

Chapter 2

Utilisation of State Disaster Response Fund in West Bengal

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DISASTER MANAGEMENT & CIVIL DEFENCE DEPARTMENT

Brief Snapshot

The State of West Bengal is prone to natural disasters, particularly floods and cyclones. The Disaster Management and Civil Defence (DMCD) Department is the nodal Department, responsible for works related to disaster management in the State. The State Disaster Response Fund (SDRF) is a fund constituted under section 48(1) (a) of the Disaster Management Act, 2005. The fund is used for meeting expenditure towards providing immediate relief to victims of calamities covered under the SDRF. The State Executive Committee (SEC) is responsible for all matters concerned with the SDRF and for ensuring that all norms and guidelines fixed by the Ministry of Home Affairs, Government of India (GoI) for using the SDRF, are adhered to.

A Subject Specific Compliance Audit (SSCA) on 'Utilisation of SDRF in West Bengal', covering the period 2018-19 to 2022-23, was undertaken.

- Audit noted that there was inefficient financial management of the SDRF due to which the State Government paid an interest of ₹ 4.88 crore for delayed transfer of its matching share to the SDRF account, after release of GoI's share. Further, ₹ 309.99 crore released out of the SDRF was seen to be retained in 'non-interest-bearing Public Account/ Bank Account', without utilisation as of March 2023.
- The DMCD Department purchased relief materials without due consideration of available stock and requirements. Consequently, a significant stock of relief material was lying unused at different godowns and/ or were distributed for purposes, not covered under the SDRF guidelines.
- The DMCD Department also incurred expenditure on disasters that were neither listed as State specific natural disasters nor locally notified by the State. The DMCD Department did not properly monitor the receipt to/ expenditure from SDRF as well as issue and receipt of relief materials under SDRF. Shortcomings in the functioning of the SEC were also noticed during audit.

2.1 Introduction

The Disaster Management Act, 2005 was enacted by the Government of India (GoI) to provide for effective management of disasters.

GoI constituted the National Disaster Response Fund (NDRF¹¹) under section 46 sub-section (1) of Disaster Management (DM) Act, 2005 for meeting any threatening situation or disaster. Under section 48 (1) (a) of the DM Act, 2005, GoI constituted State Disaster Response Fund (SDRF)¹² for the purpose of response and relief activities of immediate nature in respect of natural disasters notified by the Central and State Governments.

¹¹ NDRF is funded solely by the GoI

¹² The SDRF was constituted in the Public Account under the Reserve Fund bearing interest under the Major Head 8121

The State Disaster Mitigation Fund (SDMF¹³) was constituted by GoI under section 48 (1) (c) of the DM Act, 2005 for taking appropriate measures to mitigate disasters covered under SDRF/ NDRF guidelines.

SDRF and SDMF are together termed as State Disaster Risk Management Fund (SDRMF), which is meant to address the full cycle of disaster management needs (response & relief, recovery & reconstruction, preparedness & capacity building and mitigation). The SDRF¹⁴ would receive 80 *per cent* and SDMF would receive 20 *per cent* of the total allocation of the SDRMF for each year from 2020-21 to 2025-26.

Of the total yearly allocation to the SDRF/ SDMF, GoI contributes 75 *per cent* for General Category States, whereas the balance 25 *per cent* is contributed by the State Government. The share of the Central Government is remitted to the State Governments in two instalments in June and December of each financial year. Likewise, the State Governments also transfer their contribution to the SDRF/ SDMF in two instalments in June and December of the same year.

In case the State does not have adequate balance in its SDRF to meet the expenditure of a severe disaster, the State Government will submit a memorandum showing sector/ item-wise damage with proper justification of requirement of funds to the Ministry of Home Affairs (MHA), GoI. MHA will analyse and assess whether a case for additional assistance from NDRF is made out under NDRF guidelines. Additional grant-in-aid funded out of NDRF was to be accounted for under SDRF in the Public Account.

The SDRF is to be used only for meeting the expenditure¹⁵ for providing immediate relief to the victims of cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloud burst, pest attack and frost & cold wave. Further, the State Government may use up to 10 *per cent* of the funds available under the SDRF for providing immediate relief to the victims of natural disasters that they consider to be ‘disasters’ within the local context in the State and which were not included in the notified list of disasters of the MHA subject to the condition that the State Government had listed the State specified natural disasters and notified clear and transparent norms and guidelines for such disasters with the approval of the State Authority *i.e.* State Executive Committee (SEC). The provision for disaster preparedness, restoration, reconstruction and mitigation of long-term activities of permanent nature (except those provided under Recovery & Reconstruction and Preparedness & Capacity Building) should not be a part of SDRF or NDRF. Such expenditure is needed to be built into the normal budgetary heads/ separate schemes *etc.*, of State Governments.

¹³ *SDMF will be used exclusively for the purpose of mitigation projects in respect of disaster covered under SDRF/ NDRF guidelines and the State specific local disaster notified by State Governments. The SDMF was constituted in the Public Account under the Reserve Fund bearing interest under the Major Head 8121-General and other Reserve Funds.*

¹⁴ *SDRF will be used for response & relief, recovery & reconstruction, preparedness & capacity building in respect of disaster covered under SDRF/ NDRF guidelines and the State specific local disaster notified by State Governments.*

¹⁵ *As per Norms of NDRF and SDRF 2015 and 2022 (issued by Govt. of India vide letter nos. 32-7/2014-NDM-I dated 08.04.2015 and 33-03/2020-NDM-I dated 10.10.2022)*

2.1.1 Administration of SDRF

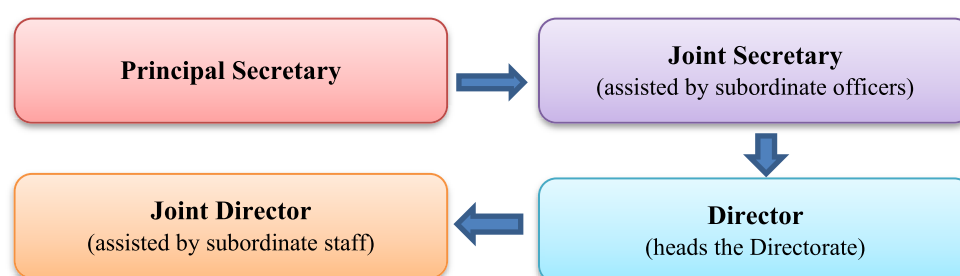
The SDRF is managed by the SEC as per section 20 of the DM Act, 2005. The Chief Secretary to the State Government is the *ex-officio* Chairperson of the SEC¹⁶. The SEC assesses the requirement of assistance from the SDRF for financing relief expenditure and makes suitable budget provision {under Major Head (MH): 2245} of the State Government. The extent of relief expenditure to be financed from the SDRF as authorised by the SEC shall be withdrawn from the SDRF and adjusted against expenditure under MH: 2245. The SEC has to ensure that the money drawn from the SDRF is actually utilised for the purposes for which the SDRF has been set up. The expenditure shall be done only on items as per norms prescribed under the guidelines of SDRF issued by GoI.

Disaster Management and Civil Defence (DMCD) Department, Government of West Bengal (GoWB) is the nodal department of the State Government for coordinating all activities relating to the whole cycle of Disaster Management (preparedness, mitigation, prevention, response, relief and rehabilitation). DMCD Department provides assistance in cash (House Building Assistance, Ex-gratia grant, Gratuitous Relief, Input subsidy to Farmers and Fishermen) and in kind {Tarpaulins, Clothing and Disaster Management (DM) Kits} from SDRF during natural calamities. Further, DMCD Department with approval of SEC, sanctions funds from the SDRF to different Departments *e.g.* Agriculture, Irrigation and Waterways, Public Works Departments *etc.*, for providing input subsidy¹⁷, restoration works for damaged spots of rivers and canal embankments, restoration of damaged roads *etc.*

In addition to the above, as a part of regular activities, DMCD Department also provides Normal Gratuitous Relief¹⁸, Economic Rehabilitation Grant¹⁹, Ex-gratia due to snake bite, assistance during *Eid* and *Durga Puja etc.*, to intended beneficiaries from the State Budget (*i.e.* MH-2235²⁰- “Social Security and Welfare”).

2.1.2 Organisational set up

Chart 2.1: Organisational set up of the DMCD Department and Directorate



¹⁶ In addition to the Chief Secretary, Government of West Bengal (GoWB), SEC consists of the Secretary, DMCD Department as Member Convenor and three other secretaries (Home Department, Finance Department and Irrigation & Waterways Department) as member.

