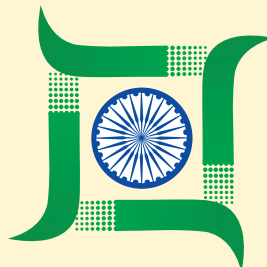


**Report of the
Comptroller and Auditor General of India
on
General, Social and Economic Sectors
for the year ended 31 March 2016**



झारखण्ड सरकार

Government of Jharkhand
Report No. 1 of the year 2017

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Comptroller and Auditor General of India
on
General, Social and Economic Sectors**

for the year ended 31 March 2016

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PREFACE

This Report for the year ended 31 March 2016 has been prepared for submission to the Governor of the State of Jharkhand under Article 151 of the Constitution of India.

The Report contains significant results of the performance audit and compliance audit of the Departments of the Government of Jharkhand under the General, Social and Economic Sectors including Departments of (i) Health, Medical Education and Family Welfare, (ii) Food, Public Distribution and Consumer Affairs, (iii) Industries, Mines and Geology, (iv) Home, (v) Welfare, (vi) Forest, Environment and Climate Change, (vii) Information and Public Relation, (viii) Agriculture, Animal Husbandry and Co-operative, (ix) Building Construction, (x) Road Construction, (xi) Rural Development and (xii) Drinking Water and Sanitation covered in the report.

The instances mentioned in the Report are those, which came to notice in the course of test audit for the period 2015-16 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports. Instances relating to the period subsequent to 2015-16 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

OVERVIEW

OVERVIEW

This Report comprises three Chapters: the first Chapter contains the financial profile of the State, planning and conduct of audit and follow up on Audit Reports. Chapter 2 of this Report deals with the findings of two Performance Audits (PA) on (i) National Rural Health Mission with special focus on Reproductive and Child Health and (ii) Investment Promotion Activities/Initiatives in Jharkhand. Chapter 3 deals with four Compliance Audits on (i) Construction and Functioning of Godowns (ii) Paddy procurement and conversion into Custom Milled Rice (iii) Security Related Expenditure (iv) Follow up Audit on Performance Audit of 'Tribal Welfare Programmes in MESO Areas besides, 18 Audit paragraphs in various Departments. The audit findings included in this Report have total money value of ₹ 1,60,516 crore involving issues of loss, infructuous expenditure and loss of opportunity to the state.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling as well as risk based judgemental sampling. The specific audit methodology adopted has been mentioned in each Performance Audit. The audit conclusions have been drawn and recommendations have been made taking into consideration the views of the Government. Summary of main audit findings is presented in this overview.

1. Performance Audit of programmes/activities/Departments

(i) PA on National Rural Health Mission with special focus on Reproductive and Child Health

The National Rural Health Mission (NRHM) was launched by Government of India (GoI) in April 2005 with aims to provide accessible, affordable, accountable, effective and reliable health care facilities in rural areas to strengthen public health systems. The Performance Audit of NRHM was conducted with special focus on Reproductive and Child Health for the period 2011-16. Some of the major audit findings are discussed below:

The State had critically failed in creating sufficient infrastructure in terms of Public Health facilities to implement the NRHM mandate. The gaps between requirement and available health facilities such as Community Health Centres (CHCs), Primary Health Centres (PHCs) and Health Sub-Centres (HSCs) in the State increased from 45, 76 and 55 *per cent* respectively in 2011 to 51, 79 and 60 *per cent* respectively in 2016 as NRHM and State intervention was limited to upgradation of existing facilities only, leaving behind construction of additional facilities by identifying those areas where medical facilities did not exist.

There was significant under-spending ranging between 55 and 61 *per cent* during 2011-15 leading to capacity creation far below the requirement and inadequate provision of services. While shortages of Specialist Doctors (92 to 78 *per cent*), Medical Officers (61 to 36 *per cent*), Staff Nurses/Auxiliary Nursing Midwifery (27 to 26 *per cent*) and Paramedics (52 to 40 *per cent*) affected the functioning of the hospitals/health Centres, medical services

suffered from significant shortages of essential equipment (42 to 92 *per cent*), medicines (32 to 92 *per cent*) and beds (47 to 90 *per cent*).

In the absence of adequate improvement in health care facilities, the Infant and Mother Mortality Rates (IMR: 37/ 1000, MMR: 208/100000) were far behind the NRHM goals (IMR: less than 25/1000, MMR: less than 100/100000) and MDG (IMR: 26/1000 and MMR: 100/100000). State Quality Assurance Unit was not made functional while District Quality Assurance Units were not constituted in the test checked districts.

(Paragraph 2.1)

(ii) PA on Investment Promotion Activities/ Initiatives in Jharkhand

With a vision to make Jharkhand the favoured destination of investors, Jharkhand Industrial Policy (JIP) 2012 was announced in June 2012 to simplify administrative procedures, bring about legal reforms to attract investors in the state etc. The Performance Audit of Investment Promotion Activities/Initiatives in Jharkhand was conducted for the period 2011-16. Some of the major audit findings are discussed below:

Ease of Doing Business in Jharkhand suffered from constraints in the fields of setting up of business, allotment of land, uninterrupted supply of power, water and raw materials etc. As a result, investment decreased to ₹ 4,493 crore during the JIP period 2012 (2011-16) as compared to ₹ 28,424 crore in the previous policy period (2000-11). The investments were skewed and limited to eight out of 24 districts although other districts were equally potential. Further, 48 *per cent* (38 out of 79) of Memorandum of Understandings (MoUs) were cancelled due to failure to acquire land and lack of facilitation by the Government for setting up the industries etc. This resulted in deprivation of investment worth ₹ 62,879 crore in the State. There was opportunity loss of ₹ 1.60 lakh crore to the State due to failure to enable the proposed establishment of five Steel Plants cum Captive Power Plants in 10 years of receipt of proposals.

The Single Window System (SWS) planned to work as 'one stop' service point to potential investors was partially functional, ineffective and could not address their concerns as the investors were unable to get clearances of required departments/ agencies through it. As a result, SWS failed to address the impediments in the projects which could not be set up for a period ranging from four to 13 years of signing of MoUs.

Special Economic Zone for Automobiles and Auto components in the State, though sanctioned, could not be established due to delayed action. This prevented promotion of Automobile sector in the State and failed to attract investment.

Implementation of the JIP 2012 could not be reviewed /monitored as the proposed committee under the Chairmanship of the Chief Minister was not constituted.

(Paragraph 2.2)

2. Compliance Audit Findings

(i) Audit on Construction and Functioning of Godowns

Government of Jharkhand notified (August 2009) construction of godowns to achieve storage capacities that is double of the monthly allotment of subsidised food grains, sugar and refined iodised salt received under various schemes for distribution to identified beneficiaries under Targeted Public Distribution System and National Food Security Act (NFSA).

Audit observed that against the requirement to create 2.47 lakh MT storage space during 2010-16, the department planned creation of storage space of only 1.90 lakh MT and created 0.96 lakh MT storage space. Thus, 0.57 lakh MT storage space was planned less while actual storage space over requirement was short by 1.51 lakh MT. Further, the available storage spaces were found to be skewed as 55 blocks had no storage space, 156 blocks had storage capacity less than the monthly allotment of food grains, 17 blocks had storage capacity more than double the allotment while in 31 blocks, storage capacity was greater than monthly allotment but less than the norms. However, no plans were put in place either to gainfully utilise the excess storage space created or to make alternative arrangements to address the overall shortage of storage space of 1.51 lakh MT.

Constructions of the sanctioned godowns were not ensured as only 317 of the 420 sanctioned godowns were completed. Of this, 46 godowns, though completed, were not handed over to the department while 36 godowns after completion were not operational due to lack of approach road, damaged roof/walls etc. Construction of 33 godowns was not taken up as land for their constructions could not be acquired. In the sampled districts, 23 godowns constructed at a cost of ₹ 2.50 crore were not being utilised by the department for reasons like damage to roof/wall, lack of approach road etc.

There was short lifting of 21.23 lakh MT food grains against the allotment from Food Corporation of India (FCI) by the State during 2011-16. Of this, 1.44 lakh MT food grains were lifted short during October 2015 to March 2016 under NFSA. This resulted in disruption of mandate in providing food grains to the intended beneficiaries. Food grains were not being stored in hygienic conditions in the godowns as per standards prescribed in the Warehouse Manual.

(Paragraph 3.1)

(ii) Audit on Paddy procurement and conversion into Custom Milled Rice

Government of Jharkhand introduced (2011) a programme to directly procure paddy from farmers and upon conversion, deliver Custom Milled Rice (CMR) to the Food Corporation of India (FCI) with effect from the *Kharif* Marketing Season (KMS) 2011-12.

Audit observed that the paddy procurement programme failed during 2013-15 throughout the state as the fund worth ₹ 524 crore was not ensured by the department to meet the procurement target of four lakh MT paddy resulting from failure to take the cash credit loan like in 2011-13 and effecting pending recovery of ₹ 178.96 crore from its debtors. Further, the prevalence of

middlemen in the programme during KMS 2011-13 could not be denied as paddy worth ₹ 59.66 crore were procured without obtaining valid land receipts from farmers in one district and in excess of production in four districts. Delayed payment of ₹ 11.37 crore to 2445 farmers in KMS 2011-13 and failure to pay ₹ 99.41 crore during 2014-16, defeated the objective to prevent distress sale of paddy by farmers. Milling policy was not framed and no Management Information System was established by the department to generate and disseminate reliable and consolidated information of its activities.

(Paragraph 3.2)

(iii) Audit on Security Related Expenditure

Government of India (GoI) launched (April 1996) the Security Related Expenditure (SRE) scheme with the objective to supplement the efforts of the States by reducing the burden on state finances in dealing with Left Wing Extremism (LWE).

Audit noticed that the SRE scheme was not properly implemented in the State as the department did not prepare need based Annual Work Plans which resulted in intra component diversion of SRE fund to the tune of ₹ 247.55 crore as compared to the approved Plan. While the department did not get reimbursement of ₹ 154.92 crore of claimed amount due to breach of SRE guidelines, it did not claim ₹ 5.55 crore incurred on specialised training to its police personnel and pursue claim of ₹ 5.84 crore on purchase of ammunitions with Ministry of Home Affairs (MHA) for reimbursement though admissible under SRE. Although ₹ 80.39 crore incurred by the department on hiring of vehicles (₹ 52.68 crore) and payment of honorarium to Special Police Officers (₹ 27.71 crore) had been allowed by MHA for reimbursement, audit noticed that these expenses were incurred in violation of the SRE guidelines. Monitoring was absent and this led to persistent expenditure on inadmissible items thereby defeating the scheme objectives.

(Paragraph 3.3)

(iv) Follow up Audit on Performance Audit of Tribal Welfare Programmes in MESO Areas

Performance Audit of Tribal Welfare Programmes in Micro Economic Social Organisation (MESO) Areas covering the period 2007-08 to 2011-12 was included in the CAG's Audit Report (Civil and Commercial) for the year ended 31 March 2012. The recommendations were accepted by the State Government for implementation. Follow up audit was conducted covering the period 2013-14 to 2015-16 to assess whether the Welfare Department implemented the accepted audit recommendations and adequately addressed the deficiencies with remedial measures.

Audit noticed that the recommendations were not implemented as none of the Integrated Tribal Development Agency (ITDA) prepared socio economic database of the villages or tribal population, ensured timely utilisation of funds and submission of utilisation certificates as evident from consistent savings of Grants under Special Central Assistance (SCA) to Tribal Sub Plan (TSP) and Article 275 (1) of the Constitution. Further, failure to complete 39 out of 127 schemes under SCA to TSP and 211 out of 268 works under Article 275 (1)

besides vacancy of 31 *per cent* posts in the test checked ITDAs and absence of monitoring were indications that recommendations were not followed.

(Paragraph 3.4)

(v) Compliance Audit Paragraphs

Audit observed significant deficiencies in critical areas, which impact the effectiveness of the State Government. Some important findings arising out of compliance audit (18 paragraphs) are featured in the Report. The major observations relate to absence of compliance with rules and regulations, audit against propriety, cases of expenditure without adequate justification and failure of oversight/administrative control. Some of these are mentioned below:

- Failure to start the Agriculture College led to unproductive expenditure of ₹ 18.21 crore under Agriculture, Animal Husbandry and Co-operative Department.

(Paragraph 3.5.1)

- Loss of ₹ 9.68 crore was caused to the Government for failing to adhere to the mining rule under Building and Road Construction Departments.

(Paragraph 3.5.2)

- Allowance of excess time was given for completion of road work in violation of Government orders which resulted in avoidable expenditure of ₹ 2.52 crore under Road Construction Department.

(Paragraph 3.5.3)

- Unfruitful Expenditure of ₹ 1.18 crore was incurred on incomplete bridge under Road Construction Department.

(Paragraph 3.5.4)

- Unfruitful expenditure of ₹ 8.00 crore was incurred on construction of women polytechnic at Ranchi due to approval of deficient DPR under Welfare Department.

(Paragraph 3.5.5)

- Defective Detailed Project Report (DPR) led to abandonment of the work and wasteful expenditure of ₹ 5.6 crore under Rural Development Department.

(Paragraph 3.5.6)

- Construction of Bridge without completion of complete approach roads resulted in unfruitful expenditure of ₹ 4.31 crore under Rural Development Department.

(Paragraph 3.5.7)

- Avoidable expenditure of ₹ 3.87 crore was incurred due to irregular upgradation of road work under the Pradhan Mantri Gram Sadak Yojana (PMGSY) under Rural Development Department.

(Paragraph 3.5.8)

- Construction of bridge without ensuring availability of land resulted in midway closure of work and unfruitful expenditure of ₹ 1.64 crore under Rural Development Department.

(Paragraph 3.5.9)

- Irregular award and undue favour to contractor led to unfruitful expenditure of ₹ 1.53 crore under Rural Development Department.

(Paragraph 3.5.10)

- Faulty preparation of DPR resulted in construction of road without bridge leading to unfruitful expenditure of ₹ 1.24 crore under Rural Works Department.

(Paragraph 3.5.11)

- Unfruitful expenditure of ₹ 4.72 crore was incurred on idle Teaching Block in Ranchi Institute of Neuro-Psychiatry & Allied Science (RINPAS) under Health, Medical Education and Family Welfare Department.

(Paragraph 3.5.12)

- Unfruitful expenditure of ₹ 2.09 crore was incurred on idle ANM school building under Health, Medical Education and Family Welfare Department.

(Paragraph 3.5.13)

- Primary Health Centre Buildings constructed at a cost of ₹ 1.15 crore was not utilised for the intended purpose under Health, Medical Education and Family Welfare Department.

(Paragraph 3.5.14)

- Unfruitful expenditure of ₹ 4.68 crore was incurred on incomplete sub-jail (non-residential portion) for 300 prisoners at Chakradharpur for the year 2011-12 under Home and Building Construction Departments.

(Paragraph 3.5.15)

- Mobile Van Kit worth ₹ 4.35 crore remaining idle for eight years proved unfruitful under Food, Public Distribution and Consumer Affairs Department.

(Paragraph 3.5.16)

- Short deduction of Tax Deducted at Source was made from Media House resulting in revenue loss to the tune of ₹ 1.12 crore to the Government under Information and Public Relation Department.

(Paragraph 3.5.17)

- Unfruitful expenditure on abandoned Water Supply Scheme worth ₹ 2.12 crore was noticed under Drinking Water and Sanitation Department.

(Paragraph 3.5.18)

CHAPTER-1

INTRODUCTION

CHAPTER-1

1.1 Introduction

1.1.1 Budget profile

There are 30 Departments and 74 Autonomous Bodies in the State. The position of budget estimates and corresponding actual expenditure in the accounts of the State Government during 2011-16 is given in **Table 1.1.1**

Table 1.1.1: Budget and expenditure of the state government during 2011-16

Particulars	2011-12		2012-13		2013-14		2014-15		2015-16	
	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals
(₹ in crore)										
Revenue expenditure										
General services	7866.66	7845.56	8556.05	8696.49	9870.51	9959.36	11617.87	10623.45	13310.58	12002.43
Social services	9524.39	7287.03	11611.28	8308.59	12405.63	8215.34	17383.07	11915.34	18747.53	14843.81
Economic services	6646.17	5858.99	7632.67	6394.79	8158.69	5297.19	10486.84	9256.11	11285.12	9706.59
Grants-in-aid & contribution	0.55	0.00	0.55	0.00	0.25	0.00	0.15	0.00	0.01	0.00
Total (1)	24037.77	20991.58	27800.55	23399.87	30435.08	23471.89	39487.93	31794.90	43343.24	36552.83
Capital Outlay										
Capital Expenditure	6352.73	3159.37	6856.83	4218.43	6466.40	4722.50	8224.03	5542.94	8675.58	8158.51
Loans and advances disbursed	1328.02	217.10	829.37	600.81	838.40	221.91	699.43	823.78	1215.60	7480.00
Repayment of Public Debt	1403.18	1639.01	1627.05	2183.06	1809.02	1996.92	1976.30	1879.88	2258.53	2245.93
Consolidated Fund	33121.70	26007.06	37113.80	30402.17	39548.90	30413.22	50389.69	40041.50	55492.95	54437.27
Inter State Settlement		75.40		100.00		50.00		0.00	0.00	0.00
Contingency Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Accounts disbursements*	11762.85	9727.77	18519.83	13416.31	13929.71	14094.33	16461.09	19276.68	15190.43	27053.00
Closing Cash balance		116.85		704.75		1285.48		444.21	0.00	1904.72
Total (2)	20846.78	14935.50	27833.08	21223.36	23043.53	22371.14	27360.85	27967.49	27340.14	46842.16
Grand Total (1+2)	44884.55	35927.08	55633.63	44623.23	53478.61	45843.03	66848.78	59762.39	70683.38	83394.99

(Source: Annual Financial Statements and Explanatory Memorandum of the State Budget excluding Supplementary Estimates)

* Excluding cash balance investments and departmental balances.

1.1.2 Application of resources of the State Government

As against the total outlay of the budget of ₹ 72,474 crore¹, total expenditure² was ₹ 54,437 crore in 2015-16 from the Consolidated Fund of the State. The total expenditure of the state increased by 109 per cent from ₹ 26,007 crore to ₹ 54,437 crore during 2011-12 to 2015-16 and the revenue expenditure of the

¹ Includes budget estimate of ₹ 55,493 crore and supplementary estimates of ₹ 16,981 crore

² The total expenditure excludes Public Accounts Disbursements, inter State settlement and Contingency Fund

state increased by 74 per cent from ₹ 20,992 crore in 2011-12 to ₹ 36,553 crore in 2015-16. Non-Plan revenue expenditure increased by 56 per cent from ₹ 13,346 crore to ₹ 20,760 crore and capital expenditure increased by 158 per cent from ₹ 3159 crore to ₹ 8159 crore during the period 2011-12 to 2015-16.

The revenue expenditure constituted 67 to 81 per cent of the total expenditure during the years 2011-12 to 2015-16 and capital expenditure was 12 to 16 per cent. During this period, Compound Annual Growth Rate (CAGR) of total expenditure was 20.28 per cent, while revenue receipts grew at a CAGR of 16.03 per cent.

1.1.3 Persistent savings

In 12 cases (11 Departments), there were persistent savings of 10 per cent or more of the total grants in each case during the last five years as detailed in Table 1.1.2:

Table 1.1.2: List of grants with persistent savings during 2011-16

Sl. No.	Number and name of the Grant	Amount of savings				
		2011-12	2012-13	2013-14	2014-15	2015-16
(₹ in crore)						
Revenue-Voted						
1	1- Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	228.82(35)	264.25(37)	566.53(58)	552.00(58)	750.47(56)
2	2- Agriculture, Animal Husbandry and Co-operative Department (Animal Husbandry Division)	31.52(23)	35.50(22)	35.53(22)	41.73(25)	37.66(20)
3	17- Commercial Tax Department	11.24 (18)	27.17 (38)	8.18(13)	23.36(32)	18.45(27)
4	18- Food, Public Distribution and Consumer Affairs Department	168.00 (15)	307.90 (28)	570.55(50)	439.49(34)	505.63(39)
5	20-Health, Medical Education & Family Welfare Department	277.93(25)	326.13(53)	171.13(15)	967.84(42)	947.27(34)
6	23- Industries Department	157.41(45)	82.94(29)	120.80(41)	148.57(40)	132.47(31)
7	26-Labour, Employment and Skill Development Department	193.07 (23)	232.43 (25)	308.12(30)	349.95(28)	1088.29(73)
8	35- Planning-cum-Finance Department (Planning Division)	291.78 (58)	594.38 (88)	533.61(83)	99.14(27)	691.14(60)
9	40- Revenue, Land Reforms and Registration Department (Revenue and Land Reforms Division)	79.15 (24)	77.17 (23)	125.67(32)	99.80(26)	112.41(26)
10	43- Higher and Technical Education Department (Science and Technology Division)	40.29(42)	37.03(40)	18.45(25)	21.31(15)	24.90(24)
11	49- Water Resources Department	83.77(27)	92.55(29)	85.14(26)	87.83(25)	105.11(29)
Capital-Voted						
12	49- Water Resources Department	714.70(78)	1232.85(74)	1130.96(68)	1196.28(68)	544.62(33)

(Source: Appropriation Accounts)

Figures in bracket indicate percentage of savings with respect to total grant

1.1.4 Grants-in-aid from Government of India

The Grants-in-aid received from GoI during the years 2011-12 to 2015-16 have been given in Table 1.1.3:

Table 1.1.3: Grants-in-aid from GoI

(₹ in crore)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Non-Plan Grants	1550.77	1483.41	1319.91	1780.26	1685.82
Grants for State Plan Schemes	2404.61	2393.94	1565.83	4914.69	4950.18
Grants for Central Plan Schemes	66.87	30.81	28.28	83.55	50.90
Grants for Centrally Sponsored Schemes	1235.16	914.05	1150.96	614.16	650.74
Total	5257.41	4822.21	4064.98	7392.66	7337.64
Percentage of increase over previous year	28	(-)8	(-)16	82	(-)0.74
Percentage of Revenue Receipts	23.45	19.47	15.55	23.42	18.06

1.1.5 Planning and conduct of audit

The Audit process starts with the risk assessment of various Departments, autonomous bodies, schemes or projects based on criticality/ complexity of activities, level of delegated financial powers, internal controls and concerns of stakeholders and previous audit findings. Based on this risk assessment, the frequency and extent of audit are decided and an Annual Audit Plan is prepared.

Audit conducts a periodical inspection of Government Departments by test-check of transactions and verifies the maintenance of important accounting and other records as per the prescribed rules and procedures. When important irregularities detected during audit inspection are not settled on the spot, an Audit Inspection Report (IR) is issued to the head of offices inspected, with a copy to the next higher authority, with a request to furnish replies within one month. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations pointed out in these Inspection Reports are processed for inclusion in the Audit Reports of the Comptroller and Auditor General of India, which are submitted to the Governor of Jharkhand under Article 151 of the Constitution of India.

During 2015-16, compliance audit of 334 Drawing and Disbursing Officers (DDOs) of the State and 17 autonomous bodies was conducted by the office of the Principal Accountant General (Audit), Jharkhand. Besides, six Performance/Compliance Audits were also conducted.

1.1.6 Lack of responsiveness of Government to Inspection Reports

The heads of offices and the next higher authority is required to report their compliance within four weeks of receipt of IRs. Serious irregularities are also brought to the notice of the Heads of the Departments by the office of Principal Accountant General (Audit), Jharkhand through a half yearly report of pending IRs sent to the Principal Secretary (Finance). Additionally, 21 meetings of the Audit Committee were held in which 454 IRs and 2364 paragraphs were discussed out of which 21 IRs and 494 paragraphs were settled during 2015-16.

Despite the above procedure, 23,352 audit observations contained in 4,103 IRs were outstanding for want of reply as on 30 September 2016³ as detailed in **Table 1.1.4:**

Table 1.1.4: Outstanding Inspection Reports/Paragraphs

(₹ in crore)				
Sl. No.	Name of Sector	Inspection Reports	Paragraphs	Amount involved
1.	Social Sector	2202	13294	17702.30
2.	General & Economic Sector (Non-PSUs)	1901	10058	27727.87
Total		4103	23352	45430.17

A detailed review of IRs issued up to March 2016 to 1,845 DDOs pertaining to 33 Departments showed that 23,352 paragraphs having financial implications of about ₹ 45,430.17 crore relating to 4,103 IRs remained outstanding at the end of September 2016. Their year-wise position is detailed in **Appendix-1.1.1** and by types of irregularities in **Annexure-1.1.2**.

The departmental officers failed to take action on observations contained in IRs within the prescribed time frame, resulting in erosion of accountability. They submitted initial replies in respect of only 2,393 IRs consisting of 12,126 paragraphs against 4,103 IRs consisting of 23,352 paragraphs outstanding.

It is recommended that the Government look into the matter to ensure prompt and effective response to audit observations.

1.1.7 Follow-up on Audit Reports

According to the Rules of procedure for the internal working of the Committee on Public Accounts, the Administrative Departments are to initiate *suo motu* action (Explanatory Notes) on all Audit Paragraphs and Performance Audits featuring in the Comptroller and Auditor General's Audit Reports (ARs), regardless of whether these are taken up for examination by the Public Accounts Committee or not. They are also to furnish detailed notes, duly vetted by audit indicating the remedial action taken or proposed to be taken by them within three months of the presentation of ARs to the State Legislature.

The position regarding receipt of Explanatory Notes on the paragraphs included in ARs up to the financial year ended 31 August 2016 is given in **Table 1.1.5:**

Table 1.1.5: Position regarding receipt of Explanatory Notes on the paragraphs and Performance Audits included in ARs

Audit Reports	Year of Audit Reports	Date of presentation of Report in State Legislature	Total No. of Paras	Explanatory notes received from Departments	Explanatory notes not received from Departments
Civil/Social, General and Economic (Non-PSUs) Sectors	2008-2009	13.8.2010	26	12	14
	2009-2010	29.8.2011	23	11	12
	2010-2011	06.9.2012	21	18	03
	2011-2012	27.7.2013	39	07	32
	2012-2013	05.8.2014	19	04	15
	2013-2014	27.8.2015	21	03	18
	2014-2015	15.03.2016	18	07	11
Total			167	62	105

³ Including IRs and paragraphs issued upto 31 March 2016 and outstanding as on 30 September 2016

State Finance	2008-2009	13. 8.2010	12	Nil	12
	2009-2010	29.8.2011	12	05	07
	2010-2011	06.9.2012	16	Nil	16
	2011-2012	27.7.2013	13	Nil	13
	2012-2013	05.8.2014	10	Nil	10
	2013-2014	26.3.2015	09	Nil	09
	2014-2015	15.03.2016	09	Nil	09
Total			81	05	76

1.1.7.1 Action taken on recommendations of the Public Accounts Committee

As per standing order No. 41(1) under rule 315(2) for procedure and functioning of Jharkhand Legislative Assembly, Departments are required to furnish the Action Taken Notes (ATNs) to PAC within six months from the date of recommendations tabled before Legislative Assembly by PAC.

It was noticed that PAC, Jharkhand had made recommendations on 01 sub-para of Civil and 01 sub-para of State Finance of the Audit Reports for the years 2008-09 to 2014-15 but no ATNs were received from the Departments on above paras and sub-paras of Audit Reports.

1.1.8 Government response to significant audit observations

In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/activities as well as on the quality of internal controls in selected Departments, which have a negative impact on the success of programmes and functioning of the Departments. The focus was on auditing the specific programmes and to offer suitable recommendations to the executive for taking corrective action and improving service delivery to the citizens.

As per the provision of Comptroller and Auditor General of India's Regulations on Audit and Accounts, 2007, the Departments are required to send their responses to draft performance audit reports/ draft paragraphs proposed for inclusion in the Comptroller and Auditor General of India's Audit Reports within six weeks. It was brought to their attention that in view of likely inclusion of such paragraphs in the Reports of the Comptroller and Auditor General of India to be place before the Jharkhand Legislature, it would be desirable that their comments are included. They were also advised to have meetings with the Principal Accountant General to discuss the draft reports of Performance /Compliance Audit including Audit paragraphs.

These draft reports and paragraphs proposed for inclusion in the Report were also forwarded to the Principal Secretaries/ Secretaries concerned for seeking their replies. For the present Audit Report, draft reports on six Performance/ Compliance Audit and 18 Audit paragraphs were forwarded to the concerned Administrative Secretaries. Government reply has been received in respect of the Performance/Compliance Audit and 12 out of 18 Audit paragraphs.

1.1.9 Status of placement of Separate Audit Reports of Autonomous Bodies in the State Assembly

Several Autonomous Bodies have been set up by the State Government. A large number of these bodies are audited by the Comptroller and Auditor General of India for verification of their transactions, operational activities and accounts, regulatory compliance audit, review of internal management, financial control and review of systems and procedure, etc.

The audit of accounts of three Autonomous Bodies⁴ in the State has been entrusted to the Comptroller and Auditor General of India under sections 19(2) and 19(3) of C&AG's DPC Act. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Report and its placement in the Legislature is as indicated below.

(i) Rajendra Institute of Medical Sciences (RIMS) Act was enacted in the year 2002 and the audit of the accounts of RIMS was entrusted to Principal Accountant General (Audit) under section 19(3) of CAG's DPC Act, 1971 which was accepted by the Principal Accountant General (Audit) in October 2009. However, annual accounts have not been submitted to Audit as of September 2016.

(ii) Separate Audit Reports (SARs) on the accounts of Jharkhand State Legal Services Authority (JHALSA) for the year 2009-10 and 2010-11 were issued in November 2013. Their placement in State Legislature had not been intimated. Entrustments for the years 2011-12, 2012-13, 2013-14 and 2014-15 have not been received (September 2016).

(iii) The audit of Accounts of Jharkhand State Electricity Regularity Commission (JSERC) has been entrusted to the Comptroller and Auditor General of India under section 19 (2) of C &AG's DPC Act. The audit of Accounts of JSERC has been completed and SAR has been issued up to 2011-12. However, status of placement of the same for the years 2003-04 to 2011-12 before the State Legislature has not been intimated as of September 2016. The annual accounts for the years 2012-13 & 2013-14 and 2014-15 have been received on February 2016 and June 2016 respectively.

⁴ (i) RIMS, (ii) JHALSA and (iii) Jharkhand State Electricity Regularity Commission (JSERC)

CHAPTER-2

PERFORMANCE AUDIT

- 2.1 National Rural Health Mission with special focus on Reproductive and Child Health**
- 2.2 Investment Promotion Activities/ Initiatives in Jharkhand**

CHAPTER-2

HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

2.1 Performance Audit on National Rural Health Mission with special focus on Reproductive and Child Health

Executive summary

The National Rural Health Mission (NRHM) was launched by Government of India (GoI) in April 2005 with aims to provide accessible, affordable, accountable, effective and reliable health care facilities in rural areas to strengthen public health systems. The key strategy of the mission was to bridge the gaps in health care facilities, facilitate decentralised planning in health sector, providing an umbrella to existing programmes of Health & Family Welfare including Reproductive & Child Health and various disease control programmes. Some of the major audit findings are discussed below:

- The State had failed critically in creating sufficient infrastructure in terms of Public Health facilities as required under the NRHM norms. The gaps between requirement and available health facilities such as CHCs, PHCs and HSCs in the State increased from 45, 76 and 55 *per cent* respectively in 2011 to 51, 79 and 60 *per cent* respectively in 2016 as NRHM and State intervention was centered on upgradation of existing facilities leaving behind construction of additional facilities by identifying those areas where medical facilities did not exist.

(Paragraph 2.1.8.1)

- Poor utilisation of GoI funds resulted in short release of central share ranging between ₹ 71.38 crore and ₹ 273.40 crore (16 and 49 *per cent*) during 2011-16. In case of state share there were short release of ₹ 70.28 crore (38 *per cent*) and ₹ 187.53 crore (99 *per cent*) during 2012-13 and 2014-15 respectively indicating poor financial management.

(Paragraphs 2.1.10.1 and 2.1.10.2)

- There was mis-match of ₹ 1076.70 crore between unspent balances shown in the Audited Accounts and that of Utilisation Certificates submitted to GoI during 2011-15. Jharkhand Rural Health Mission Society (JRHMS) did not prepare bank reconciliation statements since 2011-12 resulting in significant differences (up to ₹ 72 crore) between the closing balances of the JRHMS cash book and the bank balances. The outstanding advances worth ₹ 48.18 crore against different parties/ officials/staff were unadjusted which resulted in loss of interest of ₹ 7.06 crore.

(Paragraphs 2.1.10.3, 2.1.10.4 and 2.1.10.5)

- Out of 4.08 lakh institutional deliveries, incentives were paid to 3.21 lakh beneficiaries. Thus, 87,098 beneficiaries with total dues of ₹ 12.19 crore were not paid Janani Suraksha Yojana (JSY) incentives during 2011-16

(Paragraph 2.1.10.8)

- Against the Indian Public Health Standards (IPHS) norms, in test checked District Hospitals (DH), the shortages of bed ranged between 50 and

76 per cent whereas in test check CHCs shortages of beds ranged between 47 and 90 per cent.

(Paragraphs 2.1.11.1 (i) & (ii))

• Against the nine existing HSCs buildings, 18 HSCs buildings were taken up for construction at the same places under different schemes (State fund, Integrated Action Plan (IAP) and NRHM) in West Singhbhum district for want of adequate coordination between sanctioning departments rendering expenditure of ₹ 165.10 lakh wasteful. The CHC building Bharno and HSC building Bindapathar not put to use resulted in idle expenditure of ₹ 2.89 crore.

(Paragraphs 2.1.11.3 and 2.1.11.4)

• Against the IPHS norms, essential equipment ranging between 57 and 86 per cent at DHs, 79 per cent at SDH, 44 and 92 per cent at CHCs level were not available. Machines and equipment worth ₹ 2.59 crore were lying idle in the test checked DHs and CHCs. Mobile Medical Units (MMU) were being camped at places where CHCs/PHCs/HSCs were already operating in violation of government instructions and depriving basic health facilities to the needy rural people of the remote areas.

(Paragraphs 2.1.12.1, 2.1.12.2 and 2.1.12.3)

• There were shortages of Specialist doctors (92 and 78 per cent), Medical officers (61 and 36 per cent), Staff Nurses/Auxiliary Nursing Midwifery (ANM) (27 and 26 per cent) and Paramedics (52 and 40 per cent) with respect to IPHS norms and Sanctioned Strength (SS) respectively.

(Paragraphs 2.1.13.1 and 2.1.13.2)

• Against the requirement, 65 to 78 per cent diagnostic tests were not performed in DHs while 42 to 85 per cent diagnostic tests were not done in CHCs. Essential laboratory services were not available in any test checked PHCs. Essential medicines were not available to the extent of 75 to 88 per cent in DHs, 32 to 82 per cent in CHCs, 61 to 91 per cent in PHCs and 22 to 83 per cent in HSCs.

(Paragraphs 2.1.15 and 2.1.16.1)

• Procurement of Typhoid, Human Immunodeficiency Virus (HIV) Screening, Urine and Hepatitis 'B' test kits valued at ₹ 2.60 crore were made from Kendria Bhandar (KB) Ranchi by Civil Surgeons (CS) Dumka and Giridih at two to thirteen times the maximum retail price (MRP) resulting in excess payment of ₹ 1.33 crore. DHs Dumka and West Singhbhum purchased medicines/consumable at higher than approved rate contracts and paid excess amount of ₹ 42.86 lakh. In Dumka, 9,028 bottles of substandard paracetamol were supplied to the *Sahiyas*.

(Paragraphs 2.1.16.2, 2.1.16.3 and 2.1.16.4)

• State Quality Assurance Unit (SQUA) was not made functional till July 2016 and District Quality Assurance Units (DQUA) were not constituted in test checked districts. No patient satisfaction survey was conducted in DHs Dumka, Giridih and Jamtara during 2013-16. Only 56 per cent death audit conducted.

(Paragraphs 2.1.17.2., 2.1.17.3, 2.1.17.5 and 2.1.17.6)

2.1.1 Introduction

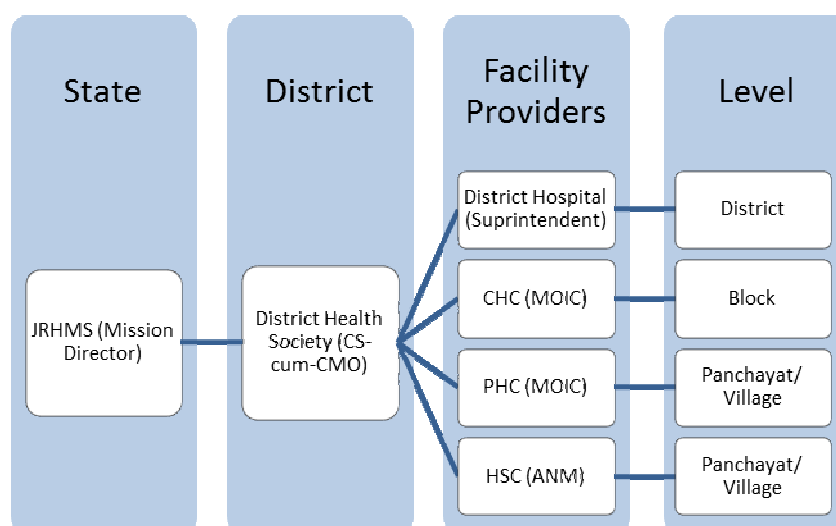
The National Rural Health Mission (NRHM) was launched by Government of India (GoI) in April 2005 with aims to provide accessible, affordable, accountable, effective and reliable health care facilities in rural areas. To strengthen public health systems as a basis for universal access and social protection against the rising costs of health care is a core value of the National Health Mission, which has as its primary targets, to reduce

- Infant Mortality Rate (IMR) to less than 25 per 1000 live births
- Maternal Mortality Rate (MMR) to 100 per lakh live births
- Total Fertility Rate (TFR) to 2.1 by 2017 and stabilising it.

The key strategy of the mission is to bridge the gaps in health care facilities, facilitate decentralised planning in health sector, providing an umbrella to existing programmes of Health & Family Welfare including Reproductive & Child Health and various disease control programmes.

2.1.2 Organisational Set up

Health care facilities in rural areas of the state are provided through a network of District Hospitals, Community Health Centres (CHCs), Primary Health Centres (PHCs) and Health Sub-centres (HSCs) to which funds/ equipment/ medicinal assistance are provided under NRHM and State Budget. NRHM functions under the overall guidance of State Health Mission (SHM), headed by the Chief Minister. NRHM is a mission mode programme carried out by Jharkhand Rural Health Mission Society (JRHMS) and District Health Societies under it, as constituted in 2007. The details of various agencies involved are represented in the chart below:



2.1.3 Audit Objectives

The specific objectives of the Performance Audit (PA) were to:

- assess the impact of NRHM on improving Reproductive and Child Health by test check of the;
 - extent of availability of physical infrastructure;

- extent of availability of health care professionals;
- quality of health care provided; and
- assess the mechanism of data collection, management reporting and monitoring which serve as indicators of performance.

2.1.4 Audit Criteria

The criteria for audit findings were drawn from following sources:

- NRHM framework for implementation (2005-12 & 2012-17);
- NRHM Operational Guidelines for financial management;
- Indian Public Health Standards (IPHS) guidelines¹ 2012;
- Operational Guidelines for Quality Assurance in Public Health Facilities 2013;
- Assessor's Guidebooks for Quality Assurance in District Hospitals 2013 and CHC (First Referral Unit) 2014;

2.1.5 Scope and Methodology of Performance Audit

The PA of NRHM with special focus on Reproductive and Child Health for the period 2011-16 was conducted from April to August 2016 from amongst 19 districts (with predominantly rural population) out of 24 in the state. These were sorted into three categories based on their ranking on a Health Index. Two districts each from category I (Jamtara and West Singhbhum) and category II (Dumka and Giridih) and one district from category III (Gumla) were selected and within the districts, the District Hospital and District Health Societies, 13 CHCs, 23 PHCs and 69 Health Sub-centres (**Appendix-2.1.1**) were selected by SRSWOR² method. Records of the Mission Director (JRHMS) along with the selected sampled units were test checked. Responses to a questionnaire from a sample of beneficiaries and Accredited Social Health Activist (ASHA's/ Sahiya's) were collected. Joint physical inspections were done and findings of these inspections were incorporated in the Report.

An entry conference was held with the Mission Director, JRHMS on 9 March 2016 in which audit objectives, audit criteria and methodology were discussed and agreed to. The audit findings and recommendations were discussed with the Additional Chief Secretary, Department of Health, Medical Education and Family Welfare, Government of Jharkhand in the exit conference held on 21 November 2016. The audit findings and recommendations made in the PA report were accepted during exit conference. The replies given by the Additional Chief Secretary of the department have been suitably incorporated in the report.

¹ IPHS norms adopted by the State Government in its resolution dated 20th June 2013

² Simple Random Sampling Without Replacement

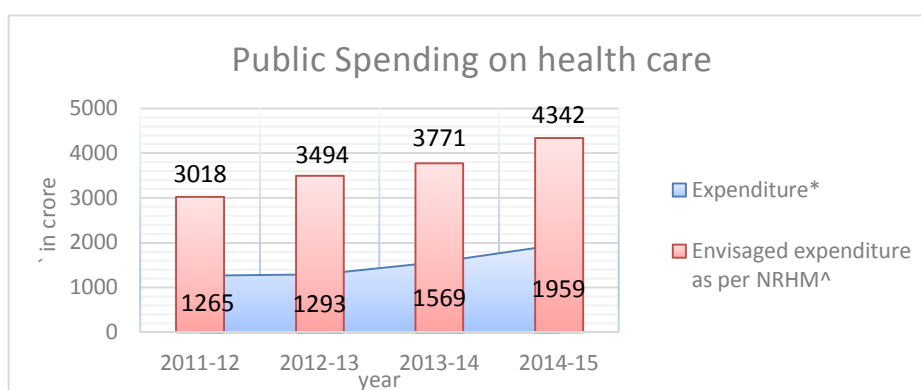
2.1.6 Disclaimer/ Scope Limitation

Certain records (**Appendix-2.1.2**) were not produced to audit despite repeated requests at various levels such as JRHMS and DRHS³, due to which their audit could not be done. Records on construction of Health facilities were not provided at any level on the pretext that Engineering Division had closed. Similarly, records for its 15 bank accounts were not provided by JRHMS.

2.1.7 Public spending on healthcare (NRHM and State Budget: 2011-16)

The state failed to achieve the target of 2-3 per cent of GSDP despite increasing its funding for Public Health facilities by the State

At the national level NRHM envisaged increasing public spending on health, with a focus on primary healthcare, from 0.9 *per cent* of Gross Domestic Product (GDP) in 2004-05 to 2-3 *per cent* of the GDP by 2012, while the states were required to increase their spending on health sector by at least 10 *per cent* year on year (YOY) basis. Although the state increased its funding for Public Health facilities, the overall spending on Public Health facilities remained between 0.74 and 0.90 *per cent* of GSDP during 2011-15, far short of the target. The year wise details of Pubic spending including NRHM funds, Gross State Domestic Product (GSDP) during 2011-16 are as below:



*Expenditure: Total of State Budget and NRHM funds

^Envisaged expenditure as per NRHM: 2 per cent of GSDP

Details of year wise spending on health sector by the state are given in **Table-2.1.1** below:

Table-2.1.1: Details of year wise spending on health sector

Year	Total spending including NRHM	GSDP ⁴	Percentage spending to GSDP	₹ in crore	
				State spending through budget	Increase in YOY spending (per cent)
2011-12	1265	150918	0.84	980	-----
2012-13	1293	174724	0.74	946	-34 (-3.59)
2013-14	1569	188567	0.83	1133	187 (16.50)
2014-15	1959	217107	0.90	1609	476 (29.58)
2015-16	Annual Accounts not prepared.	241955	NA	2159	550 (25.47)

(Source: Data provided by JHRMS and State Appropriation Account)

³ District Rural Health Mission Societies Dumka, Gumla, Giridih, Jamtara and West Singhbhum

⁴ Gross State Domestic Product (GSDP) - base year 2011-12

Audit Findings

2.1.8 Planning, data collection, management and reporting

2.1.8.1 Planning

NRHM aimed at decentralised planning and implementation design that would ensure need based health action plan, which would form the basis for intervention in the health sector. Deficiencies noticed in planning for NRHM activities are discussed below:

Baseline and Annual facility surveys were not conducted during 2011-16

- **Baseline Surveys:** According to NRHM guidelines, baseline surveys to identify health care needs of rural people were to be completed by 2008 with their validation by Village Health Committees (VHC). However, household surveys for assessing health care requirements and identifying underserved/unserved areas were not conducted in the state.
- **Facility Survey:** The state Reproductive and Child Health Society collected (2006-08) information of facilities directly from the concerned PHCs without involving Anganwadi Workers (AWW) and Non-Government Organisations (NGO) and the information so collected was not validated by the VHCs as per the requirement under guidelines.
- **Annual facility surveys:** Annual facility surveys were to be conducted at facilities at all levels in order to track improvements and existing gaps. On this basis, annual plan was to be formulated. However, no annual facility survey was ever conducted during 2011-16 at any level of facility.
- **Gaps in Primary health care facilities against the requirement:** NRHM frame work envisages service delivery by Primary health care facilities (CHCs, PHCs and HSCs) based on population norms as per Indian Public Health Standards (IPHS). The population wise criteria for level of institution are given in **Table-2.1.2** below:

Table-2.1.2: Details of facility wise population norms as per IPHS

Population	Institution	Area
80000	CHC	Tribal/ Hilly areas
120000		Plain areas
20000	PHC	Tribal/ Hilly areas
50000		Plain areas
3000	HSC	Tribal/ Hilly areas
5000		Plain areas

Audit observed significant gaps in health care facilities (CHCs, PHCs, HSCs) as compared to the requirements based on state population census 2011 and projected population 2016. Details of gaps are given in **Table 2.1.3** below:

Table 2.1.3: Gaps in Primary health care facilities against the requirement

Name of facilities	Population as per census 2011	Requirement of health facilities as per population 2011	Available health facility	Gap 2011 (per cent)	Projected population of 2016 (as per census 2011)	Requirement of health facilities as per projected population 2016	Available health facility	Gap 2016 (per cent)
1	2	3	4	5 (3-4)	6	7	8	9 (7-8)
CHC	32966238	344	188	156 (45)	36876857	385	188	197 (51)
PHC		1376	330	1046 (76)		1540	330	1210 (79)
HSC		8813	3958	4855 (55)		9858	3958	5900 (60)

(Source: Data furnished by JRHMS and census 2011)

Gaps of health care facilities such as CHC, PHC and HSC were increased from 45 to 51 per cent, 76 to 79 per cent and 55 to 60 per cent respectively

Village Health Action Plans are not being prepared

Delay in preparation SPIP ranged between 36 and 219 and approval of RoP ranged between 35 and 196 days

There is significant variation between data available in test checked facilities and data entered in the HMIS

It is evident from above table that gaps between requirement and available health facilities such as CHCs, PHCs and HSCs in the state increased from 45, 76 and 55 per cent respectively as per 2011 census to 51, 79 and 60 per cent respectively as per projected population⁵ of 2016. This is because the NRHM and state intervention was limited to upgradation of the existing facilities only during 2011-16 and there were no plans on record to construct additional health facilities by identifying the deficit area where no medical facility existed. This only widened the gaps during 2011-16 instead of bridging it. Thus, the plan failed to make suitable provisions for mitigating the identified gaps in health facilities.

- **Preparation of State Annual Action Plan (PIP):** NRHM's bottom up planning and budgeting approach mandates preparation of Village Health Action Plan (VHAPs) at village level by Village Health and Sanitation Committees (VHNCs) which was to be consolidated at every level to form a State Programme Implementation Plan (SPIP). Test check of records at HSC, CHC and District revealed that VHAPs were not being prepared. District Health Action Plan (DHAP) at district levels were being prepared by conducting meetings with all Medical Officers in-charge (MOIC) of CHCs and Block Programme Management Unit (BPMU) officials which were then consolidated as SPIP. Thus, the SPIP was not prepared as per the prescribed norms.

- **Delays in Preparation and Approval of SPIP:** Audit observed that State PIP was approved by the JRHMS with delays⁶ ranging between 36 and 219 days during 2011-16. Consequently, State PIP in form of Record of Proceedings (ROP) was approved by National Programme Co-ordination Committee (NPCC) with delays ranging between 35 and 196 days (**Appendix-2.1.3**).

In reply, the Department stated (November 2016) that annual survey would be conducted. Further, the department also stated that online mechanism to plan from local levels has been initiated and would be fully functional shortly. Fact remains that the above deficiencies have led to deficient planning resulting in widening of gaps between requirement and availability of health facilities.

2.1.9 Health Management Information System (HMIS)

The HMIS is an instrument created under NRHM in which health related data is fed from all facilities levels and is utilised to monitor functioning of the health facilities and develop policy initiatives on the basis of reports generated. Audit compared the data available in the test-checked facilities with the data entered in the HMIS portal and found significant variations at all facility levels (**Appendix-2.1.4**). Further, numerous data fields for PHC and HSC were found vacant. Thus, the reliability of HMIS reports generated was questionable.

⁵ Based on district wise percentage decadal growth 2001-11

⁶ The State PIP/Annual Action Plan was to be approved in JRHMS and submitted to GoI by 15th and 22nd of January of preceding year respectively which was to be approved by the National Programme Co-ordination Committee (NPCC) by 15th of March

In reply, the Department accepted the fact and stated (November 2016) that the reliability of data in HMIS will be improved.

2.1.10 Financial Management

The resources allocated to a particular state under NRHM (“Resource Envelop”) for a financial year consists of (a) Unspent balance, (b) Approved GoI releases and (c) State Share Contribution due for the year. Cost sharing under NRHM between central and state governments during 2011-12 was 85:15 and 75:25 during 2012-16. The resource envelope was supplemented by funds released by State Government from its budget. The funds were released to DHs/ CHCs/ PHCs/ HSCs through DRHS. Total allocation, expenditure and unutilised balances under NRHM during 2011-16 are tabulated and represented in the **Table-2.1.4** and **chart** below:

Table-2.1.4: Total allocation, expenditure and unutilised balances

(₹ in crore)

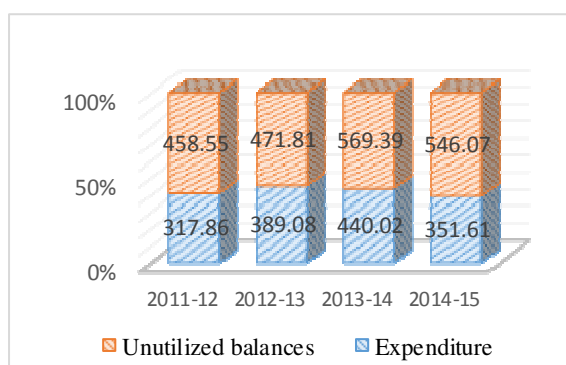
Year	Approved Outlay by GoI	Opening Balance	Releases including other receipts ⁷	Total budget available	Expenditure	Unutilised balances (per cent)
1	2	3	4	5 (3+4)	6	7 (5-6)
2011-12	539.86	257.47	518.94	776.41	317.86	458.55 (59)
2012-13	741.11	458.55	402.34	860.89	389.08	471.81 (55)
2013-14	719.84	482.12 ⁸	527.29	1009.41	440.02	569.39 (56)
2014-15	756.33	569.39	328.29	897.68	351.61	546.07 (61)
2015-16	657.84	546.07	600.19	1146.26	Annual Accounts not prepared.	

(Source: data provided by JRHMS, CA annual accounts and UCs)

Audit analysed the financial outlay, expenditure and savings from NRHM funds and arrived at following findings:

2.1.10.1 Funds not utilised

The un-utilised balances ranged between 55 and 61 per cent during 2011-15



As per the annual accounts and Utilisation Certificates (UC) furnished by the JRHMS, unutilised balances ranged between 55 and 61 per cent during 2011-15 indicating poor programme management. Significant under-spending in successive years resulted in inadequacies in availability of services to the targeted

beneficiaries as pointed out in observations below. The expenditure of the society was never more than 50 per cent of the available funds, as can be seen

⁷ Interest amount

⁸ Differences between closing balance (2012-13) and opening balance (2013-14) were due to ₹ 10.31 crore of National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Disease & Stroke (NPCDCS), National Programme for Health Care of Elderly (NPHCE) and National Tuberculosis Control Programme (NTCP) taken as opening balance in CA annual account of the year 2013-14

in the adjoining chart. The reasons behind inability to spend the fund were delayed preparation and approval of State PIP by JRHMS (**paragraph 2.1.8**) and severe shortage of specialist doctors, medical officers, staff nurses, paramedics (**paragraph 2.1.13.1**).

In reply, the Department accepted the fact and stated (November 2016) that unutilised balances would be reconciled and utilised shortly.

2.1.10.2 Short Releases due to persistent under-spending

Short release of GoI funds ranged between ₹ 71.38 crore and ₹ 273.40 crore due to persistent under-spending

Due to persistent inability to utilise GoI funds Audit noticed shortfall in release of central share which ranged between ₹ 71.38 crore and ₹ 273.40 crore (16 and 49 *per cent*) during 2011-16 (overall short release 32 *per cent*). In case of state share there were short release of ₹ 70.28 crore (38 *per cent*) and ₹ 187.53 crore (99 *per cent*) during 2012-13 and 2014-15 respectively and excess in the other three years due to excess/ short budgetary provisions by the state. Performance based incentives (implemented from 2013-14) were to be released by GoI subject to fulfilment of conditionalities by state governments from the year 2013-14. No records relating to any such assessment was available with the JRHMS. Audit, however, observed that GoI had not released the incentives amounting to ₹ 160.06 crore during 2013-16 (**Appendix-2.1.5**).

In reply, the Department stated (November 2016) that efforts would be made to fulfil conditions of grant to ensure full release in future.

2.1.10.3 Mis-match in unspent balances

As per the scheme guidelines, UCs were to be submitted to GoI by JRHMS certifying the amount actually spent against the grant disbursed and unspent balances. UCs submitted to GoI were based on Annual Accounts prepared by CA for 2011-15. Audit of annual accounts revealed mis-match in unutilised balances in the two sets of records as detailed in **Table-2.1.5** below:

Table-2.1.5: Suppression of unspent balances in UCs submitted to GoI

(₹ in crore)

Year	Unspent balances as per Annual Accounts (CA reports)	Unspent balances as per UCs submitted to GoI	Mis-match of unspent balances
2011-12	458.55	234.47	224.08
2012-13	471.81	176.07	295.74
2013-14	569.39	30.58	538.81
2014-15	546.07	528.00	18.07
2015-16	Annual Accounts not prepared as yet		
Total	2045.82	969.12	1076.70

(Source: JRHMS, CA reports and UCs)

Mis-match of unspent balance between annual accounts and UCs resultantly interest amount ₹ 1.03 crore was found spent on activities not approved under RoP

Thus, against actual unspent balances of ₹ 2045.82 crore in the Audited Accounts, only ₹ 969.12 crore were depicted in the UCs during 2011-15. This indicated a mis-match of ₹ 1076.70 crore which included interest earnings of ₹ 51.19 crore (91 *per cent* of the interests earned) by the State/district societies (**Appendix-2.1.6**) during 2011-15. Of this, ₹ 1.03 crore was found spent on activities (**Appendix-2.1.7**) not approved under RoP in four districts.

In reply, the Department accepted the fact and stated (November 2016) that initially state releases were not sent in UCs, which led to discrepancy between the figures. The figures for 2014-15 would be reconciled.

2.1.10.4 Bank Reconciliation

Bank reconciliation statement not prepared since 2011-12 resulting in significant difference

As per scheme guidelines, Bank Reconciliation Statement (BRS) should be prepared on monthly basis by reconciling the cashbook and Bank passbook by 10th day of the following month. Separate BRS should be prepared for each bank account. Out of the 39 bank accounts maintained by JRHMS, statements of 23 bank accounts (**Appendix-2.1.8(a)**) were provided to audit while remaining 16 bank accounts were not provided despite several requests (**Appendix-2.1.8(b)**). From the statements provided and the CA reports, Audit noticed that BRS were not prepared by the JRHMS since 2011-12. Audit further noticed significant differences of up to ₹ 72 crore between the closing balances of the JRHMS cash book and the bank balances (**Appendix-2.1.8(c)**). A difference of ₹ 72 crore for the year when most of the payments were made by RTGS/NEFT besides not disclosing the transactions through the 16 bank accounts leaves JRHMS fraught with the risk of mis-appropriation/ fraud. This difference needs reconciliation and investigation.

The risk is further strengthened by the fact that in DH, Dumka, ₹ 3.60 lakh were disbursed to an agency for supply of medicines and salary of paramedics by issue of three cheques during January and July 2014. However, scrutiny of bank statement revealed that against these issued cheques ₹ 4.03 lakh were debited from the bank account. Thus, there was an excess debit of ₹ 0.43 lakh which remained as excess disbursement to the agency and paramedics as of August 2016. The excess disbursement could have been detected had the DH ensured regular reconciliation of bank account and cash book. The excess debit needs investigation.

In reply, the Department stated (November 2016) that tender for preparing Bank Reconciliation Statement (BRS) is under process. It was also stated that disbursements would be verified and responsibilities would be fixed.

2.1.10.5 Outstanding Advances

As per scheme guidelines, detailed advance register and advance tracking register should be maintained to record various advances given to implementing units, staff and external parties/suppliers. Audit observed that these were not being maintained in JRHMS. Scrutiny of CA reports (2011-12 to 2014-15⁹) revealed outstanding advances worth ₹ 48.18 crore pending against different parties/ officials/staff. Purposes for which advances were given were not included in the schedules to the annual accounts. Audit noticed that:

- Advances to 35 Parties/Officials amounting to ₹ 5.32 crore were outstanding for more than four years and in 14 cases advances amounting to ₹ 33.04 crore were outstanding for four years without any adjustment as of March 2015.

⁹ Updated position could not be ascertained as Annual account for the year 2015-16 was not prepared as yet

- Advances in 79 cases amounting to ₹ 43.73 crore which is 91 per cent of total advance as of March 2015 were outstanding without any adjustment for more than one year. The unadjusted advances would have also resulted in a loss of at least ₹ 7.06 crore calculated on the basis of four per cent simple interest rate provided by the banks (**Appendix-2.1.9**).
- Of the 55 staff against whom ₹ 31 lakh (**Appendix-2.1.10**) was outstanding, 26 staff with outstanding advances of ₹ 21.56 lakh were not currently working with the JRHMS making their settlement a remote possibility. Further, the possibility of mis-utilisation/ mis-appropriation of the advances outstanding for such a long period could not be ruled out.

In reply, the Department accepted the fact and stated (November 2016) that outstanding advances will be recovered.

2.1.10.6 Irregular release/ expenditure of facility funds

As per Operational Guidelines for Financial Management, 2012, Untied Funds (UF), Hospital Management Society (HMS) funds would be provided to those health facilities such as DHs/RHs/CHCs/PHCs/HSCs where institutional deliveries are conducted. The Annual Maintenance Grant (AMG) would be provided to the facilities functioning in government building.

UF, AMG and HMS funds were irregularly released where DHs and RHs already existed

The CHCs in block headquarters (sadar block) where DHs or RHs are located do not have provision for UF, AMG and HMS funds as per Record of Proceeding (ROP). In the three test checked districts¹⁰, audit observed that UF/AMG/HMS funds of ₹ 21 lakh (**Appendix-2.1.11**) were irregularly disbursed to the Medical Officer in charge (MOIC) of sadar CHCs Jamtara, Dumka and West Singhbhum which had administrative control over PHCs in sadar area. Of this ₹ 25.08 lakh¹¹ were spent by the Medical Officer-in-Charge (MOIC) during 2011-16.

CS-cum-CMO Jamtara stated that the CHC had been operating in a building owned by the Block level administration and provided various services such as immunisation centre and family planning camp and therefore required administrative expenses. The reply confirms use of hospital based grants for other purposes. CS cum CMOs of CHCs Dumka and West Singhbhum did not reply to the audit observation.

2.1.10.7 Idle funds

Funds prior to 2011-12, was not merged in new pools thereby ₹ 5.32 crore was found parked in bank account as of March 2016

Prior to 2011-12, pool-wise allocation under NRHM was not made by JRHMS due to which, in Dumka DRHS, the closing balance of ₹ 5.32 crore on account of RCH, NRHM and RI including interest could not be merged with the new pool-wise (RCH Flexi-pool, NRHM Flexi-pool and Routine immunisation) allotment of funds from the year 2011-12 onwards. This amount was still found parked as of March 2016 in the separate bank account opened for the erstwhile purpose.

In reply, the Department stated (November 2016) that responsibilities would be fixed.

¹⁰ Dumka, Jamtara and West Singhbhum

¹¹ Including balances of previous year

2.1.10.8 Incentives to JSY beneficiaries not paid

JSY incentive ₹ 12.19 crore was not paid to 87,098 beneficiaries

Janani Suraksha Yojana (JSY) is a safe motherhood intervention under NRHM. It integrates cash assistance with delivery and post-delivery care to create demand for institutional delivery. For every delivery conducted in the institution (DH, CHC, PHC and HSC) cash incentive of ₹ 1400 is to be paid to each beneficiary. In five test checked districts, audit observed that out of 4.08 lakh institutional deliveries, incentives were paid to 3.21 lakh beneficiaries during 2011-16. Thus, 87,098 beneficiaries were not paid JSY incentives of ₹ 12.19 crore during 2011-16 (**Appendix-2.1.12**).

In reply, the Department accepted the fact and stated (November 2016) that presently payments were being made through Public Financial Management System (PFMS) and delays were due to bank account mismatches. Efforts were being made to reduce the dues. Fact remains that 51,447 beneficiaries were still to be paid incentives.

2.1.11 Availability of Physical Infrastructure

NRHM is aimed to bridge the gaps in existing capacity of rural health infrastructure by establishing functional health centres through revitalisation of existing physical infrastructure and fresh construction or renovation as required. Audit observed deficiencies in delivery of this mandate by the department as discussed below.

2.1.11.1 Shortages in Bed Capacity

There were significant shortage of bed capacity in DHs, CHCs, SDH and PHCs of test-checked districts

The IPHS norms prescribe bed capacity requirement of District Hospitals (DH) on the basis of population served¹². The norms also specify at-least 50, 30 and six beds for SDH, CHC and PHC, respectively. Audit compared prescribed norms for number of beds with actual availability by visiting the sample units and observed the following:

(i) District Hospitals

As per IPHS norms, requirements of bed in DHs ranged from 200 to 500 in the five sampled districts¹³ on the basis of Census 2011. Against this, only 100-120 beds were available in DHs of selected districts and shortage in bed capacities ranged from 100 (50 per cent) to 380 (76 per cent). Details are given in **Table-2.1.6** below:

¹² Requirement of bed = population x 1/50 x 80/100 x 1/365

¹³ Dumka, Giridih, Gumla, Jamtara and West Singhbhum

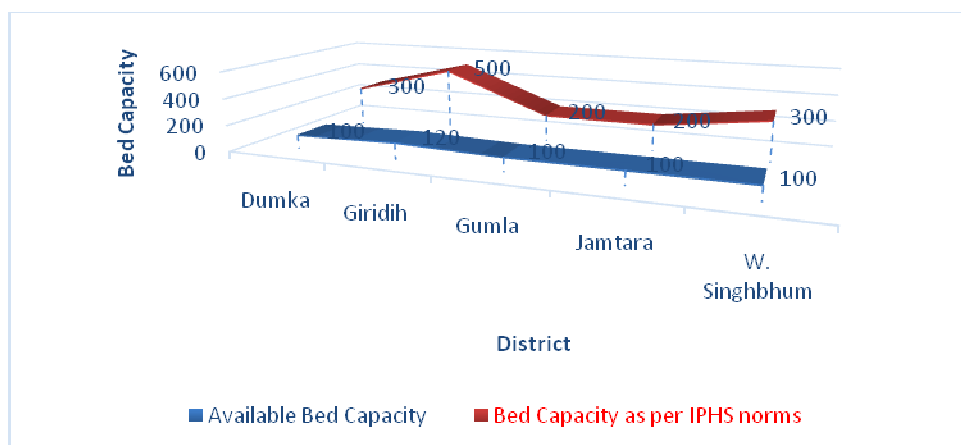


Table-2.1.6: Details of requirements of bed capacity in selected districts

Sl. No.	District	Population (Census 2011)	Prescribed Bed Capacity	Available Bed Capacity	Shortfall (in number of bed/ per cent)
1.	Dumka	1321096	300	100	200 (67)
2.	Giridih	2445203	500	120	380 (76)
3.	Gumla	1025656	200	100	200 (67)
4.	Jamtara	790207	200	100	100 (50)
5.	West Singhbhum	1501619	300	100	200 (67)

(Source: DRHS)

From the **Table-2.1.6** it could be seen that the deficit bed capacity is highest in Giridih at 76 per cent and lowest in Jamtara at 50 per cent.

(ii) Community Health Centre

Against the prescribed requirement of 30 beds, the shortages in bed capacity in 10 out of 12 sampled CHCs ranged from 14 (47 per cent) to 27 (90 per cent) (**Appendix-2.1.13**). The worst situations were in Tonto and Bagodar CHCs that were functioning with only three beds each.

(iii) Sub-divisional Hospital

In one sampled SDH, shortage in bed capacity was eight (16 per cent) against the requirement of 50 beds (**Appendix-2.1.13**).

(iv) Primary Health Centre

A test-check of bed capacity of test-checked 23 PHCs revealed that:

- Three PHCs¹⁴ (13 per cent) had no beds and were operating in HSC/ old OPD building against the requirement of six beds;
- Thirteen PHCs¹⁵ had bed capacities ranging from one to three against the requirement of six beds.

In reply, the Department stated (November 2016) that efforts were being made to improve availability of physical infrastructure. However, road map to ensure this was not furnished to Audit.

¹⁴ Anandpur, Dhandra and Maluti

¹⁵ Amba, Atka, Barmasia, Barapalasi, Bhandro, Bindapathar, Chiknia, Duria, Juria, Kurgi, Nimiaghat, Suriya and Tuladih

2.1.11.2 Operational conditions

State government in its annual plan 2012-13 planned construction or upgradation of existing CHCs/ PHCs/ HSCs only to increase bed capacity and associated facilities through NRHM and State Plan funds. The detailed status of construction/ upgradation (as on October 2015) is detailed in the **Table-2.1.7** below:

Table-2.1.7: Detailed requirement of CHCs, PHCs and HSCs in the State

Sl. No.	Name of facility	Existing facility	Planned Construction/ Upgradation in existing facility	Construction/ Upgradation completed	Under Construction/ Not taken up	Operating with inadequate facilities/ old buildings
	1	2	3	4	(3-4)	(2-4)
1	CHC	188	162	73	89	115
2	PHC	330	196	65	131	265
3	HSC	3958	1402	728	674	3230

(Source: State NHM)

From the **Table-2.1.7** it is evident that 115, 265 and 3230 CHCs, PHCs and HSCs respectively were operating in buildings with inadequate bed capacity/ facilities, thereby rendering limited health services to the population served.

Furthermore, in physical verification of operating condition of sampled health facilities, Audit noted that:

Primary Health Centres

- Three test-checked PHCs¹⁶ did not exist and their funds/ manpower were being utilised by two linked CHCs (Palkot and Tonto);
- Five PHCs¹⁷ were operating in other government buildings like Anganwadi Centre, Panchayat Bhawan etc.
- Newly constructed building of PHC Anandpur, in West Singhbhum district was occupied by Central Reserve Police Force (CRPF) since 2011-12, while the PHC was operating from its old OPD building.

Health Sub-Centres

Out of 69 selected HSCs in five test checked districts¹⁸, Audit noticed that:

- Twelve HSCs¹⁹ were operating in rented buildings;
- There was absence of beds in two Type B²⁰ HSCs²¹ in Tonto, West Singhbhum;
- Eleven HSCs²² were operating from other government buildings i.e. Anganwari Centres, Panchayat Bhawans etc.

¹⁶ Biligbira, Tonto gram and Tonto headquarter

¹⁷ Ataka, Chekania, Dhandra, Maluti and Sariya

¹⁸ Dumka, Giridih, Gumla, Jamtara and West Singhbhum

¹⁹ Balgoh, Banguru, Birajpur, Deogaon, Kharkhari, Khatangbera, Jakilata, Luyia, Pithartoli, Padampur, Tensera and Tirilposi

²⁰ Type B HSCs were supposed to provide facility for normal deliveries

²¹ Tonto and Samij

²² Ataka, Bagodih, Dhangaon, Geriya, Lilakari, Mandramo, Mundro, Nagar Keswai, Maluti, Mohanpur and Serengsiya

115, 265 and 3230 CHCs, PHCs and HSCs were operating in building with inadequate bed capacity thereby rendering limited health services



PHC & HSC, Maluti operating in one building at Shikaripara, Dumka district



HSC, Dhangaon operating at Anganwari Centre in Chakradharpur sub division, West Singhbhum

Thus, due to absence/shortages in bed capacity, essential services, particularly in-patient services, were being denied to the targeted population.

In reply, the Department stated (November 2016) that efforts were being made to improve availability of physical infrastructure.

2.1.11.3 Construction of additional HSCs beyond norms

As per IPHS norms, one HSC is required for a population of 3000-5000. Audit observed construction of 18 buildings under different schemes (State fund, IAP and NRHM) for nine HSCs in West Singhbhum district and found the following:

- Four HSCs²³ building were constructed (December 2011) for ₹ 84.95 lakh under IAP funds. These HSCs buildings were again constructed in December 2015 from other funds (three under NRHM and one under State funds) at ₹ 97.07 lakh;
- Two buildings for one HSC at Makranda in Manoharpur block were constructed in November 2011 under IAP for ₹ 42.78 lakh (at ₹ 21.39 lakh each);
- One building for HSC at Kusmita in Kumardungi block was under construction since April 2011 under IAP with an expenditure (July 2016) of ₹ 9.63 lakh, whereas another HSC building was constructed (April 2015) at the same place under NRHM at a cost of ₹ 22.75 lakh;
- Two HSCs²⁴ building were constructed (April 2015) under NRHM at a cost of ₹ 46.27 lakh. However, two additional HSC buildings were under construction since August 2014 under state fund and expenditure as on March 2015 was ₹ 22.67 lakh;
- One building for HSC at Putasia in Manjhari block was constructed (December 2011) under IAP at a cost of ₹ 18.25 lakh but again construction of another building was taken up in August 2014 under state fund on which ₹ 14.34 lakh was incurred as of March 2015.

²³ Chitmitti, Kalenda, Pilka and Purnapani

²⁴ Nakti and Purnia

Additional HSC buildings were constructed in same places where HSCs existed

The population of above mentioned villages ranged from 1378 to 2548. Thus, the construction of additional HSC buildings in the same place where an HSC already existed was in violation of IPHS norms. Further, lack of coordination among departments and inadequate monitoring by the government resulted in wasteful expenditure ₹ 165.10 lakh (**Appendix-2.1.14 (a) & (b)**) and denied the construction of an HSC in locations that actually required it.

In reply, the Department stated (November 2016) that the duplicate construction would be verified and responsibilities would be fixed.

2.1.11.4 Idle Health Centre buildings

- CHC Bharno in Gumla district constructed at an estimated cost of ₹ 2.75 crore and handed over in August 2014 was not being utilised due to poor road connectivity, lack of machines and equipment and shortage of manpower.

The CHC, Bharno and HSC, Bindapather constructed at cost of ₹ 2.89 crore were not being utilised



Building constructed for CHC Bharno in Gumla lying unutilised



HSC and PHC Bindapathar run jointly in the smaller red building, while the larger double storey building in the picture is lying unused

- Likewise HSC Bindapathar in Jamtara district constructed at a cost of ₹ 14.49 lakh and handed over during January 2015 was still not put to use (October 2016).

In reply, the Department accepted the fact and assured (November 2016) to make such buildings functional by procurement of machines and equipment and sanctioning manpower.

2.1.11.5 Availability of staff quarters

As per IPHS norms 2012 all essential medical and para-medical staff should be provided with residential accommodation so as to ensure 24x7 service delivery. Audit observed that against requirement of 1053 quarters as per revised IPHS norms 2012, 300 quarters were available in the 66 test checked health facilities as detailed in **Table-2.1.8** below:

Table-2.1.8: Requirements and availability of staff quarters

Health facility	Number of health facilities	Staff quarters required as per IPHS norms	Staff quarters available	Shortage of staff quarters (In per cent)
1	2	3	4	5 (3-4)
DHs	5	500	194	306 (61)
CHCs/ SDH	13	247	72	175 (71)
PHCs	21	252	18	234 (93)
HSCs (type B)	27	54	16	38 (70)
	66	1053	300	753 (72)

The 300 staff quarters were available in test-checked health facilities against required 1053

Inadequacy of staff quarters might be one of the reasons for shortages in availability of medical staff at various levels. Further, 24 hour availability of staff cannot be ensured in the absence of suitable accommodation arrangements close to the health facilities.

