilot e-District project was administratively approved (March 2008) with the condition to implement the project within 18 months i.e. by September 2009. We noticed during audit that the agreement was executed (January 2010) by JAP-IT with Tata Consultancy Services (TCS) Limited for software design and development, procurement and supply of hardware and network infrastructure etc. with time line of four months for the delivery of software from the date of signing of the contract.

The project has gone operational only in September 2011, with a delay of two years. As of March 2013 only one service (issue of certificates) was

Utilisation Certificate of the amount released as 1st installment was not furnished in time.

Even after a lapse of five years six services could not be started through Common service delivery outlets.

operational and subsequently three⁵ more categories of services were rolled out and links were provided for electoral service, revenue court and consumer courts (January 2014). Thus, the basic objective of e-District to provide integrated citizen services through common service delivery outlets was denied to the common man. The services are yet to be provided (January 2014).

The State Cabinet decided (September 2013) not to extend the pilot e-District application developed by TCS to other districts. Instead, it had approved (September 2013) the proposal of rolling out Service Plus Application of National Informatics Centre at two districts, Ramgarh and Hazaribagh, for the pilot services before final approval for state wide rollout. It was ascertained that the reason for not rolling out the e-District pilot application developed by TCS to other districts was due to lack of co-operation and not showing the expected progress by the system integrator (TCS).

The Government replied (January 2014) that approval has been obtained for the Service Plus platform developed by NIC for State wide roll out in place of e-District project developed by TCS. However, OSD, JAP-IT replied (November 2013) that the delay in implementation was due to delay in completion of pre-conditions viz. finalisation of SRS, Digital Signature, connectivity etc. The District Administration decided to roll out the services in a phased manner.

The reply is not acceptable as five years lapsed from the sanction of the project, the decision of rolling out services in phased manner also amounts to denial of services at the door step of the citizen which was the very essence of e-District. Further, a new system is being adopted, again on pilot basis, for rolling out the services of e-District state wide.

2.6.10 Absence of Legacy data

Manually issued certificates were not digitized and the legacy data was not migrated into the system.

Prior to introduction of e-District, issue of certificates of birth, caste, income etc. were being done through e-Nagrik, a system developed by the National Informatics Centre (April 2007). Prior to e-Nagrik, these certificates were issued manually. As per the best practices the legacy data of previous issued certificates and the manually issued certificates were required to be digitised and migrated into new system to complete the database for the purpose of verification. In absence of the legacy data, there was risk of issuance of certificates to ineligible citizens without verification against earlier issued certificates.

We during audit noticed that provision of ₹ 25 lakh for data digitisation was made in the e-District. However, data analysis revealed that neither manually issued certificates were digitised nor the legacy data of e-Nagrik was migrated into the database of e-District. Due to this completeness, accuracy and reliability of data could not be ascertained.

⁵ RTI Application under Public Grievance Redressal & Old Age/Widow/Disability Pension under Pension Schemes both in June 2013 and Government Dues & Recovery in July 2013.

On this being pointed out the Government replied (January 2014) that the fund earmarked for data digitisation had to be utilised for payment of invoices of TCS pending release of second installment from DeitY.

The fact remains that the fund could not be utilised in time, which actually delayed the release of second installment. Consequently, data was not digitised in respect of even one service i.e. issue of certificates.

2.6.11 Avoidable expenditure of ₹ 90.14 lakh due to non-establishment of State Data Centre (SDC)

State Data Centre (SDC) is an important element of the core infrastructure of NeGP for implementation of e-District to provide functionalities like central repository of the State, secure data storage, online delivery of services, citizen information portal, state intranet portal, disaster recovery, remote management and service integration etc.

We during audit noticed that an SDC was being created at Ranchi but due to delay in handing over of the constructed building by the Building Construction Department and execution of substandard work SDC could not be established so far (January 2014).

We further noticed that out of total allocated (March 2008) amount ₹ 3.20 crore for eight components⁶ of Pilot e-District project, ₹ 2.09 crore was to be spent on four components⁷. An agreement was executed (January 2010) by JAP-IT with TCS for ₹ 3.00 crore for execution of these four components and various other items viz. Support services for 5 years, Storage Area Network (SAN), Domain Name Server (DNS), Load Balancer, various software like antivirus, office automation etc. which were not covered under the Pilot guidelines and without approval of DIT, GoI. Though permission was sought (November 2009) for sanction of the additional amount of ₹ 90.14 lakh for these other items but DIT, GoI refused (January 2010) to sanction the same. Subsequently, the State Government sanctioned (February 2010) the additional amount of ₹ 90.14 lakh. Thus, inclusion of additional items like SAN, DNS etc. in the agreement resulted in extra burden of ₹ 90.14 lakh on the State Exchequer.

On this being pointed out the Government while accepting the observation replied (January 2014) that additional items were procured because SDC was not in operational condition and the items were required for the pilot project going live.

The fact remains that expenditure for these items could have been avoided, had there been proper synchronisation and co-ordination for timely establishment of SDC under NeGP.

State Data Centre could not be established and additional expenditure of ₹ 90.14 lakh was incurred.

⁶ (i) Hardware- ₹ 73.62 lakh (ii) System software- ₹ 35.83 lakh (iii) Application software- ₹ 90 lakh (iv) Data digitization- ₹ 25 lakh (v) BPR and Consultancy- ₹ 75 lakh (vi) Training- ₹ 10 lakh (vii) Administrative expenses- ₹ 5 lakh and (viii) NICS charges- ₹ 5.24 lakh

⁷ (i) Hardware- ₹ 73.62 lakh (ii) System software- ₹ 35.83 lakh (iii) Application software- ₹ 90 lakh and (iv) Training- ₹ 10 lakh

2.6.12 Business Continuity Plan

Backup policy of taking daily backups was not adhered.

Business Continuity Planning (BCP), a term that covers both disaster recovery planning (DRP) and business resumption planning. BCP is the preparation and testing of measures that protect business operations and also provide the means for the recovery of technologies in the event of any loss, damage or failure of facilities. Further, a sound backup policy and its effective implementation ensure easy data retrieval in the event of unforeseen disruptions.

A backup policy was in existence and it required taking daily backup of full data dump and archive log.

During audit we noticed that on 5th September 2013 the e-District server went down due to hardware data block corruption in Storage Area Network⁸ space and the certificates were issued manually as the system could not be restored for two days. Due to non-existence of a backup server, e-District portal could not be started immediately. Moreover, the data for one day was lost permanently due to non-adherence of backup policy of taking daily backups. The system was restored by restoring the data dump taken on 2nd September 2013 and by applying the available archive logs upto 3rd September 2013 (till 4:00 PM). This shows that data backup was not taken daily as data dump for 3rd and 4th September 2013 was not retrievable contrary to the backup policy.

On this being pointed out the Government while accepting the observation replied (January 2014) that Data block corruption in Storage Area Network (SAN) space is a rare occurrence at hardware level. However, periodic mock drills are being planned and the same has been given to the concerned authorities through mail for its strict adherence for the security of the system.

The facts remain same due to non-adherence of backup policy, the crucial data was lost permanently.

2.6.13 Delay in issue of certificates

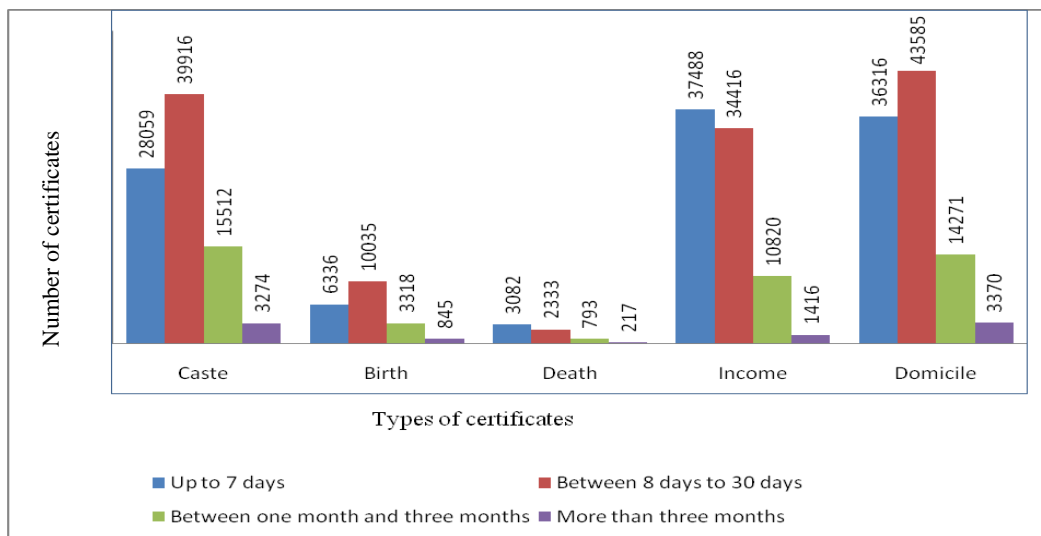
Certificates were issued with a delay up to 557 days.

As per Cabinet decision (September 2011) the time limit for electronic delivery of certificates through e-District was seven days.

Audit analysed the database, related to issue of certificates and noticed that there were delays in issue of certificates which ranged between one and 557 days as shown in **Diagram 2.6.1**:

⁸ SAN is a high speed network of storage devices which connects them with server.

Diagram 2.6.1: Showing delay in issuance of certificates



During visit of CSCs, it was intimated by CSC personnel that CSCs were uploading the information/documents into the system in about one to four days from the date of receipt of the application. This delay was in addition to the delay analysed above and was a hidden delay as this was not captured in the system.

Thus, the basic objective of the Business Process Reengineering (BPR) i.e. by making the process faster to provide the services promptly and in a timely manner was not achieved.

On this being pointed out the Government while accepting the observation replied (January 2014) that this issue is now being taken care of by the introduction of e-mail alerts to supervisors of all those officers/staff who do not forward/approve the application on time.

2.6.14 Inadequate input and process controls

2.6.14.1 Caste-certificates were issued to the same Person showing different caste

To restrict the issuance of multiple caste certificates to a single person there should exist a validation parameter by combining Name, Father’s name and address etc.

Audit analysed the database provided by the JAP-IT and observed 88312 cases of issuance of caste certificates. During analysis of data it was noticed that in 199 out of 88312 cases, caste-certificates were issued to the same person with different caste-class viz. SC/ST/BC/OBC. Few examples are given in **Table 2.6.1:**

Multiple Caste-certificates were issued to same persons with different caste.

Table 2.6.1: Issuance of caste certificate to same persons of different caste

Token No.	Caste AppMast Id	Reg. No.	Caste Class	Name	Relative Name
258668	159726	RNC/ANGRA/CHILDA G/CST/58468/2013	OBC	Tanu Kumari	Milan Mahto
213574	153614	RNC/ANGRA/CHILDA G/CST/52530/2013	OBC (Creamy)	Tanu Kumari	Milan Mahto
312019	180581	RNC/RNC-Halka II/CST/78753/2013	SC	Savitri Kujur	Anuj Kujur
312009	180582	RNC/RNC-Halka II/CST/78754/2013	ST	Savitri Kujur	Anuj Kujur
66672	117344	RNC/ITKI/KULLI/CST/17202/2012	SC	Ravi Kerketta	Raghu Kerketta
25234	104723	RNC/ITKI/KULLI/CST/4680/2012	ST	Ravi Kerketta	Raghu Kerketta

This indicates that the software contains no programming elements to generate alerts or validation by restricting issuance of multiple certificates to one person.

Thus, there was lack of suitable input as well as process controls in the system. Caste-certificates with different caste to the same person may be misused for getting various relaxations given by the Government.

On this being pointed out the Government while accepting the observation replied (January 2014) that Advanced Duplicate check measure has been implemented in October 2013.

2.6.14.2 Multiple Birth/Death-certificates issued to the same person

Certificate of Birth authorises an applicant regarding his age eligibility at various fronts viz. admissions in educational institutes, services, inclusion into voter list etc. whereas certificate of Death authorises a claimant for any kind of benefits accrued after one's death. Issue of multiple birth/death certificates in favour of same person would affect the reliability of statistics of the Government as each issuance of birth/death certificate is recorded as a unique birth/death and hence would lead to wrong assessment of the eligibility of a candidate.

Audit analysed 20616 cases of issuance of birth certificates from the database provided by JAP-IT.

Multiple Birth/Death-certificates were issued to same persons.

- In 948 cases more than one birth certificate were issued in the name of same person having same name of parents.
- In 764 out of these 948 cases the birth certificates were issued with same date of birth. Some instances of issuance of more than one birth certificates to same person with same date of birth are given in **Appendix-2.6.2**.
- In 184 out of 948 cases, the birth certificates with different date of birth were issued to the same person. For example:

APPMST_ID	Date of Birth	Name of Child	Father's Name	Mother's Name	Reg. No.
107816	20/04/2000	Anchal Rani	Arun Hajam	Nishi Devi	RNC/ITKI/ITKIW/B IRT/7817/2013
108597	20/04/2002	Anchal Rani	Arun Hajam	Nishi Devi	RNC/ITKI/ITKIW/B IRT/8598/2013

(Some other instances are shown in Appendix-2.6.3)

Similarly, during analysis of 6,471 cases of issuance of death certificate in the database it was noticed that

- In 308 cases more than one death certificates were issued for the same person.
- In 290 out of these 308 cases the date of death of the person was same. Some instances of issuance of death certificates to same person with same date of death are given in **Appendix-2.6.4**.
- In rest 18 out of 308 cases the date of death was different. For example:

Token No.	Date of Death	Deceased Name	Deceased Relative Name	Reg. No.
269882	31/12/2012	Tulsi Paitandy	Balram Paitandy	RNC/RNC/DEA TH/5316/2013
329601	31/01/2013	Tulsi Paitandy	Balram Paitandy	RNC/RNC/DEA TH/6474/2013

(Some instances are shown in Appendix-2.6.5)

This was possible due to lack of input/process control in the system. Absence of any check in the software to restrict duplicate entry of same birth/death resulted in issue of multiple birth/death certificates.

On this being pointed out the Government while accepting the observation replied (January 2014) that Advanced Duplicate check measure has been implemented in October 2013.

2.6.15 Conclusion

The project went live on 13 September 2011. Only one service, out of 10 services selected, was being provided to the citizen through e-District as of March 2013. The basic objective of speedy service delivery could not be met due to delay in issue of certificates in prescribed time. The system was not fully secure and reliable as multiple birth, death and caste certificates were issued to the same persons. There were no alternative measures in place to handle accidental loss of data and start the services (e-District portal) immediately in case the e-District server went down.

2.6.16 Recommendations

The Government may consider:

- *Having an action timeline for introduction of critical services like online delivery of PDS ration cards to the citizens;*
- *To migrate the legacy data in the database of e-District;*
- *To take efforts for timely issuance of the certificates;*
- *To address the input and process control issues pointed out in the report to ensure accuracy and reliability in data; and,*
- *To devise a Business Continuity Plan and take necessary action to reduce frequency and impact of server downtime.*

Human Resources Development Department

2.7 Utilisation of Twelfth Finance Commission Grants under Education Sector

2.7.1 Introduction

The Twelfth Finance Commission (TFC) was constituted by the President of India (November 2002) under Article 280 of the Constitution of India with a view to strengthen fiscal condition of the States by way of tax devolution and grants-in-aid to the States. Based on the assessment of needs and developmental concerns of Jharkhand, TFC recommended grants-in-aid of ₹ 3,032.82 crore for nine sectors¹ of the State for the award period 2005-10, of which ₹ 651.73 crore was for Education Sector.

The State suffered from critical gaps in the accessibility of secondary education and the existing schools (both primary and secondary) suffered from acute shortage of infrastructure in the form of building, furniture, library, laboratory and other essentials. The State intended to fill these critical gaps with all essential infrastructures with the help of funds recommended by TFC and sanctioned by the Government of India (GoI).

At State level, the Principal Secretary, Human Resource Development Department (HRDD) assisted by two Directors one each for Primary and Secondary Education was responsible for implementation of the projects/programmes carried out under TFC grants. In addition to them, the State Project Director (SPD), Jharkhand Education Project Council (JEPC²), was to co-ordinate the execution of the projects/works for Primary Education.

The Deputy Commissioners (DCs), District Education Officers (DEOs) for Secondary Education and District Programme Officers (DPOs) for Primary Education were the Officers responsible for implementation of the Programme at district level.

To assess the economic, efficient and effective utilisation of TFC grants, we conducted an audit of this Sector between May and July 2013 by test check of records in the offices of the Principal Secretary, HRDD and Directors, Secondary Education and Primary Education and SPD, JEPC at State level. Besides, we selected seven³ out of 24 districts by Monetary Unit Sampling (MUS) Method and an additional district Palamau was taken up on the request of Principal Secretary, HRDD.

The audit objectives and scope of audit were discussed with the Principal Secretary of the Department on 17 May 2013 in an entry conference. In spite of several requests, the Principal Secretary did not give time and as such the exit conference could not be held. However, the Department's replies have been received (September 2013 and January 2014) and have been incorporated in this report at appropriate places.

¹ Education, Health, Maintenance of roads and bridges, Maintenance of Public buildings, Maintenance of forests, Heritage conservation, State Specific Needs (Development of Capital and Police force), Local Bodies and Calamity Relief.

² A registered society for implementation of Sarva Shiksha Abhiyan (SSA) programme.

³ Dumka, Gumla, Hazaribag, Koderma, Lohardaga, Ranchi and West Singhbhum.

Audit findings

2.7.2 Planning

Assessment of infrastructural needs

Twelfth Finance Commission recommended (November 2004) ₹ 651.73 crore for Education Sector earmarking funds for each year of the award period i.e. 2005-10. GoI communicated (May 2005) the guidelines for release and utilisation of TFC grants to the State Government. As per the guidelines, a High Level Committee (HLC) headed by the Chief Secretary with Finance Secretary and Secretaries of concerned Departments as members was to be constituted in the State to ensure proper utilisation of grants. HLC was to approve the projects at the beginning of every year, quantify the physical and financial targets and decide time schedule for completion of the work.

We noticed in audit the following:

- The Finance Department of the State Government communicated (September 2005) TFC recommendations to HRDD asking for submission of a Consolidated Plan for entire five year period of TFC as well as year-wise plan equal to grant earmarked for that particular year. HRDD, however, submitted (July 2006) Consolidated Plan of ₹ 652.62 crore for entire TFC period to HLC after a lapse of nine months. HLC approved (August 2006) the Consolidated Plan of ₹ 651.73 crore, equal to allocated grants of TFC.

It was seen in audit that projects to be executed each year of the award period were not quantified though required to be done as per guidelines of TFC. Further, unit cost of each work prepared by HRDD was on *ad-hoc* basis and not as per detailed estimates.

Since, the year-wise list of projects was neither prepared by HRDD nor targets were quantified and approved by HLC, the Government of Jharkhand (GoJ) released entire fund of ₹ 456.72 crore⁴ including TFC grants of ₹ 379.77 crore to Primary and Secondary Education Directors in two phases each for Primary and Secondary Education during 2007-08 to 2008-09. As the projects were not taken up on the basis of year-wise planning, HRDD took up works costing ₹ 520.10 crore against the total released TFC grants of ₹ 379.77 crore against total allocation of ₹ 651.73 crore. The State Government has to bear burden of ₹ 140.33 crore (₹ 520.10 crore- ₹ 379.77 crore) for completion of these works due to short release and subsequent lapse of TFC grants by GoI owing to non-fulfilment of conditions for release of second instalment by the State Government as detailed in paragraph 2.7.3.1.

- It was further seen that the Special Secretary, HRDD asked (September 2006) both the Directors of Primary and Secondary Education to prepare Detailed Project Report (DPR) of projects to be taken up through TFC

As the works were not taken up on the basis of year wise plan Government has to bear burden of ₹ 140.33 crore.

Department took two years for preparation of DPR; hence, works could not be started in first three years.

⁴ ₹ 456.72 crore were released by GoJ to implementing agencies during 2007-09 (Secondary Education ₹ 215.27 crore in January 2008 and September 2008 & Primary Education ₹ 241.44 crore in December 2007 and August 2008). However out of total grants of ₹ 379.77 crore, ₹ 77.50 crore was released by GoI during 2009-10.

grants. Both the Directors took about two years in finalisation (September and November 2008) of DPRs of Primary and Secondary education schools⁵. The reasons for such long delay in preparation of DPRs were not available in the records.

As the detailed estimates of works were prepared and approved during 2008-09, no work was executed during the first three years (2005-08) of TFC award period (2005-10). Since the works were not executed during 2005-08 and the unit cost of works at the time of approval of Consolidated Plan was on tentative basis, the estimated cost of works was prepared (June and November 2008) based on current Schedule of Rates resulting in increase in the unit cost of works and decrease in the number of works to be taken up as can be seen in the **Table 2.7.1**:

Table 2.7.1: Works approved by HLC and works actually taken up

Sl. No.	Name of Work	Projects initially approved by HLC in 2006			Revision of number and cost of units approved by HLC in July 2008 and January 2009			Works finally taken up			Funds provided (₹ in crore)
		Unit Cost (₹ in lakh)	No. of Units	Total Cost (₹ in crore)	Unit Cost (₹ in lakh)	No. of Units	Total Cost (₹ in crore)	Revised Unit Cost (₹ in lakh)	No. of Units	Total Cost (₹ in crore)	
Primary Education											
1.	Upgradation of Education Guarantee Scheme(EGS) Centres to Primary Schools (New School Buildings)	3.25	10000	325.00	24.60	197	48.46	24.60	183	45.02	241.44 ⁶
2.	Kasturba Gandhi Balika Vidyalaya (KGBV) residential School	20.00	155	31.00	00	00	00	20.00	80	16.00	
3.	Strengthening of Basic Schools	40.00	128	51.20	64.70	116	75.05	00	00	00	00
4.	Additional Class Rooms	00	00	00	2.46	1015	24.99	00	00	00	00
Secondary Education											
5.	Project Schools	26.00	110	28.60	62.15	110	68.37	62.15	110	68.37	68.37
6.	Up-gradation of Middle Schools into High Schools	21.00	250	52.50	00	00	00	00	00	00	00
7.	Up-gradation of 161 High Schools into (+2) Schools and 59 existing (+2) Schools	61.00	220	134.20	137.00	106	145.22	137.00	103	141.11	141.11
8.	Construction of Boundary Wall of Girl's Secondary (High) Schools	10.00	295	29.23	10.00	310	31.00	10.00	58	5.80	5.80
Total			11158	651.73		1951	651.78		655	520.10	456.72

(Source: HRDD)

⁵ Primary: Kasturba Gandhi Balika Vidyalayas (KGBVs) and New School Buildings (NSBs), Secondary: +2 High Schools, Project High Schools.

⁶ Originally ₹ 241.44 crore were provided by HRDD: (i) for EGS Centre/NSB ₹ 165.64 crore, (ii) for KGBV ₹ 31 crore and (iii) for Basic Schools ₹ 44.80 crore. However, finally out of ₹ 241.44 crore ₹ 22.53 crore was utilised for construction of EGS centre/NSB and ₹ 214.29 crore for KGBVs and ₹ 12.97 crore (with interest) are still lying with DPOs.

From **Table 2.7.1**, it is evident that the unit cost of Education Guarantee Scheme (EGS) Centres, Kasturba Gandhi Balika Vidyalayas (KGBVs), Project High Schools and +2 High Schools had increased. The additional funds required for construction of EGS Centres, KGBVs and Project Schools due to increase in unit cost was met by reducing the number of initially approved units of EGS Centres, KGBVs and +2 High Schools and not taking up the works of strengthening of Basic Schools and up-gradation of Middle Schools.

The Director, Secondary Education cum Special Secretary accepted (January 2014) the audit findings and stated that in future Department would be vigilant in utilisation of grants of Finance Commission. The fact remains that due to lack of proper planning the school projects taken up from TFC grants were delayed and number of school buildings to be constructed was reduced due to increase in per unit cost which affects accessibility for education.

- HLC approved (August 2006) construction of boundary walls in 295 girls High Schools at a unit cost of ₹ 10.00 lakh each. However, HRDD sanctioned (November 2007) ₹ 31.00 crore for construction of boundary walls in 310 girls High Schools despite the fact that there were only 58 girls High Schools in the State for which funds amounting to ₹ 5.80 crore were released (January 2008). We noticed in four test-checked districts⁷ that out of 58 schools funds of ₹ 1.10 crore was released by the Director, Secondary Education, for 11 such schools where boundary walls already existed in these schools.

The Director, Secondary Education cum Special Secretary stated (January 2014) that due to incomplete information available with the Directorate, fund was released. Reply indicates that Department did not have a complete database and funds were released without assessment of actual needs.

- Director, Primary Education released (February 2008) ₹ 46.40 crore to DEOs of different districts for construction of basic school buildings without assessment of actual requirement for 116 Basic Schools. However, 41 Headmasters of concerned Basic schools in a State level meeting (July 2008) stated that there was no requirement of new buildings in their schools. Further, as instructed by Director, Primary Education DPRs were to be prepared by the concerned DEOs and to be approved by the Department. Scrutiny revealed that although ₹ 44.80 crore was withdrawn (February March 2008) from treasuries by DEOs and kept in Personal Ledger Accounts, DPRs were not prepared even for a single school. For the above reasons, State Government instructed (March 2010) DEOs to transfer the funds kept in Personal Ledger Accounts to JEPC for construction of KGBVs. Consequently, funds amounting to ₹ 44.80 crore for construction of buildings of basic schools were transferred to JEPC during 2010-11 for construction of KGBVs. Thus, due to entrustment of DPR preparation for basic schools to DEOs in spite of fact that DPRs for other works (KGBVs and +2 High School) were prepared at State level, the entire fund was kept idle for more than two years and 75 basic schools were deprived of new buildings although funds were available.

⁷ Gumla, Lohardaga, Ranchi and West Singhbhum.

The Director, Primary Education replied (September 2013) that the Department in consultation with Finance Department decided to take back the fund from DEOs for completing the ongoing work of KGBVs. The fact remains that the works were planned and funds were released without assessment of actual needs.

It was evident from the above that the Consolidated Plan was prepared after a delay of nine months, DPRs for KGBVs and High schools were prepared on ad-hoc basis after a delay of two years, DPRs were not prepared for basic schools and complete data regarding status of schools infrastructure had not been maintained by the Department. As a result, projects were taken up after delays of three years and TFC grants were not utilised fully.

2.7.3 Financial Management

2.7.3.1 Short-release of grants by Government of India due to non-fulfilment of conditions by the State Government

According to TFC guidelines, the grants were to be released in two equal instalments each year of award period 2005-10. While there was no pre-condition for release of the first instalment of grants in any year, the second instalment was to be released only after the fulfilment of prescribed conditions of maintaining of Non-Plan Revenue Expenditure (NPRE) of Education Head not below the projected figures of NPRE as per TFC guidelines during 2005-06 to 2009-10. The State Government had to make budget provision every year as per recommendation of TFC and sanction the fund for projects as approved by the HLC. Detailed condition for release of 2nd instalment of TFC grants and actual status of relevant budgetary provision vis-a-vis bench marks set by TFC are given in *Appendix-2.7.1*.

