

Annexure 1 (Refer to para 4.1.1, 4.1.2 and 4.2.1)**A. Status of Coverage of Districts/Blocks/FPS in State/UTs of Performance Audit**

Sl. No	Name of the State/UT	Total No. of Districts	Selected and Audited No. of		
			Districts	Blocks/Talukas	FPS
1	Andhra Pradesh	23	5	15	60
2	Arunachal Pradesh	15	4	12	48
3	Assam	23	6	18	72
4	Bihar	38	8	24	96
5	Chhattisgarh	16	4	12	61
6	Goa	2	2	5	11
7	Gujarat	25	6	16	64
8	Haryana	20	4	12	58
9	Himachal Pradesh	12	3	9	36
10	Jammu & Kashmir	14	3	9	35
11	Jharkhand	22	5	15	60
12	Karnataka	27	6	18	72
13	Kerala	14	4	12	48
14	Madhya Pradesh	48	10	32	161
15	Maharashtra	35	7	21	84
16	Manipur	9	3	7	28
17	Meghalaya	7	3	7	28
18	Mizoram	6	4 (DCSO)	45Centres	25
19	Nagaland	11	3	9	30
20	Orissa	30	7	21	84
21	Punjab	17	4	12	48
22	Rajasthan	32	7	21	84
23	Sikkim	4	3	8 (FG)	45
24	Tamil Nadu	31	7	21	84
25	Tripura	4	3	9	40
26	Uttaranchal	13	3	28	273
27	Uttar Pradesh	70	16	48	192
28	West Bengal	19	4	9	48
29	Andanan & Nicobar Islands	2	1	3	12
30	Chandigarh	1	1	1	6
31	Delhi	9	3	9 (CO)	36
32	Lakshadweep	1	1	1	4
33	Pondicherry	1	1	2 Regions	12
34	Dadra & Nagar Haveli	1	1	1	4
	Total	602	152	492	2049

B. Surveys/ studies got conducted by field Audit Offices

The Audit had undertaken beneficiaries' survey in Manipur and Delhi to ascertain efficacy of PDS and level of consumer satisfaction. Sample design in these cases was as under:

		Manipur	Delhi
(i)	Number of Districts selected	8 (4 from valley and 4 from Hilly areas)	3
(ii)	Number of consumers selected	2013 AAY	875 BPL & 260 AAY
(iii)	Basis of selection	Simple Random Sampling	Simple Random Sampling

Besides, in **Tripura** a survey was also got conducted by sending questionnaires to 600 beneficiaries asking them whether they had received foodgrains as per scale regularly under AAY. Out of 600 beneficiaries, 348 responded of which 311 stated that they received foodgrains as per scale regularly, 32 beneficiaries did not mention any thing about receiving of foodgrains and 5 beneficiaries pointed out improper selection of beneficiaries and distribution of sub-standard foodgrains.

Annexure 2 (Para 5.4.2.1)**Uttar Pradesh****Details of wheat required & incidental charges**

Year	Wheat required to be retained by State Govt. (in lakh MT)	Rate of incidental charges (Rs/MT)	Avoidable expenditure (Rs. in lakh)	Average rate of handling charges (Rs./MT)	Avoidable expenditure (Rs. in lakh)	Average rate of movement cost (Rs./MT)	Avoidable expenditure (Rs. in lakh)	Total avoidable expenditure (Rs. in lakh)
2002-03	3.64	779.00	2835.56	120.09	437.13	204.81	745.51	4018.20
2003-04	0.95	1070.90	1017.36	127.46	121.09	121.17	115.11	1253.56
2004-05 (Prov.)	1.36	1150.50	1564.68	178.95	243.37	135.32	184.04	1992.09
Total								7263.85

Annexure 3 (Para 5.4.2.1)**Uttaranchal****Comparison of Establishment, Handling & Movement Cost**

Year	Volume of of Operation (in lakh MT)	Estt.cost (Rs.in Lakhs)	Estt. Cost Per MT (in Rs)	Handling Charges (Rs.in Lakhs)	Handling Charges Per MT (Rs.)	Movt Cost (Rs.in Lakhs)	Movement Cost per MT (Rs.)
2001-02	9.35	1081.01	115.62	638.99	68.34	1857.81	198.70
2002-03	8.83	1281.31	145.11	682.61	77.31	1593.39	180.45
2003-04	7.75	1175.88	151.73	536.73	69.26	559.59	72.21
2004-05	6.49	1446.38	222.86	614.37	94.66	1080.37	166.47

- Notes:**
1. Volume of operation includes purchases, sales, transfer in and transfer out.
 2. The element of inflation and increase in wage revision has been ignored

