

**REPORT  
OF  
THE COMPTROLLER AND  
AUDITOR GENERAL OF INDIA**

**For the year ended 31 March 2011**

**Report No. 2**

**(CIVIL AND COMMERCIAL)**

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**GOVERNMENT OF JHARKHAND**

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## PREFACE

1. This Report has been prepared for submission to the Governor of Jharkhand under Article 151 of the Constitution of India.
2. Chapter I of this report describes the auditee profile, the authority for audit, planning and conduct of audit, the organisational structure of the office of the Principal Accountant General (Audit), Jharkhand and the response of the departments to the draft paragraphs. Highlights of audit observations included in this report have also been brought out in this report.
3. Chapter II deals with the findings of performance audit in the Rural Development, Home (Jail), Cabinet (Vigilance) departments along with a district-centric audit of Hazaribag District. Chapter III deals with the findings of transaction audit in various departments. Chapter IV deals with the comments arising from Chief Controlling Officer-based audit of the Building Construction Department.
4. Chapter V contains observations arising out of audit of Government Companies and Statutory Corporations. Audit of accounts of Government Companies is conducted by the Comptroller and Auditor General of India under the provisions of Section 619 of the Companies Act, 1956.
5. Reports containing (a) observations on finances of the State Government and (b) observations on revenue receipts are being presented separately.
6. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 2010-11 as well as those which had come to notice in the earlier years but could not be included in the previous Reports. Matters relating to the period subsequent to 2010-11 have also been included, wherever necessary.

## CHAPTER-I

### INTRODUCTION

#### 1.1 About this Report

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from performance audit of selected programmes and activities and compliance audit of Government departments and autonomous bodies.

Compliance audit refers to examination of the transactions relating to expenditure of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the competent authorities are being complied with. On the other hand, performance audit examines whether the objectives of a programme/activity/department have been achieved economically, efficiently and effectively.

The primary purpose of the Report is to bring to the notice of the State Legislature, important results of audit. Auditing Standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of audit are expected to enable the Executive to take corrective action as also to frame policies and directives that will lead to improved financial management of the organisations, thus, contributing to better governance.

This chapter, in addition to explaining the planning and extent of audit, provides a synopsis of the significant deficiencies and achievements in implementation of selected schemes, significant audit observations made during the audit of transactions and follow-up on previous Audit Reports. Chapter-II of this report contains findings arising out of performance audit of selected programmes/activities/departments. Chapter-III contains observations on audit of transactions in Government departments. Chapter-IV presents an assessment of Chief Controlling Officer-based audit of the Building Construction Department. Chapter-V contains a performance review of the Power Distribution Utilities of Jharkhand and audit of transactions in the Commercial Department of the Government of Jharkhand.

#### 1.2 Auditee profile

There are 43 departments in the State at the Secretariat level, headed by Chief Secretary/Principal Secretaries/Secretaries, who are assisted by Directors/Commissioners and subordinate officers under them, and eight autonomous bodies which are audited by the Principal Accountant General (Audit), Jharkhand.

The comparative position of expenditure incurred by the Government during the year 2010-11 and in the preceding two years is given in **Table-1**.

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**Table -1**  
**Comparative position of expenditure**

(₹ in crore)

Disbursements	2008-09			2009-10			2010-11		
	Plan	Non- Plan	Total	Plan	Non- Plan	Total	Plan	Non-Plan	Total
<b>Revenue expenditure</b>									
General services	194.80	4729.19	4923.99	139.49	6465.87	6605.36	128.56	6862.24	6990.80
Social services	2114.96	3270.22	5385.18	2207.06	3403.24	5610.30	3402.74	3304.56	6707.30
Economic services	1503.43	1029.05	2532.48	1411.93	1500.45	2912.38	2472.51	1773.96	4246.47
Grants-in-aid and contributions	-	35.25	35.25	-	0.20	0.20	0	0.17	0.17
<b>Total</b>	<b>3813.19</b>	<b>9063.71</b>	<b>12876.90</b>	<b>3758.48</b>	<b>11369.76</b>	<b>15128.24</b>	<b>6003.81</b>	<b>11940.93</b>	<b>17944.74</b>
<b>Capital Expenditure</b>									
Capital outlay	3015.45	35.82	3051.27	2682.04	21.00	2703.04	2620.97	43.33	2664.30
Loans and advances disbursed	254.36	163.83	418.19	292.05	27.93	319.98	170.72	136.84	307.56
Repayment of Public Debt (including transactions under ways and means advances)	-	863.40	863.40	-	1190.21	1190.21	-	1299.43	1299.43
Contingency fund									
Public Account disbursements		7185.19	7185.19	-	7290.30	7290.30	-	7399.85	7399.85
<b>Total</b>	<b>3269.81</b>	<b>8248.24</b>	<b>11518.05</b>	<b>2974.09</b>	<b>8529.44</b>	<b>11503.53</b>	<b>2791.69</b>	<b>8879.45</b>	<b>11671.14</b>
<b>Grand Total</b>	<b>7083.00</b>	<b>17311.95</b>	<b>24394.95</b>	<b>6732.57</b>	<b>19899.20</b>	<b>26631.77</b>	<b>8795.50</b>	<b>20820.38</b>	<b>29615.88</b>

(Source: Report No.1, Report on State Finances for the year 2010-11)

### 1.3 Authority for Audit

The authority for audit by the C&AG is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Power and Conditions of Service) Act, 1971. The C&AG conducts audit of expenditure of the Departments of Government of Jharkhand under Section 13<sup>1</sup> of the C&AG's (DPC) Act. The C&AG is the sole auditor in respect of eight autonomous bodies which are audited under Sections 19(2)<sup>2</sup> and 20(1)<sup>3</sup> of the C&AG's (DPC) Act, 1971. In addition, C&AG also conducts audit under Section 14<sup>4</sup> of the C&AG's (DPC) Act of 88 other autonomous bodies, which are substantially funded by the Government. Principles and methodologies for various audits are prescribed in the Auditing Standards and regulations on Audit and Accounts, 2007 issued by the C&AG.

<sup>1</sup> Audit of (i) all transactions from the Consolidated Fund of the State, (ii) all transactions relating to the Contingency Fund and Public Accounts and (iii) all trading, manufacturing, profit & loss accounts, balance sheets and other subsidiary accounts.

<sup>2</sup> Audit of the accounts of Corporations (not being Companies) established by or under law made by the State Legislature in accordance with the provisions of the respective legislations.

<sup>3</sup> Audit of accounts of any body or authority on the request of the Governor, on such terms and conditions as may be agreed upon between the C&AG and the Government.

<sup>4</sup> Audit of all receipts and expenditure of a body/authority substantially financed by grants or loans from the Consolidated Fund of the State and (ii) all receipts and expenditure of any body or authority where the grants or loans to such body or authority from the Consolidated fund of the State in a financial year is not less than ₹ one crore.

## **1.4 Organisational structure of the Office of the Principal Accountant General (Audit) Jharkhand**

Under the directions of the C&AG, the Office of the Principal Accountant General (Audit) Jharkhand conducts audit of Government departments/offices/autonomous bodies/institutions which are spread all over the State. The Principal Accountant General is assisted by four Group Officers.

## **1.5 Planning and conduct of audit**

The audit process starts with the assessment of risks faced by various departments of Government based on the expenditure incurred, the criticality/complexity of activities, the level of delegated financial powers and an assessment of the overall internal controls and concerns of stakeholders. Previous audit findings are also considered in this exercise. Based on this risk assessment, the frequency and extent of audit are decided.

After completion of audit of each unit, Inspection Reports containing audit findings are issued to the heads of the departments. The departments are requested to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of these Inspection Reports are processed for inclusion in the Audit Reports, which are submitted to the Governor of the State under Article 151 of the Constitution of India.

During 2010-11, in the Civil and Commercial Audit Wing, 9,501 party-days were used to carry out audit of 479 units and to conduct six performance audit reviews and audits of various departments. In the Works and River Valley Project Wing, 158 units were audited by utilising 1,490 party-days. The Audit Plan covered those units/entries which were the most vulnerable to significant risks as per our assessment.

## **1.6 Significant audit observations**

### ***1.6.1 Performance Audit***

Performance audit is undertaken to ensure whether the Government programmes have achieved the desired objectives at the minimum cost and given the intended benefits. In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/activities through performance audits, as well as Chief Controlling Officer-based audit of selected departments.

#### ***1.6.1.1 District Centric Audit of Hazaribag***

The implementation of the schemes suffered in the district due to non-preparation of Annual Plans, inefficient fund management, insufficient manpower, infrastructural bottlenecks, ineffective monitoring etc. In Sarva Shiksha Abhiyan, girl students were residing in cramped accommodation in Kasturba Gandhi Balika Vidyalaya,

Churchu and Ichak blocks of Hazaribag. Basic health care services were not available in the community health centres. A large population of the district did not have the facilities of piped water supply. There were no laboratories for testing of drinking water sources at the sub-divisions and block levels. Anganwadi centres were deficient in basic facilities. The prime objective of Pradhan Mantri Gram Sadak Yojana to provide all-weather roads to rural populations was not achieved. Shortfalls in providing 100 days' wage employment to households were noticed. The physical performance of Indira Awaas Yojana in Hazaribag district was unsatisfactory. There was shortage of main strike weapons and area weapons in the weaponry. It was noticed that land required for the proposed site of Inter State Bus Terminus could not be acquired.

*(Paragraph 2.1)*

#### **1.6.1.2 Management of Prisons (Working of Jails)**

A performance audit on Management of Prisons in the State revealed many significant deficiencies including instances of non-execution of civil works, financial mismanagement, overcrowding in jails, large number of vacancies existing in the functional level of security staff, para-medical and medical cadres and required periodical inspection of the prisons not carried out by Inspector General of Prisons. It was noticed that due to shortage of staff the open jail could not be made operational. Instead of modern firearms, old and obsolete firearms were stocked in the armoury. It was noticed that all closed circuit televisions in the Ranchi Central Jail were non-functional. Biometric equipment was not installed. Food grains were irregularly purchased from private suppliers.

*(Paragraph 2.2)*

#### **1.6.1.3 Mukhya Mantri Gram Setu Yojana**

A review of the implementation of the Mukhya Mantri Gram Setu Yojana was conducted and deficiencies like absence of a Perspective Plan / Annual Plan, lack of surveys, non-adherence to the terms and conditions of contracts and ineffective internal control system and monitoring were noticed. Contractors were allowed to execute the works without technically sanctioned estimates. Payments were made to contractors without recording measurements. The department did not appoint any independent agency for quality monitoring of the works.

*(Paragraph 2.3)*

#### **1.6.1.4 Functioning of the Cabinet (Vigilance) Department**

A review of the functioning of the Cabinet (Vigilance) Department revealed that the Jharkhand State Complaint and Vigilance Board and Anti-Power Theft Cell for Electricity Board were not constituted. A large number of complaints, Preliminary Enquiries, FIRs and Technical Examinations, were pending for a long time due to non-filling up of the vacant posts in the Vigilance Department and the indifferent attitude of the administrative departments towards the complaints referred to them by the Cabinet (Vigilance) Department.

*(Paragraph 2.4)*

### **1.6.1.5 Chief Controlling Officer based audit of Building Construction Department**

A Chief Controlling Officer (CCO) based audit of the Building Construction Department disclosed that there were no fixed norms for planning in the department. Budgets were not prepared accurately, resulting in persistent savings. Rush of expenditure in the last month of financial year was noticed. Establishment charges were not levied for deposit works. Cases of blockage of funds due to non-availability of clear site and incomplete projects due to paucity of funds were noticed. It was noticed that monitoring and inspection was almost absent in the department.

*(Paragraph 4.1)*

### **1.6.1.6 Distribution Utilities in Jharkhand**

With the objective of assessing the progress achieved in the State in respect of various parameters stipulated in National Electricity Policy/Plan with regard to distribution of power, performance audit of Power Distribution Utilities in Jharkhand, conducted for the period 2006-11 revealed that the Jharkhand State Electricity Board (Board) had not prepared long term plan for upkeep of the existing network and additions in distribution network. The Board failed to implement the Central schemes viz. Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Accelerated Power Development & Reform Programme (APDRP) schemes in economical, efficient and effective manners. The number of unmetered consumers was 8.92 lakh in 2010-11, which was 57 per cent of the total consumers. The Board had purchased energy at higher cost due to non-availability of transmission line in Damodar Valley Corporation command area.

*(Paragraph 5.2)*

### **1.6.2 Audit of transactions**

Audit observed several significant deficiencies in critical areas which impact the effective functioning of the State Government. The major observations relate to:

#### **1.6.2.1 Defalcation/misappropriation/embezzlement**

*Audit detected cases of defalcation, misappropriation and embezzlement as under:*

- Defalcation of ₹ 10.37 lakh was noticed in the Rural Development Department.

*(Paragraph 3.1.1)*

- Fake invoices submitted by a contractor towards the cost of bitumen which resulted in misappropriation of ₹ 98.11 lakh. Sub-standard road work worth ₹ 5.23 crore was also noticed in the Road Construction Department.

*(Paragraph 3.1.2)*

- Purchase and distribution of dolomite without soil testing and without imparting training to the farmers resulted in a wasteful expenditure of

₹ 60 lakh. An amount of ₹ 48 lakh was embezzled by furnishing fake acknowledgement receipts of dolomites.

**(Paragraph 3.1.3)**

#### **1.6.2.2 Non-Compliance with rules**

*For sound financial administration and financial control, it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authority. This not only prevents irregularities, misappropriation and frauds, but helps in maintaining good financial discipline. This report contains instances of non-compliance with rules involving ₹ 32.96 crore. Some significant audit findings are as under:*

- Inclusion of price escalation clause in tender documents in violation of a Government order resulted in a loss of ₹ 21.03 crore to the Government.

**(Paragraph 3.2.1)**

- Non-adherence to codal provisions in granting advances and their adjustments led to non-recovery of Government money worth ₹ 4.05 crore.

**(Paragraph 3.2.2)**

- Non-adherence to Government orders resulted in loss due to excess payment of ₹ 1.08 crore as differential cost of bitumen.

**(Paragraph 3.2.4)**

- Jharkhand State Mineral Development Corporation Limited re-imbursed Service Tax amounting to ₹ 2.41 crore during 2010-2011 in contravention of the provision of the agreement thereby extending undue benefit to the contractor.

**(Paragraph 5.3)**

#### **1.6.2.3 Audit against propriety/Expenditure without justification**

*Authorisation of expenditure from public funds is to be guided by the principles of propriety and efficiency of public expenditure. Authorities empowered to incur expenditure are expected to enforce the same vigilance as a person of ordinary prudence would exercise in respect of his own money and should enforce financial order and strict economy at every step. Audit has detected instances of impropriety and extra expenditure involving ₹ 13.45 crore, some of which were as under:*

- Infructuous expenditure of ₹ 7.85 crore incurred on idle staff was noticed in the Department of Forest and Environment.

**(Paragraph 3.3.2)**

- Irregular payment of ₹ 3.50 crore was noticed in the Agriculture and Sugarcane Department for a work which was neither technically sanctioned nor measured.

**(Paragraph 3.3.4)**

#### 1.6.2.4 Failure of oversight/governance

*The Government has an obligation to improve the quality of life of the people for which it works towards fulfillment of certain goals in the area of health, education, development and upgradation of infrastructure and public service etc. However, Audit noticed instances where the funds released by Government for creating public assets for the benefit of the community remained unutilised/blocked and/or proved unfruitful/unproductive due to indecisiveness, lack of administrative oversight and concerted action at various levels involving ₹ 61.27 crore. Three cases are mentioned below:*

- Non-utilisation of funds and non-deposit of unspent balances into the treasury in time led to blockage of ₹ 50.30 crore, besides loss of interest of ₹ 9.49 crore.

*(Paragraph 3.4.1)*

- Commencement of schemes without ensuring electric supply resulted in idle expenditure of ₹ 82.04 lakh in the Minor Irrigation Department.

*(Paragraph 3.4.2)*

- Tenughat Vidyut Nigam Limited procured APH basket for Hot End valuing ₹ 66.31 lakh in September 2009 which would remain unutilized.

*(Paragraph 5.5)*

#### 1.6.2.5 Persistent and pervasive irregularities

*An irregularity is considered persistent if it occurs year after year. It becomes pervasive when it is prevailing in the entire system. Recurrence of irregularities, despite being pointed out in earlier audits, is not only indicative of non-seriousness on the part of the Executive, but is also an indication of lack of effective monitoring. This, in turn, encourages willful deviations from observance of rules/regulation and results in weakening of the administrative structure. A significant case was as under:*

- Failure of the department to incorporate a Government decision in the terms and conditions of contracts resulted in excess payment of ₹ 2.72 crore to contractors.

*(Paragraph 3.5.1)*

## 1.7 Responsiveness of Government to Audit

### 1.7.1 Lack of Response to the Draft Paragraphs

The Principal Accountant General (Audit) arranges to conduct periodical audit inspections of Government departments to test check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs). Half-yearly reports of pending IRs are sent to the Secretaries of the departments concerned to facilitate monitoring of the audit observations and their disposals. The Heads of offices and the next higher authorities are required to comply with

the observations contained in the IRs and rectify the defects promptly and report their compliance to the Principal Accountant General (Audit).

### 1.7.2 Outstanding Inspection Reports and Paragraphs

The status of pendency of IRs/paragraphs at the end of June 2009, June 2010 and June 2011 is shown in **Table-2**:

**Table-2**  
**Position of outstanding IRs/Paragraphs**

Items	Pending as at the end of		
	June 2009	June 2010	June 2011
Number of IRs	3924	3658 <sup>5</sup>	3286
Number of paragraphs	20942	20047	18962

Out of the 3,286 IRs/18,962 paragraphs pending as on 30 June 2011, even first replies had not been received in respect of 1,192 IRs/7,821 paragraphs. The year-wise break-up of these IRs and paragraphs is indicated in **Appendix 1.1**. The Secretaries, who were informed of the position through half yearly reports, could not ensure prompt and timely action by the concerned officers.

### 1.7.3 Follow-up of Audit Reports

#### **Non-submission of Explanatory (Action Taken) Notes**

The manual of instructions (1998) of the Finance Department, Government of Bihar (as adopted by Government of Jharkhand) envisaged that the Secretaries to Government of the concerned departments were required to submit explanatory notes to the Assembly Secretariat on paras and reviews included in the Audit Report (AR) duly vetted by Audit, within two months from the date of presentation of the ARs before the legislature without waiting for any notice or call from the Public Account Committee (PAC) and indicate therein, the circumstances and reasons for occurrence of such irregularities and deviations from the prescribed norms and the action proposed to be taken or taken thereagainst.

Further, Regulation 213 of the Regulations on Audit and Accounts (November 2007) envisaged that the Union, the States and the Union Territories having legislative assemblies where legislative committees were functioning or where the Government desired the Comptroller and Auditor General to vet the Action Taken Notes (ATN), the Secretaries to Government of the concerned departments should send two copies of draft self-explanatory Action Taken Notes to the Principal Accountant General (Audit) for vetting along with the relevant files and documents for which the explanatory notes have been formulated, properly referenced and linked. This was to be done within such a period of time as may be decided for submission of self-explanatory Action Taken Notes prescribed by the PAC.

It was noticed that as of July 2011, six departments had not submitted any compliance or explanatory/Action Taken notes in respect of 112 out of 250 paragraphs/reviews included in the Audit Reports for the years 2000-01 to 2009-10 and presented

<sup>5</sup> The number of pending IRs and paragraphs decreased.

to the legislature up to August 2011.

**1.7.4 Action not taken on recommendations of the Public Accounts Committee**

As per the Manual of Instructions for settlement of paragraphs featured in the Audit Reports of the Comptroller and Auditor General of India, departments are required to furnish the Action Taken Notes (ATNs) to the PAC within two months from the date of recommendations made by the PAC in their report.

It was noticed that as of July 2011, 180 paragraphs were discussed by the PAC and recommendations were made against 28 paragraphs between November 2000 and July 2011. Of these, ATNs were received only in seven cases, as of July 2011.

**Constitution of Audit Committees**

A State level Audit Committee, under the chairmanship of the Chief Secretary, was constituted (February 2005) following recommendations of the Shakhder Committee to monitor the compliance of Audit Reports/IRs and to develop internal audit systems in all departments. The Secretary, Finance Department was designated as the Member (Co-ordination) and all departmental Secretaries and the Principal Accountant General were to be members of the committee.

Audit Committees were formed in 10 departments and meetings were held on 12 occasions between April 2010 and March 2011 in which 42 IRs and 441 paragraphs were settled. The Secretary and representatives of the Finance Department, however, did not take part in the Audit Committee meetings even though they were informed about them.

## CHAPTER-II

### 2.1 District - Centric Audit of Hazaribag

#### *Highlights*

*The district-centric audit of Hazaribag involved a performance audit of the significant socio-economic developmental programmes implemented in the district during the period 2008-11. The review was conducted through a test check of records in the offices of the District Rural Development Agency; the District Programme Officer, Sarva Shiksha Abhiyan; Executive Engineers of Road, Irrigation, Drinking Water and Sanitation and Rural Works departments; the District Health Society; the Welfare Department; the Municipal Council, Hazaribag; the State Electricity Board and various other district level implementing agencies. The implementation of the schemes suffered in the district due to non-preparation of Annual Plans, inefficient fund management, insufficient manpower, infrastructural bottlenecks, ineffective monitoring etc. The major findings of the audit are as under:*

**Under-utilisation of funds ranging between two and 32 per cent was noticed due to non-availability of sites, non-supply of materials, non-finalisation of tenders etc.**

*(Paragraph 2.1.7.1)*

**The Annual Works Plan and the budget for SSA was prepared each year by the District Programme Officer of SSA without conducting any household surveys. It was noticed that out of 1,716 schools, 44 schools had no classrooms and 13 schools had only one classroom in 2010-11.**

*(Paragraph 2.1.8)*

**Physical verification of the residential school buildings under Kasturba Gandhi Balika Vidyalaya (KGBV) revealed that 70 girl students were residing in a single room at Churchu while 64 and 45 girl students were accommodated in separate rooms each at KGBV Ichak. No separate classrooms were provided as the residing place was used as classrooms as well.**

*(Paragraph 2.1.8)*

**Basic health care services like blood storage, obstetric care, facilities of X-ray, ultra-sound and electro-cardiogram, etc were not available in the Community Health Centres.**

*(Paragraph 2.1.9)*

**There were only 36,261 (36 per cent) institutional deliveries as against 1,00,632 pregnant women registered in the district during 2008-11 and only 57,243 (57 per cent) pregnant women received all three ante-natal checkups, as specified under the Janani Suraksha Yojana.**

*(Paragraph 2.1.9.2)*

**Out of 1,826 operational Anganwadi Centres (AWCs), 1,584 AWCs had no toilet facilities and 377 AWCs had no hand pumps.**

*(Paragraph 2.1.11.2)*

**Widening and strengthening of two roads at an agreed cost of ₹ 36.38 crore with stipulated dates of completion between October 2009 and June 2010 remained incomplete after incurring expenditure of ₹ 22.39 crore as on March 2011.**

*(Paragraph 2.1.12.1)*

**Ninety six to 99 per cent households did not receive 100 days' wage employment under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) during 2008-11.**

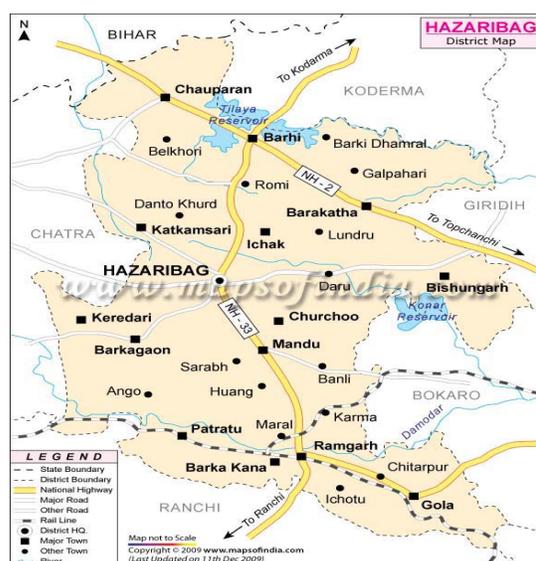
(Paragraph 2.1.14.2)

**The total expenditure under MGNREGA of the district as reported to the State Employment Guarantee Commissioner for the year 2010-11 was ₹ 41.99 crore instead of the actual expenditure of ₹ 36.94 crore, booked as per Management Information System (MIS) of the Ministry of Rural Development, Government of India resulting in a discrepancy of ₹ 5.05 crore.**

(Paragraph 2.1.14.7)

## 2.1.1 Introduction

Hazaribag district is bounded by Koderma and Gaya (Bihar) districts in the north, Giridih and Bokaro districts in the east, Ramgarh district in the south and Chatra district in the west. The district,



having an area of 5,976 sq km, is divided into two sub-divisions (Hazaribag and Barhi) and 15 blocks. The Hazaribag district includes 1,230 villages with five elected members of the Legislative Assembly, 257 Gram Panchayats, one Municipal Council with 32 elected Ward Commissioners and one Zila Parishad with 25 elected members.

Important indicators of the district are given below:

Administrative division	North Chotanagpur Division
District Headquarters	Hazaribag Town
Population	17.34 lakh
Area	5,976 sq km
Population Density	346 per sq km
Scheduled Caste	2.51 lakh
Scheduled Tribe	0.86 lakh
Sex ratio	946
Literacy Rate	70.48 per cent
Gram Panchayats	257
Municipality	One

### 2.1.2 Administrative structure

The Deputy Commissioner (DC) is the administrative head of the district and is the sanctioning authority for all developmental programmes. The DC is also the Chairman of the District Rural Development Agency (DRDA) and ensures co-ordination between the DRDA, Panchayati Raj Institutions (PRIs), Block Development Officers (BDOs) and all departments of the State Government situated in the district.

The DC is assisted by the Deputy Development Commissioner (DDC) who is also the Managing Director (MD) of DRDA. The DDC is assisted by the District Planning Officer (DPO) and the Director, Accounts and Self Employment. The BDOs and Panchayat Secretaries (PS) are responsible for implementing various programmes at the block level and panchayat level respectively. The Superintendent of Police is responsible for maintenance of law and order of the district with the help of four Deputy Superintendents of Police (DSP) and 15 Police Stations.

The MD (DDC) is the executive in charge of the DRDA and is responsible for interaction with the District/State administration as well as the Government of India (GOI).

The DC is responsible for monitoring the overall progress of the implementation of various developmental programmes in the district and ensures timely execution of works.

### 2.1.3 Audit objectives

The main objectives were to ascertain whether:

- the planning process for different programmes in the district was effective;
- the fund allocation and financial management was efficient;
- implementation of programmes/schemes was economical, efficient and effective;
- the management of law and order was effective; and
- an effective monitoring and evaluation mechanism was in place.

### 2.1.4 Audit criteria

The audit criteria applied for assessing the implementation of various developmental programmes/schemes were:

- Annual Action Plans and Project Implementation Plans;
- Guidelines of the concerned programmes and schemes;
- Police Manual;
- Jharkhand Financial Rules, Jharkhand Public Works Accounts/Department Code and instructions issued there under; and
- Prescribed monitoring mechanisms of the selected programmes and schemes.

### 2.1.5 Scope and methodology of audit

A district-centric audit of Hazaribag district was carried out between April and June, 2011. The audit encompassed an appraisal of significant socio-economic developmental programmes (Social sector: health, education, water supply and sanitation; Economic sector: infrastructure, road connectivity, rural electrification, employment generation, irrigation etc. and General sector: law and order, civic amenities), implemented in the district during the period 2008-11.

Audit commenced with an entry conference held in April 2011 with the Deputy Commissioner, Hazaribag to discuss the audit objectives, audit criteria and the desired outcomes. The records of the DRDA; the District Project Officer (DPO), Sarva Shiksha Abhiyan (SSA); Executive Engineers of Road, Irrigation, Drinking Water and Sanitation (DWSD) and Rural Works departments; the District Health Society; the Welfare Department; the Municipal Council, Hazaribag and the State Electricity Board were scrutinised for this purpose. To corroborate observations arrived at from the examination of records and data, physical verification of the assets created and beneficiaries' surveys were conducted jointly with departmental officers. An exit conference was held between the Principal Accountant General and the district authorities of the concerned line departments, headed by the Deputy Commissioner, Hazaribag in September 2011, wherein the audit findings were discussed. Views of the departments have been duly incorporated in the Audit Report, wherever found suitable, in light of the supporting documents.

#### *Audit findings*

### 2.1.6 Planning

Decentralised planning envisages an inclusive and participative planning process for the development of districts, focussing on local variations and development patterns. The 74<sup>th</sup> Amendment to the Constitution mandated the establishment of District Planning Committees (DPC) for consolidating the plans prepared by the *panchayats* and municipalities in the districts into integrated District Plans. All the three tiers of local administration *viz.* the DRDA, blocks and GPs were to prepare Annual Action Plans (AAP) at the beginning of each financial year and no work was to be taken up unless it formed a part of the AAP.

No DPC was constituted in Hazaribag district. In reply, the Director, Accounts and Self Employment, DRDA, Hazaribag stated that the DPC was not constituted due to non-receipt of required instructions from the State Government. The audit findings relating to planning in respect of various programmes and schemes are discussed in the succeeding paragraphs.

### 2.1.7 Financial Management

Funds are allocated to the district through the State budget for various developmental activities. In addition, funds are directly released to the DRDA and implementing agencies for various socio-economic programmes by the State and GOI. The DRDA releases the funds to the blocks and other executing agencies based on the approved allocations for individual schemes.

### 2.1.7.1 Fund flow and Expenditure

The total flow of funds in the district under various sectors and schemes during 2008-11 and expenditure incurred thereagainst was as given in **Table-1:**

**Table-1**  
**Allotment, expenditure and unspent balances**

(₹ in crore)

Sectors/schemes	Funds released/available	Expenditure	Unspent balance (per cent)
Indira Awaas Yojana	70.02	56.56	13.46 (19)
Mahatma Gandhi National Rural Employment Guarantee Scheme	186.80	158.74	28.06 (15)
Backward Region Grant Fund	25.06	19.40	5.66 (23)
Social Welfare Schemes	28.83	28.33	0.50 (2)
Welfare Schemes	44.94	30.59	14.35 (32)
National Rural Health Mission	29.12	22.23	6.89 (24)
Drinking Water and Sanitation	48.64	36.72	11.92 (25)
Roads and Bridges	124.05	111.33	12.72 (10)
Irrigation	105.07	81.11	23.96 (23)
Sarva Shiksha Abhiyan	225.19	200.32	24.87 (11)
<b>Total</b>	<b>887.72</b>	<b>745.33</b>	<b>142.39 (16)</b>

(Source: DRDA, Public Works Divisions, CMO and DPO, SSA)

Under-utilisation of funds ranging between two and 32 per cent was due to non-availability of sites, non-supply of materials, non-finalisation of tenders etc.

Under-utilisation of funds ranging between two and 32 per cent was noticed during 2008-11. The main reasons behind under-utilisation of funds were non-availability of sites, non-supply of materials, non-finalisation of tenders, allotment at the close of the year, slow progress of works etc.

Audit also noticed that there were curtailments in Central as well as State allocations in Indira Awaas Yojana (₹ 26.42 crore) due to previous releases not being fully utilised (*Appendix-2.1*).

#### Programme implementation

##### Social Sector

Absence of adequate and skilled manpower

A review of the implementation of the flagship programmes in the social sector viz Sarva Shiksha Abhiyan (SSA), the National Rural Health Mission (NRHM), schemes related to drinking water supply and sanitation, Welfare and Integrated Child Development Scheme (ICDS) under departments of Human Resources, Health, Medical Education and Family Welfare, Drinking Water and Sanitation and Social Welfare, revealed that there was a need for adequate and skilled manpower and robust infrastructure in these sectors to achieve the intended objective for providing quality health care, education, water and basic amenities to the people of the district. This is evident from the audit findings discussed in the succeeding paragraphs:

#### 2.1.8 Education (Sarva Shiksha Abhiyan)

The district has one university, namely Vinova Bhave University, three constituent colleges<sup>1</sup>, 34 high schools and 1,716 primary/upper primary schools. Sarva

<sup>1</sup> St Columbus College, K B Mahila College, Markham Commerce College, Hazaribag.

Shiksha Abhiyan (SSA), a Centrally sponsored scheme for universalisation of elementary education, is a time-bound programme, with a clear mandate to achieve specific goals for children from age six to 14. It is therefore, essential to conduct household surveys and carry out micro-planning in every habitation, rural or urban, to track the status of each child. The following deficiencies were noticed:

**Annual work plans and budgets were prepared without conducting household surveys**

**Out of 1,716 government schools, 44 primary schools had no classrooms and 13 schools had only one classroom each**

- The Annual Works Plans and the budgets under SSA were prepared each year by the District Programme Officer of SSA without conducting any household surveys.
- As per SSA guidelines, there should be two classrooms with a verandah in every primary school and an additional room for the headmaster in every upper primary school. It was noticed that out of the 1,716 Government schools in the district, 44 primary schools had no classrooms and 13 schools (11 primary plus two upper primaries) had only one classroom each in 2010-11. The DPO, SSA, Hazaribag stated that out of 44 primary schools, classrooms had been constructed for 22 schools. Land for six schools was not available and works in the remaining 16 schools were under progress. Of the 13 single classroom schools, land for four was unavailable and works were in progress in the remaining nine schools (September 2011).
- As per the SSA guidelines, one classroom was required for every 40 children. However, it was noticed that in 2010-11, against the requirement of 8,378 classrooms, (for 3,35,113 enrolled children) only 7,963 classrooms were available.
- SSA guidelines stipulate that training for teachers has to be conducted at Block Resource Centres (BRC). It was noticed during joint physical verification of the BRC, Hazaribag Sadar, conducted (June 2011) by Audit and officials of SSA, Hazaribag, that the BRC was being used for dumping undistributed materials, tricycles meant for physically handicapped students and books.

The condition of the BRC is shown in the photographs below:



*(Photographs taken on 4 June 2011 showing condition of BRC, Hazaribag Sadar)*

- The number of 'out of school' children in the district increased during 2008-11 as detailed in **Table-2:**

**Table-2**  
**Details showing never-enrolled, drop-outs and total ‘out of school’ children**

Year	Never enrolled children			No. of drop-outs			Total ‘out of school’ children		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
2008-09	3998	3700	7698	1160	1077	2237	5158	4777	9935
2009-10	2739	2603	5342	809	756	1565	3548	3359	6907
2010-11	5387	4958	10345	2628	2685	5313	8015	7643	15658

(Source: Office of the DPO, Hazaribag)

The above table shows that ‘out of school’ children included children who were never enrolled and drop-outs, whose number increased from 9,935 in 2008-09 to 15,658 in 2010-11.

The Kasturba Gandhi Balika Vidyalaya (KGBV) scheme was launched by the Government of India in July 2004 for setting up residential schools at the upper primary level for girls belonging predominantly to the Scheduled Caste (SCs), Scheduled Tribe (STs), Other Backward Class (OBC) and minority communities. The scheme was merged with SSA with effect from 1 April 2007 as a separate component of the programme. The KGBVs were to have their own residential school buildings. Of the 10 existing KGBVs in the district, four<sup>2</sup> had their own residential school buildings and three<sup>3</sup> were under construction. Construction work in the remaining three<sup>4</sup> KGBVs was not taken up due to non-availability of land.

Physical verification of KGBV, Charhi (25 April 2011) and KGBV, Ichak (28 April 2011) revealed that BRC buildings were being used as residential schools as the KGBVs did not have their own school buildings. Audit noticed the following:

***Girl students residing in cramped accommodation in KGBV, Churchu and Ichak***

Physical verification revealed that 70 girl students were residing in a single room (25’X15’) at KGBV Churchu while 64 and 45 girl students were accommodated in two rooms (size of each room 25’X15’) at KGBV Ichak. No separate rooms were used as classrooms, denying the right atmosphere for studies to students.

**In Kasturba Gandhi Balika Vidyalaya, Churchu, 70 girl students were residing in a single room (25’ X 15’)**



***Accommodation of girl students in KGBV, Ichak***



***Residential facilities used as classroom at KGBV, Churchu***

<sup>2</sup> KGBV, Barkagaon, Barkatha, Bishnugarh, and Chouparan.

<sup>3</sup> KGBV, Barhi, Katkamsandi and Padma.

<sup>4</sup> KGBV, Churchu, Ichak and Keredari.

### Basic Amenities

As per the Right to Education Act, toilets and safe drinking water facilities were to be provided in each school. Electricity, ramps<sup>5</sup> and kitchen sheds were to be provided to each school. Majority of the schools at the elementary level did not have the basic minimum amenities as detailed in **Table -3**:

**Table-3**  
**Details showing non-availability of basic amenities in the district**

Year	Total number of schools	Common toilets	Girls toilets	Electricity	Ramps	Drinking water facilities	Kitchen shed
2008-09	1686	1315	1471	1526	1429	943	1238
2009-10	1692	1605	1515	1494	1344	74	1244
2010-11	1716	1483	783	1512	1231	208	646

(Source: SSA, Hazaribag)

**Against the target of 674, 255 girls' toilets were constructed**

It was observed that no proposal for basic amenities in schools was included in the Annual Work Plan and Budget (AWP&B) of the district for 2009-10. Cumulative progress of provision of basic amenities till 2010-11 as per AWP&B of 2011-12 was as follows:

As against the requirement of 1,605 common toilets, 1,515 girls' toilets, and electrification of 1,494 schools, construction of 230 common toilets, 674 girls' toilets, and electrification of 10 schools respectively were targeted up to 2010-11, of which construction of 230 common and 255 girls' toilets and electrification of 10 schools was completed. However, proposals for providing ramps and drinking water facilities and construction of kitchen sheds in primary/upper primary schools of the district in AWP&B during 2008-09 to 2011-12 were not included. Thus, basic amenities as per requirements were not available in the schools. In response to an audit query, fund constraints were cited (September 2011) by the district officials. However, savings to the tune of ₹ 24.87 crore during 2008-11 showed that the district could not even spend what was provided.

### Scholarship schemes:

The Secretary, Department of Welfare, is responsible for the implementation of various scholarship schemes for SC, ST and OBC students. The Tribal Welfare Commissioner (TWC) acts as the nodal officer at the State level for the overall development of SCs, STs and OBC students. The District Welfare Officer (DWO) and the Block Welfare Officers (BWO) are responsible for implementation of the various schemes of the Welfare Department at the district and block levels respectively.

<sup>5</sup> Architectural barriers for easy access.

### 2.1.8.1 Planning

The Welfare Department directed (November 2006) all DWOs that a database may be prepared at the district level with details of eligible students who were seeking scholarships. However, neither was the database prepared nor was any survey conducted to identify eligible beneficiaries. The DWO stated (May 2011) that due to lack of manpower and computers, the database could not be prepared.

### 2.1.8.2 Students deprived of financial assistance at the pre-Matric level

As per guidelines<sup>6</sup>, all the ST, SC and OBC students studying in State Government schools were eligible for *pre-Matric* scholarships. There was no ceiling of parental income under this scheme.

Applications for scholarships to deserving students were received from the various blocks. During 2008-11, there were 8,05,170 applicants in the district, out of which only 5,89,630 students were provided scholarships. Thus, 2,15,540 (27 per cent) students were deprived of financial assistance under this scheme due to short allotment of funds by the department.

Of 8,05,170 students, only 5,89,630 students were provided scholarships, depriving 2,15,540 (27 per cent) students

### 2.1.8.3 Non-completion of construction of hostels within the stipulated time

Rupees 6.10 crore was allotted during 2005-09 for construction of seven hostels for 500 SC, ST, OBC and minority students to be completed between June 2006 and March 2009. Although an expenditure of ₹ 2.52 crore was incurred, all the seven hostels were incomplete due to non-availability of funds (May 2011). As a result, the students were deprived of the desired benefits of hostel.

Further, the Secretary, Welfare Department, Government of Jharkhand allotted (2001-03) ₹ 90.32 lakh (₹ 28.48 lakh for school and ₹ 61.84 lakh for a 100-bedded hostel) to the DWO, Hazaribag for construction of an OBC girls high school with hostel. The construction work commenced (February 2003) without survey and investigation at Jabra village, but was stopped after incurring ₹ four lakh due to unsuitability of the site. The work was re-started (August 2005) at Matwari but was stopped again after incurring ₹ 26 lakh due to litigation. However, the litigation proceedings were subsequently settled in October 2008. In the meanwhile, the estimate was revised to ₹ 141.84 lakh but the residual work could not be started due to non-receipt of the balance funds. The remaining amount of ₹ 60.32 lakh was still lying (September 2011) with the Building Construction Division.

The school and the hostel were located in a dilapidated building. Thus, the students continued to remain deprived of the desired facilities and the Government incurred an extra financial burden of ₹ 51.52 lakh due to improper survey and investigation before starting the work.

<sup>6</sup> Guidelines for Scholarships issued (November 2006) by the Welfare Department, Government of Jharkhand.



(Photographs taken on 4 May 2011 showing dilapidated building of OBC girls' high school with hostel presently running in the hostel of K.B. Women College, Hazaribag)

### 2.1.9 National Rural Health Mission

The Chief Medical Officer (CMO), Hazaribag, functioning under the State Health, Medical, Education and Family Welfare Department, is responsible for providing health care services to the people through a Sadar Hospital at Hazaribag and 10 Community Health Centres (CHCs), 13 Primary Health Centres (PHCs) and 142 Health Sub Centres (HSCs). Under NRHM, a household and facility survey was to be carried out to identify the gaps in health care facilities in rural areas. The District Health Society (DHS), the implementing agency of NRHM at the district level, was required to prepare Annual Plans for the district. According to the NRHM guidelines, these plans were to be prepared after receipt of household and facility survey reports from the lower functionaries.

The audit findings regarding the implementation of NRHM in the district were as follows:

- Annual Plans had not been prepared during 2008-10.
- As per NRHM guidelines, there was to be a CHC, PHC and HSC for populations over 80,000, 20,000 and 3,000 respectively. However, it was noticed that there were 10 CHCs, 13 PHCs and 142 HSCs against the requirement of 22 CHCs, 87 PHCs and 578 HSCs. Further, basic health care services like blood storage, obstetric care, facilities of X-ray, ultra-sound, electro-cardiogram, etc were also not available in five<sup>7</sup> out of 10 CHCs as these CHCs were not fully upgraded due to lack of infrastructure, manpower and funds as stated (September 2011) by the CMO, Hazaribag.

Basic health care services were not available in Community Health Centres

<sup>7</sup> Barhi, Barkatha, Chauparan, Churchu and Ichak.

### 2.1.9.1 Human Resources

Efficiency and quality of health care services largely depend on the availability of adequate number of qualified doctors, nurses and other categories of staff.

- Against the sanctioned strength of 357 persons, 224 persons were posted by the State Government in all categories, leaving 133 posts (37 per cent) vacant in the district (*Appendix -2.2*). Although the Chief Medical Officer (CMO) took up the matter with the State Health Department, no action was initiated. Thus, the shortage of medical staff in the health centres impeded the delivery of better health care services in the district.
- Under NRHM, *Sahiyas*<sup>8</sup> were to be appointed to act as an interface between the community and the health care system to achieve the goal of reducing the Infant Mortality Rate (IMR), the Maternal Mortality Rate (MMR) and the Total Fertility Rate (TFR). However, the position of IMR, MMR and the TFR of the district could not be ascertained as no survey was done during 2008-11. Moreover, *Sahiyas* in the district were to be trained in five modules<sup>9</sup> but 834 out of 2,657 *Sahiyas*, remained untrained in all five modules.

834 out of 2,657 *Sahiyas* remained untrained in all five modules

On this being pointed out, the CMO accepted the facts and stated (September 2011) that the process was on for imparting training to all untrained *Sahiyas*.

### 2.1.9.2 Janani Suraksha Yojana

The main objective of the Janani Suraksha Yojana (JSY) was to reduce the overall maternal and infant mortality rate and to increase institutional (in hospitals) rather than domiciliary (at home) deliveries. Ante-natal care was an important part of JSY for which, three full checkups and other medical advice were to be given to all registered pregnant women.

Of 1,00,632 pregnant women registered, there were 36,261 (36 per cent) institutional deliveries and 57,243 (57 per cent) received all three ante-natal checkups

Audit revealed that there were only 36,261 (36 per cent) institutional deliveries as against 1,00,632 pregnant women registered in the district during 2008-11 and only 57,243 (57 per cent) received all three ante-natal checkups, as specified under the Janani Suraksha Yojana. The CMO, Hazaribag stated that the shortfall was due to lack of awareness among the rural population and shortage of staff. Inadequate numbers of institutional deliveries, shortfall in ante-natal check-ups and ineffective implementation of JSY thus, adversely affected the extent and quality of maternal health care in the district.

### 2.1.9.3 Immunisation Programme

The immunisation programme was one of the most important elements of NRHM. It was observed in audit that as against the target of 1,33,113 children up to the one-year age group being immunised covering Bacillus Calmette-Guerin (BCG);

Against the target of 1,33,113 children, only 80,120 (60 per cent) were immunised

<sup>8</sup> Female Community Health Worker.

<sup>9</sup> 1<sup>st</sup> Module: Sahiya Sandesh Parichay, 2<sup>nd</sup> Module: Sahiya Sandesh Swasthya Sishu Ujjwal Bhavisya, 3<sup>rd</sup> Module: Bhojan Pani and Safai, 4<sup>th</sup> Module: Surakshit Matritwa and 5<sup>th</sup> Module: Netritwa Kshamta Vikash.

Diphtheria; Polio and Tetanus (DPT); Oral Polio Vaccine (OPV) and measles, only 80,120 (60 *per cent*) children were immunised due to shortage of Auxiliary Nurse Midwife (ANM) as stated (May 2011) by the CMO.

#### **2.1.9.4 National Programme for Control of Blindness**

**Against 12,979 detected refractive error cases, only 1,203 spectacles were provided**

The National Programme for Control of Blindness (NPCB) aimed at reducing the incidence of blindness through increased cataract surgeries, eye screening of schoolchildren, providing free glasses to children, promotion of eye donation and creation of donation centres and eye banks. It was noticed that cataract surgeries performed during 2009-11 in the district ranged between 75 and 80 *per cent* of the targets fixed. During 2008-11, only 1,203 spectacles were provided to schoolchildren as against the detection of 12,979 refractive error cases among them. No facility for eye donation had been created in the district and no eye bank was established (June 2011). Non-availability of sufficient funds was the constraint for effective implementation of NPCB. In the absence of such facilities, the objectives of the programme were not fully achieved.

#### **2.1.9.5 Non-functional ultrasound machine**

An ultrasound machine in the Sadar Hospital, Hazaribag was non-functional since December 2009 due to non-deployment of a Radiologist/Sonologist, denying the facility of ultra-sonography to patients. As a result, 52 indoor patients had to avail of this facility from private institutions between January 2010 and March 2011.

### **2.1.10 Drinking Water and Sanitation**

#### **Drinking Water**

To provide safe, sufficient and potable drinking water to the people, the Drinking Water and Sanitation Department (DWSD) had taken up the following schemes during 2008-11:

- Sinking of new drilled tube-wells (DTWs) in non-covered and partially covered habitations; primary and middle schools; Anganwadis and panchayats;
- Relocation and special repairs of old and defunct DTWs;
- Structural modifications and change of rotten riser pipes of DTWs;
- Rural and mini-rural piped water supply schemes; and
- Installation of fluoride removal attachment units and Terafill Standalone drinking water purification systems in fluoride-affected habitations and schools.

The Drinking Water and Sanitation Division (the division) was responsible for implementation of the drinking water schemes in the district. The major findings noticed in audit are discussed in the following paragraphs:

### 2.1.10.1 Insufficient supply of drinking water through DTWs

As on 1 April 2011, there was a town piped water supply scheme in Hazaribag town covering a population of 1,25,000. In addition, 12 out of 14 piped water supply schemes, running in 12 habitations including five out of 16 block headquarters, were in operation in the district, providing drinking water facilities to a population of 59,533. Thus, a large population of the district did not have the facility of piped water supply and the major sources of drinking water in the district were DTWs.

In terms of the population coverage in respect of drinking water facilities, all 4,931 habitations of the district had been fully covered as on 1 April 2011. The status of functional DTWs in the district as on 1 April 2011 and sunk, relocated or repaired DTWs during 2008-11 is given in **Table-4**:

**Table-4**  
**Status of functional DTWs**

Year	Status of DTWs as on 1 April			DTWs repaired during the year				Newly sunk DTWs	Total added DTWs	Increase in functional DTWs
	Total DTWs	Non-functional DTWs	Functional DTWs	Ordinary repairs (per cent of col 4)	Relocation	Change of rotten riser pipes	Total			
1	2	3	4	5	6	7	8	9	10 (6+7+9)	11
2008-09	14428	1809	12619	7330 (58)	480	94	7904	1518	2092	NA
2009-10	15946	2298	13648	8891 (65)	914	1164	10969	1013	3091	1029
2010-11	16959	1812	15147	8942 (59)	624	930	10496	633	2187	1499
2011-12	17592	2309	15283	NA	NA	NA	NA	NA	NA	136
<b>Total</b>		<b>8228</b>			<b>2018</b>	<b>2188</b>	<b>29369</b>	<b>3164</b>	<b>7370</b>	<b>2664</b>

(Source: Drinking Water And Sanitation Division, NA stands for not applicable)

**7,370 DTWs were added during 2008-11, but the functional DTWs increased by only 2,664 (21 per cent)**

It may be seen from the above table that 7,370 DTWs were added during 2008-11 but the numbers of functional DTWs as on 1 April 2011 increased only by 2,664 (21 per cent) than the numbers of DTWs as on 1 April 2008. As such, 4,706 old DTWs became non-functional during the same period due to the expiry of the life spans of DTWs, drying up of bores, rusting of riser pipes, non-completion of required numbers of relocations and change of rotten pipes etc. Thus, sufficient drinking water through DTWs was not being ensured as the numbers of non-functional DTWs increased with respect to the net addition in functional DTWs.

### 2.1.10.2 Excessive breakdown of DTWs

Being the major source of drinking water, every step should have been taken to make the DTWs functional throughout the year, thereby maintaining the required discharge and quality of drinking water. Scrutiny, however, disclosed high percentages (ranging between 58 and 65) of ordinary repairs of temporarily closed DTWs as shown in **Table-4** above. The regular maintenance of DTWs was not being undertaken by the division due to shortage of required manpower and vehicles. Such breakdown of DTWs affected the uninterrupted supply of

drinking water to the beneficiaries. The required water discharge of functional DTWs was also not found to have been checked by the division except at the time of sinking or relocation of new DTWs.

### **Piped water supply schemes**

#### **2.1.10.3 Rural piped water supply schemes**

During 2008-09, there were 11 completed rural piped water supply schemes, of which four<sup>10</sup> were non-functional due to mechanical and electrical faults. Of these, three schemes were made functional in 2010-11. The scheme at Jhumra could not be made functional as of March 2011 for want of sanction of the estimate for special repairs. In addition, one scheme at Charhi became non-functional in 2010-11 due to widening of a road which caused extraction of pipes.

The construction of four rural piped water supply schemes<sup>11</sup> were sanctioned during 2006-08 at an estimated cost of ₹ 4.37 crore. Of these, three schemes<sup>12</sup> sanctioned for ₹ 2.26 crore, were completed in 2010-11 at a cost of ₹ 2.23 crore whereas one scheme at Ichak was closed (March 2009) by the division due to insufficient source of water after incurring expenditure of ₹ 3.78 lakh and thus, deprived the targeted beneficiaries of safe and sufficient drinking water.

#### **2.1.10.4 Poor performance under Swajaldhara scheme**

Swajaldhara scheme, a Centrally Sponsored Scheme, is a community participation based scheme in which involvement of the benefited communities is ensured at every stage of execution of the drinking water supply scheme.

**Supply of safe and potable drinking water could not be ensured to 9,218 persons of 11 villages**

In Hazaribag district, 26 piped water supply schemes were sanctioned at an estimated cost of ₹ 1.83 crore during 2005-07. These works were taken up through Village Water and Sanitation Committees (VWSCs) between January 2006 and May 2007 to be completed between May 2006 and October 2007. Of these, only nine schemes were completed between January 2007 and July 2011 at a cost of ₹ 45.08 lakh. Six schemes estimated at ₹ 60.24 lakh were closed due to insufficient source of water after incurring an expenditure of ₹ 8.96 lakh. Eleven schemes estimated at ₹ 66.04 lakh remained incomplete after incurring an expenditure of ₹ 29.13 lakh as of August 2011. Non-completion of the schemes after a lapse of more than four years from the scheduled date of completion was due to lack of funds during 2007-09 though the requirements of funds had been sent (October 2008 and February 2009) to the State Water and Sanitation Mission. Thus, the supply of safe and potable drinking water to 9,218 persons of 11 villages could not be ensured as of August 2011.

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<sup>10</sup> Bishnugarh, Jhumra, Kariyatpur and Padma-Saraiya water supply schemes.

<sup>11</sup> Banaso, Barasi, Ichak and Lakhe-Nutan water supply schemes.

<sup>12</sup> Banaso, Barasi and Lakhe-Nutan water supply schemes.

### *Quality of drinking water*

The Centrally sponsored schemes viz. Accelerated Rural Water Supply Programme (ARWSP), National Rural Drinking Water Programme (NRDWP), Bharat Nirman and National Rural Water Quality Monitoring and Surveillance Programme (NRWQMSP) emphasised the availability of safe and potable drinking water. Water was defined as safe if it was free from biological contamination i.e. guinea worm, cholera, typhoid and within permissible limits of chemical contamination i.e. arsenic, fluoride, iron, nitrate etc. Under these programmes, laboratories were to be set up at the district, sub-division and block levels and all drinking water sources were to be tested at least once in a year for checking chemical parameters and twice in a year for checking bacteriological parameters.

**The district laboratory, established and equipped in 2006 remained non-functional for want of a Chemist and a Laboratory Assistant**

It was seen in audit that though the district laboratory was established in the year 2006 and was equipped, it remained non-functional during 2008-11 except the period from April 2008 to July 2009<sup>13</sup>, for want of a Chemist and the Laboratory Assistant. There were no laboratories at the sub-division and block levels. The required checking of the drinking water sources for chemical and bacteriological parameters was also not being conducted in the district due to non-functioning of the laboratory as discussed below:

#### **2.1.10.5 Insufficient quality test of the drinking water sources**

Under NRWQMSP, ₹ 13.60 lakh was provided to the district during 2007-09 for conducting training and awareness programmes for district, block and Gram Panchayat functionaries, testing of quality of drinking water sources, survey of sanitation facilities and purchase of test kits required for chemical and bacteriological checking of the drinking water sources.

As of March 2011, the district spent only ₹ 8.90 lakh on conducting training and awareness programmes, purchase of test kits, surveys etc. and failed to achieve the targets of the programme as given in **Table-5**:

**Table-5**  
**Target and achievement under NRWQMSP**

Activities to be undertaken	Target	Achievement	Shortfall (Per cent)
Persons to be trained	1340	1072	268 (20)
Test of water sources	12731	6132	6599 (52)
Sanitation survey	12731	1072	11659 (92)

(Source: District Water and Sanitation Mission)

There were shortfalls of 52 to 92 per cent in achieving the targets of testing drinking water sources and conducting sanitation surveys. Further, out of 28,114 bacteriological testing kits, received from the Chief Engineer, DWSD in 2008-09, 27,216 (97 per cent) were not utilised due to absence of trained manpower.

<sup>13</sup> Chemist and the laboratory assistant were hired on contract.

For primary detection of chemical and biological contamination, 59 multi-parameter water field testing kits<sup>14</sup> were purchased in December 2007, at a cost of ₹ 1.03 lakh. These were to be utilised by trained Gram Panchayat level workers i.e. Anganwadi workers, Accredited Social Health Activists (ASHAs), school teachers, social workers etc. These kits, however, could not be utilised due to the absence of functional laboratories and trained manpower. The validity of these multi-parameter kits expired in March 2009. As the water sources were not tested, the inhabitants of the district were exposed to the risk of drinking non-potable water.

#### **2.1.10.6 Fluoride removal attachment units**

Consumption of drinking water contaminated with excess fluoride than the permissible limit for a long period is dangerous to health. This causes a disease called fluorosis which affects the teeth and bones.

Under ARWSP, the DWSD sanctioned (May and August 2008) installation of 84 fluoride removal hand pump attachment units in 42 habitations (two for each habitation) which were fluoride-affected. In addition, 14 fluoride removal attachment units were sanctioned (May 2008) for installation in schools. Accordingly, ₹ 42.63 lakh was allotted in 2008-09 to the division.

**Of 98 fluoride removal attachment units, 53 units were lying unutilised in the store**

The DWSD ordered (between May and August 2008) a contractor to supply and install 98 attachment units between August 2008 and August 2009. As per the work orders, the Executive Engineer and the Superintending Engineer were to ensure installation of attachment units within the time schedule. However, only 45 attachment units were installed (February 2009) by the contractor at a cost of ₹ 20.46 lakh and the balance 53 units were supplied (between July and December 2008) to the division and were lying in the store as on March 2011. The contractor did not install these units despite several reminders and the matter had been reported to the department as stated (May 2011) by the EE.

Further, 130 out of 2,380 samples and sources tested between July 2008 and July 2009 in the district laboratory were found to be contaminated with fluoride for which no action had been taken by the department as of March 2011.

Thus, the people of the affected habitations were exposed to the risk of developing fluorosis due to consumption of excess fluoride in the water.

#### **2.1.10.7 Iron contaminated sources left untreated**

Excess iron in the body increases the risk for liver diseases, heart attack, diabetes, hair loss etc.

In sample tests conducted by the Public Health Environment Engineering Trust and the district laboratory, 70 out of 3,366 sources were found to be

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<sup>14</sup> A handy kit containing chemicals, reagents and glassware capable of testing pH, fluoride, nitrate, iron and residual chlorine.

contaminated with iron. However, DWSD had made no plans as of March 2011 for treatment of drinking water sources contaminated with iron.

#### 2.1.10.8 Non-installation of water purification systems in schools

To provide safe and potable drinking water in schools, installation of 330 Terafill Standalone drinking water purification systems<sup>15</sup>, at least one in each classroom of a school, was sanctioned (October 2009) under the Jalmani Programme of NRDWP.

**Out of 330 Terafill Standalone Drinking Water Purification Systems, 248 systems were still to be utilised**

The Chief Engineer-cum-Executive Director, Jharkhand State Water and Sanitation Mission allotted (April 2010) a work to a contractor for supply, installation and maintenance of the system. The systems were to be installed within three months i.e. by July 2010. However, it was found that only 82 systems had been installed in 10 schools up to August 2011. Thus, the children were forced to drink untreated water.

#### 2.1.10.9 Sanitation

The Central Rural Sanitation Programme (CRSP) was launched in 1986, with the objective of improving the quality of life of the rural people. CRSP later on moved towards a demand-driven scheme, titled 'Total Sanitation Campaign (TSC)' emphasising more on Information, Education and Communication (IEC) to increase awareness among the rural people and generate demand for sanitary facilities. TSC aimed to provide sanitation coverage in rural areas by giving access to toilets to all by 2012 and good sanitation practices through separate urinals/toilets for boys and girls in all schools by March 2008 and in Anganwadis by March 2009.

The District Water and Sanitation Mission (DWSM) was the implementing agency of the various activities of TSC based on the approved project implementation plans (PIPs). The physical achievements of the Mission, as of March 2011 are given in **Table-6**:

**Table-6**  
**Physical achievements against targets**

Activities		Target as per PIP	Achievements	Shortfall (per cent)
Individual Household Latrine (IHHL)	BPL	140453	90143	50310 (36)
	APL	71402	4939	66463 (93)
Toilets	Schools	1563	1155	408 (26)
	Anganwadis	169	169	Nil
Community sanitary complex		105	04	101 (96)

(Source: District Water and Sanitation Mission)

As shown in **Table-6**, DWSM failed to achieve the targeted objectives of TSC as the shortfalls in providing sanitation facilities to the targeted beneficiaries ranged between 26 and 96 *per cent*. The shortfall was alarming in the case of families above the poverty line (APL) and construction of community sanitary

<sup>15</sup> A system in which burnt red clay (terracotta) porous media is used for filtration of drinking water so that it is free from turbidity, residual chlorine and certain micro-organisms causing water-borne diseases.

complexes. The shortfall was due to insufficient Rural Sanitary Marts<sup>16</sup>, non-completion of works by the Village Water and Sanitation Committees, Village Education Committees, district and block level functionaries as well as lack of awareness among people for sanitary facilities.

The DC, in an annual meeting, had directed (May 2009) that intensive campaigns may be organised up to panchayat levels through distribution of pamphlets, hoardings, wall graffiti etc. As a result, demand for Individual Household Latrines (IHHLs) increased and 49,045 IHHLs were provided to BPL households during 2009-11 in comparison to 41,098 IHHLs during 2003-09.

In addition, it was seen in audit that the schools and Anganwadis running in private buildings were to be covered under TSC, subject to adjustment of the cost of sanitation facilities from the rent payable. However, these were not included for sanitation coverage in the project implementation plans (PIPs). Lists of the schools and Anganwadis running in private buildings were also not prepared by the Mission.

### 2.1.11 Integrated Child Development Services Scheme

The Integrated Child Development Services (ICDS) scheme, a Centrally sponsored scheme, was launched in the State with a view to improve the nutritional and health status of children in the age group of 0-6 years and to enhance the capability of mothers to look after the normal health and nutritional needs of their children through proper nutrition and health education.

#### 2.1.11.1 Unfruitful expenditure

The Social Welfare Department, Jharkhand allotted ₹ 3.76 crore for construction of 138 buildings<sup>17</sup> under ICDS during 2005-11. The funds were released to different executing agencies. However, the executing agencies failed to complete the works of 43 buildings (*Appendix -2.3*) after incurring expenditure of ₹ 111.95 lakh. Construction of 17 Anganwadi Centres (AWCs) could not be initiated due to non-availability of the required land and ₹ 39.13 lakh was deposited into the treasury.

On this being pointed out, the DSWO stated (September 2011) that the remaining work of construction of the working ladies hostel was being tendered for after revision of the estimates and the work of the *Nari Niketan* had been closed by the Junior Engineer due to poor quality of work.

#### 2.1.11.2 Inadequate facilities in Anganwadi Centres

Of 1,826 Anganwadi Centres, 1,584 centres had no toilet facilities and 377 centres had no hand pumps

On scrutiny of records, it was noticed that out of 1,826 AWCs, 1,584 had no toilet facilities and 377 had no hand pumps. Besides, 1,043 AWCs were housed in rented buildings. Thus, most of the centres were deficient in basic facilities and many had no buildings of their own as no funds were made available for this

<sup>16</sup> Outlets dealing with materials, hardware and designs required for the construction of sanitary facilities and can be opened and operated by NGOs/ SHGs/ women's organisations/Panchayats etc.

<sup>17</sup> Anganwadi Centres (136), Working Ladies Hostel (one) and one *Nari Niketan*.

purpose by the department. Absence of such basic facilities may adversely affect the outreach of the scheme.

### 2.1.11.3 Shortfall in Supplementary Nutrition Programme

The Supplementary Nutrition Programme (SNP) aimed at holistic development of children in the age group of 0-6 years, adolescent girls, pregnant women and lactating mothers. This scheme was an effective tool to fight malnutrition amongst children. The target under this scheme had been fixed each year by the district. During 2008-11, it was observed that the target had remained unachieved as detailed in **Table-7**:

**Table-7**  
**Targets, achievements and shortfall**

Year	Number of beneficiaries		
	SNP		
	Target	Achievement	Shortfall ( <i>Per cent</i> )
2008-09	594609	578889	15720
2009-10	741547	567886	173661
2010-11	815882	670469	145413
<b>Total</b>	<b>2152038</b>	<b>1817244</b>	<b>334794 (16)</b>

(Source: DSWO Office, Hazaribag)

It is evident from the table that there was a shortfall of 16 *per cent* against the targets fixed. The targets could not be achieved as the required monitoring of AWCs was not carried out by the Child Development Project Officers (CDPOs)/ Lady Supervisors (LSs) as discussed in paragraph 2.1.11.6.

### 2.1.11.4 Pre-School Education kits

No funds were allotted to the district during 2008-11 for procurement of pre-school education kits

According to the guidelines of ICDS, pre-school education (PSE) kits meant for facilitating motor and muscular development and eye-hand coordination through constructive play materials, playing with dolls/toys, role play etc. were to be provided to all operational AWCs, each year for necessary preparation for primary schooling. It was observed that no funds were allotted to the district during 2008-11 for procurement of PSE kits. Thus, the intended benefits of PSE were denied to the children.

### 2.1.11.5 Inadequate training

According to the guidelines of ICDS, induction training was to be imparted through the State Government to Anganwadi Workers (AWWs), Anganwadi Helpers (AWHs).

It was observed that 150 AWWs and 265 AWHs, out of 1,802 AWWs and 1,713 AWHs respectively were not given induction training as of September 2011. Therefore, these AWWs and AWHs, working at different centres, remained untrained, which could affect the effective delivery of services like supplementary nutrition, health check-up, referral services, PSE, nutrition and health education. The DSWO replied (September 2011) that the headquarters would be requested for imparting training to all untrained AWWs/AWHs.

### **2.1.11.6 Medicine kits not supplied**

As a vital input to providing essential health services, medicine kits consisting of easy to use and dispensable medicines were to be supplied to each AWC every year for healing common ailments like coughs and common colds, skin infections etc. The State Government was required to do the procurement and distribution of kits in the district for AWCs.

Scrutiny of records revealed that during 2008-11, no medicine kits were received from the department. This resulted in non-supply of medicine kits to AWCs depriving beneficiaries of medicines for common ailments.

For effective implementation of ICDS, CDPOs and Lady Supervisors were required to visit 30 and 40 AWCs respectively per month. During 2008-11, none of the CDPOs and Lady Supervisors achieved the target of inspections as the achievements ranged between 61 and 78 *per cent*.

## **Economic Sector**

### **2.1.12 Roads and bridges**

A good infrastructure goes a long way in enhancing the growth potential of a district and bridging the gap between urban and rural areas. It brings the remote and backward areas closer to the district headquarters and enhances equity and inclusive growth of the economy.

The Road Construction (RCD) and Rural Works (RWD) Departments were administrative departments responsible for construction and maintenance of black-topped roads in the district with the help of Road Construction and Rural Works Divisions in the district.

There were 120.50 km of national highways (NH), 171.08 km of State highways and 955.90 km of black-topped rural roads<sup>18</sup> in the district as on March 2011. Condition of these roads was as below:

- Out of 120.50 km of NH, 50 km had been transferred (April and August 2010) to the National Highway Authority of India for widening and strengthening which was under progress. Remaining length of roads was in fair condition.
- Out of 171.08 km of State highways, widening and strengthening of 76.25 km was in progress. Condition of the balance roads was partially fair for which special repairing of 39.6 km and ordinary repairing of 19.64 km had been approved by the department under the Work Plan of 2011-12.
- Condition of rural roads was poor and maximum number of roads needed repair and maintenance. Estimates for repair of 17 roads {excluding Pradhan Mantri Gram Sadak Yojana's (PMGSY) roads} having a total length of 95.23 km had been submitted (August 2011) by the division for

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<sup>18</sup> Excluding roads constructed by other divisions and not handed over to the Rural Works Division.

administrative approval. Condition of PMGSY roads has been discussed in paragraph 2.1.12.5.

### State highways

#### 2.1.12.1 Non-completion of works

Widening and strengthening of two roads remained incomplete after incurring an expenditure of ₹ 22.39 crore as on March 2011

- The work of widening and strengthening of two roads<sup>19</sup> having a total length of 76.25 km was sanctioned in August 2007 and May 2008. Of these, widening and strengthening works of 64.25 km were taken up at the cost of ₹ 36.38 crore, to be completed between October 2009 and June 2010. These works, however, remained incomplete even after incurring an expenditure of ₹ 22.39 crore as of March 2011. Reasons for non-completion of works were slow progress of works, paucity of bitumen, encroachment of lands, utility shifting etc, for which the contractors had been directed to accelerate the works and the department was trying to resolve issues through regular monitoring, besides holding of elections, declaration of bandhs etc. as stated (June 2011) by the Executive Engineer (EE), RCD, Hazaribag.
- The construction of eight high-level bridges on two roads (in which widening and strengthening was in progress) was sanctioned between April 2007 and August 2009. Construction of these bridges started between July 2007 and April 2010 at an agreed cost of ₹ 9.90 crore. Seven bridges were to be completed between December 2008 and March 2011 and one bridge by April 2011. All these bridges remained incomplete as of March 2011 even after incurring an expenditure of ₹ 4.76 crore due to non-acquisition of 7.86 acres of land required mainly for construction of approach roads.

#### 2.1.12.2 No change in the status of State highways

The status of State highways in the district during 2008-11 is shown in **Table-8**:

**Table-8**  
**Status of State highways in the district**

(In kilometres)

Year	Status of roads			Single lane		Intermediate lane		Double lane	
	Nos.	Length	Equivalent length <sup>20</sup>	Nos.	Length	Nos.	Length	Nos.	Length
2008-09	10	170.87	201.98	6	108.37	3	58.63	1	3.87
2009-10	11	171.08	202.29	6	108.37	4	58.84 <sup>21</sup>	1	3.87
2010-11	11	171.08	202.29	6	108.37	4	58.84	1	3.87

(Source: Road Construction Division)

Though widening and strengthening of two roads were taken up between October 2008 and March 2009 to be completed between October 2009 and June 2010, the length and carriage-way of the State highways in the district remained unchanged during 2008-11 due to non-completion of works.

<sup>19</sup> Hazaribag-Katakamsandi-Chatra and Hazaribag-Barkagaon-Tandwa roads.

<sup>20</sup> Equivalent length of a road increases with increase in its carriage width (lane) compared to the road with single lane.

<sup>21</sup> Length of 210 meter increased due to transfer of a stretch of NH 2.

## Status of rural roads

The construction, upgradation and maintenance of rural roads in the district were taken up under the Pradhan Mantri Gram Sadak Yojna (PMGSY) and the State Plan. PMGSY was launched in December 2000 to provide all-weather road connectivity to all rural habitations with populations of more than 500 by the end of the Tenth Plan Period (2007).

### Pradhan Mantri Gram Sadak Yojana

#### 2.1.12.3 Non-achievement of objectives

For planning purposes, a survey was conducted in 2001-02, based on which a district core network of roads was prepared for selection of roads under PMGSY to provide all-weather road connectivity to all rural habitations. Roads up to the IV<sup>th</sup> phase were sanctioned from this core network. A fresh survey of rural habitations was conducted in 2005-06.

As per these surveys, nearly 50 per cent of rural habitations (816 out of 1,624) of the district were found unconnected with all-weather roads. Accordingly, a revised core network of roads and a core network of new connectivity priority list (CNCPL) was prepared for providing connectivity to all unconnected rural habitations under PMGSY. The CNCPL included 185 roads having a length of 624.63 km.

For giving connectivity to 559 out of 816 unconnected rural habitations, 68 new roads from CNCPL having a total length of 236.12 km were sanctioned by GOI during 2007-11 and taken up under the V<sup>th</sup> to VIII<sup>th</sup> phases of PMGSY. To provide targeted connectivity to 257 habitations<sup>22</sup>, 117 roads were still to be sanctioned. The physical and financial progress of these roads as of March 2011 is given in **Table-9**:

**Table-9**  
**Physical and financial progress of roads sanctioned under PMGSY**

(₹ in crore)

Phase	Habitations to be connected		Roads sanctioned				Roads completed			Roads incomplete		
	Above 500	Below 500	Nos	Length (km)	Estimated cost	Agreement cost	Nos.	Length (km)	Expen-diture	Nos.	Length (km)	Expen-diture
V	141	418	5	29.41	9.83	9.69	5	28.81	8.81	Nil	Nil	Nil
VI			44	144.86	47.02	43.46	31	91.96	23.80	13	52.90	4.03
VII			1	5.50	1.83	1.76	Nil	Nil	Nil	1	5.5	0.43
VIII			18	56.35	11.72	14.83	Nil	Nil	Nil	18	56.35	2.47
<b>Total</b>	<b>141</b>	<b>418</b>	<b>68</b>	<b>236.12</b>	<b>70.40</b>	<b>69.74</b>	<b>36</b>	<b>120.77</b>	<b>32.61</b>	<b>32</b>	<b>114.75</b>	<b>6.93</b>

(Source: Rural Works Division)

From **Table 9**, it can be observed that:

- All rural habitations with population of more than 500 were to be connected with all-weather roads by the end of 2007. However, it was seen in audit that 142 such habitations were not selected for connectivity as on March 2011.

<sup>22</sup> Habitations with populations of more than 1000 = 18, 500 - 999 = 124 and less than 500 = 115.

**Out of four roads under VI<sup>th</sup> phase totalling 10.65 km in total, three roads totalling 9.55 km could not be completed**

(ii) Out of 13 incomplete roads of the VI<sup>th</sup> phase, construction of four roads having a total length of 10.65 km was started between May and June 2009, and was scheduled for completion by June 2010, at an agreed cost of ₹ 3.23 crore . Of these, one road having a length of 1.10 km was completed by August 2011 and the remaining three roads having a total length of 9.55 km could not be completed due to slow progress of work by the contractor for which a notice had been served (August 2011) by the Executive Engineer. Rupees 1.46 crore had been spent on these incomplete roads till August 2011.

#### **2.1.12.4 Faulty survey of connectivity of habitations**

It was seen in audit that the approved core network of 2005-06 included 358 roads having a total length of 1,832.76 km. A revised core network was, however, prepared in June 2010 containing 581 roads having a total length of 2,576.46 km. The additional provision for these 223 roads having a total length of 743.70 km was added to connect 302 habitations including 26 and 73 habitations with populations of more than 1,000 and 500 respectively. Again in May 2011, 596 roads having a total length of 2,604.66 km were proposed to be added in the revised core network due to wrong depiction of connected habitations in the approved core network, wrong assessment of the surface condition of the roads and addition of habitations with populations of more than 250 as mentioned by the EE. The revised core network containing additional provision for 238 roads with length of 771.90 km was not found approved by May 2011 and thus, 302 habitations remained unconnected through all-weather roads under PMGSY.

#### **2.1.12.5 Non-maintenance of roads built under PMGSY**

As per the operations manual of PMGSY, the cost of maintenance of the roads constructed under PMGSY was to be borne by the State Government. Further, the maintenance clause of the contracts envisaged defect liability periods of five years from the dates of completion of the roads. During this period, the contractors were required to inspect the roads monthly and were to carry out routine maintenance and necessary rectification to keep the roads pliable.

Scrutiny of records revealed that the Rural Works Division assessed a requirement of ₹ 13.35 crore up to March 2011 for repairs and maintenance of 62 roads with a total length of 356.36 km, which were completed during 2003-11 under phases I to VI of PMGSY. However, the funds were still to be provided to the division as of March 2011. There was no documentary evidence in the division regarding repairs and maintenance of roads carried out by the contractors as required under the contract.

Thus, the prime objective of PMGSY to provide all-weather roads to rural habitations was not achieved.

#### **2.1.12.6 Rural roads under the State Plan**

The construction/surface renewals/special repairs of 10 rural roads with a total length of 33.15 km was started in 2008-09 at an agreed cost of ₹ 4.50 crore. Of these, works on eight rural roads having a total length of 29.49 km were completed after incurring an expenditure of ₹ 3.76 crore till March 2011.

However, repairs of two roads<sup>23</sup>, taken up in January and February 2009 at an agreed cost of ₹ 44.15 lakh for completion by March 2009 could not be completed after incurring an expenditure of ₹ 17.39 lakh as of March 2011 because of non-execution of works by the contractors and non-allotment of funds during 2009-11 by the department.

#### **2.1.12.7 Status of Rural bridges**

For providing connectivity throughout the year, high level bridges in rural areas are sanctioned under the Mukhya Mantri Gram Setu Yojana. The Rural Development Special Division is responsible for construction of the bridges in the district under the administrative control of the Panchayati Raj and National Rural Employment Programme (Special Division) Department (PRNREP).

During 2008-11, construction of 36 bridges was sanctioned by PRNREP. Of these, 22 bridges were taken up in 2011-12 (up to August 2011), the total agreed cost of which was ₹ 40.06 crore, to be completed between February 2012 and June 2013. Out of these, two bridges were completed at ₹ 3.02 crore and the remaining 20 bridges with an agreed total cost of ₹ 37.04 crore were under construction. However, it was seen that execution of 14 bridges was still to be started as on August 2011 due to non-finalisation of tenders and non-approval of detailed project reports in remaining six bridges, physical progress ranged between five and 80 per cent of the estimated bill of quantity.

### **2.1.13 Rural Electrification**

#### **2.1.13.1 Rajiv Gandhi Grameen Vidyutikaran Yojana**

The Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) was launched by the Government of India (GOI) in March 2005 to provide electricity to all rural households (RHH) within a period of five years by March 2010. GOI also notified (August 2006) the Rural Electrification Policy (REP) incorporating the goal of reliable power supply at reasonable rates for all households by the year 2009 and a minimum lifeline consumption of one unit per household per day by the year 2012.

The Rural Electrification Corporation (REC) was the nodal agency for implementation and financing the scheme. Besides financing the scheme by way of subsidy/loans, REC had the prime responsibility for implementation, meeting scheme-related expenditure, appraisal and evaluation of projects both at pre-award and post-award stages and monitoring and supervising the projects to ensure quality control.

The objectives of RGGVY were:

- to provide REDB<sup>24</sup> by providing 33/11KV (or 66/11KV) Power Sub-Stations (PSS) of adequate capacity and lines in blocks where these did not exist;

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<sup>23</sup> Bargadda to Lupung via Bahimar and Belo Peto to Sayal.

<sup>24</sup> Rural Electricity Distribution Backbone. It means power sub-stations (33/11 KV or 66/11 KV) of dequate capacity and lines for purpose of distribution of electricity.

- to create village electrification infrastructure i.e., electrification of un-electrified villages/habitations and provision of distribution transformers of appropriate capacity;
- to provide decentralised generation-cum-distribution from conventional sources for villages where grid connectivity was neither feasible nor cost-effective;
- to cater to the requirement of agriculture and other activities including irrigation pump sets, small and medium industries, cold chains, health care, education and IT to facilitate overall rural development, employment generation and poverty alleviation; and
- to electrify unelectrified Below Poverty Line (BPL) households with 100 per cent capital subsidy.

Under RGGVY, electrification of 27,174 villages comprising 19,712 un-electrified (UE) and de-electrified (DE) villages and 7,462 EVUTs<sup>25</sup> was to be done at a total cost of ₹ 2,662.61 crore during the X and XI Five Year Plan period in Jharkhand.

### 2.1.13.2 Planning

The Government entrusted (July 2005) the implementation of the scheme in Hazaribag district to the Damodar Valley Corporation (DVC), which prepared the Detailed Project Report (DPR) for the district in May 2006 at a project cost of ₹ 151.60 crore. The work was awarded (March 2008) to M/s Larsen & Toubro on turnkey basis at a cost of ₹ 138.82 crore. However, after route survey, the awarded cost was revised (August 2009) to ₹ 154.15 crore. The following were observed during audit of the implementation of RGGVY:

### 2.1.13.3 Installing meters in the rural households

Single point metered service connections were to be provided to 85,000 un-electrified BPL households by September 2009. The contractor had provided 84,382 metered connections to BPL households up to March 2011. Though meters were installed to record the actual consumption by BPL consumers as per the scheme, meter readings were not taken by the Jharkhand State Electricity Board (JSEB) and the BPL consumers were billed as unmetered connections at a flat rate of ₹ 32 per month. Thus, the purpose of installation of the meters was defeated and the expenditure of ₹ 9.86<sup>26</sup> crore incurred on purchase of meters became wasteful.