We observed in audit that the State Government failed to maintain NPRE under Education Head as per TFC guidelines for four years continuously and thus did not fulfil the conditions for release of second instalment of grants. As a result, GoI did not release the same during 2006-10. The year-wise allocation and release of grants is given in the **Table 2.7.2**:

Table 2.7.2: Year-wise allocation and release of grants for education sector

(₹ in crore)

Year	Allocation by GoI	Actual release by GoI		Total release by GoI	Short Release
		1 st Instalment	2 nd Instalment		
2005-06	107.82	53.91	53.91	107.82	0
2006-07	118.06	59.03	0	59.03	59.03
2007-08	129.28	64.64	0	64.64	64.64
2008-09	141.56	70.78	0	70.78	70.78
2009-10	155.01	77.5	0	77.5	77.51
Total	651.73	325.86	53.91	379.77	271.96

(Source: HRD Department)

Due to non-fulfillment of condition, second installment of ₹ 271.96 crore were not provided by the GoI during 2006-10.

Thus, against the total allocated grants of ₹ 651.73 crore, the State received only ₹ 379.77 crore (58 per cent) and was deprived of ₹ 271.96 crore (42 per cent) due to non-fulfilment of conditions for its release.

Due to short receipt of TFC grants, against 11,158 works approved by HLC, only 655 works could be taken up by the Department at an estimated cost of ₹ 520.10 crore as detailed in **Table 2.7.1**. For implementation of these 655

works⁸, the Department released only ₹ 456.72 crore. HRDD, in addition to TFC grants of ₹ 379.77 crore had provided additional fund of ₹ 76.95 crore from State resources. However, it was still short of foregone TFC grants of ₹ 271.96 crore.

2.7.3.2 Non-utilisation of funds

Rule 300 of the Jharkhand Treasury Code stipulates that 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 demands from the Treasury either for the execution of works, the completion of which is likely to take a considerable time or to prevent the lapse of appropriations.

Rupees 12.97 crore remained unutilised with DPO, ₹ 23.82 crore with DEO and ₹ 20.25 crore with implementing agencies.

- The Director, Secondary Education, HRDD allotted (2007-08 to 2008 -09) ₹ 217.58⁹ crore to all DEOs for construction of School buildings and boundary walls in secondary/high schools. Of the total allotted fund of ₹ 217.58 crore, DEOs withdrew (January 2008 to March 2009) only ₹ 215.27 crore from the Treasury, and released (July 2008 to May 2013) ₹ 191.45 crore to Implementing Agencies for construction works and balance amount of ₹ 23.82 crore remained unutilised with the concerned DEOs for more than four years. Further, Implementing Agencies also utilised only ₹ 171.20 crore and ₹ 20.25 crore remained unutilised with them as of December 2013.

The Director, Secondary Education cum Special Secretary stated (January 2014) that due to local litigation, work could not begin in some schools although funds was released for all sanctioned schools.

The reply is not acceptable as only one case pertaining to litigation was seen in audit and funds remained unutilised due to excess release of funds by the Department, funds released without requirement and non-completion of work due to shortage of technical staff.

Similarly, for works¹⁰ pertaining to Primary Education, funds of ₹ 196.64 crore were provided (2007-09) to JEPC by the Director, Primary Education. In addition to this, funds of ₹ 44.80 crore provided (February 2008) to DEOs by Director, Primary Education for strengthening of basic schools were transferred (May 2010 to October 2010) to JEPC for its utilisation in construction of KGBVs. Against the available funds of ₹ 241.44 crore, JEPC released the entire amount¹¹ during 2007-13 to different DPOs for execution of works, of which ₹ 12.97 crore including interest was still unutilised as of December 2013 with DPOs.

The Director, Primary Education replied (September 2013) that information regarding funds lying idle with DPOs was being collected. The fact remains that Director, Primary Education was not monitoring the utilisation of funds.

⁸ Education Guarantee Scheme Centres-183, KGBV-201, Project High Schools-110, +2 High Schools-103, Boundary walls-58.

⁹ ₹ 2.31 crore were not drawn from treasury.

¹⁰ KGBVs and New School Buildings (EGS Centres were taken up as New School Buildings).

¹¹ Up to March 2013- ₹ 220.93 crore ; after March 2013- ₹ 20.51 crore

Thus, total funds of ₹ 57.04 crore¹² remained un-utilised/blocked with DEOs, DPOs and implementing agencies for more than four years due to non-completion of works and release of funds in excess of requirement which was indicative of lack of monitoring and poor financial management.

2.7.3.3 *Release of funds by HRDD in excess of actual requirement*

HRDD directed (January 2008) all the Regional Deputy Directors and DEOs to get the work of construction of school buildings executed departmentally through Zila Parishad under which no contractor's profit was admissible. HRDD while allotting the funds, directed (October 2008) all DEOs to construct Ground+1 school building at an estimated cost of ₹ 137.00 lakh including contractor's profit. Since, the work was to be executed departmentally, there was requirement of only ₹ 124.53 lakh i.e. excluding contractor's profit (9.1 per cent) for construction of one +2 High School. The Department released (January and September 2008) funds of ₹ 141.11 crore (at the rate of ₹ 137.00 lakh per school) to DEOs of 20 districts for construction of 103 Nos. +2 High Schools instead of actually required amount of ₹ 128.27 crore (at the rate of ₹ 124.53 lakh per school). Thus, amount of ₹ 12.84 crore was released in excess of actual requirement. The excess released amount was either retained by districts or incurred on additional items.

In response to audit queries, DEO, Dumka replied (June 2013) that expenditure was incurred on additional items in the interest of work. DEO, Ranchi replied that funds would be refunded after consultation with the Department.

The Director, Secondary Education cum Special Secretary stated (January 2014) that on the basis of Measurement Book and report regarding the actual execution of work, the concerned executing agencies were made the payments.

The reply of the Department was not acceptable as on the one hand HRDD released ₹ 12.84 crore to concerned DEOs in excess of requirement and on the other hand approved number of +2 High Schools to be constructed were reduced from 220 to 103 due to shortage of funds. If the Department had released ₹ 124.53 lakh per school, it could have constructed 10 more +2 High Schools by utilising excess released funds of ₹ 12.84 crore. Thus, the Department failed to utilise the available funds efficiently.

- ***Creation of liability due to execution of work beyond approved scope of work***

As per Para 130 (a) of Jharkhand Public Works Department Code, it is a fundamental rule that no work shall commence or liability incurred in connection with it, until, administrative approval has been obtained, a properly detailed design and estimate have been technically sanctioned, appropriation of funds made and orders for the commencement issued by the competent authority.

Based on the approval of HLC for construction of ground+2 buildings in +2 High Schools, an estimate amounting to ₹ 192.83 lakh was technically approved (June 2008) by the Chief Engineer, Rural Works Department, South Chotanagpur and Santhal Pargana Zone. However, the Department opted (October 2008) to construct only ground+1 model building with an estimated

¹² DEOs- ₹ 23.82 crore; DPOs- ₹ 12.97 crore; Implementing Agencies - ₹ 20.25 crore.

Amount of ₹ 12.84 crore was released in excess of actual requirement.

cost of ₹ 137.00 lakh which was approved by HLC. Accordingly, funds of ₹ 137 lakh for each +2 High School was released by the Department to DEOs. DEO, Palamau book transferred (March 2009) ₹ 274.00 lakh to Executive Engineer (EE), Building Construction Division (BCD), Palamau for construction of two +2 High Schools. But, DEO while intimating about the transfer/deposit of funds for execution of these works to the Executive Engineer, BCD mentioned the estimated cost of building as ₹ 192.83 lakh instead of ₹ 137.00 lakh.

As DEO did not communicate the decision of the Department regarding construction of ground+1 building instead of ground+2 building, EE, BCD got the school buildings completed (April 2011 and December 2012) with a cost of ₹ 3.57 crore by entering into agreements (March 2010) with two contractors. Against the work cost of ₹ 3.57 crore, ₹ 2.73 crore was paid to contractors up to February 2014 and liability of ₹ 0.84 crore was created by the Executive Engineer, BCD due to work executed beyond approved scope.

The Director, Secondary Education cum Special Secretary accepted the observation and attributed it to lack of proper cooperation with the Engineering Department.

The fact remains that liability of ₹ 0.84 crore was created by Executive Engineer due to execution of work in excess of approved funds.

2.7.4 Execution of works

2.7.4.1 Physical and financial status of works

Financial and physical status of work taken up through TFC grants in the State is given in the **Table 2.7.3:**

Table 2.7.3: Financial and physical status of work in the State as of December 2013

Works	No. of works taken up by the Department	Estimated cost (₹ in crore)	No. of works taken up by implementing agencies	No. of works completed	No. of works incomplete	Expenditure (₹ in crore)
+2 High Schools	103	141.11	100	64	36	112.96
Project High Schools	110	68.37	108	72	36	57.24
Boundary walls	58	5.80	10	10	0	1.00
KGBVs (Departmental)	80	16.00	80	33	47	16.00
KGBVs (Tender)	121	243.80	118	60	58	198.29
New School Buildings	183	45.02	96	69	27	22.53
Total	655	520.10	512	308	204	408.02

(Source: HRD Department)

143 works could not be taken up due to land dispute, non-receipt of No Objection Certificates from Forest Department etc.

- From the above, it could be seen that for development of infrastructure in the State HRDD took up 655 works at an estimated cost of ₹ 520.10 crore, of which only 512 works were finally taken up (2007-09) by the implementing agencies. Balance 143 works could not be taken up due to land disputes, non-receipt of No Objection Certificates from Forest Department, already constructed boundary walls for which funds were

released, works pertaining to other newly created¹³ district, stoppage of works due to curtailment¹⁴ of funds by GoI and for want of revised administrative approval.

Of the 512 works taken by the IA, 308 works were completed and 204 works remained incomplete as of December 2013.

- Of the 512 works taken by the implementing agencies, 308 works were completed and 204 works remained incomplete as of December 2013 due to shortage of technical staff, local hindrances, works being executed in naxal affected areas and imprisonment of some Engineers to whom the funds were advanced for execution of works, non-availability of land in time and delays in release of fund to implementing agencies. An amount of ₹ 408.02 crore was spent on these works.
- For execution of work pertaining to Secondary Education, the Director, instructed (January 2008) all the Regional Deputy Directors and DEOs to get the work of construction of school buildings executed departmentally through Zila Parishads (ZPs) so that the works could be completed on time. The Department had prescribed (August 2008) that the works were to be completed by 15 March 2009 which was revised (August 2010) to 30 September 2010. The Department transferred (January and September 2008) funds to DEOs who transferred (July 2008 to May 2013) them to concerned ZPs for execution of works. In seven¹⁵ test-checked districts, out of 111 works¹⁶ assigned to ZPs, 79 works were completed and 30 works remained incomplete as of June 2013 despite completion of TFC period in March 2010. In seven test- checked districts except Palamau there was shortage of Engineers. Against the sanctioned strength of 37 Engineers, only 11 Engineers were in position as of June 2013 in ZPs of these seven districts. Moreover, District Engineers of four¹⁷ districts also stated that works could not be completed due to shortage of manpower.

Assigning the departmental execution of works to Zila Parishad without ascertaining the availability of Engineers.

Thus, assigning the works to ZPs without ascertaining the availability of Engineers was one of the reasons for non-completion of these 30 works.

The Director, Secondary Education cum Special Secretary did not give (January 2014) any specific reply to the audit comment.

2.7.4.2 Incomplete buildings for want of approval of revised estimates

HLC approved (August 2006) ₹ 31 crore for construction of buildings of 155 KGBVs. Cost of each building was ₹ 40 lakh, of which ₹ 20 lakh would be met from TFC grants and remaining ₹ 20 lakh from GoI funds. HRDD sanctioned and allotted (November-December 2007) ₹ 31 crore to the Director, Primary Education for construction of these 155 KGBVs. The Director transferred (March 2008) the grant to JEPC for initiating the work. JEPC, in turn, transferred ₹ 31 crore to DPOs of all the districts of the State for execution of works through School Construction Committees within six months of commencement of construction. However, construction of only 80 KGBVs was

¹³ The work was allotted to DEO of Hazaribag district but due to creation of a new district Ramgarh, bifurcated from Hazaribag district, some works were not taken up as it pertained to Ramgarh district.

¹⁴ Works of New School Buildings were stopped due to curtailment of funds by GoI.

¹⁵ Dumka, Gumla, Hazaribag, Koderma, Lohardaga, Ranchi and West Singhbhum.

¹⁶ +2 High Schools-40; Project High Schools-60 and Boundary walls-11.

¹⁷ Gumla, Koderma, Lohardaga and West Singhbhum.

taken up (2007-09) by the School Construction Committees and 33 KGBVs were completed. Remaining 47 KGBVs were incomplete after spending ₹ 18.80 crore as of December 2013 for want of additional funds as the revised estimate submitted by DPOs to JEPC and thereafter to Director, Primary Education, have not yet been approved. The Department had asked (May 2013) the remaining 75 School Construction Committees to refund the money. While 15 School Construction Committees have refunded the money, the balance fund (₹ 12.97 crore including interest) towards cost of 60 KGBVs were still lying with the School Construction Committees (December 2013).

2.7.4.3 Additional Kasturba Gandhi Balika Vidyalayas Works taken up without approval of HLC

HRDD submitted (December 2008) a revised proposal to HLC, without mentioning the fact that it had allotted ₹ 31.00 crore to JEPC for construction of already sanctioned 155 KGBVs during 2007-08. In the revised proposal, the cost of each KGBV was enhanced from ₹ 40.00 lakh to ₹ 264.96 lakh. HLC approved (January 2009) the revised cost and also revised its initial approval of ₹ 31.00 crore for construction of 155 KGBVs to ₹ 258.69 crore for construction of 97 KGBVs. The enhanced amount was to be met from TFC funds originally earmarked for construction of New School Buildings. Scrutiny of records of JEPC revealed that on the basis of revised approval of HLC, JEPC provided funds amounting to ₹ 207.88 crore to the concerned DPOs for construction of 121 KGBVs although HLC had approved construction of 97 KGBVs at a cost of ₹ 258.69 crore. As against 121 KGBVs, works of 118 KGBVs had commenced, 60 buildings were completed and 58 buildings were not completed as of December 2013 due to lack of funds. Thus, HRDD instead of approaching HLC/State Government for additional funds, stretching TFC grants for construction of 21 (118-97) additional KGBVs resulted in 58 buildings remaining incomplete.

2.7.4.4 Outstanding temporary advance

As per Para 100 of Jharkhand Public Works Account Code, temporary advances are granted to subordinate officers to make petty payments against passed vouchers. Subsequent advance is to be granted only after the adjustment of the first advance.

In three test-checked districts¹⁸, the District Engineers, Zila Parishads granted (September 2008 to January 2012) 89 advances of ₹ 32.02 crore to nine Assistant Engineers (AEs)/Junior Engineers (JEs) for construction of school buildings and boundary walls in violation of codal provision. Accounts submitted by AEs/JEs were not made available to audit. However, as per MB and information furnished by the implementing agencies we noticed that an amount of ₹ 26.08 crore was spent on construction works by these AEs/JEs. Therefore, an amount of ₹ 5.94 crore was outstanding against these AEs/JEs till date of audit (May - July 2013).

In reply (June and July 2013), the District Engineers of two Zila Parishad¹⁹ stated that necessary action would be taken to adjust the advances. District

¹⁸ Dumka, Koderma, West Singhbhum.

¹⁹ Dumka and Koderma.

Engineer, Zila Parishad, West Singhbhum stated (April 2013) that the concerned AEs and JEs were in jail, so the adjustment could not be made.

2.7.5 Monitoring and Evaluation

At State level, HLC was responsible for monitoring both physical and financial targets. HLC was required to meet at least once in every quarter to review the utilisation of grants and issue directions for mid-course correction, if considered necessary.

Scrutiny of records and information/documents collected from HRDD revealed that against the required 20 meetings in five years, the minutes of meeting pertaining to six meetings only were made available to audit. Scrutiny of the minutes of first to fifth meetings held between August 2006 and January 2009 revealed that these were held only to approve the works, revise numbers and cost of works. Physical and financial status of works was not monitored in these meetings. However, in the last meeting held in September 2009, HLC had shown its displeasure for delay in the completion of works at various levels and directed the Department for detailed monitoring.

The lack of monitoring by HLC and absence of monitoring mechanism at district level resulted in delay in completion of works.

For effective utilisation of grants, proper planning, efficient selection of implementing agencies and regular monitoring of the work at State and District level should be done.

2.7.6 Conclusion

The State Government failed to obtain the second instalment of allocated grants from GoI for four years continuously due to non-fulfilment of conditions laid down by GoI. Against the allocated grants of ₹ 651.73 crore, only ₹ 379.77 crore was received by the State Government. Due to short receipt of grant, the coverage for construction of buildings in schools was reduced. HRDD even failed to utilise the available grants and amount of ₹ 57.04 crore was lying unutilised with the District Education Officers, District Programme Officers and implementing agencies. As proper monitoring was not done at State and district level, 204 works remained incomplete as of December 2013, even after the lapse of TFC period in March 2010. Thus, the very objective of providing better infrastructural facilities and accessibility for education by utilisation of TFC grants in the State was not fully achieved.

CHAPTER – 3
COMPLIANCE AUDIT

CHAPTER-3

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.

3.1 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

3.1.1 Irregular payment of equipment advance

Irregular payment of equipment advance of ₹ 4.90 crore.

According to clause 51.1 of the conditions of contract¹ of Standard Bidding Document² (SBD), the employer shall make advance payment to the contractor of the amounts stated in the contract data³ by the date stated in the contract data, against provision by the contractor of an unconditional bank guarantee equal to the amount of advance payment. Interest was also not chargeable on the advance payment. As per para 32 of the contract data, the equipment advance was to be paid as 90 per cent for new and 50 per cent of depreciated value for old equipment and the total amount to be paid would be subject to a maximum of 5 per cent of the Contract Price. Further, as per clause 51.2 of the conditions of contract, the contractor was to use the advance payment only to pay for equipment, plant and mobilisation expenses required specifically for execution of the works. The contractor shall demonstrate that advance payment has been used in this way by supplying copies of invoices or other documents.

On scrutiny (November 2012) of records of the Executive Engineer (EE), Road Division, Manoharpur, we noticed that four road works⁴ were

¹ Section 3 of SBD i.e.; “Conditions of Contract” includes general and special terms and conditions of the contract applied on employer and the contractor.

² SBD is a bidding documents adopted by the RCD for projects costing more than ₹ 2.5 crore.

³ Section 4 of SBD i.e., “Contract Data” defines different authorities, monetary limits and time schedules applicable as per condition of contracts.

⁴ Widening and Strengthening (W/s) of Majhgaon to Noamundi via Khairpal Road (M-N-K Road) (00 km to 56.50 km), W/s of Saidal-Chhotanagra-Salai Road (S-C-S Road) (00 km to 22.80km), W/s of Salai-Manoharpur Road (S-M Road) (00 km to 22 km) and Re-construction of Hatgambharia-Jagannathpur-Noamundi-Barajamda-Baraiburu Raod (H-J-N-B Road) (00 km to 44.80 km).

administratively approved (December 2006 and August 2007) for ₹ 235.03 crore by the Road Construction Department, Government of Jharkhand. The works were awarded between March 2007 and February 2009 and completed during April 2010 to March 2012 at a cost of ₹ 268.48 crore.

We noticed that the contractors were paid equipment advance of ₹ 4.90 crore between June 2007 and March 2009 against the equipment which were already in the possession of the contractors i.e. before entering into agreements for these works. The payment of equipment advance against the equipment already in possession of the contractors was irregular as the advance was not utilised towards payment for equipment, plant and mobilisation expenses required specifically for execution of the works, as required under clause 51.2 of the conditions of contract.

In reply the EE stated (November 2012) that equipment advances were paid as per provision of Standard Bidding Document (SBD) as laid down in clause 51 of the condition of contract and clause 32 of the contract data. Reply is not acceptable as in these cases the contractors did not use the equipment advance for purchase of equipment, as the equipment against which advances were claimed and received, were already in the possession of the contractors and were purchased before execution of the agreements.

The matter was reported to the Government (May 2013); their reply has not been received (February 2014) despite reminders⁵.

HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

3.1.2 Avoidable expenditure

Purchase of higher priced medical equipment without recording justification and ignoring lowest priced technically approved equipment resulted in avoidable expenditure of ₹ 92.36 lakh.

Cabinet (Vigilance) Department Government of Jharkhand letter no. नि.वि-01-17 (त.प.को.) 2005/99 dated 13 February 2010 read with Finance Department letter no. Finance-4-96/2001/4940/वि. dated 31 July 2002 provides for procurement of goods and services under dual bid system according to which the technical bids are to be opened by the purchasing Department at the first instance and evaluated by competent authority. At the second stage the financial bids of technically qualified bidders are only to be opened for further evaluation for awarding the contract. Further, as per Rule 129 of Jharkhand Financial Rule⁶ (JFR) purchase must be made in the most economical manner in accordance with the definite requirements of the public service.

During scrutiny (May 2013) of records of Rajendra Institute of Medical Science (RIMS), Ranchi, we observed that RIMS invited (15 July 2011) tenders for supply of medical equipment (including neurosurgical operation

⁵ Reminders: Letter No. Report (Civil)/AR/2012-13/91 dated 19 July 2013, No.135 dated 28 August 2013 and No. 234 dated 04 October 2013.

⁶ Bihar Financial Rules adopted by Government of Jharkhand.

microscope, neurosurgical high speed pneumatic drill system and diathermy machine) under two bid system with the condition that the price bids of technically successful bidders whose equipment are of required quality would only be considered. The Purchase Committee of RIMS opened (26 August 2011) the technical bids and decided to constitute a Technical Evaluation Committee (TEC) for evaluating the technical bids received.

Director, RIMS constituted the TEC on 11 October 2011 for examination of technical bids. The TEC submitted its evaluation report to Director, RIMS on 25 January 2012, approving the technically suitable equipment. TEC also mentioned “Q-1” for some of the technically approved equipment which were stated to be of high quality. We noticed in audit that reasons for determining Q-1 were not recorded by TEC.

Financial bids of technically approved bidders were opened on 31 January 2012. The Purchase Committee of RIMS recommended (March 2012) equipment marked of high quality (Q-1) by TEC which were not the lowest in terms of price and the recommendation was placed (14 March 2012) before the Chairman, Governing Body, RIMS for direction. The Chairman directed the Purchase Committee to purchase high quality equipment adhering to the conditions of NIT, recommendations of TEC, guidelines and circulars of the Finance and other Departments. The Purchase Committee approved purchase of high quality equipment (Q1) which, were not the lowest in price though the lowest priced equipment were also technically approved by TEC. As a result, RIMS had to incur avoidable expenditure to the tune of ₹ 92.36 lakh as detailed in the table below:

(₹ in lakh)

Sl. No.	Name of equipment	Name of Technically approved bidders	Rate quoted	Approval of Purchase Committee	Quantity purchased (No.)	Avoidable Expenditure (approved rate-lowest rate)
1	Neurosurgical operation microscope	1. Indian Instruments Manufacturing Co.	170.00	Approved	1	50.00
		2. Sciemed Overseas Inc.	120.00	Lowest-1		
2.	Neurosurgical High Speed Pneumatic Drill System	1. Kailash Surgicals	30.07	Approved	1	39.34
		2. Medilab	50.68			
		3. Sciemed Overseas Inc.	34.93			
		4. Shree Yash	11.34			
3.	Diathermy machine	1. Medilab	25.00	Lowest-1	2	3.02
		2. Sciemed Overseas	7.49			
		3. Vishal Surgical	9.00			
Total Avoidable Expenditure						92.36

Thus, due to purchase of higher priced equipment instead of technically approved lowest priced equipment, the State exchequer had to bear avoidable expenditure of ₹ 92.36 lakh, in violation of Rule 129 of JFR.

On being referred (May 2013), the Government, replied (June 2013) that Purchase Committee approved the purchase in accordance with the directives that quality equipment from reputed company was to be procured and in

consonance with the approval of the Minister, Health, Medical Education and Family Welfare cum Chairman, Governing Body, purchases were made.

The reply is not acceptable as the tender conditions nowhere stipulated that the quality would be graded and preference would be given to best quality equipment. In case certain quality parameters were necessary these should have been included in the tender conditions for technical qualification. If higher quality (Q-1) bidders were to be awarded the contract, then there was no need to technically approve and open the price bid of other bidders. Moreover, the basis for determination of higher quality was also not recorded in TEC minutes. As such after opening of the price bids of technically approved bidders, the lowest price bids should have been accepted.

HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

3.1.3 *Financial irregularities*

Improper management of cash and non-adherence to financial rules resulted in non-accountal of receipt of ₹ 1.14 crore, unauthorised refund of ₹ 44.58 lakh and non-deposit of ₹ 4.06 lakh.

Rajendra Institute of Medical Sciences, Ranchi (RIMS) is an autonomous body of the State of Jharkhand. Section 6 (xv) of RIMS Act, 2002 empowers the institute to demand and recover fees and other miscellaneous charges as per regulations and rules framed by the State Government and to utilise it for the maintenance and development of RIMS.

According to Section 6 (xxiv)⁷ of the Act, RIMS outsourced (12 January 2006) the operation of cash counters for pathological and radiological tests to an agency with the condition that the agency would deposit daily cash collection with money receipts to the cashier of RIMS.

Scrutiny of the records (April-May 2012 and April-June 2013) relating to receipts and expenditure for the period 2010-13 revealed the following irregularities:

(i) *Non-accountal of cash receipts in Cash Book for ₹1.14 crore*

Rule 86 of JTC⁸ provides that Government servant receiving money on behalf of the Government should maintain Cash Book and all monetary transactions should be entered in Cash Book as soon as they occur and should be attested by the Head of office in token of check. The rule further provides that cash book should be closed and balanced each day regularly and completely checked. The head of the office should verify the totaling of the cash book or have this done by some responsible subordinate other than the writer of the cash book. At the end of each month, the head of office should verify the cash balance in cash book and record a signed and dated certificate to that effect. Rule 98 of JTC also provides that whenever moneys received on account of

⁷ The provision states that ancillary services could be provided by outsourcing, if found necessary but the basic services cannot be operated by outsourcing.

⁸ BTC was adopted by GoJ vide finance letter no.06/F dated 15 November 2000.

the revenues instead of being paid into Bank are utilised to meet departmental payments, the gross receipts and the payments made therefrom shall be entered as receipts and expenditure.

Scrutiny of records and practice adopted in RIMS revealed that out of total receipts received from the outsourced agency, the Junior Cashier handed over certain amount to Chief Cashier for depositing into the bank account of RIMS and also advanced money to the officers/officials of RIMS for incurring expenditure. For the purpose of receipts and advances, the Junior Cashier kept separate registers.

Scrutiny of registers maintained by the Junior Cashier revealed that the Receipt Register was an open ended register and during April 2010 to March 2013 the Register was never closed, balanced and signed by any officer or staff other than the Junior Cashier. Adjustment of advances was directly posted against individual entry of advances in Advance Register which was also never closed and balanced.

On being asked (May 2013) by Audit RIMS authority submitted (6 June 2013) a detailed statement of receipts and expenditure but without opening balance as on 1st April 2010. As per statement, Junior Cashier had received ₹ 9.90 crore as revenue during April 2010 to March 2013, of which ₹ 8.55 crore was deposited with the Chief Cashier and accounted for in the cash book of Chief Cashier. As regard balance ₹ 1.35 crore, a date-wise statement of advance of ₹ 39.43 lakh was submitted (of which ₹ 33.55 lakh was shown as adjusted but vouchers were not produced to audit) and ₹ 20.80 lakh (worked out as closing balance on 6 June 2013) was deposited into the bank account of RIMS on 17 June 2013 in compliance to audit query dated 13 June 2013. For remaining ₹ 75.34 lakh, RIMS furnished an abstract of expenditure but failed to furnish date-wise statement of expenditure and vouchers in support of expenditure stated to have been incurred by the Junior Cashier.