In reply, the Department stated (November 2016) that efforts were being taken to improve availability of physical infrastructure.

2.1.12 Equipment Procurement and Availability

2.1.12.1 Absence of equipment in health facilities

IPHS norms 2012, recommend equipment for various grades of health centres on the basis of services recommended at each level. The details of availability of equipment for test-checked services in the sampled facilities for which norms recommend 336 equipment for DH, 264 equipment for CHC and 132 equipment for SDH are as follows:

- In the five DHs, 191 (57 per cent) to 289 (86 per cent) essential equipment were not available against requirement of 336 for the test-checked (**Appendix-2.1.15**) services²⁵ while in one SDH, 104 (79 per cent) essential equipment were not available against requirement of 132 for the test-checked (**Appendix-2.1.16**) services.
- In 12 CHCs of five test checked districts, 116 (44 per cent) to 244 (92 per cent) essential equipment were not available against requirement of 264 essential equipment for 17 services²⁶ (**Appendix-2.1.17**).

In reply, the Department stated (November 2016) that issue of shortages would be taken care of shortly and that the department is moving from local procurement to central procurement and distribution. Fact remains that a time bound action plan to address the shortages was not yet prepared.

2.1.12.2 Purchase and Utilisation of machine and equipment

The details of examination of purchase and utilisation of machine and equipment in the sample units revealed the following observations:

- JRHMS and CS-cum-CMOs approve rate-contracts across state and district respectively at which the respective sub-ordinate offices are required to procure the listed medicines/ consumables from the approved vendors. Audit noticed that CS, Jamtara procured various Equipment/ Rashtriya Bal Swasthya Karyakram (RBSK) Cards (**Appendix-2.1.18**) at prices higher than approved rate-contract resulting in an excess payment of ₹ 2.94 lakh.

²⁵ Imaging equipment, X-ray room accessories, cardiopulmonary equipment, Labour Ward, New Natal and special New born Care Unit (SNCU), Immunisation equipment, Ear Nose Throat (ENT) equipment, Eye equipment, Dental equipment, Operation Theatre equipment and Laboratory equipment

²⁶ Standard Surgical Set-I, Standard Surgical Set-II, Standard Surgical Set-III, Standard Surgical Set-IV, Standard Surgical Set-V, Standard Surgical Set-VI, Intra Uterine Contraceptive Device (IUD) Insertion Kit, Normal Delivery, Equipment for Anesthesia, Equipment for Neo-Natal Resuscitation, Blood Transfusion Kit, Operation Theatre equipment, Labour room equipment, Radiology equipment, Immunisation equipment, cold chain equipment and miscellaneous

Essential equipment ranging between 57 and 86 per cent in DHs, 79 per cent in SDH and 44 and 92 per cent in CHCs were not available in test-checked health facilities against required as per IPHS norms

- CS Jamtara, procured furniture items amounting to ₹ 19.81 lakh on five different invoices during 2011-12 on nomination basis without floating any tender and on single quotation basis thereby violating the norms of sanction order. However, this included ₹ 2.33 lakh for purchase of four radiant warmers for which supply order was initially issued but later cancelled and diverted to purchase of furniture. Besides, eight Diesel Generating (DG) sets were also procured for which excess payment of ₹ 0.49 lakh was made.
- DRHS Jamtara entered into an agreement (November 2012) with an NGO (*Basuki Trayambkeshwar Seva Mission, Dumka*) for identifying the cases fit for cataract surgery, motivate and provide transportation to the base hospital, pre-operative examination, undertaking cataract surgery and post-operative care and follow up services including refraction and provision of glasses. The Additional Chief Medical Officer (ACMO), issued order (October 2013 and December 2015) to NGO to carry out the agreed activities of cataract surgery. Audit observed that the agreement and payment of ₹ 16.99 lakh to the NGO for the services rendered was in contravention of guidelines/ government orders because as per the scheme, payments were to be made only if the NGO arranged private surgery in a private hospital while in this case the NGO utilised services and infrastructure of Government Doctors/ Hospital for the surgeries.

No reply to audit observations was furnished by the government.

• Idle machine and equipment

Audit observed that 26 machines/ equipment such as Auto Analyser, Path Fast, Three Channel ECG Machines, Multi Parameters Patient Monitors and Cardiac Monitors with Defibrillator etc., were lying idle in the test checked DHs and CHCs since their purchase in March 2011. The value of these machines and equipment was ₹ 3.11 crore (**Appendix-2.1.19**). These were idle/ not functional due to absence of trained man power, reagents/kit etc in health facilities.

- Purchase of four²⁷ machines (valued at ₹ 67.53 lakh) during 2011-12 by CS, West Singhbhum was doubtful as the payment vouchers were not passed by the CS and stock register was not produced to audit. The CS-cum-CMO stated (August 2016) that the concerned person has been asked to provide the record.

Machines and equipment worth ₹ 3.11 crore were lying idle in the test-checked DHs and CHCs



Auto analyser and Path Fast lying idle in District Hospital, Jamtara



USG machines lying idle in District Hospital, Jamtara

²⁷ Multi para patient monitor, Portable Ultrasound machine, Fully automatic immunoassay and Diathermy

In reply, the Department stated (November 2016) that efforts would be taken to improve utilisation of idle equipment. However, no reply for doubtful purchase was furnished by government.

2.1.12.3 Mobile Medical Units (MMU)

Mobile Medical Unit is a mechanism to provide health services in remote areas through well-equipped mobile vans. Agreements were executed with different NGOs by JRHMS, Namkum and DRHS of concerned districts during 2011-13 to run MMUs. Audit noticed the following irregularities in provision of health services through MMUs in test checked districts:

- **No deployment of Lady Medical Officer**

As per the agreements, a Lady Medical Officer (LMO) was to be deployed for obstetric and gynaecological consultation, Antenatal checkups (ANC), etc. In five test checked districts²⁸ Audit observed that eight NGOs²⁹ did not deploy LMO between April 2011 and October 2013. Moreover, when agreements were renewed with NGOs (between March 2013 and October 2013) the clause to deploy LMO was deleted.

- **Irregular preparation of route chart**

As per Government instruction (June 2012) and agreements, the MMU were to camp in hard to reach areas where health facilities such as CHC, PHC & HSC are absent. The route chart for movement of MMU was to be prepared in coordination with CSs, MOICs, Programme Managers and NGOs. In four test checked districts³⁰ Audit noticed that MMUs were being camped at places where CHCs/ PHCs/ HSCs were already operating in violation of government instructions for which no reasons were on record (**Appendix-2.1.20**).

- **Shortfall in machine and equipment**

As per agreements, the JRHMS provided 33 equipment in the MMU vans to the NGOs. In four districts³¹, Audit noticed that out of 33 machines and equipment, three to 26 machines and equipment were either not kept in the MMU or lying idle/damaged between January 2010 and October 2015. Reasons for this were not on record.

- **Shortage of MMU**

In five test checked districts³² the CS projected requirement of 31 MMUs in the five districts based on hard to reach areas in the block. Against this only 20 MMUs were available with a shortage of 11 MMUs (**Appendix-2.1.21**).

In reply, the Department accepted the fact and stated (November 2016) that functioning of MMUs would be streamlined as per the recommendation of UNICEF. However, timeline for ensuring this was not stated.

MMUs were being camped at places where CHCs/ PHCs/ HSCs were already operating in violation of government instructions

²⁸ Dumka, Giridih, Gumla, Jamtara and West Singhbhum

²⁹ Vikash Bharti, Bishunpur; ICERT, Ranchi; Lievenc Health Centre, Chainpur; Rinchi Trust Hospital, Ranchi; Jharkhand Step-Up Trust, Badajamda; Citizen Foundation, Ranchi; Human Rural Foundation, Ranchi and Vikas Kendra, Bagodar

³⁰ Dumka, Gumla, Jamtara and West Singhbhum

³¹ Dumka, Giridih, Gumla and West Singhbhum

³² Dumka, Giridih, Gumla, Jamtara and West Singhbhum



Out of order X-ray machine installed in MMU run by NGO Vikash Bharti in West Singhbhum district

2.1.12.4 Absence of ambulance service

Fund of ₹ 39.20 crore not utilised for procurement of 369 ambulances (BLS and ALS)

As per IPHS norms 2012, DH shall have well equipped Basic Life Support (BLS) and desirably one Advance Life Support (ALS) ambulance.

Audit observed that target for procurement of 503 ambulances (₹ 50.30 crore) was made during 2015-16 against which 369 ambulances (BLS-329 and ALS-40) for ₹ 39.30 crore were approved in RoP of the year 2015-16. Further, funds ranging from ₹ 22.40 crore to ₹ 39.30 crore sanctioned every year (2012-16) under NRHM for procurement of ambulances were left unutilised by the JRHMS as not a single ambulance had been purchased or made operational till date (**Appendix-2.1.22**).

In reply, the Department stated (November 2016) that process of procurement of ambulances was under process.

2.1.12.5 Bio Medical Waste Management System not functional

Bio Medical Waste Management System was not found functional in test-checked health facilities

IPHS norms 2012, prescribe infrastructure, equipment and procedure for disposal of Bio-Medical waste generated by a health facility. Following irregularities were noticed in test checked districts:

- At DH Dumka, ₹ 18.40 lakh was sanctioned (January 2012) for institutionalisation and strengthening of Bio Medical Waste Management System (BMWMS). Of this, ₹ 4.95 lakh was spent on construction of infrastructure (Deep Burial pit, sharp pit and trench with tin roof and bamboo baricate) and procurement of equipment (trolley), consumables items (puncher proof container, sealing tapes, apron, cap, spectacles, boot, gloves, black bins, red bins, yellow bins etc.) and remaining ₹ 13.45 lakh was lying idle as BMWMS was not functional due to failure to create other required infrastructure. As a result, waste was being disposed-off in the open as can be seen in the photographs below:



Unused deep Open waste disposal in District Hospital, Dumka

In DH Gumla and Chaibasa, incinerators (valued at ₹ 29.98 lakh) constructed for disposal of bio-medical waste were found idle and condemned since January 2013 and October 2013 respectively.



Idle incinerator at DH, Gumla



Condemned incinerator at DH, West Singhbhum, Chaibasa

On this being pointed out (between June 2016 and September 2016) Deputy Superintendent, Gumla replied (June 2016) that the incinerator could not be made functional due to lack of required power load for which the Principal Secretary, Health, Medical Education and Family Welfare, GoJ was requested (July 2015) to take action but his response was awaited (November 2016). No reply was furnished by the Government.

2.1.13 Availability of Health Care Professionals

There were shortages of Specialist doctors (92 per cent), Medical officers (61 per cent), Staff Nurses/ ANMs (27 per cent) and Paramedics (52 per cent) as compared with IPHS norms

IPHS norms 2012, prescribe 24 hours service provision for CHC, PHC and HSC. It further prescribes manpower requirement for DHs on the basis of bed strength which in turn is prescribed on the basis of population served. The health facilities in the state are supported by regular staff (paid from State budget) and Contractual Staff recruited under NRHM funds.

2.1.13.1 Human resource shortages

The SS and person-in-position (PIP) of Specialist³³ doctors, Medical Officers, Staff Nurses, ANMs and Para medics³⁴ of the State at DHs, SDHs, CHCs, PHCs and HSCs levels is given in **Table-2.1.9** below:

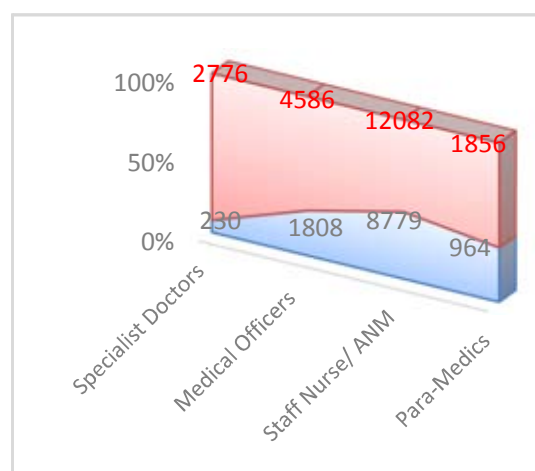
Table-2.1.9: Sanctioned strength and men-in-position as on 31 March 2016

Name of post	Required as per IPHS norms	Regular		Contractual		Shortfall in PIP	
		SS	PIP	SS	PIP	As per IPHS (in per cent)	As per SS (in per cent)
1	2	3	4	5	6	7 [2-(4+6)]	8 [(3+5)-(4+6)]
Specialist doctors	2776	876	172	157	58	2546 (92)	803 (78)
Medical Officers	4586	2733	1793	86	15	2778 (61)	1011 (36)
Staff Nurse/ ANM	12082	5351	3619	6528	5160	3303 (27)	3100 (26)
Para Medics	1856	1124	469	415	415	972 (52)	655 (40)

(Source: State NHM)

³³ Medicine, Surgery, Obstetric & Gynecologist, Pediatrics, Anaesthesia, Ophthalmology, Orthopedics, Radiology, Pathology, ENT, Dental, Psychiatry and Ayush doctors

³⁴ Laboratory Technician, Pharmacist, Operation Theatre technician



From **Table-2.1.9** it could be seen that shortages of Specialist doctors were 92 per cent when compared with IPHS norms and 78 per cent as compared to the sanctioned strength. Similarly, there were shortages in cadres of Medical officers (61 and 36 per cent), Staff Nurses/ ANMs (27 and 26 per cent) and Paramedics (52 and 40 per cent) with respect to IPHS norms and SS respectively.

In five³⁵ test checked districts, out of 92 PHCs, 30 PHCs (33 per cent) were operated by Staff Nurse/ ANMs without any Medical Officer. Further no Paramedics were available in any of the test checked PHCs. Out of 48 CHCs in the sample districts, 28 CHCs (58 per cent) were operating without specialist doctors. In three³⁶ out of five DHs, neither Gynaecologist nor Paediatrician were posted.

In reply, the Department accepted the fact and stated (November 2016) that the recruitment process to fill up vacancies is under process. However, no timeline was furnished.

2.1.13.2 Shortage of Speciality treatment

IPHS norms (2012) recommend treatment of 200 types of illness under 32 medical/ surgical specialties through performance of 500 procedures at district hospitals (DH). The results of test-check of speciality treatment in the five district hospitals³⁷ as of July 2016 are given in **Table-2.1.10** below:

Table-2.1.10: Details of departments, procedures and treatment of illness

Sl. No.	Name of selected district	Speciality treatment recommended (IPHS norms)	Number of illness requiring treatment in DH (IPHS norms)	Speciality treatment (partial) available in DH (in number/ per cent)	Types of illness treated in DH (in number)	Shortfall of recommended speciality (in number / per cent)	Shortfall of treatment of illness in DH (in number/ per cent)
1	Dumka	32	200	6 (19)	48	26 (81)	152 (76)
2	Giridih	32	200	8 (25)	169	24(75)	31(16)
3	Gumla	32	200	9 (28)	145	23 (71)	55 (28)
4	Jamtara	32	200	14 (44)	58	18 (56)	140 (70)
5	West Singhbhum	32	200	11 (34)	31	21 (66)	131 (67)

(Source: DRHS)

From **Table-2.1.10** it could be seen that services for 56 to 81 per cent specialties were not available in the test-checked DHs whereas in 19 to 44 per cent specialties, the services were partial. Hence, treatment/ care for 55

³⁵ Dumka, Giridih, Gumla, Jamtara and West Singhbhum

³⁶ District Hospital Dumka, District Hospital Gumla and District Hospital Jamtara

³⁷ Dumka, Giridih, Gumla, Jamtara and West Singhbhum

(28 per cent) to 152 (76 per cent) types of illness was not provided to the community.

2.1.14 Training

Training of all cadres of workers at periodic intervals is an essential component of the IPHS for all health facilities. With regards training, following deficiencies were noticed during audit:

2.1.14.1 Inadequate SBA training to ANMs

SBA training were not provided to ANMs posted in 618 out of 2207 type B HSCs

As per revised IPHS norms 2012, the ANM posted at type B HSC (HSC with delivery facilities) should mandatorily be Skilled Birth Attendance (SBA) trained. Audit observed that out of 2207 type B HSCs (where deliveries are conducted), in 618 HSCs, SBA trained ANMs were not posted in violation of norms. JRHMS replied (October 2016) that instructions have been given to all CS-cum-CMO to post SBA trained ANMs at type B HSCs.

2.1.14.2 Inadequate training to ASHA (Sahiya)

Each ASHA (*Sahiya*) shall be trained in public health services such as information on immunisation/ vaccination, recording weight & height, ANC, etc. under eight modules. Audit observed that state fixed target for providing 6.40 lakh numbers of training to 40964 *Sahiyas* during 2011-16 against which 2.12 lakh numbers of training were provided to *Sahiyas* leaving a shortfall of 4.28 lakh numbers (67 per cent) in providing training. The details of the modules and ASHAs (*Sahiyas*) trained, though called for in audit, were not furnished. The shortfall in training with respect to the targets ranged from 45 to 71 per cent during 2011-16 (**Appendix-2.1.23**). Insufficient trainings to ASHAs could have resulted in inadequate awareness generation among the rural communities.

No reply was furnished by the department to audit observation in this regard.

2.1.15 Short availability of diagnostic services

65 to 78 per cent diagnostic tests were not performed in test checked DHs. X-ray and ECG services were not available in seven and nine test checked CHCs respectively. No essential laboratory services were available in any test checked PHCs

The IPHS norms 2012 recommend 102 and 33 tests for a DH and CHC laboratories respectively so that they could perform all tests required to diagnose epidemic or important diseases. Further, norms recommend X-ray, Eco Cardio Gram (ECG) facilities to be available in a CHC and that essential³⁸ laboratory services should be available in a PHC.

- In five test checked districts³⁹, Audit observed that 66 (65 per cent) to 80 (78 per cent) diagnostic tests were not performed in DHs against IPHS recommended requirement of 102 diagnostic tests. In CHCs, 14 (42 per cent) to 28 (85 per cent) diagnostic tests, were not done against recommended 33 tests (**Appendix-2.1.24**).

³⁸ Routine urine, stool and blood tests, diagnosis of RTI/STDs with wet mounting, grams, stain, sputum testing for mycobacterium, blood smear examination malarial, blood for grouping and Rh typing, RDK for Pf malaria, rapid tests for pregnancy, RPR test for syphilis/YAWS surveillance, rapid test kit for fecal contamination of water, estimation of chlorine level of water using orthotoludine, blood suger etc.

³⁹ Dumka, Giridih, Gumla, Jamtara and West Singhbhum

- Audit further noticed that essential test facilities viz. X-ray and ECG were not available in seven and nine test checked CHCs respectively. These test facilities were also not available in SDH, Chakradharpur.
- It was also noticed that no essential laboratory services were available in any of the 21⁴⁰ test checked PHCs.

Thus, there were significant shortages in availability of diagnostic services at all levels of medical facilities.

Government did not furnish any reply to the audit observation.

2.1.16 Service Delivery Infrastructure

IPHS norms 2012 recommend that drugs and consumables shall be available in health facilities for delivery of minimum assured services.

2.1.16.1 Absence of medicines in health facilities

As per the norms, DH/ CHC/ PHC/ HSC require 493, 176, 119 and 18 types of essential medicines respectively for delivery of minimum assured services. Audit noticed that

- In five DHs, only 61 to 124 types of essential medicines were available while 369 (75 per cent) to 432 (88 per cent) recommended essential medicines were not available as of March 2016. In 13 CHCs/SDH⁴¹, 31 to 119 types of essential medicines were available while 57 (32 per cent) to 145 (82 per cent) recommended essential medicines were not available as of March 2016. In 21⁴² out of 23 selected PHCs, 15 to 67 types of essential medicines were available while 106 (61 per cent) to 158 (91 per cent) recommended medicines were not available as of March 2016 (**Appendix-2.1.25**).
- It was also noticed that no medicines were available in Kurgi and Bilingbera PHCs during 2015-16.
- In 57 out of 69 selected HSCs, three to 14 types of essential medicines were available and four (22 per cent) to 15 (83 per cent) essential medicines were not available as of March 2016 (**Appendix-2.1.26**). Further, it was noticed that no essential medicines were available at 19 HSCs⁴³ during 2015-16.

Absence of essential medicines at health care facilities may impair the delivery of required medical services.

Essential medicines ranged from 75 to 88 per cent in DHs, 32 to 82 per cent in CHCs, 61 to 91 per cent in PHCs and 22 to 83 per cent in HSCs were not available

⁴⁰ Amba, Ananadpur, Ataka, Bilingbera, Barapalasi, Baramisia, Bhandro, Bindapathar, Chikania, Dhandara, Duriya, Fatehpur, Geriya, Hathia, Jeraikela, Jura, Kurgi, Maluti, Nimiaghat, Sariya, and Tuladih

⁴¹ Bagodar, Bharno, Birni, Chakradharpur SDH, Dumri, Jama, Kundhit, Manoharpur, Nala, Palkot, Shikaripara, Sisai and Tonto

⁴² Amba, Anandpur, Atka, Barmasia, Barapalasi, Bhandro, Bilingbera, Bindapathar, Chikania, Dhandara, Duriya, Fatehpur, Geriya, Hathiyajaraikela, Jura, Kurgi, Maluti, Nimiaghat, Suriya and Tuladih.

⁴³ Atakora, Babupur, Bangru, Bhandro, Bhabhanbandhi, Charapura, Duria, Domba, Fathepur, Harinarayanpur, Jura, Marasili, Margaown, Narayanpur, Pohara, Pithartoli, Rosantunda, Solga, Satki

In reply, the Department stated (November 2016) that issue of shortages would be taken care of shortly and the department has been moving from local procurement to central procurement and distribution. However, the timeline for ensuring this was not stated.

2.1.16.2 Fraudulent payment on procurement of Diagnostic Kits

As per rule 151 (i) of GFR 2005, limited tender enquiry method may be adopted when estimated value of the goods to be procured is between ₹ one lakh and ₹ 25 lakh. The number of suppliers firms in limited tender enquiry should be more than three. Further, as per Office Memorandum⁴⁴ of Ministry of Personnel, Public Grievances and Pension, procurement of all items of office consumption beyond ₹ one lakh to ₹ 25 lakh, where limited tender are to be invited as per rule 151 of the GFR 2005, Kendriya Bhandar (KB) and National Consumer Co-operative Federation (NCCF), among others, shall also be invited to participate in such limited tender. Purchase preference will be granted to KB/NCCF if the price quoted by the Co-operatives is within 10 per cent of the L1 price and if these Co-operatives are willing to match the L1 price. No price preference over and above the L1 price shall be given to these Co-operatives. Further, as per rule 137 of GFR 2005, the specifications in terms of quality, type etc. as also quantity of goods to be procured should be clearly spelt out and care should be taken to avoid purchasing quantities in excess of requirement.

- Audit noticed that, CS Dumka and CS Giridih violating the above rules placed purchase orders to KB, Ranchi on nomination basis for procurement of Typhoid detection kit (5000 Nos.), HIV Screening test kit (147020 Nos.), Urine Test kit (53000 Nos.) and Hepatitis 'B' test kit (55340 Nos.) valued at ₹ 2.60 crore without inviting tenders or assessing actual requirement, during March 2014 to June 2016 from the Janani Shishu Suraksha Karyakaram (JSSK) fund. Audit further noticed that KB, Ranchi supplied the said items at two to 13 times the maximum retail price (MRP). Details of excess over MRP amount charged by the KB is given in **Appendix-2.1.27**. Total excess payment to KB worked out to ₹ 1.33 crore (51 per cent of the supply value).

This resulted in excess payment of at least ₹ 1.33 crore (51 per cent) calculated on the basis of MRP which appears to be fraudulent. Purchase prices may have been even lower in case limited open tender was invited.

- In the test checked CHCs (Jama and Shikaripada), audit noticed purchases made without assessment of requirements as HIV screening test kit (4430 out of 16500) and Hepatitis 'B' test kit (7646 out of 8500) valuing ₹ 7.76 lakh (35 per cent of total value of supply) expired as these were not utilised.

Fraudulent payment ₹ 1.33 crore (two to thirteen times of the MRP) was made to Kendriya Bhandar, Ranchi on procurement of diagnostic kits valued at ₹ 2.60 crore in Dumka and Giridih districts

⁴⁴ No. 14/12/94-Welfare Vol.-II dated 05 July 2007 of Department of Personnel and Training, extended upto March 2015



**Printed MRP on the Box – ₹4800 for 40 kits
(Indicated in above Photograph)
Price at which supplied - ₹ 64134 for 40 kits**



**Deliberate scratching of MRP from
supplied box**



**Expired HIV screening test kits in store at
CHC, Jama**



**Expired Hepatitis 'B' test kits in store at
CHC, Jama**

In reply, the Department stated (November 2016) that the matter would be examined and suitable action would be taken.

- During audit of CS-cum-CMO, Giridih, it was noticed that 30 radiant warmers valued at ₹ 26.85 lakh were purchased in September 2013 (at ₹ 89,500 each) from KB on nomination basis. On physical verification of the warmers (in CHC, Dumri) the MOIC stated that four out of five equipment were not functioning, since their supply. The CS Giridih replied that matter would be examined and intimated to audit.

- On similar lines, CS Jamtara procured 16 IUCD (Intra Uterine Contraceptive Device) kits and 70 Manual Vacuum Aspiration (MVA) kits during 2013-14 without assessing requirement and without inviting tender and placed order on a nomination basis to KB, Ranchi. It was also noticed that the MVA kits were of different quality as per report submitted by District Reproductive and Child Health Programme (RCH) Officer. Thus, conformation to quality requirement was not ensured. Further, the Kits were procured at higher prices over the offers available from another supplier resulting in avoidable expenditure of ₹ 1.18 lakh as shown in **Table-2.1.11**:

Table-2.1.11: Details of excess amount paid to Kendriya Bhandar

Amount in ₹

Sl. No.	Name of kit	Rate offered by M/s Masuk Enterprises, Jamtara	Rate at which Kits procured from Kendriya Bhandar, Ranchi	Excess cost per unit	Total quantity procured	Excess payment made
1	IUCD Kit	1420	2550	1130	16	18080
2	MVA Kit	700	2125	1425	70	99750
Total						117830

2.1.16.3 Loss on purchase of medicines/ equipment/ consumables

JRHMS and CS-cum-CMOs approve rate-contracts across state and district respectively and the respective sub-ordinate offices are required to procure the listed medicines/ consumables from the approved vendors at the price specified in this approved rate contract.

Medicines/ consumable were purchased higher than approved rate contracts and paid excess amount ₹ 42.86 lakh to suppliers in DH Dumka and West Singhbhum districts

Audit noticed that DHs⁴⁵ and DRHS⁴⁶ purchased medicines/ consumables at rates higher than approved rate-contracts from other than approved agencies on nomination basis or by calling quotations during 2011-16 and resultantly paid ₹ 42.86 lakh (**Appendix-2.1.28**) in excess to the suppliers. This resulted in excess payment of ₹ 42.86 lakh.

In the exit conference, Government stated (November 2016) that the department has been moving from local procurement to central procurement and distribution. However, they did not respond to the fact of any action would have been taken or was contemplated against the officials responsible for incurring loss to Government.

2.1.16.4 Purchase and distribution of substandard medicines

As per government order, medicine suppliers shall compulsorily submit copy of test report of each batch of drug supplied to the state agencies with the sales invoice. Further, samples of drugs of each batch may be taken for testing/ analysis by the Drug inspector from company's godown-cum-store/ district drug store/ medical college hospital store.

- Audit noticed that test report of each batch of supplied medicines (procured for ₹ 10.20 crore⁴⁷ during 2011-16) was not enclosed with the supply invoice by suppliers in three test checked districts⁴⁸. Further, the batch wise sample of medicines tested/ analysed by the Drug Inspectors was also not found. The medicines were consequently procured by ignoring the government orders and under these circumstances, supply of sub-standard medicines could not be ruled out.

In Dumka district, 9028 bottles of substandard paracetamol were supplied to the *Sahiyas*

- DRHS, Dumka was supplied 14052 bottles of Paracetamol Syrup (60 ml each bottle) valued at ₹ 1.54 lakh by M/s Bengal Chemical and Pharmaceuticals Ltd., Ranchi in June 2015 which was distributed to 2813 *Sahiyas* (five bottles each). Audit noticed that out of 14,052 bottles, 9028 bottles valued at ₹ 0.99 lakh were found substandard in the test report/ certificate of State Drug Testing Laboratory, Ranchi (November 2015). Medicines from this batch were supplied to the *Sahiyas* between June-July 2015 i.e. four to five months before obtaining test certificate. It was also noticed that CS-cum-CMO, Dumka instructed (December 2015) all the MOIC of CHCs to take back the medicines but these were not found returned as of June 2016. Thus, the possibility of use of these substandard medicine which would endanger health of several children could not be ruled out.

⁴⁵ District Hospital, Dumka & West Singhbhum

⁴⁶ West Singhbhum

⁴⁷ State fund – ₹ 3.89 crore + NRHM fund - ₹ 6.31 crore

⁴⁸ Dumka, Gumla and West Singhbhum

2.1.16.5 Expired medicines

In joint physical verification of stock audit noticed that 157018 medicines in stock expired during stocking in four⁴⁹ facilities (**Appendix-2.1.29**). Expiry of significant quantity of medicine indicated procurement without assessment of proper need.

In the exit conference, Government stated (November 2016) that the department has been moving from local procurement to central procurement and distribution. However, reasons for excess procurement over requirement were not stated.

2.1.16.6 Out of stock medicines

During test check of stock registers of DHs⁵⁰, CHCs⁵¹ and one SDH⁵² of five test checked districts⁵³ audit noticed that 963 types of medicines were out-of-stock for periods ranging between one to 12 months during 2011-16 (**Appendix-2.1.30**). Failure to stock/procure essential medicines for stores again indicated absence of procurement on the basis of a systematic need based assessment.

In reply, the Department stated (November 2016) that issue of shortages would be taken care of shortly and the department is moving from local procurement to central procurement and distribution. However, any timeline for redressal of the problems was not stated.

2.1.17 Quality Assurance and Monitoring

2.1.17.1 Quality Assurance Standards

Quality Assurance (QA) standards under NRHM are prescribed in Operational Guidelines for Quality Assurance in Public Health Facilities 2013. As per the guidelines for strengthening the QA activities, organisation arrangements is to be ensured through State Quality Assurance Committee (SQAC), State Quality Assurance Unit (SQUA), District Quality Assurance Committee (DQAC), District Quality Assurance Unit (DQAU) and District Quality Team (DQT) at respective levels with defined roles and responsibilities. Audit scrutiny revealed the following shortcomings of the Quality Assurance System operational in the State:

2.1.17.2 State Quality Assurance Committee and Unit

Broad responsibility of SQAC is to oversee the QA activities across the state in accordance with the national and state guidelines and also to ensure regular and accurate reporting of various key indicators.

- Audit noticed that SQAC, though constituted after restructuring of existing committees in October 2014, did not discuss Key Performance Indicators (KPIs) pertaining to reproductive, maternal, new-born, Child health and

⁴⁹ DH Gumla; DH West Singhbhum; CHC Shikaripara, Dumka; and CHC Tonto, West Singhbhum

⁵⁰ District Hospital of Dumka, Giridih, Gumla, Jamtara and West Singhbhum

⁵¹ Community Health Centre of Manoharpur, Shikaripara and Tonto

⁵² Sub divisional Hospital, Chakradharpur

⁵³ Dumka, Giridih, Gumla, Jamtara and West Singhbhum

SQUA was not made functional till July 2016 and DQAU not constituted in test checked districts

adolescent (RMNCH+A) with concerned CS-cum-CMO. Further, follow-up action with responsibility and timelines for the improvement of KPIs were not ensured by SQAC during 2014-16, as required under guidelines.

- SQAU is the working arm under SQAC and responsible for undertaking various activities as per its Term of References (ToR). However, the SQAU was not made functional till July 2016.

In reply, the Department stated (November 2016) that quality assurance and monitoring mechanism would be strengthened.

2.1.17.3 District Quality Assurance Committee and Unit

DQAC is responsible for dissemination of QA policy and guidelines, ensuring standards for quality of care, review, report and process compensation claims, etc. and to meet at least once in a quarter.

- DQAUs are the working arms of DQAC and responsible for undertaking activities as per ToRs of the committee which included field visits to ensure quality assessment of the services. However, DQAUs were not constituted in the five test-checked districts⁵⁴.

- Audit observed that only two review meetings of DQAC were organised in Dumka and Gumla in the year 2014-15 and 2015-16 respectively. No review meetings were organised in the other test checked districts. Monthly KPIs data/ report were not available in Gumla and Jamtara whereas three monthly KPIs reports were sent to SQAC by West Singhbhum district during 2013-16.

In reply, the Department stated (November 2016) that quality assurance and monitoring mechanism would be strengthened.

2.1.17.4 District Quality Team at District Hospital

As per guidelines, DQT functioning exclusively at district hospital is responsible for staff orientation, ensuring adherence to quality standards, etc. DQT needs to meet once every month. In five test-checked DHs under the sampled districts⁵⁵ it was observed that out of 87 required meetings only 18 meetings were conducted as of March 2016 (**Appendix-2.1.31**).

In reply, the Department stated (November 2016) that quality assurance and monitoring mechanism would be strengthened.

2.1.17.5 Patient Satisfaction Survey at District Hospital

Under the guidelines, a quarterly feedback (for 30 OPD and 30 IPD patients separately) is to be taken on a structured format by the hospital manager. In the test checked districts⁵⁶ audit observed that in DHs Gumla and West Singhbhum, 20 and 150 patient satisfaction surveys were conducted against required 720 every year during 2014-15 and 2015-16 respectively. In DH West Singhbhum, test check of 35 OPD patient survey sheets conducted during 2014-16, revealed that 14 patients (40 per cent) were not satisfied with the facilities provided by the hospital but no action taken reports were

No patient satisfaction survey was conducted in DHs Dumka, Giridih and Jamtara during 2013-16. Only 56 per cent death audit conducted

⁵⁴ Dumka, Giridih, Gumla, Jamtara and West Singhbhum

⁵⁵ Dumka, Giridih, Gumla, Jamtara and West Singhbhu.

⁵⁶ Dumka, Gumla, Jamtara and West Singhbhum

available in the hospitals. No patient satisfaction survey was conducted in DHs of Dumka, Giridih and Jamtara districts during 2013-16.

In reply, the Department stated (November 2016) that online satisfaction survey has been started recently. However, the methodology of monitoring of feedback was not stated.

2.1.17.6 Death Audit

Under the guidelines, all health facilities should establish procedure for the audit of all deaths happening at the facility. Further, audit of deaths is to be undertaken by the DQAC and reports are to be forwarded to the state with a copy to the Ministry of Health & Family Welfare, GoI. In the test checked DHs⁵⁷, audit observed that 255 death cases were recorded during 2013-16 against which 112 death cases were audited and 143 (56 per cent) were not audited, in violation of the above provisions.

No reply to the audit observation was furnished by the Government.

2.1.17.7 Standards Operating & Work instructions

As per Guidelines, Standard Operating Procedures (SOPs) should be documented for standardising the clinical and management process at facility level. Appropriate training to the staff on SOPs and guidelines may be provided. In none of the DHs of five test checked districts⁵⁸ department wise SOPs were documented and consequently the work was not being done as per the SOPs. Deputy Superintendent, DH Jamtara stated that SOPs were to be issued by the State Quality Department and would be introduced shortly.

No reply to the audit observation was furnished by the Government.

2.1.17.8 Internal Quality Assurance Team at lower level facilities

As per Guidelines, in-charge of health facility would form an internal quality assessment team which would meet periodically to discuss the status of quality assurance in their facility. In the test checked districts⁵⁹ audit observed that no quality assurance team at facility levels such as CHCs, PHCs and HSs was constituted.

No reply to the audit observation was furnished by the Government.

2.1.17.9 Assessment of services

As per Assessor's guidebook for Quality Assurance in District Hospital 2013, scores of the department/facility are to be calculated⁶⁰ every quarter based on assessment of all the measurable elements and checkpoints and upon testing compliance. This is to identify the gaps in service delivery and for taking effective actions for removing these gaps. The SQAU and DQAU are to assess the score quarterly and six-monthly respectively. However, no such scoring was done or assessed at any level in any of the facilities test-checked by audit.

Department wise SOPs were not documented and consequently the work was not being done as per SOP in test - checked districts. No Internal Quality Assurance Team constituted at lower facility level

As services were not assessed, the gaps in the quality of services provided by the facilities remained unidentified

⁵⁷ Dumka, Giridih, Gumla, Jamtara and West Singhbhum

⁵⁸ Dumka, Giridih, Gumla, Jamtara and West Singhbhum

⁵⁹ Dumka, Gumla, Jamtara and West Singhbhum.

⁶⁰ (a) two marks for full compliance, (b) one mark for partial compliance and zero for non compliance

In DHs of test checked districts⁶¹ audit assessed all the measurable elements and checkpoints of the area of concerns (services) by using the checklist and observed that the overall score of hospitals ranged from 43 to 52 *per cent* as detailed in **Table-2.1.12** below:

Table-2.1.12: Details of area wise score of test-checked DHs

Sl. No.	Area of concern	Area wise score (in per cent)				
		Dumka	Giridih	Gumla	Jamtara	West Singhbhum
1	Availability of functional Services	78	48	74	61	50
2	Accessibility of Services to the Users	66	68	52	70	52
3	Availability of Support Services	41	48	37	50	44
4	Adequate Clinical Processes	61	57	71	57	64
5	Infection Control Practices	41	35	47	59	44
6	Quality Management Control	9	47	6	13	6
	Hospital score (in per cent)	49	51	48	52	43

Similarly in 13 CHCs (including one SDH) audit assessed that overall scores ranged from 37 to 63 *per cent* and in 20 PHCs overall scores ranged from 11 to 57 *per cent* in five test- checked districts.

Thus the quality assurance mechanism envisaged under NRHM was still at its nascent stage, despite ₹ 7.83 crore being spent on the quality assurance activities in the last two years. Resultantly, the gaps in the quality of services provided by the facilities remained unidentified and were not rectified.

The department did not reply to the audit observation.

2.1.18 Maintenance of records

As per IPHS norms 2012, proper maintenance of records of services provided at the HSC and the morbidity/ mortality data is necessary for assessing the health situation in the HSC area. In addition, all births and deaths under the jurisdiction of HSC should be documented and sex ratio at birth should be monitored and reported. Minimum 12 registers⁶² are required to be maintained at HSC. Audit noticed that only three to eight types of registers were being maintained in 69 selected HSCs of five test checked districts⁶³. Thus,

⁶¹ Dumka, Giridih, Gumla, Jamtara and West Singhbhum

⁶² i. Eligible Couple Register, ii. Maternal and Child Health Register (a. antenatal, intra-natal, postnatal, b. Under-five register – immunisation, growth monitoring, c. above five child immunisation, d. number of HIV/STI screening and referral), iii. Birth and Death Register, iv. Drug Register, v. Equipment, Furniture and other accessories Register, vi. Communicable diseases/ Epidemic Register/ Register for Syndromic Surveillance, vii. Passive surveillance register for malaria cases, viii. Register for records pertaining to Jannani Suraksha Yojana, ix. Register for maintenance of accounts including untied funds, x. Register for water quality and sanitation, xi. Minor Ailments Register, and xii. Records/ registers as per various National Health Programme guidelines (NLEP, RNTCP, NVBDCP etc.)

⁶³ Dumka, Giridih, Gumla, Jamtara and West Singhbhum

maintenance of mandatory records were not ensured. No reply to the audit observation was furnished by the government.

2.1.19 Implications of Audit Findings

2.1.19.1 Availability of Health Care

The deficiencies identified in the observations above have resulted in critical shortcomings in provision of health care facilities to mother and child in the state. The analysis of the state level figures of the same are detailed below:

(i) Shortage of Health Care Facilities: As per the 2011 census, the state had one HSC for 8,329 population (against prescribed norms of 3,000-5,000), one PHC for 99,898 population (against prescribed norms of 20,000-30,000) and one CHC for 1,75,352 (against prescribed norms of 80,000-1,20,000) population. Similarly, as per projected population⁶⁴ 2016, the state had one HSC for 9,317 population, one PHC for 1,11,748 population and one CHC for 1,96,153 population.

The gaps in actual availability of health care facilities against the requirements as per 2011 census were 55 per cent in HSCs, 76 per cent in PHCs and 45 per cent in CHCs which increased to 60 per cent (HSCs), 79 per cent (PHCs) and 51 per cent (CHCs) as per projected population for 2016. Further, the department did not make any plan to construct additional centres as noticed from State government five year plans/ PIPs.

In reply, the Department accepted the audit observation and stated (November 2016) that it had been trying to rectify the shortcomings. However, no roadmap was shown to have been developed to bridge the gaps between requirement and availability.

(ii) Inadequate Antenatal Care: As per IPHS norms 2012, complete antenatal care (ANC) requires early registration, three subsequent ANCs and provision of complete package of services with review of third visit by a doctor. It was noticed that shortfall in providing second and fourth ANCs to pregnant women (PW) was 26.82 lakh (72 per cent) and 11 lakh (29 per cent) respectively in the state out of 37.51 lakh pregnant women (PW) registered for ANC check-ups (**Appendix-2.1.32**).

No reply to audit observation was furnished by the department.

(iii) Inadequate ANC associated services: The ANCs associated services mandates provision for general examination such as height, weight, blood pressure, anaemia, abdominal examination, breast examination and providing iron and folic acid (IFA) tablets, Tetanus Toxoid (TT) injection etc. to PW. Audit observed that out of 37.51 lakh registered PW for ANC in the state during 2011-16, shortages in providing first TT and second TT injection to PW were 6.19 lakh (16 per cent) and 8.02 lakh (21 per cent) respectively. Similarly, shortages in providing IFA tablets to PW was 16.39 lakh (44 per cent). Incidentally, during 2011-16, audit noticed 31430 (5 per cent) cases of reported low weight births and 9477 cases of still births (2 per cent) against 5.84 lakh reported cases of live births in the four test checked

⁶⁴ based on district wise percentage decadal growth 2001-11

The department failed to create health care facilities in the state based on population norms

The department failed to provide all ANC and associated services to the pregnant women

districts⁶⁵. The failure to provide adequate ANC services may increase the risk of low weight/still births of children in the state.

No reply to audit observation was furnished by the department.

(iv) Shortfall in reported deliveries (institutional and home) against registered pregnant women: Audit observed that 37,51,047 PWs were registered in the state during 2011-16 of which, 31,50,713 (84 *per cent*) institutional (DHs, CHCs, PHCs and HSCs) and home deliveries were found reported, while remaining 6,00,344 (16 *per cent*) registered PWs were not tracked during 2011-16 as the system for tracking registered PWs was not developed by the state. As such it might be presumed that the PWs had either migrated or their deliveries were conducted in private hospital. Detailed are given in **Table-2.1.13** below:

Table-2.1.13: Details of shortfall in reported deliveries (institutional and home) against registered PW in the State during 2011-16

Sl. No.	Year	Total number of registered PW	Number of Institutional delivery conducted in health care facilities (number/ <i>per cent</i>)	Number of home delivery against registered PW (in number/ <i>per cent</i>)	Total deliveries were reported against registered PW (in number/ <i>per cent</i>)	Difference (in number/ <i>per cent</i>)
1	2	3	4	5	6 (4+5)	7 (3-6)
1.	2011-12	734914	372229 (51)	211462 (29)	583691 (80)	151223 (20)
2.	2012-13	724839	435668 (60)	176135 (24)	611803 (84)	113036 (16)
3.	2013-14	801120	504646 (63)	141092 (18)	645738 (81)	155382 (19)
4.	2014-15	782667	500177 (64)	136567 (17)	636744 (81)	145923 (19)
5.	2015-16	707507	555785 (79)	116952 (16)	672737 (95)	34770 (5)
	Total	3751047	2368505 (63)	782208 (21)	3150713 (84)	600334 (16)

(Source: JRHMS)

No reply to audit observation was furnished by the department.

79 per cent home deliveries were not attended by SBA

(v) Home deliveries without Skilled Birth Attendant: Audit observed that against 7.8 lakh home deliveries in the state during 2011-16, 6.2 lakh (79 *per cent*) deliveries were not attended by SBA such as Doctors/ Nurses/ ANMs which was a violation of the prescribed norms.

No reply to audit observation was furnished by the department.

(vi) Shortfalls in Family Planning Implementation: The Family Planning Programme aimed to reduce the TFR by encouraging adoption of appropriate family planning methods. The target of Jharkhand was to reach the Total Fertility Rate (TFR) of 2.4 by 2015-16. Against this, the achievement was 2.7 as of March 2016.

- **Limiting Methods:** Limiting methods of family planning consist of vasectomy for male and tubectomy for female. Total target of 9.75 lakh was fixed by the state for sterilisation against which achievement was 6.15 lakh during 2011-16. Thus, overall shortfall was 3.60 lakh (37 *per cent*).

⁶⁵ Dumka, Giridih, Jamtara and West Singhbhum

Achievement against target for sterilisation declined from 73 to 42 *per cent* during 2012-16 (**Appendix-2.1.33**).

- **Spacing Methods:** The targets fixed by the state for insertion of IUCD, distribution of Oral pills and condom was 10.82 lakh, 706 lakh and 44.70 crore against which over all shortfalls were 52, 96 and 95 *per cent* respectively during 2011-16 (**Appendix-2.1.34**).

Thus, the mandate of NRHM to reach TFR of 2.4 by 2015-16 was not achieved. No reply to audit observation was furnished by the department.

(vii) **Patients “Left against Medical Advice (LAMA)”:** Provision of inadequate service delivery was also confirmed in test check of IPD registers of two DHs, one SDH and two CHCs of test checked districts. It was noticed that 6,064 patients (out of 45,017) admitted in labour ward for delivery left the health care facilities against medical advice during 2011-12 to 2015-16. The patients leaving health care facilities against medical advice ranged between 0.3 *per cent* and 80 *per cent*. Patients leaving the health facilities against medical advice indicated possible deficient service delivery or inadequate medical awareness of the patient or both (**Appendix-2.1.35**).

No reply to audit observation was furnished by the department.

2.1.19.2 Beneficiary and ASHA (Accredited Social Health Activist) / Sahiya Survey Findings

Audit surveyed, 10 JSY beneficiaries and three ASHAs at each sampled HSC (690 eligible beneficiaries and 207 ASHA/ *Sahiyas*) by using structured questionnaire. The survey results detailed below confirmed the inadequacies pointed out in the audit findings and the statistics mentioned above in provision of health care services:

Beneficiary Survey

In five test checked districts⁶⁶ out of 690 beneficiaries surveyed, audit noticed:

- **Registration of Pregnancy:** Of the 690 beneficiaries surveyed, 377 (55 *per cent*) beneficiaries were registered in time, 155 (22 *per cent*) beneficiaries were registered between four to six months of their pregnancies, 45 (five *per cent*) beneficiaries were registered between six to nine months of their pregnancies and 113 (16 *per cent*) beneficiaries did not know about registration of their pregnancies.
- **Knowledge about Due date:** 336 beneficiaries knew about due date of their delivery, whereas 354 (51 *per cent*) beneficiaries did not know about their due date of delivery.
- **Ante-Natal Care (ANC):** PWs are required to visit the facilities at least four times for ANCs. In the beneficiary survey audit found that 25 (four *per cent*) beneficiaries visited health centre or hospital just once, 99 (14 *per cent*) beneficiaries visited the health centre or hospital twice and 136 (20 *per cent*) beneficiaries visited the health centre or hospital three times and 430 beneficiaries visited health centre or hospital four times or more.

⁶⁶ Dumka, Giridih, Gumla, Jamtara and West Singhbhum

In test-checked districts, 0.3 to 80 per cent patients were leaving the health facilities without medical advice (LAMA) due to deficient service delivery or inadequate awareness among the patients

- Under the scheme guidelines, ASHAs (*Sahiyas*) are required to visit beneficiary homes at least thrice during the pregnancy period. *Sahiya* visits to beneficiary homes, in the sample, during the pregnancy period was once for 20 PWs (three *per cent*), twice for 76 PWs (11 *per cent*), thrice for 88 PWs (13 *per cent*) and four and above times for 506 PW (76 *per cent*). Thus, the required visits were not ensured.

- NRHM is being implemented with the objective of reducing maternal and neo-natal mortality by promoting institutional delivery among the poor PW. 589 (85 *per cent*) beneficiaries delivered at health facilities (CHC-207 beneficiaries, PHC-196 beneficiaries, HSC-186 beneficiaries), 37 beneficiaries delivered at private hospitals, 63 beneficiaries delivered at home and one beneficiary delivered in transit. Thus, institutional delivery in all the surveyed cases was not ensured.

No reply to the findings of the beneficiary survey was furnished by the department.

- Under the guidelines, *Sahiyas* are to motivate PWs for institutional deliveries. In 454 cases (beneficiaries) *Sahiyas* responded quickly, in 139 (20 *per cent*) cases *Sahiyas* did not respond quickly on any issue during pregnancy when they were called by the beneficiaries while 97 beneficiaries did not give any specific response.

- **Ambulance availability:** As per JSSK guidelines, referral transport facility should be made available at no cost for PWs. It was noticed that 412 beneficiaries (PWs) called the ambulances whereas 278 (40 *per cent*) beneficiaries did not call the ambulance. Further, ambulances arrived in time in 596 cases and did not arrive in time in 94 cases (14 *per cent*). Four beneficiaries had to pay ₹ 150 to ₹ 400 for the ambulance service. Thus, referral transport facility was not provided in all cases.

- **Stay in Health facility:** As per JSSK guidelines, beneficiaries are to stay in the hospital facility for at-least 48 hours after delivery. Audit survey revealed that 99 (14 *per cent*) beneficiaries stayed in the health institution after delivery upto 12 hours, 300 (43 *per cent*) beneficiaries stayed in the health institution after delivery for 12-24 hours, 128 (19 *per cent*) beneficiaries stayed in the health institution after delivery for 24-48 hours and 163 (24 *per cent*) beneficiaries stayed beyond 48 hours after delivery. Thus, provisions of the guidelines were not adhered to in any of the cases.

- 612 beneficiaries were provided food in health institutions free of cost whereas 21 beneficiaries had to pay for the food provided to them and no food was provided to 57 (8 *per cent*) beneficiaries in health institution.

- **JSY Cash Incentive:** Under JSY, every women is entitled for cash incentive of ₹ 1,400 immediately after her institutional delivery. Audit survey revealed that 408 beneficiaries were paid incentives, while 282 (41 *per cent*) beneficiaries were not paid incentives under JSY. Of the 408 beneficiaries, 198 received incentives in time whereas 210 (30 *per cent*) beneficiaries were paid the incentives with delays between one and 365 days. Thus, the cash incentive was not provided timely to all PW.

- **Post-Natal Care (PNC):** Under the guidelines, new mothers are required to visit health facilities at least four times within 42 days of delivery for PNCs. Audit survey revealed that 66 (10 per cent) beneficiaries visited the medical facilities only once for PNC, 134 (19 per cent) beneficiaries visited the medical facilities twice, 195 (28 per cent) beneficiaries visited the medical facilities three times and 295 (43 per cent) beneficiaries visited the medical facilities four time for post-natal care. Thus, proper dissemination of information about PNC does not seem to have been ensured.
- Under the guidelines, health workers are to visit beneficiary's home at least twice within seven days from the date of delivery. In 413 cases health worker visited beneficiaries home within two-seven days, in 174 (25 per cent) cases health worker did not visit the beneficiaries home within seven days to check the mother and baby and in 103 cases beneficiaries did not know about the visit requirement of health workers.
- 564 beneficiaries received Vitamin A dose, 71 (10 per cent) beneficiaries did not receive Vitamin A dose and 55 beneficiaries were not aware of this service.

Thus, the PNC measures were not properly enforced.

ASHA (*Sahiya*) Survey

The result of survey of 207 ASHAs (*Sahiyas*) revealed the following:

- **Training:** Under JSY, *Sahiyas* are to be trained for emergency situations. Forty five sampled *Sahiyas* were trained for emergency situation and 162 (78 per cent) surveyed *Sahiyas* were not trained for emergencies and did not have necessary equipment to conduct a normal delivery. This constrained them from effectively delivering the mandated health care service.

Usage of kits

Out of 207 ASHAs (*Sahiyas*) surveyed by audit, 31 *Sahiyas* who possessed disposable delivery kits and 16 *Sahiyas* who had pregnancy test kits in their possession did not know how to use them. Likewise, 56 *Sahiyas* had blood pressure monitor, seven *Sahiyas* had paracetamol tablets and iron pills and six *Sahiyas* had deworming pills but they all did not know about its use. This reduced the effectiveness of the *Sahiyas* in delivering the mandated health services.

- **Receipt of Incentives:** Under JSY, *Sahiyas* should be paid incentives for each activity such as ANC, institutional delivery, PNC etc. Audit survey revealed that 83 *Sahiyas* were paid incentives always on time, 64 *Sahiyas* got incentives usually in time, four *Sahiyas* got incentives sometimes, 29 (14 per cent) *Sahiyas* got incentives rarely and 27 (13 per cent) *Sahiyas* never got incentives in time. This may demotivate the *Sahiyas* in performing their duties diligently.

2.1.20 State of Ultimate Goals

NRHM aims to reduce IMR to less than 25 per 1000 live births, MMR to 100 per lakh live births and TFR to 2.1 by 2017. India is also a signatory to UN targets of Millennium Development Goals (MDGs) as indicated below. As per

the last two Sample Registration Survey (SRS) the figures for the vital indicators are as shown in **Table-2.1.14** below:

The desired NHM Goal through the implementation of NRHM has not been achieved

Indicators	Targets in Millennium Development Goal by 31st March 2016	NHM GOAL (2012-17)	Achievements as per last sample registration survey		
			Jharkhand (2001)	Jharkhand (2007)	Jharkhand (2012/13)
IMR	26	Less than 25	62	48	37
MMR	100	Less than 100	400	261	208
TFR	2.1	Less than 2.1	3.4*	3.2*	2.7

(Source: Survey Registration Sample) * Year 2006

Although the state parameters have improved during the eleven years since the implementation of NRHM scheme, the vital health indicators were still not close to the goals the programme had set. The audit findings in this report highlight and flag the key area of concerns which need to be addressed if the goals of NRHM are to be achieved.

2.1.21 Conclusion

- The State had failed critically in creating sufficient infrastructure in terms of Public Health facilities as required under the NRHM norms. The gaps between requirement and available health facilities such as CHCs, PHCs and HSCs in the State increased from 45, 76 and 55 *per cent* respectively in 2011 to 51, 79 and 60 *per cent* respectively in 2016 as NRHM and State intervention was centered on upgradation of existing facilities while construction of additional facilities by identifying the deficit areas was neglected.
- There were shortages of Specialist Doctors (92 and 78 *per cent*), Medical Officers (61 and 36 *per cent*), Staff Nurses/ANM (27 and 26 *per cent*) and Paramedics (52 and 40 *per cent*) with respect to IPHS norms and Sanctioned Strength respectively. SQUA was not made functional while DQAUs were not constituted in the test checked districts.
- Medical services suffered from significant shortages of essential equipment which ranged between 57 and 86 *per cent* at DHs, 79 *per cent* at SDH and 44 and 92 *per cent* at CHCs while deficit of essential medicines were to the extent of 75 to 88 *per cent* in DHs, 32 to 82 *per cent* in CHCs and 61 to 91 *per cent* in PHCs and 22 to 83 *per cent* in HSCs. Bed capacity was short between 50 and 76 *per cent* in test checked DHs, and between 47 and 90 *per cent* in CHCs. Essential laboratory services were not available in any test checked PHCs.
- There was significant under-spending which ranged between 55 and 61 *per cent* during 2011-15 which resulted in creation of capacity that were far below the requirement leading to inadequate provision of services.
- In the absence of adequate improvement in health care facilities, the Infant and Mother Mortality Rates (IMR: 37/1000, MMR: 208/100000) were far short of the NRHM goals (IMR: less than 25/1000, MMR: less than 100/100000) and MDG (IMR: 26/1000 and MMR: 100/100000).

2.1.22 Recommendations

- The assessment of gaps in facilities such as infrastructure, equipment, medicines, diagnostic services etc. should be made and measures to bridge these gaps should be undertaken as early as possible.
- State Government should ensure utilisation of its budget properly and draw up its realistic annual plans to be implemented effectively so as to achieve the target as provided for in NRHM.
- The service deliveries of the health care facilities should be upgraded and skilled manpower be recruited to reduce vacancies.
- The functioning of JRHMS should be reviewed and streamlined so that it implements the objectives of NRHM properly.

INDUSTRIES AND MINES & GEOLOGY DEPARTMENT

2.2 Performance Audit on Investment Promotion Activities/ Initiatives in Jharkhand

Executive summary

With a vision to make Jharkhand the favoured destination of investors, Jharkhand Industrial Policy (JIP) 2012 was announced in June 2012. Thrust of the policy is to simplify administrative procedures, bring about legal reforms etc. to attract investors and to promote participation of the private sector in the industrialisation in the state. Some of the major audit findings are discussed below:

- Ease of Doing Business in Jharkhand suffered from constraints in the fields of setting up of business, allotment of land, uninterrupted supply of power, water and raw materials etc. As a result, investment decreased to ₹ 4,493 crore during the JIP period 2012 (2011-16) as compared to ₹ 28,424 crore in the previous policy period (2000-11). The investments were skewed and limited to eight out of 24 districts although other districts possessed equal investment potential. Further, 48 *per cent* of Memorandum of Understandings (MoUs) were cancelled due to failure to acquire land and lack of facilitation by the Government for setting up the industries etc. resulting in deprivation of investment worth ₹ 62,879 crore in the State. At the same time, there was opportunity loss of ₹ 1.60 lakh crore to the State due to the failure to facilitate the establishment of five Steel Plants cum Captive Power Plants in 10 years of receipt of their proposals.

(Paragraphs 2.2.6, 2.2.7, 2.2.8 and 2.2.11)

- The Single Window System (SWS) of the state was only partially functional and so could not address the concerns of potential investors as the investors could not get clearances of required departments/ agencies at 'one stop' service point. As a result, SWS failed to address the impediments in the projects which could not be set up for a period ranging from four to 13 years of signing of MoUs.

(Paragraph 2.2.9)

- Special Economic Zone for Automobiles and Auto components in the State, though sanctioned, could not be established due to delayed action by the government. This prevented promotion of Automobile sector in the State and failed to attract investment.

(Paragraph 2.2.12)

- Committee under chairmanship of the Chief Minister to review the implementation of JIP 2012 so as to promote investments by attracting investors was not constituted. As such, neither progress of implementation of the JIP 2012 could be monitored at apex level nor mid-term review of the policy could be carried out by the Government.

(Paragraph 2.2.16)

2.2.1 Introduction

Jharkhand, widely acclaimed as a region with great industrial future, has enormous potential for industrialisation. With its large deposits of minerals, it provides an attractive destination for all kinds of industries. The state holds 40 per cent of nation's mineral reserves.

With a vision to leverage this locational advantage and make it the favoured destination of investors, Jharkhand Industrial Policy (JIP) 2012 was announced in June 2012 to simplify administrative procedures, bring about legal reforms to attract investors and to promote participation of the private sector in the industrialisation of the state. JIP 2012 also aimed to improve upon the JIP 2001.

2.2.2 Organisational set up

The Industries Department is headed by the Principal Secretary who is responsible for overall implementation of the Industrial Policy of the State to promote investment activities¹. Director (Industries) is responsible to implement the policy at the state level. Managing Directors of four² Industrial Area Development Authorities (IADAs) and General Managers of 12 District Industries Centres³ (DICs) are responsible for implementation of all activities of the department at the field/ district levels.

2.2.3 Audit objectives

The objectives of the performance audit were to assess whether:

- the investment has increased after implementation of the Industrial Policy 2012 in comparison to the prior period;
- the Industrial Policy 2012 has been implemented in a proper, efficient and effective manner to promote investment activities; and
- land and other basic infrastructure to promote investment have been provided as per rules.

2.2.4 Audit criteria

The criteria for audit findings were drawn from the following sources:

- Jharkhand Industrial Policy 2012; and
- Circulars/orders and other guidelines/directives/policies issued by the Government (Central/State) to promote investment initiatives.

¹ A new industrial policy-Jharkhand Industrial and Investment Promotion Policy 2016 has been issued with effect from April 2016

² Adityapur Industrial Area Development Authority (AIADA), Bokaro Industrial Area Development Authority (BIADA), Ranchi Industrial Area Development Authority (RIADA) and Santhal Paragana Industrial Area Development Authority (SPIADA)

³ Covering all 24 districts of the State

2.2.5 Audit scope and methodology

Audit assessed the investment promotional activities/ initiatives in two stages; i.e. first against the reported achievements till 2011 and second, against targets of JIP 2012, which were effective from April 2011 to March 2016. For this, records of the Directorate of Industries (DI), all four⁴ IADAs and six⁵ out of 12 DICs for the period from 2011-12 to 2015-16 were test checked in audit between April and July 2016.

An entry conference was held on 06 April 2016 with Director of Industries in which the audit objectives, criteria, scope and methodology were discussed. Exit conference was held on 04 November 2016 with the Secretary, Industries, Mines and Geology Department, Government of Jharkhand in which audit findings were discussed. Replies of the Department have been suitably incorporated in the report.

Audit findings

2.2.6 Ease of Doing Business

In December, 2014, “Make in India” workshop was held at Vigyan Bhawan, New Delhi, in which Prime Minister of India, Cabinet Ministers, Chief Secretaries of all States/ Union Territories (UTs) and Secretaries of the Government participated. All the participating governments agreed to a 98-point action plan for business reforms across States and UTs. The objective of the action plan was to make recommendations that were targeted at increasing transparency and improving efficiency and effectiveness of regulatory functions and services of the government that support doing business in India. Simplifying the regulatory burden on business at the State level was accepted as an important component of the ambitious Ease of Doing Business (EoDB) initiative in India. An assessment of implementation of business reforms was compiled (September 2015) by the World Bank in the form of a report⁶. Data was collected through a structured questionnaire from each State and UT government and 285 questions developed from the 98-point action-plan, were categorised under eight distinct areas⁷. On the basis of responses, Jharkhand was placed third in India for EoDB, as per the report. However, the rank declined to seventh in the Assessment Report (October 2016) of World Bank carried out on the same parameters.

⁴ Adityapur Industrial Area Development Authority (AIADA), Bokaro Industrial Area Development Authority (BIADA), Ranchi Industrial Area Development Authority (RIADA) and Santhal Pargana Industrial Area Development Authority (SPIADA) at Deoghar

⁵ Daltonganj, Dhanbad, Deoghar, Giridih, Hazaribag, and Lohardaga (selected through Simple Random Sampling)

⁶ Assessment of State Implementation of Business Reforms (September 2015)

⁷ Setting up a business, Allotment of land and obtaining construction permit, Complying with environment procedures, Complying with labour rules, obtaining infrastructure related utilities, Registering & Complying with tax procedures, carrying out inspections and enforcing contracts

Ease of Doing Business in Jharkhand suffered from constraints like setting up business, allotment of land etc, which are important areas to facilitate and attract investments in the State

2.2.6.1 Report analysis

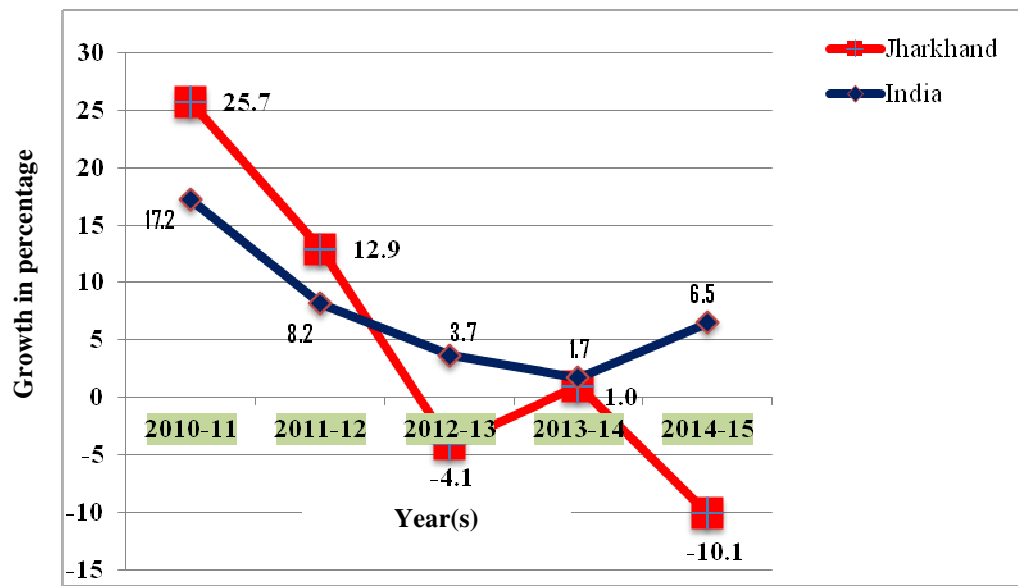
While analysing the report, audit observed that the position of Jharkhand was in the top five (ranked first) in only two out of the eight distinct areas, namely- (i) complying with labour regulations and (ii) carrying out inspections (**Appendix-2.2.1**) while in the remaining six areas viz. setting up a business, enforcing contracts, obtaining infrastructure related utilities, allotment of land, complying with environment issues, Jharkhand did not feature in the top five States with scores ranging⁸ between 15 and 50 *per cent*.

The report also stressed the need for private sector participation and to ascertain if the beneficiaries i.e. the private sector actually felt the reforms.

To ascertain the ground reality, audit endeavored to gather the responses of the stakeholders, who are representatives of the industrial-sector viz. Federation of Jharkhand Chamber of Commerce and Industries (FJCCI) and Jharkhand Small Industries Association (JSIA) through a beneficiary survey and by meetings with FJCCI and JSIA. Analysis of responses from these industry groups revealed that:

- Due to hindrances stemming from Chhota-Nagpur Tenancy Act/ Santhal Pargana Tenancy Act (CNT/SPT Acts), policy problems and lack of efforts by the government, land is not easily available in the State to set up industries.
- One-stop-service (Single Window System) for all types of clearance is not available in the State. There was a lack of willingness on the part of the Government to ensure a transparent and technology driven system.
- New industrial areas for Micro, Small, Medium Enterprises (MSMEs), infrastructure for MSMEs, availability of minerals, good power supply, clear cut policy, fast approval of applications, safety of industrialists, corruption free environment etc., were the expectations of FJCCI from the Government, which have not been met.
- Jharkhand Small Industries Association indicated that the primary bottlenecks in growth of MSME industries were failure of the Government to implement the provisions of JIP 2012, such as Procurement Policy, poor condition of power supply, difficulties in getting mines and minerals due to stringent environmental clearances, absence of land for MSMEs etc.
- Associated Chambers of Commerce and Industry of India (ASSOCHAM) also stated (October 2015) in its report “Impact of delay in investment implementation in Jharkhand-An analysis” that the state had failed to encourage investors for investment in the State. The investment performance was poor and there was continuous downfall in investment growth which was 25.70 *per cent* in 2010-11 but decelerated to *minus* 10.10 *per cent* in 2014-15 as shown in the graph:

⁸ (i) Setting up a business-15 *per cent*, (ii) Enforcing contracts-23 *per cent*, (iii) Obtaining infrastructure related utilities-26 *per cent*, (iv) Allotment of land-42 *per cent*, (v) Complying with environment issues-50 *per cent*



(Source: ASSOCHAM Economic Research Bureau)

Thus, the apparently impressive rank accorded to Jharkhand in the assessment made in the World Bank report needs to be read with the responses of stakeholders, as was stressed in the report itself.

On this being pointed out (October 2016), the Department did not reply specifically to all the issues raised by stakeholders. However, in the exit conference, the Secretary while accepting the audit observation stated that forest clearances and CNT/SPT acts were the main hindrances in setting up of an industry.

The fact remains that the business environment in Jharkhand has not been encouraging as the reforms are yet to be implemented in the state.

Audit also test checked the records of the Industries Department along with those in IADAs and DICs. Based on the audit findings presented here, the position of Jharkhand in EoDB may not appear as encouraging as reflected from the third rank obtained in the World Bank's assessment report.

2.2.7 Committed issues of JIP 2012 not implemented

As per terms of JIP 2012, during 2011-16, the State government planned to promote employment generating industrial (manufacturing and service sector) units by providing facilitation under the industrial policy, creation of a single window system for clearances from government departments, providing more industrial area through government, encourage private and Public Private Partnership-Special Purpose Vehicle (PPP-SPV) mode for setting up Micro, Small and Medium Enterprises (MSME).

Audit observed from the records of the DI that important commitments were not achieved as detailed in **Table-2.2.1**

Table-2.2.1: Details of commitments of JIP 2012 and its status

Clause No. of JIP12	Commitments	Status	Remarks
3.2	Operationalisation of Single Window System	Partially implemented	Discussed in Paragraph 2.2.9
4	Creation of Land Bank in each district	Not created	Discussed in Paragraph 2.2.11
16	Setting up of Special Economic Zone	Not setup	Discussed in Paragraph 2.2.12
22	Establishment of Food Processing Park	Under process	Land for mega food park earmarked in February 2016.
30	Revival of sick/closed units	Not revived	Survival of 24 large and 117 small industries not achieved

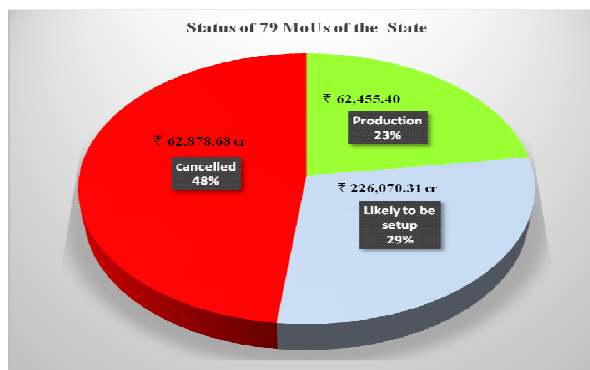
(Source: JIP 2012 and related records of the Department)

As could be seen from the above table, important commitments of JIP 2012 were not achieved and the State was unsuccessful in attracting investors as discussed in succeeding paragraphs.

2.2.8 Failure in Investment Initiatives

For investment to take place for setting up of industry, at the first stage a Memorandum of Understanding (MoU) is signed between the Government of Jharkhand and the prospective investors, which serves as an indicator of intention to invest. The MoU states in brief, the proposed industries in which investment is intended and possible facilitation to be extended by the State Government. Subsequently, a second stage MoU is signed incorporating complete details of projects, resources required, possible sources of funds, raw materials, consumables, utilities, manpower requirement, infrastructure details and implementation time frame.

Scrutiny of records of DI revealed that 79 MoUs involving proposed investment of ₹ 3.51 lakh crore were signed after creation (November 2000) of Jharkhand state by Government of Jharkhand with prospective investors. These were mostly in the Steel and Cement sectors. Of the 79 MoUs, 38 with proposed investment of ₹ 0.63 lakh crore were cancelled while in 23 MoUs with proposed investment of ₹ 2.26 lakh crore, the proposed industries have not been set up as of July 2016. In respect of the remaining 18 MoUs (23 per cent) with proposed investments of ₹ 0.62 lakh crore, audit noticed that investment worth ₹ 0.33 lakh crore have been made by the investors as of July 2016. Status of these MoUs are depicted in **Chart-2.2.1**.

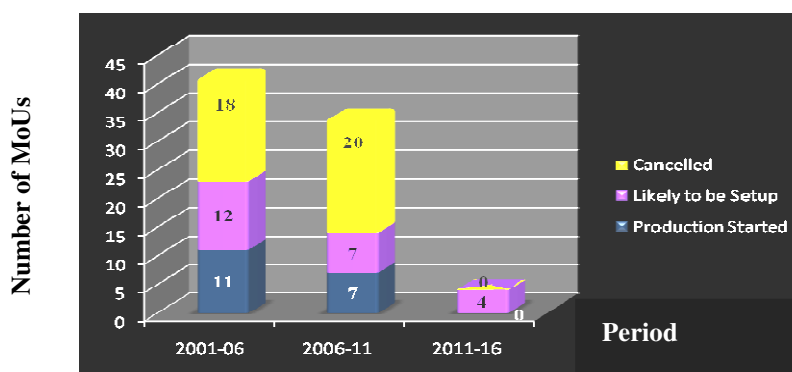
Chart-2.2.1: Status of MoUs signed after creation of the state

(Source: Information furnished by Director Industries)

It was further analysed that of the 18 MoUs resulting in investment of ₹ 33,169.49 crore, one MoU signed was with Tata Steel for an expansion project of ₹ 20,000 crore. This MoU for expansion of an existing project could not be attributed to the investment promotion policy of the state, since Tata Steel had run operations in the state (Jamshedpur) since 1912 and expanded their steel plant on several occasions, independent of the special policies of the state.

