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Chapter-II
Pradhan Mantri Kisan
Samman Nidhi Yojana

CHAPTER – II

AGRICULTURE DEPARTMENT

2. Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Yojana

2.1 Introduction

Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Scheme was launched in February 2019, effective from 1 December 2018 for disbursement of benefits to farmers. The scheme aims to provide income support to all landholding farmers' families¹ by supplementing their financial needs while procuring various inputs to ensure proper crop health and appropriate yields, as well as their domestic needs. This is a Central Sector Scheme with 100 *per cent* Government of India (GoI) funding, operated through Direct Benefit Transfer (DBT) mode. Under the Scheme, irrespective of the farm size, income support of ₹6,000 per annum is provided to all eligible farmer families with certain exclusions², in three equal instalments of ₹ 2,000 every four months *viz.* December-March, April-July and August-November.

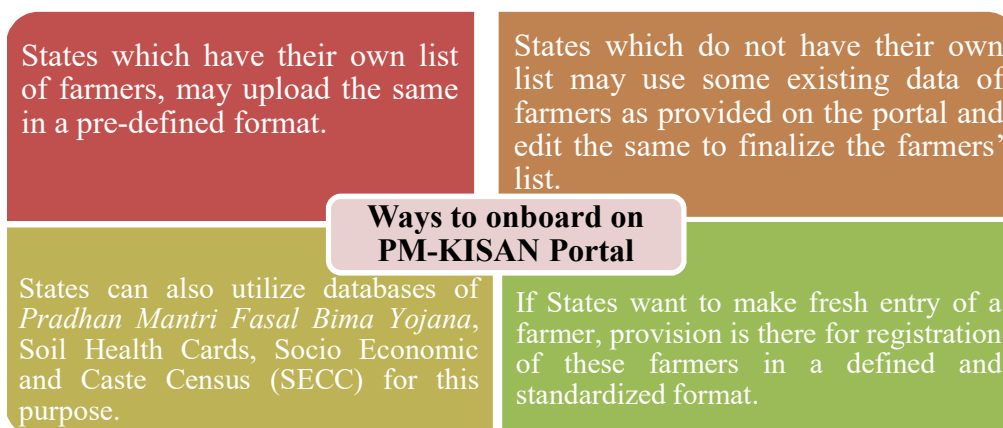
Responsibility for identification of beneficiaries and ensuring correctness of their details lies with the State Governments.

The benefits are to be paid to only those farmers' families whose names are entered into the land records. The cut-off date for determination of eligibility of beneficiaries under the scheme is 1 February 2019. The different ways, through which the States are allowed to onboard on the PM-KISAN portal of GoI, are depicted in **Chart 2.1**.

¹ *A landholding farmer's family under the scheme is defined as "a family comprising of husband, wife and minor children who owns cultivable land as per land records of the concerned State".*

² (a) *All Institutional Land holders; and (b) Farmer families in which one or more of its members belong to following categories: (i) Former and present holders of constitutional posts; (ii) Former and present Ministers/State Ministers and former/present Members of Lok Sabha/Rajya Sabha/State Legislative Assemblies/State Legislative Councils, former and present Mayors of Municipal Corporations, former and present Chair persons of District Panchayats; (iii) All serving or retired officers and employees of Central/State Government Ministries/Offices/ Departments and their field units, Central or State PSEs and Attached offices/ Autonomous Institutions under Government as well as regular employees of the Local Bodies (Excluding Multi-Tasking Staff (MTS)/Class IV/Group-D employees); (iv) All superannuated/retired pensioners whose monthly pension is ₹10,000 or more (Excluding MTS/ Class IV/Group-D employees; (v) All Persons who paid Income Tax in last assessment year; (vi) Professionals like Doctors, Engineers, Lawyers, Chartered Accountants, and Architects registered with Professional bodies and carrying out profession by undertaking practices; (c) Non resident Indians (NRIs) in terms of the provisions of the Income Tax Act, 1961.*

Chart-2.1 Ways to onboard on PM-KISAN Portal



(Source: PM-KISAN Guidelines, GoI)

2.2 Organisational set-up

Agriculture Department, Government of Bihar (GoB), headed by the Secretary, is the nodal department for implementation of the scheme in the State and co-ordinates with the Central Government. Director (Agriculture)/Additional Director (Agronomy) had been nominated (February/March 2019) by the Agriculture Department as the State Nodal Officer (SNO) for the scheme.