Audit observed that as against the Central Electricity Authority norms of one tripping per month, the trippings were 108 to 184 per month during 2009-11 in the district. This indicated poor quality of power supply, thereby defeating the objectives of the REP.

**Though 84,382 meters were installed, meter readings were not taken by the JSEB and the BPL consumers were billed at a flat rate of ₹ 32 per month. Thus, expenditure of ₹ 9.86 crore on the meters became wasteful**

<sup>25</sup> Electrified villages unelectrified tolas

<sup>26</sup> 84,382 energy meters multiplied by ₹ 1,168.

#### **2.1.13.4 Monitoring and Reporting**

As per an order of the Ministry of Power, GOI, dated 6 February 2008, the Project Implementing Agency (PIA) was to engage a third party inspection agency, whose responsibility would be to ensure that all the materials utilised and the workmanship conformed to the prescribed specifications. This inspection was to cover approximately 50 *per cent* villages on random sample basis for each project. M/s Biecco Lawrie Limited was appointed (May 2009) by DVC to conduct third party inspections of the ongoing electrification works in the district, 15 months after the date of issue of the work orders, by which time the electrification of 336 villages was already completed. Thus, due to the delay in appointment, third party inspection of ongoing works could not be carried out in these 336 villages.

### **Employment Generation**

The Central and State Governments have initiated numerous measures to tackle the problems of poverty, unemployment and the slow pace of progress of the rural economy. The two most important schemes sponsored by GOI for providing employment in the rural areas are the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and the Swarnjayanti Gram Swarozgar Yojana (SGSY).

#### **2.1.14 Mahatma Gandhi National Rural Employment Guarantee Act**

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is being implemented in the district since February 2006. The basic objective of MGNREGA is to enhance security of livelihood in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household. The District Programme Co-ordinator (DPC), the Block Programme Officers (BPO) and Panchayat Secretaries (PS) are responsible at the district, block and Gram Panchayat (GP) levels respectively for implementation of the scheme.

##### **2.1.14.1 Preparation of Annual Action Plan under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)**

The operational guidelines of MGNREGS stipulated the preparation of an Annual Action Plan (AAP) of projects and a labour budget by the end of December of each year prior to the start of the new financial year. It further prescribed that the AAP would be a working plan that was to identify the activities to be taken up in a financial year. Any new activity required to be taken up, was to be justified in terms of needs and outcomes. The Annual Plan was to clearly indicate the existing demand for work; the demand in the previous year; the works taken up in the previous year; ongoing works and works proposed for the next year; likely costs and the proposed implementing agencies.

**Annual Action Plans were not prepared as per the MGNREGS guidelines**

Audit scrutiny revealed that the AAPs for the year 2008-11 only indicated the works proposed for the next year and the likely costs. Thus the AAPs were not prepared as per the MGNREGS guidelines.

As details of ongoing works were not included in the AAPs and budget demands did not include these ongoing works, the possibilities of delayed payment of wages as brought out in para 2.1.14.3 and closer of incomplete works could not be ruled out.

#### **2.1.14.2 Shortfalls in employment generation**

An individual had to appear personally and make an oral request for registration under the MGNREGS. A door-to-door survey was also to be conducted to identify persons willing to register under the Act. The registration was to be opened throughout the year at the GP level to allow maximum opportunities to families so that they did not migrate. GPs were to issue job cards<sup>27</sup> to the households after registration. Each household was to submit an application for employment. It was observed that there were shortfalls in providing 100 days' wage employment to households due to non-preparation of need-based Annual Action Plans for implementation of the scheme and lack of awareness among the households. Details are given in **Table-10**:

**Table-10**  
**Details of shortfalls in wage employment**

Year	Total number of households issued job cards	Number of households provided employment	Number of households which completed 100 days of wage employment	Shortfall with respect to households which were not provided 100 days wage employment (in per cent)
2008-09	171078	48298	3740	98
2009-10	177118	58419	6217	96
2010-11	180909	53315	2689	99

(Source: Records of DRDA)

**Shortfalls in providing 100 days wage employment to households ranged upto 99 per cent during 2008-11**

**Table-10** indicates that there were shortfalls in providing 100 days wage employment to households, ranging up to 99 per cent during 2008-11. Further, it was observed that the funds received during 2008-11 (GOI: ₹ 168.35 crore, State Government: ₹ 13.09 crore and opening balance: ₹ 5.35 crore) for employment generation could not be spent in the district, which defeated the very purpose of the scheme.

#### **2.1.14.3 Non/delayed payment of wages**

According to the scheme guidelines, wages were to be paid on a weekly basis and in any case, within a fortnight of the dates on which the labourers were engaged. In the event of delays in the payment of wages, the workers were

<sup>27</sup> Job cards contain permanent information regarding the households such as registration number and particulars, age and sex, of all adult members of the family.

**Payment of wages to labourers was delayed for 12 to 24 months**

entitled to compensation as per the provisions of the Payment of the Wages Act 1936. Compensation costs were to be borne by the State Government.

Scrutiny (April and May 2011) of the records of three divisions<sup>28</sup> revealed non-payment of wages amounting to ₹ 64.53 lakh to labourers and delayed payment of wages of ₹ 55.34 lakh for more than 12 to 24 months as discussed below:

- During 2010-11, against ₹ 1.43 crore to be paid on account of wages of unskilled labourers, the Executive Engineer (EE), National Rural Employment Programme (NREP), Hazaribag paid ₹ 1.29 crore, resulting in non-payment of wages amounting to ₹ 13.97 lakh. The periodicity of unpaid wages could not be ascertained as muster rolls were not available in the division. However, scrutiny of available muster rolls relating to two works<sup>29</sup> disclosed that out of unpaid wages of ₹ 13.97 lakh, ₹ 1.55 lakh at the rate of ₹ 99 per day had not been paid to labourers engaged between March and April 2010. Thus, there was a delay of over 12 months in making payments as on March 2011.

On this being pointed out, the EE replied (September 2011) that these two works were measured on 2 August 2011 and ₹ 1.55 lakh was paid to the beneficiary committees. No reply was furnished regarding the remaining works.

The reply indicated that even after a delay of more than 16 months (up to August 2011), payments of wages to labourers was not ensured and the money was instead being paid to the beneficiary committees.

- Wages of ₹ 1.73 lakh were not paid by the EE, NREP, Hazaribag for more than 24 months to labourers engaged between November 2008 and August 2009 in two works<sup>30</sup> though funds amounting to ₹ 25.02 lakh were available with the division as on March 2009.

The EE replied (September 2011) that the amount had already been paid to the beneficiary committees between December 2008 and January 2010. The reply is not acceptable as the payments of wages to labourers were not made even though money was available with the beneficiary committees.

- Payment of wages of ₹ 52,992 was made (June 2009) by the EE, NREP, Hazaribag after a gap of more than six months to the labourers engaged (November and December 2008) in construction of a Grade- I road from village Konhar Chabutra to village Mandigarha.
- Records of the EE, Rural Development Special (RDS) Division, Hazaribag revealed that a liability of ₹ one crore was created (between May 2009 and March 2011) on account of wages. Further, the EE requested (April 2011)

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<sup>28</sup> MI, NREP and RDS Divisions, Hazaribag.

<sup>29</sup> Moorum road from Pipratand to house of Md. Sattar Khan in Rewar village and renovation of Jamunia Aahar in Dato village.

<sup>30</sup> Grade I roads from Konhar Chabutra to Mandigarha and from Lava Kundar School to Saloni Tand.

the DDC, Hazaribag to release the funds for payment of pending wages. Out of these, ₹ 51.20 lakh was paid in May 2011 with a delay of up to 24 months while the balance amount of ₹ 48.83 lakh was still to be paid (May 2011).

- The EE, Minor Irrigation (MI) Division, Hazaribag paid wages of ₹ 3.61 lakh to labourers who were engaged between December 2008 and March 2010 in two works<sup>31</sup> after delays ranging between 23 and 117 days.

Thus, the very objective of timely payments of wages to labourers was defeated.

#### 2.1.14.4 Non-creation of assets

One of the objectives of the MGNREGS was to generate productive assets.

Scrutiny (April and May 2011) of records of four divisions<sup>32</sup> disclosed that 113 works were closed after partial execution and incurring expenditure of ₹ 3.45 crore as discussed below:

- Scrutiny (April to May 2011) of records of three divisions<sup>33</sup> disclosed that 101 schemes relating to construction of metalled roads, wells and check dams; renovation of ponds and 'aahars'<sup>34</sup> etc. were sanctioned (between May 2006 and December 2008) at an estimated cost of ₹ 5.52 crore, to be completed within three months. Accordingly, ₹ 2.91 crore was allotted to the divisions up to March 2011. However, these schemes were closed (May 2011) after partial execution and incurring a total expenditure of ₹ 2.73 crore (*Appendix-2.4*). These schemes were closed by the order of the DC as completion of these schemes was pending since long after being sanctioned during 2006-09.

On the above facts being pointed out, the EEs, MI Division and RDS Division stated (May 2011) that the schemes were closed midway by the order of the DC, Hazaribag as incurring further expenditure on these schemes was considered unfruitful. Replies indicated that the objective of the MGNREGS to generate productive assets was not achieved and incomplete schemes were ultimately closed.

- Twelve works, related to construction of ponds, soil conservation, afforestation, rehabilitation of forest, Grade I road and permanent nursery, taken up by the Divisional Forest Officer (DFO), West Division on which ₹ 71.88 lakh was spent were not completed and closed (September 2009) by the DDC. Hence, protection of the afforested land and soil conservation was not ensured. As the completion of these schemes was pending since long, the works were closed midway. Thus, the objective of employment generation under MGNREGA was not fulfilled (*Appendix-2.5*). The DFO,

113 works were closed after partial execution and incurring expenditure of ₹ 3.45 crore

<sup>31</sup> Grade I roads from Pachkheri More to Mahua Tand and Berokala PCC road to Kolhuakudar.

<sup>32</sup> MI, NREP, RDS and District Forest Officer (West) Division, Hazaribag.

<sup>33</sup> MI, NREP and RDS Divisions.

<sup>34</sup> Small water courses.

West Division accepted the facts during the exit conference (September 2011).

#### **2.1.14.5 Payment to beneficiaries without supporting documents**

The Secretary, Rural Development Department issued (May 2010) instructions that beneficiary committees<sup>35</sup> would not be engaged in the execution of works sanctioned under MGNREGS. The management of sites and maintenance of muster rolls were to be looked after by labour mates<sup>36</sup> and materials were to be supplied by the implementing agencies themselves. Advances given to beneficiary committees for purchase of materials were to be adjusted and further advances were not to be granted.

Scrutiny (April and May 2011) of the records of the EEs, NREP and MI divisions, Hazaribag disclosed execution of works through beneficiary committees by granting advances to them and non-adjustment of the same as discussed below:

- The EE, NREP, Hazaribag advanced (between June and October 2010) ₹ 24.33 lakh to beneficiary committees for execution of 13 schemes which remained unadjusted as of March 2011. Further, the EE, NREP advanced ₹ 36.40 lakh between January 2007 and September 2008 in five test-checked schemes.

The committees, however, submitted vouchers worth ₹ 24.35 lakh with statutory deductions of revenue (royalty and sales tax) of ₹ 65,872 as of March 2011. Thus, ₹ 12.71 lakh including revenue of ₹ 65,872 was recoverable/adjustable from the beneficiary committees (*Appendix-2.6*).

- Similarly, the EE, MI Division, Hazaribag advanced (between May 2010 and March 2011) ₹ 28.19 lakh to the beneficiary committees which remained unadjusted as on April 2011.

#### **2.1.14.6 Payments to labourers without documentation**

The construction of 39 wells<sup>37</sup> at an estimated cost of ₹ 51.73 lakh was sanctioned in January 2008. The EE, MI Division, Hazaribag was nominated as the executing agency and ₹ 20.69 lakh was provided to the division. The division started execution of 28 wells through beneficiaries. As on May 2011, ₹17.97 lakh had been advanced to the beneficiaries against a total work value of ₹ 22.79 lakh entered in measurement books. However, test check of vouchers submitted by beneficiaries in respect of six 10 feet diameter wells, involving expenditure of ₹ 4.11 lakh disclosed that there were instances of payment of wages to the same labourers for the same period through different muster rolls, discrepancies in the dates of measurements and engagement of labourers, cancellation of muster rolls after showing attendance of labourers, differences in certified payments and payments shown through muster rolls, etc. All these irregularities were indicative of payments to beneficiaries without proper documentation (*Appendix-2.7*).

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<sup>35</sup> Committee of villagers constituted for execution and monitoring of the scheme after holding Gram Sabha.

<sup>36</sup> A person engaged for maintenance of muster rolls and management of works at site.

<sup>37</sup> 25 numbers of 20 feet diameters at estimated cost of ₹ 1.59 lakh each and 14 numbers of 10 feet diameter at estimated cost of ₹ 85,600 each.

On this being pointed out by audit, the EE stated (September 2011) that the vouchers submitted by the beneficiaries had not been admitted by the division as these vouchers were not entered in the Management Information System (MIS) and adjustment of advances were made on the basis of works measured in measurement books. The reply is not acceptable as the work values entered in the measurement books should have been supported by vouchers.

#### 2.1.14.7 Discrepancy in expenditure figures

**Discrepancy in expenditure between the figures reported to the State Employment Guarantee Commissioner and the figures of MIS in 2010-11**

As per the operational guidelines of MGNREGS, proper maintenance and timely updating of information was required for the comprehensive computerized MIS developed by the Ministry of Rural Development, GOI. In a review meeting held on 10 May, 2010, the Deputy Commissioner, Hazaribag instructed the BDOs and executing agencies to ensure reconciliation of differences between the Monthly Progress Reports (MPRs) and MIS by 15 May 2010. Otherwise, First Information Reports (FIRs) would be lodged against the erring executing agencies. It was observed that the total expenditure under the scheme in the district as reported to the State Employment Guarantee Commissioner for the year 2010-11 was ₹ 41.99 crore. However, the expenditure as per the MIS of 2010-11 was ₹ 36.94 crore, resulting in a discrepancy of ₹ 5.05 crore. No action was taken against the erring executing agencies. Further, the Rural Development and Special Division, Hazaribag did not enter vouchers of ₹ 3.34 crore in the MIS, which was fraught with the risk of misappropriation, embezzlement and defalcation of MGNREGS funds.

As per the MGNREGS guidelines, State level and district level officers were to inspect at least two *per cent* and 10 *per cent* of the works respectively whereas block level officers were to inspect 100 *per cent* of the works to ensure comprehensive and continuous assessment of the scheme. However, no schedule of inspection was prepared by them and they did not inspect as per the guidelines.

#### 2.1.15 Indira Awaas Yojana

The Indira Awaas Yojana (IAY) promises to provide financial assistance to Scheduled Castes, Scheduled Tribes and other Below Poverty Line (BPL) people for the construction of houses in rural areas. The following deficiencies were noticed in audit:

**Fifty to 100 *per cent* houses taken up for construction in various villages remained incomplete**

- The physical performance of IAY in Hazaribag District was unsatisfactory during 2008-11, as 50 to 100 *per cent* houses taken up for construction in various villages remained incomplete due to lack of supervision and monitoring at various levels as detailed in **Table-11**:

**Table-11**  
**Incomplete houses under Indira Awaas Yojana**

Scheme	Year	Incomplete houses of previous years	Target	Taken up for construction	Total houses	Incomplete houses (per cent)
General	2008-09	848	1893	1786	2634	1492 (57)
	2009-10	1492	3160	4797	6289	5220 (83)
	2010-11	5220	7102	7102	12322	7176(58)
Upgradation	2008-09	284	1103	1103	1387	699(50)
	2009-10	699	921	792	1491	1081(73)
	2010-11	1081	NIL	NIL	1081	649(60)
Naxal affected-General	2009-10	NIL	5495	5519	5519	5519(100)
	2010-11	5519	NIL	NIL	5519	4533(82)
Naxal affected-Upgradation	2009-10	NIL	3205	2164	2164	2156(100)
	2010-11	2156	NIL	NIL	2156	1875(87)

(Source: Records of DRDA)

- According to IAY guidelines, sanitary latrines and smokeless chulhas were to be constructed in each IAY house. It was observed during physical verification of villages in the Hazaribag Sadar, in the Padma and Katkamdag blocks that fuel-efficient smokeless chulhas and sanitary latrines had not been provided in any IAY house due to lack of monitoring and inspections.

Close monitoring of all aspects of IAY was to be conducted by officers at the district, sub-division and block levels through field visits. Lack of monitoring and inspections by DC and other district officials adversely affected the implementation of schemes/programmes.

### 2.1.16 Backward Regions Grant Fund

The Backward Regions Grant Fund (BRGF) was designed to redress regional imbalances in development. The Fund was to provide financial resources for supplementing and converging existing developmental inflows in the districts. Audit noticed the following deficiencies:

#### 2.1.16.1 Physical performances

The physical performance under BRGF in the district is given in **Table-12**:

**Table-12**  
**Physical performance of works under BRGF**

Year	Pending works of previous years	Works taken up	Total Works	Works completed (per cent)	Works to be completed
2008-09	Nil	124	124	Nil	124
2009-10	124	13	137	93(68)	44
2010-11	44	184	228	50 (22)	178
<b>Total</b>		<b>321</b>		<b>143 (45)</b>	

(Source: District Planning Officer, Hazaribag)

**In 2009-11, only 93 (68 per cent) and 50 (22 per cent) works were completed because of weak internal control mechanism**

During 2008-11, 321 works (Panchayat Bhawan-64, ICDS Anganwadi Kendra-208, Rajiv Gandhi Subidha Kendra-47, PCC road in collectorate campus-01, Bridge-1) were taken up. It is evident from the above table that no work was completed in 2008-09. In 2009-10 and 2010-11, only 93 (68 per cent) and 50 (22 per cent) works respectively were completed because of weak internal controls. The DPO also accepted the facts of delay in execution of works under BRGF and stated (September 2011) that monthly reviews of works were being conducted in which executing agencies were being instructed to complete the works within the scheduled time.

### **2.1.16.2 Delays in completion of Panchayat Bhawans and Anganwadi buildings**

The DC, Hazaribag sanctioned (December 2008) the construction of four Panchayat Bhawans<sup>38</sup> and seven Anganwadi buildings<sup>39</sup> at an estimated cost of ₹ 1.13 crore, to be completed by March 2009. The EE, RDS, Hazaribag was declared the executing agency for these works and ₹ 1.01 crore was provided to the division between December 2008 and March 2009.

Scrutiny (April 2011) of records disclosed that the division started departmental execution of the works and advanced (December 2008 and March 2009) ₹ 1.01 crore to the Assistant Engineers/Junior Engineers (AEs/JEs). As the works were not completed within the stipulated time, the DC, Hazaribag in a meeting (November 2010), directed the EE to complete these schemes by December 2010. However, these works remained incomplete as on April 2011 after incurring expenditure of ₹ 64.72 lakh on 10 works due to non-execution of works by the concerned engineers to whom the advances were granted. Rupees 15.99 lakh, pertaining to the Chaiyakala Panchayat Bhawan, was refunded to the district in March 2011.

The EE replied (June 2011) that FIRs had been lodged against the concerned engineers. Efforts were being made to complete the schemes at the earliest.

## **2.1.17 Irrigation**

There were two Waterways divisions<sup>40</sup> and one Minor Irrigation division in the district for implementing and monitoring various irrigation schemes under the administrative control of the Water Resources Department (WRD). The following deficiencies were noticed in audit:

### **2.1.17.1 Non-utilisation of created irrigation potential**

Irrigation facilities were being provided to the farmers of the district through various major, medium and minor irrigation schemes. Irrigation facilities provided during 2008-11 by these divisions are shown in **Table-13**:

<sup>38</sup> Chaiyakala, Potanga, Selhara and Urimari.

<sup>39</sup> Asnachua, Barahmoria, Bindwar, Hudwa, Igunia, Jugar and Ranik.

<sup>40</sup> Waterways divisions, Barhi and Hazaribag.

**Table-13**  
**Irrigation facilities provided to the farmers**

(Area in hectares)

Details of schemes		Created potential		Irrigation achievements					
Nature	Nos.	Kharif	Rabi	2008-09		2009-10		2010-11	
				Kharif	Rabi	Kharif	Rabi	Kharif	Rabi
Reservoirs	5	5190	1130	3355	Nil	384	110	1610	Nil
Weirs	1	400	Nil	180	Nil	Nil	Nil	Nil	Nil
Medium irrigation	5	244	106	89	15	174	56	22	Nil
Lift irrigation	9	220	45	83	14	106	37	27	Nil
Checkdams	7	815	271	160	15	215	15	73	Nil
Microlifts	42	172	43	Nil	Nil	77	Nil	50	Nil
Wells	418	375	65	15	5	220	5	70	Nil
<b>Total</b>	<b>487</b>	<b>7416</b>	<b>1660</b>	<b>3882</b> <b>(52)</b>	<b>49</b> <b>(3)</b>	<b>1176</b> <b>(16)</b>	<b>223</b> <b>(13)</b>	<b>1852</b> <b>(25)</b>	<b>Nil</b>

(Source : Waterways and Minor Irrigation Divisions)(Figures in brackets indicate percentage)

It may be seen from the above table that the actual achievements were far below the created irrigation potential ranging between three and 52 per cent and were continuously decreasing over the years. This was due to non-maintenance or renovation of old and damaged schemes and deficient rainfall during 2009-10, as stated (June 2011) by the EEs, Minor Irrigation and Waterways Divisions, Hazaribag.

### Major and medium irrigation schemes

#### 2.1.17.2 Non-completion of renovation works

To utilise the created irrigation potential, renovation of three irrigation schemes<sup>41</sup> was sanctioned between March 2008 and June 2009 by the Water Resources Department (WRD) at a cost of ₹ 2.36 crore. The Waterways Division, Hazaribag executed 11 agreements for ₹ 2.46 crore between February 2009 and August 2010 for renovation of these schemes between May 2009 and December 2010. However, only the renovation of the Jamuniya reservoir was completed by March 2011 after incurring an expenditure of ₹ 1.27 crore. As on August 2011, renovation of the remaining two schemes remained incomplete due to slow execution of the works by the contractors, even after incurring a total expenditure of ₹ 72.57 lakh.

### Minor irrigation schemes

#### 2.1.17.3 Non-functional lift irrigation schemes

There were 29 defunct lift irrigation schemes in Hazaribag district with irrigation potential of 30 hectares each. These were non-functional since long, due to damaged intake wells, pump houses, motors and pipes; non-availability of electricity etc. The DC sanctioned (January 2011) the rectification of 21 out of the 29 schemes under the Integrated Action Plan of 2010-11 at an estimated cost of ₹ 1.18 crore for completion within three months and released ₹ 83.99 lakh to the division against their demand between February and May 2011. The division commenced rectification of civil defects i.e. damaged intake wells and pump houses of 20 schemes at an agreed cost of ₹ 49.05 lakh in February 2011 for completion by May 2011. However, the rectification of

<sup>41</sup> Gonda, Jamunia and Kutipisi reservoir schemes.

civil defects of only seven schemes was completed as of August 2011. Rectification of mechanical and electrical defects of all the schemes was still to be completed (August 2011). Thus, the lift irrigation schemes continued to remain non-functional.

#### **2.1.17.4 Non-completion of check dams**

No check dam was sanctioned in Hazaribag district during 2008-10. In 2010-11, construction of five series of check dams, sanctioned (between February and September 2010) at a cost of ₹ 8.42 crore, was taken up between July 2010 and February 2011 for completion between February and December 2011. These works were under progress as of August 2011 after incurring expenditure of ₹ 4.23 crore. Further, two schemes taken up between April 2007 and February 2008 at a sanctioned cost of ₹ 1.44 crore remained incomplete due to non-installation of microlifts as on March 2011, after incurring expenditure of ₹ 98.33 lakh. Microlifts could not be installed due to non-availability of required pipes for which funds were to be allotted by the department.

Thus, the district did not have adequate facilities of irrigation through lift irrigation or check dams, which were considered to be major sources of minor irrigation.

### **2.1.18 Forests and Environment**

#### **2.1.18.1 Introduction**

According to the State Forest Report (SFR) 2009, out of the total geographical area of 5,976 sq km of Hazaribag district, the forest cover is 2,053 sq km (very dense: 272 sq km; moderately dense: 622 sq km; and open forests: 1,159 sq km) which accounts for about 34 *per cent* of the total geographical area.

The Department of Forests and Environment, Government of Jharkhand is responsible for management of forests, checking soil erosion, water conservation, conservation of wild life and pollution control, including restoration of ecological balance. Plantation activities in forest areas are carried out by the Afforestation, Social Forestry and Research Divisions. The deficiencies noticed during audit are discussed below:

#### **2.1.18.2 Failure and delayed handing over of plantations**

According to the instructions issued (January 1998) by the Principal Chief Conservator of Forests (PCCF), a plantation was to be termed as successful if survival of the plants was more than 60 *per cent*. The PCCF further instructed that responsibility was to be fixed in cases of failure of plantations.

In order to ensure maintenance, protection and management of the plantations, they were to be handed over to the respective territorial divisions along with details of surviving plants, as funds for maintenance (after the fourth year) were provided only to those divisions. The PCCF, Jharkhand, instructed (October 2005) the Chief Conservator of Forests/Regional Chief Conservator of Forests to ensure timely handing over of plantations after completion of the fourth year. The following irregularities were noticed in audit:

In the Hazaribag Afforestation Division, 81,250 saplings were planted under the Rehabilitation of Degraded Forest (RDF) and Minor Forest Produce (MFP) schemes in 100 hectares of Markacho (RDF) and Tham (MFP) during 2005-06 at a cost of ₹ 18.07 lakh. The survival percentage of the plantations at Markacho and Tham was 57 and 51 respectively which was below the prescribed norm of the State Government. However, responsibility for failure of the plantations had not been fixed by the department as on June 2011.

- A total of 22.31 lakh saplings were planted in 1,575 hectares of forest land by the Hazaribag Afforestation/Social Forestry Division, during 2006-08. On the dates of completion of the schemes, the survival percentage ranged between 80 and 96. The plantations were actually handed over to the respective territorial divisions between April 2009 and December 2010, after delays of up to nine months. Due to the delays in handing over of plantations, the survival percentage reduced, ranging between 60 and 90 *per cent*. Thus, 4.04 lakh plants valued at ₹ 68.32 lakh had failed to survive. This could have been avoided had the plantations been handed over to the territorial divisions on time for further maintenance after the fourth year as funds for maintenance after the fourth year were provided to these divisions only.

The DFO attributed (June 2011) the delay in transfer of plantations to shortage of staff.

### **2.1.18.3 Unfruitful expenditure on Shahid Nirmal Mahto Park**

The construction of an eco-tourism and recreational park (now named the Shahid Nirmal Mahto Park) at Hazaribag was administratively approved and technically sanctioned (March 2008) by the Chief Engineer, Building Construction Department at a cost of ₹ 4.47 crore, to protect the existing degraded urban land from further deterioration and for promotion of environmental awareness among the local population. The construction of the park was taken up in 2007-08 and was scheduled to be completed by 2009-10. Scrutiny revealed that ₹ 4.47 crore was allotted during 2007-11 of which ₹ 3.84 crore was spent on construction of the park as on March 2011 and the rest of the money amounting to ₹ 62.45 lakh was surrendered, although several ancillary works<sup>42</sup> were incomplete. The park was still incomplete (June 2011) and non-functional. Thus, the expenditure of ₹ 3.84 crore incurred on its construction remained unfruitful.

The DFO stated (June 2011) that the works could not be completed as they were allotted on the basis of the estimates sanctioned at the old rates. The DFO further stated that revised estimates had been sent for approval to the department.

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<sup>42</sup> Water bodies, boundary, pathways, provision for electrical fittings, generator and construction of generator rooms etc.

## General Services

### 2.1.19 Law and Order

For maintenance of law and order in the district, the police department has 15 police stations and six police outposts under the administrative control of the Superintendent of Police (SP), Hazaribag who is the overall in-charge of internal security in the District. Audit findings are discussed in the succeeding paragraphs:

#### 2.1.19.1 Police infrastructure

Modernisation of Police force (MPF), a Centrally sponsored scheme, envisaged provision of basic infrastructure like Police Stations (PS), Police outposts, barracks and housing viz. Upper Subordinate Quarters (USQs) and Lower Subordinate Quarters (LSQs).

The position of availability of infrastructure against the minimum requirements in the district is given in **Table-14**:

**Table - 14**  
**Availability of infrastructure against the requirements**

Types of Building	Position as on 1 April 2008		Position as on 31 March 2011		Addition claimed during 2008-11
	Requirement	Availability	Requirement	Availability	
Police Station	13	13	18	15	2
Police Out Posts	6	6	6	6	-
Barracks	50	21	50	24	3
Lower Subordinate Quarters	2144	173	2144	239	66
Upper Subordinate Quarters	298	17	298	35	18
Garage	25	10	30	10	-

(Source: Data furnished by the SP, Hazaribag)

Against the requirement, as projected by the Superintendent of Police, Hazaribag, of 18 police stations and 50 barracks, the availability was 15 and 24 respectively. Only two police stations and three barracks were added during 2008-11, indicating shortage of three police stations and 26 barracks in the district. Against the requirement of 2442 USQs/LSQs, the availability was 274 (11 per cent) and only 84 housing units were added during 2008-11, indicating huge shortage of housing infrastructure in the district. Against the requirement of 30 garages for parking of vehicles in police stations, the availability was 10 (33 per cent) indicating the shortage of 20 garages in the district. In his response to the audit query, the SP stated (September 2011) that the available quarters were based on strength of the district police personnel. However, it was seen in audit that the available number of quarters was far less than the existing strength of the police force.

#### 2.1.19.2 Weaponry

In view of being a Naxal-affected district, the replacement of outdated and unserviceable weapons and provision of modern and sophisticated weaponry for the force was one of the major components of modernisation. Need-based requirement for weaponry had been worked out by the SP as per the

There was shortage of main strike weapons which ranged between 16 and 61 per cent and area weapons which ranged between nine and 100 per cent

minimum requirement for the police force in the district. However, there was a shortage of main strike weapons<sup>43</sup> which ranged between 16 and 61 *per cent* and area weapons<sup>44</sup> which ranged between nine and 100 *per cent* as given in **Appendix- 2.8**.

On this being pointed out in audit, the SP stated (September 2011) that generally joint anti-Naxal operations were conducted with the Central Reserve Police Force/Jharkhand Armed Police, which had many area weapons. The reply is not acceptable as the district police should not have had a shortage of weapons, in any case.

### 2.1.19.3 Mobility

One of the major thrust areas under modernization was to increase the mobility of the district police so that challenges to internal security were faced effectively and the response time was reduced. The position of availability of various types of vehicles with the district police during the period is detailed in **Table- 15**:

**Table - 15**  
**Position of availability of various types of vehicles in the district**

Particulars	Position as on 1 April 2008					Position as on 31 March 2011				
	HV	MV	LV	MC	Total	HV	MV	LV	MC	Total
Requirement	-	-	-	-	-	19	60	90	130	299
Available	08	35	54	27	124	11	48	78	64	201
Deficiency	-	-	-	-	-	8	12	12	66	98
Deficiency in per cent	-	-	-	-	-	42	20	13	51	33

(Source: Data furnished by the SP, Hazaribag)

(HV-Heavy Vehicle, MV- Medium Vehicle, LV - Light Vehicle and MC- Motor Cycle)

Overall shortage of vehicles was 33 *per cent*

As can be seen, the overall shortage of vehicles in the district as on 31 March 2011 was 33 *per cent*.

Further, modernisation under MPF envisages priority in purchase and distribution of field vehicles for basic policing. The availability of various types of vehicles with police stations in the district as on September 2011 was as detailed in **Table -16**:

**Table - 16**  
**Position of availability of various types of vehicles in the Police Stations**

Particulars of vehicles	Total requirement	Holding	Deficiency	Reason for deficiency
Heavy Vehicles	23	2	21	Not furnished
Medium Vehicles	23	13	10	Not furnished
Light Vehicles	46	27	19	Not furnished
Motor Cycles	345	19	326	Not furnished

(Source: Data furnished by the SP, Hazaribag)

<sup>43</sup> Weapons to strike specific target such as 5.56 mm Insas rifles, AK 47, 9 mm pistols etc.

<sup>44</sup> Weapons to target certain areas such as light machine gun, mortars, hand grenades etc.

The shortage of vehicles at the Police Stations was bound to impact adversely on the mobility of the forces. The SP stated that all the police stations have vehicles provided by the Police Headquarters (September 2011) but availability of vehicles was less than the requirement.

#### 2.1.19.4 Human Resources

One of the principal areas of focus under the modernisation scheme was the expeditious filling up of vacancies.

There was shortage of 16 to 50 per cent in the officers' cadre and 25 to 100 per cent in the constabulary cadre

It was observed in audit that there was a shortage of 16 to 50 per cent in the officers' cadre and 25 to 100 per cent in the constabulary cadre (*Appendix 2.9*) as on March 2011. The shortage of adequate manpower affected the investigation of cases as given in **Table-17**:

**Table-17**  
**Statement showing pending cases for investigation**

Year	Backlog cases	New cases	Total cases	Cases disposed of	Per cent	Cases pending
2008-09	2767	3399	6166	3856	63	2310
2009-10	2310	2773	5083	3403	67	1680
2010-11	1680	2606	4286	3043	71	1243

(Source: Data furnished by the SP, Hazaribag)

Due to shortage of manpower, 1,243 pending cases still existed

It can be seen from **Table-17** that though the number of reported cases had decreased during 2008-11 and their disposal had improved, 1,243 pending cases still existed.

The SP accepted the audit observation and stated (September 2011) that the number of cases pending per Inspecting Officer (IO) was quite high as the same officers were deployed in law and order duties, which hampered the completion of the investigations.

### 2.1.20 Civic Amenities provided by the Municipal Administration

#### 2.1.20.1 Infructuous expenditure on construction of Dwelling Units under Valmiki Ambedkar Malin Basti Aawaas Yojana

The Hazaribag Municipal Council executed an agreement with the Housing and Urban Development Corporation (HUDCO) for construction of 942 dwelling units (DUs) at a cost of ₹ 3.77 crore under the Valmiki Ambedkar Malin Basti Aawaas Yojana (VAMBAY). However, a provision was made in VAMBAY for creation of infrastructure and common facilities such as roads and drains etc. for the DUs. As a result, even after HUDCO constructed the DUs at Jabra and handed them over (May 2009) to the Municipal Council the beneficiaries refused to take possession, rendering the expenditure of ₹ 3.77 crore infructuous.

On this being pointed out in audit, the Council stated that it had prepared a new list of beneficiaries which it had sent to the Urban Development Department (UDD) for approval.

### 2.1.20.2 Blockage of funds due to non-construction of an Inter-State Bus Terminus

A sum of ₹ 2.90 crore<sup>45</sup> was allotted to the Hazaribag Municipal Council for construction of an Inter-State Bus Terminus (ISBT) in the municipal area. Interest at the rate of 13 *per cent* per annum was chargeable after three years of the withdrawal of the amount. The whole amount was recoverable in 15 equal annual instalments and rebate of 2.5 *per cent* was admissible for timely repayment.

**Land required for the proposed site of ISBT could not be acquired**

Land measuring 16.01 acres was required for the proposed site of the ISBT. The District Land Acquisition Officer (DLAO) demanded ₹ 33 lakh as cost of acquisition (80 *per cent* of the cost, i.e. ₹ 41.33 lakh) which was released in March 2008. However, the land could not be acquired (September 2011). By that time, the cost of the land had increased to ₹ 80 lakh from ₹ 41.33 lakh.

The proposed site, which was being used as a dumping ground for solid waste required a fresh Soil Investigation Test for preparation of a revised Bill of Quantities (BOQ) and a revised DPR. The Council, however, could not get the Soil Investigation Test conducted due to which neither could the BOQ be approved nor could the revised DPR be prepared (September 2011).



*Proposed site for Inter State Bus Terminus at Hazaribag*

Thus, an amount of ₹ 2.57 crore (₹ 2.90 crore minus ₹ 33.00 lakh minus ₹ 40 thousand) remained blocked for more than nine years besides creation of a liability in the shape of interest for ₹ 1.06 crore<sup>46</sup>. Moreover, a sum of ₹ 30 lakh, diverted (September 2006) from the allotment for part payment of salaries of the municipal staff, was still to be recouped (September 2011).

The failure of the DLAO to acquire the land and the Municipal Council to get the soil test conducted along with the absence of monitoring by the Urban Development Department (UDD), the residents of Hazaribag were deprived of the intended benefits of the bus terminus.

### 2.1.20.3 Inordinate delay in construction of Marriage Hall and Dharamshala

An amount of ₹ 53.65 lakh was allotted (February 2007) to Hazaribag Municipal Council by the UDD for construction of a marriage hall and a dharamshala at the Old Bus Stand.

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<sup>45</sup> Grant: ₹ 1.25 crore, loan: ₹ 1.25 crore (2001-02) and ₹ 40 lakh for acquisition of land (2006-07)

<sup>46</sup> At the rate of 13 *per cent* on ₹ 1.25 crore for a period of 6.5 years.

Besides the delays in processing/finalizing the tender, the Council failed to identify a suitable site on time. Although the site had been identified in December 2010, the proposed work was still incomplete (September 2011). Thus, funds amounting to ₹ 53.65 lakh remained blocked for more than four and a half years, depriving the public of the intended benefits.

### 2.1.21 Conclusion

A District Planning Committee was not constituted in the district. Under-utilisation of funds ranging between two and 32 *per cent* was noticed during 2008-11. The main reasons behind under-utilisation of funds were non-availability of sites, non-supply of materials, non-finalisation of tenders, allotment at the close of the year, slow progress of works etc. The Annual Works Plans and budget for Sarva Shiksha Abhiyan were prepared without conducting household surveys.

In Kasturba Gandhi Balika Vidyalaya, basic amenities were lacking. Girl students were residing in cramped accommodation. Basic health care services were not available in the Community Health Centres. Pregnant women, registered in the district, did not receive all three ante-natal checkups as specified under the Janani Suraksha Yojana. Providing safe, sufficient and potable drinking water to the people of the district was defeated as drinking water, supplied through drilled tube wells (DTWs) was insufficient. Excessive breakdown of DTWs, poor performance of the Swajaldhara Scheme and non-installation of water purification systems in schools was noticed. Anganwadi Centres were lacking in basic facilities and the performance of Supplementary Nutrition Programme was poor under Integrated Child Development Services Scheme. A majority of households did not receive 100 days' wage employment under Mahatma Gandhi National Rural Employment Guarantee Scheme. Houses taken up for construction under Indira Awaas Yojana (IAY) remained incomplete. Smokeless chullahs and sanitary latrines were not provided in any IAY house. Created irrigation potential was not utilised, lift irrigation schemes remained non-functional and check dams were not completed under irrigation schemes. There was shortage in the availability of police infrastructure, weaponry, vehicles and human resources for management of law and order of the district.

Beneficiaries refused to take possession of houses under Valmiki Ambedkar Malin Basti Awaas Yojana due to lack of common facilities.

Deficient monitoring and supervision was noticed in implementation of schemes in the district.

### 2.1.22 Recommendations

- The Annual Action Plans under National Rural Health Mission should be prepared after assessing the realistic needs of the district through conducting household and facility surveys;
- Adequate infrastructure /amenities should be provided at schools and to Indira Awaas Yojana beneficiaries;

- Basic infrastructure/health facilities with adequate number of doctors/paramedical staff need to be provided at all levels. The Community Health Centres, Primary Health Centres, Sub-Centres and sub-divisional hospitals lying incomplete should be completed;
- Under Pradhan Mantri Gram Sadak Yojana (PMGSY), unconnected habitations need to be provided with all-weather roads on top priority. The State Government should release funds for maintenance of roads constructed under PMGSY;
- The district administration should take up the issue with the Government for getting the balance funds released for completion of schemes;
- Impact of the schemes on intended beneficiaries should be assessed to get the optimal utilisation of the resources; and
- The monitoring mechanism should be strengthened to achieve the desired objectives.

## HOME (JAIL) DEPARTMENT

### 2.2 Management of Prisons

#### *Highlights*

*The management and administration of prisons fall exclusively under the State Government and are governed by the Prisons Act, 1894 and 1900. The main purpose of establishing prisons is to confine offenders committing offences under the various laws. Apart from providing custodial care and detention for a certain period of time to the offenders of laws, the State Government also undertaken planned programmes aimed at reforming them as part of social reclamation. A performance audit on Management of Prisons in the State revealed many significant deficiencies including instances of non-execution of civil works, financial mismanagement, overcrowding in jails, large number of vacancies existing in the functional level of security staff and required periodic inspection of the prisons not being carried out by the Inspector General of Prisons.*

**Congestion was very severe as prison occupancy ranged between 134 and 318 per cent of the total capacity of the prisons.**

*(Paragraph 2.2.6.1)*

**The open jail constructed at a cost of ₹ 3.23 crore in Hazaribag could not be made operational, even six months after handing it over, due to non-recruitment of staff and non-selection of prisoners.**

*(Paragraph 2.2.6.3)*

**During 2005-08, ₹ 79.64 lakh was spent on construction of cowsheds in four test-checked prisons for setting up of dairies in jails. However, the dairies could not be started as no cows were purchased.**

*(Paragraph 2.2.6.5)*

**In seven jails, an amount of ₹ 5.26 crore pertaining to sales made in 2001-11 was due for recovery from various jails.**

*(Paragraph 2.2.6.10)*

**Instead of modern firearms, old and obsolete firearms like .303 rifles, .410 muskets etc were stocked in the armoury. The .303 rifles had been procured from the police department in 1987 and 1994.**

*(Paragraph 2.2.6.11)*

**During 2006-07, 16 Close Circuit Televisions, installed at a cost of ₹ 37.50 lakh in Central Jail, Ranchi, were non-functional.**

*(Paragraph 2.2.6.12)*

**Prohibited items like cell phones, SIM cards, mobile chargers, katta, revolvers, cartridges, knives, cash etc. were recovered by the district administration during search operations in jails during 2006-11.**

*(Paragraph 2.2.6.13)*

**A total of 284 works at a cost of ₹ 51.56 crore were sanctioned, of which 42 works amounting to ₹ 11.82 crore (23 per cent) had not been taken up as on May 2011.**

*(Paragraph 2.2.7.1)*

**A total of ₹ 8.26 crore was drawn without requirement during 2006-09 by the Jail Superintendent of Central Jail, Hazaribag and the amount was remitted into the treasury in April 2010.**

*(Paragraph 2.2.7.2)*

**Abstract contingent bills amounting to ₹ 22.53 crore under Non-Plan and ₹ 22.64 crore under the Plan head were pending with the Jail Superintendents due to non-submission of DC bills during 2005-11.**

*(Paragraph 2.2.7.3)*

**There were vacancies ranging between 47 and 100 per cent in the cadres of security personnel which constituted the backbone of the jail security.**

*(Paragraph 2.2.8.1)*

## **2.2.1 Introduction**

Jails are used to receive and process people after arrest. They also hold people in pre-trial detention until courts resolve their cases. They incarcerate offenders of minor offences for short periods of time, usually a year or less and hold offenders who have been sentenced to prisons and are awaiting transfer. Prisons are an integral and important part of the criminal justice system and function to provide safe custody and confinement to convicts and under-trial offenders committing offences under various laws. Apart from the providing custodial care to offenders of laws and thus, isolating them from general community for a certain period of time with a view to ensuring security, peace and tranquility, the State Government arranges for their correctional treatment and subsequent rehabilitation. Prisons in Jharkhand are administered under the provisions of the Bihar Jail Manual (adopted by the Government of Jharkhand) incorporating mainly the provisions of the Prisons Act, 1894 and the Prisons Act, 1900.

## **2.2.2 Organisational set-up**

The prisons in Jharkhand function under the overall supervision and control of the Home Department, which has a separate Inspectorate for administration and control of prisons in the State. There are 26 prisons<sup>1</sup> and one Borstal School<sup>2</sup> in the State. At the Government level, the Principal Secretary (Home) is responsible for overall supervision and functioning of prisons. The Inspector General (IG) (Prisons) is head of the Prison Inspectorate and responsible for administration and control of prisons in the State. He is assisted by two Assistant Inspectors

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<sup>1</sup> Five prisons located at Dumka, Hazaribag, Jamshedpur, Medininagar (Palamau) and Ranchi are classified as Central Prisons, 17 are District Prisons and four are Sub-Prisons.

<sup>2</sup> Borstal School ensures care, welfare and rehabilitation of young offenders between the ages of 18 and 21 years, to keep them away from the contaminated atmosphere of the prisons.

General (Prisons) (AIGP) for exercising administrative and supervisory control over prisons. The prisons and the Borstal School are headed by Superintendents. Security personnel, clerical staff as well as medical and para-medical personnel assist the Superintendents in discharging their duties.

### 2.2.3 Audit objectives

The objectives of the performance audit were to assess whether:

- the implementation of the programmes for the management of prisons were efficient and effective;
- the financial management was efficient and effective;
- human resource management was adequate and efficient; and
- the monitoring and internal control/audit mechanism were in place and effective.

### 2.2.4 Audit criteria

The main criteria used in the performance audit were as under:

- Bihar Jail Manual (adopted by Jharkhand);
- The Prisons Act, 1894 and the Prisons Act, 1900;
- State Financial Rules;
- Treasury Rules;
- Government orders issued from time to time; and
- Model Prison Manual, 2003<sup>3</sup>.

### 2.2.5 Scope and methodology of audit

A performance audit of the management of prisons in the State of Jharkhand covering the period 2005-11 was conducted between March and May 2010 and April and May 2011 in the Secretariat, the Inspectorate of Prisons, 10<sup>4</sup> out of 26 prisons, one Borstal School (Medininagar) and one Jail Training Institute (Hazaribag). Eight<sup>5</sup> prisons were selected on the basis of the Simple Random Sampling Without Replacement (SRSWOR) method. Two prisons<sup>6</sup> having the biggest manufacturing industries compared to other prisons of the State were also selected. Besides, the Borstal School at Medininagar and the Jail Training Institute, Hazaribag were also test-checked. The audit objectives were discussed with the IG (Prisons) in an entry conference held on 28 April 2011 for the purpose. An exit conference was held with the Principal Secretary,

<sup>3</sup> The Model Prison Manual was formulated in 2003 by the Bureau of Police Research and Development, Ministry of Home Affairs, GOI, but has not been adopted as yet by the State Government.

<sup>4</sup> Deoghar, Dhanbad, Giridih, Hazaribag, Jamshedpur, Khunti, Koderma, Medininagar (Palamau), Ranchi and Tenughat.

<sup>5</sup> Central Jail at Jamshedpur and Medininagar (Palamau), District Jails at Deoghar, Dhanbad, Giridih, Koderma and Sub-Jails at Khunti and Tenughat.

<sup>6</sup> Central Jails at Hazaribag and Ranchi.

Home, on 21 September 2011, during which the audit findings along with recommendations were discussed.

## 2.2.6 Implementation of programmes

In order to provide custodial care to offenders of laws and reforming the prisoners as part of social acceptance, the State government undertook various programmes. The deficiencies noticed during audit in implementing the programmes for management of the Prison department are discussed below:

### *Strengthening of Prison Infrastructure*

#### 2.2.6.1 Non- construction of new wards resulted in overcrowding in prisons

As per the provisions contained in Rule 1110 of the Bihar Jail Manual and para 2.09 of the Model Prison Manual, 2003, the capacity of prisons is regulated by scales of cubical space and lateral ventilation prescribed for each prisoner. The capacity, actual occupancy and the percentage of occupancy of prisoners in all prisons of the State during 2005-10 is indicated in **Table-1**:

**Table-1**

#### Capacity and actual occupancy of inmates in Jails

Calendar Year	Total capacity of all prisons	Actual average inmates population	Percentage of occupancy
2005	6045	19233	318
2006	9905	17717	179
2007	10738	17936	167
2008	12831	18441	144
2009	12846	17162	134
2010	12921	18081	140

(Source: Office of the IG (Prisons))

The table shows that during 2005-10, the congestion was very severe with the occupancy ranging between 134 and 318 *per cent* of the total capacity.

The prison-wise details of occupancy during December 2010 in respect of all the prisons in the State are given in **Appendix 2.10**.

From the above table, it may be seen that the problem of congestion was extremely severe during 2005 (occupancy rate being 318 *per cent*) which gradually eased to 134 *per cent* in 2009 due to construction of new wards in jails as well as upgradation of the two existing Central jails at Ranchi and Jamshedpur. Detailed analysis of the prison-wise position of occupancy rates of prisoners revealed that the position was very severe in 21 prisons<sup>7</sup> where occupancy rates ranged between 104.19 and 448.88 *per cent* of capacity during 2010. It was noticed that during the same period, the average

**Congestion of prisoners was very severe ranging between 134 and 318 per cent of the total capacity**

<sup>7</sup> Central Jails Dumka, Hazaribag and Ranchi. District Jails Chaibasa, Chatra, Deoghar, Dhanbad, Garhwa, Giridih, Godda, Gumla, Koderma, Lohardaga, Latehar, Medininagar (Palamau), Pakur, Simdega and Saraikela, Sub-Jails Ghatshila, Rajmahal and Tenughat.

occupancy rates of prisoners in the Borstal School, Medininagar (Palamau) and five Jails<sup>8</sup> ranged between 27 and 99.11 *per cent*.

The prescribed minimum spaces to be provided to the prisoners were as under:

Particulars of space	Sleeping Barracks	Cells	Hospital Barracks
Ground space in sqm	3.71	8.92	5.58
Air space in cum	15.83	33.98	23.75
Lateral ventilation in sqm	1.12	2.23	Not applicable

Overcrowding in prisons resulted in denial of the prescribed ground, air and lateral ventilation spaces to the prisoners, which could affect their mental and physical health. It also put pressure on civic utilities like water supply and sanitation facilities. The workload of the security staff would also have increased, hampering their ability to control crime and violence in the prisons.

#### 2.2.6.2 Construction of jails in close proximity of densely populated areas

As per paragraph 2.05 (iv) of the Model Prison Manual, 2003, no building was to be constructed within 150, 100 and 50 metres of the prison walls of the Central Jails, the District Jails and Sub-Jails respectively. Existence of double or triple-storied buildings in close proximity of the prisons could cause serious security threats to the prisoners and Jail staff, making them prone to attacks from outside and could also facilitate easy interaction between the prisoners and outsiders.



(Photograph of District Jail, Ghaghidih, Jamshedpur)

**Outer wall of the newly constructed jail was very close (around 40 ft) to an existing residential colony**

It was noticed that the Central Jail, Jamshedpur was constructed in Ghaghidih during 2005-08 by extending the existing sub-Jail. The Jail was made functional from September 2008. During Audit, it was observed that the outer wall of the newly constructed jail was very close (around 40 ft) to an existing residential colony. On this being pointed out, the IG (Prisons) stated that construction of the Central Jail was commensurate with the provision of distance of at least 16 feet under Rule 1119 of the Jail Manual. The reply was not acceptable as the Assistant Inspector General (Prisons) in his enquiry report submitted to the IG (Prisons) on the incident of murder of two inmates in the Central Jail, Ghaghidih, Jamshedpur stated that the firearms and ammunition used in the incident could have been thrown from neighboring residential buildings situated at the south-west corner of the perimeter wall of

<sup>8</sup> Central Jail Jamshedpur, District Jails Chas, Jamtara and Sub-Jails Khunti, Sahebganj.

the jail. Thus, the directives of prison architecture as contained in the Model Prison Manual, 2003 were ignored in constructing the Central Jail, Ghaghidih, Jamshedpur which compromised the security of the Central Jail.

### 2.2.6.3 *Non-functioning of open jail*

As per para 21.01 of the Modern Prison Manual, 2003, open jails are intended to put into practice the contemporary ideology of reformation, correction and rehabilitation of convicted prisoners so that they may lead a self disciplined and cultured life after release. These institutions provide the prisoners opportunities of employment and living a life in the open. This restores the dignity of the individuals and develops self-reliance, self-confidence and social responsibility in them, which are necessary for their rehabilitation in society.

**Due to non-recruitment of staff and non-selection of prisoners to be housed in the open jail, it could not be made operational**

The IG (Prisons) proposed (2005-06) the setting up of an open jail in Hazaribag at an estimated cost of ₹ 2.97 crore, having a capacity to house 100 prisoners. The infrastructure which was to be provided to each prisoner included a one-room cottage with a bathroom, kitchen and verandah, community hall, industry shed, dispensary/ hospital etc. Those convicts who had spent half of the sentence in the jail and had good health and character were to be screened by the District Screening Committee headed by the Deputy Commissioner and was finally to be approved by the Central Screening Committee headed by the IG (Prisons), were to be housed in the open jail. For smooth functioning of the open Jail, creation of necessary posts was in final phase.

This work was to be executed by the Executive Engineer (EE), Building Construction Division, Hazaribag with the due date of completion being November 2007. The work was completed by the division with a total expenditure of ₹ 3.23 crore and handed over to the IG (Prisons) in November 2010. However, it could not be made operational due to undue delays in creation of necessary posts as stated (September 2011) by the IG (Prisons). Thus, a maximum of 100 prisoners were denied the benefits of the open jail.

### 2.2.6.4 *Delay in construction of new Sub-Jails*

In the Five-Year Perspective Plan of the modernisation of prison administration scheme<sup>9</sup>, seven new sub-jails<sup>10</sup> were originally approved (November 2002) for construction by the Government of India. Later, the construction of new sub-jails at Chakradharpur and Madhupur was shifted (December 2004) from the Centrally Sponsored Scheme to the State Plan. After this revision, funds of ₹ 20.19 crore for construction of four jails<sup>11</sup> were released during 2004-08. Funds for construction of a sub-jail at Chhatarpur were not released. Scrutiny revealed that construction work in Hussainabad could not be started, as on May 2011, due to non-acquisition of land. In the remaining three cases (Barhi, Nagaruntari

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<sup>9</sup> To improve the condition of prisons, Government of India introduced (November 2002) the scheme on cost sharing basis with ratio of 75:25 between the Central and the State Government.

<sup>10</sup> Barhi, Chakradharpur, Chhatarpur, Hussainabad, Madhupur, Nagaruntari and Ramgarh.

<sup>11</sup> Hussainabad, Ramgarh, Nagaruntari and Barhi.

and Ramgarh), work was in progress. The scheme of modernisation of prison administration was to be completed up to the extended period of March 2009. The IG (Prisons) stated (June 2011) that the reasons for delay were non-availability of land and change in design. Thus, even after expiry of two years of the extended period of the scheme, the work of construction of sub-jails could not be completed. The avowed purpose of reducing congestion in jails by constructing new sub-jails, was, therefore, defeated.

#### **2.2.6.5 *Infertuous expenditure on construction of cowsheds***

**Infertuous expenditure of ₹ 79.64 lakh on construction of cowsheds**

During 2005-08, ₹ 79.64 lakh was spent on construction of cowsheds in four<sup>12</sup> test-checked prisons for setting up dairies in jails to provide milk to the sick in jail hospital, old and weak prisoners. Any milk that would remain unutilised was to be issued as food for ordinary prisoners<sup>13</sup>.

However, the dairies could not be started as no cows were purchased. On this being pointed out, the IG (Prisons) replied (September 2011) that due to non-finalisation of tenders, cows were not purchased. Further, it was stated that a proposal for converting these cow sheds to industrial training centres-cum-godowns was under consideration at the Government level. Thus, despite expenditure of ₹ 79.64 lakh, the very purpose of setting up the dairies was not achieved.

#### ***Welfare measures for Prisoners***

#### **2.2.6.6 *Non-constitution of District Parole Boards for temporary release of prisoners***

**The State Government did not constitute District Parole Boards for temporary release of prisoners**

As per Section 31 A and B (Part VI-A) of Prisons Act, 1900, District Parole Boards were to be constituted by the Government for recommending temporary release of convicted prisoners. The Boards were to recommend temporary release (not exceeding 30 days at a time) of convict prisoners. During scrutiny of the records of the IG (Prisons), it was noticed that the State Government did not constitute District Parole Boards for any district. On this being pointed out in audit, the IG (Prisons) stated (September 2011) that convict prisoners were sent on parole under police escort for a maximum of three days at the time of their need. The reply of the IG (Prisons) is not correct as the arrangement of release of prisoners under police escort cannot be equated to parole and is an ad hoc arrangement in the absence of the Parole Boards. Thus, the convicted prisoners in the State who qualified for release on parole were deprived of the facility of temporary release as per the Act.

#### **2.2.6.7 *Improper management of Borstal School***

The primary objective of a Borstal School is to ensure care, welfare and rehabilitation of juvenile offenders between the ages of 19 to 21 years and to

<sup>12</sup> Giridih, Hazaribag, Medininagar (Palamau) and Ranchi.

<sup>13</sup> Rule 1065 of Bihar Jail Manual (as adopted by Jharkhand).

keep them away from the contaminating atmosphere of the prison. Emphasis is to be given on the education, vocational training and moral influence conducive for their reformation and prevention of crime.

The only Borstal School of Jharkhand was established in April 1960 at Medininagar (Palamau). The school, situated inside the campus of the Central Jail, Medininagar (Palamau), had a two-storey building (five wards in each storey) having a capacity of 100 prisoners. The first floor was to be used for education, vocational training in tailoring and entertainment while the ground floor was to be used for hospital and residential purposes.

**Four wards of the Borstal school were being utilised to house prisoners of the Central Jail**

Scrutiny of records and physical verification of the Borstal School, Medininagar (Palamau) revealed that four of its 10 wards were being utilised to keep the inmates of the Central Jail, Medininagar (Palamau). As the school was situated inside the premises of the Central Jail, Medininagar (Palamau), the inmates of the school and Central Jail were free to meet each other. Running of the Borstal School inside the Central Jail as well as using the school building as a jail for keeping the inmates defeated the objective of keeping the juvenile offenders away from the atmosphere of the prison. Despite the instruction (December 2002) of IG (Prisons) and request of the Superintendent, Borstal School, to shift the juvenile offenders from other jails to the Borstal School, Medininagar (Palamau), juvenile offenders of Medininagar (Palamau) only were kept in the school.

Further, there were only five persons in position against the sanctioned strength of 20. The vacancies included those of the Superintendent, teachers, head teacher, instructor, supervisor, cook etc. It was seen that the clerk, supervisor, Group 'D' staff and educated prisoners of Central Jail, Medininagar (Palamau) were teaching the inmates of the Borstal School. Vocational training facility was insufficient as there was no allotment for purchase of raw materials for training purposes. As against the sanctioned posts of two instructors, only one instructor (tailor) was posted for imparting training to the inmates during 2005-11. Thus, care, welfare and rehabilitation of juvenile offenders, which were the primary objectives of a Borstal school, remained unachieved.

#### **2.2.6.8 Provision of small scale industries in prisons**

The ultimate objective of the prison administration is reformation and rehabilitation of offenders and shifting of the emphasis from custody and control of prisoners to their training and treatment. This was also stressed in the Model Prison Manual, 2003, which stated that prisons needed to be equipped with facilities which enabled the prisoners to 'Learn and Earn'.

An appraisal of the performance of prison industry activities relating to correctional treatment of prisoners revealed the following:

Rule 751 of the Jail Manual envisages that the ultimate objective of the prison administration was reformation and rehabilitation of offenders so as to make them responsible members of the civil society by the time they complete their sentences and leave the jails. Each Central/ district jail is to concentrate on one

or two main industries and their products are to be utilised for jail requirements. The balance products are to be purchased by Government departments.

In the State, small scale industries were running in eight<sup>14</sup> out of 22 Central/ district jails as on September 2011. These jails were involved in manufacturing cloths, blankets, soaps, phenyl, candles etc. In the eight test-checked jails, prison industries were running in six<sup>15</sup> Central/ district jails. Two test-checked jails, viz Deoghar and Koderma district jails had no production units.

In sub-jails, mostly under-trial prisoners were kept and hence, no production unit/small scale industries were established. However, the Deoghar and Koderma jails had been recently upgraded in the year 2006 to district jails with the same infrastructure as sub-jails and had insufficient space. As such, prison industries could not be set up there.

**Convicts living in 14 jails were not provided with the opportunities to learn gainful industrial activities**

Further, a training-cum-production centre in Central Jail, Medininagar (Palamau) was constructed at a cost of ₹ 17.36 lakh during 2007-08 for providing vocational training for production of cloth items, phenyle and soap. However, this centre was not handed over to the jail authorities by the Building Construction Division, Medininagar (Palamau) as it was constructed in the extended portion of the jail, which was not within the jail premises. Thus, convict prisoners of the 14 remaining jails of the State were not provided with the opportunities to learn gainful industrial activities, defeating the very objectives envisaged in the Prison Manual.

#### 2.2.6.9 *Correctional activities in prisons*

The prison managements had started activities like literacy and educational programmes through the National Institute of Open Schooling (NIOS)/ Indira Gandhi National Open University (IGNOU), computer training, yoga and meditation for prisoners as a part of correctional measures which could detract them from committing crimes and could change their behaviour and attitude. This would ultimately facilitate their rehabilitation in the mainstream of the society.

**5,470 prisoners were made literate under the literacy programme and 1,108 prisoners were imparted education through NIOS/ IGNOU**

Data furnished by IG (Prisons) revealed that during 2005-10, in four Central jails<sup>16</sup>, 5,470 prisoners were made literate under the literacy programme and 1,108 prisoners were imparted education through NIOS/ IGNOU. Further, 802 prisoners were imparted computer training and 8,163 prisoners were trained in yoga/ Art of living during the same period.

<sup>14</sup> Central Jails at Dumka, Hazaribag, Jamshedpur and Ranchi and District Jails at Chaibasa, Chas (Bokaro), Dhanbad and Giridih.

<sup>15</sup> Dhanbad, Giridih, Hazaribag, Jamshedpur, Medininagar (Palamau) and Ranchi.

<sup>16</sup> Dumka, Hazaribag, Jamshedpur and Ranchi.

### 2.2.6.10 Outstanding recoveries on account of sales by prison industries

Rule 1269 (2) of the Jail Manual stipulates that in the case of non-realisation of dues on account of sales to other jails, the matter should be specially reported to the IG (Prisons), for orders as to what action is to be taken.

**In seven jails an amount of ₹ 5.26 crore pertaining to sales made in 2001-11 was due for recovery from various jails**

Scrutiny of records of IG (Prisons) revealed that in seven jails, ₹ 5.26 crore<sup>17</sup> pertaining to sales made during 2001-11 remained unrealised from other jails. On this being pointed out, the IG (Prisons) attributed the same to non-availability of sufficient funds. The reply of the IG (Prisons) was not acceptable as there were regular savings under the Non-Plan head as indicated in **Table-3** under paragraph 2.2.7.1, which could have been re-appropriated by the controlling officer.

### *Prison security arrangements*

#### 2.2.6.11 Custody and maintenance of armoury

Paragraph 5.07 of the Model Prison Manual, 2003 envisages that security personnel should carry modern weapons like pistols, carbines, self-loading rifles, pump action guns and authorised quality of rubber bullets, plastic bullets and live ammunitions so that these can be used in emergencies. Maintenance of armouries is an important prerequisite for ensuring the security in jails. Security threats can effectively be countered by the use of fire-arms by trained security personnel.

**Obsolete firearms like .303 rifles, .410 muskets etc were stocked in armoury**

Audit scrutiny revealed that in all 10 test-checked units, instead of modern firearms, old and obsolete firearms like .303 rifles, .410 muskets etc were stocked in the armoury as shown in **Appendix 2.11**. The .303 rifles were procured from the police department in 1987 and 1994. Further, in four<sup>18</sup> test-checked units, 21 rifles and 24 muskets were found unserviceable.

Thus, non-supply of modern weapons to security staff, unserviceable firearms and lack of training/ firing practice as discussed in paragraph 2.2.8.2 could seriously hamper the security of the prisons.

#### 2.2.6.12 Modern security equipment in the prisons

Paragraph 5.02 of the Model Prison Manual, 2003 envisage installation of close circuit televisions (CCTVs) and other electronic gadgets to effectively monitor and maintain a close watch for any breach of security inside the prisons. In the test-checked jails, the deficiencies noticed in electronic gadgets are discussed below:

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<sup>17</sup> Chaibasa- ₹ 6.50 lakh, Dhanbad- ₹ 8.52 lakh, Dumka- ₹ 70.06 lakh, Giridih- ₹ 5.48 lakh, Hazaribag- ₹ 75.98 lakh, Jamshedpur- ₹ 13.39 lakh and Ranchi- ₹ 346.15 lakh.

<sup>18</sup> Central Jail, Hazaribag (two muskets), Central Jail, Medininagar (three rifles), Central Jail, Ranchi (13 rifles and 17 muskets) and District Jail, Dhanbad (five rifles and muskets each).

### • Installation of Closed Circuit Television

In 2006-07, ₹ 22 lakh was allotted by the Inspectorate of Prisons to 11 Jails<sup>19</sup> at the rate of ₹ two lakh per jail for installation of Closed Circuit Television (CCTV) systems. However, the systems could not be installed till September 2011 the funds remained un-utilised. On this being pointed out, the IG (Prisons) stated (September 2011) that due to non-finalisation of tenders, the funds could not be utilised and were remitted into the treasury. Thus, the purpose of allotment of funds for installation of CCTVs was defeated.

**All the 16 CCTVs installed in the Central Jail, Ranchi were non-functional**

Sixteen CCTVs of ₹ 37.50 lakh were installed in Central Jail, Ranchi by Bharat Electronics Ltd. (BEL) (Government of India Enterprise) in April 2007. During the warranty period, equipment was damaged due to a lightning strike and were rectified by BEL. However, it was found in audit that all the 16 CCTVs installed in the Central Jail, Ranchi were non-functional since October 2010. On this being pointed out, the IG (Prisons) stated (September 2011) that the Jharkhand Agency for Promotion of Information Technology (JAPIT) was asked to repair and submit fresh proposal for installation of CCTVs of latest technology.

Again during 2007-08, the IG (Prisons) allotted ₹ 2.04 crore to JAPIT for the installation of CCTVs and Jammers in six jails<sup>20</sup>. Audit scrutiny revealed that CCTVs were installed by JAPIT in all the six jails at a cost of ₹ 1.56 crore. However, during the course of audit, it was found that 27 out of 70 CCTVs installed in four jails were non-functional, details of which are given in **Table-2:**

**Table-2**  
**Details of non-functional CCTVs**

Sl. No.	Name of jail	No. of CCTVs installed	No. of CCTVs not working
1	Central Jail, Hazaribag	23	08
2	District Jail, Dhanbad	16	11
3	District Jail, Medininagar (Palamau)	16	07
4	District Jail, Koderma	15	01

*(Source: Office of the Jail Superintendents of four test-checked units)*

No information was furnished by the Jail Superintendents about the period since when the CCTVs were non-functional, though called for. On this being pointed out, the IG (Prisons) stated (September 2011) that the installed CCTVs were still under warranty and were functioning. The reply of the IG (Prisons) is not tenable as it was observed by Audit that CCTVs were not functioning in the above-mentioned jails. Thus, the objective of equipping the jails with CCTV facilities for security management could not be fully achieved (May 2011).

<sup>19</sup> Chas, Chatra, Deoghar, Dhanbad, Garhwa, Giridih, Godda, Hazaribag, Koderma, Medininagar (Palamau) and Tenughat.

<sup>20</sup> Dhanbad, Garhwa, Hazaribag, Khunti, Koderma and Medininagar (Palamau).

**Biometric equipment in 11 jails at an estimated cost of ₹ 8.80 lakh was not installed**

- According to the Model Prison Manual, 2003, X-ray screening machines, explosive detection devices, cell phone detectors and high frequency binoculars were also important security equipment for prisons. It was seen that the above-mentioned equipment was not available in any jail except in Central Jail, Ranchi where one X-ray screening machine was provided by the Police Department (September 2011). No proposal had been submitted by the IG (Prisons) to the Government for purchase of explosive detection devices, high frequency binoculars and cell phone detectors. Further, though bio-metric<sup>21</sup> equipment was planned for installation in 11<sup>22</sup> jails which included the seven test-checked jails of Jharkhand, at an estimated cost of ₹ 8.80 lakh during 2007-08, it was noticed that the funds for this purpose had been transferred to JAPIT. It was found in the test-checked jails that the biometric equipment had not been installed. JAPIT returned (February 2011) the amount without executing the work on the ground that bio-metric devices were being used in all jails. On being asked, the IG (Prisons) stated (July 2011) that the reason furnished by JAPIT was not correct and ₹ 8.80 lakh was sent back to JAPIT for installation of the bio devices. Thus, ₹ 8.80 lakh was still lying with the IG (Prisons) as of July 2011, though made available in 2007-08. Non-availability of important security equipment such as X-ray screening machines, explosive detection devices, biometric devices etc led to the jails being exposed to the risk of entry of prohibited items inside the jail premises as discussed in paragraph 2.2.6.13.

**Eight DFMDs, eight HHMDs and 35 Search Lights were found to be unserviceable**

Hand Held Metal Detectors (HHMDs), Door Frame Metal Detectors (DFMDs) and searchlights were also important security items essential for the security of prisons. Scrutiny of records revealed that 12 DFMDs were available in the 10 test-checked jails<sup>23</sup> out of which eight<sup>24</sup> were not in working condition. Similarly, 35 HHMDs were provided to all the 10 test-checked jails during 2006-11, out of which eight were not working. Further, it was noticed that the 10 test-checked jails were provided with 70 searchlights during the same period, of which 35 were found to be unserviceable.

### **2.2.6.13 Recovery of prohibited items**

**Prohibited items like cell phones, katta, revolvers, cartridges, knives, cash etc had been recovered in search operations**

Rule 615 of the Bihar Jail Manual (adopted by Jharkhand) listed the articles which were prohibited inside the prison. These included alcohol or spirituous liquors of any kind, *ganja*, opium and poisonous materials, money, metal, currency notes, knives, arms etc. Further, as per Rule 41 of the Prisons Act, 1894, a jailer could demand the name and address of any visitor to a prisoner and when the jailer had any ground for suspicion, he could search any visitor, or cause him to be searched,

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<sup>21</sup> Biometrics comprises methods for uniquely recognising humans, based upon one or more intrinsic physical or behavioural traits.

<sup>22</sup> Chas, Chatra, Deoghar, Dhanbad, Garhwa, Giridih, Godda, Hazaribag, Koderma, Medininagar (Palamau) and Tenughat.

<sup>23</sup> Deoghar, Dhanbad, Giridih, Hazaribag, Jamshedpur, Khunti, Koderma, Medininagar (Palamau), Ranchi and Tenughat.

<sup>24</sup> Deoghar, Hazaribag, Jamshedpur, Khunti, Medininagar (Palamau), Ranchi and Tenughat.

but the search was not to be made in the presence of any prisoner or of another visitor.

Scrutiny of records of the test-checked jails revealed that prohibited items had been recovered by the district administration during search operations in five jails<sup>25</sup> during 2006-11. These included 29 cell phones, 20 SIM cards, 13 mobile chargers, one *katta*, two revolvers, seven cartridges, one mobile cabinet, one pair of small scissors, one iron, three knives, thin electric wire and two *pattar* (steel sheet) along with cash worth ₹ 10,590. These items had not been detected by the jail security system either at the entry points at gates or at the time of the daily security check during *Number Khuli* and *Number Bandi*<sup>26</sup>. On being asked, the IG (Prisons) stated (September 2011) that due to lack of trained security personnel at the gates as well as modern security equipment, prohibited items could not be detected at the entry point. Thus, due to lack of trained security personnel and modern security equipment, further entry of prohibited items could not be ruled out, thereby facilitating criminal/terrorist activities within the jail premises.

## 2.2.7 Financial management

The deficiencies noticed during audit of the financial management of the Home (Jail) Department are discussed below:

### 2.2.7.1 Fund allocation and expenditure

Rule 112 of the Jharkhand Budget Manual envisages that all anticipated savings should be surrendered to the Government immediately when they are foreseen without waiting till the end of the year, unless they are required to meet excesses under some other unit or units which are definitely foreseen at the time. No savings should be held in reserve for possible future excesses.

The budget allocations under Plan and Non-Plan heads were provided by the Home Department to different units through the IG (Prisons). The expenditure incurred during 2005-11 is shown in **Table-3**:

**Table-3**  
**Budget allotments and expenditure**

(₹ in crore)

Year	Non-Plan			Plan		
	Allotment	Expenditure	Savings (-)	Allotment	Expenditure	Savings (-)
2005-06	30.09	28.39	(-) 1.70	8.48	8.48	Nil
2006-07	39.90	38.10	(-) 1.80	31.26	31.26	Nil
2007-08	46.01	43.07	(-) 2.94	35.82	34.86	(-) 0.96
2008-09	50.87	48.56	(-) 2.31	48.90	48.90	Nil
2009-10	73.37	68.36	(-) 5.01	19.93	19.93	Nil
2010-11	59.18	56.70	(-) 2.48	39.24	21.40	(-) 17.84
<b>Total</b>	<b>299.42</b>	<b>283.18</b>	<b>(-)16.24</b>	<b>183.63</b>	<b>164.83</b>	<b>(-) 18.80</b>

(Source: Office of the IG (Prisons))

<sup>25</sup> Dhanbad, Jamshedpur, Koderma, Medininagar (Palamau) and Ranchi.

<sup>26</sup> Counting of prisoners kept in a ward at the time of unlocking the ward in the morning.  
Counting of prisoners kept in a ward at the time of locking the ward in the evening.

Against a total allotment of ₹ 183.63 crore under the Plan head during 2005-11, the actual expenditure was ₹ 164.83 crore

The above table indicates that 100 per cent utilisation was shown under Plan head during 2005-10 except during 2007-08. However, during 2010-11, against a total allotment of ₹ 39.24 crore, expenditure of ₹ 21.40 crore was incurred and there were savings of ₹ 17.84 crore (45 per cent). The above-mentioned amount was meant for construction of new sub-jails, land acquisition for jails, construction of a jail inspectorate building, installation of devices used for non-conventional sources of energy, installation of sewerage treatment plants, construction of staff quarters, security arrangements in jails etc, which was surrendered. On this being pointed out in audit, the IG (Prisons) replied (September 2011) that due to non-sanction of re-appropriation proposals by the Government, the amount under the Plan head was surrendered. Non-sanction of the proposals under the Plan head resulted in prison infrastructure not being created, which resulted in shortage of facilities for the jail inmates as well as the prison staff. Besides this, prison security was also compromised.

Further, in eight<sup>27</sup> out of the 10 test-checked units, it was observed that the Superintendents of Jails had advanced a total sum of ₹ 51.56 crore for execution of 284 civil works<sup>28</sup> under the State Plan head. Of these, 90 works were either in progress or not taken up as on May 2011, as detailed in

**Table-4:**

**Table-4**  
**Details of schemes taken under State Plan**

(Amount in ₹)

Year	No. of works	Total allotment	No. of works completed	Expenditure incurred on complete schemes	No. of works in progress	Amount paid to executing agencies	No. of works not yet started	Amount
2005-06	19	74570850	18	13770850	01	60778000	-	-
2006-07	41	57825220	24	24700995	02	20008300	15	13115925
2007-08	45	62673145	33	42389195	09	16726650	03	3557300
2008-09	83	230741700	63	46865150	14	96189050	06	84984209
2009-10	62	62355775	45	40911748	11	15382750	06	6061277
2010-11	34	27468878	11	6139826	11	10854690	12	10474362
<b>Total</b>	<b>284</b>	<b>515635568</b>	<b>194</b>	<b>174777764</b>	<b>48</b>	<b>219939440</b>	<b>42</b>	<b>118193073</b>

(Source: Office of the Jail Superintendent of eight test-checked units)

42 out of 284 works amounting to ₹ 11.82 crore (23 per cent) had not been taken up

Thus, 284 works at a cost of ₹ 51.56 crore were sanctioned, of which 194 works were completed at a cost of ₹ 17.48 crore (34 per cent). Forty-eight works (Appendix 2.12) costing ₹ 21.99 crore (43 per cent) were in progress and 42 works (Appendix 2.13) costing ₹ 11.82 crore (23 per cent) had not been taken up as on May 2011. However, the entire amount of ₹ 51.56 crore was booked as final expenditure in the books of accounts. The financial reporting, thus, did not match the physical progress in the test-checked units and was deficient to that extent.

<sup>27</sup> Dhanbad, Giridih, Hazaribag, Jamshedpur, Khunti, Koderma, Medininagar (Palamau) and Ranchi.

<sup>28</sup> Construction of staff quarters (20), community hall (06), PCC road (16), watchtowers (11), toilets (13), machinery and equipment (37), repair and renovation (12), lighting, water supply and sanitation (44), construction works of building, office, training-cum-production centre, barracks etc (123) and acquisition of land (02) for a new sub-jail etc.

### 2.2.7.2 Irregular remittances into treasury

Rule 300 of the Jharkhand Treasury Code Vol. I envisages that no money should be withdrawn from the treasury unless it is required for immediate payment. It is not permissible to draw advances in anticipation of demands from the treasury either for the prosecution of works, the completion of which is likely to take a considerable time, or to prevent the lapse of appropriations.

**Rupees 8.26 crore for seven works was drawn during 2006-09 and remitted (April 2010) into the treasury without incurring any expenditure**

Scrutiny revealed that ₹ 8.26 crore for seven works<sup>29</sup> was drawn during 2006-09 and remitted (April 2010) into the treasury under the Head “0050-Police” by the Superintendent, Central Jail, Hazaribag. On being asked in audit, the Superintendent stated (June 2010) that funds drawn for seven works were remitted into the treasury as the executing agency (Public Works Department) did not execute four works and returned the amount and the other three works were no longer required. The reply is not acceptable as the funds were drawn for specific purposes for the jail. Keeping the same was irregular because it resulted in artificial inflation of the figures of expenditure in the preceding years and also the figures under the receipt head in the year 2010-11.

Thus, withdrawal from the treasury and subsequent remittance was done in violation of the relevant Treasury Rules.

### 2.2.7.3 Pending detailed contingent bills

**AC bills amounting to ₹ 22.53 crore under Non-Plan and ₹ 22.64 crore under the Plan head were pending due to non-submission of DC bills**

According to Rule 319 of the Jharkhand Treasury Code, a certificate to the effect that the monthly detailed contingent (DC) bills for abstract contingent (AC) bills drawn in the previous month have been submitted for countersignature to the controlling officer on such and such a date is to be attached to the first AC bill presented for payment after the 10<sup>th</sup> of each month. On no account should an AC bill be cashed after the 10<sup>th</sup> of the month without this certificate. Further, as per note below Rule 322, DC bills should be submitted to the Accountant General on or before the 25<sup>th</sup> of the next month against any amount drawn on AC bills during the previous month. Thereafter, the AC bill would be treated as pending.

During audit, it was seen that in nine<sup>30</sup> out of 10 test-checked units and the Jail Training Institute, Hazaribag, 1,629 DC bills amounting to ₹ 22.53 crore under Non-Plan and in all the 10 test-checked units, 154 DC bills amounting to ₹ 22.64 crore under Plan head were pending with the Jail Superintendents due to non-submission of DC bills during 2005-11 as shown in **Table-5**:

<sup>29</sup> (i) construction of community hall (ii) construction of eight new wards of capacity of 100 prisoners (iii) construction of PCC road and drainage around perimeter wall of Jail from outside (iv) construction of PCC road and drainage around perimeter wall of Jail from inside (v) construction of staff quarters in under-construction Barhi Sub-Jail (vi) expansion of Jail hospital (vii) maintenance of Jail kitchen.

