

SCHOOL EDUCATION DEPARTMENT

3.1 SARVA SHIKSHA ABHIYAN

HIGHLIGHTS

Sarva Shiksha Abhiyan (SSA), a programme aimed at universal elementary education, was launched by Government of India in January 2001 to provide primary education for all children in six to 14 years age group by 2010. The major interventions were directed towards creation of basic physical infrastructure like construction of new school buildings, additional class rooms, toilets, provisions of drinking water, etc. Despite provision of Rs 549.09 crore on civil works, most of the works remained incomplete. Pupil teacher ratio was in excess of the prescribed norm. Against the target of universal enrolment to be achieved by 2003 subsequently amended to 2005, there were 8.97 lakh 'out of school' children in the State as of April 2005 and overall drop out rate in the State from Class-I to Class-IV was 76 per cent while from Class-V to Class-VIII it was 51 per cent.

As of April 2005, 8.97 lakh children continued to remain out of school in the State. Overall drop out rate in the State from class I to Class IV was 76 per cent while from class V to class VIII, it was 51 per cent.

(Paragraphs 3.1.14.3 and 3.1.14.4)

The State failed to get Rs 522.48 crore as grants from GOI during 2001-2005 due to low spending. Against the projected outlay of Rs 1685.31 crore during 2001-2005, only Rs 789.33 crore (47 per cent) was spent.

(Paragraphs 3.1.6.1 and 3.1.6.2)

The perspective plan as well as annual plans were prepared without household survey and survey of girl children, children belonging to SC, ST, children with special needs and street children. As such, plans did not reflect the true picture of the State. Out of 5.04 lakh children with special needs in the State, only 0.62 lakh were enrolled in schools as of March 2005, of which only 0.16 lakh children were provided with aids and appliances.

(Paragraphs 3.1.7.1, 3.1.7.2 and 3.1.11.3)

Village education committees (VECs) were not formed in 4437 villages (9 per cent) while 47 per cent of VEC members were not trained in sensitisation and orientation of SSA activities.

(Paragraphs 3.1.8.1 and 3.1.8.2)

Pupil teacher ratio (PTR) in primary and upper primary schools in the State was in excess of the norm. Vacant posts of teachers were not filled in and appointment of additional teachers required to achieve the PTR 40:1 as envisaged in SSA was not made.

(Paragraph 3.1.9.1)

Out of 50255 primary schools in the State, 363 had no building, 10084 (20 per cent) had only one classroom, 9316 (19 per cent) had no drinking

Abbreviations used in this Review have been listed in the Glossary (page 213)

water facility and 20468 (41 per cent) had no toilet facility while 40925 (81 per cent) had no separate toilet for girl students.

(Paragraph 3.1.10.2)

No monitoring and evaluation system at any level was in existence. Educational Management Information System and Project Management Information System were not available in any Circle/Cluster Resource Centre as buildings, computers, software, trained manpower and other infrastructural facilities were not provided to these centres.

(Paragraph 3.1.14.1)

3.1.1 Introduction

Government of India (GOI) launched Sarva Shiksha Abhiyan (SSA) in January 2001 for providing useful and relevant elementary education to all children in the age group of six to 14 years¹ by 2010. The main objectives of SSA were to (i) enroll all children in age group of six to 14 years in schools, education guarantee centres, alternative and innovative schools by 2003²; (ii) ensure five years' primary education to all children by 2007; (iii) focus on quality of elementary education with emphasis on education for life; (iv) bridge all gender and social category gaps at primary stage by 2007 and at elementary education level by 2010; and (v) ensure that all children complete eight years of elementary schooling by 2010.

3.1.2 Organisational set up

Paschim Banga Rajya Prarambhik Siksha Unnayan Sanstha (Sanstha), a society registered under West Bengal Societies Registration Act, 1962, was implementing SSA in the State. The General Council (GC) of the Sanstha under the chairmanship of Chief Minister was responsible for overall policy guidance and review of implementation of SSA. The Minister-in-charge of School Education Department was the working president of GC. An Executive Committee (EC) under the chairmanship of Principal Secretary of School Education Department was responsible for administering execution of SSA. The State Project Director (SPD) was the Member-Secretary of GC and EC.

The District Magistrate, who acted as District Project Director of SSA, assisted by the District Project Officer (DPO), supervised implementation of SSA at district level. The DPOs implemented SSA through Circle Resource Centre (CLRC) at circle/block level and Cluster Resource Centre (CRC) at gram panchayat level. Each CLRC was headed by Sub-Inspector of Schools (Primary), known as Circle Project Co-ordinator (CPC), assisted by two Resource Teachers (RT), one for primary and another for upper primary. Programme implementation at school level was supervised by Village Education Committee (VEC), Ward Education Committee (WEC) and School Management Committee (SMC).

¹ In West Bengal, primary education starts at the age of 5+ and hence the children of age group 5 to 13 years were adopted for implementation of SSA in this State.

² Since revised to 2005 in March 2005.

3.1.3 *Audit objectives*

The audit objectives were to examine and assess whether:

- adequate funds were available and utilised efficiently and effectively for implementing the programme;
- the perspective plan and annual work plans for implementation of various components of the programme were prepared realistically;
- major interventions were carried out as per norms fixed;
- the objective of enrolment of all children in school, education guarantee centres, alternative schooling facility and 'back to school' camp by 2005 had been achieved;
- teachers were deployed rationally to maintain normative PTR and the gap between requirement and deployment of teachers was bridged effectively;
- the outreach of education for girls, scheduled caste and tribal children was expanded and the infrastructure provided was optimum; and
- the monitoring and evaluation of the implementation of the programme were adequate at various levels.

3.1.4 *Audit criteria*

The audit criteria used for assessing the performance of various components of SSA were:

- GOI guidelines/orders issued from time to time regarding utilisation of funds and the financial disciplines envisaged under the programme;
- the extent of involvement of communities in preparation of habitation/ district level plans;
- standards of output and benchmarks of performance fixed for each programme components and the prescribed norms for appointment of teachers and the extent of facilities available in the schools;
- standards of education comprising curricula, teachers' training and teaching-learning process;
- enrolment of girls/SC/ST children and children with special needs to determine if the outreach for education of these children had expanded; and
- the monitoring mechanism instituted under the programme.

3.1.5 *Audit coverage and methodology*

Audit test-checked (June to September 2005) the records for the period 2001-2005 of the Sanstha, five³ out of 20 District Project Offices in the State and 15 out of 217 CLRCs/CRCs in the five test-checked districts. Besides, records of four Municipalities out of 55, 12 Panchayet Samitis out of 95, and 90 schools (30 primary, 25 middle high and 35 high) out of 19738 in these districts were also test-checked.

An entry conference was held with the Principal Secretary of School Education Department in June 2005 to know the detailed organisational

³ Bardhaman, Purba Medinipur, Nadia, North 24-Parganas and Kolkata

network connected with implementation of SSA. Audit findings have been framed on the basis of facts and figures collected from the offices of the SPD, DPOs and other executing agencies and the schools visited by the audit team. An exit conference was also held with the SPD in September 2005 and the audit observations were discussed. The opinion/replies of the SPD have been incorporated in the relevant paragraphs of the review.

One beneficiary survey was conducted between December 2005 and February 2006 by the Social and Rural Research Institute (SRI), New Delhi. The SRI surveyed 4436 households (2560 rural and 1876 urban) in 225 blocks and the survey findings have been correlated in the review, wherever appropriate. An executive summary of the survey findings is given at *Appendix 3.1*.

Audit Findings

3.1.6 Financial management

SSA guidelines stressed on transparency in financial management. The annual work plan (AWP) and outlay were to be sent to GOI during January-February to ensure release of first instalment of project fund by 15 April of each financial year. The State Government was to release its share to the Sanstha within 30 days from receipt of GOI funds. Subsequent instalments were to be released by GOI only after the Sanstha had spent at least 50 per cent of available funds.

It was observed that there was delay in release of funds due to delayed submission of AWP, non-utilisation of funds, etc, as discussed in succeeding paragraphs:

3.1.6.1 Approved outlay and release of funds

Records of SPD disclosed that delayed submission (three to five months) of AWP by the Sanstha to GOI coupled with delay in sanction of AWP by GOI led to delays ranging from four to nine months in release of funds by GOI. The State Government also made further delays ranging from 65 to 131 days against the stipulated period of 30 days in releasing its matching share.

Table below indicates the approved outlay, funds released to the Sanstha by GOI and State Government and expenditure incurred there against during 2001-2005:

Year	Approved Outlay			Funds released to Sanstha			Expenditure incurred
	Central	State	Total	Central	State	Total	
2001-2002	30.15	5.32	35.47	14.61 (48)	2.58 (48)	17.19 (48)	Nil
2002-2003	166.10	55.37	221.47	108.68 (65)	36.23 (65)	144.91 (65)	75.80
2003-2004	452.55	150.85	603.40	166.90 (37)	55.63 (37)	222.53 (37)	143.70
2004-2005	618.73	206.24	824.97	454.86 (74)	136.62 (66)	591.48 (72)	569.83
Total	1267.53	417.78	1685.31	745.05 (59)	231.06 (55)	976.11 (58)	789.33

(Figures in parenthesis indicate percentage of funds released to approved outlay)

Against the total approved central outlay of Rs 1267.53 crore, only Rs 745.05 crore (59 *per cent*) was released by GOI during 2001-2005, due to failure of SPD to spend 43 *per cent* of available fund during 2001-2004.

The State Project Director stated (August 2005) that the total financial picture of a year could not be assessed in the month of January/February since the project office dealt with 20 districts involving huge amount of transactions and thus, there was delay in the process of preparation of AWP and budgets.

3.1.6.2 *Intervention-wise expenditure*

The funds received under SSA were to be utilised in accordance with the modalities laid down in SSA guidelines. The intervention-wise targets of expenditure vis-à-vis actual expenditure incurred during 2002-2005 are shown in *Appendix 3.2*.

Only 47 *per cent* of projected outlay of Rs 1685.31 crore was spent

Against the projected outlay of Rs 1685.31 crore in the Annual Work Plans (AWP), only Rs 789.33 crore (47 *per cent*) were spent during 2001-2005. The expenditure on education for children with special needs and education for girls and SC & ST children was only 10 and 18 *per cent* of the AWP respectively indicating lesser attention towards these key areas of functioning of SSA.

The State Project Director stated (August 2005) that the expenditure on each intervention was incurred restricting the same to the budget provisions and thus, the funds spent for different interventions may vary from each other.

Contention of the Sanstha was not tenable in as much as the available fund should have been utilised for different interventions in the appropriate proportions of approved outlay.

According to the survey conducted by SRI, about 83 *per cent* of primary schools, 78 *per cent* of upper primary schools and 81 *per cent* of high schools with upper primary sections had received the school grant; almost 87 *per cent* of primary schools, 78 *per cent* of upper primary schools and 71 *per cent* of high schools with upper primary sections had received the teachers grant whereas only 5 *per cent* of primary schools and 3 *per cent* of high schools with upper primary sections were in receipt of grants under provisions for children with special needs. Upper primary schools had not received any grant for children with special needs.

3.1.6.3 *Non-utilisation of pre-project activity grants*

GOI also released pre-project activity grants aggregating Rs 2.90 crore between October 2000 and March 2002, out of which only Rs 1.60 crore was spent up to March 2005.

In violation of the terms of the orders sanctioning the grants, the Sanstha neither furnished any progress report nor any audited statement of accounts and utilisation certificate to GOI in respect of pre-project grants till September 2005. The unspent fund of Rs 1.30 crore required to be refunded at the end of the financial year, was also not refunded to GOI.

3.1.7 Programme Planning

3.1.7.1 Pre-project survey

In order to achieve the target of enrolment of all out-of-school children in schools or formal/informal education centres by 2005, the out of school children were to be identified through household survey and a perspective plan of SSA on the basis of habitation level micro-planning and school mapping⁴ was to be prepared by the Sanstha. For this purpose, Village Education Registers (VERs) were to be maintained and updated from time to time by VECs/WECs.

Perspective plan was prepared without conducting household survey

Scrutiny revealed that neither any household baseline survey was conducted nor VERs were maintained properly. Instead, the Sanstha estimated the number of children by way of gross assumption of population growth rate as per census without having full information relating to number of girl children, children belonging to scheduled castes (SC) and scheduled tribes (ST), children with special needs and street children and age group of children. The Sanstha estimated the total number of out of school children as 39.50 lakh as of March 2002 and prepared the perspective plan for enrolment of these out of school children in formal/informal education centres by 2005. Thus, plans were prepared without habitation level survey and out of Rs 58 lakh released by GOI for pre-project survey, Rs 41 lakh remained unutilised.

The State Project Director stated (August 2005) that the baseline survey was conducted when DPEP started functioning. This was not tenable since funds were received from GOI for the pre-project survey and the estimates were actually based on census data without undertaking any survey.

3.1.7.2 Preparation of unrealistic annual work plan

Annual Work Plan (AWP) and outlay of SSA were to be prepared by SPD in accordance with district-wise AWP's proposed by DPOs. The required data in respect of total children population vis-à-vis out of school children population, number of children belonging to backward communities and resident in tribal areas, children with special needs, etc. required for micro planning were to be obtained by DPOs from the Circle Resource Centres (CLRCs) in each district and CLRCs were to gather the data from VECs/WECs. VER is the important source of data for micro-planning and monitoring and its reliability is dependent on accuracy and regularity with which the register is updated.

In absence of regular submission of children-status-reports compiled on the basis of VERs, which were not properly maintained and updated by VECs/WECs, the DPOs were unable to make need based planning and also to monitor the activities of SSA functionaries.

⁴ Denotes the location of schools and habitations in the district

Community participation in programme management was not adequate

Scrutiny of records of four test-checked districts⁵ revealed that only 16 to 22 *per cent* of village level reports received by the DPOs during 2002-2003 and 2004-2005 were complete and correct. During 2003-2004, however, 76 *per cent* of the reports were useful.

Thus, the planning process was not in accordance with the guidelines of SSA and the plans formulated for implementation of SSA without ascertaining village level educational scenario, did not reflect the real needs of the State.

The State Project Director Stated (August 2005) that only those villages, where VECs were strong, could provide foolproof information. He, however, added that the Sanstha was trying its best to prepare the VER as well as to update it every year through the district offices.

3.1.8 Programme management

3.1.8.1 Formation of Village Education Committees

VEC/WEC was to be formed in each village/ward to assess educational needs of its population and to look after overall development of schools as well as to ensure accountability of expenditure.

Village Education Committees were not formed in 4437 villages

Out of 49392 villages in the State, 44955 VECs were formed as of March 2005 while WECs were formed in each of 2837 municipal wards. As VECs were responsible for identifying out of school children, making arrangement for their enrolment in schools, and also for providing academic support to the children, the children of 4437 villages were deprived of such services of VECs.

The survey conducted by SRI revealed that about 71 *per cent* of primary schools, 4 *per cent* of upper primary schools and 18 *per cent* of high schools with upper primary sections had education committees formed in the locality.

The SPD stated (August 2005) that VECs could not be formed in some of the villages due to local problems and the DPOs were taking appropriate steps to solve the problems in formation of VEC.

3.1.8.2 Training of Education Committee members

47 per cent of VECs/WECs members were not trained in SSA

The SSA guidelines emphasised on proper training of VEC/WEC members for sensitisation and orientation on SSA activities for the purpose of effective implementation of SSA. Out of 6.74 lakh members of VEC and 0.42 lakh members of WEC, 3.15 lakh and 0.20 lakh were yet to be trained respectively as of March 2005. Thus, 47 *per cent* of members of VECs/WECs were not trained even after four years of implementation of SSA. In absence of adequate training VEC/WEC members were unable to fill in all the required data in prescribed format of VER. Thus, the reliability and accuracy of the basic documents (VER) were compromised due to lack of training of VEC/WEC members.

⁵ Bardhaman, Nadia, North 24-Parganas and Purba Medinipur.

According to SRI's survey report, community members of only 35 per cent of schools were trained under SSA.

3.1.8.3 *Functioning of Resource Centres*

CRCs at gram panchayat level and CLRC at block level were to ensure enrolment and retention of children in schools and also to improve quality of education by providing academic support to teachers through Resource Teachers (RTs).

Against requirement of 5636 RTs⁶ for 712 CLRCs and 4212 CRCs in the State, only 1915 RTs (34 per cent) were deployed as of March 2005. Due to shortage of 3721 (66 per cent) RTs, the schools were deprived from desired level of academic support even after four years of implementation of SSA.

The State Project Director stated (August 2005) that it had been decided initially to appoint retired teachers as Resource Teachers but, they were not found suitable for the job and accordingly steps were being taken to appoint RTs amongst the regular teachers.

3.1.8.4 *Special Enrolment Drive*

In August 2003, the Sanstha took up a special enrolment drive (School Chalho Karmasuchi) for identifying out of school children and to enroll them in formal schools or EGS/AIE centres within November 2003.

Of 5.65 lakh out of school children identified at a cost of Rs 0.74 crore, 2.56 lakh were enrolled in non-formal schools

In three⁷ test-checked districts, out of 3.50 lakh 'out of school' children identified under School Chalho Karmasuchi, 1.72 lakh (49 per cent) were enrolled in EGS/AIE centres and the DPOs spent Rs 31.49 lakh between August-November 2003 under the programme while 1.78 lakh 'out of school' children were yet to be enrolled as of December 2003. The programme was again taken up in July 2004 and out of 2.15 lakh identified 'out of school' children, 0.84 lakh (39 per cent) were enrolled in EGS, AIE, or Bridge courses after incurring a further expenditure of Rs 42.17 lakh.

Thus, the DPOs incurred total expenditure of Rs 73.66 lakh for enrolment of 2.56 lakh 'out of school' children in non-formal education centres and 1.31 lakh children remained 'out of school' even after implementation of School Chalho Karmasuchi in two phases.

3.1.8.5 *Performance of alternative schooling centres*

Alternative schooling modules were to be provided to all habitations not having a primary school within one kilometer and also bridge courses were to be arranged for mainstreaming 'out of school' children into regular schools.

Performance of NGO run alternative schooling centres was not satisfactory

During 2003-2005, 1954 NGO run alternative schooling (AS) centres were set up with the target of enrolment of 1.72 lakh out of school children, against which only 0.28 lakh (16 per cent) children were enrolled in these centres as of March 2005. Further, 3977 bridge courses of about six months duration

⁶ One for each CRC and two for each CLRC

⁷ Bardhaman, Nadia and Kolkata

were arranged during 2004-2005 for mainstreaming 5.85 lakh out of school children against which 1.83 lakh children were enrolled in these courses while only 0.17 lakh (9 *per cent*) bridge course learners were mainstreamed to primary schools. The Sanstha paid grants aggregating Rs 57.26 crore to the NGOs for running these AS centres during 2003-2005; thus, spending Rs 2396 per child for enrolment under alternative schooling modules against norm of Rs 845 per child *per annum* for AS centres and Rs 845 per child for each bridge course, total admissible expenditure being Rs 20.19 crore.

Thus, the target of mainstreaming all out of school children through alternative schooling could not be achieved though substantial fund was spent for this purpose.

3.1.9 Major interventions under SSA

3.1.9.1 Appointment of teachers

Pupil teacher ratio was higher as compared to norm

Overall pupil teacher ratios (PTR) in primary and upper primary schools in the State were 49:1 and 55:1 respectively against the norm of 40:1. In five test-checked districts PTR ranged between 41:1 and 52:1 for primary and between 33:1 and 82:1 for upper primary schools. In 30 primary and 60 upper primary schools test-checked, PTR ranged respectively from 42:1 to 77:1 and from 41:1 to as high as 157:1.

Against sanctioned posts of 3.68 lakh teachers (2.23 lakh for primary and 1.45 lakh for upper primary schools), 2.32 lakh teachers (1.53 lakh for primary and 0.79 lakh for upper primary) were deployed leading to shortage of 1.36 lakh teachers (37 *per cent*) as of March 2005.

In the five test-checked districts against sanctioned posts of 0.71 lakh and 0.49 lakh primary and upper primary teachers there were shortages of 0.22 lakh (31 *per cent*) and 0.06 lakh teachers (12 *per cent*) respectively.

The State Project Director Stated (August 2005) that sincere efforts would be made to improve the pupil teacher ratio.

3.1.9.2 Deployment of teachers

As per norms of SSA, there should be at least two teachers in each primary school. As of March 2005, out of 50255 primary schools in the State, 3007 (6 *per cent*) schools had single teacher, of which 599 schools had less than 40 students. Number of students in each of the remaining 2408 single teacher schools varied from 41 to 554.

As of March 2005, there was no teacher in 23 primary schools although 3270 students were enrolled in these schools. On the other hand, 204 teachers were deployed in 89 primary schools even though there was no student in these schools⁸. The periods for which these teachers were deployed in these schools without any students were not available on record.

⁸ Source: District Information System for Education (DISE) data

3.1.9.3 Appointment of para teachers

Required number of Para teachers were not appointed

Against the target of deployment of 15906 and 54392 additional teachers on contractual basis (called as para teachers) in primary and upper primary schools respectively by April 2004 to improve the PTR, only 1864 para teachers (12 per cent) in primary schools and 15154 (28 per cent) in upper primary schools were engaged as of April 2005. The VECs/WECs/SMCs which were responsible for appointment of para teachers with the approval of the District SSA Committee, did not initiate action for appointment of targeted number of para teachers.

3.1.9.4 Teaching and learning materials

According to SSA guidelines, grants (Rs 500 to Rs 700 per annum per centre) for teaching and learning materials were to be paid to Anganwadi (AW) Centres run under Integrated Child Development Services (ICDS); training on SSA and pre-schooling (sensitisation programme) was also to be imparted to ICDS functionaries.

Out of 54508 AW centres in operation as of March 2005, teaching and learning materials were provided to 44418 centres; while sensitisation programmes organised under SSA during 2003-2005 were attended by only 47465 (45 per cent) out of 1.06 lakh ICDS functionaries.

77 per cent of grants for TLM remained unutilized

Out of approved outlay of Rs 3.82 crore for the aforesaid activities, only Rs 0.88 crore (23 per cent) were spent during 2001-2005.

3.1.10 Civil Works

According to norm of one upper primary school for every two primary schools, 0.25 lakh upper primary schools were to be opened against 0.50 lakh primary schools in the State whereas only 0.11 lakh upper primary/secondary schools having upper primary classes were set up in the State as of April 2005.

3.1.10.1 Civil works - Target and achievement

The target of providing infrastructure to schools remained unachieved to a great extent

The targets set during 2002-2005 under various components of SSA as per annual work plans and achievements thereagainst up to March 2005 were as under:

Item	Target as per AWP	Achievement			
		Number of works for which funds released	Works completed	Works in progress	Works not taken up
New School Buildings	521	411	123	219	69
Additional Class Rooms	24111	12689	3706	2930	6053
Circle Resource Centres	168	206	78	104	24
Drinking Water & Toilet	6164	3094	950	1220	924
Total	30964	16400	4857	4473	7070

Against the budget provisions of Rs 413.38 crore for execution of 30964 items of works, the Sanstha released Rs 229.35 crore for 16400 items (53 per cent), out of which only 4857 items (16 per cent of target) were completed up to March 2005.

Delayed opening of bank accounts by VECs/SMCs responsible for execution of civil works, procedural delay in execution of works, non-commencement of works in rainy season, land disputes and local problems in selection of sites were the main reasons for non-taking up/non-completion of works.

3.1.10.2 *Infrastructure and other facilities in schools*

Each primary school should have at least two classrooms. Out of 50255 primary schools in the State, 10084 had only one classroom and 363 were running without building. Even the minimum amenities like drinking water and toilet were not provided in a large number of schools as indicated below:

	Primary schools	Upper primary schools
	(Number of schools)	
Total number of schools	50255	11440
Schools without buildings	363	Nil
One room schools	10084	Nil
Schools not having drinking water facility	9316	522
Schools not having toilet facility	20468	3823
Schools not having separate toilet for girls	40925	2221

(Source: Annual report of the Sanstha)

The survey conducted by SRI disclosed that about 6 per cent of primary schools and 4 per cent of upper primary schools were operating in kuccha structures, which were not stable and hence not suitable for running schools. In 19 per cent of primary schools and 12 per cent of upper primary schools the structures were semi-pucca. About two per cent of primary schools did not have any building at all.