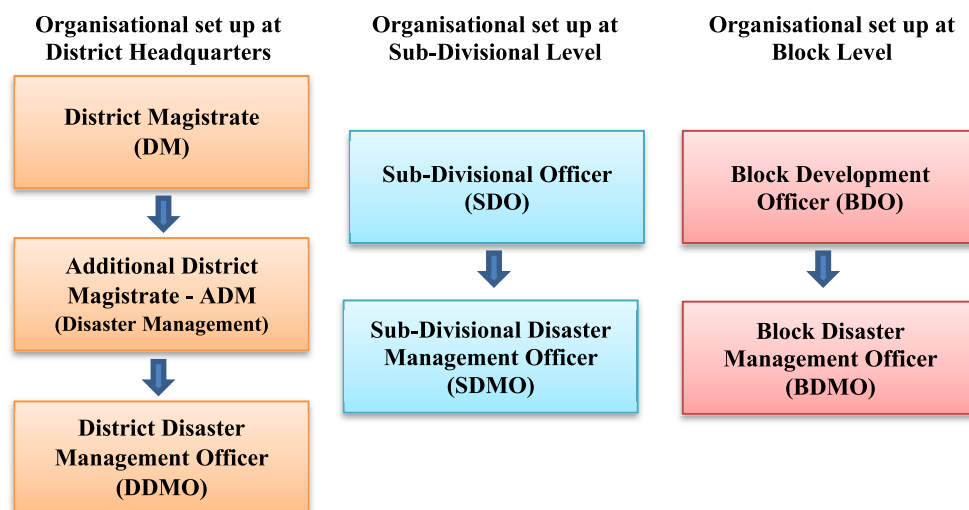
¹⁷ Assistance provided to the farmer for crop loss (33 per cent and above), providing seed & fertilizer *etc.*, due to natural disaster covered under SDRF guidelines.

¹⁸ **Normal Gratuitous Relief (NGR)** is a relief provided in cash and in kind to the selected portion of the population like mentally challenged, physically challenged, such other person who cannot work and cannot be provided with work *etc.*

¹⁹ **Economic Rehabilitation Grant (ER Grant)** is a grant provided to poorest of the poor person by providing sewing machine, fund for starting small trade *etc.*

²⁰ Expenditure under MH:2235 “Social Security and Welfare” was not covered under current audit as this is not a part of SDRF

Chart 2.2: Organisational set up of DMCD Department at District, Sub-Divisional and Block-level



2.1.3 Receipts and Expenditure of SDRF/ SDMF

Government of India provides 75 *per cent* share of SDRF, which on receipt is transferred to the Public Account Head (MH: 8121), along with State's share. The share of the State Government (25 *per cent*) must be released to MH: 8121, within 15 days of receipt of GoI's share. In case the State does not have adequate balance in its SDRF, additional grant can be provided to the State by MHA, after assessment, from the NDRF.

No direct expenditure from the Public Account (MH 8121) can be made and any actual expenditure on relief works is to be booked under MH-2245-'Relief on Natural Calamities'. Therefore, there should be no mismatch in figures *inter-se* between those reported through MH: 2245 and MH: 8121.

The details of receipts and expenditure for the period from Financial Years (FYs) 2018-19 to 2022-23 are given in **Table 2.1** below.

Table 2.1: Receipts and Expenditure from SDRF/ SDMF (₹ in crore)

FY	Total opening Balance of SDRF/ SDMF	Receipts from				Total Funds Received during the year	Total Funds Available	Expenditure	Balance at the end of the year
		Central Share	State Share	NDRF	Other Sources ²¹				
(1)	(2)	(3)	(4)	(5)	(6)	(7)= (3+4+5+6)	(8)= (2+7)	(9)	(10)= (8-9)
2018-19	56.17	269.10	79.73	324.78	12.54	686.15	742.32	477.16	265.16
2019-20	265.16	650.40	72.27	958.33	0	1,681.00	1,946.16	1,031.18	914.98
2020-21	914.98	1,011.00	337.00	2,250.28	0	3,598.28	4,513.26	2,820.65	1,692.61
2021-22	1,692.61	1,011.00	337.00	350.13	157.64	1,855.77	3,548.38	1,537.56	2,010.82
2022-23	2,010.82	1,062.00	354.00	0	105.16	1,521.16	3,531.98	349.77	3,182.21

Source: Information furnished by the DMCD Department

²¹ Other Sources include funds available through re-allotment due to non-utilization by the Agriculture Department and interest on investment and delayed transfer of share.

2.1.4 Audit Objectives

The audit was conducted with a view to ascertain whether:

- The State Government contributed its complete share timely and funds were available with field functionaries;
- The expenditure incurred was in accordance with the prescribed norms;
- The administration and monitoring of utilization of fund was being done effectively; and
- Internal Control mechanism prescribed was functioning properly.

2.1.5 Audit Criteria

Audit examination was carried out with reference to the following criteria:

- Disaster Management Act, 2005 issued by GoI;
- Guidelines of SDRF/ NDRF 2015 issued by GoI;
- Guidelines of SDRF/ NDRF 2022 issued by GoI;
- Norms of NDRF and SDRF 2015 and 2022 (GoI *vide* letter nos. 32-7/2014-NDM-I dated 08.04.2015 and 33-03/2020-NDM-I dated 10.10.2022);
- Manual on Administration of NDRF/ SDRF 2013 issued by GoI; and
- Other relevant Acts & Rules and Government Orders, Notifications, Circulars, Departmental instructions issued from time to time *etc.*

2.1.6 Audit Scope and Methodology

Audit was conducted to cover the expenditure incurred by the State Government from the SDRF for the period 2018-19 to 2022-23²². Further, audit also covered the expenditure of four out of twelve²³ line departments *viz.* Agriculture, Irrigation and Waterways (I&W), Power and Transport, being recipients of funds allotted from SDRF. The Departments were selected through Stratified Random Sampling without Replacement (SRSWR) method. Details with regard to methodology of selection of units under these four Departments, are given in *Appendix 2.1*.

Nine out of 22 Districts were selected along with 25 *per cent* of the Blocks/ SDO offices of DMCD Department using Stratified Random Sampling (SRS) based on the expenditure incurred from SDRF during the period 2018-19 to 2022-23.

An Entry Conference was held with the DMCD Department in May 2023 to *inter-alia* discuss audit objectives and approach to be adopted for auditing purposes. Exit conference was held (November 2024) to discuss the audit findings.

²² Except expenditure covered under cyclone 'Amphan' for the period 2020-21 which has been covered under CAG's Report No. 3 of 2022

²³ Agriculture, Animal Resources, Forest, Fishery, Home & Hill Affairs, Irrigation & Waterways, Micro, Small & Medium Enterprises and Textiles, Power, Public Works, Sundarban Affairs, Transport and Urban Development & Municipal Affairs (for Kolkata Municipal Corporation) Departments

Replies received from Departments (DMCD/ Power/ Irrigation & Waterways) concerned, have been suitably included in the Report. No replies were received from the Agriculture & Transport Departments.

Detailed audit findings are as discussed in subsequent paragraphs.

Audit Findings:

2.2 Financial Management of SDRF

2.2.1 Delayed transfer of Government share in SDRF

As per provisions contained in para 7 of the Guidelines on Constitution and Administration of SDRF, issued by Ministry of Home Affairs (Disaster Management Division), immediately upon receipt of GoI's share, the States were to transfer the amount along with their matching share, if not already transferred, to the Public Account Head within 15 days of receipt. Any further delay would require the State to release the amount, with interest at bank rate of Reserve Bank of India (RBI), for the number of days of delay (beyond 15 days).

Audit noticed that in FYs 2018-19 and 2021-22 the State Government delayed release of its share ranging between 5 to 124 days (beyond the 15 days period)²⁴ in four instances. As a result, the State Government had to pay an interest of ₹ 4.88 crore in September 2022 for delayed transfer of share during the two FYs.

In reply (August 2024) the DMCD Department affirmed the fact of payment of interest for such delayed release. However, no reasons for delay in transfer of funds were furnished by the DMCD Department.

2.2.2 Loss of interest - ₹ 10.18 crore

As per para 19 and 20 of the SDRF Guidelines (2015) on receipt of GoI and/ or State Government contribution, the SEC would take action for investment of the funds in one or more of the following instruments i) Central Govt. dated securities (ii) Auctioned Treasury Bills (iii) Interest earning deposits and certificates of deposits with Scheduled Commercial Banks.

Further, as per para 4 of the SDRF guidelines, the State Government shall pay interest, at the end of the FY, to the SDRF at the rate applicable to overdrafts (as per Overdraft Regulation Guidelines of RBI). Therefore, based on the above rules it is concluded that for SDRF fund not invested, the State Government was liable to pay interest as per the provisions referred *ibid*.

Records of DMCD Department showed that during the period 2018-19 and 2019-20, available balances under SDRF at the beginning of the respective FY were not invested by the State Government as per prescribed norms. Thus, interest was payable by the State Government as applicable to overdraft, on these un-invested amounts. Consequently, ₹ 10.18 crore became due for the period 2018-19 to 2019-20 as detailed in [Appendix 2.2](#). However, no payment to SDRF was made by the State Government against this due amount.

²⁴ The delay ranged between 32 and 124 days in FY 2018-19 and between 5 and 32 days in FY 2021-22

The DMCD Department replied that as of August 2024, no interest had been released to SDRF. No reasons were furnished by the DMCD Department in this regard.