<sup>30</sup> Deoghar, Dhanbad, Giridih, Hazaribag, Jamsheedpur, Koderma, Medininagar (Palamau), Ranchi and Tenughat.

**Table-5**  
**Pendency of Detailed Contingent bills**

(₹ in crore)

Year	No. of AC bills drawn		Amount of AC bills drawn		No. of DC bills submitted		Amount of DC bills		No. of DC bills pending		Amount	
	Head 2056	Head 4055	Head 2056	Head 4055	Head 2056	Head 4055	Head 2056	Head 4055	Head 2056	Head 4055	Head 2056	Head 4055
2005-06	1389	13	13.09	0.81	439	07	3.47	0.10	950	06	9.63	0.71
2006-07	1152	65	20.41	11.37	949	19	17.88	1.09	203	46	2.53	10.28
2007-08	1459	48	22.60	5.96	1424	25	22.50	3.21	35	23	0.10	2.75
2008-09	686	41	12.88	3.08	252	26	2.80	1.78	434	15	10.08	1.30
2009-10	78	66	1.39	7.43	71	14	1.19	1.00	07	52	0.19	6.43
2010-11	-	12	-	1.17	-	-	-	-	-	12	-	1.17
<b>Total</b>	<b>4764</b>	<b>245</b>	<b>70.37</b>	<b>29.82</b>	<b>3135</b>	<b>91</b>	<b>47.84</b>	<b>7.18</b>	<b>1629</b>	<b>154</b>	<b>22.53</b>	<b>22.64</b>

(Source: Office of the Principal Accountant General (A&E), Jharkhand, Ranchi)

Non-adherence to the provision of the rules governing drawals on AC bills resulted in a large pendency of DC bills which was fraught with the risk of fraud and misappropriation of Government funds.

#### 2.2.7.4 Irregular purchase of foodgrains from open market

As directed (September 2005) by the IG (Prisons), purchase of foodgrains for inmates of jails was to be made exclusively from the State Food Corporation (SFC). In cases of non-availability of foodgrains in the Food Corporation of India (FCI) depots, the same was to be purchased from suppliers on the basis of rates approved by the IG (Prisons) subject to certification of non-availability of foodgrains in the FCI depots. During audit, it was seen that wheat and rice were irregularly purchased in different spells during 2005-10 from suppliers, at rates approved by the IG (Prisons), without obtaining non-availability certificates in the FCI depots as detailed in Table-6:

**Table-6**  
**Details of foodgrains purchased from supplier**

(Quantity in quintals and ₹ in lakh)

Year	Foodgrains purchased from supplier			Total amount	Total admissible expenditure	Avoidable expenditure
	Rice	Wheat	Total quantity purchased			
2005-06	3264.20	1779.59	5043.79	48.55	39.61	8.94
2006-07	5969.36	2681.14	8650.50	100.65	68.76	31.89
2007-08	7003.11	6061.21	13064.32	176.91	99.33	77.58
2008-09	8024.31	8904.07	16928.38	205.35	126.36	78.99
2009-10	9114.88	7393.01	16507.89	317.58	132.52	185.06
<b>Total</b>	<b>33375.86</b>	<b>26819.02</b>	<b>60194.88</b>	<b>849.04</b>	<b>466.58</b>	<b>382.46</b>

(Source: Office of the Jail Superintendent of test-checked units)

**Avoidable expenditure of ₹ 3.82 crore on irregular procurement of foodgrains from private suppliers**

Cross-verification with the records of the Food and Civil Supplies Department revealed that wheat and rice for the Above Poverty Line (APL) category was available in SFC during 2005-10. This resulted in avoidable expenditure of ₹ 3.82 crore.

The Jail Superintendents stated (June 2010) that, several times, SFC neither supplied foodgrains nor furnished non-availability certificates. The reply of the Jail Superintendents was incorrect as SFC, had taken up (October 2007) the matter with the district administration for directing the jail authorities to lift the APL category foodgrains, failing which, the quota would lapse.

## 2.2.8 Human Resource Management

The Bihar Jail Manual, adopted by Jharkhand, provides for custody of prisoners in a safe and secure manner. According to Rule 384, the fundamental principle to be observed in guarding the inside of a jail is that every prisoner should at times, both during day and night, be in the charge of some responsible official. The cadres of Chief Head Warder, Head Warder, Male Warder and Female Warder were responsible for the inside security of the jails. Audit scrutiny revealed the following shortcomings:

### 2.2.8.1 Shortage of security staff

As per information provided by the IG (Prisons), the ratio of warders and prisoners should be 1:25 and the duty period of each warder was eight hours. The cadre-wise position of sanctioned strength and persons-in-position thereagainst of security personnel involved in jail security in the State was as given in **Table-7**:

**Table-7**  
**Overall sanctioned strength and persons-in-position**

Sl. No.	Name of security cadre	Sanctioned strength	Persons-in-position	Vacancy	Percentage of vacancy
1.	Chief Head Warder	3	0	3	100
2.	Head Warder	263	45	218	83
3.	Male Warder	1742	356	1386	80
4.	Female Warder	115	61	54	47
<b>Total</b>		<b>2123</b>	<b>462</b>	<b>1661</b>	<b>78</b>

(Source: Office of the IG (Prisons))

**There were vacancies ranging between 47 and 100 per cent in the cadres of security personnel**

From the **Table 7**, it is evident that there were vacancies ranging between 47 and 100 per cent in the cadres of security personnel which constituted the backbone of jail security. Further analysis based on information provided by IG (Prisons) revealed that the ratio of warders and prisoners for the sanctioned strength and capacity of all jails was 1:21 which was well within the prescribed norms of 1:25. However, the warder-prisoner ratio for the existing strength and capacity of all jails put together was 1:93 while the ratio based on actual occupancy in all jails was 1:130, which was very high in comparison to the prescribed norms (**Appendix 2.14**). Thus, it was evident that the prison management was facing acute shortage of security personnel in important cadres. On this being pointed out, the IG (Prisons) replied (September 2011) that no appointment under these cadres had been made since the creation (November 2000) of Jharkhand and recruitment in all cadres was not done due to non-approval of recruitment rules by the State Government and non-functioning of the Staff Selection Commission

of the State. Thus, the shortages in the cadre of security personnel in the jails were fraught with the risk of escaping of by prisoners as well as occurrence of crimes like murders inside the jails. Audit noticed the incidents of escape of six prisoners from three test-checked jails<sup>31</sup> and the murder of two prisoners inside Jamshedpur jail during 2005-11.

### **2.2.8.2 Inadequate training to security staff**

Paragraph 5.02 (XXVI) of the Model Prison Manual, 2003 envisages that untrained personnel are not to be posted inside the prisons, prison premises, under any circumstances for guarding purposes. Scrutiny of records revealed that during 2007-10, 106 out of 462 warders were imparted training at the Jail Training Institute, Hazaribag. Information regarding training of 356 warders was called for from the IG (Prisons). No reply has been furnished as on 12 September 2011. However, on the behest of the IG (Prisons), the Principal, Jail Training Institute, Hazaribag stated (14 September 2011) that “perhaps all the recruits have been imparted training except 20-25 remained untrained”. From the reply, it is evident that the department was not sure of the actual number of trainees still to be imparted training.

**Target practice for warders had not been arranged even once during 2005-11**

The Musketry Practice Rules<sup>32</sup> of the Bihar Jail Manual provide that all warders must get target practice of 15 rounds (five rounds each at 50 and 75 yards in standing position and 100 yards in kneeling position) on annual basis for handling firearms. The target practice should be carried out during November to December each year. However, the data furnished by the Superintendents of test-checked jails revealed that target practice for warders had not been arranged even once during 2005-11 except in Central Jail, Ranchi where it was carried out only in 2008-09. On this being pointed out, the IG (Prisons) replied (September 2011) that the main reason for non-imparting training was shortage of warders in the prisons. Thus, the warders were not fully trained to handle exigencies relating to security arrangements of prisons.

### **2.2.8.3 Inadequate facilities at Jail Training Institute, Hazaribag**

Training is necessary for all officials/security personnel to address the changing needs of prison administration relating to security and management. For fulfilment of these objectives, the Jail Training Institute, Hazaribag was established in 1979. As per information provided (September 2011) by the Principal, Jail Training Institute, the institute required an administrative building, a magazine for keeping arms, a gymnasium, a conference hall, a firing range, quarters for the Principal and staff, hostels etc. as its physical infrastructure. Besides this, it also needed three well-equipped classrooms and arms and ammunition for imparting training.

However, it was observed that the training institute had an administrative building with a chamber for the Principal, a room for the Senior Instructor, a room for the office and a store. There was one training hall available in which 35 trainees could be imparted training. Information regarding the norms/standards for arms/

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<sup>31</sup> Two at Medininagar (Palamau), one at Hazaribag and three at Koderma.

<sup>32</sup> Rules prescribing scale of firing practice to be carried out by the security personnel of the prisons.

ammunition required for training, though called for, was not made available to audit. The institute had 20 *lathis* and 25 muskets of mark number I and III each. These muskets were transferred (July 2006) to the magazine of Police Line, Hazaribag due to non-availability of a magazine in the institute.

No training course was arranged/ conducted for clerical cadre staff and officers of the rank of Assistant Jailer to Superintendent during 2005-11. On this issue, the Principal, Jail Training Institute stated (May 2011) that no trainees had been sponsored by the jail authorities due to non-recruitment in all cadres. Further, as discussed in paragraph 2.2.8.2, training for only 106 warders and head warders was conducted as shown in **Table-8**:

**Table - 8**  
**Training imparted for Warders/Head Warders during 2005-11**

Year	Training Programme conducted	Trainees imparted training	Trainees per programme
2005-06	Nil	Nil	Nil
2006-07	Nil	Nil	Nil
2007-08	01	13	13
2008-09	02	31	16
2009-10	04	62	16
2010-11	Nil	Nil	Nil

*(Source: Jail Training Institute, Hazaribag)*

It can be seen from the above table that no training was imparted during 2005-07 and 2010-11. On this issue, the Principal, Jail Training Institute stated that due to shortage of warders in jails, no training was conducted during the above-mentioned period.

Further, due to non-approval of recruitment rules by the Government, sanctioned posts of five lecturers in Law, Crime Psychology, Social Science, Public Accounts and Public Administration were lying vacant for more than 10 years and only one Senior Instructor was working against the sanctioned post of two Senior Instructors, one Junior Instructor, six Parade Instructors, one Physical Training Instructor and one Vocational Instructor.

Shortages of infrastructural facilities and qualified trainers/ lecturers would naturally affect the effectiveness of the training imparted to the personnel.

#### **2.2.8.4 Status of Jail Hospitals**

Rule 1161 of the Bihar Jail Manual provides that in every jail, separate hospitals should be provided for male and female prisoners. Further, as per paragraph 7.32 of the Model Jail Manual, a jail hospital should have a dental clinic, an ophthalmology clinic, a minor operation theatre, a clinical laboratory, an X-ray laboratory, a physiotherapy unit, a detoxification unit and a psychiatric unit with all equipment. Besides this, for smooth functioning of a jail hospital, a medical unit comprising a Medical Officer, a Pharmacist, a Compounder, a Dresser, nursing staff etc. was required.

The overall cadre-wise sanctioned strength and persons-in-position thereagainst and

the vacancies in the jail hospitals in the State were as given in **Table-9**:

**Table-9**  
**Sanctioned strength and persons-in-position of medical personnel**

Sl. No.	Name of cadre	Sanctioned strength	Persons -in-position	Vacancy	Percentage of vacancies
1	Resident Medical Officer cum Superintendent	1	0	1	100
2	Special Medical Officer	4	0	4	100
3	Medical Officer	39	10	29	74
4	Pathologist	2	0	2	100
5	Male Nurse	35	0	35	100
6	Female Nurse	8	0	8	100
7	Pharmacist	4	0	4	100
8	X-ray Technician	8	1	7	88
9	Compounder	24	5	19	79
10	Dresser	22	5	17	77
11	Nursing Orderly	8	0	8	100
<b>Total:</b>		<b>155</b>	<b>21</b>	<b>134</b>	<b>86</b>

(Source: Office of the IG (Prisons))

**Most of the posts of para-medical and medical cadres were vacant**

From the above, it may be seen that percentage of vacancies ranged between 74 and 100 *per cent* in all cadres. Even in the crucial cadre of Medical Officer, the shortage was as high as 74 *per cent*. Most of the posts of para-medical cadres were vacant. It was found that medical staff under Civil Surgeons was deputed as ad hoc arrangements in most of the hospitals.

As per information provided by the IG (Prisons), a 300-bedded hospital existed in the Central Jail, Ranchi with a separate dental unit, a pathological laboratory, an X-ray unit, an AIDS testing and counseling centre and an operation theatre. It was also informed that most of the facilities mentioned above were in existence in Dhanbad, Giridih, Hazaribag and Medininagar (Palamau) jail hospitals. Hospitals in other jails had no such facilities. Due to shortage of technicians as well as regular doctors in the hospitals as evident from the table, the utility of such facilities was doubtful. Thus, due to large scale vacancies in all cadres, full medical care to sick prisoners could not be provided properly.

### 2.2.9 Monitoring and internal control mechanism

**Board of Visitors not constituted for any jail in the State**

- As per Rules 48 and 49 of the Bihar Jail Manual, a Board of Visitors comprising official and non-official visitors was to be constituted for each jail separately. Non-official visitors were to be nominated for each jail by the Government. The visitors were required to visit the jail to listen to the complaints of prisoners and record their comments in the visitors' book for redressal of grievances by the jail administration. Scrutiny revealed that non-Government visitors were not nominated by the Government during 2005-11 and thus the Board of Visitors could not be constituted for any jail in the State. This deprived the prisoners of the opportunity of redressal of their grievances. In response to an audit query, the IG (Prisons) stated (September 2011) that the process for nomination/notification of non-official visitors would be expedited.

- According to Rules 31 and 33 of the Bihar Jail Manual, the IG (Prisons) was required to submit inspection reports to the State Government after inspecting every Central Jail twice a year, every District Jail at least once a year and every Sub-Jail once in two years. During the exit conference, the Principal Secretary (Home) stated (September 2011) that regular inspections were being conducted. However, the inspection reports, submitted to the Government during 2005-11, were not produced to Audit, in spite of requests.
- Internal audit examines and evaluates the level of compliance with departmental rules, regulations and procedures so as to provide assurance to the management on the adequacy of risk management and an internal control framework. The department had no internal audit wing. The internal audit wing of the Finance Department, Government of Jharkhand was mandated to audit the Home (Jail) Department. However, no internal audit of prisons was conducted by the audit wing of the Finance Department during 2005-11, leading to financial irregularities like those mentioned in the preceding paragraphs remain undetected.
- The Principal Accountant General (Audit) conducts the audit of the offices of the Home (Jail) Department and major irregularities are reported to them through Inspection Reports (IRs). The initial replies to the IRs are to be sent within a month from the date of their receipt by the auditee units. A review of outstanding IRs revealed that 16 out of 24 IRs pertaining to the period 2005-11 were outstanding, for which even the initial replies were not furnished by any of the auditee units. Further, these 24 IRs contained 161 paragraphs, which were outstanding (May 2011) for want of compliance by the department. No steps were taken by the Home (Jail) Department for speedy clearance of these outstanding paragraphs.

#### 2.2.10 Conclusion

The State had not adopted the Model Prison Manual, 2003 of the Government of India. Plan formulation and implementation was not adequately sufficient. The financial management system in the department was deficient. The problem of congestion in the prisons largely remained unresolved. The open jail could not be operationalised due to non-recruitment of staff and selection of prisoners. Inadequate number of security personnel, instructors and lecturers in the Jail Training Institute, Hazaribag and medical and para-medical officials in jail hospitals adversely affected the smooth functioning of the prisons. Inspections/ searches were not effective to ensure strict security and surveillance.

#### 2.2.11 Recommendations

The Government may consider the following:

- Ensure strong security systems and surveillance in prisons by procuring modern security equipment and by training security personnel in a time-bound manner;

- Take appropriate steps to fill up the vacant posts of security personnel, medical and para-medical officials in prisons as well as lecturers and instructors in the Jail Training Institute, Hazaribag on priority basis;
- Ensure completion of ongoing projects of construction of new jails on priority basis to check overcrowding in jails;
- Expedite adoption of the provisions of Model Prison Manual, 2003 incorporating specific provisions to streamline the prison administration;
- Ensure that corrective activities like adult education, computer training, yoga and meditation for prisoners, started in Central Jails are extended to other jails also; and
- Constitute a Board of Visitors for each prison by appointing non-official visitors on priority basis.

2.3 Mukhya Mantri Gram Setu Yojana

*Highlights*

*The Mukhya Mantri Gram Setu Yojana was launched by the Government of Jharkhand in the year 2001-02. It aimed at improving rural connectivity and thereby boosting rural economy by obtaining remunerative prices for agricultural produce. It also aimed to connect all villages with Gram Panchayats, Gram Panchayats with block headquarters and blocks with district headquarters. A review of the implementation of the Mukhya Mantri Gram Setu Yojana was conducted and deficiencies like absence of a Perspective District Bridge Plan / Annual Action Plan, lack of surveys, non-adherence to the terms and conditions of contracts and ineffective monitoring were noticed. The major findings of the review are as under:*

Government did not adhere to the phased sequence of components and did not prepare a Perspective District Bridge Plan and Annual Action Plans as envisaged under the scheme. This resulted in unplanned and sub-optimal utilisation of limited Government resources.

*(Paragraph 2.3.6.1)*

Programme Implementation Units headed by Deputy Commissioners were not set up at the district level, in violation of instructions.

*(Paragraph 2.3.6.2)*

Contractors were allowed to execute work without technically sanctioned estimates and ₹ 498.57 crore was paid to contractors for 229 bridges without recording measurements, in the test-checked divisions.

*(Paragraphs 2.3.8.1 and 2.3.8.2)*

A total of 194 bridge works costing ₹ 361.59 crore were completed during 2006-11. However, the contractors did not submit the required insurance certificates to cover failures of structural designs of the bridges, approach roads and materials utilised. Thus, in the absence of required insurance coverage, refund of the security deposits amounting to ₹ 36.15 crore resulted in undue favour to the contractors.

*(Paragraph 2.3.8.3)*

Short/ non-recovery of penalty for delay in completion of works from defaulting contractors resulted in a loss of ₹ 25.25 crore to the Government.

*(Paragraph 2.3.9.7)*

Proper system of internal control, monitoring and effective periodic evaluation was not in place.

*(Paragraph 2.3.11)*

### 2.3.1 Introduction

Connectivity of village roads with district headquarters through *Panchayats* and block headquarters is an essential component of rural development. As bridges need to be constructed over rivers for uninterrupted road connectivity, the Government of Jharkhand launched the Mukhya Mantri Gram Setu Yojana (MMGSY) in 2001-02 to first connect all the villages with Gram Panchayat headquarters and subsequently, Gram Panchayats with block headquarters and block headquarters with district headquarters. The scheme aimed to provide connectivity throughout the year by constructing bridges over rivers and *nallas*.

### 2.3.2 Organisational set-up

The Principal Secretary, Rural Development Department (RDD) is responsible for implementation of the scheme. He is assisted by a Chief Engineer (CE) at the State level, four Superintending Engineers (SEs) at the circle level and 23 Executive Engineers (EEs) at the divisional level (*Appendix-2.15*).

### 2.3.3 Audit objectives

The main objectives of the performance audit were to assess whether:

- the planning for implementation of the scheme was efficient;
- financial management was sound and effective;
- the management of contracts for implementation of the scheme was efficient;
- the implementation of the scheme was effective, efficient and economical; and
- an effective monitoring and evaluation mechanism was in place.

### 2.3.4 Audit criteria

The audit criteria adopted to arrive at the audit conclusions were the following:

- Provisions of the Jharkhand Public Works Department (JPWD) Code, Jharkhand Public Works Account (JPWA) Code, Jharkhand Financial Rules and relevant circulars and instructions;
- Physical and financial progress reports;
- Detailed Project Reports and contract documents;
- Standards laid down by the Indian Road Congress (IRC) and the Ministry of Road Transport and Highways (MORTH), Government of India; and
- Terms and conditions of the National Bank for Agriculture & Rural Development (NABARD) for granting loans.

### 2.3.5 Scope and methodology of audit

A performance audit of MMGSY was conducted (between April and July 2011) for the period 2006-11 by test check of records of the office of the Chief Engineer, two Circle Offices and 11<sup>1</sup> out of 23 Rural Development Special Divisions (RDSD) selected by the simple random sampling without replacement method. Audit methodology included scrutiny of records at the department, district and divisional level, joint physical verification and examination of responses to the questionnaire issued to the department. An entry conference was held (April 2011) with the Principal Secretary, RDD where audit objectives, criteria and methodology were discussed. An exit conference was held on 11 October 2011 with the Principal Secretary, RDD, wherein audit findings, conclusions and recommendations were discussed. The Principal Secretary accepted the audit observations and assured that appropriate corrective measures would be taken, wherever necessary, in accordance with the rules and procedures.

#### *Audit findings*

### 2.3.6 Planning for the implementation of the scheme

The department was required to prepare detailed guidelines, Perspective District Bridge Plans and Annual Action Plans for proper implementation of the scheme. However, it was found that no such Plans were prepared for construction of bridges as discussed below:

#### **2.3.6.1 Non-preparation of Perspective District Bridge Plans and Annual Action Plans**

The department issued instructions to the Engineer-in-Chief (Rural Development Department), the Chief Engineer (RDS Zone, Ranchi), all Deputy Commissioners and Deputy Development Commissioners of Jharkhand between January and September 2001, to implement the project. The bridges under the scheme were to be selected at the block level. As stated above, a Perspective District Bridge Plan and Annual Action Plans were to be prepared at the district level by incorporating proposals for construction of bridges. The Planning & Development Department, Government of Jharkhand directed (November 2008) all Deputy Commissioners of Jharkhand to select schemes for the districts at the village level and after approval of the *Gram Sabhas* and administrative approval of the *Prabandh Parishads*<sup>2</sup>, to prepare a vision document for each district by preparing a Perspective District Bridge Plan for five to 10 years. To provide connectivity between villages and block and district headquarters, the Government decided (September 2001) to complete the scheme in three phases. However, no time frame for completion of the three phases was prescribed. The components under these three phases were as below:

<sup>1</sup> RDSD Bokaro, Chaibasa, Dumka, Giridih, Godda, Gumla, Koderma, Palamu, Ranchi, Sahebganj and Saraikela.

<sup>2</sup> Governing bodies of DRDAs, headed by the DCs, the DDCs, Directors, DRDA, District Planning Officers, Project Officers, EEs etc as Government members and MLAs/MPs of the areas concerned as public representatives. They approve the proposals for execution of works and monitor the projects carried out in the districts.

- I Villages with Panchayat headquarters
- II Panchayats with block headquarters
- III Blocks with district headquarters

**No Perspective District Bridge Plans or Annual Action Plans were prepared at the district level during 2006-11**

Scrutiny revealed that no Perspective District Bridge Plans or Annual Action Plans at the district level were prepared during 2006-11. Neither was any survey conducted in rural areas to assess the actual requirement of bridges nor were the approvals of *Gram Sabhas* obtained. The Government did not adhere to the prescribed phased sequence. Instead of completing components in a phased manner, works were taken up on the basis of direct recommendations of MLAs and MPs of the areas concerned. The department did not have any information regarding how many villages had been connected with district headquarters.

This resulted in unplanned and sub-optimal utilisation of limited Government resources. Further, failure to adhere to the time frame and phased construction resulted in non-completion of the components even after 10 years of commencement of construction of 779 bridges (March 2011).

#### **2.3.6.2 Non- setting up of Programme Implementation Units**

**Programme Implementation Units headed by Deputy Commissioners were not set up at the district level**

As per the instructions (September 2001) of the department, Programme Implementation Units (PIUs) headed by Deputy Commissioners were to be set up at the district level to ensure effective and timely implementation of the scheme. The Deputy Development Commissioners were to be the Vice- Chairmen of the PIUs. The units were also to include technical members<sup>3</sup> and the District Planning Officers were to work as co-ordinators. The PIUs were required to inspect the works for ensuring quality and proper implementation of the scheme.

Scrutiny revealed that PIUs had not been constituted in any district and the works were being executed by RDSO under the administrative control of the departmental authorities. The reason for non-setting up of PIUs was not found on record. The CE stated (September 2011) that proposals for bridges were received directly from MLAs and MPs of the areas concerned. Since 2007-08, these proposals were being approved by the State Cabinet and PIUs were not constituted. The reply of the CE is not acceptable as PIUs were to be responsible for quality assurance and proper implementation of the scheme and should have been set up after receipt of the instruction of September 2001. However, the Department assured (October 2011) that steps would be taken to constitute the PIUs.

#### **2.3.6.3 Bridge work without approval of Prabandh Parishad**

According to a direction issued (January 2001) by the RDD, the *Prabandh Parishads* of the DRDAs were to accord approvals for construction of all the selected bridges. However, it was noticed that the *Prabandh Parishads* had recommended the construction of only 33 bridges valuing ₹ 85.83 crore in four divisions<sup>4</sup> as against 338 bridges taken up for construction in 11 test-checked

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<sup>3</sup> Executive Engineer of RDD, two Executive Engineers and two Assistant Engineers of other technical departments.

<sup>4</sup> Dumka, Gumla, Sahebganj and Saraikela.

divisions at a total cost of ₹ 659.36 crore during 2006-11. Thus, there was a risk of local requirements of bridges not been taken care of.

The department, in its reply, stated (October 2011) that steps would be taken to get initial approvals for construction of bridges from the *Prabandh Parishads* before putting up the same for Cabinet approval.

#### 2.3.6.4 Work without acquisition of land

According to Rule 146 of the Jharkhand Public Works Department (JPWD) Code, if land for construction of bridges along with approach roads is not under the possession of the Government, it should be acquired under the Land Acquisition Act through the District Land Acquisition Officer. However, in contravention of the above provision, acquisition of land was left to contractors. Scrutiny of records in the test-checked divisions revealed that due to non-availability of land with the department, completion of three works in Koderma district were delayed, one work in Ranchi district was abandoned and one work in Giridih district remained incomplete (*Appendix-2.16*).

In reply, the department stated (October 2011) that in future, tenders would be invited after availability of *raiyat* land by voluntary donation or acquisition of land through Land Acquisition Act.

### 2.3.7 Financial Management

#### 2.3.7.1 Budget allocations and expenditure

Budgetary allocations *vis a vis* expenditure incurred during 2006-11 are shown in **Table-1**:

**Table-1**  
**Budget allocations and expenditure under MMGSY**

(₹ in crore)

Year	Budget Allocation	Allotment	Expenditure	Excess (+) / Savings (-)	Per cent in saving against allotment of fund
2006-07	95.75	65.62	48.32	(-)17.30	26
2007-08	206.35	160.39	95.40	(-)64.99	41
2008-09	175.00	174.61	180.94	6.33	-
2009-10	287.68	287.68	286.58	(-)1.10	-
2010-11	214.00	213.22	206.63	(-)6.59	3
<b>Total</b>	<b>978.78</b>	<b>901.52</b>	<b>817.87</b>	<b>(-)83.65</b>	

(Source –Appropriation and Detailed Accounts)

It is evident from the above table that the department did not utilise ₹ 83.65 crore against the allotments released during 2006-11. The percentage of savings ranged between three and 41 *per cent* due to lack of proper planning and execution of projects at the district level, delayed execution of agreements and multiple works being allotted to single contractors etc as mentioned in Paragraph 2.3.9.

The financial position of the scheme in 11 test-checked divisions during 2006-11 is shown in **Table-2**:

**Table-2**  
**Allotment & Expenditure in the test-checked divisions**

(₹ in crore)

Year	Allotment	Expenditure	Savings
2006-07	30.84	27.87	2.97
2007-08	73.43	69.24	4.19
2008-09	80.59	80.55	0.04
2009-10	190.91	190.91	0
2010-11	134.19	130.00	4.19
<b>Total</b>	<b>509.96</b>	<b>498.57</b>	<b>11.39</b>

(Source –Figures provided by test-checked divisions)

It may be seen from the above that these divisions did not utilise ₹ 11.39 crore during 2006-11 due to non-completion of works in time.

### 2.3.8 Contract Management

Under MMGSY, works were got executed through award of contracts. Contract management for the scheme was to be guided by the JPWA Code, the JPWD Code, the Jharkhand Financial Rules and executive instructions issued from time to time. One *per cent* of DPR cost was provided in the estimate to be reimbursed to the consultant engaged by the department for preparation of DPR. Based on the DPRs, tenders were invited on turnkey basis, the works were awarded and the EEs of the concerned divisions entered into agreements with the qualified contractors. Since initiation of the project, 998 bridges were taken up for construction, of which 779 bridges (78 *per cent*) were completed as on March 2011. In the 11 test-checked divisions, 229 contracts at an agreed cost of ₹ 659.36 crore were examined. The department prepared 338 DPRs for 338 bridges during 2006-11 through hiring consultants.

As per the terms and conditions of the agreements, the contractors could prepare their own DPRs based on surveys and investigations of the sites, for which they were entitled to the cost at one *per cent* of the agreed value. Clause 13 of the Standard Bidding Document (SBD) stipulated that the contractors should prepare General Arrangement Drawings (GADs) and Alignment Plans<sup>5</sup> and submit the same to the Chief Engineer (CE) for approval. After approval of the same, the contractors should prepare detailed designs, working drawings and estimates of all the components of the bridges for further approval by the CE before the works commenced. It was found that the contractors submitted their Project Reports which were inclusive of GAD, detailed designs and working drawings. The Project Reports, however, did not include detailed estimates. The GADs were at variance with the department’s specification (**Appendix–2.17**). Instead of ascertaining reasons for the variances, the CE accorded conditional approval to the GADs alone stating that the contractors would be responsible for the structural safety of the bridges. Other deficiencies noticed in the management of contracts are discussed below:

<sup>5</sup> Showing the salient features of the bridges and structures proposed to be constructed along with the approach road which will cover alignment, overall length, span arrangement, cross-section and deck level etc.

### 2.3.8.1 Execution of work without technical sanction

Contractors were allowed to execute works without technically sanctioned estimates

As per Rules 126 to 128 of the JPWD code, according of technical sanction (TS) is mandatory before commencement of any work. The TS is no more than a guarantee that the proposals are structurally sound and the estimates are accurately calculated, based on adequate data. A TS comprises sanction of alignment plans, detailed drawings, design, estimates etc.

As discussed in the previous paragraph, it was seen in audit that the GAD submitted by the contractors were conditionally approved but the contractors were not asked to prepare quantities of works and material statements according to their drawings and designs of bridges through the attachment of 'Bills of Quantities' or 'Estimates' in their Project Reports. As a result, additions or alterations as per submitted drawings and designs of bridges including details of materials to be consumed under the work and adherence to prescribed standards { Ministry of Road Transport and Highways (MORTH) & Indian Roads Congress (IRC) } during execution of the work could not be assessed. The contractors were allowed to execute the works without technically sanctioned estimates. Thus, Audit could not vouch as to whether the executed work was in conformity with the prescribed standards or not. Further, non-recording of measurements of different components of the works, raised doubts on the quality of the works undertaken, as described in the next paragraph.

In reply, the department stated (October 2011) that the works were being allotted on 'item rate' of contract and executed on the basis of technically sanctioned departmental DPRs.

### 2.3.8.2 Irregular expenditure without measurements

In the instructions issued by the CE to the concerned EEs with the letters of award of the works, it was clearly mentioned that in cases of fundamental differences between the drawings and designs of the department-sanctioned DPRs and the drawings and designs submitted subsequently by the contractors, a proportionate deduction would be made in the bill/payment for the work. Proportionate deductions in the bills of the contractors were not possible unless and until measurement of different components of the work such as foundation, plinth, piers, deck slab etc was done.

As per the JPWA Code<sup>6</sup>, a 'lump sum contract' is an arrangement under which a contractor is required to complete a project on the owner's specifications. No allusion is made in a lump sum contract to the departmental estimates, schedule of rates or quantities of the work to be done, except for additions and alterations in the GADs submitted by the contractors. These were required to be physically quantified and payment regulated according to the prevailing Schedule of Rates. Payments against the works were to be made after obtaining certificates from responsible officers of the Government not below the rank of Divisional Officer (say EE) certifying that the value of the works was not less than the specified amount of the bill through measurements or methods decided by the Government,

<sup>6</sup> Rules 340, 341 and 343 of JPWA Code.

except for additions and alterations for which detailed measurements were required.

**Rupees 498.57 crore was paid to contractors for 229 contract works without recording measurements**

Scrutiny of records of test-checked divisions revealed that payments to contractors were made without recording any measurements of works. Measurement Books (MBs) were silent even about the length and height of the bridges. Despite the CE's directive (March 2009) to the divisions to ensure 100 *per cent* measurements of foundation and reinforcement work of the bridges, no measurements were taken. Consequently, in the case of 229 executed works costing ₹ 498.57 crore in the test-checked divisions<sup>7</sup>, payments were made to contractors without recording any measurements / detailed measurements in the MBs. Thus, consumption of materials as per departmental / contractor's DPRs could not be ascertained in audit and hence, the quality of works as per the prescribed specification remained doubtful. Non-measurement of different components of works undermined the principle of accountability of the PWD engineers towards the quality of work.

In reply, the department accepted the audit observation and stated (October 2011) that necessary orders had already been issued for allotment of work on 'item rate' of contract and to record detailed measurements of work in MBs.

### **2.3.8.3 Non-submission of Professional Liability Insurance certificates by contractors**

As per clause 25.2 of the Standard Bidding Document (SBD), the contractors were required to submit Professional Liability Insurance (PLI) certificates, the values of which were to be equivalent to the contract prices effective for 10 years after completion of the works. The insurance was required to cover failures of structural designs of bridges, approach roads and materials utilised during the construction. Further, according to clause 48 of the SBD, the defect liability period for completed bridges was six months after issue of the completion certificates by the EEs.

**The contractors did not submit the insurance certificates of the works value to cover failures of structural designs of the bridges**

In the test-checked divisions, it was noticed that 194 bridges under 121 work contracts at ₹ 361.59 crore were completed during 2006-11. However, the contractors did not submit the required insurance certificates. The last payments of works were made by the divisional officers and the security deposits were also released to the contractors after completion of the defect liability periods without obtaining the PLI. According to Rule 172 of the JPWD code, security (in all cases) is taken for the due fulfilment of contracts. Since the contractors did not fulfill the terms of the contracts by not submitting PLI, their security deposits should not have been released. Thus, in the absence of the required insurance coverage, refund of security deposits amounting to ₹ 36.15 crore resulted in undue favour to the contractors. Besides, the department was not in a position to cover the risk of liability due to damage to bridges, due to faulty structural design or bad workmanship.

In their reply, the department assured (October 2011) to issue necessary instructions to the EEs regarding submission of PLI certificates by the contractors.

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<sup>7</sup> Shown in Table 2 under Paragraph 2.3.7.1.

### 2.3.9 Programme implementation

#### 2.3.9.1 Targets and Achievements

As stated in paragraph 2.3.6.1, no Perspective District Bridge Plans or Annual Action Plans at the district level were prepared during 2006-11. As a result, the priorities of the department under the scheme could not be ascertained by Audit.

The details of sanctioned bridges and achievements thereon are given in **Table-3**:

**Table - 3**  
**Statement showing targets and achievements of construction of bridges**

Year	Bridges sanctioned by Government	Targets fixed by the Department	Achievements	Remarks
2006-07	N.A	N.A	N.A	No new bridges were sanctioned during 2008-09.
2007-08	308	Nil	55	
2008-09	0	Nil	113	
2009-10	283	Nil	147	
2010-11	172	Nil	91	
<b>Total</b>	<b>763</b>		<b>406</b>	

(Source: CE, Rural Development Special Zone, Ranchi)

It is evident from **Table-3** that:

- no year-wise target was fixed by the department. However, during the period 2007-11, the Government sanctioned 763 bridges to be completed by March 2012 against which only 406 bridges (53 per cent) were completed as on March 2011.

#### 2.3.9.2 Unfruitful expenditure

In the test-checked divisions, 80 bridges, stipulated to be completed between July 2007 and February 2011 were incomplete even after spending ₹ 114.02 crore as on July 2011 (**Appendix-2.18**). The reasons for delays in completion were allotment of multiple works to single tenderers, delay in execution of the agreements and award of work to invalid tenderers, as detailed in the succeeding paragraphs.

#### 2.3.9.3 Multiple allotment of work to a single contractor

According to Rule 16 of the Revised Enlistment of Contractors Rules, 1992, no contractor should be allotted more than one work at a time even if his bid is valid and the lowest one unless the previously allotted work of the contractor is 75 per cent complete.

Scrutiny of records of 11 test-checked divisions revealed that in six divisions, 26 contracts were awarded to seven contractors on a particular day in contravention of this rule with two to 10 contracts being awarded to a single contractor. Further scrutiny revealed that in 10 out of 11 test-checked divisions, 36 contracts were irregularly allotted to 20 contractors before completion of 75 per cent of their previously allotted works.

**A total of 36 contracts were irregularly allotted to 20 contractors before completion of 75 per cent of their previously allotted works**

Thus, such irregular allotments of 62 contracts at a cost of ₹ 161.38 crore could have been one of the important reasons of delays in completion of the works (**Appendix -2.19**).

In reply, the department stated (October 2011) that the matter would be examined by the CE.

#### **2.3.9.4 Allotment of work at unworkable rates**

According to a recommendation<sup>8</sup> (December 1983) of the Technical Examiner Cell (TEC) of the Government, if the rate offered by a contractor is less by more than 15 per cent of the estimated cost of a work, the tender should be treated as invalid.

Scrutiny, however, revealed that during 2006-11, in four<sup>9</sup> out of 11 test-checked divisions, 11 contracts amounting to ₹ 14.61 crore were awarded to 11 contractors in which the rates quoted by the contractors was more than 15 per cent below the estimated costs (**Appendix-2.20**). The works were awarded ignoring the recommendation of the TEC. The awarding of contracts below 15 per cent of the estimated cost could affect the quality of the works as 10 per cent contractor's profit only was included in the Schedule of Rates (SoR). Hence, there was a risk of the contractors using sub-standard materials in construction of the bridges under the scheme.

#### **2.3.9.5 Allotment of works to single tenderers**

According to Rule 163 of the JPWD Code, in cases of single tenders, approval of the next higher authority should be taken.

In four<sup>10</sup> of the 11 test-checked divisions, seven works amounting to ₹ 9.51 crore were allotted to six single tenderers by the CE. In reply, the CE stated (September 2011) that there was no sanctioned post of Engineer-in-Chief and hence, approval of a higher authority could not be taken (**Appendix-2.21**). The reply is not acceptable since according to the norms approval of next higher authority to the competent authority was necessary.

#### **2.3.9.6 Delay in execution of agreements**

The department prescribed seven days for execution of agreements after allotment of works. In all the test-checked divisions, it was noticed that there were delays in execution of 126 agreements ranging between 12 and 288 days. Delays in execution of agreements resulted in delayed commencement of the works and consequential delays in completion of the schemes. In his reply, the CE stated (September 2011) that the signing of agreements was delayed due to late submission of earnest money by the contractors. The reply of the CE was not satisfactory as prescribed time limit for executing agreements with contractors were not enforced by the divisions for timely completion of works.

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<sup>8</sup> Technical Examiner, Cabinet (Vigilance) Department, letter No 2347 dated 31 December 1983.

<sup>9</sup> Dumka, Giridih, Ranchi and Sahebganj.

<sup>10</sup> Bokaro, Chaibasa, Giridih and Saraikela.

### 2.3.9.7 *Short recovery and non-recovery of penalties for delays in execution of works*

Clause 37.2 of the SBD envisaged that if delays occurred in satisfactory completion of works due to the fault of the contractors, the contractors were liable to pay penalty at the rate of 0.5 per cent per calendar day, subject to a maximum of 10 per cent of the contract price.

**Penalty for delay in completion of works from defaulting contractors were not/short recovered**

Audit observed that in 10<sup>11</sup> out of the 11 test-checked divisions, penalty totalling ₹ 12.55 crore was not recovered against 35 contracts which were not completed within the scheduled time. Further, penalty of ₹ 12.70 crore was short-recovered from contractors against 49 contracts of bridge works, resulting in undue benefits to defaulting contractors besides loss of ₹ 25.25 crore to the Government (*Appendix- 2.22*).

### 2.3.9.8 *Avoidable cost*

Scrutiny of records of the three<sup>12</sup> test-checked divisions revealed that the project cost of 32 bridges increased from ₹ 50.42 crore to ₹ 68.13 crore during 2004 to 2008 due to delays in according approvals for inviting tenders, preparing DPRs and inviting and finalising tenders, resulting in avoidable expenditure of ₹ 17.71 crore.

### 2.3.9.9 *Non-deduction of Labour Cess*

Out of 11 test-checked divisions, labour cess was being regularly recovered from the contractors in five divisions. However, it was seen that in six divisions<sup>13</sup> labour cess amounting to ₹ 1.49 crore had not been recovered from the contractors during the period July 2009 and June 2011. This resulted in loss of revenue to the Government, which is to be used for the welfare of the labour community. The CE replied (October 2011) that all the divisions had been directed to deduct labour cess according to the rules.

### 2.3.9.10 *Other points of interest*

**The divisions did not initiate punitive action against the contractors who breached the contracts**

According to the SBD, the contractors were required to follow IRC & MORTH specifications during the execution of the work. Under the contract document, 10 stages were stipulated to be followed by the contractors to maintain the progress, so that the work could be completed within the prescribed time schedule. If a contractor stopped work for 28 days without authorisation of the Engineer, the act of the contractor was to be treated as a breach of contract and the employer was to be free to terminate the contract. However, the divisions did not initiate punitive action such as rescinding of works, forfeiture of security deposits and blacklisting of contractors who breached the contracts as discussed below:

- Under RDSD, Gumla, the work of construction of four bridges<sup>14</sup> was allotted

<sup>11</sup> Bokaro, Chaibasa, Dumka, Godda, Gumla, Koderma, Palamu, Ranchi, Sahebganj and Saraikela.

<sup>12</sup> RDSD Dumka, Gumla and Saraikela.

<sup>13</sup> Dumka, Gumla, Koderma, Ranchi, Sahebganj and Saraikela.

<sup>14</sup> 1. Construction of bridge over Suda River on 18<sup>th</sup> K.M of Banari-Jamati Road under Bishunpur block; 2. Construction of bridge over North Koel River on 20<sup>th</sup> K.M of Ghaghra-Tendar Road under Bishunpur block; 3. Construction of bridge over Ankuri River on 5<sup>th</sup> K.M of Chatakpur-Bahagora Road under Bishunpur block; and 4. Construction of bridge over South Koel River on 10<sup>th</sup> K.M of Kamdara-Bano Road in Kamdara block.

(May 2007) to a contractor at an agreed cost of ₹ 6.15 crore, to be completed within 18 months. According to the SBD, the work was required to be executed as per the standards of IRC and MORTH. However, it was noticed in audit that the contractor did not follow the same during the execution of the work. Out of four bridges, the foundations of two bridges (over south Koel/Kamdara Road and north Koel/Ghaghra-Tendar Road) were not constructed according to the required specifications/standards. It was found that the eighth pier of the bridge on south Koel river had tilted (July 2008). The contractor was asked (between March and July 2008) by the EE to rectify the same without any additional cost. However, an amount of ₹ 2.02 crore was released<sup>15</sup> (March 2008) to the contractor without waiting for the rectification. As per the SBD, the contractor was allowed 18 months time (up to December 2008) for completion of the work. According to the last measurement taken (September 2008), the contractor had completed 82 *per cent* of the work valuing ₹ 5.06 crore. The division reminded (July 2008) the contractor to complete the work and also issued a warning for blacklisting and rescinding of the contract. However, as on date, no action had been taken (June 2011) to complete the works.

- Scrutiny of records of the RDSB, Palamau revealed that the construction of a bridge over the Amant river of Joor Sikki Kala Path under the Patan block was awarded (May 2003) to a contractor at an agreed value of ₹ 5.67 crore, to be completed by August 2004. Audit scrutiny revealed that the length of the bridge was proposed to be 391.50 m as per the approved design but the constructed bridge was 365.74 m long which was shorter in length by 25.76 m. The Special Secretary, RDD, directed (July 2007) the CE to initiate disciplinary action against the concerned officials and recover a sum of ₹12.72 lakh from the contractor. Thus, the bridge which was constructed after incurring an expenditure of ₹ 5.25 crore, was not in conformity with drawings, designs and specifications approved by the department. Recovery of ₹12.72 lakh was neither made from the contractor nor was any disciplinary action taken against the erring officials.
- In RDSB, Dumka, the work of construction of four bridges<sup>16</sup> was awarded (December 2008) to a contractor at an agreed cost of ₹ 4.02 crore, to be completed by August 2010. The contractor did not start the work even after a lapse of eight months from the date of the agreement. However, the division failed to initiate any action against the contractor. The contractor also ignored the prescribed quality standards and specifications during construction. The work remained incomplete (January 2011) even after incurring an expenditure of ₹ 2.13 crore. In April 2011, the agreement was rescinded. However, securities and other deposits were still to be forfeited as on May 2011.
- In RDSB, Saraikela, the work of construction of two bridges<sup>17</sup> was allotted

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<sup>15</sup> i. South Koel/Kamdara Road : Payment upto 100 *per cent* deckslab level ₹ 1,23,32,955,  
ii. North Koel/Ghaghra-Tendar Road: Payment upto 100 *per cent* pier cap level ₹ 78,61,920.

<sup>16</sup> i. Bridge between Shyampur and Nawadih; ii. Bridge between Birajpur and Pandeshwarnath; iii. Bridge between Gopalpur and Raghudih; and iv. Bridge between Sakri and Baswerwa in Jarmundi Block.

<sup>17</sup> Bridge over river Sona connecting Bargaon to Sherbeda on Sini main road and construction of bridge over river Sona connecting Ramgarh to Rampur.

(February 2009) to a contractor at an agreed cost of ₹ 4.35 crore, to be completed by March 2010. Scrutiny revealed that the work did not commence within the prescribed time, but, no action was taken by the department. The work, which was delayed by more than 14 months, remained incomplete as on May 2011. An expenditure of ₹ 2.47 crore had been incurred on the incomplete project.

- Scrutiny of records of RDSO, Koderma revealed that the work of construction of a bridge over Sakri River near Bali-Mahadeo, Sheopur-Madhupur road was sanctioned (October 2003) at an estimated cost of ₹ 3.87 crore. The work was awarded (November 2003) to a contractor at an agreed cost of ₹ 3.87 crore, to be completed by November 2004. The contractor delayed the work by 630 days and ignored the instructions of the EE to execute it as per the specifications. However, the contractor was granted time extension up to August 2005 on the grounds of general elections, floods etc after incurring an expenditure of ₹ 1.86 crore. Subsequently, the agreement was rescinded and the security deposit of the contractor was partially forfeited (August-September 2006). The agreement was revived (December 2006) for execution of the remaining work by November 2007. However, as the contractor did not take interest in executing the work, the department again rescinded (October 2007) the work. Fresh tenders were invited at a cost of ₹ 3.51 crore for completion of the residual work, which resulted in an extra expenditure of ₹ 1.05 crore<sup>18</sup> besides sub-standard work of ₹ 1.86 crore executed by the previous contractor could not be ruled out.

### 2.3.10 Quality control

Quality control is a process employed to ensure a desired level of quality in a work. The basic goal of quality control is to meet specific requirements. According to clause 27 of the SBD, contractors were required to install fully functional laboratories for quality testing as per the specifications of MORTH and IRC. Defects in construction or failure to enforce quality control could result in huge losses as discussed in succeeding paragraphs.

**The department did not appoint any independent agency for quality monitoring of the works**

From the records made available to Audit, it could not be ascertained whether fully functional laboratories had been set up by the contractors. Further, as per a stipulation of NABARD, the department had to engage an independent agency for ensuring the quality of work during the process of construction. It was found that the department did not appoint any independent agency for quality monitoring of the works. Moreover, Programme Implementation Units (PIUs) mentioned earlier in paragraph 2.3.6.2, which had to be set up to ensure quality and timely implementation of the works were not functional. Besides,

#### 18 Details of extra cost:

Previous payment to contractor:		₹ 185.76 lakh
Expenditure on residual work:		₹ 351.50 lakh
		₹ 537.26 lakh
Less original cost of work:	(-)	₹ 387.00 lakh
		₹ 150.26 lakh
Less forfeited amount:	(-)	₹ 45.12 lakh
		₹ 105.14 lakh

as mentioned in paragraph 2.3.8.2, no detailed measurements were recorded for the different components of works. Hence, in the absence of proper and regular supervision either by a PIU or an independent technical agency and non-recording of measurements of the works in the MBs, quality control for the constructed bridges was not assured. The concerned issue is being dealt with in the subsequent paragraph.

#### **2.3.10.1 Operation and maintenance**

Under the special terms and conditions of NABARD for loan assistance, the department was required to prepare a policy for operation and maintenance (O&M) of the completed bridges. However, it was noticed that as on date (June 2011), no such policy had been framed for O&M of the completed bridges in the State.

The CE stated (October 2011) that the department would prepare a policy of O&M of completed bridges soon.

### **2.3.11 Monitoring and evaluation**

In order to provide a reasonable assurance that the construction of bridges was carried out effectively and efficiently, it was necessary that a proper system of internal control, monitoring and effective periodic evaluation was in place. Audit noticed the following deficiencies in the monitoring mechanism:

#### **2.3.11.1 Lack of detailed guidelines of scheme**

To achieve the objectives of MMGSY in a cost-effective and efficient manner, detailed guidelines incorporating all important aspects i.e. time and cost schedules, land acquisition, contract management, O&M and monitoring and evaluation were required to be framed. However, these were not prepared. Non-preparation of detailed guidelines may result in improper, unplanned implementation and finally non-achievement of the stated objective.

#### **2.3.11.2 Inadequate documentation**

Maintenance and upkeep of records by the divisions was not adequate. Important records and information in respect of the financial position of the scheme along with progress reports during 2006-07, the agreement with NABARD, the list of schemes administratively approved by *Prabandh Parishad/ DRDA*, etc were not available with the department. Besides, the DPRs/GADs, inspection notes of higher authorities, etc were not available at the divisional level. Consequently, information sought for by Audit was not furnished by two circle offices and eight DRDAs. Work files and MBs of several agreements executed during 2006-11 in RDSD, Ranchi were not made available to Audit in spite of requests.

#### **2.3.11.3 Absence of monitoring and evaluation**

Regular monitoring is a key factor for effective and efficient implementation of any scheme. However, no effective system for regular monitoring of the works under MMGSY was devised. According to Rule 20 of the JPWD Code, the CE was required to inspect each circle and divisional office once in every two and three years respectively and submit a report to the Government soon after inspection. Similarly, under Rule 24 of the JPWD Code, the SE was required to inspect each divisional office once every year, each sub-divisional office once in every two

years and submit his report to the CE. Information furnished to Audit disclosed that the CE carried out only six inspections in five divisions during 2006-11 while there were no records in the divisions to show the number of inspections carried out by the SEs.

Further, RDD did not develop any system of periodical evaluation of the performance, effectiveness and impact of the scheme in the context of the stated objectives of improving rural connectivity for boosting rural economy.

### 2.3.12 Conclusion

The MMGSY was launched by the Government to provide connectivity to the village communities by involving them in the planning process. Although the guidelines of the scheme stipulated that a Perspective Plan and Annual Action Plans had to be prepared for the districts, bridges were being constructed on the basis of recommendation of local MP and MLAs without getting approval from the *Prabandh Parishads* of the districts and the *Gram Sabhas*. The implementation of the scheme lacked proper surveys to assess the requirement of bridges. Programme Implementation Units, required to inspect the work for ensuring quality and proper implementation of the schemes, were not constituted. Bridges were constructed without accord of technical sanction by the Chief Engineer, Rural Development Special Zone (RDSZ), Ranchi and no recording of measurements was made in MBs. The department shifted the responsibility to the contractors for structural failure of the bridges for which Professional Liability Insurance (PLI) certificates had to be submitted by the contractors. PLI certificates were neither submitted by the contractors nor insisted upon by the department. Annual targets for construction of bridges on priority basis were not fixed. The reasons for non-completion of the bridges were multiple award of work to the same contractors and non-recovery of penalty as per agreement. Neither was quality control of the materials used in the construction assured nor was any independent agency appointed to monitor the quality of the works as directed by NABARD. Payments to the contractors were made without ascertaining the quantity and quality of materials. Due to inadequate monitoring and supervision by concerned departmental authorities and non-recording of the executed work in MBs, possibility of sub-standard work could not be ruled out as eight bridges had already collapsed.

### 2.3.13 Recommendations

- Bridges for construction should be selected on the basis of surveys and community participation;
- A Programme Implementation Unit may be constituted for timely and effective implementation of the scheme;
- Technical sanctions of works should be ensured before their commencement;
- Measurement of work done should be ensured;
- Independent agency may be engaged to ensure quality of work during construction;
- The department should ensure adherence to the prescribed specifications of IRC & MORTH and should follow codal provisions in execution of works; and
- Proper monitoring and supervision by the departmental authorities should be ensured.

## CABINET (VIGILANCE) DEPARTMENT

### 2.4 Functioning of the Cabinet (Vigilance) Department

#### 2.4.1 Introduction

Jharkhand, the 28<sup>th</sup> State of India, came into existence on 15 November, 2000, on bifurcation of the State of Bihar. In undivided Bihar, the Department of Vigilance functioned as a wing of the Political (General) Department and its main assignment was to eradicate corruption. In 1946, it was renamed as the Anti-Corruption Department. In course of time, it was further renamed as the Cabinet (Vigilance) Department and was placed as a wing under the Cabinet Co-ordination Department. In February 1981, the Cabinet (Vigilance) Department was reconstituted as an independent department. The main objective of this department was to “purge the administrative set-up and to contain the prevailing corruption and malpractices rampant in Government organisations”. After the State of Jharkhand came into existence, it constituted its own Cabinet (Vigilance) Department.

Audit of the working of the Cabinet (Vigilance) Department for the period 2006-11, was conducted during March to June 2011 through a test check of records and vigilance cases referred to the department by individuals and administrative departments.

#### 2.4.2 Organisational set-up and functioning

The Cabinet (Vigilance) Department is divided into three wings viz. the Vigilance Secretariat, the Vigilance Bureau (VB) and the Technical Examiner Cell (TEC), headed by the Vigilance Commissioner. The Vigilance Secretariat functions under a Special Secretary who is assisted by Deputy Secretaries, Under Secretaries, Section Officers and Assistants. The Vigilance Bureau functions under the Director General of Police, who is assisted by an Inspector General (IG) of Police, a Deputy Inspector General (DIG) of Police, Superintendents of Police (SPs), Deputy Superintendents of Police (DSPs), Inspectors, Sub-Inspectors and Constables. The Technical Examiner Cell functions under a Chief Engineer who is assisted by Superintending Engineers, Executive Engineers, Assistant Engineers and Junior Engineers.

On the advice of the Vigilance Commissioner and the Chief Secretary, the Government appoints Chief Vigilance Officers (CVOs) in each administrative department, who co-ordinate with the Vigilance Commissioner and the Government on vigilance matters.

#### *Working of the Vigilance Secretariat*

##### **2.4.2.1 Role of the Vigilance Secretariat, the Vigilance Bureau and the Technical Examiner Cell**

The three wings of the department function as described below:

##### **i) Vigilance Secretariat**

The Vigilance Secretariat exercises administrative control over the VB and the TEC. It receives complaints regarding corruption, irregularities, misappropriations, administrative lapses etc and after preliminary examination, directs these

complaints for enquiry/investigation to the appropriate investigating agency i.e. the VB or the TEC. In cases of administrative lapses, the complaints are sent to the concerned administrative departments for enquiry and appropriate action against the concerned Government officials. The Secretariat also issues vigilance clearances required for promotion, deputation etc to Government officials.

### ii) **Vigilance Bureau**

The Vigilance Bureau conducts detailed investigations of all cases referred to it and files requisite charge-sheets in the Vigilance Court. It is also entrusted with the task of trapping corrupt Government servants red-handed and investigating disproportionate assets cases.

For this purpose, a 'Vishesh Satarkata Ikai' (Special Vigilance Cell) was constituted (September 2009) under the VB, which was specially entrusted with the responsibility of trapping corrupt Government servants and investigating disproportionate assets cases.

### iii) **Technical Examiner Cell**

The Technical Examiner Cell, conducts technical audit of all ongoing works and projects under any Government department, probes complaints referred by the Vigilance Secretariat, and approves Schedule of Rates (SoR) of construction material. It also issues vigilance clearances required for promotion, deputation etc, to officers, working under works-related technical departments such as the Road Construction Department and Building Construction Department.

#### 2.4.2.2 **Allocation of funds and expenditure**

The department receives funds from the Finance Department under the Non-Plan Head and thereafter, releases it to its three wings, viz. the Cabinet Vigilance Secretariat, the VB and the TEC. Details of allocations and utilisation, during 2006-11, are given in **Table-1**:

**Table -1**  
**Allotment and expenditure of the Cabinet (Vigilance) Department**

(₹ in crore)			
Year	Allotment	Expenditure	Savings (Per cent)
2006-07	6.48	4.13	2.35(36)
2007-08	6.56	4.25	2.31(35)
2008-09	7.21	6.53	0.68(9)
2009-10	9.88	8.95	0.93(9)
2010-11	10.63	9.66	0.97(9)
<b>Total</b>	<b>40.76</b>	<b>33.52</b>	<b>7.24 (18)</b>

(Sources: Vigilance Secretariat, Vigilance Bureau and Technical Examiner Cell)

#### 2.4.2.3 **Dealing with complaints**

A complaint received in the Cabinet (Vigilance) Department is initially examined at the Vigilance Secretariat. After confirmation of the existence of the complainant and if the case is found to be *prima facie*, suitable for investigation, the same is referred either to the VB or the TEC for registration as a complaint. Cases of complaints referred to the VB, are investigated by the bureau, which sends reports to the Vigilance Secretariat, which in turn, examines the reports

and directs the VB to register the complaints for Preliminary Enquiries (PE). On the basis of preliminary enquiries and availability of enough evidence, First Information Reports (FIRs), are filed by the VB and sanctions for prosecution of the alleged officers are sought from the concerned administrative departments. If it is found that the cases have potential but lack adequate evidence to file FIRs, the matters are referred to the concerned administrative departments with recommendations to initiate departmental proceedings against the erring officials. Cases of complaints regarding technical matters referred to the TEC processed and investigated by them.

### **Audit findings**

During the audit of the Cabinet (Vigilance) Department, the following deficiencies were noticed:

#### **2.4.3 Handling of vigilance complaints**

##### ***2.4.3.1 Non-response/non-compliance by administrative departments in respect of complaints sent by the department for enquiry***

Prompt and meaningful investigation of complaints along with desired follow-up action is an important aspect of effective vigilance administration. Inordinate delays in investigation of complaints denote poor performance on the part of the investigating agencies.

During 2006-11, out of 758 complaints received by the department, 556 had potential for vigilance investigation. Of these, 316 complaints were sent to the concerned administrative departments for necessary investigations and the balance 208 and 32 complaints were referred to the VB and the TEC respectively.

The prescribed time limit for completion of investigations was fixed by the department as six months. Scrutiny of the data furnished by the department revealed that the concerned administrative departments had not sent any reports regarding the completion of investigation of cases sent by the department, during the last five years. This showed the indifferent attitude of the departments towards vigilance issues and also carried the risk that those indulging in corrupt practices would escape the clutches of the law owing to slackness of the departments.

The department, in its reply, (September 2011) stated that the concerned administrative departments would be reminded.

#### ***Pendency of vigilance cases***

##### ***2.4.3.2 Inordinate delays in completion of vigilance enquiries in respect of complaints/ preliminary enquiries /FIRs.***

The maximum time limit for completion of vigilance enquiries by the VB and the TEC was six months, as prescribed by the department. In cases of delay, the investigating officers were to submit reports before the expiry of the stipulated period to the notified officers under the Act, explaining the reasons for delay and the Vigilance Courts could extend the period of investigation for

a definite period of not more than six months, within which the investigation had to be completed.

**During 2006-11, 1,206 complaints, 116 preliminary enquiries, 98 FIRs were pending in the Vigilance Bureau**

Scrutiny of records of the VB and the TEC, revealed that during 2006-11, 1,206 complaints, 116 PEs and 98 FIRs were pending in the VB and 39 technical enquiries remained to be investigated by the TEC as detailed in **Table-2**, involving a total amount of ₹ 1,875.50 crore (**Appendices-2.23, 2.24 and 2.25**) as of 31 March 2011. The details of delays in completion of enquiries are shown in **Table-2**:

**Table-2**  
**Details of delay in completion of enquiries**

Particulars	Number	Delay up to one year	Delay between 1 to 3 years	Delay between 3 to 5 years	Delay more than 5 years
Complaint	1206	159	607	404	36
Preliminary Enquiry	116	28	47	20	21
F.I.R	98	34	10	1	53
Technical Enquiry	39	9	19	2	9

(Source: *The Vigilance Bureau & the Technical Examiner Cell*)

It was also seen that the major pending complaints related to alleged defalcation (12 complaints: ₹ 129.76 crore), loss of Government revenue (three complaints: ₹ 1,533.24 crore) and disproportionate assets (six complaints : ₹ 31.53 crore).

It was further observed that a number of vigilance cases were pending for investigation by the VB and the TEC for various reasons as described below:

- Twenty six FIRs were pending with the VB due to non-issuing of requests to the concerned administrative departments for permission to prosecute the accused individuals. (**Appendix-2.26**)
- Eleven FIRs were pending with the VB due to non-submission of supervision notes<sup>1</sup> by the supervising officers on the enquiry reports submitted by the investigating officers. (**Appendix-2.27**)
- Seven technical examinations were pending with the TEC due to lack of coordination (non-sharing of records) between the VB and the TEC. (**Appendix-2.28**). An order dated 13 July 2000 of the Government stipulated that records related to the vigilance enquiries called for by the Cabinet (Vigilance) Department should be made available immediately by the concerned departments as delayed submission of records would defeat the very purpose of the enquiries. On being intimated by the Vigilance Department that the records required for further processing of cases had not been submitted, the administrative departments were to immediately fix responsibility and initiate due process of suspending the erring officials.
- It was found that 31 FIRs<sup>2</sup> and 38 PEs were pending with the VB whereas 18 technical examinations<sup>3</sup> were pending with the TEC due to non-availability of relevant records from the concerned administrative departments (**Appendices 2.29, 2.30 and 2.31**). However, the Cabinet (Vigilance) Department

<sup>1</sup> Comments on the enquiry reports by supervising officers regarding further action.

<sup>2</sup> Includes 12 FIRs from the State of Bihar.

<sup>3</sup> Includes three from the State of Bihar

had not pursued these cases properly and disciplinary action had not been initiated by the administrative departments against erring officials.

Other reasons for pendency of vigilance cases were as follows:

- Thirty one FIRs were pending with the VB due to non-arrest of 157 accused during the period from June 1993 to December 2010 (*Appendix-2.32*).
- Five PEs were pending with the VB due to non-verification of complainants and non-furnishing of affidavits by the complainants (*Appendix-2.33*).
- Four FIRs were pending with the VB as the names and addresses of the accused were not known (*Appendix-2.34*). It was stated by the department that these were very old cases pertaining to the pre-partition period and the Bureau could not verify the name, address, place of posting and other details of the accused.

The department, in its reply, (September 2011) stated that the delay was not willful but due to engagement of the department in high profile cases such as land scams, disproportionate assets cases against ex-Ministers, senior Government officials etc. and due to shortage of manpower, the disposal of vigilance cases was slow.

#### ***2.4.3.3 Non-conducting of technical examination by TEC of schemes executed by different departments***

According to a departmental resolution of July 2002, the main function of the TEC was to conduct technical examinations of schemes which had been executed and those which were ongoing in different departments to ensure that works were executed according to the terms and conditions of the agreements and material and labour were utilised judiciously.

**The Technical Examiner Cell had not completed technical examination of any scheme since its inception**

Scrutiny of records and the information furnished (April 2011) by the TEC revealed that the Cell had not completed technical examination of any scheme executed by any department of the Government since its inception till the date of audit (April 2011). According to the information made available to Audit on the basis of Appropriation Accounts, five Works departments<sup>4</sup> incurred expenditure of ₹ 4,112.79 crore on execution of different schemes during the period 2006-10 (*Appendix-2.35*). The Comptroller and Auditor General of India (C&AG) had pointed out serious irregularities, defalcations etc. in its reports. By conducting the technical examinations of completed/ongoing works, such irregularities, defalcations etc. could be minimised, if not stopped. Some instances are given in **Table - 3:**

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<sup>4</sup> Building Construction Department, Drinking Water and Sanitation Department, Road Construction Department, Rural Development Department and Water Resources Department.

**Table-3**  
**Details of some serious irregularities pointed out by the C&AG**

Period of Audit Reports (Civil and Commercial) of the C&AG	Name of the department	Gist of Paras
2006-07	Road Construction Department	1) Recording of inflated measurements in respect of consumption of stone metal and moorum resulted in fraudulent payment of ₹ 26.49 lakh.
2007-08	Road Construction & Rural Works Department	2) In 15 divisions, ₹ 6.69 crore was paid as cost of bitumen against 305 invoices bearing identical invoice codes in support of purchase of 3,790.346 MT bitumen.
		3) ₹ 6.15 crore was paid against reported procurement of 3,296.94 MT bitumen against 352 invoices bearing customer and product codes different from those used by HPCL.
		4) A contractor was paid ₹ 8.42 crore for procurement of 4,898.08 MT bitumen against invoices issued in the name of another contractor.
		5) Transporters / assesses, submitted crossed, reprint and photo copies of invoices, though not admissible, were admitted by EEs for payment of ₹ 15.02 crore.
2009-10 (Report No. 2)	Rural Development Department	6) Rupees 2.33 crore was fraudulently paid to contractors as cost of bitumen against submission of inadmissible invoices.
	Rural Works Department	7) Lack of proper monitoring by higher authorities and failure to adopt necessary checks as per codal provisions resulted in fraudulent payment of ₹ 1.26 crore.

The Department, in reply (September 2011) stated that due to shortage of manpower, technical audit could not be started. However, it would be started soon.

The reply of the Department is not acceptable because despite the presence of nine officials of the rank of Superintending Engineers, Executive Engineers, Assistant Engineers and Junior Engineers being deployed in the Cell, not even a single technical examination of ongoing projects and schemes of technical nature could be initiated by the TEC.

#### **2.4.3.4 Infertuous expenditure on laboratory equipment - ₹ 11.16 lakh**

A sum of ₹ 2.01 crore was released to the TEC in 2006-07 under the 'Machine and Equipment' head, but only ₹ 11.16 lakh (5.55 per cent) was utilised. The amount was spent (March 2007) on the purchase of equipment for establishment

of a laboratory for quality testing of construction materials. The remaining amount was surrendered. Scrutiny of records further revealed that the equipment was lying (March 2007 to March 2011) idle due to non-availability of a laboratory building. In the absence of an independent quality control laboratory, the capability of TEC to conduct proper investigation of complaints related to quality of materials used for roads and buildings was doubtful.

The department, in its reply, (September 2011) stated that the laboratory equipment had not been utilised due to non-availability of a laboratory building, for which several requests have been made to the Building Construction Department.

#### **2.4.3.5 Non-compliance of Chief Secretary's directives**

In a review meeting on the functioning of the VB in October 2010, the Chief Secretary had directed the VB to take immediate action on the following matters:

- Arrest all the accused within one fortnight and dispose of all pending 31 FIRs which were pending due to non-arrest of the accused.
- Dispose of FIR Case no. 49/10 related to organisation of National Games in two months.
- All the 29 FIR cases registered during 2010 (prior to October 2010) must be disposed of by the end of the year.

Scrutiny of records and data furnished (April 2011) by the VB revealed that 31 FIR cases were still pending due to non-arrest of the 157 accused. FIR Case no. 49/10 relating to organisation of the National Games in Jharkhand was also pending as on March 2011. Out of 29 FIR cases registered during 2010, only four cases were disposed of and the balance cases were still pending (March 2011) in the VB due to stated reasons such as non-availability of relevant records, non-submission of supervision notes by the Supervising Officers and non-issuance of request for sanction of prosecution by the concerned departments.

### **2.4.4 Human Resource Management**

#### **2.4.4.1 Sanctioned strength and persons-in-position**

Scrutiny of the sanctioned strength and persons-in-position of the Vigilance Secretariat, the VB and the TEC as on March 2011 (*Appendix-2.36*) revealed that the vacancies in the important wings of the department ranged between 41 and 60 *per cent*. As stated earlier, no regular Vigilance Commissioner was posted since the creation of the State and there was no incumbent in the important post of Director General of Police, for heading the VB. There were two persons-in-position against the sanctioned post of five Superintendents of Police in the VB. In Inspector/Sub-Inspector cadres, the number of vacancies was very high (36 *per cent*). In the Technical Examiner Cell, against the sanctioned strength of four Superintending Engineers and six Executive Engineers, only one Superintending Engineer and two Executive Engineers were deployed. In the Assistant Engineer/

**The vacancies in the important wings of the department ranged between 41 and 60 per cent**

Junior Engineer cadre, as against the sanctioned strength of five and four engineers, three and two engineers respectively were posted (*Appendix-2.37*).

The department, in its reply, (September 2011) stated that the concerned administrative departments would be requested to post the personnel according to the sanctioned strength in the Vigilance Secretariat, the Vigilance Bureau and the Technical Examiner Cell.

### ***Appointment of various functionaries***

#### ***2.4.4.2 Non-filling up of the post of Vigilance Commissioner***

Scrutiny (March 2011) of the records of the Cabinet (Vigilance) Department, Jharkhand revealed that no Vigilance Commissioner had been posted since the creation of the State to head the department. The department was being looked after by an officer holding the charge of Vigilance Commissioner as an additional charge. Non-posting of a regular Vigilance Commissioner for such a long period showed the lackadaisical attitude of the State Government towards building a strong institution to curb corruption in the State.

The department accepted (September 2011) the observation and stated that the Department of Personnel, Administrative Reforms & Rajbhasa would be requested for filling up the post of Vigilance Commissioner.

#### ***2.4.4.3 Non-functioning of Jharkhand State Complaint and Vigilance Board***

The Government constituted (December 2001) the Jharkhand State Complaint and Vigilance Board under the chairmanship of the Chief Minister to review the functioning of the VB, TEC and other administrative departments handling corruption cases, to create public awareness against corruption and to frame a policy for eradication of the same. The Board consisted of a Chairman, a Deputy Chairman and four non-Government members. The Government also accorded the rank of Minister to the Deputy Chairman. The Vigilance Commissioner was the ex-officio Secretary of the Board.

**The Deputy Chairman of the Board had not been nominated since April 2007, thus the Board remained non-functional**

Scrutiny of records of the department revealed that the then Deputy Chairman of the Board was relieved (April 2007) of his post by the Chief Minister. No Deputy Chairman had been nominated by the Government and the Board had ceased to exist since April 2007. The State was, therefore, deprived of the benefit of advice emanating from such a high level advisory body.

The department accepted (September 2011) the observation but no reasons were stated by it.

#### ***2.4.4.4 Non-constitution of Vigilance and Anti-Power Theft Cell in the Electricity Board under the Cabinet (Vigilance) Department***

As per the Cabinet (Vigilance) Department's order dated 22 August 2002, a Vigilance and Anti-Power Theft Cell for the Jharkhand State Electricity Board (JSEB) was required to be constituted under the department to weed out corruption from the Electricity Board and prevent power theft by miscreants.

Scrutiny of records of the department revealed that the Cell had not been constituted even after a gap of over eight years. In the absence of an independent Vigilance and Anti-Power Theft Cell under the Cabinet (Vigilance) Department,

power theft was rampant in the area covered under the Jharkhand State Electricity Board. This was also evident from the fact that as against the Central Electricity Authority norms of transmission and distribution (T&D) loss of 15.5 *per cent*, the JSEB had T & D losses of 36 to 46 *per cent* during the years 2006-10.

The department, in its reply, stated (September 2011) that the Jharkhand State Electricity Board had its own Vigilance and Anti-Power Theft Cell, which functioned under the control of the JSEB. There was no provision in the State of Jharkhand to set up a Vigilance and Anti-Power Theft Cell of the JSEB under the Cabinet (Vigilance) Department.

The reply is not acceptable as the Joint Secretary (II), JSEB, stated (October 2011) that no vigilance cell had been constituted in the JSEB and the department had itself proposed (August 2002) the constitution of a Vigilance and Anti-Power Theft Cell under the Cabinet (Vigilance) Department.

#### **2.4.4.5 Non-posting of Chief Vigilance Officers in administrative departments**

As per a reorganisation order dated 26<sup>th</sup> February 1981, of the Cabinet (Vigilance) Department, one officer of the rank of Joint Secretary was required to be posted in each administrative department as CVO, under the administrative control of the Cabinet (Vigilance) Department. He was to be the link between the Vigilance Commissioner and the Principal Secretary/Secretary of the administrative department regarding vigilance matters and was to be responsible for taking preventive measures in respect of corruption and other malpractices prevalent in the concerned administrative department. Scrutiny of records of the department revealed that no officer had been posted in any administrative department as CVO by the Cabinet (Vigilance) Department since the creation of the State in November 2000. As per the data available with Audit, despite a large number of complaints/vigilance cases pending in the departments, no CVOs had been posted. It is a distinct possibility that had CVOs been posted in these departments, the incidence of corruption in these departments could have been contained to an appreciable extent. A few important departments and the complaints/vigilance cases pending in these departments during 2006-11 may be seen in **Table-4**:

**Table-4**  
**Complaints pending in the Departments**

<b>Sl. No.</b>	<b>Name of the department</b>	<b>Total no of complaints pending</b>
1	Health Department	47
2	Energy Department	46
3	Home Department	25
4	Forests and Environment Department	19
5	Department of Personnel, Administrative Reforms & Rajbhasa	55
6	Welfare Department	17
7	Mines & Geology Department	19

*(Source : Cabinet (Vigilance) Department)*

The department, in its reply, stated (September 2011) that no such post had been sanctioned in the Cabinet (Vigilance) Department of Jharkhand.

The reply is not acceptable as the reorganisation order dated 26 February 1981, of the Cabinet (Vigilance) Department of undivided Bihar (which the Jharkhand Government adopted) clearly stated that one officer of the rank of Joint Secretary was required to be posted in each administrative department as CVO, under the administrative control of the Cabinet (Vigilance) Department.

#### **2.4.4.6 Non-Establishment of Vigilance Cell in the Commissionerates**

The department decided (June 2009) to establish Vigilance Cells in the headquarters of each of the five revenue Commissionerates<sup>5</sup> for decentralisation of the functioning of the VB and strengthening of the vigilance system so that leakage of revenue could be minimised.

Scrutiny of records of the department revealed that no such cell had been established in any Commissionerate which may have resulted in a weak vigilance system, as the existence of these decentralised cells would have facilitated easy access by the complainants as well as non-leakage of revenue to some extent.

The department accepted (September 2011) the observation and stated that necessary action would be taken. The VB, in its letter dated 25 June 2011, had requested the Vigilance Commissioner to take appropriate action for the establishment of Vigilance Cells in the headquarters of each Commissionerate.

#### **2.4.4.7 Non-Establishment of Special Courts for Vigilance**

**Special Courts for Vigilance had not been established as on March 2011**

In addition to the existing Vigilance Courts at Ranchi and Dhanbad, the Government decided (June 2009) to establish four more Special Courts at Dumka, Palamu (Medininagar), Chaibasa and Hazaribag, for speedy disposal of trap and vigilance cases investigated by the VB, elimination of the evil of corruption prevalent in public life and administration in the State and creation of public awareness against corruption.

Scrutiny of records of the department revealed that no such additional courts had been established as on March 2011.

The department, in its reply, (September 2011) stated that the Hon'ble Jharkhand High Court had been requested to establish the Special Courts.

#### **2.4.4.8 Training**

**Training programmes had not been arranged for vigilance officials of the Vigilance Secretariat and the TEC**

Training was necessary to address the changing needs of the department in order to introduce modern technological applications and develop skills. It was observed that no training programmes had been arranged for vigilance officials of the Vigilance Secretariat and the TEC during 2006-11. In the absence of need-based training programmes, adverse effects on the efficiency of employees could not be ruled out.

The department stated (September 2011) that the assessment of training needs was being initiated and a proposal would be prepared accordingly.

### **2.4.5 Conclusion**

A large number of complaints, Preliminary Enquiries, FIRs and Technical Examinations, were pending for a long time due to non-filling up of the vacant posts

<sup>5</sup> Kolhan (Chaibasa), North Chhotanagpur (Hazaribag), Palamu (Medininagar), Santhal Pargana (Dumka) and South Chhotanagpur (Ranchi).

in the Vigilance Department and the indifferent attitude of the administrative departments towards the complaints referred to them by the Cabinet (Vigilance) Department. No Chief Vigilance Officer (CVO) was appointed in any administrative department to expedite the investigation of vigilance cases in the respective departments. Jharkhand State Complaint and Vigilance Board and Anti-Power Theft Cell for the Electricity Board were not constituted.

Thus, the main objective of the department to eradicate corruption from Government offices was far from being achieved.

#### **2.4.6 Recommendations**

The Government may consider the following:

- Heads of administrative departments may be asked to take immediate action on complaints forwarded by the Cabinet (Vigilance) Department and to provide necessary records and information to the Vigilance Bureau and the Technical Examiner Cell as and when called for;
- A full-time Vigilance Commissioner may be appointed and the vacant posts of officials in the Vigilance Secretariat, the VB, the TEC and CVOs in each department, may be speedily filled up; and
- Immediate steps may be taken to start functioning of the Jharkhand State Complaint and Vigilance Board and to constitute an Anti-Power Theft Cell for the Electricity Board.

## CHAPTER-III

### AUDIT OF TRANSACTIONS

Audit of transactions of Government departments and their field formations brought out several instances of defalcation, misappropriation, lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs under broad objective heads.

#### 3.1 Defalcation/misappropriation/embezzlement

##### RURAL DEVELOPMENT DEPARTMENT

###### 3.1.1 *Defalcation of Government money*

Violation of codal provisions led to defalcation of ₹ 10.37 lakh.

Rule 86 (ii), (iii), (iv) and (v) of the Jharkhand Treasury Code (Vol. I) provides that all monetary transactions should be entered into the cash book as soon as they occur and be attested by the Head of the Office. The cash book should be balanced, closed and checked daily by the Drawing and Disbursing Officer (DDO). Further, the cash balance at the end of every month is required to be physically verified by the DDO in order to ensure that the cash balance shown in the cash book tallies with the physical balance. The Deputy Commissioner (DC), Ranchi issued (February 2008) an order that funds relating to Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) were to be withdrawn from the bank under joint signatures of the Panchayat Sevak/Village Level Worker (VLW) and the Rojgar Sevak.

Scrutiny (September 2010) of the records of the Block Development Officer (BDO), Tamar, Ranchi revealed that an amount of ₹ 10.37 lakh of MGNREGS was irregularly drawn (between February 2009 and April 2010) from the bank (Punjab National Bank, Parasi branch A/c No.-2844000100023000) by the VLW, Lungtu Panchayat (Tamar, Ranchi) as there was no Rojgar Sevak posted in the said Panchayat during the period of withdrawals. Further, the amount was kept outside the Government Account as no cash book was maintained by the VLW.