Abstract of ₹ 75.34 lakh as on 31 March 2013 (Amount in ₹)

Office Expenditure	TA	Telephone	Motor Vehicle	Medicine Supply	Diet	Total
5047462	708739	305397	1165684	67537	240009	7534828

Thus, due to non-accountal of residual ₹ 1.14 crore (₹ 1.35 crore- ₹ 0.21 crore) and also expenditure incurred therefrom in cash book violating Rules 86 and 98 of JTC Volume I may lead to possibility of misappropriation and even defalcation of RIMS money. Besides, opening balance as on 1 April 2010 was not accounted for in the statement so prepared.

On this being pointed out (June 2013) Director, RIMS stated (June 2013) that ₹ 20.80 lakh has been deposited in the bank at the instance of the audit findings. However, they were not in a position to furnish the exact figures of receipt for want of properly maintained cash book.

(ii) Unauthorised refund of ₹44.58 lakh

The fee and charges for Radiological/Pathological tests collected by the agency from the patients were refundable in case the concerned tests were not conducted only after authorisation by RIMS. The agency is required to submit copy of money receipts/refund to RIMS in support of revenue collected/refunded by it.

Scrutiny of consolidated cash deposit slips submitted by the agency to Junior Cashier revealed that the agency deposited collected revenue after adjusting refund of ₹ 54.19 lakh made to patients during 2012-13. However, Refund Register maintained by RIMS revealed that only ₹ 9.61 lakh was allowed for refund during 2012-13. As a result, there was an excess/ unauthorised refund of ₹ 44.58 lakh to patients.

Thus, RIMS failed to exercise adequate control over the refunds made by the agency despite maintaining Refund Register to watch refunds.

The Director stated (June 2013) that the agency was asked to refund the excess amount retained by it as it was not authorised to refund the amount.

The reply was not convincing because RIMS could have checked such irregularities if cash deposit slips were tallied with the entries made in the Refund Register maintained by RIMS.

(iii) Non-deposit of ₹4.06 lakh by the Outsourced Agency

Scrutiny of consolidated cash deposit slips for the period January to September 2011 submitted by the agency to Junior Cashier and counter-foils of money receipts issued by Junior Cashier to the agency revealed that ₹ 4.06 lakh was irregularly retained by the agency in contravention of the work order dated 12 January 2006, which required the agency to deposit daily cash collection to the RIMS.

On this being pointed out the Director stated (June 2013) that the agency was directed to deposit the amount and actual amount kept by agency would be worked out.

(iv) Non-submission of counterfoils of money receipts and refund vouchers

The agency was required to submit the counterfoils of the money receipts to RIMS, however, the agency always deposited the cash to the Junior Cashier along with a consolidated cash deposit slip instead of original money receipts and refund vouchers resulting in non-assessment of actual amount of receipts and refunds made by the agency.

Thus, non-adherence to Rules of JTC and non-maintenance of records in transparent manner resulted in poor financial management.

The matter was referred to Government (June 2013); their reply had not been received (February 2014) despite reminders⁹.

RURAL WORKS DEPARTMENT

3.1.4 Loss of government money

Non-forfeiture of bank guarantee, non-recovery of penalty and excess payment to the contractor led to loss of ₹ 1.09 crore.

As per condition 11 of F2 agreement¹⁰, a successful tenderer shall deposit five *per cent* of agreed cost as security deposit which could be forfeited¹¹ if the contract is rescinded. Also, as per Clause 2 of the agreement compensation of half *per cent* of the agreed work cost per day, limited to 10 *per cent* of agreement value, shall be deducted if due quantity of work remain incomplete.

Scrutiny (January 2013) of records revealed that EE, Rural Works Division (RWD), Godda awarded (August 2003) work of construction of five bridges¹² with approach roads¹³ after due tendering to a contractor for ₹ 11.04 crore who was to complete the work by December 2004.

Further scrutiny revealed that the contractor submitted a Bank Guarantee (BG) of ₹ 55.20 lakh issued by ICICI Bank as security deposit¹⁴, in favour of EE, RWD, Godda, with validity upto September 2005. Due to delay in execution of work, the EE directed (August 2005) ICICI Bank to withhold all payments to the contractor and make payment of BG to the division as the agreement with contractor was going to be rescinded. However, instead of forfeiting the BG, the bank extended the validity of BG up to 23 August 2006.

In the meanwhile, the BG was taken over (May 2006) by Bank of India (BoI) which issued a fresh BG in favour of EE, RWD, with validity extended up to 21 February 2007. The contract was rescinded in July 2006. Even though the contract was rescinded, no action taken by EE for forfeiture or cancellation of BG was on record. Besides, we noticed in audit that excess payment of ₹ 3.61 lakh was made to the contractor due to exaggerated measurement during taking the final measurement.

Scrutiny further revealed that the bank asked (2 July 2011) EE to confirm whether BG can be released to the contractor. The bank gave 30 days time to EE for responding before cancelling BG. However, EE responded only in December 2011. In the meantime BG was released by the bank to the

⁹ Reminders: Letter No. Report (Civil)/AR/2012-13/124 dated 19 August 2013, No.219 dated 19 September 2013 and No. 306 dated 21 October 2013.

¹⁰ A document setting out clauses of conditions of contract

¹¹ Clause 3A of F2 Agreement.

¹² Khathi River on Derma-Louchin Road (Estimate Cost ₹ 1.69 crore), Niljhi river on Deobhandha-Basantpur road (Estimate Cost ₹ 2.62 crore), Khatnai channel on Amlo to Godda-Bhagalpur State highway (Estimate Cost ₹ 3.49 crore), Banka river on bankaghat-piparjoriya road (Estimate Cost ₹ 3.90 crore), and Sunder river at Sangrampur on Parsa-Bishwakhamba road in Godda (Estimate Cost ₹ 1.98 crore).

¹³ 100 m from each side (North and South)

¹⁴ Five *per cent* of agreement value

contractor. Thus due to delayed response by EE despite specifically required, the Department lost the opportunity to recover the amount of BG. Thus, excess payment of ₹ 3.61 lakh and penalty of ₹ 1.10 crore¹⁵ was recoverable from the contractor against which security deposit of ₹ 4.68 lakh only was realised (January to November 2004) from the running account bills resulting in loss of ₹ 1.09 crore to the government.

On this being pointed out (June 2013), EE replied that despite repeated reminders to the bank to forfeit BG, the amount was not recovered and further action would be taken. The reply is not acceptable as the EE failed to take timely action against ICICI bank for non-forfeiting of BG and to get the BG encashed from BoI.

The matter was referred to Government (June 2013); their reply had not been received (February 2014) despite reminders¹⁶.

3.1.5 Unfruitful expenditure

Construction of bridge without acquisition of complete land for approach road resulted in unfruitful expenditure of ₹ 2.07 crore.

Jharkhand Public Works Account Code¹⁷ provides for acquisition of land prior to finalisation of tender process and approval of detailed estimates. It also emphasises upon acquisition of land prior to the technical sanction.

Scrutiny (January 2013) of the records of the Executive Engineer (EE), Rural Works Division (RWD), Godda, revealed that the work of construction of Bridge over river Niljhi in Deobandha-Basantpur Road with 100 meter long approach road on each side of the river¹⁸ was awarded (August 2003) through tendering to a contractor for ₹ 2.05 crore. However, the work was not completed within stipulated time, so the Department rescinded (July 2006) the contract after taking final measurement at a value of ₹ 61.52 lakh.

The balance work was awarded (November 2006) to another contractor for ₹ 1.47 crore to complete the work by November 2007. The contractor completed (May 2011) the bridge and 160 m approach road in the north and 20 m in the south sides¹⁹ and received payment of ₹ 1.45 crore. However, contractor intimated (February 2010) that 20 m approach road in south side was left incomplete due to non-availability of *Raiyat*²⁰ land.

¹⁵ 10 per cent of agreement value of ₹ 11.04 crore.

¹⁶ Reminders: Letter No. Report (Civil)/AR/2012-13/130 dated 19 August 2013, No.213 dated 19 September 2013 and No. 312 dated 21 October 2013.

¹⁷ Annexure 'A'-Cabinet Secretariat and Co-ordination Department (Vigilance Cell) resolution no.-948 dated 16 July 1986, Para-4.5 and 7.5 of Bihar Public Works Account Code as adopted by Government of Jharkhand.

¹⁸ Administrative approval (₹ 2.62 crore) by Prabandh Parishad Godda (2002) technical approval by CE, RWD, Chotanagpur and Santhalpargana.

¹⁹ As against agreed condition of 100 m on each side. EE stated (December 2013) that in order to provide connectivity from bridge to village 160 m approach road was constructed on north side.

²⁰ Land belongs to private person (*Raiyat*)

EE requested (April 2010) DC, Godda to provide land measuring 1.00 kilometer in length in Basantpur (south) Side for the approach road. Scrutiny revealed that DC demanded (March 2012) ₹ 10.89 lakh from EE for disbursement of compensation to concerned *Raiyats* for acquisition of land.

EE in turn requested (March 2012) the Principal Secretary, RWD, Government of Jharkhand (GoJ) to allot balance ₹ 9.15 lakh for payment of compensation to *Raiyats* as ₹ 1.74 lakh had already been given (December 2010) to DC for acquisition of land.

However, neither the fund was provided nor the land was acquired and as such approach road remained incomplete so far (November 2013) despite incurring an expenditure of ₹ 2.07 crore²¹.

On this being pointed out, EE replied (February 2013) that work was started as per the direction of the Department. The reply is not acceptable as the work should not have been started prior to acquisition of land.

Thus, due to non-adherence to codal provision and imprudent decision on the part of concerned authorities to start work without acquiring requisite land for approach road, expenditure of ₹ 2.07 crore incurred on the construction of bridge and partial approach road begun in 2003 has remained unfruitful so far (November 2013) in the absence of approach road on the Basantpur side.

The matter was referred to Government (June 2013); their reply had not been received (February 2014) despite reminders²².

3.2 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 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:

LABOUR, EMPLOYMENT AND TRAINING DEPARTMENT

3.2.1 Idle investment

Due to non-synchronisation of activities, the Industrial Training Institutes failed to provide trainings to students even after spending a sum of ₹ 3.72 crore on purchase of machineries and equipment.

Rule 129 of Jharkhand Financial Rules volume-I provides that purchases must be made in the most economical manner in accordance with the definite

²¹ ₹ 61.52 lakh plus ₹ 145.12 lakh = ₹ 206.64 lakh = ₹ 2.07 crore

²² Reminders: Letter No. Report (Civil)/AR/2012-13/106 dated 30 July 2013, No.174 dated 06 September 2013 and No. 241 dated 15 October 2013.

requirements of Public Service and at the same time care should be taken by the purchasing authority not to purchase stores much in advance of actual requirement if such purchase was likely to prove unprofitable to the Government.

The Government of Jharkhand sanctioned (May 2008) five Industrial Training Institutes (ITIs²³) for imparting industrial training to students of the State in ten trades viz fitter, electrician, wiremen etc in each ITI. For each ITI, 44 posts e.g. Principal, chief instructor, drawing instructor, fitter instructor etc were also sanctioned (June 2008) by the Government.

On scrutiny (April 2013) of the records of the Director, Employment and Training and further information collected (June 2013) from the concerned ITIs²⁴, we observed that purchase orders for machines and equipment were placed (March 2011) on a supplier by the Director, Employment and Training. Against the order 11 Nos.²⁵ (for ITI Gumla) and 15 Nos.²⁶ (for ITI Jhagratand, Garhwa) of machines and equipment valuing ₹ 3.72 crore were supplied between March and May 2012 with warranty period of twelve months from date of their dispatch. Scrutiny of records and physical verification at the concerned ITIs revealed that machines and equipment were lying in packed conditions in open space at ITI Gumla and ITI Garhwa campus and could not be installed/ commissioned as ITI building at Gumla was occupied by Central Reserve Police Force personnel and building at Jhagratand, Garhwa was not handed over to Principal ITI Garhwa as of June 2013. Physical status of crated machines and equipment can be seen in the following photographs:



Packed machines/equipment lying in open space at ITI Garhwa campus



Packed machines/equipment lying in open space at ITI Gumla

Warranty of these machines and equipment had already expired as of June 2013. It was also observed that recruitment of required man power/ instructors

²³ Gumla, Jamtara, Jhagratand (Garhwa), Koderma and Simdega.

²⁴ ITIs at Gumla and Jhagratand (Garhwa)

²⁵ CNC Universal Milling Machine-one No., Cylindrical Grinding Machine-one No., Surface Grinder- one No., Universal Tool and Cutter Grinding Machine-one No., Column Drilling Machine-one No., CNC Lathe Machine- one No., Centre Lathe Machine-two Nos., CNC Vertical Milling Machine-one No., Radial Drilling Machine-one No., CNC Train Machine Machining Centre-one No..

²⁶ Column Drilling Machine-one No., CNC Lathe Machine-one No., Central Lathe Machine-12 Nos. and Radial Drilling Machine-one No.

was not completed till date. No instructor was appointed in ITI Jhagratand, Garhwa and only three instructors were appointed in ITI Gumla during 2013.

On this being pointed out, Director, Department of Employment and Training, Ranchi stated (April 2013) that procurement of machines was an ongoing process. Reply is not acceptable as machines and equipment were purchased and kept idle since May 2012. Moreover, the purchase was not synchronised with availability of physical infrastructure and recruitment of requisite man power. Besides, the machines and equipment were kept in open space in packed condition without proper storage. This not only resulted in idle investment of ₹ 3.72 crore but also deprived students of intended training besides exposing the machines and equipment to pilferage and damage.

The Government replied (December 2013) that the State Cabinet has decided to run ITI Jhagratand, Garhwa on PPP mode while DC Gumla had been requested to get ITI building vacated. The fact remains that till date (December 2013) machines and equipments have not been installed at aforesaid places thereby denying benefit to students of the State.

WELFARE DEPARTMENT

3.2.2 *Unfruitful expenditure*

Purchase based on inaccurate demand resulted in bicycles remaining undistributed leading to unfruitful expenditure of ₹ 2.07 crore, including theft and missing bicycles of ₹ 97.13 lakh.

To check the drop out of Girl students after admission in high schools, the Welfare Department, Government of Jharkhand launched (September 2005) a scheme of free distribution of bicycles to the girl students living below poverty line and studying in class VIII of government schools. Only girl students belonging to Scheduled Castes, Scheduled Tribes, Backward Classes and Minority Communities, residing not in school hostels and within a distance of more than two kms from their schools were eligible to be provided with bicycles under the scheme. The scheme was further extended to boy students of the same categories with effect from 2009-10.

As per the scheme, Block Welfare Officers (BWOs) were to furnish the names of students before the Vidyalaya Prabandh Samittee for review and approval of the list based on specified eligibility criteria. Finally the list was to be approved by the District Welfare Officer (DWO) who was also to consolidate the demands of all blocks in their districts and forward these to the Tribal Welfare Commissioner (TWC), Welfare Department for arranging purchase of bicycles to be delivered to the concerned districts. After issue of purchase orders by TWC to the selected bicycle companies, the concerned DWOs were to send proposals to bicycle companies for delivery of bicycles to concerned blocks as per their demand.

Jharkhand Financial Rule 129 provides that purchase must be made in the most economical manner in accordance with the definite requirements of the public service.

Scrutiny of records (June-October 2012) and information collected (May-2013 to February 2014) from two DWOs²⁷ and concerned 19 BWOs²⁸ revealed that bicycles received by different blocks during 2010-11 to 2012-13 were not fully distributed and 4,301 bicycles²⁹ costing ₹ 1.10 crore remained undistributed in Chatra and Saraikela-Kharsawan districts as of January 2014. We further observed that bicycles were procured during 2012-13 without distributing already available bicycles and bicycles received for 2012-13 also could not be distributed in full in these districts. Moreover, in Chatra district during 2010-11, 10,500 bicycles were received out of which 7,340 cycles were only distributed to the blocks. Out of remaining 3,160 undistributed bicycles stored at Chatra district Headquarters, only 460 bicycles were found in store during physical verification (September 2011) by DWO Chatra. As such, 2,700 bicycles valued at ₹ 67.20 lakh were missing. On being asked for status in this regard the DWO, Chatra stated (February 2014) that enquiry was in progress.

It was further observed that 88 bicycles worth ₹ 2.45 lakh were stolen from the godown of Chatra Sadar Block in 2012-13 for which FIRs with the Police were lodged (April and September 2013). Further, Hunterganj Block of Chatra district received 2,373 bicycles and distributed 1,311 bicycles during 2010-12 leaving a book balance of 1,062 bicycles valued at ₹ 27.48 lakh. However, against this balance there was no bicycle in stock as per statement furnished to audit. Further, during 2009-10 BWO, Huntarganj received 343 bicycles worth ₹ 8.28 lakh for distribution among girls. But the status of distribution could not be ascertained as the present BWO stated (February 2014) that the distribution register was not handed over to him although the stock was nil.

After we pointed out in audit, DWOs stated (June 2013) that bicycles remained undistributed due to dropping out of students in the middle of the academic session, non-fulfillment of eligibility criteria of distance between the schools and residences by the students and excess demand of bicycles made by BWOs. The replies are not acceptable as checks regarding eligibility of the student beneficiaries ought to have been applied prior to sending demand of bicycles to DWOs. Further, in case of drop out of students, the received bicycles should have been adjusted against the fresh demand projected for the next year. Further, as reports regarding number of bicycles actually distributed was not received by DWOs from the blocks, the district level officers could not assess the real demand in the blocks and they merely forwarded the demands received from the blocks to TWC resulting in inflated demand and excess purchase of 8,151 bicycles worth ₹ 2.07 crore. Thus, procurement of bicycles ignoring the financial rules and prescribed procedure for assessment

²⁷ Chatra and Saraikela-Kharsawan.

²⁸ BWOs Chatra Sadar, Gidhor, Hunterganj, Itkhori, Kanhachatti, Lawalong, Mayurhand, Pathalgadda, Simaria and Tandawa of Chatra district and Chandil, Gamharia, Ichagarh, Kharsawan, Kuchai, Kukru, Nimdih, Rajnagar and Saraikela of Saraikela Kharsawan district.

²⁹ At District level in Chatra: 460 bicycles valued ₹ 11.45 lakh, at different Blocks of Chatra district (Chatra Sadar, Hunterganj, Itkhori, Lawalong, Mayurhand, Pathalgadda and Tandawa): 660 bicycles valued ₹ 17.80 lakh and in different Blocks (Ichagarh, Chandil, Gamharia, Kharsawan and Saraikela) of Saraikela-Kharsawan district: 3,181 bicycles valued ₹ 80.75 lakh.

of requirement resulted in unfruitful expenditure of ₹ 2.07 crore³⁰ including consequential loss of ₹ 97.13 lakh to the Government for theft and missing bicycles.

The matter was reported (July 2013) to the Government; their reply had not been received (February 2014) despite reminders³¹.

3.3 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:

BUILDING CONSTRUCTION DEPARTMENT

3.3.1 Unfruitful expenditure

Lack of co-ordination between Departments and approval of estimate without considering external source of water rendered expenditure of ₹ 2.14 crore on construction of government quarters unfruitful.

According to Para 3 of Appendix VIII of Bihar Public Works Department (BPWD) Code as adopted by Jharkhand Government, whenever a new building is to be constructed and it is intended to provide electrical, sanitary and water supply installations, the estimate should provide for these so that administrative approval may be given for the entire estimated amount of that project. Appendix IX of BPWD Code relating to Rule 109 provides that where the question of sanitary fittings and (or) piped water supply has to be considered, an intimation should be given to the Superintending Engineer (SE), Drinking Water and Sanitation Department (DW&SD) to enable him to arrange that DW&SD be represented in the site committee.

The Secretary, DW&SD had requested³² (February-May 2005) the Secretary, Building Construction Department (BCD) that estimate for water supply works obtained from Drinking Water & Sanitation Division (DW&S Division) should be made part of estimates of buildings and approved along with the estimate of the building so that water can be provided simultaneously with the completion of building. He further stated that the building divisions were asking for provision of water supply in newly constructed buildings, however,

³⁰ Bicycles undistributed: 4,301 nos, ₹ 1.10 crore, Missing: 3,762 nos, ₹ 94.68 lakh and theft: 88 nos, ₹ 2.45 lakh

³¹ Reminders: Letter No. Report (Civil)/AR/2012-13/126 dated 19 August 2013, No.217 dated 19 September 2013 and No. 308 dated 21 October 2013.

³² vide letter nos: 6/Vi 3 -130/03-560 dated 17 February 2005 and 2019 dated 20 May 2005.

it is not possible to fulfil these demands as the budget of DW&SD does not have any separate provision of funds for water supply in new buildings.

On scrutiny of records of the Executive Engineer (EE), Building Division, Chatra, we observed (March 2013) that based on technically approved (June 2007) estimates for ₹ 2.46 crore by CE, BCD, Ranchi³³, the Secretary, BCD administratively approved³⁴ (July 2007) construction of Type A, B, C and D quarters numbering 30 in Chatra district for government employees. However, technically approved estimates did not include provision for external source of water though it was required under provisions of BPWD Code and government instructions. Four agreements at a total cost of ₹ 2.23 crore were executed (February 2008) and all quarters were completed at a cost of ₹ 2.14 crore during September 2010 to March 2011. However, water supply to these quarters was not provided (September 2013) as external water source was not created. We also noticed that EE, Building Division, Chatra repeatedly requested³⁵ (December 2008 to April 2012) EE, DW&S Division Chatra to provide water facility and technically approved estimate for water supply so that fund could be demanded from the Building Construction Department but no such estimate was provided by DW&S Division, Chatra (September 2013). The constructed quarters were handed over (April 2011) to the district administration without ensuring external source for water.

A joint physical verification conducted (September 2013) by the audit team with EE, Building Division, Chatra revealed that there was no external source of water supply to these quarters. All the 18 A & B type quarters remained vacant while a few units of C & D type quarters were occupied.

On being queried about provision of external water supply, EE DW&S Division Chatra stated (May 2013 and September 2013) that water supply to these quarters could begin once water tower constructed near Chatra Block Office under Re-organisation of Chatra Urban Water Supply Scheme becomes operational. However, BCD has to provide fund for laying of additional pipeline upto these quarters.

Non-availability of water could have been prevented had the Codal provision and advice (February-May 2005) of the Secretary, DW&SD been heeded by the Building Department. Thus, due to lack of coordination between the two Departments expenditure of ₹ 2.14 crore was rendered unfruitful since April 2011 as the constructed quarters were not occupied by the government servants as intended.

³³ All estimates technically approved by the Chief Engineer Building Construction Department Ranchi on 21 June 2007.

³⁴ Building Construction Department vide letter nos.: 73BH, 94BH, 104BH and 74BH all dated 10 July 2007.

³⁵ Vide letter no: 1055 dated 4 December 2008, 887 dated 17 September 2009, 660 dated 22 July 2010, 15 dated 6 January 2012, 229 dated 15 March 2012 and 292 dated 13 April 2012.

Matter was reported to the Government (June 2013); reply is awaited (February 2014) despite reminders³⁶.

RURAL DEVELOPMENT DEPARTMENT

3.3.2 *Loss to government*

Injudicious lifting and non-utilisation of rice in time under Sampoorna Gramin Rozgar Yojana led to loss of ₹ 1.54 crore due to deterioration in quality and embezzlement.

Sampoorna Gramin Rozgar Yojana (SGRY) provided for distribution of foodgrains as part of wages to rural poor at five kilograms per manday. GoI introduced Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)³⁷ in September 2005 and directed to merge SGRY with it. As per Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) wages could be paid either wholly in cash or in cash and kind. The State Government implemented (February 2006), MGNREGS in Jharkhand and unutilised balance of foodgrains of SGRY became part of programme resources of MGNREGS.

The Principal Secretary, Rural Development Department (RDD), Government of Jharkhand (GoJ), ordered (April 2006) that all ongoing SGRY schemes should be completed and available foodgrains be utilised by 30 June 2006. Scrutiny of records (March 2009 and February 2011) of District Rural Development Agency (DRDA), Ranchi, information collected from Jharkhand State Food and Civil Supplies Corporation Ltd. (JSFCSC), Ranchi and concerned Block Development Offices (between April 2010 and May 2013) revealed that on the instructions of Deputy Commissioner (DC) cum Chairman, DRDA, Ranchi (26 June 2006), 1,602.05 Metric Tons (MT) of rice for SGRY was lifted from Food Corporation of India and stored in the godown of JSFCSC at Kadru, Ranchi and District Manager (DM), JSFCSC issued 595.12 MT³⁸ rice under the scheme to eight blocks of Ranchi district on demand. After concerns expressed by JSFCSC (between January 2007 and October 2009) regarding deterioration in quality of rice due to prolonged storage, Deputy Development Commissioner (DDC), Ranchi got the stored rice tested (November 2009) from Chief Medical Officer Ranchi and Food Inspector Ranchi who found that 42.25 MT³⁹ of stored rice was rotten. Further, a Committee constituted (June 2012) by DC reported deterioration in quality of rice and declared it unfit for human consumption. Besides, two FIRs were lodged (March and April 2011) against Assistant Managers of JSFCSC godowns for embezzlement of 366.25 MT rice.

³⁶ Reminders: Letter No. Report (Civil)/AR/2012-13/104 dated 30 July 2013, No.172 dated 6 September 2013 and No. 239 dated 15 October 2013.

³⁷ The National Rural Employment Guarantee Scheme was renamed as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in October 2009.

³⁸ Angara-311.97MT, Arki-38.75MT, Burhmu-14.88 MT, Lapung-95.42MT, Murhu- 48.06 MT, Kanke- 24.30 MT, Ratu-49.90 MT and Sonahatu- 11.84 MT

³⁹ Lot C1-250 bags x 50 kg=12.50 MT plus Lot D1-595 bags x 50 kg= 29.75 MT, Total 42.25 MT

In the meanwhile DC, Ranchi in August 2009 advised DM, JSFCSC, that as per amended MGNREGA (February 2009) foodgrains were not to be distributed as wage component therefore the foodgrains were to be used in other schemes⁴⁰. However it was seen that rice was not used in other schemes and remained stored in JSFCSC godowns. Subsequently, MD, JSFCSC requested (October 2010) DC, Ranchi to fix reserve price for auction of rice, which was finally called for in August 2012 and 640.68 MT rice was disposed at the rate of ₹ 8,760 per MT (₹ 56.12 lakh).

On being asked regarding non-utilisation of lifted foodgrains DDC, Ranchi replied (September 2012) that the foodgrains were not distributed as there was no provision for distribution of foodgrains under MGNREGS. The reply was not in order as food grains could have been utilised as a component of payment under MGNREGS upto February 2009. Thus, lifting of rice without assessment of requirement, failure to issue rice for wage payment and non-disposal of 1,006.93 MT⁴¹ rice in time caused a loss of ₹ 1.54 crore⁴² to the government.

The matter was referred to the Government (June 2013); their reply had not been received (February 2014) despite reminders⁴³.

HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

3.3.3 Unfruitful expenditure

Due to lackadaisical approach of the executing agency and lack of monitoring and supervision by the authorities, the hospital building remained incomplete even after six years of its sanction, thereby resulting in unfruitful expenditure of ₹ 1.39 crore and denial of medical facilities to the people.

Up-gradation of existing 30 bedded hospital to 100 bedded Sadar Hospital in Lohardaga was approved (March 2006) by the Principal Secretary, Health, Medical Education and Family Welfare Department, Government of Jharkhand and technically approved (September 2006) by the District Engineer Zila Parishad, Lohardaga (DEZP) for ₹ 60.59 lakh. The work was taken up departmentally through executing agency (DEZP Lohardaga) with stipulated date of commencement and completion being October 2006 and March 2007 respectively. The work order was issued by the Civil Surgeon (CS) to DEZP and Junior Engineer was appointed as the Executing Agent. The work order also provided for inspection of work by Junior Engineer (JE), Assistant Engineer (AE), District Engineer (DE), Block Development Officer (BDO), Sub Divisional Officer (SDO), Deputy Development Commissioner (DDC) and Deputy Commissioner (DC) and for taking disciplinary action against the responsible officials in case of not completing the work within the time

⁴⁰ DC Ranchi letter did not mention names of other schemes.

⁴¹ 1,602.05 MT – 595.12 MT = 1,006.93 MT

⁴² 1,006.93 MT x ₹ 20,880 per MT (issue rate fixed by JSFCSC) = ₹ 210.25 lakh minus auction price ₹ 56.12 lakh = ₹ 154.13 lakh.

⁴³ Reminders: Letter No. Report (Civil)/AR/2012-13/108 dated 30 July 2013, No.176 dated 6 September 2013 and No. 243 dated 15 October 2013.

schedule and not maintaining high quality of work as per prescribed specification.

On scrutiny of records (September 2012) of CS, Lohardaga and further information collected (June 2013) we observed that due to non-completion of work by scheduled date (March 2007), change in Schedule of Rate (SoR) from SoR 2004 to 2007, and additional provision of 1st floor, lift, internal roads and boundary wall estimate was revised to ₹ 1.63 crore which was technically approved (March 2008) by the Chief Engineer, Rural Works Department. Against estimated cost of ₹ 1.63 crore, the Department allotted (March 2006 to July 2008) ₹ 1.50 crore to DC Lohardaga who released (September 2006 to April 2009) ₹ 1.43 crore to DEZP. As per measurement books ₹ 1.39 crore was incurred till December 2011, thereafter no work was executed and hospital building remained incomplete. Various other works estimated to cost ₹ 35.83 lakh⁴⁴ were yet to be executed as stated (September 2013) by DEZP. There was short release of fund of ₹ 13 lakh by the Department and then ₹ seven lakh by DC besides further balance ₹ four lakh with DEZP was lying idle in the bank since April 2009 which increased to ₹ eight lakh by accrual of interest as of May 2013.

Scrutiny of records further revealed that during 2009-13, CS made several communications to DEZP, DC and the Secretary of the Department regarding slow execution and deficiencies in the works. DC also inspected (May 2011) the site and found several deficiencies like construction of over head water tank of lesser capacity, inferior quality of works and specifically mentioned that cost escalation was due to time over run attributable to DEZP and requested the Secretary of the Department for taking remedial measure including vigilance enquiry.

The reasons for delay in completion of work as seen in audit were frequent transfers of the executing agent (JE) by DEZP and lack of interest of JE in execution of work. Provision made in work order for inspection of work by JE, AE, DE, BDO, SDO, DDC and DC also failed to ensure timely completion of hospital building. On this being pointed out (October 2013) Health Medical Education and Family Welfare Department, Government of Jharkhand stated (December 2013) that Vigilance Bureau, Jharkhand had been asked to investigate the irregularity in construction of Sadar Hospital, Lohardaga and submit a report.

The fact remains that due to failure of the executing agency to complete the work on time, entire expenditure of ₹ 1.39 crore incurred on up-gradation of hospital was rendered unfruitful due to which enhanced medical facilities to patients could not be provided to patients.

⁴⁴ Lift: ₹ 18.00 lakh, Electrical Works: ₹ 9.10 lakh, Sanitary Works: ₹ 5.09 lakh and Water Supply: ₹ 3.64 lakh.

3.3.4 Unfruitful expenditure

Due to lack of co-ordination between authorities and non-taking/handling over, the Civil Surgeon Office building at Giridih constructed at a cost of ₹ 83.82 lakh remained idle for more than four years and could not be utilised for its intended purpose of providing proper accommodation for Civil Surgeon Office thereby adversely affecting the delivery of health care services.

Health, Medical Education and Family Welfare Department accorded (October 2006) sanction of ₹ 60.00 lakh⁴⁵ to Deputy Commissioner (DC), Giridih for construction of a new building of Civil Surgeon Office Giridih. DC assigned (August 2007) the construction work to the Executive Engineer (EE), Rural Development Special Division (RDSD), Giridih at an estimated cost of ₹ 83.82 lakh to complete the work within six months i.e. by February 2008.

On scrutiny of records (February 2012) and further information collected (May and August 2013) from the office of the Civil Surgeon (CS), Building Construction Division (BCD) and RDSD, Giridih we observed that the construction of CS office was shown completed in March 2009 by EE, RDSD, Giridih at a cost of ₹ 83.82 lakh which was intimated to CS Giridih in October 2009. However, CS Giridih did not take over the building on the ground of incomplete boundary wall which was essential for security of building and issued several letters/reminders during November 2009 to October 2011 to EE, RDSD, Giridih for completion of boundary wall. Meanwhile, DC Giridih ordered (June 2011) CS Giridih to shift his office to the newly constructed building as construction work had been completed by EE, RDSD, Giridih.

Accordingly, CS Giridih visited (June 2011) the building and found several deficiencies like absence of doors, windows, broken glass, broken toilet pans and incomplete boundary wall. As such he refused to take over the building till it is repaired and boundary wall completed, though the boundary wall was not a part of the estimate. DC found both the parties responsible for not completing taking over/handling over of the building. DC ordered (November 2011) an enquiry into the issues of delay in construction and construction done in deviation from the approved estimate. Enquiry report (December 2011) revealed that the building was constructed as per specification however, glazed aluminium window frame, doors and railings have been uprooted and were found missing and electrical, sanitary fitting were found in damaged condition. On the basis of enquiry report, DC directed (February 2012) EE, Building Division, Giridih to prepare an estimate for repair of the building before handing over to Civil Surgeon to make it functional. BCD submitted (February 2012) a detailed estimate for ₹ 19.12 lakh including ₹ 4.05 lakh for boundary wall to DC who sent (March 2012) the estimate to the Health and Family Welfare Department for sanction which was still awaited (August 2013). In the meanwhile, the office building was temporarily allotted (July 2013) by DC to Superintendent of Police, Giridih for stay of police force which has been since occupied by the force.

⁴⁵ Subsequently, additional sanction for ₹ 23.82 lakh was granted by the Department on 4 March 2009

In this regard, CS Giridih stated (August 2013) that his office had intimated to DC Giridih and EE, RDS, Giridih of the deficiencies in the building but no action has been taken by them to complete the building.

The fact remains that due to lack of coordination between concerned authorities and non-handing/taking over of the building, not only the CS office building constructed (March 2009) at a cost of ₹ 83.82 lakh for providing proper space for CS office remained idle for more than four years but the delivery of health related services was also adversely affected.

The matter was referred to Government (June 2013); their reply had not been received (February 2014) despite reminders⁴⁶.

3.4 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:

HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

3.4.1 Blockage of Government money in idle equipment

Purchase of Cardiology and Cardiothoracic equipment well before completion of physical infrastructure and non-availability of medical team resulted in non-installation/non-utilisation of equipment and consequent blockage of Government money amounting to ₹ 1.47 crore in idle equipment.

Upgradation of Rajendra Institute of Medical Sciences (RIMS), Ranchi to 172 bed Super Speciality hospital under Pradhan Mantri Swasthya Suraksha Yojana was taken up in 2007 at an estimated cost of ₹ 120 crore (Central share ₹ 100 crore and State share ₹ 20 crore). As per the scheme, out of central share of ₹ 100 crore, cost of construction of Super Speciality hospital would be ₹ 60.98 crore and the balance amount was to be utilised on procurement of medical equipment. The list of equipment to be purchased was finalised by the Director, RIMS and representative of M/s *Hindustan Latex Limited*⁴⁷ (HLL) in the office of Ministry of Health and Family Welfare (MHFW) on 23 September 2008 at New Delhi. MHFW, Government of India intimated (26 December 2008) RIMS that the equipment to be provided by Government of India would be procured and supplied by M/s HLL and advised the Institution to be in readiness so that the equipment could be installed. RIMS sent (12 January 2009) indent to MHFW, New Delhi for early supply of equipment for

⁴⁶ Reminders: Letter No. Report (Civil)/AR/2012-13/102 dated 30 July 2013, No.170 dated 6 September 2013 and No. 237 dated 15 October 2013.

⁴⁷ A Government of India enterprise

Cardiology and Cardiothoracic Department though there was no faculty of Cardio Thoracic and Vascular Surgery (CTVS) team to use the equipment and civil works for the block complex had not commenced.

Scrutiny of records revealed (June 2013) that M/s HLL supplied the following equipment for CTVS and Surgery Departments.

Sl. No.	Name of equipment	Date of P.O. by HLL	Date of Receipt in RIMS	Cost in \$/ Euro/₹	Qty (No)	Approximate value in INR
1	Anaesthesia Workstation	27.04.2009	8.02.2010	\$ 39700	2	3716714.00 ⁴⁸
2	Cell Saver Machine	27.04.2009	29.12.2009	\$ 29400	2	2738904.00 ⁴⁹
3	Electro Surgical Cautery	30.12.2011	27.03.2012	₹ 550000	4	2200000.00
4	ABG Machine	27.04.2009	10.10.2009	₹ 291200	2	582400.00
5	Operating Microscope	27.04.2009	14.01.2010	Euro 82574	1	5458141.00 ⁵⁰
Total						14696159.00

However, these machines were not installed/utilised by RIMS as of June 2013 due to non-availability of Cardio-thoracic team and non-completion of Super Speciality building.

Scrutiny of records further revealed that Health, Medical Education and Family Welfare Department, Government of Jharkhand sanctioned on 24 September 2011, 16 posts for CTVS Department against which only three Senior Resident doctors and one Assistant Professor⁵¹ were posted as on June 2012 and the remaining 13 posts of Professor, Associate Professors, Assistant Professors and Senior Residents were lying vacant (June 2013). These posts were sanctioned two years after receiving the above equipment except Electro Surgical Cautery.

RIMS stated (June 2013) that the equipment would be installed by the time the CTVS surgery team are recruited. On audit query, RIMS further stated (April 2014) that out of 13 vacant posts one Senior Resident was appointed on 31 October 2013. It was also stated that equipment at Sl. Nos. 1 to 3 were not functional due to non-availability of surgeons and equipment at Sl. Nos. 4 and 5 have become operational. However, detailed information along with relevant documents in support of operationalisation of these equipment was not provided by RIMS and it also not understood in audit as to how these equipment have become functional in the absence of cardiac surgeons (CTVS). On being enquired by audit as to whether the matter was brought to the notice of MHFW to defer the supply of above equipment till CTVS team was in place and the new Super Speciality building was handed over to RIMS, RIMS did not give specific reply. Although mention of some of the above idle equipment was made in paragraph 1.2.9 of Audit Report (Civil and Commercial) 2009-10, it is pertinent to mention that even after lapse of more than three years, these high-end equipment continue to remain idle (April 2014).

⁴⁸ \$39700 x 2x ₹ 46.81= ₹ 37,16,714.

⁴⁹ \$29400 x 2x ₹ 46.58= ₹ 27,38,904.

⁵⁰ Euro 82574 x ₹ 66.10= ₹ 54,58,141.

⁵¹ Resigned on 4 October 2012

Thus, indenting of equipment and insisting on early supply in the absence of hospital building and CTVS surgery team, non-completion of super specialty hospital building and non-deployment of CTVS surgery team resulted in equipment costing ₹ 1.47 crore remaining uninstalled for more than three years besides, denying benefits of CTVS surgery to patients.

The matter was referred to the Government (June 2013); their reply had not been received (April 2014) despite reminders⁵².

**Ranchi,
The**

**(MRIDULA SAPRU)
Principal Accountant General (Audit)
Jharkhand**

Countersigned

**New Delhi,
The**

**(SHASHI KANT SHARMA)
Comptroller and Auditor General of India**

⁵² Reminders: Letter No. Report (Civil)/AR/2012-13/124 dated 19 August 2013, No. 219 dated 19 September 2013 and No. 306 dated 21 October 2013.

APPENDICES

Appendix-1.1.1
(Referred to paragraph 1.1.7; page 4)

**Statement showing the position of Outstanding Inspection Reports,
Paragraphs and Amount involved**

(₹ in crore)

Year	Social Sectors				Economic & General Sectors			
	IRs	Section A	Section B	Amount involved	IRs	Section A	Section B	Amount involved
2003-04	44	80	306	77.32	0	0	0	0.00
2004-05	145	338	939	129.25	74	52	167	225.98
2005-06	234	340	1279	436.98	108	99	492	697.21
2006-07	229	478	910	445.65	126	143	553	370.03
2007-08	211	381	880	481.25	111	119	466	454.52
2008-09	215	230	1127	1528.94	109	173	424	649.80
2009-10	244	149	1418	2175.13	92	66	308	972.23
2010-11	241	268	1349	2929.20	95	106	423	1154.75
2011-12	230	147	1374	17835.42	34	39	265	324.08
2012-13	95	34	714	41683.65	70	115	533	739.24
Total	1888	2445	10296	67722.79	819	912	3631	5587.84

Appendix-1.1.2
(Referred to paragraph 1.1.7; page 4)

Statement showing types of irregularities in outstanding paragraphs

Social Sector-I

Year	IRs	Particulars										Total
		Defalcation / Misappropriation/ Loss/Theft	Recoverable /Non-Deduction of Tax	Excess payment/ contractor	Undue aid to the contractor	Excess payment	Infructuous and Wasteful expenditure	Diversion of funds	Retention of fund	Non-fulfillment of objectives	Delay in execution of schemes	
2003-04	044	30	23	27	50	38	61	34	21	20	82	386
2004-05	047	19	15	18	22	30	44	22	10	15	96	291
2005-06	115	53	45	32	85	70	81	41	40	35	122	604
2006-07	099	41	22	40	62	37	40	57	62	69	166	596
2007-08	106	26	42	34	68	73	85	45	49	32	55	509
2008-09	107	37	60	55	77	43	97	23	23	34	107	556
2009-10	158	58	85	97	101	103	98	68	87	71	115	883
2010-11	172	64	112	94	110	75	90	57	107	93	141	943
2011-12	153	60	56	75	106	77	66	108	75	76	170	869
2012-13	059	33	37	28	40	41	42	31	43	26	101	422
Total	1060	421	497	500	721	587	704	486	517	471	1155	6059

Social Sector-II

Year	IRs	Particulars										Total
		Misappropriation/ loss/defalcation	Recoverable/excess payment	Undue aid to contractor	Excess expenditure/ avoidable expenditure	Unfruitful expenditure	Non adjustment of advances	Non adherence to rules/ irregular expenditure/non-deduction of VAT/	Blockage of fund and unutilise fund	Non achievement of target/payment without work	Sub standard plan and delayed execution of schemes	
2003-04	00	00	00	00	00	00	00	00	00	00	00	00
2004-05	98	00	110	197	17	66	189	21	150	209	27	986
2005-06	119	00	170	169	24	23	192	20	181	205	31	1015
2006-07	130	00	102	158	14	39	167	27	153	109	23	792
2007-08	105	00	98	51	08	18	159	20	174	190	34	752
2008-09	108	00	142	157	19	25	171	18	105	135	29	801
2009-10	86	00	125	118	15	15	120	17	124	130	20	684
2010-11	69	00	113	91	15	17	124	15	151	141	07	674
2011-12	77	00	130	110	05	11	140	30	110	95	21	652
2012-13	36	00	51	45	04	11	62	12	71	55	15	326
Total	828	00	1041	1096	121	225	1324	180	1219	1269	207	6682

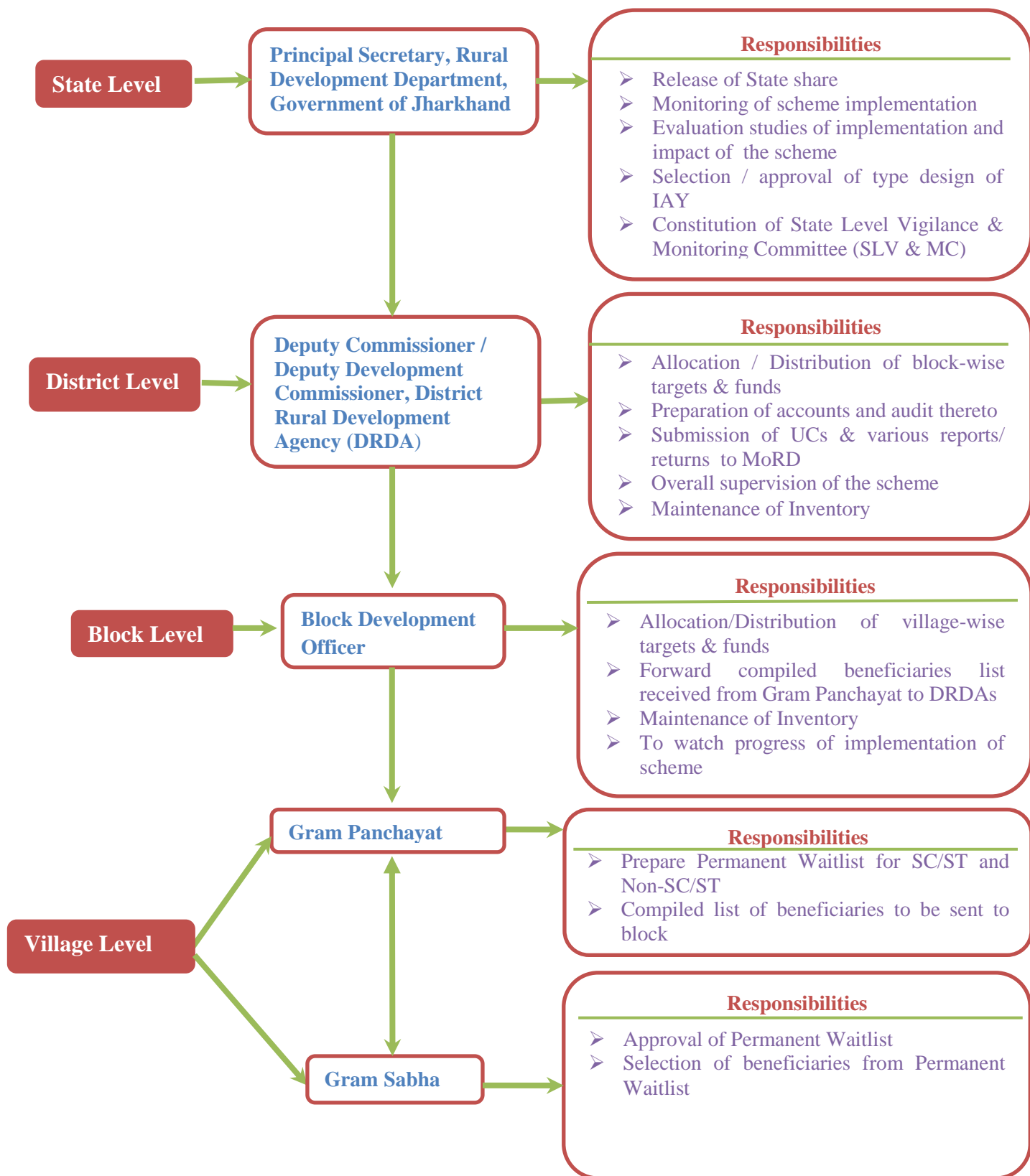
Economic & General Sector

Year	IRs	Unfruitful expenditure	Infructuous expenditure	Creation of liability	Doubtful execution of work/ purchase	Irregular expenditure/purchase	Non-adjustment of advances/ Outstanding temporary advance	Illegal mining/ felling/encroachment/ grazing etc.	Non-completion/Slow progress of work
1	2	3	4	5	6	7	8	9	10
2003-04	0	0	0	0	0	0	0	0	0
2004-05	74	13	5	3	2	11	4	12	4
2005-06	108	35	9	12	15	29	12	30	11
2006-07	126	42	16	14	14	35	14	33	14
2007-08	111	35	9	14	16	29	12	28	12
2008-09	109	36	14	9	12	28	12	30	16
2009-10	92	22	6	10	7	19	7	17	7
2010-11	95	32	13	11	9	26	10	26	12
2011-12	34	18	8	12	6	15	3	15	6
2012-13	70	39	13	11	15	32	13	32	13
Total	819	272	93	96	96	224	87	223	95

Year	Non-raising of demand/ Short Raising of demand/ Non-realisation of demand for compensatory afforestation and net present value	Execution of work without approval from competent authority	Irregular refund	Irregular award of work/ Undue favour to contractor	Non-adjustment of mobilisation advance	Excess expenditure/ payment	Short/Non-deduction/ levy of Royalty/ IT/S.Tax/Labour Cess	Suspected Misappropriation/ misutilisation	Blockade of fund	Others	Total paragraphs
	11	12	13	14	15	16	17	18	19	20	21
2003-04	0	0	0	0	0	0	0	0	0	0	0
2004-05	8	3	2	4	2	8	5	4	6	123	219
2005-06	24	6	6	12	6	17	12	9	15	331	591
2006-07	26	8	7	14	7	21	14	13	14	390	696
2007-08	23	6	5	12	6	18	11	13	15	321	585
2008-09	25	6	9	12	5	18	15	9	10	331	597
2009-10	15	2	4	7	3	11	9	7	12	209	374
2010-11	21	5	7	11	5	16	9	11	15	290	529
2011-12	12	2	5	6	3	9	8	6	12	158	304
2012-13	26	6	8	13	6	19	12	9	13	368	648
Total	180	44	53	91	43	137	95	81	112	2521	4543

Appendix-2.1.1
(Referred to paragraph 2.1.2; page 11)

Implementation of IAY: Authorities & Responsibilities



Appendix-2.1.2
(Referred to paragraph 2.1.5.4; page 14)

Statement showing delay in release of State share in test checked districts

Name of District	Year	Date of allotment order issued by MoRD	Date of allotment order issued for state share	Actual delay beyond prescribed 30 days (Nos. in Days)
DRDA, Ranchi	2008-09	4.4.2008	20.5.2008	16
		22.5.2008	24.6.2008	2
	2009-10	2.4.2009	10.6.2009	38
		29.5.2010	27.7.2010	28
	2010-11	29.6.2010		
			28.3.2011	20.5.2011
2011-12	15.4.2011	20.5.2011 and 9.1.2012	5-239	
DRDA, Deoghar	2008-09	4.4.2008	20.5.2008	16
		11.2.2008	6.2.2009	23
		29.1.2009	27.3.2009	27
	2009-10	18.3.2009	10.6.2009	39
		13.1.2010	10.3.2010	25
	2010-11	12.4.2010	22.5.2010	10
		2.7.2010	8.9.2010	37
	2011-12	15.4.2011	20.5.2011	5
29.11.2011		14.2.2012	47	
DRDA, East Singhbhum	2008-09	4.4.2008	25.5.2008	21
	2009-10	6.4.2010	22.5.2010	18
		2.4.2009	26.8.2009	118
	2010-11	23.5.2010	10.7.2010	18
2011-12	15.4.2011	20.5.2011	6	
DRDA, Godda	2008-09	4.4.2008	20.5.2008	17
		22.5.2008	24.6.2008	3
		5.3.2009	26.8.2009	143
		18.3.2009	10.6.2009	53
	2009-10	2.4.2009	26.8.2009	114
	2010-11	21.5.2010	10.7.2010	19
	2012-13	25.7.2012	27.8.2012	3
	DRDA, Palamu	2012-13	14.5.2013	15.9.2013

(Source: DRDAs records)

Appendix-2.1.3
(Referred to paragraph 2.1.5.6; page 15)

Statement showing non-utilisation of funds of IAY

(₹ in lakh)

Name of district/ DRDA	Year	Name of Block	Opening balance	Funds provided during year	Reported expenditure during year	Fund including other receipt remained un-utilised	Particulars	
DRDA, Ranchi	2008-09	Chanho	5.75	20.57	0	26.31	Upgradation	
		Silli	23.28	23.62	13.32	33.57		
	2010-11	2011-12	Khalari	0	124.50	0	124.50	New construction
			Bero	237.20	100.52	141.58	210.98	
			Bundu	181.44	59.98	124.18	117.46	
			Kanke	299.47	147.54	296.55	166.12	
			Khalari	124.50	47.86	102.31	84.21	
			Lapung	182.99	66.84	144.39	110.69	
			Mandar	222.95	103.65	195.92	133.57	
			Ormanjhi	139.19	62.99	125.84	84.24	
			Silli	252.07	74.43	170.87	156.78	
			Sonahatu	224.89	54.54	93.96	119.75	
Tamar	249.52	107.39	229.47	131.26				
2012-13	Silli	156.78	126.41	98.44	184.99			
DRDA, Godda	2009-10	Mehrama	169.52	166.15	122.06	213.93	New construction	
	2011-12	Barijora	428.71	197.55	427.01	199.26		
DRDA, Palamu	2010-11	Nawa Bazar	18.72	31.4	0	50.12	New construction (Naxal)	
	2010-11	Naudiha Bazar	10.035	65.2	0	75.235		
	2011-12	Daltonganj	273.12	120.72	266.2	127.64	New construction	
	2011-12	Bishrampur	245.60	108.64	227.76	132.11		
	2011-12	Pandu	138.25	68.37	113.34	93.78		
	2011-12	Chhattarpur	351.22	141.62	217.78	275.05		
	2011-12	Manatu	74.77	44.52	69.04	50.34		
	2011-12	Patan	255.00	138.71	215.81	178.9		
	2011-12	Lesliganj	177.80	119.29	139.01	158.08		
	2011-12	Nawa Bazar	70.62	50.44	33.67	87.39		
	2011-12	Naudiha Bazar	126.04	72.75	97.09	101.7		
	2011-12	Untari Road	84.57	39.77	66.06	58.28		
		Total	4724.005	2485.97	3731.66	3486.245		

(Source: DRDAs records)

Appendix-2.1.4
(Referred to paragraph 2.1.5.6; page 15)

Statement showing funds under IAY scheme remaining unutilised

District	Name of implementing Agency	Amount blocked (₹ in lakh)	Remarks
Garhwa	Circle officers: Majhiyaon, Bhawanathpur, Dhurki and Kharaundhi	6.88	Funds relating to new construction and upgradation of houses provided to circle officers prior to 2008-09 remained unutilised as of July 2013
	BDOs: Ramna, Meral, Dhurki and Kharaundhi	48.65	Amount remained unutilised as of September 2013 due to non-taking up of 133 schemes sanctioned during 2008-12
Palamu	DRDA Palamu	47.86	Funds remained unutilised from 2011-12 to 2013-14
	BDOs: Medininagar, Satbarwa, Chainpur, Lesliganj, Panki, Patan, Manatu, Chhatarpur, Hariharganj, Bishrampur, Pandu, Haidarnagar and Husainabad	6.92	IAY funds provided (March 2008) for preparation of laminated BPL card at block level remained unutilised as of September 2013
East Singhbhum	DRDA East Singhbhum	175.00	Amount related prior to 2008-09 was remained unutilised for the want of instructions from the Govt. in respect of utilisation of fund
		17.00	Interest amount earned IAY fund during 2008-13 was not utilised as of June 2013
Godda	BlockThakurgangti	8.30	Funds allotted for credit-cum-subsidy scheme between September 2003 and January 2007 remained unutilised as of September 2013
Deoghar	Block Sadar Deoghar	1.14	As of July 2013 funds pertaining to IAY up-gradation remained unutilised since April 2012
Total		311.75	