	Particulars	2002-03	2003-04	2004-05 (Prov)
A)i)	Wheat required to be retained By State Govt.(in '000 MT)	42.13	66.48	31.62
ii)	Rate of incidental charges (Rs/MT)	779.00	1070.90	1150.50
iii)	Avoidable expenditure (Rs.in lakh)	328.19	711.93	363.79
iv)	Average rate of handling Charges(Rs/MT)	77.31	69.26	94.66
v)	Avoidable expenditure (Rs.in lakh)	32.57	46.04	29.93
vi)	Average rate of movement Cost(Rs/MT)	180.45	72.21	166.47
vii)	Avoidable expenditure (Rs.in lakhs)	76.02	48.01	52.64
viii)	Total avoidable expenditure On Wheat(Rs.in lakh) (iii+v+vii)	436.78	805.98	446.36
B)i)	Rice required to be retained By State Govt(in '000 MT)	29.09	11.41	0.51
ii)	Rate of incidental charges (in Rs/MT)	776.46	22.06	15.50
iii)	Avoidable expenditure (Rs.in lakh)	225.87	2.52	0.08
iv)	Average rate of handling Charges(Rs/MT)	77.31	69.26	94.66
v)	Avoidable expenditure (Rs.in lakh)	22.49	7.90	0.48
vi)	Average rate of movement Cost(Rs/MT)	180.45	72.21	166.47
vii)	Avoidable expenditure (Rs.in lakh)	52.49	8.24	0.85
viii)	Total avoidable expenditure On rice(Rs.in lakh) (iii+v+vii)	300.85	18.66	1.41
C)	Total avoidable expenditure On wheat and rice (Rs.in lakh)	737.63	824.64	447.77
Total:		737.63 + 824.64 + 447.77 = Rs. 2010.04 lakh		

Annexure 4 (Para 7.2.1.2)

The position of state wise number of BPL households based on Union Government estimates and identified by the state governments As per Ministry's record

(Figures in lakh)

State/UT	BPL households		Excess/short households identified by States/UTs
	As per Union Government	As per States/UTs	
Andaman & Nicobar Islands	0.28	0.17	(-) 0.11
Andhra Pradesh	40.63	140.46	99.83
Arunachal Pradesh	0.99	1.20	0.21
Assam	18.36	18.91	0.55
Bihar	65.23	71.63	6.40
Chandigarh	0.23	0.23	-
Chhattisgarh	18.75	17.48	(-) 1.27
Dadra & Nagar Haveli	0.18	0.16	(-) 0.02
Delhi	4.09	4.11	0.02
Goa	0.48	0.28	(-) 0.20
Gujarat	21.20	36.41	15.21
Haryana	7.89	8.12	0.23
Himachal Pradesh	5.14	2.98	(-) 2.16
Jammu & Kashmir	7.36	7.36	-
Jharkhand	23.94	22.21	(-) 1.73
Karnataka	31.29	70.10	38.81
Kerala	15.54	20.58	5.04
Lakshadweep	0.03	0.01	(-) 0.02
Madhya Pradesh	41.25	52.05	10.80
Maharashtra	65.34	73.60	8.26
Manipur	1.66	1.29	(-) 0.37
Meghalaya	1.83	1.83	-
Mizoram	0.68	0.69	0.01
Nagaland	1.24	1.24	-
Orissa	32.98	48.95	15.97
Pondicherry	0.84	0.95	0.11
Punjab	4.68	7.14	2.46
Rajasthan	24.31	23.74	(-) 0.57
Sikkim	0.43	0.44	0.01
Tamil Nadu	48.63	65.51	16.88
Tripura	2.95	2.95	-
Uttar Pradesh	106.79	106.79	-
Uttranchal	4.98	4.90	(-) 0.08
West Bengal	51.79	47.29	(-) 4.50
Total	651.99651.99	861.76861.76	209.77

Difference in figures of BPL households identified by States/UTs, as per records of the concerned department of many States with reference that of Ministry's figure:

State/UT	BPL households identified by States		difference
	As per Ministry's records	As per State's records	
Andhra Pradesh	40.63	139.40	98.77
Bihar	65.23	73.94	8.71
Jharkhand	23.94	23.94	-
Karnataka	31.29	46.07	14.78
Kerala	15.54	20.35	4.81
Orissa	32.98	53.36	20.38
Sikkim	0.43	0.67	0.24
Tamil Nadu	48.63	*	-
West Bengal	51.79	50.97	(-)0.82
A&N Island	0.28	0.12	(-)0.16

* In Tamil Nadu, there is no demarcation between BPL & APL

Annexure 5 (Para.7.3.2.1)**Statement showing the cases of diversion of food grains meant for PDS**