On this being pointed out, the BDO, Tamar accepted the facts and stated (September 2010 and June 2011) that instructions had been issued to the bank that funds relating to MGNREGS were to be drawn under joint signatures. The BDO further stated that the amounts were drawn by the VLW by putting fake signatures of the Rojgar Sevak and no cash book was maintained by him for the period.

Thus, non-adherence to codal provisions and the orders of the DC by the then VLW/BDO and lack of monitoring by the then BDO in ensuring that the cash book was actually maintained by the VLW, resulted in defalcation of Government money of ₹ 10.37 lakh.

**In reply, the Government accepted (November 2011) the audit observation and stated that the VLW concerned had been suspended (May 2011) and departmental proceedings had been initiated against him.**

## **ROAD CONSTRUCTION DEPARTMENT**

### **3.1.2 Misappropriation of Government money**

**Fake invoices submitted by a contractor towards the cost of bitumen, resulted in misappropriation of ₹ 98.11 lakh and sub-standard roadwork of ₹ 5.23 crore.**

According to a Government order<sup>1</sup> dated 21 March 2001, contractors engaged in road works were to procure bitumen from Government oil companies directly. On award of the works, the Executive Engineers (EE) of the concerned divisions were to issue authority letters to the oil companies, specifying the names of the contractors, the names of the works, quantities required and the quality and specification of bitumen. The oil companies were to sell bitumen to the contractors against the authority letters only and intimate the concerned divisions which awarded the works. The contractors were also required to intimate the EE about the receipt of bitumen within 48 hours of receipt and submit the invoices issued to them by the oil companies against such purchases, as documentary proof for procurement of bitumen from the oil companies. After the bitumen was brought to the work sites, the EEs or their authorised representatives, *i.e.* Junior Engineers (JEs)/Assistant Engineers (AEs) were to conduct physical verification of the quantities, qualities and specifications of the bitumen as mentioned in the invoices *vis-à-vis* the authorisation letters issued by the department.

Based on the administrative approval (September 2002) of the Secretary, Road Construction Department, Ranchi, the EE, Road Construction Division (RCD), Deoghar executed (July 2003) an agreement with a contractor for the work “Widening and strengthening of Bartand-Jarmundi road (32.85 km)” at a total cost of ₹ 7.27 crore against a technically sanctioned estimate of ₹ 8.96 crore. The work was scheduled to be completed by April 2004, which was extended up to March 2005.

Scrutiny (January 2011) of the records of EE, RCD, Deoghar revealed that the contractor was paid (March 2007) ₹ 5.23 crore for the work done and was shown to have utilised 1,675.05 MT bitumen as against the estimated quantity of 1,764.14 MT. During verification in audit of the bitumen invoices, it was noticed that out of 68 invoices issued by Indian Oil Corporation Limited (IOCL), Haldia, for 798.78 MT of bitumen, submitted by the contractor as proof of procurement of bitumen, 13 invoices for 136.16 MT bitumen worth ₹ 22.20 lakh were issued by IOCL and were genuine; three invoices for 54.46 MT of bitumen worth ₹ 8.95 lakh could not be verified as they were illegible and the balance 52 invoices relating to supply of 608.16 MT of bitumen valued at ₹ 98.11 lakh had not been issued by the company and therefore, were fake

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<sup>1</sup> Letter issued by the Secretary, Public Works (Road & Building) and Transport Department, Ranchi vide No- 718(5) dated 21 March 2001.

(*Appendix 3.1*). Physical verification reports of the AE/JE to ascertain the quantity, quality and specification of the bitumen were also not found on record.

Thus, at least ₹ 98.11 lakh (cost of 608.16 MT of bitumen) was misappropriated by the contractor through submission of fake invoices for bitumen, shown as utilised in the work, aided by laxity in verification of the genuineness of the purchase of bitumen by the officials of the divisions. Besides, possibility of execution of sub-standard road work worth ₹ 5.23 crore could not be ruled out.

The Government accepted (November 2011) the audit observation and stated that the contractor was directed to deposit the recoverable amount, failing which necessary legal action would be taken.

## AGRICULTURE AND SUGARCANE DEVELOPMENT DEPARTMENT

### 3.1.3 *Embezzlement and wasteful expenditure*

**Purchase and distribution of dolomite without soil testing and without imparting training to the farmers resulted in a wasteful expenditure of ₹ 60 lakh besides embezzlement of ₹ 48 lakh.**

Rule 300 of the Jharkhand Treasury Code, Volume-I stipulates that no money should be withdrawn from the treasury unless it is required for immediate payment. The Rule also stipulates that it is not permissible to draw advances in anticipation of demands from the treasury, either for prosecution of works, the completion of which is likely to take a considerable time or to prevent the lapse of appropriations.

The Government of Jharkhand sanctioned (19 March 2007) and allotted (26 March 2007) ₹ 1.26 crore to the Department of Agriculture under the Resource Management Scheme<sup>2</sup> (RMS) for 10<sup>3</sup> districts. The RMS included two components of activities viz. (i) imparting training to farmers with training kits (₹ 18 lakh) and (ii) purchasing dolomite for distribution among trained farmers (₹ 1.08 crore). Dolomite was to be distributed to needy farmers to treat the acidity of the soil in 10 districts, covering an area of 0.18 lakh hectares. It was confirmed (May 2008) by the Birsa Agricultural University, Ranchi that soil tests were necessary to ascertain Ph value in order to determine the quantity of dolomite to be added to the soil and the frequency of its application.

According to the sanction order, the Deputy Director (DD), Soil Conservation Research and Training Institute (SCRTI), Hazaribag was the Drawing and Disbursing Officer (DDO) for purchase of dolomite whereas the concerned District Agriculture Officers (DAOs) were declared DDOs for imparting training to the farmers. The DAOs were also required to purchase training kits for supply to the trained farmers, only under the control and supervision of the Director of Agriculture and Joint Directors of Agriculture.

Scrutiny (July 2009) of records and information collected (July 2011) from the Director of Agriculture, the DD, SCRTI and concerned DAOs revealed that

<sup>2</sup> Resource Management Scheme included training to farmers for fighting acidity in the soil, creation of database of available lands of farmers.

<sup>3</sup> Chatra, Deoghar, Dumka, East Singhbhum, Gumla, Hazaribag, Koderma, Sahebganj, Saraikela and Simdega.

the DD, SCRTI drew (31 March 2007) the allotted funds, marked for purchase of dolomite. Despite the fact that dolomite was available with the Jharkhand Mineral Development Corporation Ltd. (JMDC) at the rate of ₹ 880 per MT, the DD, SCRTI arbitrarily purchased (between May and July 2007) 2,250 MT of dolomite from two organisations (North Eastern Regional Agricultural Marketing Corporation Ltd., Agartala and National Agricultural Co-Operative Marketing Federation of India Ltd. (NAFED), Ludhiana) at the rate of ₹ 4,800 per MT, at a total cost of ₹ 1.08 crore. The payment was made (July and August 2007) on the basis of receipts of dolomite submitted by the concerned DAOs. The DAOs could not draw the funds earmarked for training and purchase and supply of training kits under RMS because the funds were allotted in favour of the Director of Agriculture as per the allotment order. Hence, training under RMS could not be imparted even though it was required to be done before distribution of the dolomite.

Further scrutiny and replies furnished between July 2009 and July 2011 by the DAOs revealed that out of 2,250 MT of dolomite valued at ₹ 1.08 crore, only 1,250 MT of dolomite valued at ₹ 60 lakh, was received by six<sup>4</sup> DAOs under RMS. These DAOs distributed the dolomite to farmers on an ad-hoc basis without imparting training under RMS. Even the soil tests, which were a pre-requisite before administering dolomite, were not conducted before distribution. Thus, the distribution of dolomite without conducting soil tests was irregular.

For the balance 1,000 MT of dolomite amounting to ₹ 48 lakh, the records of DD, SCRTI showed acknowledgement of receipts of dolomite by the DAOs of Chatra, Gumla and Koderma districts, as furnished by the suppliers. On this being verified, the concerned DAOs intimated (between June 2009 and July 2011) that the dolomite had not been received. Thus, an amount of ₹ 48 lakh was embezzled by furnishing fake acknowledgement receipts of dolomite by the DAOs as proof of receipt of dolomite by them. Further, Saraikela district was not included in the list of districts which received the dolomite though it was included under RMS.

Thus, sanction and allotment of funds at the fag end of the financial year, declaring two DDOs for an integrated work, non-procurement of dolomite from JMDC, Ranchi and distributing dolomite without conducting soil tests and without imparting training to the farmers resulted in wasteful expenditure of ₹ 60 lakh, besides embezzlement of ₹ 48 lakh.

In reply, the Government stated (November 2011) that keeping in view the seriousness of the case, a departmental enquiry would be set up and action would be taken against the erring officers.

### **3.2 Non-Compliance with the rules**

For sound financial administration and financial control, it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authority. This not only prevents irregularities, misappropriation and frauds, but also helps in maintaining good financial discipline. Some of the audit findings on non-compliance with rules are as under.

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<sup>4</sup> Deoghar, Dumka, East Singhbhum, Hazaribag, Sahebganj and Simdega.

## WATER RESOURCES DEPARTMENT

### 3.2.1 *Loss to the Government*

#### **Inclusion of a price escalation clause in tender documents in violation of a Government order resulted in loss of ₹ 21.03 crore to the Government.**

In unified Bihar, clauses of agreements entered into with contractors for execution of works did not contain the provision of price escalation. In an order<sup>5</sup>, the Water Resources Department, Government of Bihar, decided (July 1998) to provide price escalation in cases of increase in the scheduled rates of the various components of the estimate, if the work was scheduled to be completed in more than a year. The department reversed<sup>6</sup> (August 1999) the earlier order and decided that henceforth, price escalation would not be paid. On creation of Jharkhand, the above orders were adopted by the Government of Jharkhand with effect from November 2000.

Scrutiny (February 2010) of records of the Executive Engineer (EE), Auranga Construction Division, Panki, Palamau (now Medininagar) revealed that the EE executed (2002-09) agreements for four works with two contractors for ₹ 101.33 crore. The agreed values for all the works were more than ₹ one crore and they were scheduled to be completed between 18 and 36 months. It was noticed that in violation of the decision of the Government, the Chief Engineer, Water Resources Department, Medininagar included a clause in the tender document allowing price escalation on labour, construction materials and lubricant components (POL). Accordingly, agreements were signed with the contractors. As a result, the EE paid (between December 2008 and December 2009) escalated cost on labour, construction materials and POL worth ₹ 21.03 crore to the contractors (*Appendix 3.2*).

Thus, inclusion of the provision of price escalation in the agreements in violation of the Government order resulted in loss of ₹ 21.03 crore to the Government.

The Government accepted (November 2011) the audit observation and stated following the audit objection, a high level committee had been constituted to enquire into the matter. On the basis of their findings, proper action would be taken against the guilty persons.

## RURAL DEVELOPMENT DEPARTMENT

### 3.2.2 *Non-recovery of Government money*

#### **Non-adherence to codal provisions in granting advances and their adjustments led to non-recovery of Government money worth ₹ 4.05 crore.**

Rule 100 of the Jharkhand Public Works Account Code provides that when a disbursing officer makes a remittance to a subordinate officer for making petty payments on muster rolls or other vouchers, it should be treated as a temporary advance and should be accounted for in Form 2 (Schedule XLV- form no. 113). The accounts of temporary advances should be closed, as soon as

<sup>5</sup> Letter no. Con.4 Work-10-1203/98-963, Patna, Dated 30 July 1998.

<sup>6</sup> Letter no. Con.4 Work-10-1203/98Part-960, Patna, Dated 18 August 1999.

possible. Further, as per a Government order<sup>7</sup> of December 1983, the accounts of temporary advances should be rendered within one month from the date of drawal of such advances and subsequent advances should be granted only after assessing the progress of the work done and adjustment of the previous advances.

Audit scrutiny (between May 2010 and July 2011) of the records of the Executive Engineer (EE), Rural Development Special Division, Medininagar revealed that the EE irregularly advanced (between August 2000 and September 2010) ₹ 4.05 crore to 18 officials for execution of departmental works like *Pul-Pulia*, check dams, repairing of block offices and construction of high schools, without adjusting previous advances which remained outstanding as on July 2011 (*Appendix-3.3*). In addition, the following were observed:

- Advances of ₹ 3.15 crore granted between August 2000 and September 2010 were outstanding against 10 officials, of which seven officials had been transferred/ had retired without adjustment of the advances.
- Advances of ₹ 2.76 lakh granted between July 2001 and August 2007 to seven officials became difficult to recover as their present places of posting were not known to the division.
- Advances of ₹ 87.93 lakh were given between December 2001 and September 2003 to an Assistant Engineer (AE) who was under suspension since July 2003. It was also noticed that out of ₹ 87.93 lakh, ₹ 25.27 lakh was granted (September 2003) during his suspension period. Though the department directed (October 2003) the EE to declare all works which were executed by the AE during his suspension period as null and void, no action was taken by the EE to recover the said advance from the suspended AE.

Thus, non-adherence to the codal provisions by the EE regarding grant of advances and their adjustments led to non-recovery of Government money worth ₹ 4.05 crore.

On this being pointed out in audit, the EE accepted (May 2011) the facts and stated that action had been taken to intimate the concerned officials to deposit the unutilised amounts.

The matter was reported to the Government (June 2011). Their reply had not been received (October 2011).

## **ROAD CONSTRUCTION DEPARTMENT**

### **3.2.3 Loss to the Government**

#### **Non-adherence to the provision of agreement resulted in a loss of ₹ 1.13 crore.**

The Executive Engineer (EE), Road Construction Division, Manoharpur executed (December 2007) an agreement for ₹ 11.76 crore against the estimated cost of ₹ 11.26 crore for widening and strengthening of two lanes of the Baraiburu-Saidal Road (length 7 km) along with construction of side drainage and culverts with

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<sup>7</sup> Letter No-1/Est/27/83-2347 dated 31 December 1983 of Technical Vigilance Cell, Cabinet (Vigilance) Department, Government of Bihar.

a stipulation that the work was to be completed by October 2008. Subsequently, the completion time was extended to June 2010.

Scrutiny (March 2011) of the records of the division revealed that the contractor completed the road work by September 2010 at a cost of ₹ 9.10 crore against the agreed value of ₹ 11.76 crore and the final bill for the same was paid in January 2011. Side drainage and culverts of the road work valuing ₹ 2.66 crore could not be executed due to non-availability of the required clearance from the forest department and other reasons as stated by the contractor. Though the District Forest Officer, Saranda Forest Division, Chaibasa conditionally permitted (September 2008) the execution of the work, it could not be executed by the contractor even after the granting of time extension up to June 2010. It was noticed that as per the final bill, out of ₹ 9.10 crore, work valued at ₹ 7.94 crore only was completed by June 2010 i.e. the stipulated period of completion. Thus, the contractor was liable to pay compensation amounting to ₹ 1.13 crore<sup>8</sup> at the rate of 10 *per cent* of the estimated cost of the work due to non-completion of the work in time.

In the 14<sup>th</sup> on account bill of the contractor, it was noticed that against the initial measurement of semi-dense bituminous concrete of 798.75 cum, the EE disallowed 88.75 cum and paid the contractor for work up to the execution of 710 cum amounting to ₹ 37.52 lakh. However, in the 15<sup>th</sup> on-account bill and also in the final on-account bill<sup>9</sup>, a quantity of 798.75 cum instead of 710 cum was carried forward and payment of ₹ 42.21 lakh was made to the contractor. Thus, an excess payment of ₹ 4.77 lakh<sup>10</sup> for 88.75 cum was made to the contractor.

During audit, the following irregularities were also noticed:

- As per the Bill of Quantities and the agreement, bitumen was to be procured from Bokaro and carriage for transportation of bitumen was indicated as 460 km. However, the invoices submitted by the contractor revealed that the contractor actually procured 378.71 MT of bitumen from Ranchi (distance: 264 km) at the rate of ₹ 3.26 per km per MT for which they should have been paid ₹ 3.26 lakh. The contractor was paid ₹ 5.67 lakh for carriage of 378.71 MT bitumen by assuming that carriage for the bitumen was 460 km as provided in the agreement. This resulted in excess payment for ₹ 2.41 lakh to the contractor.
- Against the total recoverable amount of ₹ 1.20 crore (₹ 1.13 crore *plus* ₹ 0.05 crore *plus* ₹ 0.02 crore), the total amount available with the division was only ₹ 1.16 crore (Bank Guarantee/Security Deposit: ₹ 1.04 crore, time extension ₹ 0.12 crore).

<sup>8</sup> 10 *per cent* of ₹ 11.26 crore (estimated cost) = ₹ 1.13 crore.

<sup>9</sup> Measurement Book no.365, pages 38 and 56 respectively.

<sup>10</sup> 798.75cum -710.00 cum=88.75cum at the rate of ₹ 5,284.57 per cum = ₹ 4.69 lakh

Less 5 <i>per cent</i> excluding the cost of bitumen 10.244 MT at the rate of ₹ 29,675 per cum	=	(-) ₹ 3.04 lakh ₹ 1.65 lakh
Add 5 <i>per cent</i> agreemental value	=	₹ 0.08 lakh ₹ 1.73 lakh
Add cost of bitumen	=	₹ 3.04 lakh ₹ 4.77 lakh

The Government accepted (November 2011) the audit observation and stated that the work was not completed in the extended time. Ten *per cent* penalty had already been deducted from the final bill. The balance amount would be recovered from the contractor by encashing the Bank Guarantees.

### 3.2.4 *Loss due to excess payment*

#### **Non-adherence to Government orders resulted in loss due to excess payment of ₹ 1.08 crore as differential cost of bitumen.**

According to Government notification no. 405(S) clause 2(ii) dated 31 January 2004, the differential cost of bitumen between the “accepted rate as per the agreement” and “the price based on original invoices against actual purchases” was to be reimbursed only when the bitumen was purchased and consumed within the scheduled programme for bituminous work.

Based on the approval (November 2006) of the Chief Engineer (CE), Road Construction Department, Ranchi, the Executive Engineer (EE), Road Construction Division (RCD), Koderma executed (December 2006) an agreement with a contractor for the work of “Widening and strengthening of Dhab-Pihra-Kalidih road (20.57 km)” at a total cost of ₹ 10.85 crore against a technically sanctioned estimate of ₹ 10.74 crore. The work was scheduled to be completed by December 2008.

Scrutiny (April 2010) of the records of the EE, RCD, Koderma revealed that the contractor was paid (March 2010) ₹ 12.03 crore for work done in which 583.15 MT bitumen was consumed. According to the work programme, bituminous work (levelling course, bituminous macadam and semi-dense bituminous carpet) was to be executed between July 2007 and August 2008. However, bituminous work was actually executed between 10 August 2008 and 16 December 2008, whereas according to the measurement book, the first invoice of bitumen was issued to the contractor on 9 September 2008. Thus, despite the fact that the contractor failed to execute the bituminous work according to the work programme, payment of the differential cost of bitumen amounting to ₹ 1.08 crore was made (March 2010) in contravention of the Government order mentioned above.

On this being pointed out in audit, the department stated (October 2011) that the payment was made as per consumption of bitumen duly sanctioned by the Engineer-in-Chief, Road Construction Department. Moreover, the Engineer-in-Chief, Road Construction Department allowed (December 2008) the payment of differential cost on bitumen on the basis of Government notification no. 405 dated 31 January 2004.

The reply of the department is not acceptable because bitumen was neither purchased nor consumed within the scheduled programme for bituminous work as per the Government notification mentioned above. The EE was also aware of the slow progress of the work and accepted the actual date of the bituminous work. Thus, non-adherence to the Government orders resulted in excess payment of ₹ 1.08 crore.

## DEPARTMENT OF ART, CULTURE, SPORTS & YOUTH AFFAIRS

### 3.2.5 *Loss to the Government*

**The Government sustained a loss of ₹ 96.97 lakh due to non-inclusion of a clause for realisation of professional fees.**

To organise the 34<sup>th</sup> National Games in the month of February-March 2007, the Department of Art, Culture, Sports & Youth Affairs decided (August 2004) to provide accommodation for around 7,000 sportspersons and officials. For this purpose, as per the Cabinet decision, the Government appointed (February 2005) IL&FS Infrastructure Development Corporation Ltd, New Delhi (consultant) on nomination basis without inviting tenders for preparation of a feasibility report<sup>11</sup>.

Scrutiny (February 2011) of the records of the Secretary of the department revealed that the department had signed (February 2005) a Memorandum of Agreement (MoA)<sup>12</sup> with the consultant and had agreed to pay professional fees of ₹ 88 lakh for Stage-I (for processing purposes) and ₹ 34 lakh equal to 0.4 *per cent* of the landed project cost of ₹ 85 crore for Stage-II (for monitoring purposes), which were to be recovered from the successful developer. The department entered (January 2006) into an agreement with a developer, M/s Nagarjuna Construction Company Limited, without inserting any clause in the agreement for recovery of the consultant's professional fees from the developer. The department paid (between April 2005 and March 2006) ₹ 96.97 lakh<sup>13</sup> to the consultant as professional fees for Stage-I. Since the consultant had prepared a faulty agreement, the amount could not be recovered from the developer as the clause for recovery had not been included in the agreement with the developer.

Thus, the Government sustained a loss of ₹ 96.97 lakh due to non-inclusion of the clause in the agreement prepared by the consultant and executed between the department and the developer. The Secretary of the department also failed to notice the flaw in the agreement signed with the developer.

The department accepted (June 2011) the audit observation and stated that recovery of ₹ 96.97 lakh would be made from the consultant.

## ROAD CONSTRUCTION DEPARTMENT

### 3.2.6 *Wasteful expenditure*

**There was a loss of ₹ 1.22 crore due to sub-standard work executed by a contractor in connivance with officials besides loss of penalty of ₹ 1.07 crore on account of liquidated damages.**

The work of widening and strengthening of the Madhupur-Leharjori road (21.64 km) was administratively approved (August 2007) by the Road Construction

<sup>11</sup> This includes appropriate mix of saleable housing units, requirement of essential civic supporting infrastructure, master plan and prioritisation and phasing of facilities etc and preparation of terms and conditions of agreement in the first stage and monitoring of implementation of 'Khel Gaon' project in the second stage.

<sup>12</sup> Para.7.2.1 of the MOA.

<sup>13</sup> Includes professional fee of ₹ 88 lakh, service tax of ₹ 8.80 lakh and educational cess of ₹ 0.17 lakh.

Department (RCD) and technically sanctioned (February 2008) by the Chief Engineer (CE), Central Design Organisation, RCD. It was awarded (January 2008) by the CE to a contractor at ₹ 13.08 crore and was to be completed by March 2009.

According to clause 13 of the terms and conditions of the contract, the contractor was liable to re-execute/rectify the whole or part of the work at his own cost or pay compensation for damaged work/imperfect or unskillful workmanship. If the contractor failed to rectify/reconstruct the work, such works were to be got executed through other agencies at the risk and cost of the contractor. Further, according to clause 2 of the terms and conditions of the contract, if the contractor failed to complete the work within the stipulated period, compensation (liquidated damages) at the rate of 0.5 *per cent* of the estimated cost per day, subject to a maximum of 10 *per cent* of the total estimated cost, was leviable on the contractor. Moreover, Clause 22 of the terms and conditions of the contract, stipulated that all work to be executed under the contract was to be executed under the direction of the Superintending Engineer (SE) of the Circle and was subject to his approval in all respects.

Audit scrutiny (February 2011) of records of the Executive Engineer (EE), Road Construction Division, Deoghar revealed that the EE executed (March 2008) an agreement with a contractor viz. M/s Neo Built Corporation, Kolkata without physical verification of the availability of plant and machinery, hot mix plants and the wherewithal to operate a laboratory at the site. Genuineness of the bank guarantees (BGs)<sup>14</sup> submitted by the contractor was also not verified by the EE as out of the total BGs for ₹ 49 lakh, BG No. 12 dated 22 February 2008 for ₹ 21 lakh was in the name of M/s Baidyanath Construction instead of M/s Neo Built Corporation, Kolkata.

Further scrutiny of records revealed that the contractor did not install plant and machinery; utilised local sand in place of stone chips; used defective water bound macadam and did not construct culverts and guard walls as per the specifications. However, despite the poor quality of the work and non-adherence to the design and specifications by the contractor, the EE paid (September 2008) ₹ 1.27 crore to them. The fact that the work was sub-standard was also confirmed (May 2010) by an Inspection Committee<sup>15</sup> in its report. On the basis of the report, the Engineer-in-Chief directed (June 2010), the EE to rescind the contract after taking final measurements. Accordingly, work valued at ₹ 1.22 crore was rejected and the amount was to be recovered from the contractor. The department rescinded (June 2010) the agreement but no action was taken to get the remaining work executed at the risk and cost of the erring contractor. Thus, the Government sustained a loss of ₹ 1.22 crore owing to execution of sub-standard work by the contractor due to failure of Junior Engineer (JE), Assistant Engineer (AE), EE and the SE to monitor the quality of the work during the construction period. Besides, the Government

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<sup>14</sup> BG Nos. 18107 for ₹ 28,00,000, 12 for ₹ 21,00,000 and Post Office TD Passbook No. 550280378-386 for ₹ 17,00,000.

<sup>15</sup> Comprising:-Superintending Engineer, Road Construction Department (RCD), Road Circle, Dumka, EE, RCD, Road Division, Dumka and EE, RCD, Road Division, Sahebganj.

sustained a loss of ₹ 1.07 crore<sup>16</sup> as penalty had not been recovered.

The Government accepted (November 2011) the audit observation and stated that the work had been rescinded and fresh tenders had been invited (January 2011). Appropriate steps would be taken to recover the amount of ₹ 2.29 crore (₹ 1.22 crore *plus* ₹ 1.07 crore) from the contractor who was engaged in other works under the same division.

### 3.3 Audit against propriety/Expenditure without justification

Authorisation of expenditure from public funds is to be guided by the principles of propriety and efficiency of public expenditure. Authorities empowered to incur expenditure are expected to enforce the same vigilance as a person of ordinary prudence would exercise in respect of his own money and should enforce financial order and strict economy at every step. Audit detected instances of impropriety and extra expenditure, some of which are given hereunder:

#### RURAL WORKS DEPARTMENT

##### 3.3.1 Wasteful expenditure and loss to the Government

**Failure of the department to take timely action against a contractor resulted in wasteful expenditure of ₹ 63.69 lakh, non-recovery of liquidated damages of ₹ 14.40 lakh and non-encashing of security deposit of ₹ 7.21 lakh.**

According to clause 13 of the terms and conditions of contracts, a contractor is liable to re-execute/rectify the whole or part of the work at his own cost or pay compensation for the damaged work/imperfect or unskillful workmanship. If the contractor fails to rectify/reconstruct the work, such works are to be got executed through other agencies at the risk and cost of the contractor. Further, according to clause 2 of the terms and conditions of contracts, if a contractor fails to complete the work within the stipulated period, compensation (liquidated damages) at the rate of 0.5 *per cent* of the cost of the remaining work per day subject to a maximum 10 *per cent* of the total estimated cost was leviable.

Scrutiny (September 2009) of records of the Executive Engineer (EE), Rural Works Division, Chaibasa, revealed that the EE executed (July 2004) an agreement with a contractor for upgradation of the Dudhbilla-Khas Jamda road (12.20 km) in Chaibasa, West Singhbhum district for ₹ 1.44 crore (15 *per cent* below the bill of quantities) for completion by July 2005. The contractor left (March 2006) the work after execution of work up to Grade<sup>17</sup> I, II and partially Grade III, without executing premix carpeting, seal coat, culverts etc. and was paid (March 2006) ₹ 63.69 lakh, without giving any time extension. After nine months *i.e.* January 2007, the contractor expressed his inability to execute the remaining work on the ground of the plying of heavy vehicles on the road. The EE failed to take appropriate action against the contractor as per the agreement clause to recover liquidated damages amounting to ₹ 14.40 lakh<sup>18</sup> for not executing the agreed works in time. Besides, two bank guarantees (BGs) for

<sup>16</sup> 10 *per cent* of agreed value of ₹ 13.08 crore *i.e.* ₹ 1.30 crore (*minus*) ₹ 23 lakh forfeited amount of security deposit=₹ 1.07 crore.

<sup>17</sup> Grade I, II and III are the initial stages of construction of a road and size of stone metal utilised in the work are 45mm to 90 mm, 45mm to 63 mm and 22.40 mm to 53 mm respectively.

<sup>18</sup> 10 *per cent* of the total estimated cost.

₹ 7.21 lakh valid up to December 2004 and May 2005 deposited by the contractor, towards the initial security deposit, also lapsed due to the division's failure to revalidate the same in time.

Though the work was stopped by the contractor in March 2006, the department did not initiate any action for getting the remaining work executed at the risk and cost of the contractor by any other agency (May 2011). The partially constructed road was damaged due to rain water and plying of heavy vehicles. The previous work was not measured and the residual work was not commenced.

Thus, the failure of the department to initiate any action against the contractor by rescinding the work and getting the remaining work executed by another contractor at the risk and cost of the erring contractor resulted in wasteful expenditure of ₹ 63.69 lakh besides non-recovery of liquidated damages of ₹ 14.40 lakh and failure to encash security deposit of ₹ 7.21 lakh.

The matter was reported to the Government (June 2011). Their reply had not been received (October 2011).

## **DEPARTMENT OF FORESTS AND ENVIRONMENT**

### **3.3.2 *Infructuous expenditure***

#### **Infructuous expenditure of ₹ 7.85 crore incurred on idle staff.**

The Department of Forests and Environment, Government of Jharkhand decided (November 2005) to transfer minor forest produce and trading activities<sup>19</sup> to the Jharkhand State Forest Development Corporation (JSFDC) in order to limit the establishment expenditure of forest depots which were almost without any special work. Accordingly, the trading activities of the Chaibasa State Trading Division, No. II and the Chaibasa and Saranda State Trading Division, Chaibasa were transferred (April 2006) to JSFDC, but the staff of these divisions were not moved.

Scrutiny (February 2010) of the records of the office of the Conservator of Forests, Singhbhum State Trading Circle, Jamshedpur revealed that trading activities of the trading divisions had been closed with effect from April 2006, and their establishments became non-functional. Staff members of these two divisions were not accommodated to other offices/divisions despite the existence of 491 vacancies in the department. As a result, 26 staff members of the Chaibasa State Trading Division, No. II and 30 staff members of Saranda State Trading Division remained idle from 2006-07 to September 2011 and the entire establishment expenditure of ₹ 7.85 crore on their pay and allowances became infructuous. Moreover, the very purpose of limiting the establishment expenditure by transferring trading activities of forest produce was defeated.

On this being pointed out, the Conservator of Forests, Singhbhum State Trading Circle, Jamshedpur accepted (March 2010, February and March 2011) the fact

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<sup>19</sup> Logging operation, harvesting, marketing and sale of forest produce.

that the staff were idle, and stated that the matter had already been communicated to the higher authorities. On further query, the Conservator stated that proposals for re-organisation of the divisions had been sent time and again to the higher authorities.

The fact remained that the establishment of these two forest trading divisions were still in existence and the services of the staff were not gainfully utilised due to apathy of the Government.

The Government accepted (November 2011) the audit observation and stated that action was under way to adjust all the staff of the two State Trading Divisions against posts lying vacant in other forest establishments/offices.

## RURAL DEVELOPMENT DEPARTMENT

### 3.3.3 Unfruitful expenditure

**Houses sanctioned under the Indira Awaas Yojana remained incomplete even after the lapse of 10 to 120 months due to lack of monitoring by departmental officers, which resulted in unfruitful expenditure of ₹ 1.25 crore.**

The Indira Awaas Yojana (IAY) was launched in 1996 to provide financial support for construction/renovation of houses to people living below the poverty line in rural areas. The financial support was to be limited to ₹ 20,000 upto 2003-04, ₹ 25,000 from 2004-08, ₹ 35,000 during 2008-09 and ₹ 45,000 during 2009-10 and was to be released to beneficiaries in instalments depending on the pace of construction. According to the guidelines of the scheme, officers dealing with the scheme at the district, sub-division and block levels were to closely monitor all aspects of IAY through visits to work sites.

Scrutiny (between September 2009 and July 2011) of the records of the offices of the Block Development Officer, Petarwar (Bokaro) and Tamar (Khunti) revealed that construction of houses of 874 out of a total of 3,422 beneficiaries, which were to be completed within a period of three to six months (*i.e.* between December 2001 and September 2010) from the release of the first instalment were still incomplete under IAY (**Appendix-3.4**). The beneficiaries were paid (between June 2001 and March 2010) ₹ 1.25 crore ranging from ₹ 5,000 to ₹ 20,000 per beneficiary as initial instalments. Proper monitoring was not done by the departmental officers as neither any schedule of inspection nor any records regarding the inspections made by the departmental officers were produced to Audit, though it was called for. Further, it was found that these houses remained incomplete even after the lapse of 10 to 120 months from the due dates of completion.

This resulted in unfruitful expenditure of ₹ 1.25 crore on incomplete houses due to lack of proper monitoring of the scheme by the departmental officers.

In reply, the Government stated (November 2011) that efforts would be made to complete the houses under the IAY scheme which remained incomplete during 2000-10.

## AGRICULTURE AND SUGARCANE DEVELOPMENT DEPARTMENT

### 3.3.4 Irregular payment

#### **Payment of ₹ 3.50 crore without technical sanction and measurement of the work.**

Under Rules 126 and 244 of the Jharkhand Public Works Department (JPWD) Code and Government resolution issued in July 1986, preparation of detailed estimates for technical sanction of a proposed work was mandatory. The maintenance of a measurement book, being the most important document for recording all activities related to execution of a work, was also mandatory. Officers releasing funds for a work without technical sanction were to be held responsible for the lapse. Further, under Rule 207 of the Code, every endeavour was to be made to maintain a system of payments for the works actually executed.

The Agriculture and Sugarcane Development Department sanctioned (between May 2007 and July 2008) ₹ 3.50 crore for construction of an Agriculture Natural Resource Centre (ANRC) at Demotand, Hazaribag as an environmentally and culturally sustainable agro-tourism centre<sup>20</sup>. The work awarded (March 2008) to M/s Environment Research and Consultancy Group (agency) was to be executed under the supervision of the Deputy Director, Soil Conservation Research and Training Centre (SCRTC), Hazaribag. Accordingly, a Memorandum of Understanding (MoU) was signed (March 2008) between the department and the agency.

Scrutiny (between April and May 2011) of records of the Deputy Director, SCRTC, Hazaribag revealed that the work was neither technically sanctioned by any competent authority<sup>21</sup> nor were any measurement books were maintained. As such, the status of the work executed could not be ascertained. However, it was noticed that ₹ 3.50 crore was released by the Secretary and subsequently paid (between March 2008 and March 2009) to the agency on proforma invoices<sup>22</sup>. Out of ₹ 3.50 crore, bills for ₹ 1.50 crore were passed for payment on 28 March 2008, prior to the signing (31 March 2008) of the MoU. The work was incomplete as on May 2011. Audit further noticed that statutory deductions (sales tax, income tax and labour cess), though recoverable from the bills of the agency, were not made.

Thus, the action of the department to release funds of ₹ 3.50 crore and subsequent payment to the agency on the work, which was neither technically sanctioned nor

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<sup>20</sup> The work consisted of civil construction such as construction of greenhouses, boundary wall, a visitor information centre, interpretation and natural resource centres, an aquifer reservoir, water conservation works, eco-parks and a cafeteria along with engravings, terracotta work, landscape development, canopy trails and allied activities including purchase of equipment which was necessary for construction and maintenance of the same.

<sup>21</sup> By any technical department, as the Agriculture and Sugarcane Department has no Engineering Cell.

<sup>22</sup> An abridged or estimated invoice sent by a seller to a buyer in advance of a shipment or delivery of goods. It notes the kind and quality of goods, their value and other important information such as weight and transportation charges. Proforma invoices are commonly used as preliminary invoices with a quotation or for customs purposes in importation. They differ from a normal invoice, not being a demand and request for a payment.

measured and payment of ₹ 1.50 crore passed before signing of the agreement was not only irregular but was also fraught with the risk of misappropriation of Government money. Besides, the Government incurred a loss of ₹ 18.34 lakh<sup>23</sup> due to non-deduction of statutory taxes, cess etc.

In reply, the Government stated (November 2011) that a departmental enquiry would be set up and action would be taken against the erring officers accordingly.

### 3.4 Failure of oversight/governance

The Government has an obligation to improve the quality of life of the people for which it works, towards fulfillment of certain goals in the areas of health, education, development and upgradation of infrastructure, public service etc. However, Audit noticed instances where the funds released by the Government for creating public assets for the benefit of the community remained unutilised/ blocked and/or proved unfruitful/ unproductive due to indecisiveness, lack of administrative oversight and concerted action at various levels. A few such cases have been discussed below:

#### TOURISM DEPARTMENT

##### 3.4.1 Blocking of funds

**Non-utilisation of funds and non-deposit of unspent balances into the treasury in time led to blockage of ₹ 50.30 crore, besides loss of interest of ₹ 9.49 crore.**

Rule 300 of the Jharkhand Treasury Code Vol. I stipulates that no money should be withdrawn from the treasury unless it is required for immediate payment. It is not permissible to draw advances in anticipation of demands from the treasury either for prosecution of works, the completion of which is likely to take a considerable time or to prevent the lapse of appropriation. Further, money should not be drawn from the treasury simply on the ground that the charge has been sanctioned by the competent authority. It is not permissible to draw money from the treasury and then place it in deposit in order to avoid lapse of allotment. If under special circumstances, money is drawn in advance under orders of the competent authority, the unspent balance of the amount so drawn should be refunded to the treasury by short drawal in the next bill or with a challan at the earliest possible opportunity and in any case, before the end of the financial year in which the amount was drawn.

Further, according to Rule 542 of the Jharkhand Treasury Code and a decision taken thereagainst, if Personal Deposit Accounts are created by debit to the Consolidated Fund, the same should be automatically closed by the Treasury Officers at the end of the financial year by minus debit of the balance to the relevant service head in the Consolidated Fund. If necessary, Personal Deposit Accounts may be opened in the next financial year. However, the Treasury Officers were not empowered to close Personal Ledger Accounts.

Scrutiny (May 2010 and May 2011) of the records of the Secretary, Tourism Department and Director, Tourism Department, Government of Jharkhand and

<sup>23</sup> Sales Tax: ₹ 7.00 lakh, Income Tax: ₹ 7.84 lakh, Labour Cess: ₹ 3.50 lakh.

the information collected from the Jharkhand Tourism Development Corporation (JTDC) revealed that the department sanctioned (2003-09) a total amount of ₹ 67.71 crore for execution of 160 schemes to develop tourism in the State. The Director, Tourism Department drew (2003-09) the entire amount from the treasury as advances for implementation of the schemes.

Instead of keeping the funds in a Personal Deposit Account opened by the department, they were irregularly kept in a bank account and a Personal Ledger Account of JTDC during the period 2003-06 and 2006-10 respectively, and only ₹ 17.41 crore was spent during 2003-10.

Thus, in violation of the above mentioned rules, an amount of ₹ 50.30 crore (₹ 67.71 crore *minus* ₹ 17.41 crore) was kept idle in the Personal Ledger Account of JTDC from 2003 to September 2010. The department did not take action to deposit the unspent balances at the close of each financial year in the Government account in accordance with the rules.

On this being pointed out in audit, the department stated (August 2011) that an unspent balance of ₹ 45.07 crore was deposited (October 2010) in the treasury and Detailed Contingent bills were submitted to the Accountant General (A&E), Jharkhand, Ranchi.

The reply is not acceptable as the failure of the department to utilise the funds and consequent non-refund of the unspent balances in the treasury on time led to blocking of Government money of ₹ 50.30 crore, for periods ranging between one to six years, entailing loss of interest of ₹ 9.49 crore calculated at the annual borrowing rates of the State (*Appendix 3.5*) besides non-implementation of the schemes for the proposed development of tourism in the State.

## **MINOR IRRIGATION DEPARTMENT**

### **3.4.2 Idle expenditure**

#### **Commencement of schemes without ensuring electric supply resulted in idle expenditure of ₹ 82.04 lakh.**

In order to increase the irrigation potential of 1,250 hectares of land in Chaibasa, West Singhbhum district, restoration of 25 lift irrigation schemes was administratively approved (September 2007) for ₹ 1.42 crore by the Joint Secretary, Water Resources Department and technically sanctioned (August 2008) for ₹ one crore by the Superintending Engineer, Minor Irrigation Circle, Chaibasa. It was stated in the administrative approval that the schemes would commence only when the works of electrification commenced simultaneously and that the schemes should be executed through committees of beneficiaries.

Scrutiny (June 2010) of the records of the Executive Engineer (EE), Minor Irrigation Division, Chaibasa revealed that agreements for ₹ one crore were executed (March 2008) with beneficiary committees. The Chief Engineer, Minor Irrigation Department, Ranchi directed (February 2008) the EE to complete the schemes during the year 2007-08.

All mechanical, civil and internal electrical works of the schemes were completed (March 2009) after incurring expenditure of ₹ 82.04 lakh. However, the schemes remained (May 2011) non-functional due to non-supply of electricity.

Though the Jharkhand State Electricity Board submitted (December 2007 and January 2008) estimates for ₹ 88.75 lakh to the EE for supply of electricity, the department did not initiate any action to provide the funds, get the whole things organized, idling for two years and co-ordination between the departments. As a result, the schemes remained non-functional as of May 2011.

Thus, failure of the department to provide the funds for electric supply prior to commencement of the work resulted in idle expenditure of ₹ 82.04 lakh, besides non-achievement of intended benefit of the scheme.

The Government accepted (November 2011) the audit observation and stated that matter was taken up with the Jharkhand State Electricity Board for supply of electricity which was yet to be complied by the department.

### 3.5 Persistent and pervasive irregularities

An irregularity is considered persistent if it occurs year after year. It becomes pervasive when it prevails in the entire system. Recurrence of irregularities, despite their being pointed out in earlier audits, is not only indicative of non-seriousness on the part of the Executive, but is also an indication of the lack of effective monitoring. This, in turn, encourages wilful deviations from the observance of rules/regulation and results in weakening of the administrative structure. A significant case noticed is described below:

#### ROAD CONSTRUCTION AND HEALTH, MEDICAL EDUCATION & FAMILY WELFARE DEPARTMENTS

##### 3.5.1 Excess payment

**Failure of the department to incorporate a Government decision in the terms and conditions of contracts resulted in excess payment of ₹ 2.72 crore to contractors.**

Based on the approval of the Cabinet, the Road Construction Department, Government of Jharkhand, endorsed a resolution (26 March 2002) to all the heads of works departments. According to the resolution, all materials required for execution of works contracts over ₹ 10 lakh would be supplied by the concerned contractors and not by the department. It was also decided that the premium rates (approved percentage rates) over the tendered Bill of Quantities (BOQ) would not be payable to the contractors on the cost of construction materials like bitumen, cement, steel, rods, pipes etc supplied and utilised in the works, carriage charges and profit margin of the contractor. The reason was that the rates in the Schedule of Rates (SoR), prepared by the Rate Fixation Committee included 10 *per cent* of the rate of each item as contractor's profit.

Scrutiny (between February 2010 and February 2011) of the records of three divisions<sup>24</sup> revealed that the Executive Engineers entered (between 2007 and 2010) into nine agreements at a total cost of ₹ 64.96 crore. The agreements were executed at premium rates ranging from 4.97 to 9.98 *per cent* above the BOQ, contrary to the Government order mentioned above. Out of the nine

<sup>24</sup> Road Construction Divisions (RCDs), Giridih, Dumka and Engineering Cell, Health, Medical Education & Family Welfare Department, Kolhan Division, Chaibasa.

contracts, in one case<sup>25</sup>, it was mentioned that the premium rate above the BOQ was not payable on the cost of bitumen. In the absence of suitable terms and conditions in contracts/agreements, premium rates of ₹ 2.72 crore (**Appendix-3.6**) were paid on the cost of materials utilised, carriage charges and profit element of the contractors amounting to ₹ 30.73 crore<sup>26</sup> in gross violation of the Government order.

Thus, failure of the department to incorporate the Government decision in the terms and conditions of contract resulted in excess payment of ₹ 2.72 crore to contractors.

The matter was referred to the Government (May 2011). Their reply had not been received (October 2011).

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<sup>25</sup> RCD, Giridih.

<sup>26</sup> Cost of materials (₹ 18.87 crore) plus Carriage (₹ 9.66 crore) plus Contractor's Profit (₹ 2.20 crore).

## CHAPTER-IV

### CHIEF CONTROLLING OFFICER BASED AUDIT OF A GOVERNMENT DEPARTMENT

#### 4.1 FUNCTIONING OF BUILDING CONSTRUCTION DEPARTMENT

##### *Highlights*

*The Building Construction Department of the Government of Jharkhand is responsible for construction and maintenance of all State Government buildings. A Chief Controlling Officer (CCO) based audit of the department disclosed non-preparation of plans, weak financial management, non-adherence to the provisions of the Jharkhand Public Works Department Code and Account Code, poor implementation of schemes, shortage of manpower, absence of training and lack of monitoring and internal control. The major findings of the review are as under:*

**The planning process of the department was not in accordance with the codal provisions.**

*(Paragraph 4.1.6)*

**Financial management was deficient as there were persistent savings and unnecessary supplementary grants during 2008-11.**

*(Paragraph 4.1.7.2)*

**Works were executed without according technical sanctions.**

*(Paragraph 4.1.8.1)*

**There were abnormal delays of up to 13 and 34 months respectively in finalisation of tenders and execution of agreements. Under the Plan head, an amount of ₹ 5.15 crore spent on incomplete works proved unfruitful.**

*(Paragraphs 4.1.8.2 and 4.1.8.4)*

**There were cases of irregular grant of time extension and execution of works without inviting tenders in newspapers.**

*(Paragraphs 4.1.8.9 and 4.1.8.10)*

**Establishment charges totalling ₹ 4.88 crore were not levied on other departments against the execution of deposit works.**

*(Paragraph 4.1.9.1)*

**There was shortage of technical and non-technical manpower in the department.**

*(Paragraph 4.1.10.1)*

**Periodic inspections of the divisions and sub-divisions were not conducted by the Superintending Engineers.**

*(Paragraph 4.1.12.1)*

##### **4.1.1 Introduction**

The Building Construction Department (BCD) of the Government of Jharkhand is responsible for the preparation of designs and estimates, execution, supervision and monitoring of construction of Government buildings. The BCD is also

responsible for repairs, maintenance and restoration of Government residential and non-residential buildings under its control. Some of the major buildings which are being maintained by the BCD are the Vidhan Sabha, the Secretariat, the Raj Bhawan, the High Court and other court buildings, the residences of the Chief Minister and other Ministers, the District Collectorate buildings and other administrative buildings of the State. The department also undertakes deposit works of other departments/bodies of the State Government.

#### **4.1.2 Organisational set-up**

The department functions under the overall supervision of the Principal Secretary/Secretary, who is the Chief Controlling Officer (CCO), responsible for implementation of the programmes and schemes. For administrative functions, he is assisted by Deputy Secretaries and Under Secretaries while for technical functions, he is assisted by the Engineer-in-Chief (E-in-C), the Chief Engineer (CE), Superintending Engineers (SEs), Executive Engineers (EEs), Assistant Engineers (AEs) and Junior Engineers (JEs). There are four Circles under the department, comprising 26 divisions in addition to one Design Circle and a Directorate of Monitoring, Purchase and Evaluation. The organogram of the department is given in *Appendix-4.1*.

#### **4.1.3 Audit objectives**

The audit objectives were to assess whether:

- the planning process of the department was efficient and effective;
- the funds provided were adequate and the financial management was efficient;
- the implementation and execution of projects were efficient, effective and economical;
- the human resource management was efficient; and
- an effective monitoring system was in place and internal controls were adequate.

#### **4.1.4 Audit criteria**

The main criteria of the CCO based audit were as follows:

- Jharkhand Public Works Department (JPWD) Code;
- Jharkhand Budget Manual;
- Jharkhand Financial Rules;
- Jharkhand Public Works Account (JPWA) Code;
- Jharkhand Treasury Code;
- policies, Action Plan etc. of BCD; and
- relevant circulars, instructions, notifications etc. issued from time to time by the Government of Jharkhand.

#### **4.1.5 Scope and methodology of audit**

A CCO based audit to assess the effectiveness and efficiency of the functioning of the BCD covering the period from 2008-09 to 2010-11, was conducted between

April and July 2011. Out of 26 divisions, eight<sup>1</sup> were selected for test check through simple random sampling without replacement method. Besides this, records of the Secretariat, the offices of the CE and the Circles were examined.

An entry conference was held on 22 June 2011 with the Secretary, BCD, Jharkhand, Ranchi where the audit objectives, scope and methodology were discussed. An exit conference was held on 13 October 2011 with the Chief Engineer, BCD, wherein the audit findings, conclusions and recommendations were discussed. The CE accepted the audit observations and assured that appropriate corrective measures would be taken, wherever necessary, in accordance with the rules and procedures.

### *Audit findings*

#### **4.1.6 Planning**

**There were no fixed norms for planning in the department**

As per Rule 18 of the JPWD Code, the CE has to prepare, annually, the portion of the budget estimates relating to the works under his control, and as soon as possible after the close of each year, prepare a report of the progress made during that period on the public works under his charge.

Scrutiny of the records revealed that 11 years after creation of the State, neither had the department asked for the annual budget estimates nor had the CE prepared the same for the works under his control.

The Secretary, BCD stated (October 2011) that the annual plans were prepared by the EEs as per their requirements and were sent to the department through the CE. However, it was found that no such annual budget estimates/plans were prepared by the divisions and sent to the department through the CE. Instead, individual works were proposed by the divisions for approval of the department as detailed in **Table-1**:

**Table-1**

#### **Details of annual work programme of the test-checked divisions**

Divisions	Plan/ Non-Plan	2008-09		2009-10		2010-11	
		No. of works proposed	No. of works approved	No. of works proposed	No. of works approved	No. of works proposed	No. of works approved
Bokaro	Plan	24	0	1	3	0	0
	Non-Plan	0	0	0	0	0	0
Godda	Plan	0	0	0	0	11	0
	Non-Plan	122	102	152	82	70	16
Jamshedpur	Plan	3	0	17	0	5	1
	Non-Plan	0	0	0	0	0	0
Ramgarh	Plan	0	0	9	7	1	1
	Non-Plan	0	0	0	0	0	0
Ranchi-1	Plan	16	16	17	17	15	10
	Non-Plan	448	330	564	335	530	356

*(Source: Test-checked divisions)*

It is evident from the table that the proposals for the works were submitted by five<sup>2</sup>

<sup>1</sup> Bokaro, Dumka, Godda, Jamshedpur, Ramgarh, Ranchi 1, Ranchi 2 and Simdega.

<sup>2</sup> Bokaro, Godda, Jamshedpur, Ramgarh and Ranchi 1.

of the test-checked divisions, while the remaining three test-checked divisions<sup>3</sup> had not prepared their proposals during 2008-11. Further, in Godda division, no work under the Plan head was approved during 2008-11 even though 11 works were proposed by the division. In Ranchi-1 division, most of the plans were approved by the department. In Jamshepur division, only one work under the Plan head was approved by the department though 25 works were proposed by the division during 2008-11. Scrutiny of relevant files of the BCD revealed that the department had not fixed any target dates and no dates of receipt of inputs were found on record.

The Secretary stated (September 2011) that the inputs of the proposed works were sometimes received from the field offices, occasionally submitted in review meetings and sometimes included on the request/requirement of designated/senior officers of the Government. However, no information regarding fixation of target dates/date of receipt of inputs were furnished to Audit.

Thus, the actual planning process was seen to be a deviation from the codal provisions. The plans were not realistic which resulted in persistent savings and lapses of budget grants as detailed in the subsequent paragraphs.

#### 4.1.7 Financial management

##### 4.1.7.1 Delay in submission of budget estimates (BEs) to the Finance Department

As per Rule 72 (Chapter III) of the Jharkhand Budget Manual, the Controlling Officer was to submit the budget estimates for the next year to the Finance Department by 14 October every year or as on the date notified by the Finance Department.

It was, however, noticed that the Secretary of the department persistently delayed the submission of BEs to the Finance Department by five to 104 days during 2008-11 for which no reason was found on record. The details of delays can be seen in **Table-2**:

**Table-2**

##### Delayed submission of Budget Estimates to the Finance Department

Year	Due date of submission		Actual date of submission		Delays in days	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
2008-09	22.02.2008	14.01.2008	27.02.2008	10.02.2008	5	27
2009-10	25.11.2008	31.10.2008	25.01.2009	31.12.2008	61	61
2010-11	25.11.2009	02.12.2009	09.03.2010	11.12.2009	104	09

(Source: Finance Department/BCD)

##### 4.1.7.2 Deficiency in Budgeting

For preparation of the annual budget, there were no fixed norms of receiving inputs from the field offices. As such, the budget was prepared on an ad hoc basis which resulted in persistent savings.

The budget provisions were, thus, unrealistic and lacked credibility as evident from **Table-3**:

<sup>3</sup> Dumka, Ranchi-2 and Simdega.

**Table-3**  
**Details of Budget and Expenditure of the department**

*(₹ in crore)*

Year	Original Grant	Supplementary Grant	Total	Expenditure	Surrendered on 31 <sup>st</sup> March	Lapse	Total Saving (per cent)
1	2	3	4	5	6	7 (4-5-6)	8 (4-5)
2008-09	297.55	12.61	310.16	148.34	158.27	3.55	161.82 (52)
2009-10	166.05	8.06	174.11	132.02	39.64	2.45	42.09 (24)
2010-11	135.06	13.29	148.35	117.42	29.70	1.23	30.93 (21)

*(Source: Appropriation Accounts)*

The above table indicates the following:

**The department had persistent savings during the last three years ranging between ₹30.93 crore and ₹161.82 crore**

- The department had persistent savings during the last three years, ranging between ₹ 30.93 crore and ₹ 161.82 crore, which was between 21 and 52 per cent of the total grants. This was indicative of improper budgetary control.
- Supplementary provisions during the period proved unnecessary as the expenditure in each year did not come up to the level of the original provisions. It was noticed that even the original grants were not exhausted and huge savings occurred at the end of each financial year.
- All the surrenders were made on the last day of the financial year leaving no scope for appropriation of the funds to other departments for their use.
- The funds of the department also lapsed during the financial years 2008-11 for which no responsibility was fixed although the CE was to see that the budget allotments for the year were fully expended, prompt surrenders were made if necessary and lapses of the budget did not occur.

This showed poor planning and inefficiency on the part of the department to utilise the funds received as well as improper assessment of the actual requirements of funds for completion of the schemes.

The Government accepted the audit observation and assured (October 2011) that the Regional Offices would be asked to submit plans from the next financial year and efforts would be made for sending the same to the Finance Department on time.

#### 4.1.7.3 Trends of expenditure

Trends of capital and revenue expenditure by the department can be seen in **Table-4**:

**Table-4**  
**Details of total budget with capital and revenue expenditure**

*(₹ in crore)*

Year	Capital		Revenue		Total	
	Budget	Expenditure (per cent)	Budget	Expenditure (per cent)	Budget	Expenditure (per cent)
2008-09	201.40	56.05 (28)	108.76	92.29 (85)	310.16	148.34 (48)
2009-10	83.39	49.91 (60)	90.72	82.11 (91)	174.11	132.02 (76)
2010-11	75.70	49.29 (65)	72.65	68.13 (94)	148.35	117.42 (79)

*(Source: Appropriation Accounts)*

**Table 4** indicates that:

- The overall budget provision declined during 2008-11 due to reduction in the capital and revenue expenditure. The capital expenditure declined from ₹ 56.05 crore in 2008-09 to ₹ 49.29 crore in 2010-11.
- The revenue budget/expenditure<sup>4</sup> also showed a decreasing trend. Since pay and allowances increased every year, any decline in revenue expenditure would impact on the expenditure on repairs and maintenance which would have an adverse impact on the life of the existing Government buildings.
- Under the capital head, only 28 to 65 *per cent* of the available funds were utilised during 2008-11, which indicated the inefficiency of the department in completing the projects.

The Government accepted the audit observation and stated (October 2011) that the savings and the declining trend of expenditure were due to delays in availability of sites, shortage of manpower etc.

#### 4.1.7.4 Financial performance of the test-checked divisions

The financial performance of the test-checked divisions is given in **Table-5**:

**Table-5**  
**Details of allotment and expenditure under the Plan heads of divisions**

(₹ in lakh)

Division	2008-09		2009-10		2010-11	
	Allotment	Expenditure	Allotment	Expenditure	Allotment	Expenditure
Bokaro	151.44	86.44	155.29	149.09	692.80	558.68
Dumka	467.69	403.82	13.84	13.78	0.35	0.35
Godda	50.50	50.47	324.73	291.54	94.78	93.98
Jamshedpur	512.76	291.02	106.97	98.37	121.48	113.00
Ramgarh	492.96	492.95	229.00	229.00	614.57	614.57
Ranchi-I	1465.14	944.57	1199.82	1139.16	755.74	512.66
Ranchi-II	144.74	83.24	153.60	134.31	292.63	180.87
Simdega	684.32	62.44	509.54	388.93	669.69	447.72
<b>Total</b>	<b>3969.55</b>	<b>2414.95 (61)</b>	<b>2692.79</b>	<b>2444.18(91)</b>	<b>3242.04</b>	<b>2521.83(78)</b>

(Source: Test-checked divisions) (Figures in brackets show percentage of expenditure)

**Table 5** shows that the test-checked divisions could spend only 61 *per cent* of the allotment in 2008-09, 91 *per cent* in 2009-10 and 78 *per cent* in 2010-11 under the Plan head. Further, Ranchi-1, Simdega and Ranchi-2 divisions did not utilise 32, 33 and 38 *per cent* of the allotments respectively during 2010-11. The shortfall in utilisation was due to delays in finalisation of tenders and acquisition of land, lack of monitoring, non-completion/slow progress of works etc.

The Government accepted the audit observation and stated (October 2011) that henceforth, no scheme would be sanctioned without availability of sites.

#### 4.1.7.5 Rush of expenditure in March

According to Rule 113 of the Jharkhand Budget Manual, rush of expenditure, particularly in the closing months of the financial year is considered as a breach of financial regularity and is to be avoided. The details of expenditure during the

<sup>4</sup> Repairs and maintenance of buildings and pay and allowances of the staff.

end of the financial years in the test-checked divisions are given in **Table-6**:

**Table-6**  
**Details of expenditure during the end of the financial years**  
(₹ in crore)

Year	Total expenditure	Expenditure in March (per cent)
2008-09	66.12	18.17 (27)
2009-10	54.74	17.17 (31)
2010-11	50.47	8.45 (17)
<b>Total</b>	<b>171.33</b>	<b>43.79 (26)</b>

(Source: Test-checked divisions)

**Table 6** indicates that in the test-checked divisions, 17 to 31 *per cent* of the total expenditure was incurred in the fag end of the financial years during 2008-11. Disproportionate expenditure during the last month of the financial year i.e. March is fraught with the risk of improper monitoring of works and wrong recording of measurements in the Measurement Books (MBs) etc., which may result in execution of sub-standard work and irregular payments.

#### 4.1.7.6 *Misappropriation of Government money*

Rule 100 of the JPWA Code provides that when an EE grants temporary advances to subordinate officers for execution of departmental works, adjustment accounts should be rendered within one month. Subsequent advances should be granted only after assessing the progress of work done and adjustment of the previous advances.

In Ranchi-1 Division, the EE advanced (between November 2001 and February 2003) ₹ 2.31 crore to the AE for different departmental works like construction of the Birsa Munda School Complex, Ranchi; modification and furnishing of the Tourist Information Centre, Dumardagga etc. The second and subsequent advances were also granted by the EE without assessing the progress of works and adjustment of the previous advances, thus ignoring the codal provision. The position of the works executed by the AE could not be ascertained as vouchers and MBs were not submitted to Audit in spite of requests. The AE was transferred (31 December 2003) to another division<sup>5</sup> without ensuring the adjustment of the advances. The EE neither issued the last pay certificate (LPC) indicating the recoverable amount nor effected recovery before relieving him. Non-adherence to the codal provision regarding grant of advances and their adjustments, exposed the department to the risk of misappropriation of ₹ 2.31 crore of Government money.

The Government accepted the audit observation and stated (October 2011) that efforts would be made to adjust/recover the unadjusted amount of advances from the AE.

The reply is not acceptable because responsibility should have been fixed on the then EE who granted subsequent advances, ignoring the codal provision. Although the matter was regularly brought to the notice of the division through Inspection Reports, no remedial measures had been taken till date (October 2011).

<sup>5</sup> Building Construction Division, Chatra.

## 4.1.8 Programme Management

### 4.1.8.1 Execution of works without technical sanction

According to Rule 126 of the JPWD Code, according of technical sanction (TS) for every work excepting works of petty nature, proposed to be carried out, is essential prior to the commencement of the work. This guarantees that the work which is being proposed is technically feasible, structurally sound and the estimate of the work is accurately calculated and based on adequate data. Further, as per Rule 121 of JPWD Code, technical feasibility approval of a work is a token of acceptance by the competent authority and it should be taken as technical approval (TA) for the purpose of the scheme to be considered for Administrative Approval (AA). After getting AA, the TS of the detailed estimates would be required before actual commencement of the works.

Scrutiny of 58 works in the eight test-checked divisions revealed that no TS was obtained before commencement of the works. As detailed estimates were not sanctioned, it could not be ensured whether the works, though completed, were structurally sound, as the possibility of sub-standard works could not be ruled out. It also resulted in variations in the different components of works as compared to the components of the original estimates, revisions in the estimates, increase in cost and finally, delays in completion of the works. Due to the absence of TS, a case of wasteful expenditure occurred as discussed in paragraph 4.1.8.6 of this Report.

The Government accepted the facts and directed (October 2011) all field offices not to commence any work without obtaining technical sanctions. The reply is not convincing as no responsibility was fixed on the erring officials.

### 4.1.8.2 Delay in tender process and execution of agreement

As per the JPWD Code<sup>6</sup>, tender for any work has to be finalised within 15 days from the date of its opening. Further, as per the directions of the BCD<sup>7</sup>, an agreement should be executed within 20 days of finalisation of the tender.

Scrutiny by Audit revealed that in all the eight test-checked divisions, there were delays in finalisation of tenders of up to 13 months in 14 out of 58 works, due to delays in the preparation of comparative statements, in forwarding comparative statements to higher authorities, conducting negotiations etc. (*Appendix-4.2*).

Further, in the case of six works of three divisions<sup>8</sup>, there were delays of up to 34 months in execution of agreements after finalisation of tenders. Thus, due to inordinate delays in finalisation of tenders and execution of agreements, the works could not be completed on time (*Appendix-4.3*).

The Government accepted the audit observation and stated (October 2011) that remedial measures would be taken for timely finalisation of tenders and execution of agreements.

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<sup>6</sup> Chief Secretary's Circular No 462, Annexure A dated 30 March 1982.

<sup>7</sup> BCD's letter no. 1655 dated 10 June 2003.

<sup>8</sup> Jamshedpur, Ranchi-2 and Simdega.

### 4.1.8.3 Non-imposition of penalty

According to clause 2 of the terms and conditions of contracts, if a contractor fails to complete the work within the stipulated period, penalty at the rate of 0.5 *per cent* of the estimated cost of the unexecuted work per day subject to maximum of 10 *per cent* of the total estimated cost is leviable. The EE was responsible for imposition of penalty which was not discretionary but mandatory.

Penalty of ₹ 1.49 crore was not imposed on contractors

Scrutiny revealed that in 15 works of a total estimated cost of ₹ 14.94 crore in six<sup>9</sup> of the eight test-checked divisions, neither were the allotted works completed within the scheduled time nor did the contractors apply for extension of time. However, the EEs of these divisions did not impose any penalty on these contractors for the delayed execution of works. Non-imposition of penalty on contractors resulted in a total loss of ₹ 1.49 crore to the Government (*Appendix-4.4*). No action was found to be taken to fix responsibility on EEs for the above loss to the Government.

The Government accepted the audit observation and stated (October 2011) that the CE/SEs/EEs had been directed to clarify as to why penalty had not been imposed.

### 4.1.8.4 Unfruitful expenditure

Construction of eight buildings in two<sup>10</sup> out of the eight test-checked divisions was administratively approved (between July 2007 and December 2008) by the Secretary, BCD and the agreements were executed (between April 2008 and February 2010) by the EEs to complete the buildings between March 2009 and August 2010.

Expenditure of ₹ 5.15 crore incurred on incomplete works proved unfruitful

Scrutiny revealed that the buildings were not completed on time due to delays in availability of land, lack of funds, slow progress of work by the contractors, lack of follow-up action by the department etc. Besides, the works remained incomplete after payment of ₹ 5.15 crore between September 2008 and March 2011. Thus, the very purpose behind construction of the buildings could not be achieved even after incurring an expenditure of ₹ 5.15 crore as detailed in *Appendix-4.5*.

The Government accepted (October 2011) the audit observation.

### 4.1.8.5 Undue aid to contractors

As per clause 8 of Annexure 'A' of the JPWD Code, Volume I, a successful tenderer was required to deposit five *per cent* of the estimated cost as security deposit before execution of the agreement. Besides, five *per cent* of the bill value was also to be deducted from each bill. Further, as per clause 16 of condition of the contract, the security deposit could be returned to the contractor after three months of successful completion of the work.

Scrutiny in audit revealed the following:

In two works of two divisions<sup>11</sup>, despite non-completion of the works, security deposit of ₹ 10.88 lakh was irregularly refunded to the concerned contractors.

<sup>9</sup> Bokaro, Jamshedpur, Ramgarh, Ranchi-1, Ranchi-2 and Simdega.

<sup>10</sup> Godda and Simdega.

<sup>11</sup> Godda-Construction of 16 Presiding Officers quarters at Godda and Ranchi 2- Construction of Vidhan Sabha Gate no-2.

Further, though the construction of the ‘Eight Court Building’<sup>12</sup> at Simdega was in progress, two bank guarantees of ₹ 10.02 lakh had lapsed (between 28 March 2010 and 21 April 2011). In the case of construction of a ‘State Homoeopathic College and Hospital’ at Godda, three bank guarantees of ₹ 18.30 lakh also lapsed (between 10 December 2009 and 29 April 2010) though the final bills were still to be drawn. No prior action was taken to revalidate the same.

Further, mobilisation advance can be granted to the contractors as per the conditions of the Standard Bidding Document (SBD) to facilitate the early commencement as well as timely completion of the work.

Scrutiny revealed the following:

In Ramgarh division, mobilisation advance of ₹ 1.01 crore was granted (January 2010) to a contractor for the construction of the Collectorate Building at Ramgarh although a clear site was not available at that time. The work, therefore, started late and the first running account bill could be presented and passed only in February 2011. This defeated the very purpose i.e. speeding up of the work, of granting mobilisation advance to the contractor.

The Government accepted (October 2011) the audit observation.

#### **4.1.8.6 Wasteful expenditure**

As per Rules 126 to 128 of the JPWD code, TS by the officers (Chief Engineer) of the Public Works Department is mandatory before commencement of works. TS is no more than a guarantee that the proposals are structurally sound and the estimates are accurately calculated and based on adequate data. In the case of a new work, the counter-signature of the local head of the department on behalf of which its execution is proposed or of such other officer as may have been empowered to accord administrative approval should be obtained to the plans and estimates in token of their acceptance before the TS is accorded.

Scrutiny of records of the EE, Ramgarh revealed that the construction of a marketing complex at Rajrappa, Ramgarh was administratively approved (January 2003) for ₹ 1.46 crore by the Tourism Department, Government of Jharkhand based on a design prepared by a private agency engaged by the Tourism Department. TS, however, was not accorded by the BCD, the executing agency. An agreement<sup>13</sup> for ₹ 1.53 crore was executed (November 2007) between the contractor and the EE, Hazaribag (now Ramgarh) to complete the work by October 2008. After completion of work worth ₹ 39.10 lakh, the contractor expressed (March 2008) his inability to do further work and asked for an additional amount of ₹ 1.29 crore for removal of extra soil from the construction site. In a review meeting by the Secretary, Tourism Department (April 2008), it was found that the design of the complex was prepared by the consultant without inspecting the site and the proposed site of the project was changed by the consultant. After incurring an expenditure of ₹ 39.10 lakh, the work was abandoned and it was decided to construct the marketing complex at a site adjacent to the previous site. It was also decided to

**Expenditure of ₹ 39.10 lakh incurred on the construction of a marketing complex at Ramgarh proved wasteful**

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<sup>12</sup> A kind of court building.

<sup>13</sup> Agreement No. 59F2/2007-08 dated 24 November 2007.

engage another consultant and get the work executed by the Tourism Department after floating a fresh tender.

The photographs of the demolished structures/site are shown below:



*Photographs showing the remaining parts of demolished structure and demolished column of marketing complex*

Had there been a TS accorded to the detailed estimates by proper inspection of the site by a competent engineer of the BCD before commencement of work, the error of the consultant could have been detected before commencement of the work and the wasteful expenditure could have been avoided. No responsibility had been fixed up by the BCD/Department of Tourism for the wasteful expenditure of ₹ 39.10 lakh.

#### **4.1.8.7 Non-conducting of quality test of materials**

As per Rule 243 of the JPWA Code, the rates as per agreements, catalogues, indents or other orders were to be allowed to contractors only if the quality of work done or supplies made was in accordance with the stipulated quality and specifications. Further, as per the conditions quoted in the Notice Inviting Tender (NIT), the contractors were required to submit quality test certificates from a Government approved laboratory, whenever construction materials were brought to site. Moreover, specimens of cement mortar/concrete were also to be tested in the Government/ Government approved laboratories.

Scrutiny in three<sup>14</sup> of the eight test-checked divisions revealed that in the case of five works (*Appendix-4.6*), no such quality test certificates were produced by the contractors nor did the department send the specimens of construction materials for testing to the laboratories. Thus, the works were allowed to be completed and payment of ₹ 5.51 crore was made to the contractors without observing the prescribed procedures of quality test. In the absence of quality test reports, the possibility of sub-standard work being carried out could not be ruled out.

The Government accepted the audit observation and stated (October 2011) that instructions would be issued to EEs to ensure quality tests before payment of bills.

#### **4.1.8.8 Irregular allowance of premium rate**

Resolution no.1680 (S) dated 26 March 2002 of the Public Works Department, Government of Jharkhand, clearly prohibits the allowance of premium rates<sup>15</sup>

<sup>14</sup> Dumka, Godda and Ranchi-2.

<sup>15</sup> Premium rate is a rate above the Schedule of Rates.

**There was loss of ₹ 92.56 lakh to the Government due to irregular allowance of premium rate**

to contractors on materials like cement, tor steel, stone chips, sand, bricks etc including carriage and contractors' profit.

Scrutiny of 16 works in six<sup>16</sup> out of the eight test-checked divisions revealed that in all the works, the tenders were finalised irregularly on the rate above (3.4 to 10 *per cent*) the rate of the SoR, in violation of the above-mentioned resolution. The EEs, while executing the agreements with the contractors, also provided for payment of premium rates on construction materials, freight and contractors profit. This resulted in excess payment of ₹ 92.56 lakh by way of payment of premium rates on materials including carriage and contractors' profit (*Appendix-4.7*).

The Government accepted the fact and stated (October 2011) that clarification had been sought for from the E-in-C/CE, SEs and EEs regarding allowance of premium rates.

#### **4.1.8.9 Irregular grant of time extension**

According to clause 5 of the terms and conditions of agreements, if a contractor needs any extension of time for completion of a work on the ground of unavoidable hindrance in its execution beyond his control or on any other ground, he should apply in writing to the EE within 40 days of the start of the hindrance on account of which he desires such extension of time.

Test check of records of the CE, BCD, Ranchi revealed that in 12 cases, the contractors did not apply for extension of time within the prescribed time limit but time extensions were granted by the CE (*Appendix-4.8*).

Thus, due to irregular grant of time extensions to the contractors, penalty of ₹ 1.95 crore (10 *per cent* of the estimated cost of ₹ 19.49 crore) as per clause 2 of the contract relating to penalty could not be imposed on them, which resulted in losses to the Government.

The Government accepted the audit observation and stated (October 2011) that instructions were being issued for no granting of time extensions.

#### **4.1.8.10 Execution of works without inviting tenders in newspapers**

As per Government order<sup>17</sup> (March 1982), tender notices were to be published in newspapers for all works costing more than ₹ 50,000.

It was noticed in Audit that in Jamshedpur, Simdega, Godda and Bokaro, 147 works (total estimated cost-₹ 1.96 crore) of repairs and maintenance each of which was estimated to cost more than ₹ 50,000, were irregularly executed during 2008-11 by EEs without inviting tenders through newspapers (*Appendix-4.9*).

Execution of work without inviting tenders was fraught with the risk of the contracts being awarded at non-competitive rates.

The Government accepted the audit observation and stated (October 2011) that no works would be executed in future in any circumstances without inviting tenders through newspapers.

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<sup>16</sup> Bokaro, Dumka, Ramgarh, Ranchi-1, Ranchi-2 and Simdega.

<sup>17</sup> Circular no.1/Estab-108/81-462 dated 30 March 1982.

#### **4.1.8.11 Unauthorised payments to contractors for execution of excess items of works**

As per clause 6 of the Technical Examiner Cell, Cabinet (Vigilance) Department, letter no. 2347 dated 31 December 1983, the EE, SE, CE and the Secretary, BCD are respectively empowered to sanction 10, 15, 25 and above 25 *per cent* excess quantity of items as provided in the agreement. These powers are mandatory and not discretionary.

Scrutiny of seven works in three<sup>18</sup> out of the eight test-checked divisions revealed that the EEs paid ₹ 2.76 crore (*Appendix-4.10*) for items executed in excess (excess ranging between 11 and 1475 *per cent*) of the quantities provided for in the agreements for which sanctions of the competent authorities were not taken. Since EEs are not empowered to sanction excess quantities beyond 10 *per cent*, the payment made for ₹ 2.76 crore was unauthorised. However, neither were enquiries set up nor was any responsibility fixed on the erring EEs for violation of the standing orders.

The Government accepted the audit observation and stated (October 2011) that necessary instructions would be issued for payment of items executed in excess only with the sanction of the competent authority.

#### **4.1.8.12 Irregular award of multiple works to contractors**

Rule 16 of the Bihar Enlistment of Contractor Rules, 1992, adopted by the Government of Jharkhand, provides that contractors would generally be allotted one work at a time. Even if their tenders were valid and they were the lowest tenderers in other bids, until and unless they completed the work allotted to them or the progress of the work was at least up to 75 *per cent*, no other work could be allotted to them.

Scrutiny of records of three<sup>19</sup> out of the eight test-checked divisions revealed that more than one work was irregularly awarded to the same contractors at short intervals without assessing the completion of 75 *per cent* of work already allotted, details of which are given in *Appendix-4.11*. This resulted in a large number of works remaining incomplete beyond their stipulated date of completion and consequent non-achievement of the desired benefits of the projects. The work awarding authorities (EE/SE/CE/Tender Evaluation Committee) were responsible for award of subsequent works to the contractors without considering the progress of the works allotted to them earlier and as such, undue favour was granted to the contractors. Such awarding of works in violation of rules, was fraught with the risk of financial irregularities.

The Government accepted the audit observation and stated (October 2011) that clarifications had been sought from the field offices regarding the matter.

### **4.1.9 Execution of Deposit Works**

#### **4.1.9.1 Non-levy of establishment charges**

According to Rule 212 of the JPWD Code, read with Rule 6 of Appendix 4 of the JPWA Code, the cost of establishment charges at the rate of 10 *per cent* of the estimated value of works is to be levied on all other departments of the

<sup>18</sup> Dumka, Jamshedpur and Simdega.

<sup>19</sup> Bokaro, Ramgarh and Simdega.

**Establishment charges of ₹ 4.88 crore were not levied on other departments against execution of deposit works**

Government when the expenditure is made from grants other than the grants under which the divisions of BCD are classified.

Scrutiny of records of deposit works taken up by the divisions revealed that 10 per cent establishment charges were not levied while preparing the estimates of deposit works of other departments and the BCD remained deprived of the establishment charges of ₹ 4.88 crore as detailed in *Appendix-4.12*. The estimates were prepared in the divisions and were finalised at the level of SE/CE but inclusion of 10 per cent establishment charges as per the norms of the JPWD Code was not considered at any level till finalisation of the estimates. Non-levy of establishment charges was in violation of codal provisions for which responsibility should have been fixed.

The Government replied (October 2011) that the BCD did deposit work for other Government departments only and as such, establishment charges had not been levied. The reply is not acceptable, as the department used funds from grants other than its own.

#### 4.1.9.2 Works stopped due to lack of funds

In order to facilitate smooth execution and timely completion of works, regular flow of funds to the divisions under the proper head should be ensured prior to commencement of the works.

It was seen that in three<sup>20</sup> of the eight test-checked divisions, eight works were lying incomplete after incurring a total expenditure of ₹ 14.73 crore against the total estimated cost of ₹ 28.16 crore, due to paucity of funds for these works. Details are given in **Table-7**:

**Table-7**  
**Details of works stopped due to lack of funds**

(₹ in lakh)

Division	Name of works	Estimated cost	Expenditure	Funds required
Ramgarh	Construction of Sub-Jail at Ramgarh	1108.18	607.78	500.40
Jamshedpur	C Type quarters at 40 Court campus	36.86	32.99	0.55
	Police barrack, Jamshedpur	15.34	7.45	5.38
	Industrial school for Women at Ghatshila	81.65	62.36	19.30
	100 bedded hostel for girls at Jamshedpur	247.00	50	197.00
	Udyog Shed at Jamshedpur	5.79	4.50	1.29
Dumka	Campus of RTC Home Guard, Dumka	1187.36	647.27	1435.21
	'A' type quarters for Jail at Dumka	134.21	60.37	73.84
<b>Total</b>		<b>2816.39</b>	<b>1472.72</b>	<b>2232.97</b>

(Source: Test-checked divisions)

Thus, it was evident from **Table 7** that the benefits of welfare projects like an Industrial School for women, a hostel for girls etc, could not be enjoyed by the proposed beneficiaries even after incurring an expenditure of ₹ 14.73 crore. This could have been avoided if the BCD had taken an assurance for release of sufficient funds prior to commencement of the works. As the BCD did not take assurance of availability of land and funds from the user departments, the projects remained incomplete.

The department accepted the audit observation and stated (September 2011) that the concerned departments had been requested to submit copies of AA alongwith the detailed information of the land while assigning future deposit works. The

<sup>20</sup> Dumka, Jamshedpur and Ramgarh.

department further stated that the work would only be commenced after approval of DPR and technical sanction now onwards.

#### 4.1.9.3 *Blocking of funds*

According to Rule 13 of the Jharkhand Financial Rules, read with Rule 107 of the Jharkhand Budget Manual, drawing of money from the treasury and placing it in deposit to avoid lapse of allotment is not permissible.

**In three test-checked divisions a total of ₹ 15.79 crore had been blocked for periods ranging between 14 and 79 months**

In three<sup>21</sup> out of the eight test-checked divisions, ₹ 15.79 crore was withdrawn from the treasuries by other departments<sup>22</sup> and provided (between October 2004 and March 2010) to the divisions of BCD for construction of 13 works like a girls' hostel, a women's industrial school, upgradation of a library, indoor games buildings, a modern training hall etc as deposit works.

Scrutiny, however, revealed that construction of the buildings had not been started as of June 2011. The entire amount was kept under the suspense head, "8782 Public Works Deposit" for a long period, in contravention of the Financial Rules. The funds remained unutilised and their retention resulted in keeping of Government money outside the budgetary process and consequent blocking of funds (*Appendix-4.13*). Thus, benefits of the welfare projects could not be extended to the beneficiaries in spite of availability of funds.