(Source: DRDAs and blocks records)

Appendix-2.1.5
(Referred to paragraph 2.1.5.8; page 16)

Statement showing interest not accounted in cash books by various agencies

Name of District	Name of DRDA/Block	Period	Interest earned but not accounted (₹ in lakh)
Ranchi	DRDA, Ranchi	2008-13	1.31
	Namkom	2009-10	0.10
	Ratu	2008-13	8.19
Deoghar	Madhupur	2008-13	7.93
Garhwa	Chinia	2008-13	4.30
	Nagaruntari	2008-13	13.50
East Singhbhum	Ghatshila	2012-13	14.41
	Gurabanda	2011-13	3.38
Godda	Thakurgangti	2008-13	12.58
Palamau	Chainpur	2008-13	25.56
	Medininagar Sadar	2008-13	6.71
	Lesliganj	2008-13	5.59
	Bishrampur	2008-13	1.29
Total			104.85

(Source: DRDAs and Blocks records)

Appendix –2.1.6

(Referred to paragraph: 2.1.5.8; page 16)

Statement showing interest not shown earned on deposits kept in banks by various Blocks:

(Amount in ₹)

Name of district	Sl. No.	Name of Blocks	Available fund with blocks on which interest not accrued (including OB and receipts during year)				
			2008-09	2009-10	2010-11	2011-12	2012-13
Ranchi	1.	Ormanjhi	9551380	16335492	0	21008736	19182576
			2721207	0	0	0	0
	2.	Chanho	0	0	40857079	17005379	0
			2631450	0	0	0	0
	3.	Mandar	10427363	22273763	0	32948639	33862139
			2570000	0	0	0	0
	4.	Angara	0	0	42762614	27568114	0
			4357727	18890542	0	0	0
	5.	Bundu	5768809	15459156	32707522	24164802	22002062
			1543503	0	0	0	0
	6.	Tamar	15209030	26836641	54702842	36073302	31544342
			3669830	0	0	0	0
	7.	Burhmu	0	0	49164989	18667388	0
			4009900	0	0	0	0
	8.	Kanke	21295957	0	65894262	0	0
			3368363	0	0	0	0
	9.	Sonahatu	10631236	18837338	0	28661526	0
10.	Lapung	0	12517027	31107907	25508504	22658984	
11.	Namkum	0	22780418	52747660	0	0	
12.	Silli	0	22922537	40517740	32765440	30983640	
13.	Itki	0	0	7155393	0	0	
14.	Khalari	0	0	12450000	18653100	18002000	
15.	Rahe	0	0	6612000	14539300	0	
16.	Ratu	0	0	48852673	19869073	14876773	
17.	Nagari	0	0	0	3975800	8086329	
Deoghar	1.	Deoghar	10738589	15024773	37299673	0	Chartered Accountants audited accounts for the period 2012-13 were not prepared as of July 2013
	2.	Madhupur	9365835	16073059	41829832	17818641	
	3.	Devipur	5191792	8665796	22538896	10744996	
	4.	Karaon	8415961	13504054	29896558	13784206	
	5.	Palojori	11683720	17615569	35448369	0	
	6.	Sarwan	0	13413887	27108712	9343687	
	7.	Sarath	0	20267920	36385429	27478280	
	8.	Sonaraithari	0	0	14263000	7293000	
	9.	Margomunda	0	0	2500000	10697500	
East Singhbhum	1.	Jamshedpur	18426315	38390815	89740815	71128815	
			0	0	13504500	2300000	
	2.	Potka	19150885	43973951	105794701	89702501	
			0	0	11917500	2205500	
	3.	Patamda	14571064	28115312	77868505	37542504	
			0	0	30417500	5985000	
	4.	Ghatshila	13670394	27902005	64744504	42787504	
			0	0	34329500	5970000	
	5.	Musabani	14017374	30111323	63248765	48541800	
			0	0	12212500	3332500	
	6.	Dumriya	5348389	1059350	20993089	20925089	
			0	0	13159300	4616800	
	7.	Dhalbhumgarh	965550	14236501	35238001	24145001	
			0	0	14207500	7100000	

(Amount in ₹)

Name of district	Sl. No.	Name of Blocks	Available fund with blocks on which interest not accrued (including OB and receipts during year)				
			2008-09	2009-10	2010-11	2011-12	2012-13
	8.	Chakulia	0	22479554	55244454	39418854	
			0	0	12745000	3062000	
	9.	Baharagora	23401313	5798565	122085803	83280243	
			0	0	8333500	3898300	
	10.	Boram	0	0	3182900	21560100	
0			0	7062500	3402500		
11.	Gurabanda	0	0	0	5774500		
Godda	1.	Meharama	0	33599613	59678293	0	
	2.	Boyarijore	0	26012879	64010379	62626384	
	3.	Thakur gangti	0	11046890	22124610	28753409	
	4.	Sunderpahari	0	16400887	23067787	28197363	
	5.	Godda	0	0	60122903	0	
	6.	Podaiyahat	0	0	56932621	0	
	7.	Pathargama	0	0	38510187	0	
	8.	Mahagama	0	0	40066415	0	
	9.	Basantray	0	0	0	1892000	
Garhwa	1.	Garhwa	8622906	5327866	13437006	25739206	
			1194000	882880	1859740	653240	
	2.	Meral	7527300	3690125	12960970	24704790	
			1257800	1164655	1352325	979685	
	3.	Ranka	5843312	7116192	15486722	20366247	
			952701	1609275	1360660	888670	
	4.	Chinia	2359040	4287745	14458020	18983020	
			447610	1061545	815780	915780	
	5.	Dandai	3798500	5156330	16671955	0	
			495500	1035520	1058340	772585	
	6.	Ramkanda	2319175	3224810	8528295	7684895	
			463700	901565	1024515	723315	
	7.	Majhiaon	6089948	3314778	4915688	9954943	
			1624031	596966	388416	35916	
	8.	Kandi	3892868	3535733	8168388	14943293	
			840220	774585	448145	4725	
	9.	Bhawanathpur	7335010	5570010	10038040	17490780	
			1301780	1270210	785780	308330	
	10.	Dhurki	5180355	5810195	18589495	17505995	
			862950	1328320	1523820	1008520	
	11.	Kharoundhi	3888000	2556300	5371000	10516000	
			607900	490400	281300	16000	
	12.	Ramna	5486955	3664395	9726755	14422245	
			1091630	1106790	851350	606550	
	13.	Nagaruntari	6507840	3037710	8515350	18370755	
			1316000	754055	707810	105580	
	14.	Bhandariya	3382380	3116110	10309130	14240130	
			400200	597010	544330	287170	
	15.	Bishunpura	539900	433100	2669200	5926100	
			106800	106800	208100	100200	
	16.	Bardiha	603700	485600	2970500	7107500	
			118100	118100	202500	198900	
	17.	Ketar	806100	643100	3934000	8933900	
163000			163000	275500	24000		
18.	Danda	292400	236200	1621500	3250300		
		56200	56200	130000	75400		
19.	Sagma	0	0	312000	3074000		

(Amount in ₹)

Name of district	Sl. No.	Name of Blocks	Available fund with blocks on which interest not accrued (including OB and receipts during year)				
			2008-09	2009-10	2010-11	2011-12	2012-13
Palamau	1.	Daltonganj	8454241	11498031	38924438	39383938	
	2.	Hussainabad	11583692	17893632	46916824	44442874	
	3.	Bishrampur	13451012	16033722	38704585	0	
	4.	Pandu	6869040	8348470	22384363	20712313	
	5.	Panki	12161731	17409851	52027988	55689918	
	6.	Chainpur	13973480	20944160	67451682	48673262	
	7.	Chhattarpur	17575482	20161332	48470636	49283501	
	8.	Hariharganj	9290533	9124813	24938223	17817189	
	9.	Patan	14197262	16853272	45398586	39471000	
	10.	Manatu	8796038	6436508	0	11938775	
	11.	Satbarwa	5156724	0	21263324	0	
	12.	Lesliganj	6388997	9849537	36083234	29708794	
	13.	Haidernagar	0	12164967	26672726	20477410	
	14.	Pipra	0	2418000	11061253	9152006	
	15.	Pandwa	0	2270500	13075287	10431027	
	16.	Mohammadganj	0	2331000	0	0	
	17.	Tarhasi	0	5911000	0	23684308	
	18.	Nawabazar	0	3438500	15730385	12105885	
	19.	Naudiha Bazar	0	4111000	22558974	19878774	
	20.	Untari Road	0	2437500	11628989	12433529	
		Total	468376979	481622849	2619141104	1782921248	201198845
		Grand Total	5553261025				
			(₹ 555.33 crore)				

(Source: Records DRDAs)

Appendix-2.1.7
(Referred to paragraph 2.1.5.9; page 17)

Statement showing treatment of advance as expenditure in test checked districts

Name of DRDAs	Year	Advance treated as expenditure (₹ in crore)	No of Blocks/ Implementing agencies to whom fund provided
DRDA Ranchi	2008-13	128.03	18 blocks
		5.72	DRDA, Khunti*
DRDA, East Singhbhum	2008-13	154.95	11 blocks
DRDA, Godda	2008-13	86.19	09 blocks
DRDA, Palamu	2008-12	130.04	20 Blocks
DRDA, Garhwa	2008-12	40.55	19 blocks
DRDA Deoghar	2008-12	58.63	10 blocks
Total		604.11	

*DRDA, Khunti was earlier part of DRDA Ranchi (Source: DRDAs records)

Appendix-2.1.8
(Referred to paragraph: 2.1.5.9; page 17)

Statement showing non-submission of utilisation certificates as of May 2013

(₹ in crore)

Name of DRDAs	Name of Block	Year	Expenditure against which UCs not submitted
DRDA Ranchi	Namkum Block	2008-13	11.08
	Mandar Block	2008-13	7.65
	Ratu Block	2008-13	10.30
	Nagari Block	2008-13	1.18
DRDA, Deoghar	Deoghar Block	2008-13	9.71
	Madhupur Block	2008-13	10.66
DRDA, Garhwa	Chinia	2008-13	2.43
	Dandai	2008-13	3.94
	Nagaruntari	2008-13	4.67
	Garhwa Sadar	2008-13	3.76
DRDA, East Singhbhum	Ghatshila Block	2008-13	17.78
	Gurabanda	2011-13	1.14
DRDA, Godda	Godda	2008-13	12.49
	Thakurgangti	2008-13	4.77
DRDA, Palamu	Bishrampur	2008-13	8.32
	Chainpur	2008-13	16.234
	Daltonganj	2008-13	9.04
	Lesliganj	2008-13	7.46
Total			142.614

(Source: DRDAs records)

Appendix-2.1.9
(Referred to paragraph: 2.1.5.11; page 18)

Statement showing multiple bank accounts being operated for keeping IAY funds

Name of DRDAs/ Blocks	Name of Bank	Name of other scheme funds merged with IAY funds in single bank accounts
DRDA, Ranchi	(i) Bank of India, Vikash Bhawan, (ii) State Bank of India, upper bazaar, Ranchi (iii) State Bank of India, Ranchi (iv) Bank of India, Vikash Bhawan, Ranchi	-
Namkum Block, Ranchi	(i) State Bank of India, Namkum, (ii) Bank of India, Tupudana, (iii) Allahabad Bank Tatisilwai, (iv) Bank of India, Namkum, (v) Canara Bank, Namkum, (vi) State Bank of India, Namkum	-
Mandar Block, Ranchi	(i) Union Bank of India, Mandar	IAY, SGSY, Welfare, Sidhu-Kanu Awas Yojana, Census, Election, Transport, BRGF
	(ii) United Bank of India, Mandar	IAY,SGSY
	(iii) Allahabad Bank. Brahmbeey	IAY, Sidhu-Kanu Awaas Yojana
	(vi) Jharkhand Grameen Bank, Brahmbeey	IAY, Deendayal Awaas Yojana, Sidhu-Kanu Awaas Yojana
	(v) Jharkhand Grameen Bank, Brahmbeey	IAY, SGSY
	(vi) State Bank of India, Tangarbansli, (vii) Ranchi Khunti Co-operative Bank, Mandar (Account number-3846)	-
	(viii) Ranchi Khunti Co-operative Bank, Mandar (Account number-5582)	IAY, MP fund, MLA fund and establishment fund
DRDA, Deoghar	(i) Syndicate Bank, Deoghar, (ii) Vananchal Gramin Bank, (iii) State Bank of India,	-
Deoghar Block	(i) Central Bank of India, Deoghar, (ii) Indian Bank , Deoghar, (iii) Central Co-operative Bank, Jasidih, (iv) State Bank of India, Deoghar, (v) Bank of Baroda,	-
	(vi) IDBI Bank	Siddhu Kanu Aawas Yojna
Madhupur Block	(i)Bank of India , Madhupur (ii)Bank of Baroda, Narayanpur (iii)State Bank of India, Tarajori (vi)Vananchal Gramin Bank, Jagdishpur (v)Vananchal Gramin Bank, Dhamani (vi)Allahabad Bank , Sapter (vii)Vananchal Gramin Bank, Budhai,	-
DRDA, Garhwa	(i)Vananchal Gramin Bank, Garhwa (ii)State Bank of India, ADB (iii)State Bank of India, Piparkala	-
Block Dandai	(i)Vananchal Gramin Bank, Dandai (Account number-14220042596) (ii)Vananchal Gramin Bank, Dandai (Account number-14220044896)	-
Block Nagaruntari	(i)Central Bank of India, Palhekala (ii)Vananchal Gramin Bank	-
Block Chinia	(i)Vananchal Gramin Bank, Chinia (ii)Vananchal Gramin Bank	-

Name of DRDAs/ Blocks	Name of Bank	Name of other scheme funds merged with IAY funds in single bank accounts
DRDA, East Singhbhum	(i)Bank of India, Jamshedpur (ii)Dena Bank, Jamshedpur (iii)Union Bank, Jamshedpur	-
Ghatshila Block, East Singhbhum	(i) Bank of Baroda, Galudih	IAY, Pension yojna
	(ii) Bank of Baroda, Hullung	IAY, Pension yojna
	(iii) Bank of India, Ghatshila	IAY, Siddhu Kanhu Awas yojna, Pension yojna, BRGF
	(iv) Bank of India, Galudih	-
	(v) State Bank of India, Moubhandar	IAY, Pension yojna, BRGF
	(vi) Jharkhand Gramin Bank, Mahulia	IAY, Pension yojna
	(vii) UBI, Ghatshila	IAY, Birsa Awaas yojna, MP, MLA, BRGF
Gurabanda Block , East Singhbhum	(i) State Bank of India, Bahragora	IAY, Birsa Awas Yojna, Establishment fund
	(ii) BOI, Jawalkata	IAY, Sidhu Kanu Awaas Yojana, MP fund
DRDA, Godda	(i)Bank of India, Godda (ii)State Bank of India, Godda (Account number-11093475941) (iii)State Bank of India, Godda (Account number-1170081840) (iv)Vananchal Gramin Bank, Godda (Account number-34187) (v)Vananchal Gramin Bank, Godda (Account number-35215) (vi)Allahabad Bank , Godda	-
Godda Block	(i)Vananchal Gramin Bank, Godda (Account number-3174) (ii)Bank of India, Godda (iii)Allahabad Bank , Godda (iv)Bank of India, Motia Dumria	-
Thakurgangti Block	(i)State Bank of India, Thakurgangti (ii)State Bank of India, Bhagaiya (iii)Panjab National bank, Chanda	-
DRDA, Palamu	(i) State Bank of India Daltonganj, Court Compound (ii)PNB Daltonganj	--
Bishrampur Block, Palamu	(i) State Bank of India Bishrampur (ii) Central Bank of India, Rehla (iii) State Bank of India, Rehla (iv)Vananchal Gramin Bank	-
Chainpur Block, Palamu	(i)PNB Chainpur (ii) State Bank of India Chainpur	-
Daltonganj Block, Palamau	(i) State Bank of India Narsanda, Daltonganj (ii) State Bank of India Redma, Daltonganj	-
Lesliganj Block, Palamu	(i) State Bank of India Murhbar (ii) State Bank of India Lesliganj	-

(Source: Information from DRDAs and Blocks)

Appendix-2.1.10
(Referred to paragraph 2.1.5.13; page 18)

Statement showing IAY funds kept in non-interest bearing accounts by various agencies

Name of Block/District	Name of Bank Account	Account No.	Type of Account
Namkum Block, Ranchi	Bank of India, Namkum	499710210000003	Savings-Institutional
	Canara Bank, Namkum	2670201000346	Current
Mandar Block, Ranchi	Ranchi Khunti Co-operative Bank, Mandar	3846	Current
	Ranchi Khunti Co-operative Bank, Mandar	5582	Current
	Union Bank of India, Mandar	63820100050008	Current

(Source: Information received from blocks)

Appendix-2.1.11
(Referred to paragraph 2.1.5.14; page 18)

Statement showing non-maintenance of separate cash book for IAY

Name of DRDA	Name of Other schemes merged with IAY cash-book	Transactions incorporated (In ₹)
Ranchi	Harizan Basti repair Scheme	7910000
	Birsa Awaas Yojana	1500000
Deoghar	Sidhu Kanhu Awas Yojna	225000
East Singhbhum	Birsa Awaas Yojana	4725000
	Total	14360000

(Source: DRDAs records)

Appendix – 2.1.12
(Referred to paragraph: 2.1.6.4; page 21)

Statement showing details of ineligible beneficiaries

A). Details of ineligible beneficiaries with names not traceable in BPL list				
Name of District	Name of Block	No. of ineligible beneficiaries	Period	Payment made to ineligible beneficiaries (₹ in lakh)
Ranchi	Namkum	142	2008-13	47.47
	Mandar	316	2008-12	95.45
	Ratu	81	2008-13	28.29
	Nagri	17	2011-13	7.05
Garhwa	Chinia	9	2009-11	2.69
	Dandai	11	2008-11	2.08
	Nagarutanri	17	2008-11	4.15
Total		593		187.18

B). Details of ineligible beneficiaries to whom houses were allotted against fictitious BPL numbers				
Name of District	Name of Block	No. of houses /ineligible beneficiaries	Period	Payment made to ineligible beneficiaries (₹ in lakh)
Ranchi	Namkum	7	2008-13	2.30
	Mandar	189		56.57
	Ratu	19		7.35
	Nagri	1		0.45
Godda	Sadar block	154	2009-11	39.21
East Singhbhum	Ghatshila	104	2010-13	23.05
Total		474		128.93

C). Details of ineligible beneficiaries selected without ascertaining their BPL status				
Name of District	Name of Block	No. of ineligible beneficiaries	Period	Payment made to ineligible beneficiaries (₹ in lakh)
Garhwa	Chinia	31	2008-13	7.19
	Dandai	6		1.91
	Sadar block	171		43.90
Deoghar	Sadar block	183	2008-09	23.31
	Madhupur	30	2010-11	12.81
East Singhbhum	Ghatshila	34	2008-12	4.95
Godda	Thakurgangti	16	2008-11	4.90
	Sadar block	14	2008-09	1.65
Total		485		100.62

(Source: Block records)

Appendix-2.1.13
(Reference to paragraph: 2.1.9.1; page 26)

Statement showing details of records not maintained at DRDAs/Blocks

Sl. No.	Name of DRDA/Block	Sl. No.	Name of records that were not maintained
1.	DRDA, Ranchi	1.	Records relating to preparation of permanent wait list
		2.	Records relating to preparation of Annual Action Plan
		3.	Records relating to credit-cum-subsidy and DRI loans
		4.	Records relating to convergence (2008-13) along with MPRs 1 & 2
		5.	Inventory/ Asset Register
		6.	Records relating to IEC activities
		7.	Complaints Register 2008-12
		8.	Bank Reconciliation Statement records
2.	BDO, Mandar, Ratu, Namkum and Nagri of Ranchi district	9.	Records relating to preparation of permanent wait list
		10.	Records relating to Gram Sabha proceeding / approval
		11.	Records relating to submission of selected/approved beneficiaries to DRDA
		12.	Records relating status of houseless BPL families
		13.	Records relating to credit-cum-subsidy and DRI loans
		14.	Convergence records
		15.	Complaints Register 2008-12
		16.	Bank Reconciliation Statement records
		17.	Inventory/Asset Register
		18.	UC file
		19.	Records relating to IEC and training
		20.	MPRs
3.	DRDA, East Singhbhum	21.	Records relating to Inspection /field visit
		22.	Records relating to Annual Action Plan
		23.	Records relating to social audit
		24.	Records relating redressal of grievance
		25.	Records relating to credit-cum-subsidy and convergence
		26.	Asset Register
4.	Ghatshila and Gourabanda blocks of East Singhbhum district	27.	Records relating to selection of beneficiary
		28.	Records relating to credit-cum-subsidy and DRI loans
		29.	Convergence records
		30.	Complaints Register
		31.	Records of UC
		32.	Inspection/Monitoring files
		33.	Inventory/Asset Register
		34.	Social Audit
5.	DRDA, Godda	35.	Records relating to preparation of permanent wait list
		36.	Records relating to preparation of Annual Action Plan
		37.	Records relating to credit-cum-subsidy and DRI loans
		38.	Records relating to convergence (2008-13) along with MPRs 1 & 2
		39.	Inventory/ Asset Register
		40.	Records relating to IEC activities
		41.	Complaints Register 2008-12
		42.	Bank Reconciliation Statement records
		43.	Chartered Accountant Report for the year 2008-09

Sl. No.	Name of DRDA/Block	Sl. No.	Name of records that were not maintained
6.	Godda sadar and Thakurgangti blocks of Godda district	44	Records relating to preparation of permanent wait list
		45	Records relating to Gram Sabha proceeding / approval
		46	Records relating to credit-cum-subsidy and DRI loans and convergence
		47	Inventory
		48	Inspection and Monitoring records along with technical supervision
		49	Records relating to prioritised target group
		50	Complaint register
7.	DRDA, Palamu	51	MPR
		52	Records relating to preparation of permanent wait list
		53	Records relating to preparation of Annual Action Plan
		54	Records relating to credit-cum-subsidy and DRI loans
		55	Records relating to convergence (2008-13) along with MPRs 1 & 2
		56	Inventory/ Asset Register
		57	Records relating to IEC activities
		58	Complaints Register 2008-12
		59	Bank Reconciliation Statement records
		60	Chartered Accountant Report for the year 2012-13
		61	MPR for the period 2008-10
8.	Bishrampur, Chainpur, Lesliganj and Medininagar blocks of Palamu district	62	Records relating to preparation of permanent wait list
		63	Records relating to Gram Sabha proceeding / approval
		64	Records relating to credit-cum-subsidy and DRI loans and convergence
		65	Inventory
		66	Inspection and Monitoring records along with technical supervision
		67	Records relating to prioritised target group
		68	Complaint register
		69	MPR
		70	UC
		71	Inspection records
9.	DRDA, Garhwa and blocks Chinia, Dandai, Nagaruntari and Garhwa sadar	72	Records relating to preparation of permanent wait list
		73	Records relating to fixation of targets for Panchayats
		74	Records relating to Gram Sabha proceeding / approval
		75	Records relating to credit-cum-subsidy and DRI loans and convergence
		76	Inventory/Asset Register
		77	Records of UC
		78	Inspection and Monitoring files
		79	Complaint register
10.	DRDA, Deoghar and blocks Deoghar Sadar and Madhupur	80	Records relating to preparation of permanent wait list
		81	Records relating to fixation of targets for Panchayats
		82	Records relating to Gram Sabha proceeding / approval
		83	Records relating to credit-cum-subsidy and DRI loans and convergence
		84	Inventory/Asset Register
		85	Records of UC
		86	Inspection and Monitoring files

(Source: DRDAs and Blocks records)

Appendix-2.1.14
(Referred to paragraph 2.1.9.2; page 26)

Details showing difference in Financial & Physical figures between MPR and UC

A). Financial Status:

(₹ in lakh)

Year	Name of DRDAs	As Monthly Progress Report					As per Utilisation Certificate					Difference in terms of percentage of UC				
		OB	GOI Release	State Release	Total Available Fund	Expenditure	OB	GOI Release	State Release	Total Available Fund	Expenditure	OB	GOI Release	State Release	Total Available Fund	Expenditure
2008-09	East Singhbhum	51.26	1126.98	313.52	1491.76	1050.28	1054.91	1331.02	313.51	2757.53	711.84	-95.14	-15.33	0.00	-45.90	47.54
	Garhwa	18.68	1257.31	178.11	1454.09	474.20	242.44	1257.30	178.11	1687.90	509.00	-92.30	0.00	0.00	-13.85	-6.84
	Godda	75.48	1244.77	196.80	1497.06	494.02	481.71	772.40	196.80	1551.54	494.30	-84.33	61.16	0.00	-3.51	-0.06
	Ranchi	387.34	1452.42	348.84	2188.60	1494.35	552.43	1881.79	312.25	2815.08	1809.65	-29.88	-22.82	11.72	-22.25	-17.42
2009-10	Deoghar	103.55	772.85	330.52	1206.92	1122.76	182.39	709.94	330.52	1293.18	994.13	-43.23	8.86	0.00	-6.67	12.94
	East Singhbhum	495.31	1539.26	560.98	2595.54	1834.80	1072.49	1139.25	560.98	2801.56	1413.91	-53.82	35.11	0.00	-7.35	29.77
	Garhwa	263.09	1721.89	478.01	2463.00	1510.17	1133.35	1298.10	743.23	3178.79	1129.58	-76.79	32.65	-35.68	-22.52	33.69
	Godda	1003.04	704.59	453.13	2160.75	1451.10	1057.24	1156.97	453.13	2723.08	1166.39	-5.13	-39.10	0.00	-20.65	24.41
2010-11	Ranchi	956.42	1327.20	577.81	2861.43	1941.90	1005.43	1327.20	617.80	2969.99	1799.84	-4.87	0.00	-6.47	-3.66	7.89
	Deoghar	299.05	1823.66	649.00	2771.71	2659.70	299.05	1823.66	649.00	2782.66	2608.43	0.00	0.00	0.00	-0.39	1.97
	East Singhbhum	479.39	3767.10	1255.70	5502.19	3448.69	1387.65	3767.10	1255.70	6424.35	3192.78	-65.45	0.00	0.00	-14.35	8.02
	Garhwa	952.83	628.90	194.33	1776.06	1596.32	2049.22	1019.04	339.68	3425.33	1521.78	-53.50	-38.29	-42.79	-48.15	4.90
	Godda	711.09	2933.98	671.67	4316.75	2725.90	1593.19	2933.98	671.67	5245.07	2165.55	-55.37	0.00	0.00	-17.70	25.88
	Palamu	1000.69	3897.85	1180.84	6079.38	3320.57	1000.69	3897.85	1156.49	6062.00	2611.14	0.00	0.00	2.11	0.29	27.17
2011-12	Ranchi	1170.15	4096.30	1339.30	6605.75	4025.18	1170.14	4096.29	1147.14	6533.06	3644.82	0.00	0.00	16.75	1.11	10.44
	Deoghar	174.22	976.32	142.17	1434.88	1240.89	174.22	976.32	284.34	1459.43	1156.92	0.00	0.00	-50.00	-1.68	7.26
	East Singhbhum	2053.50	1260.48	413.86	3727.84	3237.74	3231.58	1241.57	413.86	5033.14	3150.25	-36.46	1.52	0.00	-25.93	2.78
	Garhwa	989.71	803.64	267.88	2061.23	1378.27	1903.55	803.64	267.88	2993.32	1392.98	-48.01	0.00	0.00	-31.14	-1.06
	Godda	3079.53	622.95	176.93	3879.40	2665.25	3079.53	622.95	483.25	4308.12	2053.75	0.00	0.00	-63.39	-9.95	29.77
	Palamu	3446.45	1388.45	462.82	5297.72	3480.14	3450.86	1388.45	484.59	5332.08	3261.02	-0.13	0.00	-4.49	-0.64	6.72
2012-13	Ranchi	2888.24	869.73	482.01	4239.98	3625.02	2888.23	869.73	517.29	4364.46	2773.44	0.00	0.00	-6.82	-2.85	30.70
	Garhwa	1361.19	1306.59	433.09	3100.87	1774.79	1600.34	1306.59	433.09	3340.02	1968.55	-14.94	0.00	0.00	-7.16	-9.84
	Ranchi	1492.49	1770.49	616.37	3879.35	3126.75	1585.82	2070.90	711.97	4459.59	3167.35	-5.89	-14.51	-13.43	-13.01	-1.28