3.1.10.3 *Extra expenditure on CLRC buildings in violation of norm*

Extra expenditure of Rs 2.33 crore on construction of CLRC buildings violating the norm

According to SSA norms, there would be one CLRC in each Community Development (CD) Block. If more than one CLRC were set up in a Block, the overall expenditure on construction of CLRCs (Rs 6 lakh each) would not be more than the total expenditure that would have been incurred on CLRCs in case if only one CLRC per CD Block was opened.

In violation of above norm, the DPOs of five districts⁹ paid Rs 9.23 crore to Panchayat Samitis for construction of 161 CLRC buildings in 115 CD Blocks during 2002-2005 resulting in excess expenditure of Rs 2.33 crore over the maximum admissible expenditure of Rs 6.90 crore for 115 blocks.

3.1.10.4 *Payment of maintenance grants in violation of guidelines*

Rs 17.88 lakh paid for repairs and maintenance of buildings to 130 schools without building.

For maintenance and repairs of school buildings annual grant of Rs 5000 per school was to be provided to VEC/SMC in respect of schools having their own buildings and such funds were to be released only on receipt of specific proposal from VEC/SMC.

In five test-checked districts, maintenance grants aggregating Rs 20.27 crore were paid to 7991 to 13652 primary and 1957 to 2112 upper primary schools during 2002-2005 without receiving any proposal of VECs/SMCs, irrespective of number of rooms and their requirement. Out of Rs 20.27 crore, an amount of Rs 1.17 crore was paid to 771 to 801 schools during 2002-2005, which were

⁹ Bardhaman, North 24-Parganas, Purba Medinipur, Paschim Medinipur, and Darjeeling.

not housed in own buildings and Rs 17.88 lakh was paid to 130 schools without buildings. Utilisation certificate was not received from any of the schools till August 2005.

3.1.11 Coverage of special focus groups

3.1.11.1 Non-enrolment of girls, SC and ST children

25 to 32 per cent girls, SC/ST students were not enrolled though 82 per cent of funds for education campaign remained unspent

According to DISE¹⁰ generated data, out of 91.51 lakh (5+ to 8+ years: 45.46 lakh and 9+ to 13+ years: 46.05 lakh) girls population as of March 2005, 63.30 lakh (69 per cent) were enrolled in schools and thus the number of out of school girls was 28.21 lakh. Similarly, out of 46.48 lakh SC and 11.65 lakh ST children of 5 to 13 years' age group, 34.77 lakh (75 per cent) SC and 7.88 lakh (68 per cent) ST children were enrolled in schools and 11.71 lakh SC and 3.77 lakh ST children remained out of school as of March 2005.

Out of budget provision of Rs 10.27 crore during 2002-2005 for increasing enrolment and retention of girls, SC and ST children in schools, the Sanstha spent only Rs 1.83 crore (18 per cent) towards education campaign.

The State Project Director stated (August 2005) that the SC, ST and girl students were dropping out due to lack of monitoring by DPOs and the DPOs were directed to look into the matter with due care.

3.1.11.2 Non-payment of text book grant to SC/ST and girl students

All SC, ST and girl students of classes VI to VIII were to be provided with text book grant at the rate of Rs 150 per student per year.

Text book grants were not paid to SC, ST and girls students though fund was not a constraint

In five test-checked districts, none of 12.32 lakh SC, ST and girl students of classes VI to VIII was provided with text book grant of Rs 150 per year during 2002-2005 even though there was a provision of Rs 18.48 crore for payment of such grant.

The SPD stated (August 2005) that the scheme for distribution of free text books to primary students was being implemented by School Education (SE) Department while text book grants was to be paid to upper primary girls and SC/ST students under SSA and he did not receive any direction from SE Department for payment of such grants.

The contention of SPD was not tenable because the funds under SSA were received directly by SPD for implementation of schemes as per SSA guidelines and for payment of text book grants direction of SE Department was not necessary.

¹⁰ District Information System for Education

3.1.11.3 Children with special needs

43 per cent of identified children with special needs were not enrolled in schools

SSA aimed at ensuring integrated and inclusive education to every child with special needs (CWSN) irrespective of the kind, category and degree of disability, in an appropriate environment by providing aids and appliances. IED activities were taken up in 199 blocks and 67 municipalities out of 341 blocks and 127 municipalities in the State.

Out of 5.04 lakh children with special needs as per census 2001, 1.09 lakh (22 per cent) were identified as of March 2005, of which, 0.62 lakh (57 per cent) were enrolled in 25264 schools during 2002-2005. Thus, 0.47 lakh identified children with special needs were deprived of the benefit of SSA, while 3.95 lakh children were yet to be identified.

Only 36 per cent of schools provided supportive services to children with special needs

9032 schools (36 per cent) provided supportive services and only 16448 enrolled children (26 per cent) were provided with aids and appliances during 2002-2005 due to shortage of special educators and non-procurement of aids and appliances.

During 2002-2005, out of 2.28 lakh teachers of primary level 0.62 lakh (27 per cent) teachers were sensitised through two days general teachers sensitisation programme to address the special needs of those children.

Out of approved outlay of Rs 23.45 crore for IED during 2002-2005, expenditure of only Rs 2.42 crore (10 per cent) was incurred indicating lackadaisical implementation of IED activities in spite of availability of funds.

The State Project Director attributed (August 2005) non-completion of the process of identification to dearth of resource professionals in this field. He further stated that the aids and appliances were being distributed on the basis of availability of supply from ALIMCO¹¹.

3.1.12 Teachers' training

3.1.12.1 Non-achievement of target of training

No training was imparted during 2002-2003 although there was an approved outlay of Rs 10.13 crore for training 98568 teachers during the year. Further, 30 days' orientation course for freshers was not taken up during 2003-2004 despite having provision of Rs 5.68 crore for such course. Against the scheduled 20 days' in-service training for all teachers, 60 days' refresher course for untrained teachers and 30 days' orientation courses for freshers, training was imparted for a short duration of 6 to 14 days only.

The target of training under SSA during 2002-2005 vis-à-vis achievement during the respective years was as under:

Year	20 days' in-service training for all teachers		60 days' refresher course for untrained teachers		30 days' orientation course for freshers	
	Number of teachers to be trained as per AWP	Number of teachers trained	Number of teachers to be trained as per AWP	Number of teachers trained	Number of teachers to be trained as per AWP	Number of teachers trained
2002-03	69423 (4.86)	Nil	12206 (1.71)	Nil	16939 (3.56)	Nil
2003-04	117534 (16.45)	48030 (6.72)	41000 (17.22)	6786 (2.85)	27030 (5.68)	Nil
2004-05	109976 (15.40)	59108 (4.14)	60447 (25.39)	5211 (0.36)	81401 (17.09)	10671 (0.75)

(Figures in parenthesis indicate outlay/ expenditure for training in crores of rupees)

¹¹ Artificial Limbs Manufacturing Corporation of India, a Government of India Undertaking

It would be seen from the above table that against the target of imparting training to 5.36 lakh teachers (three courses) during 2002-2005, 1.30 lakh teachers (24 per cent) were trained during the period while out of approved outlay of Rs 72.92 crore, only Rs 14.82 crore (20 per cent) were spent during 2002-2005 indicating poor performance in respect of capacity building of teachers. Thus, the students were deprived of quality teaching for want of trained teachers.

3.1.13 Other points of interest

3.1.13.1 Diversion of scheme funds

SSA guidelines envisaged that the schemes like distribution of scholarships, uniforms, etc, would continue to be funded under state plan and centrally sponsored mid-day-meal should continue as a distinct scheme. These schemes would not be funded under SSA programme. The following instances of violation of the guidelines were noticed in audit:

Irregular diversion of Rs 15.94 crore to State plan schemes

(i) The Sanstha paid (February-March 2005) Rs 13.90 crore to ten¹² District Primary School Councils for providing uniforms to girl students of primary schools in these districts although such uniforms were to be distributed under the relevant State Plan scheme.

(ii) The Sanstha paid (March 2005) Rs 2.04 crore to Hindustan Paper Corporation Limited for supply of paper to School Education Department for printing of text books for Class I to V during 2002-2003 under the State plan scheme of free distribution of text books for primary education.

Irregular diversion of Rs 1.55 crore to mid-day meal scheme

(iii) The DPOs of six districts¹³ paid Rs 1.55 crore to the District Primary School Councils for purchase of crockery and utensils for mid-day-meal during 2004-2005 although the cost of cooking meals under mid-day meal scheme was to be met by the State Government.

3.1.13.2 Expenditure on inadmissible items

The SPD and DPOs of four districts¹⁴ incurred expenditure of Rs 63.61 lakh on purchase of computers with accessories (Rs 13.04 lakh), air conditioning machine (Rs 5.38 lakh), type writer, xerox and fax machines (Rs 4.71 lakh) for government offices, mobile phones (Rs 0.83 lakh) and cash cards for DM and Sub-Divisional Officer of Bardhaman, repair of bungalow (Rs 6.58 lakh) of DM, Nadia and revision of syllabus and conducting examination (Rs 33.07 lakh) in Government schools although incurring of expenditure on these items was not admissible as per SSA guidelines.

¹² Bardhaman, Birbhum, Hooghly, Jalpaiguri, Kolkata, Nadia, North 24-Parganas, Purba Medinipur, Siliguri and South 24 Parganas.

¹³ Bardhaman, Birbhum, Hooghly, Purba Medinipur, Paschim Medinipur and Siliguri.

¹⁴ Bardhaman, Nadia, North 24 Parganas and Purba Medinipur.

3.1.13.3 Excess payment of honoraria to sahayaks/sahayikas

Extra payment of honorarium of Rs 4.68 crore to SSKs violating SSA guidelines.

In order to provide financial support to Shishu Shiksha Kendras (SSK) run by Panchayat and Rural Development (PRD) Department, the GOI allowed (November 2002) payment of honorarium of Rs 1000 per month to two Shiksha Sahayaks/Sahayikas of each SSK out of SSA fund subject to the condition that there should not be any formal school within a radius of one km. The honorarium of Sahayaks/Sahayikas appointed in excess of two in any SSK was to be borne by PRD Department.

In violation of the above norms, the Sanstha paid honorarium to more than two Sahayaks/Sahayikas in each SSK and thus, incurred extra expenditure of Rs 4.35 crore between November 2002 and March 2005 towards payment of honoraria to 812 to 1783 additional Sahayaks/Sahayikas in three districts¹⁵.

In Nadia District, honorarium of Rs 0.33 crore was paid between March 2003 and October 2003 to 298 to 375 sahayaks attached to 205 to 243 SSKs located within one km from the existing primary schools.

3.1.13.4 Excess payment of grant for Shishu Shiksha Prkalpa

Irregular payment of grant of Rs 0.48 crore for learners not enrolled in SSP

According to SSA guidelines, grant of Rs 845 per learner per year was to be paid to each Shishu Shiksha Prkalpa (SSP) centre. The SPD did not verify the number of learners enrolled in SSP centres before making payment of such grant and paid Rs 2.32 crore between September 2004 and March 2005 to the Director, Local Bodies for 304 centres in ten¹⁶ districts for the year 2004-2005 against admissible amount of Rs 1.84 crore for 21748 learners enrolled in these centres during 2004-2005. No action was taken for recovery of excess amount of Rs 0.48 crore from the Director, Local Bodies.

3.1.13.5 Excess release of grants for teachers' remuneration

Irregular payment of grant of Rs 0.93 crore for teachers' remuneration

The DPO, Nadia paid (September 2004) grants of Rs 4.75 crore to the CLRCs/Inspectors of schools for payment of remuneration to 1328 para teachers of primary schools (Rs 1000 per month) during September 2004 to March 2005 and 2387 para teachers of upper primary schools (Rs 2000 per month) during August 2004 to March 2005 on the basis of sanctioned posts of para teachers without verifying actual deployment. The numbers of para teachers appointed in Primary and Upper Primary Schools during the same period were 871 and 2191 respectively. Thus, the DPO paid Rs 0.63 crore in excess of admissible amount of Rs 4.12 crore. The over paid amount of Rs 0.63 crore was lying unutilised in the schools.

Similarly, without considering the number of samprasaraks appointed in Madhyamik Siksha Kendras (MSKs), the DPO, Nadia disbursed (September 2004) Rs 0.66 crore to Zilla Parishad for payment of remuneration¹⁷ to samprasaraks of 37 MSKs since formation (between February 2003 and

¹⁵ Bardhaman, North 24 Parganas and Purba Medinipur

¹⁶ Bardhaman, Darjeeling, Kolkata, Siliguri, Howrah, Hooghly, Nadia, North 24 Parganas, Paschim Medinipur and Purba Medinipur

¹⁷ Rs 3000 per month for mukhya samprasarak/samprasarika, Rs 2500 per month for post graduate/honors graduate and Rs 2000 per month for graduate teachers

August 2004) to March 2005 against requirement of Rs 0.36 crore for 117 samprasarak engaged in these MSKs during the said period.

The DPO did not take any action to get the overpaid amount of Rs 0.93 crore refunded by CLRCs/Inspectors of schools/Zilla Parishad.

3.1.13.6 Irregular payment on 'school chalo karmasuchi'

Scrutiny of records of DPO, Nadia revealed that against the provision for payment of Rs 500 to each VEC/WEC for execution of school chalo karmasuchi, the DPO paid Rs 800 to each of 2838 VECs/WECs, Rs 8000 to each of 27 Blocks/Municipalities and Rs 5000 to each of 36 CLRCs for identification of 'out of school' children under the scheme and Rs 13.62 lakh for training of 22704 members (Rs 30 per day for two days) of VECs/WECs under the scheme. Thus, the DPO, Nadia incurred extra expenditure of Rs 26.09 lakh by paying additional amounts to VECs, WECs, Blocks, Municipalities and CLRCs under the programme.

3.1.14 Monitoring and Evaluation

3.1.14.1 Monitoring and supervision

Test check of records of five selected districts and the Sanstha revealed that monitoring of the programme was not carried out by any officer from Block Education Officers' level to Director, Primary Education's level as envisaged in the guidelines. Quarterly internal audit of accounts was also not done.

Educational Management Information System (EMIS) which captures data like enrolment, gross enrolment ratio, net enrolment ratio, retention rate, drop out rate, completion rate, repetition rate, etc. coupled with data available from household survey and Project Management Information System (PMIS) to record physical and financial progress of SSA, started functioning at the district and State level in 2002-2003. EMIS and PMIS were not available in any Circle/Cluster Resource Centre as buildings, computers, software, trained manpower and other infrastructural facilities were not provided to these centres.

The basic data in respect of enrolment, retention, drop out, completion, repetition, etc. to be gathered from schools as well as on household survey at least once in a year for evaluation of the progress of SSA, was not compiled by CLRCs and submitted to DPOs. In absence of required data, neither the performance of SSA was evaluated nor effective monitoring of programme implementation was conducted at District/State level.

3.1.14.2 Inspection of schools

Sub-inspector of schools (primary) re-designated as Circle Project Co-ordinator (CPC) was responsible for inspection of schools under his jurisdiction (CLRC). The CPCs of five¹⁸ test-checked districts neither maintained any record in respect of the number of schools inspected nor submitted any inspection report to DPOs.

**Inspection of schools
was not adequate**

¹⁸ Bardhaman, North 24 Parganas, Nadia, Purba Medinipur and Kolkata

Scrutiny of records of 15 CLRCs (with 1247 schools) test-checked revealed that against the norm of 10 inspections by each inspector in a month, on an average only four to five inspections were conducted. During 2001-2005, 3001 (42 *per cent*) inspections were conducted against the normative target of 7200 inspections.

3.1.14.3 Impact evaluation

In the State, 8.97 lakh children remained out of school

The State had 1.81 crore children in the age-group of 5-13 years¹⁹ as of April 2002 of which 39.50 lakh children (22 *per cent*) were out of school. Although the primary objective of SSA was to enrol all children of the above age group in schools by 2005, according to the annual report of the Sanstha, 8.97 lakh children remained out of school in the State as on 01 April 2005.

Scrutiny of records of three²⁰ District Project Officers revealed that the number of out of school children in these districts was 2.50 lakh as of March 2005 where as the Sanstha assessed the out of school children in these districts as only 1.22 lakh indicating a discrepancy of 1.28 lakh. Thus, the data generated by the Sanstha in respect of out of school children were not reliable.

According to a survey conducted by SRI between December 2005 and February 2006 the number of out of school children in the State was 14.29 lakh. Thus, the objective of enrolment of all children in schools by 2005 could not be achieved.

3.1.14.4 Gross Enrolment Ratio, Net Enrolment Ratio and Retention Rate

Gross Enrolment Ratio (GER), Net Enrolment Ratio (NER) of children in the school system were set by GOI²¹ as performance indicators of the objectives of SSA.

GER is the percentage of total enrolment in schools to the population. NER indicates the percentage of enrolment corresponding to the targeted child population. According to the annual report of the Sanstha, the GER and NER at the State level were as under:

	GER	NER
Primary level	117	98
Upper Primary level	79	75

It was noticed in audit that against 26.86 lakh children enrolled in class-I during 2001-2002, the number of children enrolled in class-IV during 2004-2005 was only 6.57 lakh indicating the drop out rate of 76 *per cent*²².

Drop out rate from Class-I to Class-IV was 76 *per cent* and that from Class V to Class VIII was 51 *per cent*

Similarly, against 15.34 lakh children enrolled in class-V during 2001-2002, 7.56 lakh children were enrolled in class-VIII during 2004-2005 representing the drop out rate of 51 *per cent*²².

¹⁹ In this State primary education starts at the age of 5+ and hence the children of age group 5 to 13 years were taken into account in place of 6 to 14 years as stipulated in SSA.

²⁰ Bardhaman, North 24 Parganas, and Kolkata

²¹ SSA Manual for Planning and Appraisal

²² DISE data

Thus, due to failure of the Sanstha to arrest the drop out of children from schools, the basic objective of enrolment of all children in age group of five to 13 years in schools by 2005 was frustrated.

3.1.15 Conclusion

Implementation of SSA suffered from weak financial management resulting in inadmissible payments, diversion of scheme funds, incurring of irregular expenditures, etc. Perspective plan/annual work plan prepared were unrealistic due to non-conducting of house-hold survey, non-maintenance of updated VER/WER.

Despite availability of funds for upgradation of infrastructural facilities viz additional classrooms, separate toilet for girls, drinking water facilities and construction of school buildings, the facilities remained inadequate and only a small portion of civil works targeted was completed. The scheme also fell short in terms of achievement of physical targets as 8.97 lakh children remained out of school and overall drop-out rate was as high. A considerable number of children with special needs were deprived of aids and appliances, barrier free environment, trained teachers and resource support. Pupil teacher ratio (PTR) was in excess of the norms.

Monitoring of implementation of the programme was non-existent. CLRCs and CRCs were not maintaining any data as required under the programme as they lacked basic infrastructure like buildings, computers, software and skilled manpower.

Thus, even after four years of implementation and spending of substantial funds, the programme failed to make the desired level of impact in terms of physical achievement. The basic objective of enrolment of all children in the age group of five to 13 years in schools by 2005 remained unfulfilled.

Recommendations

- *Need based Annual Work Plans should be prepared after ascertaining the number of enrolled and out of school children, children belonging to SC/ST and other backward communities, children with special needs, and infrastructural facilities available vis-à-vis to be created, on the basis of adequate survey.*
- *Action should be initiated to provide aids and appliances and trained teachers to all physically challenged children.*
- *Civil work should be geared up to provide the minimum infrastructural facilities to all children enrolled in schools.*
- *Supervision and monitoring system needs to be improved through successful implementation of educational and project Management Information System.*

The matter was referred to Government in June 2006; reply had not been received (January 2007).

FOOD AND SUPPLIES DEPARTMENT

3.2 FOOD SECURITY, SUBSIDY AND MANAGEMENT OF FOOD GRAINS

HIGHLIGHTS:

Government of India (GOI) introduced Targeted Public Distribution System (TPDS) for providing food grains to Below Poverty Line (BPL) families at specially subsidised prices by issuing special cards to BPL families. Under Decentralised Procurement Scheme the State Government started procurement of rice from Kharif Marketing Season 1997. From December 2000 another scheme Antyoday Anna Yojana (AAY) aimed at reducing hunger among the poorest segment of population was launched by GOI by making TPDS benefits more substantial. Implementation of the programme suffered from inefficient fund management, non receipt of GOI subsidy due to non-preparation of accounts, insufficient procurement of rice for BPL beneficiaries, non lifting of allotted foodgrains, non issue of ration cards, insufficient quality control of foodgrains before distribution to the targeted beneficiaries.

GOI subsidy of Rs 64.66 crore could not be claimed due to non-preparation of proforma accounts of TPDS since 2001-2002. Delayed release of GOI subsidy by Finance Department resulted in avoidable payment of interest of Rs 5.23 crore on cash credit account.

(Paragraphs 3.2.5.1 and 3.2.5.2)

According to the National Sample Survey about 70 per cent farmers of West Bengal were not aware of Minimum Support Price (MSP). Farmers of Paschim Medinipur and Murshidabad were deprived of Rs 3.18 crore during 2001-2005 due to non-payment of MSP by Rice Millers.

(Paragraph 3.2.6.2)

The department could achieve only 49 per cent of target of procurement of rice for BPL people during 2001-2006 mainly due to delayed release of funds to the procurement agencies.

(Paragraph 3.2.6.1)

Ineffective fund management resulted in extra expenditure of Rs 21.62 crore towards unauthorised payment of levy collection charges to rice millers, irregular payment of interest charges to government agencies, excess payment of milling charges, etc.

(Paragraphs 3.2.6.3 to 3.2.6.7)

Objective of food security failed as 68 per cent of the total allocation of food grains was not lifted by the Government.

(Paragraph 3.2.7.1)

No survey was conducted in the MR areas prior to April 2004 for identification of bogus ration cards and 27.85 lakh bogus cards were cancelled during April 2004 to February 2006. Only 11 per cent of required inspections of godowns were carried out during 2001-2006.

(Paragraphs 3.2.8.3 and 3.2.9.3)

Abbreviations used in this Review have been listed in the Glossary (page 213)

3.2.1 Introduction

The Government of India's (GOI) foodgrains management strategy towards ensuring food security involves procurement of foodgrains at remunerative prices from growers, its storage, maintenance of buffer stocks and ensuring availability of foodgrains to the public at reasonable prices. The overall responsibility for management of foodgrains in the country vests with GOI. While procurement is done centrally through the Food Corporation of India (FCI), decentralised procurement has been permitted in the case of eleven States/ Union Territories including West Bengal. The responsibility for distribution of foodgrains to the beneficiaries vests with the State Governments. Under decentralised procurement (DCP) scheme the State Government started procurement of paddy/rice from Kharif Marketing Season (KMS) 1997. The difference between the economic cost of rice and central issue price was released to the State Government as central subsidy.

Under Targeted Public Distribution System (TPDS), the State Government was responsible for identification of below poverty line (BPL) families and for distribution of food grains in a transparent and accountable manner through Fair Price Shops (FPSs). In order to make TPDS more focussed and targeted towards poorest of the poor, GOI launched (December 2000) Antyodaya Anna Yojana (AAY) aimed at reducing hunger among the poorest segment of population by making TPDS benefits more substantial in terms of both nutrition and cost, for this section of people. In West Bengal, TPDS and AAY programmes were introduced in June 1997 and October 2001 respectively.

3.2.2 Organisational Set up

The Food Commissioner cum Additional Chief Secretary, Food and Supplies Department was in overall charge of managing TPDS and AAY in the State. He was assisted by the Director General (DG) of Food and six Directors (Director of District Distribution, Procurement & Supply, Director of Rationing, Director of Inspection & Quality Control, Director of Statistics, Director of Storage and Director of Finance), and the District Controllers of Food and Supplies (DCF&Ss) in each district.

3.2.3 Audit objective

The main objective of performance audit was to evaluate the effectiveness of the system for management of foodgrains for securing food security in the State. This involved assessment of the following aspects:

- efficiency of the system of procurement by the State Government;
- efficiency and economy in storage and movement operations; and
- effectiveness of distribution arrangements of Government to ensure that all people had access to food grains.

