

## Chapter III

# Compliance Audit Paragraphs



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### Compliance Audit Paragraphs

#### ROAD CONSTRUCTION DEPARTMENT

##### *3.1.1 Unfruitful expenditure on acquisition of land for road work*

**Inability of the Department to provide additional funds to the District Land Acquisition Officer for acquisition of land for widening of road, and lack of co-ordination between the EE and the District Land Acquisition Officer to complete the land acquisition process within the prescribed time, resulted in unfruitful expenditure of ₹ 19.15 crore.**

“Widening and Strengthening of Kodembri-Mandro-Ranidih-Asko Road (length: 18.85 km)” for ₹ 29.94 crore was technically sanctioned in September 2011 by the Chief Engineer (CE), Central Design Organisation (CDO), Road Construction Department (RCD), Ranchi. Administrative approval for the project was given by the Secretary, Road Construction Department, Government of Jharkhand (January 2012). The work was to be completed within two financial years (2011-12 and 2012-13) with target of physical progress of 50 *per cent* in each year. As per the Detailed Project Report (DPR), the existing road comprised kutcha track in 2.5 km., damaged road crust at many locations, inadequate carriage way and water ways with existing 46 culverts and a narrow minor bridge. The existing carriageway width of 3.00 meter was to be widened to 5.50 meter in the entire stretch with replacement of the culverts and bridge for better communication. The DPR also included a lump sum provision of ₹ 8.37 crore for acquisition of 86.16 acres of land in 20 villages covering 30 meters along the road stretch.

Scrutiny (September 2021 and March 2023) of records of the Executive Engineer (EE), RCD, Road Division, Giridih, revealed that the EE had requested (between March 2012 and March 2013) the Deputy Commissioner, Giridih, for acquisition of 86.16 acres of land identified for the road project. In response, the District Land Acquisition Officer (DLAO), Giridih, demanded (March 2012 and March 2013) funds of ₹ 19.15 crore which were provided (between March 2012 and March 2013) to the DLAO by the EE. Accordingly, a revised estimate of ₹ 51.12 crore (including ₹ 19.15 crore for land acquisition) based on the current schedule of rates effective from July 2016, was technically sanctioned (December 2016) by the CE, CDO, RCD.

It was seen during audit that the DLAO, Giridih, delayed the process of land acquisition, beyond the stipulated time limit of 270 days<sup>1</sup> from the date of receipt of application. The DLAO issued notifications for acquisition (between October 2012 and July 2015), declarations of acquisition (between March 2013 and February 2016), and declaration of award (between June 2015 and July 2016) for acquisition of 86.16 acres land in 20 villages with delays, as detailed in **Table 3.1**.

**Table 3.1: Delays in various stages of land acquisition**

Stage	Range of delay (in days)	No. of villages affected
Notification of acquisition	15 to 1,089	13 villages
Declaration of acquisition	19 to 520	All 20 villages
Declaration of Award	7 to 964	All 20 villages

Meanwhile, the Jharkhand Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, was promulgated in March 2015. The Deputy Commissioner, Giridih, requested (June 2017) the Secretary, RCD for sanction of revised estimates of ₹ 104.46 crore for land acquisition, as per provisions of the new Act. Further, the DLAO acquired (between September 2016 and August 2017) 10.57 acres of land, in patches, in 15 out of the 20 villages, at an expenditure of ₹ 19.15 crore (Compensation: ₹ 15.35 crore and Establishment: ₹ 3.80 crore) with the available funds and made (October 2017) an additional demand for the remaining ₹ 85.31 crore, based on the revised estimate. Accordingly, the EE submitted (October 2017) a revised DPR of ₹ 139.28 crore<sup>2</sup> (including ₹ 104.46 crore *i.e.* revised cost of land acquisition) to the CE, CDO, RCD, for sanction which had not been granted (as of June 2024) for reasons not on record.

Meanwhile, in view of the high cost of acquisition, the Secretary, RCD, instructed (August 2018) the EE to revise the proposal for land acquisition, covering only 15 metres along the road stretch, against the initial proposal of 30 metres. Accordingly, the EE requested (August 2018) the DLAO to cancel the process of land acquisition except in three villages (Marudih, Vijaysingha and Arragaro), where compensation amount for land had already been paid. The DLAO accordingly returned (December 2020) the original requisition with details of the acquired 10.57 acres of land. However, the acquired land could not be utilised in the widening work as it

<sup>1</sup> Timelines as notified (December 2007) by the Revenue and Land Reforms Department, Government of Jharkhand: Notification for acquisition of land after initial survey and verification: up to 63 days; Declaration for acquisition of land after compilation and settlement of objections: up to 129 days; Declaration of award after approval of estimates for compensation: up to 255 days; and Disbursement of award amount and possession of land: up to 270 days.

<sup>2</sup> ₹ 104.46 crore: Land acquisition and House expenses (₹ 85.85 crore + ₹ 18.61 crore), ₹ 0.06 crore: hand pump, ₹ 2.51 crore Electricity and ₹ 32.25 crore: road work.

had been acquired in patches/unsystematic way, as observed (February 2021) by the EE.

Subsequently, on the instruction of the Engineer-in-Chief, RCD, the EE submitted (between October 2020 and January 2022) a revised DPR for ₹ 35.79 crore (including ₹ 19.15 crore already incurred on land acquisition) to complete the road work as per the existing right of way so that no acquisition of land would be required. The revised DPR was drafted for only a single lane road (*i.e.* 3.75 meter width) in public interest on account of the miserable condition of the existing road and delays in the land acquisition process. The CE, CDO, RCD, technically sanctioned (July 2022) the revised DPR for ₹ 35.79 crore.

An agreement for ₹ 13.87 crore was executed (October 2022) with a contractor for the single lane road work, to be completed by June 2023. The work was completed within the scheduled time against a payment of ₹ 14.85 crore, as of January 2024.