State	Period	Foodgrains diverted(In MT)Wheat /Rice	Monetary value of Subsidy/ Differential cost	Remarks
Assam	2000-05	292000.00 (wheat/wheat products)	-	Out of central allocation of 16.47 lakh MT, the Directorate re-allocated 14 lakh MT to Roller Flour Mills. In six test checked districts, only 1949 MT (0.66%) of milled atta was distributed during 2000-05 to PDS nominees and balance of 2.92 lakh MT (99.34%) was sold in the open market at PDS rate.
Chhattisgarh	2002-05	23455.43	20.95 crore	In four test checked districts, 0.24 lakh MT of foodgrains costing Rs.20.95 crore was lifted at BPL rate in excess of monthly quota of the districts under BPL & AAY categories.
	-	54.85	-	In Ambikapur district, the permits in excess of quota were issued by DFO in 48 test checked cases involving 54.849 MT. The Department furnished no specific reasons.
Gujarat	2000-05	73286.84 (wheat) 21129.60 (rice)	33.49 crore	Unauthorized diversion of foodgrains from the schemes of lower CIP to those of higher CIP resulted in loss of Rs.33.49 crore to the Union Government and Rs.12.12 crore to the State Government.
		38744.49 (wheat) 2629.84 (rice)	12.12 crore	
Jammu & Kashmir	-	688.91 (APL wheat)	-	-
Karnataka	2000-05	1003255.00 (APL Wheat) 2736545.00 (APL Rice)	-	-
Kerala	2000-05	29095.00 wheat	-	DCS allotted 1.05 lakh MT of wheat for PDS to Kerala State Civil Supplies Corp. Ltd. (KSCSC) for the period 2000-05. Against that only 29095.00 MT of wheat lifted by KSCSC for conversion to Supply atta/wheat powder. As per GOI Order No.4-1/97-DR.III dated 11.12.1997 conversion of wheat into Atta, Sooji, Maida etc. is not permissible for Kerala. Hence the conversion of wheat into atta amounts to diversion of wheat.

Maharashtra	As on 31.3.05	4343.90 (wheat) 2281.50 (rice)	31.82 lakh 71.57 lakh	In Solapur district (excluding Solapur city) and Jalna district as on 31.3.2005, diversion of foodgrains issued at higher CIP to other schemes for which CIP was lower or issued free of cost was noticed in Audit.
	As on Jan.2004	5305.20	-	In Nagpur district, diversion of foodgrains meant for supply under SGRY to other schemes was noticed in Audit.
Meghalaya	2003-04	5379.00 (atta)	3.65 crore	In East Khasi Hills District, wheat lifted by various Chakki Mills for making whole meal atta and its distribution to the APL beneficiaries through FPS centres was lying undistributed with the Chakki Mill dealers. However, the DC attributed the non-lifting of entire atta by the FPS dealers to inferior quality. In order to avoid further deterioration of the Chakki atta due to prolonged storage, the Director of Food, Civil Supplies and Consumer Affairs, Meghalaya, took up the matter (March 2004) with the Government of Meghalaya for early disposal of the same in the open market at the price to be fixed by the District authority. But action taken report in this regard could not be made available to Audit (October 2005).
Nagaland	2000-03	6278.37 (foodgrains)	395.45 lakh	The quantity has been shown as issued to BPL families without issuing the BPL ration cards to them. Thus, possibility of its diversion to open market cannot be ruled out.
	2/2001 to 6/2001	45.00 (Atta)	2.07 lakh	Atta earmarked for BPL families could not be lifted from the stockist in respect of one PDC and was diverted to open market. Differential cost of Rs.2.07 lakh was not recovered from stockist.
West Bengal	Nov. 2004 to March 2005	159000.00 (APL wheat)	47.86 crore	In 16 districts, flour mills lifted 1.59 lakh MT of wheat from FCI during November 2004 to March 2005 at CIP of Rs 610.00 per quintal for conversion to whole-meal atta. However, no records were maintained and produced to disclose the position of atta distributed through FPS. Union Government paid total subsidy of Rs 47.86 core for 1.59 lakh MT of wheat, which was diverted by Food & Supplies Department resulting in undue benefit to Flour Mills.
Total		4403517.93		

Annexure 6 (Para 10.1.2)

**Statement showing the cases of delay in submission
of UCs by States.**

Name of State/UT	UCs awaited since
Andaman & Nicobar Islands	June, 2002
Arunachal Pradesh	April, 2003
Assam	November, 2003
Bihar	August, 2002
Chhattisgarh	May, 2003
Dadra & Nagar Haveli	September, 2002
Daman & Diu	April, 2002
Jammu & Kashmir	December, 2003
Jharkhand	May, 2002
Madhya Pradesh	August, 2002
Maharashtra	March, 2004
Meghalaya	January, 2003
Nagaland	July, 2002
Orissa	July, 2003
Sikkim	April, 2002
Tamil Nadu	January, 2003