B). Physical Status:

Year	DRDA	As per Monthly Progress Report			As per Utilisation Certificate			Difference in terms of <i>percentage of UC</i>		
		Target	Houses Constructed	Houses under construction	Target	Houses Constructed	Houses under construction	Target	Houses Constructed	Houses under construction
1	2	3	4	5	6	7	8	9	10	11
2008-09	Ranchi	8132	1358	2082	8132	4269	3863	0	68	46
	Garhwa	2307	1814	1469	2307	1814	493	0	0	198
	East Singhbhum	3316	3301	356	3316	3301	356	0	0	0
	Godda	3048	1957	3010	3048	1957	1091	0	0	176
2009-10	Ranchi	6894	4014	3131	9227	6040	3187	25	34	2
	Deoghar	4244	3001	1243	4244	3001	1243	0	0	0
	Garhwa	10875	4918	7426	10875	4918	5957	0	0	25
	East Singhbhum	17205	13714	3491	17205	6608	3491	0	108	0
	Godda	5211	3478	4743	5211	3680	1531	0	5	210
2010-11	Ranchi	12138	6430	8839	12138	6430	5708	0	0	55
	Deoghar	7652	4243	3409	7652	4243	3409	0	0	0
	Garhwa	6039	6199	7266	3661	3342	1759	65	85	313
	East Singhbhum	10418	2259	8741	10418	12536	9424	0	82	7
	Godda	7977	5365	7355	7977	4739	7355	0	13	0
2010-11	Palamu	10433	6298	10597	10433	8210	2223	0	23	377
2011-12	Ranchi	4834	6175	4367	10542	6175	4367	54	0	0
	Deoghar	5936	5115	821	5936	5115	821	0	0	0
	East Singhbhum	3498	8947	2710	3498	9130	3792	0	2	29
	Godda	3862	4573	6644	3862	4573	6644	0	0	0
2012-13	Ranchi	8882	5603	7646	6215	5603	4979	43	0	54

Appendix–2.1.15
(Referred to paragraph 2.1.9.3; page 26)

Statement showing submission of incorrect facts to MoRD by DRDAs

Sl. No.	Facts submitted by DRDAs to MoRD	Actual position
1.	No Diversion of fund have been noticed in the audit report	Instances of diversion of fund were noticed as described in paragraph 2.1.5.5.
2.	Necessary action has already been initiated to rectify the defects pointed out in the audit report of previous year	Audit reports continued to point out discrepancies such as non-reconciliation of bank accounts, bank interests not accounted for by several blocks etc. Details in paragraphs 2.1.5.12 and 2.1.5.8.
3.	All the funds under the scheme Indira Awaas Yojana have been kept in the savings bank account	In several Blocks, interest amounts were not credited as IAY funds were kept in non-interest bearing bank accounts. Details in paragraph 2.1.5.13.
4.	Village level vigilance monitoring committees have already been constituted and they are functional	Supporting records for constitution and functioning of Village level vigilance committees was not produced before audit as detailed in paragraph 2.1.9.4.
5.	UCs of previous years obtained and scrutinised.	UCs were not furnished by the test checked blocks as detailed in paragraph 2.1.5.9.

(Source: Information/records from DRDAs)

Appendix-2.1.16
(Referred to paragraph: 2.1.9.8; page 28)

A). Statement showing discrepancies between MIS and MPR (State level)

Information received from	Particulars	Year	MIS	MPR	Variation
State level	Houses sanctioned	2012-13	85848	62829	23019

B). Statement showing discrepancies between MIS and MPR (DRDAs level)

Year	Particular	As per MPR			As per MIS			Difference		
		Houses sanctioned	House completed	House Incomplete	Houses sanctioned	House completed	House Incomplete	Houses sanctioned	House completed	House Incomplete
2012-13	Garhwa	7053	2439	4614	2327	0	2327	4726	2439	2287
	Ranchi	4834	6175	4245	4264	3	4803	570	6172	(-)558
	Godda	6685	445	6240	6786	76	6710	101	369	(-)470
	Palamau	8411	4446	3965	6924	0	6924	1487	4446	(-)2959
	East Singhbhum	7675	1480	6195	7675	1480	6195	0	0	0
	Deochar	2484	795	1689	3086	1	3085	(-)602	794	(-)1396

(Source: Information received from DRDAs)

Appendix-2.2.1
(Referred to paragraphs: 2.2.5 and 2.2.8; pages 33 and 39)

Details of projects selected for audit scrutiny

Sl. No.	Sector	Selected projects
Stream-I		
1	Irrigation	Distribution of micro lift irrigation system among progressive farmers' groups (2008-09)
2		Construction of Improved Irrigation System consisting of Birsa Pucca Check Dam, Loose Boulder Check Dam and Lift Irrigation System (2010-11)
3	Seed	Distribution of HYV seeds and seed production at Agriculture Farms for Integrated Development (Pulses, certified seeds, hybrid paddy, hybrid maize, Rhizobium culture, micro nutrient, zinc sulphate) (2010-11)
4		Distribution of different Hybrid Notified Seeds (2011-12)
5	Fishery	Establishment of Fisheries and Livestock Research Institute at Gauriyakarma, Hazaribag
6		Strengthening of Government Seed Farm Ramgarh and construction of Fish Seed Hatchery and other infrastructure
7	Extension	Establishment of Jharkhand Agriculture Machineries Testing and Training Centre at Ranchi
8		Construction of 50-bedded hostels for farmers at Saraikela, Ranchi and Dumka.
9	AGRE Research	Establishment of Automatic Weather Station Reception Centre at Ranchi
Stream-II		
10	ASDD	Strengthening of Seed Production Farms (2009-10)
11	AH&FD	Construction of 30-decimal fish rearing ponds and hatchery (2009-10)

Selection of districts

Sl. no.	Name of the projects	Districts in which projects implemented
1	Establishment of 50-bedded hostels for farmers	Dumka, Ranchi and Saraikela
2	Strengthening of Government Seed Farm, Ramgarh	Ramgarh
3	Establishment of AWS Reception Center at JSAC ¹ Ranchi	Ranchi
4	Jharkhand Agriculture Machinery Testing and Training Centre at Ranchi	Ranchi
5	Establishment of Fisheries and Livestock Research Institute	Ranchi

Selection of remaining districts

Name of district	Basis of selection
Dhanbad and Hazaribag	Simple random sampling

¹ Jharkhand Space Application Centre.

Appendix-2.2.2
(Referred to paragraph: 2.2.8.3(i); page 44)

Details of extra payment of subsidy by the State

Name of Seed	Quantity (Quintal)	Rate (₹ per quintal)	Subsidy (₹ per quintal)			Farmers' share (₹ per quintal)	Extra payment of subsidy by State	
			RKVY		State		Rate (₹ per quintal)	Amount (₹)
			Payable	Paid				
1	2	3	4	5	6	7	8 (4-5)	9 (2×8)
Maize	883	7200	3600	2000	3400	1800	1600	1412800
Urad	232	7200	3600	1200	4200	1800	2400	556800
Moong	139.20	10500	5250	1200	6675	2625	4050	563760
Arahar	62	7750	3875	1200	4612	1938	2675	165850
Hybrid Paddy	192	10200	5100	2000	5650	2550	3100	595200
Certified Paddy								
MTU 7029 and Rajendra Mansoori	2237	1620	810	500	715	405	310	693470
IR 64	434	2025	1012	500	1019	506	512	222208
MTU 1001 & 1010	1039	1800	900	500	850	450	400	415600
Abhishek Hazari Anjali	530	2070	1035	500	1052	518	535	283550
Total								4909238

Appendix-2.2.3
(Referred to paragraph: 2.2.9.5; page 56)

Details of projects having no RDMIS entry

(₹ in crore)

Sl. No.	Project ID	Name of the Project	Project cost
1	JH/RKVY/FINM/2009/193/Comm year 2009-10	Soil Testing	0.24
2	JH/RKVY/CROP/2009/198/Comm year 2009-10	Second crop in rice fallow area (input & management unit)	2.28
3	JH/RKVY/AGRE/2009/200/Comm year 2009-10	Est. of Expert Centre for Agro met Advisory Service Generation at Dept. of Agriculture	0.06
4	JH/RKVY/ORFM/2010/008/Comm year 2010-11	Vermi compost Development programme	0.20
5	JH/RKVY/IPMT/2010/014/Comm year 2010-11	Pest Surveillance and IPM	0.50
6	JH/RKVY/EXTN/2010/015/Comm year 2010-11	Demonstration and Training programme on Farm Implements (Ranchi & Dumka)	2.10
7	JH/RKVY/HORT/2010/022/Comm year 2010-11	Tomato Processing Unit (Bokaro, Dhanbad, Garhwa, Giridih)	7.02
8	JH/RKVY/HORT/2010/024/Comm year 2010-11	Vegetable Seed Production in Govt. Farm	5.00
9	JH/RKVY/HORT/2010/025/Comm year 2010-11	Hitech Floriculture cum Production Centre at SM Farm Khunti	1.00
10	JH/RKVY/CROP/2010/032/Comm year 2010-11	Converting Rice Fallow system into Double Cropping in Jharkhand (21 KVK)	0.61
11	JH/RKVY/EXTN/2010/033/Comm year 2010-11	Conducting training for farmers friend	2.21
12	JH/RKVY/EXTN/2010/034/Comm year 2010-11	Entrepreneurship development training for farmers' / Rural Youth band extension functionaries	0.06
13	JH/RKVY/EXTN/2010/035/Comm year 2010-11	Infrastructural Development in KVKs	11.85
14	JH/RKVY/ORFM/2010/037/Comm year 2010-11	Eco friendly Pest & Disease management practices for vegetable crops	0.25
15	JH/RKVY/FINM/2010/038/Comm year 2010-11	Waste Mica as a source of potassic fertilizer for crops	0.60
16	JH/RKVY/EXTN/2010/043/Comm year 2010-11	Strengthening of Infrastructural Facilities at SAMETI	1.95
17	JH/RKVY/SEED/2010/046/Comm year 2010-11	Strengthening of Breeder Seed Production of Pulses & Oilseeds at ZRS, Dumka, Darisai, Chianki and Chhatrapur	0.60
18	JH/RKVY/ORFM/2010/047/Comm year 2010-11	Technology Development for Organic Cultivation of Food, Vegetables, Spices and Horticulture Crops	0.45
19	JH/RKVY/DDEV/2010/214/Comm year 2010-11	Heifer Rearing programme for 6000 Heifers	3.14
20	JH/RKVY/ANHB/2010/219/Comm year 2010-11	Animal Health Service Extension	7.50
21	JH/RKVY/HORT/2010/220/Comm year 2010-11	Development of Potato by Birsa Agricultural University	1.76
22	JH/RKVY/SEED/2011/137/Comm year 2011-12	Strengthening of Seed Testing Lab at Ranchi, Jamshedpur, Dumka and Sahebganj and Est. of DNA Finger printing Lab at Ranchi	1.23
23	JH/RKVY/CROP/2011/138/Comm year 2011-12	Jharkhand Crop Information System (JCIS)	0.65
24	JH/RKVY/AMEC/2011/158/Comm year 2011-12	Distribution of Farm Implements - Power Tiller/ Pump sets	6.30
25	JH/RKVY/EXTN/2011/159/Comm year 2011-12	Strengthening of Training Infrastructure at ATMA districts	2.50
26	JH/RKVY/NRM/2011/160/Comm year 2011-12	Soil Health Monitoring of Farmers Fields	8.21
27	JH/RKVY/DDEV/2011/176/Comm year 2011-12	Breed Improvement Programme	16.22
28	JH/RKVY/AMEC/2011/224/Comm year 2011-12	Establishment of Equipment Bank for Custom Hiring at each blocks of Jharkhand	8.44

(₹ in crore)

Sl. No.	Project ID	Name of the Project	Project cost
29	JH/RKVY/AMEC/2011/225/Comm year 2011-12	Use of small agriculture implement tool kit in blocks of Jharkhand	0.65
30	JH/RKVY/AMEC/2011/226/Comm year 2011-12	Strengthening of Central Engineering Workshop	0.29
31	JH/RKVY/ANHB/2011/240/Comm year 2011-12	Hatchery development	3.36
32	JH/RKVY/OTHR/2012/252/Comm year 2012-13	Infrastructure requirement for establishment of 25 STL	13.13
31	JH/RKVY/SEED/2012/253/Comm year 2012-13	Strengthening of Seed Testing Lab at Ranchi, E. Singhbhum, Dumka & Sahibganj	2.45
32	JH/RKVY/SEED/2012/254/Comm year 2012-13	Production and Distribution of seed during Kharif & Rabi	35.00
33	JH/RKVY/FISH/2012/255/Comm year 2012-13	NMPS-Development of Reservoir Fisheries	3.34
34	JH/RKVY/ANHB/2012/256/Comm year 2012-13	Establishment of Frozen Semen Bull Station (FSBS)	1.00
35	JH/RKVY/ANHB/2012/257/Comm year 2012-13	Strengthening of Institute of Animal Health and Production for vaccine production under GMP	1.50
36	JH/RKVY/ANHB/2012/258/Comm year 2012-13	National Mission for Protein Supplement (NMPS) (Goat Development)	2.50
37	JH/RKVY/ANHB/2012/259/Comm year 2012-13	National Mission for Protein Supplement (NMPS) (Piggery Development)	2.97
38	JH/RKVY/ANHB/2012/260/Comm year 2012-13	National Mission for Protein Supplement (NMPS) (Feed Fixing Plant under Piggery Development)	0.20
39	JH/RKVY/ANHB/2012/261/Comm year 2012-13	Poultry Development	4.00
40	JH/RKVY/OTHR/2012/267/Comm year 2012-13	Mapping of canals and Command Area of Jharkhand by JSAC	0.10
41	JH/RKVY/OTHR/2012/268/Comm year 2012-13	Soil Amendment	25.00
42	JH/RKVY/OTHR/2012/269/Comm year 2012-13	Capacity Building of VLWs (1836 Nos.)	6.66
43	JH/RKVY/EXTN/2012/271/Comm year 2012-13	Capacity Building of Extension Personnel	5.00
44	JH/RKVY/FISH/2012/288/Comm year 2012-13	NMPS-Aquaculture Development through Integrated Approach	2.50
45	JH/RKVY/FISH/2012/289/Comm year 2012-13	NMPS-Construction of cages & development of Reservoir Fisheries	0.70
46	JH/RKVY/FISH/2012/290/Comm year 2012-13	NMPS-Construction of additional cages for seed rearing	0.40
47	JH/RKVY/FISH/2012/291/Comm year 2012-13	NMPS-Purchase of Mechanized FRP and manual boat	0.25
48	JH/RKVY/FISH/2012/292/Comm year 2012-13	Reservoir Fisheries Development under RKVY other than NMPS	8.01
49	JH/RKVY/OTHR/2012/293/Comm year 2012-13	Construction / Renovation of Rural Haats	27.53
50	JH/RKVY/CROP/2012/294/Comm year 2012-13	Rice, Pulse & Vegetables (Implemented in four district i.e Koderma, Chatra, Garhwa & Palamau) (RADP)	4.00

Appendix-2.3.1
(Referred to paragraph 2.3.7; page 64)

Fund received under NRDWP during 2009-10 to 2012-13 in test-checked divisions

(₹ in crore)

Name of division	Fund received during 2009-13			Expenditure during 2009-13			Savings (Percentage)
	Central	State	Total	Central	State	Total	
Deoghar	12.75	9.70	22.45	9.55	7.74	17.29	5.16 (22.98)
Dhanbad-2	24.29	16.17	40.46	21.49	14.00	35.49	4.97 (12.28)
Dumka-2	17.65	14.92	32.57	14.51	15.10	29.61	2.96 (9.09)
Giridih-2	33.77	25.06	58.83	31.55	20.94	52.49	6.34 (10.78)
Gumla	26.86	26.24	53.10	23.91	23.84	47.75	5.35 (10.08)
Jamshedpur	19.01	18.80	37.81	18.10	17.49	35.59	2.22 (5.87)
Latehar	16.82	15.60	32.42	11.30	12.03	23.33	9.09 (28.04)
Pakur	17.10	12.51	29.61	13.75	10.13	23.88	5.73 (19.35)
Ranchi (East)	29.21	22.83	52.04	21.42	17.43	38.85	13.19 (25.35)
Sahibganj	46.85	23.42	70.27	44.20	19.57	63.77	6.05 (9.25)
Total	244.31	185.25	429.56	209.78	158.27	368.05	61.51 (14.32)

Appendix-2.3.2
(Referred to paragraph 2.3.7; page 64)

Fund received under State Plan during 2008-09 to 2012-13 in test-checked divisions

(₹ in crore)

Name of the division	Fund received	Expenditure	Surrendered amount
Deoghar	10.96	9.56	1.40
Dhanbad-II	13.23	11.93	1.30
Dumka	29.67	27.25	2.42
Giridih-II	71.82	68.16	3.66
Gumla	13.28	11.86	1.42
Jamshedpur	16.37	10.67	5.70
Latehar	12.47	10.59	1.88
Pakur	3.59	3.34	0.25
Ranchi (East)	4.02	3.71	0.30
Sahibganj	17.77	15.19	2.58
Total	193.18	172.26	20.91

Appendix-2.3.3
(Referred to paragraph 2.3.8.1; page 66)

Status of Rural Piped Water Supply Schemes in test checked divisions

(₹In lakh)

Sl. No.	Name of the Division	Name of RPWSS	Estimated cost	Expenditure	No. of Population to be covered	Status of VWSC formation	Present status	Remarks
1	Deoghar	Rohini	124.27	119.79	5500	Yes	Operational	
2	Giridih-II	Birni	398.72	379.95	23856	Yes	Operational	
3	Giridih-II	Saria	985.63	704.11	24761	Yes	Operational	
4	Gumla	Basia	206.79	194.82	1077	Yes	Operational	
5	Gumla	Konbir	280.00	265.94	1090	Yes	Operational	
6	Ranchi East	Tunju	117.84	47.80	455	Yes	Operational	
7	Ranchi East	Tau	199.45	115.60	455	No	Operational	
8	Ranchi East	Jamudag	43.03	43.03	3125	No	Operational	
9	Ranchi East	Kanchi	59.30	59.30	273	Yes	Operational	
10	Ranchi East	Reladih	44.50	44.48	273	Yes	Operational	
11	Ranchi East	Lagam	48.12	48.12	2590	Yes	Operational	
12	Ranchi East	Uli Lohar	61.83	60.59	4150	Yes	Operational	
13	Sahibganj	Tinpahar	120.76	108.98	5000	Yes	Operational	
	Total		2690.24	2192.51	72605			
1	Dhanbad-II	Narkopi	107.31	99.93	2248	Yes	Complete	Due to non-availability of electric connection scheme was non-functional.
2	Dhanbad-II	Mahuda	73.03	61.63	5074	Yes	Incomplete	Incomplete due to villagers not parting with land for laying pipes.
3	Giridih-II	Madhuban Pirtarn	1728.00	1544.77	24250	Yes	Complete	Non-functional due to low voltage. Estimates for installation of dedicated feeder for supply of electricity called for (November 2013).
4	Ranchi East	Barenda	47.04	45.71	1170	Yes	Complete	Non-functional due to motor disorder
5	Ranchi East	Chirudih	66.30	62.00	600	No	Complete	Non-functional due to low voltage
6	Ranchi East	Taimara	47.20	45.20	273	No	Complete	Failure of bore
7	Ranchi East	Baredih	48.02	44.85	1018	No	Complete	Non functional due to electric connection was disconnected by the villagers and ESR partially complete.
	Total		2116.90	1904.09	34633			
	Grand Total		4807.14	4096.60	107238			

Appendix-2.3.4
(Referred to paragraph 2.3.8.3; page 69)

Statement of conversion of HYDT to the MRPWSS

Sl. No	Name of division	Sanctioned in 1 st phase-478		Sanctioned in 2 nd phase-240		Sanctioned in 3 rd phase-4197		Quality affected area-129	
		Sanctioned	Eligibility for Conversion of HYDT into the MRPWS	Sanctioned	Eligibility for Conversion of HYDT into the MRPWS	Sanctioned	Eligibility for Conversion of HYDT into the MRPWS	Sanctioned	Eligibility for Conversion of HYDT into the MRPWS
1	Deoghar	10	5	8	3	77	21	0	0
2	Dhanbad	10	3	6	2	129	27	3	0
3	Dumka II	12	8	6	4	86	51	0	0
4	Giridih II	14	6	14	10	227	94	2	2
5	Gumla	25	10	11	3	181	56	8	2
6	Jamshedpur	12	6	7	3	105	34	1	0
7	Latehar	16	8	13	2	93	18	0	0
8	Pakur	13	8	6	3	137	68	5	1
9	Ranchi East	14	9	6	1	137	72	0	0
10	Sahibganj	19	11	9	5	118	66	35	19
	Total	145	74	86	36	1290	507	54	24

Appendix-2.3.5
(Referred to paragraph 2.3.8.4; page 69)

Statement of unfruitful expenditure on non-functional schemes

(₹ in lakh)

Sl. No.	Name of the Rural Water Supply Schemes	Estimated cost	Total Expenditure	Reason
1	Littipara Santhal Tola	16.52	16.26	For want of Electric connection
2	Pochaibera Santhal Tola	23.30	14.03	Motor disorder
3	Bichamahal Muslim Tola	16.56	11.85	Disputes among villagers
4	Nawadih Santhal Tola	15.82	10.93	Closed
5	Bannogram Mukhiya Toal	23.53	8.05	Closed
6	Kusma Nagar Muslim Tola	15.82	13.72	Low voltage
7	Ranga Muslim Tola	15.54	12.64	For want of Electric connection
8	Jhenagria Muslim Tola	16.56	15.48	Disputes among villagers
	Total	143.65	102.96	

Appendix-2.3.6
(Referred to paragraph 2.3.9; page 70)

Statement showing joint physical verification of schemes in test checked divisions

(₹In lakh)

Sl. No.	Name of the division	Block	Place	Estimated cost	Population covered	Expenditure	Status as per MPR	Status as found in joint physical verification	Reason
1	Deoghar	Deoghar	Kothiya	12.34	819	9.39	Non-functional	Non-functional	Due to non-availability of electricity, No household water connection
2		Mohanpur	Chulhia	15.55	635	12.71	Functional	Functional	No household water connection
3	Dumka II	Dumka	Chorkattta	12.09	1906	7.93	Functional	Functional	No water connection
4		Jama	Maharo	20.41	636	10.38	Incomplete	Incomplete	Electric connection not made and no household water connection.
5	Dhanbad II	Baghmara	Dhawachita	13.17	469	12.80	Incomplete	Incomplete	Motor pipe not joined to overhead tank and distribution pipes. No household water connection.
6	Giridih	Pirtand	Madhuban-Pirtand	1728.42	24250	1481.68	Functional	Functional	Completed under trial and run condition, VWSC is not formed.
7		Giridih	Banderkuppi	14.69	681	14.69	Non-functional	Non functional	Non functional in absence of electricity and no household water connection.
8	Gumla	Gumla	Fasia	10.27	500	8.35	Functional	Functional	No household water connection
9		Gumla	Armai (Urm)	11.86	600	8.86	Functional	Functional	No household water connection
10	Jamshedpur	Jamshedpur	Chhota Govindpur (South Middle)	12.76	700	12.76	Functional	Functional	No household water connection
11		Jamshedpur	Chhota Govindpur (East)	11.20	450	11.20	Functional	Functional	No household water connection
12	Latehar	Chandwa	Ichak	19.59	1420	19.28	Non-Functional	Non-functional	Non-functional due to no household water connections and broken solar plate.
13		Latehar	Chakla	9.23	682	5.57	Functional	Functional	No household water connection
14	Pakur	Maheshpur	Birkitti	29.23	2568	29.23	Functional	Functional	Functional, irregular water supply due to irregular supply of electricity, no vats and no water connection.
15			Damdama	10.34	1120	8.15	Functional	Functional	No water connection.
16	Sahibganj	Barhait	Phoolbhanga	20.67	343	20.59	Functional	Non functional	Due to disorder of motor and no household water connection.
17			Dhanjori	15.66	268	9.12	Functional	Functional	No household water connection and VWSC is not formed
18	Ranchi (East)	Tamar	Deori	10.62	605	8.62	Functional	Functional	Irregular water supply due to low voltage and leakages of pipe and no household water connection.
19		Tamar	Railadih	44.50	273	44.48	Functional	Functional	No household water connection
	Total			2022.60	38925	1735.79			

Appendix-2.3.7
(Referred to paragraph 2.3.11; page 73)

Statement showing details of FTK supplied and number of source to be checked

Sl. No	Name of districts	No of Water Source	FTK Available	Expected test to be executed	Actual water test carried out	Balance sources to be tested
1	Ranchi	30013	311	31100	10377	19636
2	Lohardaga	5412	71	7100	4057	1355
3	West Singhbhum	9862	230	23000	5375	4487
4	Saraikela- Kharsawan	19131	151	15100	6327	12804
5	Palamu	8606	220	22000	1168	7438
6	Latehar	3983	120	12000	669	3314
7	Garhwa	7587	172	17200	6164	1423
8	Koderma	7395	100	10000	5835	1560
9	Chatra	11063	159	15900	8759	2304
10	Dumka	11899	219	21900	7655	4244
11	Sahibganj	43629	144	14400	5550	38079
12	Pakur	11847	148	14800	1831	10016
13	Jamtara	8814	126	12600	8334	480
	Total (A)	179241	2171	217100	72101	107140
14	Hazaribagh	8656	262	26200	0	8656
15	Ramgarh	8993	148	14800	0	8993
16	Deochar	10918	204	20400	0	10918
	Total (B)	28567	614	61400	0	28567
17	Bokaro	14156	0	0	0	0
18	Giridih	11697	0	0	0	0
19	Dhanbad	23151	0	0	0	0
20	Simdega	6547	0	0	0	0
21	Gumla	20345	0	0	0	0
22	Godda	14923	0	0	0	0
23	Khunti	7734	0	0	0	0
24	East Singhbhum	29712	0	0	0	0
	Total (C)	128265	0	0	0	0
	Grand Total	336073	2785	278500	72101	135707