2.2.3 Funds released from SDRF kept in ‘non-interest bearing Public Account’/ ‘Bank Accounts’ without utilization

2.2.3.1 Blockage of SDRF of ₹ 218.04 crore and subsequent loss of interest of ₹ 4.51 crore

As per para 13 of the SDRF guidelines, no amount was to be retained under non-interest bearing account. Audit observed that the DMCD Department, GoWB, withdrew funds of ₹ 209.27 crore from the SDRF and kept it in three bank accounts during the FYs 2018-19 to 2022-23. Of this, ₹ 200 crore was invested as Fixed Deposit during the FY 2021-22 in Axis Bank for one year. The Bank subsequently returned the maturity amount of ₹ 208.77 crore (in June 2022) but the same was not re-invested (as of March 2023) & was lying in the savings bank account of Axis Bank.

As of March, 2023, the remaining fund of ₹ 9.27 crore (₹ 209.27 crore *minus* ₹ 200 crore), was lying in two ICICI bank accounts (one savings & one current) for a period between 89 days and 729 days.

Thus, in these three above mentioned accounts, an amount of ₹ 218.04 crore was kept outside the SDRF (as of March 2023) in violation of the applicable guidelines. This also resulted in loss of interest amounting to ₹ 4.51 crore as detailed in [Appendix 2.3](#). Further, in violation of the guidelines referred *ibid*, interest of ₹ 5.56 crore earned was kept in savings bank accounts and was not deposited in the SDRF.

In reply (August 2024) the DMCD Department stated that the process to return the entire fund (inclusive of earned interest) to Finance Department has been initiated. The reply was, however, silent regarding the loss of interest.

2.2.3.2 Blockage of SDRF of ₹ 90.08 crore and subsequent loss of interest of ₹ 5.19 crore

During audit of the offices of the District Magistrates in three²⁵ districts it was noticed that fund of ₹ 90.08 crore was withdrawn from SDRF for the purposes of House Building Assistance, Construction of Multipurpose Rescue Shelter and Purchase of relief material during FYs 2018-19 to 2022-23 and deposited in Personal Deposit (PD) Accounts/ bank accounts. Of this, an amount of ₹ 36.51 crore was surrendered to SDRF after holding it for a period between 582 days and 788 days. Further, the remaining amount of ₹ 53.57 crore was neither utilised nor surrendered to SDRF for a period between 371 days to 973 days, as of November 2023.

Parking of unutilized amount of SDRF outside the Fund, in PD accounts/ bank accounts, therefore led to loss of interest of ₹ 5.19 crore ([Appendix 2.4](#)).

DMCD Department did not furnish any specific reply (December 2024).

²⁵ South 24 Parganas, North 24 Parganas and Howrah

2.2.3.3 Blockage of SDRF of ₹ 1.87 crore and subsequent loss of interest of ₹ 30.63 lakh

During audit of Deputy Director of Agriculture (DDA), Hooghly it was noticed that an amount of ₹ 86.52 crore was drawn between December 2019 and December 2021 from the SDRF via five bills. This amount was transferred to two current accounts with the West Bengal State Co-operative Bank for providing crop assistance to farmers during cyclones *Bulbul* (October 2019) and *YAAS* (May 2021). Out of this, an expenditure of ₹ 84.65 crore was incurred on said assistance during December 2019 to March 2022, but the remaining amount of ₹ 1.87 crore was still lying unutilized in Bank accounts (as of January 2024).

As per para 13 of the SDRF guidelines, no amount was to be retained under non-interest bearing account. However, in the extant case ₹ 1.87 crore was not surrendered to SDRF for periods ranging between 671 to 1,036 days²⁶. Further, due to such blockage of SDRF in current bank accounts (where no interest is earned), an amount of ₹ 30.63 lakh was foregone as potential interest earning, as detailed in *Appendix 2.5*.

DMCD Department did not furnish any reply (December 2024).

The above instances indicated inefficient financial management of the SDRF due to which the State Government had to pay an interest of ₹ 4.88 crore for delayed transfer of its matching share to the SDRF. Further, ₹ 309.99 crore²⁷ released out of the SDRF was seen to be retained in ‘non-interest-bearing Public Account/ Bank Account’, without utilisation as of March 2023.

Recommendation:

2.1 State Executive Committee needs to ensure that State Disaster Response Fund balance amounts are invested as per prescribed norms and unutilized amounts are not retained in non-interest bearing accounts.

2.3 Extent of adherence to prescribed SDRF norms

2.3.1 Excess expenditure on Relief Materials in violation of prescribed SDRF items & norms

Sl. No-03(a) of the list of items and norms of assistance of SDRF issued by GoI, prescribes a provision for temporary accommodation, food, clothing, medical care *etc.*, to be made available to people affected/ evacuated due to calamities and those sheltering in relief camps. Further, the SDRF guidelines also state that expenditure on this account should not exceed 25 *per cent* of the total SDRF allocation for the year, to the State. Moreover, in the event of a natural calamity of a severe nature when the State’s SDRF is insufficient to meet relief

²⁶ Duration of blockage has been calculated since the last transaction in these accounts till January 2024.

²⁷ ₹ 218.04 crore plus ₹ 90.08 crore plus ₹ 1.87 crore

requirements, these Funds can be replenished with additional grants-in-aid from NDRF. State Government has to treat such additional grant-in-aid from NDRF, in the same manner as the funds in SDRF as far as transfer and accounting are concerned.

Audit observed that during the FYs 2018-19 to 2022-23, the DMCD Department incurred yearly expenditure ranging between ₹ 125.23 crore and ₹ 408.44 crore for purchase of clothing, tarpaulin, rice and Disaster Management (DM) Kits to combat natural calamities. The above expenditure was 9.73 to 28.59 *per cent* of the yearly allocation of SDRF & NDRF during the aforesaid period. Audit observed that the expenditure for the purpose of relief materials exceeded the prescribed limit of 25 *per cent* in FY 2021-22 in respect of SDRF along with the NDRF allocation in violation of prescribed norms. The details are given in *Appendix 2.6*.

As observed during audit, absence of an appropriate mechanism to assess the requirement of stock of relief materials may have been one of the attributable reasons (*refer Paragraph 2.4.2*) for this. Further, significant accumulation of stock of relief materials at Central/ Zonal/ District godowns of the Department (*refer Paragraph 2.4.2*) was also noticed during audit.

In reply (August 2024) the DMCD Department stated that the expenditure exceeded the prescribed limit of 25 *per cent* in two FYs (*i.e.* 2018-19 & 2019-20) considering allocation of both SDRF and NDRF together. Moreover, as per prescribed norms, the expenditure should not exceed 25 *per cent* of SDRF allocation for the year (for one incident) and West Bengal has two or three such events in a year.

The reply was not tenable as **a)** norms did not specify that the prescribed limit was applicable incident-wise and **b)** the prescribed combined ceiling was exceeded in the FY 2021-22, and not in FYs 2018-19 & 2019-20. Moreover, during last five years (FYs 2018-19 to 2022-23), except FY 2019-20, the State faced only one notified disaster (yearly).

2.3.2 Mis-utilization of fund due to irregular distribution of relief materials

As per rules, the actual expenditure on relief works should be booked only under the respective Sub-Major Head, corresponding to the Minor Head within Major Head: 2245. Further, para 13 (iii) (f) of SDRF guidelines states that SEC should ensure that excess utilization of fund does not happen due to mixing up of State resources/ budget with funds available under SDRF. Also, para 13 (iii) (a) of SDRF guidelines stipulates that the SEC should ensure that the money drawn from the Fund is actually utilized for the purpose for which SDRF has been created.

In this regard the following issues were noticed during audit.

2.3.2.1 Irregular distribution of relief material for other social activities (not covered under natural calamities)

The Directorate, DMCD Department purchases relief materials (Tarpaulins, Clothing & Garments) to provide assistance to needy persons during the festivals of *Durga Puja* and *Eid* from the State Budget under the Social Welfare Head (MH: 2235). The Department also purchases relief materials to provide assistance to victims of natural calamities, from SDRF under MH: 2245.

Scrutiny of records for the period 2017-18 to 2022-23 revealed that the Directorate procured relief materials (Tarpaulins, Clothing & Garments) of ₹ 69.32 crore for distribution to indigent persons (under MH: 2235) and material estimated at ₹ 1,427.90 crore for distribution to victims affected during natural calamities covered under SDRF (MH: 2245). Head-wise details in this regard are shown in *Appendix 2.7*.

Audit observed that relief materials (Tarpaulins, Clothing & Garments) totalling ₹ 223.32 crore (₹ 101.91 crore for *Durga Puja* & ₹ 121.41 crore for *Eid*) were despatched for distribution during the FYs 2018-19 to 2022-23 by DMCD Department. Thus, the total material distributed on the occasion of these two festivals was more than the amount (₹ 69.32 crore) purchased for this specific purpose. This raises the risk that relief material worth ₹ 154 crore (₹ 223.32 crore minus ₹ 69.32 crore) procured for SDRF, were supplied for distribution on the occasions of *Durga Puja* and *Eid*. Details of the same are shown in *Appendix 2.8*.