Thus, inability of the Department to provide additional funds of ₹ 104.46 crore required for land acquisition for widening of the road during FYs 2017-18 to 2020-21, and of DLAO to complete the land acquisition process within the prescribed time frame and acquisition of only 10.57 acre land against the required 86.16 acre, rendered the expenditure of ₹ 19.15 crore on land acquisition unfruitful. In addition, the objective of widening the road for better connectivity could not be achieved even after a lapse of more than 10 years of its sanction and only a single lane road was ultimately built.

In reply, the EE stated (September 2021) that due to delay in acquisition of land by the DLAO, Giridih, the cost of land acquisition had increased and the same was not sanctioned by the Department. The DLAO stated (July 2022) that the cost of acquisition had increased due to enactment of the new Act under which the award was to be declared.

The replies of the EE and the DLAO are not acceptable, as the EE had not satisfactorily coordinated with the DLAO to complete the land acquisition process within the time limit of 270 days. The DLAO had also not ensured the receipt of the required funds before declaration of any award and had acquired land in patches. Moreover, the Department had not provided funds required for acquisition of land as per the revised demand after enactment of the new Act.

The matter was reported to the Department (November 2023); their reply was awaited (August 2024).

### 3.1.2 Unfruitful expenditure on construction of bridges

**Expenditure of ₹ 15.09 crore incurred on construction of two bridges over Damodhar and Gawai rivers remained unfruitful, as it could not be put to use since its completion, as land, required for construction of approach roads could not be acquired.**

Jharkhand Public Works Department (JPWD) Code (Rule 132) provides that, except in the case of emergent work such as repair of breaches *etc.*, no work should be started on land which has not been duly made over by the responsible Civil Officers. Further, as per orders (August 2012) of the Road Construction Department (RCD), Government of Jharkhand, if land acquisition is required for construction of a bridge work, tender should be invited only after obtaining clearance of required land from the concerned District Land Acquisition Officer (DLAO).

Construction of two High Level (HL) bridges<sup>3</sup> over Damodar and Gawai rivers in Ramgarh and Bokaro districts respectively, with approach roads, was approved by the Chief Engineer (CE), Central Design Organisation (CDO), Road Construction Department (RCD), Jharkhand, for ₹ 18.06 crore<sup>4</sup>. The bridges were taken up for construction through contractors at a cost of ₹ 19.57 crore<sup>5</sup> and completed between June 2017 and March 2023 after incurring an expenditure of ₹15.09 crore<sup>6</sup>. However, approach roads could not be constructed till March 2024 as land needed could not be acquired as discussed in the following paragraphs.

#### (A) Construction of a High Level bridge over Damodar River in Hesapoda-Kusumdi Road in Ramgarh district.

Government of India (GoI) had launched (December 2016) the “Road Connectivity Project for Left Wing Extremism (LWE) Affected Areas (RCPLWEA)” under the Pradhan Mantri Gram Sadak Yojana (PMGSY), to provide seamless connectivity to difficult and remote areas affected by LWE. Under the RCPLWEA, the Ministry of Rural Development, GoI, sanctioned (March 2018) ₹ 11.49 crore for construction of a high-level bridge over Damodar River in Hesapoda-Kusumdi Road, to provide better transport connectivity between several villages of two districts, Ramgarh and Bokaro.

The CE, CDO, technically sanctioned (TS) the bridge work with approach road (April 2018) for ₹ 15.76 crore. As per the TS, acquisition of 1.20 hectare of forest land was required for construction of the approach road towards Ramgarh side.

<sup>3</sup> **Bridge A:** over Gawai River, in chainage 22.05 km of Bahadurpur-Kasmar-Peterwar-West Bengal Border (BKPWB) Road of Bokaro district; **Bridge B:** over Damodar River in Hesapoda-Kusumdi Road of Ramgarh district

<sup>4</sup> **Bridge A:** ₹ 2.30 crore (September 2014) and **Bridge B:** ₹ 15.76 crore (April 2018)

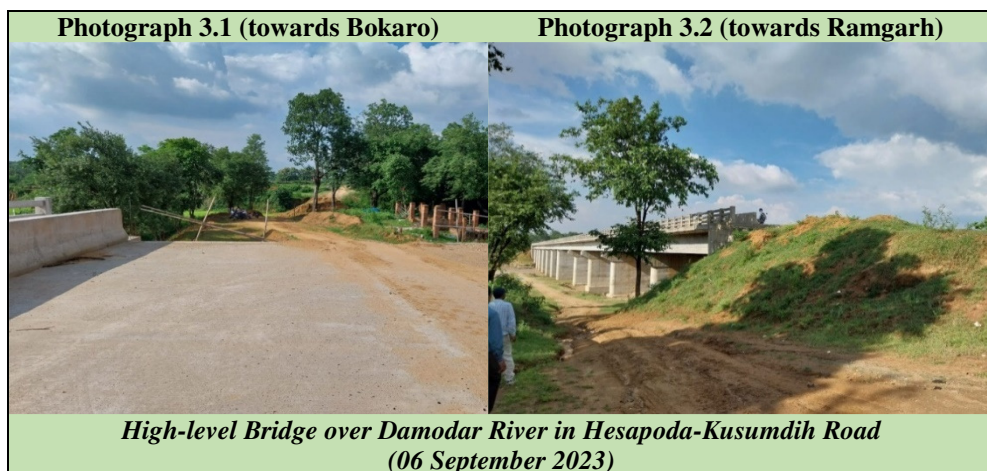
<sup>5</sup> **Bridge A:** ₹1.99 crore and **Bridge B:** ₹17.58 crore

<sup>6</sup> **Bridge A:** ₹1.37 crore (June 2017) and **Bridge B:** ₹13.72 crore (March 2023)