Appendix-2.4.1
(Referred to Paragraph 2.4.6.2; page 81)

Details showing requirement, sanction strength vis-a-vis men in position of PHCs under CHCs

Name of CHCs	Population of CHC (2001 census)	Total number of PHC required	Number of PHC actually in existence	Shortfall (Per cent)	Man power position in PHC							
					Medical Officer				Para Medical staff			
					Sanction	PIP	Shortfall (Per cent)	Remarks	Sanction	PIP	Shortfall (Per cent)	Remarks
Bokaro (OSP)												
Bermo	250399	8	1	7 (88)	2	1	1 (50)			5	1	4(80)
Gomia	198524	7	3	4 (57)	6	6	NIL			15	NIL	15(100)
Jaridih	88298	3	1	2 (67)	NIL	NIL	NIL			5	1	4(80)
Peterwar	113635	4	1	3 (75)	2	1	1 (50)			4	1	3(75)
Deoghar(OSP)												
Jasidih	256063	9	2	7 (78)	2	NIL	2 (100)			18	13	5(28)
Madhupur	176179	6	1	5 (83)	2	1	1 (50)			5	1	4(80)
Mohanpur	143479	5	NIL	5 (100)	NIL	NIL	NIL			NIL	NIL	NIL
Sarwan	128938	4	1	3 (75)	1	1	NIL			3	NIL	3(100)
Dumka (TSP)												
Gopikandar	35541	2	1	1 (50)	2	NIL	2 (100)			4	2	2(50)
Jarmundi	151555	8	4	4 (50)	8	5	3 (38)	4 on deputation		20	6	14(70)
Masalia	106943	5	2	3 (60)	2	1	1 (50)	1 on deputation		7	1	6(86)
Sikaripara	110132	6	4	2 (33)	8	3	5 (63)	2 on deputation		18	8	10(56)
East Singhbhum(TSP)												
Dhalbhum-garh	72528	4	2	2 (50)	3	3	NIL	All 3 on deputation		6	4	2(33)
Golmuri	1076544	54	2	52 (96)	3	3	NIL			7	4	3(43)
Patamda	131879	7	1	6 (86)	1	1	NIL	On deputation		3	1	2(66)
Potka	170657	9	2	7 (78)	4	4	NIL	2 on deputation		10	4	6(60)
Gumla (TSP)												
Bharno	62098	3	1	2 (66)	2	NIL	2 (100)			4	3	1(25)
Palkot	70645	3	1	2 (66)	2	NIL	2 (100)			5	NIL	5(100)
Raidih	62123	3	2	1 (33)	4	1	3 (75)	One doctor was absenting since November 2012		7	1	6(86)
Sisai	91826	4	1	3 (75)	2	NIL	2 (100)			4	NIL	4(100)
Hazaribag (OSP)												
Bishnugarh	142862	5	1	4 (80)	2	2	NIL			2	2	NIL
Chauparan	167246	5	1	4 (80)	2	2	NIL			2	1	1(50)
Ichak	115777	4	Nil	4 (100)	-	-	-			-	-	-
Katkamsandi	147753	5	1	4 (80)	2	2	NIL			5	2	3(60)

Name of CHCs	Population of CHC (2001 census)	Total number of PHC required	Number of PHC actually in existence	Shortfall (Per cent)	Man power position in PHC								
					Medical Officer				Para Medical staff				
					Sanction	PIP	Shortfall (Per cent)	Remarks	Sanction	PIP	Shortfall (Per cent)	Remarks	
Lohardaga (TSP)													
Senha	63918	3	2	1(33)	3	3	NIL		7	2	5(71)		
Bhandra	55540	3	1	2(66)	1	1	NIL		4	2	2(50)		
Kisko	57779	3	3	Nil	5	2	3(60)		15	NIL	15(100)		
Kuru	83922	4	2	2(50)	2	1	1(50)		2	1	1(50)		
Ranchi (TSP)													
Angara	103155	5	2	3(60)	4	3	1(25)	Out of three, one doctor was on deputation elsewhere and one doctor was absenting since one year	10	6	4(40)		
Chanho	83860	4	1	3(75)	2	2	NIL		4	1	3(75)		
Kanke	102648	5	1	4(80)	1	1	NIL		NIL	NIL	Nil		
Mandar	98740	5	1	4(80)	2	1	1(50)	The doctor was on deputation elsewhere	4	1	3(75)		
West Singhbhum(TSP)													
Bandgawn	65561	3	2	1(33)	4	4	NIL		4	2	2(50)		
Jhikpani	72928	4	1	3(75)	2	2	NIL		4	2	2(50)		
Khuntpani	63564	3	Nil	3(100)	-	-	-		-	-	-		
Tatnagar	49143	2	1	1(50)	2	2	NIL		4	NIL	4(100)		
Total		220	53	167(76)	90	59	31(34)		217	73	144(66)		

(Source: Data provided by Community Health Centres)

Note: TSP- Tribal Sub-plan; OSP- Other Sub-plan; PIP- Persons in position.

Appendix-2.4.2
(Referred to Paragraph 2.4.8.2; page 84)

Details showing non-imposition of penalty as of July 2013

(Amount in ₹)

Sl. No.	Name of work	Estimated cost	Agreement Value (Per cent rise on estimated cost)	Agreement Number	Date of commencement	Due date of completion	Present position of work	Amount of work done	Estimated cost of work not done	Delay in days (penalty imposed in per cent)	Penalty to be imposed
1	CHC Building, Jugsalai, East Singhbhum	36028200	39270738 (9)	2F2/10-11	20.05.10	19.01.12	Completed (05.06.12)	32293578	3734622	138 (69)	2576889
2	CHC Building, Chakulia, East Singhbhum	36587663	39441500 (7.8)	12F2/09-10	21.10.09	20.04.11	Incomplete	3710575	32877088	834 (417)	3658766
3	CHC Building, Patamda, East Singhbhum	36582300	39973475 (9.27)	15F2/09-10	22.10.09	21.04.11	Incomplete	31318572	5263728	433 (416.5)	3658230
4	CHC Building, Dhalbhumgarh, East Singhbhum	36114870	39455496 (9.25)	16F1/09-10	23.10.09	22.04.11	Incomplete	3661327	32453543	832 (416)	3611487
5	CHC Building, Musabani, East Singhbhum	37041850	39912593 (7.75)	6F2/10-11	12.01.11	11.07.12	Incomplete	33451280	3590547	385 (192.5)	3704185
6	CHC Building, Noamundi, West Singhbhum	41604115	44911642 (7.95)	2F2/11-12	10.10.11	10.04.13	Incomplete	32727897	8876318	112 (56)	4160411
7	CHC Building, Sonua, West Singhbhum	40946150	44201369 (7.95)	3F2/11-12	21.10.11	20.04.13	Incomplete	34512560	6433590	102 (51)	3281131
8	CHC Building, Khuntpani, West Singhbhum	40566254	43770988 (7.9)	4F2/11-12	23.10.11	22.04.13	Incomplete	3439226	37127025	100 (50)	4056625
Total											28707724

Appendix-2.4.3

(Referred to Paragraph 2.4.10.1; page 85)

(A) Basic Health care services for the year 2008-09

Particulars	Bokaro	Deoghar	Dumka	East Singhbhum	Gumla	Hazaribag	Lohardaga	Ranchi	West Singhbhum
Total number of CHC test-checked	04	04	04	04	04	04	04	04	04
Facility of Blood storage	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facility of New born care	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facility of 24 X 7 service deliveries	04	04	04	04	04	04	04	04	04
Facility of In-patient services:									
(a) Separate wards for Male & Female	01	NIL	NIL	NIL	01	NIL	NIL	02	NIL
(b) No Separate wards for Male & Female	03	04	04	04	03	04	04	02	04
Facility of X-rays	01	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facility of Ultra-sound	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facility of ECG	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facility of Obstetric care	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facility of Emergency Service (24 hours)	04	03	04	04	04	04	04	04	04
Facility of Family Planning (Tubectomy and Vasectomy)	04	04	04	04	04	04	04	04	01
Facility of Intra-natal examination of gynaecological conditions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facility of Paediatrics	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facility of OT:									
(a) OT table	04	04	04	04	04	04	01	02	04
(b) Shadow less overhead lamp	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Availability of surgical equipment:									
Facility of Labour room	04	04	04	04	04	04	04	04	04
Facility of uninterrupted power supply	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Status of building									
Old PHC Building	04	04	04	04	04	04	04	04	04
New Building	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Nos. of beds functional in the health centres	* 30 (1) 06 (3)	30(02) 06(02)	06(03) 04(01)	06	#06 (3) 20 (1)	06	06	\$06 (3) 30 (1)	06
Facility of 24 hours water supply	04	04	04	04	04	NIL	NIL	NIL	04
Types of bio-waste disposal in use	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Treatment facilities for RTI/STI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facilities for treatment of AYUSH	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Separate facilities for public utilities:									
(a) Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	Nil	NIL
(b) Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Counselling facilities for HIV/AIDS/STDs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Particulars	Bokaro	Deoghar	Dumka	East Singhbhum	Gumla	Hazaribag	Lohardaga	Ranchi	West Singhbhum
Ambulance facilities	NIL	03	NIL	NIL	02	02	NIL	01	NIL
Residential facilities for doctors/para medical staff	01	NIL	NIL	NIL	01	NIL	NIL	NIL	NIL
Kitchen facilities for indoor patients	NIL	NIL	NIL	NIL	01	NIL	NIL	NIL	NIL
Facilities of Eye Specialists	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facilities of Dentist	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facilities of Medicine Specialists	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facilities of Specialists in surgery	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facilities for caesarean deliveries	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

(B) Basic Health care services for the year 2012-13

Particulars	Bokaro	Deogarh	Dumka	East Singhbhum	Gumla	Hazaribag	Lohardaga	Ranchi	West Singhbhum
Total number of CHC test-checked	04	04	04	04	04	04	04	04	04
Facility of Blood storage	NIL	01	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facility of New born care	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facility of 24 X 7 service deliveries	04	04	04	04	04	04	04	04	04
Facility of In-patient services:									
(c) Separate wards for Male & Female	01	02	NIL	NIL	02	NIL	NIL	02	NIL
(d) No Separate wards for Male & Female	03	02	NIL	NIL	02	NIL	NIL	02	NIL
Facility of X-rays	01	NIL	NIL	NIL	01	NIL	NIL	01	NIL
Facility of Ultra-sound	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facility of ECG	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facility of Obstetric care	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facility of Emergency Service (24 hours)	04	03	04	04	04	04	04	04	04
Facility of Family Planning (Tubectomy and Vasectomy)	04	04	04	04	04	04	04	04	02
Facility of Intra-natal examination of gynaecological conditions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facility of Paediatrics	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facilities in OT									
(a) OT table	04	04	04	04	04	04	04	04	04
(b) Shadow less overhead lamp	01	04	04	04	03	NIL	01	01	NIL
Facility of Labour room	04	04	04	04	04	04	04	04	04
Facility of uninterrupted power supply	04	04	04	04	04	04	04	04	01
Status of buildings:									
(a) Old PHC Building	04	02	04	04	03	04	04	04	04
(b) New Building	NIL	02	NIL	NIL	01	NIL	NIL	NIL	NIL
Nos. of functional beds in the health centres	*30 (01) \$ 06 (03)	30(02) 06(02)	04(01) 06(03)	06 (04)	#06 (02) 20 (02)	06 (04)	06 (04)	\$ 06 (03) 30 (01)	06 (04)
Facility of 24 hours water supply	04	04	04	04	04	04	04	04	04
Types of bio-waste disposal in use	04	04	04	04	04	04	04	02	03
Treatment facilities for RTI/STI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facilities for treatment of AYUSH	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Separate facilities for public utilities									
(a) Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b) Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Counselling facilities for HIV/AIDS/STDs	04	04	NIL	04	01	03	NIL	01	04
Ambulance facilities	04	03	NIL	NIL	02	03	04	01	NIL
Residential facilities for doctors/para medical staff	01	NIL	NIL	NIL	01	NIL	NIL	NIL	NIL
Kitchen facilities for indoor patients	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Particulars	Bokaro	Deogarh	Dumka	East Singhbhum	Gumla	Hazaribag	Lohardaga	Ranchi	West Singhbhum
Facilities of Eye Specialists	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facilities of Dentist	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facilities of Medicine Specialists	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facilities of Specialists in surgery	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Facilities for caesarean deliveries	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

(Source: Jharkhand Rural Health Mission Society)

NOTE: *- 30 bedded in Jaridih and Mandar, #- Bharno and Palkot 6 bedded and \$-Raidih & Sisai 20 bedded.

Appendix-2.4.4
(Referred to Paragraph 2.4.10.2; page 87)

Detail of idle equipment

Equipment CHC	General bed/ Period	Shadow less lamp/ Period	Laryngo scope- child/ Period	Sterilizer make surgeon model ss702075751/ Period	Blood Gas Analyser with electrolyte/ Period	3 phase ECG/ Period	OT Table/ Period	Diathermy/ Period	X-Ray machine/ Period	Laryng oscope adult/ Period	Blood storage freezer/ Period	Path fast compact immune analyzer	Advance ventilator with accessories	Cardiac monitor with defibrillator	Multi Para- monitor	Ultrasound machine	Photo- therapy machine
District/CHC																	
Bokaro																	
Bermo	NIL	NIL	01 (3/12)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Gomia	NIL	NIL	01 (10/12)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Jaridih	NIL	NIL	01 (3/12)	NIL	01 (3/12)	NIL	NIL	NIL	01 (3/12)	NIL	01 (3/12)	NIL	NIL	NIL	NIL	NIL	NIL
Petarwar	NIL	NIL	01 (3/12)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	01 (3/12)	NIL	NIL	NIL	NIL	NIL	NIL
Deoghar																	
Jasidih	NIL	NIL	01 (5/12)	NIL	01 (5/12)		NIL	NIL	01 (5/12)	NIL	NIL	NIL	NIL	NIL	NIL		
Madhupur	NIL	NIL	NIL	NIL		01 (3/12)	NIL	01 (3/12)		NIL	NIL	NIL	NIL	NIL	NIL	01 (3/12)	01 (4/12)
Mohanpur	NIL	NIL	NIL	NIL	01 (5/12)	01 (3/12)	NIL	NIL	01 (3/12)	NIL	NIL	NIL	NIL	NIL	NIL	01 (3/12)	
Sarwan	NIL	NIL	NIL	NIL	01 (5/12)		NIL	NIL		NIL	01 (3/12) Functional	NIL	NIL	NIL	NIL	01 (4/12)	
Dumka																	
Gopikander	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL		NIL	NIL	NIL	NIL	NIL	NIL
Jarmundi	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	01 (3/12)	NIL	NIL	NIL	NIL	NIL	NIL
Masalia	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL		NIL	NIL	NIL	NIL	NIL	NIL
Sikaripara	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
East Singhbhum																	
Dhalbhumgarh	19 (6/13)		3 (4/13)	NIL	01 (3/13)	NIL	NIL	NIL	01 (10/12)	02 (4/13)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Golmuri	NIL	NIL	NIL	NIL	01 (3/11)	NIL	NIL	NIL	01 (3/12)	NIL	NIL	NIL	NIL	NIL	NIL	01 (6/12)	NIL
Patamda	NIL	NIL	NIL	NIL	01 (5/12)	NIL	NIL	NIL	01 (2/12)	NIL	01 (4/13)	NIL	NIL	NIL	NIL	NIL	NIL
Potka	NIL	NIL	3 (4/13)	NIL	01 (3/13)	01 (2/12)	NIL	NIL	01 (2/11)	02 (4/13)	NIL	NIL	NIL	NIL	NIL	01 (2/12)	NIL
Gumla																	
Bharno	NIL	NIL	01 (3/12)	01 (4/12)	01 (3/12)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Palkot	NIL	01 (4/12)	NIL	01 (4/12)	NIL	NIL	01 (3/12)	NIL	01 (4/12)	01 (4/12)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Raidih	02 (3/12)	01 (3/12)	01 (3/12)	01 (3/12)	01 (3/12)	NIL	NIL	NIL	01 (12/11)	01 (03/12)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sisai	04 (3/12)	NIL	01 (3/12)	01 (4/12)	01 (3/12)	01 (4/12)	NIL	NIL	NIL	01 (03/12)	01 (01/12)	NIL	NIL	NIL	NIL	NIL	NIL

Equipment CHC	General bed/ Period	Shadow less lamp/ Period	Laryngo scope-child/ Period	Sterilizer make surgeon model ss702075751/ Period	Blood Gas Analyser with electrolyte/ Period	3 phase ECG/ Period	OT Table/ Period	Diathermy/ Period	X-Ray machine/ Period	Laryngoscope adult/ Period	Blood storage freezer/ Period	Path fast compact immune analyzer	Advance ventilator with accessories	Cardiac monitor with defibrillator	Multi Para-monitor	Ultrasound machine	Photo-therapy machine
Hazaribag																	
Bishnugarh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	01 (3/13)	NIL	01 (2/12)	01 (2/12)	NIL	NIL	NIL
Chauparan	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Ichak	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Katkamsandi	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Lohardaga																	
Bhandra	NIL	NIL	NIL	NIL	01 (3/12)	01 (3/12)	NIL	01 (02/12)	NIL	NIL	01 (11/11)	NIL	NIL	NIL	NIL	NIL	NIL
Kisko	NIL	NIL	NIL	NIL	NIL	01 (3/12)	NIL	NIL	NIL	NIL	01 (03/12)	NIL	NIL	NIL	NIL	NIL	NIL
Kuru	NIL	NIL	NIL	NIL	01 (11/11)		NIL	01 (02/12)	NIL	NIL	01 (11/12)	NIL	NIL	NIL	NIL	NIL	NIL
Senha	NIL	NIL	NIL	NIL	NIL		NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Ranchi																	
Angara	NIL	NIL	NIL	NIL	01 (3/12)	01 (3/12)	NIL	NIL	NIL	NIL	01 (02/12)	NIL	NIL	NIL	NIL	NIL	NIL
Chanho	NIL	NIL	NIL	NIL	01	01	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Kanka	NIL	NIL	NIL	NIL	01 (2/12)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Mandar	16 (2/13)	01 (3/12)	02 (3/12)	NIL	01 (2/12)	01 (3/12)	NIL	NIL	NIL	02 (03/12)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
West Singhbhum																	
Bundhgaon	08 (4/13)	02 (4/13 & 6/13)	NIL	NIL	01 (4/13)	01 (4/13)	NIL	NIL	NIL	NIL	NIL	01 (4/12)	NIL	01 (monitor 4/12)	01 (04/12)	NIL	NIL
Jhinkpani	05	NIL	01	NIL	NIL	01	NIL	NIL	NIL	01	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Khuntpani	NIL	NIL	NIL	NIL	NIL	01 (3/12)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Tantnagar	05 (4/13)	NIL	NIL	NIL	01 (12/10)	01 (12/10)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total number of idle equipments	59	05	17	04	19	13	01	03	09	10	10	01	01	02	01	05	01
Cost per equipment	2990	162288	860	231314	472936	42000	110250	600000	116105	860	181000	1391250	1069950	320250	187950	270000	34616
Total cost	176410	811440	14620	925256	8985784	546000	110250	1800000	1044945	8600	1810000	1391250	1069950	640500	187950	1350000	34616

(Source: Jharkhand Rural Health Mission Society)

Appendix-2.4.5
(Referred to Paragraph 2.4.10.3; page 90)

List of Diagnostic Services in test-checked CHCs during 2008-13

Sl. No.	Speciality	Sl. No.	Diagnostic serving/test	Bokaro	Deoghar	Dumka	East Singhbhum	Gumla	Hazaribag	Lohardaga	Ranchi	West Singhbhum	
CLINICAL PATHOLOGY													
I	a) Haematology	1	Haemoglobin estimation	Available*	Available*	Available*	Available*	Available*	Available*	Available*	Available*	Available*	
		2	Total Leucocyte count	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		3	Differential Leucocyte count	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		4	Absolute Eosinophil count	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		5	Reticulocyte count	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		6	Total RBC count	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		7	E.S.R.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		8	Peripheral Blood Smear	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		9	Malaria/Filaria Parasite	Available*	Available*	Available*	Available*	Available*	Available*	Available*	Available*	Available*	Available*
		10	Platelet count	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		11	Packed Cell volume	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		12	Blood grouping	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		13	Rh typing	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		14	Blood Cross matching	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	b) Urine Analysis	1	Urine for Albumin, Sugar, Deposits, bile salts, bile pigments, acetone, specific gravity, Reaction (pH)	Only Albumin and Sugar*	Only Albumin and Sugar*	Only Albumin and Sugar*	Only Albumin and Sugar*	Only Albumin and Sugar*	Only Albumin and Sugar*	Only Albumin and Sugar*	* Only Albumin and Sugar	Only Albumin and Sugar	
	c) Stool Analysis	1	Stool for Ovacyst (Eh)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
2		Hanging drop for V. Cholera	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
3		Occult blood	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
II	PATHOLOGY												
	a) Sputum	1	Sputum cytology	Available*	Available*	Available*	Available*	Available*	Available*	Available*	Available*	Available*	
III	MICROBIOLOGY	2	Smear for AFB	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
3		Grams Stain for Throat swab	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
IV	SEROLOGY	4	VDRL	NIL	01	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
5		Pregnancy test (Urine gravindex)	NIL	02	Available*	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
6		WIDAL test	NIL	01	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
V	BIOCHEMISTRY	1	Blood Sugar	Available*	Available*	Available*	Available*	Available*	Available*	Available*	Available*	Available*	
2		Blood urea	NIL	01	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
3		Liver function tests	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
4		Kidney function tests	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
5		Blood lipid profile	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
VI	CARDIAC INVESTIGATIONS	1	a) ECG	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	

Sl. No.	Speciality	Sl. No.	Diagnostic serving/test	Bokaro	Deoghar	Dumka	East Singhbhum	Gumla	Hazaribag	Lohardaga	Ranchi	West Singhbhum
VII	OPHTHALMOLOGY	1	a) Refraction by using Snellen's chart	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		2	Retinoscopy	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		3	Ophthalmoscopy	NIL	NIL		NIL	NIL	NIL	NIL	NIL	NIL
VIII	RADIOLOGY	1	a) X ray for Chest, Skull, Spine, Abdomen, bones	Only Chest, Bones (Jaridih)	NIL	NIL	NIL	Only Chest, Bones (Sisai)	NIL	NIL	Only Chest, Bones (Mandar)	NIL
		2	b) Dental X ray	NIL	NIL	NIL	NIL	NIL	NIL	NIL	Nil	NIL
		3	c) Ultrasonography (Desirable)	NIL	NIL	NIL	Nil	NIL	NIL	NIL	NIL	Nil

(Source: Jharkhand Rural Health Mission Society)

*In all test-checked CHCs

Appendix-2.4.6

(Referred to Paragraph 2.4.11.1; page 91)

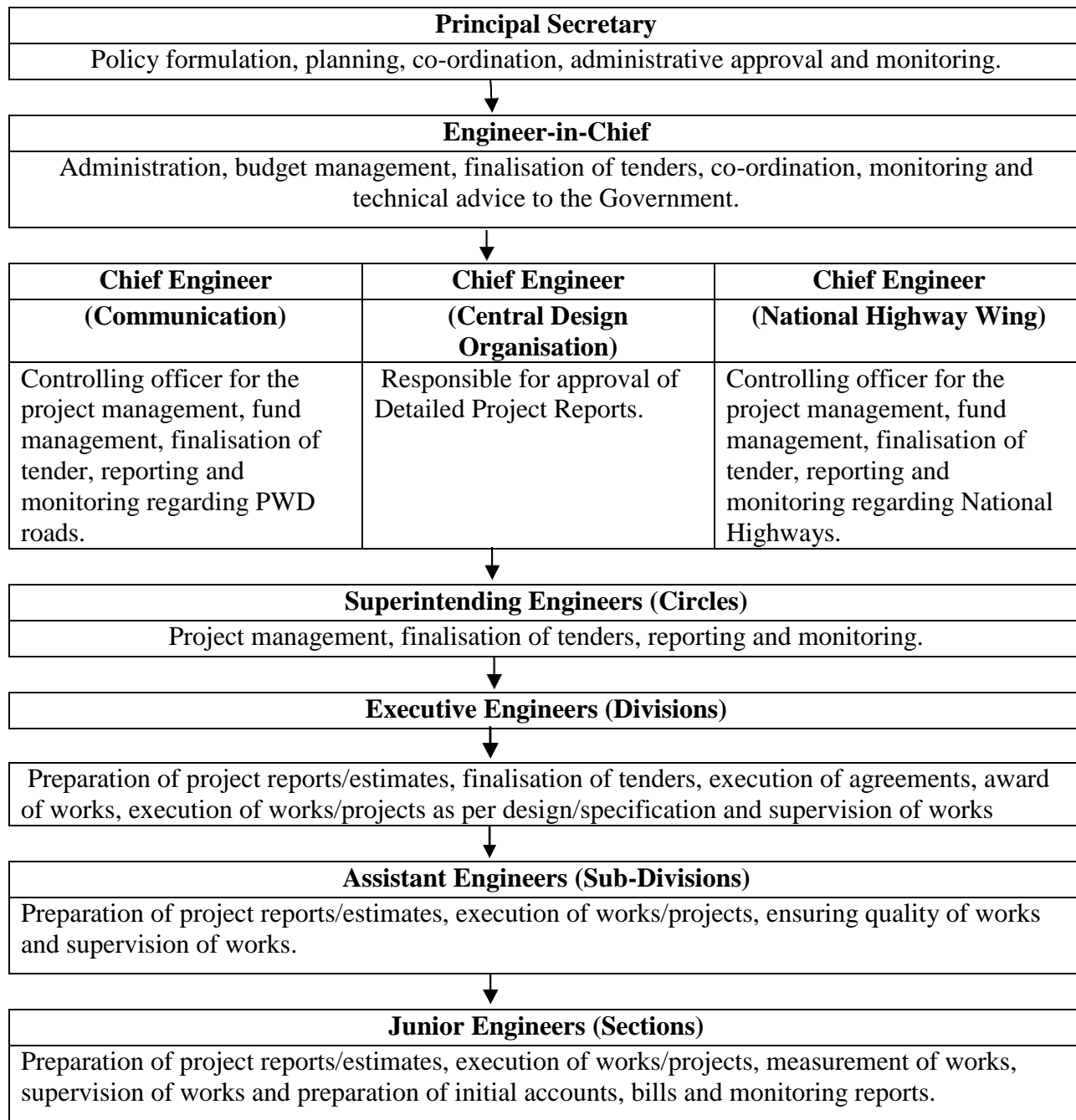
Detail of availability of essential medicines in test-checked CHCs during 2012-13