In addition, as noted subsequently in *paragraph 2.4.1* no separate records/ stock registers were being maintained by DMCD Department/ Directorate for segregating material purchased from SDRF and those funded from the State budget. This further raises the risk of mis-utilization of SDRF funds for purposes not covered under the applicable guidelines, defeating the very purpose of the Fund.

DMCD Department communicated (August 2024), that a proposal has been sent to the Finance Department for recovery of mis-utilized SDRF from State Budget and instructions were issued to Directorate to clearly mention the required quantity separately for Member of Legislative Assembly (MLA) quota (*Durga puja/ Eid*) and Natural Calamity quota while seeking funds for procurement of clothing, garment and tarpaulins.

2.3.2.2 Irregular disbursement of relief materials for activities not covered under SDRF norms- ₹ 29.77 crore

As per SDRF guidelines, the SEC should ensure that the money drawn from SDRF is actually utilized for the purpose for which the fund has been set up.

Scrutiny of records at the Department level and at the eight²⁸ district offices, revealed that relief materials²⁹ valued at ₹ 105.46 crore were sub-allotted (to eight districts) for distribution among beneficiaries or as reserve stock to tackle

²⁸ Howrah, North 24 parganas, South 24 parganas, Birbhum, Darjeeling, Paschim Burdwan, Purba Midnapore and Paschim Midnapore

²⁹ Tarpaulin, Dhuti, Saree, Lungi, Woollen Blanket, Bedsheet, Kurti & Leggings, Pyjama & Punjabi, Children Garments (Boys & Girls), DM kits and Special Gratuitous Relief Rice.

natural calamities during the FYs 2018-19 to 2022-23. These purchases were made out of funds available under SDRF (MH-2245-Relief on Natural Calamities), and therefore should have been used only for natural calamities covered under the SDRF guidelines.

During test check it was found that materials worth ₹ 29.77 crore out of ₹ 105.46 crore (*i.e.* 28 per cent) were not only used during other calamities (Rain fall, Norwester, lighting *etc.*) that were not covered under SDRF guidelines but also used for social welfare purposes (*i.e.* for distribution during *Puja/ Eid/* winter season to poor and needy persons). Further, these calamities were also not notified by the State Government as ‘disasters’ under SDRF guidelines.

Thus, the distribution of relief materials amounting to ₹ 29.77 crore was in violation of SDRF guidelines. The details of the same are given in *Appendix 2.9*.

Based on their replies (August 2024) it was seen that four districts³⁰ accepted the fact that relief materials were used for distribution to needy people affected by other natural disasters or other hazards (like accidental fire) as a part of normal relief assistance.

No reply/ specific reply was received from the remaining four districts³¹.

2.3.3 Excess House Building Assistance paid from SDRF- ₹ 9.53 crore

As per Sl. No. 9 (c) of the list of items and norms of Assistance from SDRF, the rate of assistance/ ceiling for partially damaged ‘*Kutcha*’ houses in case of natural disaster mentioned in SDRF guidelines was fixed at ₹ 3,200 per house. Further, para 15 of SDRF guidelines stipulates that the norms for the amounts to be incurred on each approved item of expenditure would be fixed by the MHA, in concurrence with the Ministry of Finance, as amended from time to time. Any amount spent by the State for such disasters over and above the ceiling had to be borne out of the resources of the State Government and not from SDRF.

In nine³² districts, total 74,287 beneficiaries were paid House Building Assistance (HBA) for damage to *Pucca* and *Kutcha* houses due to cyclone “YAAS” (May 2021) during the FY 2021-22. YAAS had been classified as a disaster under SDRF norms.

Audit observed that out of these 74,287 beneficiaries, 52,956 beneficiaries were paid house building assistance of ₹ 26.48 crore for partially damaged *kutcha* houses at the rate of ₹ 5,000 per house from SDRF (2245-Relief from Natural Calamities). This excess assistance of ₹ 1,800 per house (*i.e.* ₹ 5,000 minus ₹ 3,200) totalling an overall amount of ₹ 9.53 crore should have been booked against the State budget. However, the State Government did not make any suitable provision for this, and the entire expenditure was met out of SDRF.

³⁰ Howrah, Paschim Midnapore, Darjeeling and South 24 Parganas.

³¹ North 24 parganas, Birbhum, Purba Midnapore and Paschim Burdwan

³² Hooghly, Howrah, North 24 parganas, South 24 parganas, Birbhum, Darjeeling, Paschim Burdwan, Purba Midnapore and Paschim Midnapore

This resulted in excess payment of HBA from SDRF over and above the prescribed norms amounting to ₹ 9.53 crore as detailed in *Appendix 2.10*. Consequently, SDRF was excessively charged in violation of applicable guidelines and ceiling.

In reply (August 2024) the DMCD Department stated that a proposal has been sent to Finance Department to address the issue by adjustment from State Budget.

2.3.4 Inadmissible expenditure from SDRF for Relief Contingency- ₹ 12.40 crore

Para 17 of SDRF guidelines stipulates that SDRF should be used only for meeting the expenditure for providing immediate relief to victims of specific kinds of disasters as notified by the Central Government, as well as State specific disasters as notified by the State Governments. Further, Para 13(iii) of SDRF guidelines provides that SEC shall ensure that (a) the money drawn from the SDRF is actually utilized for the purpose for which SDRF has been set up and (b) expenditure is only on prescribed items of expenditure and as per the norms & not diverted to meet inadmissible expenditure.

In addition, GoWB *vide* G.O. no. 3387(17)-FR dated 02 November 1989 regarding utilization of Relief Contingency³³ clearly specified that expenditure on account of hiring vehicle/ car, purchase of photocopy machine or typewriter, purchasing office furniture, payment of tiffin bills, repair of office building *etc.*, was forbidden from SDRF.

(i) In nine districts, total expenditure of ₹ 39.56 crore was incurred during the period 2018-19 to 2022-23 (except 2020-21) for the purpose of relief contingency under the Head 2245 “Relief on Natural Calamities”. Of this, an amount of ₹ 19.70 crore was expended by the district offices along with five SDO³⁴ offices and 37 block offices, which was test-checked during audit.

Audit noted that out of ₹ 19.70 crore, an expenditure of ₹ 9.05 crore (*i.e.* 46 *per cent*) was incurred for the purpose of administrative and miscellaneous office expenses (*i.e.* purchase of furniture & fittings, purchase of computer articles, payment for stationery articles, payment for hiring and fuel charges of vehicles, expenditure related to *Gangasagar Mela*, *etc.*) instead of on items permitted under the SDRF guidelines like search, rescue & evacuation equipment, communications equipment, for setting-up of Relief camps/ centres *etc.*

As per the SDRF guidelines, the expenditure on these types of items is to be borne by the State Government from its normal budget and not from the SDRF. The expenditure incurred on ineligible items from SDRF not only violated the intended purpose and norms laid down under the Guidelines but also resulted in inadmissible expenditure of ₹ 9.05 crore. District-wise details in this regard are shown in *Appendix 2.11*.

³³ Relief contingency is provided for expenditure on miscellaneous purposes from SDRF like food expenses of marooned people, fuel expenses of boats to rescue flood affected people, expenses directly made for the rescue of marooned people, *etc.*

³⁴ SDO Uluberia, SDO Arambagh, SDO Baruipur, SDO Contai and SDO Kurseong

The replies (August 2024) received from eight³⁵ District offices indicated that SDRF was used for meeting incidental costs in connection with transportation of relief materials, administrative expenses and other office expenses, as no adequate contingency funds were available in other account heads.

The reply was not tenable as the revised manual for SDRF & NDRF (2013) read with Para 16 of SDRF guidelines provides that all miscellaneous expenses for disaster preparedness, restoration, reconstruction and mitigation along with expenses for administrative and office expenses should not be part of SDRF or NDRF and that such expenditure would be part of normal budgetary provision of the State.

(ii) DMCD Department sanctioned and released ₹ 450 crore to the Agriculture Department for providing assistance in the form of input subsidy to farmers affected by the cyclonic storm “Bulbul” in six districts³⁶ for the year 2019-20.

Scrutiny of records of three DDA³⁷/ three Assistant Director of Agriculture (ADA)³⁸ offices revealed that out of released amount of ₹ 256.84 crore, ₹ 3.35 crore was used for the purpose of printing of *Demi Official* (DO) letters, meeting expenses, stationery articles, remuneration of casual workers, purchase of furniture & fittings and monthly hiring and fuel charges of vehicles *etc.* Such expenses should have been met from the State Budget.