The Government accepted the audit observation and stated (October 2011) that necessary instructions incorporating the audit observations had been issued (September 2011) for strict compliance.

#### 4.1.9.4 *Unfruitful expenditure*

**Expenditure of ₹ 81.24 lakh incurred on incomplete works proved unfruitful**

Construction of five buildings in five<sup>23</sup> out of the eight test-checked divisions was administratively approved (between October 2002 and January 2009) by the Principal Secretaries/Secretaries of the various departments, and agreements were executed between October 2002 and October 2009 by the EEs to complete the buildings between August 2008 and July 2010.

Scrutiny revealed that the buildings were not completed on time due to delays in availability of land, lack of funds, slow progress of work by the contractors, non-availability of approved drawings and designs, lack of follow-up action by the department etc. Besides, the works remained incomplete after payment of ₹ 81.24 lakh between September 2008 and March 2011. Thus, the entire expenditure of ₹ 81.24 lakh incurred on these incomplete works would remain unfruitful till the time of completion of the works (*Appendix-4.14*).

The Government accepted (October 2011) the audit observation.

### 4.1.10 Manpower management

The overall performance of the department and efficient implementation of its schemes depend on the availability of adequate manpower. However, it was observed that there was acute shortage of manpower as detailed in the subsequent paragraphs.

<sup>21</sup> Bokaro, Jamshedpur and Ranchi-1.

<sup>22</sup> Home, Science & Technology, Personnel and Training Department, Health Department etc.

<sup>23</sup> Bokaro, Dumka, Jamshedpur, Ranchi 2 and Simdega.

#### 4.1.10.1 Shortage of manpower in the department

The position of technical and non-technical manpower in the department is given in **Table-8**:

**Table-8**

#### Details of sanctioned strength and persons-in-position in the department

Sl.	Name of post	Sanctioned strength	Persons-in-position
<b>Technical</b>			
1	Engineer-in-Chief	01	01
2	Chief Engineer	01	01
3	Superintending Engineer	08	06
4	Executive Engineer	37	32
5	Assistant Engineer	141	55
6	Assistant Engineer (Electrical)	28	01
7	Junior Engineer	216	125
8	Junior Engineer (Electrical)	54	00
<b>Total</b>		<b>486</b>	<b>221</b>
<b>Non-Technical<sup>24</sup></b>		<b>898</b>	<b>492</b>

(Source: Building Construction Department)

- The above table shows that there were 55 and 45 *per cent* vacancies in the technical and non-technical wings of the department respectively. Against 486 sanctioned posts of engineers and 898 non-technical staff, there were only 221 engineers and 492 non-technical staff in position. Scarcity of technical/non-technical persons in the department badly affected the progress and quality of the works taken up by the department.
- Further, as per Rule 229 of the JPWD Code, all works and repairs in connection with electrical installation should be carried out by the electrical branches of the Public Works Department.

Scrutiny revealed that there was only one AE (Electrical) against 28 sanctioned posts, whereas no JE (Electrical) was posted against 54 sanctioned posts in the department. Since electrical works were essential components of all buildings, the only AE (Electrical) of the department was overloaded with too many works and it was almost impossible for him to provide effective supervision to the electrical works of all Governments' buildings. As such, the possibility of sub-standard work being carried out could not be ruled out.

The Government accepted the audit observation and stated (October 2011) that the parent department (Road Construction Department) had been requested for making manpower available as per the requirement.

#### 4.1.10.2 Irregular grant of Assured Career Progression (ACP) to Junior Engineers

As per the ACP scheme of the Government of Jharkhand, employees who have completed 12 years and 24 years of bonafide service, are eligible for first and second financial upgradations respectively, if they cannot be promoted in the normal course.

Further, as per the norms of the ACP scheme, the criteria of promotion were the same as in the case of normal promotion, i. e. if any qualification was needed for normal promotion, in order to get ACP, one should acquire the requisite

<sup>24</sup> Assistant, Clerks, Peons etc.

qualification. In PWD, a JE on being promoted gets the post of AE and on further promotion, he becomes an EE. As per Rule 55 of the JPWD Code, read with Appendix-IV, the AEs of the PWD must pass the prescribed examinations in language and law within two years of promotion and a professional examination within three years of joining. In case of their failure to pass the examination within the prescribed period of two years, no further increment was to be released until they passed the examination. This penalty for delay in passing would ordinarily cease to operate when an officer passed the examination. On having passed, he would be placed in the same position as if he had passed in the normal course but he would receive no financial benefits in respect of the increment withheld before the passing of the examination.

Scrutiny, however, revealed that the first ACP was granted to six<sup>25</sup> JEs in the scale of AEs and they were allowed to get their increments beyond two years without passing the requisite language and law examinations. Further, out of these six JEs, four JEs, who got the scale of EE though they did not pass the required language and law examination and professional examination meant for AE to get promoted to EE, were granted the second ACP. Granting of increment after two years of the first ACP and again granting the second ACP was thus, irregular and was in violation of the codal provision as well as the norms of the ACP scheme. Till date (April 2011), ₹ 18.26 lakh had been paid in excess to these six JEs due to grant of increment/second ACP as detailed in **Appendix-4.15**.

The Government accepted the audit observation and stated (October 2011) that the parent department (Road Construction Department) had been requested for a clarification in this regard.

#### **4.1.10.3 Training**

Training is essential in every department for upgrading the skills of personnel and building capacity to address the changing needs of the department and to introduce modern technological applications in their work.

Scrutiny of information furnished by BCD revealed that there was no policy/provision for training in the department and as such, none of the staff was trained departmentally. Further, no system was in place to get them trained through any outside agencies. In the absence of training, the departmental staff, particularly engineers, remained deprived of up to date knowledge, skills, modern technology to cope with the emerging challenges.

The Government accepted the audit observation and stated (October 2011) that preparation of a continuous training programme was in process, for increasing efficiency in the engineering cadre.

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<sup>25</sup> Five of Jamshedpur division and one of Chhotanagpur Circle, Ranchi.

#### **4.1.11 Internal Control and Vigilance mechanism**

##### **4.1.11.1 Non-maintenance of records**

As per codal provisions<sup>26</sup>, various important records must be maintained and regularly updated in the divisions to establish an effective internal control mechanism in the department.

Scrutiny of records of the test-checked divisions revealed that important records like registers of works, contractors' ledgers, subsidiary cash books, money receipts, interest bearing security registers etc, were not maintained (**Appendix 4.16**).

##### **4.1.11.2 Vigilance Mechanism**

According to a Resolution of July 2002 of the Cabinet (Vigilance) Department, the main function of the Technical Examiner Cell (TEC) under the Cabinet (Vigilance) Department was to conduct technical examination of schemes which had been executed and those which were ongoing in different departments to ensure that works were executed according to the terms and conditions of the agreements and materials and labour were utilised judiciously.

Scrutiny of records revealed that during 2008-11, not a single work executed by the BCD was ever inspected by the TEC on their own and no work was ever referred by the BCD to TEC for inspection. As a result, cases of fraud and embezzlement were likely to go unnoticed.

Further, as per the reorganisation order dated 26 February 1981, of the Cabinet (Vigilance) Department, one officer of the rank of the Joint Secretary was required to be posted in each administrative department as Chief Vigilance Officer (CVO), under the administrative control of the Cabinet (Vigilance) Department. He was to be the link between the Vigilance Commissioner and the Principal Secretary/ Secretary of the administrative department regarding vigilance matters and was to be responsible for taking preventive measures in respect of corruption and other malpractices prevalent in the department. However, the BCD did not have a CVO.

##### **4.1.11.3 Response to Inspection Reports issued by the Principal Accountant General (Audit), Jharkhand**

As per Rules 30 and 32 of JPWA Code read with Rule 218 of Jharkhand Treasury Code Vol-I, the results of audit are communicated to the divisional officers in the form of audit notes, objection statements, Inspection Reports (IRs) etc. These should be given prompt attention and due action should be taken as soon as possible. The objective is that timely action should be taken by the department to avoid further losses or possible loss in future and prevent corruption, irregularities etc in the department.

As of March 2011, 658 (Section-A:129 and Section-B:529) paragraphs involving ₹ 1,087.13 crore (Section-A: ₹ 774.57 crore and Section-B: ₹ 312.56 crore) relating to 101 IRs of the BCD containing major observations relating to amounts recoverable from contractors, undue benefits to contractors, avoidable/unfruitful/infructuous expenditure etc remained unsettled for want of replies as detailed

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<sup>26</sup> Register of works-Rule 308 of JPWA, Contractors ledger-Rule 321, IBS Register-Rule 431 and MB must be returned to the division vide circular no. 27/83-2347 issued by TEC dated 31 December 1983.

in **Table-9**. Even the first replies of the 30 IRs of the BCD were not received in office of the Principal Accountant General (Audit).

**Table-9**  
**Details showing pending Inspection Reports and Paragraphs**

*(₹ in lakh)*

Year	No. of IRs	Section-A		Section-B	
		No. of paras	Amount	No. of paras	Amount
2004-05	15	13	1497.82	56	1028.64
2005-06	14	11	2618.80	61	5356.31
2006-07	13	15	1691.96	67	3595.76
2007-08	16	20	3886.41	112	4959.02
2008-09	12	16	1184.44	71	1996.72
2009-10	10	18	2103.82	50	2573.43
2010-11	21	36	64474.14	112	11746.57
<b>Total</b>	<b>101</b>	<b>129</b>	<b>77457.39</b>	<b>529</b>	<b>31256.45</b>

*(Source: Records of office of the Principal Accountant General (Audit), Jharkhand, Ranchi)*

Non-response to audit observations could lead to persistent and serious irregularities and adversely affect the accountability mechanism of the department.

#### 4.1.12 Monitoring

##### 4.1.12.1 Periodic inspections of divisions not conducted

According to Rule 20 of the JPWD Code, the Chief Engineer was required to inspect each Circle office under his charge once in every two years and each divisional office once in every three years and submit a report to the Government soon after the inspections had been conducted. Whenever inspections, as prescribed above, could not be conducted, a report stating the reasons thereof should be submitted to the Government by the 7th January of the year following the year in which the inspection was due.

**Periodic inspections of the divisions and sub-divisions were not conducted by the Superintending Engineers**

Further, as per Rule 24 (iii) of the JPWD Code, SEs are required to inspect the divisions under them at least once in every year, each sub-division once in every two years and each sectional office once in every five years. Moreover, whenever the required number of inspections cannot be done, a report stating the reasons thereof should be submitted to the CE by 25th December of the year following the year in which the inspection was due.

Scrutiny of information furnished by the CE revealed that the CE neither inspected his subordinate offices during the last three years nor submitted any report stating the reasons thereof to the Government.

Further scrutiny of records revealed that out of the eight test-checked divisions, though only one division was inspected by the SE once in the last three years, no report had been sent to the CE as prescribed.

The CE stated (September 2011) that due to shortage of manpower in his office, the subordinate offices could not be inspected. He also stated that he had no information regarding inspection of divisions/sub-divisions by the SEs under his charge. This clearly indicated the lack of monitoring in the department as the CE should have sought the submission of inspection reports from the SEs.

#### **4.1.12.2 Inadequate inspections of works**

There was no systematic schedule of inspections of ongoing works to monitor their progress. The progress of works was monitored mainly by the Secretary, BCD during monthly meetings. Except for monthly progress reports, no other mechanism was found on record in the department to monitor the progress of the works.

Scrutiny of records of the test-checked divisions revealed that in three divisions, no work was inspected by any higher authority other than the EE during 2008-11 whereas only 14 works of five divisions<sup>27</sup> were inspected by higher authorities other than the EEs. This could be one of the reasons for delayed completion and non-completion of works as discussed in the previous paragraphs.

The Government accepted the audit observation and stated (October 2011) that necessary instructions had been issued to the CE and SEs.

#### **4.1.12.3 Non-functional monitoring wing**

The Directorate, Purchase, Evaluation and Monitoring is a separate wing in the department for purchase of construction materials, evaluation and monitoring of the progress of works.

Scrutiny of information collected from this wing and inputs received from the CE revealed that the above wing did not function for the purpose for which it was established, although five engineers (including two EEs) remained posted during the period 2008-11 and ₹ 1.52 crore was incurred on their pay and allowances.

The Government accepted the audit observation and stated (October 2011) that necessary instructions had been issued to the CE and SEs for directing the officials in monitoring wings for proper monitoring of all ongoing works of the department.

### **4.1.13 Conclusion**

There were no fixed norms for planning in the department. Budgets were not prepared accurately, resulting in persistent savings/surrenders. There were unnecessary demands for supplementary grants even though the original grants could not be utilised during 2008-11. There was rush of expenditure in the last month of the financial year. Works/schemes were executed without obtaining technical sanctions and inordinate delays were observed in the finalisation of tenders and execution of agreements. Establishment charges were not levied for deposit works. Cases of blockage of funds due to non-availability of clear site and incomplete projects due to paucity of funds were noticed. There was an acute shortage of manpower in the divisions. The department did not respond timely to the Inspection Reports of the Principal Accountant General (Audit), Jharkhand. Monitoring and inspection was almost absent as regular inspections of ongoing works as well as divisions were not being carried out by the higher authorities.

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<sup>27</sup> Bokaro, Dumka, Godda, Jamshedpur and Ramgarh.

#### 4.1.14 Recommendations

The Government may consider the following recommendations:

- A survey should be conducted to prepare a database regarding requirement of buildings, on the basis of which perspective/annual plans should be drawn up;
- Technical sanctions should invariably be accorded prior to the execution of any work/scheme. For deposit works, assurances from the respective departments for sufficient provision of funds in cases of variations in quantities of works and availability of clear sites should be taken prior to taking them up; and
- Systematic schedules of inspections of SE/CE/E-in-C should be prepared to monitor the progress of works.

## CHAPTER-V

### GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

#### 5.1 OVERVIEW OF STATE PUBLIC SECTOR UNDERTAKINGS

##### *Executive Summary*

*Audit of Government companies is governed by Section 619 of the Companies Act, 1956. The accounts of Government companies are audited by Statutory Auditors appointed by Comptroller and Auditor General of India (CAG). These accounts are also subject to supplementary audit conducted by CAG. Audit of Statutory Corporation is governed by the respective legislation. As on 31 March 2011, the State of Jharkhand had 12 working Public Sector Undertakings (PSUs) (11 companies and one Statutory corporation). The working PSUs registered a turnover of ₹ 1,442.90 crore for 2010-11 as per their latest finalised accounts as of September 2011. This turnover was equal to 1.33 per cent of State Gross Domestic Product indicating a minor role played by State PSUs in the economy. However, the State working PSUs incurred an overall loss of ₹ 702.85 crore in the aggregate for 2010-11 as per their latest finalised accounts as on 30 September 2011.*

##### **Investments in PSUs**

*As on 31 March 2011, the total investment in State PSUs was ₹ 5,195.28 crore. This total investment consisted of 2.78 per cent towards capital and 97.22 per cent in long-term loans. The investment has increased by over 110.01 per cent from ₹ 2,473.87 crore in 2005-06 to ₹ 5,195.28 crore in 2010-11.*

##### **Performance of PSUs**

*During the year 2010-11, out of 12 PSUs, five PSUs earned profit of ₹ 21.57 crore and four PSUs incurred*

*loss of ₹ 724.42 crore. The remaining three PSUs did not submit their accounts. Heavy losses were incurred by the Jharkhand State Electricity Board and Tenughat Vidyut Nigam Limited to the extent of ₹ 653.29 crore and ₹ 70.94 crore as per their latest finalised accounts for the years 2004-05 and 1993-94 respectively. The losses of working PSUs were mainly attributable to deficiencies in financial management, planning, implementation of projects, operations and monitoring. A review of latest Audit Reports of CAG shows that the State PSUs incurred losses to the tune of ₹ 3,850.52 crore and infructuous investment of ₹ 63.07 crore which were controllable with better management. Thus, there is tremendous scope to improve the functioning of PSUs and minimise losses.*

##### **Quality of accounts**

*The quality of accounts of PSUs needs improvement. Out of 12 accounts finalised by working PSUs during October 2010 to September 2011 eight accounts received qualified certificates. Reports of Statutory Auditors on internal control of the companies indicated certain weak areas.*

##### **Arrears in accounts**

*All the 12 PSUs had arrears of 46 accounts as of September 2011. The PSUs need to set targets for the work relating to preparation of accounts with special focus on arrears.*

## Introduction

**5.1.1** The State Public Sector Undertakings (PSUs) consist of State Government companies and a Statutory Corporation. The State PSUs are established to carry out activities of commercial nature while keeping in view the welfare of people. The PSUs registered a turnover of ₹ 1,442.90 crore for 2010-11 as per their latest finalised accounts as of September 2011. This turnover constituted 1.33<sup>1</sup> *per cent* of State Gross Domestic Product (GDP) for 2010-11. Major activities of State PSUs / Statutory Corporation are concentrated in the power sector. The State PSUs incurred an aggregate loss of ₹ 702.85 crore as per their latest accounts finalised during 2010-11. They had employed 7,815 employees as of 31 March 2011. The State PSUs do not include 31 Departmental Undertakings (DUs), which carry out commercial operations but are part of Government departments. Audit findings of these DUs are incorporated in Audit Report (State Finances) Government of Jharkhand for the year ended 31 March 2011.

**5.1.2** As on 31 March 2011, there were eleven Government companies and one Statutory corporation (all working). No company was listed on the stock exchange(s).

**5.1.3** During the year 2010-11, one PSU<sup>2</sup> was established and no PSU/Statutory Corporation closed down.

## Audit Mandate

**5.1.4** Audit of Government companies is governed by Section 619 of the Companies Act, 1956. According to Section 617, a Government company is one in which not less than 51 *per cent* of the paid up capital is held by Government(s). A Government company includes a subsidiary of a Government company.

**5.1.5** The accounts of the State Government companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors, who are appointed by the Comptroller and Auditor General of India (CAG) as per the provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by CAG as per the provisions of Section 619 of the Companies Act, 1956.

**5.1.6** Audit of Statutory corporation is governed by its respective legislation. CAG is the sole auditor for Jharkhand State Electricity Board (JSEB).

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<sup>1</sup> Percentage is based on advance estimate figure of GDP (as on 22 June 2011).

<sup>2</sup> Jharkhand State Beverage Corporation Limited (JSBCL)

## Investment in State PSUs

**5.1.7** As on 31 March 2011, the investment (capital and long-term loans) in 12 PSUs (including one Statutory Corporation) was ₹ 5,195.28 crore as per details in **Table-1**.

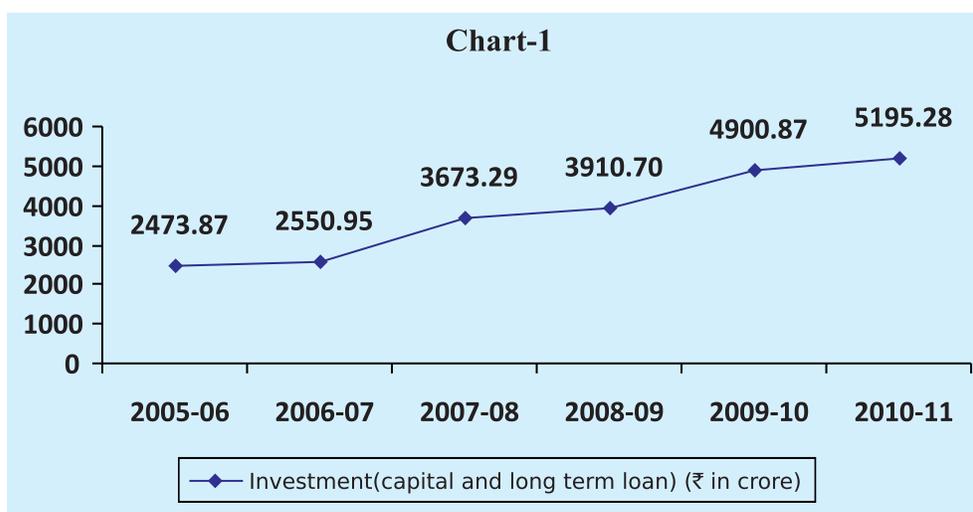
**Table-1**

(₹ in crore)

Government Companies			Statutory Corporation			Grand Total
Capital	Long term loans	Total	Capital	Long term loans	Total	
144.60	674.18	818.78	-	4376.50	4376.50	5195.28

A summarised position of Government investment in State PSUs is detailed in **Appendix-5.1**.

**5.1.8** As on 31 March 2011, investment in PSUs was 2.78 *per cent* towards capital and 97.22 *per cent* in long-term loans of the total investment. The investment has grown by 110.01 *per cent* from ₹ 2,473.87 crore in 2005-06 to ₹ 5,195.28 crore in 2010-11 as shown in **Chart-1**:



**5.1.9** The thrust of PSU investment was mainly in the power sector during the past six years which increased by 109.30 *per cent* from ₹ 2,460.82 crore in 2005-06 to ₹ 5,150.48 crore in 2010-11 due to loan amounting to ₹ 4,376.50 crore given by Government and others to JSEB and also investment in Karanpura Energy Limited (KEL) and Tenughat Vidyut Nigam Limited (TVNL).

## Budgetary outgo, grants/subsidies, guarantees and loans

**5.1.10** The details regarding budgetary outgo towards equity, loans and grants/subsidies in respect of State PSUs at the end of March 2011 are given

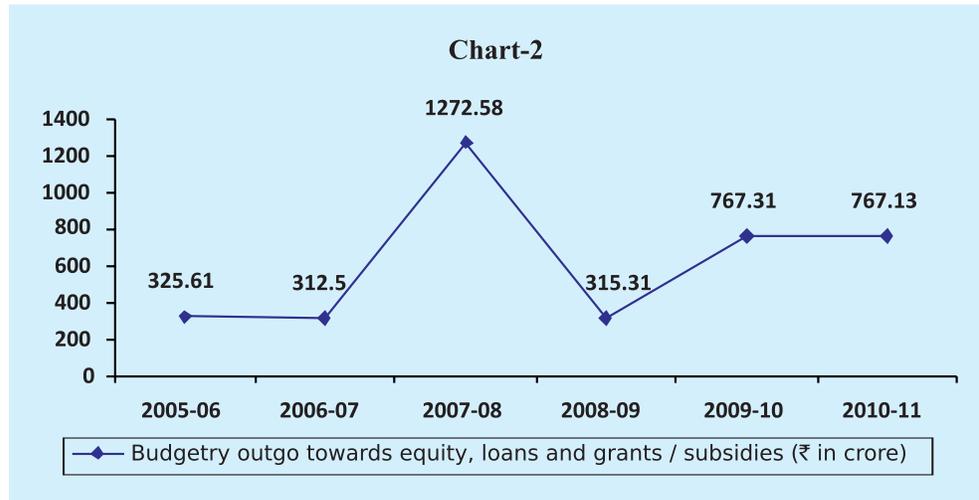
in **Appendix-5.3**. The summarized details are given below in **Table-2** for three years ended 2010-11.

**Table-2**

(₹ in crore)

Sl. No.	Particulars	2008-09		2009-10		2010-11	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	2	10.40	4	2.75	3	3.00
2.	Loans given from budget	1	224.91	1	362.76	1	313.55
3.	Grants/Subsidy received	1	80.00	2	401.80	3	450.58
4.	Total outgo	3	315.31	6	767.31	5 <sup>3</sup>	767.13

**5.1.11** The details regarding budgetary outgo towards equity, loans and grants/subsidies for past six years are given in **Chart-2**.



The budgetary outgo during the year has increased from ₹ 315.31 crore in 2008-09 to ₹ 767.13 crore in the year 2010-11 mainly because of budgetary support in respect of subsidy given to JSEB.

### Reconciliation with Finance Accounts

**5.1.12** The figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the concerned PSUs and the Finance Department are required to conduct reconciliation of differences. The position in this regard as at 31 March 2011 is stated in **Table-3**:

<sup>3</sup> Total outgo represents total number of PSUs (JHALCO, JIIDCO, JHARCRAFT, JTDC and JSEB).

**Table-3**

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	20.30	144.55	124.25
Loans	6414.76	4906.06	1508.70

**5.1.13** We observed that the difference occurred in respect of seven<sup>4</sup> PSUs including JSEB and was pending reconciliation since 2001-02. The Principal Accountant General had taken up the issue with the Secretary to Finance Department of the Government of Jharkhand and JSEB to reconcile the differences after examination. This was not done nor was any concrete measures initiated in this regard.

### Performance of PSUs

**5.1.14** The financial results of PSUs, financial position and working results of working Statutory Corporations are detailed in *Appendices-5.2 and 5.5*. The percentage of PSU turnover to State GDP shows the extent of PSU activities in the State economy. **Table-4** provides the details of turnover of PSUs *vis-à-vis* State GDP for the period 2005-06 to 2010-11.

**Table-4**

(₹ in crore)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Turnover <sup>5</sup>	1,216.12	30.77	364.90	1,552.32	1565.52	1442.90
State GDP	62,239.00	73,579.00	87,620	75,710.78	83077.90	108400.86 <sup>6</sup>
Percentage of turnover to State GDP	1.95	0.04	0.42	2.05	1.88	1.33

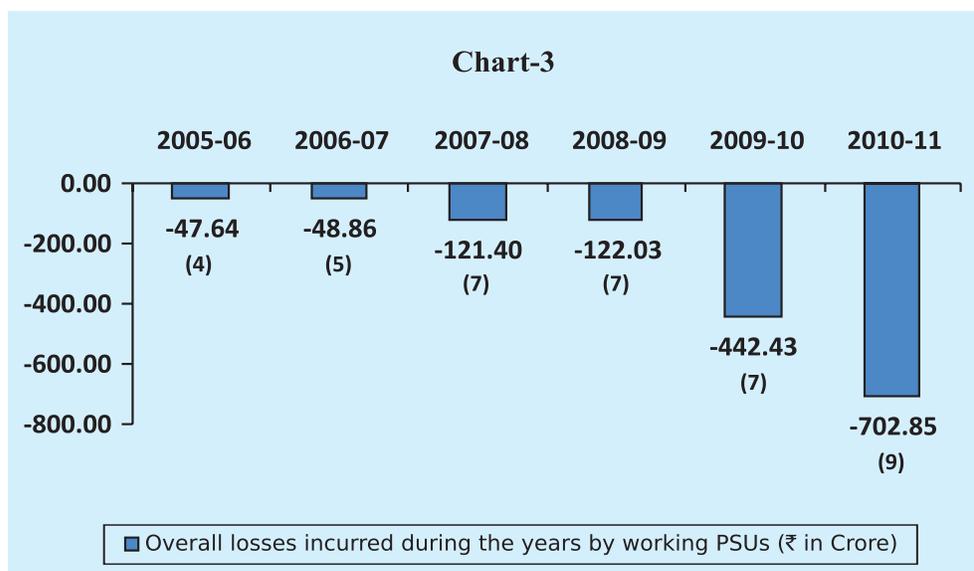
The percentage of turnover of PSUs to the State GDP has declined from 1.88 in 2009-10 to 1.33 in 2010-11, although there was an increase in state GDP during the current year as compared to previous year.

**5.1.15** The aggregate losses (net) incurred by State PSUs increased from ₹ 47.64 crore to ₹ 702.85 crore during 2005-06 to 2010-11 as given below in **Chart-3**.

<sup>4</sup> Tenughat Vidyut Nigam Ltd., Jharkhand Industrial Infrastructure Development Corporation Ltd., Jharkhand Tourism Development Corporation Ltd., Jharkhand Silk Textile and Handicraft Corporation Ltd., Greater Ranchi Development Agency Ltd., Jharkhand Hill Area Lift Irrigation Corporation Ltd. and Jharkhand State Electricity Board.

<sup>5</sup> Turnover as per the latest finalized accounts as of 30 September 2011.

<sup>6</sup> The figure of GDP for 2010-11 based on advance estimate at current prices (as of June 2011).



(Figures in brackets show the number of working PSUs in respective years based on finalised Accounts)

As per the latest accounts finalised, out of 12 PSUs, five PSUs earned a profit of ₹ 21.57 crore and four PSUs incurred loss of ₹ 724.42 crore. The above included heavy losses incurred by JSEB (₹ 653.29 crore) and TVNL (₹ 70.94 crore) as per their latest finalized accounts for the years 2004-05 and 1993-94 respectively. Remaining three PSUs did not submit any accounts (September 2011).

**5.1.16** The losses of PSUs are mainly attributable to deficiencies in financial management, planning, implementation of their activities, their operations and monitoring. A review of the latest Audit Reports of CAG show that the State PSUs incurred losses to the tune of ₹ 3,850.52 crore and infructuous investment of ₹ 63.07 crore. Year-wise details are stated below in **Table-5**:

**Table-5**

(₹ in crore)

Particulars	2008-09	2009-10	2010-11	Total
Net loss	122.02	442.43	702.85	1267.30
Controllable losses as per CAG's Audit Report	57.25	1142.38	2650.89	3850.52
Infructuous Investment	16.49	0.41	46.17	63.07

**5.1.17** The above losses pointed out by Audit Reports of CAG are based on a test check conducted by Audit. The actual controllable losses could be much more. The above indicates the need for effective management and control and ensuring accountability in the functioning of PSUs.

**5.1.18** Other key parameters pertaining to State PSUs, as per their latest finalized accounts, are given in **Table-6**:

**Table-6**

(₹ in crore)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Debt	2466.07	2537.65	3550.89	3774.90	4760.27	5050.68
Turnover <sup>7</sup>	1216.12	30.77	364.90	1552.32	1565.52	1442.90
Debt/Turnover Ratio	2:1	82:1	10:1	2:1	3.04:1	3.50:1
Interest Payments	-	3.61	6.00	-	123.55	194.75
Accumulated losses	43.86	42.90	265.45	269.30	589.81	1646.52

**5.1.19** The State Government had not formulated any dividend policy under which all PSUs are required to pay a minimum return on the paid up share capital contributed by the State Government. As per their latest finalised accounts, five<sup>8</sup> PSUs earned an aggregate profit of ₹ 21.57 crore but did not declare any dividend.

#### Arrears in finalisation of accounts

**5.1.20** The accounts of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956. Similarly, in case of the Statutory corporation, the accounts are to be finalised, audited and presented to the Legislature as per the provisions of the Act. **Table-7** provides the details of working PSUs in the finalisation of accounts (September 2011).

**Table-7**

Sl. No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
1.	Number of Working PSUs	8	9	10	11	12
2.	Number of accounts finalised during the year	6	3	7	14	12
3.	Number of accounts in arrears	24	43	48	46	46
4.	Average arrears per PSU (3/1)	3	4.78	4.80	4.18	3.83
5.	Number of Working PSUs with arrears in accounts	8	9	10	11	12
6.	Extent of arrears (years)	1 to 5	1 to 14	1 to 15	1 to 16	1 to 17

**5.1.21** The number of arrears of accounts of the PSUs had increased over the years. The number of arrears of accounts during 2006-07 in respect of eight PSUs was 24 which had increased to 46 in 2010-11 in respect of 12 PSUs including one Statutory corporation.

**5.1.22** The State Government had invested ₹ 4,165.25 crore (Equity ₹ 21.25 crore, loans: ₹ 1,652.01 crore, grants: ₹ 2,491.99 crore) in eight PSUs including one Statutory corporation during the years for which accounts have not been finalised as detailed in **Appendix-5.4**. In the absence of accounts and their subsequent audit, it could not be ensured whether the investments and expenditure incurred had been properly accounted for and the purpose for which the amount was invested had

<sup>7</sup> Turnover of PSUs as per the latest finalised accounts as of 30 September 2011.

<sup>8</sup> JHARCRAFT, JPHC, JSFDC, JSMDCLtd. and JTDC

been achieved. Thus, Government's investment in such PSUs remained outside the scrutiny of the State Legislature. Further, delay in finalisation of accounts may also result in risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 1956.

**5.1.23** The administrative departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalized and adopted by these PSUs within the prescribed period. Though attention of the concerned administrative departments and officials of the Government on the issue of arrears in finalization of accounts was drawn by the Principal Accountant General, no significant remedial measures were taken. As a result the Net Worth of these PSUs could not be assessed in audit. Attention of the Chief Secretary / Principal Secretary, Finance Department was also invited by the Principal Accountant General in August 2011 towards arrears in finalisation of annual accounts and the need to expedite the clearance of the backlog in accounts in a time bound manner was highlighted.

**5.1.24 In view of the above state of arrears, it is recommended that the Government should monitor and ensure timely finalization of accounts in conformity with the provisions of the Companies Act, 1956.**

#### Accounts Comments and Internal Audit

**5.1.25** As of 30 September 2011 six companies forwarded their 12 accounts (including arrears accounts) to PAG during the year 2010-11. Of these, five accounts of four companies were selected for supplementary audit. The audit reports of Statutory Auditors appointed by CAG and the supplementary audit of CAG indicate that the quality of maintenance of accounts require to be improved substantially. The details of aggregate money value of comments of CAG are given in **Table-8**:

**Table-8**

(₹ in crore)

Sl. No.	Particulars	2008-09		2009-10		2010-11	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	1	0.37	2	0.74	2	7.70
2.	Increase in loss	3	3.13	1	0.03	-	-
3.	Non-disclosure of material facts	-	-	2	-	-	-

(The aggregate money value are based on CAG's comments only)

**5.1.26** During the year 2010-11, twelve accounts of six Companies were finalized, out of which the Statutory Auditors had given unqualified certificates for four accounts and qualified certificates for eight accounts.

**5.1.27** Some of the important comments in respect of accounts of companies are stated below:

***Jharkhand Police Housing Corporation Limited (2009-10)***

- Non-provision towards interest earned on the amount of work advances received from State Government and payable to the State Government as per decision taken by the Company in its Annual General Meeting held in September 2007 resulted in understatement of provisions and overstatement of earnings by ₹ 7.18 crore. Consequently, the Profit for the year was overstated.

***Jharkhand State Forest Development Corporation Limited (2009-10)***

- Old stock of Kendu leaves lying at Giridih Division (6,953.880 Std. bags) and Garhwa Division (50 Std. bags) valuing ₹ 31.99 lakh could not be sold despite several attempts to sell these through tendering. As possibility of sale of the old stock of Kendu leaves is remote, non-provision for the same in the accounts has resulted in overstatement of Closing Stock as well as Net Profit by ₹ 31.99 lakh.
- Non-provision of ₹ 3.44 lakh being the amount of interest u/s 234 A of Income Tax Act, 1961 payable to Income Tax Department due to delay in filing of return and ₹ 16.04 lakh for short payment of advance tax under section 234 B and 234 C of the Income Tax Act, 1961 resulted in understatement of Provisions and overstatement of Net Profit after Tax by ₹ 19.53 lakh.

***Annual account of Jharkhand State Electricity Board (JSEB)***

**5.1.28** Annual Accounts for the years 2007-08 to 2009-10 had been received during the year from JSEB for which the CAG is the sole auditor. The audit of accounts upto 2004-05 was completed and in respect of annual accounts for the year 2005-06 and onwards it was in progress. The Audit Reports of CAG indicate that the quality of maintenance of accounts needs to be improved substantially. Some of the important comments are stated below:

***Accounts for the year 2002-03***

- Grants-In-Aid for debt services included ₹ 75 crore received by the Board from State Government as Grant for Capital Work for implementation of various operational activities. As benefits of these activities would accrue for several financial years, the grant should have been treated as a capital grant instead of treating it as revenue grant. This resulted in overstatement of Income and understatement of Loss to the extent of ₹ 75 crore.
- Railways waived a sum of ₹ 1.57 crore towards demurrages. Instead of adjusting the Demurrage Payable Account, it was shown as Receivable from Railways which resulted in overstatement of Sundry Receivables and Current Liabilities by ₹ 1.57 crore.

***Accounts for the year 2003-04***

- An amount of ₹ seven crore was debited to Advance for Fuel Supplies against BHEL. However, the same should have been accounted for as Advance for O&M Supplies/Works. Thus, advance for O&M Supplies/Works was understated and advance for Fuel Supplies overstated to the same extent.
- JSEB accounted the short receipt of coal of ₹ 4.78 crore as Receivable from CCL during 2003-04. However, similar claims were rejected by CCL in earlier years. Hence, the short receipt of coal was to be accounted as 'Fuel related Losses'. Failure to do the same resulted in understatement of Expenditure and Loss to the extent of ₹ 4.78 crore and overstatement of Receivables to the same extent.
- Failure to account the claim of inferior grade coal correctly resulted in overstatement of both Assets and Liabilities to the extent of ₹ 3.62 crore. The unit accounted the same as Receivable on one side and Liability on the other side.
- Two fire accidents occurred at Patratu Thermal Power Station (PTPS) during January 2002 and August 2003 and JSEB lodged a claim of ₹ 27.49 crore with the insurance company. However, value of Assets lost due to fire accidents and Accumulated Depreciation thereon were not deleted from the Gross Block and Accumulated Depreciation respectively.

***Accounts for the year 2004-05***

- Non-adoption of new rates of depreciation with effect from August 2004 resulted in overstatement of Depreciation and Deficit as well as understatement of Net Fixed Assets to the extent of ₹ 20.16 crore.
- JSEB accounted the short receipt of coal of ₹ 3.41 crore as Receivable from CCL during 2004-05. However, similar claims were rejected by CCL in earlier years. Hence, the short receipt of coal was to be accounted as 'Fuel related Losses'. Failure to do the same resulted in understatement of Expenditure and Loss to the extent of ₹ 3.41 crore and overstatement of Receivables to the same extent.
- Failure to account the claim of inferior grade coal correctly resulted in overstatement of both Assets and Liabilities to the extent of ₹ 2.99 crore. The unit accounted the same as Receivable on one side and Liability on the other side.
- Provision for Audit Fee of ₹ one crore was not made. This has resulted in understatement of Administration and General Expenses as well as provision for Outstanding Liabilities and Deficit by ₹ one crore.
- Two fire accidents occurred at PTPS in April/May 2004 and loss of assets due to fire was assessed ₹ 2.95 crore and ₹ 0.26 crore respectively. The claim against loss due to fire were lodged with the insurance company in June 2004 and January 2005. However, loss of assets was not taken into account

resulting in overstatement of Fixed Assets and understatement of Provision for Loss as well as Deficit to the extent of ₹ 3.21 crore.

**5.1.29** The details of aggregate money value of comments of CAG are given in **Table-9** :

**Table-9**

(₹ in crore)

Sl. No.	Particulars	2010-11	
		No. of accounts	Amount
1.	Decrease in profit	-	-
2.	Increase in loss	3	63.84
3.	Non-disclosure of material facts	1	-
4.	Errors of classification	2	82.00
<b>Total</b>		<b>3</b>	<b>145.84</b>

*(The aggregate money value are based on CAG's comments only)*

**5.1.30** The Statutory Auditors (Chartered Accountants) are required to furnish a detailed report upon various aspects including internal control/internal audit systems in the companies audited in accordance with the directions issued by the CAG to them under Section 619(3) (a) of the Companies Act, 1956 and to identify areas which needed improvement. An illustrative resume of major comments made by the Statutory Auditors on possible improvement in the internal audit/internal control system in respect of three companies<sup>9</sup> on the accounts finalised during the year 2010-11 are given in **Table-10**:

**Table-10**

Sl. No.	Nature of comments made by Statutory Auditors	Number of companies where recommendations were made	Reference to serial number of the companies as per Appendix 5.2
1.	Absence of internal audit system commensurate with the nature and size of business of the company	1	A-06
2.	Non-maintenance of proper records showing full particulars including quantitative details, situations, identity number, date of acquisitions, depreciated value of fixed assets and their locations	3	A-01, A-04, A-06

### Reforms in Power Sector

**5.1.31** The State has Jharkhand State Electricity Regulatory Commission (JSERC) formed in April 2003 under Section 82 of the Electricity Act, 2003 with the objective of rationalisation of electricity tariff, advising in matters relating to electricity generation, transmission and distribution in the State and

<sup>9</sup> Sl. No. A-01, A-02 & A-03 in Appendix-5.2.

issue of licenses. During 2010-11, JSERC issued five orders on annual revenue requirements and 28 other orders.

**5.1.32** Memorandum of Understanding (MoU) was signed in April 2001 between the Union Ministry of Power and the State Government as a joint commitment for implementation of reforms programme in power sector with identified milestones. The progress achieved so far in respect of important milestones is stated in **Table-11**:

**Table-11**

Sl. No.	Milestone	Achievement <sup>10</sup>	
1.	To reduce system losses at the level of 18 <i>per cent</i>	System losses came down to 35.04 <i>per cent</i> (November 2010)	
2.	100 <i>per cent</i> metering of all consumers	Single Phase (Urban)	87.78 <i>per cent</i>
		Single Phase (Rural)	64.13 <i>per cent</i>
		Three Phase (LTCT & whole current)	96.03 <i>per cent</i>
		HT	98.14 <i>per cent</i>

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<sup>10</sup> Achievement *per cent* up to November 2010

## Section 'A' Performance Audit

### 5.2 Power Distribution Utilities in Jharkhand

#### Executive Summary

##### Introduction

With the objective of assessing the progress achieved in the State in respect of various parameters stipulated in National Electricity Policy/Plan with regard to distribution of power, performance audit of Jharkhand State Electricity Board was conducted. The performance audit covered network planning, rural electrification, billing and collection efficiency, tariff fixation and subsidy support by the State Government during 2006-07 to 2010-11.

##### Financial Position and Working Results

The revenue of the Board from sale of power increased from ₹ 1,407 crore in 2006-07 to ₹ 1,634 crore in 2009-10. However, the Board incurred losses during performance audit period and accumulated losses increased from ₹ 2,400 crore in 2006-07 to ₹ 5,356 crore in 2009-10. The Board had suffered loss of ₹ 1.47 per unit in 2006-07 which increased to ₹ 1.58 in 2009-10. There was revenue gap of ₹ 450 crore in 2006-07 which increased to ₹ 707 crore in 2009-10, total revenue gap amounted to ₹ 3,407 crore during the performance audit period. The loss was mainly due to high cost of power purchased, low electricity tariff due to its non revision from 2003-04 to 2009-10 and poor revenue realisation against amount billed. The borrowings of the Board increased from ₹ 5,484 crore in 2006-07 to ₹ 7,090 crore in 2009-10.

##### Distribution Network Planning

The Board had not prepared long term plan for the upkeep of the existing network and additions in distribution network. The Board had no internal resource and was dependent on the GoJ for funding of capital expenditure. The Board had planned for addition of 133 Power Sub-stations against which only 71 sub-stations were actually added. There was a growth of connected load from 1,406 MW (1,654 MVA) in 2006-07 to 1,895(2,229 MVA) MW in 2010-11. The increase in transformation capacity was from 1,947 MVA to 2,490 MVA in respect of power transformers and from 1,676 MVA to 2,415 MVA in respect of distribution transformers during 2006-07 to 2010-11.

##### Rural Electrification

The projects under RGGVY were not complete as out of 27,174 villages to be electrified, 21,101 villages (78 per cent) were electrified and 13,468 villages (64 per cent) were energized (March 2011). As 360 electrified villages remained un-energised for 1 to 36 months, investment of ₹ 58.23 crore remained idle. Out of 107 PSSs planned for construction under the scheme, 67 PSSs have been completed though only 47 PSSs were commissioned and energized. Against the target of 18.92 lakh BPL connections only 11.44 lakh connections have been released.

Further, the expenditure of ₹ 38.40 crore incurred on purchase and installation of meters to BPL consumers were rendered unfruitful due to billing of these consumers at fixed rate.

The Board had received ₹ 975.43 crore towards grant and loan from the GOI out of which ₹ 100.11 crore could not be utilized (October 2011).

##### Implementation of APDRP

APDRP projects in 17 town of the State was undertaken at a cost of ₹ 444.83 crore out of which projects in respect of 5 towns are completed though the APDRP scheme has already been closed by the GOI in March 2009.

There were instances of avoidable payments due to delay in execution and inefficient execution of turnkey contract (₹ 10.72 crore), payment made to the contractor without ensuring possession of land (₹ 1.23 crore). Further, in some projects, materials valuing ₹ 4.82 crore remained unutilized due to delay in approval of drawing, procurement before survey by the contractor and subsequent reduction in scope of work. The AT&C losses ranged between 59 and 42 per cent during the period of performance audit and the targeted reduction in the AT&C loss could not be achieved.

The number of unmetered consumers was 8.92 lakh (57 per cent) as on November 2010 and energy assessed in respect of unmetered consumers ranged between 17 per cent and 31 per cent of total energy billed during 2007-08 to 2010-11.

### **Operational efficiency**

The power demand in the State could not be met during the performance audit period; deficit remained between 31 MUs to 303 MUs. Due to lack of its own transmission system, the Board had to purchase power at higher cost in DVC command area, thereby incurring additional expenditure of ₹ 1,325.16 crore. T&D loss amounted to 46 per cent in 2006-07 which decreased to 35 per cent in 2010-11 but was higher than the targets fixed by the JSERC. Consequently, the Board incurred loss of ₹ 668.84 crore towards abnormal T&D losses during 2006-07 to 2009-10.

### **Billing Efficiency**

The Board could bill only 54 per cent to 65 per cent of the total energy available for sale. The Board could not bill 1,386 MUs of energy valuing ₹ 505 crore in respect of unmetered consumers in four Circles. Also, delay in replacement of defective meters of HT consumers resulted in revenue loss of ₹ 18.20 crore.

### **Revenue Collection Efficiency**

The Board had outstanding balances of ₹ 3,482.92 crore. Further, the Board could not recover outstanding dues of ₹ 395 crore from the GoJ under one time settlement of dues due to incorrect computation of arrear amount.

### **Subsidy support and cross subsidisation**

The Board did not claim subsidy from the GOJ during 2006-07 to 2010-11 though some categories of consumers remained heavily subsidized. GoJ provided grant of ₹ 967.27 crore as resource gap for meeting liabilities against payment of power purchase, payment of employees etc. National Tariff policy envisaged that the tariff of all categories of consumers should range within plus minus 20 per cent of the cost of supply. However, the gap in tariff fixation was more than plus minus 20 per cent during 2010-11.

### **Tariff fixation**

Due to non revision of tariff, the Board

had to supply power during 2006-07 to 2009-10 at the tariff for the year 2003-04. Besides, revenue requirement of ₹ 3,278 crore remained uncovered as some items of expenditure had been disallowed/ partially allowed by JSERC.

### **Conclusion and recommendations**

The Board had not prepared long term plan for upkeep of the existing network and additions in distribution network. The Central schemes viz. RGGVY and APDRP was not completed timely and the objectives of the Central schemes were not fully achieved. The number of unmetered consumers was 8.92 lakh in 2010-11, which was 57 per cent of the total consumers, 100 per cent metering of DTRs and Feeders was not achieved and there was delay in replacement of defective meters of HT consumers. The Board had purchased energy at higher cost due to non availability of transmission line in DVC command area. The T&D losses decreased from 46 per cent to 35 per cent during 2006-07 to 2010-11 though these were higher than the JSERC norms. No mechanism exists for correct assessment of unmetered consumers as 1,386 MUs energy remained unbilled during 2006-07 to 2010-11 in four supply circles. Outstanding balance of ₹ 3,483 crore remained to be realized by the Board which was equivalent to 22 months assessment. The Audit recommendations include preparation of long term plan for development of distribution network, strengthening mechanism for charging the electrified villages under RGGVY and billing of the BPL consumers as per meter reading, metering of all consumers, DTRs and feeders, establishing transmission line to purchase power at the lowest cost in DVC command area, bringing down the T&D losses in areas with huge distribution losses, correct assessment of unmetered consumers, pursuing vigorously for realisation of outstanding energy bills from the consumers.

## **Introduction**

**5.2.1** The distribution system of the power sector constitutes the final link between the power sector and the consumer. The efficiency of the power sector is judged by the consumers on the basis of performance of this segment. However, it

constitutes the weakest part of the sector, which is incurring large losses. In view of the above, the real challenge of reforms in the power sector lies in efficient management of the distribution system. The National Electricity Policy (NEP) in this regard *inter-alia* emphasises on the adequate transition from financing support to aid restructuring of distribution utilities, efficiency improvements and recovery of cost of services provided to consumers to make power sector sustainable at reasonable and affordable prices.

In Jharkhand, Generation, Transmission and Distribution of power is carried out by Jharkhand State Electricity Board (Board), created in March 2001 as a result of Bihar Re-organisation Act, 2000. Restructuring of the Board into separate entities for generation, transmission and distribution has not yet been done. The Management of the Board is vested with a Board comprising four members consisting of the Chairman, Member (Finance), Member (Distribution) and Member (Technical) appointed by the Government of Jharkhand (GOJ). The day-to-day operations of the Board are carried out by the Chairman, who is the Chief Executive of the Board, with the assistance of Chief Engineers at Board Headquarters supervising various functions relating to distribution of power as Supply & Distribution, Commercial & Revenue, Stores & Purchase, Accelerated Power Development & Reform Programme (APDRP) and Rural Electrification as well as six General Manager-cum-Chief Engineers in Area offices. As at the end of March 2011, the Board had six Supply Area Offices, 13 Supply Circles and 39 Supply Divisions.

During 2006-07, energy sold by the Board was 3,742 MUs, which increased to 5,492 MUs in 2009-10, *i.e.* an increase of 46.77 *per cent* during 2006-10. As on 31 March 2011, Board had distribution network of 237 sub-stations, 81,531 CKM of LT lines, 25,782 Distribution transformers and the number of consumers was 15.64 lakh.

NEP aims to bring out reforms in the Power Distribution sector with focus on system upgradation, controlling and reduction of Transformation & Distribution (T & D) losses and power thefts and making the sector commercially viable besides financing strategy to generate adequate resources. It further aims to focus on conservation to optimize utilisation of electricity with focus on demand side management and load management. In view of the above, a performance audit on the working of the Board was conducted to ascertain whether it was able to adhere to the aims and objectives stated in the National Electricity Policy and Plan.

### Scope and Methodology of Audit

**5.2.2** The present performance audit conducted between February 2011 and June 2011 covers the performance of the Board during the period from 2006-07 to 2010-11 as regards distribution of power. The performance audit mainly deals with Network Planning and Execution, Implementation of Central Schemes, Operational Efficiency, Billing and Collection Efficiency, Financial Management, Consumer Satisfaction, Energy Conservation and Monitoring. The audit examination involved scrutiny of records at the Head Office of the Board

and detailed examination of records of three Supply Area offices<sup>11</sup>, five Supply Circles<sup>12</sup>, 12 Supply Divisions<sup>13</sup> and records of the State Load Despatch Centre (SLDC).

The methodology adopted for attaining the audit objectives with reference to audit criteria consisted of explaining audit objectives, audit criteria and methodology to top management, scrutiny of records at Head Office and selected units, interaction with the auditee personnel, analysis of data with reference to audit criteria, raising of audit queries, discussion of audit findings with the Management and issue of draft report to the Management for comments.

### **Audit Objectives**

**5.2.3** The objectives of the performance audit were to assess:

- whether aims and objectives of National Electricity Policy/Plans were adhered to and distribution reforms achieved;
- adequacy and effectiveness of network planning and its execution;
- efficiency and effectiveness in implementation of the central schemes such as, APDRP, Restructured APDRP and Rajiv Gandhi Grameen Vidyutikaran Yojna (RGGVY);
- operational efficiency in meeting the power demand of the consumers in the state;
- billing and collection efficiency of revenue from consumers;
- whether Financial Management was effective and surplus funds, if any, were judiciously invested;
- whether a system is in place to assess consumer satisfaction and redressal of grievances; and
- that a monitoring system is in place and the same is utilised in review of overall working of the Board.

### **Audit Criteria**

**5.2.4** The audit criteria adopted for assessing the achievement of the audit objectives were:

- Provisions of Electricity Act, 2003;
- National Electricity Plan, Plans and norms concerning distribution network of the Board and planning criteria fixed by the Jharkhand State Electricity Regulatory Commission (JSERC);

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<sup>11</sup> Dhanbad, Jamshedpur and Ranchi Electric Supply Area.

<sup>12</sup> Chaibasa, Dhanbad, Jamshedpur Loyabad, and Ranchi Electric Supply Circles.

<sup>13</sup> Adityapur, Chaibasa, Dhanbad, Ghatshila, Govindpur, Jharia, Ranchi East, Ranchi Central, Doranda, Kokar, Loyabad and Saraikela Electric Supply Divisions.

- Terms and conditions contained in the Central scheme documents;
- Standard procedures for award of contract with reference to principles of economy, efficiency and effectiveness;
- Norms prescribed by various agencies with regard to operational activities;
- Norms of technical and non-technical losses; and
- Guidelines/instructions/directions of GOJ/JSERC.

### Financial Position and Working Results

**5.2.5** The financial position of the Board as per Annual Accounts of the Board for the years ending 31 March of 2006-07 to 2009-10 is given in **Table-12**. The Board has not yet prepared its Annual Accounts for the year 2010-11.

**Table-12**

(₹ in crore)

Particulars	2006-07	2007-08	2008-09	2009-10
<b>A. Liabilities</b>				
Paid up Capital	-	-	-	-
Reserve and Surplus (Contributions, Grants and Subsidies towards cost of Capital Assets)	751.99	1031.89	1396.20	1494.91
Borrowings (Loan Funds)				
Secured				
Unsecured	5484.01	6184.86	7011.43	7089.60
Current Liabilities and Provisions	2139.86	3002.63	3065.53	3681.82
<b>Total</b>	<b>8375.86</b>	<b>10,219.38</b>	<b>11,473.16</b>	<b>12,266.33</b>
<b>B. Assets</b>				
Gross Block	1698.50	1832.39	1940.72	1984.30
Less: Depreciation	925.80	969.18	1014.76	1064.55
Net Fixed Assets	772.70	863.21	925.96	919.75
Capital works-in-progress	397.55	869.82	1515.15	1815.02
Investments	217.99	288.04	108.10	162.09
Current Assets, Loans and Advances	4587.63	4596.83	4274.23	4013.18
Accumulated losses	2399.99	3601.48	4649.72	5356.29
<b>Total</b>	<b>8375.86</b>	<b>10219.38</b>	<b>11473.16</b>	<b>12266.33</b>

It may be seen from **Table-12** that the accumulated losses of the Board increased by 123 *per cent* from ₹ 2,399.99 crore in 2006-07 to ₹ 5,356.29 crore in 2009-10. Current Liabilities of the Board had increased from ₹ 2,139.86 crore to ₹ 3,681.82 crore mainly on account of increase in Liabilities for purchase of power (₹ 1,915 crore) and non-payment of coal bills (₹ 373 crore) which amounted to ₹ 2,288 crore. The Board had suffered losses for all the years since its inception. The Board received loan of ₹ 1,605.59 crore mainly from the GOJ during the period 2006-07 to 2009-10. The operation of the Board was sustained by the grants/

loans received from the GoJ. Thus, the financial position of the Board was not sound and was heavily dependent on the Government support.

**5.2.6** The particulars of cost of electricity *vis-à-vis* revenue realization per unit during 2006-07 to 2009-10 are indicated in **Table-13**:

**Table-13**

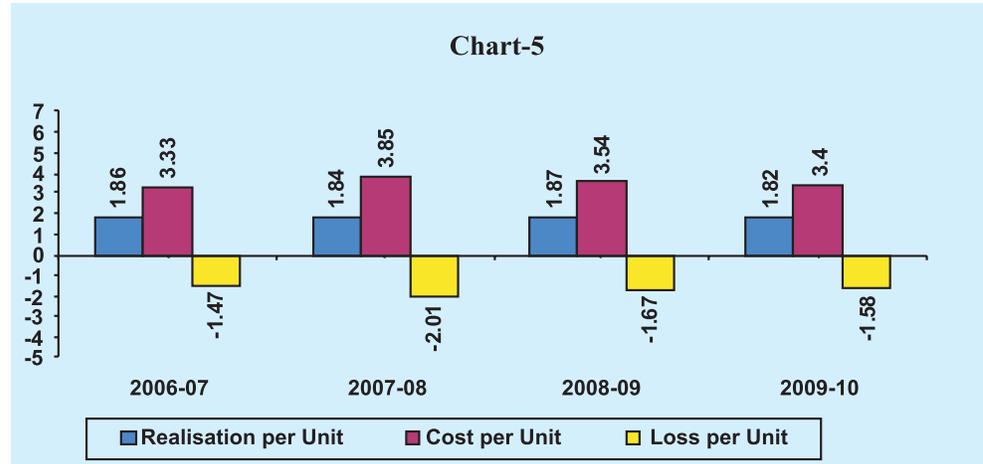
(₹ in crore)

Sl.No.	Description	2006-07	2007-08	2008-09	2009-10
<b>1.</b>	<b>Income</b>				
(i)	Revenue from Sale of Power	1406.96	1391.23	1584.91	1634.37
(ii)	Grants for resource gap	200.00	77.27	80.00	400.00
(iii)	Other Income	457.24	232.18	285.07	301.44
	<b>Total Income</b>	<b>2064.20</b>	<b>1700.68</b>	<b>1949.98</b>	<b>2335.81</b>
<b>2.</b>	<b>Distribution (In MUs)</b>				
(i)	Power available for Sale	7559.20	7541.69	8502.08	8959.81
(ii)	Less: Transmission and distribution losses	3247.66	3166.95	3493.06	3171.14
(iii)	Less :Sale of Power outside State (Unscheduled Interchange)	569.46	131.42	339.17	296.31
	<b>Net Sale of power to Consumers</b>	<b>3742.08</b>	<b>4243.32</b>	<b>4669.85</b>	<b>5492.36</b>
<b>3.</b>	<b>Expenditure on Distribution of Electricity</b>				
<b>(a)</b>	<b>Fixed cost</b>				
(i)	Employees Cost	169.15	168.86	189.24	207.83
(ii)	Administrative and General Expenses	32.68	34.09	55.06	41.22
(iii)	Depreciation	35.55	43.53	48.40	49.79
(iv)	Interest and Finance Charges	482.96	458.5	452.08	454.49
(v)	Other Expenses	126.92	390.69	257.5	147.44
	<b>Total fixed cost</b>	<b>847.26</b>	<b>1095.67</b>	<b>1002.28</b>	<b>900.77</b>
<b>(b)</b>	<b>Variable cost</b>				
(i)	Purchase of Power	1599.12	1619.66	1885.66	1946.61
(ii)	Electricity Duty	3.58	4.70	4.97	5.44
(iii)	Transmission/other charges	28.39	124.96	37.02	121.42
(iv)	Repairs and Maintenance	36.32	57.18	68.29	68.14
	<b>Total variable cost</b>	<b>1667.41</b>	<b>1806.50</b>	<b>1995.94</b>	<b>2141.61</b>
<b>(c)</b>	<b>Total cost 3(a) + (b)</b>	<b>2514.67</b>	<b>2902.17</b>	<b>2998.22</b>	<b>3042.38</b>
4.	Realisation (₹ per unit) (excluding revenue subsidy)	1.86	1.84	1.87	1.82
5.	Fixed cost (₹ per unit)	1.12	1.45	1.18	1.01
6.	Variable cost (₹ per unit)	2.21	2.40	2.36	2.39
7.	Total cost per unit (in ₹ ) (5+6)	3.33	3.85	3.54	3.40
8.	Contribution (4-6) (₹ per unit)	(0.35)	(0.56)	(0.49)	(0.57)
<b>9</b>	<b>Profit (+)/Loss(-) per unit(in ₹ ) (4-7)</b>	<b>(1.47)</b>	<b>(2.01)</b>	<b>(1.67)</b>	<b>(1.58)</b>

It may be seen from **Table-13** that during the period 2006-07 to 2009-10, the variable cost, comprising mainly the cost of purchase of power increased from ₹ 2.21 in 2006-07 to ₹ 2.39 in 2009-10 per unit whereas realisation per unit decreased from ₹ 1.86 to ₹ 1.82.

**Recovery of cost of operations**

**5.2.7** The Board was not able to recover its cost of operations and suffered loss of ₹ 1.47 per unit in 2006-07 to ₹ 1.58 per unit in 2009-10 as given in **Chart-5**:



We observed from the working results that there was a revenue gap of ₹ 450.47 crore in 2006-07 (after considering grants received from the GOJ and other non-tariff income) which increased to ₹ 706.57 crore in 2009-10. Total revenue gap amounted to ₹ 3,406.77 crore during the years 2006-07 to 2009-10. The loss was mainly due to high cost of power purchased, low electricity tariff due to its non revision from 2003-04 to 2009-10 and poor revenue realisation against amount billed. The steep increase in revenue gap needs immediate attention of the GoJ for necessary remedial action.

### Audit Findings

**5.2.8** We explained the audit objectives to the Board during an 'Entry Conference' held on 25 February 2011. Subsequently, audit findings were reported to the Board and the State Government in June 2011. The reply of the Board was received on 24 October 2011. The observations in the draft report along with the reply were discussed with the Chairman of the Board in an 'Exit Conference' held on 24 October 2011. Responses of the Board have been incorporated in the performance audit report. The State Government, however, did not submit its response to the audit findings. The audit findings are discussed in subsequent paragraphs.

### Distribution Network Planning

**5.2.9** The Board is required to prepare long term/ annual plan for creation of infrastructural facilities for efficient distribution of electricity in the State. Besides, the upkeep of the existing network, additions in distribution network are to be planned keeping in view the demand/ connected load, anticipated new connections and growth in demand based on Electric Power Survey.

The Board had not prepared any long term plan for upkeep of the existing network and additions in distribution network. The Board prepared Annual Development Plan (ADP) on the basis of annual work plans prepared by its Supply Area Offices for strengthening the existing system. However, Board was dependent on the GoJ for the fund as it had no internal resource to fund the expenditure. As such,

ADP is finalized depending on the availability of fund from the GoJ. The details of Annual Plan/Budget Estimate for Supply and Distribution *vis-à-vis* the actual expenditure for the years 2006-07 to 2010-11 are indicated in **Table-14**:

**Table-14**

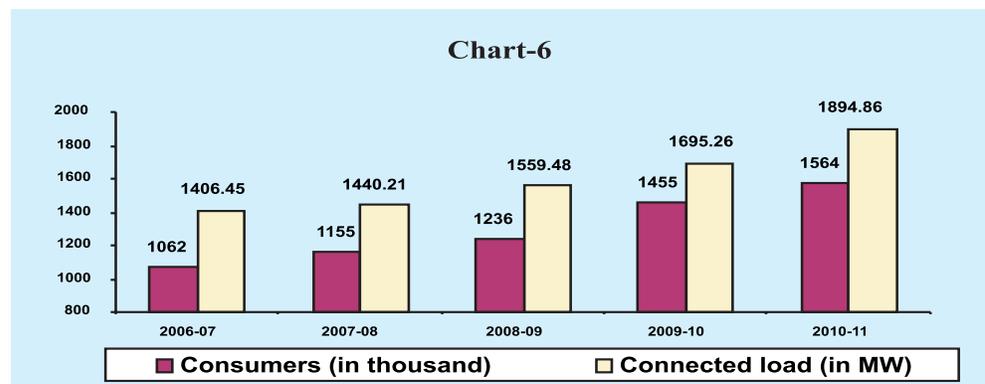
(₹ in crore)

Year	Value of Work programme	Opening Balance	Fund received from GOJ	Actual Expenditure	Balance
2006-07	106.11	3.32	65.00	51.92	16.40
2007-08	156.25	16.40	50.00	62.95	3.45
2008-09	244.78	3.45	50.00	53.45	Nil
2009-10	306.63	Nil	60.00	14.17	45.83
2010-11	400.20	45.83	80.00	32.21	93.62

We observed that against the requirement of ₹ 1,213.97 crore as per work programme during 2006-07 to 2010-11, GOJ released funds amounting to ₹ 305 crore only during the same period. The Board was unable to utilise the amount and the unspent balance as on 31 March 2011 was ₹ 93.62 crore. Thus, against the requirement of ₹ 1,213.97 crore the Board could utilise only ₹ 214.70 crore during the period 2006-07 to 2010-11. This led to non-achievement of the planned additions in the distribution network.

The Board stated (October 2011) that it was dependent on the funds received from GOJ for creation of network. However, the facts remains that the Board could not utilise the funds received from GOJ to the extent of ₹ 93.62 crore during 2006-07 to 2010-11.

The particulars of consumers and their connected load during 2006-07 to 2010-11 are given in **Chart-6**:



While the system improvement and rural electrification schemes have been dealt with separately under subsequent paragraphs, the particulars of distribution network planned *vis-à-vis* achievement there against in the State as a whole is depicted in **Annexure-5.6**. It may be seen from the annexure that against the planned additions of 133 power sub-stations over the audit period, only 71 sub-stations were actually added. The reasons were delays in obtaining forest clearance, railway clearance, diversion of lines besides objections raised by land owners and forest offices.

We observed that there was a growth of connected load from 1,406 MW (1,654 MVA) in 2006-07 to 1,895 MW (2,229 MVA) in 2010-11. The transformation capacity of power transformers and distribution transformers increased from 1947 MVA to 2490 MVA and 1676 MVA to 2415 MVA respectively during 2006-07 to 2010-11. Thus, there was adequate increase in transformation capacity to match the pace of growth in consumer demand.

## Implementation of Centrally Sponsored Schemes

### Rural Electrification

**5.2.10** The NEP states that the key objective of development of the power sector is to supply electricity to all areas including rural areas for which the GOI and the State Governments would jointly endeavour to achieve this objective. Accordingly, the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) was launched in April 2005, to provide access to electricity to all households within five years in Jharkhand. As per the scheme the GOI had to provide 90 *per cent* capital subsidy and rest 10 *per cent* as loan from REC. Under RGGVY, electrification of 27,174 villages comprising 19,712 Un-electrified (UE)/De-electrified (DE) villages and Un-electrified Tolas in 7,462 Electrified Villages (EVUT) was to be done at the total cost of ₹ 2,662.61 crore during X and XI Five Year Plan periods. The scheme was to be implemented by the Board (6 districts<sup>14</sup>), DVC (8 districts) and NTPC (8 districts). A report on performance audit on implementation of RGGVY by the Board was included in the Audit Report (Civil and Commercial) for the year ended 31 March 2009. Our further observations on the scheme are as follows:

Number of villages electrified under RGGVY as on 31 March 2011 was 21,101<sup>15</sup> (16,469 UE/DE and 4,632 EVUT) which was 78 *per cent* of the total villages to be electrified under the scheme. Thus, the scheme which was to be completed by March 2009 was not complete even after a lapse of 30 months. Reasons for the same were delays in various stages i.e. preparation of Detailed Project Reports (DPR), award and execution of the works due to frequent bandhs, delays in obtaining forest clearance and requisite approvals from Railways.

Out of the 21,101 villages electrified under RGGVY, only 13,468 villages (9,831 UE/DE and 3,637 EVUT) i.e. 64 *per cent* of them were energised. On analysis of electrification of villages done by the Board, we observed that 360 villages remained un-energised for 1 to 36 months as a result of which investment of ₹ 58.23 crore<sup>16</sup> incurred on electrification of these villages remained idle for the period. Similarly, in respect of electrification done by DVC and NTPC, 7,273

<sup>14</sup> Chaibasa, Garhwa, Jamshedpur, Latehar, Palamau and Saraikela.

<sup>15</sup> Excluding 1,032 villages electrified departmentally by the Board during 2006-07 to 2010-11.

<sup>16</sup> ₹ 17.22 lakh for each of 279 UE & DE villages and ₹ 12.58 lakh for each of 81 EVUT villages.

**Investment of ₹ 58.23 crore remained idle due to non energisation of 360 electrified villages**

villages remained un-energised as on 31 March 2011. Further, out of 107 Power Sub-Stations (PSSs) planned for construction in the State under the scheme, constructions of 67 PSSs were complete. However, 47 PSSs have only been commissioned and charged (March 2011).

The Board stated (October 2011) that the main reason for not charging of the villages and PSS was lack of grid connectivity.

Against the target of 18.92 lakh electricity connections to BPL households to be given under the scheme, only 11.44 lakh connections had been released out of which 6.31 lakh connections were not energized. We observed that supply of materials and execution of the works were not done in a synchronized and timely manner. Thus, due to deficient implementation of the project, full benefits of RGGVY as envisaged by the GOI viz. facilitating rural development, employment generation and poverty alleviation remained unachieved.

**Billing of BPL consumers at fixed rate, rendered the expenditure of ₹ 38.40 crore incurred on purchase of meters unfruitful**

We further observed that metered connections for only one point were to be given to the BPL households. However, billing of the BPL consumers was done at fixed rate of ₹ 30 per connection per month as unmetered consumers. Since these consumers were metered, billing should have been done as per meter readings. This rendered the expenditure of ₹ 38.40 crore incurred on purchase and installation of these meters, unfruitful.

The Board stated (October 2011) that billing of BPL consumers were done as per tariff and metering of BPL consumers was needed for assessment of the units consumed for assessment of subsidy.

The reply is not based on facts as tariff provides for separate rates for metered and unmetered BPL consumers. As such, billing should have been as metered BPL consumers.

**Funds amounting to ₹ 100.11 crore received under RGGVY remained unutilized during 2006-07 to 2010-11**

**5.2.11** The Board had received ₹ 975.43 crore towards grant and loan from the GOI during 2006-07 to 2010-11, out of which ₹ 792.18 crore was spent during the same period. Further, ₹ 83.14 crore was accounted for as overhead charges. Thus, fund of ₹ 100.11 crore remained unutilized (October 2011).

**5.2.12** Besides RGGVY, electrification of some villages was also being done under the State Plan. Materials for electrification of each village were issued as per the approved estimate against work orders. We observed that in one Electric Supply Division<sup>17</sup>, materials were issued without taking into account the materials issued earlier against the work order. As a result excess materials valuing ₹ 45.38 lakh, over and above the approved quantity of materials had been issued for electrification of 32 villages (March 2005 to May 2007). These materials had neither been adjusted against other works nor returned to the store till date (October 2011). Thus, lack of internal control led to issue of excess materials worth ₹ 45.38 lakh against various works.

The Board stated (October 2011) that the matter was under investigation.

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<sup>17</sup> Chatra Division under Hazaribagh Circle.

### Accelerated Power Development and Reforms Programme (APDRP) and Restructured APDRP

**5.2.13** The Government of India (GOI) approved (March 2003) the Accelerated Power Development and Reforms Programme (APDRP) to focus on Up-gradation of Sub-transmission and Distribution system in urban and industrial areas and improvement in commercial viability of State Electricity Boards. The major benefits envisaged in APDRP were to reduce Aggregate Technical and Commercial (AT&C) losses by 9 *per cent* per annum in project towns/areas and to improve revenue realisation and provide reliable and quality power supply by reducing outages and interruptions. The main activities to be undertaken were 100 *per cent* metering of feeders/consumers, implementation of energy accounting and audit, reduction of transmission and distribution losses to 18 *per cent*. The GOI had approved (September/November 2002) eight APDRP projects under eight Electric Supply Circles<sup>18</sup> in 17 towns of the state for implementation at a total project cost of ₹ 444.83 crore.

A report on performance audit on implementation of APDRP by the Board was included in the Audit Report (Civil and Commercial) for the year ended 31 March 2008. Further observations on the implementation of the programme are given below:

#### *Tendering and Project Management*

- Two work orders for supply and erection/renovation of new/existing 33/11 KV line/LT line, renovation and augmentation of Distribution Sub-Station (DSS) etc. for Jamshedpur town were issued (January 2005) to Ramjee Power Construction Ltd. (RPCL) on turnkey basis at a firm price of ₹ 28.17 crore. The work was to be completed within eight months (September 2005). The progress of work was very slow due to delay in approval of drawings, carrying out survey, issue of road permits, non preparation of Bill of Quantities (BOQ) taking into account the actual survey carried out etc. The Board granted (November 2006) extension of time upto July 2007 without escalation in price but with Liquidated Damages (LDs) for delay in completion subject to review of the progress made in next two months. As there was delay in progress of the work, it was decided to obtain approval of the Apex Board for termination of the contract. Though the draft agenda note was submitted (December 2006) to the Chairman it was not placed before the Apex Board. Subsequently, the Chairman approved the appointment of sole Arbitrator (July 2007). The arbitrator delivered the award (December 2008) allowing extension of time upto March 2009 with price variation on supply of material and erection during extended schedule. The Board paid (May 2008 to May 2009) ₹ 10.72 crore towards price variation (₹ 6.88 crore) and other claims (₹ 3.84 crore).

<sup>18</sup> ESC Daltonganj, Deoghar, Dhanbad, Dumka, Hazaribag, Jamshedpur, Loyabad, and Ranchi.

**Delay and inefficient execution of the turn key contract led to arbitration resulting in avoidable payment of ₹ 10.72 crore.**

Thus, the decision on termination of the contract and appointment of the Arbitrator was not taken in a transparent manner. Besides, delay and inefficient execution of the turn key contract resulted in avoidable payment of ₹ 10.72 crore and 44 *per cent* work remained to be completed (March 2011).

The Board stated (October 2011) that the award of arbitration had since been challenged in the court of 'Sub-judge', Ranchi.

- The work of Dhanbad Package-I, project involving renovation of PSS, construction/reconductoring of lines, cables and DTRs, awarded in January 2005, was completed in March 2009. The contractor had to conduct survey for finalising the scope of work and BOQ of materials before the work commenced. We observed that the contractor supplied materials before finalisation of the scope of work. As the scope of work was reduced after survey (July 2007), materials valuing ₹ 2.40 crore supplied by the contractor remained unutilized. Materials valuing ₹ 2.42 crore in respect of Dhanbad Package-II and Ghatshila also remained unutilized on similar grounds.

The Board stated (October 2011) that the matter regarding Dhanbad package was under investigation.

- As per provision in the Finance and Account Code of the Board, expenditure on work should be incurred after taking possession of the land. We observed that for construction of PSS in Dumka town, though the land was not made available by the Board to the contractor, an advance payment of ₹ 1.23 crore was made to him.

The Board stated (October 2011) that the payment was made to the contractor according to terms of the contract under the contract clause. The reply was not acceptable as the terms of contract were in violation of the provisions of the code of the Board.

- The works of Jharia town (to be completed by January 2010) included construction of a new PSS, and renovation and augmentation of the existing PSS. The work was awarded (January 2009) at a price of ₹ 6.34 crore. The contractor supplied materials valuing ₹ 3.41 crore for which ₹ 1.06 crore had been paid to the contractor. However, erection of the equipments was not started by the contractor due to delay in approval of drawings for civil construction which was approved (November 2009) by the Board nine months after awarding of the work. The contractor stopped the work and sought extension of time. A committee constituted to review the work recommended (April 2010) extension for completion of the work in view of overloading/poor condition of the existing PSS. However, the Board did not grant the extension of time and the materials supplied by the contractor were lying with him without being installed. Thus, due to

inefficient contract management, the work remained incomplete for which the responsibility was required to be fixed by the Board.

The Board stated (October 2011) that the matter would be looked into.

### ***Financial Performance***

**5.2.14** The GOI had to finance 50 per cent of the project cost (25 per cent grant and 25 per cent loan) and remaining 50 per cent of the fund was to be arranged by the Board as loan from financial institutions. Funds amounting to ₹ 374.50 crore was received under the project which comprised grant and loan amounting to ₹ 188.79 crore from GOI and loans of ₹ 185.71 crore from PFC against which expenditure incurred upto 2010-11 was ₹ 343.28 crore. Thus, ₹ 31.22 crore remained unutilized though the scheme has already been closed in March 2009.

The Board stated (October 2011) that while five projects were completed, remaining twelve projects were on the verge of completion.

### **Restructured APDRP**

**5.2.15** In order to carry on the reforms further, the GOI launched the Restructured APDRP (R-APDRP) in September 2008 as a Central Sector Scheme for XI Plan. The R-APDRP scheme comprises Part A and B. Part-A was dedicated to establishment of IT enabled system for achieving reliable and verifiable baseline data system in all towns besides installation of SCADA<sup>19</sup>/Distribution Management System. For this, 100 per cent loan is provided by the GOI through the nodal agency *i.e.* Power Finance Corporation (PFC), which was convertible into grant along with interest thereon once the project was completed within three years from the date of sanctioning of the project duly certified by the Third Party Independent Evaluating Agency (TPIEA). The Part B of the scheme deals with strengthening of regular sub-transmission & distribution system and upgradation projects.

The Board entered into a quadripartite agreement in July 2009 with the GOJ, Ministry of Power (MOP) and PFC, the nodal agency for implementation of the scheme. The MOP, GOI had approved Detailed Project Reports (DPRs) of 30 towns in September 2009 under Part-A of R-APDRP at a project cost of ₹ 225.72 crore. PFC had sanctioned ₹ 160.60 crore as loan to the Board in September/November 2009 and the balance ₹ 65.12 crore which was for providing basic infrastructure like buildings, precision air conditioning, fire fighting, network connectivity *etc.* was to be met by the GoJ/ Board's internal resources.

The work for IT implementation has been awarded (March 2011) to M/s HCL on turnkey basis at a total cost of ₹ 138.31 crore. Advance of ₹ 12.04 crore was

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<sup>19</sup> **Supervisory Control And Data Acquisition** – It generally refers to industrial control systems: computer systems that monitor and control industrial, infrastructure, or facility-based processes.

paid (August 2011) to HCL as per terms of contract. As per guidelines of Central Vigilance Commission (CVC), payment of mobilisation advance to the contractor should be against Bank Guarantee (BG) and its recovery should be time based. We, however, observed that submission of BG against the advance, mode of recovery and interest recoverable thereon was not stipulated in the contract.

The Board stated (October 2011) that provisions for submission of BG was not incorporated in the contract as the model Request for Proposal (RFP) by PFC did not have such provision. We, however, noticed that in the State of Bihar, provision for submission of BG was incorporated in the work order for R-APDRP.

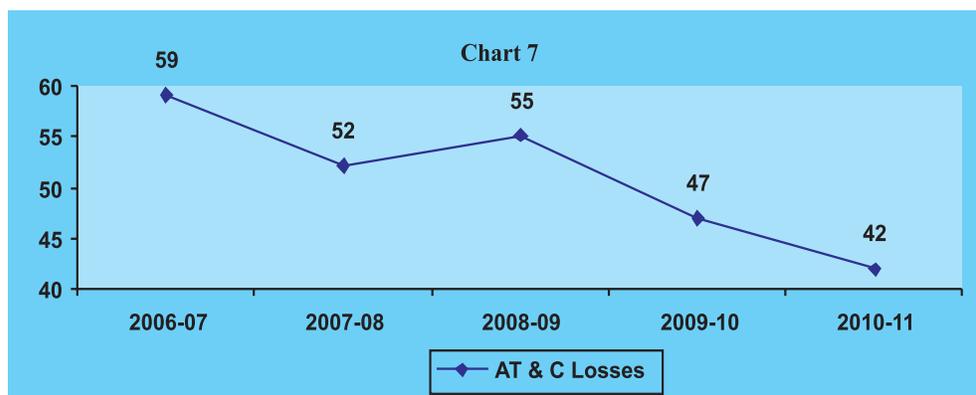
**Loan of ₹ 30 crore obtained from PFC remained unutilized for a period of 15 months till June 2011**

We observed that the Board had availed (March 2010) a loan of ₹ 30 crore from PFC which largely remained unutilized till June 2011 for a period of 15 months on which interest of ₹ 4.31 crore had already accrued. The interest liability would have been avoided had the loan drawal been synchronised with actual execution of the project.

The Board stated (October 2011) that delay was due to its inexperience in implementation of such projects. The reply is not convincing as it had earlier executed turnkey projects like RGGVY/ APDRP and could have avoided such lapses through proper planning.