3.2.4 Audit coverage and methodology

Implementation of TPDS and AAY during 2001-2006 was reviewed during April to June 2006 through test check of records of Food & Supplies

Department and its six¹ Directorates, Panchayat and Rural Development Department (P&RD), and District Controller of Food and Supplies (DCFS)/ Sub-Divisional Controller of Food & Supplies (SDCFS), ten Block Development Officers and 75 Fair Price Shops (FPSs) in four test-checked districts viz. Kolkata (capital district), Murshidabad, North 24 Parganas and Paschim Medinipur.

Before taking up audit, the matter was discussed with the Food Commissioner cum Additional Chief Secretary of Food and Supplies Department in order to know the detailed organisational network and related operations connected with implementation of TPDS and AAY. Audit findings have been framed on the basis of facts and figures collected from the Food Commissioner and other selected units. Exit Conference was held with the Director General and Ex-officio Principal Secretary in August 2006 who assured to look into the matter.

Audit Findings

3.2.5 Financial Management

Table below indicates the budget provisions and expenditure incurred for implementation of TPDS, AAY and subsidy received from GOI for TPDS during 2001-2006:

Year	TPDS				AAY		
	Budget provision	Expenditure	Excess(+)/ Savings (-)	GOI Subsidy received	Budget provision	Expenditure	Excess(+)/ Savings (-)
2001-2002	187.00	172.28	(-) 14.72	220.70	11.75	11.85	(+) 0.10
2002-2003	220.78	66.45	(-) 154.33	81.19	12.55	12.55	--
2003-2004	220.78	116.24	(-) 104.54	27.41	13.15	9.00	(-) 4.15
2004-2005	220.78	159.97	(-) 60.81	179.97	13.15	12.25	(-) 0.90
2005-2006	220.78	191.50	(-) 29.28	191.21	13.00	10.32	(-) 2.68
Total	1070.12	706.44	(-)363.68	700.48	63.60.	55.97	(-)7.63

(Source: Budget Documents and records of F&S Department)

It may be seen from the table that out of total budget allocation of Rs 1070.12 crore under TPDS during 2001-2006, Rs 706.44 crore (66 per cent) were spent by Department against which Rs 700.48 crore were reimbursed by GOI. The Department failed to utilise Rs 7.63 crore under AAY.

3.2.5.1 Non-finalisation of subsidy claims due to non-preparation of Proforma Accounts

GOI determines the State-specific cost of procurement of food grains under DCP and the difference between the cost so fixed and CIP is passed on to the State as food subsidy. In terms of GOI's instruction (January 1998), 90 per cent of subsidy (95 per cent from April 2003) on procurement of rice, claimed in a particular month by the State Government was to be released by GOI as provisional subsidy and remaining 10/5 per cent was payable on

Subsidy of Rs 64.66 crore was not claimed due to non-preparation of proforma accounts

¹ Directorate of District Distribution Procurement & Supply (DDPS), Directorate of Rationing (DR), Directorate of Inspection & Quality Control (I&QC), Directorate of Statistics, Directorate of Storage and Directorate of Finance (DF).

submission of audited annual accounts not later than six months after close of the respective marketing season.

Due to non-preparation of *proforma* accounts for the years 2001-2006, the Department could not claim procurement subsidy of Rs 64.66 crore from GOI leading to huge interest burden in the cash credit account.

3.2.5.2 Avoidable payment of interest on cash credit account

The F & S Department initially procured rice by availing cash credit facilities with Reserve Bank of India and such credits were recouped by sale proceeds of foodgrains and also subsidy received from GOI.

Delayed
release/withholding
of subsidy/funds
resulted in
avoidable payment
of interest of
Rs 16.71 crore

During 2000-2001 to 2005-2006, Finance Department made delays ranging from 18 to 308 days in releasing GOI subsidy to F&S Department and such delayed release of subsidy resulted in avoidable payment of interest of Rs 5.23 crore on cash credits.

Further, the Director of Finance, F&S advanced funds from cash credit account to the DCF&Ss for procurement of rice without assessing actual requirement of funds. As a result, unutilised funds of Rs 43.04 crore were refunded (December 2002 to July 2005) by DCF&Ss to the cash credit account after retaining the same in current accounts for two to 248 days and for such excess withdrawal from cash credit account the department had to pay avoidable interest of Rs 69.98 lakh.

Similarly, the Department released interest free advances to BENFED and WBECSC, two procurement agencies² during KMS³ 2002-2003 to 2004-2005 without fixing monthly procurement target or reconciling the progress of procurement with the advances released earlier. Consequently, funds aggregating Rs 1.09 crore to Rs 6.17 crore during KMS 2002-2003, Rs 14.02 crore to Rs 40.27 crore during KMS 2003-2004 and Rs 33.78 crore to Rs 43.45 crore during KMS 2004-2005 remained unutilised with WBECSC. In case of BENFED, unspent funds ranged between Rs 4.34 crore to Rs 109.51 crore during the same period. Since funds were provided out of the cash credit account, carrying interest of Rs 11.55 to 9.10 *per cent per annum*, the Department had to pay avoidable interest of Rs 10.78 crore.

3.2.5.3 Loss due to deposit of sale proceeds in operable account

In violation of the departmental instructions regarding deposit of sale proceeds in non-operable collection account and weekly transfer of funds to cash credit account, the four District Controllers⁴ deposited sale proceeds in operable accounts and failed to monitor the quick remittance of funds. This led to accumulation of huge balances in operable accounts. The monthly minimum balances held by these four districts ranged between Rs 2.70 crore to Rs 42.81 crore (Bardhaman), Rs 22.20 lakh to Rs 2.25 crore (North

² BENFED is a State level apex marketing Co-operative and WBECSC (West Bengal Essential Commodities Supply Corporation Limited) is a State Public Sector Undertaking who were appointed as procurement agencies on behalf of the Department

³ Khariff marketing season of rice begins from the month of October and ends on September next year

⁴ Bardhaman, North 24-Parganas, Hooghly and Coochbehar

24 Parganas), Rs 33.20 lakh to Rs 8.52 crore (Hooghly) and Rs 42.94 lakh to Rs 79.36 lakh (Coochbehar) during 2003-04 to 2005-06. This had resulted in avoidable payment of interest of Rs 2.73 crore in cash credit account.

3.2.6 *Decentralised Procurement scheme*

According to the procurement guidelines issued by State Government each year, levy rice was to be procured by F&S Department from rice mills and the State Government agencies like WBECSC, BENFED, etc, were to procure paddy directly from farmers at MSP fixed by GOI and the CMR was to be supplied to the Department after milling the paddy in rice mills.

3.2.6.1 *Poor procurement performance*

Against the target of procurement of 58.72 lakh MT of rice during 2001-2006 28.90 lakh MT (49 percent) were procured as detailed in *Appendix 3.3*.

51 per cent of the rice procurement target could not be achieved

Although there were 707 rice mills in the State, the Department failed to achieve the target of procurement of rice mainly due to its failure in monitoring the function of rice mills.

During each KMS, the farmers sold paddy immediately after harvesting during November-December whereas the Director of Finance released funds to the government agencies for procurement of paddy from farmers during December to April.

The government agencies failed to procure the targeted quantity of paddy from farmers owing to such delayed release of funds at the fag end of the harvesting season and hence they could not achieve the target of delivery of CMR to the department.

3.2.6.2 *Non-payment of Minimum Support Price (MSP) to the farmers*

Farmers of two districts were deprived of Rs 3.18 crore due to non-payment of MSP during 2001-2005

In seven rice mills in Murshidabad District 24979 MT of paddy (fair average quality) was purchased of common grade from the farmers during 2001-2004 at the rates ranging between Rs 370 and Rs 550 per quintal instead of paying MSP (Rs 530 to Rs 580 per quintal) and thus the farmers were deprived of Rs 2.33 crore. Similarly, four rice mills of Paschim Midnapore District procured 19887 MT of paddy of common grade during 2001-2005 at rates varying from Rs 460 to Rs 550 per quintal depriving the farmers of Rs 0.85 crore. Thus, resulted in an extra benefit of Rs 3.18 crore to the mill owners.

The State Government neither took any action to ensure payment of MSP to the farmers nor had any mechanism to identify to deal with such situation.

According to the NSS about 70 per cent of farmers in West Bengal were not aware of MSP

According to 59th round of National Sample Survey (NSS), about 70 per cent of farmers in West Bengal were not aware of MSP. Although launching of awareness programme for MSP falls within the domain of State Government, it did not allot any fund for MSP Awareness Programme during 2001-2006.

The DCFS, Murshidabad and Paschim Medinipur stated (May-June 2006) that steps would be taken for purchasing paddy from farmers at MSP.

3.2.6.3 Irregular payment of interest

Irregular payment of interest charge of Rs 3.53 crore to procurement agencies

Although advance payments were made to the Government agencies for procurement of Custom Mill Rice (CMR), interest charges at Rs 10.11 and Rs 8.56 per quintal during the years 2003-2004 and 2004-2005 respectively included in the price of CMR were paid to these agencies and thus, the Department incurred an extra expenditure of Rs 3.53 crore by allowing undue benefit to the agencies.

3.2.6.4 Irregular payment of levy collection charge

Unauthorised payment of levy collection charges - Rs 2.88 crore to the millers

According to West Bengal Rice Mills and Husking Mills (Control and Levy) Order the price of rice payable to millers includes Minimum Support Price (MSP), cost of gunny bags, transport charges, etc, and Sales Tax but, there was no provision for payment of levy collection charge to the millers. The Department paid levy collection charges at Rs 9 per quintal to millers and thus incurred an extra expenditure of Rs 2.88 crore on procurement of 3.2 lakh MT of rice during 2001-2003. Payment of levy collection charges was, however, discontinued with effect from July 2003. But no action was taken for recovery of the amounts irregularly paid to millers.

3.2.6.5 Unauthorised payment of Sales Tax

In DCsF&S of Paschim Medinipur and Murshidabad unauthorised payment of Sales Tax of Rs 1.64 crore as detailed below was noticed:

Sales tax of Rs 84.18 lakh was unauthorisedly paid to rice millers

- The price of rice fixed by GOI from time to time included Sales Tax. With effect from January 2005, Sales Tax was replaced by Value Added Tax (VAT) and rice was kept out of the purview of VAT. While making payments for levy rice to millers during February 2005 to April 2006, DCF&S paid Rs 924.60 per quintal including Sales Tax of Rs 17.34 and thus, an extra payment of Rs 84.18 lakh was made to the millers. No action was taken for recovery of the amount from millers.
- Under Section 41 of West Bengal Sales Tax Act 1994, newly set up rice mills were allowed sales tax remission (tax holiday) for a period up to 13 years. The DCsF&S paid Sales Tax of Rs 80.93 lakh during 2001-2005 to 15 rice millers who were allowed tax remission during the same period.

Undue benefit of Rs 79.69 lakh to the rice millers of two districts due to non-recovery of Sales Tax

Under instruction (April 2003) of Director of Finance, the DCF&S, Murshidabad recovered only Rs 1.24 lakh from the millers in September 2003. DCF&S, Paschim Medinipur took no action for recovery of Sales Tax paid to the millers.

The DCsF&S of Murshidabad and Paschim Medinipur stated (June 2006) that steps would be taken for recovery of Sales Tax paid to the millers irregularly.

3.2.6.6 Undue benefit to procurement agent on transportation

During the KMS 1997-2004, the Department fixed the transportation charges for WBECSC ranging from Rs 37 to Rs 85 per quintal depending upon the distance involved. It was observed that WBECSC fixed the transportation charges for its sub- agents at Rs 7.90 to Rs 46.60 per quintal during the same period. The Department paid Rs 28.54 crore to WBECSC for handling and transportation of 4.58 lakh tonne rice though WBECSC paid only Rs 22.20 crore to its sub-agents. This amounted to undue favour to WBECSC of Rs 6.35 crore.

3.2.6.7 Extra expenditure on procurement of rice through WBECSC

The quantity of rice supplied by the WBECSC vis-à-vis the quantity ordered for as well as the price paid to the WBECSC during 2002-2005 were as detailed below:

	2002-2003	2003-2004	2004-2005	Total
Quantity of rice ordered to be supplied (MT)	35000	62000	50000	147000
Quantity of rice supplied by ECSC (MT)	6547.95	51359.24	32609.00	90516.19
Shortfall in supply of rice (MT)	28452.05	10640.76	17391.00	56483.81
Procurement price fixed by GOI (Rs per MT)	8677.00	9048.30	9357.20	-
Price per MT of rice charged by ECSC (Rs per MT)	9635.84	10136.40	9663.00	-
Excess rate allowed to WBECSC (Rs per MT)	958.84	1088.10	305.80	-
Extra payment (Rs in crore)	0.63	5.59	1.00	7.22

* Final adjustment bill not yet submitted by ECSC to the Department

It would be evident from the above table that WBECSC failed to supply required quantity of rice during each of the years 2002-2005; the total shortfall in supply of rice being 56484 MT during 2002-2005. Further, the department incurred an extra expenditure of Rs 7.22 crore on procurement of 90516 MT of rice from ECSC during 2002-2005 by allowing extra payments over and above the procurement price fixed by GOI. A few interesting points noticed are as under:

Undue benefit to rice millers

The GOI fixed the outturn ratio of rice from paddy at 68 per cent while fixing the procurement cost of custom milling rice for the years 2002-2003 (Rs 8677 per MT) and 2003-2004 (Rs 9048.30 per MT). While milling paddy procured from farmers, at different rice mills during 2002-2003 and 2003-2004, ECSC allowed outturn ratio at 63 per cent instead of 68 per cent fixed by GOI and thus, it extended an extra financial benefit of Rs 4.19 crore to the millers towards short receipt of 553 MT and 4103 MT of rice on milling of 11051 MT and 82058 MT of paddy during the respective years.

Extra benefit in milling charges

The procurement cost of custom milling rice fixed by GOI during 2002-2004 included milling charge at Rs 150 per MT of paddy. Although ECSC was to pay milling charge at Rs 150 per MT fixed by GOI, it paid milling charge at Rs 350 per MT to millers and thus allowed an extra benefit of Rs 1.86 crore to the millers on milling of 93109 MT of paddy during 2002-2004.

Extra payment to transport contractors

The transportation cost of Rs 56 per quintal fixed by the GOI for transportation of rice from surplus districts to nearby deficit districts included the cost of loading and unloading. Despite inclusion of loading and unloading charges in the rate of transportation, ECSC paid incidental charges of Rs 7 per quintal for transportation of 51764 MT of rice during 2002-2004 resulting in an extra expenditure of Rs 0.36 crore.

3.2.7 Distribution of foodgrains

3.2.7.1 Poor off take

Table below summarises the position of requirement for beneficiaries, allocation and off-take of foodgrains by 20405⁵ Fair Price Shops (FPSs) during 2001-2006:

(In lakh tones)

Year	Commodity	Allotment (GOI)				Off take (FPS distribution)						
		APL	BPL	AAY	Total	APL		BPL		AAY		Total
						Qty	%	Qty	%	Qty	%	
2001-2002	Rice	1.29	8.33	0.54	10.16	0.51	40	5.29	64	0.27	50	6.07
	Wheat	7.76	4.24	0.54	12.54	0.99	13	3.11	74	0.26	48	4.36
	Total	9.05	12.57	1.08	22.70	1.50	17	8.40	69	0.53	49	10.43
2002-2003	Rice	5.95	10.02	1.54	17.51	0.85	14	4.44	44	0.99	64	6.28
	Wheat	32.26	7.01	1.54	40.81	1.94	6	4.59	65	1.05	68	7.58
	Total	38.21	17.03	3.08	58.32	2.79	7	9.03	53	2.04	66	13.86
2003-2004	Rice	5.83	8.51	1.54	15.88	1.27	22	5.50	65	1.05	68	7.82
	Wheat	35.07	8.51	1.54	45.12	2.94	8	5.80	68	1.06	69	9.80
	Total	40.90	17.02	3.08	61.00	4.21	10	11.30	66	2.11	69	17.62
2004-2005	Rice	5.75	8.09	1.96	15.80	1.96	34	4.94	61	1.00	51	7.90
	Wheat	35.04	8.09	1.96	45.09	4.76	14	5.46	67	1.02	52	11.24
	Total	40.79	16.18	3.92	60.89	6.72	16	10.40	64	2.02	52	19.14
2005-2006	Rice	21.08	7.79	2.76	31.63	0.41	2	2.89	37	2.20	80	5.50
	Wheat	19.84	6.85	2.76	29.45	10.02	51	5.90	86	2.33	84	18.25
	Total	40.92	14.64	5.52	61.08	10.43	25	8.79	60	4.53	82	23.75
Total (Rice +Wheat)		169.87	77.44	16.68	263.99	25.65		47.92		11.23		84.80 (32%)

(Source: Records of DDPS & DF)

Object of food security failed to achieve its target as 68 per cent of the total allocation was not lifted by the Government of West Bengal

During 2001-2006, against GOI allocation of 263.99 lakh MT of foodgrains, only 84.80 lakh MT (32 per cent) were lifted by FPSs. Off take of food grains by APL category varied from 2 to 40 per cent in case of rice and six to 51 per cent in case of wheat while the off take of foodgrains for BPL category ranged from 53 to 69 per cent. Lack of demand by APL Ration card holders was due to CIP being almost equal to prevailing market price of wheat and rice of the same quality. Poor off take for BPL and AAY beneficiaries was mainly due to poor demand of MR & SR dealers/distributors as the distributors submitted their demands to respective DCF and SS without assessing actual requirement on the basis of prevailing ration cards in each FPS. Such short lifting of foodgrains frustrated the objectives of food security to the poor people.

3.2.7.2 Diversion of food grains (wheat)

On the basis of allotment orders issued by the department, the Flour Mills in 16 districts lifted 2.75 lakh MT of APL wheat from FCI during November 2004 to November 2005 at Rs 610 per quintal for conversion to whole-meal atta and distribution through FPSs in MR areas. If the distributors/

⁵ Position up to December 2005 (MR areas : 18350 & SR areas : 2055)

FPSs failed to lift the allotted quantity of atta within 30 days of milling, the Mills could sell the atta in open market with the approval of Director, DDPS. No agreement was executed with the Flour Mills for conversion of wheat into atta and sale thereof.

Flour mills of two districts sold 4157.42 MT of APL wheat in open market leading to loss of GOI subsidy of Rs 1.25 crore

The department as well as the District Controllers of test-checked districts did not produce any record indicating the quantity of atta extracted by the Mills and distributed through FPSs. The sale proceeds realised by Flour Mills on sale of whole-meal atta out of APL wheat delivered to them under PDS quota were also not available on record. Further, the Flour Mills in Bankura and Purulia districts sold 4157.42 MT (subsidy: Rs 1.25 crore) of wheat in the open market without milling. The scheme was discontinued from December 2005.

Undue benefit of Rs 82.76 crore to flour mills by diversion of APL wheat

Against CIP of Rs 610 per quintal of wheat fixed by GOI, the procurement cost of FCI was Rs 911 per quintal and GOI paid subsidy of Rs 301 per quintal to FCI. Thus, GOI paid total subsidy of Rs 82.76 crore for 2.75 lakh MT of wheat, which was diverted by F&S department resulting in undue benefit to Flour Mills.

3.2.8 Identification of BPL and AAY beneficiaries

The guidelines issued by GOI for TPDS (February 1997) as well as AAY (December 2000) schemes provide that the Gram Panchayats (GP) and Gram Sabhas (GS) should be involved in identification of eligible families. Once the list is approved by the GS, it should be consolidated at Block and then district level. The DMs were responsible for finalising the list of BPL/AAY households after giving wide publicity. In case of urban areas, ward-wise preliminary identification was to be done by Urban Local Bodies and the consolidated list of BPL/AAY households was to be approved by the House of Urban Local Bodies.

Shortcomings in identification of BPL beneficiaries and issue of Ration Cards are summarised in the following paragraphs:

3.2.8.1 Irregularities in identification of beneficiaries

- List of BPL and AAY beneficiaries was prepared on the basis of information furnished by DCF&Ss instead of DM, P&RD and Municipal Affairs Department. In three selected districts, there was no record either in BDOs or DM's offices as to whether BPL and AAY beneficiaries were identified by GPs and approved by Gram Sabhas.
- Against GOI estimate of 51.79 lakh BPL families required to be identified, 52.68 lakh families were identified leading to excess identification of 0.89 lakh families till January 2006.
- Against GOI's target of identification of 19.86 lakh AAY families, 15.01 lakh families were identified till January 2006, of which 14.80 lakh families were given AAY ration cards. Thus, 5.06 lakh AAY families were denied benefits as either identification process was incomplete or ration cards were not issued.

Total 0.89 lakh BPL families were identified in excess of target fixed by GOI

3.2.8.2 Mismatch between projected population and number of ration cards issued

It was noticed in audit that there was wide mismatch between the projected population and the number of ration cards issued in test-checked districts as shown in the following table:

District	Population as per census 2001	District growth rate (per cent per annum)	Projected population of 2006	Individual Ration Cards issued (January 2006)				Total	Not issued (-)/ Excess issued (+)
				APL	BPL ⁶	AAY	Annapurna		
(N u m b e r s i n l a k h)									
Kolkata (IA I&II) ⁷	45.81	0.66	47.35	54.01	2.84	0.29	0.02	57.16	(+) 9.81
North 24 Parganas	55.24	2.26	61.79(★)	36.64	12.88	4.14	0.08	53.74	(-) 8.05
Murshidabad	56.64	2.37	64.18	34.24	11.71	7.17	0.06	53.22	(-) 10.96
Paschim Medinipur	51.93	1.57	56.14	33.57	19.60	4.40	0.05	57.62	(+) 1.48

(Source : Director/ DDPS (F&S) and DCF&Ss/DR., WB.) (★)For MR areas only.

Reason for excess issue/non-issue of ration cards was not available on record. The Economic Survey (report published in 2001-2002) conducted by GOI revealed that BPL population in West Bengal was 2.31 crore (including AAY) as of March 2006 whereas the F&S Department issued 2.62 crore BPL ration cards (including AAY) upto March 2006 resulting in excess issue of 0.31 crore BPL cards

3.2.8.3 Irregularities in issuance of Ration cards

Following irregularities were noticed in test check of records:

- Under PDS (Control) Order, 2001, ration cards were to be issued within one month of the date of receipt of application. There were delays in issue of ration cards beyond one month in North 24-Parganas (one year or more), Murshidabad (more than one month to one year) and Paschim Medinipur (more than one year).
- The Department was to conduct periodical checking of ration cards through SCF&Ss to weed out ineligible and bogus ration cards. No survey was conducted for identification of bogus ration cards prior to April 2004 in MR areas and 27.85 lakh bogus ration cards (four per cent of total cards) were cancelled during April 2004 to February 2006 in MR areas. In SR areas total 7.48 lakh (six per cent of total cards) bogus ration cards were cancelled during 2001-2006.
- According to the GOI guidelines, distinct family ration cards were to be issued to the identified BPL and AAY families. In violation of guidelines, the Department issued during November 2002 to January 2005 individual ration cards to each member of BPL and AAY families instead of family cards. As a result, the State Government had to issue 244 lakh individual cards in place of 41.67 lakh family cards and thus it incurred an extra expenditure of Rs 72.23 lakh towards printing of 202.33 lakh extra ration cards at a cost of Rs 357 per 1000 cards. The reasons as to why individual ration cards were issued in place of family cards were not stated by the F&S Department.

Non issue of family ration cards to the BPL and AAY beneficiaries led to extra expenditure of Rs 72.23 lakh

⁶ Excluding AAY and Annapurna beneficiaries

⁷ Position of Kolkata Initial Area (IA) I & II

3.2.9 *Quality control –poor performance*

Zonal /District laboratories at Bardhaman, Siliguri & Krishnanagar are yet to be established

The Directorate of Inspection and Quality Control, F&S Department was responsible for checking quality of foodgrains and to look after preservation/storage worthiness from godown points to retail point (FPS) as fixed by GOI and State Government under various guidelines and control orders. Test check of records of QC Directorate showed the following:

3.2.9.1 *Procurement centres lacked equipment as per GOI norms*

68 to 93 per cent of procurement centres lacked basic equipment

During 2001-2006, about 68 to 93 per cent of procurement centres lacked equipment as per GOI norms.

The Director, QC (F&S) stated that most of the procurement centres/godowns were not maintaining storage and quality control norm like formation of stack, stack height, alley ways/ gang ways, preparation of different QC register, priority list as per FIFO (First in and First out) and all the centres were not maintaining periodical classification of insects and storage categorisation in each fortnight in violation of GOI norm. In the absence of required equipment proper quality control was not ensured.