The expenditure incurred on ineligible items from the SDRF was not in accordance with the intended purpose and norms laid down under the SDRF guidelines. Thus, inadmissible expenditure of ₹ 3.35 crore was incurred (*Appendix 2.12*).

DMCD Department did not furnish any reply (December 2024).

2.3.5 Inadmissible payment of Gratuitous Relief from SDRF

DMCD Department as a part of its regular activities provides Normal Gratuitous Relief (NGR)³⁹ assistance in cash from the State Budget, based on applications received from beneficiaries. Further, as per Sl. 1(e) of the list of items and norms of Assistance, Gratuitous Relief is also paid in cash from SDRF, to the families whose livelihoods have been seriously affected due to natural calamities (notified by Central Government or State specific disasters notified by the State Governments). The default period of assistance shall be up to 30 days which may be extended up to 90 days.

In nine test-checked districts it was observed that a total expenditure of ₹ 1.49 crore was booked during FYs 2018-19 to 2022-23⁴⁰, as Gratuitous Relief from SDRF to provide assistance to families whose livelihoods were

³⁵ Hooghly, Howrah, South 24 parganas, Birbhum, Darjeeling, Paschim Burdwan, Purba Midnapore and Paschim Midnapore. No reply was received from North 24 Parganas district.

³⁶ South 24 Parganas, North 24 Parganas, Purba Midnapore, Paschim Midnapore, Hooghly and Howrah

³⁷ Purba Midnapore, Paschim Midnapore and Hooghly

³⁸ Alipore, Barasat-Barrackpore and Uluberia

³⁹ NGR is a relief provided in cash and in kind to certain categories of the population like mentally/ physically challenged or such other person who cannot work and cannot be provided with work *etc.*

⁴⁰ except 2020-21

seriously affected due to natural calamities. Out of this total expenditure, an amount of ₹ 42.76 lakh was incurred by the district offices, SDO⁴¹ and 37 BDOs⁴².

Scrutiny revealed that of this, ₹ 31.22 lakh was paid as NGR (in cash), by the DMCD Department, as part of its regular social activities instead of on account of natural calamities, as notified under SDRF. This disbursement of NGR for purposes not notified under SDRF, was a clear violation of its guidelines. Further an amount of ₹ 9.16 lakh was held in cash by concerned disbursing authorities for a period between nine (09) months and 51 months (till March 2023) in violation of the norms (*i.e.* 90 days).

Thus, an amount of ₹ 40.38 lakh (₹ 31.22 lakh + ₹ 9.16 lakh) out of total expenditure of ₹ 42.76 lakh (*i.e.* 94 *per cent*) comprised amounts which were either mis-utilized for purposes that were not in consonance with the stipulated objectives of SDRF or retained in cash. The details of expenditure are given in *Appendix 2.13*.

From the replies received (August 2024) it was seen that three districts⁴³ have accepted that NGR was given as relief against starvation and for the welfare of poor people. Three other districts⁴⁴ conveyed that NGR was distributed amongst calamity affected people throughout the year as per requirements. However, Gratuitous Relief out of SDRF was utilized for the benefit of people who were not affected by occurrences of natural calamities, as notified by GoI/ GoWB. No reply/ specific reply was received from North 24 Parganas, Purba Midnapore and South 24 Parganas districts.

2.3.6 Irregular payment of Ex-gratia of ₹ 6.93 crore in violation of SDRF guidelines

SDRF is to be used only for meeting expenditure related to providing immediate relief to the victims of notified natural disasters⁴⁵. Further, the State Government was allowed to utilize up to 10 *per cent* of the funds available under SDRF for providing immediate relief to victims of natural disasters that they consider to be ‘disasters’ within the local context in the State and which were not included in the notified list of disasters of the MHA. This was subject to the condition that the State had to have listed the State specific natural disasters and notified clear and transparent norms and guidelines for such disasters with the approval of the SEC.

In nine test-checked districts it was observed that a total expenditure of ₹ 17.57 crore was incurred during 2018-19 to 2022-23 (except 2020-21) for the purpose of Ex-gratia grant under the Head 2245 “Relief on Natural Calamities”

⁴¹ SDO Arambagh

⁴² BDO Domjur, BDO Udaynarayanpur, BDO Goghat-I, BDO Goghat-II, BDO Balagarh, BDO Pursurah, BDO Diamond Harbour-I, BDO Bishnupur-I, BDO Mandirbazar, BDO Patharpratima, BDO Sonarpur, BDO Contai-I, BDO Ramnagar-II, BDO Deshpur, BDO Mahisadal, BDO Egra-II, BDO Patashpur-I, BDO Kharagpur-I, BDO Chandrakona-I, BDO Garbeta-I, BDO Datan-I, BDO Salboni, BDO Keshpur, BDO Rampurhat-I, BDO Mayureswar-I, BDO Murarai-II, BDO Dubrajpur, BDO Md. Bazar, BDO Raniganj, BDO Andal, BDO Takdah, BDO Phansidewa, BDO Barrackpore-I, BDO Gaighata, BDO Bongaon, BDO Bagdah and BDO Swarnapour

⁴³ Howrah, Darjeeling and Paschim Midnapore

⁴⁴ Hooghly, Birbhum and Paschim Burdwan

⁴⁵ Cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloud burst, pest attack and frost & cold wave

(i.e. from SDRF). Of this, an expenditure of ₹ 9.23 crore was incurred by the test-checked district offices, five SDO⁴⁶ offices and forty (40) Block offices.

Scrutiny of records revealed that expenditure of ₹ 6.93 crore, out of ₹ 9.23 crore (i.e. 75 per cent) was incurred towards ex-gratia to the next of kin of persons who died due to lightning, accidental fire⁴⁷, electrocution, boat capsizing, norwester, etc., instead of natural calamities as defined or covered under SDRF guidelines. Further, State Government had neither listed any such State specific natural disasters nor notified clear and transparent norms and guidelines for the identification of such disasters as per SDRF guidelines. Thus, ₹ 6.93 crore was paid in violation of SDRF guidelines. The details of expenditure are given in *Appendix 2.14*.

The DMCD Department replied (September 2024) that such expenditure was allowed to be met from the Prime Minister's National Relief Fund and in terms of the DMCD Department Order issued in June 2005, ex-gratia could be sanctioned for these purposes.

The reply was not acceptable as nothing was conveyed through the reply to indicate that such expenditure was admissible under SDRF or that the State Government had listed such State specific natural disasters & notified guidelines for the same. Further, as the SDRF guidelines were issued in 2015 and the order referred *ibid* by the Department was issued in June 2005, the contention of enforceability of the DMCD Department's order, in the circumstance that the SDRF guidelines had been issued subsequently, lacked rationale.

2.3.7 Allocation of SDRF to the Agriculture Department & Irrigation and Waterways Department (I&WD) and its utilisation

DMCD Department allotted funds of ₹ 958.13 crore from SDRF to the Agriculture Department for input subsidy⁴⁸ to the affected farmers during the period 2018-19 to 2022-23, under the Head 2245 "Relief on Natural Calamities".

An amount of ₹ 647.92 crore was allotted to six Deputy Director of Agriculture (DDA) offices and 13 Assistant Director of Agriculture (ADA) offices in nine selected districts. Audit test-checked expenditure of three⁴⁹ DDA offices and three⁵⁰ ADA & findings based on the same, are noted below.

2.3.7.1 Excess payment made to the Cyclone 'YAAS' beneficiaries from SDRF for duplicate agriculture input assistance

The Guidelines for providing relief assistance to farmers affected by the YAAS cyclone, were introduced by the Agriculture Department (June 2021). These guidelines stipulated that every farmer and recorded sharecropper would be

⁴⁶ SDO Arambagh, SDO Baruipur, SDO Contai, SDO Kurseong and SDO Uluberia

⁴⁷ Accidental fire means fire caused by cooking accident, short circuit of electrical wiring, storage of combustible materials, rubbish & waste materials etc. "Fire" as mentioned in SDRF guidelines are those caused due to natural occurrence as SDRF guidelines covered only natural calamities

⁴⁸ Input Subsidy/ Input Assistance means assistance provided to the farmers with subsidized input such as seeds, fertilizers and pesticides or cash assistance where crop loss is more than 33 per cent.

⁴⁹ DDA Hooghly, DDA Paschim Midnapore and DDA Purba Midnapore

⁵⁰ ADA Barasat-Barrackpore, ADA Uluberia and ADA Alipore

eligible for relief (as input subsidy) of ₹ 2,500 for one acre and more of affected cultivated land. Farmers having less than one acre of land would be eligible to relief on pro-rata basis, subject to a minimum of ₹ 1,000 per farmer. This Assistance was to be paid only once to a farmer and was to be met out of SDRF.

For selection of beneficiaries for payment of relief, the Agriculture Department (June 2021) issued directions that distribution of assistance for crop damage was to be made to all enrolled farmers of *Krishak Bandhu* (Assured Income) Scheme (KBAIS)⁵¹ as an additional instalment⁵² in the *mouzas* affected due to Cyclone *YAAS*.