Scrutiny (September 2023) of the records of the Executive Engineer (EE), Road Division, Ramgarh, revealed that the CE (Communication), RCD, invited (November 2018) tender for the work, which was finalised (December 2018) by the Departmental Tender Committee at a cost of ₹ 17.58 crore. Accordingly, the EE executed (December 2018) an agreement for ₹ 17.58 crore with the contractor for completion of work by June 2020. The District Level Forest Rights Committee decided (December 2018) that NOC would be issued against 0.873 hectare of forest land required for construction of approach road, as assessed by the Sub-Divisional Level Forest Rights Committee, upon submission of online application by the Division. However, the EE did not submit the online application till February 2024. Instead, the EE had submitted (August 2023) a proposal to the Divisional Forest Officer (DFO), Ramgarh, for issuing the NOC against 0.10 hectare (0.25 acre) of forest land only and with permission to cut 11 trees. The DFO found the proposal deficient as the area in the application was lower than the assessed 0.893 hectare of forest land, and asked (January 2024) the EE to comply with the deficiencies.

The contractor completed (March 2023) the bridge work over the Damodar River and was paid ₹ 13.72 crore (as of July 2023). During execution, the villagers demanded construction of a box culvert in the approach road towards Bokaro, to prevent water logging in their fields during rainy seasons. The EE submitted (April and November 2023) a proposal for construction of the box culvert to the Chief Engineer (Communication) at an estimated cost of ₹ 75 lakh, which was sanctioned (15 March 2024) by the Engineer-in-Chief, RCD. However, tender could not be invited due to commencement of model code of conduct (General Parliamentary Election) from 16 March 2024.

During joint physical verification carried out (September 2023) by Audit along with the Engineer-in-Charge of the Division, it was seen that the construction of approach roads on both sides had not been taken up as can be seen from **photographs 3.1 and 3.2**.





As such, the expenditure incurred on construction of the bridge remained unfruitful (July 2024).

In reply, the EE stated (July 2024) that process is underway for obtaining NOC from the Forest Department for construction of approach road on Ramgarh side while tender would be invited for construction of the box culvert towards Bokaro side.

The reply of the EE is not acceptable as the Division had commenced bridge work without ensuring acquisition of the required land, in contravention of codal provisions and departmental instructions.

**(B) Construction of a High Level (HL) bridge with approach roads over Gawai River in Bokaro district.**

Construction of a High Level (HL) Bridge with approach roads (400 meter) over Gawai River, in chainage 22.05 km of Bahadurpur-Kasmar-Peterwar-West Bengal Border (BKPWB) Road of Bokaro district, was technically sanctioned (September 2014) by CE, CDO, RCD, Jharkhand, and administratively approved (June 2015) for ₹ 2.30 crore by the RCD, GoJ. As per the Detailed Project Report (DPR), the HL bridge with carriageway of six metres, was necessary to replace the existing low level and submersible bridge. This was required as the widening and strengthening of BKPWB Road (length 33.30 KM) was to be taken up and the existing bridge would interrupt all weather traffic during the rainy season. It was also seen that the provision for acquisition of land for approach roads had been assessed together with the requirement for widening and strengthening of the BKPWB Road and accordingly, acquisition of 54.03 acres land of 29 villages/*Mauzas*<sup>7</sup> was required.

Scrutiny (February 2020 and March 2024) of records of the Executive Engineer (EE), RCD, Road Division, Bokaro, revealed that, after tender (July 2015), the work for construction of the bridge was awarded (September 2015) to a contractor at ₹ 1.99 crore. Thereafter, an agreement for ₹ 1.99 crore was executed (October 2015) with the contractor for completion of work by October 2016.

Audit further observed that during the execution of the bridge work, the EE had submitted (between November 2015 and July 2016) proposals for acquisition of the required 54.03 acres of land to the Deputy Commissioner (DC), Bokaro. However, due to the proposal being incomplete, the acquisition process was delayed. The EE had transferred (March 2019) ₹ 19.54 crore, on demand (August 2018), to the District Land Acquisition Officer (DLAO), Bokaro. The DLAO issued (October 2019) the declaration regarding acquisition of 2.13 acres of land in Murhulsudi *Mauza* which was needed for construction of the approach roads. However, the land could not

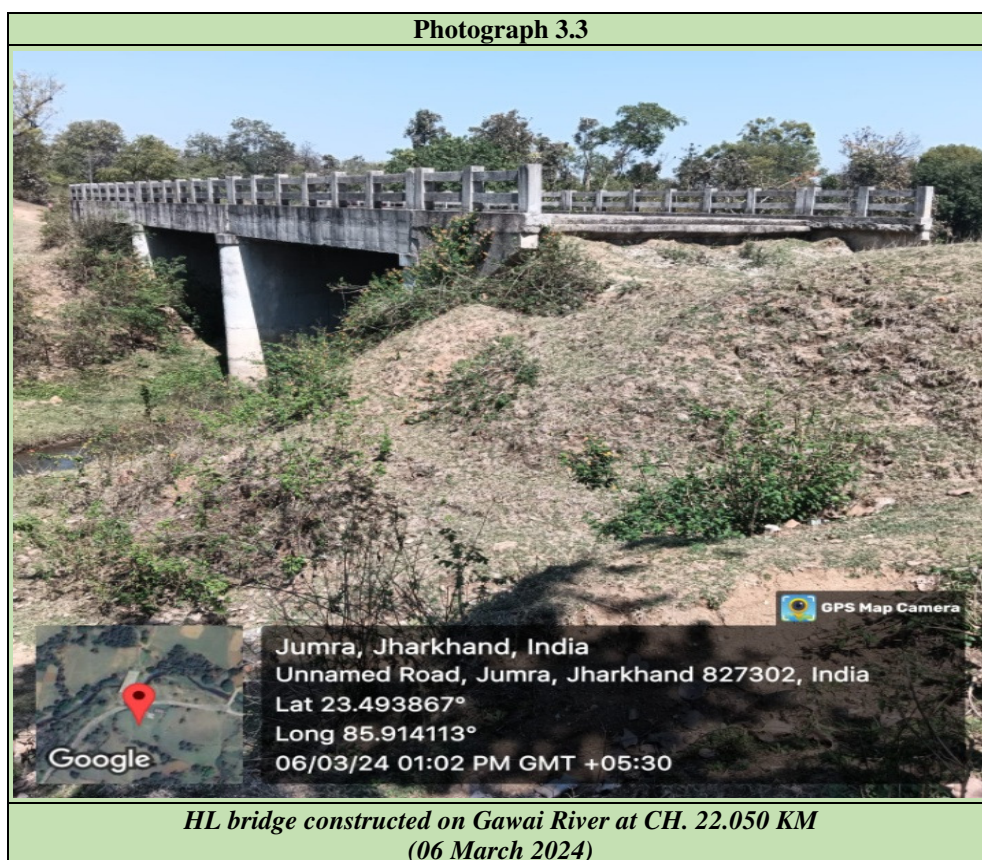
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<sup>7</sup> Proposed HL bridge located in Mauza- Murhulsudi of Kasmar block (Bokaro District)