As a result, the monetary impact of JIP 2001 and JIP 2012 was fresh investment in green field projects worth ₹ 0.13 lakh crore out of MoU's signed by interested industrialists for ₹ 3.51 lakh crore. Thus, only 3.8 per cent of the initial commitment could fructify.

Audit further noticed that during 2011-16 which coincides with the JIP 2012, only four MoUs with proposed investment of ₹ 22,011 crore were signed. Of this, actual investments in the state are still to be realised as all these projects were reported as 'likely to be setup'. This indicated a decreasing trend of investment proposals in Jharkhand from investors as detailed in the **Chart-2.2.2**.

Chart-2.2.2: Status of MoUs and Investments during 2001-2016

(Source: Industries Department, GoJ)

To ascertain the reasons for cancellation of 38 MoUs for an investment of ₹ 62,878.68 crore and reasons for failure to commence the projects pertaining to 23 MoUs (₹ 2,26,070.31 crore) that are categorised 'likely to be setup',

audit selected 10 and six MoU⁹s respectively through a stratified random sampling method for test check. Findings are as below:

2.2.8.1 Cancelled MoUs

38 MoUs were cancelled as no mechanism was put in place by the government to address the hurdles to establish plants or to make available the required land to the investors after signing of MoUs

Ten test checked MoUs consisting of proposed investment of ₹ 14,926.50 crore signed between November 2003 and August 2008 were cancelled by the Government between January 2009 and October 2012 due to failure to acquire land by the investor, failure to submit progress report, absence of local office of the company, lack of feasible efforts by the company, no participation of the company representatives in review meetings, no site selection for the plant, no response to show-causes issued to the companies, unsatisfactory progress or insufficient interest of the companies towards establishment of plants or only intention to acquire mineral resources.

Audit observed that no mechanism was put in place by the government to address the hurdles in the establishment of plants or to make available the required land to the investors after signing of MoUs.

The Department did not specifically reply on this issue. However in the exit conference, the Secretary stated that most of the MoUs were done with the intention of acquiring the mining lease (ML) for their projects but after the Coal scam, all prevailing MLs were cancelled and brought under auction which is market driven. For reasons of not competing in the auction, 38 MoUs were cancelled.

The fact, however, remains that the government could not ensure the allocation/ allotment of raw materials and 38 MoUs were cancelled.

Case study

An MoU consisting of investment of ₹ 68.50 crore and employment of 200 people was signed (June 2004) between GoJ and M/s Raj Refractories (P) Limited for setting up a Sponge Iron Plant and Captive Power Plant in which 50 acre land, 300 cubic metre per hour water and raw materials like iron-ore, non-cooking coal, dolomite were required. For setting up of plant, land was identified but primary requirements like supply of water and uninterrupted supply of raw materials were not ensured by the Government. Thus, in the absence of such basic raw material support, the project could not kick off which finally led to cancellation of the MoU (July 2010). Further, the firm pursued (April 2012) for reconsidering the matter but the Government did not respond on the issue (as of June 2016). As such, lack of responsiveness of the Department deprived the State of investment worth ₹ 68.50 crore and employment of at least 200 people.

- For a congenial business environment and to attract investments in the state the law and order problems should be given top priority and efforts should be made to create a fearless business environment.

Audit noticed that 21 out of 24 districts are *Naxal* affected where *Naxal* incidents and killings are reported. While analysing a report of Special Branch, Jharkhand Police, audit observed that there were nine Left Wing Extremist (LWE) groups active in Jharkhand that committed crimes like

⁹ Cancelled: 10 and to be set up: 06

murder, extortion, burning of vehicle, burning of Government property, killing of police informer, kidnapping and killing of police personal and civilians. During 2011-16, 865 Naxal incidences were reported in which 584 people were killed (as of August 2016) which is one indicator of the law and order situation in the state. A study undertaken by Bindrai Institute for Research Study & Action (BIRSA)-an NGO also reported that during 2012-14, 2057 Naxal incidents occurred in which 273 people were killed. Uncertainty with regard to law and order situation in the state may also be one of the reasons that discourage investors.

2.2.8.2 Opportunity loss to the State in tapping investment of ₹ 1.60 lakh crore

Due to delay in transfer/notification for acquisition of land, water, power, forest clearances and poor law and order situation, five Steel plants could not be established which resulted in loss of opportunity in tapping investment of ₹ 1.60 lakh crore

Five MoUs were signed with reputed corporate houses to establish integrated Steel Plants cum Captive Power Plants with proposed investment of ₹ 1.60 lakh crore as detailed below in **Table-2.2.2:**

Table-2.2.2: Details of five MoUs signed with reputed corporate houses

Name of Company	Plant	Place	Proposed Investment (₹ in crore)	Date of MoU
M/s Tata Steel Ltd. (Greenfield)	12 MTPA Steel plant with captive power plant	Manoharpur & Saraikela	41000	8/9/2005
M/s Arcelor Mittal India Ltd.	12 MTPA Steel plant with captive power plant	Chas, Bokaro	40000	8/10/2005
M/s JSW Steel Ltd.	10 MTPA Steel plant with captive power plant	Sonahatu Ranchi	35000	9/11/2005
JSPL	6 MTPA Steel plant with captive power plant	Asanbani/ Potka/ Gharshila	32302	5/7/2005
Rungta Mines Ltd.	4.5 MTPA Steel plant with captive power plant	Gaisuti, Chaibasa	11320	11/9/2006
Total			159622	

Audit observed that due to delay in transfer/notification for acquisition of land, provision of water, power, forest land clearances and poor law and order situation, none of the steel plants could be established (November 2016) even after lapse of more than 10 years of signing of MoUs. This was despite the fact that these corporate houses have established businesses in the State and regularly been intimating to the Industries Department of slow progress in land acquisition, water allocation etc. However, scrutiny revealed that the Government failed to take purposeful action which resulted in opportunity loss of ₹ 1.60 lakh crore to the State in fructifying these investments. These are discussed below:

(i) Establishment of Steel Plant by Tata Steel Limited (Greenfield)

An MoU was signed (September 2005) between Government of Jharkhand and Tata Steel to establish 12 Million Ton Per Annum (MTPA) steel plant in two phases, power plant and township in Jharkhand with a proposed investment of ₹ 41,000 crore. As per Primary Project Report, 9,800 hectare

land, 130 million gallon water per day, 1,822 MT iron ore and 1,920 MT coal per year was required by Tata Steel to setup the plants and township.

As per para 6(i) (f) of MoU, the Government agreed to provide the required land to Tata Steel free from all encumbrances on priority basis at the location of its choice at acquisition cost including administrative charges. Six MTPA plants were to be established in 36 to 54 months from date of obtaining all clearances.

Scrutiny however, revealed that mandatory clearances were not granted even after lapse of 11 years from signing of the MoU as detailed in **Table-2.2.3**:

Table-2.2.3: Details of applications for clearances and status thereof

Particular	Date of application by Tata steel	Target as per MoU	Present position (August 2016)
Govt land	21.10.2005	On application	Transfer awaited
Private land	21.10.2005	Notification within 30 days in case of acquisition and within 190 days in case of leases.	Notification awaited
Water allocation	29.10.2005	Within six months	Allocation awaited
Power allocation	14.11.2005	Within six months	Allocation awaited
Iron block	31.10.2005	Within six months	Drilling started but stopped temporarily due to law and order problem
Coal block	31.10.2005	Within six months	Allocation awaited
Forest land	21.10.2005	----	Awaited

It was noticed that land records in the areas where plant was proposed to be established were not updated while Tata Steel had been regularly requesting GoJ for the pending clearances. GoJ, without ensuring these, requested (September 2015) Tata Steel for second stage MoU on the basis of decisions taken in the meeting held in February 2015 which was awaited.

Thus, the plant could not be set up which resulted in loss of opportunity by the State in tapping investment of ₹ 41,000 crore.

(ii) Establishment of Steel Plant by Mittal Steel Company

An MoU was signed (October 2005) between GoJ and Mittal Steel Company to establish 12 MTPA steel plant at Peterwar-Kasmar, Bokaro in two phases in Jharkhand. The first phase of the Steel Plant consisting of six MTPA capacity was to be set up within 48 months from date of submission of DPR whereas second phase consisting of six MTPA was to be set up within 54 months from the completion of first phase. The proposed investment of the project was ₹ 40,000 crore. As per MoU, 10,000 hectare land, 10,000 cubic meter water per hour, 600 MT iron ore reserve sufficient for first thirty years of operation and 1.20 billion tones of mineable coal reserve were required to establish the plant.

Scrutiny revealed that:

- The Forest Department did not permit the company to undertake drilling works as of October 2015 although the company applied for it in February 2011 for which no reasons were on record;

- As land survey was not taken up, acquisition of required land could not be done;
- Application for forest clearance in respect of grant of Mining Lease (ML) of Karampada iron ore block was submitted by the company in April 2009 but the same was forwarded to Ministry of Environment and Forest (MoEF) by GoJ only in May 2013 i.e. after lapse of four years. Further, queries of Forest Advisory Committee, though complied by GoJ in August 2014, was pending with MoEF. Procurement of 230 out of 500 acres of land was not finalised till November 2016 for which no reasons were on record.

Thus, the plant could not be set up.

(iii) Establishment of Steel Plant by Jindal Steel and Power Limited (JSPL)

An MoU was signed (July 2005) between GoJ and JSPL to establish five MTPA Steel plant (at Asanbani) along with 1000 MW Captive Power Plant (at Godda) in Jharkhand. It was envisaged that the steel plant was to be built in a time frame of five years from the date of land possession and availability of raw material linkage for the project. The total capital investment proposed for the project was ₹ 11,500 crore which was further revised to ₹ 32,302 crore. It was noticed that 2,987 acres of land was required to set up the plant. The company submitted applications for land acquisition (September-October 2005), allocation of 140 MCM water for the Steel plant (August 2005) and 25 MCM water for Power Plant (May 2008) but neither the land was allocated nor water was provided as of November 2016. However, reasons for inaction were not on record.

Thus, the plant could not be setup and the State failed to tap investment opportunity of ₹ 32302 crore.

(iv) Establishment of Steel Plant and Captive Power Plant by Rungata Mines Limited

An MoU was signed (September 2006) between Government of Jharkhand and Rungata Mines Limited to establish 4.5 MTPA integrated steel plant with 600 MW Captive Power Plant at Chandil block in Jharkhand. As per Primary Project Report, 3,000 acres land was required. The proposed investment was for ₹ 11,320 crore.

As per para 4(i) of MoU, GoJ was to render all possible assistance in procuring suitable land required for setting up of manufacturing plant and township besides permission for optimal drawal of water from nearby river for operation of the project. The company was also to be allocated 272 MT non-coking coal and 145 MT coking coal for captive coal mining for the project either directly or through joint venture with a Jharkhand PSU.

Scrutiny revealed that Rungata Mines Limited identified land and applied (March 2007) for it along with processing fees of ₹ 13.04 lakh to Jharkhand Industrial Infrastructure Development Corporation for acquisition of 1588.03 acres land. The Company purchased 215 acres land for existing and proposed plant. Audit further noticed that:

- Processing for acquisition of 53 acres of land was completed in February 2013 and ₹ 4.22 crore was deposited in the Government account but the application was still pending as of November 2016 for which no reasons were on record;
- Application for acquisition of 78.12 acres additional government land by payment of ₹ 97 lakh was submitted (October 2009) but, application was also pending as of November 2016 for which no reasons were recorded;
- Applications for iron ore and coking coal have been made several times since signing of MoU (September 2006) for grant of captive mineral concession for sustained operation of the project. However, these were pending for consideration by the GoJ as of November 2016 for which no reasons were on record.

Thus, despite executing MoU, GoJ failed to facilitate assistance in land acquisition, water connection, coal blocks etc. As a result, the plant could not be setup as of November 2016 which resulted in loss of opportunity in tapping investment of ₹ 11,320 crore.

(v) Establishment of Steel Plant and Power Plant by JSW Steel

An MoU was signed (November 2005) between Government of Jharkhand and JSW Steel Limited to set up 10 MTPA Integrated Steel plant with 800 MW green field power plant in the State with proposed investment of ₹ 35,000 crore. Land requirement for this project was 7000 acres. Land was identified in Nimdih Circle in Saraikela-Kharsawan district by the company. As per MoU, GoJ was to facilitate the acquisition of these lands to the company on payment of appropriate costs besides facilitating grant of all statutory clearances, supply of water, power and other resources required for the project preferably within six months from the date of MoU.

However, after detailed survey the site was not found feasible and a new site of 3800 acres at Sonahatu in Ranchi district was identified (May 2008).

Audit observed that:

- JSW reported (March 2015) that all key inputs like land, water, and minerals were in place except a few regulatory approvals. The company further requested GoJ to take up case with MoEF to grant Environment and Forest clearance. However, these were not granted (November 2016).
- In February 2015, GoJ extended the validity of MoU up to March 2016 but sanction of Jharkhand State Electricity Board was awaited for construction of five MVA power station. Likewise, permission for widening and strengthening of approach road to the Plant was still awaited. Reasons for inactions were not put on record.

As such, due to failure to facilitate assistance in land acquisition and other basic requirements, the plant could not be setup which resulted in loss of opportunity to tap the proposed investment of ₹ 35,000 crore.

In the exit conference, the Secretary admitted the facts and stated (November 2016) that allotment and allocation of basic requirements viz. Mines, land, water etc. to the above companies were under process.

Fact remains that due to failure to address the basic requirements in about ten years, the state had lost an opportunity to tap investment proposals worth ₹ 1.60 lakh crore which would have changed the economic conditions of the state.

2.2.8.3 Declining Trend of investment

During 2011-16, investment worth ₹ 4,492.73 crore was made against the investment of ₹ 28,424.06 crore made during the previous policy period

As per statements in the JIP 2012, 26 mega, 106 large and medium and 18,109 micro and small industries with an approximate investment of ₹ 28,424.06 crore and employment for 63,000 people had been set up in the State up to March 2011 consequent to its previous policy i.e. JIP 2001. Whereas during JIP 2012 policy period i.e. 2011-16, eight mega, 19 large and 12,996 MSME units with investment of only ₹ 4,492.73 crore¹⁰ and employment for 61,618 people, were set up. As such, it appears that no special efforts were made by the Government during the five year period under JIP 2012, as can be seen from the low quantum of fresh investment received during the period.

The Department admitted the fact and replied (November 2016) that investment sentiments have been weak and efforts were being made to secure more and more investments. Focus has been on business for which factors of production are favourable in Jharkhand.

2.2.8.4 Declining contribution of industry sector to the growth of GSDP

The contribution of manufacturing sector has shown a declining trend during the period 2011-12 to 2015-16

It was claimed in JIP 2012 that there had been almost three times growth in GSDP which increased from ₹ 39,191.09 crore in 2000-01 to ₹ 1,20,010.20 crore in 2010-11. Analysis of Economic Survey of Jharkhand 2015-16 revealed the following trend of growth in GSDP and contribution of Industry Sector and within that Manufacturing sector to GSDP:

Table-2.2.4: Year-wise GSDP with contribution of manufacturing and industry sector

Year	GSDP (in crore) at current price (2011-12)	Growth rate (per cent)	Contribution of Industry sector to GSDP (per cent)	Contribution of manufacturing sector to GSDP (per cent)
2011-12	1,50,918	18.6	39.96	17.85
2012-13	1,74,724	15.8	38.52	17.73
2013-14	1,88,567	7.9	37.50	16.80
2014-15	2,17,107	15.1	36.11	15.43
2015-16	2,41,955	11.4	34.78	14.17

(Source: Economic Survey of Jharkhand, 2015-16 and Website of Ministry of Statistics and Programme Implementation, Government of India.)

From **Table-2.2.4** it may be seen that:

- The contribution of manufacturing sector has shown a declining trend during the period 2011-12 to 2015-16.
- The contribution of industry sector to GSDP has declined from 40 per cent in 2011-12 to 35 per cent in 2015-16.
- Further, CAGR of Industry sector was only 3.38 per cent whereas CAGR of GSDP was 12.87 per cent during the period 2004-05 to 2015-16. Thus,

¹⁰ Eight mega industries with investment of ₹ 2,988.58 crore, 19 large industries with investment of ₹ 865.66 crore and 12,996 MSME units with investment of ₹ 638.49 crore

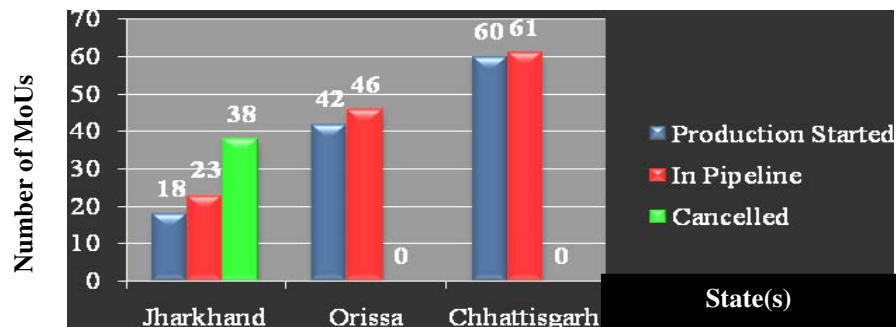
despite overall growth in GSDP of the state, CAGR of industry sector was not satisfactory and it failed to become the engine of growth for the state that is endowed with mineral resources.

The Department admitted the fact and replied (November 2016) that the decline in manufacturing sector is a part of national phenomenon. Reply is not convincing as there was good responses from investors as evident from the fact that 38 MoUs were signed between 2006 and 2016 but they failed to materialise and most of the MoUs were either cancelled or are pending due to constraints like CNT Act, SPT Act, forest clearances etc. which the state was unable to mitigate.

2.2.8.5 Neighboring states better in attracting investments than Jharkhand

While comparing with neighboring states that are of similar nature as Jharkhand with rich mineral reserves and equivalent socio-economic development, audit observed that they have been more successful in attracting investments. For example, 121 MoUs were executed in Chhattisgarh during 2001 to 2016, out of which in 60 cases, production had already started while in remaining 61 cases projects were under implementation. Likewise in Odisha, 88 MoUs were signed, out of which in 42 cases production have started and in remaining 46 cases, the projects were under implementation. The comparison is shown in **Chart-2.2.3** below.

Chart-2.2.3: Comparison among neighbouring States



Significantly no MoUs were cancelled in these states unlike the high rate of cancellation in Jharkhand which is 48 per cent. As such, performance of the Jharkhand state in attracting investment was disappointing as compared to the above neighbouring states which have similar socio-economic conditions and mines and minerals.

On being pointed out (June 2016), the department did not reply on this issue.

2.2.9 Partial Operationalisation of Single Window System (SWS)

As a tool for development of Industrial Facilitation Mechanism, SWS was the main thrust in JIP 2012 even though it was conceived in Industrial Policy 2001 for providing an integrated administrative clearance mechanism across various concerned departments. In JIP 2012, SWS was sought to be made more effective by integrating 14 departments with Industries Department for quick clearances of proposals offered by investors so that setting up their desired industry becomes time bound.

SWS was only partially functional and not fully effective which adversely affected the pace of investment in Jharkhand as the investors were deprived of the facility of clearances from various departments as a ‘one stop’ service point

Audit observed from the records of the DI that portal of SWS was launched only in September 2015 after a delay of 42 months from notification of JIP 2012 (April 2012) and fell short of the objective of integrating all required 14 departments to provide a single window clearance system as only five¹¹ departments/ agencies were included up to November 2016, while the remaining nine¹² departments were not integrated. Moreover, it was also being operated as a ‘one-way-system’ as there was no mechanism at the designated single window to locate the progress of applications that required onward clearances at various levels. This indicated that clearances of administrative nature necessary for setting up of an industrial unit were not being done at one place.

Further, the Jharkhand Single Window Clearance Act 2015 came into effect only in March 2016. It provided for constitution of a Governing Body¹³, a High Power Committee¹⁴ and Single Window Clearance Committee¹⁵ for creating a friendly environment and ease of doing business in the State but none of the committees were actually constituted as of November 2016.

Audit also observed that:

- Launch of the SWS portal and its utility for the citizen were not widely advertised to generate awareness among the general mass, so that an interested investor may access the facility of SWS. Lack of awareness resulted in low pace of receiving applications at the portal.
- There was no mechanism to monitor the stage at which applications were pending in various departments. Further, if there were delays on the part of the investors to comply with queries/objection raised by any authority in course of awarding clearances, the application was not rejected rather status is shown as pending even beyond the prescribed timeline.
- Forest clearance was one of the major hurdles in attracting investment. It was noticed that an application in the prescribed format is to be submitted by the investor to the concerned Divisional Forest Officer (DFO) under whose jurisdiction the land is proposed to be acquired/obtained. The proposal duly vetted along with the comments of DFO is then forwarded to the Nodal Officer for submission to the Forest Department, GoJ which after due diligence, may send it to MoEF, GoI.

¹¹ Labour, Pollution Control Board, Forest and Environment, Jharkhand Bijli Vitaran Nigam Limited and Industry (Land allotment)

¹² Commercial tax, Revenue, Registration & Land Reforms, Urban Development, agriculture, Energy, Excise, Health, Mines and Food Supply & Consumers Affairs

¹³ Chairman: CM, Vice-Chairman: Minister of Industries, Members: Finance Minister, Minister of Revenue, Registration & Land Reform, Chief Secretary and Principal Secretary of Industry

¹⁴ Chairman: Chief Secretary, Members: Development Commissioner, Principal Secretary/secretary of Industry and Planning-cum-Finance Department and Director of Industry

¹⁵ Chairman: Principal Secretary of Industry, Members: Principal Secretary/secretary of Planning-cum-Finance, Revenue and Land Reforms, Urban Development and Housing, Labour Employment and Training, Forest, Environment and Climate Changes, Energy, Water Resources, Mines and Geology, Chairman of Pollution Control Board and Director of Industries as Coordinator

Audit observed that there was no mechanism to track the applications of forest clearances in the SWS portal even at the State level as these were not integrated into the SWS.

- Although being a focal point in JIP 2001 and JIP 2012, the SWS even after the delayed launch in September 2015 was only partially functional and not fully effective. This adversely affected the pace of investment in Jharkhand as the investors were deprived of the facility of clearances from various departments as a 'one stop' service point as planned. As a result, SWS could not facilitate in addressing the project impediments in respect of 23 projects which could not be set up in four to 13 years of signing of MoUs.

On being pointed out (June 2016), the Department replied (November 2016) that the Government had notified the Centre for Industrial Development and Promotional activities, a Single Window System in August 2003 which is full-fledged operational. The SWS portal is the latest version with high end features in which 38 out of 66 mandatory services, as required under law, have been made online. It has also integrated ten out of 14 covering departments while integration of other services/departments is under process.

The reply is not convincing as the department could not provide any evidence of having facilitated any service through SWS since 2003. Further, absence of integration of four departments and 28 services, as admitted, defeats the basic purpose of SWS to provide a 'one stop' service point as planned.

2.2.10 Skewed coverage of sectors and area

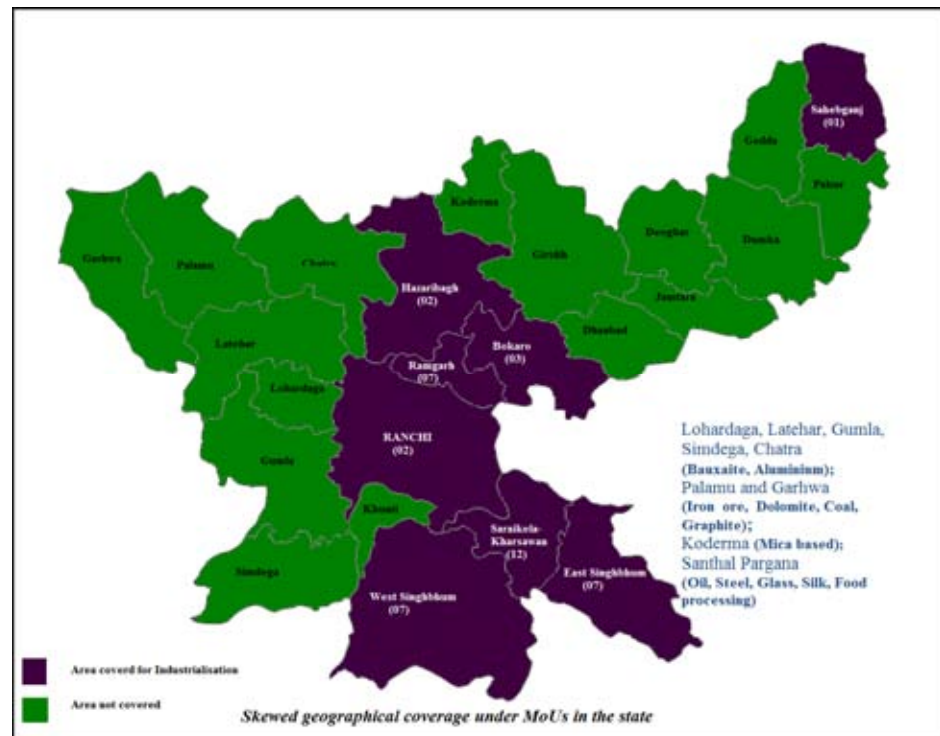
As provisioned in JIP 2012, special focus was to be given to sectors like Automobile, Wood and Agro processing, Electronics, Information and Communication Technology, Power generating units, Technical Institutes and Private Universities to attract investors.

Audit observed from the records of the DI that the Government did not take any initiatives to promote these sectors.

Further, with the aim to ensure balanced regional development and to prevent socio-economic deprivation due to backwardness of any region, JIP 2012 also envisaged setting of industries across the state. However, 41 MoU¹⁶s that were signed and not cancelled were limited to only eight¹⁷ out of 24 districts as can be seen in the following map depicting the district-wise distribution of industries proposed to be set up and for which MoUs' were entered into by the state.

¹⁶ 18- started and 23- Not started

¹⁷ Bokaro, East Singhbhum (Jamshedpur), Hazaribagh, Ramgarh, Ranchi, Sahebganj Saraikela and West Singhbhum (Chaibasa)



The distribution indicates a skewed industrial development with the bulk of proposed or actual investments coming only in the coal and iron ore belts (40 out of 41).

Audit further noticed that in other regions no investment was proposed though these were also areas of potential in terms of mines, minerals and other natural resources viz., Bauxite and Aluminium is available in Lohardaga, Latehar, Gumla, Simdega and Chatra districts; Iron ore, Dolomite, Coal and Graphite in Palamu and Garhwa districts; Mica in Koderma district whereas in Santhal Pargana there is potential for Oil, Steel, Silk and Food processing like industries. As such, industrialisation was not encouraged in new areas as envisaged in JIP 2012.

The Department replied (November 2016) that MoU is not the proper indication of the number of industries started in each district.

Fact remains that the MoUs for the setting of the industries were not uniformly distributed in all the district of the state.

2.2.11 Land Bank

Not a single piece of land was acquired after creation of Jharkhand State and no land bank was created in any of the districts

JIP 2012 stipulated that effort would be made for creation of land banks in each district by acquiring a minimum of 200-500 acres of land and demarcating them as industrial estates with provision of basic industrial infrastructure to attract investors. Further, a comprehensive exercise was also to be undertaken to identify and utilise government owned or common land that was mostly waste or fallow, in different parts of the State.

Scrutiny of records of DI, four IADAs and six DICs revealed that not a single piece of land was acquired after creation of Jharkhand State. As such no land bank was created in any of the districts. However, four IADAs were created by the government for acquiring lands for distribution purposes having

jurisdiction over more than one district. Details of land available in the four IADAs are given in **Table-2.2.5**.

Table-2.2.5: Showing details of land in IADAs

Name of the Authority	Land Given (in acre)	In Possession (in acre)	Not in Possession (in acre)	Remarks
AIADA	3166.86	3160.88	5.98	34.62 acre vacant
BIADA	1798.47	1470.60	327.87	327.87 acre not handed over by BSL. Of 1470.60 acre handed over, 73.58 acre were undeveloped or under litigation.
RIADA	1505.13	1290.57	214.56	101.50 acre under Cobra Battalion and 113.06 acre were under litigation
SPIADA	1043.15	1043.15	Nil	49.50 acre were not plotted for use

(Source: Information obtained from the Department)

Further, ₹ 54.54 crore¹⁸ was allotted (between February and August 2015) to all four IADAs for purchase/acquisition of land of 420.32 acre, out of which ₹ 11.52 crore was transferred¹⁹ and balance amount of ₹ 43.02 crore remained unutilised and kept in the Personal Ledger accounts of IADAs as of June 2016. This indicates lack of efforts made by the IADAs.

- In BIADA, 1,798.47 acres land was made available between 1972-73 and 1985-86 to BIADA which was to be transferred from Bokaro Steel Limited (BSL). Of this only 1,470.60 acres land was transferred and taken into possession for four industrial areas (Bokaro, Giridih, Kandra and Sindri). As such, 327.87 acres allotted land was still under the possession of BSL. Further scrutiny revealed that of the 1,470.60 acres land taken into possession/acquired, only 991.91 acres land was allotted to different industries while 279.88 acres remained vacant across all four industrial areas in which 68.97 acres were undeveloped or under litigation.

- Audit observed that under RIADA, 113.06 acre of land in Irba Industrial Area (Ranchi district) and 101.50 acre in Barhi Industrial Area (Hazaribag district) were not in possession of RIADA (as of July 2016) though these lands were acquired during November 1983 and September 1996 respectively (before creation of Jharkhand). Amounts of ₹ 0.21 crore and ₹ 2.51 crore respectively, were also paid as land compensation to the DCs of Ranchi and Hazaribag districts. Despite protracted correspondence with concerned Deputy Commissioners (DCs) and higher authorities, RIADA could not take possession of the lands. Further, it was also observed that 4.47 acres of acquired lands at Irba were sold by land-brokers and 101.50 acres land at Barhi was occupied by the Home Department for Cobra Battalion. Thus, after incurring expenditure of ₹ 2.72 crore, the land at both these places remained out of possession of RIADA.

It is pertinent to mention here that Barhi is situated at the junction of NH-2 (GT Road) and NH-33 whereas Irba is beside NH-33. Thus, despite being

¹⁸ AIADA: ₹ 18.00 crore for 162.25 acre, BIADA: ₹ 2.76 crore for 36.37 acre, RIADA: ₹ 29.26 crore for 210 acre and SPIADA: ₹ 4.52 crore for 11.70 acre

¹⁹ ₹ 7 crore by AIADA towards forest clearance and ₹ 4.52 crore by SPIADA for land acquisition

strategically located with good road connectivity, these places could not be developed for industries due to lack of possession of land with RIADA.



The Department while accepting the audit observation stated (November 2016) that Land Acquisition, Rehabilitation and Resettlement Act 2013 came after a long time repealing Land Acquisition Act 1894, but land acquisition became too difficult and cumbersome under the new Act. However, as compared to other states, there are some issues in purchasing land from *Raiyats*. To improve the availability of land, GoJ recently passed a resolution to transfer all government land which is suitable for industries to the Jharkhand Industrial Development Authority by the respective DCs.

Fact, however, remains that land bank could not be created which affected the flow of resources for investment in the state.

2.2.12 Special Economic Zone (SEZ) not established

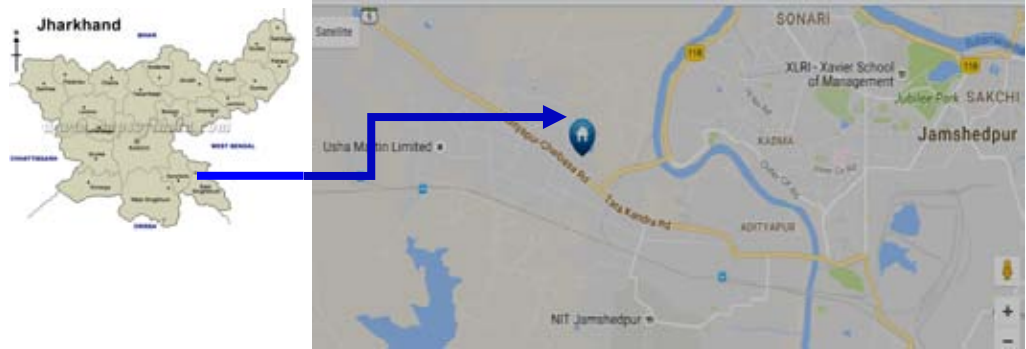
SEZ²⁰ is a growth engine for attracting Industrial investment and boosting exports. The concept of SEZ is expected to bring large dividends to the State in terms of economic and industrial development and the generation of new employment opportunities. This concept was to be promoted in IT/ automobile / chemical-pharmaceutical and other sectors as per JIP 2012.

Audit observed from the records of AIADA Jamshedpur that sector specific SEZ was approved (April 2005) by Ministry of Commerce and Industry (Department of Commerce), GoI for Automobiles and Auto components which was to be developed within three years from the date of sanction extended upto June 2015. A chunk of 90 acres land was earmarked at Adityapur under the command area of AIADA. The developmental work was to be taken up by incorporating a Special Purpose Company (Adityapur SEZ Limited) in PPP²¹ mode.

SEZ not established as 54.18 acres forest land could not be de-notified

²⁰ “SEZs are specifically delineated enclaves treated as foreign territory for the purpose of industrial, service and trade operations, with relaxation in customs duties and a more liberal regime in respect of other levies, foreign investments and other transactions. Domestic restrictions and infrastructure inadequacies would be removed in the SEZ to create an internationally benchmarked environment for business transaction and operations”

²¹ AIADA (with stake of 55 per cent) and JUSCO-Gammon consortium (the private partner)



However, the project could not take-off as 54.18 acres forest land within the project area of 90 acres which was transferred (January 1982) by the Forest Department to AIADA for industrial development could not be de-notified as the State Government failed to provide equivalent land for compensatory afforestation as required under the Forest (Conservation) Act, 1980. This was despite pursuance (between January 2007 and October 2013) made by the Department and the Chief Secretary after AIADA deposited (June 2009) ₹ 7.01 crore in the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) fund along with a detailed proposal as per provisions under the Act. But the Ministry of Commerce and Industry, GoI refused to grant further extension of the SEZ project (September 2015) on the ground that no development had taken place since notification (2006). This deprived the State from establishing a SEZ.

The Department while accepting the audit observation replied (November 2016) that GoI cancelled the project as environmental clearance for forest land could not be secured.

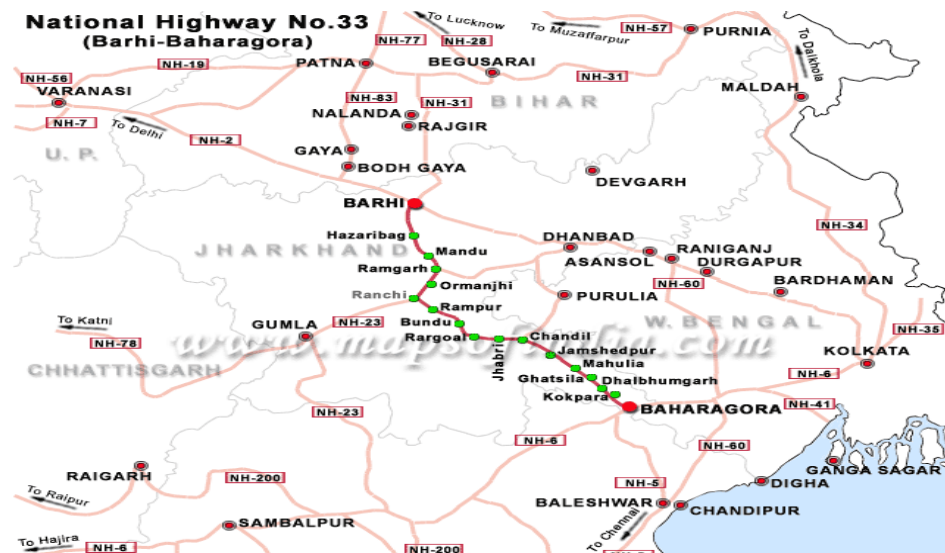
Fact remains that had the department initiated the process of de-notification of the forest land in the initial stages, the SEZ could have been established in the state.

2.2.13 Failure to create infrastructure

JIP 2012 clearly prescribed that sincere efforts should be made to provide investors quality infrastructure like all-weather roads, uninterrupted power supply, adequate water, connectivity through railways etc. The Policy further prescribed that the State Government had taken steps to set up an Air Cargo Complex at Ranchi to provide a boost to export oriented industries.

A review of the infrastructure available in the state to promote investment revealed the following:

- **Road Network:** Four laning of Barhi-Hazaribag-Ranchi-Bahragora road which is lifeline of the Jharkhand state situated on NH-33 connecting it with Bihar, Uttar-Pradesh, Orissa was still incomplete (November 2016) even after four years of commencement.



In reply, the Department replied that the work is under process.

- **Rail Network:** Rail connectivity between Koderma-Ranchi, Koderma-Giridih and Tori-Lohardaga had not been started as of June 2016, despite giving special focus in JIP 2012.

During exit conference, the secretary stated that Koderma-Hazaribag section of Koderma-Ranchi line is completed and Tori-Lohardaga line is expected to be completed soon.

- **Air Cargo:** An Air Cargo Complex at Birsa Munda Airport Ranchi for export promotion was reported as complete (September 2016). However, as security clearances from the Board of Controller of Aeronautic Standard (BCAS), is yet to be received, air cargo flight is yet to commence (November 2016).

- **Failure to develop industrial area**

(i) **Trade Centre:** In SPIADA, ₹ 4.52 crore was transferred (October 2014) to the DC, Deoghar towards acquisition of land for establishment of a Trade Centre-cum-Convention Centre in Deoghar but no land was acquired even after lapse of almost two years, which defeated the purpose of providing infrastructure for trade.

In reply, the Department stated (November 2016) that the project has been closed due to delinking of Central Assistance to States for Developing Export Infrastructure and other Allied Activities (ASIDE) scheme by the GoI.

(ii) For creating basic infrastructure like road, pucca drain, boundary wall etc. at industrial areas in Dumka, Jamtara and Jasidih, ₹ 5.71 crore was provided (2013-15). But the entire amount was lying in the PL account of SPIADA for failure to plan and create basic infrastructure. This resulted in these industrial areas failing to attract investors.

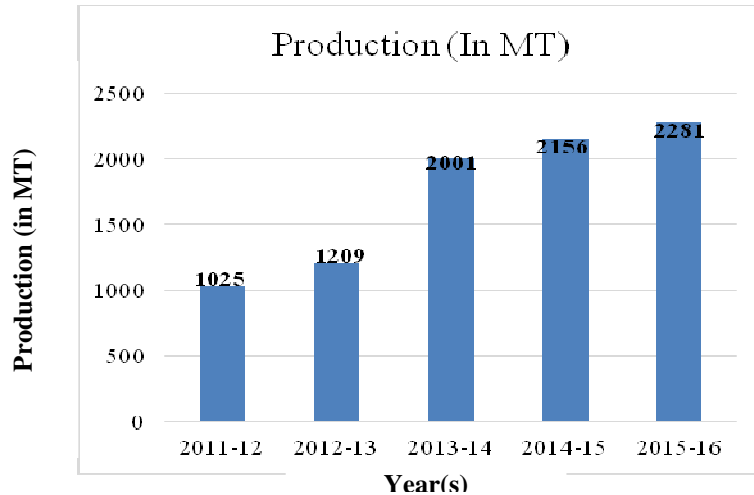
- **Water treatment plant**

Though committed in its policy, neither feasibility of desalination plants and supply of recycled and treated waste water to industries was explored nor the Government implemented and facilitated mega water supply schemes for industries at specified location through IADAs/Special Purpose Vehicles.

In reply to the audit observation, the Department did not comment on this issue.

2.2.14 Sericulture production (Tasar) not tapped for investment

As per JIP 2012, Jharkhand stood first (2012) in the country in production of Tasar Silk. Analysis of statement furnished by Silk Directorate revealed an increasing trend of production of raw silk during 2011-16, as can be seen in the **Chart** below:



Though the efforts of the State in this regard are noteworthy, its full potential has not been tapped as efforts for forward integration by attracting investors to establish silk and cotton based industry were not found on record.

2.2.15 Procurement policy not implemented

The Department has no mechanism to monitor to ensure 20 per cent purchase from MSME

JIP 2012, envisages the formation and implementation of a Procurement Policy, which was notified (October 2014) as Jharkhand Procurement Policy 2014 with the aim to promote and develop Micro and Small Enterprises in the state which would encourage competitiveness among local MSM and other industrial units. It was also aimed at facilitating purchases from MSMEs in the State by the Government Departments, Institutions including aided agencies and Urban Local Bodies.

As per the objective, above mentioned entities are to ensure procurement of a minimum of 20 per cent of their total annual purchase of products and services from MSMEs of Jharkhand in a period of three years to encourage the MSMEs.

Audit observed that there was nothing on record of the DI to show that the intended objective of the Policy was achieved as the Industries Department has no mechanism to monitor achievement of the 20 per cent target for purchase from MSME.

The Department while accepting the audit observation replied (November 2016) that the department is revising the mandatory list of items reserved for MSME as per the local requirement and making other amendments to improve this policy further.

Fact remains that 20 per cent target for purchase from MSME could not be ensured to assist the growth of MSME sectors.

2.2.16 Lack of Monitoring

In terms of Regulations of IADAs, a Project Clearance Committee (PCC) of IADAs is to meet once in a month for project clearances, allotment of land to the applicants and other related issues.

Audit observed from the records of test-checked IADAs that none of the IADAs maintained records of applications received from the entrepreneurs/applicants for allotment of land/sheds and clearances of their projects in their respective jurisdiction. However, only those applications *prima facie* chosen for consideration in PCC meeting were recorded in the files as applications have been received. Further in contravention of the provisions in three of the four IADAs, only 31 PCC meetings (13 *per cent*) were held during 2011-16, though 240 meetings were required. Whereas in SPIADA, number of PCC meeting was nil during the period as detailed in **Table-2.2.6**:

Table-2.2.6: Details of PCC meetings

Year	Details of Meetings	AIADA	BIADA	RIADA	SPIADA
2011-12	No. of Meetings to be held	12	12	12	12
	No. of Meetings held	01	Nil	02	Nil
	Shortfall	11	12	10	12
2012-13	No of Meetings to be held	12	12	12	12
	No. of Meetings held	01	02	04	Nil
	Shortfall	11	10	08	12
2013-14	No of Meetings to be held	12	12	12	12
	No. of Meetings held	Nil	01	Nil	Nil
	Shortfall	12	11	12	12
2014-15	No of Meetings to be held	12	12	12	12
	No. of Meetings held	02	02	03	Nil
	Shortfall	10	10	09	12
2015-16	No of Meetings to be held	12	12	12	12
	No. of Meetings held	05	03	05	Nil
	Shortfall	07	09	07	12

(Source: IADAs)

The Department replied (November 2016) that PCC meetings are scheduled once a month. However, availability of sufficient number of applications in the concerned IADAs is also taken into account which decide the schedule of meetings. In some IADAs, the Honourable High Court prohibited (2011) the conduct of meetings till the passing of uniform regulation. Reply is not convincing as number of application received was not maintained in IADAs. Further, the Department delayed framing regulation for four years.

- As per JIP 2012, a committee under chairmanship of Chief Minister was to be constituted. The committee was to meet twice in a year to review the implementation of the policy. The implementation of the policy was also to be monitored at least once in every quarter by the Chief Secretary and the Government was to carry out a mid-term review of the policy.

Audit observed from the records of DI that the committee under the chairmanship of Chief Minister was not constituted (June 2016). Hence, in the absence of the committee, review of the policy could also not be carried out by Government. As such, neither shortcomings in policy were brought out nor measures to address these could be discussed.

Implementation of the policy could not be reviewed as the committee under chairmanship of Chief Minister was not constituted

The Department while accepting the audit observation replied (November 2016) that the committee under the chairmanship of Chief Minister had not been constituted but from time to time the Chief Minister and other higher authorities reviewed the JIP 2012 policy.

Fact remains that in the absence of the committee, institutionalisation of review/monitoring process of industrial policy at the apex level was not done.

2.2.17 Surrender and saving of funds

During 2011-16, the Industries Department made provision of funds under Publicity and Publication, Establishment of SWS and Project Feasibility and Consultancy to facilitate industrial investment promotional activities as detailed in **Appendix-2.2.2**.

Audit noticed that during 2011-16, the department allotted ₹ 40.23²² crore for investment promotion activities of Publication and Publicity, SWS and Project Feasibility and Consultancy. It also received ₹ 3.24 crore as 'other receipts' in SWS. Of this, only ₹ 27.27 crore could be spent while ₹ 16.20 crore (37 per cent) remained unspent. Out of unspent balance, ₹ 9.90 crore was lying idle in bank accounts of SWS. Thus, the fund was not entirely utilised to realise the intended objective.

In reply the Department stated (November 2016) that the actual expense may differ from assessments as provided in the budget. A separate bank account is being operated for various expenditure under SWS. Fact remains that utilisation of the available fund for the intended purpose was not ensured.

2.2.18 Conclusion

Efforts of the Government to create a conducive environment to increase flow of investment in the State was not sufficient as:

- Ease of Doing Business in Jharkhand suffered from constraints such as setting up business, allotment of land, power, water etc. As a result, investment decreased to ₹ 4,493 crore during the JIP period 2012 as compared to ₹ 28,424 crore in the previous policy period. While 48 per cent MoUs were cancelled due to failure to acquire land and lack of facilitation by the Government for setting up the industries etc., resulting in deprivation of investment worth ₹ 62,879 crore in the State, there was opportunity loss of ₹ 1.60 lakh crore to the State due to failure to facilitate the proposed establishment of five Steel Plant cum Captive Power Plants.
- The partially functional SWS could not address the concerns of potential investors and was not effective as the investors could not get clearances of required departments/ agencies at 'one stop' service point. As a result, SWS could not facilitate speedy project implementation and remove impediments in respect of 23 projects which could not be set up even after four to 13 years from signing of MoUs.
- Government failed in its role to provide basic infrastructure facilities to attract investors like land bank, uninterrupted supply of power, water and raw materials etc. Further, Special Economic Zone for Automobiles and Auto

²² Included Opening Balance of ₹ 1.20 crore

components in the State, though sanctioned, could not be established due to delayed action on environment by the State. This prevented promotion of Automobile sector in the State and failed to attract investment.

- Committee under chairmanship of the Chief Minister to review implementation of JIP 2012 to facilitate investment and to attract investors was not constituted. As such, neither progress of implementation of the JIP 2012 could be monitored at apex level nor mid-term review of the policy be carried out by the Government.

2.1.19 Recommendation

The Government should address the impediments in setting up business and should allot land, power, water and other infrastructure in a time bound manner to investors so that investments could be facilitated in the State.

Single Window System for clearance of all services by integrating all the concerned departments should be finalised and put to operation at the earliest to provide 'one stop' service point to the investors seeking to invest in the state.

The Committee under the Chairmanship of the Chief Minister should be established in the State at the earliest to review and monitor the implementation of JIP 2012 with a view to promote investment activities in the state.

CHAPTER-3

COMPLIANCE AUDIT

- 3.1 Audit on Construction and Functioning of Godowns**
- 3.2 Audit on Paddy procurement and conversion into Custom Milled Rice**
- 3.3 Audit on Security Related Expenditure**
- 3.4 Follow up Audit on Performance Audit of Tribal Welfare Programmes in Meso Areas**
- 3.5 Audit Paragraphs**

CHAPTER-2

FOOD, PUBLIC DISTRIBUTION AND CONSUMER AFFAIRS DEPARTMENT

3.1 Audit on Construction and Functioning of Godowns

Executive summary

Government of Jharkhand provides subsidised food grains, sugar and refined iodised salt under various schemes. Audit was conducted for the period 2011-16 to assess construction, completion and handing over of godowns. The State government in its resolution (August 2009) decided to construct godowns to achieve storage capacity that is double of the monthly allotment of food grains. Some of the major audit findings are discussed below:

Although 2.47 lakh MT storage space was required to be created during 2009-16, the department planned only 1.90 lakh MT and created 0.96 lakh MT storage space. Thus, 0.57 lakh MT storage space was less planned while actual storage space against requirement lagged by 1.51 lakh MT. Further, the availability of storage space was skewed as in 55 blocks there was no space for storage of food grains and in 156 blocks storage capacity was less than the monthly allotment of food grains. Contrarily, in 17 blocks storage capacity was more than double the allotment while in 31 blocks, it was greater than monthly allotment but less than the norm. However, no plans were put in place either to gainfully utilise the excess storage space created or to make alternative arrangements to address the overall shortage of storage space of 1.51 lakh MT.

(Paragraph 3.1.2)

Forty-six constructed godowns were not handed over to the department and 36 godowns were not operational due to lack of approach road, damaged roof/wall etc. Construction of 33 godowns with sanctioned capacity of 20,500 MT was not taken up as land for their construction could not be procured.

(Paragraph 3.1.3)

Food grains in godowns were being stored in unhygienic conditions without adherence to standard prescribed in the Warehouse Manual.

(Paragraph 3.1.4.2)

There was short lifting of 21.23 lakh MT food grains against the allotment from Food Corporation of India (FCI) by the State during 2011-16. Of this, 1.44 lakh MT food grains were lifted short during October 2015 to March 2016 under National Food Security Act (NFSA). This has resulted in disruption of mandate in providing food grains to the intended beneficiaries. Food security allowance, as admissible, under NFSA, was not paid to those beneficiaries who were not provided food grains due to short lifting.

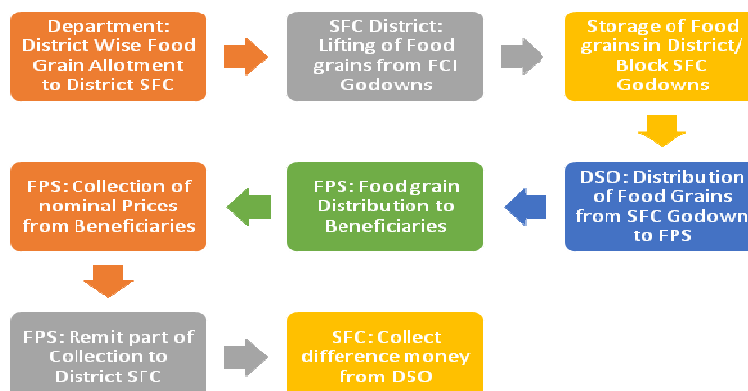
(Paragraph 3.1.5.1)

There was discrepancy of 65,711.819 MT food grains valued at a minimum of ₹ 155.59 crore between the reported lifting of food grains by Jharkhand State Food and Civil Supplies Corporation (JSFCSC) in its books and as provided by FCI. This discrepancy needs reconciliation and investigation by the State.

(Paragraph 3.1.6.1)

3.1.1 Introduction

Government of Jharkhand provides subsidised food grains, sugar and refined iodised salt under various schemes¹ to ensure food security for the needy. From October 2015, the subsidised food grains were provided under two schemes namely National Food Security Act (NFSA) and Annapurna. State government agencies procure food grains from Food Corporation of India (FCI) godowns as per allocation of food grains from Central Government, stores it in its own godowns and distribute these to the targeted beneficiaries which involves activities of planning, storage and transportation as per the following broad schema:



(SFC: Jharkhand State Food & Civil Supplies Corporation, FCI: Food Corporation of India, FPS: Fair Price Shop, DSO: District Supply Officer)

Secretary, Food, Public Distribution and Consumer Affairs Department (department), GoJ is overall responsible for creation of storage capacity and for procurement, storage and distribution of food grains to FPSs through Managing Director (MD), Jharkhand State Food & Civil Supplies Corporation (JSFCSC) in the state.

Audit was conducted between March 2016 and July 2016 covering the period 2011-16² in six³ (25 per cent) out of 24 districts of the state to assess whether the requirement for construction of godowns for storage of food grains was properly assessed and planned, godowns were managed efficiently and put to optimum use, scientific storage of food grains ensured and monitoring and internal control systems were in place and were effective. Audit examined the records at the offices of the Secretary of the Department, Managing Director, JSFCSC, District Supply Officers (DSO) and District Managers (DM) of JSFCSC. In addition, 20 blocks⁴ (25 per cent) in the sampled districts were also checked and 28 godowns (**Appendix-3.1.1**) were physically verified.

¹ Antyodaya Anna Yojana (AAY), Annapurna, Below Poverty Line (BPL), Additional BPL, Above Poverty line (APL) families

² The Government resolved to double its storage capacity in 2009 and allotted substantial funds for construction of godowns from 2009 onwards. Therefore the paras on construction, completion and handing over were examined from 2009 to 2016

³ Deoghar, Dhanbad, East Singhbhum, Garhwa, Hazaribagh and Lohardaga

⁴ Deoghar, Devipur and Sarwan blocks in Deoghar; Dhanbad, Govindpur and Jharia in Dhanbad district; Ghatshila, Golmuri cum Jugsalai and Potka in East Singhbhum district; Bhawnathpur, Garhwa, Meral, Ramna and Ranka blocks in Gharwa district; Barhi, Daru, Hazaribag and Ichak in Hazaribag district; Kuru and Lohardaga blocks in Lohardaga district

An entry conference was held on 26 April 2016 with Secretary to the Government in which the audit objectives, audit scope, audit criteria and methodology were discussed. An exit conference was held on 20 October 2016 with the Secretary to the Government in which audit findings were discussed. Replies of the Government have been suitably incorporated in the Report.

Audit findings

3.1.2 Planning for construction of godowns

3.1.2.1 Storage capacity in Jharkhand: Status

Justice D. P. Wadhwa Committee was constituted as per the directions (2006) of the Supreme Court of India to suggest remedial measures to maladies affecting the functioning of 'Public Distribution System' in India. The Wadhwa Committee in its report on Jharkhand submitted in February 2009 inter-alia stated "There is an acute shortage of storage capacity of PDS food grains with the FCI and with the state. Ideally the State should have a storage capacity of 2.5 times of the monthly allocation. The shortage of storage space results in delays and backlog and also damage to the food grains." The Committee found large quantity of insect infested grain in a godown in Ranchi.

3.1.2.2 Resolution to solve shortage of storage capacity

In order to ensure achievement of the planned storage capacity, monthly allotment of food grains to the blocks is the basis for deciding the storage requirements of the block. The State government in its resolution (August 2009) decided to construct godowns to achieve storage capacity that is double of the monthly allotment of food grains. The basic objective was to facilitate the storing of additional food grains in the event of delayed lifting of food grains from the godowns.

The present status of storage capacity vis-à-vis monthly allotment of food grains in the state (on 31 March 2016) is shown in the **Table-3.1.1:**

Table-3.1.1: Statement of shortage of storage capacity

(in MT)					
Monthly allotment	Reported Storage Capacity	Actual Created Capacity	Requirement*	Shortage	Shortage (per cent)
146202.929	145100	141250	292405.86	151155.86	51.69

*as per state government resolution

Storage space worth 0.57 lakh MT was planned short as compared to required

From the table, it could be seen that the storage requirement of the department was 2.92 lakh MT as of March 2016. Against this, the department had (2009-10) storage capacity of 0.45 lakh MT. To meet this gap, the department was required to create storage space of 2.47 lakh MT during 2010-16. However, the department sanctioned (2010-16) creation of only 1.90 lakh MT storage space during the same period. Thus, storage space of 0.57 lakh MT was planned short of requirement. Further, the planned increase in storage capacity was to be achieved by constructing 420 godowns. However, only 235 godowns could only be put to operation till March 2016 which created only 96,250 MT storage space as discussed in paragraph 3.1.3.1. As a result, the department could create only 1.41 lakh MT storage space which trailed behind

the requirement by 1.51 lakh MT (51.69 per cent) as of March 2016. Thus, the resolution to achieve the desired storage capacity was not ensured.

However, it was noticed in audit that the department did not take any measures to compensate the deficit storage of 1.51 lakh MT by making alternative arrangements like hiring of private godowns or godowns of FCI or construction of prefabricated godowns in limited time etc. This lack of initiative by the department affected its mandate in lifting food grains from the FCI, store and manage it in the departmental godowns and distributing it to the targeted beneficiaries as discussed in the succeeding paragraphs.

3.1.2.3 Storage capacity in the selected districts

Audit compared the block-wise position of allotment of food grains with storage capacity available in the six test checked districts and noticed significant shortages (**Appendix-3.1.2**) to the extent that storage capacity was less than the monthly allotment to 46 blocks in test-checked districts. The deficit further increased after enhancement in allotment due to implementation of National Food Security Act (NFSA) in October 2015. The district wise storage shortages are shown in the **Chart-3.1.1** and **Table-3.1.2** below:

Chart-3.1.1: Storage Capacity Status

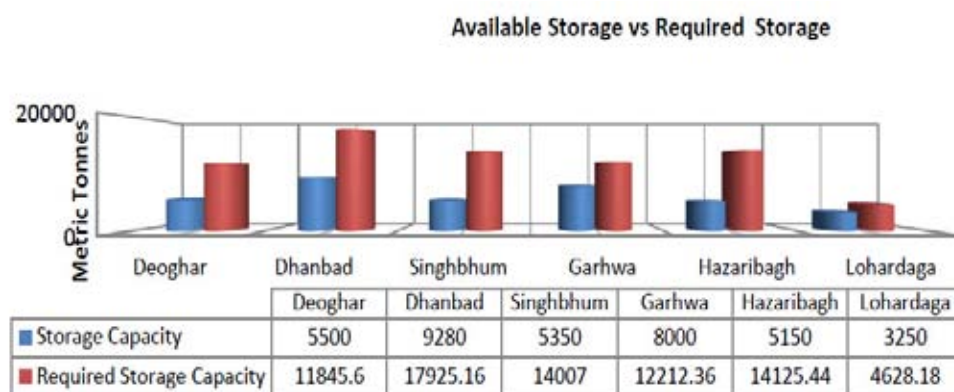


Table-3.1.2: Statement of district wise storage shortages

(In MT)							
Sl. No.	District	Nos. of functional godowns	Storage Capacity	Monthly allotment	Required Capacity*	Shortage	Shortage per cent
1.	Deoghar	13	5500	5922.80	11845.60	6345.60	53.57
2.	Dhanbad	21	9280	8962.58	17925.16	8645.16	48.23
3.	East Singhbhum	19	5350	7003.50	14007.00	8657.00	61.80
4.	Garhwa	16	8000	6106.18	12212.36	4212.36	34.49
5.	Hazaribagh	15	5150	7062.72	14125.44	8975.44	63.54
6.	Lohardaga	07	3250	2314.09	4628.18	1378.18	29.78
	Total	91	36530	37371.87	74743.74	38213.74	

Source: data provided by District offices
*double of the monthly allotment

It can be seen from **Table-3.1.2** that in the sampled districts, the storage facility was 36,530 MT against the requirement of 74,743.74 MT which was 38,213.74 MT short of the planned storage capacity for the six districts.

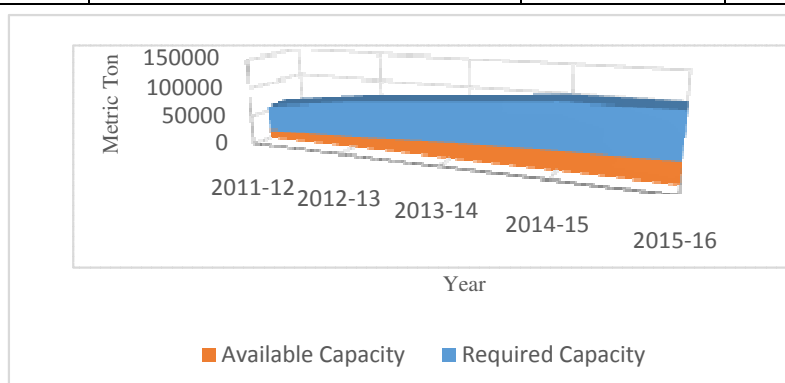
Of this, in three districts (Dhanbad, Garhwa and Lohardaga) the available storage capacities (20530 MT) were more than the monthly allotment (17383 MT) of food grains although less than the required capacities (34766 MT).

The variance in storage deficits was between 30 *per cent* and 63.54 *per cent* against the average shortage of 51.69 *per cent* across the state. The adverse effect of the shortage on the distribution of allotted food grains to the targeted beneficiaries is discussed in the succeeding paragraphs.

The year-wise availability of storage capacities were not available with the department/ MD, JSFCSC. The year-wise allotment and shortages calculated on the basis of godowns handed over in test checked districts is shown in **Table-3.1.3** below:

Table-3.1.3: Statement of year wise shortage of storage capacity in test checked districts

Year	In MT		
	Required Capacity (Double of Monthly allotment)	Available Capacity	Shortage
2011-12	44811.50	13780	31031.5
2012-13	61968.76	18030	43938.76
2013-14	67178.74	26030	41148.74
2014-15	76838.44	31030	45808.44
2015-16	74743.74	36530	38213.74



Source: data provided by District offices

Department sanctioned ₹ 14.82 crore (during 2009-16) to boost storage capacity from 5,030 MT to 58,030 MT in the sampled districts but at the end of March 2016, the storage capacity was augmented from 5,030 MT to only 36,530 MT.

3.1.2.4 Skewed availability of storage space due to deficient planning

Audit observed that the department did not link the available storage capacity of godowns in the blocks with the monthly allotment of food grains for the beneficiaries in the blocks to work out the storage requirement and the construction needs. As a result of this failure, the available storage capacity became skewed as reflected in **Table-3.1.4**:

Available storage capacity was skewed as monthly allotment was not linked to available storage space to work out the construction needs

Table-3.1.4: Status of food grains allotment vis-à-vis storage capacity

(in MT)

Sl. No.	Nos. of Blocks	Remarks	Allotment of food grains	Storage Capacity	Required Storage Capacity	Shortage(-)/ Excess(+) capacity
1.	55	Godown tagged with godowns in other blocks	12216.43	Nil*	24432.86	(-) 24432.86
2.	156	Total Storage capacity less than monthly allotment	109622.28	55200	219244.56	(-) 164044.56
3.	17	Total Storage capacity more than double the allotment	10692.57	35550	21385.14	(+) 14164.86
4	31	Storage Capacity greater than monthly allotment but less than the requirement i.e. double	19682.47	30654	39364.94	(-) 8710.94

* Godowns having capacity of 13950 MT were not functional

- In 55 of 259 blocks (21 per cent) in the state, godowns were not functional in 52 blocks and for storage of their food grains, these blocks depended on the storage facility of other blocks. In the remaining three blocks⁵, there was no godown for storage of food grains.
- In 17 blocks under 13 districts, the storage capacity (35,550 MT) exceeded the required capacity (21385.14 MT) by more than 50 per cent (14,164.86 MT) while across the state the shortage was 1,51,155.86 MT. Thus, excess storage capacity co-exists with an overall shortage in storage resulting from poor planning. However, the use of excess storage capacities over requirement have not been planned.
- On the other hand, 156 blocks in 24 districts had storage capacity (55,200 MT) which was less than monthly allotment (1,09,622.28 MT) of food grains by 54,422.28 MT while in 31 blocks storage capacity (30,654.00 MT) was more than monthly allotment (19,682.47 MT) of food grains by 10,971.53 MT but this was less than the required capacity by 8710.94 MT.

The Secretary of the department accepted the audit findings and stated (October 2016) that instructions have been issued to make all the constructed godowns functional. The reply was not convincing as the department did not plan either to gainfully utilise the excess storage space created or to make alternative arrangements to address the shortage of storage capacity by hiring of private godowns or godowns of FCI etc.

3.1.3 Construction and commissioning of godowns

3.1.3.1 Construction of godowns

The department released ₹ 77.00 crore for construction of 420 godowns to enhance storage capacity of food grains in the state by 1,90,000 MT during 2009-16. Out of the above, construction of 317 (75 per cent) godowns with 1,23,000 MT capacity was completed at block/ district levels, details of which are given in the Flow Diagram and **Table-3.1.5** below:

⁵ Kukru in Seraikella Kharsawan district, Chandrapura and Jaridih in Bokaro district

Flow diagram indicating godowns sanctioned, completed, functional in the State and selected districts

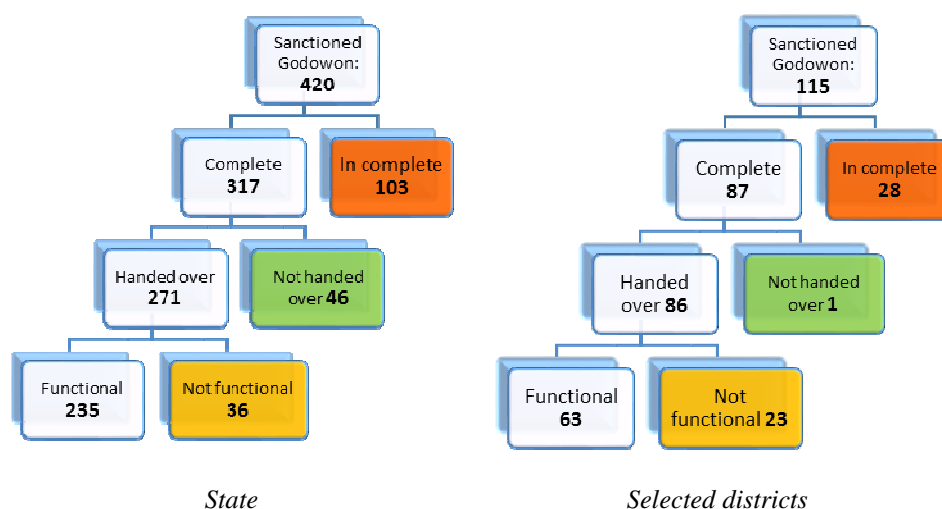


Table-3.1.5: Statement on construction of godowns for the period 2009-16

Year	Sanctioned Godowns	Total Capacity (MT)	Construction Completed*	Godowns handed over*	Godowns functional*	No. of incomplete godown
2009-10	123	42750	119	108	106	4
2010-11	153	38250	134	107	75	19
2011-12	41	41000	27	26	24	14
2012-13	55	29500	34	29	29	21
2013-14	24	18500	03	1	1	21
2014-15	3	2500	0	0	0	3
2015-16	21	17500	0	0	0	21
Total	420	190000	317	271	235	103

Source: Food, Public Distribution and Consumer Affairs Department
*as of April 2016

Table-3.1.5 and flow diagram revealed the following:

Out of constructed 317 godowns, 82 godowns (26,750 MT capacity) were not functional

- Out of 420 godowns taken up for construction to create storage space of 1.90 lakh MT, only 317 godowns were completed. Of this, 271 godowns were handed over and 235 godowns were functional. As a result, only 96250 MT storage space could be created by the 235 functional godowns during 2010-16 against the target of creating 1.90 lakh storage space.
- Of the 317 completed godowns, 46 godowns completed at cost of ₹ 5.14 crore created storage space of 16,250 MT (**Appendix-3.1.3**). However, the godowns were not handed over to the department for operation due to various reasons like damage to roof/wall, lack of approach road. Thus, the objective of creating additional storage space was defeated.
- Of the 271 handed over godowns, 36 godowns⁶ with storage space of 10,500 MT were not functional due to absence of approach road, damaged roofs/ walls etc. Thus, the desired storage capacity could not be achieved.
- Out of 420 sanctioned godowns, 103 godowns targeted to create 67,000 MT storage space could not be completed as of October 2016. Of this, 33 godowns targeted to create storage capacity of 20,500 MT were not taken up

⁶ Expenditure details not available separately with the department

as land was not available. Resultantly, funds worth ₹ 8.72 crore released for construction of these 33 godowns were blocked in bank accounts of DSOs or in Deposit head (8782) of Building Construction Department (BCD). This defeated the objective of activating the desired storage capacity.

3.1.3.2 Construction of godowns in selected districts

The findings in the test-checked districts with respect to construction of godowns are shown in **Table-3.1.6** below:

Table-3.1.6: Statement on construction of godowns in the test checked districts for the period 2009-16

Year	Sanctioned Godowns	Total Capacity (MT)	Construction Completed*	Godowns handed over*	Godowns functional*	No. of incomplete godown
2009-10	32	12000	29	29	24	3
2010-11	45	11250	37	37	24	8
2011-12	12	12000	10	10	7	2
2012-13	15	10000	10	10	8	5
2013-14	6	4500	1	0	0	5
2014-15	0	0	0	0	0	0
2015-16	5	4000	0	0	0	5
Total	115	53750	87	86	63	28

Source: DSO of test checked districts

* As of April 2016

It can be seen from **Table-3.1.6** that out of 115 godowns taken up for construction in test checked districts, only 87 godowns were completed and of this 63 godowns (54.78 per cent) were functional. Thus, storage space of only 27,250 MT could be created against the target of 0.54 lakh MT. Further, of the 28 incomplete godowns, 17 were not taken up as land for construction could not be acquired for periods ranging from 10 months to 66 months as detailed in the **Table-3.1.7**. Audit noticed that for these 17 godowns targeted to create 12,000 MT storage capacity, ₹ 7.69 crore provided to the Executive Engineers, BCD of the respective districts remained blocked. The balance 11 godowns targeted to create 6000 MT storage space could not be completed due to local hindrances and poor monitoring on which expenditure of ₹ 1.44 crore proved unfruitful besides frustrating the objective of creating storage space.

Table-3.1.7: Godowns for which construction not started

(₹ in crore)

Sl. No.	District	Godowns not constructed	Amount Released	Date of sanction of godown	Reasons for Construction not taken up
1	Deoghar	3	2.99	12.02.2014(1), 24.04.2015(1), 24.04.2015(1)	Land was not made available
2	Dhanbad	2	1.26	04.03.2014(1), 04.11.2015(1)	Land was not made available
3	East Singhbhum	4	1.98	22.02.2013(2), 24.04.2015(2)	Land was not made available
4	Garhwa	2	0.76	12.02.2014(1), 24.04.2015(1)	Land was not made available
5	Hazaribagh	6	0.70	18.03.2011(4), 13.10.2011(1), 26.03.2013(1)	Land was not made available
	Total	17	7.69		

Source: DSO of concerned districts

- **Newly constructed godowns lying unutilised**

In the sample districts, department provided ₹ 14.82 crore during 2009-10 to 2015-16 for construction of 115 godowns of 53,750 MT storage capacity. Audit noticed that 23 godowns constructed at a cost of ₹ 2.50 crore were not being utilised (**Appendix-3.1.4**) by the department for various reasons like damage to roof/wall, lack of approach road or were simply lying idle because of not being handed over to the department by the EE, BCD of respective districts as can be seen in the **Table-3.1.8**:

Table-3.1.8: Statement of godowns constructed but not being utilised

			<i>₹ in lakh</i>
District	Reason for godowns not being utilised	Number of Godowns	Total Cost of Construction
Deoghar	Damaged Roof/ Wall and lack of approach road	4	40.37
Dhanbad	Lack of Approach Road	3	60.48
East Singhbhum	Lack of Approach Road	4	54.27
Garhwa	Damaged Roof	8	58.88
Hazaribagh	Lack of Approach Road	3	29.61
Lohardaga	Damaged Roof	1	6.33
Total		23	249.94

Source: DSO of concerned districts

Audit further revealed that the department did not make provision for construction of approach road in the estimate. Besides, in all such cases the DSOs also failed to request the department for funds for construction of approach roads.

The Secretary to Government replied (October 2016) that instructions would be issued to districts to take over the completed godowns and operate them. The Secretary also replied that instructions were issued to JSFCSC to repair the damaged godowns. Instructions have also been issued to district administration to construct approach roads from other funds.

(i) The damage to newly constructed (September 2010 to August 2014) but unutilised godowns also indicated failure on the part of EE, BCD to ensure adequate quality in the construction of godowns.

(ii) In joint physical verification, Audit found out that:

- The floor, walls, roof, drainage system and platform were in a damaged condition in newly constructed godowns at Deoghar Sadar (2), Devipur (1) and Sarwan (1). Godowns of varying capacities and completed on different dates at Deoghar Sadar (1,000 MT: 23 September 2010; 250 MT: 17 November 2011) and at Devipur (250 MT: 24 March 2011) blocks were not in use, while at Sarwan (250 MT: 21 September 2010) block it was in use.
- The newly constructed (completed in June 2014) godown in Tatijharia block did not have an access way for a truck. Moreover, the godown was constructed in the lowest area of the block campus resulting in the risk of it being flooded in the rainy season. The godown was not in use.

The Secretary stated (October 2016) that fund was given to JSFCSC recently for repairs of old godowns and if newly constructed godowns required repairs, those would be got repaired through BCD.

Audit recommends that responsibility for poor quality construction should be fixed by the department and repairs, where ever required, should be done by the respective contractors at no extra cost to Government.

These godowns were not functional due to damage to roof.