The *Krishak Bandhu* Scheme was launched (January 2019) by the Agriculture Department *inter-alia* to provide financial support to farmers, for agricultural purposes.

Electors Photo Identity Card (EPIC) was mandatory for enrolment of farmers/ sharecroppers in the KBAIS portal. The farmers/ sharecroppers were also required to be in possession of valid documents for cultivated land to be eligible for enrolment. Further, those farmers in ‘YAAS’ affected notified areas, who had not been enrolled in the *Krishak Bandhu* Scheme, could get enrolled through the “*Duare Tran*” outreach camp.

During audit it was noticed that a total 4,61,031 beneficiaries in affected *mouzas* of Hooghly and Purba Midnapore districts were eligible for getting assistance for crop damage due to Cyclone ‘YAAS’, based on enrolled farmers data available in the KBAIS portal. Scrutiny of the bank statements provided by the DDA offices in these two districts revealed that out of 4,61,031 beneficiaries, 4,50,821 beneficiaries received additional assistance successfully. However, analysis of the list of successful beneficiaries by Audit revealed that there were 1,779 beneficiaries who received the assistance ‘more than once’ as their names were appearing more than one time in the list of recipients. This resulted in excess payment of ₹ 22.83 lakh from SDRF as detailed in **Table 2.2**:

Table 2.2: Payment of Excess assistance in the form of Agriculture Input Subsidy

Sl. No.	Name of District	Name of the Office	No. of beneficiaries	No. of beneficiaries who received assistance	No. of beneficiaries getting assistance more than once	Amount paid to Beneficiaries	Amount admissible (as per guideline)	Excess payment made
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)=(G)-(H)
1	Hooghly	DDA Hooghly	3,11,904	3,10,641	1,289	37,04,200	20,24,700	16,79,500
2	Purba Midnapore	DDA Purba Midnapore	1,49,127	1,40,180	490	13,91,675	7,87,700	6,03,975
Total			4,61,031	4,50,821	1,779	50,95,875	28,12,400	22,83,475

Source: Information furnished by the concerned DDA offices

⁵¹ The Department of Agriculture, GoWB introduced (January 2019) the “*Krishak Bandhu Scheme (KBS)*” to support farmers financially during pre-production stage to make agriculture profitable for the farmers and to provide them social security so that their families are not put to distress in the event of farmer’s untimely demise. In this scheme every farmer will be eligible to get maximum financial support of ₹ 5,000 per year per acre of land owned payable in two equal instalments i.e. @ ₹ 2,500 (Kharif & Rabi).

⁵² Apart from the financial assistance receivable under the KBAIS.

In order to validate the above, 87 cases were test-checked in detail by Audit, and it was noticed that the beneficiaries were enrolled twice in KBAIS portal, one with their valid EPIC number and the other with a varying EPIC number either comprising altered digits, which did not exist on the website of the Election Commission of India (ECI) or a completely different EPIC number. Thus, KBAIS enrolment obtained by the beneficiaries with different EPIC numbers were invalid. Since the beneficiaries had duplicate KBAIS enrolments, each of these beneficiaries received financial assistance more than once.

In addition to the above, 185 beneficiaries of Purba Midnapore District were paid input assistance in excess of the maximum permissible amount of ₹ 2,500 (per farmer) in violation of the guidelines referred *ibid*, by the District Agricultural office. An amount of ₹ 8.16 lakh was paid to these 185 beneficiaries against the total admissible amount of ₹ 4.63 lakh. This has resulted in excess payment of ₹ 3.53 lakh from SDRF.

These instances indicated lacunae on the part of the Agriculture Department in ensuring verification of beneficiary data and in making payment with due adherence to guidelines. This resulted in excess payment, thereby depleting the State exchequer by ₹ 26.36 lakh.

Agriculture Department did not furnish any reply (December 2024).

2.3.7.2 Beneficiaries deprived of the input cash assistance from the SDRF in spite of availability of funds

Scrutiny of the records of three⁵³ DDA offices revealed that during the FYs 2019-20 and 2021-22, SDRF to the tune of ₹ 106.64 crore, ₹ 107.84 crore & ₹ 86.11 crore were released to the offices of the District Magistrates of Purba Midnapore, Paschim Midnapore and Hooghly districts respectively, as input assistance to the beneficiaries affected by cyclones *Bulbul* and *YAAS*.

Scrutiny revealed that 22,66,346 beneficiaries were enlisted for receiving input assistance. It was noted that 1,13,487 beneficiaries did not receive the input subsidy, despite availability of funds, as detailed in **Table 2.3**:

Table 2.3: Beneficiaries deprived of Agriculture Input Subsidy

District	Name of calamity	No. of enlisted beneficiaries	No. of beneficiaries who received input assistance	No. of beneficiaries not in receipt of assistance	Surrendered/ Available (+) amount (₹ in crore)
Purba Midnapore	<i>Bulbul</i>	8,28,960	7,38,082	90,878	8.95
	<i>YAAS</i>	1,49,127	1,40,180	8,947	1.29
Paschim Midnapore	<i>YAAS</i>	6,75,876	6,72,663	3,213	9.73
Hooghly	<i>Bulbul</i>	3,00,479	2,91,293	9,186*	1.67 (lying in bank)
	<i>YAAS</i>	3,11,904	3,10,641	1,263	0.62 + 0.19 (lying in bank)
Total		22,66,346	21,52,859	1,13,487	20.59 + 1.86 (lying in bank)

Source: Information furnished by the concerned DDA Offices;

*Note: As arithmetical difference works out to 9,186, the approximate figure of 9,151, furnished by Hooghly district authority, was not considered.

⁵³ DDA (Admn) Purba Midnapore, DDA (Admn) Paschim Midnapore and DDA (Admn) Hooghly

It was also noted that the Agriculture Department surrendered ₹ 20.59 crore during the FY 2021-22, despite the availability of potential beneficiaries who had not received the input subsidy.

No replies/ reasons for the above have been made available to Audit, though called for (December 2024).

2.3.7.3 Input cash assistance of ₹ 14.48 crore not traced in audit

The Agriculture Department allotted (June 2021) ₹ 209.79 crore (₹ 119.89 crore from SDRF + ₹ 89.90 crore from departmental budget) to the DDA, Purba Midnapore for input cash assistance to the Cyclone 'Bulbul' affected beneficiaries of the district. The DDA office withdrew the above amount (except ₹ 1.30 crore) as advance from the treasury and kept it in a current bank account of the West Bengal State Co-operative Bank Limited (WBSCBL), Kolkata. DDA office utilized ₹ 185.06 crore of this amount for input cash assistance (₹ 182.38 crore) and contingency (₹ 2.68 crore) for *Bulbul* beneficiaries. The details are given in Table 2.4:

Table 2.4: Details of receipts and expenditure for providing agriculture input assistance during Cyclone *Bulbul* (₹ in crore)

Head of account	Fund received/ allotted	Not drawn	Fund utilized/ surrendered		
			Fund transferred to Bank A/cs of beneficiaries	Contingency/ administrative and Miscellaneous expenses	Surrendered amount
MH-2245	119.89	1.30	182.38	2.31	8.95
MH-2401	89.90	0		0.37	
Total	209.79	1.30	182.38	2.68	8.95

Source: Information furnished by the DDA, Purba Midnapore

It follows from the above that ₹ 23.43 crore⁵⁴ should have been the balance in the account after deduction of funds utilized (₹ 185.06 crore) and funds not drawn (₹ 1.30 crore). The DDA Purba Midnapore requested (March 2021) the WBSCBL to close the *Bulbul* account and transfer the balance fund into "National Watershed Development for Rainfed Area" account⁵⁵. Accordingly, WBSCBL closed the *Bulbul* account and issued a cheque (September 2021) of ₹ 8.95 crore as balance fund for *Bulbul* assistance.

Thus, the residual fund of ₹ 14.48 crore (₹ 23.43 crore - ₹ 8.95 crore) for the *Bulbul* cash assistance could not be traced till date of audit (November 2023). The bank statement was not furnished to Audit, though called for during audit.

Agriculture Department did not furnish any reply (December 2024).

2.3.7.4 Inadmissible expenditure of ₹ 23.85 crore on New Moon Kotal and heavy rainfall

Six Irrigation divisions⁵⁶ had undertaken 321 schemes involving an expenditure of ₹ 23.85 crore related to sea protection, palliative works, restoration of

⁵⁴ {₹ 209.79 - ₹ (185.06+1.30) crore}

⁵⁵ maintained with Punjab National Bank at Tamluk

⁵⁶ East Midnapore Irrigation Division, Contai Irrigation Division, KKB Project Division, Mayurakshi HQ division, Siliguri Irrigation Division and Lower Damodar Irrigation division, Hooghly

protection works, and urgent repair works due to New Moon *Kotal*⁵⁷, monsoon and heavy to very heavy rainfall during 2018-19 to 2020-21. However, New Moon *Kotal*, monsoon and heavy rainfall were not included as natural calamities in the SDRF guidelines, nor were these notified as local disasters by the State Government.