#### **Aggregate Technical & Commercial (AT&C) Losses**

**5.2.16** While launching APDRP, it was envisaged that AT&C losses would be brought down from the existing level of about 60 *per cent* to around 15 *per cent* in five years in the urban and high density/consumption areas initially. This implied reduction of AT&C loss at the rate of 9 *per cent* per annum for the first five years. The percentage of AT&C losses suffered by the Board during the years 2006-07 to 2010-11 are depicted in **Chart-7**.



It may be seen from the above that the targeted reduction in the AT&C loss could not be achieved. However, AT&C losses of the Board during the year 2006-07 to 2010-11 decreased from 59 *per cent* to 42 *per cent*. Reasons for high AT&C loss were poor revenue realisation, theft of power, unmetered and defective meter

connections, inefficiency in billing and collection and other technical loss etc.

The Board stated (October 2011) that efforts were being made to reduce AT & C losses further by adopting various measures viz segregation of feeders, constitution of Anti Power Theft Team etc.

### ***Consumer metering***

**5.2.17** Attainment of 100 *per cent* metering of feeders/consumers was one of the objectives of the APDRP scheme. In the MOU signed (April 2001) with MOP, GOI, the GOJ had committed to achieve 100 *per cent* metering of all consumers by March 2008. Also, JSERC had directed (2003-04) the Board to complete metering of all consumers and not to issue new connection without a meter. It also directed (2006-07) the Board to formulate and submit a metering plan within a period of three months and also to report the number of non-performing/defective meters category wise in the system and an action plan to replace all such meters within three months.

We observed that number of service connections increased from 11.55 lakh in 2007-08 to 15.64 lakh in 2010-11. On the other hand number of unmetered service connections increased from 5.47 lakh to 8.92 lakh during the same period. Thus, 3.45 lakh new connections were given without meters during this period. Computation of energy consumed by these unmetered consumers was made on assessment basis which ranged between 17 *per cent* and 31 *per cent* of total energy billed during 2007-08 to 2010-11. Also, the Board had not submitted the report regarding number of non-performing/defective meters and the metering plan to JSERC.

The Board admitted (October 2011) that there was scope of increased metered supply and stated that meters were being installed.

### ***Unfruitful expenditure on Feeder and Distribution Transformer metering***

**5.2.18** In order to achieve 100 *per cent* metering of Feeders and Distribution Transformers, the Board procured and installed (September 2004/July 2006) 769 Feeder meters and 13,200 DTRs meters at a cost of ₹ 52.17 crore under APDRP. We, however, observed that in the four test checked Circles, 222 feeders were metered, out of which only 81 meters were in working order and remaining 141 meters were defective. Besides, as on 31 March 2011, seventy six feeders were yet to be metered. Thus, the Board had not achieved 100 *per cent* metering of feeders as envisaged in the Scheme.

## **Operational efficiency**

**5.2.19** The operational performance of the Board is judged on the basis of availability of adequate power for distribution, adequacy and reliability of distribution network, minimizing line losses, detection of theft of electricity, etc. These aspects have been discussed below:

## Purchase of Power

**5.2.20** The demand for energy has been increasing year after year in the State due to economic development. Assessment of future demand and requirement of power is calculated on the basis of past consumption trends, present requirement, load growth trends and T & D losses and its trend.

JSERC approves the sources of purchase of power and the purchase cost based on the estimates made in the ARR. To meet the demand of power of its consumers within Jharkhand, the Board generates energy through its power plants (hydel power station at Sikidiri and thermal power station at Patratu). The Board also purchases energy from TVNL, power generating undertaking wholly owned by the State and central public sector undertakings (CPSUs) such as Damodar Valley Corporation (DVC), National Thermal Power Corporation (NTPC), National Hydroelectric Power Corporation (NHPC), Power Trading Corporation (PTC) etc.

The details of demand of power assessed for the State based on the 17<sup>th</sup> Electric Power Survey, purchase of power approved by JSERC and actual power purchased during the period 2006-07 to 2010-11 is given in **Table-15**:

**Table-15**

(in Million Units)

Year	Demand assessed in EPS	Purchases approved by JSERC	Own Generation	Power purchase <sup>20</sup>	Total power available	Power Deficit as compared to demand
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (2-6)
2006-07	7196	6458	725	6265	6990	206
2007-08	7713	6666	804	6606	7410	303
2008-09	8194	7066	1096	7067	8163	31
2009-10	8863	7583	1084	7579	8663	200
2010-11	7908	8021	553	8762	9315	(-)1407

The Board failed to meet the power demand during the years 2006-07 to 2009-10. The deficit as compared to demand increased from 206 MUs in 2006-07 to 303 MUs in 2007-08 which decreased to 31 MUs in 2008-09. The deficit again increased to 200 MUs in 2009-10. We observed that own generation declined from 1084 MUs in 2009-10 to 553 MUs in 2010-11 which resulted in more purchase of power even in excess of the JSERC approval by 741 MUs due to holding of National Games in the State. We further observed that while the cost of power generation was ₹ 2.22, ₹ 2.04 and ₹ 2.22 per unit in 2007-08, 2008-09 and 2009-10 respectively the average cost of power purchased remained ₹ 2.46, ₹ 2.42 and ₹ 2.45 per unit in the respective years. Thus, own generation was cheaper than power purchased during 2007-08 to 2009-10. Therefore, the Board should make efforts to enhance its own generation to avoid purchase of power at higher cost.

<sup>20</sup> Excluding UI power sold.

The Board accepted (October 2011) the audit observation and stated that efforts are being made to enhance power generation of the Board.

**Due to lack of its own transmission system in DVC command area, the Board purchased power at an additional cost of ₹ 1,325.16 crore**

An instance of purchase of power at higher rate from Damodar Valley Corporation (DVC) is discussed below;

As per Section 18 of the DVC Act, 1948, DVC is supplying power to HT consumers at 30 KV voltages and above in its command area<sup>21</sup> of Jharkhand. The Board was supplying power mainly to LT consumers in the area. As per Electricity Act, 2003, the Board is allowed to construct transmission line in DVC command area also. However, the Board did not set up its own transmission system and power for supply in the DVC command area is being drawn from DVC. We observed that the rate at which power was purchased from DVC was higher than the average cost of power purchase by the Board. As a result, the Board had to incur additional expenditure of ₹ 1,325.16 crore on power purchase during 2006-07 to 2010-11.

The Board accepted (October 2011) the audit observation and stated that construction of transmission line in DVC command area was planned in 2005 but no progress was made till date.

### Sub-transmission and Distribution Losses

**5.2.21** The distribution system is an important and essential link between the power generation source and the ultimate consumer of electricity. For efficient functioning of the system, it must be ensured that there are minimum losses in sub-transmission and distribution of power. While energy is carried from the generation source to the consumer, some energy is lost in the network. The losses at 33 KV stage are termed as sub-transmission losses while those at 11 KV and below are termed as distribution losses. These are based on the difference between energy received (paid for) by the Board and energy billed to consumers. The percentage of losses to available power indicates the ineffectiveness of Distribution system. The losses occur mainly on two counts, *i.e.*, technical and commercial. Technical losses occur due to inherent character of equipment used for transmitting and distributing power and resistance in conductors through which the energy is carried from one place to another. On the other hand, commercial losses occur due to theft of energy, defective meters and drawal of unmetered supply, *etc.*

The JSERC in its tariff order directed the Board to reduce T&D loss by four *per cent* every year till the achievement of normative T&D loss. Actual T&D loss suffered by the Board during 2006-07 to 2010-11 is given in **Table-16**:

<sup>21</sup> Spread over whole of Dhanbad and Bokaro districts, part of Hazaribagh, Koderma, Giridih, Chatra, Palamau, Ranchi, Lohardaga and Dumka districts.

**Table-16**

S.No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11 <sup>22</sup>
1.	Energy purchased (including own generation) (MU)	6990	7410	8163	8663	6106
2.	Energy sold/ billed (MU)	3742	4243	4670	5492	3969
3.	Energy losses (1 – 2) (MU)	3248	3167	3493	3171	2137
4.	Percentage of energy losses ( <i>per cent</i> ) $\{(3 / 1) \times 100\}$	46	43	43	37	35
5.	Percentage of losses allowed by JSERC ( <i>per cent</i> )	36.66	32.66	28.66	24.66	20.66
6.	Excess losses (in MUs)	685	747	1153	1035	876
7.	Average realisation rate per unit (in ₹ )	1.86	1.84	1.87	1.82	N.A.
8.	Value of excess losses (₹ in crore) (6 x 7)	127.41	137.45	215.61	188.37	N.A.

**Board suffered abnormal T&D losses during 2006-07 to 2009-10 incurring revenue loss of ₹ 668.84 crore**

Reduction in T&D losses is the most significant step towards making the Board financially self-sustaining. The importance of reducing losses can be gauged from the fact that a one *per cent* decrease in losses could save 85.70 MUs and increase the revenue of the Board to the extent of ₹ 15.60 crore<sup>23</sup>. It would be seen from **Table-16** that the actual energy loss suffered by the Board on Transmission and Distribution during 2006-07 was 46 *per cent* which had reduced to 35 *per cent* in 2010-11 (upto November 2010) which was higher than the target fixed by the JSERC. As such JSERC had not allowed the actual loss and considered only the T&D loss as per the target fixed by them while truing up the expenses for the respective years. Consequently, the Board had suffered a loss of ₹ 668.84 crore due to the abnormal T&D loss during 2006-07 to 2009-10. The main reasons for such high energy losses were heavy quantum of unmetered/defective metered consumers, theft of electricity, *etc.*

The Board stated (October 2011) that for reduction of T&D loss measures such as replacement of burnt meters, conducting surprise inspection by Anti Power Theft (APT) team, Tele-metering of HT and LTIS consumers *etc.* were taken. However, the facts remains that T&D loss had been substantially higher than the norm of JSERC and required more efforts in this regard by the Board.

### **Transformation capacity**

**5.2.22** Transformer is a static device installed for stepping up or stepping down voltage in transmission and distribution of electricity. The energy received at

<sup>22</sup> Figures in respect of April 2010 to November 2010 were only available due to non finalization of accounts for the year 2010-11 and non-availability of data due to change of computerized billing agency.

<sup>23</sup> (Energy lost 3,171 MU/ 37 *per cent* loss) = 85.70 MUs x ₹ 1.82 realisation per unit = ₹ 15.60 crore) calculated at 2009-10 rates.

high voltage (132 KV, 66 KV, 33 KV) from primary sub-stations is transformed to lower voltage (11 KV) at 33/11 KV sub-stations to make it usable by the consumers. In order to cater to the entire connected load, the transformation capacity should be adequate. The optimum tolerance of a distribution transformer is 80 per cent of its rated capacity to prevent transformer from burning/developing defects. The connected loads *vis-a-vis* Transformation capacity in the Board at 80 per cent rating during the years 2006-07 to 2010-11 is given in **Table-17**:

**Table-17***(in MVA)*

Year	Connected Load	DTRs capacity required at 80 per cent rating	Actual DTRs Capacity	Gap in transformation capacity
(1)	(2)	(3)	(4)	(5=3-4)
2006-07	1654	2068	1676	392
2007-08	1694	2118	2092	26
2008-09	1835	2294	2182	112
2009-10	1994	2493	2305	188
2010-11	2229	2786	2415	371

It can be seen from **Table-17** that the gap in transformation capacity has decreased from 392 MVA in 2006-07 to 26 MVA in 2007-08, though it increased consistently from 112 MVA in 2008-09 to 371 MVA in 2010-11. The mismatch in distribution capacity and connected load resulted in overloading of distribution transformers which contributed to higher failure rate of transformers, fluctuation in voltages, higher trippings and outages besides excess line loss.

The Board stated (October 2011) that augmentation of distribution transformation capacity was being undertaken to reduce the transformer failure rate.

### *Performance of Distribution Transformers (DTRs)*

**5.2.23** The details of DTRs failed over the norm and the expenditure incurred on their repairs is depicted in **Table-18**:

**Table-18**

S.No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
1.	Existing DTRs at the close of the year (in Number)	19821	20439	21341	21958	23518
2.	DTR failures (in Number)	851	1008	1329	1549	1962
3.	Percentage of failures	4.29	4.92	6.19	6.45	7.65
4.	Norm allowed by MOP (in percentage)	1.50	1.50	1.50	1.50	1.50
5.	Excess failure percentage over norms	2.79	3.42	4.69	4.95	6.15
6.	Expenditure <sup>24</sup> on repair of failed DTRs (₹ in crore)	N.A	1.70	4.51	5.28	4.81

<sup>24</sup> Excluding establishment cost

The above table shows that the percentage of failure of DTRs increased from 4.29 to 7.65 *per cent* during the audit period which was far higher over the norm of 1.50 *per cent* though it was lower than the rate of failure of transformers in the State Electricity Board in the neighbouring state of Bihar which ranged between 10.40 and 17.46 *per cent* during 2006-07 to 2010-11. We observed that preventive maintenance of the transformers such as load checking of every transformer during peak load hour once in a month, checking of earth resistance in six months, test checking of transformer oil in six months as per the manual for Operation & Maintenance (O&M) was not done. The Board attributed load growth and non implementation of the APDRP and R-APDRP scheme in time as the reasons for high percentage of DTR failures. It also stated that preventive maintenance as per O&M Manual was not fully operative. However, no records for conduction of any operation and maintenance work as per the manual was maintained by the O&M wing.

### Commercial losses

**5.2.24** The majority of commercial losses relate to consumer metering and billing besides pilferage of energy. While the metering and billing aspects have been covered under implementation of APDRP scheme and billing efficiency respectively, the other observations relating to commercial losses are discussed below:

#### *Theft of Energy and performance of Raid Teams*

**5.2.25** Substantial commercial losses are caused due to theft of energy by tampering of meters by the consumers and unauthorised tapping/hooks by the non-consumers. As per Section 135 of Electricity Act, 2003, theft of energy is a punishable offence under the Act. In order to minimise the cases of pilferage/loss of energy, Section 163 of Electricity Act, 2003 provides that the licensee may enter in the premises of a consumer for inspection and testing the apparatus. **Table-19** gives the position of raids conducted during audit period.

**Table-19**

(₹ in crore)

Year	Total number of consumers as on 31 March	No. of consumers checked	Theft cases detected	Assessed amount	Realised amount	Unrealised amount
2006-07	1061806	2294	1455	26.97	0.56	26.41
2007-08	1154599	1779	1118	10.50	0.59	9.91
2008-09	1236322	4592	3235	26.69	4.90	21.79
2009-10	1455454	7268	4238	24.76	4.59	20.17
2010-11	1563943	22489	9437	25.01	5.91	19.10

We observed that the Board had not fixed any target for checking of service connections. The number of consumers checked had increased from 2,294 in 2006-07 to 22,489 in 2010-11 though the percentage of consumers checked was low ranging between 0.22 to 1.44 *per cent*. The number of theft cases detected had increased from 1,455 to 9,437 during the period indicating very high incidence of theft by the consumers. Thus, more raids were needed to be conducted to reduce

theft of energy and follow-up action needed to be taken on theft cases detected.

The Board stated (October 2011) that realisation was low as the consumers resort to legal recourse in most of the cases for restoration of electricity connection and the matter becomes sub-judice. However, the Board had not developed a suitable monitoring mechanism to ensure the expeditious settlement of cases.

### Billing Efficiency

**5.2.26** The Board takes the reading of energy consumption of each consumer at the end of the notified billing cycle and issue bill to the consumers. The assessed units refer to the units billed to consumers in case of unmetered connection. Billing of the consumers was done at Division level in case of LT connections and at Circle level for HT connections.

The efficiency in billing of energy lies in distribution/sale of maximum energy to its consumers to realise the revenue therefrom in time is given in **Table-20**:

**Table-20**

(in MUs)

Sl.No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11 <sup>25</sup>
1.	Energy available for sale	6990	7410	8163	8663	6106
2.	Energy billed (per cent)	3742 (54)	4243 (57)	4670 (57)	5492 (63)	3969 (65)
3.	Energy metered	NA	3523	3631	4069	2741
4.	Energy assessed for unmetered sales	NA	720	1039	1423	1228
5.	Assessed sales as percentage of metered sales	N.A	20.44	28.61	34.97	44.80

It would be seen from **Table-20** that the Board could bill only 54 per cent to 65 per cent of the total energy available for sale. Also, the percentage of unmetered assessed sales was 20.44 per cent in 2007-08 which increased continuously and risen upto 44.80 per cent in 2010-11. The reasons for the low billing percentage were high T&D loss, theft etc. An instance of under billing is given below:

**Unmetered consumers were not billed for 1,386 MUs as per assessment**

On test check of records in four Circles,<sup>26</sup> we observed that the Board assessed consumption of energy by unmetered consumers as 1,858 MUs for the respective categories during 2006-07 to 2010-11. However, the Board billed these consumers for 472 MUs at fixed rates in accordance with tariff for unmetered consumers. Thus, 1,386 MUs of energy valued at ₹ 504.67 crore remained unbilled without any justification, though the same was considered as consumption in assessment.

The Board did not submit any reply in this regard.

<sup>25</sup> For the period April 2010 to November 2010.

<sup>26</sup> Dhanbad, Chaibasa, Jamshedpur and Loyabad Circles.

### ***Incorrect application of tariff***

**5.2.27** As per applicable tariff, consumers having contract demand /connected load above 107 HP/100 KVA were to be categorized under High Tension Services (HTS) and billed accordingly. We observed that in one Division (Adityapur) 16 consumers with connected load ranging between 114 HP to 243 HP had been billed under Low Tension Industrial Service (LTIS) category for a period ranging between 3 months to 58 months (upto November 2010) resulting in revenue loss of ₹ 56.04 lakh. Similarly, in three Circles<sup>27</sup>, 12 LTIS consumers<sup>28</sup> having monthly maximum demand above 100 KVA were not categorized as HTS and were billed as LTIS for a period ranging seven to 30 months (upto March 2011) due to which the Board suffered revenue loss of ₹ 35.83 lakh. Thus, incorrect application of tariff resulted in loss of ₹ 91.87 lakh.

The Board stated (October 2011) that the matter would be investigated.

### ***Delay in replacement of defective meters***

**5.2.28** As per Electric Supply Code, 2005 of JSERC, in case meter becomes defective or burnt and has stopped recording accurately the energy consumption reading, the consumer shall be billed on the basis of the average consumption of the preceding twelve months subject to a maximum period of three months. Thereafter, the defective meters should be replaced.

**Average billing of 22 HT consumers, whose meters were defective, resulted in revenue loss of ₹ 18.20 crore**

We observed that in three Electric Circles<sup>29</sup>, meters of 22 HT consumers were defective during 2004. However, the Circle offices did not replace/repair the meters within the stipulated three months time and continued to bill the consumers at average rate for a period of 12 months to 74 months. Subsequently, on replacement of the defective meters the average energy consumption by the consumers for the succeeding 12 months was found to be high during the period meters remained defective beyond three months. Presuming the average energy consumed during this period the revenue loss worked out to ₹ 18.20 crore.

The Board stated (October 2011) that all HT consumers have since been metered. The reply is not based on facts as in one Supply Circle, meters of 2 HT consumers were defective since 2004 and meters of other three HT consumers remained defective for a period of four to 16 months (September 2011).

### ***Under charging of Security Deposit***

**5.2.29** As per Tariff for the year 2010-11 effective from 1<sup>st</sup> May 2010, Security Deposit by the consumers was to be estimated by the distribution licensee based on the tariff, contract demand, sanctioned load, load factor *etc.* The Board issued order regarding fixation of the security deposit on 30 June 2010 *i.e.*, after two months from the effective date of tariff. We observed that in test checked 19 sub-divisions, recovery of security deposit at the new rates was started after a delay

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<sup>27</sup> Dhanbad, Jamshedpur and Loyabad.

<sup>28</sup> Four consumers were subsequently categorized as HTS.

<sup>29</sup> Dhanbad, Chaibasa and Loyabad,

ranging upto seven months. Thus, security deposit of ₹ 49.09 lakh could not be recovered in respect of 4,223 new consumers.

The Board accepted (October 2011) audit observation.

#### ***Non-levy of surcharge for exceeding contracted demand***

**5.2.30** As per clause 16.5 of BSEB Tariff 1993, adopted by JSERC Tariff order 2003, if during any month in a financial year the actual maximum demand of a consumer exceeds 110 *per cent* (subsequently revised to 115 *per cent*) of the contract demand, then the highest demand so recorded shall be treated as the contract demand for that financial year and billing would be done accordingly. On test check of HT bills of 13 service connections relating to three Supply Circles<sup>30</sup>, we noticed that the Board failed to levy surcharge of ₹ 19.88 lakh whose recorded demand exceeded 115 per cent of their contract demand during 2008-09 and 2009-10.

The Board did not submit any specific reply in this regard.

#### **Revenue collection efficiency**

**5.2.31** As revenue from sale of energy is the main source of income of the Board, prompt collection of revenue assumes great significance. JSERC had fixed the collection efficiency of 100 *per cent* in the 'JSERC Distribution Tariff Regulations, 2010' as it was the responsibility of the Board to ensure collection of the amount for energy billed and if it fails to collect the billed amount it has no right to pass on its inefficiency to the paying consumers.

**Table-21** indicates the balance outstanding at the beginning of the year, revenue assessed during the year, revenue collected and the balance outstanding at the end of the year during last five years ending 2010-11.

**Table-21**

		(₹ in crore)				
Sl. No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11 (Upto November 2010)
1	Balance outstanding at the beginning of the year	3885.46	4252.73	3576.73	3901.81	3337.12
2	Revenue assessed/Billed during the year	1536.93	1553.57	1691.57	1788.12	1285.73
3	Total amount due for realisation (1+2)	5422.39	5806.30	5268.29	5689.93	4642.85
4	Amount realised during the year	1178.42	1834.39	1339.94	1492.44	1139.88
5	Amount of prior period adjustment and other adjustments	(-)8.56	395.18	26.54	6.95	-
6	Balance outstanding at the end of the year	4252.73	3576.73	3901.81	3337.12	3482.92

<sup>30</sup> Chaibasa , Dhanbad and Loyabad.

7	Percentage of amount realised to total dues (4/3)	22	32	25	26	25
8	Arrears in terms of No. of months assessment	33	28	28	22	22

We observed from the above details that the amounts realized during the years were lower than the amount assessed during the respective years except in 2007-08 in which the Board had received ₹ 526 crore as one time settlement against the outstanding amount of GOJ. The arrears in terms of number of month's assessment came down from 33 months in 2006-07 to 22 months in 2010-11. In addition, the following further observations are made with regard to collection of revenue.

In one test checked Circle (Dhanbad), outstanding from HT consumers was ₹ 151.93 crore (March 2011) of which ₹ 100.68 crore were due from disconnected HT consumers supply to whom had been disconnected for over three years. We observed that ₹ 32.85 crore, outstanding from these consumers were involved in various disputes/certificate cases. The Board should follow up to resolve the cases for speedy realisation of the amount.

Age-wise analysis of the outstanding dues in three test checked circles as on 31 March 2011 revealed that individual dues valuing ₹ 10,000 or more which remained outstanding for more than three years amounted to ₹ 21.96 crore in respect of 2,335 LT consumers. The Board should monitor the outstanding dues effectively and follow up for their realisation.

On analysis of line disconnected consumers in two Supply Divisions<sup>31</sup>, we observed that ₹ 23.01 lakh was outstanding against 89 consumers whose name/address had not been recorded in the consumer ledger. Possibility of recovery of this amount is bleak as matter is not being pursued with the disconnected consumers.

**Due to incorrect computation of outstanding amount against Government departments/ Undertakings ₹ 395.17 crore remained unrealized**

- The energy dues of the consumers of Government departments/ Undertakings as on 31.03.2007, as estimated by the Board was ₹ 928.64 crore (energy dues ₹ 525.92 crore and Delayed Payment Surcharge (DPS) ₹ 402.72 crore. GOJ paid only the energy dues of ₹ 526 crore towards one time settlement of all the dues up to 31.03.2007 and the DPS amount of ₹ 402.72 crore was waived by the Board. We observed that the Board did not consider the outstanding amount of ₹ 395.17 crore against viz. Tenughat Dam (₹ 193.59 crore), MADA (₹ 140.39 crore) and dues against some other Govt. consumers (₹ 61.19 crore) while working out the dues. These dues comprising energy charges of ₹ 323.12 crore and DPS of ₹ 72.05 crore remained outstanding even after one time settlement.

Further, as per the scheme of settlement, the Board had to replace all the old Government connections with new meters and new consumer numbers so as to start billing afresh with effect from April 2007 to realise the energy bills of the State Government departments/Undertakings on regular basis. However, the Board did not take the measures as per the scheme and accumulation of

<sup>31</sup> New Capital, Ranchi and Doranda Electric Supply Division.

dues continued as earlier. The outstanding dues as on 31.08.2010 went up to ₹ 606 crore (including the arrear of ₹ 395.17 crore pertaining to the period before March 2007). The GOJ paid only ₹ 100 crore treating the payment as one time settlement of all dues against it. The Board, however, did not agree to this and requested for payment of balance ₹ 506 crore. No further payment has been received as yet (October 2011).

The Board stated (October 2011) that all out efforts were being made to recover the dues from State Government Departments.

### ***Failure to disconnect supply of consumers having arrears***

**5.2.32** As per Electric Supply Code, 2005 of JSERC, energy supply shall be disconnected temporarily in case electricity dues are not deposited by the consumer within due date indicated in the bill. We observed in five test checked Circles that Service connections of 17,253 LT consumers with dues of more than ₹ 10,000 and having accumulated arrears of ₹ 93.16 crore were not disconnected though the arrear amount exceeded the amount of Security deposit. Of this, dues of ₹ 53.46 crore in respect of 7,936 consumers remained outstanding for more than one year. This indicates that prompt action was not taken as per rules for effective realisation of energy dues.

The Board, stated (October 2011) that it had started monitoring of disconnection of defaulting consumers and hoped to recover the dues of running consumers by way of disconnecting their lines within three / four months.

### ***Delay in encashment/ Non-encashment of cheques***

**Failure to deposit cheques amounting to ₹ 4.33 crore in the bank resulted into non-realisation of revenue besides interest loss of ₹ 1.55 crore**

**5.2.33** In Electric Supply Sub-Division (Jhumritalaiya), we observed that 22 cheques amounting to ₹ 4.33 crore received from one HT consumer during the period September 2007 to December 2008 were not deposited in the Bank and remained (January 2009) in the cashier's custody. The validity of 15 cheques out of the 22 cheques amounting to ₹ 2.06 crore had already expired. The remaining seven cheques amounting to ₹ 2.27 crore which were valid on that date were deposited in the Bank. But the same were dishonoured and the amount remained un-realised (February 2011). Proper monitoring of timely collection of the amount in the Board's Account was not done at the level of Division/Circle Office and Board Headquarters due to which the incidence of non deposit of cheques in the bank remained un-detected and ₹ 4.33 crore remained un-realised with consequential interest loss of ₹ 1.55 crore.

The Board stated (October 2011) that necessary administrative and disciplinary action had been taken against the erring officers.

### ***Dishonoured cheques***

**5.2.34** As per clause 11.6.6 of JSERC Electricity Supply Code 2005, in case the cheques of consumers are dishonoured, action may be initiated for disconnection, treating it as a case of non-payment. Payment through cheque may not be accepted from such consumer for a period of one year thereafter. In Adityapur Sub-division – II of Jamshedpur Circle we noticed that a High Tension Special Services (HTSS)

consumer (KYS Manufacturing & Import consumer No. HJAP-144) was making payment against energy bill by cheques. During May 2006 to November 2010 cheques deposited were rejected by the bank which were subsequently presented to the bank and were credited in the Board account after a delay ranging between 9 to 41 days from the due date of payment. The Board should have asked the consumer to pay future bills by means of demand draft which was not enforced. We observed that during May 2006 to November 2010, DPS amounting to ₹ 15.20 lakh was not recovered in such cases though realisation of the energy dues was delayed. Rather rebates amounting to ₹ 1.87 lakh for timely payment were also allowed to the consumer resulting in loss of ₹ 17.07 lakh to the Board.

In two Electric Supply Circles (Loyabad and Chaibasa) we observed that five revenue cheques deposited by two consumers (Renuka Ispat (P) Ltd. - HTSS consumer No. KT1719 and Nova Metals-consumer No. HN17) were dishonoured and were subsequently paid by cheque. Despite delay in payment of energy bills, DPS was not levied besides allowing the consumer timely payment rebate, load factor rebate resulting in a loss of ₹ 7.24 lakh to the Board.

The Board stated (October 2011) that report had been called for from the concerned Electrical Superintending Engineer.

#### ***Non-realisation of revenue due to time bar***

**Energy dues aggregating ₹ 53.55 crore became time barred**

**5.2.35** As per Section 3 of Limitation Act 1963, any suit initiated for recovery of sale price after a prescribed period of three years shall be dismissed. Further, as per Section 56(2) of the Electricity Act, 2003, any sum due from any consumer shall not be recoverable after a period of two years from the date when such sum became due. In case of consumers, whose electricity supply has been disconnected due to non-payment of energy dues, recovery certificates are required to be filed promptly to realise the dues within three years from the date of disconnection so that the dues will not become time barred. We observed in three test-checked circles<sup>32</sup> that the Board had disconnected the lines of 29,287 consumers. However, legal action was not taken during the limitation period. As a result, dues aggregating to ₹ 53.55 crore<sup>33</sup> became irrecoverable.

The Board accepted the audit contention and stated (October 2011) that now all out efforts are being taken by the Board to file certificate cases within time.

## **Financial Management**

**5.2.36** Efficient fund management serves as a tool for decision making, for optimum utilisation of available resources and borrowings at favourable terms at appropriate time. The financial management of the Board includes revenue collection, billing, borrowings, grants, transfer of funds, interest recovery/ payments, restructuring of loans, security deposits, bank reconciliations and other related transactions.

<sup>32</sup> Chaibasa, Dhanbad and Loyabad.

<sup>33</sup> Excluding the amount already reported in Audit Report 2006-07.

The Board had outstanding dues of ₹ 3,337.12 crore against the consumers at the end of the year 2009-10, on the other hand it was availing overdrafts from the banks for payment of power purchase bills. The bank overdrafts amounted to ₹ 73.92 crore at the end of the year 2009-10. The interest paid on overdrafts amounted to ₹ 3.67 crore in 2009-10.

### ***Delay in remittance***

Daily collections at Sub-Divisions of the Board were deposited in a non-operating account on day-to-day basis in the specified bank branches from where these are credited to the Board's Collection account. The funds are required to be transferred to the Head Office account on daily basis if the daily deposits exceeded ₹ one lakh. In case of delay in remittance, the Board was entitled for interest at the prescribed rate from the bank. During test check in one Sub-division (Ghatshila) we noticed that cheques pertaining to revenue amounting to ₹ 55.48 crore deposited in the Bank during 2006-11 was remitted to the Headquarters account with a delay ranging between 1 and 57 days resulting in interest loss of ₹ 13.53 lakh. The Board has not claimed the interest from the banks.

The Board stated (October 2011) that the matter of remittance of fund from field offices on daily basis had been taken up with the banks.

## **Subsidy Support and Cross-Subsidisation**

**5.2.37** There is an urgent need for ensuring recovery of cost of service from consumers to make the power sector sustainable. The State Government is providing subsidy with a view to ensure supply of power to specific category of consumers at concessional rates of tariff.

### ***Subsidy Support***

**5.2.38** Recovery of the cost of electricity in a reasonable manner is one of the guiding principles for determination of tariff. The Act also gives discretion to a State Government to grant subsidy to any consumer or class of consumers in a tariff determined by SERC which the State Government is required to pay, in advance. As per the tariff order for the Board for 2003-04, JSERC had granted subsidy ranging between 63 to 86 *per cent* of the average cost of supply to domestic consumers, street light, non-domestic-I, irrigation and agricultural services and directed the GOJ to pay the subsidy. Accordingly, the Board submitted claim of ₹ 40 crore which had not been paid so far by GOJ. The Board had not claimed subsidy from the GoJ during the years 2006-07 to 2010-11. On the other hand GOJ provided grant of ₹ 967.27 crore as resource gap during the years 2006-07 to 2010-11 for meeting liabilities against payment of power purchase, payment to employees, *etc.*

The Board stated (October 2011) that the resource gap provided by the GOJ was to meet the mandatory requirement of the Board like power purchase and increased rural consumption. It was also stated that the Board needed subsidy on account of domestic, rural and urban consumers as well as for irrigation and agriculture connections.

### **Cross-subsidisation**

**5.2.39** Section 61(g) of the Electricity Act, 2003, stipulates that the tariff should progressively reflect the average cost of supply (ACOS) of electricity and the Commission reduces cross subsidy within a specified period. National Tariff Policy envisaged that the tariff of all categories of consumer should range within plus or minus 20 *per cent* of the ACOS by the year 2010-2011. The position as regards cross-subsidies in various sectors, during 2010-11 is depicted in **Table-22**:

**Table-22**

Particulars	2010-11	
	Paise per Unit	Per centage of ACOS
Average cost of supply (ACOS)(Paise per unit)		357
Domestic	137	38.37
Non-domestic	442	123.81
Low Tension	521	145.94
Irrigation & Agriculture	73	20.45
High Tension Service	451	126.33
Public Water Works	451	126.33
Railway Traction	497	139.22
Street Light Services	124	34.73
Military Engineering Service	276	77.31

It may be seen from **Table-22** that during 2010-11, the average revenue in respect of Domestic, Irrigation/Agriculture, Street Light Services and Military Engineering Services consumers was lower than the ACOS at 23 to 80 *per cent* in 2010-11. The average revenue was higher than ACOS in case of Non-domestic, Low-tension, High tension, Public Water Works and Railway Traction consumers by 24 to 46 *per cent* in 2010-11. Thus, the gaps in tariff fixation under various categories of consumers were more than plus minus 20 *per cent* of ACOS and were not reduced during the years of audit.

The Board stated (October 2011) that the JSERC had fixed the tariff on the basis of provisional accounts which have to be trued up on the basis of audited accounts of the Board and the subsidisation/cross subsidisation would be firmed up accordingly.

### **Tariff Fixation**

**5.2.40** The financial viability of the Board depends upon generation of surplus (including fair returns) from the operations to finance their operating needs and future capital expansion programmes by adopting prudent financial practices.

Revenue collection is the main source of generation of funds for the Board. While other aspects relating to revenue collection have been discussed in preceding paragraphs, the issues relating to tariff are discussed here under:

The Board was required to file the ARR for each year 120 days before the commencement of the respective financial year. The JSERC accepts the application filed by the Company with such modifications/conditions as may be deemed just and appropriate and after considering all suggestions and objections from public and other stakeholders. JSERC had issued first Tariff Order for the Board for the financial year 2003-04 and thereafter issued Tariff Orders for 2006-07 in August 2007. As the tariff order for 2006-07 was not favourable to the Board it filed an appeal before the Appellate Tribunal for Electricity (APTEL). The APTEL directed (May 2008) the Commission to relook the entire tariff setting exercise in pursuance of which JSERC directed the Board to submit their audited accounts. As the Board failed to submit the audited accounts, JSERC did not accept the tariff petition. JSERC also did not consider the ARR for 2007-08 and 2008-09 and Tariff petition for 2008-09 due to same reason. JSERC passed (April 2010) suo-motu order fixing the tariff for 2010-11 and provisionally tried up the ARR for 2003-04 to 2008-09. Thus, Board failed to submit its audited accounts for the year 2006-07 to 2009-10 due to which the JSERC did not finalise the tariff order for the above years.

The Board admitted (October 2011) that non-submission of tariff petitions in time was due to the reason that annual accounts could not be finalized on account of settlement of Assets and Liabilities of the Board and BSEB.

We, however, observed that the distribution of Assets and Liabilities between the Board and erstwhile BSEB was notified by the Ministry of Power, GOI in November 2004. However, the accounts for 2001-02, submitted (June 2005) for audit was not prepared adopting the opening balances notified by the MOP. The Board decided (March 2008) to recast the accounts taking into account the opening balances notified by the MOP. The accounts were presented for audit of CAG in December 2009 on which the Separate Audit Report (SAR) was issued in August 2010. Thus, unwarranted delay of seven years occurred in preparation of annual accounts for 2001-02. Subsequently, annual accounts for the years 2002-03 to 2009-10 were presented during April 2010 to January 2011, for audit by CAG; of which annual accounts upto 2005-06 have been audited.

Due to non revision of tariff, the Board had to supply power during the years 2006-07 to 2009-10 to the consumers at the tariff for the year 2003-04 which impacted the working capital of the Board. Detailed analysis revealed that the tariff was not sufficient even to recover the Variable costs as shown in **Table-23:**

**Table-23**

(₹ in crore)

Year	Sales (excluding subsidy)	Variable costs	Contribution
(1)	(2)	(3)	(4)=(3-2)
2006-07	1406.96	1667.41	260.45
2007-08	1391.23	1806.50	415.27
2008-09	1584.91	1995.94	411.03
2009-10	1634.37	2141.61	507.24

Though, lower tariff due to its non-revision from 2004-05 to 2009-10, was one of factors for non recovery of the costs, the same could have been controlled to a large extent by improving operational efficiency, viz., reduction in/ control of AT&C losses, metering of unmetered connections, replacement of defective meters, improving billing and collection efficiency, etc, which have been discussed earlier in the review.

The Revenue Gaps in the Tariff for the years 2006-07 to 2009-10 are as given in **Table-24**:

**Table-24**

(₹ in crore)

Particulars	2006-07	2007-08	2008-09
Annual Revenue Requirement	2902	3142	3651
Revenue at the existing tariff (2003-04) including grants as resource gap	2171	1482	1603
Revenue Gap	731	1660	2048
Revenue gap approved by JSERC	390	382	389

There was a revenue gap of ₹ 4,439 crore as per the ARR filed by the Board during the period 2006-07 to 2008-09 against which JSERC had approved a revenue gap of only ₹ 1,161 crore. Thus, revenue requirement of ₹ 3,278 crore remained uncovered.

We observed that JSERC had not approved following expenditure treating them as the cost of inefficiency of the Board:

- ₹ 550.82 crore towards inefficient cost of generation of electricity in its thermal power plant (PTPS) during 2006-07 to 2010-11.
- ₹ 1,769.85 crore due to high Transmission and Distribution losses.
- ₹ 66.58 crore on Repair and Maintenance during 2006-07, 2007-08 and 2008-09 and Interest/Finance charges of ₹ 298.34 crore in 2007-08 and ₹ 496.13 crore in 2008-09.

### Consumer Satisfaction

**5.2.41** One of the key elements of the Power Sector Reforms was to protect the interest of the consumers and to ensure better quality of service to them. The consumers often face problems relating to supply of power. The Board

was required to introduce consumer friendly actions to enhance satisfaction of consumers and reduce the advent of grievances among them. The billing issues have already been discussed in preceding paragraphs. The redressal of grievances is discussed below:

### ***Redressal of Grievances***

**5.2.42** The JSERC specified the mode and time frame for redressal of grievance in JSERC (Distribution Licensee's Standards of Performance) Regulations, 2005 in pursuance of the Electricity Act, 2003. The Commission had also prescribed the Standards of Performance for the Board in which the time limit for rendering services to the consumers and compensation payable for not adhering to the same was prescribed. The nature of services contained in the Standards *inter-alia* include action to be taken in the event of line breakdowns, Distribution Transformer failures, period of load shedding/ scheduled outages, voltage variations, meter complaints, installation of new meters/ connections or shifting thereof, etc.

In the Tariff Order for 2006-07, JSERC had directed the Board to implement the Standards of Performance (SOP) by January 2008 and submit the compliance report, failing which the energy charges for all categories was to be reduced by 2.5 per cent from January 2008. As the Board had not submitted the compliance report, JSERC had imposed penalty of ₹ 68.42 crore for the years 2007-08 to 2009-10. However, the Board had submitted the compliance report stating that it had implemented the various SOPs like setting up of fuse call centres and computerized complaint registration & monitoring system, organizing customer meets, resolving consumer grievances within the specified timeframe etc. and further stated that no consumer had either made any claim for non-compliance against any of the standards nor it had to pay any compensation due to its failure so far. Considering the compliance of the SOPs, JSERC, in its Tariff Order for 2011-12 had not imposed any penalty in subsequent years though it had not refunded the penalty of ₹ 68.42 crore to the Board.

### ***Delay in release of new service connections***

**5.2.43** As per Section 43(3) of the Electricity Act, 2003, every distribution licensee, shall on application by the owner of any premises, give supply of electricity to such premises, within one month after receipt of the application. If the licensee fails to supply the electricity within the specified period, it shall be liable to pay a penalty to the applicants/consumers which may extend to one thousand rupees for each day of default.

The position of the number of applications received vis-a-vis connections released in respect of LT consumers in 15 Sub-divisions of the Board for the last five years upto 2010-11 was as given in **Table-25**:

**Table-25**

Year	No. of applications received	Connections released as on 31 March 2011	No. of pending applications as on 31 March 2011
2006-07	32263	22179	10084
2007-08	30438	21370	9068
2008-09	33652	25075	8577
2009-10	33897	23252	10645
2010-11	49517	19127	30390
<b>Total</b>	<b>179767</b>	<b>111003</b>	<b>68764</b>

**Connections to 62 per cent applicants only were released during 2006-07 to 2010-11**

It may be seen from **Table-25** that service connections were released in respect of 62 per cent of the total applications received during the last five years upto 2010-11 and 68,764 applications remained pending as on 31 March 2011. JSERC had observed that the Board did not have a robust system to ensure that the consumers who are unable to get the new connections in time do not resort to hooking and theft of energy. As such, there was every possibility of theft of energy by these applicants during the period connections were not provided to them.

The Board stated (October 2011) that the applications for new connections remain pending in cases where the Board faced constraints like extension of HT/LT lines, installation of Distribution transformers and non availability of meters. Reply of the Board is not acceptable as 10,084 applicants were not provided the connection which remained pending for a period above four years.

**5.2.44** We further observed that the Board received applications for new connections from Drinking Water and Sanitation Department, Jamshedpur and Multi Mineral Processing Ltd., Dhanbad for HT connections in February 2008 and September 2008 respectively. Load sanction/energisation in respect of these connections was made in May 2010 and October 2009 *i.e.* after a delay of 22 months and 8 months respectively leading to loss of ₹ 64.50 lakh towards Minimum Monthly Charges due to delay in energizing the connections. No reasons were assigned by the Board for the delay in giving connections.

**Disposal of complaints**

**5.2.45** JSERC directed (April 2010) the Board to implement the complaint redressal mechanism at the grass root level within six months and to submit the compliance report to JSERC. However, no such mechanism has been implemented by the Board.

The overall position regarding receipt of complaints and their clearances is depicted in **Table-26**:

**Table-26**

Sl.No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
1.	Total complaints received	66	55	24	18	53
2.	Complaints redressed within time	36	18	04	04	09
3.	Complaints redressed beyond time	30	37	20	14	44
4.	Percentage of complaints redressed beyond time to total complaints	45	67	83	78	83

It can be seen from **Table-26** that redressal of complaints was not prompt as 45 to 83 *per cent* of the complaints received during the years were redressed beyond the prescribed time. However, no compensation was paid to the consumers in this regard.

### Monitoring by top Management

**5.2.46** The Company plays an important role in the state economy. For an organization to succeed in operating economically, efficiently and effectively, there should be well documented management system of operations, service standard and targets. Further, there has to be a Management Information System (MIS) to report on achievement of targets and norms. The achievement need to be reviewed to address deficiencies and also to set targets for subsequent periods so as to make an organization self-reliant.

In this regard, we observed as follows:

- The Board did not have a long term plan for creation of distribution infrastructure and the annual plan was not fully implemented within the same year.
- A reliable and comprehensive MIS on distribution network was not in existence to facilitate quick decision making at the apex level and the Board had to collect the data from field units time and again.
- The Board has a system of reporting the monthly status of collection of revenue. However, remittance of the same to the Board account by its Supply Sub-divisions was not monitored at Headquarters as there were instances of delay in remittance of the daily collections to the Board account, dishonor of revenue cheques received from the consumers remaining undetected for a considerable period. This indicates deficient monitoring and lacking in follow up of the MIS.
- Due to lack of monitoring and failure in taking prompt decision at the Government/Board level, the Board could not resolve the issues relating to distribution of assets & liabilities with the GOJ promptly after its formation which delayed the finalization/audit of its first accounts by about seven years and the Board failed to submit its audited accounts to JSERC resulting in non issue/delay in issue of tariff order.
- The Board did not monitor the energy assessment for unmetered consumers to contain the T&D and AT&C losses.

## Conclusion

- The Board had not prepared long term plan for upkeep of the existing network and additions in distribution network.
- The Board failed to implement the Central schemes viz. RGGVY and APDRP schemes in economical, efficient and effective manner as these schemes could not be completed timely, their objectives were not fully achieved. Also there was no proper mechanism to charge the already electrified villages under RGGVY and to bill the BPL consumers as per the meter reading.
- The number of unmetered consumers was 8.92 lakh in 2010-11, which was 57 per cent of the total consumers. Target of 100 per cent metering of DTRs and feeder was not achieved and there was delay in replacement of defective meters of HT consumers.
- The Board had purchased energy at higher cost due to non availability of transmission line in DVC command area.
- The transmission and distribution losses decreased from 46 per cent to 35 per cent during 2006-07 to 2010-11. However, they were above the JSERC norms.
- No mechanism exists for correct assessment of unmetered consumers resulting in unbilled energy of 1,386 MUs during 2006-07 to 2010-11 in four supply circles.
- Outstanding balance of ₹ 3,483 crore remained to be realized by the Board which was equivalent to 22 months assessment.

## Recommendations

The Board may consider:

- preparing long term plan for upkeep of the existing network and additions in distribution network;
- immediate completion of the Central schemes, strengthening mechanism for charging the electrified villages under RGGVY and billing of the BPL consumers as per meter reading to ensure that the full benefits of the schemes are passed on to eligible beneficiaries;
- metering of all consumers, DTRs and feeders and replacement of the defective meters promptly;
- establishing transmission line to ensure purchase of power at the lowest cost in DVC command area;
- concentrating on areas with high distribution losses to bring down the same within the permissible norm of JSERC;

- **developing mechanism for correct assessment of unmetered consumers;  
and**
- **pursuing vigorously the recovery of outstanding energy bills from the  
consumers.**

## Section 'B' Transaction Audit Observations

Important audit findings emerging out of test check of transactions of the State Government companies/corporation are included in this Chapter.

### Government Companies

#### Jharkhand State Mineral Development Corporation Limited

#### 5.3 Re-imburement of Service Tax

**The Company re-imbursed Service Tax amounting to ₹ 2.41 crore during 2010-11 in violation of the provision of the agreement leading to extension of undue benefit to the contractor.**

The Company entered into an agreement (November 2004) with M/s Sanjay Transport Agency (contractor) for hiring of Heavy Earth Moving Machinery (HEMM) for deployment at its Sikni Coal Project at a rate of ₹ 271.87 per MT of coal raised and dispatched from the mines. The agreement, *inter alia*, stipulated that all taxes, whether local, municipal, State or Central, payable or becoming payable, shall be on the Agency's account and shall be deemed to have been included in the HEMM hiring rate.

The Finance Act, 2007 brought mining operations into the Service Tax net with a stipulation that services provided or to be provided on or after 1 June 2007 were liable for payment of Service Tax at the rate of 12.36 *per cent*. The onus to pay Service Tax was on the service provider under the provisions of the Act.

We noticed (February 2011) that the contractor claimed (February 2008) reimbursement of Service Tax of ₹ 2.41 crore payable on the services relating to mining operation provided to the company from May 2008 to December 2009. However, the Company reimbursed (January 2011) Service Tax to the mining contractor in contravention of the provision in the agreement. This included Service Tax of ₹ 5.90 lakh for the work done before 1 June 2007. Thus, the company paid ₹ 2.41 crore towards re-imburement of the Service Tax in contravention of the provision in the agreement. This led to extension of undue benefit to the contractor.

The Management stated (May 2011) that reimbursement of the Service Tax to the contractor was made as per legal opinion obtained by the Company which opined that Service Tax payable by the contractor on services provided to the Company was reimbursable. The reply of Management is not acceptable as the Service Tax was not reimbursable to the contractor in terms of Clause 6 of the agreement.

The matter was reported to Management/Government in May 2011; their reply is awaited.

## **Jharkhand Police Housing Corporation Limited**

### **5.4 Avoidable payment of interest on Income Tax**

**Delay in filing the Income Tax Return and non-payment of Advance Income Tax resulted in avoidable payment of interest amounting to ₹ 25.06 lakh.**

Section 211 of the Income Tax Act, 1961 (Act) provides that each company is required to pay advance tax at the prescribed rates on the due dates. In the event of non/short payment of Advance Tax and/or underestimation of installments of Advance Tax, the company is liable to pay interest under section 234B and 234C of the Income Tax Act. Further in terms of the provision of section 234A, in case, the return of income for any Assessment Year is furnished after the due date, simple interest at the rate of one *per cent* for every month or part of a month is chargeable on the amount of Tax on the Assessed Income less Advance Tax Paid and Tax deducted/collected at source.

During audit scrutiny (March 2011), we observed that the Company paid Advance Income Tax for the Assessment Year 2009-10 (Financial Year 2008-09) after a delay of 15 months and filed the Return after a delay of nine months. This attracted imposition of interest under the Act. The Company computed its Taxable Income as ₹ 215.87 lakh and paid (July 2010) ₹ 81.84 lakh, including interest of ₹ 8.47 lakh, to the Income Tax Department under sections 234A, 234B and 234C of the Act due to non-payment of advance income tax in time and delay in filing of the Return.

Similarly, the Company paid Advance Tax for the Assessment Year 2010-11 also after a delay of seven months. As against the Tax Liability of ₹ 219.05 lakh on Taxable Income of ₹ 644.45 lakh for the Assessment Year 2010-11, the Company paid interest of ₹ 16.59 lakh on Income Tax for the Assessment Year 2010-11. The Return was filed after a delay of one month. Thus, owing to failure to comply with provisions of the Income Tax Act, the Company paid avoidable interest of ₹ 25.06 lakh for the Assessment Year 2009-10 and 2010-11.

The Management stated (July 2011) that the Income-tax liability during 2008-09 and 2009-10 arose due to interest income earned by investment of the funds received from the GOJ/GOI as mobilization advance. As the funds were kept as flexi deposits in bank for which no fixed interest was stipulated, it was difficult to ascertain in advance the interest income likely to accrue on them. It was also stated the Board of Directors of the Company did not take decision regarding payment of interest to GOJ against the interest income received on these funds due to which amount of advance tax could not be ascertained.

The reply confirms the Company's failure to assess the interest income and comply with legal provisions of the Income Tax Act, resulting in avoidable payment of interest of ₹ 25.06 lakh as also violation of the provisions of the Act.

**It is recommended that the Management should ensure payment of advance tax on due dates as also filing of the Return within the prescribed time to avoid violation of the provisions of the Act.**

The matter was reported to Government in May 2011; their reply is awaited.

## **Tenughat Vidyut Nigam Limited**

### **5.5 Wasteful procurement**

**The Company procured APH Baskets for Hot End valuing ₹ 66.31 lakh in September 2009 from an unauthorised vendor and the same remained unutilized.**

Under the Partnership-in-Excellence Programme of Ministry of Power, capital overhaul of Unit I and II of Tenughat Thermal Power Station (TTPS), Lalpania was to be carried out by the National Thermal Power Corporation Limited and BHEL was associated for finalising work scope and delivery of spares. Accordingly, the Company made an enquiry (30 June 2006) from M/s BHEL for supply of spares which included two sets of Air Pre Heater (APH) Baskets for Hot End (HE), Intermediate End (IE) and Cold End (CE). A Purchase Order (PO) was placed (December 2006) on M/s BHEL for supply of two sets of APH Baskets for HE, IE and CE at a cost of ₹ 3.80 crore. These spares were the proprietary items of BHEL. Simultaneously, the Company was also processing procurement of two sets of APH Baskets through open tender. Accordingly, the Company, requested (February 2007) M/s BHEL to supply only one set of APH Baskets for HE, IE and CE instead of two sets. BHEL refused (February 2007) to reduce the quantity stating that two sets of APH Baskets were manufactured and dispatched to TTPS. Further, BHEL stated that they had come to understand that the Company was in the process of placing PO for another set of APH Basket on a supplier who had no design, drawings and other details for manufacturing of APH Baskets and added that they had not licensed any vendor to manufacture the same.

We observed that despite refusal from BHEL to reduce the quantity (February 2007) and the need to adhere to the proprietary items, the Purchase Committee recommended (March 2007) to place POs for procurement of two sets of APH Baskets for HE on M/s Balaji and CE and IE on M/s ASPA at a total cost of ₹ 1.88 crore, being lowest tenderers. POs were issued to M/s ASPA & M/s Balaji in October 2008 with scheduled delivery period of nine months. M/s Balaji supplied (August/September 2009) two sets of APH Baskets for HE at a cost of ₹ 66.31 lakh. POs issued to M/s ASPA were cancelled (June 2011). It was also observed that two sets of the APH Baskets supplied by BHEL were utilized in Capital overhauling of Unit No.I (January-May 2008) and Unit No.II (November-December 2009). However, HEs procured from M/s Balaji could not be utilized (June 2011). Thus, the Company incurred wasteful expenditure of ₹ 66.31 lakh on procurement of HEs from an unauthorized vendor.

The Management stated (June 2011) that orders were placed on MASPA and Balaji to take advantage of competitive price of MBHEL and keep them as spares to meet unforeseen situation. The reply is not convincing because the Company should have not procured proprietary items from an unauthorized vendor.

The matter was reported to Management/Government in June 2011; their reply is awaited.



Ranchi,  
The

(MRIDULA SAPRU)  
Principal Accountant General (Audit)  
Jharkhand

Countersigned



New Delhi,  
The

(VINOD RAI)  
Comptroller and Auditor General of India

### Appendix – 1.1

(Referred to paragraph 1.7.2; page-8)

#### Statement showing the position of outstanding Inspection reports and paragraphs

Year	Works			RVP			OAD		
	IRs	Para		IRs	Para		IRs	Para	
		Sec-A	Sec-B		Sec-A	Sec-B		Sec-A	Sec-B
1993-94	11	10	6	-	-	-	-	-	-
1994-95	11	7	7	-	-	-	-	-	-
1995-96	11	4	13	-	-	-	-	-	-
1996-97	14	27	6	-	-	-	-	-	-
1997-98	9	31	18	-	-	-	-	-	-
1998-99	5	2	8	-	-	-	-	-	-
1999-00	15	9	15	-	-	-	-	-	-
2000-01	3	13	7	-	-	-	-	-	-
2001-02	5	0	8	-	-	-	-	-	-
2002-03	36	52	127	-	-	-	-	-	-
2003-04	58	52	249	-	-	-	-	-	-
2004-05	113	130	425	32	37	145	307	436	1415
2005-06	125	147	466	46	46	311	359	370	1702
2006-07	167	212	838	44	52	174	231	427	860
2007-08	128	218	650	35	16	131	265	383	1170
2008-09	126	270	593	37	25	124	309	158	1572
2009-10	98	109	478	37	8	108	290	124	1573
2010-11	152	316	925	26	11	97	181	85	954
<b>Total</b>	<b>1087</b>	<b>1609</b>	<b>4839</b>	<b>257</b>	<b>195</b>	<b>1090</b>	<b>1942</b>	<b>1983</b>	<b>9246</b>

**Appendix-2.1**

(Referred to paragraph: 2.1.7.1; page -15)

**(A) Statement showing the flow of funds and expenditure incurred there against under IAY, MGNREGA and BRGF**

(₹ in lakh)

Scheme	Year	Opening Balance	Central Allotment	State Allotment	Misc. Receipts (Interest)	Total available fund	Expenditure (figures in brackets in per cent)	Unspent balance
IAY General	2008-09	113.32	689.02	167.71	-	970.05	434.13 (45)	535.92
	2009-10	535.92	1157.48	337.40	-	2030.80	302.86 (15)	1727.94
	2010-11	1727.94	1218.29	500.60	-	3446.83	2142.90 (62)	1303.93
Upgradation	2008-09	19.73	177.57	41.93	-	239.23	104.05 (43)	135.18
	2009-10	135.18	77.78	80.24	-	293.20	156.56 (53)	136.64
	2010-11	136.64	Nil	Nil	-	136.64	132.64 (97)	4.00
Naxal affected-New construction	2009-10	Nil	719.95	241.01	-	960.96	874.41 (91)	86.55
	2010-11	86.55	883.29	203.90	-	1173.74	1142.42 (97)	31.32
Naxal affected upgradation	2009-10	Nil	179.98	60.10	-	240.08	150.88 (63)	89.20
	2010-11	89.20	132.85	Nil	-	222.05	214.98 (97)	7.07
	<b>Total</b>	<b>133.05</b>	<b>5236.21</b>	<b>1632.89</b>	<b>-</b>	<b>7002.15</b>	<b>5655.83 (81)</b>	<b>1346.32</b>
MGNREGA	2008-09	534.57	9980.42	606.32	1.45	11122.76	6035.88 (54)	5086.88
	2009-10	5086.88	3000.00	274.88	-	8361.76	5639.37 (67)	2722.39
	2010-11	2722.39	3854.12	428.21	-	7004.72	4199.12 (60)	2805.60
	<b>Total</b>	<b>534.57</b>	<b>16834.54</b>	<b>1309.41</b>	<b>1.45</b>	<b>18679.97</b>	<b>15874.37 (85)</b>	<b>2805.60</b>
BRGF	2008-09	Nil	1051.32	-	-	1051.32	630.53 (60)	420.79
	2009-10	420.79	809.57	-	-	1230.36	230.29 (19)	1000.07
	2010-11	1000.07	645.36	-	-	1645.43	1079.00 (66)	566.43
	<b>Total</b>	<b>Nil</b>	<b>2506.25</b>	<b>-</b>	<b>-</b>	<b>2506.25</b>	<b>1939.82 (77)</b>	<b>566.43</b>
<b>GRAND TOTAL</b>			<b>24577.00</b>	<b>2942.30</b>		<b>28188.37</b>	<b>23470.02</b>	<b>4718.35</b>

(Source: DRDA, Hazaribag)

**(B) Curtailment of funds under IAY**

(₹ in lakh)

Scheme	Year	Allocation		Allotment		Curtailment		
		Central	State	Central	State	Central	State	Total
IAY General	2009-10	1258.81	419.64	1157.48	337.40	101.33	82.24	183.57
-do-	2010-11	2396.94	599.24	1218.29	500.60	1178.65	98.64	1277.29
Upgradation	2009-10	103.60	34.55	77.78	80.24	25.82	-	25.82
Naxal affected-General	2009-10	1413.74	471.25	719.95	241.01	693.79	230.24	924.03
Naxal affected-Upgradation	2009-10	353.24	117.80	179.98	60.10	173.26	57.70	230.96
<b>Total</b>								<b>2641.67</b>

(Source: DRDA, Hazaribag)

**(C) Statement showing the flow of funds and expenditure incurred there against under Social Welfare, Welfare and NRHM**

(₹ in crore)

Scheme	Year	Opening Balance	Allotment	Total available fund	Expenditure	Unspent balance (figures in brackets in per cent)
Social Welfare	2008-09	7.42	17.51	24.93	23.03	1.90 (8)
	2009-10	1.90	1.85	3.75	3.37	0.38 (10)
	2010-11	0.38	2.05	2.43	1.93	0.50 (21)
	<b>Total</b>	<b>7.42</b>	<b>21.41</b>	<b>28.83</b>	<b>28.33</b>	<b>0.50</b>
Welfare	2008-09	1.94	9.96	11.90	7.64	4.26(36)
	2009-10	4.26	14.27	18.53	11.22	7.31 (39)
	2010-11	7.31	18.77	26.08	11.73	14.35(55)
	<b>Total</b>	<b>1.94</b>	<b>43.00</b>	<b>44.94</b>	<b>30.59</b>	<b>14.35</b>
NRHM	2008-09	2.12	5.38	7.50	5.85	1.65 (22)
	2009-10	1.65	6.48	8.13	4.57	3.56 (44)
	2010-11	3.56	15.14	18.70	11.81	6.89 (37)
	<b>Total</b>	<b>2.12</b>	<b>27.00</b>	<b>29.12</b>	<b>22.23</b>	<b>6.89</b>

(Source: DSWO, DWO and DHS, Hazaribag)

(D) Statement showing the flow of funds and expenditure incurred there against under drinking water and sanitation, irrigation and roads and bridges sectors

(₹ in crore)

Year	Funds released/available	Expenditure	Unspent balance (per cent)
1	2	3	4
<b>Drinking water and sanitation</b>			
<b>Drinking water and sanitation division</b>			
2008-09	9.34	8.31	1.03 (11)
2009-10	8.31	7.49	0.82 (10)
2010-11	14.97	9.01	5.96 (40)
<b>Sub total</b>	<b>32.62</b>	<b>24.81</b>	<b>7.81 (24)</b>
<b>Swajaldhara</b>			
OB as on 1 April 2008	0.06	NA	0.06
2008-09	0.00	0.01	(-) 0.01
2009-10	0.99	0.00	0.99
2010-11	0.00	0.06	(-) 0.06
<b>Sub total</b>	<b>1.05</b>	<b>0.07</b>	<b>0.98</b>
<b>Total sanitation campaign</b>			
OB as on 1 April 2008	1.86	NA	1.86
2008-09	6.12	1.74	4.38
2009-10	4.78	4.04	0.74
2010-11	2.21	6.06	(-) 3.85
<b>Sub total</b>	<b>14.97</b>	<b>11.84</b>	<b>3.13</b>
<b>G total</b>	<b>48.64</b>	<b>36.72</b>	<b>11.92</b>
<b>Irrigation</b>			
<b>Waterways Divisions</b>			
2008-09	42.44	41.85	0.59 (1)
2009-10	24.76	13.65	11.11 (45)
2010-11	32.86	21.09	11.77 (36)
<b>Sub total</b>	<b>100.06</b>	<b>76.59</b>	<b>23.47 (23)</b>
<b>Minor Irrigation Division</b>			
2008-09	2.03	1.78	0.25 (12)
2009-10	0.40	0.17	0.23 (58)
2010-11	2.58	2.57	0.01 (NA)
<b>Sub total</b>	<b>5.01</b>	<b>4.52</b>	<b>0.49 (10)</b>
<b>G total</b>	<b>105.07</b>	<b>81.11</b>	<b>23.96 (23)</b>
<b>Roads and bridges</b>			
<b>Road Construction Division</b>			
2008-09	12.48	6.81	5.67 (45)
2009-10	15.84	12.44	3.40 (21)
2010-11	17.94	16.29	1.65 (9)
<b>Sub total</b>	<b>46.26</b>	<b>35.54</b>	<b>10.72 (23)</b>
<b>Rural Works Division (State Plan)</b>			
2008-09	9.79	8.96	0.83 (8)
2009-10	1.52	1.01	0.51 (34)
2010-11	0.34	0.28	0.06 (18)
<b>Sub total</b>	<b>11.65</b>	<b>10.25</b>	<b>1.40 (12)</b>
<b>Rural Works Division (PMGSY)</b>			
2008-09	7.11	7.11	Nil
2009-10	23.17	23.17	Nil
2010-11	11.28	11.28	Nil
<b>Sub total</b>	<b>41.56</b>	<b>41.56</b>	<b>Nil</b>
<b>Rural Development Special Division</b>			
2008-09	9.50	9.50	Nil
2009-10	9.65	9.65	Nil
2010-11	5.43	4.83	0.60
<b>Sub total</b>	<b>24.58</b>	<b>23.98</b>	<b>0.60</b>
<b>Grand Total</b>	<b>124.05</b>	<b>111.33</b>	<b>12.72 (10)</b>

(Source: DWSD, District Water and Sanitation Mission, RCD, RWD, RDSD, Waterways Divisions and MI Division)

**Appendix-2.2***(Referred to paragraph: 2.1.9.1; page -21)***Statement showing the details of manpower resources under NRHM**

Sl. No.	Name of Post	Sanction	Men in position	Shortage (Per cent)
<b>District Sadar Hospital LEVEL</b>				
1.	Medical Officer (Doctor)	18	13	05
2.	Staff Nurse	15	12	03
3.	Pharmacist	03	00	03
4.	Lab. Technician	03	01	02
<b>Total</b>		<b>39</b>	<b>26</b>	<b>13(33.33)</b>
<b>CHC LEVEL</b>				
1.	Medical Officer(Doctor)	39	30	09
2.	ANM	40	24	16
3.	Pharmacist	09	02	07
4.	Lab. Technician	10	03	07
<b>Total</b>		<b>98</b>	<b>59</b>	<b>39(39.79)</b>
<b>PHC LEVEL</b>				
1.	Medical Officer(Doctor)	26	24	02
2.	ANM	26	12	14
3.	Pharmacist	14	00	14
4.	Lab. Technician	14	00	14
<b>Total</b>		<b>80</b>	<b>36</b>	<b>44(55)</b>
<b>H S C Level</b>				
1.	ANM	140	103	37(26.42)
<b>Grand Total</b>		<b>357</b>	<b>224</b>	<b>133(37.25)</b>

*(Source: CMO, Hazaribag)***Appendix -2.3***(Referred to paragraph: 2.1.11.1; page -28)***Statement showing the details of incomplete works under DSWO, Hazaribag**

Sl. No.	Name of Scheme	Total no. of buildings	No. of incomplete buildings	Expenditure on incomplete buildings (₹ in lakh)	Remarks
1.	Const. of AWC	136	41	46.65	Construction of 17 AWC could not be started and ₹ 39.13 lakh deposited into treasury
2.	Working lady hostel	01	01	40.76	
3.	Nari Niketan	01	01	24.54	
<b>Total</b>		<b>138</b>	<b>43</b>	<b>111.95</b>	

*(Source: DSWO, Hazaribag)*

**Appendix -2.4**

(Referred to paragraph: 2.1.14.4; page -39)

**Statement showing details of closed works taken up under MGNREGA**

(Amount in ₹)

Sl. No.	Name of the work	Year of sanction/ commencement	Estimated cost	Released fund	Expenditure on work
<b>Rural Development Special Division, Hazaribag</b>					
1	Construction of <i>kuchha</i> checkdam on Mardih nala at Mardih	2006	1750000	700000	153524
2	Construction of <i>pucca</i> checkdam on Kurdal nala at Puranpania	2006	900000	800000	559404
3	Construction of pond at Dadighaghar	2006	775000	698000	693712
4	Construction of checkdam on Haldia nala at Kaili	2006	900000	810000	855968
5	Construction of Grade I road from Lakheyadar to house of Shivilal Rabidas	2008	534900	213000	355100
6	<i>Gaharikaran</i> of Guhi <i>Aahar</i> at Bardewa	2007	400000	810000	178433
7	<i>Gaharikaran</i> of Tara <i>Aahar</i> at Tarwa	2007	387100	348390	317291
8	<i>Gaharikaran</i> of Barka <i>Aahar</i> at Kasura	2007	349800	140000	280483
9	<i>Gaharikaran</i> of Jihulia pond at Aaria	2007	438801	176000	142139
10	<i>Gaharikaran</i> of Birla <i>Aahar</i> at Jagdishpur	2007	402100	161000	153084
11	<i>Gaharikaran</i> of Banahi <i>Aahar</i> at Baharanpur	2007	355100	140000	260000
12	Construction of Grade I road from Salia to Kurthituri	2007	1202200	700000	893121
13	Construction of Grade I road and culvert from Sekha simane to house of Kedar Singh	2007	1102400	650000	614627
14	Construction of Grade I road and culvert from Barasi to Dandai	2007	941100	846990	613512
15	Construction of Grade I road from Pulwa river to Baloram	2007	601600	240000	514000
16	Construction of Grade I road from Khusial Bagi to Jurju Simana	2007	713600	280000	550000
			<b>11753701</b>	<b>7713380</b>	<b>7134398</b>
<b>National Rural Employment Programme, Hazaribag</b>					
17	<i>Gaharikaran</i> of Basiyano Bandh at Kargalo	2006	545000	218000	162675
18	Renovation of Tetariya <i>Aahar</i> at Kurhagarha	2007	420000	168000	169257
19	<i>Gaharikaran</i> of pond near Radha Krishna Temple at Barkaddakhurd	2007	550000	220000	195000
20	<i>Gaharikaran</i> and extension of Bandh pond at Kandsar	2007	660000	264000	270000
21	Renovation of <i>Aahar</i> at Ranwagarha	2007	640000	576000	406000
22	Renovation of <i>Aahar</i> of old check dam at Asadhir	2007	520000	208000	220000
23	<i>Gaharikaran</i> of Bela <i>Aahar</i> at Hedlag	2007	360000	175000	215253
24	Renovation of Dubiya <i>Aahar</i> at Pelawal	2007	425000	170000	170000
25	<i>Gaharikaran</i> of Joda <i>Aahar</i> at Banka	2007	420000	168000	140000
26	<i>Gaharikaran</i> of Sohgi <i>pokhar</i> at Pabra	2007	400000	160000	220000
27	Renovation of pond at Marghatia	2007	490000	196000	150000
28	<i>Gaharikaran</i> of Rehwa <i>Aahar</i> at Rehwa	2007	455000	409500	390000
29	<i>Gaharikaran</i> of Harina <i>Aahar</i> at Pabra	2007	520000	208000	200000
30	<i>Gaharikaran</i> of Khorha <i>Aahar</i> at Khorha	2007	445000	178000	100000
31	Extension & <i>gaharikaran</i> of Reha pond at Reha	2007	830000	332000	150000
32	Extension of water storage area in Bali bandh at Gadokhar	2007	550000	220000	50000

(Amount in ₹)

Sl. No.	Name of the work	Year of sanction/ commencement	Estimated cost	Released fund	Expenditure on work
33	Construction of Grade I road from PWD road Dhengure Sirsi to PWD road Barkagaon	2007	1370300	800000	770425
34	Construction of Grade I road from Dukra to Dharhara	2007	1755000	700000	860000
35	Construction of Grade I road from Kurhagarha to Rewar	2007	1888700	750000	1222000
36	Construction of Grade I road from Dukra to Romi Karbala	2008	1168000	150000	150000
37	Construction of Grade I road from PWD road Sirsi to PWD road Barkagaon	2007	1370300	770000	770000
38	Construction of Grade I road from Dukra to Dharhara	2007	1755000	860000	860000
39	Earth filling on Khutra Chharwa nala at Khutra	2008	2195000	300000	300000
40	Construction of Grade I road from Kurhagarha More to Rewar	2007	1888700	1222000	1222000
41	Construction of Grade I road from Devi Mandap, Ghuti to Sayal	2007	2436000	2193000	2015188
42	Gaharikaran of Barka pond at Lokia	2007	565000	226000	180000
43	Renovation of Kalimanda pond at Gangpacho	2007	1329100	131000	110000
44	Construction of Singha pond at Berokala	2007	1339500	235000	80000
45	Renovation of Gangasagar pond at Salaiyadih	2007	776600	310000	100000
46	Gaharikaran of Sijua Aahar at Mango	2007	560000	504000	395429
47	Gaharikaran of Kangia Singha Aahar at Chalkusha	2007	560000	100000	85000
48	Gaharikaran of Uparbara Singha Aahar at Chalkusha	2007	550000	120000	115000
			<b>29737200</b>	<b>13241500</b>	<b>12443227</b>
<b>Minor Irrigation Division, Hazaribag</b>					
49	Gaharikaran of Sarkari Aahar at Jhingibarai	2006	680000	612000	508200
50	Gaharikaran of Simra Aahar at Masani	2006	900000	810000	793400
51	Gaharikaran of Aahar at Bariaon	2006	870000	783000	782300
52	Gaharikaran of Nawa Aahar at Jhingibarai	2006	680000	272000	242700
53	Renovation of drain and pond at Punai Ichak	2006	273000	109000	60000
54	Renovation of Pandey pond at Sayal Kala	2006	450000	405000	389700
55	Renovation of Naya pond at Hasel	2006	710000	641000	576300
56	Renovation of Gangadah tola Aahar at Gardih	2006	590000	236000	202200
57	Renovation of drain and Aahar at Bhusai	2006	230000	92000	146500
58	Gaharikaran of Baithabandh at Mangura	2006	800000	720000	706000
59	Renovation of Matwa Aahar at Aara	2006	609000	548100	365300
60 to 98	Construction of 25 nos. of 20 feet diameter and 14 nos. of 10 feet diameter wells in Katkam-sandi	2008	5173400	2069400	2026800
99	Construction of checkdam at Karbohwa nala at Kurkutta	2008	856300	514000	514000
100	Construction of pond at Itij	2008	462000	185000	184500
101	Construction of pond at Sirma	2008	457000	183000	182400
	<b>Sub total</b>		<b>13740700</b>	<b>8179500</b>	<b>7680300</b>
	<b>Grand total</b>		<b>55231601</b>	<b>29134380</b>	<b>27257925</b>

(Source: RDS, NREP and MI Divisions)

**Appendix -2.5**

(Referred to paragraph: 2.1.14.4; page -39)

**Statement showing schemes under MGNREGA closed without completion**

(Amount in ₹)

Year	Name of works	Estimated cost	Total expenditure incurred
2006-07	Pond 150'X150'X10' at Jordag	198800	55868
	Pond 150'X150'X10' at Jordag	198800	49594
2007-08	Construction of Grade I road from Patara to Manatu (2 km)	997800	607354
	Construction of Grade I road from Fadar-ia Pani to Hendegiri (2 km)	997800	924001
	Permanent Paudhshala 1 Hec.	325800	309281
	Construction of Grade I road from Fataha to Chandwa (2 km)	1980300	1202195
	Construction of Grade I road from Hedlag School Chowk to house of Lurku Yadav (1 km)	498900	223969
	Construction of Grade I road from Jeetpur to Narsidhawa (5 km)	1980300	1973460
	Construction of Grade I road from Romi to Basay (3 km)	1496700	428540
	Bahera to Hathinder (1.61 km)	282067	261900
Kati to Ghatodabur (9.65 km)	1690651	700000	
2008-09	Guard wall 7' height and length 400'	484600	451740
<b>Total</b>			<b>71,87,902</b>

**Appendix -2.6**

(Referred to paragraph: 2.1.14.5; page -40)

**Statement of advances and adjustment from beneficiary committees**

(Amount in ₹)

Sl. No	Name of the work	Estimated cost	Advance to the Committees		Vouchers submitted by the Committees				Outstanding advance
			Amount	Period	Net expenditure	Royalty	Sales Tax	Gross expenditure	
1	Checkdam at Kitchnala in Pandeykuli	900000	733900	1/07 to 5/08	694098	19824	00	713922	19978
2	Checkdam in Be-latunmore Sarwa	900000	676950	2/07 to 5/08	107598	00	00	107598	569352
3	Checkdam at Dodigarha nala in Dand	930000	799600	1/07 to 9/08	400515	20257	00	420772	378828
4	Checkdam at Bihadianala in Sonbarra	900000	810000	1/07 to 8/07	727398	11102	2374	740874	69126
5	Check dam near Sikribeti Jharna in Sikri	900000	620000	2/07 to 3/08	439484	10195	2120	451799	168201
<b>Total</b>			<b>3640450</b>		<b>2369093</b>	<b>61378</b>	<b>4494</b>	<b>2434965</b>	<b>1205485</b>

**Appendix -2.7***(Referred to paragraph: 2.1.14.6; page -40)***Statement showing improper documentation***(Amount in ₹)*

Beneficiaries	Upto date work value	Payment	Vouchers submitted			Remarks
			Muster roll	Materials	Total	
Masomat Malo Devi	73319	73319	44064	44839	88903	1. MR nos. 132110 and 47932 contained name of same labour during same period. 2. No proof of payments of wages and cutting and overwriting in job cards nos.
Kauleshwar Singh Bhokta	39511	39511	20700	20927	41627	1. There was no proof of payments of wages and thumb impressions were also not found certified. 2. MR showed engagement of labours only in March and April 2009 whereas 1 <sup>st</sup> measurement taken in May 2008 showed engagement of 57 labours.
Devanti Devi	79245	70840	36586	47582	84168	1. MR nos. 132046 to 50 and 132075 contained name of same labour as skilled or unskilled with different job cards nos. 2. MR nos. 356686 and 132076 were found cancelled after taking attendance of and acknowledgement of labours. 3. Labours were shown engaged only up to April 2008 but 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> measurements were found recorded in May 2008, July 2008 and April 2010.
Basudeo Paswan	76519	76519	26529	42700	69229	1. MR nos. 132029 and 47858 contained name of same labour during same period (01.06.2008 to 15.06.2008). 2. Certified payments and payments as per MRs did not match.
Bajnath Ravidas	76397	76397	24191	54956	79147	1. Though wages stated to be paid in cash but no certificate was found in MRs or job cards. Job cards did not contain any number. 2. Vouchers regarding procurement of boulders were submitted though there was no work of boulder. 3. Name of one labour was found added in same no of MRs (132019 to 132022).
Kishori Paswan	78820	74815	37325	51638	88963	1. No proof of payments of wages. 2. Duplicate payments to same labours on same day shown in MR nos. 47853 and 132023.
	<b>423811</b>	<b>411401</b>	<b>189395</b>	<b>262642</b>	<b>452037</b>	

**Appendix -2.8**

(Referred to paragraph: 2.1.19.2; page -48)

**Statement showing requirement and availability of main strike weapons and Area weapons**

<b>Name of weapons</b>	<b>Requirement</b>	<b>Available</b>	<b>Shortage</b>	<b>Shortage (in per cent)</b>
<b>Main strike weapons</b>				
5.56 mm Insas Rifle	891	691	200	22
AK-47	164	64	100	<b>61</b>
9 mm Sten Gun	Nil	30	Nil	-
9 mm Pistol	249	149	100	40
.38 Revolver	155	130	25	<b>16</b>
VL Pistol	54	24	30	56
<b>Area Weapons</b>				
5.56 mm LMG	23	08	15	65
51 mm Mortar	3	Nil	3	100
Hand grenade tube	25	Nil	25	100
Launcher	5	Nil	5	100
7.62 mm LMG	25	Nil	25	<b>100</b>
.22 Ammunition	2026	26	2000	99
5.56 Insas Ammunition	176476	76476	100000	57
7.62 SLR Rifles	165	65	100	61
7.62 SLR Magazine	295	95	200	68
7.62 SLR Ammunition	62062	12062	50000	81
AK 47 Ammunition	78037	28037	50000	64
AK 47 magazine	756	256	500	66
.38 Revolvers ammunitions	21219	19219	2000	<b>09</b>
Rifle grenade	322	122	200	62
Hand grenade	645	445	200	31
51 mm 2HE Bomb	30	12	18	60
51 mm smoke Bomb	30	9	21	70
TG Long Range Cell	551	351	200	36
TG Short Range Cell	357	157	200	56
Grenade 3 We	312	112	200	64
Grenade 4 We	319	119	200	63
WP cell	55	5	50	91
Di Markan Grenade	52	2	50	96
Stringer Cell Grenade	55	5	50	91
Stan Mark 3 Grenade	55	5	50	91

**Appendix -2.9***(Referred to paragraph: 2.1.19.4; page -49)***Statement showing the position of sanctioned strength and Persons-in-position**