3.2.9.2 *Damage of food grains*

Due to non-maintenance of godowns properly and non-adherence of GOI norms for preservation of foodgrains, 1489.52 MT of rice valuing Rs 1.56 crore were damaged during 2001-2005. Steps taken so far for disposal of damaged foodgrains were not available on record.

3.2.9.3 *Insufficient inspection of godowns by Quality Control inspectors.*

Only 11 per cent inspection of the food godowns were carried out during 2001-2006

Against 14342 inspections required in 71 godowns used by F&S Department itself during 2001-2006, only 1541 inspections (11 per cent) were conducted due to shortage of technical manpower. Further, none of the quality inspectors were provided with analysis kits and moisture meters. An amount of Rs 15 lakh sanctioned (July 2005) by State Government for modernisation of laboratory at Kolkata remained unutilised for reasons not on record.

3.2.10 *Working of the fair price shops*

Scrutiny of records of test-checked FPSs in three test checked districts revealed the following:

- Regular inspection of the shops was not done by Inspectors/ Sub-Inspectors as per Government norm.
- The FPSs were opened for two and a half to four days in a week against Government norms of five and half days per week.
- According to the Government order (April 2004) one FP Shop in MR/SR areas should be opened for 5000 ration cards. Scrutiny of 48 FP Shops in four selected districts revealed that total 28 FP Shops were allowed to retain 5142 to 15157 ration cards in violation of Government norms

- FP Shop level Committees were not formed for monitoring distribution of food grains according to scale.
- Allotted quantities of rice for APL people were not lifted by MR and SR dealers during the last three years.

3.2.11 Inadequate control over functioning of FPSs

In terms of an order issued by the Department in December 2003, each Sub-Inspector and Inspector must visit every month all Fair Price Shops (FPSs) under his charge more than once and each Chief Inspector must visit at least 15 different FPSs in a month. The department could not produce any record indicating the number of inspections conducted by the Inspectors.

1727 inspections were conducted against requirement of minimum 301560 inspections to be conducted by Inspectors/Sub-Inspectors in 2513 FPSs in North 24 Parganas and Murshidabad districts during 2000-2005. The District Controllers of other two test-checked districts (Kolkata and Paschim Medinipur) did not furnish any record regarding inspection of FPSs even though 298080 inspections were to be conducted in 2484 FPSs in these two districts during 2000-2005.

The men-in-position were 1321 Inspectors and 805 Sub-Inspectors against the sanctioned strength of 1511 Inspectors and 2473 Sub-Inspectors in the State respectively indicating shortage of 190 Inspectors and 1668 Sub-Inspectors.

3.2.12 Improper storage of food grains

The F&S Department entered into an agreement (December 1966) with FCI for letting out Government godowns to FCI without incorporating any clause in the agreement regarding responsibility of FCI/F&S Department for repairing of godowns. Consequently, neither FCI nor the department undertook any repairing work for a long period. As a result, the quality of food grains stored by FCI in the damaged godowns of the department deteriorated. The Department admitted (April 2004) that the godowns were not fit for proper storage of food grains due to non-repairing.

Damage of 5213 MT of food grains valued Rs 7.29 crore due to non repair of godowns

Due to non-repairing of godowns by the department, FCI did not pay godown rent aggregating Rs 2.11 crore for the period from March 1996 to October 2004 and claimed compensation of Rs 7.29 crore for damage of 5213 MT (wheat: 1289 MT and rice: 3914 MT) and storage loss of 3996 MT (wheat: 880 MT and rice: 3116 MT) of food grains. The matter was yet to be settled by the F&S Department with FCI (June 2006).

3.2.13 Non-functioning of Internal Audit Wing

The Department created an Internal Audit Wing (IAW) in April 2004 under supervision of the Director General (Food). The wing was entrusted with the audit of accounts of procurement and distribution system of 95 DDOs. The IAW was headed by an officer on special duty who was assisted by two Assistant Directors (Audit) and 13 other staff.

The Department had not prepared either internal audit manual or any audit plan. Register indicating number of units planned for audit and periodicity of audit was not maintained.

Two Assistant Directors conducted internal audit of DCF&S, Malda, Purba Medinipur, North 24 Parganas and South 24 Parganas during August 2004 to October 2004 but no Inspection Report (IR) was submitted.

3.2.14 Monitoring and evaluation

The guidelines contemplated supervision of execution of the schemes at State, district, block and FPS levels to ensure that foodgrains meant for consumers of TPDS and AAY actually reached the targeted beneficiaries.

Although monitoring committees at Panchayats, Municipalities, Blocks and Districts level were formed, no monitoring or reporting was done. No minutes of meetings of monitoring committees were available at Panchayat, Block, District and State level. Thus, the monitoring committees were ineffective. The State Government was to formulate the schedule of inspection of FPS and the report on findings of inspection was to be obtained by the State Government for transmission to GOI. No such inspection report on FPSs was produced to audit. This indicates that the supervision and monitoring over functioning of distribution system were lacking.

3.2.15 Conclusion

The basic objective of ensuring food security among poorest section of the population remained largely unfulfilled as 68 *per cent* of the allocated foodgrains was not lifted by the State Government. Further, the department failed to procure 62 *per cent* of targeted quantity of rice for distribution among BPL people. Lack of awareness among farmers about MSP also factored in non-achievement of target for procurement. On the other hand, 25.30 lakh poorest of the poor beneficiaries were denied food security. Besides there were huge mismatch between projected population and ration cards.

Non-preparation of proforma accounts since 2001-2002 led to non-receipt of GOI subsidy of Rs 64.66 crore. Delay on the part of the Finance Department in releasing GOI subsidy resulted in avoidable payment of interest of Rs 5.23 crore.

Implementation of the schemes of TPDS and AAY further suffered from various operational deficiencies like non-repair of godowns damaging foodgrains, unauthorised payment of levy collection charges to rice millers, irregular payment of interest charges to government agencies, excess payment of milling charges, allowance of higher out-turn ratio in processing of paddy into rice.

Thus, implementation of the programme suffered from inefficient fund management and lack of operational controls.

Recommendations

- *Proforma account of TPDS should be prepared immediately to assess the cost effectiveness of the scheme and also to avail of the full quota of GOI subsidy.*
- *Fund should be released to the procurement agencies keeping in mind the procurement calendar to avoid parking of high cost cash credit fund.*
- *Internal control over utilisation of procurement fund should be tightened up to ensure cost-effective procurement operation.*
- *Effective measures should be taken for procurement of targeted quantity of rice for BPL population.*
- *Process of identification of BPL should conform to the guidelines of GOI so that the GOI subsidy may reach the intended beneficiaries only. The BPL list also needs to be updated from time to time.*
- *Procurement centres should be substantially equipped and inspection of godowns and FPSs should be adequate to ensure quality of foodgrains distributed under the scheme.*

The matter was referred to Government in September 2006; reply had not been received (January 2007).

FOREST DEPARTMENT
3.3 PROJECT TIGER AND INDIA ECO-DEVELOPMENT PROJECT
HIGHLIGHTS

The basic objectives of the Project Tiger and India Eco-Development Project for conservation of tiger along with biodiversity and elimination of human interference in the Tiger Reserves through eco-development activities including generation of employment potential for forest villagers remained largely unachieved, due to failure of the authorities of the Tiger Reserves in undertaking measures beyond the routine maintenance of forests despite incurring an expenditure of Rs 12.75 crore on Project Tiger and Rs 23.44 crore on India Eco-Development Project during 2000-2005. This was due to deficient planning; funding being inconsistent with identified needs, poor patrolling arrangements, ineffective measures to mitigate human interference in the Tiger Reserves coupled with a weak monitoring mechanism.

Management Plan providing activities to be undertaken within a time frame for implementation was prepared in 2000-2001 after a gap of 24 years since 1973 in Sunderban Tiger Reserve and 17 years since 1982 in Buxa Tiger Reserve.

(Paragraph 3.3.5)

Approval and release of funds by the Government of India during 2000-2005 were not consistent with the identified needs projected through the Annual Plan of Operations for the Tiger Reserves.

(Paragraph 3.3.7)

Basic records maintained in the Tiger Reserves did not support data on physical achievement under each activity shown in the annual performance report.

(Paragraph 3.3.8.1)

Only 415 out of a population of 16,000 in the forest villages were shifted by the Buxa Tiger Reserve authorities and consequently human interference in the biotic atmosphere continued unabated.

(Paragraph 3.3.8.3)

Inputs valuing Rs 9.38 crore procured under Village Eco-Development Project were not entered in the stock register. Of these, inputs valuing Rs 2.09 crore distributed to 1658 households were not acknowledged by the beneficiaries and inputs valuing Rs 2.82 crore supplied to 2256 households were not physically existing.

(Paragraph 3.3.9.4)

Stock register of firearms was not maintained in Sunderban. In Buxa, the number of firearms available as per stock register was different from those reflected in the Management Plan.

(Paragraph 3.3.9.5)

Abbreviations used in this Review have been listed in Glossary (page 213)

In 14990 offence cases comprising illicit tree felling, timber smuggling and unauthorised fishing etc. in the Tiger Reserves during 2000-2005, the offenders remained undetected.

(Paragraph 3.3.9.6)

Patrolling in both the Tiger Reserves suffered due to shortage of protection staff, Buxa Tiger Reserve remained mostly unguarded for sixteen hours a day.

(Paragraph 3.3.9.8)

3.3.1 Introduction

Project Tiger (PT) a Centrally Sponsored Scheme was launched in 1973 with the objective of maintaining a viable population of tigers in the country by setting aside and preserving different habitats. Sunderban Tiger Reserve (2585 sq. km.) in the districts of South and North 24-Parganas and Buxa Tiger Reserve (761 sq. km.) in Jalpaiguri district were brought under the Project in 1973-1974 and 1982-1983 respectively.

The World Bank-aided “India Eco-Development Project” (IEDP) was introduced in Buxa Tiger Reserve from 1996 with the aim of improving the capacity of the PT Area for conservation of bio-diversity through eco-development. The project was terminated in June 2004.

3.3.2 Organisational Set-up

At the State level, the Additional Chief Secretary was in overall charge of the Department of Forests, assisted by the Principal Chief Conservator of Forests-Wildlife and Bio-Diversity (PCCF). At the field level, a Field Director (FD) assisted by the Deputy Field Directors (DFD), Assistant Field Directors, Range Officers and Beat Officers were responsible for implementation of the Projects in the Tiger Reserves (TRs).

3.3.3 Audit objectives

The performance audit of the implementation of Project Tiger and India Eco-Development Project was conducted to assess whether:

- the planning for conservation and protection of tigers was adequate and whether the programmes/schemes covered the identified needs;
- the available resources i.e., financial, human and infrastructural were sufficient and were optimally utilised to achieve the targets that had been set in the plan documents;
- the efforts made for conservation of bio diversity and habitats by reducing human interference in the TRs were effective; and
- there existed an effective system for reporting, monitoring and evaluation of performance and an adequate follow up mechanism was in place to ensure timely corrective action.

3.3.4 *Audit coverage and methodology*

Audit objectives, criteria and methodology were finalised at an entry conference held with the representatives of the Department on 16 December 2005. This was followed by test check of records of the Forests Department, PCCF, FDs and DFDs of both the TRs between December 2005 and April 2006 with reference to the status of implementation of the project components for the years from 2000-2001 to 2004-2005.

In the absence of data on physical achievements linked with the basic records of the TRs, audit observations were framed with reference to data shown in the Annual Plan of Operations (APOs), Annual Reports and Performance Reports.

The findings as well as recommendations of audit were discussed with the representatives of the Department in an exit conference on 29 June 2006. Their views expressed in the conferences as well as formally communicated in July and August 2006 were taken into account and have been suitably incorporated in the report.

AUDIT FINDINGS

3.3.5 *Deficiencies in planning*

There was no Management Plan for the Tiger Reserves up to 1999-2000

The Manual for Planning Wildlife Management in Protected Areas and Managed Forests (the Manual) envisaged formulation of a MP for each TR, providing for all the activities to be performed within a time frame to achieve the objectives of conservation of wildlife. But none of the TRs had prepared the plan up to 1999-2000 since inception. These were, however, prepared for the period 2001-2010, which were approved by the Government of India (GOI) between July 2001 and March 2002 with revision of currency of the Plan from 1997-1998 to 2006-2007 for Sunderban.

It was, however, noticed that MP of Sunderban contained only year wise lump sum financial provision under different activities without any physical target. As a result, the performance under each activity could not be assessed with respect to the identified needs. Further, analysis of 'Strengths, Weakness, Opportunities and Threats' for the TR areas as required under NWAP was not undertaken in Sunderban or Buxa. Thus, there was no scope for modification of the MPs that might arise owing to any change in the field conditions.

3.3.6 *Adjacent tiger habitat remaining outside Sunderban*

The forest area consisting of blocks of Jharkhali, Ajmalmari, Dhulibagan, Chulkati and Haliday islands between the rivers Matla and Thakuran and contiguous to Sunderban was a major tiger habitat of 25 tigers as per census of 2004. Although MP envisaged early inclusion of the area under the PT, the Department took no initiative in the matter as yet.

3.3.7 Financial Management

Approval and release of fund by Government of India were inconsistent with the identified needs of the Tiger Reserves

GOI was to bear 100 per cent of non-recurring and 50 per cent of the recurring expenditure for the PT. Based on this norm, GOI approved annual cost of operations proposed in the APOs. The details of funds placed through APOs, Budget provision, funds approved and released by GOI and expenditure incurred on the project during 2000-2005 in both Sunderban and Buxa were as under:

(Rupees in crore)

	Demand for fund placed through APOs			Budget Provision			Fund approved by GOI			Central share released	State share released	Expenditure incurred
	Central share	State share	Total	Central share	State share	Total	Central share	State share	Total			
STR	11.88	1.85	13.73	11.55	1.35	12.90	8.83	1.58	10.41	7.94	1.55	9.49
BTR	6.08	1.16	7.24	7.53	1.06	8.59	2.76	0.85	3.61	2.55	0.71	3.26
Total	17.96	3.01	20.97	19.08	2.41	21.49	11.59	2.43	14.02	10.49	2.26	12.75

It may be seen that the budget provision was not made by the State Government as per identified needs of the TRs projected through the APOs. GOI also did not approve funds as per such identified needs. The rationale, if any, for the short approval of funds was not intimated by GOI. As a result, there was no scope to link the target of APOs with the funds actually released by GOI.

3.3.7.1 Irregular payment of Project Allowance

Project Allowance of Rs 61.33 lakh was paid unauthorisedly to ineligible staff

As per instructions (March and September 1999) of GOI, Project Allowance met out of Central share was admissible only to six¹ categories of field staff. A certified list of field staff was also required to be submitted to GOI to support the demand placed through APO. Both Sunderban and Buxa authorities irregularly paid Project Allowance amounting to Rs 6.96 lakh and Rs 54.37 lakh respectively during 2000-05 to the staff who were not entitled to this allowance. The Department stated (July 2006) that in Buxa, Project Allowance was paid as per the list submitted to the Project Directorate and there was no unauthorised payment. The reply was not tenable as Sweeper, Orderly, Peon, Mali, Banasramik etc. though not entitled were paid the allowance and no list of staff who were paid the allowance had been submitted with the APOs.

3.3.7.2 Non creation of special corpus fund

As per decision taken by the State Board of Wildlife, West Bengal in December 2004 a special corpus fund was required to be created with 75 per cent of revenue generated from tourism and 100 per cent of revenue generated from forest produce of the National Parks and Sanctuaries for utilisation towards conservation of wildlife. But no such fund was created as of March 2006 although revenues of Rs 30.58 lakh and Rs 5.87 crore were generated from tourism and non-timber forest produce upto March 2005 in Sunderban and Buxa.

¹ FD, DFD, Asstt. Director, Forest Ranger, Forester, Forest Guard and equivalent rank.

3.3.8 *Project implementation*

3.3.8.1 *Data on performance not supported by basic registers/records*

Physical achievements were not verifiable due to non-maintenance of activity wise records

Maintenance of activity wise register was vital for tracking of annual progress of strategies envisaged in MPs/APOs. The authorities of Sunderban and Buxa did not maintain any activity wise register except for forest offences. The Department stated (July 2006) that periodical progress reports were prepared from the registers like Work Measurement Notebook, Timber Auction Register, Duty Register etc. maintained in the TRs as per Forest Manual. But the linkages between the physical progress shown in the APOs / Performance Reports etc. and those recorded in registers maintained in the Range Offices of the TRs were not established due to non compilation of activity wise and Range wise data to arrive at the performance of the TRs. Thus, the Directorate without any verification of data and sources thereof approved the APOs.

3.3.8.2 *Demarcation of boundary left incomplete*

Survey and demarcation of boundary in Buxa was done for 34 km only as against requirement of 330 km every four years

Demarcation of the boundary was essential for effective management of the TR. Sunderban, being riverine, was demarcated by natural boundary of rivers/sea except in the northeast where fringe villages were located. As regards Buxa, the APOs of 2000-2002 provided for survey and demarcation of 45 km (Rs 3.17 lakh) and no provision for the remaining three years (2002-2005) as against the target of covering the entire boundary line of 330 km in every four years. The actual achievement during 2000-2002 was, however, only 34 km (Rs 1.75 lakh).

The Department stated (July 2006) that boundary pillars and trenches demarcated the external boundary of Buxa. However, the reply was not supported by any report on inspection of the boundary nor was the reason for shortfall in survey and demarcation of the boundary lines with reference to MP/APO mentioned.

3.3.8.3 *Ineffectiveness of efforts for relocation of families*

Relocation of only 415 out of a total population of 16000 in Buxa

The long-term survival of the tiger depended on availability of secure and inviolate areas free from human impacts and livestock grazing. A time bound programme to assist voluntary shifting and relocation of forest villages located within the TR was necessary as per NWAP in order to eliminate or minimise human interference. Sunderban had no human settlement within it. But in Buxa, 5300 people were within the core area and 10700 people in the remaining part. In the MP, relocation and shifting of the villages and Fixed Demand holdings (holdings rented out by the Forest Department) within the core area at a cost of Rs 10.28 crore was approved, but the item was neither included in any of the APOs for 2000-2005 nor any mechanism for relocation was formulated. The Department stated (July 2006) that one village namely Bhutia Busty having 415 population had been relocated during 2001-2003. Thus, the efforts made so far could not ensure the mitigation of negative human impact in Buxa.

3.3.8.4 Encroachment of land in Buxa

The MP envisaged a thorough survey for identification of encroachment in the Buxa area. No such survey was undertaken as of January 2006. 335 hectares of forest land had been under encroachment by private orange orchards since long past. 101.86 hectares of land was, however, recovered during 2003-2004

3.3.8.5 Lack of control over cattle grazing

Cattle grazing within the TR area was prohibited, except restricted grazing in the buffer zone with prior approval of Chief Wildlife Warden of the State, in order to prevent damage to wildlife habitat as well as the possibility of dissemination of cattle borne diseases to the wild animals.

Unauthorised grazing of 1.20 lakh cattle in Buxa continued unabated due to absence of effective control

There was no human settlement and, therefore, no grazing within the Sunderban reserve area. However, in Buxa in spite of a large cattle population (1.20 lakh) in forests/fringe villages and nearby tea estates grazing remained unabated; the authorities made no effort to stop the illegal grazing and therefore the wildlife habitats continued to remain exposed to damage due to grazing. The Department stated (July 2006) that various measures were undertaken to control illegal grazing.

3.3.8.6 Inadequate maintenance of water sources

Maintenance of the water bodies in Buxa to ensure adequate water in lean and dry seasons was insignificant

Six rivers flowed through the Buxa of which only one (Sankosh) was perennial. The lean season flow of water was required to be regularly measured and de-silting work, where necessary, undertaken periodically to ensure natural regeneration of existing water bodies for a sustained yield of water all through the year. There were no records to support whether the measurement of the flow of water during the lean season was done. There was no maintenance of natural water holes/ bodies during 2000-2005. Further, only 10 out of 19 existing artificial waterholes were maintained during 2003-2005 and none during 2001-2003.

Thus the availability of water all through the year remained neglected thereby endangering wildlife conservation in Buxa.

3.3.8.7 Unauthorised commercial activities

Buxa authorities failed to control unauthorised commercial activities around the Tiger Reserve

Out of 38 saw mills and plywood factories existing within a radius of 20 km of Buxa, only 11 saw mills/plywood factories had a valid license renewed up to 2005-2006. Further, the West Bengal Forest Produce Transit Rule 1959, required that all forest produce entering into or leaving the saw mills should be covered by a transit pass issued by the forest authority and the forest authorities should make a surprise visit of the saw mills frequently to verify that the stock of raw timber in each mill was legally procured. A return of activities was to be submitted by each mill annually to the forest authorities.

It was observed that neither was any inspection made by the Buxa authorities nor the annual returns obtained from the mills in any year. Buxa authorities

did not also take any steps to stop the activities of mills having no license. Thus, unauthorised commercial trade went on rampantly in Buxa.

The Department stated (July 2006) that the unlicensed saw mills/plywood factories were not allowed to operate and regular inspections as well as surprise checks were being made by inspectors, mobile patrolling units and nearby forest ranges but was unable to furnish records in support of the contention during the course of audit.

3.3.9 *Eco Development Activities*

3.3.9.1 The aim of activities for eco development was to reduce traditional dependence of the local people on forest produce by improving their socio economic condition. This would result in greater cooperation of the local communities in the conservation and management of wildlife.

In Sunderban, eco development activities were funded under PT. Against the provision of Rs 4.75 crore in the approved MP, APOs of Sunderban, contained provision of Rs 3.73 crore. Activities valued at Rs 1.02 crore were dropped at the stage of programme formulation. GOI, however, approved Rs 3.41 crore and actually released Rs 2.89 crore during 2000-2005. The Department stated (July 2006) that a reasonable quantum of eco development activities had been taken up under other schemes like UNDP Schemes, State Plan, Wetland Scheme of GOI etc. But no records to support the reply were available.

Buxa received Rs 18.25 crore for implementation of IEDP during April 2000 to June 2004 as against Rs 32.61 crore approved by the World Bank and projected demand of Rs 40.85 crore in the APOs, barring staff cost to be borne by the State Government. Actual expenditure during the period was, however, Rs 18.20 crore apart from Rs 5.24 crore on staff cost.

Central grant of Rs 14.36 crore was not received due to poor financial progress in Buxa

GOI released funds based on utilisation of previous instalments by the recipient. It was observed that due to persistent failure of Buxa to utilise the funds received in previous years, GOI released only 56 *per cent* of the funds approved by the World Bank and consequently Buxa did not receive approved fund of Rs 14.36 crore. Further, even the depleted fund received from the GOI was not fully utilised by Buxa till date of termination of the Project leading to refund of an unutilised balance of Rs 5 lakh in September 2004.

The Department stated (July 2006) that as most of the funds during 2001-2002 to 2003-2004 were released by GOI mainly during January-March, Buxa could not spend the amount in the respective year. Audit scrutiny on the contrary showed that although Rs 1.50 crore and Rs 1.86 crore were released by GOI in July 2002 and July 2003 respectively, Buxa failed to utilise the funds during these years.

3.3.9.2 *Inadequacies in implementation of EDP in Sunderban*

Actual coverage in Sunderban was only four *per cent* of the total households

In Sunderban, 23920 households (population – 1.31 lakh) located in the fringe area were required to be covered through the Eco development programme (EDP). GOI released Rs 35 lakh during 2003-2005 for creation of a revolving

fund to be utilised by Eco Development Committee (EDC) / Forest Protection Committee (FPC) to generate alternative employment through supply of inputs for piggery, goatary, duckery, poultry etc. to the villagers. The amount was received as against the *ad hoc* demand of Sunderban made in the APOs without indicating the target of coverage of households. Expenditure incurred on this account recorded in the Performance Report was Rs 30.53 lakh incurred during 2003-05 for 818 out of 8558 households through 87 Self Help Groups (SHGs) under 16 EDCs/FPCs. Thus 7740 households included in the target were left out. The actual coverage being below even four *per cent* of the total households (23920) in the fringe villages, the very purpose of improvement of the economic condition of the villagers through employment generation remained largely unachieved.

Inputs for poultry, goatery etc. valued at Rs 4.89 lakh supplied to 260 households through 26 SHGs during 2003-2005 were not existing as of December 2005. This showed that 260 households out of a total of 818 could not sustain the employment opportunity provided under EDP.