Thus, the expenditure of ₹ 23.85 crore incurred on the above works was inadmissible and also violated the SDRF guidelines/ norms (*Appendix 2.15*).

In reply (August 2024) the I&W Department stated that as Full Moon and New Moon *Kotal* cause flood and erosion, the expenditure incurred to make good the associated damages should be considered as flood damage. This reply was endorsed by the DMCD Department.

The contention was not tenable as the DMCD Department had not declared water inundation due to Full Moon and New Moon *Kotal* as a State level disaster in the local context, but despite this had utilized SDRF for the same.

2.3.8 Allocation of SDRF to the Transport Department and its utilisation

During FY 2021-22, DMCD Department allotted ₹ 10.09 crore to the Transport Department for deployment of vehicles during cyclone, transportation of migrant labourers and restoration of jetty and infrastructure. Audit test-checked records of two⁵⁸ transport offices out of five offices. Expenditure incurred by these two offices stood at ₹ 7.38 crore during FY 2021-22.

As per norms, the SDRF shall not cover expenditure incurred for the State Government buildings *viz.* departmental/ office buildings, departmental/ residential quarters, religious structures, court premises, play-ground, forest bungalow property and animal/ bird sanctuary *etc.*

In the Office of the West Bengal Transport Corporation (WBTC) it was noticed that the Transport Department allotted an amount of ₹ 7.36 crore of SDRF for restoration of jetty and infrastructure damaged due to the 'Amphan' cyclone.

- Out of total allotment, funds amounting to ₹ 2.49 crore had been sub-allotted to Calcutta State Transport Corporation (CSTC) and West Bengal Surface Transport Corporation (WBSTC) and
- remaining funds of ₹ 4.87 crore were utilized by WBTC.

During scrutiny of records of WBTC, bills/ vouchers amounting to ₹ 4.40 crore were checked in audit⁵⁹. It was noticed that the entire amount of ₹ 4.40 crore (*i.e.* 100 *per cent*) was incurred for the purpose of annual repairs & maintenance for civil and sanitary works at different Government depots, construction of boundary wall and repairing of trams tracks, repairs and renovation of Government quarters, purchases of store materials, purchase of overhead cable for trams *etc.*, instead of expenditure covered under SDRF guidelines and norms, as detailed in *Appendix 2.16*. Instead of SDRF, this expenditure should have been met from the State Budget. Thus, expenditure

⁵⁷ High tide generated during new moon phase in the sea is known as New moon *Kotal*.

⁵⁸ CTC (1978) Ltd. {Calcutta Tramways Company (1978) Ltd.} now known as West Bengal Transport Corporation and Regional Transport Office (RTO), Kolkata, also known as Public Vehicles Department, Kolkata

⁵⁹ Bills/ vouchers for the remaining amount not found during audit

incurred on ineligible items from the SDRF was not in accordance with the intended purpose and norms laid down under the SDRF guidelines and consequently resulted in inadmissible expenditure of ₹ 4.40 crore.

In reply (August 2024) WBTC accepted the purposes of the expenditure and stated that guidelines and norms of SDRF were not shared by the Transport Department with WBTC, while sanctioning the fund.

2.3.9 Irregular payment of ₹ 10 crore to CM Relief fund in violation of SDRF guidelines

During the audit of DMCD Department it was noticed that in the FY 2018-19 an allotment⁶⁰ was made by the Department⁶¹ in favour of the Chief Minister's Relief Fund for ₹ 10 crore. Further scrutiny revealed that against this allotment one bill/ voucher⁶² amounting to ₹ 10 crore under MH 2245 (Relief on Natural Calamities) was released in favour of Chief Minister's Relief Fund towards relief and rehabilitation of the flood affected people of Kerala. However, SDRF guidelines and the list of items and norms of Assistance issued by the Ministry of Home Affairs, GoI, do not cover any such expenses to be made from SDRF. As a result, irregular expenditure of ₹ 10 crore was incurred in violation of SDRF guidelines.

In reply the DMCD Department stated (August 2024) that proposal had been sent to the Finance Department for recoupment of SDRF.

2.3.10 Irregular allotment and sanction of ₹ 8.79 crore for accidental fire

During scrutiny of allotment orders and funds released by the Department during 2018-19 to 2022-23 it was noticed that ₹ 8.79 crore was allotted and sanctioned to all districts as House Building Assistance (HBA) for beneficiaries whose houses were damaged due to accidental fires. Further, audit checked records related to payment of HBA in selected four⁶³ districts and found that ₹ 63.76 lakh was disbursed as HBA for damages due to accidental fire (*Appendix 2.17*). However, fire caused by an accident is neither covered under the SDRF guidelines nor was it notified as a State Specific Disaster by the GoWB. Despite this, approval for disbursement of such expenditure from SDRF was accorded by the SEC. As a result, the entire allotment and sanction of ₹ 8.79 crore for accidental fire by the DMCD Department from SDRF, was irregular.

In reply the DMCD Department (August 2024) stated that as per point 2.5.2 (ii) of the Disaster Management Manual, WB, the accidental fire/ man-made fire are considered as local disasters. The DMCD Department also stated that fire was included in the MHA's notification of SDRF issued in September 2010. Further, in a subsequent reply (September 2024), the DMCD Department conveyed that as per the order (August 2002) of the Department, payment against accidental fire from SDRF was admissible. Moreover, currently, the

⁶⁰ vide memo no-551-DM/FR/15 dated 20.08.2018

⁶¹ with the approval of the Secretary, DMCD Department

⁶² bill no.- DM-265 dated 20.08.2018

⁶³ Birbhum, North 24 Parganas, South 24 Parganas and Darjeeling

Finance Department has been moved for arrangement of payment of compensation by respective Department.

As per the Disaster Management Manual referred to in the reply, fire is categorized as a man-made Disaster, whereas SDRF has been constituted for Natural Disasters only. Moreover, the orders of MHA/ DMCD Department referred in the reply were issued much earlier than the applicable SDRF guidelines issued in 2015 and thereafter. Therefore, the reply of the DMCD Department is not acceptable.

2.3.11 Unauthorized expenditure of ₹ 10.98 crore out of funds allotted from NDRF

In South 24 Parganas District an amount of ₹ 805 crore was allotted from NDRF in the year 2020-21 for providing house building assistance to the beneficiaries affected due to Cyclone *Amphan*. Of this amount, ₹ 795 crore⁶⁴ was found to have been utilised for the said purpose and the remaining ₹ 10 crore was surrendered to the Government (December 2020).

During test-check of records of office of DM, South 24 Parganas however, Audit noted that an amount of ₹ 44.86 crore out of the ₹ 795 crore, was still parked in a bank account⁶⁵ as on 01 April 2021 and subsequently, expenditure of ₹ 10.98 crore was incurred⁶⁶ out of this balance fund (and its accrued interest of ₹ 3.00 crore), to meet expenditure in connection with Cyclone *YAAS* during the years 2021-22 and 2022-23. Thus, funds which had been sanctioned for use from NDRF for Cyclone *Amphan* and for which Utilisation Certificate (UC) had been provided were used for another natural calamity (cyclone *YAAS*) leading to unauthorized expenditure⁶⁷ of ₹ 10.98 crore.

In reply (August 2024) the DMCD Department stated that Financial Advisor, DMCD Department, had been asked to conduct an immediate enquiry and report to the DMCD Department.

In the context of the audit findings discussed under *paragraph 2.3* and given the criticalities of the role of the SEC it was essential that the deliberations of SEC in respect of transactions out of SDRF were properly documented to highlight the modalities adopted by the SEC in this regard. Audit, however, observed that there was incompleteness in documentation owing to which the responsibility discharged by the SEC could not be analysed.

As would emerge from the above-mentioned discussions, there were instances of excess/ inadmissible/ irregular expenditure and mis-utilisation of funds by Government Departments utilising SDRF. The shortcomings in effecting transactions out of SDRF indicated that there

⁶⁴ Of ₹ 795 crore, ₹ 785 crore was shown as disbursed to the beneficiaries and ₹ 10 crore retained for subsequent disbursement. In absence of details of subsequent disbursement, specific dates of disbursements could not be ascertained from the records.

⁶⁵ Bank account opened in the name of M/s House Building Assistance under DM, South 24 Parganas. In absence of details, Audit could not ascertain the basis on which this fund still remained in the Bank account.

⁶⁶ By office of DM, South 24 Parganas

⁶⁷ Transferred to Bank Account created for cyclone *YAAS* and subsequently payment made for House Building Assistance to the beneficiaries; payment towards purchase of 29 chain saw machine, etc.

was inability on the part of the SEC in ensuring appropriateness of transactions. Further, such shortcomings were indicative of inefficiency on the part of the DMCD Department as well.