*Baniya Hill, Jharia block, Dhanbad
(13.05.2016)*



Kairo block, Lohardaga (03.06.2016)

• **Cost escalation due to delays in construction**

Failure to commence work in time for 20 godowns resulted in cost escalation of ₹ 2.77 crore

In the test-checked districts, audit noticed that failure to commence construction works of 20 godowns (13,000 MT) in 19 blocks in time resulted in cost escalation of ₹ 2.77 crore (**Appendix-3.1.5**) due to revision of schedule of rates. Of these, in five godowns⁷ (three in Hazaribagh and two in Deoghar), the respective EEs of the BCD failed to begin construction even after sanction of revised estimates for eight months to three years.

Penalty of ₹ 45.12 lakh was not imposed on contractors for delays in completion of godowns

• As per Clause 2 of F2 agreement, if the agency fails to complete the work on time, it is liable to pay penalty at the rate of 10 *per cent* of estimated cost. In Deoghar, Garhwa and East Singhbhum districts, 40 works executed during 2009-16 were not completed on schedule dates resulting in delay between 11 days and five years and six months; however, penalty of ₹ 45.12 lakh⁸ (**Appendix-3.1.6**) was not imposed on contractors for the delays.

• In Hazaribag, the EE, BCD, Hazaribag constructed a godown at Barhi block at a cost of ₹ 8.26 lakh against the estimated cost of ₹ 7.32 lakh, but without prior approval of the competent authority. This resulted in creation of liability of ₹ 0.94 lakh which was unpaid as of March 2016.

• In Hazaribag, construction of godown work at Churchu block was stopped midway after incurring an expenditure of ₹ 3.19 lakh (March 2013). No action was taken by the department to complete the work, despite availability of funds.

Thus, storage capacities in blocks could not be augmented because of delays in construction, completed godowns not handed over or not made functional etc.

The Secretary to the Government accepted (October 2016) the audit findings and said that instructions have been issued to all districts to complete pending work of godowns and to utilise completed godowns for storage of food grains.

⁷ Included in **Table-3.1.8** above, Katkamdag, Daru & Dadi blocks in Hazaribagh district; Deoghar and Mohanpur blocks in Deoghar district

⁸ Deoghar ₹ 10.08 lakh, East Singhbhum ₹ 17.05 lakh and Garhwa ₹ 17.99 lakh

The Secretary also stated that responsibilities for cost escalation would be fixed and orders for recovery of penalties would be issued.

3.1.4 Operation and maintenance of godowns

Examination of operation and maintenance of godowns in the sampled districts revealed the following observations:

3.1.4.1 Food Grain Storage

Physical verification of Food Grain storage conducted by audit team along with Assistant Godown Manager of concerned godowns revealed that:

- In Garhwa block, two godowns (1250 MT) where food grains were stored had damaged roof, walls and floor while in another godown (1,000 MT), there were badminton poles installed in the floor which indicated possible use of the godown for other purposes. Condition of godowns and food grains can be assessed from the following photographs:



Photographs depicting crack in roof. Pipes on which asbestos sheet lay were away from wall in Garhwa block godown in Garhwa district (20 August 2016)



Photograph depicting green grasses/plants on bags of food grains in Garhwa block godown in Garhwa district (20 August 2016)



Photograph depicting damaged blacked bags of food grains in Garhwa block godown (1000 MT) in Garhwa district (20 August 2016)



Above photograph depicting food grains godown was used to play badminton in Garhwa block godown (1000 MT) in Garhwa district (20 August 2016)



Photograph depicting cracks on wall of 250 MT Garhwa block godown in Garhwa district (20 August 2016)



Photograph depicting damaged food grains in bag in Garhwa block godown (1000 MT) in Garhwa district (20 August 2016)

The Secretary to the Government stated (October 2016) that DM, JSFCSC, Palamau who was in charge of Garhwa block was asked for verification report in this regard. The Secretary also sought verification reports from DMs of Hazaribag, Jamshedpur and Dhanbad.

• **Spoiling of Refined Iodised Salt:** Indian Journal of Community Medicines concluded in a study (July 2008) that attempts should be made to ensure that consumption of adequately iodised salt increase from 64.2 per cent at present to more than 90 per cent. For this, sustained efforts are required in Jharkhand to consolidate the current coverage of adequately iodised salt and increase it to greater than 90 per cent. Iodised salt was being distributed to the beneficiaries through Public Distribution System at subsidised rate in Jharkhand. During physical verification of godown at JSFCSC Ghatsila, audit noticed stacks of inconsumable refined iodised salt as they were spoilt. The details on amounts and value of the salt was not quantified by the department. The condition of the salt can be assessed from photographs below:



Damaged salt stored in a Ghatsila godown, East Singhbhum (Jamshedpur) district (21 July 2016)

Secretary to the government stated that reasons would be called for from the concerned officials. However, the fact remains that no action has been taken for the disposal of unconsumable salt bags.

- In Vishnugarh block under Hazaribag district, trucks were found lined up waiting to unload food grains due to shortage in storage space as the monthly allotment (659 MT) of food grain in the block was more than the available storage capacity (350 MT) by 309 MT. This is shown in the photographs below:



Vishnugarh Godown, H'bagh, full up to the entrance (17 March 2016)



Trucks waiting to be unloaded in the Godown at Vishnugarh block campus, H'bagh (17 March 2016)

3.1.4.2 Compliance to Warehouse Manual Provisions

Storage of foodgrains in godowns was done in unscientific manner without adherence to standard prescribed norms

Warehouse Manual For Operationalising of Warehousing (Development & Regulation) Act, 2007, prepared by the Warehousing Development and Regulatory Authority (WDRA) recommends⁹ specifications of warehouses, warehouse management system, equipment required for warehouses, physical analysis, laboratory, insect/pest management, inspection of warehouses by inspection agency and other operations carried out in the warehouses. Audit compared operation and management of 28 godowns in the test-checked blocks inspected by the audit team with the provisions of the manual and found the following deficiencies as mentioned in **Table-3.1.9**:

Table-3.1.9: Statement of unscientific storage of food grains in godowns without adherence to prescribed norms

Sl. No.	Issue	Provision of Warehouse Manual	Audit observation on Operations
1.	Unscientific Storage	Scientific stacking and storage required to avoid damage to the stocks including stacking of commodities on suitable dunnage material viz., bamboo mats, polythene sheet, etc., manner of stacking, spacing between stacks, labelling of stocks, maintenance of ventilation, provision of adequate lighting etc.	Food grains were dumped in the godowns ignoring provisions of the manual for stacking, dunnage, marking or fumigation coverage etc. As food grains were not stored in stacks, <i>First In First Out</i> distribution method of food grains was not being followed.
2.	Contamination of Food grains	Losses in food grains can be broadly classified as loss in weight, loss in quality, nutritive value and loss in hygienic quality due to contamination with excreta.	Physical verification of godowns found presence of rodents/ birds and their excreta was contaminating the godowns.
3.	Absence of Fire-fighting equipment	To protect stocks from losses due to hazards as per "National Building Code 2005" which recommends that Godowns up	Fire-fighting arrangement were not made in any of the physically verified godowns.

⁹ Page 86, Chapter 13, Warehouse management System

Sl. No.	Issue	Provision of Warehouse Manual	Audit observation on Operations
		to 1500 MT capacity should be provided with three fire extinguishers and 15 fire (sand) buckets.	
4.	No trainings on fire-fighting	AGMs and other staff of godowns should get training on the basic principles and general procedure of fire fighting in a warehouse.	Trainings related to basic principles and general procedure of fire fighting were not provided even to a single staff engaged in management of godowns.
5.	No Quality testing	A small physical analysis laboratory should be set up in each godown for testing the quality of the commodities stored.	Audit noticed that neither there was any laboratory in JSFCSC godowns for testing of quality of food grains nor the quality of food grains was being tested in any external laboratory.
6.	Absence of Security arrangements	Fool proof security arrangements of godowns with round the clock security guards was required.	No security arrangement in any of inspected godowns was noticed.
7.	No Insurance for food grains	Insuring all stocks in godowns against fire, flood, theft, frauds/ misappropriation, strikes and terrorism was required.	No insurance coverage for food grains stored in JSFCSC godowns in blocks of six districts was made.



Dunnages lying idle and foodgrains dumped on floor in Barmasia godown (Dhanbad) (Top) (13 May 2016)



Food grains contaminated with rats excreta, Barhi Block Godown (Hazaribag district) (16 March 2016)

The Secretary to the Government stated (October 2016) that provisions of Warehouse Manuals (WDRA) are applicable in such godowns like FCI and Central Warehousing Corporation (CWC) where storage of food grains are done at large scale. It is, however, worthwhile to mention here that Audit in the entry conference had informed the government about using the 'Warehouse Manual for operationalising of Warehouse' as an audit criteria to examine functioning of the JSFCSC godowns in the absence of godowns manual of the department and this was accepted by the government.

Further, in the exit conference the Secretary stated that Government was in the process of hiring of private agencies for management of godowns and the provisions of manuals for scientific storage, as suggested in the report, would be examined for implementation in the state.

3.1.4.3 Food Grain quantity not verified

After receipt of release orders, FCI weighs and releases food grains to transporters nominated by JSFCSC for transporting the grains to JSFCSC godowns. Audit noticed that there was no arrangement in JSFCSC godowns to verify received quantity of food grains as none of the inspected godowns had functional electronic weigh bridges.

AGMs of JSFCSC godowns stated that food grains were weighed at FCI godowns at the time of receipt of food grains by lifting-in-charge of JSFCSC and handed over in truck/ vehicle to transporter of JSFCSC. There was no weigh bridge in godowns to weigh food grains at the time of receipt and unloading of food grains from trucks at godowns of JSFCSC. The digital weigh machines supplied by the department to JSFCSC godowns were not suitable to weigh huge quantity of food grains at the time of receipt and unloading of trucks.

The Secretary accepted Audit findings and stated that all DMs of JSFCSC were being instructed to ensure weighing of food grains from FCI before taking receipt of food grains in godowns. Further, it was stated (October 2016) that Digital Weighing Machines were provided to all AGMs of JSFCSC godowns. However, during physical verification of godowns Audit noticed that digital weighing machines were not being utilised to verify receipt of requisitioned food grains.

3.1.5 Implications of inadequacies in food grain storage

3.1.5.1 Short lifting and resultant short distribution

Food grains were provided to Targeted Public Distribution System (TPDS) beneficiaries under AAY, BPL, Additional BPL, APL up to September 2015. Under TPDS, GoI allocated 73.40 lakh MT food grains during 2011-16 (up to September 2015). Against this, SFC lifted only 53.61 lakh MT (73 per cent) food grains resulting in short lifting of 19.79 lakh MT food grains.

Further, NFSA got implemented in the state from October 2015. Under NFSA 7.81 lakh MT food grains was allotted by GoI. Against this, 6.37 lakh MT could only be lifted by the SFC resulting in short lifting of 1.44 lakh MT food grains. Thus, there was total short lifting of 21.23 lakh MT food grains as depicted in **Table-3.1.10**:

Table-3.1.10: Short lifting and short distribution of food grains

Year	GoI Allotment	Lifting of Food Grains by JSFCSC	In MT	
			Short Lifting	Short lifting (Per cent)
April 2011 to September 2015	7340023.62	5361142.000	1978881.620	26.96
October 2015 to March 2016	780824.424	636901.536	143922.888	18.43

21.23 lakh MT food grains were short lifted against the allotment from FCI by JSFCSC during 2011-16

The Secretary of the department stated that the short lifting of food grains against allotment as pointed out by audit was near to actual. The Secretary further stated that to lift the food grains, requests have been made to GoI for extension of time and revalidation of lapsed allocation but the same had not been granted.

Audit further observed that the short lifting of food grains have resulted in disruption of mandate in providing food grains to PHH and AAY beneficiaries. This was also confirmed during beneficiary survey (November 2016) with 23 beneficiaries in Lohardaga district in which all the 23 out of 23 beneficiaries reported to audit that they did not get their entitled food grains for the month of March 2016. Likewise, three Fair Price Shops which audit visited and were responsible to distribute food grains to 821 PHH and 108 AAY families under NFSA also reported to audit that they had not distributed food grains to the beneficiaries for the month of March 2016. However, neither food security allowance, though admissible under section 13 of the NFSA, was paid to these beneficiaries nor the department identified all those beneficiaries (both TPDS and NFSA) who could not be provided their required quantities of food grains during 2011-16 as a result of the short lifting.

The Secretary stated (October 2016) that food grains could not be lifted due to festivals and elections in the state and requests for revalidation of lapsed allocation were under consideration of Government of India. The Secretary also stated that no food security allowance would be given in any case, as no claims for the same have been received pertaining to 2015-16. However, the food grains would be allocated to beneficiaries if the revalidation is approved and received.

The reply is not acceptable as festivals and elections are known to Government well in advance and adequate measures to avoid disruption were to be ensured. Hence, these excuses cannot be accepted as valid grounds for failing to lift the entire quantities of the food grains. Further, the beneficiaries were not made aware of their right to get the food security allowance under the Act which was evident from absence of a single claim under NFSA, in one year of its operation in the test checked districts.

3.1.5.2 Unscientific storage and deterioration in quality

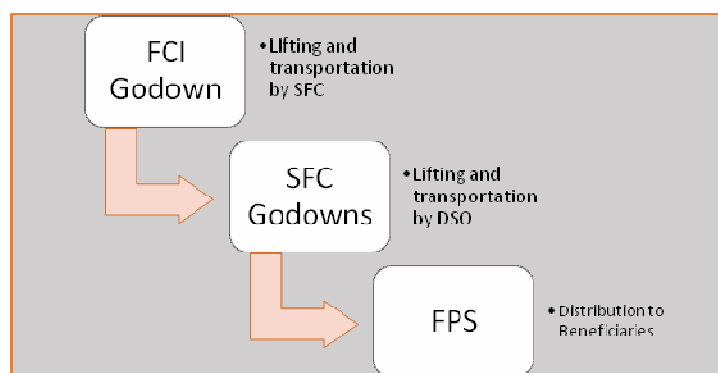
Audit noticed that quality of food grains stored in JSFCSC godowns, which were issued to FPSs for distribution to beneficiaries, was not tested as no test facility was available in the godowns. Also no agency was accredited for quality test of food grains. It was also noticed during physical verification that the condition of godowns was not up to mark as discussed in paragraph 3.1.4.1. Further, in the absence of any quality check, Government was not in a position to certify that the food grains reaching the beneficiaries have not deteriorated in the process of storage and transportation of food grains. Audit noticed deterioration of food grains and salt as discussed in paragraph 3.1.4.1 and 3.1.4.2 during physical verification.

The Secretary to the Government stated (October 2016) that food grains of Fair Average Quality were being supplied from FCI godowns which were in turn being distributed to beneficiaries. Reply was not acceptable as during

physical verification audit observed that neither was the FIFO (first in first out) method of distribution of food grains from SFC godowns being followed nor was quality test being done at any stage of storage/ transportation of food grains.

3.1.6 Irregularities in Food Grain transportation

Food Grains are allotted to the state by GoI on the basis of the scheme guidelines and identified number of beneficiaries. The department allocates the food grains to districts which is again sub-allocated by DSOs to blocks in proportion to the number of beneficiaries. To lift the food grains, JSFCSC deposits the cost of allotted grains (district wise) with FCI which subsequently issues a 'Releasing Order' for the food grains. The JSFCSC lifts food grains from FCI godowns and transports these at its own cost to JSFCSC godowns in the blocks. Thereafter, DSOs transports these grains to FPS at its own cost under Door Step Delivery System after the FPS dealers deposit the prescribed cost of grains with JSFCSC. The scheme shows the distribution of food grains from FCI to FPS.



3.1.6.1 Discrepancies in quantities of Food Grains

FCI provided data on food grains lifted by JSFCSC from its godowns under various schemes. Audit compared the yearly figures of FCI for the state with the JSFCSC figures maintained by them in their head office. The comparison indicates that lifting accounted for by FCI is greater than that recorded by JSFCSC during 2012-15 while it was less for the years 2011-12 and 2015-16, as detailed in **Table-3.1.11** below:

Table-3.1.11: Difference in Food grain lifting figures of FCI and SFC

(in MT)

Year	Food grain Qty as per Release Order of FCI	Food grains# lifted as per FCI (A)	Food Grains lifted as per JSFCSC (B)	Difference	Minimum Loss* (₹ in crore)
2011-12		1240534.756	1259063.465	(-)18528.709	Nil
2012-13		1290348.563	1245837.202	44511.361	78.01
2013-14		1142715.302	1115376.237	27339.065	52.17
2014-15		1202024.268	1174817.109	27207.159	25.41 [§]
2015-16		1188132.466	1202949.523	(-)14817.057	
Total		6063755.355	5998043.536	65711.819	155.59

[#]Rice and Wheat; ^{*}as per FCI Economic cost for purchase of wheat;

[§]assuming food grains of 2014-15 were lifted in 2015-16

There was discrepancy in lifting of food grains from FCI valued ₹ 155.59 crore in the records of FCI and JSFCSC requiring reconciliation

As per **Table-3.1.11**, the reported lifting of food grains by JSFCSC in its books in the five years period (2011-16) when cross checked with the quantities lifted as provided by FCI was found lower by 65,711.819 MT. This discrepancy in lifting of food grains valued at least at ₹ 155.59 crore in the records of these two agencies need to be reconciled as it may lead to misappropriation or diversion of the food grains for other purposes. The matter needs investigation.

3.1.6.2 Discrepancies in food grains in selected district

- **Grain transportation from FCI to SFC in East Singhbhum**

Audit compared the statement prepared by the District Managers (SFC) for food grains transported from FCI godowns to SFC godowns with the weight of food grains recorded in the paid vouchers on account of such grain transportation, in the case of East Singhbhum district.

As per the comparison, weight of food grains for which transportation charges were paid by SFC were lower than the food grains lifted from the FCI by 12148.32 MT. Details are in **Table-3.1.12**:

Table-3.1.12: Statement of food grains transported from FCI to SFC godowns (in MT): in East Singhbhum

Year	FG lifted from FCI to SFC godowns as per records of DM (A)	FG as per transportation vouchers of DM (B)	Discrepancy in Food Grains (A – B)
2011-12	69248.37	56666.57	12581.80
2012-13	77677.32	80030.87	(-) 2353.55
2013-14	70028.62	69713.74	314.88
2014-15	75237.00	76280.96	(-) 1043.96
2015-16	73264.41	70615.26	2649.15
Total	365455.72	353307.4	

It was observed that in the years 2012-13 and 2014-15, quantity of food grains entered in the transportation vouchers were more than the food grains lifted as recorded by FCI. The DM, East Singhbhum could not explain the difference/shortage in transportation of food grains and location or disposal, if any, of the remaining food grains. There is a need to reconcile this discrepancy and the matter needs investigation.

- **Grains transportation from SFC to FPSs in East Singhbhum**

Audit further compared quantity of food grains transported to the FPSs by the DSO and with the quantity recorded in the vouchers on account of grain transportation from SFC to FPSs maintained in the office of the DSO. The results of the comparison are indicated in **Table-3.1.13**:

Table-3.1.13: Statement of transportation of Food Grains from SFC to FPS in E. Singhbhum district

Year	FG transported from SFC to FPS as per DSO (A)	FG for which transport costs paid by DSO (B)	Missing Food Grains (A-B)
2011-12	57716.72	55883.50	1833.22
2012-13	77096.15	NA*	-NA-
2013-14	70408.01	51177.05	19230.96
2014-15	74792.26	58102.46	16689.80
2015-16	73424.48	55885.88	17538.60
Total	353437.62	-	55292.58^

**Transportation for 2012-13 was done at block level for which vouchers were not produced. ^ Excluding 2012-13*

It is evident from **Table-3.1.13** that:

- The discrepancy of food grains calculated by comparing quantity of food grains as per transportation vouchers with food grains shown transported to FPS as per the DSO records was 55,292.58 MT during 2011-16 (except 2012-13 as the vouchers for the period were not made available to audit). Bills for transportation cost of food grains under DSO for the year 2012-13 were not produced to audit in DSO office, East Singhbhum. So, audit could not ascertain quantity of food grains transported from JSFCSC godowns to FPS on the basis of DSO vouchers.
- Transportation of food grains was done by Marketing Officer (MO)/ Block Supply Officers (BSOs) themselves by arranging private transporters for the seven Blocks as no quotations were received against the tender floated by the DSOs.
- Audit noticed that ₹ 39.74 lakh (**Appendix-3.1.7**) were paid by DSOs for transportation of 14,193 MT food grains to BSOs/ MOs without supporting vouchers (indicating vehicle no., date/ quantity of transportation, receipt of FPS dealers etc.) in the year 2011-12 and 2013-14. On being questioned about the authenticity of the vehicles used for transportation no reply was furnished by DSO, East Singhbhum.
- **Suspicious and apparently fraudulent bills for food grain transportation:** Audit examined the bills produced by BSOs/ MOs for transportation of food grains and verified the vehicle numbers purportedly used to transport food grains and found out that 126.45 MT food grains were shown to be transported by cars/ motor cycles (**Appendix-3.1.8**). Further, the diversion of such food grains to open market also could not be ruled out. The matter needs investigation.

The Secretary to the Government stated (October 2016) that the matter of discrepancy in figures of DM, DSO and Transportation Voucher for transportation of food grains under Door Step Delivery would be examined. Regarding apparently fraudulent bills for food grains transportation, the Secretary stated (October 2016) that matter will be looked into and suitable action would be taken.

3.1.7 Financial Management

3.1.7.1 Financial performance relating to construction of godowns

The department planned to augment storage capacity of godowns in the state in 2009-10. The department released funds for construction of godowns to DSOs who after drawing the money from the treasuries, transferred the funds to Executive Engineers (EEs), Building Construction Division (BCD) of respective districts for execution of construction as deposit work. Allotment for construction of godowns during 2011-16 is shown in **Table-3.1.14**:

Table-3.1.14: Statement of Allotment and expenditure

(₹ in lakh)			
Year	Allotment	Expenditure	Savings
2011-12	898.67	834.10	64.57
2012-13	1101.01	1100.91	0.10
2013-14	278.46	183.30	95.16
2014-15	2030.74	1239.62	791.12
2015-16	970.69	970.69	0.00
Total	5279.57	4328.62	950.95

Source: Appropriation Accounts

Audit noticed that

- The department did not maintain expenditure reports for funds transferred by it to the Building Construction department as the expenditure figures were never called for by the department from the DSOs. So proper monitoring of the expenditure was not done by the department.
- Out of allotment of ₹ 52.80 crore, ₹ 43.29 crore (82 per cent) was spent for construction of godowns during the years 2011-16. Thus, 9.51 crore could not be spent for reasons as discussed in paragraph 3.1.3.
- As per the allotment orders for construction of godowns, the expenditure statements were to be submitted to the department after verification of the expenditure by the Accountant General (Accounts & Entitlements), Jharkhand. The orders also mandated that the Utilisation Certificate for the expenditure shall be submitted to the department by 10th of every month. Audit scrutiny revealed that the expenditure statement were never submitted to government while against an allotment of ₹ 15.17 crore, Utilisation Certificates of ₹ 12.56 crore were not submitted.
- No budget provision was made by the department for repair and maintenance of godowns during financial years 2011-16. As a result, repairs of cracks or damages to floor, walls, damaged roofs etc. in its godowns were not carried out. Audit noticed that three godowns in the test checked blocks were either not functional or operating with damaged¹⁰ floors, walls etc.

¹⁰ Barhi, Bishnugarh block godown in Hazaribag district, Lohardaga block godown in Lohardaga district, Govindpur block godown in Dhanbad



Photograph depicting outside view of damaged wall and roof of Meral block godown in Garhwa district. Roof was covered with plastic sheet to protect from rain water (20 August 2016)



Photograph depicting inside view of Meral block godown in Garhwa district whose roof was damaged depicting plastic sheet to cover roof to protect food grains from rain water (20 August 2016)

- DSOs of the test checked districts transferred ₹ 870.73 lakh to the EEs, BCD of concerned districts to construct 59 godowns during 2009-15. Audit noticed that savings of ₹ 65.78 lakh¹¹ in the construction of these godowns were retained irregularly by the EEs, BCD.
- Refunds of ₹ 9.89 lakh made (June 2014) by EE, BCD Lohardaga to DSO, Lohardaga and ₹ 69.96 lakh made by EE, BCD, Hazaribag to DSO Hazaribag (July 2015) were parked by the DSOs in bank accounts (November 2015), in contravention of instructions of the department. This resulted in idling of government money. The DSOs should have remitted the funds in treasury as per rule.

Such examples of inadequacies in financial management arising during test check by Audit were a result of deficient monitoring of funds for construction and commissioning of godowns.

The department when requested failed to produce records on the basis of which the storage capacity for a block/ district was planned and funds allocated.

Regarding idling of funds with the Executive Engineer in districts, the Secretary to the Government stated (October 2016) that information regarding fund availability in Deposit heads would be collected from Building Construction Department and instructions would be issued to deposit unspent funds in appropriate Head in treasury.

3.1.8 Human Resource Management

The department under NFSA caters to the requirements of the marginalised sections of the society. Any deficiency in staff would result in compromising the efficient implementation of NFSA.

At the cutting edge, Block Supply Officers (BSO)/ Marketing Officers (MO) and Assistant Godown Managers (AGM) are responsible for monitoring and lifting/ distribution of food grains to the FPSs respectively.

¹¹ Deoghar ₹ 5.31 lakh, Dhanbad ₹ 30.14 lakh, East Singhbhum ₹ 8.81 lakh, Garhwa ₹ 4.88 lakh, Hazaribagh ₹ 14.52 lakh and Lohardaga ₹ 2.12 lakh

Audit scrutiny revealed significant shortages of manpower (March 2016) ranging from 53 to 92 per cent at all levels in the state as detailed in the **Table-3.1.15**:

Table-3.1.15: Manpower Position (March 2016)

Name of post	Responsibility under PDS	Sanctioned Strength	Person-in-position	Shortage	Shortage (per cent)
MO	Block level	129	12	117	91
BSO	Supervision/Monitoring	260	122	138	53
DM	District: Godown/ Food grain management	24	02	22	92
AGM	Receipt, Storage and Issue of Food grains	179	46	133	74
DSO	District In-charge of PDS scheme	24	11	13	54

(Source: Data provided by the department)

There was shortage of manpower ranging from 53 per cent to 92 per cent

The district officials in response to various audit enquiries also quoted shortage of manpower as reasons for the deficiencies in their functioning. That shortages were ranging from 53 per cent to 92 per cent were affecting the functioning of the department cannot be denied.

Audit noticed that due to shortages in man power, charge of godowns was given to other officers and even Block Development Officers and Circle Officers were in-charge of godowns who were untrained and unskilled in the area of food grains/ godown management. This might have resulted in unscientific storage of food grains (without stack direct on floor, without fire fighting system, without insurance coverage, without pest management) and short lifting of food grains.

The Secretary to the Government stated (October 2016) that services would be taken from an outsourced agency for JSFCSC manpower shortages and if outsourcing cannot be done then possibility of recruitment through JSFCSC will be considered.

Audit recommends that department reassess its manpower requirement on the basis of NFSA and accordingly deploy sufficient staff so as to function effectively.

3.1.9 Monitoring and internal control

3.1.9.1 Vigilance Committees not constituted/functional

Vigilance committees were either not formed or were not discharging their mandate

As per PDS Control Order 2001 and as per Notification (April 2013) of Food, Public distribution and Consumer Affairs Department, Government of Jharkhand, Distribution-cum-Vigilance Committees¹² were to be constituted at State, District, Block, Urban/ Rural, Nagar Panchayat, Fair Price Shop level to monitor stock of essential commodities at various levels. Jharkhand Panchayati Raj Act, 2001 also mandated vigilance and supervision of

¹² At state level under chairmanship of Minister, FPDC, GoJ/ Departmental advisor (during President rule), at district level under chairmanship of Adhyaksha, Zila Parishad, at block level under chairmanship of Pramukh of block, at Panchayat level under Chairmanship of Mukhiya of Panchayat, at Nagar Panchayat/ Nagar Nigam/Nagar Parishad level under Chairmanship of Adhyaksha of the institution, at Fair Price shop level under Chairmanship of Ward member

distribution of food grains under Public Distribution System through Panchayati Raj Institutions.

Audit noticed that Vigilance Committees were either not constituted or were defunct. The DSOs, Dhanbad and Lohardaga stated that Vigilance committee have been constituted at district level and efforts were being undertaken to constitute such committees at lower levels.

As per the instructions (February 2011) of the department, certificate of transportation of food grains under Door Step Delivery was to be taken by Vigilance Committees at Panchayat level and Ward Councillors etc. Audit observed that certificate of transportation of food grains under Door Step Delivery were not taken in the sampled districts from Vigilance Committees at Panchayat level and Ward Councillors etc. as vigilance committees were either not constituted or were not functional.

The Secretary to the Government stated (October 2016) that vigilance committees will be constituted at district levels, instructions will be issued to make district level vigilance committees functional and to constitute vigilance committees at other levels (Blocks, Panchayats, Fair Price shops, Urban).

3.1.9.2 Periodic inspection of Stocks/ Godowns

As per the Warehouse Manual for Operationalising of Warehousing (Development & Regulation) Act, 2007, AGMs of godowns should assess quality of food grains of entire stock during storage, physical conditions of the godowns at least once in 15 days or earlier. Prophylactic or curative treatments if required should be immediately carried out by the technical staff of the godowns.

During audit and physical verification of godowns it was observed that periodic inspection of stock/godowns in JSFCSC godowns in sampled districts was not conducted and this was probably responsible for quality deterioration of stock as discussed in paragraph 3.1.5.2 and lack of initiation of steps to repair damaged godowns as discussed in paragraph 3.1.7.1. The Secretary accepted the finding and stated (October 2016) that instructions had been issued to all District Managers in this regard.

3.1.9.3 Independent Inspection of godowns not conducted

Audit further noticed that neither inspection of the Stock or godowns by any independent agency was carried out in any of the test checked districts as is recommended in the Warehouse manual nor was there any order by the department to get inspection conducted by an independent agency.

The Secretary accepted and stated (October 2016) that instructions had been issued to all District Managers regarding the same.

3.1.9.4 Defalcation/ Wastage of food grains

In Dhanbad, 2,733.26 quintal food grains valued at ₹ 1.09 crore was reportedly defalcated by AGM of the godown in Tundi block in May 2014. Likewise 133.60 quintal rice was found rotten during physical verification by district administration.

Although responsibility for the above incident was fixed by the judiciary, it cannot be denied that the above incidents happened in the absence of an established monitoring/ vigilance mechanism.

The Audit findings indicate that internal control and monitoring of food stock was inadequate and there were no instructions by the government for independent verification of the food stock. The Secretary accepted the audit contention and stated (October 2016) that instruction to all District managers were issued to conduct surprise inspection of godowns from time to time.

3.1.10 Conclusion

Even after seven years of its own resolution, the department was behind its target of storage capacity by 1.51 lakh MT due to inadequate and faulty planning and execution. There were delays of more than six years in construction and commissioning of 103 godowns due to deficiencies in planning and implementation as well as ineffective monitoring resulting in insufficient godown storage capacity being created in the state. The effect of this was that 21.23 lakh MT food grains could not be lifted from FCI and this has resulted in disruption of mandate in providing food grains to the intended beneficiaries. In 28 godowns physically visited by Audit, provisions of Warehouse Manual were not adhered to in ensuring scientific storage and insurance of food grains putting the quality and quantity of food grains at risk. Manpower to manage the godowns and distribution of food grains was short to the extent of 92 *per cent* of requirement. Monitoring Committees were either not formed or were not discharging their mandate in cases when they were formed.

3.1.11 Recommendations

- The state government should immediately complete construction of godowns by prioritising those blocks where existing storage capacity is less than monthly allotment of food grains followed by blocks having storage capacity more than monthly allotment but less than planned storage capacity.
- Godowns which were not functional, handed over or complete should be reviewed and completed in a time bound manner.
- Scientific storage and distribution of food grains in compliance with the provisions of Warehouse Manual should be ensured.
- Sufficient and trained manpower should be engaged to manage food grains and Monitoring and Vigilance mechanism should be strengthened to prevent pilferage/ damage to food grains.

**FOOD, PUBLIC DISTRIBUTION & CONSUMER AFFAIRS
DEPARTMENT**

3.2 Audit on Paddy procurement and conversion into Custom Milled Rice

Executive summary

Government of Jharkhand introduced (2011) a programme to directly procure paddy from farmers and upon conversion, deliver Custom Milled Rice (CMR) to the Food Corporation of India (FCI) with effect from the *Kharif* Marketing Season (KMS) 2011-12. The objectives were to ensure that farmers benefit from receiving the Minimum Support Prices (MSP) for their paddy and do not have to resort to distress sales, in addition to increasing the quantity of CMR. The programme was implemented in all the 24 districts of the State for KMS 2011-12 and 2012-13 through state agencies. However, in KMS 2013-15 it was implemented in one/two districts only, but in 2015-16 again implemented in all the 24 districts - through FCI in 11 districts and through state agencies in 13 districts. Some of the major findings are as discussed below:

The Department failed to implement the paddy procurement programme during 2013-15 throughout the state as the fund worth ₹ 524 crore was not ensured by the Department to meet the procurement target of four lakh MT paddy resulting from failure to take the cash credit loan like in 2011-13 and effecting pending recovery of ₹ 178.96 crore from its debtors.

(Paragraph 3.2.3.2)

Government failed to counter the prevalence of middlemen in the programme during KMS 2011-13, as 4.58 lakh quintal paddy valued ₹ 52.17 crore were procured without obtaining valid land receipts from farmers in one district and 0.60 lakh quintal paddy worth ₹ 7.49 crore was reportedly procured in excess production in four districts.

(Paragraphs 3.2.3.3 and 3.2.3.4)

Delayed payment of ₹ 11.37 crore to 2445 farmers in KMS 2011-13 and failure to pay ₹ 99.41 crore during 2014-16, defeated the objective to prevent distress sale of paddy by farmers.

(Paragraphs 3.2.2.2 and 3.2.2.10)

Milling policy was not framed and no Management Information System was established to generate and disseminate reliable and consolidated information of its activities by the Department.

(Paragraphs 3.2.4 and 3.2.5)

3.2.1 Introduction

Government of Jharkhand (GoJ) introduced (2011) a programme to directly procure paddy from farmers and upon conversion, deliver Custom Milled Rice (CMR) to the Food Corporation of India (FCI) with effect from the *Kharif* Marketing Season (KMS)¹ 2011-12. The objectives were to ensure that

¹ The KMS specifies the period of paddy procurement and delivery of CMR to FCI

farmers benefit from receiving the Minimum Support Prices (MSP) for their paddy and do not have to resort to distress sales, in addition to increasing the quantity of CMR.

The Food, Public Distribution and Consumer Affairs Department (the Department), and the Agriculture, Animal Husbandry & Co-operative Department (*Co-operative Department*) are jointly tasked to execute this scheme. The Co-operative Department is responsible for ensuring procurement of paddy through the paddy procurement centres (PPCs)² under its control directly from farmers at MSP and its conversion into Custom Mill Rice (CMR) at tagged rice milling units. The Department executes the programme through Jharkhand State Food and Civil Supply Corporation Ltd (JSFC) which is appointed as the nodal agency.

A Flow chart of paddy procurement, milling and delivery of CMR is elaborated in **Appendix-3.2.1**.

The programme was implemented in all the 24 districts of the State for KMS 2011-12 and 2012-13 through state agencies. However, in KMS 2013-14 it was implemented in two districts only (Hazaribag and Ramgarh) while in KMS 2014-15 in one district (Hazaribag). Further, in 2015-16 it was implemented in all the 24 districts - through FCI in 11 districts³ (Palamu, South Chotanagpur and Kolhan divisions) and through state agencies in 13 districts⁴ (North Chotanagpur and Santhal Paragana divisions).

Audit was conducted between February and June 2016 to ascertain the adequacy, efficiency and transparency of the programme; efficiency in the financial management of the Department/nodal agency; efficiency of paddy procurement and conversion of paddy into Custom Milled Rice (CMR) under MSP; efficiency of the internal Control System, monitoring, supervision and quality control mechanism.

Audit selected eight⁵ out of 24 districts through Simple Random Sampling without Replacement Method (SRSWR). Further, in each district, eight PPCs were selected for scrutiny on the basis of quantity of paddy procured. Beneficiary surveys were also conducted.

An entry conference was held on 26 April 2016 with the Secretary of Food, Public Distribution and Consumer Affairs Department, GoJ to discuss the objectives, scope and methodology of the audit. An exit conference was held on 31 August 2016 to discuss the audit findings and recommendations with the Secretary of the Department. The Secretary accepted the findings in general and assured that all the stated provisions were being ensured. The replies given were suitably incorporated in the Report.

² Primary Agriculture Credit Co-operative Societies (PACCS), Large Area Multipurpose Co-operative Societies (LAMPS) are PPCs for the paddy procurement during KMS 2011-15, situated at *panchayat* levels. Further, Food Corporation of India (FCI) and LAMPS/PACCS as state agencies during KMS 2015-16

³ East Singhbhum, Garhwa, Gumla, Khunti, Latehar, Lohardaga, Medninagar, Ranchi, Saraikela-Kharshawa, Simdega and West singhbhum

⁴ Bokaro, Chatra, Deoghar, Dhanbad, Dumka, Giridih, Godda, Hazaribag, Jamtara, Koderma, Pakur, Ramgarh and Sahibganj

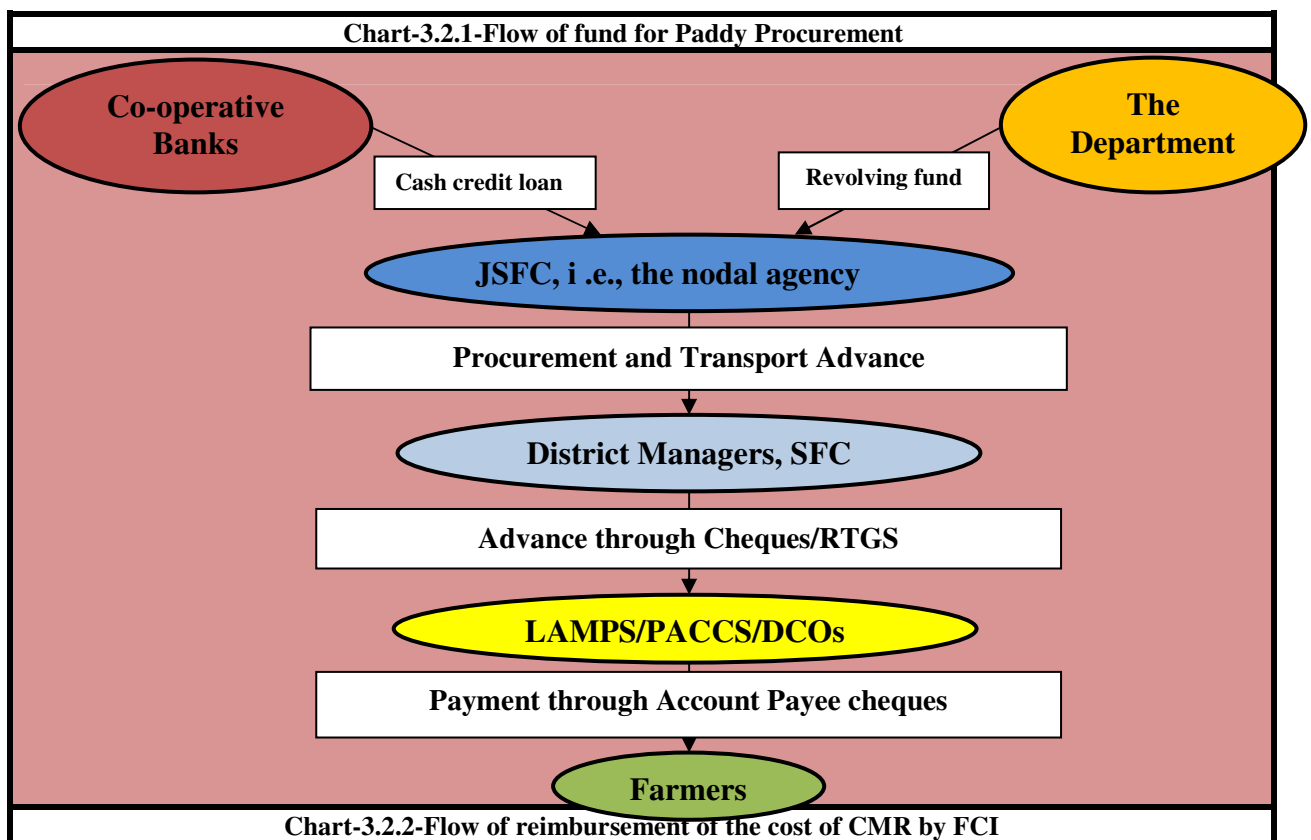
⁵ Bokaro, Deoghar, Dhanbad, Dumka, Garhwa, Hazaribag, Jamshedpur and Ranchi

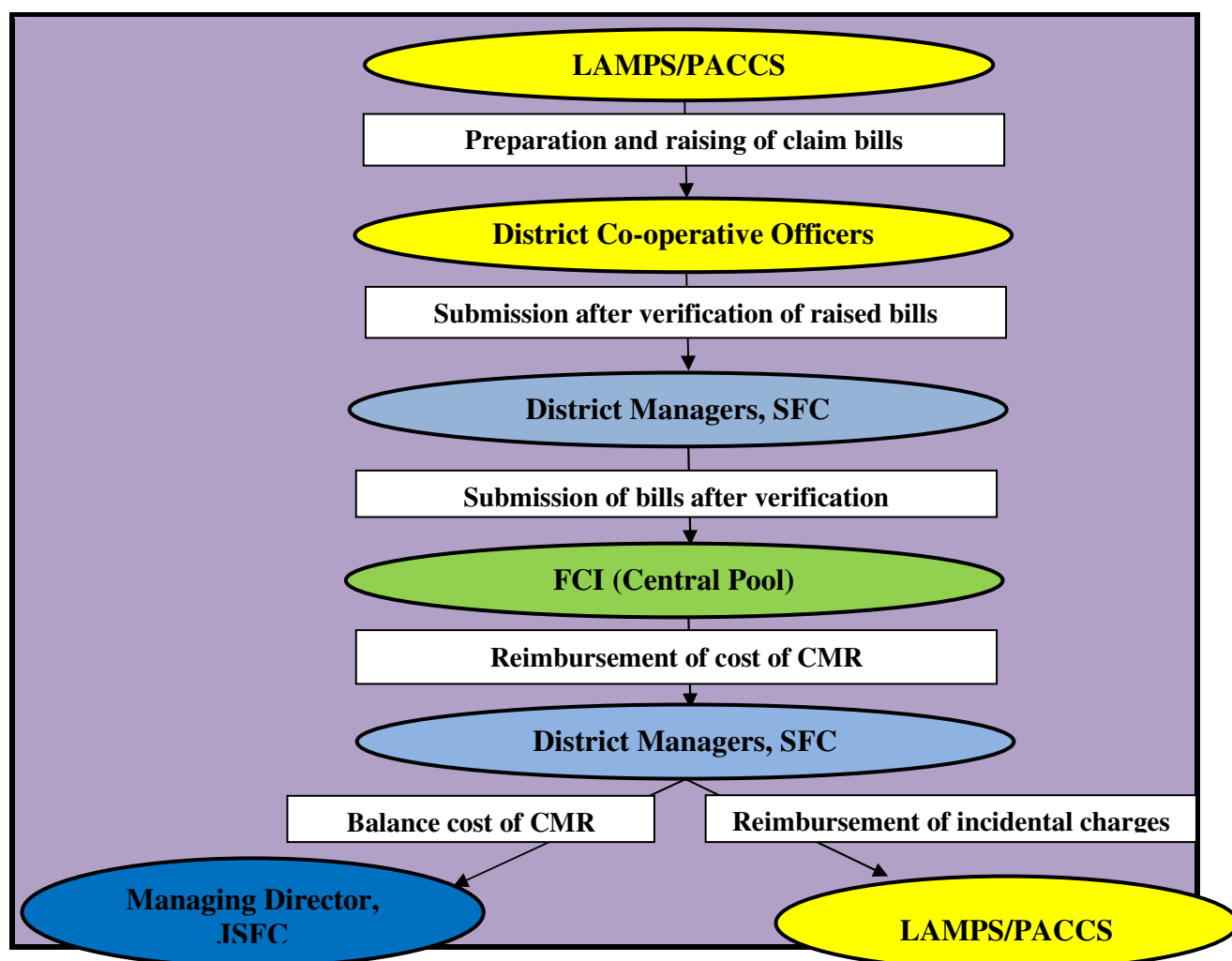
Audit findings

3.2.2 Financial Management

The Department created and provided (between February 2012 and July 2012) a revolving fund of ₹ 318.96 crore to JSFC for procurement of paddy. Further, JSFC also took a cash credit loan of ₹ 135 crore and ₹ 255 crore for KMS 2011-12 and 2012-13 at an interest rate of 13 *per cent* and 12 *per cent* respectively, from Central Co-operative Banks. For procurement of paddy and its transportation, JSFC made advances to PPCs through District Managers.

Audit noticed that the procurement advances for paddy was made in each KMS, except in KMS 2014-15. In addition, transport advance was also given in each KMS except during KMS 2013-14 and 2014-15. Flow of funds and reimbursement of the cost of CMR by FCI is shown in the **Charts-3.2.1 and 3.2.2**.





3.2.2.1 Loss of ₹ 1.19 crore for taking cash credit loan at higher rate

Audit observed in JSFC that letter/proposals were received (January 2013) from three⁶ nationalised banks and Central Co-operative Bank (CCB) in January 2013 for short term loan/credit facilities for paddy procurement in KMS 2012-13. The loan was taken from the Central Co-operative Banks (CCBs) at an interest rate of 12 *per cent*. However, State Bank of India (SBI) offered an interest rate of 10.2 *per cent* for providing cash credit facility on the conditions of furnishing audited balance sheet and profit and loss account of JSFC for the last three years and details of security and government guarantee etc. The Department failed to fulfill the conditions of the SBI and issued (February 2013) resolution for obtaining loan of ₹ 200 crore from the Central Co-operative Bank. This resulted in loss to the Government exchequer worth ₹ 1.19 crore⁷ on account of extra interest payment.

In the exit conference, the Secretary accepted the fact and stated (August 2016) that as the audited annual account of JSFC was not finalised, loan was taken from the CCBs at higher rates. However, no action was taken or

⁶ Allahabad Bank, Oriental Bank of Commerce and State Bank Of India

⁷ Payment already made at the rate of 12 *per cent* interest = ₹ 7.92 crore. For 10.2 *per cent* interest= 7.92 x 10.2/12= ₹ 6.73 crore. As such excess payment of interest was ₹ 1.19 crore (₹ 7.92 crore - ₹ 6.73 crore)

Cash credit loan obtained at higher rates due to not furnishing the audited annual account

contemplated for failing to finalise the accounts since 2011-12 which resulted in loss to government worth ₹ 1.19 crore.

3.2.2.2 Creation of liability of ₹ 96.32 crore

Paddy procured on credit from farmers

As per instruction (November 2011) issued for each KMS by the Department, monitoring committees headed by Deputy Commissioners (DCs) at the district level are to assess timely payments to farmers and the procurement as per availability of fund. The DM, SFC is to ensure that sufficient fund is available in advance. The procurement of paddy during KMS 2011-16, advances given and outstanding are shown in **Table-3.2.1**.

Table-3.2.1. Status of advance provided to PPCs for procurement of paddy

(Quantity in MT and Amount in ₹)

KMS	Quantity of Paddy procured (in MT)	MSP (₹ per MT)	Amount required for payment of procured paddy	Advance provided for paddy procurement	Difference (+) (-)
1	2	3	4	5	6 (5-4)
2011-12	3,93,819.16	10,800.00	4,25,32,46,928.00	4,24,27,66,786.80	-1,04,80,141.20
2012-13	3,15,990.19	12,500.00	3,94,98,77,375.00	3,98,65,80,834.60	3,67,03,459.60
2013-14	485.16	13,100.00	63,55,596.00	1,10,27,993.00	46,72,397.00
2014-15	6,153.99	13,600.00	8,36,94,264.00	0.00	-8,36,94,264.00
2015-16	1,29,920.04	14,100.00	1,83,18,72,564.00	92,15,00,000.00	-91,03,72,564.00
Total	8,46,368.54		10,12,50,46,727.00	9,16,18,75,614.40	-96,31,71,112.60

Source: Jharkhand State Food and Civil Supplies Corporation Limited, Ranchi

(+)- Procurement less than advance

(-)- Procurement more than advance

It could be seen from **Table-3.2.1** that against advance payments of ₹ 916.18 crore during KMS 2011-16, paddy worth ₹ 1012.50 crore were shown procured. This resulted in procurement of paddy worth ₹ 96.32 crore without payment to the farmers which created a liability on the government. It was further noticed that 6,153.99 MT paddy valued at ₹ 8.37 crore was procured without availability of advance in KMS 2014-15 while in KMS 2015-16, PPCs procured (upto April 2016) 1.30 lakh MT paddy worth ₹ 183.19 crore with advance funds of only ₹ 92.15 crore.

In KMS 2012-13 and 2013-14, post procurement, balance funds of ₹ 3.67 crore and ₹ 46.72 lakh respectively remained with the concerned DMs. However, no evidence of refund of the balance fund was furnished to audit either by the District Managers or by the Nodal Agency.

In the exit conference (August 2016) the Secretary stated that the payments were being made for KMS 2014-15 and the reasons for delayed payments were because of bank details not having been furnished by the concerned farmers. It was also stated that verification of actual procurement for KMS 2015-16 was under process as the procured quantity by the District Cooperative Officer (DCO), Deoghar was found unrealistic and payments were being made accordingly. The reply of the Secretary was not tenable as prior to procurement activities, the farmers wise details of bank accounts were to be obtained and physical verification of the actual quantity of procurement was also to be conducted by the concerned District Level Monitoring Committee (DLMC). The DLMCs thus failed to adhere to the conditions of

notifications issued by the Department, which resulted in creation of liability of ₹ 96.32 crore.

3.2.2.3 Irregular retention of fund of ₹ 18.78 crore besides interest of ₹ 4.50 crore

Audit observed in JSFC that as per order (June 2014) of the Department, JSFC advanced (June 2014) ₹ 20.50 crore from its Revolving Fund to 24 DCOs for procurement of paddy seeds through PPCs. It was directed (August 2014) by the JSFC that the DCOs should refund the unutilised amount failing which interest at the rate of 12 per cent would be charged.

However, it was observed that the DCOs did not utilise the advances but refunded only ₹ 1.72 crore (₹ 20.50 crore- ₹ 18.78 crore) to the nodal agency while the remaining ₹ 18.78 crore besides interest of ₹ 4.50 crore⁸ was not refunded and lying with concerned DCOs as of August 2016. The concerned DCOs did not take any steps to refund the unutilised amount retained by them while JSFC did not follow up the recovery.

In the exit conference the Secretary accepted (August 2016) the fact and stated that Principal Secretary, Agriculture, Animal Husbandry & Co-operative Department has been requested for ensuring recovery of the said amount. However, recovery, if any made, has not been intimated (November 2016) to audit.

3.2.2.4 Failure to receive reimbursement of interest-₹ 14.58 crore

According to the Departmental resolution (February 2013), JSFC and PPCs concerned are to finalise their accounts and get audited the amount for each KMS. On the basis of audited accounts, claim of interest would be placed before GoI for reimbursement of interest paid, excluding interest on incidental charges for two months, which is reimbursable by the FCI. Interest amount received from the GoI is to be deposited in the government treasury in the receipt Head (1456-Civil Supply) of the Department.

Audit noticed that JSFC did not have audited annual accounts for any of the KMS. However, for the cash credit loans of ₹ 135 crore (March 2012) and ₹ 255 crore (February and April 2013) JSFC paid (between December 2012 and October 2013) interest of ₹ 9.27 crore and ₹ 7.92 crore against these loans. Interest amount of ₹ 9.27 crore included interest charges of ₹ 2.61 crore as incidental charges for two months. Thus, claim for remaining interest of ₹ 6.66 crore (₹ 9.27 crore-₹ 2.61 crore) was required to be made to GoI for reimbursement. Further, interest on incidental charges for two months on the interest of ₹ 7.92 crore was not worked out by the JSFC. Hence, claim of interest for ₹ 14.58 crore could not be sought by JSFC from GoI in the absence of audited annual accounts and failure to work out the incidental charges.

In the exit conference (August 2016) the Secretary accepted the audit observation and stated that because of the failure to furnish the details of actual expenditure incurred on incidental charges by the concerned DCOs for finalisation of the audited annual accounts, claim could not be made by the nodal agency for reimbursement from GoI. However, Secretary did not give any reasons for not coordinating with the Secretary, Co-operative Department

⁸ ₹ 18.78 X 12 per cent X 2 = ₹ 4.50 crore

Fund of ₹ 18.78 crore for purchase of paddy seeds irregularly retained by the DCOs

In the absence of audited accounts, claim for reimbursement could not be sought from GoI

to get the required expenditure on incidental charges and to prepare the annual audited accounts by JSFC which prevented submission of claim to GoI.

3.2.2.5 Failure to raise claim bill of ₹ 44.34 crore besides pending reimbursement of ₹ 6.69 crore

According to the notification issued by the Department, FCI has to reimburse, the cost of CMR as per cost sheet fixed by the GoI, against bills claimed by the concerned PPCs along with the required documents as per FCI norms immediately after the delivery of CMR into the Central Pool. However, no specific time limit is provided for submission of claim bills.

Bills for ₹ 44.34 crore were not claimed by PPCs and bills of ₹ 6.69 crore were pending for reimbursement by the FCI

Audit observed in JSFC that during 2011-15, out of ₹ 730.08 crore of CMR delivered to the FCI, the concerned PPCs claimed bills for only ₹ 685.74 crore as of October 2016. Thus, bills for ₹ 44.34 crore were not claimed by the PPCs even after completion of four KMS. Further, it was noticed that out of bills claimed for ₹ 685.74 crore, FCI reimbursed ₹ 679.05 crore only and bills of ₹ 6.69 crore were pending for reimbursement as of October 2016 for want of required documents (**Appendix-3.2.2**).

Thus, the DLMC failed to pursue the PPCs to raise the bills with all the mandatory documents required for settlement of claim as per FCI norms. Consequently, FCI had not reimbursed the claims (November 2016).

In the exit conference, the Secretary accepted (August 2016) the audit observation and agreed to frame specific time limit for raising of claim bills by the PPCs. However, further action taken in this regard was not intimated (November 2016) to audit.

3.2.2.6 Failure to recover ₹ 30.69 crore from PPCs for short dispatch of paddy

₹ 30.69 crore was not recovered from PPCs against short dispatch of paddy

Audit noticed in JSFC that 886 PPCs procured 31.59 lakh quintal paddy in 24 districts in KMS 2012-13. Of these, 28.81 lakh quintal paddy were delivered to the 84 tagged Rice Millers for milling. The remaining 2.78 lakh quintal paddy valued ₹ 34.77 crore (at the rate of ₹ 1250 per quintal) had been lying with the concerned PPCs for more than three years. Of this, ₹ 4.09 crore was reported as recovered as of August 2016, while ₹ 30.69 crore was not recovered as of August 2016. However, the reported recovery of ₹ 4.09 crore could not be verified in audit as records in support of recovery were not available in the concerned DCO offices. Further, the DCOs also failed to monitor the entire dispatch of procured paddy to the millers.

The Secretary accepted (October 2016) the audit observation and stated that short dispatch of paddy was actually misappropriated by the PPCs and the Secretary, Co-operative Department was also requested to expedite the recovery from the PPCs. Further action was awaited (November 2016).

3.2.2.7 Failure to recover ₹ 83.43 crore from rice millers

Scrutiny of records of JSFC revealed that 8.30 lakh quintal CMR for KMS 2012-13 amounting to ₹ 152.69 crore was not delivered by 82 tagged rice millers to the FCI. Of this, ₹ 83.16 crore was later (June 2014) recovered while ₹ 69.53 crore had not been recovered from the concerned rice millers as of August 2016 due to monitoring deficits by concerned DCOs. This was despite

directions (September 2014) of Honourable High Court of Jharkhand to the Department to recover the outstanding amount in installments by 31 December 2014 by reconverting the quantity of CMR into quantity of paddy.

₹ 83.43 crore remained to be recovered from the rice millers

As a result, interest of ₹ 13.90 crore⁹ at the rate of 12 *per cent*¹⁰ on the outstanding amount of ₹ 69.53 crore was not imposed from January 2015. Thus, ₹ 83.43 crore (₹ 69.53 crore plus ₹ 13.90 crore as interest) remained to be recovered from the millers (November 2016).

The Secretary accepted the audit observation and stated (September 2016) that as per directive of Honourable High Court of Jharkhand the cost of undelivered CMR at the rate of equivalent quantity of paddy was to be recovered. However, reasons for not effecting recovery was not furnished to audit.

3.2.2.8 Blockage of Government money of ₹ 8.93 crore

JSFC is to ensure supply of gunny bags (94 x 57 cm of weight: 665 grams, capacity: 50 kg) to PPCs and rice millers for use in procurement of paddy and delivery of CMR through the concerned DM/DSO for each KMS. These gunny bags are required for filling of paddy purchased from the farmers or CMR delivery by the rice millers.

₹ 8.93 crore is outstanding against DGS&D for more than three years and six months

Audit observed that the JSFC placed orders (between January 2012 and February 2013) with the Directorate General of Supplies and Disposals (DGS&D), Kolkata for supply of 26,600 bales¹¹ of gunny bags and paid an advance of ₹ 49.42 crore¹² between November 2011 and February 2013. However, DGS&D supplied only 22,716 bales of gunny bags worth ₹ 40.48 crore as of March 2016 while gunny bags worth ₹ 8.93 crore (3,884 bales) were not supplied by DGS&D as of October 2016. Thus, ₹ 8.93 crore remained blocked with DGS&D for more than three years and six months.

In the exit conference, the Secretary accepted (August 2016) the audit observation and stated that action had been initiated to recover the amount of ₹ 8.93 crore from the DGS&D, Kolkata after reconciliation of accounts. Further action is awaited (November 2016).

3.2.2.9 Unutilised and damaged gunny bags - ₹ 12.30 crore

Audit observed that JSFC received 103.83 lakh pieces of gunny bags from the DGS&D for onward supply to rice mills through DM, SFC for filling of paddy/CMR during KMS 2011-13. Of this, 103.33 lakh pieces were distributed to 10 DMs¹³ of concerned districts.

29.54 lakh pieces of gunny bags amounting to ₹ 11.35 crore remain unutilised with the rice millers

It was noticed that 74.29 lakh pieces of gunny bags were utilised for delivery of 37.15 lakh quintal CMR to FCI upto KMS 2014-15 and remaining 29.54 lakh pieces of gunny bags (around 29 *per cent*) valued ₹ 11.35 crore¹⁴ remained unutilised with the rice millers as of August 2016. This included 7.40

⁹ Interest for 20 months=₹ 69.53 x 12 x 20/1200= ₹ 13.90 crore

¹⁰ As per direction (March 2013) of the Department

¹¹ A bale consists of 500 bags: KMS 2011-12: 11600 bales and KMS 2012-13: 15,000 bales

¹² KMS 2011-12: ₹ 20.59 crore (between November 2011 and June 2012) and KMS 2012-13: ₹ 28.83 crore (between November 2012 and February 2013)

¹³ Chaibasa, Dhanbad, Dumka, Giridih, Gumla, Hazaribag, Jamshedpur, Palamau, Ranchi and Sahebganj

¹⁴ At the rate of ₹ 38.43 per piece

lakh pieces of unutilised gunny bags worth ₹ 2.85 crore with rice millers in three¹⁵ out of eight test-checked districts as shown in **Table-3.3.2**:

Table-3.3.2: Status of unutilised gunny bags

KMS	District	No. of gunny bags issued to rice millers	Quantity of CMR delivered to FCI	No. of gunny bags utilised for delivery of CMR	Balance gunny bags	Cost of balance gunny bags @ ₹ 38.43/bag
2011-12 to 2014-15	Hazaribag	1409000	466864.82	933730	475270	18264626
2011-12 to 2012-13	Dhanbad	683000	297638.14	595277	87723	3371195
2011-12 to 2012-13	Ranchi	635000	229220.81	458442	176558	6785124
Total		2727000	993723.77	1987449	739551	28420945

Source: DCOs and DMs of concerned districts

Further, audit observed in JSFC that in five districts, 2.47 lakh pieces of gunny bags valued at ₹ 94.92 lakh¹⁶ were reported as damaged with the PPCs/Rice Mills due to rain, moisture, termite and improper storage of bags etc. during KMS 2011-13 as detailed in **Appendix-3.2.3**.

This resulted in outstanding recovery of ₹ 11.35 crore on account of unutilised gunny bags besides loss of ₹ 94.92 lakh on account of damaged gunny bags.

In the exit conference (August 2016) the Secretary stated that gunny bags worth ₹ 11.35 crore remaining unutilised with rice millers as worked out by audit did not appear to be based on facts. The reply was not acceptable as the audit worked out amount based on data/information/records furnished by the nodal agency. Further, the Department did not furnish any reply on the loss due to damaged gunny bags worth ₹ 94.92 lakh.

3.2.2.10 (a) Delay in payment to the farmers: ₹ 11.37 crore

Department instructed (November 2011) all Deputy Commissioners to ensure payments to the farmers within three days of purchase of paddy during KMS 2011-13 and similarly, within 14 days during KMS 2015-16.

Audit observed that 12 PPCs in three test check districts¹⁷ made delayed payment of ₹ 11.37 crore to 2,445 farmers ranging between 10 and 210 days during KMS 2011-13 (**Appendix-3.2.4**). Such delays in payment could result in distress sale by the farmers to other buyers below the MSP, thereby frustrating the very objective of the procurement programme directly from farmers.

In the exit conference, the Secretary (August 2016) stated that the fact would be confirmed from the District Managers, SFC and District Co-operative Officers concerned. Further, action was awaited (November 2016).

(b) Payment on unauthorised negotiable instruments - ₹ 1.04 crore

According to the resolution/notification issued for each KMS by the GoJ, payments are to be made to the farmers only through Account Payee cheques. District Co-operative Officers and the Block Co-operative Officers are

¹⁵ Dhanbad, Hazaribag and Ranchi

¹⁶ at the rate of ₹ 38.43 per piece

¹⁷ Dhanbad (5), Hazaribag (4) and Jamshedpur (3)

responsible to verify relevant records at the time of inspection of PPCs in order to detect any irregularities.

In Chilgadda PACCS, Bokaro payments of ₹ 1.04 crore were made to the farmers against unauthorised negotiable instruments instead of account payee cheques

Audit observed (May 2016) that Chilgadda PACCS under Bokaro district made payment of ₹ 1.04 crore to 509 farmers against 9606.00 quintal paddy procured during KMS 2011-12. But payments were made using unauthorised negotiable instruments by treating these as 'cheque'. The instrument had printed on it "Chilgadda Primary Agriculture Co-operative Bank Ltd, Fixed deposit Division, Chilgadda, Jaridih, Bokaro". The modus operandi of such payments was that the instrument was first handed over to farmers by the PPC but the farmers could not present it in any nationalised/scheduled banks for encashment as these were not valid instruments. The PACCS after drawing cash from its own bankers (Bank of India) distributed it to concerned farmers and entered the transaction in its ledger. Thus, the payments were ultimately made in cash to the farmers in violation of the instruction issued by the Department. This showed the negligence of the Monitoring Committee constituted at district/block levels comprising of District and Block Co-operative Officers to prevent such practice.

In the exit conference, the Secretary accepted (August 2016) the audit observation and assured that action would be initiated against the erring officials. Further action was awaited (November 2016).

3.2.3 Procurement and Storage of Paddy

The nodal agency provides advances to its DMs, who transfer the funds as advance to the PPCs under the control of DCO for procurement of paddy from the farmers.

3.2.3.1 Target and achievement of paddy procurement

The Department fixed the target for procurement of paddy at MSP for each KMS on the basis of sown area reported by the Agriculture Department. Every year GoJ issues notifications/orders based on GoI guidelines under MSP for procurement of paddy, storage, lifting, payment to the farmers and milling of paddy. These instructions fix time lines for procurement of paddy and delivery of CMR (**Appendix-3.2.5**). The irregularities noticed during audit are discussed in successive paragraphs.

The target and achievement of the PPCs for procurement of paddy during KMS 2011-16 are shown in **Table-3.2.3**.

Table-3.2.3: Statement showing shortfall in achievement

KMS	Target (MT)	Achievement (MT)	Shortfall in achievement (MT)	Percentage of shortfall in achievement	Implementation in no. of districts
2011-12	5,00,000.00	3,93,819.16	1,06,180.84	21.24	24
2012-13	4,00,000.00	3,15,990.19	84,009.81	21.00	24
2013-14	4,00,000.00	485.16	3,99,514.84	99.88	02
2014-15	-	6,153.99	-	-	01
2015-16	2,20,000.00 ¹⁸	1,29,920.04	90,079.96	40.95	13
Total	15,20,000.00	8,46,368.54	6,79,785.45		

Source: Jharkhand State Food and Civil Supplies Corporation Limited, Ranchi

¹⁸ The Department fixed the target of six lakh MT for the entire State. Of which 2.20 lakh MT was fixed for procurement of paddy through JSFC in 13 districts and rest through FCI

Shortfall in procurement of paddy against target ranged between 21 and 99.88 per cent during 2011-16

It could be seen from **Table-3.2.3** that against the targeted quantity of procurement of 15.20 lakh MT paddy during KMS 2011-16, the Government procured only 8.46 lakh MT¹⁹ paddy. The year-wise shortfall in procurement of paddy against target ranged between 21 and 99.88 per cent defeating the very objective of increasing quantity of CMR to FCI. Further, the Department did not fix any target for procurement for KMS in 2014-15.

3.2.3.2 Failure in implementation of the programme during KMS 2013-15

The paddy procurement programme was not implemented during 2013-15 through out the State

The programme of paddy procurement was implemented by creating a revolving fund by the Department and taking cash credit loan by the nodal agency from the Co-operative banks. Audit observed that the audited annual accounts of the paddy procurement activities were not prepared/ finalised by the nodal agency for any of the KMS. However, on the basis of data/information furnished by the nodal agency, audit worked out the fund position for KMS 2011-15 considering only the paddy procurement advances and reimbursements made by FCI. Based on this, the target set for procurement of paddy, fund required and fund available are shown in **Table-3.2.4**:

Table-3.2.4: Statement showing target set, fund requirement and fund available

(₹ in crore)

KMS	Target set in MT (in lakh)	MSP per MT	Fund required	Fund availability			Fund available at the end of KMS
				Revolving fund	Cash Credit Loan	Total	
2011-12	5.00	10800	540.00	318.96	135.00	453.96	21.74
2012-13	4.00	12500	500.00	21.74	255.00	276.74	(-)50.60
2013-14	4.00	13100	524.00	(-)50.60	0	(-)50.60	(-)38.70
2014-15	-	-	-	(-)38.70	0	(-)38.70	37.03

It could be seen from the **Table-3.2.4**, that to procure nine lakh MT paddy during KMS 2011-13, ₹ 1,040 crore was required. However, only ₹ 730.70 crore was available. Further during KMS 2013-14, against the requirement of ₹ 524 crore to procure four lakh MT paddy, no fund was available because the nodal agency did not take the cash credit loan in KMS 2013-14, while the entire advances granted out of the revolving fund during KMS 2011-13 could not be reimbursed.

Thus, provision of adequate funds was not ensured to meet the procurement target. Consequently, the programme failed to take off in KMS 2013-14 and 2014-15 while in KMS 2015-16, the Department revised the procurement norms.

In the exit conference the Secretary *inter-alia* stated (August 2016) that due to failure to recover the outstanding amount of recoveries pending from Rice Mills/PPCs for KMS 2012-13, besides failure to raise claims and reimbursement from FCI etc., paddy procurement programme could not be implemented throughout the State during KMS 2013-15.

¹⁹ 8,46,368.54 MT minus 6,153.99 MT

The reply was not tenable as the pending amount of ₹ 178.96 crore²⁰ was not sufficient to meet the funds required for procuring the targeted quantity of paddy. The Department did not ensure availability of required fund or availed cash credit loan to continue the programme throughout the state; besides it also did not effect recovery of amounts pending.

3.2.3.3 Paddy procured for ₹ 52.17 crore without obtaining land rent receipt

As per the resolution issued by the Department in each KMS, the data base of farmers were to be prepared and the PPCs were to procure paddy from farmers on the basis of this data base alongwith updated land rent receipts which includes details of land such as *Khata*, plot number, area of land etc. In all test checked districts, audit observed that no data base of the farmers were prepared.

4.58 lakh quintal of paddy were procured without obtaining the land receipts in Dhanbad during 2011-13

Audit observed in Dhanbad district that in contravention of the above instruction, DLMC headed by DC Dhanbad ordered (February 2012 and March 2013) procurement of 4.58 lakh quintal²¹ paddy for KMS 2011-13 by 62 PPCs²² without obtaining the land receipts. For this, the farmers were paid ₹ 52.17 crore (₹ 32.29 crore in 2011-12 and ₹ 19.88 crore in 2012-13) under MSP. Although DLMC intimated the Department about this, no action was taken to ensure adherence to the resolution. Thus, in the absence of land records, the possibility of procurement of paddy through middlemen could not be ruled out.

In exit conference, the Secretary stated (August 2016) that the information in this regard was being called for from the concerned DLMC. The reply was not acceptable as DLMC had already informed the Department about procurement without obtaining land receipt on which no action was taken by the Department. However, the Secretary later acknowledged the recommendation for preparation of data base of the farmers along with the details of their land.

3.2.3.4 Excess procurement of 0.60 lakh quintal paddy worth ₹ 7.49 crore over production

(a) Audit observed in offices of DCOs Dhanbad and Deoghar that 4.73 lakh quintal paddy were reportedly procured by 78 PPCs during KMS 2012-13 although production of paddy was 4.24 lakh quintal as per the data furnished by the Statistical Department. Thus, procurement of 0.49 lakh quintal paddy valued ₹ 6.13 crore (at the rate of 1,250 per quintal) was reportedly made in excess of the production of paddy in those two districts. This indicated the possible involvement of middlemen in the procurement network as detailed in **Table-3.2.5**.

²⁰ Recovery from Rice Millers for KMS 2012-13- ₹ 69.53 crore, Bills not raised by PPCs- ₹ 44.34 crore, Short dispatch of paddy by the PPCs during KMS 2012-13- ₹ 30.69 crore, Retention of fund for purchase of seeds- ₹ 18.78 crore, Blockage of money with DGS&D- ₹ 8.93 crore and pending reimbursement from FCI- ₹ 6.69 crore

²¹ In KMS 2011-12: 2.99 lakh quintal and in KMS 2012-13: 1.59 lakh quintal

²² KMS 2011-12: 35 and KMS 2012-13:27

Table-3.2.5: Statement showing excess procurement of paddy over production

(Quantity in quintal)

District	No. of PPCs	KMS	Production as per Statistics Department	Procurement as per Department	Excess procurement over production
Dhanbad	27	2012-13	149540	159412.54	9872.54
Deoghar	51	2012-13	274260	313939.68	39679.78
Total	78		423800	473352.22	49552.32

Source: Statistical Department and DCO offices concerned.

In four districts 0.60 lakh quintal paddy valued ₹ 7.49 crore was made in excess over production during KMS 2011-14

(b) Likewise, cross examination of paddy production statements block-wise as furnished by District Agriculture Officers (Hazaribag and Ranchi) with purchase registers/land receipts revealed that in Hazaribag and Ranchi districts 0.23 lakh quintal paddy valued ₹ 2.78 crore was procured by 11 PPCs in seven blocks of Hazaribag²³ and one block (Namkum) of Ranchi districts during 2011-14 whereas the production of paddy during the same period was only 0.12 lakh quintal (Appendix-3.2.6) calculated as per yield rate based on data furnished by District Agriculture officers (Hazaribag and Ranchi). Thus, 0.11 lakh quintal paddy valued ₹ 1.36 crore was reportedly procured in excess of the production of paddy based on yield rate.

Thus, possibility of excess procurement of 0.60 lakh (0.49 lakh+0.11 lakh) quintal paddy from outside the districts/blocks through middlemen cannot be ruled out which defeated the purpose of the scheme to support genuine farmers with MSP.

In the exit conference, the Secretary stated (August 2016) that the matter would be looked into with the District Agriculture Officers and concerned DLMCs. Facts remains that no action had been taken against the DMs/DCOs who failed to ensure procurement based on authentic data. No further action was intimated (November 2016).

3.2.3.5 Excess lifting of paddy against advance CMR during KMS 2015-16

Advance CMR System was introduced for procurement of paddy under clause 15 of guidelines issued (November 2015) by the Department for KMS 2015-16. This stipulates that the Rice Millers first have to deliver CMR as guaranteed and thereafter proportionate quantity of paddy based on the out turn ratio of 68 per cent will be lifted by them from the tagged PACCS, as per agreement. The DCOs and DMs at district level and Block Co-operative Officers of the respective PPCs at block levels were to monitor lifting of paddy proportionate to the delivery of advance quantity of CMR by the tagged Rice Mills to the FCI keeping a constant watch over it.