Cross verification of cheque-issue register with cash book showed that cheques worth Rs 20.87 lakh only were issued on this account to 16 EDCs/FPCs against Rs 30.53 lakh recorded in the Performance Report and reported to the GOI along with utilisation certificate. The Department stated (July 2006) that the remaining amount of Rs 9.65 lakh was spent through Range Officers concerned towards holding of meetings, identification of beneficiaries, supervision, execution and field visits by staff/officers. The amount of Rs 9.65 lakh was thus spent in violation of Government guidelines.

Realisation of monthly deposit for creation of a fund to meet requirements of sustainability of the programme and recovery of 40 *per cent* of the cost of inputs within eight months of supply for utilisation in extending self-employment opportunities to more and more people were not done from each beneficiary household by EDCs/FPCs as required under the Government guidelines. Thus the objective of extension of self-employment opportunity to other targeted beneficiaries from such recovery remained unfulfilled. The Department stated (July 2006) that some of the SHGs started earning limited income but were using such earnings for purchase of further inputs to continue their activities. The reply was not tenable since it was not in accordance with the guidelines of the State Government.

3.3.9.3 Improved Protected Area management

Fund of Rs 26.01 lakh remained blocked up with the contractors due to non execution of works

An advance of Rs 61.24 lakh was paid to the West Bengal Agro Industries Corporation during 2000-03 for sinking of seven deep tube wells at seven locations including laying of pipelines at two locations under the component of Improved Protected Area management. The Corporation, however, sunk only four tube wells at four locations and laid a pipeline at one location by April 2001 at a cost of Rs 44.43 lakh. In another case, West Bengal Forest Development Corporation was paid an advance of Rs 21 lakh in March 2002 towards construction of three suspension bridges over rivers in the BTR. The Corporation constructed only one bridge in July 2002 at a cost of Rs 11.80 lakh. The unspent balance of Rs 26.01 lakh in the above two cases

was not refunded to the Buxa as of March 2006 and had been lying idle with the respective Corporations.

3.3.9.4 Village eco-development programme

The component comprised implementation of participatory micro-plans aimed at generating employment potential for the villagers through supply of inputs like livestock for poultry, goatery, piggery, dairy, implements for agriculture, van-rickshaw/ rickshaw, sewing machine etc. as per local needs for generation of employment opportunities.

Sixty one micro plans were envisaged in the MP to benefit 9494 households in core and fringe areas without indicating financial implication. However, 58 micro-plans for 8891 households at a cost of Rs 10.95 crore were actually prepared and approved by the PCCF. Thus 603 households were left out during formulation of micro-plans. It was noticed that expenditure of Rs 9.38 crore on procurement of inputs was not supported by any stock entry. Out of Rs 9.38 crore, receipt of inputs amounting to Rs 2.09 crore was not acknowledged by households concerned (1658). As per report (December 2005) of Buxa authorities, 2256 households could not sustain the benefits of micro plans as inputs valued at Rs 2.82 crore supplied to them during 2000-2005 were not physically existing. Hence the expenditure of Rs 2.82 crore was unproductive.

Thus, a total of 3914 households were not actually benefited by employment generation facilities under the micro plans and continued to remain dependent on forests.

Fuel-saving ovens valued at Rs 10.16 lakh supplied to 2257 households were not utilised and remained idle. The Department stated (July 2006) that the fuel saving ovens were fully utilised by the concerned beneficiaries. But the reply was not acceptable as it contradicted the actual position reported in this regard by the Range/Beat officers at the field level.

A total sum of Rs 2.33 crore was deposited under Village Development Funds (VDFs) by the FD of Buxa in the bank accounts of the EDCs/FPCs for utilisation in community investments as per authorisation through resolutions adopted in the meetings of those committees. A sum of Rs 92.16 lakh was withdrawn during 2000-05 by the Beat Officers and the Secretaries/Presidents (as operators of bank accounts) of 46 EDCs/FPCs without authorisation. The purpose of withdrawal and utilisation of the money was also not on record. The Department stated (July 2006) that withdrawal of fund was supported by resolution of the Executive Body of the concerned committee and added (August 2006) that the resolutions and pass books were being compiled and photocopied for submission to audit. The reply was not acceptable since it contradicted the actual position reported by the Range/Beat officers as regards withdrawal of funds without a resolution adopted by the concerned EDCs/FPCs. Further, the manner in which even the resolutions of EDCs/FPCs and their passbooks were being compiled at this point of time also remained to be clarified.

Distribution of inputs valuing Rs 2.09 crore was not substantiated by acknowledgement of the beneficiaries and inputs worth Rs 2.82 crore were physically not existing

A sum of Rs 92.16 lakh was unauthorisedly withdrawn from the VDF with no record on actual utilisation

3.3.9.5 Discrepancies in the stock of firearms

The West Bengal Forest Manual envisaged maintenance of arms register in Divisional and subordinate forest offices as well as submission of an annual statement showing distribution of fire arms by the Divisional Forest Officer to the higher authority.

In Sunderban, stock register of arms was not maintained at the Divisional level nor was any annual statement showing distribution of fire arms was sent by the FD to higher authorities during 2000-2005 in violation of the provision of the rule. However, annual reports of the Sunderban showed variation in the stock of rifles and guns from year to year as under:

Name	Number in Stock			
	2001-2002	2002-2003	2003-2004	2004-2005
Rifles	68	71	69	67
Guns (DBBL)	39	42	39	39

In the absence of stock register at the FDs office and annual statement of distribution of arms, reason for the above variation was not ascertainable. The Department stated (July 2006) that the matter would be looked into.

Buxa spent a sum of Rs 5.78 lakh during 2002-2003 towards purchase of 0.315 rifle and ammunition for use in the TR. But the arms were not yet received (March 2006) in Buxa even after a period of two years. According to the MP, Buxa were in possession of 167 DBBL guns and 30 SBBL guns during 1999-2000 whereas the Stock Register showed a stock of 93 DBBL and 4 SBBL guns at the end of March 2005. The discrepancies remained unnoticed by FD and DFDs until pointed out by audit (January 2006) as no half yearly physical verification of stock of fire arms as required under the West Bengal Financial Rules was conducted. The Department stated (August 2006) that subsequent checking and physical verification had been made and the Directorate was satisfied that no fire arms were missing. The reply was, however, not supported by any physical verification report. The matter requires detail investigation.

3.3.9.6 Poaching of wildlife and other illegal activities

According to the Annual Reports 42² cases of poaching of wildlife in Sunderban and 16³ in Buxa were detected during 2000-2005 but action taken in those cases were not on record. An aggregate of 20211 cases of other offences comprising illicit tree felling, timber smuggling and unauthorised fishing in the rivers (at Sunderban) was recorded in the TRs during 2000-2005 as detailed below:

	Sunderban	Buxa
Prosecution Offence Report (POR)	87	533
Cognizable Offence Report (COR)	3047	1554
Undetected Offence Report (UDOR)	794	14196
Total	3928	16,283

² Tigers-2, deer-17 and other wild animals-23

³ elephant-10, leopard-1, clouded leopard-1, sambar-1, bison-1, deer-1 and jungle cat-1

Huge number of offence cases were either not presented to the court or were pending in the court

The prosecution offence cases were required to be presented to the Court of Law (the Court) within 24 hours of detection. Out of 533 POR cases relating to Buxa, 269 cases were not presented to the Court till March 2006. The remaining 264 cases were still pending in the Court. Besides, 109 POR cases pertaining to the earlier period were also pending in the Court. The Department did not clarify regarding 269 cases not presented to the Court by the Buxa. In Sunderban, an aggregate of 79 POR cases (March 2005) were pending in the Court and 53 cases before the authorised officer of Sunderban were yet to be disposed of.

The incidences of COR in Sunderban where offenders were released only on realisation of some compensation had been sharply on the rise from 491 in 2000-2001 to 1144 in 2004-2005. The Department stated (July 2006) that the increase in number of detected offence cases was due to new initiatives taken and also due to an alert patrolling regime. But the Protection Monitoring Protocol was introduced in Sunderban only from February 2005. Besides, the fact remained that there had been sharp increase in forest offences despite the reported increase in patrolling arrangement.

In the offence registers of Buxa, the columns for estimated quantity and value of timber stolen were left blank. The Department stated (July 2006) that 20154 cum of timber had been recovered by conducting raids. But no survey was conducted to assess extent of loss due to theft of timber.

3.3.9.7 Shortfall in measures for control of fire

Maintenance of roads used as firelines was poor in Buxa

Forest fire affected the habitat quality of reserves for tiger as well as other wildlife and depleted fodder resources for the herbivores, which in turn adversely affected the carnivores as well. No incidence of fire during 2000-2005 in Sunderban was noticed on record. In Buxa, 20415 hectares (27 per cent of total Reserve area) had been affected by fire in 1998. Thereafter no survey of area destroyed by fire was conducted and the fire incidence register maintained as required under MP. As a result, occurrence of fire, area damaged by fire and its impact on the habitat remained unassessed.

Two fire-watch towers/tree machans⁴ were constructed during 2000-2005 as against requirement of eight as per MP to keep vigil over fire and offences and crimes as well as movement of wildlife in the core area.

The Department stated (August 2006) that erection of fire watchtowers and maintenance of fire lines were done as per actual requirement in view of the heavy rainfall, high humidity of the area and the nature of vegetation. The reply was, however, not supported by any survey report on the annual incidence of fire and projection of requirements in the MP.

⁴ Machans:-Platform like structure

3.3.9.8 *Deficiency in patrolling*

Bulk of the areas in Buxa remained unguarded for 16 hours a day

Extensive patrolling in the TRs round the clock with adequate infrastructure and staff was essential to combat/control illegal activities including offences against protection and survival of the wildlife. There was no record in Sunderban to indicate the present status of patrolling and duration of actual patrolling on a daily basis during 2000-2005. In Buxa, 10 out of total 13 Ranges, patrolling was done for eight hours per day on an average during 2000-2005. Forests in these 10 Ranges, therefore, remained unguarded for 16 hours every day. Status of patrolling in the remaining three Ranges could not be ascertained for want of records. The reply of the Department did not clarify patrolling arrangements in bulk of the Ranges for up to 16 hours a day.

3.3.9.9 *Inadequate and over aged patrolling staff*

Vacancies in the posts of guarding personnel were fifty four and twenty percent in Sunderban and Buxa respectively

The State Government did not prescribe any norm for deployment of field personnel and types of firearms to be provided to them depending on varying nature of each TR or forests. There was vacancy in the posts of Head Forest Guards (HFG)/ Forest Guards (FG) to the extent of 54 and 20 *per cent* in Sunderban and Buxa respectively. Besides, in comparison with the required strength envisaged in the MP, shortage of patrolling staff in Buxa was 63 *per cent*. The Department stated (July 2006) that the Government was requested for filling up the existing vacancies from time to time and 16 FGs were recruited in Sunderban.

Further, the average age recommended by WII for frontline forest staff was 18-35 years. The age of the 49 out of 59 FGs and HFGs in Sunderban and 204 out of a total of 209 FGs and HFGs in Buxa were above 35 years. Deployment of aged patrolling staff would undermine conservation and protection efforts in the TR.

3.3.10 *Estimation of tigers and preybase*

As per guidelines (June 2001) of MOEF census/estimation of tigers and its prey base/other wildlife was to be carried out annually with cent *per cent* Central assistance under the Project Tiger. During the span of four years from 2001-2002 to 2004-2005, census of tigers was conducted only twice instead of four times in both the TRs (Sunderban in 2001 and 2004, Buxa in 2002 and 2004). During 2000-2005 no prey base census was conducted in Sunderban while in Buxa it was conducted once in 2002. In Sunderban there was no records to show that prey base census was ever conducted since launch of the PT in 1973. Sunderban had not even submitted any proposal for funds to conduct prey base census either in the MP or in the APOs. Thus, it was never assessed if the existing prey base tiger in Sunderban was balanced and adequate for the existing tiger population. In Sunderban 108 human being and cattle were killed and 44 injured during 2000-2005 due to tiger straying. This was indicative of the failure of Sunderban authorities to develop an adequate prey base for the existing tiger population.

The Department stated (July and August 2006) that tiger census was carried out biennially as per practice followed all over the country. The reply did not

clarify reasons for the non estimation or shortfall in estimation of prey base/other wildlife in the TRs.

3.3.10.1 Defective methodology of estimation

Due to adoption of methodology which was not fool-proof, correctness of existing data on tiger population was not established

The technique followed for tiger census was to record tiger pug marks as the basis for identifying individuals. The technique was based on some specific postulates and according to Staff Appraisal Report of the World Bank on IEDP was highly arbitrary. Other techniques available for tiger census like camera trappings, radio telemetry, DNA analysis, etc. were never used in TRs. The data collected in Buxa was reportedly verified and supported by mutual relation of prey and predators which had been physically surveyed during the census. The report of physical survey of the aforesaid mutual relation was not available. Data of tiger estimation in the TRs were never cross examined by other experts/agencies like WII, Dehradun. The census was thus deficient and the data thereof was not established by co-relating it with other factors. In the absence of reliable population monitoring, the extent to which the efforts to save tigers was actually successful remained unassessed.

The Department stated (July 2006) that the remarks of the World Bank and other agencies on the methodology were highly debatable and that the methodology of tiger enumeration in the entire country was the same. Further, intensive monitoring of tigers using radio telemetry was stated to have been initiated in Sunderban. The Department, however, added that WII, Dehradun would soon conduct a study using camera traps in both the TRs.

3.3.10.2 Estimated population of tigers

The tiger population of 245 in Sunderban as of 2001 rose to 249 in 2004. In Buxa, however, the estimated population came down from 31 in 2002 to 27 in 2004 though as per records three cubs were born after 2002 census and no death of a tiger was recorded between 2002 and 2004. The Department was unable to provide any specific explanation in this regard and stated (July 2006) that the decline in tiger population in Buxa in 2004 might be due to migration of tigers to the nearby forest areas. Although the prime objective of PT was to attain a viable population of tigers in the country, no acceptable norms of sustaining a viable population were framed as yet. However, the fact remained that there was no increase in net tiger population in the TRs of the State over a period of three years.

3.3.10.3 Absence of tiger specific research/information

The efforts envisaged for conservation of tigers were not backed by any tiger and location specific research/study in Sunderban and Buxa

Research was one of the weak areas in the management of Sunderban as the post of Research Officer was lying vacant from 1997. No research studies on tiger were undertaken since inception of the PT in Sunderban. Although, study of breeding and artificial hatching of Olive Riddle Turtle was conducted during 2002-2005, no report on the study was published as yet. Further, no activity had been carried out in the field laboratory cum data processing centre constructed (cost Rs 3 lakh) in 2001-2002. Geographical Information System linkage including Global Positioning System and other accessories procured at a cost of Rs 2 lakh during 2003-2004 were not utilised till date. The

Department attributed (August 2006) poor research activities in Sunderban to the absence of a Research Officer.

In Buxa also, no research study on tiger was ever conducted since launching of PT. Further, the research infrastructure in Buxa was also inadequate as was stated in the MP.

Thus there was lack of effort to conduct studies on tigers as well as to collect, maintain and compile tiger-specific information/data exclusively which could effectively guide the conservation process of tigers.

3.3.11 Monitoring and evaluation

A monitoring methodology aimed at evaluating progress of execution at every stage and devising remedial measures to overcome the existing bottlenecks was essential for successful implementation of the project. However, no such monitoring arrangement was in place in the TRs.

Monitoring and Evaluation Committee was not formed for any of the Tiger Reserves

MOEF had directed (September 2001) the State Government to form a Monitoring and Evaluation Committee for each TR. But the proposal of the State Government sent in February 2002 was not approved by MOEF as of March 2006 and the matter was not pursued by the State Government (March 2006). However, the State Government under the Wildlife Protection Act, 1972 constituted State Board for Wildlife with the Chief Minister as the Chairperson in November 2003 mainly for formulation of policy for protection and conservation of wildlife. The Board met on three occasions during a span of two years up to March 2006 as against the statutory requirement of at least twice a year.

The evaluation of the impact of eco-development in Sunderban through an Economic Impact Analysis (EIA) by a reputed NGO or some specialised organisation as envisaged in the MP was not conducted during 2000-2005.

3.3.12 Conclusion

The Management Plans prepared for 2001-2010 as well as the Annual Plan of Operations were deficient, as these did not indicate any physical target for the identified needs of the Tiger Reserves. Efforts towards elimination of human interference were lacking causing degradation of ecosystem along with habitats. Providing security to tigers and other wildlife from poachers through adequate patrolling arrangements and implementation of other conservation measures like water management, control of fire etc. were deficient. Due to defective methodology of tiger census actual progress, if any, towards conservation of tigers also remained unascertainable. Monitoring system instituted by the Government was ineffective.

Recommendations

- *Each Tiger Reserve should have a well formulated management plan with prioritisation of activities backed by relevant research studies. The annual plan of operations should be based on such identified priorities.*
- *The system of allocation of financial resources to the Tiger Reserves needs to be streamlined so as to ensure that availability of funds are consistent with the identified priorities.*
- *There should be a road map for relocation of villages from the core and buffer areas of Buxa so as to ensure effective implementation of a resettlement plan.*
- *The requirement of staff at the field level should be reviewed on an urgent basis in order to ensure effective patrolling of the Tiger Reserves.*
- *Tiger census and estimation of prey base should be done regularly and the technique of estimation needs to be refined for obtaining more reliable census figure.*
- *Monitoring mechanisms need to be strengthened to ensure that tiger conservation efforts become fruitful.*

URBAN DEVELOPMENT DEPARTMENT

3.4 WORKING OF HALDIA DEVELOPMENT AUTHORITY

HIGHLIGHTS

Haldia Development Authority (HDA) was constituted in April 1980 with the main objective of ensuring planned and integrated development of Haldia planning area (HPA). The Land Use and Development Control Plan (Plan) for 80782 acres of planning area notified in March 1980 was prepared only in May 2000; while the Plan for 107325 acres included in HPA in February 2004 was yet to be prepared. In absence of the Plan, the development works suffered to a considerable extent. Besides, 1384 acres of land acquired by HDA for infrastructure development remained unutilised. The performance of HDA also suffered from inept financial management leading to huge shortfall in collection of revenues, loss of interest on investments and parking of loan fund in deposit account. There were instances of huge avoidable expenditure on acquisition and development of land, undue aids to lessee and blockage of funds coupled with lack of monitoring and supervision by the State Government which not only adversely affected the fulfilment of objectives of HDA but also led to huge operating loss.

HDA sustained loss of Rs 75.30 crore up to March 2005 due to loss of revenue and extra expenditure on acquisition and development of land, on civil works, undue favour to lessee, contractors, suppliers, etc.

(Paragraph 3.4.7.2)

In absence of effective action for realisation of dues, rent and water/electricity charges, Rs 39.95 crore remained unrealised as of March 2006. Chances for recovery of water charge of Rs 1.24 crore from 10 consumers whose water supply lines were disconnected are very remote.

(Paragraph 3.4.7.6)

HDA sustained distribution loss of water amounting to Rs 13.02 crore during 2002-2006 due to leakages in pipelines, valve failure, unauthorised connections and tapping from main lines and non-calibration of water meters periodically.

(Paragraph 3.4.8)

HDA extended undue benefit of Rs 2.03 crore to private entrepreneurs by less fixation of price of land and less deduction of administrative charges while refunding the lease premium on refusal of entrepreneurs in taking possession of allotted land.

(Paragraphs 3.4.9.1, 3.4.9.2 and 3.4.9.3)

Incurring of expenditure on construction of roads and surface drains in a rehabilitation colony on behalf of an industry without executing any agreement led to a loss of Rs 1.09 crore.

(Paragraph 3.4.10.2)

Abbreviations used in this Review have been listed in the Glossary (page 213)

3.4.1 Introduction

Haldia Development Authority (HDA) was constituted (April 1980) under the West Bengal Town and Country (Development and Planning) Act, 1979 with the main objective of ensuring planned and integrated development of Haldia Planning Area (HPA) by providing required facilities like land, roads, drainage system, housing complex, industrial estates, marketing complex, water, electricity, etc. as well as infrastructure development in Haldia Industrial Urban Complex¹ (HIUC). HPA comprises of 476 mouzas covering total area of 761.26 sq km (188107 acres).

3.4.2 Organisational set-up

HDA functions under the administrative control of Urban Development Department and its activities are managed by a Board constituted by the State Government under Section 11 of the Act, *ibid*. The Board consists of 14 members including the Chairman. The Chief Executive Officer (CEO), who is the Member-Secretary of the Board, superintends day-to-day activities of HDA and is assisted by an Assistant Executive Officer, one Finance Officer, 27 regular staff/officers of different cadres and 38 personnel under contract service as of March 2006. The audit of annual accounts of HDA was entrusted to the Comptroller and Auditor General of India by the State Government in pursuance of Section 111 of the Act *ibid*.

3.4.3 Audit Objectives

The objective of audit was to evaluate the performance of HDA and creation of required infrastructural facilities for promotion of industries in HIUC as well as to assess whether:

- planning for development of HPA was adequate;
- financial management was prudent;
- land acquired by HDA for different purposes were fruitfully utilised and leasing of land for industrial purpose was cost effective;
- schemes taken up for development of HPA were appropriate and executed successfully; and
- functioning of HDA was adequately monitored by State Government.

3.4.4 Audit criteria

The audit criteria used for framing audit comments were as under:

- Norms and procedures laid down in West Bengal Town and Country (Development and Planning) Act, 1979;
- Accounting principles and procedures laid down in accounting standards;
- Guidelines of individual schemes executed by the HDA;
- Monitoring mechanism set up by the state.

¹ An area of 42.81 sq km (10579 acre) earmarked for development of industries

3.4.5 Audit coverage and Methodology

The performance audit was conducted during March-May 2006 covering the activities of the HDA during the period 2001-2006. Before taking up audit, the matter was discussed with the Secretary of Urban Development Department and the CEO of HDA to ascertain the activities of HDA and also to be appraised of the schemes executed by HDA during 2001-2006. On completion of audit, the audit comments were discussed with the CEO and the replies received from him in respect of some of the audit observations have been mentioned at appropriate places in the review.

Audit Findings

3.4.6 Developmental activities

According to Section 31 of the Act, *ibid*, every Development Authority shall within two years of declaration of a planning area, prepare the Land Use and Development Control Plan (Plan) for the planning area with the approval of the Government. The Plan should indicate the manner in which the land should be utilised and allocate areas for various purposes².

It was noticed that the HDA prepared the Plan only in May 2000 for 258 mouzas covering 80782 acres after 20 years of notification of planning area; Government's approval for the same was not received as of March 2006. The Plan for 218 mouzas (107325 acres) included in HPA in February 2004 was not prepared as of May 2006. The HDA did not prepare any time frame for utilisation of acquired land. Out of 4259 acres of land acquired by it, 1384 acres (32 *per cent*) remained unutilised as of March 2006. On the basis of requisition of HDA 370 acres of land was allotted by Land Acquisition Collector during 2001-2006. Of this, possession of 185 acres was not taken due to non-payment of compensation by HAD. The CEO attributed (May 2006) such non-payment to paucity of funds.

3.4.7 Financial Management

HDA received funds through loans from State Government/WBIDFC³/LIC⁴ and grants/subsidy from State/Central Government. Besides, HDA earned its own revenue from lease rent on land/flats/shop rooms, etc. and water charges⁵.

3.4.7.1 Delayed preparation of budget

In violation of the provisions of Section 110 of the Act, the State Government had not yet prescribed the form and time-schedule for preparation of the annual budget of HDA as of March 2006.

² Residential, commercial, industrial, agricultural, natural scenic beauty, fisheries, public and semi-public open space, parks, play-grounds, etc.