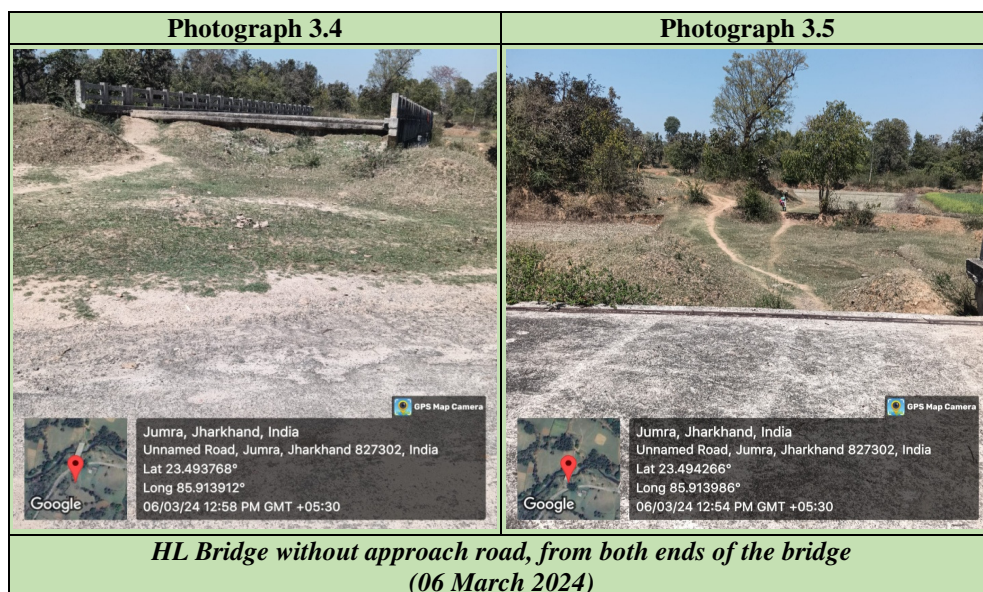


be taken into possession as the landowners had not submitted their claim for compensation, as of March 2024. As such, construction of the approach roads could not be started.

Meanwhile, the contractor completed (June 2017) the bridge work at a cost of ₹ 1.37 crore and requested (between February 2018 and June 2019) the EE to close the agreement as the land for approach roads had not been acquired. The Engineer-in-Chief, RCD accordingly, ordered (August 2022) foreclosure of the agreement on the ground of non-availability of land. However, the agreement could be closed only in July 2024 after the revised TS of ₹ 2.60 crore for the entire work including balance work was granted (July 2023) and the approval (April 2024) of extension of time (EOT) was given by the Department<sup>8</sup>. Thus, the bridge could not be put to use for more than six years since its completion in June 2017, in the absence of an approach road. The bridge was found lying unused during joint physical verification carried out (March 2024) by Audit along with the Engineer-in-Charge of the Division, as can be seen in **photographs 3.3 to 3.5**.



<sup>8</sup> EOT granted by the Secretary, RCD and revised TS accorded by CE, CDO, RCD.



In reply, the EE stated (July 2024) that the tender for the balance work including construction of approach road was invited on 19 June 2024 at an estimated cost of ₹1.24 crore. After finalisation of tender, the balance work would be completed.

The reply indicates that the Division had commenced bridge work without ensuring acquisition of required land in contravention of codal provisions and departmental instructions.

Thus, commencement of bridge work without acquisition of land required for construction of the approach roads, rendered the expenditure of ₹ 15.09 crore on construction of above bridges unfruitful, as the objective of the project, to provide connectivity to a difficult and remote area affected by LWE, was defeated.

## RURAL DEVELOPMENT DEPARTMENT

### 3.1.3 Unfruitful expenditure on construction of building for Mall

**Building constructed for a Mall in Chandankiyari Block of Bokaro district could not be utilised resulting in unfruitful expenditure of ₹ 5.09 crore.**

Rural Development Department<sup>9</sup> (the Department), Government of Jharkhand (GoJ), sanctioned a scheme for construction of Malls (Marketing Complex) in Chandankiyari and Chas blocks of Bokaro district with the aim of increasing the income of the Zila Parishad (ZP), Bokaro, on the basis of decisions taken in a meeting (January 2014). Accordingly, the Department accorded (August 2014) administrative approval for ₹ 4.82 crore each, on the basis of technical sanction granted (July 2014) by the Chief Engineer, Rural Development, Special Zone, Ranchi. The work of construction of the

<sup>9</sup> Erstwhile Panchayati Raj and National Rural Employment Programme (Special Division) Department

Mall at Chandankiyari block was awarded (October 2014) to a contractor at an agreed cost of ₹ 5.16 crore on tender basis, and was completed at a cost of ₹ 5.09 crore in March 2018. After completion of the work, the Chief Executive Officer-cum-Deputy Development Commissioner, ZP, Bokaro, published 19 public notices (between February 2018 and September 2023) in the daily newspapers for auction/allotment of shops and halls in the mall.