1.28 lakh quintal paddy valued ₹ 18.05 crore were lifted in excess of admissible quantity during KMS 2015-16

Audit observed in three²⁴ out of eight test checked offices of DCOs that 24 tagged Rice Millers delivered 0.53 lakh quintal CMR valued ₹ 12.74 crore to FCI and lifted 2.06 lakh quintal paddy instead of 0.78 lakh quintal²⁵ paddy in violation of the provision of Advance CMR System. Thus, 1.28 lakh quintal

²³ Hazaribag Block: Ichak, Chouparan, Churchu, Barkagaon, Keredari, Katkamdag and Sadar

²⁴ Bokaro, Deoghar and Dumka

²⁵ $100 \times 0.53/68=0.78$ Now $2.06-0.78=1.28$

paddy valued ₹ 18.05 crore were lifted in excess of admissible quantity by the rice millers which defeated the very objective of the modified programme to prevent malpractices in the lifting of paddy. The DCOs/DMs and the BCOs thereby ignoring the objective of the advance CMR system, failed to monitor the lifting of paddy by the rice millers for which no accountability was fixed.

In the exit conference, the Secretary stated (August 2016) that the fact was being verified with the concerned DLMCs. The fact, however, remains that no action had been taken against the DMs/DCOs who failed to prevent lifting of excess paddy over what was admissible.

3.2.3.6 Lack of Infrastructure at PPCs

According to the notification issued for each KMS by the Department, PPCs having adequate storage were to be selected for procurement of paddy. Further to ensure the quality of paddy to be procured, quality control measures such as power cleaners, moisture meters and analysis kits etc were to be provided to all PPCs to get the paddy, free from impurities, dust, damaged and moisture contents etc.

Audit observed in offices of DCOs of test checked districts that:

- Seventeen of the 70 PPCs did not have their godowns and the procured paddy was kept in *Samudayik/Panchayat Bhawans* or hired spaces at the cost of PPCs. The concerned DCOs, therefore, irregularly selected these 17 PPCs for procurement of paddy.
- All test checked 70 PPCs were not equipped with the required moisture meter, analysis kits and power cleaners during the KMS 2011-13. In absence of quality control equipments, PPCs failed to procure specified quality of paddy which resulted in deduction in weight by the rice millers at the time of receipt for milling. In KMS 2015-16, 35 PPCs were equipped with moisture meter only.

In the exit conference, the Secretary accepted (August 2016) the fact and assured that the concerned DLMCs were being directed for proper selection of PPCs in future. The Secretary also stated that the PPCs would be well equipped with the quality control equipments for procurement of specified quality of paddy in future. However, the timeline within which this would be done was not stated to audit.

3.2.3.7 Procedural failures in internal control

As per the notification, PPCs are to maintain a purchase register for recording details such as farmers name, father's name, address of farmers, proof of identification, date of purchase of paddy and its quantity, updated land rent receipt of the farmers, cheque numbers with date, signature of the concerned farmers and the purchasing officials of the PPCs. Entries are required to be verified by the BCOs concerned. The DCOs are to ensure proper maintenance of the purchase and stock register of paddy, payment registers, records regarding updated land receipts etc at the PPCs.

During test check of paddy purchase registers along with land receipts obtained from the farmers by the PPCs, audit noticed failure of internal control as under:

- In the entire eight test checked districts, complete details were either not entered in the purchase register or cutting/erasing/overwriting in the figures of quantity of paddy were not authenticated/verified by the DCOs/BCOs concerned. Further, entries made in cash books maintained by the PPCs on account of paddy procurement were not authenticated and verified by the DCOs/BCOs.
- In 10 PPCs (out of 32) of four²⁶ test checked districts, scrutiny of land receipts submitted by the 200 farmers revealed that the names of the farmers that appeared in the land receipts (LRs) were found different from the names entered in the purchase registers in 112 out of 191 LR. As such, the genuineness or bonafide of persons as 'farmers' who own the land could not be verified.

In the exit conference, the Secretary stated (August 2016) that DLMCs were being directed to follow *cent per cent* parameters of paddy procurement regulations to avoid any procedural lapses.

3.2.4 Delivery of Custom Milled Rice

As per instruction (October 2011) of the Department, the concerned DLMC was responsible for tagging of Rice Mills with PPCs for milling of paddy after proper inspection and capacity of the Mills. Audit observed that no milling policy was framed in the State. In the absence of milling policy, the milling activities suffered from following shortcomings:

3.2.4.1 Selection of unauthorised rice millers

As per order (October 2014) of the Department, such rice millers are not to be tagged for milling against whom recovery is pending from earlier KMS.

Audit noticed in Hazaribag district that six rice mills were tagged by DLMC Hazaribag for milling of paddy in KMS 2013-14 against which ₹ 35.59 crore²⁷ were outstanding for recovery for non/short delivery of CMR to the FCI during KMS 2012-13. This indicated extension of undue favour to these defaulter Rice Mills by the DLMC.

In the exit conference, the Secretary accepted (August 2016) the fact and stated that the DLMC of Hazaribag were being show caused for reselection of unauthorised five Rice mills situated at Hazaribag district for milling of paddy in violation of directive of the Department. Further action was awaited (November 2016).

3.2.4.2 Improper selection of Rice Mills

In four²⁸ out of eight test checked districts, audit noticed that 13 rice mills were tagged/selected without proper inspection as these were not registered with Department of Industries, GoJ, found closed and did not have essential certificates of Consent to Operate (CTO) and Consent to Establish (CTE) issued by the Jharkhand Pollution Control Board to run as Rice Mills etc.

²⁶ Bokaro, Garhwa, Hazaribag and Ranchi

²⁷ 1. Aditya Rice Mills: ₹ 10.49 crore, 2. Ganpati Rice Mills: ₹ 7.87 crore inclusive Chatra (₹ 63.31 lakh), 3. Hazaribag Rice Mills: ₹ 3.72 crore, 4. Hemkunth Rice Mills: ₹ 0.65 crore, 5. Sankat Mochan Rice mills: ₹ 12.83 crore and 6. Rashmi Rice Mills-₹ 0.03 crore

²⁸ Deoghar, Dumka, Hazaribag and Jamshedpur

Further, information furnished by the Inspector of Boilers, Bokaro and Dhanbad circle, Jharkhand regarding status of rice mills having boilers revealed that three²⁹ Rice Mills did not have boilers, which were essential components for any rice mill to produce par-boiled rice. However, such rice mills were tagged for milling paddy during KMS 2011-13. Details of irregularities are shown in **Appendix-3.2.7**. Thus, the selections of the millers by the concerned DLMCs were irregular.

In the exit conference, the Secretary stated (August 2016) that the DLMCs of the concerned districts were being show caused to explain the reasons for tagging/selection of rice mills without proper verification of the required documents. Further action was awaited (November 2016).

3.2.4.3 Delay in delivery of CMR to FCI

According to the notification issued for each KMS by the Department, every PPC is required to enter into agreements with Rice Mills for milling of paddy. The Mills are required to deliver the CMR at the pre-determined quantity of 68 per cent of paddy milled within a specified period as notified by the Department.

CMR delivered into FCI with delays ranged between 11 and 61 days

Audit of claim bills submitted by the concerned 42 PPCs through seven DCOs revealed that 17 tagged Rice Mills delivered 0.49 lakh quintals CMR to FCI with delays ranging between 11 and 61 days from the specified date (**Appendix-3.2.8**).

In the exit conference, the Secretary accepted (August 2016) the audit observation and assured to develop procedural reforms and create proper infrastructure to avoid negligence/slackness at any level during paddy procurement. Fact, however, remains that no action was taken or contemplated for delayed delivery of CMR to FCI.

3.2.4.4 Doubtful means of transportation of paddy/CMR-₹ 3.28crore

In all the eight test checked districts, audit verified the vehicles used in transportation of paddy/CMR from PPCs to Rice mills and Rice mills to FCI godown in respect of 59 PPCs with online data base of Transport Department.

Paddy/CMR were transported through doubtful means of transportation

It was observed that in 229 cases, 24015.18 quintals paddy/CMR (Paddy: 18479.84 quintal and CMR: 5535.34 quintal) valued at ₹ 3.28 crore (**Appendix-3.2.9 (A&B)**) were transported through vehicles like Bus, Car, Motor Cycle and three wheelers and not by regular heavy vehicles like trucks. Thus, the transportation of paddy through these vehicles seems doubtful and needed investigation.

Audit further noticed in test checked DCOs that neither weighment slip was raised by the PPCs or by the millers of actual quantities of paddy dispatched/received. Stock Register of paddy duly authenticated by the officials of block /district level was not maintained at PPCs. As a result, suspicion had been raised regarding payment for procurement of paddy or CMR. Besides, submission of false claim bills by PPCs cannot be ruled out. These cases need to be investigated to rule out the possibility of any

²⁹ M/s Deoghar Rice Mills, Deoghar, M/s Nadia Rice Mills, Lohardaga and M/s Maa Janki Japla Rice Mills, Daltonganj

misappropriation of Government money and/or payment on false claims towards transportation of paddy/CMR. The DCOs/BCOs of DLMCs failed to ensure the transportation of paddy/CMR through vehicles authorised for transportation.

In the exit conference, the Secretary stated (August 2016) that matter has been taken up with the concerned DLMCs. Further action was awaited (November 2016).

3.2.4.5 Deficiencies in agreement with Rice Millers

As per resolution issued during each KMS by the Department for KMS 2011-15 agreements are to be executed to safeguard the breach of trust between the concerned PPCs and the tagged Rice Mills for milling of paddy and delivery of CMR. Audit noticed the following:

- The terms of milling agreement, executed during 2011-13 between the tagged Rice Millers and PPCs in eight test-checked districts it was noticed that they were not uniform. Clauses like those concerned with security deposit, penalty for delay in delivery of CMR and other clauses safeguarding the government interests were not included in the agreement.
- Different formats of agreement having different clauses were found executed even during the same KMS in Jamshedpur district.
- Six³⁰ Rice Mills were selected/tagged for milling of 3.30 lakh quintal³¹ paddy worth ₹ 37.69 crore³² in Dumka district during KMS 2011-13 without execution of agreement in violation of the orders issued in this regard. It clearly indicated the failure of the DCO of the concerned DLMC.
- Clause regarding security deposit was not incorporated/enforced in many agreements thereby failing to protect government interest in case of any breach of agreement by miller thus leading to loss to government. However, in four test checked districts (Ranchi, Deoghar, Dhanbad and Jamshedpur) the clause of security deposit of ₹ 50,000 though incorporated was not enforced, whereas in four³³ test checked districts, clause for deposit of security were not incorporated. Details of not obtaining the security deposits from the rice mills are shown in **Table-3.2.6**:

Table-3.2.6: Statement showing non-deposit of security

Districts	No. of PPCs		Amount of security deposit as per agreement (₹)	Amount required for security deposit (₹)	Amount deposited
	2011-12	2012-13			
Ranchi	44	52	50,000	4800000	NIL
Deoghar	42	51	50,000	4650000	NIL
Dhanbad	35	27	50,000	3100000	NIL
Jamshedpur	33	35	50,000	3400000	NIL
Total	154	165		15950000	NIL

³⁰ 1. Adhunik Rice Mills, 2. Baba Rice Mills, 3. Shri Ganesh Udyog, 4. Sharda Maa Food Pvt. Ltd. 5. Annapurna Rice Mills and 6. Sri Ganesh Akshat Udyog

³¹ KMS 2011-12: (213035.41 qtl), KMS 2012-13 (117414.44 qtl)

³² KMS 2011-12: ₹ 23.01 crore and KMS 2012-13: ₹ 14.68 crore

³³ Bokaro, Dumka, Garhwa and Hazaribag

Thus, failure to obtain security deposit of ₹ 1.60 crore by the PPCs from rice millers was an act of undue favour to the millers and a violation of the rules.

- Condition of penalty of 40 paise per quintal per day for delay in delivery of CMR to the FCI was incorporated in the agreement. However it was noticed in three test checked districts³⁴ that penalty of ₹ 1.96 lakh was not imposed on rice millers for delay in delivery of CMR (**Appendix-3.2.10**) whereas in five³⁵ test checked districts, condition of penalty were not incorporated. The concerned DCOs failed to impose and recover the penal amount from the Rice Mills.

In the exit conference, the Secretary accepted (August 2016) the audit observation regarding the use of multiform format of agreement executed during the KMS 2011-15. It was, however, stated that the standard format of agreement was issued by the Department for KMS 2015-16. However, the Secretary did not give any specific reply for not obtaining security deposit and not imposing penalty for delay in delivery of CMR from the Rice Mills.

3.2.5 Monitoring and Supervision

State Level Monitoring committee (SLMC) comprising the Secretaries of Co-operative Department and Food, Public Distribution and Consumer Affairs Department, Managing Director, JSFC (Nodal Agency) and General Manager, FCI etc. are responsible for overall monitoring and supervision of the paddy procurement programme.

At district level, DLMC comprising of District Co-operative Officers, District Supply Officers/District Managers, SFC and District Agriculture Officers etc headed by the Deputy Commissioners are to monitor and supervise the availability of fund, timely payment to the farmers, payment through account payee cheques to the farmers, proper selection of PPCs and tagging of rice mills, execution of agreements with the rice mills, milling and delivery of CMR within stipulated period to the FCI, raising of bill to the FCI for re-imburement of cost of CMR, inspection of PPCs records and overall supervision of the procurement activities.

Block Development Officers, Co-operative Officers and Agriculture Officers along with the Chairmen/Secretaries of the PPCs are responsible to ensure the preparation of data base/register of farmers, ensure the payment through account payee cheques to the farmers, maintenance of purchase registers, stock registers, payment registers, proper storage of paddy and arrangement of transportation of paddy/CMR to the Rice Mills/FCI.

In this connection, audit observed the following:

- The SLMC failed to monitor the preparation of data base of farmers. The DLMCs also failed to monitor the procurement of paddy without land receipt from the farmers as discussed in **paragraph 3.2.3.3**.
- The SLMC failed to circulate standard format of agreement for milling of paddy between PPCs and rice millers to safeguard government interest in case of any breach of trust by the millers. Further, the DLMCs concerned failed to

³⁴ Deoghar, Dhanbad and Ranchi

³⁵ Bokaro, Dumka, Garhwa, Hazaribag and Jamshedpur

monitor the execution of agreements, obtain the security deposit and realise the penalty for delay in delivery of CMR as discussed in *paragraph 3.2.4.5*.

- The nodal agency or the Department did not establish a Management Information System to generate and disseminate reliable and consolidated information of its activities which would have strengthened the monitoring mechanism.
- The DLMCs failed to monitor the excess procurement of paddy over production as discussed in *paragraph 3.2.3.4*.
- The DLMCs failed to monitor the lifting of paddy by the rice millers as per advance CMR system during KMS 2015-16 as discussed in *paragraph 3.2.3.5*.
- The DLMC failed to monitor the status of unutilised/ damaged gunny bags and the maintenance of stock and issue registers of gunny bags as discussed in *paragraph 3.2.2.9*.
- DLMC failed to monitor timely payment and ensure that the payments were made only through account payee cheques to the farmers as discussed in *paragraphs 3.2.2.10 (a) and (b)*.
- The DLMC failed to pursue the PPCs to raise the bills with all the mandatory documents as discussed in *paragraph 3.2.2.5*.
- The Block Co-operative Officers failed to monitor/supervise the maintenance of records by the PPCs with complete details as laid down in the notification issued for each KMS as discussed in *paragraph 3.2.3.7*

In the exit conference, the Secretary accepted (August 2016) the facts and stated that concerned DLMCs have been directed to strictly adhere to the orders laid down in the resolution of the Department and discharge their duties with responsibility. However, the Secretary did not reply on the failure of the SLMC.

3.2.6 Conclusions

- The Department failed to implement the paddy procurement programme during 2013-15 throughout the state as the provision of fund amounting to ₹ 524 crore was not ensured by the Department to meet the procurement target of four lakh MT paddy. This resulted from failure to take the cash credit loan like in 2011-13 and effecting pending recovery of ₹ 178.96 crore from its debtors.
- During KMS 2011-13 the Department failed to counter the prevalence of middlemen in the programme, as paddy worth ₹ 59.66 crore were procured without obtaining valid land receipts from farmers in one district and in excess of production in four districts.
- Delayed payment of ₹ 11.37 crore to 2,445 farmers in KMS 2011-13 and failure to pay ₹ 99.41 crore during 2014-16, defeated the objective to prevent the distress sale of paddy by the farmers to middlemen.

- Milling policy was not framed and no Management Information System to generate and disseminate reliable and consolidated information of its activities was devised by the Department.

3.2.7 Recommendations

Audit recommends that the government should

- frame the milling policy and devise a Management Information System to generate and disseminate reliable and consolidated information of its activities;
- obtain the bank details of the farmers before the period of procurement of paddy for direct transfer of cost of paddy in the farmers' bank accounts through electronic transfer;
- ensure preparation of the data base of farmers along with their land details having authenticated family trees and
- strengthen the quality control measures for procurement of paddy as per guideline.

HOME DEPARTMENT

3.3 Audit on Security Related Expenditure

Executive summary

Government of India (GoI) launched (April 1996) Security Related Expenditure (SRE) scheme with the objective to supplement the efforts of the States in dealing with Left Wing Extremism (LWE). The scheme aims to reduce the burden on state finances in tackling the security situation caused by the outbreak of LWE. Some of the major audit findings are discussed below:

The SRE scheme was not properly implemented in the State as the department did not prepare need based Annual Work Plans which resulted in intra component diversion of SRE fund to the tune of ₹ 247.55 crore as compared to the approved Plan. Further, the Plan only included half *per cent* of the total outlay under SRE for involving local youth in abating naxal menace against the permissible ceiling of 20 *per cent* under this component. Thus, the Plan to implement the SRE scheme in the State was deficient.

(Paragraphs 3.3.4.1 and 3.3.4.2)

While the department did not get reimbursement of ₹ 154.92 crore of claimed amount due to breach of SRE guidelines, it did not claim ₹ 5.55 crore incurred on specialised training to its police personnel and pursue claim/submitted vouchers of ₹ 5.98 crore on purchase of ammunitions with Ministry of Home Affairs (MHA) for reimbursement though admissible under SRE. Thus, the State failed to gainfully utilise the SRE fund.

(Paragraphs 3.3.5.1, 3.3.8.1 and 3.3.9.1)

Although ₹ 80.39 crore incurred by the department on hiring of vehicles (₹ 52.68 crore) and payment of honorarium to Special Police Officers (₹ 27.71 crore) had been allowed by MHA for reimbursement, audit noticed that these expenses were incurred in violation of the SRE guidelines.

(Paragraphs 3.3.7.1, 3.3.7.2 and 3.3.10.1)

Internal control and monitoring of SRE scheme was weak. SRE accounts were not audited though required under SRE guidelines leading to delay in submission of claims after verification of accounts by MHA team. Absence of monitoring mechanism led to continuous expenditure on inadmissible items thereby defeating the scheme objectives.

(Paragraph 3.3.16)

3.3.1 Introduction

Government of India (GoI) launched (April 1996) Security Related Expenditure (SRE) scheme with the objective to supplement the efforts of the States in dealing with Left Wing Extremism (LWE). The scheme aims to reduce the burden on state finances in tackling the security situation caused by the outbreak of LWE. Ministry of Home Affairs (MHA), GoI reimburses the

expenditure incurred by the State on identified 12 components.¹ The components mainly comprised of ex-gratia payments, logistic support, training, community policing, insurance, ammunition and strengthening of police infrastructure. The underlying principle behind the SRE scheme is to meet the emerging requirements of forces deployed in LWE districts.

The Home, Jail and Disaster Management Department (the department) is the nodal department for the scheme. The scheme covered 21 LWE districts out of total 24 districts in Jharkhand. The scheme is being implemented by the Director General and Inspectors General of Police (DG&IGP), Jharkhand with the assistance of Inspector Generals of Police (IGPs, Operations and Budget & Provision) at the state level, Special Intelligence Wings at the state and District level, the Superintendents of Police (SPs) at district level. IGP (Budget & Provision) is the nodal officer for control of the expenditure under the scheme and for preferring claims for reimbursement to MHA, GoI.

The audit of SRE was conducted between March 2016 and September 2016 covering the period 2010-16 in selected 10² out of 21 districts with a view to ascertain that the implementation of the scheme was effective, expenditure incurred under SRE met the norms as prescribed in the SRE guidelines and that claims submitted to MHA, GoI for reimbursement were correct. Audit examined the records at the office of DG&IGP, IGs and SPs of selected districts. Two Police Stations (PSs) in each selected district were also selected to examine the implementation of the scheme at the operational level.

An entry conference was held on 16 March 2016 with the Additional Chief Secretary of the Department where the objective, scope, methodology and audit criteria was discussed. The exit conference was held on 17 November 2016 with the Additional Chief Secretary of the Department in which the audit findings were discussed in detail. The Department assured audit that replies to audit observations would be submitted but they were still awaited as of November 2016. However, comments of the Department as given in the exit conference have been suitably incorporated in the report.

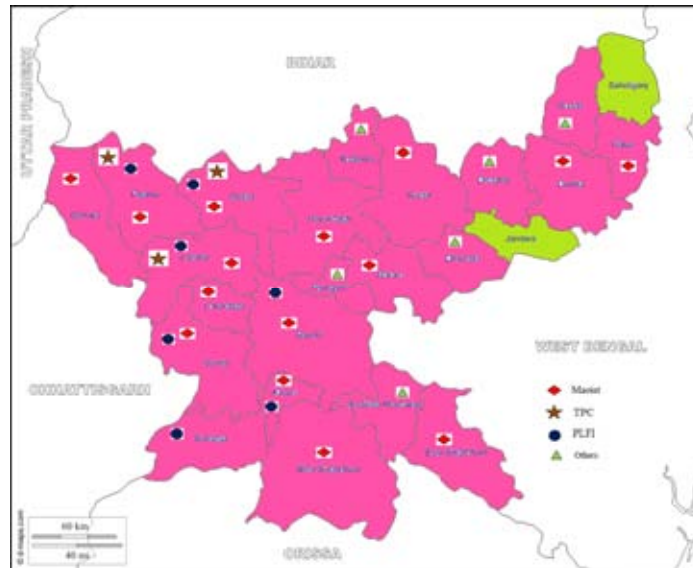
3.3.2 Naxal profile of Jharkhand

After creation of the separate State of Jharkhand in November 2000, there has been an upsurge in Naxalite activities contrary to the expectation that creation of a new state would improve the security situation in the state. Successive

¹ (i) Ex-gratia payment to security personnel/civilians killed in naxal violence; (ii) provision for transportation/communication and other logistic support for Central Armed Police Forces (CAPFs) deployed in the State for anti-naxal operations; (iii) ammunition used by State police personnel for anti-naxal activities; (iv) training to State Police Forces; (v) community policing; (vi) expenditure incurred by Village Defense Committee/Nagrik Suraksha Samittee (VDC/NSS); (vii) honorarium to Special Police Officers; (viii) rehabilitation of hardcore and under-ground naxalite cadres; (ix) premium for insurance of police personnel engaged in anti-naxalite operations; (x) expenditure on need based hiring of weapons/vehicles including helicopters and communication equipment in emergent situations subject to prior approval of the SRE Standing Committee of MHA; (xi) miscellaneous expenditure of recurring nature for strengthening of police station/check post/police out post and (xii) publicity material for disseminating information about various welfare and development scheme of the Government

² Chaibasa, Chatra, Deoghar, Dhanbad, Garhwa, Hazaribag, Jamshedpur, Latehar, Palamu and Ranchi

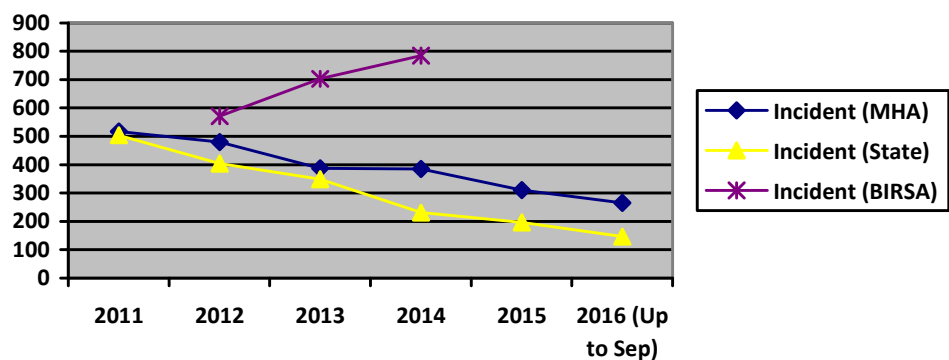
Governments have failed to contain the expansion of naxalism in the state. The number of LWE affected districts in Jharkhand increased from 18 to 21 out of total 24 districts. As per information furnished (October 2016) by the Special Branch, Jharkhand, there were nine extremist groups in Jharkhand. However, a study (August 2015) conducted by an independent Agency “Bindrai Institute for Research Study & Action Mines Monitoring Centre (BIRSA MMC)” disclosed existence of 28 extremist groups in all 24 districts. A district map of Jharkhand showing LWE districts and active naxal groups is depicted below:

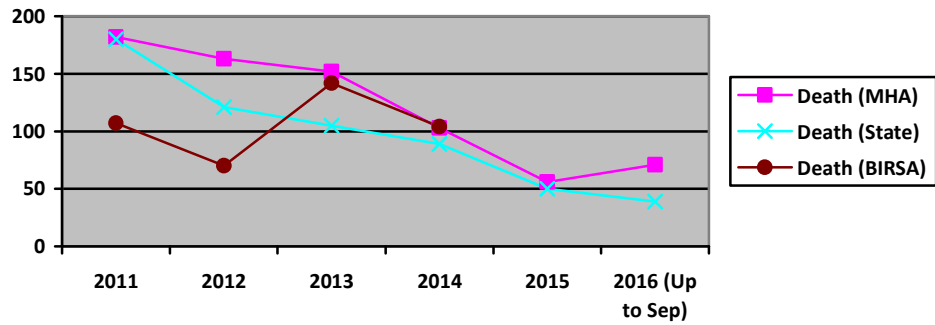


3.3.3 Naxal activities in Jharkhand

Naxal incidents and deaths as compiled by different Agencies are given in **Chart-3.3.1.**

Chart-3.3.1: Numbers of naxal incidents and deaths in Jharkhand





Source: Department of Home, GoJ, MHA, GoI and Survey Report by NGO BIRSA

From the **Chart-3.3.1** it can be seen that the report of MHA, GoI revealed larger number of naxal incidents and deaths than what was reported by the state government. The report of an independent agency showed an increasing trend in naxal incidents and mixed trend in naxal deaths. As such the projection of the state government was contradicted by the findings of other agencies.

Audit Findings

3.3.4 Planning

3.3.4.1 Deficient planning

The SRE guidelines prescribe the norms for the expenditure on identified components along with the ceiling of reimbursement on these components. The SRE Review Committee of MHA approves Annual Work Plan (the Plan) detailing components wise approved amount based on proposal submitted by the State Government. Based on the approved Plan, MHA, GoI releases 25 per cent of the approved amount as advance and the balance 75 per cent is released after approval of expenditure by SRE Review Committee upon recommendation of MHA team, which visits the State every six months for verification of accounts under SRE scheme. The department raises its claim after verification of accounts by MHA Team.

The State Government provides funds for SRE through the State budget under the Major Heads-2055- Police, 2235-Social Security and Welfare and 2070-Home, Jail and Disaster Management Department (Home Division). Provision for ex-gratia payments are made under the heads 2235- (for civilian) and 2070 (for police personnel) whereas provisions for other components are made under the head 2055-001-12-0759 "Expenditure on Security and Other Charges". The budget for SRE also includes provisions for other charges than SRE. As such, audit could not ascertain the specific budget provision for SRE. Audit noticed that the department incurred expenditure of ₹ 357.72 crore against the approved Plan of ₹ 225.05 crore in four³ out of 12 components during 2010-15. The excess expenditure of ₹ 132.67 crore ranged between 16.87 per cent and 94.80 per cent of the approved Plan. In the remaining eight components, there was less expenditure of ₹ 114.88 crore (₹ 78.79 crore against approved amount of ₹ 193.67 crore). The percentage of less

There was excess expenditure of ₹ 132.67 crore ranging between 16.87 per cent and 94.80 per cent of the approved plan

³ Logistic support to Central Para Military Force (CPMF), Ammunition, Insurance and Strengthening of police pickets/lines/stations

expenditure ranged between 14.63 *per cent* and 97.61 *per cent* (**Appendix-3.3.1**).

The diversion was noticed in all the years and the expenditure was within the component wise allotment released by DG&IGP to meet the expenditure at the state and the district levels.

Thus, the department could not assess component wise actual needs in formulating the Annual Work Plan.

3.3.4.2 Involvement of local youth not ensured

As per SRE guidelines, Village Defense Committee (VDC), comprising local youths, is to be formed to create public opinion against the naxalism and to wean away the young persons from the influence of naxalism. A meeting hall is to be constructed in selected villages, where VDCs are to be formed, in order to organise meetings, discussion and programmes. All such expenditure under this area is reimbursable subject to a ceiling of ₹ two lakh per village and the total expenditure to be incurred in a year in various villages is subject to 25 *per cent* of the total outlay under SRE scheme of the State. The maximum limit of reimbursement of 25 *per cent* of total outlay was changed to 20 *per cent* of total outlay as per Item 6 (a) of SRE Guidelines, 2012.

Audit noticed that out of total SRE Plan of ₹ 545.21 crore during 2010-16, the share of VDC was merely ₹ 2.40 crore which was less than half *per cent* of the total plan. Audit further noticed that only 21 VDCs were formed in six police stations of four⁴ districts out of 20 police stations selected in 10 test-checked districts. Further, meeting halls, as required were not constructed in any of the selected villages (where VDCs were to be formed) on the ground that the provision of ₹ two lakh was not sufficient.

Thus, the department did not ensure involvement of local youths in curbing naxal problem though it was to be given utmost importance under SRE. Besides, the department did not construct required meeting places for VDC in those villages where VDC's had been formed.

No reply to audit observation was given by the department.

3.3.5 Financial Management

3.3.5.1 Expenditure and reimbursement

The amount of the approved plan, expenditure claimed by the department and the amount reimbursed and disallowed by MHA, GoI during 2010-11 to 2015-16 is given in **Table-3.3.1**.

The department did not ensure involvement of local youths in curbing naxal problem though it was given utmost importance under SRE

⁴ Chatra: Chatra Sadar (7) and Jori (8); Deoghar: Mohanpur (1), Dhanbad: Tundi (3) and Latehar: Herhanj (1) and Balumath (1)

Table-3.3.1: Details of approved Plan, expenditure and reimbursement

₹ in crore

Year	Annual Work Plan approved by GoI	Expenditure audited by MHA Team	Amount allowed by MHA Team	Amount claimed by the State Government	Amount reimbursed by GoI
2010-11	53.42	76.23	67.80	76.24	70.94
2011-12	78.34	79.17	61.36	81.05	55.22
2012-13	91.25	84.01	61.65	83.70	55.49
2013-14	96.85	88.67	66.95	90.28	60.25
2014-15	98.85	106.77	77.71	105.23	39.68
Sub total	418.71	434.85	335.47	436.50	281.58
2015-16	126.50	113.35	96.72	To be claimed	31.62 (Advance)
Total	545.21	548.20	432.19		313.20

Source: DG&IGP and reimbursement from records of the Accountant General (Accounts & Entitlement), Jharkhand

From the **Table-3.3.1** it can be seen that during 2010-15:

- Against approved Annual Work Plan of ₹ 418.71 crore, the department submitted claims of ₹ 436.50 crore to MHA, GoI for reimbursement. Thus, the department did not adhere to the financial discipline in utilising budget provisions within the limit of the approved Plan of SRE as required under Rule 11 of the Jharkhand Financial Rules which states that a Controlling Officer must ensure that the total expenditure is within the limit of authorised appropriation and are expended upon objects for which the money was provided.

- The department did not get reimbursement of ₹ 154.92 crore⁵ (35.49 per cent) of the claimed amount and ₹ 53.89 crore (16.06 per cent) of the amount allowed by MHA Team. Audit analysis revealed that the department did not approach GoI to reconsider the less reimbursement than what was claimed by the state government.

In the exit conference (November 2016), IG (Provision) accepted the audit findings and assured to minimise the gap between claim raised by the State and the amount reimbursed by MHA.

- The department claimed reimbursement of ₹ 101.03 crore⁶ in excess of amount allowed by MHA Team. Audit analysis disclosed that MHA Team disallowed the expenditure incurred on inadmissible items like hiring of the helicopters without prior approval of MHA, annual maintenance of generator sets, inadmissible items of training, pucca civil construction works and purchase of inadmissible items for community policing. Besides, expenditure on purchase of ammunition was disallowed due to failure to submit supporting vouchers and related documents before MHA Team by the department.

Thus, the department did not take cognizance of causes for disallowing expenditure by MHA Team and continuously ignored the SRE Guidelines in incurring expenditure under SRE only on admissible items and the audit findings are discussed in succeeding paragraphs.

⁵ Claim of ₹ 436.50 crore minus reimbursement of ₹ 281.58 crore

⁶ Claim of ₹ 436.50 crore minus ₹ 335.47 crore allowed by MHA team

Against approved annual work plan of ₹ 418.71 crore, the department submitted claim of ₹ 436.50 crore to MHA, GoI for reimbursement. Further the department did not get reimbursement of ₹ 154.92 crore of the claimed amount and ₹ 53.89 crore of the amount allowed by MHA team

In the exit conference (November 2016), IG (Provision) accepted the audit findings and assured to verify disallowed items and major payments.

- The department claimed reimbursement for expenditure of ₹ 1.65 crore which was not produced before MHA team for verification although required under SRE Guidelines.

3.3.5.2 Reconciliation of reimbursed amount not done

According to Rule 134 of the Jharkhand Budget Manual, departmental accounts need to be reconciled with the account of the Accountant General (Accounts & Entitlements) to avoid the chances of wrong classification of receipts and payments.

Audit noticed that as per records of DG&IGP the amount reimbursed/advanced by GoI during 2010-16 was ₹ 301.27 crore whereas it was ₹ 313.20 crore as per the accounts of the Principal Accountant (Accounts & Entitlements), Jharkhand.

As such, there was difference of ₹ 11.93 crore in the two records which was not reconciled as of November 2016.

In the exit conference (November 2016), IG (Provision) accepted the audit findings and assured to reconcile the figures with the records of PAG (A&E) Jharkhand, Ranchi.

Implementation of the Scheme

3.3.6 Ex-gratia payment

3.3.6.1 Less claim of ex-gratia

As per the condition laid down in the release letters of MHA, expenditure incurred under SRE is subject to verification by MHA Team.

Audit noticed that MHA team allowed reimbursement of ₹ 6.71 crore during 2010-15 on the account of ex-gratia payments. However, the department claimed only ₹ 6.30 crore on this account. Audit could not ascertain the reasons for this as the related vouchers and records were not shown to the audit though called for.

Thus, the Department was deprived reimbursement of ₹ 41 lakh for ex-gratia payments.

No reply to audit observation was furnished by the department.

3.3.6.2 Delay in settlement of claims of ex-gratia

As per clause 5 of SRE Guidelines, 2010 read with Item 1 of SRE Guidelines, 2012, ex-gratia payment is payable to the next of kin of a civilian killed in naxal violence. The rate of reimbursement will be 100 *per cent* with a maximum ceiling of ₹ one lakh per civilian. However, the guidelines did not prescribe any timeline for ex-gratia payments.

For ex-gratia payments, the civilian who is killed is identified by the concerned Deputy Commissioner based upon their verifications by concerned Police Stations and the Circle Officers after the claim is raised.

The department was deprived of allowed expenditure of ₹ 41 lakh by MHA team for ex-gratia payments

Audit noticed that in 10 test-checked districts, 502 civilians submitted claims for ex-gratia payments during 2010-16. However, there was delay of three to 60 months in settling claims of 82 civilians (16 per cent). The delays were caused both at circles and districts levels⁷.

The delay in settlement of claim for ex-gratia to kin of deceased civilians might adversely affect the involvement of community in combating naxalism.

No reply to audit observation was furnished by the department.

3.3.7 Logistic support

3.3.7.1 Irregular hiring of vehicles

As per clause 7.2 and 7.6 of SRE Guidelines, 2010, hiring of private vehicles of various descriptions shall be done through open bids invited by concerned DCs. The rate so finalised is applicable in all the district offices including police and Central Para Military Forces (CPMFs). Till the finalisation of competitive rates, vehicles may be hired at the rates as notified by the State Government.

Audit noticed that the Finance Department issued notification (August 2002) of rates for vehicle to be hired which contained only cars (Ambassador, Maruti Van and Indica). The notification did not prescribe any rate or make provision for hiring of utility vehicles. SP of only one (Latehar) out of 10 test-checked districts requested (between August and November 2011) DC, Latehar to finalise the hiring rates of private vehicles including utility vehicles as the Government rates (for cars) were old and agencies were not willing to provide vehicles for naxal operations at old/low notified rates. However, neither the State Government nor the concerned DCs notified or finalised rates for vehicles to be hired for naxal operation. In the absence of any rates, SPs of test-checked districts hired 483 private vehicles on quotation/nomination basis during 2010-16 and paid ₹ 52.33 crore to the Agencies (**Appendix-3.3.2**).

Thus, the department did not adhere to the SRE Guidelines for hiring private vehicles. In the absence of quotation also the department could not avail competitive rates. Further, grant of undue benefit to agencies who supplied vehicles on quotation/nomination basis can not be ruled out.

3.3.7.2 Irregular use of SRE vehicle

As per clause 7 of SRE Guidelines, 2010, read with Item 2 of Guidelines, 2012, transportation and other logistic support are admissible to Central Paramilitary Forces (CPMFs) and joint team of the State Police and CPMFs for anti-naxal operations.

Audit noticed that SSP, Ranchi paid ₹ 34.99 lakh during 2015-16 as hiring charge for nine vehicles which were used for conveyance of Air Force personnel for local visit within Ranchi city. The expenditure was reimbursed by MHA, GoI though expenditure on local travel of Air Force Personnel was not admissible under SRE Guidelines.

SPs of test checked districts irregularly hired 483 private vehicles on quotation/nomination basis during 2010-16 and paid ₹ 52.33 crore to the agencies

SSP Ranchi paid ₹ 34.99 lakh during 2010-16 as hiring charge for nine vehicles which were used for conveyance of Air Force personnel for local visit within Ranchi city

⁷ Ex-gratia to the kin of deceased civilians are paid at Circle and the district level whereas to the police personnel at the district level

In reply, the SSP, Ranchi stated (August 2016) that since vehicles were not available with the police department, hiring from SRE fund was done in special condition.

The reply was not acceptable as even in special condition expenditure from SRE fund is not permissible for such purpose as it was beyond the ambit of SRE guidelines.

No reply on audit observation was furnished by the department.

3.3.7.3 Annual Maintenance Charges

As per clause 17.1 of SRE Guidelines, 2010 read with Item 2 of SRE Guidelines 2012, payment for fuel consumption for lighting purpose is permissible under logistic support to CPMF. However, annual maintenance charges (AMC) of the generator sets are not mentioned in the guideline.

Audit noticed that SSP, Ranchi incurred expenditure of ₹ 67.99 lakh during 2010-16 on AMC of 59 to 72 generator sets installed in CPMF camps and in police stations. AMC included supply and fitting of spare parts, provision of lubricants and repairing works.

Scrutiny further revealed that the AMCs were awarded on nomination or quotation basis though open tender was required under the Jharkhand Financial Rules. The expenditure was also disallowed by GoI as it did not fall within the purview of reimbursable items under SRE.

Thus, the expenditure of ₹ 67.99 lakh was incurred without adhering to the Jharkhand Financial Rules.

No reply on audit observation was furnished by the department.

3.3.8 Ammunition

3.3.8.1 Claim not reimbursed in the absence of supporting documents

As per clause 8.1 of SRE Guidelines, 2010 read with Item 3 of SRE Guidelines 2012, ammunition used by the State Police Personnel for anti-naxal activities is permissible for reimbursement.

Audit noticed that the department claimed ₹ 25 lakh in 2011-12 and ₹ 5.84 crore in 2013-14 on account of purchase of ammunitions. However, the claim was disallowed by MHA team because the department failed to produce supporting vouchers (2011-12) and proof of receipt of store (2013-14). Subsequently, the store valued ₹ 5.73 crore was received (August 2014) but the claim was not pursued further by the department.

Scrutiny further revealed that the department did not purchase 50.79 lakh numbers of ammunitions⁸ in 2011-12 though it was required. Besides, there was short purchase of 1.26 crore quantity of ammunitions⁹ against requirement during 2012-16.

Thus, due to failure to submit vouchers and pursue the claim after receipt of store, the department could not avail admissible reimbursement of ₹ 5.98

⁸ For 5.56 mm Insas LMG Rifle: 45,91,901 nos., 7.62 mm SLR: 2,08,302 nos., 7.62*32 mm AK 47: 3,08,219 nos. and 9 mm carbine/Stain gun/Pistol: 30,942 nos

⁹ For 5.56 mm Insas LMG Rifle, 7.62*32mm Ak 47 and 9 mm carbine/Stain gun/Pistol

The department could not avail admissible reimbursement of ₹ 5.98 crore due to failure to submit vouchers and pursue the claim after receipt of store

crore. In addition, it could not avail the benefit of SRE fund for purchase of required ammunitions which was permissible under it.

No reply on audit observation was furnished by the department.

3.3.9 Training

3.3.9.1 Avoidable burden

As per clause 9.1 of SRE Guidelines 2010 and Item 4 of SRE Guidelines 2012, expenditure incurred on (i) tour and daily allowance of trainees, (ii) the course fees charged, if any, by the institution and (iii) other consumable training materials (except items included in Police Modernisation Scheme) are permissible for specialised training of the police personnel in specialised training institutes within or outside the State.

Audit noticed that IGP, Special Task Force (STF) incurred an expenditure of ₹ 5.55 crore on specialised training of 144 police personnel of “Jaguwar”, a STF of Jharkhand, in specialised training institutes. The expenditure was not met from SRE fund, although admissible under it.

Thus, the department could have avoided the burden of ₹ 5.55 crore on state exchequer by claiming admissible expenditure on specialised training under SRE.

No reply on audit observation was furnished by the department.

3.3.10 Honorarium

3.3.10.1 Un-authorised expenditure

As per clause 12 of SRE Guidelines, 2010, payment of honorarium to Special Police Officers (SPOs) engaged in the State is permissible subject to proper verification and prior approval of the SRE Standing Committee of MHA, GoI regarding appointment of SPOs.

Audit noticed that sanctioned strength of SPOs varied year to year in the State. In 10 test-checked districts, SPOs were appointed based on recommendations by the concerned police stations (PS) to SPs and finally after approval of DCs of concerned districts. However, in no case approval was taken from SRE Standing Committee as required under the guidelines. These SPOs were paid honorarium of ₹ 27.71 crore¹⁰ during 2010-16 which was reimbursed by GoI.

Thus, payment of ₹ 27.71 crore to SPOs appointed without proper verification and approval of SRE Standing Committee was unauthorised.

No reply on audit observation was furnished by the department.

3.3.10.2 Excess payment of honorarium

Naxal Management Division, MHA, GoI enhanced the amount of honorarium to SPOs from ₹ 1500 to ₹ 3000 per month with effect from 16 August 2010.

Audit noticed that the department ordered (March 2010) such enhancement of honorarium in the State from April 2010 itself. In accordance with the

¹⁰ Chaibasa: ₹ 4.27 crore, Chatra: ₹ 3.28 crore, Deoghar: ₹ 3.18 lakh, Dhanbad: ₹ 1.78 crore, Garhwa: ₹ 1.68 crore, Hazaribag: ₹ 1.67 crore, Jamshedpur: ₹ 2.25 crore, Latehar: ₹ 1.28 crore, Palamu: ₹ 5.83 crore and Ranchi: ₹ 5.64 crore

Unauthorised payment of ₹ 27.71 crore was made to SPOs appointed without proper verification and approval of SRE Standing Committee

The department paid excess honorarium of ₹ 36.05 lakh beyond the criteria of SRE

Department's order, ₹ 36.05 lakh¹¹ was paid in excess in three out of 10 test-checked districts. Excess amount has been calculated at the rate of ₹ 1500 per month from April to 15 August 2010. The excess amount paid was, however, reimbursed by GoI.

Thus, the department paid excess honorarium of ₹ 36.05 lakh beyond the criteria of SRE.

No reply on audit observation was furnished by the department.

3.3.10.3 Suspected misappropriation

Audit scrutiny disclosed that SP, Latehar provided ₹ 2.16 lakh to PS-in-Charge, Manika for payment of honorarium to 24 SPOs for three months from April to June 2010, at the rate of ₹ 3000 per month. However, PS-in-Charge disbursed the honorarium to SPOs for six months from April to September 2010, at the rate of ₹ 1500 per month.

SP, Latehar again provided ₹ 2.88 lakh to the same PS-in-charge for payment of honorarium to same 24 SPOs for four months, from July to October 2010. However, there was nothing on record to show the disbursement of the next installment of ₹ 2.16 lakh for the period July to September 2010 which also covered payments made in the same previous periods.

Audit further noticed that ₹ 3.48 lakh was withdrawn (March 2011) by the SP, Latehar twice through two bills for payment of honorarium to 29 SPOs appointed in PS, Balumath, at the rate of ₹ 3000 per month. The first bill was drawn for four months from November 2010 to February 2011 and the second bill was drawn for four months from December 2010 to March 2011. As such, ₹ 2.61 lakh¹² for the same three months from December 2010 to February 2011 was withdrawn twice.

The first installment of ₹ 3.48 lakh was provided in March 2011 and the second installment of ₹ 3.48 lakh in April 2011 to PS-in-Charge, Balumath. There was nothing on records to show payment of honorarium for the same months twice to SPOs.

Thus, in the absence of records of payments, the chances of misappropriation of ₹ 4.77 lakh (₹ 2.16 lakh plus ₹ 2.61 lakh) could not be ruled out.

No reply on audit observation was furnished by the department.

3.3.11 Village Defense Committee

3.3.11.1 Expenditure on inadmissible items

As per clause 11.1 of SRE Guidelines 2010, 100 *per cent* of the expenditure on village defense was reimbursable subject to a ceiling of ₹ two lakh per village for security related infrastructure. In the chosen village a sum of upto ₹ two lakh will be spent for construction of a meeting place (also to be act as village defense structure) to organise the meetings, discussion and other programmes.

In nine out of 10 districts, expenditure of ₹ 53.11 lakh was incurred on inadmissible items like purchase of torches, batteries, shoes, socks, umbrellas, thermos-waistcoats and winter wears

¹¹ Chaibasa: ₹ 10.47 lakh, Garhwa: ₹ 8.57 lakh and Ranchi: ₹ 17.01 lakh

¹² Calculated for 3 months at the rate of ₹ 3000 per months for 29 SPOs

Audit noticed that in nine¹³ out of 10 districts, expenditure of ₹ 53.11 lakh was incurred on inadmissible items like purchase of torches, batteries, shoes, socks, umbrellas, thermos-waistcoats and winter wears which was against the provision of SRE Guidelines and were disallowed by MHA, GoI.

In the exit conference, the Additional Chief Secretary of the department stated (November 2016) that all SPs would be explained the procedural mistakes which led to inadmissibility of claims.

3.3.12 Rehabilitation

3.3.12.1 Ineffective implementation

The department could not get reimbursement of ₹ 48 lakh though there was approved provision for it by MHA

As per Item 7 of SRE Guidelines 2012, cost of rehabilitation of hard-core and underground naxalites, who surrender in accordance with the Comprehensive Surrender and Rehabilitation (SR) Policy of the State Government, is permissible as per the Rehabilitation-cum-Surrender (RS) Scheme for LWE affected States as circulated by MHA.

The RS Scheme of MHA, effective from April 2013, envisages 100 per cent reimbursement of expenditure incurred on rehabilitation of surrenderees subject to a ceiling of ₹ 2.5 lakh for higher ranked LWE cadres and ₹ 1.50 lakh for lower ranked cadres and for weapons and ammunitions as stated in para 4¹⁴ of the guidelines. The surrenderees will also be paid monthly stipend of ₹ 4000 for a maximum period of 36 months for training in a trade/vocation.

Further, as per SR Policy, 2009 of the State Government, ex-gratia upto ₹ 2.5 lakh is payable in three installment in two years. Additionally, ₹ 50,000 for house building, incentive for weapons and ammunitions and stipend of ₹ 5,000 for 12 months for vocational training is also payable.

Audit noticed that during 2013-15, the department paid ₹ 56.32 lakh¹⁵ to 26 lower cadres surrenderee as per the State guideline. However, the department claimed only ₹ two lakh as reimbursement though the approved plan was for ₹ 50 lakh.

Thus, the department could not get reimbursement of ₹ 48 lakh even though GoI had approved it as per plan.

No reply on audit observation was furnished by the department.

3.3.13 Community Policing

3.3.13.1 Expenditure on inadmissible items and beyond the ceiling

The department incurred inadmissible expenditure of ₹ 1.29 crore on inadmissible items (₹ 95.96 lakh) and beyond the limit (₹ 32.97 lakh) which was not reimbursed by MHA

As per clause 10.1 of SRE guidelines, 2010 read with Item 5 of SRE guideline 2012, the community policing program shall include health camps in villages, distribution of sport kits, organising sports events, organising cultural functions and participation in Adivasi's festivals. Hundred per cent

¹³ Chaibasa: ₹ 8.95 lakh, Deoghar: ₹ 1.99 lakh, Dhanbad: ₹ 3.93 lakh, Garhwa: ₹ 6.71 lakh, Hazaribag: ₹ 5 lakh, Jamshedpur: ₹ 2 lakh, Latehar: ₹ 7 lakh, Palamu: ₹ 10.91 lakh and Ranchi: ₹ 6.62 lakh

¹⁴ Grant and incentive for weapons and ammunitions shall be kept in a bank in the name of the surrenderee as a fixed deposit which may be withdrawn by the surrenderee after completion of three years, subject to good behavior certified by the authorities designated for this purpose by the State concerned

¹⁵ 2013-14: ₹ 18.50 lakh and 2014-15: ₹ 37.82 lakh

expenditure is permissible with a limit of ₹ five lakh per annum per LWE district. The limit was enhanced to ₹ 10 lakh from April 2013.

Audit noticed that in seven¹⁶ out of 10 test-checked districts, ₹ 95.96 lakh was incurred during 2010-16 on inadmissible items i.e. on purchase of cycles, dhotis, sarees, televisions, chairs, blankets and copies.

Audit further noticed that seven¹⁷ out of 10 test-checked districts did not adhere to the limit of ₹ five lakh or ₹ 10 lakh per annum and incurred excess expenditure of ₹ 32.97 lakh beyond the limit prescribed by GoI.

Thus, the department incurred inadmissible expenditure of ₹ 1.29 crore on inadmissible items (₹ 95.96 lakh) and made expenditure beyond the limit (₹ 32.97 lakh) which was not reimbursed by MHA, GoI.

In the exit conference, the Additional Chief Secretary stated (November 2016) that correct procedure would be explained to all the SPs' so that mistakes leading to inadmissibility of claims do not recur.

3.3.14 Need based hiring of weapons and helicopters

3.3.14.1 Expenditure without prior approval

As per clause 15 of SRE guidelines 2010 read with item 9 of SRE guidelines 2012, expenditure incurred on need-based hiring of weapons or vehicles, including helicopters or communication equipment in emergent situation is permissible, subject to prior approval of the SRE Committee of MHA. Such cases should be specifically referred to MHA for approval.

Audit noticed that DG&IGP, Jharkhand incurred expenditure of ₹ 16.91 crore on the state owned Dhruv Helicopter during 2010-16 without obtaining prior approval of SRE Committee of MHA. The expenditure was incurred on fuel, lodging and boarding, tour bill, training and mobile charges of pilot, electricity and water charges of hanger and maintenance of the helicopter.

The Additional Chief Secretary of the department requested (April 2015) MHA to cover maintenance and other operational costs of the Dhruv helicopter under SRE scheme. The proposal was not accepted (September 2016) by MHA, GoI as prior approval was not obtained for incurring expenditure as required under SRE guidelines.

Audit further called for flight details which were provided only for the period January to 20 October 2016. From flight details it was seen that out of total 40 flights, 15 flights (37 per cent) were utilised by Ministers and Officers for different purposes other than naxal operation including seven flights during January to March 2016.

Thus, the department did not adhere to SRE guidelines in incurring expenditure of ₹ 16.91 crore on the state owned helicopter and so the claim was ultimately disallowed.

The department did not adhere to SRE guidelines in incurring expenditure of ₹ 16.91 crore on the State owned helicopter and the claim was ultimately disallowed

¹⁶ Chaibasa: ₹ 18.36 lakh, Deoghar: ₹ 12.17 lakh, Dhanbad: ₹ 6.87 lakh, Garhwa: ₹ 11.44 lakh, Latehar: ₹ 8.87 lakh, Palamu: ₹ 12.01 lakh and Ranchi: ₹ 26.24 lakh

¹⁷ Chaibasa: ₹ 5 lakh, Chatra: ₹ 2 lakh, Garhwa: ₹ 2 lakh, Jamshedpur: ₹ 2 lakh, Latehar: ₹ 6 lakh, Palamu: ₹ 2 lakh and Ranchi: ₹ 13.97 lakh

In the exit conference, IG (Provision) accepted the audit findings and stated (November 2016) that the journeys performed for naxal operation and other purposes by the Dhruv helicopter would be bifurcated before claiming the expenditure to GoI. Fact, however, remains that correct procedure was yet to be explained to all the SPs' so that mistakes leading to inadmissibility of claims do not recur.

3.3.15 Strengthening of police stations/pickets/out-posts

3.3.15.1 Expenditure on pucca works

As per clause 16 of SRE guidelines, 2010 read with Item 10 of guidelines of 2012, expenditure on construction of additional structures in Police Stations /Police Lines, if being in the nature of capital work and covered under the Police Modernisation Scheme, is not allowed under SRE. The guidelines prescribe construction of barbed wire fencing and *Morchas* over roof tops.

Audit noticed that in all the 10 test-checked districts, expenditure of ₹ 13.69 crore¹⁸ was incurred on inadmissible items i.e. construction of pucca structures like kitchens, toilets, and additional rooms in Police Stations/Police Lines/Police Out Posts (OPs) by the order of concerned SPs. These works were not the part of the approved Plan under SRE and comes under the scope of the Police Modernisation Scheme. The expenditure was disallowed by MHA, GoI.

Thus, the department incurred inadmissible expenditure of ₹ 13.69 crore beyond the norms of SRE guidelines.

In the exit conference the Additional Chief Secretary stated (November 2016) that all SPs would be explained the procedural mistakes which led to inadmissibility of claims.

3.3.15.2 Excess payment

Audit noticed that the Police Headquarters ordered (March 2013) all SPs to execute ground fencing work at the rate of ₹ 1,117 per metre and the wall fencing work at the rate of ₹ 803 per metre through two nominated contractors whose rates were finalised based on the open bid.

It was seen in audit that SP, Chaibasa allotted the work of punched tape concertina fencing¹⁹ (ground and wall) of nine PSs/OPs/Camps in 2014-15 to two contractors, who were other than the contractors nominated by the Police Headquarters. Even fresh tender was not invited for allotting the works. The contractors were paid (January and February 2015) ₹ 1.07 crore for 7667 metres of ground fencing and 2,698 metres of wall fencing.

Audit further noticed that the contractors actually executed work valued ₹ 41.42 lakh against the payment of ₹ 1.07 crore. SP, Chaibasa directed (July 2015) the contractors to deposit the excess paid amount of ₹ 65.39 lakh. The amount was not yet recovered (November 2016).

SP Chaibasa did not ensure actual execution before making payments to contractors which led to the excess payment of ₹ 65.39 lakh

¹⁸ Chaibasa: ₹ 2.38 crore, Chatra: ₹ 77.33 lakh, Deoghar: ₹ 57.96 lakh, Dhanbad: ₹ 1.71 crore, Garhwa: ₹ 45.26 lakh, Hazaribag: ₹ 1.26 crore, Jamshedpur: ₹ 74.31 lakh, Latehar: ₹ 69.28 lakh, Palamu: ₹ 1.75 crore and Ranchi: ₹ 3.36 crore

¹⁹ Round shape wire which is used in fencing wall and ground for security purpose

Thus, SP, Chaibasa did not ensure actual execution before making payments to contractors which led to the excess payment of ₹ 65.39 lakh.

No reply on audit observation was furnished by the department.

3.3.16 Internal control and monitoring

3.3.16.1 Absence of audited accounts

As per SRE guidelines, the expenditure for reimbursement is considered on the basis of audited accounts. However, to ensure that the State does not suffer because of delay in audit of accounts, ad-hoc release is made on the basis of accounts scrutinised by MHA Team which is adjusted after submission of final audited accounts.

Audit noticed that the department did not get its account audited during 2010-16. MHA team periodically verified the accounts of the department but the department did not adhere to the recommendation of MHA Team and raise claim of ₹ 436.50 crore during 2010-15 against permitted amount of ₹ 335.47 crore.

Thus, the department failed to adhere to SRE guidelines in submitting audited accounts to MHA for final settlement of the claim.

No reply on audit observation was furnished by the department.

3.3.16.2 Delay in submission of claims

Audit noticed that MHA team verified accounts of SRE twice a year. However, claims for 2012-13 to 2014-15 were submitted by the department after five months to 15 months from the date of verification of accounts by MHA team for that financial year.

The delayed submission of claims led to late release of reimbursement. Claim for 2015-16 had not been submitted (November 2016) to GoI for reimbursement.

No reply on audit observation was furnished by the department.

3.3.16.3 Absence of monitoring mechanism

Audit noticed that the department did not formulate any monitoring mechanism to ensure effective implementation of SRE schemes. Absence of monitoring mechanism caused regular expenditures on inadmissible items and failure to submit utilisation certificates with supporting documents by executing agencies.

3.3.17 Conclusion

- The SRE scheme was not properly implemented in the State as the department did not prepare need based Annual Work Plans which resulted in intra component diversion of SRE fund to the tune of ₹ 247.55 crore as compared to the approved Plan. Further, the Plan only included half percent of the total outlay under SRE for involving local youth in abating the naxal menace against the permissible ceiling of 20 *per cent* under this component. Thus, the Plan to implement the SRE scheme in the State was deficient.

The department failed to adhere to SRE guidelines in submitting audited accounts to MHA for final settlement of the claim

The department did not formulate any monitoring mechanism to ensure effective implementation of SRE schemes

- While the department did not get reimbursement of ₹ 154.92 crore of claimed amount due to breach of SRE guidelines, it did not claim ₹ 5.55 crore incurred on specialised training to its police personnel and pursue claim/submitted vouchers of ₹ 5.98 crore on purchase of ammunitions with Ministry of Home Affairs (MHA) for reimbursement though such reimbursement was admissible under SRE. Thus, the State failed to gainfully utilise the SRE fund.
- Although ₹ 80.39 crore incurred by the department on hiring of vehicles (₹ 52.68 crore) and payment of honorarium to SPOs (₹ 27.71 crore) had been allowed by MHA for reimbursement, audit noticed that these expenses were incurred in violation of the SRE guidelines.
- Internal control and monitoring of SRE scheme was weak. SRE accounts were not audited, though required under SRE guidelines, leading to delay in submission of claims after verification of accounts by MHA team. Absence of monitoring mechanism led to continuous expenditure on inadmissible items thereby defeating the scheme objectives.

3.3.18 Recommendation

The State should ensure:

- preparation of need based Annual Work Plan so that SRE scheme could be implemented properly;
- gainful utilisation of the SRE fund by adhering to the scheme guidelines;
- proper monitoring of SRE scheme so that expenditure on inadmissible items could be avoided.

WELFARE DEPARTMENT

3.4 Follow up Audit on Performance Audit of Tribal Welfare Programmes in Meso Areas

Executive Summary

Performance audit of Tribal Welfare Programmes in Meso Areas covering the period 2007-08 to 2011-12 was included in the Audit Report of the CAG (Civil and Commercial) for the year ended 31 March 2012. Based on the findings in the Report, Audit had made recommendations which were accepted by the State Government for implementation. Follow up audit was conducted covering the period 2013-14 to 2015-16 to assess whether the Welfare Department had implemented the accepted audit recommendations and adequately addressed the deficiencies with remedial measures. The outcomes of follow up audit are:

- Though the Government accepted the audit recommendation that proposed re-organisation of Integrated Tribal Development Programmes (ITDP) and integration of Tribal Sub-Plan for planning in Meso areas would be done, Follow up audit revealed that none of the Integrated Tribal Development Agency (ITDA) prepared socio economic database of the villages or tribal population. As such, the accepted audit recommendation was not implemented.

(Paragraph 3.4.2)

- Government had accepted the audit recommendation that timely utilisation of funds and submission of utilisation certificates based on end-use of funds would be ensured. Audit noticed in follow up audit that there was consistent savings of Grants under Special Central Assistance (SCA) to Tribal Sub Plan (TSP) and Article 275 (1) of the Constitution and that the accepted audit recommendation was not implemented.

(Paragraph 3.4.3)

- Government accepted to ensure completion of the projects under SCA to TSP and schemes under Article 275 (1) within the time schedule fixed. However, out of 127 schemes under SCA to TSP only 39 schemes were completed. Similarly, out of 268 works under Article 275 (1), only 211 works were completed. As such accepted audit recommendation was not implemented.

(Paragraphs 3.4.4.1 and 3.4.4.2)

- Despite Government acceptance of audit recommendation that adequate manpower for implementation of programmes would be ensured, it was noticed in follow up audit that 31 *per cent* posts in the test checked ITDAs remained vacant.

(Paragraph 3.4.5)

- Government acceptance of audit recommendation that Monitoring of implementation of the schemes at all level would be ensured was not implemented as Monitoring and Evaluation Cell was not functional while no schedule of inspection was prescribed at any level.

(Paragraph 3.4.6)

3.4.1 Introduction

Performance audit of ‘Tribal Welfare Programmes in Meso¹ Areas’ covering the period 2007-12 was included in the Audit Report of the Comptroller and Auditor General of India for the year ended 31 March 2012. The audit conclusions/ recommendations were accepted (December 2012) by the State Government for implementation. The highlights of the audit findings were:

- The proposed re-organisation of Integrated Tribal Development Agencies (ITDAs) was not completed by December 2012. Perspective Plans for the Meso Areas was not prepared.
- Central funds of ₹ 19.47 crore could not be drawn during 2011-12 due to non-submission of DC bills, ₹ 91.81 crore were deposited in Personal Ledger accounts and utilisation certificates (UCs) were submitted to GoI without ascertaining the end-use of funds.
- As of December 2012, there were 271 incomplete schemes (77 per cent) out of 353 schemes sanctioned (2006-12) in the Meso Areas. In the sampled ITDAs, 167 schemes (92 per cent) were incomplete out of 181 sanctioned under Prototype schemes.
- Shortage of manpower was a constraint; as against 90 sanctioned posts of various categories, 50 per cent post were vacant. The posts of Additional Project Director (PD) and Assistant Project Manager were vacant.
- Monitoring and Evaluation Cell at the State Level was not functional. Government did not prescribe any schedule of inspections for site visits by the PDs.

The objective of the Follow up Audit is to assess extent of implementation of audit recommendations accepted by the State Government in December 2012.

The follow up audit was conducted covering the period 2013-14 to 2015-16, through test check of records of the Secretariat, Welfare Department and Tribal Welfare Commissioner’s office (State level) and in five² out of 14³ ITDAs. However, audit of implementation of schemes was not covered within the scope of the follow up audit. Joint physical inspection as well as beneficiary surveys of a few schemes was carried out. An entry conference was held on 8 April 2016 in which the Audit objective, criteria, scope and methodology of the follow up audit were discussed with the Secretary, Welfare Department. An exit conference was held on 25 November 2016 with the Secretary, Welfare Department to discuss the follow up audit report findings and recommendations. The Secretary accepted that the recommendations have not been implemented and assured to implement these in future.

¹ GoI provides Special Central Assistance to Tribal Sub Plan (TSP) for upliftment of socio-economic conditions of STs. The TSP in the State was grouped into 14 Integrated Tribal Development Projects (ITDPs). The area covered by these ITDPs was declared as Scheduled Areas, locally known as Meso (Micro Economic Social Organisation) Areas, for taking up comprehensive development programmes for the ST population.

² Dumka, Gumla, Latehar, Ranchi and Seraikela Kharsawan

³ Dumka, East Singhbhum, Godda, Gumla, Jamtara, Khunti, Latehar, Lohardaga, Pakur, Ranchi, Sahibganj, Saraikela, Simdega and West Singhbhum

Status of Implementation of Audit Recommendations

Recommendation No. 1: *Government should complete the proposed re-organisation of ITDPs and integration of TSP for comprehensive planning in Meso Areas. The database prepared by PRADAN should be updated.*

3.4.2 Continued inadequacies in Planning

Audit had observed in 2012 that the proposed strengthening and re-organisation of ITDPs into ITDAs for comprehensive planning and integration of TSP was not done in any of the test checked ITDAs. Further, Government prepared the annual plan proposals for ITDAs and allocated them funds without obtaining proposals from them and the 2005 socio-economic survey of tribal areas done by 'PRADAN' (an NGO), which was utilised for planning purposes by government, was not updated in the past seven years.

Based on the above findings, Audit had recommended that Government should complete the proposed re-organisation of ITDPs and integration of TSP for comprehensive planning in Meso Areas. The database prepared by PRADAN should be updated and Plans finalised only after inputs from the targeted areas to be benefited under the schemes.

In the Follow-up Audit, it was observed that ITDAs were created and were functional in all the erstwhile Meso areas. However, none of them had prepared socio-economic database of the villages or the tribal population under it. Further, strategy/ work-plan/ projects/ perspective plan for tribal development, which was the mandate behind their creation, was also not framed.

The ITDAs stated that the identification of the schemes under SCA to TSP and under Article 275(1) for the state was done by the Department and accordingly funds were allocated. No inputs were obtained from the ITDAs in this regard. The budget preparation and allotment continued to be carried out by the department centrally without assessing the actual requirements of funds for the tribal areas.

Thus, the accepted audit recommendation had not been implemented. In the exit conference (November 2016), the Secretary, Welfare Department accepted the fact that the audit recommendation was not implemented but assured to implement these fully in future.

Recommendation No. 2: *Government should ensure timely utilisation of funds and utilisation certificates should be submitted based on end-use of funds.*

3.4.3 Savings in Grants and continued submission of Utilisation Certificates of unutilised funds

Audit had observed in 2012 that the Government submitted the utilisation certificates (UCs) to GoI based on amounts released to the Tribal Welfare Commissioner (TWC), without ascertaining actual utilisation of these scheme funds. It was also observed that there were unspent balances of ₹ 57.75 crore with the TWC as of 31 March 2012. Besides, the test-checked ITDAs had unspent balance of ₹ 57.14 crore as of 31 July 2012.

Socio-economic database of ITDAs were not prepared. Government prepared Annual Plans without obtaining inputs from the ITDAs

Based on the above findings, it was recommended that Government should ensure timely utilisation of funds and the utilisation certificates should be submitted based on actual utilisation of funds. This was accepted by the Government for implementation.

3.4.3.1 Funds not spent resulting in savings

Follow up audit, revealed that the savings of TWC during 2013-16 was ₹ 104.90 crore in respect of SCA to TSP and ₹ 86.83 crore in respect of Article 275 (1) out of available funds of ₹ 281.72 crore and ₹ 238.08 crore respectively as depicted in **Appendix-3.4.1**. In the test-checked ITDAs, the total savings from the available funds (₹ 148.79 crore) during 2013-16 was ₹ 95.57 crore (64 per cent of available funds) under SCA to TSP and ₹ 13.18 crore (21 per cent of available funds) of savings out of ₹ 62.50 crore available under Article 275 (1) as depicted in **Appendix-3.4.2**. The test checked ITDAs had consistent savings every year ranging from ₹ 12.06 crore to ₹ 23.98 crore under the schemes of SCA to TSP and ₹ 0.74 crore to ₹ 4.98 crore under Article 275 (1) as depicted in **Appendix-3.4.2**.

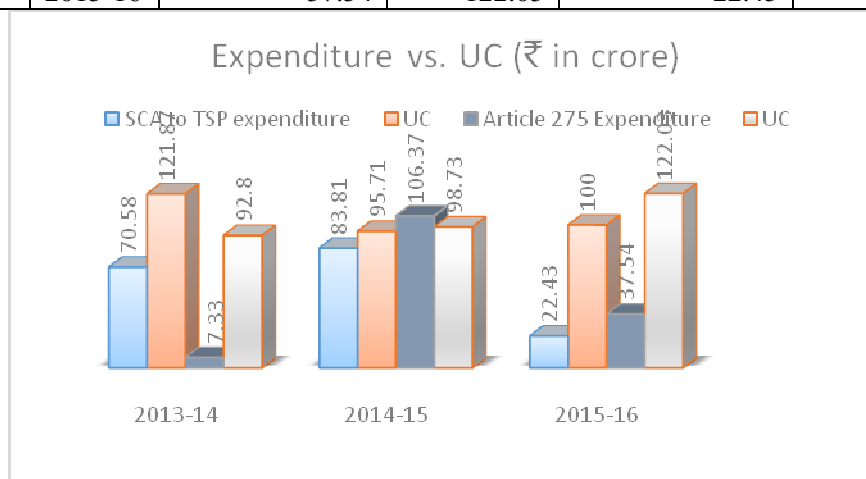
Thus, audit observed that there was regular under spending of allotted funds which could have led to the denial of intended benefits to the tribals.

3.4.3.2 Utilisation Certificates issued without expenditure

Audit further observed that Utilisation Certificates issued by the TWC included unspent funds parked in banks/ PL accounts, as shown under:

(₹ in crore)

Office	Year	Article 275(1) Expenditure	UC submitted	SCA to TSP expenditure	UC submitted
TWC	2013-14	7.33	92.80	70.58	121.87
	2014-15	106.37	98.73	83.81	95.71
	2015-16	37.54	122.03	22.43	100.00



The practice of sending utilisation certificates for unspent amounts pointed out in the previous Audit Report was thus continuing and this irregularity was not rectified.

3.4.3.3 Irregular deposit in Personal Ledger Account

In addition to the bank balances, Audit also observed that ₹ 127.16 crore under Article 275 (1) was drawn during 2013-16 by the TWC and deposited in the Personal Ledger (PL) Account of the Jharkhand State Scheduled Caste

Test checked ITDAs had consistent savings under SCA to TSP and Article 275 (1) respectively

Irregular deposit of fund in Personal Ledger Account

Development Corporation (JSSCDC), Ranchi, to avoid reduction in the subsequent year's allotment. Consequently ₹ 163.59 crore of year 2011 to 2016 was parked (March 2016) as unspent balance in PL Account resulting in denial of intended benefit to the tribal people.

Thus, the accepted audit recommendation had not been implemented. In the exit conference (November 2016), the Secretary, Welfare Department accepted the fact that the audit recommendation is not implemented but assured to implement these fully.

Recommendation No. 3: *Government should expedite implementation of the schemes and completion of the projects within the time schedule fixed.*

3.4.4 Continued delay in completion of Schemes

Audit observed in 2012 that the Department sanctioned ₹ 255.00 crore for execution of 353 Prototype units in all ITDAs. The ITDAs released ₹ 187.78 crore to the Implementing Agencies, out of which ₹ 173.23 crore was spent. Thus, due to short release of ₹ 67.22 crore besides delays in taking up the Prototype schemes by the ITDAs, only 82 units (23 per cent) of the 353 sanctioned units were completed.

Based on the above findings audit recommended that Government should expedite implementation of the schemes and completion of the projects within the time schedule fixed which was accepted by the Government.

3.4.4.1 Special Central Assistance to Tribal Sub Plan

Follow up audit revealed that the Government released ₹ 91.08 crore to the test checked ITDAs for carrying out the Prototype schemes under phase III to VII⁴. Out of the 127 units taken up, only 39 were completed (31 per cent) and 88 units remained incomplete (details in **Appendix-3.4.3**).

3.4.4.2 Schemes under Article 275 (1)

Scrutiny of records in the test checked ITDAs for schemes under Article 275 (1) revealed that of the 268 works taken up between 2009-10 to 2015-16, 57 works involving expenditure of ₹ 33.78 crore remained incomplete till date (July 2016) (details in **Appendix-3.4.4**).

Thus, the accepted audit recommendation had not been implemented. In the exit conference (November 2016), the Secretary, Welfare Department accepted the fact that the audit recommendation is not implemented.