SI No	Name of district	Name of CHC	Number of essential medicine required as per IPHS norms	Number of essential medicine at CHC	Shortage number of medicine (per cent)
1	Bokaro	Bermo	111	22	89 (80)
		Gomia		82	29 (26)
		Jaridih		30	81 (73)
		Petarwar		52	59 (65)
2	Deoghar	Jasidih		68	43 (39)
		Madhupur		65	46 (41)
		Mohanpur		31	80 (72)
		Sarwan		41	70 (63)
3	Dumka	Gopikandar		60	51 (46)
		Jarmundi		50	61 (55)
		Masalia		24	87 (78)
		Sikaripara		48	63 (57)
4	East Singhbhum	Dhalbhumgarh		64	47 (42)
		Golmuri		31	80 (72)
		Patamda		47	64 (58)
		Potka		46	65 (59)
5	Gumla	Bharno		46	65 (59)
		Palkot		52	59 (53)
		Raidih		40	71 (64)
		Sisai		48	63 (57)
6	Hazaribag	Bishnugarh	43	68 (61)	
		Chauparan	66	45 (41)	
		Ichak	46	65 (59)	
		Katkamsandi	24	87 (78)	
7	Lohardaga	Bhandra	53	58 (52)	
		Kisko	43	68 (61)	
		Kuru	71	40 (36)	
		Senha	32	79 (71)	
8	Ranchi	Angara	17	94 (85)	
		Chanho	36	75 (68)	
		Kanke	69	42 (38)	
		Mandar	40	71 (64)	
9	West Singhbhum	Bundgaon	36	75 (68)	
		Jhinkpani	27	84 (76)	
		Khuntpani	53	58(52)	
		Tantnagar	24	87 (78)	

(Source: Central Stock Registers maintained by the concerned CHCs)

Appendix-2.5.1
(Referred to paragraph 2.5.2; page 97)

Organisational set up and major functions of the Officers of the Road Construction Department



(Source: Organisational chart furnished by the Department and JPWD Code)

Appendix-2.5.2
(Referred to paragraph 2.5.6.2; page 99)

**Statement showing Allotment, Expenditure and Savings of the test checked units during
2008-13**

(₹ in crore)

SI	Test-checked units	Plan			Non-plan			Establishment		
		Allotment	Exp	Saving	Allotment	Exp	Saving	Allotment	Exp	Saving
1	EE, PI, Ranchi	19.49	10.76	8.73	Nil	Nil	Nil	11.14	10.68	0.46
2	EE, APFSD, Dumka	3.49	2.8	0.69	Nil	Nil	Nil	4.54	3.64	0.9
3	EE, RD, Dhanbad	62.33	47.84	14.49	42.5	38.23	4.27	10.9	10.39	0.51
4	EE, RD, Dumka	229.43	220.53	8.9	25.83	25.62	0.21	11.4	10.64	0.76
5	EE, RD, Garhwa	106.09	100.81	5.28	19.08	18.47	0.61	8.45	7.8	0.65
6	EE, RD, Sahebganj	81.88	62.67	19.21	14.02	12.21	1.81	9.35	8.62	0.73
7	EE, RD, Jamtara	69.15	65.74	3.41	16.81	15.3	1.51	8.7	8.28	0.42
8	EE, RD, Chaibasa	212.29	212.29	Nil	12.2	12.2	Nil	10.2	9.65	0.55
9	EE, RD Medininagar	114.32	107.11	7.21	21.42	19.04	2.38	12.95	12.61	0.34
10	EE, RD, Godda	196.83	181.77	15.06	19.54	17.9	1.64	9.33	9.16	0.17
11	EE, RD,Ranchi	349.36	321.04	28.32	47.01	46.63	0.38	16.13	16.01	0.12
12	EE, RD,Ramgrh	99.16	91.19	7.97	5.64	4.77	0.87	2.88	2.63	0.25
13	EE, RD, Koderma	144.12	134.69	9.43	23.09	22.79	0.30	11.59	11.48	0.11
14	EE, RD, Simdega	106.07	93.51	12.56	9.03	8.45	0.58	3.16	2.58	0.58
15	EE, RD, Jamshedpur	43.93	36.73	7.20	19.70	17.35	2.35	10.52	9.87	0.65
16	CE, CDO, RCD	1.87	1.86	0.01	Nil	Nil	Nil	9.87	9.76	0.11
17	SE, RC, Daltonganj	Nil	Nil	Nil	Nil	Nil	Nil	2.51	2.09	0.42
18	SE, RC, Dumka	Nil	Nil	Nil	Nil	Nil	Nil	5.05	4.7	0.35
19	EE, PIC, ADB	638.83	589.12	49.71	Nil	Nil	Nil	Nil	Nil	Nil
20	CE, Communication*	0.91	0.74	0.17	Nil	Nil	Nil	5.62	5.48	0.14
21	SE, RC, Hazaribag	Nil	Nil	Nil	Nil	Nil	Nil	13.04	11.96	1.08
22	EE, RD, Mechanical Sahebganj	Nil	Nil	Nil	5.58	3.33	2.25	8.23	8.19	0.04
23	SE, Road Mechanical Circle, Ranchi	7.58	7.15	0.43	0.36	0.36	Nil	1.61	1.46	0.15
24	SE, Advance Planning Circle, Ranchi	Nil	Nil	Nil	Nil	Nil	Nil	3.07	1.94	1.13
	Total	2487.13	2288.35	198.78	281.81	262.65	19.16	190.24	179.62	10.62

* 2009-10 to 2012-13

(Source : Information furnished by the test checked units)

Appendix-2.5.3
(Referred to paragraph 2.5.6.4; page 100)

Statement showing advances booked as expenditure

(₹ in crore)

Sl. No.	Name of the division (EEs, Road Div)	Amount advanced for			Period of advance	Utilisation submitted		
		Utility shifting	Land acquisition	Total		Utility shifting	Land acquisition	Total
1	Sahibganj	2.24	28.00	30.24	2008-13	Nil	Nil	Nil
2	Simdega	1.91	73.88	75.79	2008-13	Nil	Nil	Nil
3	Ranchi	7.87	157.80	165.67	2008-13	Nil	2.47	2.47
4	Jamshedpur	0.86	0.00	0.86	2008-13	Nil	Nil	Nil
5	Koderma	2.02	13.74	15.76	2008-13	Nil	Nil	Nil
6	Ramgarh	9.69	4.18	13.87	2010-13	0.11	3.85	3.96
7	Godda	0.31	20.36	20.67	2008-13	0.31	Nil	0.31
8	Dumka	4.43	15.81	20.24	2012-13	Nil	Nil	Nil
9	Medininagar	1.06	30.00	31.06	2008-13	Nil	Nil	Nil
10	Garhwa	0.00	4.00	4.00	2012-13	Nil	Nil	Nil
11	Chaibasa	0.00	18.82	18.82	2008-13	Nil	Nil	Nil
12	Jamtara	0.57	37.18	37.75	2012-13	0.05	Nil	0.05
13	PIC, ADB Project	22.84	163.23	186.07	2009-13	4.96	71.61	76.57
	Total	53.80	567.02	620.80		5.43	77.93	83.36

(Source : Information furnished by the test checked units)

Appendix -2.5.4
(Referred to paragraph 2.5.7.3; page 102)

Statement showing details of executed works and expenditure their against

(₹ in crore)

Sl. No.	Division	Roads to be developed			Details of sanction				Details of Agreement			Expenditure as on December 2013	Physical Progress in per cent	Completion year
		Road	Length in km	Tentative cost	Work	Length in km	Cost	Period	Value	Date	Completion Date			
1	Dumka	Bagdaha More-Palajori-Kerabani-Haripur-Basukinath-Nonihat	62.5	240.00	W/s	28.59	22.10	Jul-07	22.47	Mar-08	Jul-09	23.75	100	2009-10
2	Dumka	Dumka-Masalia-Kundhit-Nala	65.2	156.95	W/s	20	17.34	Oct-11	19.92	Dec-11	Mar-13	20.81	100	2013-14
3	Gumla	Ghaghara-Netarhat	54.5	81.75	W/s	55.05	33.67	Jul-03	38.45	Nov-03	Dec-07	37.65	100	2009-10
4	Manoharpur	Chakradharpur-Sonua-Goelkera	84.0	340.00	W/s	50	39.9	Feb-04	11.25	2006-07	Jul-07	8.42	100	2011-12
					W/s	34.45		Feb-04	12.65	2006-07	Oct-07	10.75	100	2008-09
5	Giridih/Jamtara	Giridih-Gandeydih-Pandeydih	47.8	273.10	W/s	35	23.53	Jan-07 & Feb-11	14.51	2007-08	May-09	15.95	100	2009-10
					W/s	12.6								
6	Hazaribag	Hazaribag-Katkamsandi-Chatra	42.0	253.14	W/s	29.2	13.61	Jan-07 & Aug-10	14.67	Mar-09	Nov-11	14.28	100	2012-13
Complete Roads			356.0	1344.94		264.89	150.15		138.90			137.09		
7	Chatra	Chatra-Chauparan	49.2	147.6	W/s	9	8.92	Feb-09	8.69	Jun-10	Jun-11	2.71	31	
					W/s	18	13.60	Dec-09	16.36	Jan-10	Jan-11	7.75	47	
					W/s	22.2	12.48	Feb-08	14.19	Aug-10	Aug-11	2.35	17	
8	Deoghar	Deoghar-Satsangnagar-Bhirkhibad	36.0	169.05	W/s	34.5	34.06	Sep-07	22.93	Apr-08	Jul-09	21.26	85	Rescinded
					W/s				5.09	Apr-12	Oct-12	4.11	99	
9	Sahebganj	Sahebganj-Taljhari-Tinpahar-Borio	38.0	128.88	W/s	28	34.17	Oct-11	31.51	Feb-12	Aug-13	28.72	87	
Roads in progress			123.2	445.53		111.70	103.23		98.77			66.90		
Sub-Total			479.2	1790.47		376.59	253.38		237.67			203.99		
10	Koderma/Giridih	Koderma-Domchanch-Khorimahua-Jamua	69	253.2	IRQ	25	6.44	Jan-12	6.68	Mar-12	Sep-12	6.49	100	2012-13
					IRQ	15.2	5.84	Feb-12	6.33	Jun-12	Jun-13	6.27	95	
11	Ranchi Rural	Ranchi- Muri	57.5		IRQ	10.8	4.21	Jan-13	4.06	Mar-13	Aug-13	3.72	100	2013-14
					IRQ	25	9.24	Jan-13	8.87	Mar-13	Sep-13	7.49	95	
					IRQ	8	2.99	Jan-13	3.11	Feb-13	Jun-13	3.11	100	2013-14
12	Dumka	Dumka Hansdiha up to Bihar Boarder	52	401.02	IRQ	52	19.43	Feb-12	17.27	Apr-12	Jul-13	18.25	100	2013-14

(₹ in crore)

Sl. No.	Division	Roads to be developed			Details of sanction				Details of Agreement			Expenditure as on December 2013	Physical Progress in per cent	Completion year
		Road	Length in km	Tentative cost	Work	Length in km	Cost	Period	Value	Date	Completion Date			
13	Giridih	Giridih-Pachamba-Jamua-Chatro-Sarwan	54	271.52	IRQ	23.63	8.21	Aug-11	8.75	Jan-12	Oct-12	8.41	98	
14	Dhanbad	Govinpur-Tundi-Giridih Road with Giridih Bypass	27.3	505.91	IRQ	27.3	8.43	Jan-13	8.8	Mar-13	Dec-13	3.20	40	
	Sub-Total		259.8	1431.65		186.93	64.79		63.87			56.94		
	Total		739	3222.12		563.52	318.17		301.54			260.93		

(Source: Monthly progress reports and other records furnished by the Department)

Appendix – 2.5.5
(Referred to paragraph 2.5.8.6; page 107)

Non-raising of demand after termination of the contract

				(₹ in crore)
	Name of the work/name of division	Agreement number	Comments	Amount realisable
1	Widening and Strengthening of Jharia-Baliapur road/Road Division, Dhanbad	3 SBD/ 12-13	The work was administratively approved (February 2012) for ₹ 9.46 crore. Agreement was executed (July 2012) for ₹ 9.21 crore for completion of work within six months. The contractor executed work valuing only ₹ 3.30 crore and the agreement was terminated in June 2013. However, the EE did not raise the demand of percentage charge of ₹ 1.18 crore against which the division had only ₹ 26.06 lakh as security deposit of the contractor. Further, the EE did not realise royalty of ₹ 18.80 lakh from running bills and adjusted the amount from security of the contractor after termination of the agreement. This deprived the Department from recovering other dues to the extent of ₹ 18.80 lakh due to non-recovery of royalty from running bills.	1.18
2	Widening and Strengthening of Park market to Howrah Motor road/ Road Division, Dhanbad	5 SBD/ 12-13	The work was administratively approved (August 2009) for ₹ 3.18 crore. Agreement was executed (July 2010) for ₹ 3.18 crore for completion of work within 12 months. The contractor executed work valuing only ₹ 1.16 crore and the agreement was terminated in August 2012. However, the EE did not raise the demand of ₹ 72.17 lakh (percentage charge of ₹ 40.40 lakh and liquidated damage of ₹ 31.77 lakh). Against the total dues of ₹ 72.17 lakh, the division had only ₹ 18.02 lakh (security deposit of ₹ 16.36 lakh and unpaid amount of ₹ 1.66 lakh for work done).	0.72
3	Widening and Strengthening of Godda-Sunderpahari-Dharampur road/ Road Division, Godda	1 SBD/ 08-09	The work was administratively approved (July 2007) for ₹ 23.41 crore. Agreement was executed (April 2008) for ₹ 25.28 crore for completion of work within 15 months. The contractor executed work valuing only ₹ 14.96 crore and the agreement was terminated in July 2012. However, the EE did not raise the demand of ₹ 4.05 crore (percentage charge of ₹ 2.06 crore and liquidated damage of ₹ 1.99 crore). Against the total dues of ₹ 4.05 crore, the division had only ₹ 1.69 crore as security deposit of the contractor.	4.05
4	Widening and Strengthening of Gola-Charu Missing link via ID More/ Road Division, Ramgarh	1SBD/ 08-09	The work was administratively approved (January 2008) for ₹ 5.11 crore. Agreement was executed (April 2008) for ₹ 5.87 crore for completion of work within 15 months. The contractor executed work valuing only ₹ 1.07 crore and the agreement was terminated in March 2012. However, the EE did not raise the demand of percentage charge of ₹ 95.80 lakh against which the division had no security. The BG of ₹ 29.36 lakh, deposited by the contractor as performance security, was lapsed (January 2010) and security of ₹ 8.63 lakh, deducted from bills, was adjusted against outstanding mobilisation advance because the EE failed either to encash BGs (performance security and mobilisation advance) within validity period or to get the revalidated BGs in lieu of lapsed BGs. This also deprived the Department to recover other dues to the extent of ₹ 37.99 lakh due to not ensuring presence of proper security and non-realisation of advance by the EE.	0.96

				<i>(₹ in crore)</i>
	Name of the work/name of division	Agreement number	Comments	Amount realisable
5	Widening and Strengthening of Chaibasa-Saitwa/Road Division, Chaibasa	2SBD/10-11	The work was administratively approved (December 2008) for ₹ 22.96 crore. Agreement was executed (July 2010) for ₹ 17.89 crore for completion of work within 18 months. The contractor executed work valuing only ₹ 2.94 crore and the agreement was terminated in May 2012. The EE calculated percentage charge of ₹ 2.99 crore and adjusted ₹ 56.44 lakh from security deposit of the contractor. The EE did not raise demand for remaining dues of ₹ 2.43 crore.	2.43
6	Widening and strengthening of Simdega-Rengari-Kersai-Bolba upto Orissa boarder road/Road Division , Simdega	1 SBD/09-10	The work was administratively approved (August 2008) for ₹ 34.53 crore. Agreement was executed (July 2009) for ₹ 37.85 crore for completion of work by 31.3.2012. The contractor was paid ₹ 14.83 crore (executed work value vide 33 rd RA bill) and the agreement was terminated in May 2013. The EE took (August 2013) final measurement only for ₹ 13.30 crore but certificate of payment upon termination was to be prepared as of October 2013. As per contract, ₹ 12.91 crore including percentage charge of ₹ 4.91 crore (20 <i>per cent</i> of value of incomplete work worth ₹ 24.55 crore), excess payment of ₹ 1.53 crore, LD of ₹ 3.61 crore ¹ and unadjusted advance of ₹ 2.86 crore was recoverable from the contractor. Against this the Division had ₹ 1.74 crore (SD: ₹1.18 crore deducted from bills and BGs of ₹ 56.46 lakh submitted as performance security or against advance). The EE did not raise demand for remaining dues of ₹ 11.17 crore.	12.91
7	Six lane approach road of Mega Sports Complex/Road Division Ranchi		The work was awarded (March 2006) to a contractor at ₹ 2.98 crore. The contractor was paid ₹ 3.17 crore up to October 2009. The agreement was rescinded (November 2009) for non-completion and defective execution of work. The EE took (November 2009) final measurement and disallowed all executed work. The EE initiated (December 2009) for certificate case for recovery of only ₹ 2.73 crore excluding ₹ 44.38 lakh deducted from contractor's bills on accounts of income tax, sales tax and royalty. As the deduction were on behalf of the contractor and was part of the payment, the EE should have instituted certificate case for whole payment of ₹ 3.17 crore. Against the dues, the Division had ₹ 34.55 lakh being security and compensation deposited/deducted by/from contractor's bills.	3.17
Total				25.42

(Source: Records furnished by test checked units)

¹ LD leviable at the rate of ₹ 1.23 lakh per day for 391 days (1.4.2012 to 6.5.2013) amounting to ₹ 4.81 crore subject to maximum of ₹ 3.78 crore being 10 *per cent* of contract price minus ₹ 17.22 lakh already deducted from RA bills.

Appendix – 2.5.6
(Referred to paragraph 2.5.9.1; page 108)

Statement showing improper determination of Total Project Cost

(₹ in crore)

Sl. No.	Description	Ranchi Ring Road (section III, IV, V & VI) (RRR)	Ranchi-Patratu-Ramgarh Rd (RPR-I)	Patratu dam-Ramgarh Rd (RPR-II)	Chaibasa-Kandra-Chowka Rd (CKC)	Adityapur-Kandra Road (AK)	Total
1	Construction cost	477.00	202.97	251.42	333.07	185.50	1449.96
2	TPC (1.3 times of construction cost)	620.10	263.86	326.84	432.99	241.15	1884.94
3	Annuity @ 9.5 per cent (semi annual) on TPC	117.82	50.13	62.10	82.27	45.82	358.14
4	Total annuity payable for 15 years	1767.30	752.00	931.50	1234.05	687.30	5372.15
5	TPC (1.25 times of construction cost)	596.25	253.71	314.28	416.34	231.88	1812.46
6	Excess TPC fixed by the Department (Row 2 – Row 5)	23.85	10.15	12.56	16.65	9.27	72.48
7	Annuity @ 9.5 per cent (semi annual) on TPC	113.29	48.20	59.78	79.10	44.06	344.43
8	Total annuity payment for 15 years	1699.35	723.00	896.70	1186.50	660.90	5166.45
9	Excess liability of annuity (Row 4-Row 8)	67.95	29.00	34.80	47.55	26.40	205.70

(Source: Records of the Department)

Appendix-2.6.1

(Referred to paragraph 2.6.3; page 123)

Details of services selected under e-District

Services Selected at National Level

- Public Grievance Redressal
 - A complete web-based filing and status tracking of complaints. This would help the citizens in tracking their complaints and timely resolution by the District Administration
- Public Distribution System
 - Digitization of ration cards for providing value added information for the District Administration
- Issuance of Certificates
 - Computerisation of issuance of various types of certificates like Domicile, Income, Caste, Birth and Death
- Government Dues and Recovery
 - To assist the District Administration for collection of dues to be done through CSC or Internet
- Pension Schemes
 - Computerisation of all the pension records and automatic generation of pension slips every month. Data digitisation of all the old age and widow pension records needed to be done under the e-District model.
- Revenue Courts
 - Tracking of the case status online and facility to obtain a copy of Final order online.

Services selected at State Level

- Electoral Services
 - To provide the facility of application for addition into the voter list at the CSC level or on the internet
- Consumer Courts
 - Tracking of the case status online and facility to obtain a copy of Final order online
- Scholarship
- Immunisation under ICDS scheme

Appendix- 2.6.2
(Referred to paragraph 2.6.14.2; page 129)

Issuance of Birth certificate to same persons with same date of birth

APPMST_ID	Date of Birth	Name of Child	Father's Name	Mother's Name	Reg. No.
101256	09/10/1968	Arrvvind Sahaym	Gyanendra Sahay	Prabha Sahay	RNC/KANK/MSRE/BIRTH/1257/2012
101313	09/10/1968	Arrvvind Sahaym	GyanendraSahay	Prabha Sahay	RNC/KANK/MSRE/BIRTH/1314/2012
109872	02/10/1987	अतिश गोयल	चन्द्रप्रकाश गोयल	मधुदेवी	RNC/KHLRI/HUTP/BIRTH/9873/2013
109873	02/10/1987	अतिश गोयल	चन्द्रप्रकाश गोयल	मधुदेवी	RNC/KHLRI/HUTP/BIRTH/9874/2013
114236	24/09/1989	Anushree	Ranjeet Kumar Lal	Anita Lal	RNC/RNC/BIRTH/14237/2013
114798	24/09/1989	Anushree	Ranjeet Kumar Lal	Anita Lal	RNC/RNC/BIRTH/14799/2013
101664	18/05/1991	विक्रमकुमार	अवधेश कुमार	कमलादेवी	RNC/BERO/BERO/BIRTH/1665/2012
108954	18/05/1991	विक्रमकुमार	अवधेश कुमार	कमलादेवी	RNC/BERO/BERO/BIRTH/8955/2013

Appendix-2.6.3
(Referred to paragraph 2.6.14.2; page 129)

Issuance of Birth certificate to same persons with different date of birth

APPMST_ID	Date of Birth	Name of Child	Father's Name	Mother's Name	Reg. No.
107816	20/04/2000	Anchal Rani	ArunHajam	Nishi Devi	RNC/ITKI/ITKIW/BIRTH/7817/2013
108597	20/04/2002	Anchal Rani	Arun Hajam	Nishi Devi	RNC/ITKI/ITKIW/BIRTH/8598/2013
109631	03/03/2009	Ayush Dharmesh Oraon	Sukhu Oraon	Anisa Toppo	RNC/MNDR/MANDAR/BIRTH/9632/2013
112316	30/03/2009	Ayush Dharmesh Oraon	Sukhu Oraon	Anisa Toppo	RNC/MNDR/MANDAR/BIRTH/12317/2013
112305	12/02/2013	Smriti Karmakar	Janardan Karmakar	Sima Karmakar	RNC/RNC/BIRTH/12306/2013
117800	22/02/2013	Smriti Karmakar	Janardan Karmakar	Sima Karmakar	RNC/RNC/BIRTH/17801/2013
118631	02/07/2008	अभिनीत प्रियदर्शी	ललन राम	निशा कुमारी	RNC/KANK/ARSND/BIRTH/18632/2013
106754	02/07/2010	अभिनीत प्रियदर्शी	ललन राम	निशा कुमारी	RNC/KANK/ARSND/BIRTH/6755/2013

Appendix-2.6.4
(Referred to paragraph 2.6.14.2; page 130)

Issuance of Death certificate to same persons with same date of death

Token No.	Death Mast ID	Date of Death	Registration Number	Deceased Name	Deceased Relative Name
210084	104157	11/05/2013	RNC/RNC/DEATH/4158/2013	Abhiram Minj	Late Patras Minj
224210	104333	11/05/2013	RNC/RNC/DEATH/4334/2013	Abhiram Minj	Late Patras Minj
305841	105498	19/06/2013	RNC/RNC/DEATH/5499/2013	Chetlal Saw	Jugu Saw
315951	105689	19/06/2013	RNC/RNC/DEATH/5690/2013	Chetlal Saw	Jugu Saw
124333	101918	20/12/2012	RNC/RNC/DEATH/1919/2013	Gokul Nayak	Gong Nayak
144468	102746	20/12/2012	RNC/RNC/DEATH/2747/2013	Gokul Nayak	Gong Nayak
120180	101708	17/09/2012	RNC/RNC/DEATH/1709/2013	Maheshwar Mahto	Jhaman Mahto
118556	101762	17/09/2012	RNC/RNC/DEATH/1763/2013	Maheshwar Mahto	Jhaman Mahto

Appendix-2.6.5
(Referred to paragraph 2.6.14.2; page 130)

Issuance of Death certificate to same persons with different date of death

Token No.	Date of Death	Registration Number	Deceased Name	Deceased Relative Name
295680	10/06/2003	RNC/RNC/DEATH/5776/2013	Jaibun Nisha	Late Tajammul Hussain alias Chhedimiyan
295659	10/06/2013	RNC/RNC/DEATH/5452/2013	Jaibun Nisha	Late Tajammul Hussain alias Chhedimiyan
118556	17/09/2012	RNC/RNC/DEATH/1763/2013	Maheshwar Mahto	Jhaman Mahto
104975	17/11/2012	RNC/RNC/DEATH/1313/2012	Maheshwar Mahto	Jhaman Mahto
275574	04/06/2013	RNC/ORMJI/LRBA/DEATH/5074/2013	Subhash Chandra Sahu	Late Banshi Sahu
290876	06/06/2013	RNC/ORMJI/LRBA/DEATH/5218/2013	Subhash Chandra Sahu	Late Banshi Sahu
269882	31/12/2012	RNC/RNC/DEATH/5316/2013	Tulsi Paitandy	Balram Paitandy
329601	31/01/2013	RNC/RNC/DEATH/6474/2013	Tulsi Paitandy	Balram Paitandy

Appendix-2.7.1
(Referred to paragraph 2.7.3.1; page 135)

Provision for release of TFC grants by GoI and their compliance by State Government

As per TFC guidelines, following were the conditions for release of second installment:

- (i) Budget Estimates (BEs) under Non-Plan Revenue Expenditure (NPRE) of each year was not to be less than the projected 'total NPRE' for that particular year as mentioned in the guidelines;
- (ii) In addition to condition (i) one more condition was prescribed for release of second installment for 2006-07 i.e., Revised Estimate (RE) of 2005-06 was not to be less than the total of normal expenditure as mentioned in guidelines plus actual release of TFC grants for 2005-06; and
- (iii) For release of second installment for the years 2007-08, 2008-09 and 2009-10, in addition to condition (i) one more condition was prescribed i.e., actual of 2005-06, 2006-07 and 2007-08 for NPRE was not to be less than the total of normal expenditure as mentioned in guidelines plus actual release of TFC grants during these years.

Statement showing projected total NPRE, BEs, RE and Actuals for NPRE

(₹ in crore)

Year	Projected total NPRE by TFC	BE under NPRE	RE under NPRE	Actuals for NPRE	Projected Normal expenditure	Actual release of grant	Total
1	2	3	4	5	6	7	8 (6+7)
2005-06	1285.52	1154.89	1155.27	1017.31	1177.70	107.82	1285.52
2006-07	1407.64	1344.38	Not applicable	906.39	1289.58	59.03	1348.61
2007-08	1541.37	1201.55	Not applicable	1230.23	1412.09	64.64	1476.73
2008-09	1687.80	1543.68	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
2009-10	1848.14	2274.31	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

(Source: Budget Estimates of Government of Jharkhand)

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