During scrutiny of records of ZP, Bokaro, Audit noticed that ZP, Bokaro had published (February 2018) a public notice for auction of the Malls at Chas and Chandankiyari blocks with a Security Deposit of ₹ three crore and monthly rental of ₹ three lakh. After one year, the Security Deposit rate, for both the Malls, was reduced (February 2019) to ₹ 2.68 crore. Further, as per the decision taken in the meeting (May 2019) of the ZP, the pre-determined minimum-security amount for the Malls at Chas and Chandankiyari was again reduced (May 2019) to ₹ 2.13 crore and ₹ 1.48 crore respectively. However, no applications were received (July 2019) for the Chandankiyari Mall. The monthly rent for the Mall was not published in public notices during February 2019 to June 2020 but the security amount for the Mall was subsequently further brought down to ₹ 89 lakh (in July 2019) and to ₹ 10 lakh in October 2023, through different public notices (detailed in **Appendix 3.1**) to attract bidders. Finally, on the basis of a proposal received (September 2023) from an agency (M/s Black Panthar Guard and Services Pvt. Ltd.) for allotment of the entire Mall, a decision was taken (December 2023) by the ZP, Bokaro, in its meeting (November 2023) to allot the Mall to the single technically qualified bidder, at a monthly rent of ₹ 1.43 lakh along with security deposit of ₹ 10 lakh for one year. Audit noticed that a demand draft for ₹ 50,000 was deposited (November 2023) by the agency as Security Deposit and negotiations were being conducted (May 2024) with the Agency for handing over the Mall to the Agency. As such, the Mall had not been handed over to the Agency by ZP and put to use, as of May 2024.

On enquiry, ZP Bokaro stated (March 2024) that the decision to construct a Mall at Chandankiyari was taken in view of expected commercial activity and residential requirements due to establishment of industry in the area. However, it was noticed that the site chosen for the Mall falls in an area with more than 90 *per cent* rural population. Further, the decision was taken by ZP, Bokaro, without conducting any assessment of commercial viability for setting up the Mall.

Audit further observed (05 March 2024) that due to non-utilisation and non-maintenance of the Mall for a long period, the condition of the building had deteriorated as seen during joint physical verification of the Mall (**photographs 3.6 to 3.9**).



Photograph 3.6



Photograph 3.7



Photograph 3.8



Photograph 3.9



*Mall building showing damage to walls, railings, stairs doors and windows  
(Photographs taken on 05 March 2024 during joint physical verification)*

During physical verification (5 March 2024), Audit noticed that the walls, floors, stairs, railing, windows *etc.*, of the building were damaged. Further, 66 ceiling fans installed in the building were reported to have been stolen. No action was initiated by the ZP, Bokaro to repair the damaged walls/floors/stairs *etc.*, and no FIRs were lodged for the stolen fans.

Thus, selection of site for construction of Mall at Chandankyari, without assessment of its commercial viability, resulted in non-utilisation of the market complex since its completion (March 2018), and expenditure of ₹ 5.09 crore incurred on its construction, remained unfruitful.

### 3.1.4 Unfruitful expenditure on development of Web-based Accounting Management System

**Non-implementation of Web-based Accounting Management System resulted in unfruitful expenditure of ₹ 1.77 crore.**

The Rural Development Department (the Department), Government of Jharkhand (GoJ) sanctioned (July 2015) a scheme for online maintenance of accounts of the Districts Rural Development Agencies (DRDAs) and block offices, through an ERP software “**Web-based Accounting Management System (WAMS)**”, developed by the Jharkhand Agency for Promotion of Information Technology (JAP-IT). The application (WAMS) was to be implemented in all the 24 districts, 24 *Zila Parishads* and 265 blocks of the State. The application incorporated various features for accounting, tracking, monitoring and integration of the accounts with banks and treasuries *etc.* Accordingly, JAP-IT prepared (October 2015) a project proposal of ₹ 1.89 crore, to be completed within 24 months, including development, implementation, support and maintenance.

The Principal Secretary of the Department accorded (November 2015) administrative approval of ₹ 1.83 crore for the proposed project cost and directed (November 2015) that the project would be implemented under the supervision and control of the Department and the Chief Executive Officer of JAP-IT. The Department provided (December 2015 and August 2017) ₹ 1.83 crore, in two installments<sup>10</sup>, to JAP-IT for this project against which ₹ 1.77 crore was spent (as of February 2019).

As per the project proposal, implementation of the application was to be started after successful pilot studies in two blocks of the same or different districts. Thereafter, eight districts were to be covered, where trainers were to organise trainings at the district level. Data entry operators and implementing officers, at the district level, were to assist the personnel in getting hands-on training and starting the use of the application.

Audit scrutiny (June 2022) of records revealed that the Department had identified (October 2016) Nagri Block in Ranchi District for online maintenance of accounts through WAMS from 21 October 2016 on pilot basis. JAP-IT had also requested (March 2017) the Department to identify 10 blocks for pilot/initial implementation so that application accuracy, usability and performance could be ascertained. In response, six blocks<sup>11</sup>, including Nagri block, were identified (March 2017) by the Department and training was imparted to the block staff by the WAMS team of JAP-IT. However, JAP-IT could not assess the result of the Pilot implementation as it did not

<sup>10</sup> The first instalment of ₹ 1.08 crore was released to JAP-IT in December 2015 and the second instalment of ₹ 0.75 crore was released in August 2017.