Recommendation No. 4 *Government should ensure providing adequate manpower for implementation of the programmes.*

3.4.5 Continued shortage of manpower

Audit observed in 2012 that there were large vacancies in the key posts against the sanctioned posts in various categories. The posts of Additional Project Director and Assistant Project Manager in sampled districts were vacant since their creation of the ITDAs in February 2009.

⁴ Phase III: 2007-08 to 2009-10, Phase IV: 2010-11 to 2012-13, Phase V: 2011-12 to 2013-14, Phase VI: 2012-13 to 2014-15, Phase VII: 2013-14 to 2015-16

Out of 127 units taken up under SCA to TSP, only 39 units were completed. Similarly 57 units out of 268 units remained incomplete under Article 275 (1)

Based on the above findings audit recommended that Government should ensure provision of adequate manpower for implementation of the programmes, which was accepted by the Government for implementation.

Follow up audit revealed that 31 *per cent* posts continued to remain vacant in the test checked ITDAs as depicted in table:

Sanctioned Strength	Men in-Position	Vacancy
97	67	30 (31 <i>per cent</i>)

31 per cent posts continued to remain vacant in test checked ITDAs

Moreover, the posts of Assistant Project Manager responsible for planning, monitoring and technical specifications of schemes had been lying vacant in all the test checked ITDAs (**Appendix-3.4.5**). The ITDAs confirmed shortage of manpower and stated that it had affected the scheme implementation.

Thus, the accepted audit recommendation had not been implemented. In the exit conference (November 2016), the Secretary, Welfare Department accepted the fact that the audit recommendation is not implemented but assured to implement these fully.

Recommendation No. 5: *Monitoring of implementation of the schemes at all levels should be prescribed and ensured.*

3.4.6 Monitoring standards not set

Audit observed in 2012 that Monitoring and Evaluation Cell was not functional as the officer-in-charge of the Cell was not appointed. There was one Training Officer and two Assistants who were appointed on contractual basis since July 2008, who only managed the database of the Department. Even the post of MIS Officer, which was vacant since May 2009, was not filled up till February 2011. As the Cell did not start functioning within three years, it was reconstituted (February 2011) with Secretary, Welfare Department as Chairman, Tribal Welfare Commissioner (TWC) as Chief Executive Officer and Deputy Secretary/Under Secretary, Welfare Department as Members and five Technical Consultants and five Office Executives. However, the cell could not be made functional as the consultants and office executives were not appointed as of December 2012.

At the ITDA level, the Project Implementation Committee (PIC) was to monitor the progress in the implementation of the schemes by conducting review meetings at an interval of 60 days (i.e. six times in a year) as required under the State Government orders (November 2005). During 2007-12 only 24 review meetings were conducted to monitor progress of the schemes against 30 meetings which should have been done by each PIC. Besides, the Government did not prescribe the schedule of inspections for site visits by the Principal Director (PD) level functionaries.

Based on the above observations, Audit recommended that monitoring of implementation of the schemes at all levels should be prescribed and ensured, which was accepted by the Government for implementation.

Follow up audit revealed that Monitoring and Evaluation Cell had not been made functional at State level (November 2016). The Training Officer and the two Assistants, appointed on contractual basis in the cell continued to manage the database of the Department without any monitoring function while the post of MIS Officer, remained vacant (November 2016) since May 2009.

Periodic schedule of inspection was not prescribed at any level

Further, the department failed to finalise/ prescribe any schedule of inspection for implementation of schemes at the project level. Only 29 PIC meetings⁵ were held in the five tests checked ITDAs against prescribed 90 meetings. When pointed out, ITDAs stated that no schedule of inspection was prescribed by the Department/TWC but periodic inspection or visit of schemes under SCA to TSP and Article 275(1) were being undertaken. However, the claim was not backed by evidence of inspection or site visit. It was also stated by ITDAs that PIC meetings were held as per directions of Chairman of PIC. Absence of an effective monitoring mechanism was one of the reasons for deficiencies in the implementation of the schemes.

Thus, the accepted audit recommendation had not been implemented. In the exit conference (November 2016), the Secretary, Welfare Department accepted the fact that the audit recommendation is not implemented. The Secretary further assured that the Monitoring and Evaluation Cell would be made functional soon and the recommendations would be fully implemented.

3.4.7 Beneficiary survey and Joint Physical verification

Audit physically verified (May and July 2016) 19 Prototype Schemes along with officials of the ITDAs and representatives of NGOs. During physical verification, audit found that:

- In Saraikela-Kharsawan, Mulberry Plantation was destroyed due to fire at Village Tilopada, Block Kuchai.
- In Ranchi, the selection of site for Horticulture scheme was highly risky as High Tension wires were passing over the site.



*Mulberry plantation destroyed by fire:
Village- Tilopada of Kuchai Block at
Saraikela Kharsawan*



*Site for Horticulture scheme at Village-
Kerketta, Panchayat- Raja ulahatu,
Namkum, Ranchi*

- All the remaining 17 schemes jointly verified were found to be incomplete.

Beneficiary Survey

Beneficiary survey was conducted to ascertain directly from the target audience on the benefits derived by them from the implementation of the scheme.

- At Jalimkhurd, Banhardi and Pandeyapura in Latehar, out of 63 beneficiaries covered under Dairy development scheme, 40 were interviewed jointly with development officer. Under the scheme, cow sheds had been

⁵ PIC, Dumka: 6 meetings; PIC, Gumla: 5 meetings; PIC, Latehar: 6 meetings; PIC, Ranchi: 4 meetings and PIC, Saraikela: 8 meetings during 2013-16

constructed but the cows were not distributed among the beneficiaries. However, all the interviewed beneficiaries stated that their income has increased.

- In Gumla out of 367 persons stated to be beneficiaries, 99 were interviewed of which 61 beneficiaries of the Horticulture scheme stated that their incomes were yet to increase while 38 beneficiaries of the Lift Irrigation, Water Harvesting Tank and Land Levelling scheme stated that their incomes have increased because of the ongoing schemes.
- In Saraikela Kharsawan, under Village Mangudih of Seraikela Block, ten beneficiaries of post-cocoon scheme stated that due to delay in completion of scheme their incomes had not increased. This was echoed by eight beneficiaries of the Mulberry Plantation scheme of Village Karalor of Kuchai Block.
- In Ranchi out of 90 beneficiaries, all the 42 interviewed stated that they were satisfied and that their incomes had increased from multi-tier cropping.

3.4.8 Conclusions and Recommendation

The follow-up audit revealed that the Government did not implement any of the recommendations accepted by it in 2012 as the planning continued to be done by the Department without any inputs from the lower functionaries. The department did not ensure complete utilisation of available funds and the utilisation certificates continued to be issued to Government of India without ensuring expenditure. The implementation of the schemes were tardy as schemes taken up during 2007-08 still remained incomplete. The manpower shortages continued to be a hurdle in implementation of schemes and no structured attempts for monitoring and evaluation of the schemes were undertaken. The physical verification conducted jointly by audit and the Department reflected that the majority of schemes were incomplete.

Government should ensure implementation of accepted audit recommendations of December 2012 relating to Tribal Welfare Programmes in Meso areas.

Compliance Audit Paragraphs

Compliance Audit of Government Departments and their field formations brought out several instances of 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.

AGRICULTURE, ANIMAL HUSBANDRY & CO-OPERATIVE DEPARTMENT

3.5.1 Unproductive expenditure

Failure to establish the Agriculture College led to unproductive expenditure of ₹ 18.21 crore.

The Agriculture, Animal Husbandry and Co-operative Department, Government of Jharkhand sanctioned ₹ 34.01 crore for the establishment of an Agriculture College in Garhwa against which technical sanction of ₹ 20.09 crore was given by the Chief Engineer, Building Department. Administrative approval was given by the Department (March 2009) to construct the administrative and academic buildings, hostels, staff quarters etc. The work was executed by Deputy Director (Works and Plants) Birsa Agricultural University (BAU), Kanke, Ranchi. Scrutiny of records (February 2016) revealed that a sum of ₹ 18.21 crore (90.64 per cent of administrative approval) was paid to the contractors in December 2012. But BAU had not yet taken charge of the buildings as of November 2016 and the college was not operational.

Scrutiny of records in the office of the Director, Planning, Implementation and Monitoring (PIM), BAU revealed that the College was to function from the academic session 2012-2013 and BAU had made repeated correspondence¹ to the Department for sanction of 45 teaching and 61 non-teaching post for running the college. But they were not sanctioned. If the department had exercised diligence to start the college from the session 2012-13, till date (November 2016) 50 students would have graduated in agriculture discipline and 200 students would have been studying in different semesters. Thus, due to an apathetic approach of the Department, the college was not made functional and the intended benefit of imparting education in this college was not achieved. Besides, dilapidation, theft and unauthorised occupancy of the building could not be ruled out.

Thus, inaction of the Government resulted in ₹ 18.21 crore spent by the government remaining unproductive and blocked while public was being denied educational facilities.

Government stated (July 2016) that earlier the institute was to be run under Public Private Partnership mode but private institutions did not show interest. Further, in a meeting presided (June 2016) by the Chief Minister, it was decided to run the college as a constituent college of BAU and to commence the teaching work from the academic session 2017-18. For this, the process of

¹ E39-350/07-08 BAU (PIM)-2683 dated 16 June 2010, E39-350/07 BAU (PIM)-187 dated 21 April 2012, E39-350/07-08 BAU (PIM)-01 dated 06 April 2013, F-39-432/12 BAU (PIM)-07/C dated 29 January 2014, E39-350/07-08 BAU (PIM)-19 dated 06 May 2014

creation of posts was also planned and till then the building would be used as skill development centre.

The reply was not acceptable as the Jharkhand Agriculture University Act 2000 amended in October 2015 provides for appointment of teaching and non-teaching staff by Vice-Chancellor against legitimately sanctioned posts after selection and recommendation by Jharkhand Public/Staff Selection Commission. However, sanctioned strength was not decided by the Government (November 2016). Further, the fact remains that the building has remained unoccupied since its completion in December 2012 and roadmap to utilise it as skill development centre had not been framed (November 2016).

BUILDING & ROAD CONSTRUCTION DEPARTMENTS

3.5.2 Loss to government

Loss of ₹ 9.68 crore to the Government for failing to adhere to the mining rule.

According to Rule 55 of the Jharkhand Minor Mineral Concession (JMMC) Rules 2004, purchase of minor minerals can be made only from lessees/permit holders and authorised dealers for which submission of Transport Challans along with oaths in form 'O'² and particulars in form 'P'³ is required. Claim of payment will include details of sources from where minerals were purchased and prices paid as well as quantities procured. Form 'O' and 'P' is essential for payment of bill. If the form is not submitted by the contractor the bill is not to be accepted by the Division. Photocopies of forms 'O' and 'P' so obtained will be submitted to the Mining Department by the implementing agency for verification. Till verification by the Mining Department, royalty at double rate should be withheld from the contractor's bills. If the details furnished are found to be false, either wholly or partly, the minerals so obtained shall be deemed to have been illegally mined and the user agency would be responsible for the illegal mining and should be liable to pay penalty up to the cost of minerals under section 54 (i & viii).

Scrutiny of the two road⁴ and bridge works under two divisions⁵ of Road Construction Department (RCD) and two building works⁶ under one divisions⁷ of Building Construction Department (BCD) revealed that 78,033.32 cubic metre (m³) metal, 64,594.1 m³ stone chips, 9,688.69 m³ boulder, 40,249.28 m³ sand and 4,333.98 m³ local sand worth ₹ 9.68 crore were used by the contractors in execution of the above said works. It was noticed that form 'O' and 'P' were not submitted by the contractors. As a result, the sources of purchases from authorised quarry could not be ascertained and the concerned Executive Engineers of the RCD and BCD should not have accepted the bills submitted by the contractors. However, penalty as admissible, was not

² 'O' contains 'oath'

³ 'P' contains 'particular'

⁴ Construction of Latehar-Saryu-Kotam (Garu) Road in Km 0 to 32 (MDR 249) and Reconstruction of Mander Chowk (NH-75) to Burmu Road (KM 0 to 14.80)

⁵ Road Construction Divisions, Latehar and Ranchi

⁶ Construction of New High Court Building at Ranchi and Construction of Jharkhand Judicial Academy

⁷ Special Works Division, BCD, Ranchi

imposed on the contractors up to the cost of minerals amounting to ₹ 9.68 crore along with rent/taxes applicable on that illegal mining site as per rules under section 54 (i & viii).

Thus, failure to adhere to the mining rule resulted in loss to Government up to the cost of materials amounting to ₹ 9.68 crore (**Appendix-3.5.1 (i) & (ii)**).

On being pointed out in audit (May 2016 and July 2016) the EEs in their reply stated that the contractor would be asked to submit the form 'O' and 'P'. The reply was not tenable as the action of the EEs in admitting the bills of the contractors for payments without form 'O' and 'P' were in violation of the JMMC rules.

The matter was referred to Government (July 2016); their reply had not been received (November 2016) despite reminders⁸.

3.5.3 Avoidable expenditure

Allowance of excess time for completion of road work in violation of Government orders resulted in avoidable expenditure of ₹ 2.52 crore.

Based on the criteria prescribed by the Indian Road Congress for fixation of completion schedule of road work, Road Construction Department (RCD), Government of Jharkhand issued an order (August 2007) that time period for completion of Widening and Strengthening (W&S) of a road up to a length of 15 KM under plan scheme would not be more than 10 months and that no deviation from the time schedule was to be permitted. Further, RCD decided (November 2007) that price adjustment, if any, would be limited only to a project, the value of which is greater than ₹ 2.50 crore, and the completion schedule of which is more than one year. It was also decided to incorporate these provisions in the Standard Bidding Document (SBD).

Scrutiny (April 2016) of records of the Executive Engineer (EE), Road Construction Division, Latehar revealed that in the tender invitation notice for W&S of Chandwa–Mahuwamilan–Maclauskiganj Road (CMM) Part I (0 to 8 KM), CMM Road-Part II (9 to 16 KM) and CMM Road-Part III (17 to 23.8 KM) estimated between ₹ 8.78 crore and ₹ 12.37 crore, the time schedules for completion of the works were fixed between 15 months and 18 months in contravention of the above order. The EE executed (between February 2014 and March 2014) three SBD agreements for ₹ 37.10 crore with a contractor, which also included price adjustment clause. The contractor was paid ₹ 39.58 crore (Part-I: ₹ 16.58 crore, Part-II: ₹ 12.32 crore, Part-III: ₹ 10.68 crore) which included ₹ 2.52 crore as price adjustment.

Audit observed that the Departmental Tender Committee did not adhere to the time schedule prescribed by the Government (RCD) for completion of the road work. Further, there was nothing on record to justify the deviation from permissible time limit.

Thus, fixation of completion periods of the road works in violation of Government order at the time of inviting tenders resulted in avoidable payment of price adjustment worth ₹ 2.52 crore (**Appendix-3.5.2**).

⁸ Reminders: Letter Nos. Report (Civil)/AR/2015-16/235 dated 07 September 2016 and 268 dated 04 October 2016

On being pointed out by audit, the Engineer-in-Chief (EIC), RCD replied (September 2016) that the time schedule for the road work to be executed in Left Wing Extremism (LWE) districts was decided as per the Ministry of Road Transport and Highways (MORTH) guidelines wherein the time required for W&S of road work was prescribed 18 days per KM with maximum time up to 24 months including time for mobilisation.

The reply of EIC, RCD was not acceptable as the guidelines of MORTH based on which timeline has been commented upon was adopted by Government of Jharkhand in February 2014 whereas tender notice for the works were issued between November 2012 and February 2013 when the order of 2007 for allowing completion time of 10 months for 15 KM road was in force. Even if completion time is calculated according to the departmental letter which the EIC referred to, it would not justify the time allowed.

The matter was referred to Government (June 2016); their reply had not been received (November 2016)

3.5.4 Unfruitful Expenditure

Commencement of work without acquisition of land resulted in unfruitful expenditure of ₹ 1.18 crore on stalled bridge work

According to Rule 132 of the Jharkhand Public Works Department (JPWD) Code, no work except in case of emergent work such as repair of breaches etc., should be started on land which has not been duly taken over by a responsible Civil Officer. Further, the process of tender⁹ should be initiated only when technical sanction has been accorded, allotment of funds has been ensured and land has been acquired. Also clause 21.1 of conditions of contract of the SBD agreement mandates the Employer to give possession of all parts of the site to the Contractor.

Construction of a high level bridge measuring 123.04 metres long having five spans of 24 metres each over Batlohia river in 26th KM of Khori Mahua-Dhanbar-Saria road was taken up during the year 2012-13. The work was administratively approved (February 2013) by the Deputy Secretary, Road Construction Department (RCD), Jharkhand, Ranchi for ₹ 6.10 crore and technical sanction was accorded (February 2013) by the Chief Engineer (CE), Central Design Organisation (CDO), RCD, Ranchi. As per administrative approval, 500 decimal land was to be acquired.

Scrutiny of records (January 2016) of Executive Engineer (EE), RCD, Road Division, Koderma disclosed that tender for the work was invited (July 2013) by the EE, RCD, Koderma at an estimated cost of ₹ 6.26 crore without acquisition of land. The work was awarded (August 2013) to a contractor at ₹ 6.16 crore on the recommendation of Departmental Tender Committee for completion by May 2014.

After the work order (November 2013) was issued to the contractor, the EE requested (December 2013) the Deputy Commissioner (DC), Giridih to acquire 2.07 acre of land. Subsequently, the Assistant Engineer, Birni

⁹ As per provisions (Paragraphs 4.5 and 7.5 of memo no. 948 dated 16 July 1986 of Cabinet Secretariat and Co-ordination Department (Vigilance Cell), incorporated in BPWD Code

Sub-division intimated (January 2014 and March 2014) the EE that the work had been stopped since January 2014 after execution of pilling work as Rayati land could not be acquired. It was also noticed that the EE was repeatedly intimated¹⁰ by the contractor about the hindrances being faced by him from the Rayati's. It was reported in July 2015, that the work had been stopped for 15 months.

Scrutiny revealed that ₹ 1.18 crore had been paid to the contractor from November 2013 to January 2016 which remained unfruitful.

In reply the EE stated that the efforts would be made for acquisition of land to construct the Bridge, which was under progress in certain aspects.

The reply of EE was not acceptable as commencement of work without acquisition of land in violation of the JPWD code and conditions of contract resulted in stoppage of work and the intended purpose of construction of bridge could not be achieved.



Photographs showing incomplete high level bridge over Batlohia River in 26th km of Khori Mahua-Dhanbar-Saria road

The matter was referred to Government (June 2016); their reply had not been received (November 2016) despite reminders¹¹.

WELFARE DEPARTMENT

3.5.5 Unfruitful expenditure

Approval of deficient DPR led to unfruitful expenditure of ₹ 8.00 crore on construction of a women polytechnic at Ranchi

The Secretary, Ministry of Minority Affairs (MoMA), Government of India (GoI) gave (March 2012) administrative approval (AA) for construction of a Women Polytechnic in Tharpakhna, Ranchi at a total cost of ₹ 12.30 crore¹² which included ₹ 8.00 crore for Civil Works and ₹ 4.30 crore for equipment, machinery, books etc. Under this, the State Government was required to prepare the Detailed Project Report (DPR) as per the norms and guidelines of All India Council for Technical Education for establishment of the Women Polytechnic. As per the AA, if the cost deviated by more than 10 *per cent* from the benchmark cost then the State Government would send a proposal for revised approval along with the DPR, which would be examined in consultation with the Ministry of Labour and Employment and the final decision would be of the Empowered Committee, as constituted by MoMA after which the tender would be floated.

¹⁰ Letter dated 12 February 2014, 30 August 2014, 23 September 2014, 03 November 2014, 15 January 2015

¹¹ Reminders: Letter Nos. Report (Civil)/AR/2015-16/120 dated 03 August 2016, 231 dated 06 September 2016 and 273 dated 23 October 2016

¹² ₹ 11.31 crore provided by GoI and ₹ 0.98 crore by the Welfare Department, Government of Jharkhand (GoJ)

Scrutiny of records of District Welfare Officer, Ranchi revealed that the Welfare Department, Government of Jharkhand (GoJ) sanctioned and allotted (September 2012) ₹ 12.30 crore¹³ to Deputy Commissioner (DC), Ranchi to execute the work. Based on the sanction, DC Ranchi awarded (October 2012) the work to Executive Engineer (EE), Zila Parishad (ZP), Ranchi, who prepared (December 2012) a DPR for ₹ 12.30 crore. The work was technically sanctioned (December 2012) by Chief Engineer, Jharkhand State Housing Board. This comprised ₹ 8.00 crore for construction of administrative and instructional block and ₹ 4.30 crore for construction of workshop. Thus ₹ 12.30 crore was sanctioned for civil work against the provision of ₹ 8.00 crore in violation of sanction received from GoI and the State Government.

Scrutiny revealed that the EE, ZP forwarded (December 2012) the sanctioned DPR to Special Secretary, Welfare Department. However, the Department did not take any action to ensure that the sanctioned cost of the work in the DPR was in accordance with the sanction received from GoI and GoJ. Based on the deficient DPR and TS, the EE, ZP, Ranchi executed (June 2013) an agreement with a contractor for civil works for ₹ 12.58 crore. The civil work was thus ₹ 4.58 crore more than the sanction granted by GoI and the state Government. Although this was required to be sent to MoMA for revised approval, no efforts were made to regularise the excess provision for civil works as of June 2016.

Meanwhile, the contractor executed civil works of ₹ 8.32 crore and stopped (October 2015) further work as the Welfare Department denied release of fund in excess of ₹ eight crore. DC, Ranchi, was asked to take action against the personnel for failing to adhere to the GoI directives but no action was taken as of November 2016.

Thus, preparation of deficient DPR by EE, ZP, Ranchi and failure to rectify it on time by Welfare Department resulted in stoppage of the work midway. As a result, the expenditure worth ₹ eight crore incurred on the incomplete work proved unfruitful and remained blocked.

The Government (August 2016) while accepting the error (September 2016) stated that issuance of erroneous sanction letter at initial stage for construction of the building without specifying the condition laid down by the empowered committee of the MoMA has resulted in stoppage of the work since October 2015. Further, it stated that the department has taken a decision to complete the building at a cost of ₹ 12.30 crore and it would be run as a joint venture company with PAN IIT (a not for profit organisation).

The fact, however, remains that the building had not been completed even after the lapse of more than 20 months of its scheduled date of completion and also no road map to achieve the intended objectives of providing skill based education to the students has been drawn up.

¹³ first instalment (17 July 2013) ₹ 6.15 crore and second instalment (19 August 2015) ₹ 6.15 crore respectively

RURAL DEVELOPMENT DEPARTMENT

3.5.6 Wasteful expenditure

Deficient preparation and approval of DPR led to abandonment of bridge work and wasteful expenditure of ₹ 5.60 crore

The Secretary, Rural Development Department, Government of Jharkhand accorded (October 2010) administrative approval (AA) of ₹ 13.37 crore for construction of a high level bridge in Gajighat at Gamharia Block. Chief Engineer (CE) gave technical sanction (TS) (December 2010) to the work and Executive Engineer (EE), Rural Development Special Division (RDSD), Saraikela executed (December 2010) an agreement for ₹13.03 crore with a contractor to complete the work by December 2012.

Scrutiny (February 2016) of records of RDSD, Saraikela revealed that the contractor executed work valued at ₹ 5.60 crore and then stopped (August 2012) the work with a request¹⁴ to the EE to provide land for approach road and revised drawings and designs. Despite correspondence¹⁵ with the contractor and a press communiqué (May 2014) to complete the work, the contractor did not resume the work. Consequently, under intimation to contractor the final measurement of work was taken (May 2014) and agreement was rescinded (June 2014).

Scrutiny further revealed that the site of the bridge under construction was at a distance of only 100 metres downstream of the proposed site of the Kharkai Barrage. Central Water Commission (CWC), New Delhi inspected (June 2014) the Kharkai Barrage at Gajia and stated that the flow



Photograph of abandoned bridge obtained during joint physical verification

from the Barrage may adversely affect the foundation of the bridge. Besides, CWPRS, Pune reported (August 2014) that the alignment of the bridge piers was oblique to the barrage flow, whereby the scour depth would further increase. This may further create unfavourable conditions and hence safety of the foundation of bridge foundation would be under threat. Consequently, after a joint meeting¹⁶ (May 2015) of engineers, the bridge was declared abandoned by the Government in January 2016.

Audit subsequently noticed that the construction of Barrage on Kharkai River at Ganjia was proposed under Subarnarekha Multipurpose Project in 1982

¹⁴ Dated:30 July 2011; 17 July 2012; 29 November 2012; 26 April 2013

¹⁵ Letter No.994 dated: 13 July 2012; letter No. 1116 dated: 11 August 2012; letter No1433 dated: 19 October 2012; Letter No.1567 dated: 23 November 2012; 666 dated: 02 April 2013

¹⁶ Attended by CE, Swarnrekha Project, Ichha Galudih; CE, SE and EE, RDSD, SE and EE, Kharkai Nahar Anchal, Adityapur

and a layout plan of the barrage was suggested by the Central Water and Power Research Station (CWPRS) in 1983. However, while preparing the Detailed Project Report (DPR) of the high level bridge, these issues were neither put on record by the consultant nor verified by the department before granting sanction to the bridge work. This resulted in deficient preparation and approval of DPR which led to abandonment of the bridge work rendering the entire expenditure of ₹ 5.60 crore incurred on construction of bridge wasteful.

The RDD (Rural Works Affairs) (RWA) stated (September 2016) that the bridge was abandoned since the safety of bridge was under threat due to the construction of the Kharkai barrage in light of the recommendations of the CWC. Feasibility study for the construction of a new bridge in place of the abandoned bridge was being done by the Road Construction Department (RCD) and appropriate decisions would be taken by the RCD after submission of the feasibility report.

The reply of the Government was not tenable as the issue of negligence in preparation and approval of the DPR, which failed to include critical details, thus, preventing informed decision making before taking up the construction of bridge at an unsuitable site was not addressed in the reply.

3.5.7 Unfruitful expenditure

Construction of Bridge without completion of complete approach roads resulted in unfruitful expenditure of ₹ 4.31 crore

Jharkhand Public Works Accounts Code¹⁷ provides for acquisition of land prior to finalisation of tender process and approval of detailed estimates and emphasises acquisition of land prior to the technical sanction.

The Principal Secretary, Rural Development Department (RDD), Government of Jharkhand accorded (March 2012) administrative approval (AA) for ₹ 4.25 crore for construction of High Level bridge across Gumani river between Angloi and Bada Chandpur in Badharwa Block of Sahebganj District under Mukhya Mantri Gram Setu Yojana (MMGSY). Chief Engineer, (RDD) accorded technical sanction (March 2012) for the work which included 233 metres approach road (124 metres-Angloi side and 109 metres-Chandpur side) upon which Executive Engineer (EE), Rural Development Special Division (RDSD), Sahebganj executed (November 2012) an agreement for ₹ 4.47 crore with a contractor to complete the work by April 2014.

Scrutiny (December 2015) of records of RDSD, Sahebganj revealed that construction of the bridge and 90 metres approach road (60 metres-Chandpur side and 30 metres-Angloi side), as against the provision of 233 metres, was completed in August 2015 after incurring an expenditure of ₹ 4.31 crore. No efforts were made by the EE for acquisition of necessary land to complete the work as per the approved DPR.

Further, during joint physical verification (March 2016 and August 2016) of the work by Audit along with Junior Engineer (JE), RDSD, Sahebganj and

¹⁷ Annexure 'A'-Cabinet Secretariat and Co-ordination Department (Vigilance Cell) resolution no.-948 dated 16 July 1986, Para-4.5 and 7.5 of Bihar Public Works Account Code as adopted by Government of Jharkhand

Block Development Officer (BDO) Barharwa and Barhet under orders of Deputy Commissioner (DC), Sahebganj it was found that the approach road¹⁸ towards Chandpur village was blocked by a house causing the road to be unusable, as could be seen from the photograph:

Further, DC Sahebganj also reported upon physical verification (August 2016) that proper movement of vehicles through the bridge was not possible without completion of entire approach road and shifting of the house.



Photograph of approach road of the bridge obtained during joint physical verification

As such, failure to complete the approach road as per DPR denied the citizens of the intended benefit of providing connectivity to their villages of Angloi and Chandpur through a bridge, which also rendered the expenditure of ₹ 4.31 crore, incurred so far unfruitful.

The RDD (Rural Works Affairs) (RWA) stated (August 2016) that the bridge had been completed with approach roads and mobility was going on through the bridge. The reply of the Department was not based on facts as according to the physical verification report of the DC, Sahebganj (August 2016) proper movement of the vehicles through the bridge was not possible without completion of entire approach road and shifting of the house.

3.5.8 Avoidable expenditure

Irregular upgradation of road work under the Pradhan Mantri Gram Sadak Yojana led to avoidable expenditure of ₹ 3.87 crore

As per para 1.6.4 of the Operational Manual (OM) of the Pradhan Mantri Gram Sadak Yojana (PMGSY), only single connectivity of road was to be provided. If a habitation is already connected to another habitation (or to an all-weather road) by way of an all-weather road, then no further work can be taken up under PMGSY. However, as per clause 3.3.3 ibid, upgradation of roads which are 10 years old can be taken up if no new connectivity remains to be taken up in a district.

Construction of road from Karaikela to Otar was awarded for execution (August 2008) by the Executive Engineer (EE), Rural Works Division (RWD), Chakradharpur. Scrutiny (May 2015) revealed that the work was completed in March 2012 incurring an expenditure of ₹ 1.17 crore. Being under the Defect Liability Period (DLP) of five years from the date of completion (2012-17), the contractor was required to maintain it at his own cost.

¹⁸ Approach road constructed 60m only out of 109m

Jharkhand State Rural Road Development Authority (JSRRDA) proposed upgradation (November 2013) of the same road under 12th phase of PMGSY in violation of clause 3.3.3 as the road was not yet 10 years old. Ministry of Rural Development, Government of India sanctioned (February 2014) the upgradation work for ₹ 5.36 crore. JSRRDA allotted the work to the National Projects Construction Corporation (NPCC), Ranchi, which awarded (June 2014) the work to a contractor and expenditure of ₹ 3.87 crore¹⁹ was incurred on the road upto July 2016.

Thus, upgradation of the Karaikella Otar road was a violation of both the PMGSY guidelines and contracted DLP which resulted in avoidable expenditure of ₹ 3.87 crore and extension of undue favour to the earlier contractor, who would have had to incur expenditure to maintain the road.

In reply, the RDD (Rural Works Affairs) (RWA) stated (September 2016) that the whole matter was being investigated by the Regional Manager, NPCC and further action would be taken after report of the investigation is submitted. Action taken, if any, had not been intimated to audit (November 2016).

3.5.9 Unfruitful expenditure

Construction of bridge without ensuring availability of land resulted in closure of work midway and unfruitful expenditure of ₹ 1.64 crore

According to Rule 132 of the Jharkhand Public Works Department (JPWD) Code, no work except in case of emergent work such as repair of breaches etc., should be started on land which has not been duly made over by a responsible Civil Officer.

The Rural Development Department (RDD), Government of Jharkhand (GoJ) accorded (March 2009) administrative approval (AA) of ₹ 4.46 crore for construction of high level bridge across Damodar river with approach road on Chandankiyari Munidih (Gansadih-Suyadih road). Chief Engineer (CE), Rural Development Special Zone, Ranchi, gave technical sanction (TS) (February 2009) for the same. An agreement was executed (August 2009) by the Executive Engineer (EE), Rural Development Special Division (RDSD), Dhanbad with a contractor for ₹ 4.41 crore to complete the work by November 2010.

Scrutiny (July 2016) of records of the EE, RDSD Dhanbad revealed that the abutment, approach slab and approach road of the bridge fell in private land. The contractor requested (March 2012) the EE to make available the land, but the EE failed to do so. The contractor stopped (June 2011) the work after incurring an expenditure of ₹ 1.64 crore²⁰. The contractor was relieved (July 2012) from the terms of the agreement by the Government. The contract was closed (July 2012) by the government.

¹⁹ 11th running account bill

²⁰ Upto 7th on account bill dated 06 June 2011

It was further noticed that (May 2015) the site for construction of bridge had been changed by the then EE without the approval of the competent authority from Munidih-Gansadih-Suiadih road to Munidih Suiyadih road.

Thus, irregular change in site of the bridge by the EE, his failure in ensuring acquisition of approach land and commencement of work without ensuring possession of required land, resulted in closure of the work midway rendering the entire expenditure of ₹ 1.64 crore unfruitful.

The Government replied (August 2016) that the agreement was closed as the approach road fall in the private land and the villagers had been creating disturbances in the construction of the bridge. Government also stated that the revised estimates have been prepared after inspection of the bridge by the Birla Institute of Technology (BIT), Mesra, Ranchi and No Objection Certificate (NOC) for acquisition of private (Raiyati) land have been obtained from the Circle Officer (CO), Dhanbad. The proposal for sanction was being sent to the “Rajya Yojana Pradhikrit Samitee”. Besides, departmental proceedings had also been initiated against the then two EEs. It was further stated that the proposal is to construct the bridge on the same structure, and therefore after the construction of the bridge the expenditure incurred worth ₹ 1.64 crore would no longer be unfruitful (August 2016).

The reply was not tenable as the CO Dhanbad had given NOC for acquisition of Government land and not private land which was required for the construction of the approach road. Thus, the reply did not address how, in the absence of acquisition of private land, the bridge work would be completed.

3.5.10 Unfruitful expenditure

Irregular award and undue favour to contractor led to unfruitful expenditure of ₹ 1.53 crore.

Clause 1.15 of Notice Inviting Tender (NIT) mandates the tenderer to have ownership of Road making Machineries in working condition²¹ for a work of more than rupees one crore. Further, as per clause 1.18 ibid tenderers are required to attach with their tender, authorised valid certificate of actual ownership of the road making machinery and earth moving machinery in working condition, failing which their claim for allotment of the work may be rejected.

Construction of PWD Road Rengarbera to Urusia Hawaipatti (4.975 KM) and PWD Road Meromsai to Todanghatu (6.50 KM) under the State Sponsored Scheme were technically sanctioned (January 2011) by the Chief Engineer (CE), Rural Works Department (RWD) and administratively approved (June 2011) by RWD, Government of Jharkhand for ₹ 1.13 crore and ₹ 1.83 crore respectively. Upon finalisation (August 2011) of tender, Executive Engineer (EE), RWD, Chaibasa executed (September 2011) agreements for ₹ 1.11 crore and ₹ 1.81 crore with a contractor for completion of both the works by September 2012.

Scrutiny (December 2015) of records of the EE, Rural Works Division, Chaibasa revealed that the selected contractor had not submitted the valid

²¹ (i) Diesel road roller (2 nos.), (ii) Mini hot mix plant (1 no.), (iii) Tar boiler (1 no) and (iv) vibratory road roller (1 no.)

certificates of ownership of road making machinery in working conditions, a precondition to qualify for the bid. The balance sheet submitted by the contractor also corroborated the same fact. Thus, the contractor was ineligible but on recommendation of the Superintendent Engineer (SE), Chaibasa circle, the tender was approved (August 2011) by the CE in favour of the contractor.

Audit further noticed that the contractor executed works on both the roads only up to Water Bound Macadam (WBM) Grade-III level and stopped (August 2012) execution of further work without any reason. The EE rescinded (July 2014) the agreements in the light of an order of a Review Committee (June 2014) after a delay of 22 months from the date of stoppage of work and payment of ₹ 1.53 crore²². The EE also recommended blacklisting of the contractor. However, no action was taken to get the balance works executed by another contractor at the risk and cost of the defaulting contractor. Thus, the roads constructed only upto Grade III level were prone to deteriorate with the plying of traffic and under vagaries of weather. The expenditure remained unfruitful as WBM roads could not provide the desired riding quality and thus, the intended objective of improving quality was not achieved.

On being pointed out the EE replied (November 2016) that revised estimates had been prepared and submitted (November 2015) to competent authority for its approval which was awaited (November 2016).

The reply is untenable as the tender was awarded to an ineligible contractor who abandoned the works midway rendering the expenditure of ₹ 1.53 crore on incomplete works unfruitful.

The matter was referred to Government (June 2016); their reply had not been received (November 2016) despite reminders²³.

3.5.11 Unfruitful expenditure

Faulty preparation of Detailed Project Report resulted in construction of road without a bridge leading to unfruitful expenditure of ₹ 1.24 crore.

According to paras 7.2.3 and 7.3.1 of Operations Manual (February 2005) of Pradhan Mantri Gram Sadak Yojana (PMGSY) the responsibility for preparation of Detailed Project Report (DPR) rests with the Executing Agency and in particular, the Project Implementation Unit (PIU). It is essential that the DPRs be thoroughly checked at various levels with primary responsibility for its accuracy resting with the Executive Engineer (EE).

National Rural Roads Development Agency (NRRDA), Government of India (GoI) sanctioned (March 2013) construction of a road from Andhrigadar to Chhabel Badia having length of 2.965 KM (Road No. L036) under Phase 11 of PMGSY. The DPR was prepared by a consultant and checked (February 2013) by EE and scrutinised (March 2013) by State Technical Authority (STA). A certificate in form F9-A was furnished (February 2013) by EE that

²² (i) Rengarbera to Urusia Hawaipatti : ₹ 66.25 lakh (ii) Meromsai to Tdanghatu : ₹ 86.69 lakh

²³ Reminders: Letter Nos. Report (Civil)/AR/2015-16/74 dated 14 July 2016, 124 dated 17 August 2016 and 248 dated 19 September 2016

“100 per cent of DPR was verified on ground.” Technical sanction was accorded (July 2013) by the Chief Engineer (CE), Jharkhand State Rural Road Development Authority (JSRRDA) for ₹ 1.46 crore. An agreement was executed (December 2013) for ₹ 1.37 crore²⁴ with the contractor for completion of the work by December 2014.

Scrutiny (August 2015) of records of the EE, Rural Works Division (RWD), Deoghar revealed payment of ₹ 1.24 crore for completing the work (December 2014).

During joint physical verification (August 2015) of road it was found that 200 metres road stretch was not constructed between chainage 2180 and 2380 as Rangajoriya nala lay in this stretch for which a bridge was required to be constructed, but no provision of the bridge was made in the DPR. The DPR was, therefore prepared without adequate survey and investigations or any verification on the ground.

Due to negligence in preparation and scrutiny of DPR and issuance of incorrect certificate by the EE, Chhabel Badia, could not be connected with Andherigadar as per plan and expenditure of ₹ 1.24 crore incurred on construction of road could not be fruitfully utilised.

Department (Rural Works Affairs) stated (August 2016) that due to ignorance of circular²⁵ of Ministry of Rural Development, Government of India regarding submission of proposals of bridges falling in the alignments of roads along with the proposals of roads, the consultant prepared the DPR of the road without making provision of the bridge. For this the consultant had been de-empanelled and consultation fees had been held up. The DPR for construction of the bridge over the nala had been prepared and construction would be started after approval.

The observation thus was accepted by the Government. However, no accountability against the concerned officials/consultants responsible for furnishing negligent and incorrect statement has been fixed (November 2016).

HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

3.5.12 Unfruitful expenditure

Unfruitful expenditure of ₹ 4.72 crore on teaching block lying idle in Ranchi Institute of Neuro-Psychiatry and Allied Science

The managing committee of Ranchi Institute of Neuro-Psychiatry and Allied Science (RINPAS) approved construction of a new teaching block for which technical sanction (June 2005) of ₹ 5.08 crore was accorded by the Chief Engineer, Jharkhand Police Housing Corporation, Ranchi. The building was

²⁴ Construction cost- ₹ 1.31 crore and maintenance cost- ₹ 6 lakh

²⁵ Circular No. 04/2011, Dated 28.04.2011

completed at an expenditure of ₹ 4.72 crore and handed over (August 2007) to the RINPAS.

Scrutiny of records (March 2016) of Director, RINPAS revealed that no teaching was being carried out in the new teaching block and it was lying idle for the last nine years, yet expenditure of ₹ 43.30 lakh was incurred during the period June 2009 to January 2013 to furnish the block with air conditioners, furniture etc.



Lecture hall-1



Lecture hall-3



Lecture hall-4

The Director, RINPAS replied (March 2016) that the teaching block was idle since August 2007 as the building was located at a distance of one KM from the main RINPAS hospital. He further added that the new teaching block could not be utilised till date as patients stay in the Main Hospital and so faculty and students were unwilling to travel to the new teaching block as they need continuous contact with them which is essential for their higher studies in Psychiatry and clinical Psychology. Besides, the location of the Central library of RINPAS in the main Hospital building also inhibits the desires of faculty and students to move to the new building.

Further in response to audit query (August 2016) on action taken by the Director of RINPAS to make the new teaching block functional since its handover, the Director replied that the building was being utilised for occasional conference/seminar purposes and other short-span programs like entrance examination of new admission students, counselling programmes for AIDS/HIV etc. and added that classes were being taken in new teaching building from 9 August 2016. Schedule of classes was also attached with the reply. This reply was also confirmed by the government.

To verify if the reply of the Director was correct, Audit conducted a joint physical verification of the building with the Deputy Director and Head of Department, Clinical Psychology (who issued the schedule for classes) and observed out that the building comprising of 31 rooms was not at all used by RINPAS and all the rooms were lying vacant or unattended except a single room used by NGO, UMANG. Hence the Director's reply was false and new teaching block remained idle for nine years and the expenditure of ₹ 4.72 crore incurred on its construction was unfruitful.

3.5.13 Unfruitful expenditure

Failure to synchronise the appointment of faculty and other staff with the construction of the ANM school building resulted in unfruitful expenditure of ₹ 2.09 crore on idle ANM school building

Construction of building for an Auxiliary Nurse Midwife (ANM) School at Pakur was administratively approved (March 2007) by Secretary, Health, Medical Education and Family Welfare Department (the department), Government of Jharkhand and technically sanctioned (December 2007) by Chief Engineer, Rural Engineering Organisation (REO), Santhal Pargana for ₹ 2.09 crore. The department allotted (2006-08) ₹ 2.09 crore to Deputy Commissioner, Pakur for the construction work who awarded the work to the District Engineer (DE), Zila Parishad, Pakur for completion by June 2008.

Audit noticed that the ANM building was completed (2011) at a cost of ₹ 2.09 crore by the DE and handed over to the Civil Surgeon cum Chief Medical Officer (CS-cum-CMO) Pakur in 2011.

Audit further noticed that to run the ANM training school, the department sanctioned (June 2013) teaching and administrative posts²⁶ including post of trainer. However, no appointments were made against these sanctioned posts. As a result, no funds were released by the department to make the school functional. This led to the ANM School building to remain idle since 2011.

Further, to ascertain the physical status of the building which has been idle for five years since completion, audit conducted joint physical verification (17 June 2016) of ANM building Pakur. It was noticed during the visit that the window panes and some portions of walls of the building were damaged. These damages required immediate repairing to prevent further damage and to operationalise the building for the intended purpose.



Outside of ANM building Pakur



Inside of ANM building Pakur

Thus, failure to synchronise the appointment of faculty and other staff with the construction of the building to make it functional, the intended objective of training 30 ANM per year could not be realised in five years since the handing over of the ANM building.

The matter was referred to the Government (April 2016) and in reply the Government accepted (September 2016) that the required post for the trainer

²⁶ Total 20 posts: Principal (1), Sister Tutor (5), Clerk (1), Chaukidar (2), Peon (2), Cleaner (1), Sanitary Staff (3), Cook (3), Warden (1) and Driver (1)

and other posts were not created. Further action was awaited (November 2016).

3.5.14 Unfruitful expenditure

Primary Health Centre Buildings constructed at a cost of ₹ 1.15 crore was not utilised for the intended purpose.

The Health and Family Welfare Department (HFWD), GoJ accorded (December 2008) administrative approval of ₹ 1.15 crore for construction of PHC building at Pradhankhanta (Baliapur) in Dhanbad district. The Department assigned (November 2009) the work to Executive Engineer (EE), HFWD, North Chotanagpur Division, Hazaribagh on the basis of model drawing and design.

Scrutiny (June 2015) of records of the Civil Surgeon cum Chief Medical Officer (CS cum CMO), Dhanbad and further information collected (July 2016) revealed that the PHC building was completed (October 2010) and handed over in January 2012. After taking possession of the building an Auxiliary Nurse Midwife (ANM), one Multipurpose Worker (MPW) and a Pharmacist were deputed (January 2012) to run the PHC. But Central Reserve Police Force (CRPF) occupied the PHC building in April 2013 and the building remained in their custody as of November 2016.



PHC, Building, Pradhankhanta (Baliapur) occupied by CRPF

CS cum CMO, Dhanbad stated (June 2015) that PHC building was occupied by CRPF since 15 months of taking over the building. The department requested (March 2015) the Director General of Police, Jharkhand/the Deputy Commissioner of Dhanbad district to get the PHC building vacated but it was not done.

Audit further observed that the occupation of the PHC building by CRPF had adversely affected 6266 inhabitants of Pradhankhanta who had to travel around 10 KMs to PHC Baliapur from Pradhankhanta to get medical treatment.

Thus, due to an apathetic approach of Department of Home and District Administration of Dhanbad, the PHC building could not be vacated and utilised for intended purpose even after lapse of four years, rendering the expenditure of ₹ 1.15 crore unfruitful while the purpose of providing health care to people of Pradhankhanta was not achieved. Government should take up the matter with DGP, Jharkhand to vacate the PHC building failing which

either recovery of the construction cost or fixing suitable rent from CRPF may be ensured.

The matter was referred to Government (July 2016); their reply had not been received (November 2016) despite repeated reminders²⁷.

HOME & BUILDING CONSTRUCTION DEPARTMENTS

3.5.15 Unfruitful expenditure

Unfruitful expenditure of ₹ 4.68 crore on incomplete sub-jail (non-residential portion) for 300 prisoners at Chakradharpur

Construction of a sub-jail (non-residential portion) for 300 prisoners at Chakradharpur was administratively approved (AA)²⁸ (September 2010) for ₹ 10.16 crore upon technical approval (TA) (July 2009) by the Chief Engineer, Building Construction Department (BCD). However, technical sanction (TS) for the work was not granted. The work was allotted (March 2011) to a contractor at an agreed²⁹ value of ₹ 10.29 crore for completion by November 2012.

Rule 121 of the Jharkhand Public Works Departmental (JPWD) Code, permits TA of a work in case of urgency or complexity prior to AA, but mandates TS of the detailed estimate before inviting tender or actual commencement of the work. Further, Rule 126 of JPWD Code states that TS for every work, except works of petty nature is essential. This guarantees that the work which is being proposed is technically feasible, structurally sound and estimate of work is accurately calculated and based on the adequate data.

Scrutiny of records (August 2015) of the Executive Engineer (EE), Building Construction Division, Chaibasa revealed (August 2015) that TS had not been granted for the work. Consequently, there was delay in providing working drawings and structural design as well as the provision of land to the contractor by 23 months (June 2013). As a result, the work could commence only in February 2013, four years after TA. However, the contractor stopped the work in December 2014 after executing work valued ₹ 5.03 crore. The contractor was paid (June 2014) ₹ 4.68 crore. However, mobilisation advance of ₹ 35 lakh was not recovered³⁰ in violation of contract provision despite having securities against mobilisation advance in the form of Bank Guarantees (BG) worth ₹ 75 lakh. It was noticed that the BG lapsed in July 2016.

Subsequently, the estimate of the work was revised to ₹ 21.12 crore by the EE which was sanctioned by the CE in August 2016 and was sent to the IG, Prison for administrative approval (AA) which is still awaited (October 2016). Thus, commencement of work and grant of TS without ensuring availability of required land rendered the expenditure of ₹ 4.68 crore unfruitful.

²⁷ Reminders: Letter Nos. Report (Civil)/AR/2015-16/250 dated 19 September 2016 and 279 dated 20 October 2016

²⁸ No.-2/का. वि.-405/2009/357 dated 20 September 2010

²⁹ Agreement No. 01/2011-12 dated 11 May 2011

³⁰ Adjusted 3rd on account bill ₹ 20 lakh, 4th on account bill ₹ 10 lakh, 5th on account bill ₹ five lakh and 6th on account bill ₹ five lakh, Total ₹ 40 lakh

The EE, BCD, Chaibasa stated (August 2016) that as the contractor was unable to work on the old Schedule of Rate, the work was closed on the order of Engineer-in-chief and revised estimate was framed. Approval for revised AA from the IG (Prison) was awaited and mobilisation advance of ₹ 35 lakh would be recovered from the final bill.

The fact remains that the sub-jail building could not be completed even after four years from the date of scheduled completion rendering the expenditure of ₹ 4.68 crore incurred on the work unfruitful.

The matter was referred to Government (June 2016); their reply had not been received (November 2016) despite repeated reminders³¹.

FOOD, PUBLIC DISTRIBUTION AND CONSUMER AFFAIRS DEPARTMENT

3.5.16 Unfruitful Expenditure

Mobile Van Kits worth ₹ 4.35 crore was rendered idle as these were not put to use for three to eight years

The Weight and Measurement under Agriculture, Animal Husbandry and Cooperative Department (department) is governed under Rules 23 (6) of Jharkhand legal metrology (Enforcement) Rules 2011 which states that the user of weighing instrument of the capacity of five hundred kilogram or above, shall provide such number of duly verified and stamped weights not exceeding one third of the capacity of the instrument as may be required by the Legal Metrology Officer, for the purpose of its verification, re-verification or inspection. For this purpose users of weight and measurement are verified as per procedure prescribed by the department. After that a certificate is issued to all concerned users.

Scrutiny of records of the office of Joint Director, Agriculture cum Comptroller Weights and Measurements revealed (February 2016) that six Mobile Van Kits (MVK) along with tools kit valued at ₹ 4.35 crore³² were received³³ from the Consumer Affairs, Government of India by the department for mobile checking across 885 Weigh Bridge in the State. As per norms the weigh bridges are to be calibrated once in two years. Presently, calibration is done by manual labour who lifts the weight and compares the correctness of the balances. MVK are basically truck mounted cranes which, if put to use, would lift these weights mechanically and the process would become easy and faster.

However, it was noticed that neither provision of trained staff was made to operate the kit nor any space was made available for the upkeep and security of the mobile van kits. Further, not a single test was undertaken with the six kits since their receipt (September 2008) and they were lying (February 2016) idle in an open space exposed to the vagaries of nature. As a result, the

³¹ Reminders: Letter Nos. Report (Civil)/AR/2015-16/76 dated 14 July 2016, 126 dated 17 August 2016 and 247 dated 19 September 2016

³² 1: ₹ 53.82 lakh, 2: ₹ 65.67 lakh and 3: ₹ 315.28 lakh

³³ September 2008 to November 2013

damage to the static vehicles in an open space (without garage)³⁴ and theft of parts of the vehicles over the past eight years cannot be ruled out. It also defeated the very purpose for which they were procured and causing expenditure of ₹ 4.35 crore incurred on their purchase to be infructuous.

The Secretary of the Department stated (August 2016) that the Legal Metrology (General) Rules 2011 enacted by GoI did not contain provisions regarding Road in Motion Weigh Bridge though its verification by MVK may prove to be quite useful. The State Government was making correspondence with GoI to include the required provision for future use of MVK.

The reply of the Secretary that “Mobile Van Kit being useful for testing road in motion Wight Bridge which was going to be installed in near future in Jharkhand with required amendment in MVK Rules”, was incorrect as it could also be utilised in mechanical calibration of static weigh bridge more scientifically than manual calibration which is still in force. Moreover, the department had not even planned mechanical calibration of static weigh bridges till date, as post of drivers were yet to be sanctioned (November 2016).

INFORMATION AND PUBLIC RELATION DEPARTMENT

3.5.17 TDS not deducted

Short deduction of TDS from Media House resulting in revenue loss to the tune of ₹ 1.12 crore to the Government.

Provision of section 194‘C’ of Income tax Act directs tax deduction from payment to contractors only when the contract is either a “work contract” or a “contract for supply of labour for work contract.” The term “work” as defined in section 194 ‘C’ includes (a) advertising (b) broadcasting and telecasting including production of programmes for such broadcasting or telecasting. As per the provision of the section, the rate of deduction of Tax Deducted at Source (TDS) has been prescribed as one *per cent* in the case of an individual/Hindu Undivided Families (HUF) and in other cases it is two *per cent* with effect from October 2009.

Scrutiny (August 2015) of records³⁵ in the office of the Secretary, Information and Public Relation Department, Government of Jharkhand, revealed that during the period 2009-14, TDS worth ₹ 1.37 crore (at the rate of 1.1 *per cent*) was recovered from the payments of ₹ 12.49 crore to Media houses against the deductible amount of ₹ 2.49 crore (at the rate of two *per cent*). This resulted in short deduction of TDS valued ₹ 1.12 crore as detailed in **Appendix-3.5.3**.

Principal Secretary, Information and Public Relations Department, Government of Jharkhand stated (July 2016) that the tax was being deducted at the rate of 1.1 *per cent* by the Department, but, after being pointed out in audit it was now being deducted at the rate of two *per cent*. He further added that media houses would have to deposit the balance amount³⁶ to the IT

³⁴ At Hazaribagh and at Ranchi (Krishi Bhawan, Kanke Road)

³⁵ Payment bill of Media House

³⁶ Difference between actual IT calculation by IT Department and deductions made by the Department

Department while filing IT return at the end of financial year. Thus, there was no short deduction.

Reply was not acceptable as no document in support of deposit of balance tax by the concerned Media houses was provided to audit (November 2016), by the department though this was called for (August 2016) by Audit.

DRINKING WATER AND SANITATION DEPARTMENT

3.5.18 Unfruitful expenditure

Unfruitful expenditure of ₹ 2.12 crore on abandoned Water Supply Scheme due to failure to decide the Right of Way

Scrutiny of records of Executive Engineer, Drinking Water and Sanitation (DWS) Division, Jamtara revealed (January 2015) that a scheme to provide potable water to identified villages was completed at a cost of ₹ 1.99 crore and potable water was supplied to targeted inhabitants from December 2008 to April 2010. The work included laying of pipelines alongside the road passing through Karamdaha- Narayanpur- Dharampur- Posoi- Satsal- Bagdaha Morh- Murgabani Morh- Fatehpur- Nischitpur- Dumka.

Scrutiny further revealed that Road Construction Department (RCD) requested (January 2010) Drinking Water and Sanitation Department (DWSD) for utility shifting³⁷ as the above road was proposed for widening under Asian Development Bank (ADB) project. The widening of road affected the rising-main and distribution-main of the existing water supply scheme. RCD made available ₹ 1.18 crore to the EE DWS Division, Jamtara, who incurred (September 2010) an expenditure of ₹ 67.03 lakh³⁸ to remove the existing pipelines and drill new tube wells. Thereafter, the EE stopped (May 2010) further work as EE, RCD, Jamtara and Deputy Director, ADB had failed to finalise the Right of Way (RoW) necessary for shifting of pipelines.

Thus, the objective of the scheme to provide piped water to targeted villages was defeated (since May 2010) even after an expenditure of ₹ 1.99 crore had been incurred.



Part of Govindpur-Sahebganj Highway at Jamtara from where CI Pipes were removed



Pipes removed from the Rural Water Supply Scheme in Narayanpur

³⁷ Rising Main: 3.60 km and Distribution Main: 3.80 km pipelines under Narayanpur W/s scheme and Drilled T/wells: 189 nos


³⁸ Removing of pipes = ₹ 13.04 lakh and drilled tube wells = ₹ 53.99 Lakh

EE, DWS Division Jamtara stated (March 2016) that shifting of pipe could not be started as new alignment of road had not been finalised and communicated by RCD.

Thus, the Narayanpur Rural Water Supply scheme remained incomplete as of November 2016 due to lack of coordination between DWSD and RCD. Also an expenditure of ₹ 2.12 crore³⁹ became unfruitful and ₹ 51.04 lakh blocked. Besides, the intended objective of providing potable water to the villagers through pipe water supply was not achieved.

The matter was referred to Government (April 2016); their reply had not been received (November 2016) despite reminders⁴⁰.

Ranchi,
The 16 February 2017


(C. NEDUNCHEZHIAN)
Accountant General (Audit)
Jharkhand

Countersigned

New Delhi,
The 17 February 2017


(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

³⁹ Narayanpur Rural Water Supply scheme: ₹ 1.99 crore and removing of CI pipes: ₹ 13.04 lakh

⁴⁰ Reminders: Letter Nos. Report (Civil)/AR/2015-16/52 dated 17 June 2016, 89 dated 21 July 2016 and 141 dated 24 August 2016

APPENDICES

Appendix-1.1.1*(Referred to paragraph 1.1.6; page 4)***Statement showing the position of Outstanding Inspection Reports, Paragraphs and Amount involved****(₹ in crore)**

Year	Social Sectors				Economic and General Sectors			
	IRs	Section A	Section B	Amount involved	IRs	Section A	Section B	Amount involved
2003-04	38	72	233	46.73	35	66	46	71.30
2004-05	38	36	159	108.21	125	198	238	2274.88
2005-06	110	100	452	429.35	162	197	538	935.48
2006-07	202	397	706	601.04	201	265	725	528.47
2007-08	179	355	657	277.71	207	340	815	4316.43
2008-09	192	159	847	368.64	247	413	836	2709.28
2009-10	211	148	1077	530.02	164	143	597	1497.15
2010-11	218	231	1034	1170.26	206	251	827	1504.03
2011-12	226	134	1192	2092.33	109	145	714	456.57
2012-13	197	69	1234	1724.36	84	124	589	752.84
2013-14	224	167	1353	2766.7	127	114	669	8568.73
2014-15	168	64	1184	2030.46	132	127	624	1684.79
2015-16	199	81	1153	5556.49	102	140	173	2427.92
Total	2202	2013	11281	17702.3	1901	2523	7515	27727.87

Appendix 1.1.2

(Referred to paragraph 1.1.6; page 4)

Statement showing types of irregularities in outstanding paragraphs
Social Sector-I

Year	IRs	Particulars										Total
		Defalcation / Misappropriation / Loss/Theft	Deduction of Tax	Excess payment/ Recoverable /Non-Deduction of Tax	Undue aid to the contractor	Excess payment	In-fructuous and Wasteful expenditure	Diversion of funds	Retention of fund	Non-fulfillment of objectives	Delay in execution of schemes	
2003-04	38	19	15	20	19	34	56	30	17	16	79	305
2004-05	28	14	16	15	23	19	22	15	8	9	36	177
2005-06	89	41	38	25	62	69	71	45	40	34	94	519
2006-07	84	38	28	23	41	49	41	43	37	40	93	433
2007-08	83	24	27	16	35	43	44	48	44	32	49	362
2008-09	86	20	18	17	20	34	38	20	25	25	64	281
2009-10	127	49	40	37	56	52	69	55	61	62	129	610
2010-11	150	65	39	39	53	52	68	69	63	59	130	637
2011-12	150	51	50	33	77	80	79	71	85	58	133	717
2012-13	106	31	37	32	50	62	74	47	61	35	137	566
2013-14	143	48	40	35	62	83	84	63	80	84	200	779
2014-15	105	45	40	29	31	60	76	73	61	76	183	674
2015-16	156	47	53	63	62	97	97	93	106	110	286	1014
Total	1345	492	441	384	591	734	819	672	688	640	1613	7074

Social Sector-II

Year	No. of IRs	Misappropriation/ loss/defalcation	Recoverable/ excess payment	Undue aid to contractor	Excess expenditure/ avoidable expenditure	Unfruitful expenditure	Non adherence to rules/ irregular expenditure/ non-deduction of VAT/ Non adjustment of advances	Blockage of fund and unutilised fund	Non achievement of target/ payment without work	Sub standard plan and delayed execution of schemes	Miscellaneous	Total
2004-05	10	0	0	0	1	11	1	1	0	0	4	18
2005-06	21	0	2	2	2	13	3	2	3	6	0	33
2006-07	118	0	7	5	13	165	150	8	12	10	300	670
2007-08	96	0	25	8	17	135	155	22	11	27	250	650
2008-09	106	0	22	7	12	181	172	9	7	8	307	725
2009-10	84	0	18	13	8	146	158	8	7	7	250	615
2010-11	68	0	15	7	5	153	155	10	5	7	271	628
2011-12	76	0	17	15	13	142	148	15	13	17	229	609
2012-13	91	0	23	19	11	165	171	9	8	9	322	737
2013-14	81	0	15	20	17	153	161	28	9	11	327	741
2014-15	63	0	22	14	9	135	73	33	7	13	268	574
2015-16	43	0	2	10	9	118	21	11	5	6	38	220
Total	857	0	168	120	117	1517	1368	156	87	121	2566	6220

Economic & General Sector

Year	No. of IRs	Total paragraphs	Unfruitful Expenditure	Infructuous Expenditure	Creation of Liability	Doubtful execution of work/purchase	Irregular Expenditure/Purchase	Non-adjustment of advances/ Outstanding temporary	Illegal mining/felling encroachment/gra9	Non-Complication /show progress of work
1	2	3	4	5	6	7	8	9	10	11
2003-04	35	112	11	7	3	4	5	3	7	3
2004-05	125	436	21	7	8	9	16	7	25	7
2005-06	162	735	39	25	29	35	37	15	44	21
2006-07	201	933	33	20	17	19	34	20	31	24
2007-08	207	1077	64	19	20	24	69	23	48	25
2008-09	247	1220	70	28	15	19	50	25	51	22
2009-10	164	734	40	14	18	14	35	13	30	14
2010-11	206	1034	60	20	22	19	44	15	45	21
2011-12	109	838	32	14	20	14	26	6	29	14
2012-13	84	687	72	24	23	25	57	23	56	9
2013-14	127	731	50	19	10	17	50	6	11	7
2014-15	132	734	33	15	17	14	23	11	18	6
2015-16	102	787	35	17	17	16	24	15	20	7
Total	1901	10058	560	229	219	228	470	182	415	180

Year	Non-raising of demand/short raising of demand / non –realisation of demand for compensatory afforestation and net present value	Execution of work without approval from competent authority	Irregular refund	Irregular award of work / undue favour to contractor	Non-adjustment of mobilisation advance	Excess expenditure payment	Short /non-deduction levy of Royalty IT/S.Tax/Labour cess	Suspected misappropriation misutilisation	Blocked of fund	Other
	12	13	14	15	16	17	18	19	20	21
2003-04	4	2	3	3	2	5	2	3	5	40
2004-05	11	11	10	6	6	14	9	8	4	257
2005-06	26	14	15	24	16	29	28	17	20	301
2006-07	29	18	31	11	11	16	12	25	14	569
2007-08	44	15	11	21	11	33	26	27	27	570
2008-09	41	9	10	20	11	36	21	19	21	752
2009-10	28	11	9	11	8	20	19	12	17	421
2010-11	33	9	12	15	10	19	17	19	21	633
2011-12	27	9	16	17	14	17	19	15	180	369
2012-13	52	13	17	27	13	38	27	19	20	172
2013-14	39	17	21	20	14	29	7	6	8	400
2014-15	26	15	20	8	6	12	8	3	3	496
2015-16	29	19	22	9	8	15	10	5	6	513
Total	389	162	197	192	130	283	205	178	346	5493

Appendix-2.1.1
(Referred to paragraph 2.1.5; page 10)
List of selected districts, CHCs, PHCs and HSCs

Sl. No.	Name of the Selected District	Sl. No.	Name of Selected CHCs	Sl. No.	Selected PHCs	Sl. No.	Name of Health Sub Centres associated with the concerned PHCs		
1	Dumka	1	Jama	1	Barapalasi	1	Barapalasi		
						2	Birajpur		
						3	Lilakari		
				2	Chikania	1	Bheraopur		
						2	Chiknia		
						3	Chorkatta		
		2	Sikaripada	3	Dhandara	1	Dhandhra		
						2	Jhunri		
						3	Kajradaha		
				4	Maluti	1	Batkandar		
						2	Bengasia		
						3	Maluti		
2	Gumla	3	Bharno	5	Duriya	1	Duria		
						2	Domba		
						1	Barasilli		
				6	Jura	1	Jura		
						2	Atakora		
						3	Morgaown		
		4	Sisai	7	Kurgi	1	Chegri		
						2	Makunda		
						3	Pohra		
		5	Palkot	8	Bilingbera	1	Bangru		
						2	Pithartoli		
						3	Solga		
3	Giridih					6	Bhandro	1	Ataki
								2	Bandaro
								3	Narayanpur
10	Nimiaghat	11	Sariya	1	Galgi				
				2	Pordag				
				3	Roshanatunda				
7	Bagodar	12	Ataka	1	Bagodih				
				2	Mandramo				
				3	Nagar Keswai				
		13	Baramisia	14	Tuladih	1	Ataka		
						2	Darghali		
						3	Mundro		
1	Chitankhari	2	ShitalTola	3	Kharkhari				
						1	Balgoh		
						2	Bedapahari		
3	Pasum	15	Bindapathar	1	Bindapathar				
				2	Dhatula				
				3	Mohanbank				
			16	Geriya	1	Geriya			
					2	Mohanpur			
					3	Rangasola			
10	Kundihit	17	Amba	1	Charakmara				
				2	Harinarayanpur				
				3	Satki				

Sl. No.	Name of the Selected District	Sl. No.	Name of Selected CHCs	Sl. No.	Selected PHCs	Sl. No.	Name of Health Sub Centres associated with the concerned PHCs
				18	Fatehpur	1	Babupur
						2	Bhabhanbandhi
						3	Fatehpur
5	West Singhbhum	11	Tonto	19	Tonto Head Office	1	Jikilata
						2	Padampur
						3	Serengsiya
				20	Tontogram	1	Luyia
						2	Tensera
						3	Tonto
		12	Manoharpur	21	Anandpur	1	Anandpur
						2	Khatangbera
						3	Samij
				22	Jeraikela	1	Makerranda
						2	Punchpahia
						3	Tirilposi
		13	Chakradharpur	23	Hathia	1	Degaon
						2	Dhangaon
						3	Mermera

Appendix-2.1.2

(Referred to paragraph 2.1.6; page 11)

List of records not produced

Sl. No.	Name of Districts	List of records not produced
1	State level	Facility wise sanctioned strength and men-in-position of doctors/Specialists doctors/para medicals
2		Stock register machine & equipment, drugs and medicines;
3		Tender files, stock register related to printing of registers, pump lets, booklets etc.
4		Files related to procurement and maintenance of Ambulance
5		Files related to formation and status of VHSNCs;
6		List of bank accounts not produced to audit as detailed in Appendix-2.1.8 (b)
1	Dumka	Copy of FMR for the period 2011-16 ;
2		UCs submitted to State from 2011-16;
3		Records related to amount paid to Sahiya and JSY beneficiaries from 2011-16;
4		Records relating to outstanding payment to Sahiya and JSY beneficiaries;
5		Files related to preparation of BHAP and DHAP
6		Module wise details of training provided to doctors/ANM/Sahiya/DPM/DAM
1	Giridih	Store ledger related to Bagodar and Dumri CHCs;
1	Gumla	Monitoring files of MMUs
2		Tender file related to procurement of medicine;
3		Doctors certificate attached to MMUs;
4		Files related to preparation of BHAP and DHAP
1	Jamtara	List of medicine, machine & equipment from NHM and State fund for the period 2011-16
1	West Singhbhum	Cash book for the year 2011-12, 2012-13 and 2013-14 related to State plan fund.
2		Stock register and vouchers of machines & equipment and medicine for period 2011-12 to 2013-14 under NHM and State Plan;
3		Stock register of medicine purchased under JSSK;
4		FMR for the period 2011-12 to 2014-15;
5		Files related to preparation of BHAP and DHAP

Appendix-2.1.3

(Referred to paragraph 2.1.8.1; page 13)

Delay in approval of State PIP and RoP

Date on which SPIP required to be approved by JRHMS	Date of approval of SPIP by JRHMS	Delay in approval of SPIP by JRHMS	Date which RoP required to be approved by NPCC	Date of approval of RoP by NPCC	Delay in approval of RoP by NPCC
1	2	3 (2-1)	4	5	6 (5-4)
15-01-2011	20-02-2011	36	31-03-2011	05-05-2011	35
15-01-2012	20-03-2012	65	31-03-2012	26-05-2012	56
15-01-2013	13-08-2013	210	31-03-2013	16-05-2013	46
15-01-2014	22-08-2014	219	31-03-2014	13-10-2014	196
15-01-2015	22-05-2015	127	31-03-2015	12-08-2015	134

Appendix- 2.1.4

(Referred to paragraph 2.1.9; page 13)

Service wise difference between original records and HMIS of health facilities

Sl. No.	Name of Service	DH			CHC			PHC			HSC		
		Data available in records of health facility	Data entered in HMIS portal	Difference	Data available in records of health facility	Data entered in HMIS portal	Difference	Data available in records of health facility	Data entered in HMIS portal	Difference	Data available in records of health facility	Data entered in HMIS portal	Difference
1	2	3	4	5 (3-4)	6	7	8 (6-7)	9	10	11 (9-10)	12	13	14 (12-13)
1	Number of ANC Registration	8795	6383	2412	18736	15854	2882	2443	2652	(-) 209	6317	6364	(-) 47
2	Number of deliveries	34207	34341	(-) 134	10932	13612	(-) 2680	597	1105	(-) 508	869	678	191
3	Number of C-section deliveries	468	557	(-) 89	26	24	2	0	0	0	0	0	0
4	Number of MTP performed	443	442	1	189	215	(-) 26	0	0	0	0	0	0
5	Number of JSY beneficiaries	59220	59163	57	14368	10894	3474	1254	2108	(-) 854	5303	5616	(-) 313
6	Number of IUD insertions	4011	2652	1359	1125	1125	0	113	113	0	0	0	0
7	Number of Maternal Deaths	43	0	43	113	23	90	1	0	1	113	14	99
8	Number of Infant Deaths	69	18	51	40	8	32	2	0	2	127	4	123
		107256	103556	3700	45529	41755	3774	4410	5978	(-) 1568	12729	12676	53

Appendix- 2.1.5
(Referred to paragraph 2.1.10.2; page 15)
Excess/short releases of fund during 2011-16

₹ in crore

Year	GoI Share			State Share			Performance based incentive		
	Due	Released	Shortfall (per cent)	Due	Released	Excess/short (-) (per cent)	Due	Released	Shortfall (per cent)
2011-12	458.88	366.48	92.40 (20)	80.98	151.43	70.45 (87)	0	0	0
2012-13	555.83	282.43	273.40 (49)	185.28	115.00	-70.28 (38)	0	0	0
2013-14	485.89	314.82	171.07 (35)	179.96	200.00	20.04 (11)	53.99	0	53.99 (100)
2014-15	510.53	326.74	183.79 (36)	189.08	1.55	-187.53 (99)	56.73	0	56.73 (100)
2015-16	444.04	372.66	71.38 (16)	164.46	227.53	63.07 (38)	49.34	0	49.34 (100)
Total	2455.17	1663.13	792.04 (32)	799.76	695.51	-104.25 (13)	160.06	0	160.06 (100)

(Source: Approved budget outlay by NPCC, GoI letter of releases, allotment orders of the State Government)

Appendix- 2.1.6
(Referred to paragraph 2.1.10.3; page 15)
Details of interest amount earned and disclosed in UCs

(₹ in crore)

Year	Interest amount disclosed as per CA report	Interest amount earned as per Utilisation Certificate (UC)	Difference of Interest amount (CA Report-UC)
2011-12	12.2	1.03	11.17
2012-13	12.72	0.98	11.74
2013-14	18.77	2.81	15.96
2014-15	12.32	0	12.32
2015-16	NA	0	NA
Total	56.01	4.82	51.19

(Source: JRHMS, CA reports and UCs)

Appendix-2.1.7
(Referred to paragraph 2.1.10.3.; page 15)
Expenditure made from interest earned in saving A/c

(Amount in ₹)

Name of District	Year	Interest Earned	Expenditure	Particulars
Dumka	2011-12	2924649	662166	Malaria Kit, Drain repairs, maintenance of Sadar Hospital
	2012-13	4447037	240109	ANM appointment letter distribution, ACMO vehicle repair, Contractual driver salary
	2013-14	6507320	368708	Contractual driver salary, loan to DMO for procurement of Act and SSG injection
	2014-15	7628647	190720	RCH flexi pool, NRHM flexi pool, contractual driver salary
Sub Total		21507653	1461703	
Gumla	2013-14	4077847	2129622	Medicine for election, advertisement,
	2014-15	4705836	130752	NA
Sub Total		8783683	2260374	
Jamtara	2011-12	1219655	262316	Driver salary
	2013-14	2559252	397975	Driver salary
Sub Total		3778907	660291	

(Amount in ₹)