Recommendations:

2.2 *The State Government needs to ensure that funds released from State Disaster Response Fund are utilized as per the prescribed norms for mitigating Natural Disasters and are not diverted for other inadmissible purposes.*

2.3. *The State Government needs to ensure that funds for mitigating local level disasters not covered under State Disaster Response Fund, or for meeting its social welfare commitments, are sourced through State resources/ budget provision and not out of State Disaster Response Fund.*

2.4 Inadequacies of Control Mechanism

2.4.1 Non-maintenance of separate cash book and stock register for 2245 Head of Account (Natural Calamity) under SDRF

The Guidelines on Constitution and Administration of SDRF (July 2015/ January 2022) stipulate that SEC will maintain subsidiary accounts (calamity-wise) in such manner and details as may be considered necessary by the State Government in consultation with the Accountant General.

Audit noted that DMCD Department has not issued any directions regarding maintenance of separate cash book or relief stock register for the SDRF and relief materials purchased from SDRF respectively. Further, scrutiny of records in nine districts revealed that there were no separate/ subsidiary cashbooks and stock registers maintained at the offices of the District Magistrates for Natural Calamities (MH: 2245) under SDRF. The funds received from SDRF (MH: 2245) were being accounted for in the consolidated cash book of the District Magistrate and relief materials received were being registered in a single stock register of the disaster management section along with the materials received for Social Welfare purpose (from the State Budget).

Thus, due to non-segregation of the subsidiary account/ cash book or separate stock register for the Major Head 2245 (Relief on Natural Calamities), it was not possible to monitor the receipt and expenditure of SDRF and relief materials by the district authorities. This hindered proper accounting for SDRF at the ground level where the expenditure was actually being incurred. As a result, relief materials and fund for relief contingency were utilized for purposes not prescribed in SDRF guidelines (as discussed in *Paragraph 2.3.2*).

In reply (August 2024) the DMCD Department stated that instructions were issued (July 2024) to all the District Magistrates to maintain separate Cash Book and Stock Register under SDRF. In a further reply (September 2024), the DMCD Department stated that the stipulation has been complied with.

The reply, however, did not enclose any supporting documentation to validate its contention. Further, the reply in itself affirmed the fact of non-maintenance of Cash Book and Stock Register during the audit period.

2.4.2 Assessment of requirement of relief materials and procurements there-against

The National Policy on Disaster Management (NPDM) stipulates that all State Governments, district authorities and line departments should prepare Standard Operating Procedures (SOPs) in consonance with the State Disaster Management Plans (SDMP). The National Disaster Management Guidelines (NDMG) stipulates that while preparing SDMP, focus was to be on a regime that anticipates the importance of preparedness, prevention & mitigation and reflects the provision of adequate funds for the requirements of relief materials when disaster strikes, estimated on the basis of past experience.

In the above backdrop, the rationality in assessment of requirement of relief materials for their procurement was assessed from documents made available to Audit and the following was observed:

- No SOPs or any other accurate estimation process (either at the district or at the Central level) was found to exist. Further, there was no policy or benchmark relating to minimum/ maximum stock for clothing and garments, to be maintained.
- From available records, basis on which requirements were projected by the district offices to the Directorate was not clear. The records also did not clarify how data relating to vulnerability/ variability of weather was factored into the requirement projections and to what extent the current stock positions and earlier years' utilisation trends, were considered in the process of assessment of requirement.
- In the absence of any SOP/policy/ benchmark relating to assessment of requirement of relief materials, audit analysed the stock position *vis-à-vis* issuance of Clothing & Garments during the four year period⁶⁸ ending March 2023. Audit also considered maximum issuance of Clothing & Garments in any particular year, during this period.
 - Analysis of last four years data relating to issue of Clothing & Garments revealed that the stock position⁶⁹ as of March 2023, was higher than the average issue of clothing & garments during the last four years by 335 to 650 *per cent*. Comparison of the stock position as of March 2023 with the maximum issuance (in FY 2021-22, the year in which cyclone *YAAS* occurred) also showed that the stock position, as of March 2023, was still on higher side ranging from 168 to 429 *per cent*. Details are given in **Table 2.5:**

⁶⁸ Comprehensive position of issue of these relief materials during 2018-19 was not available

⁶⁹ This position emerged from the stock register maintained at the Directorate and monthly stock statements of clothing & garments submitted by the Central godown (GRS) Kolkata, Zonal godowns (Siliguri, Malda and Burdwan) and 22 district godowns to the Directorate

Table-2.5: Stock position of Clothing and Garments

Sl. No.	Name of the relief item	Total stock as of March 2023 (including central/ zonal/ districts godowns)	Average issue during 2019-23	Maximum issue in the year 2021-22 (YAAS)	Stock as of March 2023 (as percentage, with reference to average issue during 2019-23)	Stock as of March 2023 (as percentage, with reference to maximum issue during 2021-22)
1	Dhuti	14,82,323	2,28,049	3,45,700	650.00	428.79
2	Saree	13,97,644	3,78,295	7,51,496	369.46	185.98
3	Bed sheet	13,19,429	3,93,984	7,84,818	334.89	168.12
4	Lungi	11,63,063	2,32,735	4,27,620	499.73	271.99
5	CG* (boys)	8,55,536	2,24,186	4,03,275	381.61	212.15
6	CG (girls)	8,32,694	2,28,622	4,40,275	364.22	189.13
7	Pyjama & Punjabi	8,32,930	1,79,362	1,95,255	464.38	426.59
8	Kurti & Leggings	8,37,792	2,46,446	3,81,870	339.95	219.39

Source: Information furnished by the Directorate, DMCD Department; *CG-Clothing and Garments

The DMCD Department through their replies (September and November 2024) conveyed that as the State faces calamities of mega nature, so at any given point of time, it needs to be ensured that 25 to 30 lakh tarpaulins and associated clothing garments are present in the stock. In addition, the DMCD Department conveyed that as any calculation of relief procurement quantity is related to life and livelihood of people at large, accurately forecasting the probable quantity of relief material that the DMCD Department would acquire annually, is a very critical task. Further, there is hardly any guidance available to appropriately correlate the procurement *vis-à-vis* variability of weather and its unpredictability for natural disasters.

The reply of the DMCD Department had to be seen in light of the fact Department had not prepared any SOP or policy or benchmark for estimating the requirements based on which procurements were to be made. Moreover, the reply of the Department is indicative of the need for a realistic and scientific assessment of the requirement of relief materials, based on previous consumption/ past experience.

2.4.3 Relief Materials of ₹ 15.38 crore not traced during the audit

DMCD Department purchases Relief Materials (Tarpaulins, Clothing & Garments, DM kits *etc.*) to enrich the stock, tackle any eventualities which may arise due to natural calamities and to distribute material for social welfare related purposes. Further, Directorate office issues relief materials to the three⁷⁰ Zonal godowns and seven⁷¹ District offices along with the Kolkata Municipal Corporation (KMC). As per requirement, three Zonal godowns issue relief materials to the remaining district offices of the State. District offices further sub-allot relief to sub-division offices and sub-division offices to block level offices.

⁷⁰ Siliguri Zonal Godown, Malda Zonal Godown and Burdwan Zonal Godown

⁷¹ South 24 Parganas, North 24 Parganas, Howrah, Hooghly, Purba Midnapore, Jhargram and Nadia

Cross verification of Stock Register of Directorate with Stock Registers of Districts, Stock Registers maintained at Districts with Stock Register maintained at Sub-Divisions and Stock Registers maintained at Sub-divisions *vis-à-vis* the Stock Registers maintained at Blocks, disclosed that relief materials valued at ₹ 15.38 crore were issued from the Directorate/ Districts/ Sub-divisions levels but not accounted for in the records of the concerned receiving authorities⁷². Thus, relief materials valued at ₹ 15.38 crore could not be traced during audit. The Year-wise position of Quantity and Value of Relief Materials not traceable during audit for the period from 2018-19 to 2022-23 are shown in *Appendix 2.18*.

DMCD Department in reply (August 2024) furnished the UCs, received from district offices related to the relief material. These UCs were scrutinised in audit, but through the furnished UCs, the availability/ or otherwise, of relief materials at the concerned offices cannot be established.

Recommendation:

- 2.4 The State Government needs to ensure that a roadmap is prepared to appropriately forecast the requirement of relief material and in accordance undertake procurement thereof.***

The Audit observations as discussed in the preceding paragraphs indicate that there were shortcomings in financial management of SDRF manifested through instances like ‘delay in transfer of State Government share in SDRF’ and ‘retention of funds released out of the SDRF in non-interest bearing Public Account/ Bank Account without utilisation’. Further, there were inadequacies in the implementation process as was evident from instances *inter alia* including ‘inadmissible/ unauthorised expenditure incurred for purposes not covered under the norms’; ‘irregular distribution of relief materials for other than prescribed purposes’; ‘excess/ inadmissible payment of financial assistance out of SDRF’ and absence of appropriate assessment mechanism with regard to requirement of relief material.

⁷² Corresponding District/ Sub-Division/ Block level offices