<sup>11</sup> Nagri, Bero, Bundu, Kanke (Ranchi district), Kudu (Lohardaga district) and Hazaribag Sadar Block (Hazaribag district).

receive any feedback from the users. It therefore intimated (16 March 2017) RDD that WAMS application had either not been started or was being used only partially by the Pilot blocks and requested the Department to direct the blocks to use the application and communicate their feedback to JAP-IT so that WAMS could be implemented in all the blocks.

The Department had also directed (March 2017) all Block Development Officers to maintain accounts of the block offices online, using WAMS, from 1 April 2017 and had organised (between April 2017 and June 2017) training programmes for block level officials. Thereafter, the Department decided (January 2018) to take up the project and complete the remaining works<sup>12</sup> departmentally citing insufficient manpower, irregular monitoring and evaluation of the project by JAP-IT, and directed the latter to hand over the project to the Department. JAP-IT handed over (May 2018) the project to the Department, along with five servers and the WAMS team engaged by them for the project. The Department permitted (June 2018) continuation of the services of the WAMS team (consisting of five members) from 1 June 2018 to 31 March 2019 or date of completion of the project, whichever would be earlier. Further, Audit also noticed that no work was being executed through the application at the Department, District or Block level, since its handing over and the accounts were still being maintained manually.

The Department in its reply (March 2024) stated that the WAMS application was required to be operationalised through manpower working in the blocks. Due to constraints and incapability of the personnel working there, entries in the application had not been made and as such, the application is non-operational at present. The Department also stated that, as WAMS was developed in the old version of ERP, it needed to be upgraded to make it compatible.

Reply is not acceptable as the Department had taken over the project without ensuring its usability in the current form and had also not utilised the services of the WAMS team for further improvement, as well as to hand-hold their personnel for use of the application. The WAMS application could thus, not be operationalised in any of the blocks in Jharkhand.

As a result, the expenditure of ₹ 1.77 crore incurred on the development of WAMS remained unfruitful.

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<sup>12</sup> Implementation in all districts/zila parishads/blocks, support and maintenance

## AGRICULTURE, ANIMAL HUSBANDRY AND CO-OPERATIVE DEPARTMENT

### 3.1.5 *Unfruitful expenditure on construction of cold chain and sorting-grading facilities*

**Sixteen Cold Chain and Sorting-Grading facilities, constructed between January and June 2014 at a cost of ₹ 3.67 crore, have not been operationalised, rendering the expenditure unfruitful.**

The Jharkhand State Agricultural Marketing Board (JSAMB) was established (March 2001) to provide marketing facilities to its stakeholders and remunerative price to growers through the Agriculture Produce Market Committees (APMCs) of the State. JSAMB had also undertaken a Project for development, operation and maintenance of an Integrated Cold Chain system for cold storage and preservation of agricultural produce within the State, with the objective of providing better marketing facilities to marginal farmers, especially those involved in horticulture.

The Project consisted of (i) creation of scientific storage, preservation, processing and post-harvest handling infrastructure for proper maintenance of agriculture produce (ii) augmentation of the existing storage and processing capacity in the State and (iii) promotion of scientific storage and processing practices, and popularisation of Integrated Cold Chain system in the State.

Administrative Approval for ₹ 4.21 crore (₹ 23.52 lakh<sup>13</sup> for each unit) was accorded (May 2010) by the Managing Director (MD), JSAMB, for construction of 18 Cold Chain units<sup>14</sup> based on technical sanction granted (May 2010) by the Superintending Engineer (SE), JSAMB. For construction of these units, 33.33 *per cent* of the funds were received under the National Horticulture Mission (NHM) and the remaining 66.67 *per cent* was to be provided by the APMCs, where these units were to be set up. The work orders for construction of all the 18 units were issued (March 2012 & May 2012) to a contractor<sup>15</sup> by the Executive Engineer (EE), JSAMB, Ranchi, with the stipulation to complete the work within six months from the date of issue of orders.

Scrutiny of records (October 2020) of JSAMB and information collected (November 2022 and January 2023) from APMCs concerned revealed that ₹ 3.67 crore (₹ 2.72 crore from APMCs and ₹ 0.95 crore from NHM) had been made available to the EE, JSAMB, Ranchi, for the construction of

<sup>13</sup> Civil and Electrical work: ₹ 3.72 lakh; Multiple fruit-veg grading unit: ₹ 13.40 lakh; Cold room of 5MT: ₹4.35 lakh; Genset 7.5KVA: ₹1.42 lakh; Weigh scale: ₹ 0.34 lakh; contingency 5 *per cent*: ₹.0.29 lakh.

<sup>14</sup> Eight cold chain units at Ranchi, two units at Ramgarh and one each at Lohardaga, Jamshedpur, Gumla, Simdega, Deoghar, Hazaribag, Bermo and Dumka.

<sup>15</sup> M/s Air Control & Chemical Engineering Co. Ltd., Kolkata.



16 units. Construction of the remaining two units (Bermo and Dumka) could not be taken up (January 2023) due to non-availability of land. Construction of the 16 units was completed (between January and June 2014) at a cost of ₹ 3.67 crore. Thereafter, the SE, JSAMB requested (November 2013) the Secretary, JSAMB, to deploy Industrial Training Institute (ITI) trained professionals at the Cold Chain units for training by the equipment manufacturer. Security guards for the security of each constructed unit were also requisitioned. JSAMB was also requested to keep the units operational in order to avoid probable damage to the equipment due to its non-functioning. In response, the Managing Director, JSAMB constituted (January 2014) a three member Committee<sup>16</sup> and asked (January 2014) for a detailed report on operation of the cold chains. However, no action was taken to deploy ITI trained professionals or security guards and the detailed report on operation of the cold chains was not on record.