Name of District	Year	Interest Earned	Expenditure	Particulars
West Singhbhum	2011-12	4038702	905956	Home guard and sweeper salary
	2012-13	5061157	4200454	Home guard and sweeper salary, Advertisement, ISO certificate, Transformer purchase, vehicle maintenance
	2013-14	7568461	693254	Home guard and sweeper salary, Advertisement, ISO certificate, Transformer purchase, vehicle maintenance, driver salary etc.
	2014-15	8407264	159527	Driver salary
Sub Total		25075584	5959191	
Grand Total		59145827	10341559	

Appendix-2.1.8(a)*(Referred to paragraph 2.1.10.4; page 16)***Details of bank accounts not reconciled**

(Amount in ₹)

Sl. No.	Name of Bank	A/c No.	Balance as on 31 st Mar 2016	Balance as on 31 st Mar 2015	Balance as on 31 st Mar 2014	Balance as on 31 st Mar 2013
1	BOL, Kokar	499310110007808	166649398.81	90000000.00	NA	NA
2	Indian Bank, Kadru	828646759	41392312.00	40034301.00	32959.00	NA
3	Andhra Bank	47810100022975	6912579.00	6643642.00	6548285.00	NA
4	Bank of Baroda, Harmu	32740100004461	473000.00	NA	NA	NA
5	Uco Bank, Ranchi	1410110025604	10000000.00	NA	NA	NA
6	CBI, Kanke	3363304200	189207584.00	30000000.00	NA	NA
7	Canara Bank, Doranda	1642101021220	429660903.00	204591314.00	10057687.00	NA
8	Allahabad Bank	50006722756	511608.00	491688.00	472595.00	954243.00
9	Indian Overseas Bank	67201000099999	79280790.00	NA	NA	NA
10	Syndicate Bank	75202200004927	29418.98	28330.54	27230.49	26173.15
11	Syndicate Bank	75222200023663	16162.66	15590.35	14985.04	14403.18
12	Canara Bank	2670101009409	23948251.00	50000000.00	NA	NA
13	Punjab Natioinal Bank	3044000100098790	354750666.56	254105722.69	480590564.24	40586675.09
14	Allahabad Bank	20266192665	358166829.31	174463966.31	307121972.31	192687854.31
15	SBI Doranda	32841463602	44503546.00	97533972.00	59947561.00	278713586.00
16	SBI Namkum	30066006978	204809639.00	92373209.00	77789934.00	NA
17	Kotak Mahindra Bank	5811379970	941068.00	8594583.00	2533177.00	NA
18	Kotak Mahindra Bank	639010030951	943795.74	9912337.85	NA	NA
19	Axis Bank	106010100253130	731104.00	21692101.00	1001.00	961.00
20	Indusind Bank	150004440444	589355.37	561267.12	NA	NA
21	Indusind Bank	150004440000	41136959.13	38762176.42	100065747.95	NA
22	Vijaya Bank	840401101000006	878135.00	50000000.00	NA	NA
23	HDFC	50100077539750	28542480.50	58633000.00	NA	NA
Total bank balance			2074075586.06	1228437201.28	1045203699.03	512983895.73
Cash book balance			1354145897.50	805392326.50	540155532.18	484763608.06
Difference			719929688.56	423044874.78	505048166.85	28220287.67

Appendix-2.1.8(b)

(Referred to paragraph 2.1.10.4; page 16)

Details of bank accounts/statements not produced to audit

Sl. No.	Name of Bank	A/c No.
1	Allahabad Bank, Lalpur	50009379495
2	Allahabad Bank, Namkum	50021268098
3	Axis Bank	106010100222242
4	Axis Bank	103010100182119
5	Central Bank, Buti More	3447901494
6	HDFC	1501000068681
7	Indian Bank, Kadru	789306009
8	Indusind Bank	15000070000
9	Punjab Natioinal Bank, Mahabir Chowk	1091000100252412
10	Punjab Natioinal Bank, Main Road	3044000191014638
11	SBI Namkum	30284010067
12	SBI Namkum	30035854223
13	SBI Namkum	31715984651
14	SBI, Harmu	30725232492
15	SBI, Upper Bazar	30725177347
16	SBI, Nepal House	30846707048

Appendix-2.1.8(c)

(Referred to paragraph 2.1.10.4; page 16)

Details of bank balances and closing balances

(₹ in crore)

Sl. No.	Date as on	Closing balance of cashbook	Total bank balance	Un-reconciled amount (Per cent)
1	2	3	4	5 (4-3)
1	31.03.2012	112.54	NA	----
2	31.03.2013	48.48	51.30	2.82 (6)
3	31.03.2014	54.02	104.52	50.50 (94)
4	31.03.2015	80.54	122.84	42.30 (53)
5	31.03.2016	135.41	207.41	72.00 (53)

(Source: JRHMS cashbook and bank statement)

Appendix- 2.1.9

(Referred to paragraph 2.1.10.5; page 17)

Details of outstanding advance and minimum admissible interest against parties/officials/staffs as of March 2016

(₹ in crore)

Sl. No.	Parties / Officials to whom advances were paid	More than four year			Four years			Three year			Two year			One year			Total	
		No. of Cases	Amount	Simple Interest @4% for 5 years	No. of Cases	Amount	Simple Interest @4% for 4 years	No. of Cases	Amount	Simple Interest @4% for 3 years	No. of Cases	Amount	Simple Interest @4% for 2 years	No. of Cases	Amount	Simple Interest @4% for 1 years	No. of Cases	Amount
1	Parties	28	5.3	1.06	7	32.95	5.272	3	2.51	0.3012	10	2.74	0.2192	2	4.37	0.1748	50	47.87
2	Officials / Staffs	7	0.017	0.0034	7	0.089	0.01424	9	0.083	0.00996	8	0.035	0.0028	24	0.086	0.00344	55	0.31
Total		35	5.317	1.0634	14	33.039	5.28624	12	2.593	0.31116	18	2.775	0.222	26	4.456	0.17824	105	48.18

Appendix-2.1.10

(Referred to paragraph 2.1.10.5; page 17)

**Details of outstanding advance against parties/officials/staff as of
March 2016**

Sl. No.	Name of official/ staff	Amount (in ₹)
1	Anand Kumar Pandey	120000
2	Anil Kumar Sinha, Budget & Finance Officer	78000
3	Anugrah Narayan Pathak	5000
4	Babu Saheb Jha (PA to Secretary)	10400
5	Ranjit Ranjan Pathak	63900
6	Arvind Kumar, Financial Consultant	62400
7	Chandra Udai	40000
8	Dharmendra Kumar Singh	12000
9	Dasai Yadav	5000
10	Devashish Jana	12000
11	Keshwar Lohra, Driver	1000
12	Madan Prasad	20000
13	Mangal Toppo	73106
14	Manoj Kumar Mahto	150036
15	Mithilesh Kumar Singh	29800
16	Neel Ranjan Singh	14315
17	P. Mukherjee	780000
18	Pramod Kumar, Regrigerator	2500
19	Rajesh Kumar	11000
20	Rajesh Kumar, Driver	4000
21	Rambahadur Ram	49441
22	Rakesh K Mali	7610
23	Randhir Kr.	36000
24	Nivedita Sinha	16800
25	Vijay Kr. Dhar, Accounts officer, RNTCP	105900
26	Sanjeev Kumar, Vehicle Clerk, GVI (₹ 10000 + ₹ 4500)	14500
27	Sanjeet Kumar	15000
28	Sri Tobius Runda	110205
29	Shakti Nath Jha, Director	368500
30	Shyam Nath (Driver)	43900
31	Subrat Roy	10000
32	Sukhdev Oran	33954
33	Suresh Kumar Mandal	12000
34	Umesh Prasad	79387
35	Dipak Tubid	66500
36	Yogendra Kumar	90000
37	Manoj Kumar Mahto, Computer Operator	40000
38	Pawan Kumar EAA	8000
39	Jaikar Techno Pvt. Ltd.	6972
40	Dr. Tembrom	55000
41	Dr. Manju Kumari	31200
42	Balchand Lohara	12020
43	Tobic Runda	15000
44	Dr. Raj Mohan	80000
45	Sipra Das	20000

Sl. No.	Name of official/ staff	Amount (in ₹)
46	Dr. Vidya Gupta	50000
47	Dr. Anuj Kumar Mandal	20000
48	Asif Ikram	25000
49	Dr. Abdul Numam	5340
50	Basant Kumar Bhattacharya	50000
51	Ajay Minz	12000
52	Amit Ekka	15000
53	Shambhu Kumar Singh	15000
54	Advance to Staff or Expenses	35000
55	Manir Ahmed	60000
Total		3109686

Appendix- 2.1.11
(Referred to paragraph 2.1.10.6; page 17)
Irregular release of Untied Fund (UF) to Sadar CHCs

(Amount in ₹)

Name of Districts	Year	OB	Receipt	Total	Exp	Balance
Untied Fund (UF)						
Dumka	2011-12	0	50000	50000	30007	19993
	2012-13	19993	0	19993	19749	244
	2013-14	244	50000	50244	49821	423
	2014-15	423	0	423	0	423
	2015-16	423	0	423	0	423
Sub Total			100000		99577	
Jamtara	2011-12	0	50000	50000	50000	0
	2012-13	0	50000	50000	50000	0
	2013-14	0	0	0	0	0
	2014-15	0	0	0	0	0
	2015-16	0	0	0	0	0
Sub Total			100000	100000	100000	0
West Singhbhum	2011-12	0	50000	50000	50077	-77
	2012-13	-77	50000	49923	43106	6817
	2013-14	6817	50000	56817	56710	107
	2014-15	107	50000	50107	50000	107
	2015-16	107	0	107	0	107
Sub Total			200000		199893	
Total (A)			400000		399470	
Annual Maintenance Grants (AMG)						
Dumka	2011-12	822	100000	100822	56600	44222
	2012-13	44222	0	44222	43699	523
	2013-14	523	0	523	0	523
Sub Total			100000		100299	
Jamtara	2011-12	291961	300000	591961	307573	284388
	2012-13	284388	150000	434388	330775	103613
	2013-14	103613	0	103613	170450	-66837
Sub Total			450000		808798	
West Singhbhum	2011-12	0	100000	100000	99786	214
	2012-13	214	100000	100214	99683	531
	2013-14	531	100000	100531	100000	531
	2014-15	531	50000	50531	50000	531
Sub Total			350000		349469	
Total (B)			900000		1258566	
Hospital Management Society (HMS)						
Dumka	2011-12	260371	100000	360371	152594	207777
	2012-13	207777	0	207777	202593	5184
	2013-14	5184	0	5184	0	5184
	2014-15	5184	200000	205184	0	205184
	2015-16	205184	0	205184	4720	200464
Sub Total			300000		359907	
West Singhbhum	2011-12	-9440	200000	190560	0	190560
	2012-13	190560	100000	290560	289028	1532
	2013-14	1532	100000	101532	100759	773
	2014-15	773	100000	100773	100000	773
	2015-16	773	0	773	0	773
Sub Total			500000		489787	
Total (C)			800000		849694	
Grand Total			2100000		2507730	

Appendix-2.1.12*(Referred to paragraph 2.1.10.8; page 18)***Details of incentive due to beneficiary during 2011-16**

Sl. No.	Name of district	Number of institutional delivery during 2011-16	Number of beneficiaries to whom paid incentive during 2011-16	Number of cases (beneficiaries) incentive not paid during 2011-16 (per cent)	Amount due (₹ in lakh)
1	Dumka	76193	60224	15969 (21)	223.57
2	Gumla ¹	70361	59273	11088 (16)	155.23
3	Giridih	112513	76862	35651 (32)	499.11
4	Jamtara	49101	42940	6161 (13)	86.25
5	West Singhbhum	100120	81891	18229 (18)	255.21
	Total	408288	321190	87098 (21)	1219.37

Appendix-2.1.13*(Referred to paragraph 2.1.11.1 (ii & iii); page 19)***Details of requirements of bed capacity in CHCs/SDH**

Sl. No.	Name of selected district	Name of selected CHC & SDH	Number of bed required in CHC & SDH as per IPHS norms	Number of bed available in CHC & SDH	Shortfall (in number of bed/ per cent)
1	Dumka	Jama	30	15	15 (50)
		Shikaripara	30	10	20 (67)
2	Giridih	Bagodar	30	03	27(90)
		Birni	30	06	24(80)
		Dumri	30	10	20(67)
3	Gumla	Bharno	30	5	25 (83)
		Palkot	30	5	25 (83)
4	Jamtara	Kundhit	30	5	25 (83)
5	West Singhbhum	Manoharpur	30	16	14 (47)
		Tonto	30	3	27 (90)
6	West Singhbhum	SDH, Chakradharpur	50	42	8 (16)

(Source: DRHS)

¹ Figure available only 2015-16 of incentive paid to beneficiaries.

Appendix-2.1.14(a)

(Referred to paragraph 2.1.11.3; page 22)

Statement of HSCs constructed with convergence under IAP

Name of the Block	HSC constructed under Integrated Action Plan					HSC constructed under NRHM				HSC constructed under State Plan			
	Name	Amount	Date of Agreement	Date on which to be completed	Date of completion	Name	Date of approval	Amount	Date of completion	Name	Date of approval	Amount	Date of completion
Manjhari	Pilka	21.25	27-04-2011	27-12-2011	Dec-11	Pilka	2013-14	21.41	Mar-15	-	-	-	-
Jhingpani	Kalende	21.20	27-04-2011	26-12-2011	Dec-11	Kalende	2013-14	22.68	Mar-15	-	-	-	-
Tantnagar	Chitmitti	21.25	27-04-2011	26-12-2011	Dec-11	Chitmitti	2013-14	23.25	Mar-15	-	-	-	-
Tonto	Purnapani	21.25	29-04-2011	29-12-2011	Dec-11	-	-	-	-	Purnapani	12-08-2014	29.73	Mar-15
Manoharpur	Makranda	21.39	01-04-2011	30-11-2011	Dec-11	-	-	-	-	-	-	-	-
Manoharpur	Makranda	21.39	31-03-2011	30-11-2011	Dec-11	-	-	-	-	-	-	-	-
Total		127.73						67.34				29.73	

Appendix-2.1.14(b)

(Referred to paragraph 2.1.11.3; page 22)

Statement of HSCs constructed with convergence under IAP

Name of the Block	HSC constructed under Integrated Action Plan					HSC constructed under NRHM				HSC constructed under State Plan			
	Name	Amount	Date of Agreement	Date on which to be completed	Date of completion	Name	Date of approval	Amount	Date of completion	Name	Date of approval	Amount	Date of completion
Kumardungi	Kusmita	9.63	01-04-2011	01-10-2011	Incomplete	Kusmita	2013-14	22.75	Mar-15	-	-	-	-
Khuntpani	-	-	-	-	-	Purnia	2013-14	24.12	Mar-15	Purnia	12-08-2014	8.33	Incomplete
Bandgaon	-	-	-	-	-	Nakti	2011-12	22.15	Mar-15	Nakti	12-08-2014	14.34	Incomplete
Manjhari	Putasia	18.25	28-04-2011	27-12-2011	Dec-11	-	-	-	-	Putasia	12-08-2014	14.34	Incomplete
Total		27.88						69.02				37.01	

Appendix-2.1.15*(Referred to paragraph 2.1.12.1; page 23)***Essential equipment required and available at test checked District Hospital**

Sl. No.	Essential Equipment required for assured services	Requirement	Dumka	Giridih	Gumla	Jamtara	West Singhbhum
1	Imaging equipment	5	2	2	2	3	2
2	X-ray room Accessories	8	5	5	6	4	0
3	Cardiopulmonary equipment	16	0	6	8	5	5
4	Labour Ward, New Natal and special New Born Care	28	4	19	21	13	12
	(a) General equipment for SNCU	12	0	0	10	0	2
	(b) Equipment for disinfection of Special New Born Care Unit	12	0	0	9	0	6
	(c) Equipment Individual Patient care in Special New Born Care	14	0	0	12	0	7
5	Immunisation equipment	25	5	11	12	12	7
6	Ear Nose Throat	20	0	1	0	0	0
7	EYE	27	18	15	21	0	10
8	Dental Equipment	43	3	0	8	0	11
9	Operation Theatre Equipment	39	9	0	10	10	12
10	Laboratory Equipment	87	59	14	26	NA	7
	Total	336	105	73	145	47	81
	Shortage (in number/ per cent)		231 (69)	263 (78)	191 (57)	289 (86)	255 (76)

Appendix-2.1.16*(Referred to paragraph 2.1.12.1; page 23)***Essential equipment required and available at test checked Sub-divisional Hospital (SDH)**

Sl. No.	Essential Equipment required for assured services	Requirement	SDH, Chakradharpur
1	Imaging equipment	3	0
2	X-ray room Accessories	6	0
3	Cardiopulmonary equipment	5	0
4	Labour Ward, New Natal and special New Born Care	14	4
5	Immunisation equipment	16	11
6	Ear Nose Throat	17	0
7	EYE	22	0
8	Dental Equipment	4	0
9	Operation Theatre Equipment	18	7
10	Laboratory Equipment	27	6
	Total	132	28
	Shortage (in number/ per cent)		104 (79)

Appendix-2.1.17

(Referred to paragraph 2.1.12.1; page 23)

Essential equipment required and available at test checked CHCs

Sl. No.	Name of services	Requirement	Tonto	Manoharpur	Sisai	Palkot	Bharno	Jama	Sikari-para	Bagodar	Birni	Dumri	Kundhit	Nala
1	Standard Surgical Set-I	32	16	20	16	25	13	12	14	22	21	20	0	13
2	Standard Surgical Set-II	33	10	15	13	12	7	3	8	11	19	0	0	17
3	IUD Insertion kit	19	13	16	9	14	13	10	15	0	19	0	0	15
4	Standard Surgical Set-III	17	8	13	7	5	6	7	10	0	3	0	0	10
5	Normal Delivery	12	12	10	7	0	8	7	9	11	23	0	0	11
6	Standard Surgical Set-IV	16	7	0	5	16	4	4	3	0	0	0	0	10
7	Standard Surgical Set-V	21	0	0	5	13	0	0	3	0	0	0	0	0
8	Standard Surgical Set-VI	11	4	0	0	10	5	0	5	1	0	0	4	5
9	Miscellaneous	4	1	2	0	3	1	1	2	2	1	0	0	1
10	Equipment for Anaesthesia	17	0	1	4	6	1	1	2	7	4	0	2	0
11	Equipment for Neo-Natal Resuscitation	25	6	18	6	16	3	0	11	10	12	0	4	14
12	Materials kit for Blood Transfusion	15	0	7	5	0	0	0	0	0	0	0	0	0
13	Equipment for OT	13	0	9	10	0	0	2	5	0	1	0	7	11
14	Equipment for Labour Room	14	5	10	8	0	0	5	8	0	9	24	3	14
15	Equipment for Radiology	9	0	0	5	0	0	0	3	0	0	0	0	8
16	Immunisation Equipments	4	3	3	4	0	0	1	1	0	3	0	0	4
17	Cold Chain	2	1	1	1	0	0	1	1	0	2	0	0	15
	Total	264	86	125	105	120	61	54	100	64	117	44	20	148

Appendix- 2.1.18
(Referred to paragraph 2.1.12.2; page 23)
**Statement showing excess payment made to Agency on account of
procurement of RBSK**

(Amount in ₹)

Sl. No.	Order No.	Bill No.	Name of Agency	Total Quantity	Rate per unit	Amount paid to Supplier	Rate as per approved PIP	Excess payment
1	152/4.7.14	3303/23.08.14	M/s Hind	50000	2.97/unit	148500	1.50/unit	73500
	163/22.07.14	3308/03.09.2014	Art &	50000		148500		73500
2	182/16.8.14	3313/03.09.2014	Supply	50000		148500		73500
3	184/21.08.2014	3319/20.09.2014	Ranchi	50000		148500		73500
Total				200000		594000		294000

Appendix-2.1.19

(Referred to paragraph 2.1.12.2; page 24)

Idle machines and equipment in test checked DH, CHCs/SDH

Sl. No.	Name of facility	Automatic Chemistry Analyser	Path fast	Blood Gas Analyser	Ultra Sound	Blood Bank Refrigerator	Baby Warmer	Shadow Less Lamp	Multi Parameter Patient Monitor	3 Channel ECG Machine	Centrifuge Machine	Portable X-Ray Machine (100MA100)	TMT Machine	Bilirubin Meter
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	DH, Jamtara	1/ 3.2011	1/ 5.2011	1/ 4.2011	6/ 11.2011	1/ 12.2014	0	0	0	0	0			
2	CHC Nala	0	1/ 5.2011	1/ 4.2011	1/ 6.2011	1/ 3.2012	1/ 4.2016	Jan-15	1/ 6.2011	1/ 6.2011	0			
3	CHC Kunduth										0			
4	DH, Dumka	1/ 4.2011	1/ 4.2011	1/ 4.2011					1/ 4.2011			1/ 9.2012	1/ 4.2011	1/ 4.2011
5	CHC Jama	0	0	1/ 6.2012	0	0	1/ 1.2016	0	0	0	1/ 6.2013			
6	CHC Shikaripara													
7	DH, West Singhbhum				1/ 3.2013							1	1	
8	SDH,CKP			1/ 11.2011	1/ 4.2016									
9	DH, Gumla		1/ 3.2012	9/11.2012					1/ 4.2014	1/ 4.2013				
10	CHC Dumri						4 /2/2014							
	Number	2	3	14	9	2	6	1	3	3	1	3	2	1
	Rate	5500000	1325000	472500	270000	181000	55400	43920	179000	40000		110577		
	Amount	11000000	3975000	6615000	2430000	362000	486700	43920	537000	120000	0	331731	0	0

SI No	Name of facility	CBC Machine	Bio Safety Cabinet	Microtome Machine	Genset 160 KVA	AC 1.5 Tone	Cardic Monitor with Defiblator	Incinerator	Autoclave	Dithermy Machine	Elisa Reader with printer	Blood collection Monitor with Shaker	Tube Scaler	Ventilator
		16	17	18	19	20	21	22	23	24	25	26	27	28
1	DH, Jamtara													
2	CHC Nala													
3	CHC Kunduth													
4	DH, Dumka	1/ 4.2011	1/ 4.2011	1/ 4.2011	1/ 4.2011	2/ 4.2011								02-05-2012
5	CHC Jama													
6	CHC Shikaripara													
7	DH, West Singhbhum						1/ 3.2012		1/ 9.2015	2/ 3.2011	1/ 3.2015	3	2	
8	SDH,CKP							1/ 1.2013						
9	DH, Gumla													
	Number	1	1	1	1	2	1	1	1	2	1	3	2	
	Rate						320250	2998750		630000		123900	110250	
	Amount	0	0	0	0	0	320250	2998750	0	1260000	0	371700	220500	0

Total: ₹ 3,10,72,551.00

Appendix- 2.1.20

(Referred to paragraph 2.1.12.3; page 25)

Irregular preparation of route chart for movement of MMU

Name of NGOs	Reg. no. of MMU	Date of Camp	Block/CHC/PHC	Name of HSC	Place of Camp
Dumka					
Vikash Bharti, Bishunpur	JH01V/4787	December 2015 to till date	Ramgarh	Dhowa	CHC
			Ramgarh	Dando	PHC
			Kathikund	Kathikund	HSC
			Gopikandar	Gopikandar	CHC
			Shikaripara	Shikaripara	CHC
		December 2014 to November 2015	Kathikund	Tyliya chowk bazaar	CHC
			Gopikandar	Gopikandar	CHC
			Shikaripara	Shikaripara	CHC
		June 2013	Ramgarh	Dando	CHC
			Kathikund	Pandanpahari	CHC
			Shikaripara	Gandrakpur	CHC
			Gopikandar	Ormo	CHC
		June 2012 to May 2013	Ramgarh	Dando	CHC
			Kathikund	Pandanpahari	CHC
			Shikaripara	Gandrakpur	CHC
			Gopikandar	Ormo	CHC
Gumla					
Holy Cross Lievens Hospital, Rampur	JH01AA-4883	08.08.14	Chainpur	Dashudargaon	Dashudargaon
-do-	-do-	11.08.14	-do-	Kurumgarh	Kurumgarh
-do-	-do-	14.08.14	-do-	Tongo	Tongo
-do-	-do-	22.08.14	Raidih	Kondra	Kondra
-do-	-do-	02.06.14	Chainpur	Kereng	Kereng
-do-	-do-	20.06.14	Raidih	Ramja	Ramja
-do-	-do-	21.06.14	-do-	Konkel	Konkel
-do-	-do-	27.06.14	-do-	Pogra	Pogra
-do-	-do-	23.04.14	-do-	Ramja	Ramja
-do-	-do-	24.04.14	-do-	Konkel	Konkel
-do-	-do-	04.04.14	Chainpur	Loracuba	Loracuba
-do-	-do-	09.12.15	Chainpur	Lorakuba	Lorakuba
-do-	-do-	21.12.15	Raidih	Konkel	Konkel
-do-	-do-	21.12.15	Raidih	Kondra	Kondra
-do-	-do-	06.01.16	Chainpur	Katkahi	Katkahi
-do-	-do-	09.01.16	-do-	Datra	Datra
-do-	-do-	19.01.16	Raidih	Hesag	Hesag
St. Michael Health Center, Rajawal	JH01AA-4838	08.05.14	Dumri	Kutlu	Kutlu
-do-	-do-	21.05.14	-do-	Jurmu	Jurmu
-do-	-do-	25.05.14	-do-	Majhgaon	Majhgaon
-do-	-do-	05.-5.14	Palkot	Sarubera	Sarubera
-do-	-do-	11.05.14	-do-	Umrah	Umrah
-do-	-do-	13.05.14	Dumri	Ratasilli	Ratasilli
-do-	-do-	21.05.14	-do-	Jurmu	Jurmu
-do-	-do-	25.05.14	-do-	Majhgaon	Majhgaon
-do-	-do-	05.05.14	Palkot	Sarubera	Sarubera
-do-	-do-	04.06.14	-do-	Nathpur	Nathpur
-do-	-do-	05.06.14	-do-	Pithertoli	Pithertoli
-do-	-do-	11.06.14	-do-	Gurma	Gurma
-do-	-do-	12.06.14	-do-	Satkhari	Satkhari

Name of NGOs	Reg. no. of MMU	Date of Camp	Block/CHC/PHC	Name of HSC	Place of Camp
-do-	-do-	13.06.14	Dumri	Jairagi	Jairagi
-do-	-do-	04.06.14	Palkot	Nathpur	Nathpur
-do-	-do-	05.06.14	Palkot	Pithertoli	Pithertoli
-do-	-do-	12.06.14	-do-	Satkhari	Satkhari
-do-	-do-	02.06.14	Dumri	Bhagitoli	Bhagitoli
-do-	-do-	15.07.14	-do-	Natwal	Natwal
-do-	-do-	08.07.14	-do-	Khetli	Khetli
-do-	-do-	13.07.14	-do-	Jairagi	Jairagi
-do-	-do-	04.07.14	Palkot	Bangru	Bangru
-do-	-do-	05.07.14	-do-	Pithertoli	Pithertoli
-do-	-do-	11.07.14	-do-	Gurma	Gurma
-do-	-do-	12.07.14	-do-	Satkhari	Satkhari
-do-	-do-	01.12.15	Dumri	Majhgaon	Majhgaon
-do-	-do-	09.12.15	-do-	Khetli	Khetli
-do-	-do-	12.12.15	-do-	Kutlu	Kutlu
-do-	-do-	18.12.15	Palkot	Gurma	Gurma
-do-	-do-	19.12.15	-do-	Marda	Marda
-do-	-do-	21.12.15	-do-	Sarubera	Sarubera
-do-	-do-	23.12.15	-do-	Satkhari	Satkhari
-do-	-do-	07.12.15	Dumri	Jairagi	Jairagi
-do-	-do-	09.12.15	-do-	Kheli	Kheli
-do-	-do-	13.12.15	-do-	Kutlu	Kutlu
-do-	-do-	18.12.15	Palkot	Gurma	Gurma
-do-	-do-	19.12.15	-do-	Marda	Marda
-do-	-do-	21.12.15	-do-	Sarubera	Sarubera
-do-	-do-	18.11.15	-do-	Gurma	Gurma
-do-	-do-	24.01.16	Dumri	Bandua	Bandua
-do-	-do-	01.11.15	-do-	Majhgaon	Majhgaon
-do-	-do-	07.11.15	-do-	Jairagi	Jairagi
-do-	-do-	13.11.15	-do-	Kutlu	Kutlu
-do-	-do-	19.11.15	Palkot	Marda	Marda
-do-	-do-	22.11.15	-do-	Sunderpur	Sunderpur
-do-	-do-	23.11.15	-do-	Satkhari	Satkhari
Vikash Bharti	JH01V-4789	01.05.14	Gumla	Ashani	Ashani
-do-	-do-	03.05.14	-do-	Kumharia	Kumharia
-do-	-do-	04.05.14	-do-	Phori	Phori
-do-	-do-	07.05.14	-do-	Kotam	Kotam
-do-	-do-	15.05.14	Bishunpur	Beti	Beti
-do-	-do-	18.05.14	-do-	Sakhuapani	Sakhuapani
-do-	-do-	19.05.14	-do-	Jobhipath	Jobhipath
-do-	-do-	22.05.14	-do-	Manjira	Manjira
-do-	-do-	01.05.14	Gumla	Ashani	Ashani
-do-	-do-	03.05.14	-do-	Kumhari	Kumhari
-do-	-do-	07.05.14	-do-	Kotam	Kotam
-do-	-do-	13.05.14	Ghaghra	Nawdiha	Nawdiha
-do-	-do-	13.06.14	-do-	Nawdiha	Nawdiha
-do-	-do-	01.06.14	Gumla	Ashani	Ashani
-do-	-do-	03.06.14	-do-	Kumharia	Kumharia
-do-	-do-	04.06.14	-do-	Phori	Phori
-do-	-do-	07.06.14	-do-	Kotam	Kotam
-do-	-do-	15.06.14	Bishunpur	Beti	Beti
-do-	-do-	18.06.15	-do-	Sakhuapani	Sakhuapani
-do-	-do-	19.06.14	-do-	Jobhipath	Jobhipath
-do-	-do-	22.06.14	-do-	Manjira	Manjira
-do-	-do-	01.07.14	Gumla	Ashani	Ashani

Name of NGOs	Reg. no. of MMU	Date of Camp	Block/CHC/PHC	Name of HSC	Place of Camp
-do-	-do-	04.07.14	-do-	Phori	Phori
-do-	-do-	07.07.14	-do-	Kotam	Kotam
West Singhbhum					
Viskash Bharti	JH01V /8309	08.07.15	Tonto	Purnapani	Purnapani
		14.07.15	-do-	Serengsia	Serengsia
		16.07.15	Jhinkpani	Valandia	Valandia
		22.07.15		Nayagoan	Nayagoan
		24.07.15	Manjhari	Kundrugutu	Kundrugutu
		26.07.15		Epilsinghi	Epilsinghi
		27.07.15		Mahaburu	Mahaburu
Jharkhand Step-in Trust, Badajamda	JH01AA/ 4832	05.07.14	Barajamda	Karampada	Karampada
		25.07.14	Manjhgoan	Ambaimarcha	Ambaimarcha
		27.07.14		Adhikhari	Adhikhari
		29.07.14		Baliband	Baliband
	JH01AG/ 9579	12.07.14	Manoharpur	Chhotanagra	Chhotanagra
		26.07.14		Markanda	Markanda
		29.07.14		Panchpahiya	Panchpahiya
		23.07.14		Mammar	Mammar
		14.07.14		Chiriya	Chiriya
Rinchi Trust Hospital, Ranchi	JH01AA/ 4864	10.06.16	Chakradharpur	Toklo	Toklo
		06.06.16	Khutpani	Galurabasa	Galurabasa
		07.06.16		Ajendbera	Ajendbera
			Bandgoan	Tebo	Tebo
Jamtara					
Citizen foundation	JH 01 AG-9586	January to June 2014	Narayanpur	Jhiluwa	Jhiluwa
				Mohanpur	Mohanpur
				Koridih	Koridih
				Charkipahari	Charkipahari
				Jagarnathpur	Jagarnathpur
				Ghanti	Ghanti
				Bagrudih	Bagrudih
				Budhudih	Budhudih
				Kalipahari	Kalipahari
				Jhiluwa	Jhiluwa
				Fukpandi	Fukpandi
				Kenduwadih	Kenduwadih
				Banspahari	banspahari
				Mandro	Mandro
				Bhagwanpur	Bhagwanpur
				Shimla	Shimla
				Manjhaladih	Manjhladih
Lohia Viklang Sewa Samiti	JH-01AG-9603	July to December 2015	Kundhit	Fatehpur	Fatehpur
				Amba	Amba
				Shankarpur	Shankarpur
				Tulsichak	Tulsichak
				Harinarayanpur	Harinarayanpur
				Nagri	Nagri
				Satki	Satki
				Babupur	Babupur

Name of NGOs	Reg. no. of MMU	Date of Camp	Block/CHC/PHC	Name of HSC	Place of Camp
				Bheladih	Bheladih
				Charakmara	Charakmara
				Gaypathar	Gaypathar
				Borabad	Borabad
				Dhasania	Dhasania
				Jamjori	Jamjori
				Bagdehri	Bagdehri
				Chalberia	Chalberia
				Kundhit	Kundhit
				Charakmara	Charakmara
				Rasunpur	Rasunpur
				Jokpahari	Jokpahari
				Khajuri	Khajuri
				Benudih	Benudih
				Khairbani	Khairbani
				Sudrachipur	Sudrachipur
Dynamic Tarang	JH 01AA-4834	July 2015 to December 2015	Jamtara	Siwlibari	Siwlibari
				Kusbedia	Kusbedia
				Chandradipa	Chandradipa
				Mejhia	Mejhia
				Supaidih	Supaidih
				Gopalpur	Gopalpur
				Alagchuwa	Alagchuwa
				Tetbandha	Tetbandha
				Nawadih	Nawadih
				Chalna	Chalna
LohiaViklangSewaSamiti	JH-01AG-9603	December 2013	Kundhit	Jamjori	Jamjori
				Amba	Amba
				Babupur	Babupur
				Sudrachipur	Sudrachipur
				Amladehi	Amladehi
				Bheladih	Bheladih
				Paljori	Paljori
				Bagandiha	Bagandiha
				Gaypathar	Gaypathar
				Bikrampur	Bikrampur
				Khairbanni	Khairbanni
				Bheluwa	Bheluwa

Appendix-2.1.21

(Referred to paragraph 2.1.12.3; page 25)

Details requirement and availability of MMUs

Sl. No.	Name of Districts	Requirement of MMU	Available MMU	Shortage
1	Dumka	10	3	7
2	Giridih	4	4	0
3	Gumla	6	4	2
4	Jamtara	6	5	1
5	West Singhbhum	5	4	1
	Total	31	20	11

Appendix-2.1.22

(Referred to paragraph 2.1.12.4; page 26)

Details of approval for procurement of BLS and ALS ambulances

Year	Opening balance (In number)		Number of ambulances addition in a year (In number)		Total number of ambulances approved in RoP for procurement (in number)	Opening balance (₹ in lakh)	Amount addition in a year (₹ in lakh)	Amount approved for procurement of ambulances in RoP (₹ in lakh)	Remarks
	BLS	ALS	BLS	ALS					
1	2	3	4	5	6	7	8	9	10
2012-13	-	-	160	40	200	0	2240	2240	BLS ambulance at the rate of ₹ 10 lakh each and ALS ambulance at the rate of ₹ 16 lakh each.
2013-14	160	40	0	0	200	2240	0	2240	
2014-15	160	40	74	0	274	2240	740	2980	
2015-16	234	40	95	0	369	2980	950	3930	

(Source: State NHM)

Appendix-2.1.23

(Referred to paragraph 2.1.14.2; page 29)

Details of shortfall in training to Sahiyas in the state during 2011-16

Year	Number of Sahiya appointed	Target for training of Sahiya	Achievement	Shortfall in training (in number/ per cent)
2011-12	40964	82300	45432	36868 (45)
2012-13	40964	118639	54803	63836 (54)
2013-14	40964	188168	45043	143125 (76)
2014-15	40964	146219	35977	110242 (75)
2015-16	40964	104754	30698	74056 (71)
Total		640080	211953	428127 (67)

(Source: State NHM)

Appendix- 2.1.24
(Referred to paragraph 2.1.15; page 29)
**Details of shortage of diagnostic test against requirements in
DHs/SDH/CHCs**

Sl. No.	Name of district	Number of diagnostic tests required as per IPHS norms	Number of diagnostic tests available	Shortfall of diagnostic tests (in number/ per cent)
District Hospitals				
1	Dumka	102	33	69 (68)
2	Giridih	102	27	75(74)
3	Gumla	102	27	75 (74)
4	Jamtara	102	36	66 (65)
5	West Singhbhum	102	22	80 (78)
Community Health Centres				
1	Bagodar	33	10	23 (70)
2	Bharno	33	11	22 (67)
3	Birni	33	14	19 (58)
4	Dumri	33	11	22 (67)
5	Jama	33	6	27 (82)
6	Kundhit	33	5	28 (85)
7	Manoharpur	33	12	21 (64)
8	Nala	33	13	20 (61)
9	Palkot	33	11	22 (67)
10	Shikaripara	33	9	24 (73)
11	Sisai	33	19	14 (42)
12	Tonto	33	5	28 (85)
Sub Divisional Hospital				
13	Chakradharpur	48	9	39 (81)

(Source: Civil Surgeon and MOIC, CHCs)

Appendix-2.1.25

(Referred to paragraph 2.1.16.1; page 30)

Medicines not available in DH/SDH/CHC/PHC as per IPHS

(In number)

Sl. No.	Name of facility	Place	Essential types medicines required as per IPHS	Types of Medicines available	Shortage of types of medicines	Per cent	
1	District Hospital	Dumka	493	88	405	82	
2		Giridih		124	369	75	
3		Gumla		93	400	81	
4		Jamtara		61	432	88	
5		West Singhbhum		61	432	88	
1	Sub Divisiional Hospital and Community Health Centre	Bagodar	176	50	126	72	
2		Bharno		33	143	81	
3		Birni		119	57	32	
4		Chakradharpur		58	118	67	
5		Dumri		74	102	58	
6		Jama		68	108	61	
7		Kundhit		38	138	78	
8		Manoharpur		44	132	75	
9		Nala		70	106	60	
10		Palkot		60	116	66	
11		Sikaripara		48	128	73	
12		Sisai		58	118	67	
13		Tonto		31	145	82	
1	Primary Health Centre	Amba	173	NA	-	-	
2		Atka		61	112	65	
3		Anandpur		33	140	81	
4		Barmasia		62	111	64	
5		Bhandro		55	118	68	
6		Barapalashi		39	134	77	
7		Bilingbera		NA	-	-	
8		Bindapathar		39	134	77	
9		Chikania		39	134	77	
10		Dhandhara		65	108	62	
11		Duria		32	141	81	
12		Fatehpur		NA	-	-	
13		Geriya		39	134	77	
14		Hathia		32	141	82	
15		Jariakela		30	143	83	
16		Jura		39	134	77	
17		Kurgi		NA	-	-	
18		Maluti		65	108	62	
19		Nimiyaghat		15	158	91	
20		Suriya		67	106	61	
21		Tonto Gram		It does not physically exist.			
22		Tonto Headquarter					
23	Tuladih	56	117	68			

Appendix-2.1.26
(Referred to paragraph 2.1.16.1; page 30)
Medicines not available in HSC as per IPHS

Sl. No.	Name of District	Name of HSC Centres	Essential types medicines required as per IPHS	Types of Medicines available	Shortage of types of medicines	Per cent
1	Dumka	Barapalasi	18	10	8	44
2		Birajpur		6	12	67
3		Lilatari		13	5	28
4		Bhairaopur		14	4	22
5		Chikania		13	5	28
6		Chorkatta		12	6	33
7		Dhandhara		14	4	22
8		Jhunki		12	6	33
9		Kajradha		14	4	22
10		Bartkander		8	10	55
11		Begasia		12	6	33
12		Maluti		14	4	22
13	Giridih	Atkadih		12	6	33
14		Atki		9	9	50
15		Bagodih		12	6	33
16		Baidapahari		11	7	39
17		Balگو		13	5	28
18		Bhandaro		NA	-	-
19		Chitankhari		12	6	33
20		Dhargulli		12	6	33
21		Galagi		9	9	50
22		Kharkhari		12	6	33
23		Mandramo		12	6	33
24		Mundro		12	6	33
25		Narayanpur		NA	-	-
26		Nagar keshwari		12	6	33
27		Peshum		12	6	33
28		Pordag		9	9	50
29		Roshantunda		NA	-	-
30		Shitaltola		14	4	22
31	Gumla	Duria		12	6	33
32		Domba		9	9	50
33		Marasilli		12	6	33
34		Jura		10	8	44
35		Atakora		11	7	39
36		Morgowan		10	8	44
37		Chegri		7	11	61
38		Makunda		9	9	50
39		Pohra		8	10	55
40		Bangru		NA	-	-
41		Pithartoli		NA	-	-
42		Solga		NA	-	-
43	Jamtara	Bindapathar		10	8	44
44		Dhatula		10	8	44

Sl. No.	Name of District	Name of HSC Centres	Essential types medicines required as per IPHS	Types of Medicines available	Shortage of types of medicines	Per cent	
45		Mohanbank		10	8	44	
46		Geria		10	8	44	
47		Mohanpur		10	8	44	
48		Rangasola		10	8	44	
49		Charakmara		NA	-	-	
50		Harinarayanpur		NA	-	-	
51		Satki		NA	-	-	
52		Babupur		NA	-	-	
53		Bhabhanbandhi		NA	-	-	
54		Fatehpur		NA	-	-	
55		West Singhbhum	Mermera		7	11	61
56			Dhangaon		6	12	67
57			Deogaon		3	15	83
58			Tonto		9	9	50
59	Padampur			7	11	61	
60	Jikilata			9	9	50	
61	Serengsia			10	8	44	
62	Luiya			7	11	61	
63	Tensera			9	9	50	
64	Sameej			9	9	50	
65	Anandpur			8	10	56	
66	Khatangbera			7	11	61	
67	Makranda			4	14	78	
68	Punchpahiya			5	13	72	
69	Tirilposhi			11	7	39	

Appendix -2.1.27

(Referred to paragraph 2.1.16.2; page 31)

Fraudulent excess payment on procurement of Diagnostic Kits in Dumka and Giridih districts

Details as per invoice					Details as per kit box							Difference (in ₹) (5-12)
Sl. No.	Name of kit	Total Qty supplied	Rate per kit including VAT (5%)	Total Amount paid (in ₹)	Brand name of kit	Batch No.	MRP per box	Nos. of Kit in each box	Rate per kit as per MRP	Batch wise quantity supplied	Actual amount required to be paid as per MRP (in ₹)	
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Typhoid detection test kit	5000	1603.35	8016750	Ez Dx (Salmonella typhi IgM)	STM 09/0115	3200	10	320.00	3000	960000	6816750
					OSCAR (Typhoid IgM/IgG)	D053	4800	40	120.00	2000	240000	
	Sub Total (A)	5000	1603.35	8016750						5000	1200000	
2	HIV screening test kit	76000	98.18	7461300	RAPITEST HIV 1&2	LF15 088	2000	30	66.67	36000	2400000	4632119
					RAPITEST HIV 1&2	LF15 092	2000	30	66.67	5000	333333	
					RAPITEST	LF15 019 ²	2000	30	66.67	35000	2333333	
					RAPITEST	LF14 026	2000	30	66.67	21020	1401403	
					RAPITEST	LF15 127	2000	30	66.67	50000	3333500	
	Sub Total (B)	147020	98.18	14433688						147020	9801569	
3	Urine test kit	53000	21.00	1113000	Mission	URS4090090	700	100	7.00	53000	371000	742000
4	HbsAg test kit (Hepatitis B)	35000	44.63	1561875	RAPITEST	LF14 079	600	30	20.00	20000	400000	1091615
						LF14 033	600	30	20.00	15000	300000	
		20340	44.63	907672	RAPITEST	LF15 158	1000	30	33.33	20340	677932	
	Sub Total (C)	55340	44.625	2469547						55340	1377932	
	Total	260360		26032985						260360	12750501	13282484

² MRP scratched from kit box

Appendix -2.1.28
(Referred to paragraph 2.1.16.3; page 33)
Details of Excess Payments against rate-contracts

District	Rate contract Approver	Year of rate-contract	Type of medicines	Purchase quantity (medicine)	Payable amount (as per Rate contract) (in ₹)	Actual Payment (in ₹)	Excess Payment (in ₹)
NRHM funds							
Dumka	CS	2012-13	23	517880	1959037	3273826	1314789
West Singhbhum	JRHMS	2012-13	1	9200000	1246150	1702012	455862
Jamtara	CS	2012-13	10	1311382	881537	1168017	286480
Total			34	11029262	4086724	6143855	2057131
State funds							
Dumka	CS	2011-12	17	426580	888894	1203460	314566
West Singhbhum	CS & DIC	2015-16	11	1467350	1159443	3074097	1914654
Total			28	1893930	2048337	4277557	2229220
Gross Total			62	12923192	6135061	10421412	4286351

Appendix-2.1.29
(Referred to paragraph 2.1.16.5; page 34)
Details of expired medicines at facilities level

District	Name of facility	Name of Medicine	Quantity (vials/tab/bottles)	Expiry date
Dumka	CHC Shikaripara	Succiny Ichole	6	12/12
		NS Normal Saline	61	05/12
		Inj. Dexamethasene	175	06/12
		Inj. Promethazine	25	06/12
		Inj. Phenobarbitine	35	06/12
		Inj. Benzathinepeniciline	10	04/13
		Inj. Fortified ProcuinPeniciline	100	06/13
		Inj. Hydrocortisone	25	04/13
		Inj. Benzylepeniciline	400	07/13
		Inj. Methylergometrine	600	08/13
		Inj. Salbutamolneonatal	500	06/13
		Inj. Sodibicarb	25	05/13
		Potassium Chloride Oral	15	05/13
		Inj. Buvocainehydrochlo	10	06/14
		Inj. Neostigmin 0.5 mg.	100	06/14
		Inj. Pentazocine	200	06/13
		Inj. Thiopentone	250	06/13
		Inj. Pancezomin	100	06/13
		Inj. Gentamicine	158	07/14
			Total	
Gumla	DH Gumla	Inj. Gertanegeine (Vials)	500	04/15
		Inj. Betawetharone (Vials)	350	05/15
		Inj. Anavin Heavy (Vials)	330	06/15
	Total		1180	
West Singhbhum	DH Chaibasa	Octrizem	10300	04/11
		Mucus Sucker	900	12/11
		Prymaguine	5000	06/11
		Providen Iodine (Bottles)	89	04/11
		Recall D Tab.	34500	07/11
		Inj. Gentamycine 80 mg. (Vials)	1110	06/11
		Doxycycline	12200	04/12
		Ompirizole 200 mg.	100	11/12
		Inj. Dexamethasan	2549	04/12
		Kamadol Vial	2525	04/12
		Renatedine	400	04/12
		LivoHaxcuine 250 mg.	13500	09/12
		Choloromine Tab.	3000	09/12
		Saline set Bottle	300	05/12
		Pertinal	9000	06/13
		Dicloflame 50 mg.	1400	11/13
		Paracetamol 500 mg.	43900	12/14
Ibcepara	500	01/14		
	Total		141273	
Tonto	CHC, Tonto	Cettrizene 10 mg	100	Apr-15
		Oflaxacine	7270	Apr-15
		Oflaxacine +OZ	4400	May-15
	Total		11770	
	Gross Total		157018	

Appendix -2.1.30
(Referred to paragraph 2.1.16.6; page 34)
Details of out of stock medicines at facilities level

Year	District	Facility	Quantity (Items)	Period of out of Stock or Range
2011-12	Dumka	DH, Dumka	28	1 months to 12 months
2012-13			25	4 months to 10 months
2013-14			58	4 months to 12 months
2014-15			32	1 month to 11 months
2015-16			54	4 months to 12 months
2011-12		CHC, Shikaripara	25	4 month to 11 months
2012-13			15	2 month to 7 months
2013-14			23	2 month to 6 months
2014-15			26	2 month to 8 months
2015-16			46	7 month to 11 months
2012-13	Giridih	DH, Giridih	2	2 month to 8 months
2013-14			5	2 month to 11 months
2011-12	Gumla	DH, Gumla	24	2 months to 42 months
2012-13			31	1 month to 35 months
2013-14			22	1 month to 25 months
2014-15			12	2 months to 21 months
2011-12	Jamtara	DH, Jamtara	21	1 month to 11 months
2012-13			20	1 month to 8 months
2013-14			24	28days to 11 months
2014-15			12	2 months to 11 months
2015-16			22	1 month to 8 months
2011-12	West Singhbhum	DH, Chaibasa	8	04/2011 to 10/2011
2012-13			7	04/2012 to 01/2013
2011-12		CHC, Tonto	29	10/2011 to 03/2012
2012-13			17	3 months to 10 months
2013-14			17	7 months to 11 months
2011-12		CHC, Manoharpur	81	2 months to 12 months
2012-13			18	2 months to 8 months
2013-14			29	11 months to 12 months
2014-15			32	4 months to 11 months
2015-16			26	2 months to 12 months
2011-12			SDH, Chakradharpur	23
2012-13		29		2 months to 12 months
2013-14		40		3 months to 11 months
2014-15		46		2 months to 12 months
2015-16		34		2 months to 12 months
			Total	963

Appendix- 2.1.31*(Referred to paragraph 2.1.17.4; page 35)***Details of DQT meetings and its shortfalls**

Name of Health facility	Period of constitution of DQT	Number of meetings required to be conducted as of March 2016 from date of constitution of DQT	Number of meetings conducted	Shortfall in number (in per cent)
DH Dumka	May 2014	23	9	14 (61)
DH Gumla	April 2014	24	3	21 (88)
DH Jamtara	September 2014	19	2	17 (89)
DH West Singhbhum	July 2014	21	4	17 (81)
Total		87	18	69 (79)

Appendix-2.1.32*(Referred to paragraph 2.1.19.1(ii); page 38)***Details of shortfall in ANC check-ups in the State during 2011-16**

Year	Total Number of registered PW	Number of registered PW received ANC check-ups				Shortfall in ANC check-ups (in number/ per cent)		
		At the stage of registration (1 ANC)	2nd visit (2ANC)	3 rd visit (3ANC)	4 rd visit (4 ANC)	2 nd ANC (2-4)	3 rd ANC (2-5)	4 th ANC (2-6)
1	2	3	4	5	6	7	8	9
2011-12	734914	734914	157942	-	644663	576972 (79)	-	90251 (12)
2012-13	724839	724839	166895	-	474442	557944 (77)	-	250397 (35)
2013-14	801120	801120	225610	-	550093	575510 (72)	-	251027 (31)
2014-15	782667	782667	263626	-	523757	519041 (66)	-	258910 (34)
2015-16	707507	707507	255252	-	457582	452255 (64)	-	249925 (35)
Total	3751047	3751047	1069325		2650537	2681722 (72)		1100510 (29)

*(Source: State NHM)***Appendix-2.1.33***(Referred to paragraph 2.1.19.1(vi); page 40)***Target and achievement of sterilisation in the State during 2011-16**

Year	Target	Achievement (in per cent)	Shortfall (in per cent)
2011-12	235000	143187 (61)	91813 (39)
2012-13	200000	146258 (73)	53742 (27)
2013-14	170000	121922 (72)	48078 (28)
2014-15	170000	120000 (71)	50000 (29)
2015-16	200000	83991 (42)	116009 (58)
Total	975000	615358	359642 (37)

(Source: NHM, Jharkhand)

Appendix-2.1.34

(Referred to paragraph 2.1.19.1(vi); page 40)

Statement of target and achievement of spacing methods in the State during 2011-16

(In lakh)

Year	IUD insertion		Shortfall (per cent)	Distribution of Oral pills		Shortfall (per cent)	Distribution of condom		Shortfall (per cent)
	T	A		T	A		T	A	
2011-12	2.80	1.03	1.77(63)	329.99	10.34	319.65(97)	1827.65	75.42	1752.22(96)
2012-13	2.00	1.01	0.98(49)	329.99	8.33	321.66(97)	1827.65	48.24	1779.40(97)
2013-14	2.00	0.96	1.04(52)	NA	0.34	NA	370.64	41.92	328.71(89)
2014-15	2.00	1.08	0.92(46)	NA	6.67	NA	371.75	34.70	337.04(91)
2015-16	2.02	1.05	0.96(48)	45.90	5.70	40.20(88)	72.00	29.24	42.75(59)
	10.82	5.14	5.68(52)	705.88	31.38	674.51(96)	4469.68	229.55	4240.13(95)

(Source: NHM)

Appendix- 2.1.35

(Referred to paragraph 2.1.19.1(vii); page 40)

Details of LAMA cases

Name of district	Name of facility	Year	Total number of IPD patients admitted in labour ward for delivery	Total number of LAMA cases	% of LAMA cases
Dumka	DH, Dumka	2014-15	3672	1543	42
		2015-16	3557	2849	80
	CHC, Shikaripara	2011-12	585	27	5
		2012-13	675	82	12
		2013-14	1222	115	9
		2014-15	1148	35	3
		2015-16	816	40	5
	CHC, Jama	2013-14	1851	7	0.4
		2014-15	2084	11	0.5
2015-16		1752	15	1	
Gumla	DH, Gumla	2011-12	3269	7	0.3
		2012-13	4120	15	0.4
		2013-14	4507	58	1
West Singhbhum	DH, Chaibasa	2014-15	3474	482	13
		2015-16	3352	623	19
	SDH, Chakradharpur	2012-13	3639	55	2
		2013-14	3027	47	2
		2014-15	1505	36	2
		2015-16	762	17	2
		Total	45017	6064	

(Source: DRHS)

Appendix-2.2.1*(Referred to paragraph 2.2.6.1; page 48)***Statement showing position of Jharkhand against different criteria**

Sl. No.	Areas	Concern	Position of State
1	Setting Up a Business	Availability of information on regulatory compliance requirements, Establishing an effective single window system, Other policy enablers to facilitate business start-up etc.	Not in top five
2	Allotment of Land and Obtaining Construction Permits	Availability of land, Land allotment, Construction permits, Approval of building plan (prior to commencement of construction activities), NOC from traffic & coordination department/relevant traffic authority (prior to commencement of construction activities), NOC for felling trees from Tree Authority/Appropriate Authority (prior to commencement of construction activities), Property Registration etc.	Not in top five
3	Complying with environment procedures	Consent to Establish under Water (Prevention and Control of Pollution) Act, 1974, Consent to Establish under Air (Prevention and Control of Pollution) Act, 1981, Authorisation under Hazardous Waste (Management and Handling) Rules, 1989, Authorisation under Municipal Solid Wastes (Management & Handling) Rules, 2000, Consent to Operate under Water (Prevention and Control of Pollution) Act, 1974, Consent to Operate under Air (Prevention and Control of Pollution) Act, 1981 etc.	Not in top five
4	Complying with labour regulations	Registration and grant of license under The Factories Act, 1948, Approval of plan and permission to construct/extend/or take into use any building as a factory under the Factories Act, 1948, License under The Indian Boilers Act, 1923, License for contractors under provision of The Contracts Labour (Regulation and Abolition) Act, 1970, Registration under The Shops and Establishment Act, Registration of principal employer's establishment under provision of The Contracts Labour (Regulation and Abolition) Act, 1970, Registration under The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 etc.	In top position
5	Obtaining infrastructure related utilities	Timelines for utility connections, Obtaining electricity connections, NOC from Storm water and drainage, department (prior to commencement of construction activities), NOC from Sewage department (prior to commencement of construction activities), NOC from Fire department (prior to commencement of construction activities)	Not in top five
6	Registering and complying with tax procedures	E-registration for VAT, CST, online filling of return etc.	Not in top five
7	Carrying out inspections	Inspection of the business premises for VAT (Value Added Tax) registration, Inspection by Building Proposal Office/ relevant agency as part of obtaining construction permit, Inspection from Tree Authority/Appropriate Authority for felling trees (prior to commencement of construction activities), Inspection under The Equal Remuneration Act, 197, Inspection under The Factories Act, 1948 etc.	In top position
8	Enforcing contracts	Establishing electronic courts, having specialised courts or commercial division in existing courts to resolve commercial disputes, process for recruitment of judges in District court etc.	Not in top five

Appendix-2.2.2

(Referred to paragraph: 2.2.17; page 68)

Year-wise detail of allotment and expenditure during 2011-16 on advertisement, consultancy and Single Window System

(₹ in crore)

Year	Head	OB	Allotment	Other Receipts	Expenditure	Balance	Remarks
2011-12	Publicity & Publication	--	4.00		4.00	-	--
	SWS	1.20	0.20	0.42	0.29	1.53	Savings
	Project Feasibility & Consultancy		0.75		0.75	-	
	Total	1.20	4.95	0.42	5.04	1.53	
2012-13	Publicity & Publication		5.00		4.22	0.78	Surrender
	SWS	1.53	0.00	0.34	0.96	0.91	Savings
	Project Feasibility & Consultancy		0.10		0.10	-	
	Total	1.53	5.10	0.34	5.28	1.69	
2013-14	Publicity & Publication		6.00		2.29	3.71	Surrender
	SWS	0.91	1.00	1.10	0.83	2.18	Savings
	Project Feasibility & Consultancy		0.50		0.50	-	
	Total	0.91	7.50	1.10	3.62	5.89	
2014-15	Publicity & Publication		4.00		2.56	1.44	Surrender
	SWS	2.18	0.20	1.04	1.16	2.26	Savings
	Project Feasibility & Consultancy		1.28		1.28	-	
	Total	2.18	5.48	1.04	5.00	3.70	
2015-16	Publicity & Publication		4.00		3.93	0.07	Surrender
	SWS	2.26	11.00	0.34	3.70	9.90	Savings
	Project Feasibility & Consultancy		1.00		0.70	0.30	Surrender
	Total	2.26	16.00	0.34	8.33	10.27	
Grand Total			39.03	3.24	27.27	23.08	

(Source: Directorate of Industries)

Appendix-3.1.1
(Referred to paragraph 3.1.1; page 72)
Statement of godowns visited by audit team

District	Block	No. of godowns	Date of visit
Deoghar	Deoghar Sadar	1	05.07.2016
	Sarwan	1	
Dhanbad	Barmasia	1	13.05.2016
	Govindpur	3	
	Jharia	1	
East Singhbhum	Sakchi	1	21.07.2016
	Ghatshila	2	
	Burmamines	1	
Garhwa	Garhwa	3	20.08.2016
	Meral	2	
	Ramana	1	
Hazaribagh	Ichak	2	16.03.2016
	Barhi	2	
	Bishnugarh	2	17.03.2016
	Bazar Samiti	2	
Lohardaga	Lohardaga	2	03.06.30216
	Kudu	1	
Total		28	

Appendix-3.1.2
(Referred to paragraph 3.1.2.3; page 74)
Statement of shortage of godowns in sampled districts

District	Block	Capacity Available (MT)	Monthly allocation (MT)	Requirement (MT)	Shortage (MT)
Deoghar	Deoghar	1250	992.30	1984.60	734.60
	Mohanpur	250	768.72	1537.44	1287.44
	Sarwan	250	385.89	771.78	521.78
	Sonaraitthadi	250	344.78	689.56	439.56
	Devipur	250	466.71	933.42	683.42
	Madhupur	1250	759.65	1519.30	269.30
	Sarath	1250	729.18	1458.36	208.36
	Palajori	250	684.36	1368.72	1118.72
	Karaun	250	374.19	748.38	498.38
	Margomunda	250	417.02	834.04	584.04
Total		5500	5922.80	11845.60	6345.60
Dhanbad	Dhansar	700	2353.69	4707.38	4007.38
	Barmasia	2000	1194.44	2388.88	388.88
	Sindri	500	789.60	1579.20	1079.20
	Baghmar	1330	1049.92	2099.84	769.84
	Tundi	450	594.25	1188.50	738.50
	Govinpur	1350	924.47	1848.94	498.94
	Nirsa & Maithan	1600	1486.56	2973.12	1373.12
	Topchanchi	1350	569.65	1139.30	-210.70
Total		9280	8962.58	17925.16	8645.16
East Singhbhum	Boram	250	395.81	791.62	541.62
	Patamda	350	419.80	839.60	489.60
	Golmuri-cum-Jugsalai	1250	2369.05	4738.10	3488.10
	Potaka	350	728.98	1457.96	1107.96
	Mosabani	250	399.22	798.44	548.44
Dumaria	350	310.72	621.44	271.44	

District	Block	Capacity Available (MT)	Monthly allocation (MT)	Requirement (MT)	Shortage (MT)
	Dhalbhumgarh	350	293.53	587.06	237.06
	Chakulia	350	528.49	1056.98	706.98
	Ghorabandha	250	226.69	453.38	203.38
	Bahragora	250	816.26	1632.52	1382.52
	Ghatshila	1350	514.96	1029.92	-320.08
	Total	5350	7003.51	14007.02	8657.02
Garhwa	Garhwa	2250	861.23	1722.46	-527.54
	Danda	0	90.32	180.64	180.64
	Meral	250	579.93	1159.86	909.86
	Dandai	0	298.52	597.04	597.04
	Manjhiun	250	325.78	651.56	401.56
	Kandi	250	344.21	688.42	438.42
	Bardiha	0	183.55	367.10	367.1
	Ranka	1250	414.41	828.82	-421.18
	Chinia	0	221.83	443.66	443.66
	Rankanda	0	234.56	469.12	469.12
	Bhandaria	1250	291.45	582.90	-667.1
	Nagar untari	1250	448.20	896.40	-353.6
	Ramana	250	306.50	613.00	363
	Bishunpura	0	135.20	270.40	270.4
	Bhawnathpur	750	410.60	821.20	71.2
	Krtar	0	270.25	540.50	540.5
	Kharaundi	0	247.25	494.50	494.5
	Dhurki	250	289.14	578.28	328.28
	Sangama	0	153.25	306.50	306.5
Total	8000	6106.18	12212.36	4212.36	
Hazaribag	Churchu, Dari, Daru, Tatijharia	750	986.825	1973.65	1223.65
	Sadar Block, Katkamsandi, Katkamdag, Nagar Parshad	750	1422.89	2845.78	2095.78
	Ichak	250	631.32	1262.64	1012.64
	Barkagaon	350	695.465	1390.93	1040.93
	Keredari	350	452.16	904.32	554.32
	Bishnugarh	350	658.885	1317.77	967.77
	Barhi	1000	500.945	1001.89	1.89
	Padma	250	265.895	531.79	281.79
	Chouparan	350	610.065	1220.13	870.13
	Barkatha	500	631.005	1262.01	762.01
Chalkusha	250	207.265	414.53	164.53	
Total	5150	7062.72	14125.44	8975.44	
Lohardaga	Lohardaga Urban, Rural	2250	630.03	1260.06	-989.94
	Senha	250	290.68	581.36	331.36
	Bhandra	250	257.64	515.28	265.28
	Kisko	250	321.87	643.74	393.74
	Pesrar	0	177.31	354.62	354.62
	Kudu	250	430.76	861.52	611.52
	Kairo	0	205.80	411.60	411.60
Total	3250	2314.09	4628.18	1378.18	

Appendix-3.1.3*(Referred to paragraph 3.1.3.1; page 77)***List of constructed godowns but not transferred to the department by the constructing agencies**

District	Year	No. of godowns	Capacity of each godown (MT)	Total Estimated cost (₹ in lakh)	Whether completed	Whether transferred to the department
Giridih	2012-13	1	500	19.37	Yes	No
Godda	2010-11	1	250	7.35	Yes	No
	2011-12	1	1000	21.36	Yes	No
Simdega	2009-10	1	1000	21.04	Yes	No
	2009-10	3	250	21.83	Yes	No
	2010-11	6	250	44.09	Yes	No
Bokaro	2012-13	1	500	19.37	Yes	No
West Singhbhum	2009-10	7	250	50.95	Yes	No
	2010-11	9	250	66.13	Yes	No
	2013-14	1	500	37.97	Yes	No
Garhwa	2010-11	8	250	58.78	Yes	No
Ranchi	2010-11	2	250	14.70	Yes	No
Seraikela	2010-11	1	250	7.35	Yes	No
Pakur	2012-13	3	500	58.11	Yes	No
	2013-14	1	500	37.97	Yes	No
Total		46		486.37		

Appendix-3.1.4
(Referred to paragraph 3.1.3.2; page 79)
Statement of constructed godowns lying unutilised

(₹ in lakh)

District	Block where godown constructed	Estimated cost	Date of transfer of fund	Expenditure	Date of completion	Remarks
Deoghar	Deoghar (1000 MT)	21.11	10.02.2010	20.88	Not provided	Rusted roof
	Deoghar (250 MT)	7.63	10.02.2010	6.52	Not provided	Damaged roof, wall
	Devipur (250 MT)	7.63	10.02.2010	6.52	Not provided	Damaged roof
	Palajori (250 MT)	7.63	10.02.2010	6.45	Not provided	Lack of approach road
Dhanbad	Jharia 250 MT	7.32	29.03.2011	7.04	18.08.2013	Damaged and lack of approach road
	Jharia 1000 MT	35.86	21.03.2013	32.13	24.02.2014	-do-
	Tundi 1000 MT	23.03	18.03.2012	21.31	28.02.2013	-do-
East Singhbhum	Jamshedpur Sadar (250)	7.35	28.03.2011	6.26	Not provided	-
	Ghatshila (1000)	21.36	16.11.2011	19.73	01.03.2014	Lack of approach road
	Jamshedpur (1000)	21.36	16.11.2011	21.97	Not provided	-
	Boram (250)	7.35	28.03.2011	6.31	Not provided	-
Hazaribag	Katkamsandi 250 MT	7.15	23.03.2009	5.49	12.08.2014	Lack of approach road
	Tatijharia 250 MT	7.32	18.03.2011	6.91	28.06.2014	-do-
	Bishnugarh 500 MT	19.37	03.02.2013	17.21	30.07.2014	-do-
Lohardaga	Kairo 250 MT	7.47	03.02.2011	6.33	27.06.2012	Damaged roof
Garhwa	Danda 250 MT	7.40	29.03.2011	7.32	March 2012	Damaged roof and other defects
	Dandi 250 MT	7.40	29.03.2011	7.40	March 2012	-do-
	Badiha 250 MT	7.40	29.03.2011	7.32	March 2012	-do-
	Chiniya 250 MT	7.40	29.03.2011	7.40	December 2012	-do-
	Ramkanda 250 MT	7.40	29.03.2011	7.40	December 2012	-do-
	Bisunpura 250 MT	7.40	29.03.2011	7.32	March 2014	-do-
	Ketar 250 MT	7.40	29.03.2011	7.32	March 2012	-do-
	Kharaundi 250 MT	7.40	29.03.2011	7.40	December 2012	-do-
Grand Total		278.58		249.94		

Appendix-3.1.5
(Referred to paragraph 3.1.3.2; page 80)
Statement of price escalation due to delayed construction of godowns

District	Block (capacity in MT)	Book transfer of fund to EE, BCD (₹in lakh)	Date of book transfer	Revised & sanctioned estimate	Sanction /date	Price escalation
Deoghar	Deoghar (1000)	22.031	22.08.2011	31.93	9180 Date 25.09.2013	9.90
	Mohanpur (1500)	104.10	21.03.2014, 17.03.2015	121.93	122 Date 11.01.2016	17.83
Dhanbad	Topchanchi (1000)	21.30	21.10.2011	26.21	464 Date 25.03.2015	4.91
	Dhanbad (1000)	21.30	28.02.2012	27.18	464 Date 25.03.2015	5.87
	Tundi (1000)	21.30	28.03.2012	23.03	464 Date 25.03.2015	1.72
	Govindpur (500)	37.96	NA	47.66	DC letter 1439 Date 14.09.2015	9.69
East Singhbhum	Bahragora (250)	7.17	23.03.2010	9.73	4053 Date 17.08.2015	2.56
	Dumaria (250)	7.17	23.03.2010	9.21	4053 Date 17.08.2015	2.04
	Patamda (500)	19.37	28.03.2013	47.72	Forwarded to department	28.35
	Bahragora (500)	19.37	28.03.2013	47.72	Forwarded to department	28.35
	Jamshedpur Sadar (1000)	35.86	28.03.2013	99.53	Forwarded to department	63.67
	Potaka (1000)	35.86	28.03.2013	99.36	Forwarded to department	63.50
Garhwa	Kandi (500 MT)	37.96	30.03.2014	44.14	Forwarded to department	6.18
	Majhiaon (500 MT)	37.96	25.02.16	44.14	Forwarded to department	6.18
Hazaribag	Katkamdag (250)	7.32	18.03.2011	13.96	2865 Date 05.08.2015	6.64
	Daru (250)	7.32	18.03.2011	11.98	120 Date 11.01.2016	4.66
	Dadi (250)	7.32	18.03.2011	11.98	120 Date 11.01.2016	4.66
Lohardaga	Pesrar (250)	7.46	NA	10.31	NA	2.84
	Lohardaga (1000)	21.63	NA	26.33	NA	4.70
	Kisko (500)	37.96	NA	41.03	NA	3.07
Total		517.721		795.08		277.32

Appendix-3.1.6
(Referred to paragraph 3.1.3.2; page 80)
Statement of penalty not imposed on contractors due to delay in construction of godowns

District	Name of Godown	Year	Estimate (₹)	Date of work order	Date of completion	Due date of completion	Delays as of March 2016	Penalty to be imposed (₹)
Garhwa	Garhwa/ 1000MT	2011-12	2147200	24.08.2011	Sept2012	23 Feb 2012	7 months	214720
	Ranka/ 1000MT	2011-12	2147200	25.8.2011	July 2013	24.02.2012	4 months	214720
	Bhanderia/ 1000MT	2011-12	2147200	25.8.2011	July 2013	24.02.2012	4 months	214720
	Kandi/ 250MT	2010-11	739600	23.06.2011	March 2012	22.12.2011	2 months	73960
	Ketar/ 250MT	2010-11	739600	03.05.2011	March 2012	02.11.2011	4 months	73960
	Bisunpura/ 250MT	2010-11	739600	03.05.2011	March2014	02.11.2011	2 Years 3 months	73960
	Bardiha/ 250MT	2010-11	739600	03.05.2011	March2012	02.11.2011	4 months	73960
	Danda/ 250MT	2010-11	739600	22.04.2011	March 2012	21.10.2011	4 months	73960
	Sagama/ 250MT	2010-11	739600	03.05.2011	March 2014	02.11.2011	4 months	73960
	Garhwa/ 250MT	2010-11	739600	03.05.2011	Dec 2012	02.11.2011	1 month	73960
	Nagaruntari/ 250MT	2010-11	739600	03.05.2011	Dec2012	02.11.2011	1 month	73960
	Majhiaon/ 250MT	2010-11	739600	03.05.2011	Dec2012	02.11.2011	1 month	73960
	Chinia/ 250MT	2010-11	739600	11.05.2011	Dec2012	10.11.2011	1 month	73960
	Ramkanda/ 250MT	2010-11	739600	03.05.2011	Dec2012	02.11.2011	1 month	73960
	Dandai/250MT	2010-11	739600	11.05.2011	Dec2012	10.11.2011	1 month	73960
	Bhanderia/ 250MT	2010-11	739600	11.05.2011	Dec 2012	10.11.2011	1 month	73960
	Bhawanathpur /500MT	2012-13	1936500	30.3.2013	March 2015	29.6.2013	1 Year 1 month	193650
							Total	1799290
East Singhbhum	Potaka/ 250MT	2010-11	734800	11.04.2012	28.09.2013	10.8.2012	7 months	73480
	Jamshedpur/ 250MT	2010-11	734800	30.01.2012	25.10.2012	24.03.2013	6 months	73480
	Boram/ 250MT	2010-11	734800	24.01.2012	Running	23.6.2012	3years 9 months	73480
	Chakulia/ 250MT	2010-11	734800	22.11.2011	22.12.2012	21.5.2012	6 months	73480
	Godabandha/ 250MT	2010-11	734800	12.11.2011	Running	11.5.2012	3 years 10 months	73480
	Bahragora/ 250MT	2009-10	716600	19.03.2010	Running	18.09.2010	5 years 6months	71660
	Dumeria/ 250MT	2009-10	716600	08.03.2010	Running	07.09.2010	5 years 6 months	71660
	Jamshedpur/ 1000MT	2011-12	2136200	03.03.2012	28.10.2013	02.07.2012	3 months	213620
	Ghatsila/ 1000MT	2011-12	2136200	03.03.2012	09.03.2013	02.07.2012	8 months	213620
	Patamda/ 500MT	2013-14	3796500	15.07.2015	Running	14.01.2016	2 months	379650
	Bahragora/ 500MT	2012-13	1936500	27.02.2015	Running	26.08.2015	7 months	193650
	Patamda /500MT	2012-13	1936500	25.02.2015	Running	24.08.2015	7 months	193650
								Total

Deoghar	Deoghar/ 1000 MT	2009-10	1466208	12.01.2010	23.09.2010	12.09.2010	11 days	146621
	Madhupur/ 250MT	2009-10	578219	12.01.2010	21.09.2010	12.07.2010	2 months 9 days	57822
	Palajori/ 250MT	2009-10	578219	11.01.2010	24.09.2010	10.07.2010	2montns 14 days	57822
	Mohanpur/ 250MT	2009-10	578222	06.01.2010	22.09.2010	05.07.2010	2 months 17 days	57822
	Sarwana/ 250 MT	2010-11	578222	11.01.2010	21.09.2010	10.07.2010	2 months 11 days	57822
	Deoghar/ 250 MT	2010-11	644416	18.03.2011	17.11.2011	17.09.2011	2 months	64442
	Sarath/ 250 MT	2010-11	644416	24.03.2011	29.03.2012	23.09.2011	6 months 6 days	64442
	Devipur/ 250 MT	2010-11	644416	24.03.2011	19.12.2011	23.09.2011	2 months 26 days	64442
	Sona rai thari / 250 MT	2010-11	644416	09.05.2011	1.03.2012	08.11.2011	3 months	64442
	Margomunda/ 250 MT	2010-11	644416	02.07.2011	21.03.2012	01.12.2011	3 months	64442
	Deoghar/ 1000MT	2011-12	3083090	12.10.2015	Not completed	11.02.2016	4 months 19 days	308309
							Total	1008428
							Grand total	4512628

Appendix 3.1.7

(Referred to paragraph 3.1.6.2; page 89)

Statement of payment for transportation of food grains under DSD without supporting vouchers

Year	No. of blocks	Order No.	Period	Quantity of foodgrains (MT)	Transportation costs paid without supporting vouchers (₹)
2011-12	5	277 dt 29-03-2012	Jan 2012 to March 2012	2743.900	7,68,292
2013-14	4	124 dt 19.03.2014	July 2013 to Dec 2013	6294.997	17,62,587
2013-14	5	985 dt 14.12.2013	Apr 2013 to Nov 2013	5154.491	14,43,364
			Total:	14193.388	39,74,243

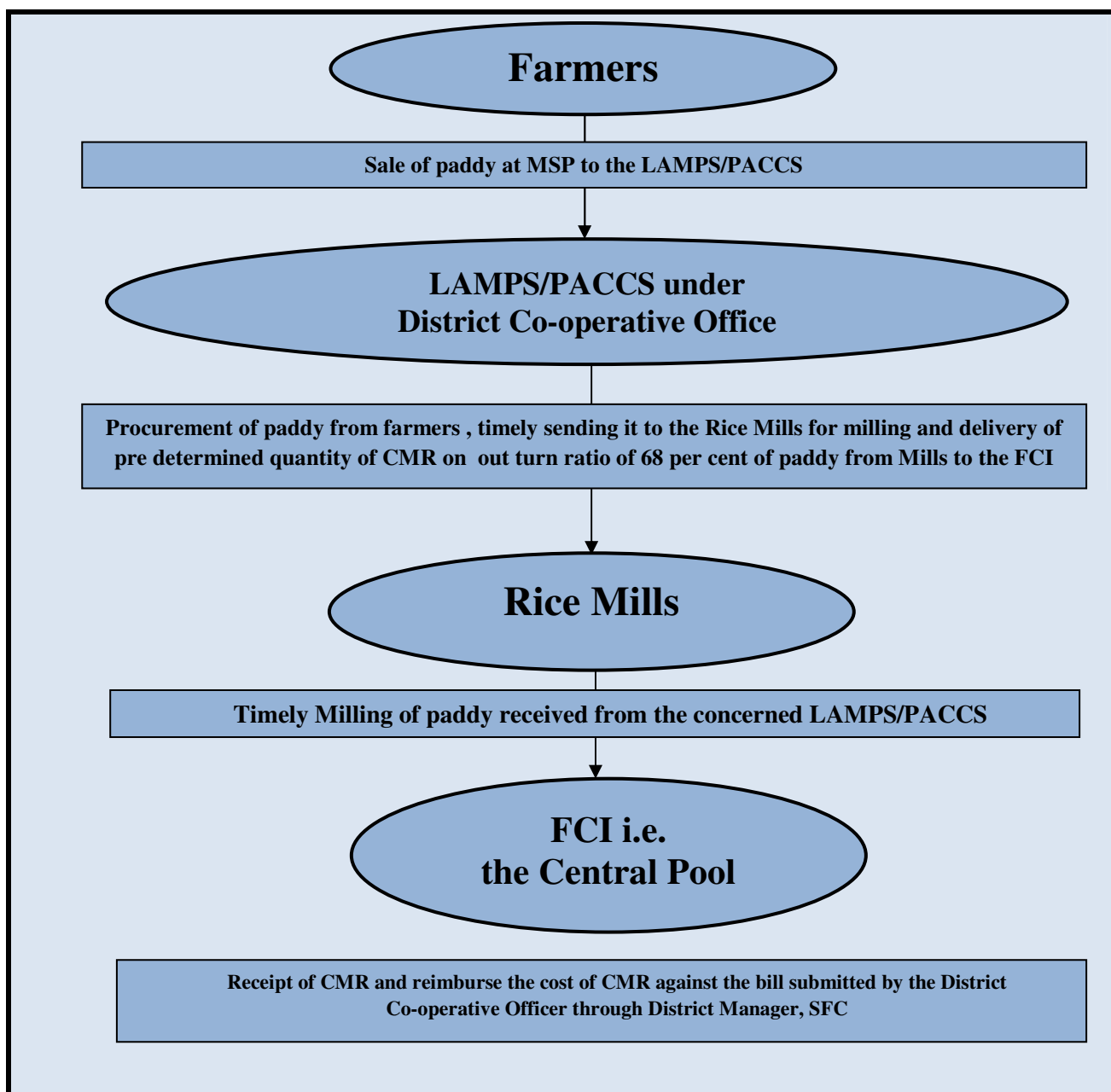
Appendix 3.1.8

(Referred to paragraph 3.1.6.2; page 89)

Statement of fraudulent carriage of food grains under Door Step Delivery

Date of transportation	Vehicle No.	Name of PDS dealer, address	Scheme	Quantity of foodgrains transported (Quintal)	Type of vehicle	Order No. and date
04.05.2013	JH 05G 5464	Arun Kr Gupta, Galudih, Ghatshila block, East Singhbhum	BPL rice	23.45	Toyota Car	984 Date 14.12.2013
18.05.2013	JH 05AS 1541	Redrose M Mandal, Gopalpur, Ghatshila	BPL rice	12.60	Car i10	984 Date 14.12.2013
08.05.2013	JH 05G 5464	Ashot Shit, Ghatshila, East Singhbhum	BPL rice	9.45	Toyota car	984 Date 14.12.2013
05.05.2013	JH 05G 5464	Jan Jalyan M Mandal, Galudih, Ghatshila, East Singhbhum	BPL rice	18.30	Toyota car	984 Date 14.12.2013
04.05.2013	JH 05G 5464	Arun Kr Gupta, Galudih, Ghatshila block, East Singhbhum	AAY rice	15.40	Toyota Car	985 Date 14.12.2013
18.05.2013	JH 05AS 1541	Redrose M Mandal, Gopalpur, Ghatshila	AAY rice	10.85	Car i10	985 Date 14.12.2013
18.05.2013	JH 05G 5464	Ashot Shit, Ghatshila, East Singhbhum	AAY rice	8.75	Toyota Car	985 Date 14.12.2013
25.05.2013	JH 05G 5464	Jan Jalyan M Mandal, Galudih, Ghatshila, East Singhbhum	AAY rice	8.75	Toyota Car	985 Date 14.12.2013
April 2013	JH 05AB 0529	Kanti Charan Mahto, Mohanlisil, Dhalbhumgarh, East Singhbhum	AAY rice	14.00	Passion pro motor cycle	985 Date 14.12.2013
April 2013	JH 05AB 0529	Kanti Charan Mahto, Mohanlisil, Dhalbhumgarh, East Singhbhum	BPL rice	4.90	Passion pro motor cycle	984 Date 14.12.2013
Total				126.45		

Appendix-3.2.1
(Referred to paragraph 3.2.1; page 96)
Flow chart of paddy procurement, conversion into CMR and delivery to FCI



Appendix-3.2.2

(Referred to paragraph 3.2.2.5; page 101)

Statement showing KMS wise status of paddy procurement, CMR delivered, Bill raised vis a vis Outstanding reimbursement

(Quality in MT and amount in ₹)

MS	Quantity of Paddy procured	Converted quantity of CMR to be delivered to FCI (@68 %)	Quantity of CMR actually delivered to FCI	Rate of CMR (₹/ MT)	Cost of CMR Delivered	Balance quantity of CMR to be delivered (Col.3-Col.6)	Cost of balance CMR	Bill raised for delivered quantity of CMR	Payment reimbursed from FCI	Outstanding amount of reimbursement (Col.9-Col.10)	Amount not claimed by PPCs (Col.6-Co.9)
1	2	3	4	5	6	7	8	9	10	11	12
2011-12	3,93,819.16	2,67,797.03	2,57,386.79	18,833.20	4,84,74,16,893.43	10,410.24	19,60,58,131.97	4,83,71,30,000.00	4,77,37,40,000.00 [#]	6,33,90,000.00	1,02,86,893.43
2012-13	3,15,990.19	2,14,873.33	1,13,183.76	21,470.00	2,43,00,55,327.20	1,01,689.57	2,18,32,75,067.90	1,99,71,10,000.00	1,99,71,10,000.00 [*]	0	43,29,45,327.20
2013-14	485.16	329.91	307.89	22,564.30	69,47,322.33	22.02	4,96,640.24	67,30,000.00	32,70,000.00 [§]	34,60,000.00	2,17,322.33
2014-15	6,153.99	4,184.71	699.44	23,450.90	1,64,02,497.50	3,485.27	8,17,32,718.24	1,64,00,000.00	1,64,00,000.00 [§]	0	2,497.50
Total	7,16,448.50	4,87,184.98	3,71,577.88		7,30,08,22,040.46	1,15,607.10	2,46,15,62,558.35	6,85,73,70,000.00	6,79,05,20,000.00	6,68,50,000.00	44,34,52,040.46

Source: Records/Information furnished by MD, JSFSC, Ranchi.