Rank	Position as of April 2008			Position as of March 2011		
	Posts Sanctioned	Men in position	Shortage in per cent	Posts Sanctioned	Men in position	Shortage in per cent
<b>Officer cadre</b>						
SSP	1	1	-	1	1	-
Dy SP	4	4	-	4	4	-
Inspector	3	4	-	3	4	-
SI	65	60	8	102	71	30
ASI	54	51	6	159	133	16
Major Sergeant	1	1	-	1	1	-
Sergeant	2	1	50	2	1	50
<b>Constabulary Cadre</b>						
Hawaldar	299	123	59	367	120	67
Constable	1366	1042	24	1632	990	39
Driver	32	23	28	102	76	25
Subedar	3	2	33	3	2	33
RSI (T)	15	6	60	15	15	-
RSI (Ar)	2	2	-	2	-	100
RSI (MT)	1	1	-	1	-	100
Hav. Driver	9	4	56	23	4	83
Hav. Armorar	3	2	33	3	3	-

**Appendix-2.10**

(Referred to paragraph 2.2.6.1; page -56)

**Statement showing actual occupancy in Jharkhand Jails as on 31 December 2010**

Sl. No.	District	Name of jail	Capacity			Population			Per cent
			Male	Female	Total	Male	Female	Total	
1.	Bokaro	District Jail, Chas	320	15	335	314	10	324	96.71
2.	Bokaro	Sub Jail, Tenughat	225	25	250	268	23	291	116.40
3.	Chatra	District Jail, Chatra	165	12	177	310	07	317	179.09
4.	Deoghar	District Jail, Deoghar	267	25	292	426	30	456	156.16
5.	Dhanbad	District Jail, Dhanbad	811	25	836	1309	50	1359	162.55
6.	Dumka	Central jail, Dumka	775	68	843	1383	89	1472	174.61
7.	East	Central Jail, Jamshedpur	1397	50	1447	939	59	998	68.97
8.	Singhbhum	Sub Jail, Ghatshila	150	07	157	257	05	262	166.87
9.	Garhwa	District Jail, Garhwa	188	10	198	532	17	549	277.27
10.	Giridih	District Jail, Giridih	320	34	354	556	29	585	165.25
11.	Godda	District Jail, Godda	291	07	298	273	72	345	115.77
12.	Gumla	District Jail, Gumla	300	02	302	572	28	600	198.67
13.	Hazaribag	Central Jail, Hazaribag	1300	30	1330	1963	97	2060	154.88
14.	Jamtara	District Jail, Jamtara	100	25	125	104	14	118	94.40
15.	Khunti	Sub Jail, Khunti	362	18	380	330	12	342	90.00
16.	Koderma	District Jail, Koderma	200	10	210	235	15	250	119.05
17.	Latehar	District Jail, Latehar	161	05	166	367	09	376	226.50
18.	Lohardaga	District Jail, Lohardaga	219	05	224	237	13	250	111.61
19.	Palamau	Central Jail, Medininager	379	12	391	747	30	777	198.72
20.	Pakur	District Jail, Pakur	100	04	104	188	05	193	185.57
21.	Ranchi	Central Jail, Ranchi	3323	102	3425	3631	77	3708	108.26
22.	Sahebganj	District Jail, Sahebganj	200	25	225	214	09	223	99.11
23.		Sub Jail, Rajmahal	137	06	143	138	11	149	104.19
24.	Saraikela Kharsawan	District Jail, Saraikela	290	08	298	637	10	647	217.11
25.	Simdega	District Jail, Simdega	85	05	90	397	07	404	448.88
26.	West Singhbhum	District Jail, Chaibasa	295	26	321	1002	24	1026	319.62
			<b>12360</b>	<b>561</b>	<b>12921</b>	<b>17329</b>	<b>752</b>	<b>18081</b>	

**Appendix-2.11***(Referred to paragraph 2.2.6.11; page-62)***Statement showing firearms available in test-checked jails**

Name of Jails	No. of weapons provided			No. of weapons in working conditions			No. of weapons not working		
	<i>Sangin</i>	Rifle 303	.410 Musket	<i>Sangin</i>	Rifle 303	.410 Musket	<i>Sangin</i>	Rifle 303	.410 Musket
Khunti (Sub Jail)	04	-	04	04	-	04	-	-	-
Tenughat (Sub Jail)	-	05	-	-	05	-	-	-	-
Deoghar (District Jail)	-	-	04	-	-	04	-	-	-
Dhanbad (District Jail)	09	10	09	07	05	04	02	05	05
Jamshedpur (Central Jail)	05	24	13	05	24	13	-	-	-
Ranchi (Central Jail)	-	86	42	-	73	25	-	13	17
Hazaribag (Central Jail)	-	23	10	-	23	08	-	-	02
Medininagar (Palamau) (Central Jail)	-	23	-	-	20	-	-	03	-
Giridih (District Jail)	-	10	04	-	10	04	-	-	-
Koderma (District Jail)	-	05	05	-	05	05	-	-	-

**Appendix-2.12**

(Referred to paragraph 2.2.7.1; page -66)

**Statement showing works in progress**

Sl. No.	Name of Jail	Year	Brief description of work	Amount paid to executing agency(₹)	Name of executing agency
1	Jamshedpur	2010-11	Construction of probation office	303500	PWD
2	Jamshedpur	2010-11	Construction of Santri Post	116250	PWD
3	Giridih	2009-10	Construction of probation office and residence	2500000	NREP
4	Giridih	2009-10	Construction of shed of prison industry	1007400	PWD
5	Ranchi	2007-08	To complete the under constructed female hospital	1452750	BCD-I
6	Ranchi	2008-09	Installation of bio-gas plant in jail	1168200	JREDA
7	Ranchi	2008-09	Work related to construction of 'Fansi Ghar'	173350	BCD-I
8	Ranchi	2008-09	Construction of residence of jailor	2350700	BCD-I
9	Ranchi	2009-10	Construction of 08 toilets, 04 bathrooms and 05 urinals	834400	BCD-I
10	Ranchi	2009-10	Construction of kitchen and meditation centre in female ward	932550	BCD-I
11	Ranchi	2010-11	Construction of main gate	556390	BCD-I
12	Ranchi	2010-11	Increase of height of western boundary wall	628050	NREP-II
13	Ranchi	2010-11	Semi automatic soap mixing machine	1000000	NCCF, Ranchi
14	Ranchi	2010-11	Installation of R.O. system	2500000	Sri Vijaya Enterprises, Ranchi
15	Medininagar (Palamau)	2010-11	Expansion of L.T. line outside boundary wall of jail premises	292100	
16	Medininagar (Palamau)	2010-11	Construction of 03 units of watch tower	708000	
17	Medininagar (Palamau)	2010-11	Construction of 01 unit of central watch tower	2516100	
18	Medininagar (Palamau)	2010-11	Renovation of Borstal School	653700	
19	Dhanbad	2007-08	Work related to production cum training, water supply and sanitation	1736000	BCD
20	Dhanbad	2008-09	Construction of residence of Superintendent	2496400	BCD
21	Dhanbad	2008-09	Construction of cells (20 units)	4637400	BCD
22	Dhanbad	2009-10	Construction of five units soak pits and septic tanks	568600	BCD
23	Dhanbad	2009-10	Construction of police barracks	3206500	NREP
24	Dhanbad	2009-10	Work related to production cum training, water supply and sanitation (extra allotment)	414800	BCD
25	Khunti	2008-09	Construction of Administrative building	4991400	BCD
26	Khunti	2008-09	Construction of residence of Superintendent	1934900	BCD
27	Khunti	2008-09	Construction of residence of doctors	1875200	BCD

Sl. No.	Name of Jail	Year	Brief description of work	Amount paid to executing agency(₹)	Name of executing agency
28	Khunti	2009-10	Construction of garage	163800	Dist. Eng. Khunti
29	Khunti	2009-10	Construction of generator room	152700	Dist. Eng. Khunti
30	Khunti	2010-11	Construction of PCC road	1580600	BCD
31	Koderma	2007-08	Construction of extra cell	890500	PWD
32	Koderma	2007-08	Construction of conference cell	788000	PWD
33	Hazaribag	2005-06	Construction of Sub-jail in Barhi	60778000	BCD
34	Hazaribag	2006-07	Construction extra ward (3 unit)	12008300	BCD
35	Hazaribag	2006-07	Construction of extra wards	8000000	BCD
36	Hazaribag	2007-08	Construction of industry shed	1500000	BCD
37	Hazaribag	2007-08	Renovation of kitchen shed	400000	BCD
38	Hazaribag	2007-08	Construction of visiting room and extension of Superintendent's residence	200000	BCD
39	Hazaribag	2007-08	Construction of wards (02 units)	8022800	BCD
40	Hazaribag	2007-08	Construction of training-cum-production centre	1736600	BCD
41	Hazaribag	2008-09	-do-	2296100	BCD
42	Hazaribag	2008-09	Construction of 04 units 'C' type quarters	4885700	BCD
43	Hazaribag	2008-09	Construction of 48 units 'A' type quarters	27308000	BCD
44	Hazaribag	2008-09	Construction work for water supply	3136400	DW&SD
45	Hazaribag	2008-09	Water supply and sanitation work in sub-jail, Barhi	10000000	DW&SD
46	Hazaribag	2008-09	Construction of perimeter wall	28935300	NREP-II, Ranchi
47	Hazaribag	2009-10	Construction of residential building in Sub-jail, Ramgarh	602000	BCD
48	Hazaribag	2009-10	Works of water supply and sanitation in Sub-jail, Ramgarh	5000000	BCD
				<b>219939440</b>	

**Appendix-2.13**

(Referred to paragraph 2.2.7.1; page -66)

**Statement showing works not yet started**

Sl. No.	Name of Jail	Year	Brief description of work	Amount paid to executing agency(₹ )
1	Jamshedpur	2010-11	Providing lightning conductor work in kitchen (02 nos.), central watchtower (06 nos.) community hall, work shed and cells (02 nos.)	459450
2	Jamshedpur	2010-11	-do- in male ward (06 nos.), female ward (01 no.), jail hospital, upper division ward and Administrative building	540550
3	Ranchi	2009-10	Acquisition of land for construction of proposed sub-jail, Bundu	4000000
4	Medininagar	2010-11	Removal of one unit rail pole D.P. near jail premises	8262
5	Medininagar	2010-11	Installation of one unit rail pole D.P. in 11 KVA line	104950
6	Medininagar	2010-11	Construction of 10 units of toilets	217800
7	Medininagar	2010-11	Construction of perimeter wall of jail premises from over bridge to school and from residence of Superintendent to wall of circuit house	135400
8	Medininagar	2010-11	Fixation of iron window and door in incomplete barracks and grill work	411300
9	Dhanbad	2010-11	Construction of boundary wall	362600
10	Khunti	2009-10	Construction of library	726200
11	Khunti	2009-10	Construction of septic tank	535042
12	Khunti	2010-11	Construction of two watch towers	778100
13	Khunti	2010-11	Construction of male ward	1481100
14	Khunti	2010-11	Construction of one unit staff quarter (06 block)	5817600
15	Khunti	2010-11	Increase of height of four watch tower	157250
16	Koderma	2006-07	DFMD, HHMD	50000
17	Koderma	2006-07	Portable search lights	35000
18	Koderma	2006-07	Video conferencing/ e-governance	1200000
19	Koderma	2006-07	Arrangement for public address system	100000
20	Koderma	2006-07	Electric and hand operated siren including jammer	475000
21	Koderma	2006-07	CCTV	200000
22	Koderma	2006-07	Video conferencing	945000
23	Koderma	2006-07	Strengthening of female ward	500000
24	Koderma	2006-07	Other construction work relating to security	500000
25	Koderma	2007-08	Construction of residence of jailor	911800
26	Koderma	2008-09	LPG cooking system	144000
27	Hazaribag	2006-07	Maintenance of jail kitchen	1000000
28	Hazaribag	2006-07	Construction of community hall	1158300
29	Hazaribag	2006-07	Video conferencing/ e-governance	500000
30	Hazaribag	2007-08	Expansion of jail hospital	1550000
31	Hazaribag	2007-08	Construction of staff quarters for 4 <sup>th</sup> Grade employees	1095500
32	Hazaribag	2008-09	Construction of eight new wards of capacity of 100 prisoners	43474400
33	Hazaribag	2008-09	Construction of PCC road and drainage around outside perimeter wall	3381000
34	Hazaribag	2008-09	-do- inside perimeter wall	1306600
35	Hazaribag	2008-09	Construction of staff quarters in sub-jail Barhi	30734500
36	Hazaribag	2008-09	Construction of community hall and work shed in open jail	5943709
37	Giridih	2009-10	Repairing of 25 units handpumps	107535
38	Giridih	2009-10	Construction of two units of garage	288400
39	Giridih	2009-10	Demolishing of old perimeter wall	404100
40	Medininagar	2006-07	Acquisition of land for Hussainabad	5777625
41	Medininagar	2006-07	Electrical hand operated siren including jammer	475000
42	Medininagar	2006-07	Installation of CCTV	200000
<b>Total</b>				<b>118193073</b>

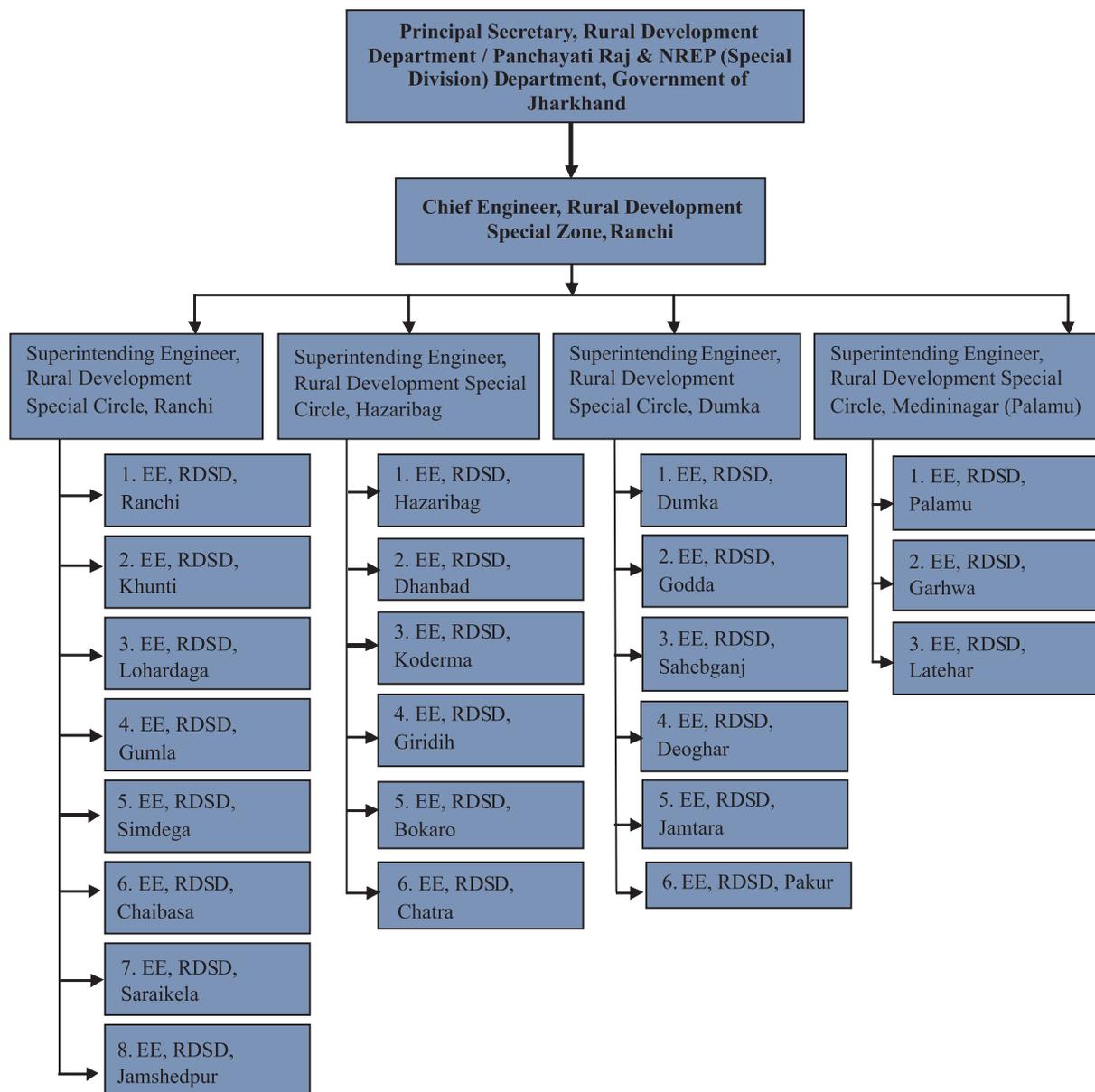
**APPENDIX-2.14***(Referred to paragraph: 2.2.8.1; page -69)***Calculation for fixation norms of Head/ Head warder and prisoners**

1	Total sanctioned strength of warders/ head warders (1742+115) = 1857, as per 8 hours in a day, 1/3rd =619.
2	Persons-in-position (356+61); 417=1/3 <sup>rd</sup> =139.
3	Ratio of sanctioned strength <i>vis-a-vis</i> total capacity of Jails (12,921 prisoners /619 warders) =1:21.
4	Ratio of Persons-in-position <i>vis-à-vis</i> total capacity (12,921/139 warders) = 1:93.
5	Ratio of Persons-in-position <i>vis-à-vis</i> actual number of prisoners kept in jails (18,081 prisons/139 warders) = 1:130

**Appendix-2.15**

(Referred to paragraph 2.3.2; page -76 )

**Statement showing organisational structure of Rural Development Department**



**Appendix-2.16***(Referred to paragraph 2.3.6.4; page -79 )***Statement showing the details of works carried out without land acquisition**

<b>Name of division</b>	<b>Name of work and agreement No.</b>	<b>Agreed cost (₹ in lakh)</b>	<b>Remarks</b>
RDSD Giridih	High level bridge at Udaypur-Dhobna, Gandey block (2F2/2009-10)	98.71	Bridge along with approach road (250 m each side at total cost of ₹ 7.00 lakh) was constructed at ₹ 98.71 lakh. The work was declared complete (January 2011) as per drawing, design & specifications. However in course of joint physical verification (May 2011) with divisional officials it was found that the approach road on one side of the bridge was not constructed due to land problem. However the EE stated that due to land problem the approach road could not be constructed.
RDSD Ranchi	Construction of bridge over Potpoto river in Kumarbag-Arsande road (16F2/08-09)	95.41	Work was stopped (February 2010) after incurring an expenditure of ₹ 27.67 lakh due to non availability of land for approach road.
RDSD Koderma	Construction of bridge over Gauri river between Titirchanch and Harno (2F2/2007-08)	143.80	Local MLA requested (June 2008) DC, Koderma to provide compensation to affected land owners of construction area. In June 2008, application signed by 20 land owners was submitted to divisional office and requested for stoppage of work until payment of compensation. The work was completed after spending ₹ 143.80 lakh with delay of 12 months due to non availability of land for approach road.
	Construction of bridge over Tetrain river between Markachho and Jaynagar road (3F2/2008-09)	270.00	The work was completed after spending ₹ 269.79 lakh with delay of 12 months due to non availability of land for approach road.
	Construction of bridge over Kesho river in Tetron-Bansdih Road (1F2/2010-11)	411.80	Divisional letter no. 666/21.07.10 issued to CE stated that if skewed bridge would be constructed, lesser private land was required for construction of the bridge. However, ignoring the advice of the divisional officer straight bridge was constructed instead of skewed bridge. The work was remained incomplete after incurring an expenditure of ₹ 120.37 lakh.

**Appendix – 2.17**

(Referred to paragraph 2.3.8; page -80 )

**Statement showing details of variations between departmental DPR and contractors' GAD**

Name of Division	Agreement No.	Agreed cost (₹ in lakh)	Specification as per departmental DPR		Specification as per contractors DPR/GAD	Remarks
			Item of work	Specification		
R D S D , Saraikela	2F2/2008-09	350.17	Highest Flood Level (HFL)	100m	102.125 m	
			Lowest Water Level(LWL)	97.200 m	97.60 m	
			Foundation	Pile	Open	
			Span	3 X 24.75 m with 2 piers	6 X 12. 635 m with 5 piers	
			Highest Flood Level (HFL)	99.50 m	98.86 m	
			Lowest Water Level(LWL)	93.87 m	87.66 m	
			Foundation	Pile	Open	
			Span	6 X 24.75 m with 5 piers	9 X 16.86 m with 8 piers	
	4F2/2008-09	290.36	Span	6 X 10.80 m with 5 piers	7 X 9.34 m with 6 piers	
			Span	4 X 24.75 m with 3 piers	10 x 10.122 m with 9 piers	
R D S D , Gumla	1/2008-09	284.20	Pier	Wall type pillars	Circular solid type pillars along with difference in foundation by 3 meter	
			Type of bridge	Skewed	Straight	
	7/2008-09	187.50	Foundation	Pile foundation in Hard Rock	Open foundation in Soft Rock	
			Soil condition	Hard Rock 5 to 7 m of river bed	Hard rock 3 to 5 m below river bed	
R D S D , Koderma	1F2/2010-11	134.50	Type of bridge	Straight	Skewed	
	2F2/2010-11	129.00	Foundation	Open foundation for all piers and abutment	Pile foundation for all piers and abutment except one abutment (A-1)	
			Soil condition	Soft Rock 4 to 4.60 meter of existing ground	Soft rock 4 m below existing ground except abutment (A-1) where it is 8 meter below the river bed	
	2F2/2007-08	143.80	Spans	5 span of effective length of 18.75 m	6 span of 16.12 meter length along with difference in pier thickness and depth in comparison with departmental DPR.	

Name of Division	Agreement No.	Agreed cost (₹ in lakh)	Specification as per departmental DPR		Specification as per contractors DPR/GAD	Remarks	
			Item of work	Specification			
R D S D , Sahebganj	3F2/2009-10	159.65	Foundation	Pile	Open		
			Length of bridge	76.087m	67.08 m		
			Spans	3 X 24.75 m	4 X 16.76 m		
	2F2/2007-08	62.43	Foundation	Pile	Open		
			Spans	2 X 24.75 m	5 X10 m		
	2F2/2008-09	571.91	Formation level	103.725 m	103.788 m		Udhwa Nala
			Length of bridge	123.75 m	126.80 m		
			Spans/Piers	24.75 m	25.32 m		
			A b u t m e n t - foundation	94.552 m	77.67 m		
			Pier-foundation	90.889 m	69.17 m		Gumani River
			Formation level	106.145 m	105.579 m		
			Highest Flood Level	102.42 m	101.804 m		
Length of bridge			99 m	101.480 m			
Span			24.75 m	25.32 m			
R D S D , Ranchi	6F2/2009-10	198.31	Formation	100	100.18	Over Koel river across Bejang-Kombo path under Chanho block	
			Span	9x13.100 m	8x14.96 m		
		314.592	Formation	205.181 m	204.976 m	Over South Koel river in Bijupara-Mandaro Road	
			Span	6x25.32 m	7x21.75 m		
		314.52	Formation	110.095 m	110.125 m	Across Chora Chitrikota and Brambe	
			Span	6x25.36 m	7x21.75 m		
	11F2/2008-09	370.06	Span	8x18.75m, 19.3m	9 x 17 . 2 2 9 m , 17.029m	Over Banai river on Mahil Manaloy Rd under Murhu block	
			Founding level				
			Abutment	83.2 m	83.2 m		
			Pier	80.2	79.44		
		191.16	Formation	105.348	105.166	Over Tajna river on 17th KM of Ganda Toli block Murhu	
			Span	6x18.75m	7x16.814, 16.604 m		
		111.69	Span	3x18.75m	4x14.48m	Near pond in Mayapur village under Ormanjhi block	
			Founding level				
			P1	94.5 m	93.4 m		
			P2	92 m	93.4 m		
	P3			93.4 m			
	NA	Formation	102.4 m	101.612	RCC bridge over Jidu Nalla in Jidu-Piska path block Ormanjhi		
		Span	2x22.36	3x14.93m, 14.91m			
	166.02	Formation	103.635 m	102.478 m	Over Domra Nalla between Chokahatu-Sarudih in Sonahatu block		
		Length					
Span		5x19.380 m	9x10.760 m				
101.51	Formation	103.175 m	101.299 m	Thandhatand Toli ahead of Pheta			
	Length						
	Span	2x25.38 m	2x10.158 m + 3x10.148 m				

Name of Division	Agreement No.	Agreed cost (₹ in lakh)	Specification as per departmental DPR		Specification as per contractors DPR/GAD	Remarks
			Item of work	Specification		
	19F2/2008-09	358.74	Formation	106.865 m	106.097 m	Over South Koel river at Nagda village in Mander block
			Length	177.56 m	177.52 m	
			Span	7x24.75 m	12x14.75 m	
	18F2/2008-09	310.2	Formation	103.38 m	103.887 m	Chidi River on Chidi-Jago road, Karra block
			Length			
			Span	13x10.37m	11x12.67 m	
			Founding level			
			P1	94.5 m	92.2 m	
			P2	93 m	92.2 m	
			P3	92.3 m	92.2 m	
			P4	93 m	92.2 m	
			P5	93.7 m	92.2 m	
			P6P	94.3 m	92.2 m	
			P7	94.8 m	92.2 m	
			P8	94.6 m	92.2 m	
			P9	95.8 m	92.2 m	
			P10	98 m	92.2 m	
			P11	97.2 m	92.2 m	
	P12	96.4 m	92.2 m			
	A2	94.6 m	92.2 m			
	21 F2/2008-09	117.54	Formation	103.41 m	101.57 m	Across Chhotaki Lakari river, Karra block
Length			38.76 m	38.78 m		
Span			2x18.75m	4x9.690m		
Founding level						
A1			77.5 m	94.89 m		
P1			72.29 m	94.89 m		
109.71		Formation	104.12 m	102.514 m	Across Rasika Duba river near Chari village in Kanke block	
		Length				
		Span	2x22.36m	5x8.93m		
		Founding level				
		A1	84 m	94.675 m		
		P1	84 m	94.675 m		
A2	84 m	94.675 m				

## Appendix – 2.18

(Referred to paragraph 2.3.9.2; page -83 )

## Statement showing unfruitful expenditure on incomplete bridges

Name of Division	Agreement No./ year No of bridges	Name of Work	Name of Agency (M/s)	Agreed Cost (₹in lakh) Date of agreement	Prescribed date of completion (in months)	Up-to-date expenditure (₹in crore)
RDSD, Dumka	4F2/09-10 4	(i) Bridge over river in between Sakri and Baswera/ Jarmundi (ii) Bridge over Rampur and Nawadih/ Jarmundi (iii) Bridge over river Gopalpur and Raghuwadih (iv) Bridge between Birajpur and Pandeshwar-nath/ Jarmundih	Mahamaya Construction	402.00 06.05.09	05.08.10 (15)	2.13
RDSD, Giridih	1F2/09-10 1	Bridge in Chilgagram panchayat and Kangothi on Kathjobra river	Jharkhand Construction	264.00 28.10.09	27.01.11 (15)	1.98
RDSD, Gumla	2F2/06-07 7	Construction of seven no. of bridges (i) over Lafri river (ii) over Kanji river (iii) over Lawa river (iv) over Kanji river, Dumra-Jairagi (v) over Basa river (vi) over Bahara river (vii) over Sankh river	Palu Construction	961.38 NA	(18)	8.82
	1F2/07-08 4	Constr. of H L bridge (i) over North Koel river on Ghaghra- Tendu Rd (ii) over Ankuri river Chainpur-bahagara road (iii) Suda river on Banari Janti Road (iv) over south Koel river Kamdara Bano road	Ashok Pd Jayswal	615.16 29.06.07	28.12.08 (18)	5.06
	2F2/07-08 1	Across north Koel in Bishunpur-Langa via Chainpur and Bishrampur	Ashok Pd Jayswal	134.62 10.10.07	09.10.08 (12)	1.11
	4F2/07-08 1	Across Koyal river under Basia block	Ashok Pd Jayswal	565.00 29.02.08	28.08.09 (18)	5.23
	5F2/07-08 1	Bridge across Basa river under Dumri on Tanginath with approach road	Krishna Deepak Construction	179.97 13.03.08	12.03.09 (12)	1.51
	8F2/08-09 1	Bridge on Sankh river Marium toli-Sarna toli/ Raydih	Tauhid Akhtar	388.85 23.02.09	22.05.10 (15)	2.27
	9F2/08-09 1	Bridge over Bamni river on Phori to Konpa road/ Gumla block	Hemant Kumar	306.50 02.03.09	01.06.10 (15)	0.74
	10F2/08-09 1	Bridge on Sankh river on Chainpur-Jari road/ Chainpur	Hemant Kumar	654.50 03.03.09	02.09.10 (18)	4.71
	15F2/08-09 1	Bridge over Karam Boha Torpa river on Tilaiyadih -Raikera/ Palkot	S. Kishore Prasad	233.75 28.04.09	27.04.10 (12)	2.22
	16F2/08-09 1	Bridge on north Koel river on Silvil Baradih Road near Sivil under Chainpur	Shaurya Construction	163.74 10.08.09	09.02.11 (18)	1.47

Name of Division	Agreement No./ year No of bridges	Name of Work	Name of Agency (M/s)	Agreed Cost (₹in lakh) Date of agreement	Prescribed date of completion (in months)	Up-to-date expenditure (₹in crore)
	<u>17F2/08-09</u> 1	Bridge on north Koel river on Bishunpur Samdari-Netarhat road/ Bishunpur	Kumar & Rai Construction	<u>157.14</u> 11.08.09	10.08.10 (12)	0.79
	<u>18F2/08-09</u> 1	Bridge over Kansa river on Darha- Chharda road under Sisai	Ashok Pd Jayswal	<u>254.50</u> 12.10.09	11.01.11 (15)	2.34
	<u>19F2/08-09</u> 1	Bridge over Kalobira river on PMGSY road Kolabira to NH 23/Gumla block	Amber Construction	<u>136.38</u> 18.10.09	17.01.11 (15)	0.70
	<u>21F2/08-09</u> 1	Bridge over Phaujher river on Surubera-Belughera/ Palkot	Krishna Deepak Construction	<u>176.01</u> 11.11.09	10.11.10 (12)	1.01
R D S D , Koderma	<u>4F2/08-09</u> 1	Bridge over Ghaghra river between Jagidih and Debadih	Amitabh Construction	<u>418.75</u> 23.06.08	22.09.09 (15)	3.77
	<u>1F2/09-10</u> 1	Bridge and Guardwall over river between village Meghatri and Churkudi	Sunil Tiwari	<u>427.00</u> 09.06.09	08.06.10 (12)	3.54
	<u>6F2/09-10</u> 1	Bridge on Kesho river on Kundi-Manmohna road near Nimudih	Ganesh Yadav	<u>437.85</u> 04.10.09	03.01.11 (15)	3.52
	<u>7F2/09-10</u> 1	Bridge in Pasiadih Ranganitan Path in Pasidih nalla under Purananagar Panchayat	Amitabh Construction	<u>506.46</u> 08.10.09	07.01.11 (15)	4.15
	<u>8F2/09-10</u> 1	Bridge over Mina river in Pasiadih-Nalasaahi-Purananagar Road in Purananagar Panchayat	Sadanand Gupta	<u>121.00</u> 19.01.10	18.01.11 (12)	1.15
R D S D , Saraikela	<u>3F2/08-09</u> 2	Construction of two bridges (i) over river Sona connecting Bargaon and Saherbera on Sini main road (ii) over river Sona connecting Ramgarh with Ranjur under Kharsawan block	Navratnam Construction	<u>435.05</u> 02.03.09	01.03.10 (12)	2.47
	<u>2F2/08-09</u> 2	Construction Of two bridges (i) over Ashna nala connecting Simsdura with Bankatti i/c approach (ii) over river Sanjay connecting Digarsai with Kendra Haltora i/c approach	Navnirman Construction	<u>350.17</u> 02.03.09	01.03.10 (12)	3.33
	<u>4F2/09-10</u> 1	Construction of bridge over Juria Nallah between Janum and Letemda with approach road	Navnirman Builders	<u>76.89</u> 11.02.10	10.02.11 (12)	0.46

Name of Division	Agreement No./ year No of bridges	Name of Work	Name of Agency (M/s)	Agreed Cost (₹in lakh) Date of agreement	Prescribed date of completion (in months)	Up-to-date expenditure (₹in crore)
RDSD, Saheb-ganj	<u>1F2/08-09</u> 2	Construction of two bridges (i) over Marganga nala in Hajipur-Diara/Sahebganj block (ii) over Bhora river in between T T Bahiyar to Lila mission/Mandro block	K K Narsaria	<u>353.00</u> 27.05.08	26.05.09 (12)	2.96
	<u>2F2/08-09</u> 3	Construction of three no of H L bridges in one package (i) Over Udhwa Nalla near Kachahari Ghat under Udhwa block, dist-Sahebganj (ii) Over Gumani river in between Tilbhitta & Athgawan under Pathna block (iii) Over Karni Nallah, near Sugnibhasa in Pathna block in Sahebganj district	K.K. Narsaria	<u>571.91</u> 27.05.08	26.08.09 (15)	4.27
	<u>1F2/09-10</u> 1	Construction of bridge over Karni river in between Hiranpur-Shri Kunda in Dompara village under Barharwa block	Sri Ram Enterprises	<u>238.00</u> 25.08.09	24.08.10 (12)	1.67
	<u>2F2/09-10</u> 1	Construction of H L bridge over Karni river (nala) in Dilalpur-Chandol road under Barharwa block	Sri Ram Enterprises	<u>270.00</u> 25.08.09	24.08.10 (12)	1.62
RDSD, Ranchi	<u>2F2/07-08</u> 5	Balance work of BPDP of const. of bridge across (i) over Kapila river (ii) over Chatta river (iii) over Tali nalla (iv) over Karkari river (v) over koel river	K N P Singh	<u>252.30</u> 25.07.07	NA	0.00
	<u>2F2/09-10</u> 1	Across Binhar Bera-Hesaltoli under Namkom block	Shambhu Singh	<u>134.00</u> 18.05.09	17.05.10 (12)	1.20
	<u>13F2/09-10</u> 1	Over Dimbugarha river under Lapung block	Deo Enterp. Pvt Ltd	<u>189.00</u> 29.01.10	28.01.11 (12)	1.18
RDSD, Godda	<u>4F2/07-08</u> 2	Construction of 2 No of bridges	Rajesh Sah	<u>170.53</u> 28.11.07	27.11.08 (12)	1.58
RDSD, Chai-basa	<u>5F2/07-08</u> 4	Construction of 4 No. of bridges	Tiwary & Addy Construction	<u>766.26</u> 01.12.07	31.05.09 (18)	2.76
	<u>6F2/02-03</u> 5	Construction of 5 No. bridges	K.K. Builders	<u>680.00</u> 27.02.03	26.04.04 (15)	5.54
	<u>4F2/08-09</u> 4	Construction of 4 No. bridges	Satyum Builders	<u>696.50</u> 13.02.09	12.05.10 (15)	1.39
RDSD, Bokaro	<u>4F2/06-07</u> 1	Construction of Submersible RCC bridge over Bokaro river in Dania Panchayat, Gomia Block	Ganesh Yadav	<u>142.00</u> 29.07.06	28.07.07 (12)	0.92

Name of Division	Agreement No./ year No of bridges	Name of Work	Name of Agency (M/s)	Agreed Cost (₹in lakh) Date of agreement	Prescribed date of completion (in months)	Up-to-date expenditure (₹in crore)
RDSD, Palamau	<u>1F2/09-10</u> 3	Construction of 3 No. of bridges	Kumar & Roy Construction	<u>1433.05</u> 22.05.09	21.04.10 (12)	0.14
	<u>2F2/09-10</u> 1	Construction of bridge over Amanat river in Sonepurwa Baliyari Manatu Block	Indian Electrical Services	<u>578.06</u> 06.06.09	05.09.10 (12)	2.44
	<u>3F2/07-08</u> 1	Construction of H/L bridge across Koel river in uteri-Manghioar Road Vishrampur block.	Kalsi Buildicon	<u>1283.19</u> 17.12.07	16.03.09 (15)	10.40
	<u>6F2/08-09</u> 5	Construction of 05 No. of bridges	Gupteshwar Construction	<u>1044.06</u> 03.03.09	02.06.10 (15)	8.59
	<u>2F2/07-08</u> 2	Construction of 02 No. of bridges	Gupteshwar Construction	<u>292.69</u> 13.12.07	12.12.08 (12)	2.87
<b>Total</b>	<b>80</b>			<b>17,461.22</b>		<b>114.02</b>

### Appendix – 2.19

(Referred to paragraph 2.3.9.3; page -84 )

#### Statement showing allotment of more than one work to an agency either on the same date or later date without completing the previous work up to 75 per cent

Sl. No.	Name of Division	Name of the agency	Agreement no.	Date of allotment of work	Agreed cost (₹ in lakh)	Status of completion of previous work (in percentage) at the time of next allotment of work to same contractor
1.	RDSD Koderma	Amitabh Construction	2F2/07-2008	31.12.2007	-	-
		Do	3F2/2008-09	07.05.2008	270.73	0% (2F2/2007-2008)
		Do	4F2/2008-09	17.03.2008	418.76	0% (3F2/2008-2009)
		Do	7F2/2009-10	15.06.2009	506.46	8% (4F2/2008-2009)
		Do	2F2/2010-11	20.02.2010	129.00	0% (7F2/2009-2010)
		Ganesh Yadav	5F2/2008-09	01.07.2008	-	-
2.	RDSD Giridih	Do	06/2009-10	15.06.2009	437.85	13% (5F2/2008-09)
		M/s Sidharta Construction	2/2007-08	<b>28.01.2008</b>	-	-
		Do	3/2007-08	<b>28.01.2008</b>	337.80	0%
		Do	4/2007-08	<b>28.01.2008</b>	184.90	0%
		Do	3/2008-09 (for two bridges)	<b>25.02.2009</b>	520.61	59%(2/2007-08) 19%(03/2007-08) 95%(04/2007-08)
		Do	4/2008-09	<b>25.02.2009</b>	467.28	0%(3/2008-09)
		M/s Pushpanjali Construction	6/2007-08(for two bridges)	20.02.2008	-	-
		Do	9/2007-08(for two bridges)	18.03.2008	502.73	31%(06/2007-08)
		M/s U&M Enterprises	1/2008-09	28.04.2008	-	-
		Do	2/2008-09	23.09.2008	212.50	0%(1/2008-09)
		Subhash Singh	2/2009-10	08.02.2010	-	-
		Do	1/2010-11	05.05.2010	372.96	0%(2/2009-10)
		Do	4/2010-11	05.10.2011	159.95	68% (2/2009-10) under dispute (1/2010-11)
3.	RDSD, Dumka	M/s S.K. Tekriwal	1/2007-08	<b>04.07.2007</b>	-	-
		Do	2/2007-08	<b>04.07.2007</b>	100.00	Subsequent allotment on same date
		Do	4/2007-08	30.01.2008	417.96	40% (1/2007-08)
		Do	1/2009-10	<b>19.01.2009</b>	-	-
		Do	2/2009-10	<b>19.01.2009</b>	405.00	Subsequent allotment on same date
		M/s Hardev Construction	3/2008-09	<b>23.03.2009</b>	-	-
		Do	4/2008-09	<b>23.03.2009</b>	245.05	Subsequent allotment on same date
		Do	3/2009-10	15.04.2009	519.58	0%(4F2/2008-09)
		Do	3/2010-11	<b>23.09.2010</b>	-	-
		Do	4/2010-11	<b>23.09.2010</b>	116.02	Subsequent allotment on same date
		Do	9/2010-11	<b>22.10.2010</b>	-	-
Do	10/2010-11	<b>22.10.2010</b>	86.67	Subsequent allotment on same date		

Sl. No.	Name of Division	Name of the agency	Agreement no.	Date of allotment of work	Agreed cost (₹ in lakh)	Status of completion of previous work (in percentage) at the time of next allotment of work to same contractor
4.	Gumla	M/s. Ravindra Mahto	11/2010-11	10.11.2010	-	-
		Do	12/2010-11	22.11.2010	127.83	0%(11F2/2010-11)
		Ashok Pd. Jaiswal	1/2007-08	28.05.2007	-	-
		Do	2/2007-08	10.09.2007	134.61	0%(1/2007-08)
		Do	4/2007-08	01.02.2008	565.00	28% (1/2007-08), 0% (2/2007-08)
		Do	18/2008-09	10.02.2009	254.50	56%(2/2007-08)
		Krishna Deepak Construction	5/2007-08	21.01.2008	-	-
		Do	6/2008-09	10.01.2009	163.70	11%(5/2007-08)
		Do	21/2008-09	27.01.2009	176.01	18% (5/2007-08), 0%(6/2008-09)
		Hemant Kumar	9/2008-09	<b>19.01.2009</b>	-	-
		Do	10/2008-09	<b>19.01.2009</b>	654.50	0%
		Shaurya Construction	12/2008-09	28.02.2009	-	-
5.	RDSD, Saraikela	Do	16/2008-09	15.05.2009	163.74	0%(12/2008-09)
		Navnirman Construction	2F2/2008-09	10.02.2009	-	-
		Do	3F2/2008-09	06.02.2009	435.05	0% (2F2/2008-09)
		Do	4F2/2009-10	26.05.2009	76.89	0% (3F2/2008-09)
		Do	7F2/2010-11	25.09.2010	210.37	0%(4F2/2009-10), 27% (3F/2008-09)
		Parmanand Choudhury	1F2/2009-10	18.05.2009	-	-
		Do	2F2/2009-10	28.05.2009	97.98	0% (1F2/2009-10)
		Brindavan Construction	2F2/2010-11	25.09.2010	-	-
6.	RDSD, Sahebganj	Do	3F2/2010-11	13.09.2010	153.75	0% (2F2/2010-11)
		Sri Ram Construction	1/2006-07	18.04.2006	-	-
		Do	1/2007-08	11.05.2007	153.80	50%(1/2006-07) 0% (1/2007-08)
		Do	3/2007-08	18.07.2007	220.25	0% (1/2007-08)
		Do	1/2009-10	02.03.2009	238.00	70%( 1/2007-08)
		Do	2/2009-10	25.05.2009	159.65	0%(1/2009-10)
		Do	Agreement to be executed	25.10.2010	150.00	47%(2/2009-10)
		K.K. Narsaria	1/2008-09	<b>20.02.2008</b>	-	-
Do	2/2008-09	<b>20.02.2008</b>	597.91	Subsequent allotment		
7.	RDSD, Ranchi	Harsha Construction.	5/2006-07	20.02.2006	17.75	-
		Do	4/2006-07	31.03.2006	19.89	0%(5/2006-07)
		Ganga Enterprises	6/2006-07	NA	-	-
		Do	10/2007-08	15.01.2008	395.65	
		Ganga Enterprises	4/2008-09	10.07.2008	1381.03	
		KNP Singh	1/2007-08	28.05.2007	-	-
		KNP Singh	2/2007-08	8.06.2007	252.30	

Sl. No.	Name of Division	Name of the agency	Agreement no.	Date of allotment of work	Agreed cost (₹ in lakh)	Status of completion of previous work (in percentage) at the time of next allotment of work to same contractor
8.	RDSD, Chaibasa	Satyam Builders	7/2010-11	<b>19.10.2010</b>	-	Subsequent allotments
			8/2010-11	<b>19.10.2010</b>	193.00	
			9/2010-11	<b>19.10.2010</b>	473.21	
			17/2010-11	<b>22.12.2010</b>	101.00	
			18/2010-11	<b>22.12.2010</b>	146.00	
9.	RDSD, Godda	Om Prakash Bajaj	1/2007-08	26.06.2007	-	Allotted in the same financial year
			6/2007-08	20.12.2007	149.54	
			7/2007-08	05.02.2008	480.42	
10.	RDSD, Palamu	Gupteshwar Construction	4/2008-09	18.12.2008	-	Allotted in the same financial year
			6/2008-09	03.03.2009	1044.06	
11.	RDSD, Bokaro	Ganesh Yadav	3/2006-07	<b>29.07.2006</b>	-	Subsequent allotments
			4/2006-07	<b>29.07.2006</b>	142.00	
		Malti Enterprises	1/2008-09	07.04.2008	-	Allotted in the same financial year
			6/2008-09	31.12.2008	196.59	
<b>Total</b>					<b>16,137.79</b>	

**Appendix – 2.20**

(Referred to paragraph 2.3.9.4; page -84)

**Statement showing allotment of work to invalid tenderers**

(₹ in lakh)

Name of Division	Name of contractor	Agreement No.	DPR Cost	Tenderer cost	Per cent of contract in comparison with DPR cost	Tender deciding authority
RDSD, Giridih	Subhash Singh	2F2/2009-10	116.78	98.71	15.47% below	CE,RDS Zone, Ranchi
RDSD, Sahebganj	Sri Ram Enterprises	Agreement yet to be executed	187.00	150.00	20% below	
	S.K. Tekriwal		189.62	147.40	22% below	
	Om Prakash Bajaj		288.50	221.00	23% below	
	Hardev Construction		251.82	196.41	22% below	
	Ravindra Mahto		177.36	137.91	22% below	
RDSD, Dumka	Hardev Construction	4F2/2010-11	138.99	116.02	16.52%below	
	Preeti Enterprises	5F2/2010-11	145.91	121.47	16.75% below	
	Preeti Enterprises	6F2/2010-11	115.42	90.94	21.20% below	
	Rajendra Mahto	12F2/2010-11	154.47	127.83	17.24% below	
RDSD, Ranchi	Dilip Kumar	15F2/2010-11	63.91	53.00	17 % below	
<b>Total</b>			<b>1829.78</b>	<b>1460.69</b>		

**Appendix- 2.21***(Referred to paragraph 2.3.9.5; page -84 )***Statement showing work allotted to single tenderer without approval from higher authority***(₹ in lakh)*

Name of Division	NIT No. / Agreement No.	Name of agency to whom work awarded	Name of work	DPR Cost	Authority by which work was decided according to the DPR cost	Next higher authority from which approval required
RDSD, Giridih	2/2010-11	Ramchandra Yadav	Bridge over river Jamunia	136.40	CE,RDS Zone	Department
	6/2010-11	Saryu Narayan Choudhury	Bridge on Barnair river	155.11	Do	Do
RDSD, Saraikela	4/2008-09	Parmanand Choudhury	Bridge over Juria nala between Ghatdulmi and Kankibera	81.08	CE,RDS Zone, Ranchi (655/18.05.09)	Do
	Do	Do	Bridge over Bahmani nallah connecting Chaliyama with Churugora	97.78	CE,RDS Zone, Ranchi (716/28.05.09)	Do
	2/2008-09	Nav Nirman Construction	Bridge over Juria nala between Janum and Letemda	76.89	CE,RDS Zone, Ranchi (702/26.05.09)	Do
RDSD, Chaibasa	02F2/2007-08	Bharat Construction	Bridge over Kangira river in Horina – Mundar road	300.90	CE, RDS Zone, Ranchi	Do
RDSD, Bokaro	05F2/2006-07	Usha Enterprises	Submersible bridge over river Konar, Bermo Block (Residual work)	103.00	CE, RDS Zone, Ranchi	Do
<b>Total</b>				<b>951.16</b>		

**Appendix-2.22**

(Referred to paragraph 2.3.9.7; page -85 )

**Statement showing non/short levy of penalty for delay in completion of work**

(₹ in lakh)

Name of Division	Agreement No. (F <sub>2</sub> )	Contract price	Prescribed time frame	Actual date of completion	Delay in days (for incomplete work delay calculated as on 31.03.2011)	Penalty to be levied (10 per cent of Contract price)	Penalty levied	Difference
RDS, Saraikela	2/08-09	350.17	1-Mar-10	Incomplete	394	35.02	19.93	15.09
	3/08-09	435.05	1-Mar-10	Incomplete	394	43.51	24.28	19.23
	4/08-09	290.36	1-Mar-10	27-Jun-2010	117	29.04	8.07	20.97
	2/09-10	97.78	21-Jul-10	7-Sep-2010	47	9.78	0	9.78
	4/09-10	76.89	10-Feb-11	Incomplete	48	7.69	2.59	5.10
RDS, Giridih	2/07-08	433.97	27-Jan-09	7-Mar-2010	403	43.40	3.55	39.85
	3/07-08	337.8	28-Apr-09	25-Mar-2010	330	33.78	16.89	16.89
	4/07-08	184.9	27-Jan-09	27-Aug-2009	211	18.49	0	18.49
	5/07-08	543.05	28-Apr-09	10-Feb-2010	287	54.31	28.45	25.86
	6/07-08	315.77	19-Feb-09	5-Mar-2010	378	31.58	8.29	23.29
	9/07-08	502.73	17-Jun-09	28-Oct-2010	497	50.27	31.92	18.35
	1/08-09	347.90	27-Jul-09	25-Nov-2010	485	34.79	18.79	16.00
	2/08-09	212.50	22-Sep-09	5-Sep-2010	347	21.25	13.18	8.07
	3/08-09	520.61	24-May-10	18-Nov-2010	177	52.06	0	52.06
	4/08-09	467.28	25-Aug-10	20-Feb-2011	178	46.73	24.73	22.00
RDS, Koderma	01/08-09	238.50	11-May-09	26-May-2010	379	23.85	19.77	4.08
	1/09-10	427.00	8-Jun-10	Incomplete	295	42.70	7.1	35.60
	6/09-10	437.85	3-Jan-11	Incomplete	86	43.79	0	43.79
	7/09-10	506.46	7-Jan-11	Incomplete	82	50.65	0	50.65
	8/09-10	121.00	18-Jan-11	Incomplete	71	12.10	0	12.10
RDS, Dumka	3/07-08	91.96	14-Dec-08	10-Mar-2009	85	9.20	0	9.20
	1/08-09	1605.10	28-Feb-10	Incomplete	395	160.51	46.55	113.96
	4/09-10	402.00	5-Aug-10	Incomplete	237	40.20	7.2	33.00
RDS, Sahebganj	1/07-08	153.80	31-Jul-08	30-Mar-2009	241	15.38	7.69	7.69
	1/08-09	353.00	26-May-09	Incomplete	673	35.30	9.86	25.44
	2/08-09	571.91	26-Aug-09	Incomplete	581	57.19	41.42	15.77
	1/09-10	238.00	24-Aug-10	Incomplete	218	23.80	5	18.80
	2/09-10	270.00	24-Aug-10	Incomplete	218	27.00	5	22.00
RDS, Ranchi	10/07-08	395.65	17-Feb-09	12-Oct-2009	236	39.57	0	39.57
	4/08-09	1381.03	9-Jan-10	8-Jul-2010	179	138.10	0	138.10
	12/08-09	94.88	1-Dec-09	23-Dec-2010	386	9.49	0.83	8.66
	13/08-09	150.13	1-Dec-09	15-Jan-2011	409	15.01	6.81	8.20
	14/08-09	926.48	3-Dec-10	Incomplete	117	92.65	0	92.65
	17/08-09	120.30	25-Dec-09	10-Mar-2011	439	12.03	4.21	7.82
	19/08-09	566.30	27-Jan-10	30-Oct-2010	275	56.63	0	56.63
	21/08-09	227.25	5-Feb-10	4-Feb-2011	363	22.73	0	22.73
	33/08-09	465.99	12-May-09	20-Jun-2010	403	46.60	0	46.60
	2/09-10	134.00	17-May-10	Incomplete	317	13.40	2.46	10.94
RDS, Chaibasa	6/02-03	680.00	26-Apr-04	19-Aug-2006	844	68.00	11	57.00
	1/06-07	200.00	1-Jun-07	27-Jul-2007	55	20.00	0	20.00
	5/07-08	766.26	31-May-09	26-Dec-2009	208	76.63	0	76.63
	8/07-08	430.74	26-May-09	30-Sep-2009	126	43.07	0	43.07

(₹ in lakh)

Name of Division	Agreement No. (F <sub>2</sub> )	Contract price	Prescribed time frame	Actual date of completion	Delay in days (for incomplete work delay calculated as on 31.03.2011)	Penalty to be levied (10 per cent of Contract price)	Penalty levied	Difference
	2/08-09	21.92	7-Dec-08	30-Mar-2009	112	2.19	1.41	0.78
	4/08-09	696.50	12-May-10	Incomplete	322	69.65	9.21	60.44
R D S D , Godda	1/07-08	603.84	26-Sep-08	10-Sep-2009	348	60.38	0	60.38
	3/07-08	227.41	26-Feb-09	1-Sep-2009	186	22.74	0	22.74
	4/07-08	170.53	27-Nov-08	Incomplete	853	17.05	4.75	12.30
	7/07-08	480.42	4-May-09	30-Jan-2010	270	48.04	0	48.04
	13/08-09	450.50	29-Sep-09	30-Jan-2010	122	45.05	0	45.05
	1/09-10	126.18	5-Oct-10	Incomplete	176	12.62	0	12.62
	2/09-10	84.95	15-Aug-10	Incomplete	227	8.50	1.12	7.38
	R D S D , Palamau	2/07-08	292.69	12-Dec-08	28-Aug-2009	258	29.27	0
3/07-08		1283.19	16-Mar-09	Incomplete	744	128.32	6.17	122.15
4/07-08		350.00	18-Mar-09	22-Mar-2010	368	35.00	14.85	20.15
1/08-09		147.00	27-Apr-09	3-Aug-2009	97	14.70	0	14.70
3/08-09		205.60	5-May-09	5-Aug-2010	456	20.56	7.24	13.32
6/08-09		1044.06	2-Jun-10	Incomplete	301	104.41	18.54	85.87
2/09-10		578.06	5-Sep-10	Incomplete	206	57.81	1.38	56.43
R D S D , Bokaro	3/06-07	273.00	28-Jan-08	12-Mar-2008	43	27.30	0	27.30
	4/06-07	142.00	28-Jul-07	Incomplete	1341	14.20	0	14.20
	1/07-08	482.75	29-Aug-09	30-Dec-2009	122	48.28	0	48.28
	2/07-08	80.16	9-Jul-08	5-Feb-2009	210	8.02	1.6	6.42
	3/07-08	114.60	1-Nov-08	20-Jun-2009	230	11.46	0.82	10.64
	6/07-08	346.91	2-Dec-08	30-May-2010	543	34.69	7.26	27.43
	7/07-08	306.76	30-Jan-09	26-Aug-2009	207	30.68	0	30.68
	8/07-08	114.00	17-Mar-09	30-Apr-2010	408	11.40	7.35	4.05
	1/08-09	152.20	6-Apr-09	26-Aug-2009	141	15.22	0	15.22
	5/08-09	182.80	30-Dec-09	28-Jan-2010	28	18.28	0	18.28
R D S D , Gumla	2/09-10	578.16	31-Dec-10	20-Feb-2011	50	57.82	0	57.82
	3/06-07	277.90	4-Mar-08	30-Aug-2009	543	27.79	6.75	21.04
	1/07-08	615.16	20-Dec-08	Incomplete	830	61.52	5.68	55.84
	2/07-08	134.61	9-Oct-08	Incomplete	902	13.46	4.6	8.86
	5/07-08	179.97	12-Mar-09	Incomplete	748	18.00	10.7	7.30
	7/08-09	184.28	12-May-10	29-Sep-2010	139	18.43	9.52	8.91
	8/08-09	388.85	22-May-10	Incomplete	312	38.89	2.93	35.96
	9/08-09	306.50	1-Jun-10	Incomplete	302	30.65	3.85	26.80
	10/08-09	654.50	2-Sep-10	Incomplete	209	65.45	15.93	49.52
	11/08-09	117.60	2-Mar-10	26-Jul-2010	145	11.76	0	11.76
	12/08-09	117.86	22-Apr-10	Incomplete	342	11.79	0	11.79
	15/08-09	233.75	27-Apr-10	Incomplete	337	23.38	9.67	13.71
	17/08-09	157.14	10-Aug-10	Incomplete	232	15.71	0	15.71
	18/08-09	254.5	11-Jan-11	Incomplete	78	25.45	0	25.45
	19/08-09	136.38	17-Jan-11	Incomplete	72	13.64	0	13.64
21/08-09	176.00	10-Nov-10	Incomplete	140	17.60	2.5	15.10	
<b>Total</b>						<b>3054.44</b>	<b>529.40</b>	<b>2525.04</b>

**Appendix-2.23**

(Referred to paragraph 2.4.3.2; page -93 )

**Statement showing inordinate delays in completion of Preliminary Enquiries**

Sl. No.	P. E. No. and date	Amount involved (In ₹)	Subject/Charge
1	2/01- 8.5.2001	4,00,000	Disproportionate assets
2	10/01-20.10.2001	9,33,000	Defalcation of Govt. money
3	8/02 -2.7.2002	8,56,60,274	Defalcation
4	10/02 - 6.7.2002	4,48,80,000	Cheating
5	6/03 - 6.2.2003	68,00,000	Irregularity on construction of road
6	7/03 - 22.2.2003	75,57,683	Irregularity on construction of road
7	6/06 - 5.12.2006	1,20,000	Disproportionate assets
8	1/07 - 20.2.2007	80,00,000	Irregularity in appointment of Architect
9	5/07 -29.3.2007	8,68,00,000	Disproportionate assets
10	18/07 -11.5.2007	16,80,00,000	Disproportionate assets
11	23/07 -22.5.2007	50,000	Irregularity in selection of 'Sevikas'
12	9/08 -23.12.2008	20,89,16,258	Misutilisation of agriculture input subsidy
13	13/09 -9.7.2009	15,30,78,00,000	Charges of loss of Govt. revenue
14	14/09 -9.7.2009	10,00,00,000	Financial irregularity
15	19/09 -8.9.2009	12,00,00,000	Construction of building without tender
16	20/09 -8.9.2009	33,23,04,726	Defalcation
17	24/09-8.10.2009	1,00,000	Bribery
18	25/09 -8.10.2009	2,20,000	Bribery
19	28/09-8.10.2009	15,00,000	Defalcation
20	1/10 -15.1.2010	10,000	Illegal collection
21	3/10 -15.1.2010	5,07,35,888	Defalcation
22	10/10 -3.3.2010	1,00,00,000	Disproportionate assets
23	15/10 -21.6. 2010	20,000	Bribery
24	18/10 -28.7.2010	50,000	Loss of Govt. revenue due to misuse of the post
25	44/10-29.11.2010	25,00,00,000	Scam of welfare and MLA fund
26	8/11-31.3.2011	5,00,00,000	Disproportionate assets
	<b>Total</b>	<b>16,84,08,57,829</b>	

**Appendix- 2.24***(Referred to paragraph 2.4.3.2; page - 93)***Statement showing inordinate delays in completion of vigilance enquiries in respect of FIRs**

Sl. No.	Case no. & date	Amount involved (In ₹)	Subject/Charge
1	20/93- 10.7.1993	2,45,00,000	Loss of Government revenue due to excess payment.
2	12/10-17.4.2010	50	Trap Case, Govt. middle School, Chandwa, Latehar HRD Department.
3	13/10-28.4.2010	11,000	Trap Case, ASI, Gumla, Home Department.
4	16/10-14.5.2010	4,000	Trap Case, Circle Office, Giridih.
5	43/10-20.9.2010	10,000	Trap case, Circle Office , Dhanbad.
6	55/10-23.10.2010	31,000	Trap case, Girls Middle School, Jagannathpur, Chaibasa.
7	56/10-27.10.2010	5,000	Trap case, Sadar Hospital, Ranchi.
8	62/10-30.11.2010	25,00,00,000 (Clubbed in other relevant cases)	Defalcation of Government money, Road Construction Department. Chatra.
9	7/11-25.3.2011	30,50,400	Defalcation in construction of Circle Office and Residential Building, Khunti.
10	6/2011- 3.3.2011	26,42,900	Defalcation in construction of Revenue Court, Khunti.
11	8/11-28.3.2011	1,000	Trap case.
	<b>Total</b>	<b>28,02,55,350</b>	

**Appendix-2.25**

(Referred to paragraph 2.4.3.2; page - 93)

**Statement showing inordinate delays in completion of vigilance enquiries in respect of complaints**

Sl. No.	File no. and Year	Amount involved (In ₹)	Subject/charges
1	65/2003	1,01,33,548	Payment without any work in Heshapidhi, Bhushagarh Road.
2	60/2009	22,10,00,000	Collapse of bridge on Barakar river, in Nirsha, Dhanbad.
3	4/2010	76,17,700	Irregularity and corruption in MGNREGA, Littipara, Pakur.
4	52/2009	42,97,96,529	Irregularity by Sri Anugrah Prakash, Chief Engineer.
5	44/2009	12,32,400	Non-construction of pond as per estimate by MESO, Ratu Block, Ranchi.
6	22/2006	2,81,00,000	Misutilisation of fund in renovation of pond under Palamau District.
7	10/2010	20,00,000	Enquiry of the quality of construction of stadium, Ichak Block, Hazaribag.
8	17/2010	1,00,00,000	Complaint letter from the Central Vigilance Commission, New Delhi.
9	12/2010	8,00,000	Enquiry of the construction of road in Chakulia Block.
10	5/2010	16,45,00,000	Enquiry of the construction of Madhupur Laharajori Main Road and Satsang Bhirkhibad Road.
11	1/2009	76,00,000	Enquiry of the construction of SLR bridge by Auranga works division, Panki, Palamau.
12	52/2004	23,45,22,000	Enquiry of the excess expenditure incurred in construction of spillway in upper Shankh Reservoir Scheme.
13	16/2008	31,32,00,000	Defalcation of Government fund by Directorate of Agriculture.
14	18/2010	40,00,000	Enquiry of the irregularity in construction of business development unit by BAU.
15	27/2008	59,29,568	Enquiry of hand pump scam in water & sanitation division, Jamshedpur.
16	59/2009	16,97,500	Enquiry of the scam in construction of toilet under total sanitation mission.
17	10/2010	9,91,65,064	Enquiry of the irregularity in Sarath, Palajori Road.
18	23/2006	8,05,000	Enquiry against Sri R.C.Srivastava, IFS.
19	4/2003	1,00,00,000	Enquiry of the work executed under MPLAD scheme of Sri Nagmani, MP.
20	31/2006	7,42,00,000	Enquiry of the construction of Garhwa Police line compound.
21	13/2007	75,57,683	Enquiry of the construction work executed by Garhwa Municipality.
	<b>Total</b>	<b>1,63,38,56,992</b>	

**Appendix-2.26***(Referred to paragraph 2.4.3.2; page - 93)***Statement showing details of pending cases of VB due to non-issuing of request for prosecution**

Sl. No.	Case No. and date	Subject/Charges
1	26/97 -26.8.97	Defalcation in Rural Development Department Mahagama, Godda.
2	17/2000 -17.9.00	Defalcation in AJBN Patna, Ranchi.
3	31/2000 -14.11.00	Defalcation in AJBN Patna, Ranchi.
4	25/02-8.4.02	Scam in purchasing of Electrical Equipment, Energy Department, Sikidiri, Ranchi.
5	5/03- 4.2.03	Forgery in DSE Office, Pakur.
6	6/03 -4.2.03	Forgery in DSE Office, Pakur.
7	31/03 -3.11.03	Irregularities in construction of Commissioner's building, Dumka.
8	5/04 -25.3.04	Medicine Scam, ACOMO office, Dhanbad.
9	18/04 -12.10.04	Medicine Scam, Sadar Hospital, Dumka.
10	11/09	Disproportionate asset case, Agriculture Department, Ranchi.
11	19/09 -29.10.09	Irregularity in appointment, Health Department, Hazaribag.
12	1/10 -12.1.10	Irregularity in appointment of Anganbari Sevika, Nawadih, Bokaro, Social Welfare and Child Development Department.
13	13/10 -28.4.10	Trap Case, ASI, Gumla Home Department.
14	29/10 -24.7.10	Irregularities in promotion, DSE Office, Dumka.
15	37/10 -30.8.10	Irregularities & defalcation in Agriculture Department, Hazaribag.
16	38/10 -30.8.10	Irregularities in Electrification in JSEB, Ranchi
17	39/10-30.8.10	Disproportionate Assets, JSEB, Ranchi
18	49/10 -6.10.10	Irregularity in purchase of sports items, Khelgaon, Hotwar, Ranchi.
19	51/10 -20.10.10	Complaint no. 580/2003, Government Polytechnic, Ranchi.
20	54/10 -20.10.10	Bogus withdrawal and payment of scholarship, Government Primary School, Pandepura, Palamau.
21	61/10 -30.10.10	Defalcation of Government Money, Road Construction Department Hazaribag.
22	62/10 -30.10.10	Defalcation of Government money, Road Construction Department, Chatra.
23	63/10 -30.11.10	Defalcation of Government money, Road Construction Department, Chatra.
24	64/ 10 -30.11.10	Defalcation of Government money, Road Construction Department, Chatra.
25	65/10 -30.11.10	Defalcation of Government money, Road Construction Department, Chatra.
26	66/10 -30.11.10	Defalcation of Government money, Road Construction Department, Chatra.

**Appendix-2.27**

(Referred to paragraph 2.4.3.2; page -93 )

**Statement showing details of pending cases in VB due to non-submission of supervision note**

Sl. No.	Case no. & date	Subject
1	40/10-31.8.2010	Disproportionate assets against Shri Paras Kumar, Assistant Engineer.
2	61/10-30.11.2010	Defalcation of Govt. Money, Road Construction Department, Hazaribag.
3	62/10-30.11.2010	Defalcation of Government money, Road Construction Department, Chatra.
4	63/10-30.11.2010	Defalcation of Government money, Road Construction Department, Chatra.
5	64/10-30.11.2010	Defalcation of Government money, Road Construction Department, Chatra.
6	65/10-30.11.2010	Defalcation of Government money, Road Construction Department, Chatra.
7	66/10-30.11.2010	Defalcation of Government money, Road Construction Department, Chatra.
8	2/11-20.1.2011	Irregularity and defalcation in purchase of instruments in Electricity Board, Jamshedpur.
9	6/11-23.3.2011	Defalcation in construction of Revenue Court, Khunti.
10	7/11-25.3.2011	Defalcation in construction of Circle Office and Residential Building, Khunti.
11	8/11-28.3.2011	Trap case.

**Appendix-2.28**

(Referred to paragraph 2.4.3.2; page -93 )

**Statement showing details of PEs in TEC due to lack of co-ordination between VB and TEC**

Sl. No.	File No./Year	Subject
1	45/2009	Enquiry of the complaint of corruption by Engineers/Contractors in Jharkhand State Road Construction Department.
2	12/2002	Enquiry of the different schemes executed by Building Construction Division, Chatra.
3	16/2008	Defalcation of Government fund by Directorate of Agriculture.
4	18/2006	Valuation of building.
5	11/2010	Valuation of building.
6	2/2011	Valuation of building.
7	13/2007	Enquiry of the construction work executed by Garhwa Municipality.

**Appendix-2.29***(Referred to paragraph 2.4.3.2; page - 93)***Statement showing details of pending FIR cases in Vigilance Bureau due to non-availability of records**

Sl. No.	Case no. & date	Subject/Charge
1	19/94-13.7.1994	Scam in MESO, Pakur.
2	23/94-1.8.1994	Misappropriation in purchase of welding electrodes, Muhammadganj, Palamau.
3	53/95-28.7.1995	Defalcation in purchase of insecticide in Forest Division, Deoghar & Giridih.
4	15/97-29.2.1997	Scam in Road Division, Sahebganj.
5	26/97- 26.8.1997	Defalcation in Rural Development Department, Mahagama, Godda.
6	3/98 -9.4.1998	Defalcation in insulator factory, Namkum, Ranchi.
7	13/98-14.7.1998	Defalcation in purchase of electric equipment, Electric Office, Dumka.
8	6/99 -3.2.1999	Defalcation in installation of hand pump, REO, Dhanbad and Giridih.
9	29/99-11.10.1999	Irregularities in construction of building in Geological Department, Doranda, Ranchi.
10	11/2000-4.3.2000	Irregular appointment in PHED office, Ranchi.
11	24/2000-10.11.2000	Defalcation in AJBN, Patna, Ranchi.
12	31/2000-14.11.2000	Defalcation in AJBN, Patna, Ranchi.
13	13/07-3.10.2007	Irregularity & defalcation in road construction, REO, Daltonganj.
14	9/08-8.6.2008	Irregularity in road construction, Lesliganj, Panki, Daltonganj.
15	9/10-22.3.2010	Irregularity in construction of outdoor stadium, Art & Cultural Department, Simdega.
16	27/10-10.7.2010	Collapse of bridge on Barakar river, Nirsa, Dhanbad.
17	37/10- 30.8.2010	Irregularities and defalcation in Agriculture Department, Hazaribag.
18	39/10-30.8. 2010	Disproportionate Assets, JSEB, Ranchi.
19	42/10-16.9. 2010	Irregularity in mapping of forest in Hazaribag (West) Forest Division.
20	48/10-6.10. 2010	Irregularities in repairing of school building, DEO, Ramgarh.
21	49/10-6.10. 2010	Irregularity in purchase of sports items, Khelgaon, Hotwar, Ranchi.
22	50/10-7.10. 2010	Irregularity in PMGSY, Fatehpur, Himoom Path, Lohardaga.
23	51/10-20.10. 2010	Government Polytechnic, Ranchi.
24	52/10-20.10. 2010	Charges against Sri R.K.Sinha, Member Secretary, JSPCB, Ranchi.
25	54/10-20.10. 2010	Bogus withdrawal and payment of scholarship, Government Primary School, Pandepura, Palamau.
26	61/10-30.11. 2010	Defalcation of Government money, Road Construction Department, Hazaribag.
27	62/10-30.11. 2010	Defalcation of Government money, Road Construction Department, Chatra.
28	63/10-30.11. 2010	Defalcation of Government money, Road Construction Department, Chatra.
29	64/10-30.11. 2010	Defalcation of Government money, Road Construction Department, Chatra.
30	65/10-30.11. 2010	Defalcation of Government money, Road Construction Department, Chatra.
31	66/10-30.11. 2010	Defalcation of Government money, Road Construction Department, Chatra.

**Appendix - 2.30**

(Referred to paragraph 2.4.3.2; page -93 )

**Statement showing details of pending P.Es. in Vigilance Bureau due to non-availability of records**

Sl. No.	P.E. No. and date	Subject/Charges
1	7/02 -28.6.2002	Illegal appointment.
2	6/03 -6.2.2003	Irregularity on construction of road.
3	2/05 -7.2.2005	Demanding bribe in different scheme.
4	4/07 -28.3.2007	Smuggling of coal.
5	5/07 -29.3.2007	Disproportionate assets.
6	9/07 -11.4.2007	Illegal collection.
7	10/07 -11.4.2007	Illegal collection.
8	26/07-25.5.2007	Illegal collection of money in MGNREGA scheme.
9	6/08 -1.11.2008	Irregularity in admission in MBBS 2000.
10	9/08 -23.12.2008	Misutilisation of agriculture input subsidy.
11	10/09 -5.6.2009	Disproportionate assets.
12	13/09 -9.7.2009	Loss of Govt. revenue.
13	16/09-9.7.2009	Illegal appointment in Veterinary Department.
14	31/09 -14.10.2009	Disproportionate assets.
15	32/09 -14.10.2009	Irregularity in JPSC 2 <sup>nd</sup> Civil Services exam.
16	35/09 -14.10.2009	Misutilisation of Govt. fund.
17	36/09 -15.10.2009	Irregularity in purchase of bio-fertilizer.
18	37/09 -15.10.2009	Disproportionate assets.
19	41/09 -15.10.2009	Financial irregularity.
20	3/10-15.1.2010	Defalcation.
21	5/10 -16.1.2010	Disproportionate assets.
22	6/10 -21.1.2010	Financial irregularity in purchase of medicine.
23	7/10 -1.2.2010	Defalcation.
24	9/10 -8.2.2010	Defalcation and disproportionate assets.
25	13/10 -18.6.2010	Bribery.
26	14/10 -21.6.2010	Disproportionate assets.
27	16/10 -26.6.2010	Granting land without permission of Government.
28	18/10 -28.7.2010	Loss of Government revenue due to misutilisation of post.
29	28/10 -1.9.2010	Irregularity in appointment of medical officer by JPSC.
30	31/10 -24.9.2010	Fabricating land document.
31	36/10 -24.9.2010	Irregularity in appointment of teacher.
32	37/10 -24.9.2010	Misutilisation of post and Government fund.
33	38/10 -24.9.2010	Irregularity in appointment of market supervisor.
34	39/10 -24.9.2010	Irregularity in appointment of co-operative extension officer.
35	41/10 -1.10.2010	Loss of Government revenue.
36	42/10 -11.10.2010	Defalcation.
37	43/10 -11.10.2010	Bandarbant of Government fund under MGNREGA.
38	44/10 -29.11.2010	Scam of Welfare and MLA fund.

**Appendix -2.31***(Referred to paragraph 2.4.3.2; page - 93)***Statement showing pending enquiry in T.E.C. due to non-availability of records**

Sl. No.	File No.	Subject
1	44/1999	'Bandarbant' of ₹ one crore by Sri Jagarnath Prasad, Executive Engineer
2	32/1997	Enquiry of construction of RDC quarter.
3	67/1999	Enquiry of financial irregularity by Sri Sinha, Executive Engineer.
4	4/2010	Irregularity and corruption in MGNREGA, Littipara, Pakur.
5	52/2009	Irregularity by Sri Anugrah Prakash , Chief Engineer.
6	44/2009	Non-construction of pond as per estimate by MESO, Ratu Block, Ranchi.
7	10/2010	Enquiry of the quality of construction of stadium, Ichak Block, Hazaribag.
8	17/2010	Complaint letter from the Central Vigilance Commission, New Delhi.
9	7/2010	Enquiry of the construction of culvert in Kharsawan Block.
10	5/2010	Enquiry of the construction of Madhupur Laharajori Main road and Satsang Bhirkhibad road.
11	6/2010	Enquiry of the construction of different road in Hazaribag District.
12	45/2009	Enquiry of the complaint of corruption by Engineers/contractors in Jharkhand State Road Construction Department.
13	12/2002	Enquiry of the different schemes executed by Building Construction Division, Chatra.
14	52/2004	Enquiry of the excess expenditure incurred in construction of Spillway in upper Shankh Reservoir Scheme.
15	16/2008	Defalcation of Government fund by the Directorate of Agriculture.
16	53/2009	Enquiry of the irregularity in purchase of PVC pipes.
17	23/2006	Enquiry against Sri R. C. Srivastava, IFS.
18	31/2006	Enquiry of the construction of Garhwa Police Line Compound.

**Appendix -2.32**

(Referred to paragraph 2.4.3.2; page -94 )

**Statement showing details of pending cases in VB due to non-arrest of accused**

Sl. No.	Case No. & Date	Number of accused	Subject/Charges
1	19/93 -24.6.1993	1	Unauthorized payment in inspection of road Itchadam, Saraikela.
2	20/93 -10.7.1993	6	Loss of Government revenue due to excess payment.
3	23/94 -1.8.1994	1	Misappropriation in purchase of welding electrodes, Muhammadganj, Palamau.
4	1/95 -6.1.1995	4	Defalcation in purchase of insecticide in Forest Division, Chaibasa.
5	10/95-17.4.1995	6	Defalcation in purchase of insecticide in Forest Division, Koderma.
6	53/95 -28.7.1995	3	Defalcation in purchase of insecticide in Forest Division, Deoghar and Giridih.
7	15/97-29.2.1997	7	Scam in Road Division, Sahebganj.
8	13/98 -14.7.1998	1	Defalcation in purchase of electric equipment, Electric Office, Dumka.
9	6/99- 3.2.1999	1	Defalcation in digging in tube well, REO, Dhanbad and Giridih.
10	29/99 -11.10.1999	3	Irregularities in building construction in Geological Department, Doranda, Ranchi.
11	27/2000 -13.11.2000	4	Land Scam, Land & Revenue Department, Ranchi.
12	53/02-31.03.2002	5	Defalcation in construction of Building, Rural Development Department, Chatra.
13	5/03-4.02.2003	2	Forgery in DSE Office, Pakur.
14	06/03 -4.02.2003	4	Forgery in DSE Office, Pakur.
15	19/03 -21.06.2003	4	Medicine Scam, Sadar Hospital, Hamidganj, Palamu.
16	22/03-21.6.2003	5	Medicine Scam, ACOMO Office, Dumka.
17	23/03 -21.6.2003	4	Medicine Scam, ACOMO Office, Pakur.
18	31/03 -3.11.2003	1	Irregularities in construction of building, Commissioner Building, Dumka.
19	3/04 -25.3.2004	4	Medicine & equipment scam, ACOMO Office, Daltonganj.
20	5/04 -25.3.2004	2	Medicine scam, ACOMO Office, Dhanbad.
21	18/04 -12.1.2004	13	Medicine Scam, Sadar Hospital, Dumka.
22	20/04 -13.10.2004	10	Medicine Scam, Sadar Hospital, Pakur.
23	23/04-14.10.2004	4	Medicine Scam, MGM College and Hospital, Jamshedpur.
24	24/04 -14.10.2004	3	Medicine Scam, Civil Surgeon Office, Jamshedpur.
25	9/08 -8.6.2008	5	Irregularities in road construction, Daltonganj, Lesliganj, Panki.
26	19/09 -29.10.2009	2	Irregularity in appointment, Health Department, Hazaribag.
27	1/10 -12.1.2010	10	Irregularity in appointment of Anganbari Sevika, Nawadih, Bokaro, Social Welfare and Child Development Department.
28	39/10-30.8.2010	1	Disproportionate Assets, JSEB, Ranchi.
29	40/10-31.8.2010	1	Disproportionate Assets against Shri. Paras Kumar, Assistant Engineer.
30	42/10 -16.9.2010	27	Irregularity in mapping of forest, Hazaribag (West) Forest Division.
31	68/10 -6.12.2010	13	Irregularity and defalcation in Kasturba Girls Residential School, Bokaro.
<b>Total</b>		<b>157</b>	

**Appendix -2.33***(Referred to paragraph 2.4.3.2; page -94 )***Statement showing details of PEs pending in VB due to non-verification of complainants**

Sl. No.	P.E. no. & date	Subject/Charges
1	5/07-29.3.2007	Disproportionate asset.
2	19/09-8.9.2009	Construction of building without tender.
3	20/09 -8.9.2009	Defalcation.
4	24/09-8.10.2009	Bribery.
5	33/09 -14.10.2009	Irregularity in PMGSY.

**Appendix -2.34***(Referred to paragraph 2.4.3.2; page -94 )***Statement showing details of pending cases in VB due to non-confirmation of name and address of accused**

Sl. No.	Case No./Year & Date	Subject
1	19/1993-24.6.1993	Unauthorized payment in inspection of road, Itchadam, Saraikela.
2	19/1994-13.7.1994	Scam in Meso, Pakur.
3	11/2000-24.3.2000	Irregular appointment in PHED Office, Ranchi.
4	30/2000-13.11.2000	Land Scam, Land & Revenue Department, Ranchi.