As the local farmers did not take interest in the cold chain facilities for preserving their products and were selling their products directly into the market, the MD, JSAMB, decided (September 2016) to operate the Cold Chain Units through the Jharkhand State *Adivasi* Co-operative Vegetable Marketing Federation Limited (VEGFED) and directed (October 2016) the Secretaries of the APMCs concerned to hand over the units to the Vegetable Producers Co-operative Committees (VPCCs) under the jurisdiction of VEGFED, for operation. It was noted that none of the APMCs had handed over (January 2023) the units to the VPCCs despite several requests by VEGFED. Though the MD, VEGFED requested (April 2020) the Director of Agriculture, Jharkhand, to issue further instructions to APMCs for handing over the constructed units, no action was taken in this regard.

A joint physical verification of the 16 Cold Chain units was carried out (November 2022 and January 2023) by Audit, along with Marketing Board officials, to ascertain the physical condition of the units. During physical verification, it was noticed that all the 16 constructed units were idle and in deplorable condition, as shown in **photographs 3.10 to 3.13**.

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<sup>16</sup> SE, JSAMB, the Director, JSAMB and the Secretaries of concerned APMCs

<b>Photograph 3.10</b>	<b>Photograph 3.11</b>
	
<i>Damaged Cold Chain unit at Pithoria (30 November 2022)</i>	<i>Damaged Cold Chain unit at Lohardaga (10 January 2023)</i>
<b>Photograph 3.12</b>	<b>Photograph 3.13</b>
	
<i>Damaged Cold Chain unit at Mandar (23 November 2022)</i>	<i>Poor condition of the Cold Chain unit at Gumla (12 January 2023)</i>

In reply, the Secretary, JSAMB, stated (March 2024) that the cold chain units had not been made operational due to non-availability of trained/technical employees. Further, it was stated that it had been decided to give the responsibility of operating the cold chain to VEGFED, but they were not taking an interest in making it operational due to delay in the handing over process.

Therefore, the fact remains that JSAMB could not get the constructed cold chain units handed over to VEGFED and consequently the equipment installed in the units became unusable.

Thus, inability of JSAMB, APMCs and departmental (controlling) authorities in making the 16 cold chain units operational, even after a lapse of more than nine years since their completion/setting up, rendered the

expenditure of ₹ 3.67 crore unfruitful. In addition, the intended objective of providing better marketing facilities to marginal farmers, through modern and scientific storage facility for perishable agricultural produce, by way of setting up cold chain units, also remained unfulfilled.

### **SCHEDULED TRIBE, SCHEDULED CASTE, MINORITY AND BACKWARD CLASS WELFARE DEPARTMENT**

#### **3.1.6 Unfruitful expenditure on construction of building for 50 bedded Rural Hospital**

**Expenditure of ₹ 1.55 crore, incurred on construction of the 50 bedded Rural Hospital building in Dhalbhumgarh block of East Singhbhum district, remained unfruitful, as the hospital has not been operationalised after more than three years of its construction.**

The Ministry of Tribal Affairs, Government of India (GoI), had released (September 2011) Grants-in-aid amounting to ₹ 83.31 crore to the Government of Jharkhand (GoJ), for implementation of various schemes for welfare of Scheduled Tribes (ST) under Article 275 (1) of the Constitution of India. Out of the grant, the Secretary, Welfare Department, GoJ, had sanctioned (March 2012) ₹ 1.20 crore for the construction of a 50 bedded Rural Hospital in Ektal village of Kanas Panchayat, under Dhalbhumgarh block of East Singhbhum district. As per the sanction letter (March 2012), the work was to be executed by the Tribal Welfare Commissioner (TWC), Ranchi/Integrated Tribal Development Authority (ITDA), on tendering basis. The Secretary, Welfare Department, was to supervise and monitor the work on a monthly basis. Physical and financial progress of the work was to be submitted to the Welfare Department on a quarterly basis, and on completion of the construction work, photographs along with the utilisation certificate, were to be submitted to the Welfare Department.

Accordingly, the Tribal Welfare Commissioner, Ranchi, had intimated (12 October 2012) the concerned ITDA that Building Division, Jamshedpur, has been selected as the agency for implementation of the work. The Principal Secretary, Welfare Department, GoJ, had also accorded (May 2014) revised sanction/administrative approval for ₹ 1.89 crore, based on the revised estimate.

Scrutiny (March 2023) of records of the Executive Engineer (EE), Rural Development Special Division (RDSD), Jamshedpur, and further information collected (February to April 2024) from Project Director (PD), ITDA, East Singhbhum, Jamshedpur, revealed that the PD had handed over (August 2014) the responsibility of execution of the work to RDSD, Jamshedpur. Accordingly, the Chief Engineer, Rural Development Special Zone, East Singhbhum, awarded (September 2014) the work to a contractor at an agreed cost of ₹ 1.56 crore. Thereafter, an agreement was executed

(January 2015) with the contractor with the stipulation to complete the work by July 2016.

The contractor had completed (July 2020) the construction work, against which he was paid ₹ 1.55 crore<sup>17</sup>. After completion of the construction work, the EE, RDSD, requested (September 2020) the PD, ITDA, East Singhbhum, to take over the building. The PD, ITDA, East Singhbhum, on inspection (December 2020) of the constructed building observed that the plinth of the building was below the road level, and there were chances of waterlogging in the rooms during rainy season. The PD therefore asked for an inspection report from the EE, RDSD, Jamshedpur, after spot verification. The EE, RDSD, subsequently (April 2021), requested the Deputy Development Commissioner (DDC), East Singhbhum, Jamshedpur, to take over the hospital building, stating that the plinth level of the building was as per the estimate and that, in view of undulation of the site, trenches had been cut to drain the rain water from the building premises. However, no action was taken by the PD, ITDA, or the DDC, East Singhbhum, to take over the building. The EE, RDSD, again intimated (April 2021) the PD, ITDA, and the DDC, East Singhbhum, that the hospital building had been used as a COVID Isolation Centre by the Block Development Officer, Dhalbhumgarh, without formally taking over the building, and that the process of handing over should be ensured, as the contractor had already removed his security guard, and responsibility for damage to the building and fittings would not lie with the contractor. However, both the PD, ITDA, and the DDC did not take any action to take over the building.