³ West Bengal Industrial Development Finance Corporation Limited

⁴ Life Insurance Corporation of India

⁵ Charges for water supplied by HDA to industrial and domestic consumers in HPA

Budget provisions were prepared without fixing any physical target

HDA did not prepare the budget for 2001-2002 and budgets for 2002-2003 to 2005-2006 were prepared after four to eight months of commencement of respective financial year. The budget estimates were prepared without linking the same with any physical target for execution of schemes/works or collection of revenue. Little linkage of the budget with actual performance led to wide gap between the budget estimates and actuals as under:

Particulars	2002-2003		2003-2004		2004-2005		2005-2006	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	(R u p e e s i n c r o r e)							
Receipts								
Capital	59.07	13.73	51.02	26.77	74.88	17.67	37.69	NA
Revenue	17.04	13.46	15.26	7.28	20.25	20.20	21.36	NA
Total	76.11	27.19	66.28	34.05	95.13	37.87	59.05	NA
Expenditure								
Capital	64.12	14.16	76.89	23.24	82.73	22.45	47.02	NA
Revenue	11.61	11.28	11.44	12.97	12.71	12.81	12.45	NA
Total	75.73	25.44	88.33	36.21	95.44	35.26	59.47	NA

Reasons for such wide variations were neither available on record nor intimated to audit, though called for.

3.4.7.2 Working results

In terms of Section 111 of the Act, *ibid*, HDA was to prepare annual statement of accounts including balance sheet. The accounts for 2004-2005 and 2005-2006 had not been finalised as of May 2006. The provisional accounts for 2004-2005 disclosed accumulated deficit of Rs 75.30 crore. The main reasons for loss/deficit are discussed in the succeeding paragraphs.

3.4.7.3 State Government dues remaining unpaid

Outstanding interest on Government loans was Rs 102.13 crore

HDA obtained loans aggregating Rs 101.77 crore from the State Government during 1980-2005 at varying rate of interest from 10.5 to 15 *per cent*. HDA neither paid any interest nor repaid any amount of principal to Government till March 2006. The outstanding interest accumulated to Rs 102.13 crore as of March 2006. HDA had not paid guarantee fee of Rs 28.33 lakh to State Government in respect of loan of Rs 5 crore obtained (September 1999) from WBIDFC under the guarantee of State Government.

In spite of fund constraints, HDA paid grants of Rs 1.14 crore to 32⁶ organisations/ societies during 2001-2006 to conduct fairs, festivals, blood donation camps, mass wedding ceremony, etc. in contravention of its objectives.

3.4.7.4 Loss of interest due to investment of funds in short term deposits

Imprudent investment in term deposits led to loss of interest of Rs 60.50 lakh

HDA did not prepare any cash flow statement to assess its requirement of funds so as to gainfully invest its surplus funds in term deposits. During 2001-2006, HDA invested/renewed Rs 3 crore to Rs 6 crore in short term deposits from 46 days to 365 days. HDA failed to invest the surplus funds in long-term deposits (carrying higher rates of interest) even though the available

⁶Lions Club, Abasan samity, Voluntary Blood Donors' Association, Sports Foundation, Jana Shiksha Sanstha, National Youth Festival Committee, Krira-O-Sanskriti Sansad, Sanhati Utsab Committee, Khudiram Mela Committee, Haldia Utsab Committee, etc.

funds were not immediately required and thus, it sustained a loss of interest of Rs 60.50 lakh.

3.4.7.5 Additional interest liability due to non-creation of revolving fund

The State Government released (August 1998) non-interest bearing loan of Rs 4 crore for creation of revolving fund for meeting the cost of acquisition of land by HDA.

Non-creation of revolving fund led to accrual of additional interest burden of Rs 2.73 crore

HDA did not create the revolving fund violating the orders of the Government. Instead, it obtained additional loan of Rs 4.97 crore (Rs 3.50 crore in December 2001 and Rs 1.47 crore in September 2003) from State Government at the interest of 14.5 *per cent per annum* for refunding the land premium to six entrepreneurs, who refused to purchase the allotted land after payment of advance premium. Interest accrued on such Government loans amounted to Rs 2.73 crore as of March 2006. Thus, non-maintenance of revolving fund account in violation of the Government order led to additional interest liability of Rs 2.73 crore.

3.4.7.6 Non-realisation of revenue

Revenue of Rs 39.95 crore remained unrealised

Although a considerable number of tenants and industries did not pay the bills raised by HDA for rent and water/electricity charges for years together, it did not take any action against the defaulters invoking the penal clauses of the agreements. As a result, the aggregate amount of outstanding dues increased from Rs 10.87 crore in March 2000 to Rs 39.95 crore in March 2006. Of this the chances of recovery of water charge of Rs 1.24 crore from 10 consumers whose water supply lines were disconnected during January 1999 to July 2003 are very remote.

The CEO stated (May 2006) that effective steps would be taken to realise the dues from defaulters, but remained silent about HDA's inaction for such a long period leading to loss of revenue.

3.4.8 Water Supply Scheme

HDA sustained distribution loss of water worth Rs 13.02 crore during 2002-2006

HDA was supplying treated water to the industries and residents of HIUC and collected water charges from consumers on the basis of water meter readings. Out of 1206.73 lakh kl of water treated in the water treatment plants of HDA during 2002-2006, bills for only 823.62 lakh kl were raised resulting in shortfall of 383.11 lakh kl (32 *per cent*) valuing Rs 13.02 crore. As the water meter at production point was installed only in March 2002, the loss on this account prior to 2002-2003 was not ascertainable.

A consultant engaged by HDA in October 2002 to conduct water audit for identifying the reasons for losses, reported that leakages in pipelines, valve failure, unauthorised connections/stand-posts/tapping from main lines and non-calibration of meters periodically were main factors for the loss on supply of water. No action was, however, taken on the report of the consultant as yet. Following irregularities in regard to water supply scheme were also noticed:

3.4.8.1 Non-collection of security deposits

Security deposits of Rs 1.04 crore not collected from consumers

According to terms and conditions of water supply agreements executed with industrial consumers, one month's water charge was to be paid by consumers as security deposit. Such security deposits aggregating Rs 1.04 crore were not realised from 19 industrial consumers for reasons not available on record. Of these, 11 defaulted in paying regular water charges. The CEO stated (May 2006) that action would be taken to realise the security deposits.

3.4.8.2 Undue financial aid to industrial consumers

Extension of undue favour to consumers in contravention of terms of agreement resulted in a loss of Rs 46.39 lakh

According to water supply agreements executed with industrial consumers, cost of laying pipe lines up to a distance of 100 metres from take-off point of main supply line was to be provided by HDA and the consumer was to arrange for extension of line beyond 100 metres for getting supply into his premises.

For supply of water to three industrial consumers, HDA erected supply lines from take-off points to consumers' premises at a distance of 200, 500, 1750 metres respectively at a cost of Rs 56.98 lakh, but, it waived (July 2003) Rs 10.07 lakh realisable from two consumers on their request while no claim was raised from the third consumer for Rs 36.32 lakh. Thus, by extending undue favour to consumers, HDA sustained a loss of Rs 46.39 lakh.

The CEO stated (May 2006) that no cost was imposed on two consumers, as HDA was responsible for providing infrastructure to the industries and that effective steps would be taken to collect the cost from the third consumer. The reply was not tenable as the authority was to recover cost from industrial consumers in terms of water supply agreements.

3.4.8.3 Injudicious payment to supplier on procurement of pipes

The pipes needed for delivery of water from its source to water treatment plant and from plant to the storage facility were exempted from central excise duty on submission of exemption certificate from the District Magistrate (DM) of the district in which the plant was located.

In respect of procurement of 9379 metres of ductile iron pipes for the water treatment plant during October 2003 to December 2004, HDA did not submit required certificates for 4383 metres and paid avoidable central excise duty of Rs 6.76 lakh. Although HDA submitted requisite certificates for remaining 4996 metres of pipes, the suppliers raised bills adding 8 *per cent* additional charge (Rs 3.44 lakh) to the price of pipes instead of showing central excise duty separately and HDA paid the bills without verifying such manipulation. Thus, inadequate checks before releasing payments resulted in an extra expenditure of Rs 10.20 lakh.

3.4.9 Acquisition and leasing out of land

According to terms of lease agreement executed by HDA with the lessee, on termination of lease HDA may refund to lessee the premium proportionate to unexpired term of lease provided that HDA shall have the right to deduct such

administrative cost as it thinks fit. Accordingly, HDA used to refund the amount of land premium after deducting administrative charge equivalent to 5 per cent of premium as it paid establishment and contingent charges equivalent of 5 per cent of value of acquired land to LA Collector. Following irregularities were noticed in this regard:

3.4.9.1 Avoidable loss on refund of lease premium

Extension of undue benefit to entrepreneurs led to loss of Rs 1.04 crore

Eleven entrepreneurs paid (August 1995 to September 2002) lease premium aggregating Rs 11.50 crore for 1043 acres of land allotted (July 1993 to July 2002) by HDA but subsequently they decided not to take over the allotted land and approached HDA for refund of lease premium. On the request of the entrepreneurs, HDA deducted administrative charge at the rate of only two per cent of lease premium (refunded between December 2001 and December 2005) instead of five per cent and thus, sustained a loss of Rs 1.04 crore by allowing undue benefit to the lessee.

3.4.9.2 Loss on leasing of land at lower premium

HDA sold/leased out land to industries on “as is where is” basis and if any pond existed within the area of land allotted to any industry, a rebate on the lease premium was allowed considering the cost of filling of the pond.

Allowing rebate at higher rate resulted in loss of Rs 0.43 crore

HDA allotted (August 2001) 31.72 acres of land to a private company on lease of 90 years at Rs 11 lakh per acre. The company claimed (May 2002) rebate on lease premium on the ground that there were 25 ponds within the offered land. Accordingly, the Engineering Cell of HDA inspected (May 2002) the land and measured total volume (25589 cubic metres) of 22 ponds existing in the offered land. Considering the cost of earth filling of these ponds, a rebate of Rs 1.15 lakh per acre was admissible to lessee. HDA allowed rebate at Rs 2.50 lakh per acre on the basis of the cost of earth filling for 45920 cubic metres. Reasons for allowing higher rebate considering the cost of filling of 45920 cubic metres instead of 25589 were not available on record.

Thus, HDA leased out (October 2002) the land at a premium of Rs 2.69 crore (paid by lessee between January 2002 and August 2002) against realisable premium of Rs 3.12 crore resulting in a loss of revenue of Rs 0.43 crore.

The CEO, while confirming the facts stated (May 2006) that the Engineering Cell of HDA would review the matter.

3.4.9.3 Undue financial aid to an Institute

Extension of undue benefit of Rs 0.56 crore to lessee

HDA allotted (February 1999) 7.75 acres of developed land to Central Institute of Plastics Engineering and Technology (CIPET) on 90 years' lease at Rs 5.50 lakh per acre. While fixing the price of land the cost of development of land (Rs 58.52 lakh) was not considered. CIPET paid Rs 42.63 lakh in February 1999 and took (March 1999) possession of 7.368 acres of land on the basis of measurement at the time of handing over. Subsequently HDA claimed (August 1999) development cost of Rs 56.43 lakh after adjusting Rs 2.09 lakh being the price of 0.382 acres of land. Neither

CIPET paid the amount nor did HDA take any action for realisation of the same till March 2006.

Thus, fixation of price of land without taking into account the development cost resulted in a loss of Rs 0.56 crore.

3.4.9.4 Loss due to non-fixation of terms of loan

According to the Memorandum of Understanding (MOU) executed (April 2003) between HDA and a company, the cost (Rs 1.20 crore) of 70.46 acres of land handed over to the company in January 2005 was to be treated as loan from HDA. Although the loan was repayable within 30 years, the rate of interest and terms of payment thereof was not indicated in the MOU. No formal agreement was executed with the company either. In absence of any stipulation in the MOU the company did not pay any interest till March 2006. Thus, non-inclusion of interest clause in the MOU resulted in loss of interest of Rs 15.60 lakh *per annum* (calculated at prevailing government rate of 13 *per cent per annum*).

3.4.10 Execution of civil work

During 2001-2006, HDA issued 258 work orders valuing Rs 68.60 crore for development of land, construction/strengthening/widening/repairing of roads, construction of buildings, power sub-stations, etc. Of these, 219 works valuing of Rs 33.75 crore were completed by March 2006. Test-check of records relating to 43 completed works valuing Rs 30.69 crore showed the following:

3.4.10.1 Idle investment on development of land for truck terminal

On the request of Haldia Municipality, HDA handed over (September 1998) 20 acres of land to the Municipality on 90 years' lease for construction of a modern truck terminal. The land was developed by the Municipality at a cost of Rs 1.50 crore. HDA incurred an expenditure of Rs 1.13 crore for construction of approach road to the truck terminal.

Idle investment of Rs 2.63 crore on construction of truck terminal

As the Municipality subsequently decided (July 2001) not to construct the truck terminal on the ground that it would not be economically viable, HDA took back (August 2001) possession of the land and paid (October 2001-March 2002) development cost of Rs 1.50 crore to the Municipality. In February 2004, HDA handed over possession of 8.31 acres of land to an agency at a monthly rent of Rs 15000 fixed on *ad-hoc* basis and received rent of Rs 3.82 lakh during February 2004-March 2006. The agency was using the land for parking of trucks and vehicles.

Thus, the expenditure incurred by HDA on an unviable scheme taken up by Haldia Municipality proved unfruitful resulting in idle investment of Rs 2.63 crore.

3.4.10.2 Loss due to incurring of expenditure without agreement

Incurring of expenditure without executing agreement led to loss of Rs 1.09 crore

HPL⁷ agreed (December 2001) to pay the cost of construction of roads and surface drains in Khudiramnagar Rehabilitation Colony where the people evicted from the land acquired for HPL were rehabilitated and paid Rs 50 lakh to HDA (in March and September 2002). HDA spent Rs 4.35 crore (April 2002 to May 2004) for construction of roads and drains in the colony without executing any agreement with HPL for recovery of the funds spent on behalf of HPL. When HDA raised claims for payment of the balance amount of Rs 3.85 crore, HPL refused (June 2004) to pay the same on the ground that out of 1167 plots developed for rehabilitation of evictees in the colony, 231 plots had been allotted to evictees of other industries. No action was taken by HDA for modifying the claim by apportionment of amounts; instead, HDA cancelled lease of another plot of land (50 acres) and forfeited lease premium of Rs 2.76 crore deposited earlier by HPL for that plot.

Thus, incurring expenditure on behalf of HPL without executing any agreement and failure in taking up the matter fruitfully with HPL/other industrialists, HDA sustained a loss of Rs 1.09 crore.

3.4.10.3 Avoidable expenditure on construction of roads

Preparation of incorrect estimates resulted in extra expenditure of Rs 29.37 lakh

Purba Medinipur Zilla Parishad (ZP) engaged HDA for construction of four roads under Pradhan Mantri Gram Sadak Yojana. It was noticed that HDA incurred an extra expenditure of Rs 29.37 lakh by preparing incorrect estimates as detailed below:

- In absence of proper field survey, the cost of construction of a culvert was not included in the estimate (Rs 2.42 crore) submitted (February 2003) by HDA to ZP for construction of road from Badabar to Denriachak. One Hume pipe culvert with discharge capacity of 140 cusec of water was constructed (March 2004) by HDA at Rs 13.89 lakh. Under instruction (June 2004) of Irrigation and Waterways Directorate the culvert was dismantled in May 2006 as the same was below the water discharge capacity (500 cusec) of the canal. The estimated cost (Rs 21.01 lakh) of construction of a box culvert with discharge capacity of 500 cusec of water was approved by ZP in February 2005. Thus, expenditure of Rs 13.89 lakh on construction of the Hume pipe culvert became infructuous.
- According to PMGSY guidelines, the cost of project report, road stones, milestones, fixing signboard, etc. were to be included in the estimated cost of roads. HDA did not include such costs in the estimates for construction of roads submitted to ZP. As a result, expenditure of Rs 15.48 lakh incurred by HDA during December 2002 to March 2003 for the aforesaid purposes was not reimbursed by ZP.

3.4.10.4 Extra expenditure due to splitting of order

Splitting up of work order led to extra expenditure of Rs 50.34 lakh

For establishment of a composite sports complex, HDA was to develop 20 acres of land. The tender notice was issued in May 2002 for development of 5 acres of land and the work was executed (May 2003) at Rs 34.22 lakh. Fresh tender for development of 15 acres was invited in February 2004 and the work

⁷ Haldia Petrochemical Limited

order was placed in October 2004 at Rs 1.53 crore. Up to May 2006, earth filling of 6.5 acres was completed at Rs 66.90 lakh. Thus, by splitting up of work orders, HDA incurred an extra expenditure/liability of Rs 50.34 lakh.

CEO stated (May 2006) that steps would be taken to avoid such incidence.

3.4.10.5 Release of royalty without valid document

Irregular payment of royalty of Rs 22.92 lakh to contractors without proof of such payments made by them

According to terms of orders for earth filling works, royalty at Rs 13.25 per cubic metre was to be reimbursed to the contractors on submission of specific documents in support of payment of royalty by contractors to the Land and Land Reforms Department. HDA paid royalty of Rs 22.92 lakh to nine contractors during August 2003 to May 2006 for 1.73 lakh cubic metres of carried earth without proof of such royalty payment by them thereby extending an undue benefit of Rs 22.92 lakh to contractors.

The CEO stated (May 2006) that henceforth necessary steps would be taken before releasing such payments.

3.4.11 Implementation of a Centrally Sponsored Scheme

Under the Valmiki Ambedkar Awas Yojana launched in December 2001 for providing shelter to people below poverty line (BPL), out of construction cost of Rs 40000 for each house, Rs 20000 were to be given by GOI as subsidy and Rs 20000 were to be contributed by beneficiaries as matching grant or loan from HUDCO or urban local body or State finances. The State Government nominated (March 2002) HDA for implementation of the scheme in Haldia.

As of March 2006, 1211 houses were constructed at Rs 5.07 crore, of which HDA itself constructed 411 houses and engaged Haldia Municipality for construction of 800 houses. It was noticed that HDA neither took any action for mobilising loans from HUDCO or any other sources nor collected the required contributions from the beneficiaries.

Out of Rs 3.52 crore spent by the Municipality for construction of 800 houses (GOI subsidy: Rs 1.60 crore), beneficiaries' contribution of Rs 1.09 crore was collected by Municipality from 730 beneficiaries. Whereas, out of Rs 1.55 crore spent by HDA for construction of 411 houses (GOI subsidy: Rs 0.80 crore), only Rs 25000 was collected from five beneficiaries.

Thus, failure of HDA in realising the beneficiaries' contributions as well as in mobilising required loan funds resulted in an extra expenditure of Rs 1.58 crore on a GOI scheme.

3.4.12 Monitoring and evaluation

Urban Development Department having the administrative control on HDA was responsible for monitoring and evaluation of its activities. The Department did not exercise any supervisory control over functioning of HDA. The performance of HDA was also never reviewed or evaluated by the Department. The Principal Secretaries/Secretaries of four to five Departments

represented Government in the Board of HDA, but they participated in only one to six meetings out of eighteen Board meetings held during 2001-2006. Thus, the role of Government in supervising and monitoring the activities of HDA was not adequate and effective.

3.4.13 Conclusion

The objective of planned and integrated development of the Haldia planning area was adversely affected owing to delayed preparation/non-preparation of Land Use and Development Control Plan. Imprudent financial management as well as inaction for realisation of revenue led to huge loss of revenue towards unrealised rent, water/electricity charges. On the other hand, HDA incurred avoidable expenditure on allotment of industrial land by extending undue favour to lessee and extra expenditure on development of land and construction of roads due to preparation of incorrect estimates, execution of works without agreement, splitting up of works, etc. This financial mismanagement resulted in non-availability of adequate funds at the disposal of HDA and developmental works suffered to that extent. Indifference on the part of the Government was also apparent from absence of adequate monitoring by the department over functioning of HDA.

Recommendations

- *The department should take immediate action for approval of the LUDCP for 80782 acres of land in Haldia planning area and also set a specific target date for preparation of LUDCP for 107325 acres of land included in February 2004.*
- *HDA should prepare cash flow statement to assess requirement of funds and surplus funds should be gainfully invested for maximising revenue.*
- *Outstanding dues from lessee, tenants and consumers of water and electricity should be realised without further delay to improve the fund flow.*
- *Lease premium on land should be fixed properly and estimates for development of land and construction of roads should be prepared correctly to avoid extra expenditures on these accounts.*

The matter was referred to Government in August 2006; reply had not been received (January 2007).

ANIMAL RESOURCES DEVELOPMENT DEPARTMENT

3.5 CATTLE AND BUFFALO DEVELOPMENT AND FODDER AND FEED DEVELOPMENT PROGRAMMES

HIGHLIGHTS

Cattle and Buffalo breeding, a centrally sponsored National project was under implementation in the State since 2001-2002. The aim of the scheme was to produce better yielding cows and buffaloes through extensive cross breeding by artificial insemination. Many deficiencies in the implementation of the scheme were noticed. No specific breeding policy was enunciated, the productivity of frozen semen bull stations and artificial insemination centres was poor. Only eight per cent of the breedable cattle could be artificially inseminated in the last five years. The scheme including the fodder and feed development programme suffered from gross under-utilisation of funds, lack of monitoring and supervision, ineffective farm management, low cropping intensity, sowing of substandard seeds and high establishment cost of fodder farms.

Paschim Banga Go-Sampad Bikash Sanstha (Sanstha) could not avail 69 per cent (Rs 41.16 crore) of GOI grants during 2001-2006 due to delay in submission of micro plan to GOI.

(Paragraph 3.5.6.1)

Only seven to eight per cent of breedable cattle were covered under artificial insemination (AI) while 64 to 69 per cent of AI was not successful. Against capacity of inseminating 172.44 lakh cattle during 2001-2006, only 19.64 lakh (11 per cent) cattle were inseminated. The department was yet to finalise the breeding policy.

(Paragraphs 3.5.7.1, 3.5.7.2 and 3.5.7.3)

Due to under-utilisation of capacity of frozen semen bull stations (FSBSs), the Sanstha procured 14.20 lakh of frozen semen straw (FSS) from outside agencies at a cost of Rs 1.18 crore to meet the requirement of AI programme during 2001-2006.

(Paragraph 3.5.7.5)

Against target of production of 1.04 lakh MT of fodder and 595.17 MT of fodder seed during 2001-2006, actual production was 0.46 lakh MT (44 per cent) and 295.76 MT (50 per cent) respectively.

(Paragraph 3.5.8.1)

Six fodder farms test-checked, sustained an operating loss of Rs 34.33 crore during 2001-2006. Another fodder farm at Katwa remained under encroachment since 2000.

(Paragraphs 3.5.8.4 and 3.5.8.6)

The Sanstha did not conduct any field level supervision for enforcing accountability of FSBSs and AI Centres. Performance of fodder farms was not reviewed by the department for taking remedial measures for improvement of their performance.

(Paragraph 3.5.9)

Abbreviations used in this Review have been listed in Glossary (page 213)

3.5.1 Introduction

The Animal Resources Development Department (department) had been implementing the Cattle and Buffalo Development Programme since early nineties. With a view to generating better yielding cows and buffaloes through extensive cross breeding by artificial insemination with frozen semen technology, Government of India¹ (GOI) introduced (November 2000) a Centrally Sponsored Scheme “National Project for Cattle and Buffalo Breeding” (NPCBB) and its actual implementation in the State began during 2001-2002.

The project aimed at reorganisation and reorientation of cattle and buffalo breeding operations by -

- progressively bringing all breedable cattle in the State under organized breeding through artificial insemination (AI) and natural services by high quality bulls within ten years;
- ensuring delivery of AI services at farmers’ door steps;
- undertaking breed improvement programme for indigenous cattle in order to improve their genetic qualities as well as availability; and
- providing quality breeding inputs in breeding tract of important indigenous breeds to prevent breed from deterioration and extinction.

The Department was also implementing Fodder and Feed Development programme, a State scheme, with a view to augmenting production of fodder as cattle feed for betterment of their health condition and increase of milk production.

3.5.2 Organisational Set up

During 2001-2002, the department implemented the NPCBB through West Bengal Dairy and Poultry Development Corporation, a State Government company. Since 2002-2003, the task of implementation was transferred to Paschim Banga Go-sampad Bikash Sanstha (Sanstha), a state autonomous body set up in March 2002.

The overall planning, implementation and monitoring of NPCBB was administered by an Executive Committee (EC) of the Sanstha consisting of 12 members under the chairmanship of the Secretary of the Animal Resources Development Department. The Chief Executive Officer² (CEO), who was the Member-Secretary of EC, supervised day-to-day activities of the Sanstha. The implementation network included 18 Deputy Project Directors (DPDs), 18 District Executive Officers (DEO) and 36 Assistant District Executive Officers at district level and Block Livestock Development Officers (BLDO) at block level.