Annexure 7 (Para 10.1.2)**Statement showing the cases of differences in closing and opening balances of foodgrains in the Utilisation Certificates furnished by the States/UTs.**

S. No.	Name of State/UTs	Total closing stock of Rice & Wheat (APL/BPL/AAAY)		Total opening stock of Rice & Wheat (APL/BPL/AAAY)		Difference Less (-) Excess (+)	Page No./Vol
		Month	Quantity	Month	Quantity		
1.	Arunachal Pradesh	3/2002	2940.64MT	4/2002	3020.64 MT	+80 MT	24,27/IV
		5/2002	3297.954 MT	6/2002	3295.954 MT	-2 MT	30,31/IV
2.	J & K	9/2001	38615.MT	10/2001	37175 MT	-1440 MT	108,109/II
3.	Karnataka	6/2003	3660.96 LMT	7/2003	3661.96 LMT	-1 LMT	87,88/IV
		1/2004	2893.42 LMT	2/2004	4784.46 LMT	+1891.04 LMT	110,111/V
		2/2004	3355.58 LMT	3/2004	3345.58 LMT	-10 LMT	111,112/V
4.	Rajasthan	1/2002	12618 MT	2/2002	12612 MT	-6 MT	25,26/II
		5/2002	13970 MT	6/2002	13969 MT	-1 MT	29,30/I
		6/2002	18284 MT	7/2002	18285 MT	+1 MT	30,31/II
		7/2002	13796 MT	8/2002	13806 MT	+10 MT	31,90/II
		8/2002	491544 MT	9/2002	13243 MT	-478301 MT	90,91/II
		10/2002	964135 MT	11/2002	12613 MT	-651222 MT	93,186/II
		11/2002	14136 MT	12/2002	14135 MT	-1 MT	186,188/II
		12/2002	498441 MT	1/2003	14410 MT	-4840 31 MT	188,192/II
		1/2003	488766 MT	2/2003	15537 MT	-473229 MT	192/II,130/IV
		2/2003	511723 MT	3/2003	23634 MT	-488089 MT	130/IV,42/III
		3/2003	478344 MT	4/2003	77580 MT	-400764 MT	42/III,137/III
5/2003	945986 MT	6/2003	85772 MT	-860214 MT	139/III,124/IV		
5.	Uttar Pradesh	9/2001	5772165.800 MT	10/2001	5513377.800 MT	-258788 MT	219,220/II
		10/2001	5208750.800 MT	11/2001	4700715.800 MT	-508035 MT	220,221/II
		11/2001	4567555.800 MT	12/2001	4359153.800 MT	-208402 MT	221,222/II
		12/2001	4213404.800 MT	1/2002	4144039.800 MT	-69365 MT	222,223/II
		1/2002	3970816.800 MT	2/2002	3807354.800 MT	-163462 MT	223,224/II
		2/2002	3642266.800 MT	3/2002	3561113.800 MT	-81153 MT	224,225/II
		3/2002	3400528.100 MT	4/2002	3234929.934 MT	-165598.166 MT	225,226/II
		4/2002	3106065.509 MT	5/2002	4678094.320 MT	+1572028.811 MT	226,227/II
		5/2002	4518491.487 MT	6/2002	6012048.489 MT	+1493557.002 MT	227,228/II
		6/2002	5834444.777 MT	7/2002	5950032.707 MT	+115587.930 MT	228,229/II
		7/2002	5722252.112 MT	8/2002	5291884.787 MT	-430367.325 MT	229,230/II
		8/2002	5032483.543 MT	9/2002	4571520.671 MT	-460962.872 MT	230,231/II
		9/2002	4300967.905 MT	10/2002	3941508.366 MT	-359459.539 MT	231,232/II
		10/2002	3720944.682 MT	11/2002	3379246.768 MT	-341697.914 MT	232,233/II
		11/2002	3183651.245 MT	12/2002	2916385.887 MT	-267265.358 MT	233/II,51/III
		12/2002	2733950.042 MT	1/2003	2570297.227 MT	-163652.815 MT	51,52/III
		1/2003	2381832.326 MT	2/2003	2224374.151 MT	-157485.175 MT	52,53/III
		2/2003	2060309.630 MT	3/2003	1999304.482 MT	-61005.148 MT	53,54/III
3/2003	1866780.848 MT	4/2003	3202800.048 MT	+1336019.200 MT	54/III,267/V		
4/2003	3075604.848 MT	5/2003	5509194.025 MT	+2433589.177 MT	267,268/V		

MT-Metric Tonne

LMT- Lakh Metric Tonne