₹ 477.374 crore reimbursed in (KMS 2011-12- ₹ 136.324 crore), (KMS 2012-13- ₹ 334.245 crore), (KMS-2013-14- ₹ 6.755 crore) and (KMS 2015-16- ₹ 0.050 crore).

* ₹ 199.711 crore reimbursed in (KMS 2013-14- ₹ 6.251 crore), (KMS 2014-15- ₹ 75.400 crore) and (KMS 2015-16- ₹ 118.060 crore) & ₹ 32.70 lakh reimbursed in KMS 2014-15.

§ ₹ 1.64 crore reimbursed on KMS 2015-16.

Appendix-3.2.3
(Referred to paragraph 3.2.2.9; page 103)
Statement showing status of damaged gunny bags

(Quantity of gunny bags in pieces)

Sl. No.	Name of the DM/DCO	KMS	No. of gunny bags received by the DM/DCO	Distributed to LAMPS/PACCS for supply of CMR to FCI	Balance gunny bags	Remarks
1	Sahebganj	2011-12& 2012-13	270500	206727	63773	Balance gunny bags were damaged due to moisture, termite and rat
2	Jamtara	2011-12 & 2012-13	163500	139321	24179	Balance gunny bags were damaged due to rainfall
3	Simdega	2011-12 & 2012-13	150000	105198	44802	Balance gunny bags were not in condition to be used
4	Hazaribag	2012-13	6500	-	6500	Damaged gunny bags were received from Khunti districts kept in the godown at Hazaribag
5	Jamshedpur	2012-13	306500	199000	107500	Balance gunny bags were not kept properly in the store.
	Total		897000	650246	246754	

Source : DCOs and DMs of concerned districts

Appendix-3.2.4
(Referred to paragraph 3.2.2.10 (a);page 103)
Statement showing delay payment to the farmers

(Quantity in quintal and Amount in ₹)

Sl. No.	KMS	Districts/Block	PPCs	No. of farmers	Quantity of paddy procured	Amount	No. of farmers to whom payment was delayed	Quantity procured	Period of procurement		Stipulated date of payment	Period of cheque issued/payment		Delay in payment (in days)	MSP	Amount
									From	to		From	to			
Hazaribag																
1	2011-12	Ichak	Alounza	881	28950	31266000	96	6044.38	27.3.12	31.3.12	30.3.12 to 3.4.12	01.8.12	05.08.12	123-124	1080	6527930
2	2012-13	Ichak	Alounza	588	31765	39706250	319	22765	03.2.13	20.4.13	6.2.13 to 23.4.13	22.3.13	8.7.13	31-83	1250	28456250
3	2011-12	Sadar	Meru	727	20249.84	21869827	197	8396.54	20.3.12	31.3.12	23.3.12 to 3.4.13	22.8.12	20.10.12	150-210	1080	9068263
4	2012-13	Sadar	Meru	660	22631.85	28289812	63	2437.55	19.3.13	15.4.13	22.3.13 to 18.4.13	15.6.13	17.6.13	85 to 87	1250	3046937
5	2011-12	Dari	Hesalong	509	17121.10	18491447	356	11947.00	17.2.12	31.3.12	20.2.12 to 3.4.12	30.7.12	24.8.12	161 to 186	1080	12902760
6	2012-13	Dari	Hesalong	823	21351.32	26689150	603	15234.79	24.2.13	30.4.13	3.4.13	5.4.13	28.5.13	28	1250	19043488
7	2012-13	Ichak	Bariath	571	14584.9	18231125	571	14584.9	05.2.13	30.4.13	8.2.13 to 3.5.13	18.2.13	28.5.13	10 to 25	1250	18231125
Dhanbad																
8	2012-13	Govind pur	Birajpur	522	14800	18500000	57	2052.31	28.4.13	30.4.13	1.5.13 to 3.5.13	15.5.13	22.6.13	44 to 82	1250	2565387
9	2011-12	Baghmara	Rajganj	835	15180.6	16395048	15	561.68	13.3.12	13.3.12	16.3.12	30.8.12	30.8.12	167	1080	606614
10	2011-12	Nirsa	Nirsa Vyapar Mandal	289	10744.03	11603552	16	942.02	31.3.12	31.3.12	3.4.12	31.7.12	17.10.12	119 to 197	1080	1017382
11	2011-12	Govindpur	Govindpur Vyapar Mandal	525	20500	22140000	14	1099.48	30.3.12	30.3.12	3.4.12	28.8.12	29.8.12	147 to 148	1080	1187438
12	2011-12	Tundi	Purnadih	240	5243	5662440	5	79.93	16.3.12	17.3.12	19.3.12 to 20.3.12	4.5.12	13.8.12	46 to 119	1080	86324
Jamshedpur																
13	2011-12	Patamda	Bangurda	601	23020	24861600	11	554.75	30.12.11	31.3.12	3.1.12 to 3.4.12	13.1.12	12.11.12	10 to 192	1080	599130
14	2012-13	Patamda	Bangurda	317	16300	20375000	25	4735.07	27.4.13	30.4.13	30.4.13 to 3.5.13	28.5.13	13.9.13	28 to 133	1250	5918837
15	2011-12	Patamda	Patamda	545	13100	14148000	77	2906.36	27.3.12	31.3.12	30.3.12 to 3.4.12	30.7.12	19.10.12	121 to 197	1080	3138869
16	2012-13	Patamda	Patamda	310	9720	12150000	14	917.18	29.4.13	30.4.13	2.5.13 to 3.5.13	3.6.13	28.8.13	32 to 117	1250	1146475
17	2012-13	Patamda	Boram	119	2880	3600000	6	165.28	25.4.13	30.4.13	28.4.13 to 3.5.13	14.6.13	25.7.13	47 to 83	1250	206600
			Total				2445									113749809

Appendix-3.2.5*(Referred to paragraph 3.2.3.1; page 104)***Statement showing time lines fixed for procurement of paddy and delivery of CMR for each KMS**

KMS	Period of procurement of Paddy	Stipulated date of delivery of CMR to FCI	Total Period of KMS
2011-12	01.11.2011 to 31.3.2012	Upto 30.6.2012 (Extended upto 15.02.2013)	01.11.2011 to 15.02.2013
2012-13	22.12.2012 to 30.04.2013	Upto 31.10.2013	22.12.2012 to 31.10.2013
2013-14	26.12.2013 to 31.03.2014	Upto 25.08.2014	26.12.2013 to 25.08.2014
2014-15	15.01.2015 to 31.03.2015	Upto 30.06.2015 (extended upto 15.09.2015)	15.01.2015 to 15.09.2015
2015-16	01.12.2015 to 31.03.2016	Upto 30.09.2016	01.12.2015 to 30.09.2016

Appendix-3.2.6

(Referred to paragraph 3.2.3.4; page 107)

Statement of excess procurement than production in Hazaribag and Ranchi

Sl. No.	District	Block	PPCs	KMS	No. of Farmers	Area in acre	Procured in qtl	Value (in ₹)	Production in qtl as per yield rate furnished by District Agriculture Officer, Hazaribag and Ranchi	Excess in qtl	Excess Amount paid (in ₹)	MSP (in ₹)	Yield rate (qtl/acre)
1	Hazaribag	Ichak	Alounza	2011-12	95	255.00	5889.89	6361081.20	3960.15	1929.74	2084119.20	1080	15.53
	Hazaribag	Ichak	Alounza	2012-13	20	67.45	1599.87	1999837.50	505.20	1094.67	1368337.50	1250	7.49
2	Hazaribag	Chouparan	Daihar	2012-13	57	180.15	3006.87	3758587.50	1349.32	1657.55	2071937.50	1250	7.49
3	Hazaribag	Ichak	Bariyath	2012-13	85	270.88	3429.39	4286737.50	2028.89	1400.50	1750625.00	1250	7.49
4	Hazaribag	Churchu	Churchu	2012-13	48	121.71	2443.94	3054925.00	851.97	1591.97	1989962.50	1250	7.00
5	Hazaribag	Barkagaon	Barkagaon	2012-13	6	12.14	390.50	488125.00	114.07	276.43	345538.00	1250	10.24
6	Hazaribag	Keredari	Keredari	2012-13	12	28.62	806.95	1008687.50	305.95	501.00	626250.00	1250	10.69
7	Hazaribag	Ichak	Lohandi	2011-12	10	21.00	498.15	538002.00	326.13	172.02	185781.60	1080	15.53
	Hazaribag	Ichak	Lohandi	2012-13	20	64.11	932.76	1165950.00	480.18	452.57	565720.10	1250	7.49
8	Hazaribag	Katkamdag	Lutta	2012-13	9	17.55	347.95	434937.50	138.47	209.48	261850.00	1250	7.89
9	Hazaribag	Sadar	Meru	2013-14	20	37.39	1219.50	1597545.00	405.68	813.82	1066104.20	1310	10.85
	Total				382	1076.00	20565.77	24694415.70	10466.01	10099.76	12316225.60		
1	Ranchi	Namkum	Rampur	2011-12	1	1.09	15.34	16567.20	13.39	1.95	2111.18	1080	12.28
	Ranchi	Namkum	Rampur	2012-13	4	3.21	89.53	111912.50	36.24	53.29	66611.38	1250	11.29
2	Ranchi	Namkum	Namkum	2011-12	35	42.03	1008.93	1089644.40	516.13	492.80	532225.70	1080	12.28
	Ranchi	Namkum	Namkum	2012-13	29	81.55	1481.28	1851600.00	920.7	560.58	700725.00	1250	11.29
	Total				69	127.88	2595.08	3069724.10	1486.45	1108.63	1301673.26		
	Grand Total				451	1203.88	23160.85	27764139.80	11952.46	11208.39	13617898.86		

Appendix-3.2.7
(Referred to paragraph 3.2.4.2; page 110)
Statement showing improper selection of Rice Mills

Sl. No.	KMS	District	Name of the Rice Mills	Nature of irregularities noticed
1	2011-12 and 2012-13	Hazaribag	M/s Hemkunth Rice Mills, Hazaribag	The consent to establish (CTE) was issued on 14 July 2014 and accordingly the consent to operate (CTO) was issued on 21 April 2015 to the Rice Mills whereas the Rice Mill had been tagged , i.e. prior to issuance of CTE and CTO.
2	2014-15	Hazaribag	M/s. Maa Kamakhya Rice Plant Pvt. Ltd. Hazaribag	The consent to establish (CTE) was issued on 12 October 2015 by the Jharkhand State Pollution Control Board but Consent to operate (CTO) was not issued till March 2016 which was mandatory in case of the Rice Mill whereas the Rice Mill had been tagged agreements executed (April 2015) with five PACCS prior to issuance of CTE.
3	2014-15 and 2015-16	Hazaribag	M/s. Tirpti rice Mills Pvt Ltd. Hazaribag	The consent to operate (CTO) issued by the Jharkhand State Pollution Control Board and the Factory licence issued by the Inspector of Factories, Circle-I, Hazaribag had been expired in June 2015 and December 2015 respectively in case of Rice Mill whereas the Rice Mill was tagged during KMS 2014-15 and 2015-16. Moreover, certificate issued by the boiler inspectorate was found lapsed.
4	2011-12 and 2012-13	Hazaribag	M/s Rashmi Rice Mills, Hazaribag	The consent to operate (CTO) was not issued by the Jharkhand State Pollution Control Board till March 2016 in case of whereas the Rice Mills had been tagged with PACCS during KMS 2011-12 and 2012-13. Moreover, certificate issued by the boiler inspectorate was found lapsed.
5	2015-16	Dumka	Shri Ganesh Akshat Udyog, Dudhani Chowk, Dumka,	The consent to operate (CTO) was not issued by the Jharkhand State Pollution Control Board, Dumka to the Rice Mill till date due to non-construction of Effluent Treatment Plant (ETP) to the rice mill.
6	2015-16	Dumka	Baba Rice Mills Pvt. Ltd.	The consent to operate (CTO) was not issued by the Jharkhand State Pollution Control Board, Dumka to the Rice Mill till date due to non-construction of Effluent Treatment Plant (ETP) to the rice mill.
7	2015-16	Dumka	Ganesh Udyog, Babupur Industrial Area, Dumka	The consent to operate (CTO) was not issued by the Jharkhand State Pollution Control Board, Dumka to the Rice Mill till date due to non-construction of Effluent Treatment Plant (ETP) to the rice mill.
8	2011-12 and 2012-13	Deoghar	Niranjan Rice Mills	The rice Mill is not registered with the Department of Industries.
9	2011-12 and 2012-13	Deoghar	Shiva Rice Mills	The rice Mill is not registered with the Department of Industries.
10	2011-12 and 2012-13	Deoghar	Baidhnath Real Food	The rice Mill is not registered with the Department of Industries.
11	2011-12 and 2012-13	Jamshedpur	Bharat Lakshmi rice & Flour Mills, Chakulia	The rice Mill is though tagged for milling in KMS 2011-12 and 2012-13, the Rice mill detected as closed during inspection conducted between 2010 to 2013 as well as CTO was not issued to the Rice Mill
12	2011-12 and 2012-13	Jamshedpur	Kamala Rice Mills, chakulia	The rice Mill is though tagged for milling in KMS 2011-12 and 2012-13, the Rice mill detected as closed during inspection conducted between 2010 to 2013 as well as CTO was not issued to the Rice Mill

Sl. No.	KMS	District	Name of the Rice Mills	Nature of irregularities noticed
13	2011-12	Jamshedpur	Hind Rice Mills, chakulia	The rice Mill is though tagged for milling in KMS 2011-12 the Rice mill detected as closed during inspection conducted between 2011 to 2013 as well as CTO was not issued to the Rice Mill.
14	2011-12	Daltonganj	Maa Janki Japla Rice Mills	According to the list provided by the Boiler Inspector, the rice mill either is not registered or the rice mill does not have boiler, which is a essential component for a rice mill producing par boiled rice.
15	2011-12 and 2012-13	Deoghar	M/s Deoghar Rice Mills, Jhounsaghari, Deoghar	Cross verification of information made available by the Office of the Inspector of Boilers, Dhanbad regarding installation and status of boilers in the Rice Mills under its jurisdiction revealed that the name of the stated mill was not in the list of rice mills furnished by the Office of the Inspector of Boilers, Dhanbad. It is evident that either the Rice Mill was not existed or the mill had no boiler. Further, cross verification with the information furnished by the Inspector of factories, Deoghar revealed that the said mill was non-functional and found closed. The exact period of non-function was not on the records of Inspector of factories, Deoghar.
16	2011-12 & 2012-13	Lohardaga	M/s Nadia Rice Mills, Lohardaga	According to the list provided by the Boiler Inspector, the rice mill either is not registered or the rice mill does not have boiler, which is a essential component for a rice mill producing par-boiled rice.

Appendix-3.2.8

(Referred to paragraph 3.2.4.3; page 110)

Statement showing delay in delivery of CMR by the rice mills to the FCI

(Quantity in quintal and delay in days)

Sl.No.	KMS	District	Block	PPCs	Name of tagged Rice Mills	Quantity of CMR delivered to FCI	Stipulated date of delivery of CMR	Actual date of delivery of CMR	Delays in delivery of CMR (in days)
1	2011-12	Hazaribag	Chalkusha	Chalkusha	Ganpati Rice Mill, Hazaribag	1612.80	15-Feb-13	9.3.13 to 10.3.13	24
2	2011-12	Hazaribag	Karedari	Bengwari	Ganpati Rice Mill, Hazaribag	1344.86	15-Feb-13	8.3.13 to 15.3.13	23 to 30
3	2011-12	Hazaribag	Keridari	Keridari	Ganpati Rice Mill, Hazaribag	2419.20	15-Feb-13	11.3.13 to 13.3.13	24 to 26
4	2012-13	Dumka	Raniswar	Chopabathan	Ganesh Udyog Rice Mill, Dumka	1892.19	31-Oct-13	20.11.13 to 30.12.13	20 to 60
5	2012-13	Dumka	Dumka	Asansole	Adhunik Akshat Udyog, Babupur, Dumka	537.42	31-Oct-13	26.11.13 to 27.11.13	26 to 27
6	2012-13	Dumka	Shikaripara	Sarsajole	Annapurna Rice Mills, Babupur, Dumka	809.73	31-Oct-13	30.12.13 to 31.12.13	60 to 61
7	2012-13	Dumka	Jama	Chickania	Adhunik Akshat Udyog, Babupur, Dumka	1346.2	31-Oct-13	17.12.13 to 31.12.13	47 to 61
8	2012-13	Dumka	Jama	Lakrapahari	Adhunik Akshat Udyog, Babupur, Dumka	537.5	31-Oct-13	5.12.13 to 30.12.13	35 to 60
9	2012-13	Dumka	Jarmundi	Shara	Sahara Maa Food Pvt Ltd, Dumka	1695.35	31-Oct-13	13.11.13 to 23.12.13	13 to 53
10	2012-13	Dumka	Gopikandar	Gopikandar	Shree Ganesh Ackshat Udyog, Dudhani, Dumka	538.8	31-Oct-13	22.12.13 to 30.12.13	52 to 60
11	2012-13	Dumka	Raniswar	Asabani	Ganesh Udyog Rice Mill Dumka	1252.17	31-Oct-13	12.12.13 to 29.12.13	42 to 59
12	2012-13	Dumka	Jarmundi	Raikinari	Annapurna Rice Mill Babupur, Dumka	540.00	31-Oct-13	10.12.13 to 12.12.13	42
13	2012-13	Deoghar	Palojori	Jamua	Bajrang Rice Mill, Palajori	1617.86	31-Oct-13	23.12.13 to 31.12.13	53 to 61
14	2012-13	Deoghar	Deoghar	Deopur	Choudhary Rice Mill, Deoghar	1888.96	31-Oct-13	11.12.13 to 31.12.13	41 to 61
15	2012-13	Hazaribag	Katkamdag	Lutta	Chandrawati Rice Mill, Hazaribag	1612.8	31-Oct-13	7.12.13 to 13.12.13	37 to 43
16	2012-13	Hazaribag	Chouparan	Daihar	Chandrawati Rice Mill, Hazaribag	537.60	31-Oct-13	27.12.13 to 30.12.13	57 to 60
17	2012-13	Hazaribag	Karedari	Bengwari	Ganpati Rice Mill, Hazaribag	268.80	31-Oct-13	11.12.13	41
18	2012-13	Hazaribag	Katkamsandi	Katkamsandi	Chandrawati Rice Mill, Hazaribag	1075.2	31-Oct-13	7.12.13 to 17.12.13	37 to 47
19	2012-13	Hazaribag	Churchu	Churchu	Aditya Rice Mill Hazaribag	1344.00	31-Oct-13	13.12.13 to 19.12.13	43 to 49
20	2012-13	Hazaribag	Barkagaon	Napokala	Ganpati Rice Mill, Hazaribag	3494.40	31-Oct-13	9.12.13 to 31.12.13	39 to 61
21	2012-13	Ranchi	Lapung	Fatehpur	Nutrolite Agro Product Pvt. Ltd, Nagari	1525.51	31-Oct-13	1.12.13 to 30.12.13	30 to 60
22	2012-13	Ranchi	Lapung	Kakaria	Nutrolite Agro Product Pvt. Ltd, Nagari	880.22	31-Oct-13	13.11.13 to 31.12.13	13 to 61
23	2012-13	Ranchi	Lapung	Mahigaon	Nutrolite Agro Product Pvt. Ltd, Nagari	747.25	31-Oct-13	11.11.13 to 27.12.13	36 to 57
24	2012-13	Ranchi	Arki	Sindri	Rani Sati Food Grain Rukka, Ranchi	1015.11	31-Oct-13	20.12.13 to 23.12.13	50 to 53
25	2012-13	Ranchi	Ormanjhi	Irba	Rani Sati Food Grain Rukka, Ranchi	1392.13	31-Oct-13	11.12.13 to 26.12.13	41 to 56
26	2012-13	Garhwa	Majhiuanw	Obra	Pratik Agro Expert Pvt Ltd. Ranchi	1350.10	31-Oct-13	6.12.13 to 20.12.13	36 to 50
27	2012-13	Garhwa	Nagaruntari	Barodih	Pratik Agro Expert Pvt Ltd. Ranchi	539.82	31-Oct-13	26.12.13 to 31.12.13	56 to 61
28	2012-13	Garhwa	Nagaruntari	Chit vishram	Pratik Agro Expert Pvt Ltd. Ranchi	539.17	31-Oct-13	26.12.13 to 27.12.13	56 to 57

(Quantity in quintal and delay in days)

Sl.No.	KMS	District	Block	PPCs	Name of tagged Rice Mills	Quantity of CMR delivered to FCI	Stipulated date of delivery of CMR	Actual date of delivery of CMR	Delays in delivery of CMR (in days)
29	2012-13	Garhwa	Sagma	Birbal	Pratik Agro Expert Pvt Ltd. Ranchi	808.45	31-Oct-13	11.11.13 to 28.11.13	11 to 28
30	2012-13	Garhwa	Bishunpura	Piprikala	Pratik Agro Expert Pvt Ltd. Ranchi	539.90	31-Oct-13	18.11.13	18
31	2012-13	Garhwa	Sagma	Sondiha	Pratik Agro Expert Pvt Ltd. Ranchi	270.00	31-Oct-13	16.11.13	16
32	2012-13	Garhwa	Bishunpura	Bishunpura	Pratik Agro Expert Pvt Ltd. Ranchi	539.51	31-Oct-13	29.11.13 to 3.12.13	29 to 33
33	2012-13	Bokaro	Chandankiyari	Sabra	Shiv Shambhu Agro Tac Pvt Ltd, Rangdih, Govindpur, Dhanbad	809.83	31-Oct-13	17.12.13	17
34	2012-13	Bokaro	Chandankiyari	Laghla Narkera	Shiv Shambhu Agro Tac Pvt Ltd, Rangdih, Govindpur, Dhanbad	2422.88	31-Oct-13	28.11.13 to 31.12.13	28 to 61
35	2012-13	Bokaro	Chas	Dabar Pundru	Jai Hanuman Rice Mill, Katras	1616.41	31-Oct-13	19.12.13 to 29.12.13	49 to 59
36	2012-13	Bokaro	Chas	Alkusha Khmarbendi	Jai Hanuman Rice Mill, Katras	539.50	31-Oct-13	17.12.13 to 18.12.13	47 to 48
37	2012-13	Bokaro	Chas	Kura-Dudhi-Gazar	Jai Hanuman Rice Mill, Katras	538.75	31-Oct-13	18.12.13 to 20.12.13	48 to 50
38	2012-13	Bokaro	Chandankiyari	Chandra	Shiv Shambhu Agro Tac Pvt Ltd, Rangdih, Govindpur, Dhanbad	2153.46	31-Oct-13	13.11.13 to 26.12.13	13 to 56
39	2012-13	Bokaro	Chandankiyari	Jhalbarda	Shiv Shambhu Agro Tac Pvt Ltd, Rangdih, Govindpur, Dhanbad	1078.05	31-Oct-13	26.12.13 to 29.12.13	56 to 59
40	2012-13	Dhanbad	Tundi	Latani Fatehpur	Priya Rice Processer Pvt. Ltd. Govindpur	1616.93	31-Oct-13	26.11.13 to 19.12.13	26 to 49
41	2012-13	Dhanbad	Baghmara	Rajganj	Jai Hanuman Rice Mill, Katras	1618.92	31-Oct-13	26.11.13 to 12.12.13	26 to 56
42	2013-14	Hazaribag	Katkamsandi	Katkamsandi	Ganpati Rice Mill, Hazaribag	147.78	25-Aug-14	22.9.14	28
					Total	49055.52			

Appendix-3.2.9 (A)*(Referred to paragraph 3.2.4.4; page 110)***Statement showing doubtful means used for transportation of Paddy from PPCs to Rice Mills**

KMS	DCO	No. of PPCs	No. of cases detected	Period of delivery of paddy		Quantity delivered in qtl.	Value in ₹
				from	to		
2011-12 & 2012-13	Ranchi	4	18	27.01.2012	09.07.2013	2047.36	2405633.90
2011-12 & 2012-13	Hazaribag	6	16	13.01.2012	05.05.2013	2229.24	2568766.40
2011-12 & 2012-13	Dhanbad	6	29	28.01.2012	23.04.2013	4432.46	4821031.30
2011-12 & 2012-13	Bokaro	5	18	21.01.2012	11.12.2013	1667.70	1981605.00
2011-12 & 2012-13	Garhwa	6	6	10.04.2012	18.03.2013	1147.74	1403225.00
2012-13	Deoghar	9	40	05.02.2013	22.05.2013	1931.15	2413937.50
2011-12 & 2012-13	Dumka	6	76	30.12.2011	13.08.2013	5024.19	5643713.30
Total		42	203			18,479.84	2,12,37,912.40
Grand Total		59	229			24015.18	32875282.06

Appendix-3.2.9 (B)*(Referred to paragraph 3.2.4.4; page 110)***Statement showing doubtful means used transportation of Paddy from Rice Mills to FCI Godowns**

KMS	DCO	No. of PPCs	No. of cases detected	Period of delivery of CMR		Quantity delivered in qtl.	Value in ₹
				from	to		
2011-12 and 2012-13	Ranchi	5	6	22.05.2012	21.12.2013	839.82	1679542.82
2012-13	Hazaribag	1	2	12.03.2013	05.09.2013	537.60	1154227.20
2011-12	Dhanbad	1	1	11.10.2012		269.48	516905.76
2012-13	Bokaro	3	5	10.07.2012	17.12.2013	1280.55	2749340.85
2011-12	Garhwa	1	1	21.06.2013		270.00	517903.20
2012-13	Deoghar	4	4	27.08.2013	31.12.2013	944.77	2028421.19
2012-13	Jamshedpur	1	5	19.11.2013	13.12.2013	854.50	1834611.50
2012-13	Dumka	1	2	04.09.2013	06.09.2013	538.62	1156417.14
Total		17	26			5535.34	11637369.66
Grand Total		59	229			24015.18	32875282.06

Appendix-3.2.10

(Referred to paragraph 3.2.4.5; page 112)

Statement showing penalty not imposed due to delayed delivery of CMR by the rice mills to the FCI

(Quantity in quintal and delay in days)

Sl. No.	KMS	District	Block	PPCs	Name of tagged Rice Mills	Quantity of CMR delivered to FCI	Stipulated date of delivery of CMR	Actual date of delivery of CMR	Delays in delivery of CMR	Penalty leviable in (₹)
1	2012-13	Ranchi	Lapung	Kakaria	Nutrolite Agro Product Pvt. Ltd, Nagari	268.86	31.10.13	12.11.13	12	1290.53
2	2012-13	Ranchi	Lapung	Kakaria	Nutrolite Agro Product Pvt. Ltd, Nagari	268.86	31.10.13	5.12.13	35	3764.04
3	2012-13	Ranchi	Lapung	Kakaria	Nutrolite Agro Product Pvt. Ltd, Nagari	269.81	31.10.13	19.12.13	49	5288.27
4	2012-13	Ranchi	Lapung	Fatehpur	Nutrolite Agro Product Pvt. Ltd, Nagari	270	31.10.13	11.12.13	41	4428.00
5	2012-13	Ranchi	Lapung	Fatehpur	Nutrolite Agro Product Pvt. Ltd, Nagari	268.85	31.10.13	1.12.13	31	3333.74
6	2012-13	Ranchi	Lapung	Fatehpur	Nutrolite Agro Product Pvt. Ltd, Nagari	270	31.10.13	20.12.13	50	5400.00
7	2012-13	Ranchi	Lapung	Fatehpur	Nutrolite Agro Product Pvt. Ltd, Nagari	270	31.10.13	21.12.13	51	5508.00
8	2012-13	Ranchi	Lapung	Fatehpur	Nutrolite Agro Product Pvt. Ltd, Nagari	270	31.10.13	23.12.13	53	5724.00
9	2012-13	Ranchi	Lapung	Fatehpur	Nutrolite Agro Product Pvt. Ltd, Nagari	175.51	31.10.13	30.12.13	60	4212.24
10	2012-13	Ranchi	Lapung	Mahugaon	Nutrolite Agro Product Pvt. Ltd, Nagari	268.75	31.10.13	11.11.13	11	1182.50
11	2012-13	Ranchi	Lapung	Mahugaon	Nutrolite Agro Product Pvt. Ltd, Nagari	269.05	31.10.13	6.12.13	36	3874.32
12	2012-14	Ranchi	Lapung	Mahugaon	Nutrolite Agro Product Pvt. Ltd, Nagari	209.45	31.10.13	27.12.13	57	4775.46
13	2012-13	Ranchi	Arki	Sindri	Rani Sati Food Grain Rukka,Ranchi	269.8	31.10.13	20.12.13	50	5396.00
14	2012-13	Ranchi	Arki	Sindri	Rani Sati Food Grain Rukka,Ranchi	540	31.10.13	21.12.13	51	11016.00
15	2012-13	Ranchi	Arki	Sindri	Rani Sati Food Grain Rukka,Ranchi	205.41	31.10.13	23.12.13	53	4354.69
16	2012-13	Dhanbad	Baghmara	Rajganj	Jai Hanuman Rice Mill, Katras	270	31.10.13	26.11.13	26	2808.00
17	2012-13	Dhanbad	Baghmara	Rajganj	Jai Hanuman Rice Mill, Katras	270	31.10.13	7.12.13	37	3996.00
18	2012-13	Dhanbad	Baghmara	Rajganj	Jai Hanuman Rice Mill, Katras	270	31.10.13	9.12.13	39	4212.00
19	2012-13	Dhanbad	Baghmara	Rajganj	Jai Hanuman Rice Mill, Katras	270	31.10.13	10.12.13	40	4320.00
20	2012-13	Dhanbad	Baghmara	Rajganj	Jai Hanuman Rice Mill, Katras	270	31.10.13	11.12.13	41	4428.00
21	2012-13	Dhanbad	Baghmara	Rajganj	Jai Hanuman Rice Mill, Katras	270	31.10.13	12.12.13	42	4536.00
22	2012-13	Dhanbad	Tundi	Latani Fatehpur	Priya Rice Processer Pvt. Ltd, Govindpur	269	31.10.13	26.11.13	26	2797.60
23	2012-13	Dhanbad	Tundi	Latani Fatehpur	Priya Rice Processer Pvt. Ltd, Govindpur	269	31.10.13	02.12.13	32	3443.20
24	2012-13	Dhanbad	Tundi	Latani Fatehpur	Priya Rice Processer Pvt. Ltd, Govindpur	269	31.10.13	16.12.13	46	4949.60
25	2012-13	Dhanbad	Tundi	Latani Fatehpur	Priya Rice Processer Pvt. Ltd, Govindpur	269	31.10.13	17.12.13	47	5057.20
26	2012-13	Dhanbad	Tundi	Latani Fatehpur	Priya Rice Processer Pvt. Ltd, Govindpur	270	31.10.13	19.12.13	49	5292.00
27	2012-13	Dhanbad	Tundi	Latani Fatehpur	Priya Rice Processer Pvt. Ltd, Govindpur	270	31.10.13	19.12.13	49	5292.00
28	2012-13	Deoghar	Palajori	Jamua	Bajrang Rice Mill, Palajori	270	31.10.13	23.12.13	53	5724.00

(Quantity in quintal and delay in days)

Sl. No.	KMS	District	Block	PPCs	Name of tagged Rice Mills	Quantity of CMR delivered to FCI	Stipulated date of delivery of CMR	Actual date of delivery of CMR	Delays in delivery of CMR	Penalty leviable in (₹)
29	2012-13	Deoghar	Palajori	Jamua	Bajrang Rice Mill, Palajori	270	31.10.13	23.12.13	53	5724.00
30	2012-13	Deoghar	Palajori	Jamua	Bajrang Rice Mill, Palajori	270	31.10.13	27.12.13	57	6156.00
31	2012-13	Deoghar	Palajori	Jamua	Bajrang Rice Mill, Palajori	270	31.10.13	28.12.13	58	6264.00
32	2012-13	Deoghar	Palajori	Jamua	Bajrang Rice Mill, Palajori	269	31.10.13	30.12.13	60	6456.00
33	2012-13	Deoghar	Palajori	Jamua	Bajrang Rice Mill, Palajori	269	31.10.13	30.12.13	61	6564.00
34	2012-13	Deoghar	Deoghar	Deopur	Choudhary Rice Mill, Deoghar	270	31.10.13	11.12.13	41	4428.00
35	2012-13	Deoghar	Deoghar	Deopur	Choudhary Rice Mill, Deoghar	270	31.10.13	11.12.13	41	4428.00
36	2012-13	Deoghar	Deoghar	Deopur	Choudhary Rice Mill, Deoghar	269	31.10.13	16.12.13	46	4949.60
37	2012-13	Deoghar	Deoghar	Deopur	Choudhary Rice Mill, Deoghar	271	31.10.13	18.12.13	48	5203.20
38	2012-13	Deoghar	Deoghar	Deopur	Choudhary Rice Mill, Deoghar	270	31.10.13	28.12.13	58	6264.00
39	2012-13	Deoghar	Deoghar	Deopur	Choudhary Rice Mill, Deoghar	269	31.10.13	30.12.13	60	6456.00
40	2012-13	Deoghar	Deoghar	Deopur	Choudhary Rice Mill, Deoghar	270	31.10.13	30.12.13	60	6480.00
	Total									195775.80

Appendix-3.3.1
(Referred to paragraph 3.3.4.1; page 119)
Area wise approved plan and claim submitted during 2010-15

₹ in crore

Sl. No.	Name of Components	Approved Annual Work Plan	Amount Claimed by the Department	Difference	Percentage of difference
1	CPMF	120.60	179.00	58.40	48.43
2	Ammunition	14.00	21.22	7.22	51.57
3	Insurance	24.00	28.05	4.05	16.87
4	Strengthening	66.45	129.45	63.00	94.80
	Subtotal	225.05	357.72	132.67	
5	Ex-Gratia	16.84	6.30	10.54	62.58
6	Training	17.50	7.11	10.39	59.40
7	Community Policing	7.05	5.30	1.75	24.84
8	VDC/NSS	1.98	1.58	0.40	20.09
9	SPOs	85.97	41.16	44.81	52.13
10	Rehabilitation	0.92	0.02	0.90	97.61
11	Need based hiring	59.00	13.56	45.44	77.02
12	Publicity	4.41	3.76	0.65	14.63
	Subtotal	193.67	78.79	114.88	
	Total	418.72	436.50		

Appendix-3.3.2
(Referred to paragraph 3.3.7.1; page 122)
Details of hiring of vehicles during 2010-16

(₹ in lakh)

Sl. No.	Name of Districts	No. of the vehicle	Amount
1	Chaibasa	34	393.41
2	Chatra	52	475.11
3	Deoghar	01	3.23
4	Dhanbad	14	27.00
5	Garhwa	14	202.61
6	Hazaribag	16	98.52
7	Jamshedpur	99	501.77
8	Latehar	61	537.95
9	Palamu	19	397.13
10	Ranchi	173	2596.00
Total		483	5232.73

Appendix-3.4.1
(Referred to paragraph 3.4.3.1; page 134)
Statement showing receipts and disbursements of Central fund

(₹ in crore)

Year	SCA to TSP					Grants under Article 275(1)				
	Opening balance	Receipts	Total	Expenditure	Closing balance	Opening balance	Receipts	Total	Expenditure	Closing balance
2013-14	75.02	5.86	80.88	70.58	10.30	96.00	0.00	96.00	7.33	88.66
2014-15	10.30	86.06	96.36	83.81	12.55	88.66	107.84	196.50	106.37	90.13
2015-16	12.55	114.78	127.33	22.43	104.90	90.13	34.24	124.37	37.54	86.83
Total		206.70		176.82			142.08		151.24	

(Source: Tribal Welfare Commissioner, Department of Welfare, Government of Jharkhand)

Appendix-3.4.2

(Referred to paragraph 3.4 3.1; page 134)

Statement showing receipts and disbursement of SCA to TSP and scheme under Article 275 (1)

(₹ in crore)

Name of ITDAs	Year	SCA to TSP					Grants under Article 275(1)				
		Opening balance	Receipts	Total	Expenditure	Closing balance	Opening balance	Receipts	Total	Expenditure	Closing balance
Dumka	2013-14	19.69	7.79	27.48	3.80	23.69	2.83	0.48	3.31	0.83	2.48
	2014-15	23.69	4.06	27.75	3.81	23.94	2.48	3.68	6.16	1.14	5.02
	2015-16	23.94	3.82	27.76	4.40	23.36	5.02	0.58	5.60	1.48	4.12
	Total		15.67		12.01			4.74		3.45	
Latehar	2013-14	11.74	2.84	14.58	1.31	13.27	0.19	1.77	1.96	1.72	0.24
	2014-15	13.27	5.26	18.53	0.24	18.29	0.24	2.67	2.91	1.13	1.78
	2015-16	18.29	0.96	19.25	1.08	18.17	1.78	0.50	2.28	1.36	0.92
	Total		9.06		2.63			4.94		4.21	
Gumla	2013-14	15.17	0.42	15.59	3.99	11.59	3.01	2.04	5.05	2.39	2.66
	2014-15	11.59	7.35	18.94	2.73	16.21	2.67	2.85	5.52	3.01	2.50
	2015-16	16.21	9.21	25.42	1.44	23.98	2.50	0.01	2.51	0.09	2.42
	Total		16.98		8.16			4.90		5.49	
Ranchi	2013-14	6.10	12.80	18.9	4.29	14.61	9.65	0.00	9.65	3.23	6.42
	2014-15	14.61	5.03	19.64	4.05	15.60	6.42	3.55	9.97	4.56	5.41
	2015-16	15.6	3.22	18.82	6.77	12.06	5.41	1.75	7.16	2.18	4.98
	Total		21.05		15.11			5.3		9.97	
Seraike Kharsawan	2013-14	22.48	0.00	22.48	3.17	19.32	11.60	6.78	18.38	14.16	4.22
	2014-15	19.32	6.86	26.18	4.01	22.17	4.22	7.45	11.67	2.66	9.01
	2015-16	22.17	3.98	26.15	8.15	18.00	9.00	1.11	10.12	9.38	0.74
	Total		10.84		15.33			15.34		26.20	
Gross Total			73.61		53.24			35.22		49.32	

(Source: Test checked ITDAs)

Appendix-3.4.3
(Referred to paragraph 3.4.4.1; page 135)
Statement showing incomplete schemes under SCA to TSP

ITDA	Proto type Phase	Total no. of Schemes	Name of Prototype scheme	Name of cluster	Total No. of schemes incomplete	Total no. of beneficiary	Estimated cost (₹ in lakh)	Amount released to ITDA (₹ in lakh)	Amount released to Implementing agencies/ expenditure incurred (₹ in lakh)
Dumka	IV	28	Water Harvesting, irrigation and land development scheme	Ramgarh Block	1	240	37.71	37.94	29.7
			V	Water Harvesting, irrigation and land development scheme	Saraiyahat Block	1	60	28.07	18.74
	--do--			--do--	1	50	21	17.85	6.3
	--do--			--do--	1	50	26.07	17.18	7.82
	--do--			Jarmundi	1	50	18.9	16.06	5.85
	VI		Goat distribution and shed construction	Masalia Block	1	240	31.44	31.44	16.24
				Kathikund	1	240	31.44	31.44	9.87
			Water resources based micro lift irrigation and intake well irrigation system	Sikaripara	1	25	10.24	10.24	4.55
				Dumka Sadar Block	1	20	10.24	10.24	9.41
				Kathikund	1	30	10.24	10.24	3.4
				Gopikandar	1	25	10.24	10.24	3.4
				Sikaripara	1	25	10.24	10.24	3.4
				Gopikandar	1	25	10.24	10.24	3.4
	Jama			1	20	10.24	10.24	3.4	
	Gopikandar			1	20	10.24	10.24	0	
	Tasar post cocoon		Masalia	1	125	227.84	227.82	30.18	
	Latehar		III	24	Dairy Development	Latehar and Chandwa	1	63	101.45
One unit Goat rearing		Mahuadand and Garu			1	62	45.29	42.31	2.84
		Barwadih			1	62	45.29	42.31	6.74
		Chandwa and Balumath			1	62	45.29	42.31	9.25

ITDA	Proto type Phase	Total no. of Schemes	Name of Prototype scheme	Name of cluster	Total No. of schemes incomplete	Total no. of beneficiary	Estimated cost (₹ in lakh)	Amount released to ITDA (₹ in lakh)	Amount released to Implementing agencies/ expenditure incurred (₹ in lakh)
				Latehar and Manika	1	62	45.29	42.31	7.45
			Water Harvesting, irrigation and land development scheme	Herhanj and Bariatu	1	340	89.9	87.6	8.6
			Water Harvesting, irrigation and land development scheme	Barwadih	1	130	89.9	87.6	8.6
			Water harvesting and improved Agriculture construction in 240 nos	Latehar and chandwa	1	96	54.15	50.72	3.67
			Water harvesting and improved Agriculture construction in 240 nos	Mahuadand	1	173	54.15	50.72	3.67
	IV		Water Harvesting, irrigation and land development scheme	Barwadih	1	141	91.49	91.49	9.18
	IV		Water Harvesting, irrigation and land development scheme	Mahuadand	1	370	91.49	91.49	9.18
			Lac Agriculture	Balumath	1	230	65.78	65.78	6.41
	V		Water Harvesting, irrigation and land development scheme	Chandwa	1	136	91.49	76.53	9.18
	V		Water harvesting and improved Agriculture	Garu	1	0	56.25	46.26	0
			Goat Rearing one unit	Latehar	1	67	46.96	38.46	3.18
				Barwadih	1	67	46.96	38.46	13.89
			Upgradation of breeding for Dairy development	Mahuadand	1	0	101.44	98.81	0
			Marketing for	Barwadih	1	0	25	25	0

ITDA	Proto type Phase	Total no. of Schemes	Name of Prototype scheme	Name of cluster	Total No. of schemes incomplete	Total no. of beneficiary	Estimated cost (₹ in lakh)	Amount released to ITDA (₹ in lakh)	Amount released to Implementing agencies/ expenditure incurred (₹ in lakh)
			Agricultural product for Tribal people						
	VI		Dairy development one unit	Latehar	1	63	101.44	32.44	8.02
	VII		Water Harvesting, irrigation and land development scheme	Mahuadand	1	360	91.49	233.31	1.18
			Water Harvesting, irrigation and land development scheme	Latehar	1	155	91.49	233.31	1.18
			Poultry	Latehar	1	42	138.48	35.87	16.91
			Horticulture and Timber (Multi tier Cropping) on uplands	Chandwa	1	0	79.46	28.78	0
Seraikela Kharsawan	III	27	Tassar Pre-coocon	Seraikela	1	113	74.06	74.06	52.08
	IV		Water Harvesting irrigation and land development scheme	Chandil	1	352	90.81	90.81	87.48
			Ragini Lac on existing trees	Nimdih	1	145	65.78	65.78	54.15
			Tassar pre-coocon	Kuchai	1	145	74.06	74.06	61.72
	V		Water Harvesting and Land Development scheme		1	345	90.81	83.98	83.98
			Horticulture and Timber (Multi-tier cropping) on uplands		1	188	79.44	70.54	70.54
			Mulberry plantation		1	360	212.82	187.7	187.7
	VI		Tassar scheme post-coocon		1	100	227.82	227.82	30
			Tassar pre-coocon	Kuchai	1	50	74.06	74.06	30

ITDA	Proto type Phase	Total no. of Schemes	Name of Prototype scheme	Name of cluster	Total No. of schemes incomplete	Total no. of beneficiary	Estimated cost (₹ in lakh)	Amount released to ITDA (₹ in lakh)	Amount released to Implementing agencies/ expenditure incurred (₹ in lakh)	
			Water Harvesting, irrigation and land development scheme		1	0	225	225	151.26	
						1	0	210	210	59.2
			Construction/Renovation of Large Pond		1	0	500	500	435.84	
Gumla	III	30	Water Harvesting, Irrigation and Land Development	Chainpur	1	0	89.89	744.29	34.25	
				Ghaghra	1	0	89.89	0	38.04	
				Dumri	1	0	89.89	0	76.24	
				Bharno	1	0	89.89	0	64	
				Horticulture and timber Plantation (115 acre and 28 wells)	Basia	1	0	73.56	0	55.63
	IV			Water Harvesting, irrigation and land development scheme	Dumri	1	0	90.81	89.74	60
					Gumla	1	0	90.81	89.74	77.78
					Bharno	1	0	90.81	89.74	51.91
				Horticulture and timber plantation (125 acre 05 wells and 04 borewells)	Sisai	1	122	79.44	77.65	71.08
	V			Water Harvesting, irrigation and land development scheme	Bishunpur	1	0	90.81	58.12	37
					Palkot	1	0	90.81	58.12	1
				Horticulture and timber plantation (114 acre 15 wells)	Bharno	1	0	79.44	50.7	46.61
				Horticulture and timber plantation (116 acre 15 wells and 04 borewells)	Kamdara	1	0	79.44	50.7	49
				Goat rearing	Chainpur	1	180	46.96	28.95	35.95
					Basia	1	180	46.96	28.95	35.95

ITDA	Proto type Phase	Total no. of Schemes	Name of Prototype scheme	Name of cluster	Total No. of schemes incomplete	Total no. of beneficiary	Estimated cost (₹ in lakh)	Amount released to ITDA (₹ in lakh)	Amount released to Implementing agencies/ expenditure incurred (₹ in lakh)
				Dumri	1	180	46.96	28.95	22
			Poultry	Gumla	1	155	138.48	89.21	0
			Poultry	Raidih	1	155	138.48	89.21	97.15
	VII		Water Harvesting, irrigation and land development scheme	Ghaghra	1	0	90.81	43.56	0
				Dumri	1	0	90.81	43.56	5.09
			Horticulture and Timber Plantation	Sisai	1	0	79.44	76.32	0
			Horticulture and Timber Plantation	Gumla	1	0	79.44	76.32	0
			Poultry	Bishunpur	1	0	138.19	135.05	2.63
Ranchi	III	18	Water Harvesting, Irrigation and Land Development scheme	Mandar, Chanho, Ormanjhi, Burmu, Kanke and Ratu	1	162	988.79	988.79	915.9
	III		Horticulture and Timber Plantation (Multi tier cropping) on uplands	Ratu and Kanke	1	21	220.68	220.68	174.81
	IV		Water Harvesting, Irrigation and Land Development scheme	Angara, Kanke, Ratu, Burmu	1	48	365.96	335.87	244.22
	IV		Package for improved Agriculture with Rain water harvesting	Ormanji and Ratu	1	42	112.5	100.16	14.08
	IV		Horticulture and Timber Plantation (Multi tier cropping) on uplands	Bero and Mandar	1	10	158.88	139.93	52.49
	IV		Homestry Poultry	Ratu	1	144	138.48	120.79	72.8
	V		Water Harvesting, Irrigation and Land	Kanke, Ratu, Namkum,	1	72	525.18	480.47	456.66

ITDA	Proto type Phase	Total no. of Schemes	Name of Prototype scheme	Name of cluster	Total No. of schemes incomplete	Total no. of beneficiary	Estimated cost (₹ in lakh)	Amount released to ITDA (₹ in lakh)	Amount released to Implementing agencies/ expenditure incurred (₹ in lakh)
			Development scheme	Ormanji and Burmu					
	V		Package for improved Agriculture with Rain Water Harvesting	Kanke and Burmu	1	4	105.84	96.84	30.13
	V		Horticulture and Timber Plantation (Multi tier cropping) on uplands	Namkum and Nagri	1	10	152.64	139.65	52.2
	VI		Horticulture and Timber Plantation (Multi tier cropping) on uplands	Namkum	1	5	37.95	37.95	25.56
	New		Water Harvesting, irrigation and land development scheme	Namkum, Angara, Bero, Mandar, Chanho	1	10	112.8	112.8	9.28
	New		Breed improvement of dairy development (New scheme second year)	Burmu	1	72	98.81	93.27	53.02
	New		Promotion, extension and support to Tribal for Agriculture Marketing produce	Narkopi	1	6	25	20.72	18.64
	New		Water Harvesting, irrigation and land development scheme	Angara, Mandar and Burmu	1	55	226	226	139.49
Total		127			88	7357	9410.51	9107.68	4724.01

Appendix-3.4.4

(Referred to paragraph 3.4.4.2; page 135)

Statement showing incomplete schemes under Article 275(1)

ITDA	Sl. No.	Total Number of Scheme	Name of scheme incomplete	Estimated cost (₹ in lakh)	Grant released to ITDA, Dumka	Amount released to Implementing Agency/Expenditure incurred (₹ in lakh)	Year of commencement	Due date of completion	Status of work
Dumka	1	31	Construction of Residences in ST, Primary School Thanapur, Jama	25.00	25.00	6.94	2013-14		Incomplete
	2		Construction of Staff Residence in ST Primary School Thanapur, Jama	60.00	37.50	31.75	2013-14		--do--
	3		Construction of Teachers Residence in PTG Primary School at Bara Chapuria, Sikaripara block	25.00	25.00	0.00	2013-14		--do--
	4		Construction of Staff Quarter Residence in PTG Primary School at Bara Chapuria, Sikaripara block	60.00	40.00	40.00	2013-14		--do--
	5		Repair of Meso Hospital, Kathikund	40.00	28.88	28.88	2013-14		--do--
	Total				210.00	156.38	107.57		
Latehar	1	40	Construction of 50 bedded Hostel for ST Residential High School at Mahuadand	56.15	28.37	25.20	2009-10		Incomplete
	2		Construction of Cultural Development Centre for ST people at Netarhat under Mahuadand Block	40.00	14.27	22.61	2011-12		--do--

	3		Construction of 100 bedded Hostel at Garu village under Garu Block	106.08	106.08	89.20	2011-12		--do--
	4		Construction of 50 bedded Hostel at Netarhat under Mahuadand Block	61.72	0.00	0.00	2011-12		Work not commenced
	5		Construction of additional class for ST Residential School at Domakhand	16.00	0.00	0.00	2011-12		Incomplete
	6		Construction of Cultural Development Centre for ST people at Latehar Block	40.00	24.00	29.21	2012-13		--do--
	7		Construction of Health Sub centre at Kumandiha under MANIKA Block	27.00	13.50	13.50	2013-14		--do--
			Total	346.95	186.22	179.72			
Saraikele-Kharsawan	1	106	Construction of Art & Cultural Development Centre at Gamdesai village, Baridih	43.84	40.00	22.54	2011-12	2013-14	Incomplete
	2		Construction of 50 Bedded Rural Hospital at Sosodih, Gengeruli	189.00	120.00	86.32	--do--	--do--	--do--
	3		Construction of GNM School at Sosodih, Gngosoli, Rajnagar	600.00	600.00	134.10	--do--	--do--	--do--
	4		Construction of New HSC at Jumal, Rajnagar	24.80	24.80	7.96	--do--	--do--	--do--
	5		Construction of New HSC at Shyamsundarpur, Rajnagar	24.80	24.80	13.93	--do--	--do--	--do--

	6		Construction of New HSC at Jamdih , Rajnagar	24.80	24.80	11.32	--do--	--do--	--do--
	7		Construction of New HSC at Ukam, Gamharia	24.80	24.80	6.78	--do--	--do--	--do--
	8		Construction of 100 Bedded ST Hostel in Ashram Vidyalaya, Kuchai	152.00	106.08	51.82	--do--	--do--	--do--
	9		Construction of 100 Bedded S T Girls Hostel at Kolhan Inter College, Rajnagar, Chaliyama	142.00	106.00	91.33	--do--	--do--	--do--
	10		Construction of Tribal Art & Cultural Centre at Kandra, Balidih in Gamharia Block	40.00	20.00	27.29	2012-13	2014-15	--do--
	11		Construction of Archery Academy at Dugni	400.00	296.95	220.16	2013-14	2015-16	--do--
	12		Repairing of ICERT Hospital at Kuchai	40.00	28.88	7.97	--do--	--do--	--do--
	Total			1706.04	1417.11	681.52			
Gumla	1	58	Construction of 30 AWCs in Gumla District	143.57	129.60	129.60	2010-11	2012-13	10 scheme incomplete
	2		Construction of Residential Girls High school at Chapatoli in Gumla District	60.32	56.94	26.63	2010-11	2012-13	Incomplete
	3		Construction of RCC Bridge at Palkot Block	23.98	23.98	20.21	2010-11	2012-13	Incomplete
	4		Construction of 50 Bedded Hostel at Chainpur Block	70.38	60.00	31.85	2011-12	2013-14	Incomplete
	5		Construction of Eklavya Model School at Basia Block	1400.80	658.62	658.62	2011-12	2013-14	Incomplete

	6		Construction of New HSC at Bharno	23.00	23.00	11.56	2012-13	2014-15	Incomplete
	7		Construction of 100 Bedded ST Boy Hostel at Ghaghra	141.69	44.66	44.66	2012-13	2014-15	Incomplete
	8		Construction of 100 Bedded ST Boy Hostel at Manjhtoli, Raidih	141.69	56.08	56.08	2012-13	2014-15	Incomplete
	9		Construction of 100 Bedded ST Boy Hostel at Sundarpur uder Palkot Block	141.69	57.97	57.97	2012-13	2014-15	Incomplete
	10		Construction of 100 Bedded ST Boy Hostel at Karaunda, Gumla	141.69	40.46	40.46	2012-13	2014-15	Incomplete
			Total	2288.81	1151.31	1077.64			
Ranchi	1	33	Construction of 100 Baded Residential for Residential High School Sonchipi	144.62	94.28	92.60	2010-11	2012-13	Incomplete
	2		Infrastructure development for Automobile service Centre at BIT Mesra	110.00	110.00	73.00	2010-11	2012-13	Incomplete
	3		Infrastructure development for Electrical Service service Centre at BIT Mesra	232.00	232.00	195.35	2010-11	2012-13	Incomplete
	4		Construction of Yoga and Meditation centre at EMRS, Tamar	68.99	60.00	52.23	2011-12	2013-14	Incomplete
	5		Construction of Tribal Art and Cultural Development centre at Kanke	40.00	40.00	26.67	2012-13	2014-15	Incomplete

6	Construction of 100 bedded in EMRS, Salgadih under Tamar Block	106.00	106.00	93.63	2012-13	2014-15	Incomplete
7	Construction of 100 bedded Hostel for 100 bedded Hostel for Bethesada Womens Inter College, Ranchi	106.08	106.08	90.07	2012-13	2014-15	Incomplete
8	Construction of 100 bedded ST Girls Hostel in St. Xavier college, Ranchi	106.08	106.08	83.39	2012-13	2014-15	Incomplete
9	Construction of 100 bedded ST Girls Hostel in Ursuline Inter College Campus, Ranchi	106.08	106.08	75.27	2012-13	2014-15	Incomplete
10	Construction of 300 bedded ST Boys Hostel in Karamtoli, Ranchi	318.24	318.24	278.24	2012-13	2014-15	Incomplete
11	Construction of Multipurpose Hall cum Training centre for Tribal Development in Hindpiri	1585.00	100.00	0.00	2012-13	2014-15	Incomplete
12	Construction of 10 Micro Irrigation including intake wells multistage pumps at different Blocks	130.00	60.00	0.00	2012-13	2014-15	Incomplete
13	Construction of 50 bedded hostel in St. Johns School, Nawatarai under Mandar Block	109.95	109.95	53.35	2012-13	2014-15	Incomplete
14	Construction of Boundary Wall, Drain and PCC Repairing of Deepiksha ST Girls PG Hostel, Nagratoli	14.44	10.83	10.83	2013-14	2015-16	Incomplete

15	Repairing of Deepiksha ST Girls PG Hostel, Nagratoli	20.13	15.10	15.10	2013-14	2015-16	Incomplete
16	Repairing of ST Hostel Hatma, Ranchi	20.41	15.31	15.31	2013-14	2015-16	Incomplete
17	Repairing of Vir Budhu Bhagat ST Hostel No. 2 Hatma, Morhabadi, Ranchi	14.16	10.62	10.62	2013-14	2015-16	Incomplete
18	Electrification and drinking water facility in ST Boys Hostel in State Donated High School at Kakara campus under Lapung Block	17.43	13.07	2.38	2013-14	2015-16	Incomplete
19	Construction of Teacher Residence in Residential school at Salgadih, Tamar	25.00	25.00	17.96	2013-14	2015-16	Incomplete
20	Construction of Staff Quarter residence in EMRS, Tamar	60.00	60.00	37.81	2013-14	2015-16	Incomplete
21	Construction of 100 bedded ST Girls Hostel in Ranchi University campus	142.00	142.00	0.00	2013-14	2015-16	Incomplete
22	Construction of 50 bedded ST Boys Hostel in Kejriwal Institute, Namkum	94.00	94.00	72.33	2013-14	2015-16	Incomplete
23	Repairing of Meso Hostpital Jonha	40.00	40.00	35.73	2013-14	2015-16	Incomplete
Total		3610.60	1974.64	1331.87			
Grand Total	57	268	8162.40	4885.66	3378.32		

Appendix-3.4.5
(Referred to paragraph 3.4.5; page 136)
Statement showing Sanctioned Strength and Men-in-position

Sl. No.	Name of post	ITDA, DUMKA			ITDA, LATEHAR			ITDA, GUMLA			ITDA, RANCHI			ITDA, SERAIKELA KHARSAWAN		
		Sanctioned Strength	Men-in-position	Vacancy	Sanctioned Strength	Men-in-position	Vacancy	Sanctioned Strength	Men-in-position	Vacancy	Sanctioned Strength	Men-in-position	Vacancy	Sanctioned Strength	Men-in-position	Vacancy
1	Project Director	1	1	0	1	1	0	1	1	0	1	1	0	1	1	0
2	Additional Project Director	1	0	1	1	0	1	1	1	0	1	1	0	1	0	1
3	Assistant Project Manager	1	0	1	1	0	1	1	0	1	1	0	1	1	0	1
4	Asstt. Engineer	1	0	1	1	0	1	1	1	0	1	0	1	1	0	1
5	Office Superintendent	1	0	1	1	0	1	1	1	0	1	1	0	1	1	0
6	Accountant	1	1	0	1	1	0	1	1	0	1	1	0	1	1	0
7	Clerk	2	2	0	2	2	0	7	5	2	24	24	0	2	2	0
8	Steno	1	1	0	1	0	1	1	1	0	1	1	0	1	1	0
9	Peon	4	2	2	4	2	2	3	1	2	3	3	0	2	2	0
10	Driver	3	1	2	3	0	3	1	0	1	1	1	0	1	0	1
Total		16	8	8	16	6	10	18	12	6	35	33	2	12	8	4

Appendix-3.5.1(i)
(Referred to paragraph 3.5.2; page 141)
**Statement of cost of materials in respect of which O&P form were not submitted under Building
Construction Department**

Sl. No.	Department	Name of Division	Name of work	Quantity used (m3)					
				Metal	Chips	Boulder	Sand	Brick (nos.)	local sand
1	BCD	Special Works Division, BCD, Ranchi	Construction of New High Court Building at Ranchi	334.52	2366.00	0	1503.34	0	414.47
2			Construction of Jharkhand Judicial Academy	1460.96	7142.48	1290.35	8394.91	0	3919.51
Total (A)			1795.48	9508.48	1290.35	9898.25	0	4333.98	

Sl. No.	Rate of materials (in ₹) per m3						Amount (in ₹)						Total (In ₹)
	Metal	Chips	Boulder	Sand	Brick per piece	local sand	Metal	Chips	Boulder	Sand	Brick	local sand	
1	352.58	719.96	352.58	209.13	4.72	209.13	117945	1703425	0	314394	0	86677	2222441
2	352.58	719.96	352.58	209.13	4.72	209.13	515107	5142300	454952	1755628	0	819687	8687674
					Total		633052	6845725	454952	2070022	0	906364	10910115

Appendix-3.5.1(ii)*(Referred to paragraph 3.5.2; page 141)***Statement of cost of materials in respect of which O&P form were not submitted under Road Construction Department**

Sl. No.	Department	Division	Name of work	Metal	Chips	Boulder	Sand	Moorum
1	RCD	Latehar	Construction of Latehar-Saryu-Kotam (Garu) Road in Km 0 to 32 (MDR 249)	59511.91	2170.15	0	23923.24	0
2		Ranchi	Reconstruction of ManderChowk(NH-75) to Burmu Road (KM 0 to 14.80)	16725.93	52915.47	8398.34	6427.79	0
Total (B)				76237.84	55085.62	8398.34	30351.03	0

Sl. No.	Rate of materials (in ₹) per m3					Amount (in ₹)					Total (In ₹)
	Metal	Chips	Boulder	Sand	Moorum	Metal	Chips	Boulder	Sand	Moorum	
1	352.58	719.96	352.58	209.13	122.64	20982708	1562421	0	5003067	0	27548196
2	352.58	719.96	352.58	209.13	122.64	5897228	38097021	2961086	1344243	0	48299578
Total						26879936	39659442	2961086	6347310	0	75847774

	Amount
Total (A)	10910112
Total (B)	75847774
Total	96757886

Appendix-3.5.2
(Referred to paragraph 3.5.3; page 141)
Avoidable payment of price adjustment

Sl. No.	Name of the work	Date of NIT	BOQ value (₹ in crore)	Date of Agreement and Stipulated period of completion	Agreed value (₹ in crore)	Length of Road (in km.)	Price adjustment paid (₹ in crore)	Actual date of completion
1	W/s of Chandwa – Mahuwanilan-Macluskiganj Road (CMM) Part I (0 km to 8 km.)	27.12.13	12.37	01.02.2014 18 months	16.02	8	0.77	12.01.2016
2	W/s of CMM Road –Part II (9 to 16 km)	29.11.12	9.19	03.03.2014 15 months	11.02	8	1.14	12.01.2016
3	W/s of CMM Road – Part III (17 to 23.8 km.)	09.02.13	8.78	03.03.2014 15 months	10.06	7.8	0.61	12.01.2016
		Total	30.34		37.10		2.52	

Appendix-3.5.3
(Referred to paragraph 3.5.17; page 157)
Short deduction of TDS

Sl. No.	Media	Year	Allotment	Expenditure	Rate of TDS to be deducted (2 per cent)	Rate of TDS actually deducted (1.1 per cent)	Excess payment made to Media House
1	Print Media	2009-10 (09/09 to 31/03/10)	190000000	127074564	2541491	1397820	1143671
2		2010-11	140000000	139993734	2799875	1539931	1259944
3		2011-12	260000000	260000000	5200000	2860000	2340000
4		2012-13	260000000	260000000	5200000	2860000	2340000
5		2013-14	300000000	300000000	6000000	3300000	2700000
6	Electronic Media	2009-10	50000000	7973772	159475	87711	71764
7		2010-11	30000000	12899374	257987	141893	116094
8		2011-12	50000000	49045753	980915	539503	441412
9		2012-13	60000000	52470862	1049417	577179	472238
10		2013-14	40000000	39963800	799276	439602	359674
	Total		1380000000	1249421859	24988436	13743639	11244797

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