¹ Ministry of Agriculture, Department of Animal Husbandry and Dairying

² CEO is of the rank of Additional Director; he is assisted by two Deputy Project Directors, seven Assistant Project Directors, one Assistant Manager (Stores), one Junior Engineer and 13 other staff at the State Headquarters

The Director of Animal Resources and Animal Health (ARAH) was responsible for implementation of Fodder & Feed Development programme, assisted by Joint Director (Fodder) and Assistant Directors of 18 Fodder Farms.

3.5.3 Audit Objectives

The Audit objectives were to assess whether:

- prudent financial management was effected with proper co-relation between fund flow and physical implementation;
- proper breeding policy had been formulated and the coverage of breedable cattle under AI was adequate and as per schedule;
- scheme for delivery of AI inputs at farmers' doorsteps was effective;
- functioning of Frozen Semen Bull Stations was efficiently managed for ensuring optimum capacity utilisation;
- cultivable lands of fodder farms were optimally utilised and fodder farms were functioning efficiently in terms of manpower/resource management; and
- monitoring of programmes was adequate and effective.

3.5.4 Audit Criteria

Criteria used for framing audit comments were:

- GOI guidelines for NPCBB;
- Financial and physical targets as per micro-plan of implementation of NPCBB;
- Instructions/orders issued by Central/State Governments for implementation of schemes;
- Norms fixed by the Government for functioning of FSBS, AI centres and Fodder Farms.

3.5.5 Audit coverage and methodology

Implementation of NPCBB and Fodder and Feed Development programmes during 2001-2006 was reviewed in November-December 2005 and March-April 2006 through test-check of records of the Department/Directorate, head office of the Sanstha in Kolkata and DPDs, DEOs, 39 BLDOs (out of 149), three Frozen Semen Bull Stations (FSBS), three LN (Liquid Nitrogen) plants, 101 AI centres (out of 719) and six³ fodder farms (out of 18) in seven⁴ districts selected by simple random sampling without replacement method.

Before taking up the review, the matter was discussed with the Secretary of the Department, the CEO of the Sanstha, the Director of ARAH and the Joint Director (Fodder) to ascertain the procedures adopted by the Department and the Sanstha for implementation and monitoring of the programmes. After completion of review, audit findings were discussed with the Secretary of the department, the Director of ARAH and the CEO of the Sanstha. The Director and the CEO assured to take appropriate steps to overcome the deficiencies.

³ Haringhata Main and North, Salbani I and II, Beldanga and Jotiakali

⁴ Bardhaman, Hooghly, Jalpaiguri, Malda, Murshidabad, Nadia and Paschim Medinipur

Audit findings

3.5.6 Financial Management

GOI funded the non-recurring expenses⁵ of NPCBB while recurring expenses⁶ were borne by the State Government. The Sanstha received funds directly from Central and State Governments for implementation of NPCBB. Payment of salaries and wages were, however, made by respective drawing and disbursing officers through regular bills as the Department paid the same. Besides, AI charges collected from field were also utilised for implementation of the programme.

State Government funded the Fodder and Feed Development programme. GOI, however, provided assistance in cash and kind for some specific purposes⁷.

3.5.6.1 Delayed submission of micro plan and non-availing of GOI grant

GOI grant of Rs 41.16 crore could not be availed due to delayed submission of micro plan

The Department estimated (September 2001) the project cost (non-recurring) of first phase of NPCBB at Rs 53.90 crore for the period 2001-2006. GOI released (March 2002) first instalment of Rs 6.77 crore and instructed the Department to submit micro plan for NPCBB indicating the time schedule of completion of first phase within 2004-2005. The Department submitted the same only in January 2004 re-estimating the project cost at Rs 59.51 crore to be spent during 2001-2005, which was approved by GOI in April 2004. Due to delayed submission of micro plan and consequential non-utilisation of available funds, out of Rs 59.51 crore sanctioned, GOI released only Rs 18.35 crore.

The sanctioned project cost, funds received and expenditure incurred during 2001-2006 were as below:

Sl No.	Particulars	2001-02	2002-03	2003-04	2004-05	2005-06	Total
(Rupees in crore)							
i)	Sanctioned project cost						
	a) Original	10.16	20.84	16.49	4.12	2.29	53.90
	b) Revised	6.77	0.92	29.86	21.96	NIL	59.51
ii)	Opening balance	-	6.77	6.51	5.25	4.89	
iii)	Receipt of funds						
	a) GOI	6.77	-	-	3.53	8.05	18.35
	b) State Government	-	1.21	1.50	2.91	1.99	7.61
	c) Other receipts	-	2.02	3.01	2.99	2.56	10.58
iv)	Total available fund	6.77	10.00	11.02	14.68	17.49	36.54
v)	Expenditure	-	3.49	5.77	9.79	9.88	28.93
	(Percentage to available fund)		(35)	(52)	(67)	(56)	(79)
vi)	Closing balance	6.77	6.51	5.25	4.89	7.61	7.61
	(Percentage to available fund)	(100)	(65)	(48)	(33)	(44)	(21)

(Source: GOI sanction orders /State Government orders/Sanstha's Accounts.)

Out of total available fund of Rs 36.54 crore, Rs 7.61 crore (21 per cent) remained unspent as of March 2006 mainly on account of delay in execution of different components of NPCBB. Thus, the Sanstha could not avail GOI grant of Rs 41.16 crore (69 per cent of sanctioned fund).

⁵ Creation of infrastructure, procurement of bulls, strengthening of AI network, training of AI workers, etc.

⁶ Establishment cost including salaries and wages, cost of procurement and transportation of liquid nitrogen, frozen semen straw, etc.

⁷ Minikits of fodder seeds for cultivation of fodder/fodder seeds, creation of fodder bank, etc.

The target of completion of first phase of NPCBB by March 2005 could not be achieved.

3.5.6.2 *Non-submission of utilisation certificates*

Utilisation certificates for Rs 3.34 crore were not received

The Sanstha paid Rs 3.34 crore to 22 executing authorities (19 DPDs, one training institute, one FSBS and WBCMPFL⁸) during 2004-06 for implementation of various components of the programme viz. setting up a new training centre at Kolkata, strengthening of existing four training centres, training of AI workers, strengthening of cattle farms, and organisation of fertility camps and awareness camps. The Sanstha did not take any action till March 2006 for obtaining expenditure statement/ utilisation certificate and also for ascertaining the physical progress of works/ schemes for which the funds were released.

The department stated (September 2006) that steps were being taken to obtain all expenditure statements at the earliest.

Programme Implementation

3.5.7 *Cattle and Buffalo Development Programme*

According to livestock census 2003, there were 68.60 lakh breedable cattle in the State, which were non-descriptive⁹ and poor yielder¹⁰. In order to bring 100 *per cent* breedable cattle under comprehensive AI programme within ten years through expansion of AI network and strengthening of Frozen Semen Bull Stations (FSBS), the department was to prepare a concrete breeding policy¹¹ and also to provide adequate infrastructural facilities for artificial insemination. The scheduled time for completion of the first phase was originally fixed at March 2005, but was subsequently extended to March 2006.

The progress of implementation was far behind the schedule in terms of coverage of cattle under AI, door-step delivery of AI services, capacity utilisation of FSBS, due to non-finalisation of breeding policy, non-provision of adequate AI facilities and lack of monitoring and supervision of AI programmes, as discussed in the subsequent paragraphs.

3.5.7.1 *Non finalisation of breeding policy*

Breeding policy of the State was not finalised even after five years of implementation of the scheme

NPCBB emphasised on fixation of breeding policy through identification of good quality indigenous breeding bulls on field performance recording. Pending finalisation of modernised breeding policy, the department adopted (March 2001) an interim breeding policy for cross breeding by Jersey and Holstein-Friesian maintaining the level of exotic inheritance at 50/75 *per cent* depending on different agro-climatic zones of the state. A long term breeding policy of the State proposed (September 2005) by the Sanstha was yet to be finalised by the Department as of March 2006.

⁸ West Bengal Co-operative Milk Producers Federation Limited

⁹ Pedigree and breed of the cattle were not known

¹⁰ 400 kg per lactation as compared to 1500 kg per descriptive breed in other States

¹¹ Policy for cross breeding by specified categories of good quality indigenous bulls

3.5.7.2 Poor coverage of breedable cattle under Artificial Insemination (AI)

The target and coverage of breedable cattle under AI as well as output in quantitative terms during 2001-2006 (as of February 2006) is indicated in the table below:

Particulars	2001-02	2002-03	2003-04	2004-05	2005-06
	(I n l a k h)				
i Number of breedable cattle in the State	61.04 ¹²	61.04	68.60 ¹³	68.60	68.60
ii Target of coverage of breedable cattle under AI Programme	4.30	6.42	12.55	16.10	7.20
iii Coverage of cattle under AI ¹⁴ (percentage to target)	4.02 (93)	4.30 (67)	4.73 (38)	5.70 (35)	5.51 (77)
iv Percentage of coverage to total breedable cattle	7	7	7	8	8
v Shortfall in coverage against target fixed (percentage)	0.28 (7)	2.12 (33)	7.82 (62)	10.40 (65)	1.69 (23)
vi Number of AI done	10.06	10.76	11.83	14.24	13.79
vii Number of calves born	3.10	3.90	3.99	4.72	4.31
viii Percentage of calves born to					
a) AI done	31	36	34	33	31
b) Cattle covered	77	91	84	83	78

It would thus be seen that though there was an increasing trend in targets set for AI during 2001-2005, it was reduced drastically in 2005-2006 mainly due to non-achievement of targets during 2001-2005. Only seven to eight *per cent* of breedable cattle were covered during 2001-2006 under AI indicating that the scheme was way behind the target of 100 *per cent* coverage in ten years.

Only seven to eight *per cent* of breedable cattle were covered under AI

Further, the calf born rate (ranging from 31 to 36 *per cent* of AI done) showed little improvement and each cattle was inseminated 2.5 times (average) for pregnancy.

It was observed that non-creation of adequate number of AI centres coupled with poor performance of AI centres, insemination without detecting proper heating period of cattle, lack of expertise in AI and non-conducting of regular pregnancy diagnosis by AI workers were the main reasons for lower coverage of cattle and low calf born rate.

3.5.7.3 Poor performance of AI centres

According to GOI norms, each AI centre/Pranibandhu¹⁵ was to inseminate 800 cattle in a year. During each of the years 2001-2006, number of cattle inseminated ranged from 87 to 105 in case of each AI centre and from 63 to 99 in case of each Pranibandhu. Against capacity of inseminating 172.44 lakh cattle during 2001-2006 by Government AI centres and Pranibandhus, 19.64 lakh (11 *per cent*) cattle were inseminated as indicated below:

Year	Number of Government AI Centres	Number of Pranibandhu	Total	Capacity of AI as per norm	AI done	Shortfall
				(Number of cattle in lakh)		
2001-2002	2651	Nil	2651	21.21	2.79	18.42
2002-2003	2668	1214	3882	31.05	3.53	27.52
2003-2004	2603	2231	4834	38.67	3.89	34.78
2004-2005	2562	2505	5067	40.54	4.65	35.89
2005-2006	2437	2684	5121	40.97	4.78	36.19
Total				172.44	19.64	152.80

¹² As per live stock census, 1997

¹³ As per live stock census, 2003

¹⁴ Includes coverage by Co-operative Societies and NGOs

¹⁵ Private AI workers engaged by the Sanstha

Against capacity of inseminating 172.44 lakh cattle during 2001-2006, only 19.64 lakh cattle (11 per cent) were inseminated.

Thus, 89 per cent of capacity of administering AI remained unutilised indicating poor performance of AI centres. Infrastructures created by the Sanstha at a cost of Rs 6.68 crore through procurement of liquid nitrogen containers for preserving frozen semen straws (Rs 5.80 crore), training to AI workers/Pranibandhus (Rs 0.80 crore) and payment of grants to Pranibandhus (Rs 0.08 crore) during 2001-2006 were, thus, largely underutilised. The department did not investigate the reasons for such poor performance of AI mechanism.

Interaction with Livestock Development Assistants of 101 AI centres, 71 Pranibandhus and 145 cattle owners of 15 villages in nine Blocks disclosed the following reasons for poor performance of AI centres:

- Maintenance of bulls by villagers for commercially rendering natural services to breedable cattle;
- Unauthorised business of AI by private persons using liquid semen of inferior quality collected from stray bulls or bulls having no pedigree;
- Lack of expertise among Pranibandhus resulting in repetition of AI on single cattle, which was uneconomic¹⁶ to cattle owners leading to reluctance in accepting AI service;
- Absence of awareness and motivation among villagers about AI services due to lack of coordination amongst cattle owners, AI workers/Pranibandhus and block level offices;
- Absence of monitoring and supervision over performance of AI centres and Pranibandhus;
- Reluctance of people of border areas in AI activities due to fear of cattle lifting by miscreants; and
- Non availability of breedable cattle for AI services in forest fringe areas, where natural service was rendered by bulls grazing in the field.

The Sanstha did not take remedial measures for motivating cattle owners to accept AI instead of natural service and for identifying potential areas for opening of new AI centres. Efficiency of AI workers/Pranibandhus was also not evaluated from time to time for optimum utilisation of their services and to avoid repetitive AI on single cattle.

The department stated (September 2006) that steps had been taken for detection of heat by using heat detection instrument for more fruitful results of AI.

3.5.7.4 Non-achievement of target of creating AI centres

Although NPCBB emphasised creation of sufficient number of mobile AI centres and conversion of existing stationary AI centres into mobile centres by providing portable LN containers and AI inputs for delivering AI service at farmers' doorstep, the Sanstha did not assess the total number of mobile AI centres required for this purpose.

¹⁶ Rs 60 is charged by Pranibandhus for each AI

Target of creating AI centres and engaging pranibandhus remained unachieved

Against the target of creating 3425 AI centres by March 2005 as per working plan, the Sanstha established 2437 centres as of March 2006. In fact, the number of functional AI centres showed a downward trend (from 2651 in 2001-2002 to 2437 in 2005-2006). Out of 2437 AI centres, only 754 centres (31 per cent) were converted into mobile centres. The Sanstha also engaged 1214 to 2684 Pranibandhus during 2002-2006 against requirement of 3245 Pranibandhus as targeted in work plan. Reasons for shortfall in creation of targeted number of AI centres, engagement of Pranibandhus and conversion of stationary centres into mobile centres were not available on record. Due to non-achievement of target, 194 Gram Panchayats remained uncovered under AI programme (August 2006).

The Chief Executive Officer stated (May 2006) that the matter was under consideration of the Sanstha.

3.5.7.5 *Poor performance of Frozen Semen Bull Station (FSBS)*

Non-achievement of production target led to procurement of FSS costing Rs 1.18 crore from outside agencies

During 2001-2006, against the target of production of 90.68 lakh Frozen Semen Straws (FSS), three FSBSs in the State produced 53.82 lakh FSSs (59 per cent). Non-availability of collection bulls¹⁷ was the main reason for shortfall in production of FSS. Against the capacity of maintaining 155 collection bulls in three FSBSs, actual number of bulls retained ranged between 45 and 76 during 2001-2006. The Sanstha procured 14.20 lakh FSSs from outside agencies at a cost of Rs 1.18 crore to meet the requirement of AI programme during 2001-2006.

Further, the capacity (40 bulls each) of FSBSs at Salboni and Haringhata was enhanced to 87 bulls and 50 bulls in May 2004 and March 2005 respectively incurring expenditure of Rs 64.62 lakh on construction of sheds, drainage system, etc.; without any plan for procurement of collection bulls. Only 32 and 29 bulls were maintained in FSBSs at Salbani and Haringhata respectively during 2004-2006.

Thus, due to under-utilisation of capacity of FSBSs, the Sanstha had to incur an extra expenditure of Rs 1.18 crore on procurement of FSSs besides incurring unfruitful expenditure of Rs 64.62 lakh towards enhancement of capacity of these FSBSs.

The department intimated (September 2006) that collection bulls would be available within the next six months.

3.5.7.6 *Procurement of bulls*

There was no target for procurement of bulls. While purchasing the bulls neither any action was taken for checking the quality of bulls nor was the maturity of the bulls assessed.

Between September 2003 and May 2005, 199 bulls of indigenous pedigree and descriptive quality were purchased at Rs 41.77 lakh for mating by natural

¹⁷ Bulls matured for collection of semen

service (100 bulls) in selected areas and production of FSS (99 bulls). Of these bulls, 16 bulls died and nine were sold in auction at Rs. 0.45 lakh between August 2004 and June 2006 due to detection of diseases, poor quality of semen, etc; 18 were distributed between November 2005 and April 2006 in Purulia (eight) and Bankura (10) districts for natural mating, while 105 bulls were not matured as of July 2006.

Thus, procurement of 130 bulls without verifying their maturity and quality led to unfruitful expenditure of Rs 26.84 lakh.

The department intimated (September 2006) that those bulls were expected to attain maturity within the next six months and would be distributed among FSBSs and for natural services.

3.5.7.7 Poor performance of liquid nitrogen (LN) plants

Up to December 2004 the Sanstha operated nine liquid nitrogen (LN) plants with capacity of producing 10 litres of LN per hour by each plant. During April 2001 to December 2004, nine plants produced 13.64 lakh litres of LN against capacity of producing 27.30 lakh litres in 2.73 lakh available¹⁸ hours.

Underutilisation of capacity of LN plants led to purchase of LN incurring net avoidable expenditure of Rs 0.28 crore

Non-availability of operational staff and frequent fluctuation of voltage were the main reasons for shortfall in production. The Sanstha procured 19.72 lakh litres of LN costing Rs 2.32 crore from outside agencies during above period to meet the requirement of AI programme. Thus, under-utilisation of capacity of plants resulted in avoidable expenditure of Rs 0.28 crore (excluding cost of electricity) towards procurement of 13.66 lakh litre of LN.

In view of low productivity leading to high cost of production, the department decided (June 2004) to close the plants. Out of nine plants, five were closed and one remained inoperative since January 2005. Remaining three plants produced 1.09 lakh litre of LN during January 2005 to March 2006 to meet the requirement of two FSBSs and the Central Store.

An expert committee, constituted in March 2005, for disposal of assets (value: Rs 2.80 crore) of five closed plants, fixed (May 2005) the reserve price at Rs 1.49 crore. No action was taken for disposal of the assets.

The department stated (September 2006) that tenders were invited for sale of these units, but there was no response and that steps had been taken for re-tendering the matter.

3.5.7.8 Improper maintenance of records

There was no system of identification and recording of cattle brought under AI and their performance. The system of maintaining AI cards by AI Centres was also not introduced. In 101 test-checked AI centres, the AI and Calf Born Registers were not properly maintained to indicate number of cattle covered excluding heat repeat cases, whether pregnancy diagnosis was done or not,

¹⁸ Each plant is to be shut down for three hours after continuous running for 40 to 48 hours and thus 674 operating hours were available in a month

date of calving, etc. As a result, the reports and returns generated on the basis of such registers were not reliable. Pranibandhus were not provided with prescribed AI and Calf Born Registers and hence, their performance was not properly recorded.

3.5.8 Fodder and Feed Development Programme

Green fodder is an important component of livestock feed and nutrition which increases productivity of milk and develops immunity against diseases. The Department did not assess the requirement of fodder in the State.

3.5.8.1 Non-achievement of target of production of fodder

Against target of production of 1.04 lakh MT of fodder and 595.17 MT of fodder seed by 18 fodder farms during 2001-2006, actual production was merely 0.46 lakh MT and 295.76 MT respectively resulting in huge shortfall in production of fodder (56 per cent) and fodder seed (50 per cent).

It was noticed that non-adherence to harvesting norms, sowing of non-certified seeds without conducting germination test, pilferage and grazing of crops before harvesting, water logging in farm land and defunct irrigation system were the main reasons for shortfall in production.

The department stated (September 2006) that steps had been taken to reduce the gap between target and achievement in respect of fodder and fodder seed production.

3.5.8.2 Non-achievement of norms of production

Scrutiny of records of six fodder farms¹⁹ showed that according to norms²⁰ of production, 0.27 lakh MT of fodder²¹ could be produced by sowing 64.92 MT fodder seeds and 799.16 MT of fodder seeds could be produced sowing 11.08 MT of fodder seeds, against which actual production was 0.06 lakh MT (22 per cent) of fodder and 182.39 MT (23 per cent) of fodder seeds. The shortfall in production of fodder and fodder seeds was attributable to sowing of sub-standard/non-certified seeds. No seed certification programme was undertaken for production of quality seeds.

Non-achievement of production norms led to loss of production of fodder/fodder seed

The department intimated (September 2006) that necessary action had been taken to produce quality fodder seed.

3.5.8.3 Loss of production due to non-fulfilment of cropping intensity

Against cultivable area of 1028.52 hectare in 18 farms, annual cropping intensity was 1514.78 hectare considering availability of 1028.52 hectare for kharif season and irrigated area of 243.13 hectare for two more seasons (pre-kharif and rabi). Thus, total available cropping intensity was

¹⁹ Salboni I and II in Paschim Medinipur, Haringhata Main and North in Nadia, Jotiakali farm in Jalpaiguri and Beldanga farm in Murshidabad district.

²⁰ Maize- 27.5 MT of fodder by sowing 90 kg seed in one hectare, MP Chari- 29 MT of fodder by sowing 45 kg seed in one hectare and Oats- 35 MT of fodder by sowing 77.5 kg seed in one hectare.

²¹ Three varieties viz. maize, MP Chari and oats.

7573.90 hectare during 2001-2006, of which only 3950.75 hectare (52 per cent) was covered under cultivation.

Shortfall in production of fodder led to avoidable purchase of cattle feed costing Rs 3.06 crore

Test-check of records of two fodder farms²² revealed that against the cropping intensity²³ of 3283 hectare, 1760 hectare was cultivated during 2001-2006 leading to shortfall in production of 41273 MT of fodder due to non-cultivation in 1523 hectare. As a result, these two farms, though meant for catering to the needs of Haringhata Cattle Farm (HCF), supplied only 25853 MT of fodder to HCF during 2001-2006 against requirement of 47677 MT. Consequently, HCF procured from the market 5289 MT of concentrated cattle feed costing Rs 3.06 crore during 2001-2006. Thus, non-achievement of cropping intensity resulted in an avoidable expenditure of Rs 3.06 crore.

The department stated (September 2006) that steps had been taken to increase the overall cropping intensity.

3.5.8.4 Irrational deployment by fodder farms and operating loss

Six fodder farms sustained operating loss of Rs 34.33 crore during 2001-2006

The farms neither worked out their economic viability nor did the Department ask them to submit their financial performance reports. In six²⁴ test-checked farms, against total expenditure of Rs 37.15 crore (pay and allowances: Rs 33.53 crore, contingency: Rs 1.86 crore and production cost: Rs 1.76 crore), the value of production was only Rs 2.82 crore as per sale price of the Directorate (market price was not available to compare the sale price) indicating an operating loss of Rs 34.33 crore during 2001-2006.

Besides, low productivity and low cropping intensity, the huge operating loss was mainly attributable to high establishment cost (95 per cent). The value of farm produce constituted only eight per cent of establishment expenses (Rs 35.39 crore).

Annual average deployment of staff in these farms during 2001-2006 was as below:

Farm	Average cultivated area per year (Hectare)	Number of farm worker (percentage to total strength)	Number of other staff (percentage to total strength)	Total staff	Deployment per hectare	
					Farm worker	Other staff
Two farms at Haringhata	352	192 (70)	83 (30)	275	0.55	0.24
Two farms at Salboni	266	171 (91)	17 (9)	188	0.64	0.06
One farm at Beldanga	7	2 (50)	2 (50)	4	0.29	0.29
One farm at Jotiakali	11	1 (10)	9 (90)	10	0.09	0.82

Wide variation in per hectare deployment of farm worker (0.09 to 0.64) and other staff (0.06 to 0.82) also indicated absence of any norm of deployment of manpower.

The department did not undertake any exercise to assess the manpower requirement and rationalise the staff position of the farms to optimise manpower utilisation.

²² Haringhata Main and Haringhata North

²³ 414.66 hectare in kharif season and 120.97 hectare in pre-kharif and rabi seasons during each of the years 2001-2006

²⁴ Two farms in Haringhata, two in Salboni, one each in Beldanga and Jotiakali

The department stated (September 2006) that steps had been taken to minimise the operating loss of fodder farms.