**Appendix -2.35**

(Referred to paragraph 2.4.3.3; page - 94)

**Statement showing year-wise execution of work done by the Works Department(s)**

Year	Name of Department	Expenditure (₹ in lakh)
2006-07	Water Resources Department	15024.51
	Building Construction Department	4089.73
	Drinking Water and Sanitation Department	7551.43
	Road Construction Department	13082.27
	Rural Development Department	50437.05
	<b>Total</b>	<b>90184.99</b>
2007-08	Water Resources Department	58577.03
	Building Construction Department	3259.04
	Drinking Water and Sanitation Department	19228.14
	Road Construction Department	30340.98
	Rural Development Department	37055.81
	<b>Total</b>	<b>148461.00</b>
2008-09	Water Resources Department	16809.63
	Building Construction Department	4345.27
	Drinking Water and Sanitation Department	24415.84
	Road Construction Department	24352.73
	Rural Development Department	27921.50
	<b>Total</b>	<b>97844.97</b>
2009-10	Water Resources Department	14139.24
	Building Construction Department	2853.57
	Drinking Water and Sanitation Department	12005.29
	Road Construction Department	9572.33
	Rural Development Department	36217.96
	<b>Total</b>	<b>74788.39</b>
2010-11	Water Resources Department	NA
	Building Construction Department	NA
	Drinking Water and Sanitation Department	NA
	Road Construction Department	NA
	Rural Development Department	NA
	<b>Total</b>	<b>N.A.</b>
<b>Grand Total</b>		<b>4,11,279.35</b>

**Appendix -2.36**

(Referred to paragraph 2.4.4.1; page -96 )

**Statement showing sanctioned strength vis-a-vis persons-in-position in Vigilance Department as on March 2011**

Sl. No	Name of wing	Sanctioned Strength	Persons-in-Position	Shortage ( per cent)
1	Vigilance Secretariat	44	18	59
2	Vigilance Bureau	266	158	41
3	Technical Vigilance Cell	58	23	60

**Appendix -2.37***(Referred to paragraph 2.4.4.1; page – 97 )***Statement showing sanctioned strength vis-a-vis persons-in-position of major posts under different wings of the Vigilance Department**

Name of the wing	Name of the post	Sanctioned strength	Persons-in-position	Vacancy
Vigilance Secretariat	Vigilance Commissioner	01	00	01
	Special Secretary (Law)	01	01	00
	Deputy Secretary	02	02	00
	Under Secretary	02	00	02
	Section Officer	02	02	00
	Assistant	08	02	06
Vigilance Bureau	Director General	01	00	01
	Inspector General	01	01	00
	Deputy Inspector General	01	01	00
	Superintendent of Police	05	02	03
	Dy. Superintendent of Police	22	18	04
	Inspector/Sub inspector	73	47	26
Technical Examiner Cell	Chief Engineer	01	01	00
	Superintendent Engineer	04	01	03
	Executive Engineer	06	02	04
	Assistant Engineer	05	03	02
	Junior Engineer	04	02	02

**Appendix – 3.1**

(Referred to paragraph 3.1.2; page -103 )

**Statement showing fake invoices submitted by the contractor**

Sl. No.	Invoice No./ Date	Quantity (in Metric Ton)	Amount (in ₹)
1	20052121B027534 / 24.12.04	9.077	1,50,218
2	20052121B027533 / 24.12.04	9.077	1,50,218
3	20052121B024711/03.12.04	18.154	3,00,436
4	20052121B001205/28.06.04	18.154	2,98,220
5	20052121B 001205/29.06.04	9.077	1,49,110
6	20052121B001205 /26.06.04	18.154	2,98,220
7	20052121B001205/24.06.04	18.154	2,98,220
8	20052121B001205 /24.06.04	18.154	2,98,220
9	20052121B001205/22.06.04	18.154	2,98,220
10	20052121B001205 /21.06.04	18.154	2,98,220
11	20052121B001205/19.06.04	18.154	2,98,220
12	20052121B001205/19.06.04	18.154	2,98,220
13	20052121B001205/03.07.04	18.154	2,98,220
14	20052121B001205/02.07.04	18.154	2,98,220
15	20052121B038927 /21.03.05	9.077	1,43,390
16	20052121B001205 /29.06.04	9.077	1,49,110
17	20052121B001205 /28.06.04	18.154	2,98,220
18	20052121B001205 /26.06.04	18.154	2,98,220
19	20052121B038927/23.03.05	9.077	1,43,390
20	20052121B038927/23.03.05	9.077	1,43,390
21	20052121B038927/23.03.05	9.077	1,43,390
22	20052121B038942/21.03.05	18.154	2,86,780
23	20052121B038927/22.3.05	9.077	1,43,390
24	20052121B038927/22.03.05	9.077	1,43,390
25	20052121B038927/22.03.05	9.077	1,43,390
26	20052121B038927/22.03.05	9.077	1,43,390
27	20052121B038597/18.03.05	9.077	1,43,390
28	20052121B039156/23.03.05	9.077	1,43,390
29	20052121B038942/18.03.05	18.154	2,86,780
30	20052121B014844/21.03.05	9.077	1,43,390
31	20052121B014844/20.03.05	9.077	1,43,390
32	20052121B014844/20.03.05	9.077	1,43,390
33	20052121B014844/20.03.05	9.077	1,43,390
34	20052121B014844/20.03.05	9.077	1,43,390
35	20052121B014844/19.03.05	9.077	1,43,390
36	20052121B014844/19.03.05	9.077	1,43,390
37	20052121B014844/19.03.05	9.077	1,43,390
38	20062121B00179/10.04.05	9.077	1,43,390
39	20062121B00173/10.04.05	9.077	1,43,390
40	20062121B00167/10.04.05	9.077	1,43,390
41	20062121B00142 /09.04.05	9.077	1,43,390
42	20062121B00131 /09.04.05	9.077	1,43,390
43	20062121B00125 /09.04.05	9.077	1,43,390
44	20062121B00936/10.04.05	9.077	1,43,390
45	20062121B00826/17.04.05	9.077	1,43,390
46	20062121B00811/17.04.2005	9.077	1,43,390
47	20042121B000027/01.03.04	9.077	1,49,110
48	20042121B000028/01.03.04	9.077	1,49,110
49	20052121B002425/23.04.04	9.077	1,49,110
50	20052121B03889/21.03.05	9.077	1,43,390
51	2004 Excise invoice /22.02.04	9.077	1,48,508
52	2004 Excise invoice/22.02.04	9.077	1,48,508
	<b>Total</b>	<b>608.16</b>	<b>98,10,558</b>

**Appendix-3.2***(Referred to paragraph 3.2.1; page -105)***Statement showing payment against price escalation**

Sl. No.	Name of work	Agreement No.	Name of Contractor	Schedule period of completion (in months)	Agreed value (in ₹)	Amount paid as price escalation (in ₹)
1.	Construction of Amanat Barrage at Panki	18F2/ 2002-03	M/s Shekhar Construction Pvt. Ltd. New Delhi	36	38,62,14,610	19,20,35,806
2.	Construction of Syphon Acqueduct cum silt ejector cum Escape Channel at RD 11.30 of Auranga Right main canal	9F2/ 2007-08	-do-	24	10,02,94,056	79,06,075
3.	Construction of residual work of Afflux and extension work and de-silting in River bed	4F2/ 2008-09	-do-	18	44,49,53,002	21,00,000
4.	Design, Manufacture, Supply, Erection, Painting & commencing of Amanat Barrage Gates	1F2/ 2006-07	M/s Hardware Tools & Machinery Syndicates, Ahmedabad.	24	8,18,36,082	82,28,110
<b>Total</b>					<b>1,01,32,97,750</b>	<b>21,02,69,991</b>

**Appendix-3.3**

(Referred to paragraph 3.2.2; page -106 )

**Statement of outstanding temporary advances**

Sl No.	Name S/Shri	Designation	Amount of advance (in ₹ )	Date/Period during which advances were granted	Present position of the officials
1	Niranjan Jha	Assistant Engineer.	87,93,705.00	December 2001 to September 2003	Suspended
2	Sushil Kr. Ravi	Assistant Engineer.	38,43,795.00	December 2003 to August 2004	Transferred
3	Shiv Kr. Sinha	Assistant Engineer.	38,895.00	August 2000 to October 2000	Transferred
4	Sheoshankar Sharma	Junior Engineer	35,238.00	March 2002 to July 2003	Transferred
5	Naresh Thakur	Junior Engineer	3,821.00	March 2002 to April 2003	Transferred
6	Rajiv Ranjan	Junior Engineer	3,313.00	March 2001 to May 2002	Transferred
7	Hari Nr. Yadav	Junior Engineer	28,551.00	March 2002 to September 2003	Transferred
8	Sheodayal Saxena	Assistant Engineer.	60,628.00	July 2001 to December 2004	Not related to this division
9	Dayashankar Singh	Not available	1,536.00	February 2003 to March 2003	-do-
10	Ajay Kr. Sinha	Junior Engineer	50,000	November 2003	-do-
11	Arun Kr. Sinha	Assistant Engineer.	6,309.00	November 2002	-do-
12	Brijbhushan Sinha	Not available	1,20,000.00	August 2007	-do-
13	Lalji Prasad	Not available	21,841.00	Not available	-do-
14	O. P.Vishwakarma	Junior Engineer	15,693.00	June 2003 to July 2003	-do-
15	Ram Naresh Pd. Singh	Assistant Engineer.	1,98,222.00	March 2002 to July 2002	Retired
16	Ganesh Prasad	Assistant Engineer.	2,64,50,589.30	December 2003	Present
17	Laxmi Narayan	Assistant Engineer.	1,32,452.00	March 2006 to March 2009	Present
18	Ramji Prasad	Assistant Engineer.	7,35,757.82	January 2005 to September 2010	Present
<b>Total</b>			<b>4,05,40,346.12</b>	<b>or ₹ 4.05 crore</b>	

**Appendix – 3.4***(Referred to paragraph 3.3.3; page - 113)***Statement showing expenditure incurred against incomplete houses under IAY**

Year	Total No. of houses under IAY	Completed houses under IAY	Incomplete houses under IAY	Amount in ₹
<b>Tamar</b>				
2001-03	303	298	5	50,000
2003-04	343	339	4	40,000
2004-05	374	370	4	40,000
2005-06	159	149	10	1,00,000
2006-07	169	161	8	60,000
2007-08	429	356	73	9,12,500
2008-09	202	153	49	8,57,500
2009-10	439	348	91	15,92,500
<b>Total</b>	<b>2,418</b>	<b>2,174</b>	<b>244</b>	<b>36,52,500</b>
<b>Petarwar</b>				
2005-06	96	--	96	850000
2006-07	90	27	63	817500
2007-08	117	36	81	805700
2008-09	559	223	336	5437000
2009-10	142	88	54	971600
<b>Total</b>	<b>1,004</b>	<b>374</b>	<b>630</b>	<b>88,81,800</b>
<b>G. Total</b>	<b>3,422</b>	<b>2,548</b>	<b>874</b>	<b>1,25,34,300</b>

**First instalment paid:****Tamar:** between June 2001 and March 2010**Petarwar:** between October 2005 to August 2009**Taking maximum time of six months the works were to be completed:****Tamar:** between December 2001 and September 2010.**Petarwar:** between April 2006 and February 2010.**Appendix – 3.5***(Referred to paragraph 3.4.1; page -116)***Statement showing calculation of loss of interest**

Year	Blockade Amount (Progressive) (in ₹)	Govt. borrowing rate of interest (per cent)	Interest (in ₹)
2004-05	1,01,84,421	6.56	6,68,098
2005-06	4,07,06,588	7.55	30,73,347
2006-07	8,09,63,969	8.20	66,39,045
2007-08	9,92,14,941	7.97	79,07,430
2008-09	18,31,15,931	7.42	1,35,87,202
2009-10	50,30,25,244	8.03	4,03,92,927
2010-11 (up to September 2010)	50,30,25,244	8.03	2,01,96,463
2010-11 (October 2010 to March 2011)	8,16,51,107	6.03	24,61,781
<b>Total</b>			<b>9,49,26,293</b>

**Appendix – 3.6**

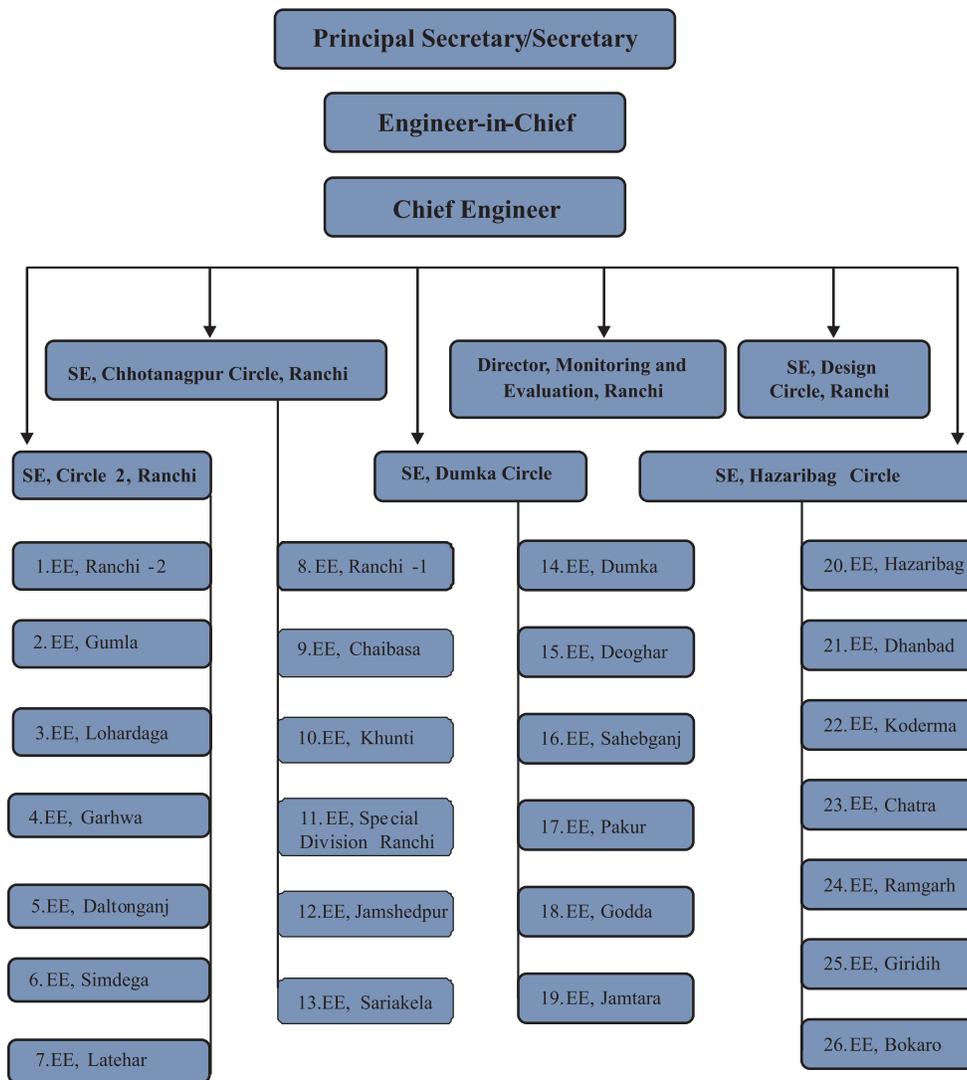
(Referred to paragraph 3.5.1; page -118)

**Statement of excess payment due to allowing premium rate on inadmissible items**

(₹ in lakh)

Sl No.	Name of Division	Agreement No.	Estimated cost	Premium Rate (per cent)	Agreed Value	Value of work done	Cost of materials	Carriage	Contractor's Profit	Total value of items (8+9+10)	Excess/ over payments made (Col. 11 x Col 5)
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
1	RCD Giridih	10F2/2007-08	1360.00	6.70	1451.14	1450.00	395.08	151.13	39.51	585.72	39.24
<b>Total</b>			<b>1360.00</b>		<b>1451.14</b>	<b>1450.00</b>	<b>395.08</b>	<b>151.13</b>	<b>39.51</b>	<b>585.72</b>	<b>39.24</b>
2	Engineering Cell, Kolhan Dn Chaibasa	3F2/2008-09	482.28	4.97	506.25	362.53	166.00	10.95	2.12	179.07	8.90
3	-do-	7F2/2008-09	492.67	9.50	539.47	425.72	142.40	7.75	0.97	151.12	14.36
4	-do-	8F2/2009-10	121.59	4.97	127.63	62.12	29.34	3.56	0.85	33.75	1.68
5	-do-	12F2/2009-10	365.88	7.80	394.42	264.94	93.93	18.44	3.07	115.44	9.00
6	-do-	15F2/2009-10	365.82	9.27	399.73	163.74	68.82	13.27	2.14	84.23	7.81
7	-do-	16F2/2009-10	361.15	9.25	394.55	175.42	47.38	13.66	2.35	63.39	5.86
<b>Total</b>			<b>2189.39</b>		<b>2362.05</b>	<b>1454.47</b>	<b>547.87</b>	<b>67.63</b>	<b>11.50</b>	<b>627.00</b>	<b>47.61</b>
8	RCD Dumka	28SBD/2007-08	1471.02	9.98	1617.82	111.00	605.36	396.05	100.00	1101.41	109.92
9	-do-	22F2/2007-08	968.78	9.90	1064.69	1367.93	339.07	351.58	69.06	759.71	75.21
<b>Total</b>			<b>2439.80</b>		<b>2682.51</b>	<b>1478.93</b>	<b>944.43</b>	<b>747.63</b>	<b>169.06</b>	<b>1861.12</b>	<b>185.13</b>
<b>Grand Total</b>			<b>5989.19</b>		<b>6495.70</b>	<b>4383.40</b>	<b>1887.38</b>	<b>966.39</b>	<b>220.07</b>	<b>3073.84</b>	<b>271.98</b>

**Appendix-4.1**  
(Referred to paragraph 4.1.2; page -120 )  
**Organogram of the department**



**Notes:** *Executive Engineer-EE*  
*Superintending Engineer-SE*  
*Chief Engineer-CE*

**Appendix-4.2**

(Referred to paragraph 4.1.8.2; page - 126)

**Details showing delay in decision of tender**

Division	Works	Date of opening of tender	Date of approval of Comparative Statement	Delay
Bokaro	Construction of 12 Presiding Officer's Quarters at Tenughat	22.05.2008	28.07.2008	53 days
	Construction of Additional Circuit House at Bokaro	19.02.2010	15.04.2010	41 days
Godda	Construction of 16 PO's Quarters at Godda	05.12.2008	07.02.2009	50 days
	Construction of A type Quarters at Godda	05.12.2008	24.01.2009	36 days
Ranchi-2	Construction of Gate no.II, Vidhan Sabha,	29.08.2008	29.11.2008	78 days
	A type quarters at CTI Dhurwa	25.01.2008	27.2.2009	385 days
Simdega	Construction of Additional Circuit House at Simdega	11.06.2009	28.07.2009	33 days
	Construction of SDO's residence at Simdega	11.06.2009	28.07.2009	33 days
	Construction of EE's residence at Simdega	09.09.2009	12.10.2009	19 days
Ranchi-1	Construction of B type staff quarters at High Court, Ranchi	09.05.2008	23.07.2008	61 days
	Construction of D type staff quarters at High Court, Ranchi	09.05.2008	08.08.2008	77 days
Jamshedpur	Construction of Administration Building at Sub-Jail Ghatshila	15.07.2009	29.08.2009	31 days
Dumka	Construction of residential and non-residential buildings at Home Guard Training Center at Dumka	19.11.2008	19.02.2009	78 days
Ramgarh	Construction of Community Health Centre at Mandu, Ramgarh	20.09.2007	30.11.2007	57 days

**Appendix-4.3**

(Referred to paragraph 4.1.8.2; page -126 )

**Details showing delay in execution of agreement**

Division	Works	Date of approval of CS	Date of agreement	Delay
Ranchi-2	Construction of gate no-II of Vidhan Sabha	29.11.2008	11.09.2009	267 days
	Construction of C type quarters at Dhurwa, Ranchi	28.02.2008	02.03.2009	349 days
Simdega	Construction of Additional Circuit House at Simdega	28.07.2009	16.02.2010	184 days
	Construction of A (Gr-B) type quarters at Simdega	22.01.2008	17.07.2009	523 days
	Construction of SDO's residence at Simdega	28.07.2009	22.02.2010	190 days
Jamshedpur	Construction of C and D type quarters at Jamshedpur	12.01.2005	30.10.2007	1002 days

**Appendix-4.4**  
(Referred to paragraph 4.1.8.3; page -127)  
**Details showing non-imposition of penalty**

(₹ in lakh)

Division	Name of works	Estimated Cost	Due date of completion	Present position of works as on June 2011	Penalty to be imposed
Bokaro	Construction of 12 POs quarters at Tenughat	128.62	14.01.2010	Incomplete	12.86
Ranchi - 2	Construction of 'A' type quarters at CTI Dhurwa	13.11	01.09.2009	Incomplete	1.31
Simdega	Construction of 'C' type quarters (Gr-B) at Simdega	59.66	27.06.2010	Incomplete	5.97
	Construction of Additional Circuit House at Simdega	82.96	15.11.2010	Incomplete	8.29
	Construction of 'A' type quarters (Gr-A) at Simdega	56.78	26.03.2009	Incomplete	5.68
	Construction of 'A' type quarters (Gr-B) at Simdega	56.78	16.06.2010	Incomplete	5.68
Ranchi-1	Construction of 'B' type staff quarters at High Court, Ranchi	403.80	08.07.2010	Incomplete	40.38
	Construction of 'D' type staff quarters at High Court, Ranchi	173.34	09.06.2010	Incomplete	17.33
	Construction of bridge to connect old and new annexe building at High Court	44.25	25.01.2011	Incomplete	4.43
	Construction of 'A' type staff quarters at High Court, Ranchi	240.30	26.02.2010	Incomplete	24.03
Jamshedpur	Construction of residential quarters for District and Session Judge at Jamshedpur	38.18	24.08.2007	Incomplete	3.82
	Construction of 'C' type quarters at 40 court Jamshedpur	35.11	29.04.2008	Incomplete	3.51
	Construction of 'D' type quarters at 40 court Jamshedpur	46.87	29.07.2008	Incomplete	4.69
	Construction of Administration Building at Sub-Jail, Ghatshila	31.62	04.04.2010	Incomplete	3.16
Ramgarh	Construction of DC residence at Ramgarh	82.44	12.10.2010	Incomplete	8.24
<b>Total</b>		<b>1493.82</b>			<b>149.38</b>

**Appendix-4.5**

(Referred to paragraph 4.1.8.4; page -127 )

**Details showing unfruitful expenditure**

(₹ in lakh)

Division	Name of Works	Date of commencement	Due date of completion	Total Expenditure	Per cent of executed works	Present position of works as on June 2011
Godda	Construction of 16 POs quarters at Godda	02.03.2009	01.06.2010	163.00	82	Work stopped due to lack of fund
	Construction of 'A' type quarters at Godda	28.02.2009	27.01.2010	54.81	81	Work stopped due to lack of fund
	Construction of 'B' type quarters at Godda	28.02.2009	27.01.2010	205.66	79	Works stopped due to lack of fund
	Construction of 'C' type quarters at Godda	02.06.2009	01.05.2010		76	
	Construction of 'D' type quarters at Godda	02.03.2009	01.02.2010		97	
Simdega	Construction of SDO's residence at Simdega	22.02.2010	21.08.2010	9.11	19	Work incomplete and agreement rescinded
	Construction of EE's residence at Simdega	16.02.2010	15.08.2010	4.64	15	
	Construction of 24 units of 'A' type quarters at Simdega (Two groups)	27.04.2008 17.07.2009	26.03.2009 16.06.2010	77.39	75 56	Work stopped due to lack of fund
<b>Total</b>				<b>514.61</b>		

**Appendix-4.6**

(Referred to paragraph 4.1.8.7; page -129 )

**Details of work for which quality test was not conducted**

(₹ in lakh)

Sl no.	Name of division	Name of work	Payment
1	Ranchi-2	Alteration in seating arrangement at Vidhan Sabha, Ranchi	113.52
2	Dumka	Construction of D type quarters at Dumka	13.67
3	Godda	Construction of 16 PO's quarters at Godda	162.99
4		Construction of A type quarters at Godda	54.81
5		Construction of B, C and D type quarters at Godda	205.66
<b>Total</b>			<b>550.65</b>

**Appendix-4.7***(Referred to paragraph 4.1.8.8; page -130)***Details showing excess paid amount due to allowance of premium rate on materials***(₹ in lakh)*

<b>Division</b>	<b>Work</b>	<b>Estimated Cost as per BOQ value</b>	<b>Cost of material (including carriage and Contractor's profit)</b>	<b>Premium rate allowed (in per cent)</b>	<b>Excess amount paid due to premium rate</b>
Simdega	Construction of 'C' type quarters at Simdega	59.66	35.00	4.5	1.58
	Construction of two blocks of 'A' type quarters at Simdega	113.56	40.05	4.5	1.80
	Construction of 'B' type quarters at Simdega	48.34	13.55	3.4	0.46
Bokaro	Construction of 12 POs quarters at Tenughat	128.62	54.16	9.80	5.31
	Construction of additional Circuit House, Bokaro	83.94	11.21	4.30	0.48
	Construction of Hospital cum Library building at Tenughat	36.20	9.12	4.90	0.45
Dumka	Construction of non-residential and residential building at RTC (Home guard), Dumka	1128.05	382.44	9.50	36.33
	Construction of perimeter wall for Central Jail at Dumka	57.27	23.17	4.00	0.93
Ramgarh	Construction of Community Health Center, Mandu	364.01	187.73	9	16.90
	Construction of DJ's and SDJM's quarters at Ramgarh	202.53	67.06	9.5	6.37
	Construction of Fire Station building at Ramgarh	104.59	59.80	9.5	5.68
Ranchi-1	Construction of 'A' type quarters at High Court	240.30	89.12	9.5	8.47
	Construction of new annexe building at High Court	211.79	59.85	10	5.98
Ranchi-2	Construction of Gate-I and II at Vidhan Sabha	33.66	18.97	4.75	0.90
	Construction of 'A' type quarters at Dhurwa	13.11	9.86	5	0.49
	Construction of Gate no.III at Vidhan Sabha	15.47	8.63	5	0.43
<b>Total</b>					<b>92.56</b>

**Appendix-4.8**

(Referred to paragraph 4.1.8.9; page -130 )

**Details showing irregular grant of time extension**

(₹ in lakh)

Division	Name of works	Agreement nos.	Estimated cost	Date of commencement	Due date of completion	Date of application
Special Div Ranchi	Construction of Museum building at Hotwar	5F2/06-07	688.92	11.07.06	10.10.07	15.10.07
	Supply, Installation and Commissioning of Multimedia Laser	2F2/09-10	134.58	07.08.09	30.10.09	06.07.10
Ranchi-1	Construction of Birsa Mandap	12F2/03-04	24.17	21.07.03	29.03.05	17.04.09
	Construction of Malkhana and Guard Room in CBI Office Ranchi	209F2/08-09	22.40	20.09.08	19.03.09	14.03.09
Chaibasa	Construction of 'A' type quarters at Chaibasa	67F2/07-08	39.19	11.10.07	10.07.08	01.07.09
	Construction of 'B' type quarters at Chaibasa	83F2/07-08	61.59	23.11.07	22.10.08	01.07.09
	Construction of Fire Station and residential buildings at Chaibasa	171F2/07-08	63.48	22.02.08	21.02.09	26.08.09
Jamshedpur	Construction of 20 Court building at Ghatshila	279F2/06-07	580.43	09.08.06	08.01.08	05.03.08
Sahebganj	Construction of 'B' type quarters at Sahebganj	14F2/08-09	47.62	23.07.08	22.06.09	11.08.10
	Construction of 'C' type quarters at Sahebganj	26F2/08-09	60.68	04.09.08	03.08.09	11.08.10
Hazaribag	Construction of Auditorium-cum-Multipurpose complex	14F2/08-09	156.87	07.08.08	06.11.09	05.06.10
Chatra	Construction of 'D' type quarters at Chatra	71F2/07-08	68.58	22.02.08	21.01.09	03.06.10
<b>Total</b>			<b>1948.51</b>			

**Note:** In all cases, dates of hindrances were not mentioned on the application for time extension. Further, except in one case, time extensions were applied much after the scheduled dates of completion of works.

**Appendix-4.9**

(Referred to paragraph 4.1.8.10; page -130 )

**Details showing execution of works without inviting tenders in newspapers**

(₹ in lakh)

Division	2008-09		2009-10		2010-11		Total cost	
	No of works	Estimated cost						
Jamshedpur	29	26.16	-	-	-	-	29	26.16
Simdega	-	-	28	53.02	14	42.69	42	95.71
Godda	-	-	73	71.14	-	-	73	71.14
Bokaro	-	-	-	-	03	2.83	03	2.83
<b>Total</b>							<b>147</b>	<b>195.84</b>

**Appendix-4.10**

(Referred to paragraph 4.1.8.11; page -131 )

**Details of works showing non-regularised excess execution of works**

(Amount in ₹)

Sl. No. of items as per agreement	Works/Item	Quantity as per Agreement (A)	Quantity as per M.B. (B)	Excess quantity (B-A)	Excess in per cent	Rate	Amount
<b>(i) Construction of 20 Court Building at Ghatshila, Building Division Jamshedpur</b>							
2	Providing clean course	1224.95 M <sup>3</sup>	5600.68 M <sup>3</sup>	4375.73 M <sup>3</sup>	357	93.70/M <sup>3</sup>	410006
7	CM (1:6) in foundation	150.59 M <sup>3</sup>	172.75 M <sup>3</sup>	22.16 M <sup>3</sup>	15	1226.90/M <sup>3</sup>	27188
11	CM (1:4) in superstructure GF+FF	895.28 M <sup>2</sup>	2737.54 M <sup>2</sup>	1842.26 M <sup>2</sup>	206	191.25/M <sup>2</sup>	352332
12	RCC M-200 GF+ FF	40.38 M <sup>3</sup>	55.90 M <sup>3</sup>	15.52 M <sup>2</sup>	38	5518.70/M <sup>2</sup>	85650
13	RCC M 200 S.F.	300.69 M <sup>3</sup>	343.71 M <sup>3</sup>	43.02 M <sup>3</sup>	14	3534.45/M <sup>3</sup>	152052
17	Providing M.S. Reinforcement 8 MM	118.172 MT	146.541 MT	28.369MT	24	34835.75/MT	988255
21	12 MM C.P. in SF	1063.45 M <sup>2</sup>	6951.01 M <sup>2</sup>	5887.56M <sup>2</sup>	554	49.00/M <sup>2</sup>	288490
	TF	1063.45 M <sup>2</sup>	4789.37 M <sup>2</sup>	3725.92 M <sup>2</sup>	350	53.35/M <sup>2</sup>	198778
	4 <sup>th</sup> F	536.54M <sup>2</sup>	799.02 M <sup>2</sup>	262.48 M <sup>2</sup>	49	57.70/M <sup>2</sup>	15145
26	SF & F fully flagged	885.31 M <sup>2</sup>	1067.73 M <sup>2</sup>	182.42 M <sup>2</sup>	21	1534.10/M <sup>2</sup>	279850
28	S.F. & FM grill 20x6 mm MS hat	58153 Kg	65578.65 Kg	7425.65 Kg	13	38.55/Kg	286259
41	Pop putty 2 mm	21813.20 M <sup>2</sup>	26400.54 M <sup>2</sup>	4587.34 M <sup>2</sup>	21	33.90/M <sup>2</sup>	155510
48	Teak wood fully glazed shutter	42.32 M <sup>2</sup>	71.84 M <sup>2</sup>	29.52 M <sup>2</sup>	70	1651.00/M <sup>2</sup>	48737
141	Providing PCC M-100	222 M <sup>2</sup>	300.83 M <sup>2</sup>	78.83 M <sup>2</sup>	35	1740.50/M <sup>2</sup>	137203
<b>Sub-total (a)</b>							<b>3425455</b>
<b>(ii) Construction of 40 no. Civil Court at Jamshedpur, Building Division Jamshedpur</b>							
15	Proving 75A brick flat soling	8515.88M <sup>2</sup>	13199.127M <sup>2</sup>	4683.24M <sup>2</sup>	55	66.50/M <sup>2</sup>	311435
28	Supplying and fitting sal wood chaukhat etc	25.996M <sup>3</sup>	44.849 M <sup>3</sup>	18.853 M <sup>3</sup>	73	28575.30/M <sup>3</sup>	538730
33	Providing steel reinforcement 20 mm & 25 mm	120MT	264.046MT	144.046MT	120	18077.40/MT	2603977
40	Laying 25 mm thick Kota stone in floor	1479.05M <sup>2</sup>	12132.55 M <sup>2</sup>	10653.50 M <sup>2</sup>	720	623.35/M <sup>2</sup>	6640859
41	25 mm thick kota stone in Risers	1506.36 M <sup>3</sup>	1963.67 M <sup>3</sup>	457.31 M <sup>3</sup>	30	573.00/M <sup>3</sup>	262038
44	25 mm thick makrana marble	287.70 M <sup>2</sup>	777.695 M <sup>2</sup>	489.99M <sup>2</sup>	170	925.50/M <sup>2</sup>	453490
53	Two coat oil bound distemper	18599.76M <sup>2</sup>	35683.92 M <sup>2</sup>	17084.16M <sup>2</sup>	92	32.00/M <sup>2</sup>	546693
<b>Total</b>							<b>11357222</b>
(-) 2.42 per cent as per agreement							<b>274844</b>
<b>Sub-total (b)</b>							<b>11082378</b>
<b>(iii) Construction of Residential Campus at Mandal Jail Ghagidih, Jamshedpur</b>							
3	Sand filling	1649.15 M <sup>3</sup>	3585.19 M <sup>3</sup>	1936.04 M <sup>3</sup>	117	93.70/M <sup>3</sup>	181407
6	75 B in C.M (1:6) in foundation	1632.23 M <sup>3</sup>	2121.648 M <sup>3</sup>	489.42 M <sup>3</sup>	30	1226.90/M <sup>3</sup>	600467
8	75 B in C.M (1:6) in super structure	3093.79 M <sup>3</sup>	3713.325 M <sup>3</sup>	619.54 M <sup>3</sup>	20	1259.05/M <sup>3</sup>	780031
17	PCC M-150 (1:2:4)	843.476 M <sup>3</sup>	1350.86 M <sup>3</sup>	507.38 M <sup>3</sup>	60	2391.45/M <sup>3</sup>	1213374
25	RCC M 200 with (1:1.5:3)	161.93 M <sup>3</sup>	286.888 M <sup>3</sup>	124.96 M <sup>3</sup>	77	3821.70/M <sup>3</sup>	477560

Sl. No. of items as per agreement	Works/Item	Quantity as per Agreement (A)	Quantity as per M.B. (B)	Excess quantity (B-A)	Excess in per cent	Rate	Amount
27	12 MM CP	25983.48 M <sup>2</sup>	39212.085 M <sup>2</sup>	13228.60M <sup>2</sup>	51	44.65/M <sup>2</sup>	590657
35	Sand carriage	6127.98 M <sup>3</sup>	8040.50 M <sup>3</sup>	1912.52 M <sup>2</sup>	31	152.98/M <sup>2</sup>	292577
9	RCC M-200 (1:1.5:3)	85.22 M <sup>3</sup>	135.73 M <sup>3</sup>	50.51M <sup>3</sup>	59	3477.25/M <sup>3</sup>	175636
42	63 MM thick RCC	260.28 M <sup>2</sup>	488.56M <sup>2</sup>	228.28M <sup>2</sup>	88	424.75/M <sup>2</sup>	96962
18	Makrana Marble	723.28 M <sup>2</sup>	1099.63M <sup>2</sup>	376.35M <sup>2</sup>	52	833.75/M <sup>2</sup>	313782
20	SF &FMS Grill	1920 Kg	30246.60 Kg	28326Kg	1475	43.80/Kg	1240679
21	SF & FM 35 mm solid	819.30M <sup>2</sup>	1077.55 M <sup>2</sup>	258.25M <sup>2</sup>	31	1110.30/M <sup>2</sup>	286735
61	Supply & fitting CI pipe	767.98 M	1831.28 M	1063.30M	138	232.35/M	247058
64	Construction of inspection Chamber	282	319	37	13	2424.70/each	89714
19	White Makrana Marble	516.47 M <sup>2</sup>	665.24 M <sup>2</sup>	148.77M <sup>2</sup>	29	1011.00/M <sup>2</sup>	150406
47	Two coats snowcem	2207.61 M <sup>2</sup>	23293.56 M <sup>2</sup>	21085.95M <sup>2</sup>	955	30.15/M <sup>2</sup>	635741
<b>Total</b>							<b>7372786</b>
Add 9.5% as per Agreement							<b>700415</b>
<b>Sub-total (c)</b>							<b>8073201</b>
<b>(iv) Construction of two additional wards at 150 capacity prisoner's barrack at Dumka</b>							
8	Providing RCC M 200 with nominal (1:1.5:3) and band at lintel level GF + FF S.F.	8.158M <sup>3</sup> 3.64M <sup>3</sup>	10.3280 M <sup>3</sup> 5.164M <sup>3</sup>	2.17M <sup>3</sup> 1.524M <sup>3</sup>	27 42	4026.60/M <sup>3</sup> 4079.45/M <sup>3</sup>	8737 6217
20	T.M.T. 12 to 25mm Steel reinforcement	18.50 MT	27.513MT	9.01MT	49	51229.20/MT	461728
22	Fan works	84	108	24	29	223.80/each	5371
24	Providing 75 mm thick reinforce designated 75 A brick work.	26.40M <sup>3</sup>	29.92M <sup>3</sup>	3.52M <sup>3</sup>	13	152.60/M <sup>3</sup>	537
25	Providing 25 x 125 mm RCC M150	28.86M <sup>3</sup>	32.72M <sup>3</sup>	3.86M <sup>3</sup>	13	128.20/M <sup>3</sup>	495
<b>Sub-total (d)</b>							<b>483085</b>
<b>(v) Construction of 2 no. Barracks in Mandal Jail Dumka under Dumka Division</b>							
2	Providing course clean sand in filling in foundation trenches including ramming waling, labour, royalties etc.	146.408M <sup>3</sup>	169.093M <sup>3</sup>	22.69M <sup>3</sup>	16	112.25/M <sup>3</sup>	2546
18	Providing TMT reinforcement 8mm to 10mm diameter.	5.297MT	6.216MT	0.919MT	17	52106.65/MT	47886
<b>Sub-total (e)</b>							<b>50432</b>
<b>(vi) Construction of EE's Office at Simdega under Simdega Division</b>							
15	Providing RCC M-200 in normal mix 1:1.5:3	18.54M <sup>3</sup>	22.550 M <sup>3</sup>	4.01M <sup>3</sup>	22	4707.53/M <sup>3</sup>	18877
19	Extra for RCC or PCC work for each floor.	4.28M <sup>3</sup>	5.186 M <sup>3</sup>	0.906M <sup>3</sup>	21	52.90/M <sup>3</sup>	48

Sl. No. of items as per agreement	Works/Item	Quantity as per Agreement (A)	Quantity as per M.B. (B)	Excess quantity (B-A)	Excess in per cent	Rate	Amount
22	Providing & Fixing process steel door frames .....	66.60 M	90.750 M	24.15M	36	251.90/M	6083
43	SFF 30 mm thick solid core type curative single leaf .....	6.30M <sup>2</sup>	7.50M <sup>2</sup>	1.20M <sup>2</sup>	19	1237.45/M <sup>2</sup>	1485
34	Providing & laying 20 mm thick white Makrana Marble.	23.83 M <sup>2</sup>	27.928M <sup>2</sup>	4.1 0M <sup>2</sup>	17	1533.01/M <sup>2</sup>	6285
41	Providing plain TMT bars reinforcement of 8 mm diameter .....	5.675 MT	11.69192 MT	6.01692 MT	106	54744.31/MT	329392
43	Providing TMT bar reinforcement of 20 mm diameter rod .....	0.0225 MT	0.31922 MT	0.29672MT	1318	52448.81/MT	15563
83	SFF 15 mm diameter T plain	4	9	5	125	33.76/each	169
94	SFF pipe with case of approved make...	15.00 M	16.66 M	1.66M	11	538.23/M	893
20	Extra for brick work for each floor.	31.98M <sup>2</sup>	36.308M <sup>2</sup>	4.33M <sup>2</sup>	14	36.32/M <sup>2</sup>	157
47	Providing and lying 6 mm thick Mosaic Skirting .....	45 M <sup>2</sup>	52.439 M <sup>2</sup>	7.439 M <sup>2</sup>	17	455.86/M <sup>2</sup>	3391
52	Supplying tabular section steel pipe ....	131.38 Kg	950 Kg	819 Kg	623	70/Kg	57330
53	Labour for fabricating, erecting ....	0.13MT	0.950 MT	0.82MT	631	6803.80/MT	5579
<b>Sub-total (f)</b>							<b>445252</b>
<b>(vii) Construction of 8 Court building at Simdega under Simdega Division</b>							
3	Course clean sand filling	2033.64M <sup>3</sup>	4104.56 M <sup>3</sup>	2070.92M <sup>3</sup>	102	123.47/M <sup>3</sup>	255696
7	Providing RCC in column	204.76 M <sup>3</sup>	270.10 M <sup>3</sup>	65.34M <sup>3</sup>	32	4294.50/M <sup>3</sup>	280602
20	Tor steel 8mm 10 mm to 16 mm	83.20 MT 32.37 MT	109.32988MT 60.78313MT	26.13MT 28.41MT	31 88	65693/MT 64587.50/MT	1716550 1835133
<b>Sub-total (g)</b>							<b>4087981</b>
<b>Grand total (a+b+c+d+e+f+g)</b>							<b>27647784</b>

**Appendix-4.11**

(Referred to paragraph 4.1.8.12; page-131 )

**Details showing list of contractors allotted more than one work**

(₹ in lakh)

Name of division	Contractor	Name of work	Agreement date	Agreement value
Ramgarh	M/s Dipanshu Promoters and Builder Pvt. Limited	Construction of Community Health Center Mandu	05.09.2008	247.90
		Construction of campus Development works at SDO's Office Ramgarh	15.10.2008	66.33
		Providing and Fixing MS crating in doors, windows and ventilators in Sub-Jail	15.10.2008	75.29
		Construction of Fire station Building at Ramgarh	03.07.2009	114.52
		Construction of Collectorate building at Ramgarh	23.10.2009	1102.96
		Construction of DJ's, SDJM's and PO's Quarters at Ramgarh	18.01.2010	221.76
		Construction of residential buildings at Ramgarh	16.06.2010	454.05
		Construction of 22 Court building at Ramgarh	24.01.2011	1164.15
		Construction of Sub-Jail (non-residential) at Ramgarh	09.03.2011	180.18
		Construction of Block-cum-Circle office at Dulmi, Ramgarh	07.04.2011	233.27
		Construction of Block-cum-Circle office at Chhatarpur, Ramgarh	07.04.2011	233.27
		Bokaro	M/s Krishna Enterprises	Construction of 50 bedded girls hostel at ITI Chas Bokaro
Construction of barrack, out house at DJ residence	27.01.2011			12.38
M/s Sarvodaya Construction	Construction of peripheral compound wall at Sub-jail Tenughat, Bokaro		25.03.2011	30.90
	Construction of <i>Diwani Kaidi</i> wards in Sub-jail Tenughat, Bokaro		25.03.2011	12.49
Simdega	M/s Ram Kumar Prasad and Construction	Construction of 'B' type quarters (Gr A) at Simdega	30.07.2009	49.88
		Construction of 'B' type quarters (Gr B) at Simdega	30.07.2009	49.88
		Construction of barrack in Mandal Jail, Simdega	16.02.2010	38.45
	Sri Sudhir Kr Singh	Construction of 100 prisoner barrack at Simdega	21.10.2009	65.64
		Construction of EE's residence at Simdega	16.02.2010	31.55
		Construction of civil SDO residence in Simdega	22.02.2010	47.92
	M/s R. M. Construction	Construction of EE's office building at Simdega	16.02.2010	67.71
		Construction of Additional Circuit House at Simdega	16.02.2010	78.81
			<b>Total</b>	<b>4737.09</b>

(Source: Test-checked divisions)

**Appendix-4.12**

(Referred to paragraph 4.1.9.1; page -132 )

**Details showing non-levied establishment charges**

(₹ in lakh)

Division	Total value of deposit work executed				Establishment charge not levied
	2008-09	2009-10	2010-11	Total	
Jamshedpur	79.88	54.29	490.94	625.11	62.51
Bokaro	70.99	264.76	171.17	506.92	50.69
Ramgarh	305.34	72.80	-	378.14	37.81
Ranchi-1	274.79	315.79	370.61	961.19	96.12
Ranchi-2	155.24	45.40	18.77	219.41	21.94
Dumka	133.81	524.00	335.12	992.93	99.29
Godda	334.58	405.53	179.09	919.20	91.92
Simdega	Year-wise details not furnished			275.11	27.51
<b>Total</b>				<b>4878.01</b>	<b>487.79</b>

(Source: Test-checked divisions)

**Appendix-4.13**

(Referred to paragraph 4.1.9.3; page -133 )

**Details showing blocking of funds**

(₹ in lakh)

Division	Works	Name of the department	Date of receipt of fund	Amount	Blocked period
Ranchi-1	Construction of VIP Lodging Corridor at ATI, Ranchi	Personnel and Training	29.10.2005	68.52	11/05 to 5/11 (67 months)
	Construction of Disaster Management Institute at ATI		03.03.2006	116.00	3/06 to 5/11 (63 months)
	Construction of Lecture hall, four rooms for faculty etc. at ATI		02.03.2007	181.26	3/07 to 5/11 (51 months)
	Three storied residential buildings at ATI		27.03.2008	40.00	04/08 to 05/11 (38 months)
	Construction of Big Fountain for Escaping Noise pollution at ATI		27.03.2008	12.31	04/08 to 05/11 (38 months)
	Construction of Indoor Games building at ATI		27.03.2008	25.00	04/08 to 05/11 (38 months)
	Construction of Management Development Institute at ATI		23.03.2009	300.00	04/09 to 5/11 (26 months)
	Modern Training Hall at ATI		23.03.2009	356.90	04/09 to 5/11 (26 months)
	Upgradation of Library at ATI		23.03.2009	33.26	04/09 to 5/11 (26 months)
Bokaro	Construction of Grih Raksha Vahini Centre at Bokaro	Home	18.10.2008	49.00	10/08 to 6/11 (33 months)
Jamshedpur	Construction of 100 bedded Girls Hostel at MGM, Jamshedpur	Health and Family Welfare	10.12.2007	50.00	12/07 to 4/11 (41 months)
	Construction of Govt Women's Industrial School at Ghatshila	Science and Technology	13.10.2004	62.36	10/04 to 4/11 (79 months)
	Construction of A type, C type quarters etc., at Home Guard Centre Jamshedpur	Home	04.03.2010	283.98	03/10 to 4/11 (14 months)
<b>Total</b>				<b>1578.59</b>	

(Source: Test-checked divisions)

ATI-Administrative Training Institute

MGM-Mahatma Gandhi Medical College

**Appendix-4.14**

(Referred to paragraph 4.1.9.4; page -133 )

**Details showing unfruitful expenditure**

(₹ in lakh)

Division	Works	Date of commencement	Due date of completion	Total Expenditure	Percentage of executed works	Present position of works as on June 2011
Jamshedpur	Construction of Fire Station Building at Baharagora	30.09.2007	29.08.2008	29.73	58	Incomplete due to lack of fund
Ranchi-2	Construction of C type quarters at CTI Dhurwa, Ranchi	02.03.2009	01.09.2009	5.04	16	Incomplete and work stopped due to lack of approved map and design
Simdega	100 prisoner's barrack at Simdega	21.10.2009	20.07.2010	12.30	20	Work incomplete and agreement rescinded
Dumka	Construction of D type quarters at Central Jail Dumka	28.07.2008	27.04.2009	13.67	37	Work stopped due to lack of fund
Bokaro	Science Centre cum Technical Library at Bokaro	2002-2003 (Departmental)	2002-03	20.50	50	Work stopped since 22.08.2009
<b>Total</b>				<b>81.24</b>		

**Appendix-4.15**

(Referred to paragraph 4.1.10.2; page -135 )

**Details showing excess payment due to irregular grant of ACP**

(₹ in lakh)

Division/Office	Name of JE S/Sri	Date of grant of ACP	Period	Excess amount	Remarks
Jamshedpur	S. N. Thakur	1 <sup>st</sup> -09.08.1999 2 <sup>nd</sup> -27.12.2006	09.08.1999 to 31.03.2011	4.03	Irregular grant of increment after 1 <sup>st</sup> ACP and Irregular grant of 2 <sup>nd</sup> ACP
	Binod Prasad	1 <sup>st</sup> -09.08.1999 2 <sup>nd</sup> -23.12.2006	09.08.1999 to 31.03.2011	4.03	
	Nand Lal Singh	1 <sup>st</sup> -09.08.1999 2 <sup>nd</sup> -15.12.2006	09.08.1999 to 31.03.2011	4.03	
	Krishna Singh	1 <sup>st</sup> -19.01.2000	01.01.2003 to 31.03.2011	2.06	Irregular grant of increment after 1 <sup>st</sup> ACP
	Durga Charan Singh	1 <sup>st</sup> -18.10.2007	01.07.2010 to 31.03.2011	0.05	
SE, Chhotanagpur Circle, Ranchi	Randhir Kumar	1 <sup>st</sup> -09.08.1999 2 <sup>nd</sup> -17.12.2006	09.08.2000 to 30.04.2011	4.06	Irregular grant of increment after 1 <sup>st</sup> ACP and Irregular grant of 2 <sup>nd</sup> ACP
<b>Total</b>				<b>18.26</b>	

**Appendix-4.16***(Referred to paragraph 4.1.11.1; page -136 )***Details of non-maintenance of records in test-checked divisions**

Name of records	Description	Remarks
Register of Works	The objective of Register of works is to get an analysis of the cost of sub-works, the rate of cost of works, and to foresee as far as possible excess over estimates. These are to be posted on monthly basis from the work abstract.	Register of Works was not maintained in Bokaro, Ranchi 2, Ramgarh and Simdega. As a result, the divisions did not have readily available data of the actual expenditure on each work (Sub-head wise) to foresee excess over estimate, if any.
Contractors' Ledger	It is a ledger in which all transactions with the contractors related to execution/supply of material are entered.	Contractors' Ledger was not maintained in Bokaro, Godda, Ramgarh and Simdega. As a result, the divisions did not have readily available up-to-date payment records and scheme-wise revenue receipts from each contractor required for proper monitoring.
Registers of Interest-bearing Securities	These are maintained to enter the receipt and disposal of interest-bearing securities.	Register of Interest Bearing Securities was not maintained in Ranchi 2. As a result, the division did not have readily available data of securities/bank guarantees deposited by the contractor and their disposal.
Measurement Books (MBs)	It is a very important document in which the detailed measurement of different components of a work is recorded. Each MB must be returned to the divisional offices in the month of November which was to be re-issued by the EEs after review and recording a dated certificate of review thereof.	MBs were not submitted to the EEs during the years under review in Ranchi 1, Ranchi 2, Ramgarh, Bokaro and Simdega. As a result, review by the EEs was not conducted and chances of back-dated entry (date of measurement of work done) could not be avoided.
Subsidiary Cash Books, Receipt Books, Bill Registers	<b>Subsidiary Cash Books</b> (TC form-6) will be maintained for recording monetary transactions of TA and contingent expenditure in accordance with Rule 86 of Jharkhand Treasury Code Vol.-I. <b>Receipt Books (Form-3)</b> are obtained from the district treasury concerned to receive Government money. A <b>Bill Register</b> in TC Form 38 A should be maintained by all Drawing officers for efficient discharge their responsibility of disbursement.	Subsidiary Cash Books, Receipt Books and Bill Registers were not maintained in the Simdega. As a result, the department failed to monitor the transactions under different heads and discharge the responsibility of disbursement. Further, in the absence of receipt books, proper recording of receipt of Government money could not be possible.
Register to watch the disposal of Inspection Reports	As per Rule 31 of JPWA Code, a register as prescribed by the Government should be maintained in the divisional office with a view to watch the disposal of audit objections, Inspection Reports etc. This register should be checked by the inspecting officer at the time of inspection who will make suitable remarks thereon. The divisional officer has to see whether these remarks are promptly attended to and the register is being maintained properly.	No such register was maintained in any of the eight test-checked divisions. As a result, the control and monitoring mechanism of the divisions weakened.

**Appendix – 5.1**

(Referred to paragraph 5.1.7; page - 143)

**Statement showing particulars of up to date paid-up capital, loans outstanding and manpower as on 31 March 2011 in respect of Government companies and Statutory corporations**

(Figures in column 5 (a) to 6 (d) are ₹ in lakhs)

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital <sup>s</sup>			Loans outstanding at the close of 2010-11			Debt equity ratio for 2010-11 (Previous year)	Manpower (No. of employees as on 31.3.2011)		
				State Government	Central Government	Others	State Government	Central Government	Others			Total	
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	(7)	(8)
<b>A. Working Government Companies</b>													
<b>AGRICULTURE &amp; ALLIED</b>													
1.	Jharkhand State Forest Development Corporation Ltd. (JSFDC)	Forest & Environment	27.3.2002	5.00	-	-	5.00	-	-	-	-	-	360
2.	Jharkhand Hill Area Lift Irrigation Corporation Ltd. (JHALCO)	Water Resources	22.3.2002	500.00	-	-	500.00	525.00	-	-	525.00	1.05:1 (1.05:1)	253
<b>Sector wise total</b>				<b>505.00</b>	<b>-</b>	<b>-</b>	<b>505.00</b>	<b>525.00</b>	<b>-</b>	<b>-</b>	<b>525.00</b>		<b>613</b>
3.	Jharkhand Industrial Infrastructure Development Corporation Ltd. (JIIDCO)	Industry	15.12.2004	900.00 (400.00)*	-	-	900.00 (400.00)*	-	-	-	-	-	13
4.	Jharkhand Police Housing Corporation Limited (JPHCL)	Home	13.03.2002	200.00	-	-	200.00	-	-	-	-	-	96
5.	Greater Ranchi Development Agency Ltd. (GRDA)	Urban Development	23.01.2003	1200.00 (100.00) <b>2300.00</b>	-	-	1200.00 (100.00) <b>2300.00</b>	-	-	-	-	-	12
<b>Sector wise total</b>				<b>(500.00)</b>	<b>-</b>	<b>-</b>	<b>(500.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>121</b>
<b>MANUFACTURING</b>													
6.	Jharkhand Silk Textile and Handicraft Corporation Limited (JHARCRAFT)	Industry	23.08.2006	800.00	-	-	800.00	-	-	-	-	-	208
7.	Jharkhand State Mineral Development Corporation Ltd. (JSMDC)	Mines & Geology	07.05.2002	200.00	-	-	200.00	-	-	-	-	-	419
<b>Sector wise total</b>				<b>1000.00</b>	<b>-</b>	<b>-</b>	<b>1000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>627</b>

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital <sup>§</sup>			Loans outstanding at the close of 2010-11			Debt equity ratio for 2010-11 (Previous year)	Manpower (No. of employees) (as on 31.3.2011)		
				State Government	Central Government	Others	State Government	Central Government	Others			Total	Total
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	(7)	(8)
<b>POWER</b>													
8.	Tenughat Vidyut Nigam Limited (TVNL)	Energy	26.11.1987	10500.00	-	-	10500.00	66500.00	-	-	66500.00	6.33:1	644
9.	Karanpura Energy Limited	Energy	19-09-2008	-	-	5.00	5.00	-	-	393.00	393.00	78.6:1	❖
<b>Sector wise total</b>				<b>10500.00</b>	<b>-</b>	<b>5.00</b>	<b>10505.00</b>	<b>66500.00</b>	<b>-</b>	<b>393.00</b>	<b>66893.00</b>	<b>6.37:1</b>	<b>644</b>
<b>SERVICES</b>													
10.	Jharkhand Tourism Development Corporation Ltd. (JTDC)	Tourism	22.3.2002	150.00 (50.00)	-	-	150.00 (50.00)	-	-	-	-	-	105
11.	Jharkhand State Beverages Corporation Limited (JSBCL)	Excise & Prohibition	26-11-2010	-	-	-	-	-	-	-	-	-	-
<b>Sector wise total</b>				<b>150.00 (50.00)</b>	<b>-</b>	<b>-</b>	<b>150.00 (50.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105</b>
<b>Total A (All sector wise working Government companies)</b>				<b>14455.00 (550.00)</b>	<b>-</b>	<b>5.00</b>	<b>14460.00 (550.00)</b>	<b>67025.00</b>	<b>-</b>	<b>393.00</b>	<b>67418.00</b>	<b>4.66:1</b>	<b>2110</b>
<b>(Share Application Money)</b>													
<b>B. Working Statutory corporations</b>													
<b>POWER</b>													
1.	Jharkhand State Electricity Board (JSEB)	Energy	20.3.2001	-	-	-	-	423581.00	-	14069.00	437650.00	-	5705
<b>Sector wise total</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>423581.00</b>	<b>-</b>	<b>14069.00</b>	<b>437650.00</b>	<b>-</b>	<b>5705</b>
<b>Total B (All sector wise working Statutory corporations)</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>423581.00</b>	<b>-</b>	<b>14069.00</b>	<b>437650.00</b>	<b>-</b>	<b>5705</b>
<b>Grand Total (A + B)</b>				<b>14455.00 (550.00)</b>	<b>-</b>	<b>5.00</b>	<b>14460.00 (550.00)</b>	<b>490606.00</b>	<b>-</b>	<b>14462.00</b>	<b>505068.00</b>	<b>34.93:1</b>	<b>7815</b>
<b>(Share Application Money)</b>													
<b>C. Non working Government companies</b>													
<b>D. Non working Statutory corporations</b>													
<b>Grand Total (A + B + C + D)</b>				<b>14455.00 (550.00)</b>	<b>-</b>	<b>5.00</b>	<b>14460.00 (550.00)</b>	<b>490606.00</b>	<b>-</b>	<b>14462.00</b>	<b>505068.00</b>	<b>34.93:1</b>	<b>7815</b>
<b>(Share Application Money)</b>													

The figures appear in ( ) in col. 5(a) & 5(d) represents share application money.

§ Paid-up capital includes share application money.

\* ₹ One crore released during the each financial year 2007-08, 2008-09, 2009-10 and 2010-11 as share capital money has been deposited in Personal ledger A/c (P/L a/c) of JIICO by the state government awaiting conversion into share capital of the company.

❖ The affairs of the company are managed by the officials of the Board.

Appendix – 5.2

(Referred to paragraph 5.1.14; page -145 )

Summarised financial results of Government companies and Statutory Corporations for the latest year for which accounts were finalised

(Figures in column 5 (a) to 5(d) and (6) to (12) are ₹ in lakhs)

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)			Turnover	Impact of Accounts Comments <sup>a</sup>	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed <sup>b</sup>	Return on capital employed <sup>c</sup>	Percentage return on capital employed	
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation								Net Profit/ Loss
<b>A. Working Government Companies</b>														
<b>AGRICULTURE &amp; ALLIED</b>														
1.	JSFDC	2009-10	2010-11	245.24	-	10.52	234.72	4892.37	51.52	638.25	643.36	234.72	36.48	
2.	JHALCO	2008-09	2010-11	(-1.78)	-	0.82	(-2.60)	160.65	-	(-906.74)	118.26	(-2.60)	-	
<b>Sector wise total</b>				<b>243.46</b>	<b>-</b>	<b>11.34</b>	<b>232.12</b>	<b>5053.02</b>	<b>51.52</b>	<b>(-268.49)</b>	<b>761.62</b>	<b>232.12</b>	<b>30.48</b>	
<b>INFRASTRUCTURE</b>														
3.	JIIDCO	2008-09	2011-12	-13.62	-	3.87	(-17.49)	4.36	-	77.96	609.06	(-17.49)	-	
4.	JPHC	2009-10	2010-11	431.02	-	6.85	424.17	251.06	718.42	1094.75	1293.36	424.17	32.80	
5.	GRDA	2005-06	2009-10**	-	-	-	-	-	-	-	-	-	-	
<b>Sector wise total</b>				<b>417.40</b>	<b>-</b>	<b>10.72</b>	<b>406.68</b>	<b>255.42</b>	<b>718.42</b>	<b>1172.71</b>	<b>1902.42</b>	<b>406.68</b>	<b>21.38</b>	
<b>MANUFACTURING</b>														
6.	JHARCRAFT	2009-10	2010-11	82.09	0.46	21.36	60.27	653.58	-	4.61	1255.13	60.73	4.84	
7.	JSMDC	2004-05	2011-12	1431.11	-	15.34	1415.77	3866.71	-	3245.75	5535.97	1415.77	25.56	
<b>Sector wise total</b>				<b>1513.20</b>	<b>0.46</b>	<b>36.70</b>	<b>1476.04</b>	<b>4520.29</b>	<b>-</b>	<b>3250.36</b>	<b>6791.10</b>	<b>1476.50</b>	<b>22.07</b>	
<b>POWER</b>														
8.	TVNL	1993-94	2000-01	(-7093.85)	-	-	(-7093.85)	33482.79	-	(-22182.84)	58852.10	(-7093.85)	-	
9.	Karapura Energy Limited	\$\$	-	-	-	-	-	-	-	-	-	-	-	
<b>Sector wise total</b>				<b>(-7093.85)</b>	<b>-</b>	<b>-</b>	<b>(-7093.85)</b>	<b>33482.79</b>	<b>-</b>	<b>(-22182.84)</b>	<b>58852.10</b>	<b>(-7093.85)</b>	<b>-</b>	
<b>SERVICES</b>														
10.	JTDC	2003-04	2008-09	23.94	-	1.62	22.32	47.59	-	32.87	56.92	22.32	39.21	
11.	Jharkhand State Beverages Corporation Limited (JSBCL)	\$\$	-	-	-	-	-	-	-	-	-	-	-	
<b>Sector wise total</b>				<b>23.94</b>	<b>-</b>	<b>1.62</b>	<b>22.32</b>	<b>47.59</b>	<b>-</b>	<b>32.87</b>	<b>56.92</b>	<b>22.32</b>	<b>39.21</b>	
<b>Total A (All sector wise working Government companies)</b>				<b>(-4896.55)</b>	<b>0.46</b>	<b>60.38</b>	<b>(-4956.69)</b>	<b>43359.11</b>	<b>769.94</b>	<b>(-17995.39)</b>	<b>68364.16</b>	<b>(-4956.23)</b>	<b>-</b>	
<b>B. Working Statutory Corporations</b>														

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comments <sup>§</sup>	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed <sup>@</sup>	Return on capital employed <sup>s</sup>	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Power I.	JSEB	2004-05	2011-12	(-39275.06)	19474.52	6579.08	(-65328.65)	100931.05	(-1254.00)	-	(-146656.81)	119684.38	(-45854.13)	-
	<b>Sector wise total</b>			(-39275.06)	19474.52	6579.08	(-65328.65)	100931.05	-	-	(-146656.81)	119684.38	(-45854.13)	-
	<b>Total B (All sector wise working Statutory corporations)</b>			(-39275.06)	19474.52	6579.08	(-65328.65)	100931.05	-	-	(-146656.81)	119684.38	(-45854.13)	-
	<b>Grand Total (A + B)</b>			(-44171.61)	19474.98	6639.46	(-70285.34)	144290.16	(-484.06)	12080.00	(-164652.20)	188048.54	(-50810.36)	

**Note: There is no non-working Government Company/Statutory Corporation in the State of Jharkhand.**

# Impact of accounts comments include the net impact of comments of Statutory Auditors and CAG and is denoted by (+) increase in profit/ decrease in losses (-) decrease in profit/ increase in losses.

@ Capital employed represents net fixed assets (including capital works-in-progress) plus working capital except in case of finance companies/ corporations where the capital employed is worked out as a mean of aggregate of the opening and closing balances of paid up capital, free reserves, bonds, deposits and borrowings (including refinance).

§ Return on capital employed has been worked out by adding profit and interest charged to profit and loss account.

\*\* As no financial activities carried out during the financial year 2005-06, no Profit & Loss A/c prepared by the company.

\$\$ The company has not submitted accounts so far.

Appendix – 5.3

(Referred to paragraph 5.1.10, page -144)

Statement showing grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2011

(Figures in column 3 (a) to 6 (d) are ₹ in lakh)

Sl. No.	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
(1)	(2)	3 (a)	3 (b)	4 (a)	4 (b)	4 (c)	4 (d)	5 (a)	5 (b)	6 (a)	6 (b)	6 (c)	6 (d)
<b>A. Working Government Companies</b>													
AGRICULTURE & ALLIED													
1.	JSFDC	-	-	-	50.00	-	50.00	-	-	-	-	-	-
<b>Sector wise total</b>		-	-	-	<b>50.00</b>	-	<b>50.00</b>	-	-	-	-	-	-
INFRASTRUCTURE													
2.	JIDCO	100.00*	-	-	-	-	-	-	-	-	-	-	-
<b>Sector wise total</b>		<b>100.00*</b>	-	-	-	-	-	-	-	-	-	-	-
MANUFACTURING													
3.	JHARCRRAFT	150.00	-	-	7.87	-	7.87	-	-	-	-	-	-
<b>Sector wise total</b>		<b>150.00</b>	-	-	<b>7.87</b>	-	<b>7.87</b>	-	-	-	-	-	-
SERVICES													
4.	JTDC	50.00	-	-	-	-	-	-	-	-	-	-	-
<b>Sector wise total</b>		<b>50.00</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total A (All sector wise working Government companies)</b>		<b>300.00</b>	-	-	<b>57.80</b>	-	<b>57.87</b>	-	-	-	-	-	-
<b>B. Working Statutory corporations</b>													
Power													
1.	JSEB	-	31355.00	-	45000.00	-	45000.00	-	-	-	-	-	-
<b>Sector wise total</b>		-	<b>31355.00</b>	-	<b>45000.00</b>	-	<b>45000.00</b>	-	-	-	-	-	-
<b>Total B (All sector wise working Statutory corporations)</b>		-	<b>31355.00</b>	-	<b>45000.00</b>	-	<b>45000.00</b>	-	-	-	-	-	-
<b>Grand Total (A + B)</b>		<b>300.00</b>	<b>31355.00</b>	-	<b>45057.87</b>	-	<b>45057.87</b>	-	-	-	-	-	-

\* ₹ One crore released during the financial year 2010-11 as share capital money has been deposited in Personal ledger A/c (P/L a/c) of JIDCO by the state Government awaiting conversion into share capital of the company.

## Appendix – 5.4

(Referred to paragraph 5.1.22; page -147)

## Statement showing investments made by State Government in PSUs whose accounts are in arrears

(₹ in lakh)

Sl. No	Name of PSU	Year upto which accounts finalised	Paid up capital as per latest finalised accounts	Period during which accounts are in arrears	Investment made by State Government during the years for which accounts are in arrears		
					Equity	Loan	Grant
Others							
<b>Working Companies/Corporations</b>							
<b>A. Government companies</b>							
1.	Jharkhand Hill Area Lift Irrigation Corporation Ltd.	2008-09	500.00	2009-10 2010-11	- -	- -	180.00 -
2.	Jharkhand Police Housing Corporation Ltd.	2009-10	200.00	2010-11	-	-	-
3.	Jharkhand Tourism Development Corporation Ltd.	2003-04	25.00	2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2010-11	25.00 25.00 - - - 25.00 -	- - - - - - -	- - - - - - 50.00 -
4.	Jharkhand State Forest Development Corporation Ltd.	2009-10	5.00	2010-11	-	-	-
5.	Jharkhand State Mineral Development Corporation Ltd.	2004-05	200.00	2005-06 to 2010-11	-	-	-
6.	Jharkhand Industrial Infrastructure Development Corporation Ltd.	2008-09	500.00	2009-10	100.00*	-	-
7.	Greater Ranchi Development Agency Ltd.	2005-06	-	2010-11 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11	100.00* 50.00 - 110.00 940.00 100.00 -	- - - - - - -	- - - - - - -
8.	Tenughat Vidyut Nigam Ltd.	1993-94	10000.00	1994-95 to 2000-01 2001-02	- - -	- - 1500.00	- - -

Sl. No	Name of PSU	Year upto which accounts finalised	Paid up capital as per latest finalised accounts	Period during which accounts are in arrears	Investment made by State Government during the years for which accounts are in arrears			
					Equity	Loan	Grant	Others
				2002-03	-	1500.00	-	-
				2003-04	-	-	-	-
				2004-05	-	500.00	-	-
				2005-06	500.00	1400.00	-	-
				2006-07	-	800.00	-	-
				2007-08	-	-	-	-
				2008-09	-	-	-	-
				2009-10	-	-	-	-
				2010-11	-	-	-	-
9.	Jharkhand Silk and Handicraft Development Corporation Ltd.	2009-10	650.00	2010-11	150.00	-	7.87	-
10.	Karapura Energy Limited	-	-	2008-09	-	-	-	-
				2009-10	-	-	-	-
				2010-11	-	-	-	-
11.	Jharkhand State Beverages Corporation Limited (JSBCL)	-	-	2010-11	-	-	-	-
	<b>Total (A)</b>		<b>11230.00</b>		<b>2125.00</b>	<b>5700.00</b>	<b>237.87</b>	<b>-</b>
<b>B</b>	<b>Statutory corporation</b>							
1.	Jharkhand State Electricity Board	2004-05		2005-06	-	27213.00	38848.00	-
				2006-07	-	5200.00	25000.00	-
				2007-08	-	34734.00	92114.00	-
				2008-09	-	22491.00	8000.00	-
				2009-10	-	38508.00	40000.00	-
				2010-11	-	31355.00	45000.00	-
	<b>Total(B)</b>				-	<b>159501.00</b>	<b>248962.00</b>	-
	<b>Total (A)+(B)</b>		<b>11230.00</b>		<b>2125.00</b>	<b>165201.00</b>	<b>249199.87</b>	<b>-</b>

(Source: Data furnished by Government companies/Statutory Corporation)

\* ₹ One crore released during the each financial year 2009-10 and 2010-11 as share capital money has been deposited in Personal ledger Account of JIIDCO by the state government awaiting conversion into share capital of the company.

**Appendix – 5.5***(Referred to paragraph 5.1.14; page - 145)***Statement Showing Financial Position of Statutory Corporation***(₹ in Crore)*

<b>JHARKHAND STATE ELECTRICITY BOARD</b>	
<b>Particulars</b>	<b>2004-05</b>
<b>A. Assets</b>	
Gross Block	1484.42
Less: Depreciation	941.21
Net Fixed Assets	543.22
Capital Expenditure in progress	146.76
Assets not in use	4.05
Investment	89.53
Total Current Assets	2851.52
Deficit	1466.57
<b>Total A</b>	<b>5101.64</b>
<b>B. Liabilities</b>	
Borrowings for working Capital	0.00
Payment due on capital liabilities	893.24
Capital liabilities	165.17
Funds from State Government	1256.75
Contributions, Grants and Subsidies	441.82
Total Current liabilities	2344.66
<b>Total B</b>	<b>5101.64</b>
<b>C. Capital Employed</b>	<b>1196.84</b>

**Appendix – 5.6**

(Referred to paragraph 5.2.9; page -160 )

**Statement showing particulars of distribution network planned vis-à-vis achievement there against in the State as a whole during 2006-07 to 2010-11**

S.No.	Description	2006-07	2007-08	2008-09	2009-10	2010-11
<b>(A)</b>	<b>No. of Substations (of various categories)</b>					
i	At the beginning of the year	166	174	184	201	223
ii	Additions planned for the year	19	20	36	34	24
iii	Additions made during the year	8	10	17	22	14
iv	At the end of the year	174	184	201	223	237
v	Shortage in addition (ii - iii)	11	10	19	12	10
<b>(B)</b>	<b>HT Lines (in CKM)</b>					
i	At the beginning of the year	18,231	18,762	19620	27,638	32,234
ii	Additions planned for the year	177	657	2719	4050	3802
iii	Additions made during the year	531	858	8018	4596	6876
iv	At the end of the year	18,762	19620	27,638	32,234	39,110
v	Shortage in addition (ii - iii)	(-) 354	(-)201	(-)5299	(-)546	(-)3074
<b>(C)</b>	<b>LT Lines (in CKM)</b>					
i	At the beginning of the year	31,477	34,657	44,278	54,099	65,630
ii	Additions planned for the year	223	1859	2176	3285	4552
iii	Additions made during the year	3180	9621	9821	11531	15901
iv	At the end of the year	34,657	44,278	54,099	65,630	81531
v	Shortage in addition (ii - iii)	(-)2957	(-)7762	(-)7645	(-)8246	(-)11349
<b>(D)</b>	<b>Power transformer capacity(MVA)</b>					
i	At the beginning of the year	1856	1947	2047	2188	2332
ii	Additions planned for the year	-	-	-	-	-
iii	Additions made during the year	91	100	141	144	158
iv	At the end of the year	1947	2047	2188	2332	2490
<b>(E)</b>	<b>Distribution transformer capacity (MVA)</b>					
i	At the beginning of the year	-	1676	2092	2182	2305
ii	Additions planned for the year	-	-	-	-	-
iii	Additions made during the year	-	416	90	123	110
iv	At the end of the year	1676	2092	2182	2305	2415

## GLOSSARY OF ABBREVIATIONS

AA	Administrative Approval
AAP	Annual Action Plan
AC bills	Abstract Contingent bills
ACOS	Average Cost of Supply
ACP	Assured Career Progression
ADP	Annual Development Plan
AIDS	Acquired Immune Deficiency Syndrome
ANM	Auxiliary Nursing Midwife
ANRC	Agriculture Natural Resource Centre
APDRP	Accelerated Power Development and Reforms Programme
APL	Above Poverty Line
APT	Anti Power Theft
APTEL	Appellate Tribunal for Electricity
ARWSP	Accelerated Rural Water Supply Programme
AT&C	Aggregate Technical and Commercial
ATN	Action Taken Note
AWCs	Anganwadi Centres
AWHs	Anganwadi Helpers
AWWs	Anganwadi Workers
BCD	Building Construction Department
BCG	Bacillus Calmette-Guerin
BDO	Block Development Officer
BGs	Bank Guarantees
BoQ	Bill of Quantity
BPL	Below Poverty Line
BPO	Block Programme Officer
BRC	Block Resources Centre
BRGF	Backward Region Grant Fund
BWO	Block Welfare Officer
C&AG	Comptroller & Auditor General
CCO	Chief Controlling Officer
CCTV	Closed Circuit Television
CDO	Central Design Organisation
CDPO	Child Development Programme Officer
CE	Cold End
CEs	Chief Engineers
CHC	Community Health Centre
CMO	Chief Medical Officer
CNCPL	Comprehensive New Connectivity Priority List
CPSUs	Central Public Sector Undertakings
CRSP	Central Rural Sanitation Programme
CSS	Central Sponsored Scheme
CVC	Central Vigilance Commission
CVOs	Chief Vigilance Officers
DA	Disproportionate Asset
DC	Deputy Commissioner
DC bills	Detailed Contingent bills

<b>GLOSSARY OF ABBREVIATIONS</b>	
DDC	Deputy Development Commissioner
DE	De-electrified
DFMD	Door Frame Metal Detector
DHS	District Health Society
DIG	Deputy Inspector General
DLAO	District Land Acquisition Officer
DPC	District Planning Committee
DPC	District Programme Co-ordinator
DPC	Duties, Powers and Conditions of Service
DPO	District Programme Officer
DPO	District Planning Officer
DPR	Detailed Project Report
DPS	Delayed Payment Surcharge
DPT	Diphtheria, Polio and Tetanus
DRDA	District Rural Development Agency
DSP	Deputy Superintendent of Police
DSS	Distribution Sub-Station
DTW	Drilled Tube-Well
DUs	Departmental Undertakings
DVC	Damodar Valley Corporation
DWO	District Welfare Officer
DWSD	Drinking Water and Sanitation Department
DWSM	District Water and Sanitation Mission
EEs	Executive Engineers
EVUT	Electrified Villages Un-electrified Tolas
FCI	Food Corporation of India
FYPP	Five Year Perspective Plan
GDP	Gross Domestic Product
GoI	Government of India
HE	Hot End
HEMM	Heavy Earth Moving Machinery
HHMD	Hand Held Metal Detector
HSC	Health Sub Centre
HTS	High Tension Services
HTSS	High Tension Special Services
HUDCO	Housing and Urban Development Corporation
IAY	Indira Awaas Yojana
ICDS	Integrated Child Development Scheme
IE	Intermediate End
IEC	Information, Education and Communication
IG	Inspector General
IMR	Infant Mortality Rate
IRs	Inspection Reports
JAPIT	Jharkhand Agency for Promotion of Information Technology
JERC	Jharkhand Electricity Regulatory Commission
JEs	Junior Engineers
JPWD	Jharkhand Public Works Department
JSEB	Jharkhand State Electricity Board
JSERC	Jharkhand State Electricity Regulatory Commission
JSFDC	Jharkhand State Forest Development Corporation

<b>GLOSSARY OF ABBREVIATIONS</b>	
JSY	Janani Suraksha Yojana
KEL	Karanpura Energy Limited
KGBV	Kasturba Gandhi Balika Vidyalaya
LDs	Liquidated Damages
LPC	Last Pay Certificate
LSQs	Lower Subordinate Quarters
LTIS	Low Tension Industrial Service
MBs	Measurement Books
MD	Managing Director
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MI	Minor Irrigation
MIS	Management Information System
MIS	Monitoring and Information System
MIS	Management Information System
MMGSY	Mukhya Mantri Gram Setu Yojana
MMR	Maternal Mortality Rate
MoA	Memorandum of Agreement
MoP	Ministry of Power
MoU	Memorandum of Understanding
MPF	Minor Forest Produce
MPR	Monthly Progress Report
NEP	National Electricity Policy
NH	National Highway
NHPC	National Hydroelectric Power Corporation
NIOS	National Institute of Open Schooling
NOCs	No Objection Certificates
NPCB	National Programme for Control of Blindness
NQM	National Quality Monitor
NRDWP	National Rural Drinking Water Programme
NREP	National Rural Employment Programme
NRHM	National Rural Health Mission
NRWQMSP	National Rural Water Quality Monitoring and Surveillance Programme
NTPC	National Thermal Power Corporation
O&M	Operation & Maintenance
OBC	Other Backward Class
OPV	Oral Polio Vaccine
PAC	Public Accounts Committee
PCCF	Principal Chief Conservator of Forest
PE	Preliminary Enquiries
PHC	Primary Health Centre
PIA	Project Implementing Agency
PIUs	Programme Implementation Units
PLI	Professional Liability Insurance
PMGSY	Pradhan Mantri Gram Sadak Yojana
PO	Purchase Order

<b>GLOSSARY OF ABBREVIATIONS</b>	
PRI	Panchayati Raj Institution
PRNREP	Panchayati Raj and National Rural Employment Programme
PS	Panchayat Secretary
PSE	Pre-School Education
PSS	Power Sub Station
PSUs	Public Sector Undertakings
PTC	Power Trading Corporation
PTPS	Patratu Thermal Power Station
RCD	Road Construction Department
RDD	Rural Development Department
RDF	Rehabilitation of Degraded Forest
RDS	Rural Development Special Division
REC	Rural Electrification Corporation
REP	Rural Electrification Policy
RFP	Request for Proposal
RGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
RHH	Rural Households
RPCL	Ramjee Power Construction Ltd
SAR	Separate Audit Report
SBD	Standard Bidding Document
SC	Scheduled Caste
SD	Security Deposit
SEs	Superintending Engineers
SFC	State Food Corporation
SGSY	Swarnjayanti Gram Swarozgar Yojana
SLDC	State Load Despatch Centre
SNP	Supplementary Nutrition Programme
SoR	Schedule of Rates
SQM	State Quality Monitor
SSA	Sarva Shiksha Abhiyan
ST	Scheduled Tribe
T&D	Transformation & Distribution
TA	Technical Approval
TEC	Technical Examiner Cell
TFR	Total Fertility Rate
TPIEA	Third Party Independent Evaluating Agency
TS	Technical Sanction
TSC	Total Sanitation Campaign
TTPS	Tenughat Thermal Power Station
TVNL	Tenughat Vidyut Nigam Limited
TWC	Tribal Welfare Commission
UDD	Urban Development Department
UE	Un-electrified
USQs	Upper Subordinate Quarters
VB	Vigilance Bureau
VLW	Village Level Worker
VWSC	Village Water and Sanitation Committee
WRD	Water Resources Department