Meanwhile, the Civil Surgeon-cum-Chief Medical Officer (CS-cum-CMO), Jamshedpur, had inspected (July 2021) a newly constructed Community Health Centre (CHC), Dhalbhumgarh, constructed near the 50 bedded rural hospital building and intimated (July 2021) the Deputy Commissioner (DC), East Singhbhum, that the constructed CHC building was in a dilapidated condition and could not be put to use as the doors, windows, electrical wires *etc.*, had been removed. He also proposed that the Rural Hospital building, constructed by the Welfare Department near the CHC building, could be used to run the CHC after construction of an approach road. The EE, RDSD, Jamshedpur, handed over (September 2021) the hospital building to the CS-cum-CMO, Jamshedpur, without obtaining consent from the PD, ITDA.

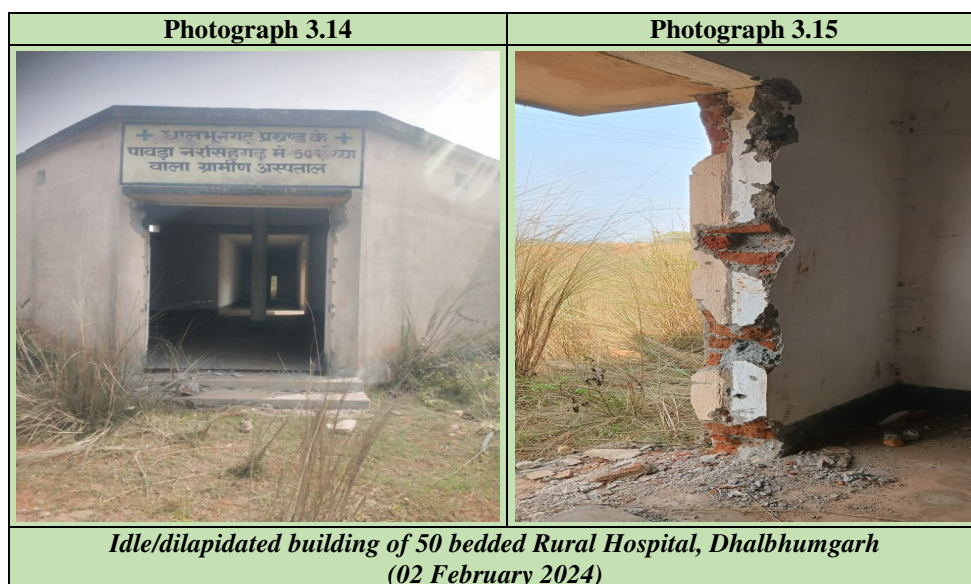
The CS-cum-CMO, Jamshedpur, however, did not utilise the Rural Hospital building and intimated (November 2023) the Health, Medical Education and Family Welfare Department, GoJ, that the CHC could not be run in the Rural Hospital building due to various reasons, such as, the dilapidated condition of the building, absence of approach road, water logging during the rainy season and absence of doors, fans, grills *etc.*, in the building.

<sup>17</sup> Paid through 4<sup>th</sup> RA bill dated 30.09.2021.



Audit noted that no action has been initiated to put the Rural Hospital building to use, by either the Welfare Department or by the Health Department, as of April 2024. Audit further observed that in a joint inspection (April 2024) of the hospital building, the District Welfare Officer, Jamshedpur, and the PD, ITDA, Jamshedpur, found that the hospital building was in a dilapidated condition and without any doors/windows. In addition, there was no approach road from the main road to the hospital building. The building required renovation for its operation for which an estimate of ₹ 49.82 lakh had been submitted (April 2024) by the PD, ITDA, Jamshedpur to the TWC for approval.

As such, neither the Health Department nor the Welfare Department was able to operationalise the Rural Hospital building, constructed at a cost of ₹ 1.55 crore, for more than three years after its completion. Further, there was lack of co-ordination between ITDA, Jamshedpur, and CS cum CMO, Jamshedpur, in utilising the building leading to its deterioration with the passage of time, as can be seen from the **photographs 3.14 and 3.15**.




Thus, inability of ITDA Jamshedpur to take over the completed building from EE, RDSD, and lack of co-ordination between ITDA Jamshedpur and CS cum CMO, Jamshedpur to operationalise the newly constructed Rural Hospital building, rendered the expenditure of ₹ 1.55 crore unfruitful, besides defeating the objective of providing medical facilities to the local population.

In reply, the EE, RDSD, Jamshedpur, stated (April 2024) that the building was handed over (September 2021) to the CS-cum-CMO as per the verbal instructions of DC, Jamshedpur. Regarding non-operation of the Rural Hospital, the Tribal Welfare Commissioner, Ranchi, stated (May 2024) that the Hospital was to be operated under Public Private Partnership (PPP) mode.

The reply of the EE, RDSD, is not convincing as the consent of the Welfare Department/ITDA was not obtained, prior to handing over the building to CS-Cum-CMO, Jamshedpur. The reply of the Tribal Welfare Commissioner, Ranchi, is also not acceptable as action to operationalise the hospital under PPP mode could not be initiated for more than three years.

**Ranchi**  
**The 06 June 2025**

  
**(INDU AGRAWAL)**  
**Principal Accountant General (Audit),**  
**Jharkhand**

**Countersigned**

**New Delhi**  
**The 18 June 2025**

  
**(K. SANJAY MURTHY)**  
**Comptroller and Auditor General of India**