3.5.8.5 Non-commissioning of fodder bank

Non-commissioning of fodder bank led to unfruitful expenditure of Rs 55 lakh

For preservation of fodder to meet nutritional requirement of livestock during the period of scarcity and natural disaster, GOI approved (December 1993) establishment of a fodder bank at Salboni (capacity: 35 MT) at a cost of Rs 55 lakh to be borne by Central and State Governments in the ratio of 75:25. The amount was handed over to the Director of ARAH in March 1995 and utilisation certificate of Rs 55 lakh was submitted to GOI in February 2005. The fodder bank was, however, not commissioned (August 2006) due to non-supply of air compressor and molasses storage tank by National Dairy Development Board (NDDB) despite advance payment (May 2004) for the same (Rs 3.50 lakh) to NDDB, rendering the entire expenditure of Rs 55 lakh unfruitful and resulting in non-achievement of the objective of the scheme.

3.5.8.6 Encroachment of a fodder farm

Katwa fodder farm remained under encroachment since 2000

In Katwa (Bardhaman) fodder farm, the entire area of 11.12 hectare was unauthorisedly occupied by local people since 2000 and encroachers were not evicted as of May 2006, though BLDO Katwa and DD of ARD, Bardhaman had reported the matter to police (September 2000) and SDO, Katwa (October 2000). The Director of ARAH also reported (June 2003) the matter to the Department but no action was taken to remove the encroachers from farm's land. Four staff of the farm remained idle rendering the expenditure of Rs 15.82 lakh towards their pay and allowances during 2001-2006 unproductive.

3.5.8.7 Lack of accountability in promotional activities

Under promotional activities for increasing production of cattle feed, the department spent Rs 66.71 lakh during 2001-2005 for demonstration and distribution of 73959²⁵ fodder seed minikit (Rs 42.36 lakh), revival and strengthening of pasture land (Rs 2.95 lakh), establishment of Kissan Van (Forestry) for biomass production (Rs 7.26 lakh) and enrichment of straw and cellulose waste (Rs 14.14 lakh). Minikits were supplied to Deputy Directors (ARAH) of each district for distribution amongst farmers.

The Department, however, did not have any feedback on the scheme from the district offices. No district level monitoring and evaluation committee was formed (May 2006) either, despite issue of order (June 2005) by the Directorate.

3.5.9 Monitoring and Supervision

The department neither prescribed any system of monitoring and supervision nor formulated any norms of field visits by the State/district/block level officers in respect of both 'cattle and buffalo development' and 'fodder and

²⁵ 33033 minikit costing Rs 46.04 lakh provided by State Government and 40926 minikit received from GOI free of cost.

Monitoring mechanism was not adequate and effective

feed development' programmes. According to GOI guidelines for NPCBB, a district level implementation committee under the chairmanship of District Collector was to be formed for monitoring the programme. Although such committees were stated to be formed, the minutes of meetings of such committees of selected districts were not produced to audit, though called for.

The Sanstha developed a computerised management information system (MIS) through wide area network connectivity at Sanstha's head office in Kolkata, district offices and FSBSs at a cost of Rs 54.95 lakh. Although the Sanstha received the reports and returns on implementation of NPCBB from district offices and FSBSs through MIS network, no field level supervision was conducted for enforcing the accountability of field functionaries. There was also no system of monitoring of the performance of AI centres by district/block level officers. The Department neither reviewed the performance of fodder farms from time to time nor took remedial measures for improvement of their performance.

3.5.10 Conclusion

Cattle and buffalo development programme suffered from delay on the part of the department in preparation of micro-plan for implementation of NPCBB, which led to curtailment of central assistance of Rs 41.16 crore affecting the overall success of the programme. Given the current trend of progress of the programme made in the last five years, the prospect of covering all breedable cattle of the State under AI as envisaged in the scheme also seemed remote. The capacity created for AI remained largely unutilised. The calf born ratio also showed little improvement. Poor capacity utilisation of FSBSs (59 per cent) and LN plants (50 per cent) led to avoidable expenditure towards procurement of FSS and LN respectively. The breeding policy of the State was not finalised even after five years of implementation of the project. Fodder and Feed Development programme suffered to a great extent due to ineffective farm management, low cropping intensity, sowing of substandard seeds and high establishment cost of fodder farms. Monitoring and supervision of programmes were also not adequate and effective.

Recommendations

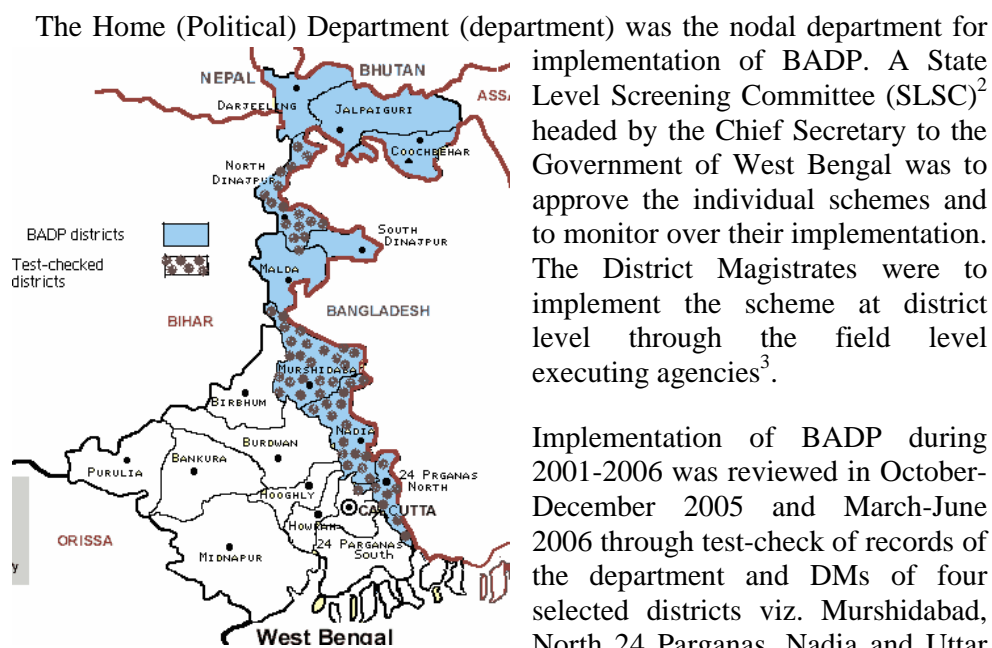
- *There is a need to improve the financial management mechanism for utilisation of scheme funds within the specified period and availment of the entire amount of grants sanctioned by GOI.*
- *The Sanstha should finalise the breeding policy of the State without any further delay.*
- *The performance of AI centres and pranibandhus to achieve the norm of coverage of cattle under AI by each centre should be maintained closely.*
- *The Sanstha should improve the mechanism for procurement of bulls and properly check the quality, health condition and maturity condition of bulls before procurement.*
- *The department should take adequate action to cultivate the available farm land and also to achieve the cropping intensity for enhancement of production of fodder and fodder seed.*

HOME (POLITICAL) DEPARTMENT

3.6 BORDER AREA DEVELOPMENT PROGRAMME

3.6.1 Introduction

Border Area Development Programme (BADP), a hundred *per cent* centrally sponsored programme under the Ministry of Home Affairs, was launched during Seventh Plan with the twin objectives of balanced development of sensitive border areas through adequate provision of infrastructural facilities and promotion of a sense of security amongst the local people. During Eighth Plan (1992-1997), emphasis was laid on meeting the special developmental needs of the people living in remote and inaccessible areas along the international border. In West Bengal, the programme was implemented since 1993-1994 in nine¹ border districts having total border length of 2500 kms.



The Home (Political) Department (department) was the nodal department for implementation of BADP. A State Level Screening Committee (SLSC)² headed by the Chief Secretary to the Government of West Bengal was to approve the individual schemes and to monitor over their implementation. The District Magistrates were to implement the scheme at district level through the field level executing agencies³.

Implementation of BADP during 2001-2006 was reviewed in October-December 2005 and March-June 2006 through test-check of records of the department and DMs of four selected districts viz. Murshidabad, North 24 Parganas, Nadia and Uttar

Dinajpur covering 35 border blocks out of 68 border blocks in the State. Important points noticed are given in the following paragraphs:

Government of India (GOI) before commencement of each financial year, intimated the amount of BADP fund allocated to the State for the year as Special Central Assistance (SCA). The list of schemes along with estimated cost as approved by SLSC on the basis of proposals of DMs was sent to GOI for release of funds.

¹ Cooch Behar, Jalpaiguri, Darjeeling, Uttar Dinajpur, Dakshin Dinajpur, Maldah, Murshidabad, Nadia and North 24 Parganas

² Screening Committee should include representatives of the Ministry of Home Affairs, representative of border guarding forces operating in the State border, State Planning Secretary, Pr. Secretary of Home Department, etc.

³ Zilla Parisads, Panchayat Samitis, Superintendents of Police, Chief Medical Officers of Health, Executive Engineers of PWD, etc.

3.6.2 Non-availment of central assistance

Special Central Assistance of Rs 39.03 crore was not availed

Against SCA of Rs 209.74 crore allocated by GOI during 2001-2006, the SLSC approved 2119 schemes worth Rs 196.94 crore. Thus, SLSC failed to avail of GOI allocations of Rs 12.80 crore during 2001-2006 as it did not approve adequate number of schemes. Of Rs 196.94 crore approved by SLSC Rs 26.23 crore for 269 schemes was not released by GOI due to non-submission of UCs by the department in respect of funds released earlier.

The position of release of funds by GOI and expenditure incurred there against during 2001-2006 is shown in the following table:

Year of SCA	Opening balance	Funds released	Total	Expenditure incurred	Closing balance
(R u p e e s i n c r o r e)					
2001-2002	35.66	19.78	55.44	37.87	17.57
2002-2003	17.57	45.56	63.13	22.13	41.00
2003-2004	41.00	26.37	67.37	21.52	45.85
2004-2005	45.85	37.40	83.25	28.46	54.79
2005-2006	54.79	41.60	96.39	34.86	61.53
Total	35.66	170.71	206.37	144.84	61.53

It may be seen that out of available funds of Rs 206.37 crore including Rs 170.71 crore received from GOI during 2001-2006, Rs 144.84 crore (70 per cent) were spent up to March 2006.

The entire amount of Rs 41.60 crore released by GOI during 2005-2006 could not be utilised during the year. The unspent funds were parked in Government Account/Personal Ledger (PL) Accounts of DMs or in the Local Fund Accounts of Panchayat Samitis.

3.6.3 Release of funds for different sectors

According to BADP guidelines, total expenditure on infrastructure development viz. construction of roads, culverts, bridges, bridle paths, feeder roads, etc. should not be more than 60 per cent of total allocation in any year while the expenditure on security should be 10 per cent of allotted fund. Table below indicates release of funds under different sectors during each of the years 2001-2006:

Year	Infrastructure	Security	Others ⁴	Total
(R u p e e s i n c r o r e)				
2001-2002	12.13 (61)	4.58 (23)	3.07 (16)	19.78
2002-2003	33.99 (75)	2.40 (5)	9.17 (20)	45.56
2003-2004	14.84 (56)	1.14 (4)	10.39 (39)	26.37
2004-2005	26.57 (71)	1.58 (4)	9.25 (25)	37.40
2005-2006	28.82 (69)	0.76 (2)	12.02 (29)	41.60
Total	116.35 (68)	10.46 (6)	43.90 (26)	170.71

(Figures in parenthesis represent the percentage)

The sectoral limits were not adhered to as Rs 116.35 crore representing 68 per cent of total allocation of Rs 170.71 crore during 2001-2006, were released for infrastructure development on the ground of requirement of

⁴ Other include Education, Health, Agriculture and Social Sectors

infrastructure development on priority basis. Records of four test-checked districts, however, disclosed that execution of such schemes was not prioritised and out of 537 schemes amounting to Rs 54.07 crore, 226 schemes costing Rs 23.37 crore remained incomplete for over one to three years as of March 2006 resulting in deprivation of benefits to the border people.

The areas along the international borders are sensitive from the law and order point of view, but only six *per cent* of total fund was spent in security sector against the norm of 10 *per cent*. Expenditure on other sectors represented 26 *per cent* of available fund against the norm of 30 *per cent*.

Thus, the allotted fund was disproportionately utilised for different schemes in violation of the BADP guidelines.

3.6.4 Spending of BADP fund in non-border blocks

The programme guidelines stipulated that the schemes financed by BADP should be implemented within the border blocks only. In violation of this stipulation, SCA of Rs 3.01 crore was spent on 37 schemes in eight non-border blocks, as the SLSC had approved the schemes without verifying their locations. The DM, Uttar Dinajpur stated (June 2006) that BADP fund of Rs 1.08 crore was utilised in non-border blocks in consideration of proposals of the concerned block officials and Rs 5.31 lakh was diverted to a non-border block at the instance of the Minister of State, Home (Civil Defence). He further added that action would be taken to avoid deviation from BADP guidelines. DM, Murshidabad while admitting the facts stated (January 2006) that schemes pertaining to non-border blocks would not be approved in future.

Grant of Rs 3.01 crore was spent on 37 schemes in eight non-border blocks

3.6.5 Irregular submission of utilisation certificates (UC)

According to BADP guidelines all funds released were to be utilised within the same year and consolidated UC was to be sent to GOI within one month of the closure of that year.

There were delays of 14 to 29 months in submission of UCs in respect of funds received during 2002-2005; while UC for the funds received in 2001-2002 had been submitted only in September 2005 (delay of 41 months). Moreover, the department submitted UCs to GOI without verifying the expenditure incurred by the executing agencies. Test-check disclosed the following:

UCs for Rs 84.98 lakh though not spent, were submitted to GOI

- In three districts⁵, 72 schemes were completed during 2001-2005 at an expenditure of Rs 3.82 crore out of Rs 4.20 crore released to DMs. UCs for the entire amount were submitted though the surplus fund of Rs 38 lakh was parked in PL accounts of DM (Rs 16 lakh) and Local Fund Accounts of ZP/Panchayat Samitis (Rs 22 lakh).
- The department submitted UCs for entire amount of SCA received during 2001-2003 even though Rs 28.71 lakh allotted to two implementing agencies⁶ were not drawn by them.

⁵ Uttar Dinajpur, North 24-Parganas and Nadia

⁶ DM, Murshidabad: Rs 20.50 lakh for construction of road and market and Controller of Civil Defence, Kolkata: Rs 8.21 lakh for procurement of two diesel jeeps

The department submitted UC for the whole amount of Rs 45 lakh (construction of girls' hostel-Rs 30 lakh and community hall-Rs 15 lakh in Bagda block of North 24 Parganas although Rs 18.27 lakh remained unspent with Bagda Panchayat Samity as of June 2006.

Surplus fund of Rs 34.79 lakh was not refunded

In Nadia, construction of two fire stations at Karimpur, taken up at an estimated cost of Rs 74.79 lakh was completed in February 2004 at a cost of Rs 50 lakh. Rupees 10 lakh released for construction of roads in Ranaghat-II block was not utilised due to construction of the same road under PMGSY. The surplus fund of Rs 34.79 lakh was retained by the DM, Nadia in violation of the programme guidelines.

3.6.6 Irregular expenditure

Scheme fund of Rs 42.81 lakh was diverted without approval of SLSC

In September 2003, Rs 41.50 lakh was released to DM, Uttar Dinajpur for electrification of eight mouzas (Rs 25 lakh) and construction of roads (Rs 16.50 lakh). Instead of executing the above works the DM spent Rs 37.12 lakh on construction of a Circuit House at Karnajora, Raigunj and a building for District Primary School Council without obtaining approval of SLSC. The balance amount of Rs 4.38 lakh was parked in PL account of DM. Thus, the people of the border blocks were deprived of electricity and required roads.

Further, during 2001-2005, the DM, Uttar Dinajpur spent BADP funds of Rs 5.69 lakh towards payment of wages and ad-hoc bonus to the contingency/contractual staff engaged in his office without obtaining approval of SLSC for such diversion of scheme fund.

Grants of Rs 37.02 lakh was irregularly spent

The department released Rs 25 lakh in September 2003, Rs 11 lakh in September 2005 and Rs 17 lakh in January 2006 for the schemes, which were already completed between July 2005 and December 2005 at a total cost of Rs 40.45 lakh as these were approved by SLSC for the second time on the basis of proposals of DM. Instead of refunding the funds received for the same schemes, the DM spent Rs 34.41 lakh for construction/renovation of roads, culverts, etc. in other border blocks and Rs 2.61 lakh in a non-border block (Itahar) without obtaining approval of SLSC. The surplus fund of Rs 23.53 lakh was retained in PL account of DM.

The DM, Uttar Dinajpur stated (June 2006) that steps would be taken to avoid such practice in future.

3.6.7 Execution of schemes

According to BADP guidelines, scheme-wise quarterly progress reports were to be submitted to GOI indicating physical and financial achievements. The department, instead of furnishing physical progress reports, submitted reports indicating only the expenditure in percentage of SCA received. As a result, physical performance of the programmes and nature of assets created under BADP were not ascertainable from the records of the department. Further, the district nodal authorities did not maintain required data viz. date of commencement of works, scheduled date of completion, actual date of completion, etc. in respect of schemes executed by them. As a result, the time over run was also not ascertainable in audit.

597 schemes costing Rs 61.53 crore remained incomplete

According to the UCs submitted by the department to GOI, out of 1850⁷ schemes for which funds aggregating Rs 170.71 crore was released by GOI during 2001-2006, only 1253 schemes costing Rs 109.18 crore were executed as of March 2006 and 597 schemes costing Rs 61.53 crore remained incomplete mainly due to delayed release of funds by DMs and submission of incorrect estimates to SLSC as discussed in the succeeding paragraphs.

Delayed release of funds by DMs resulted in non-execution of 204 schemes valuing Rs 23.38 crore

3.6.7.1 Delayed release of funds by DMs

There were delays in release of funds by DMs of Uttar Dinajpur (one to three months for 62 schemes costing Rs 3.79 crore, more than three to 12 months for 99 schemes costing Rs 11.85 crore and more than 12 months for 29 schemes costing Rs 3.66 crore) and North 24-Parganas (one to three months for nine schemes costing Rs 2.13 crore, more than three to 12 months for five schemes costing Rs 1.95 crore). As a result, 204 schemes remained unexecuted despite availability of funds, which were lying idle in PL Accounts of DMs.

It was also seen that the department released (February 2004 to December 2004) Rs 2.51 crore to DM, North 24 Parganas for electrification of 35 mouzas. The funds were placed with West Bengal State Electricity Board for execution of the works only in December 2005 (Rs 1.51 crore) and January 2006 (Rs one crore). Due to delayed payment to WBSEB; the scheme remained un-executed even after lapse of about two years depriving the targeted population of electricity facilities.

3.6.7.2 Submission of incorrect estimates

SLSC approved schemes on the basis of proposals along with estimates submitted by DMs of respective districts. Test-check disclosed that in a number of cases the estimates proved inaccurate during execution and the schemes suffered from shortage of funds.

Unfruitful expenditure of Rs 7.31 crore on 106 abandoned schemes



Incomplete construction of Subarnamgiri bridge and approach road at Bhagawangola block in Murshidabad remaining abandoned since March 2003



Incomplete construction of Aurangabad High Madrasa at Suti-II block of Murshidabad remaining suspended since January 2005

⁷ Construction and/or renovation of roads, bridges, culverts, flood protection dam, school buildings, market complexes, community centres, primary health centres, police stations, police quarters, water treatment plants, deep tube-wells, pumping stations, etc.

The cost of 106 schemes was re-estimated to Rs 10.04 crore after release of Rs 7.46 crore as originally estimated by DMs and sanctioned by SLSC. The construction works of all these schemes remained abandoned (as of March 2006) for 12 to 53 months after incurring expenditure of Rs 7.31 crore due to shortage of funds. No action was taken by DMs for arranging the balance amount of Rs 2.58 crore required for completion of the schemes, thereby rendering the expenditure of Rs 7.31 crore unfruitful.

In another case, on the basis of a proposal for construction of a swimming pool at Karnajora, Raigunj at an estimated cost of Rs 28 lakh, the DM, Uttar Dinajpur received BADP funds of Rs 24.63 lakh, Tenth Finance Commission funds of Rs 3.12 lakh and District Plan Fund of Rs 0.25 lakh during February 2002 to June 2004. An additional amount of Rs 9.47 lakh was required to complete the work and the work was kept suspended after incurring expenditure of Rs 28 lakh as SLSC refused (July 2003) to release further funds. No action was taken by the DM for obtaining the required funds from other sources and the scheme remained abandoned resulting in unfruitful expenditure of Rs 28 lakh.

While submitting the proposal for installation of arsenic treatment units (ATUs) for ten border outposts in Murshidabad, procurement of 35 KV generator sets required for running the ATUs was not considered. No action was taken for submission of proposal for installation of generator sets even though the ATUs were installed in January 2005 at a cost of Rs 12 lakh. As a result, the ATUs remained idle for over 16 months as of June 2006 resulting in unfruitful expenditure of Rs 12 lakh.

3.6.8 *Unfruitful expenditure*

Imprudent selection of schemes led to unfruitful expenditure of Rs 34.45 lakh

One shopping centre constructed in June 2005 at Karimpur-II block in Nadia after incurring an expenditure of Rs 20.45 lakh for providing shops to the local people on payment of salami and monthly rent was lying unutilized as of March 2006 due to lack of demand. Construction of the shopping centre without assessing the demand of shops among local people resulted in unfruitful expenditure of Rs 20.45 lakh.

Out of three flood relief shelters constructed in 2001 at a cost of Rs 21 lakh in Sandeshkhali-I Block of North 24-Parganas, two shelters at Kalinagar and Rajbari remained unutilised as the flood victims denied to stay there due to improper location and inaccessibility rendering their cost of construction (Rs 14 lakh) unfruitful.

3.6.9 *Lack of involvement of Gram Panchayat*

According to BADP guidelines, village level institutions like Gram Panchayats should be involved in identification of priority areas and finalisation of schemes to be taken up under BADP, as the people living in border areas should have a direct say in the selection of schemes. It was noticed that in four test-checked border districts the schemes were selected and proposed by the District Magistrates without involving the Gram Panchayats.

The DM, Murshidabad stated (January 2006) that special stress would henceforth be made for involving grass root organisations at the time of selection of schemes while the DMs of other districts did not furnish any reply.

3.6.10 Monitoring and evaluation

The State Government was to closely monitor implementation of BADP and carry out inspection of works from time to time to ensure their quality and timely completion. The reports of such inspections and scheme wise quarterly progress reports in the prescribed proforma indicating physical and financial achievements were to be submitted to GOI, Ministry of Home Affairs. The DMs did not submit scheme-wise progress reports to the department and the department also did not monitor the physical performance of the schemes. As a result, the department submitted the progress reports to GOI showing only the expenditure incurred for each scheme without mentioning the physical progress of schemes.

The department could not produce any record, though called for, in respect of number of inspections carried out by the officers of the State Government. Thus, monitoring over the progress of execution of the schemes by the State Government was inadequate.

3.6.11 Conclusion

The Border Area Development Programme failed to create the desired impact in balanced development in border areas, despite availability of adequate funds. Non-submission of sufficient number of schemes coupled with delayed submission of utilisation certificates resulted in non-availment of full quantum of GOI assistance affecting developmental works. Delays in release of funds and preparation of incorrect estimates led to non-completion and abandonment of schemes denying the targeted population of the desired benefits. There was lack of involvement of gram panchayats in selecting schemes. Inadequate monitoring over implementation of schemes coupled with non-submission of physical progress reports adversely affected the programme.

Recommendations

- *The department should fix a cut off date for submission of proposals so that the schemes sanctioned by the SLSC reach GOI in time to avoid curtailment of GOI assistance.*
- *Delay in release of funds to executing agencies should be avoided to ensure timely commencement of works.*
- *Meaningful participation of the Gram Panchayats should be ensured in selection/recommendation of schemes by making written recommendation of GPs mandatory.*
- *The monitoring mechanism should be made effective by holding regular meetings and conducting field visits by the officers of the department.*

Government accepted (September 2006) the audit recommendations and stated that the DMs and other implementing authorities were being requested to avoid procedural lapses; necessary remedial measures were also being taken.