At district level, Additional District Magistrate/Revenue (ADM) approves the beneficiaries based on beneficiary identification carried out by Agriculture Co-ordinators (ACs) at Panchayat level and land verification by Circle Officers (COs) at Block level.

2.3 Audit objectives

The objectives of the Performance Audit were to assess: -

- efficiency and effectiveness of the system put in place for identification and verification of beneficiaries;
- Financial Management of the scheme including processing of payments to beneficiaries, DBT, refunds, and their accounting; and
- efficiency and effectiveness of the monitoring mechanisms for the scheme.

2.4 Audit criteria

The audit criteria were sourced from the following: -

- Operational Guidelines/FAQs of the scheme;
- Guidelines and Standard Operating Procedures (SOPs) on fund transfer, refund mechanism, reimbursement of expenses, etc. pertaining to the scheme;
- Correspondence and instructions issued by the Ministry of Agriculture & Farmers Welfare, GoI and the Agriculture Department, GoB;
- Minutes of the Monitoring Committee meetings;
- Agriculture Census 2015-16 (Ministry of Agriculture, GoI);

- Report of Digital India Land Records Modernization Programme (DILRMP) by Ministry of Rural Development, GoI.

2.5 Audit scope, methodology and limitations

Performance Audit for the period 2018-19 to 2020-21 was conducted during August to November 2021 through test-check of records of the offices of the Agriculture Department along with its 10 District Agriculture Offices and 20 Block Agriculture Offices; and Revenue and Land Reforms Department along with its field formations viz. offices of 10 ADMs (at district level) and 20 COs (at block level) on a sample³ basis.

Audit methodology comprised document analysis, response to audit queries, collection of information through questionnaire, scrutiny of records of sampled 841 beneficiaries⁴ and out of them, physical verification of 300 sampled beneficiaries. An entry conference was held in July 2021 with the Directors of the Agriculture Department and the Revenue and Land Reforms Department wherein audit objectives, audit criteria and methodology were discussed. An exit conference with the Secretary of the Agriculture Department and the Director-cum-Additional Secretary of the Revenue and Land Reforms Department was held in February 2022 to seek their responses to audit observations. Responses of the Agriculture Department and the Revenue and Land Reforms Department have been suitably incorporated in the report.

There were some limitations to this Performance Audit. One of them was that, despite several requests (August-September 2021), the Agriculture Department did not allow access to the scheme database of the State which hampered substantive testing of data during audit. Another limitation was unorganised maintenance/non-maintenance/non-production of certain records and information. As a result, Audit could not ascertain the exact extent of deviations.

³ Using Stratified Random Sampling method, records of 900 beneficiaries spread across 10 districts (Banka, Darbhanga, Jamui, Khagaria, Madhubani, PurbiChampan, Purnia, Saharsa, Saran and Siwan), 20 blocks (Two blocks in each sampled district) and 60 villages (Three villages in each sampled block) were sampled. Out of the sampled 900 beneficiaries' (15 in each sampled village) records, 300 beneficiaries were also sampled for physical verification during field audit.

⁴ Against 900 beneficiaries sampled, records of only 841 beneficiaries were made available and could be verified during field audit and out of that physical verification of 300 beneficiaries (five from each of 60 sampled villages) was conducted. District-wise details of records of 59 beneficiaries not produced include - Darbhanga (12), Jamui (Five), Khagaria (Three), Madhubani (11), Purbi Champan (Seven), Purnea (Three), Saharsa (One), Saran (11) and Siwan (Six).

Audit Findings

2.6 Efficiency and effectiveness of beneficiary identification and verification process

GoI announced the PM-KISAN scheme on 1 February 2019 in the interim union budget for 2019-20. On the same day, Department of Agriculture Cooperation and Farmers Welfare (DoAC&FW) intimated the State Government regarding GoI's decision to implement the scheme wherein the benefits shall be admissible for the transfer to beneficiaries retrospectively with effect from 1 December 2018. DoAC&FW asked (11 February 2019) the State Government to start data uploading, at a fast pace, so that substantial entries were made by 20 February 2019. Accordingly, the Agriculture Department, GoB issued (12 February 2019) instructions to its field formations regarding the implementation modalities of the scheme. DoAC&FW also advised (18 February 2019) the National Payments Corporation of India (NPCI) to take necessary steps so that the benefits to farmers were transferred on 24 February 2019 itself, after launching of the scheme.

The correspondences (26/28 February 2019) of DoAC&FW, revealed that the State had uploaded erroneous data and some non-beneficiaries had received payments but the mechanism to auto-reverse these payments was absent.

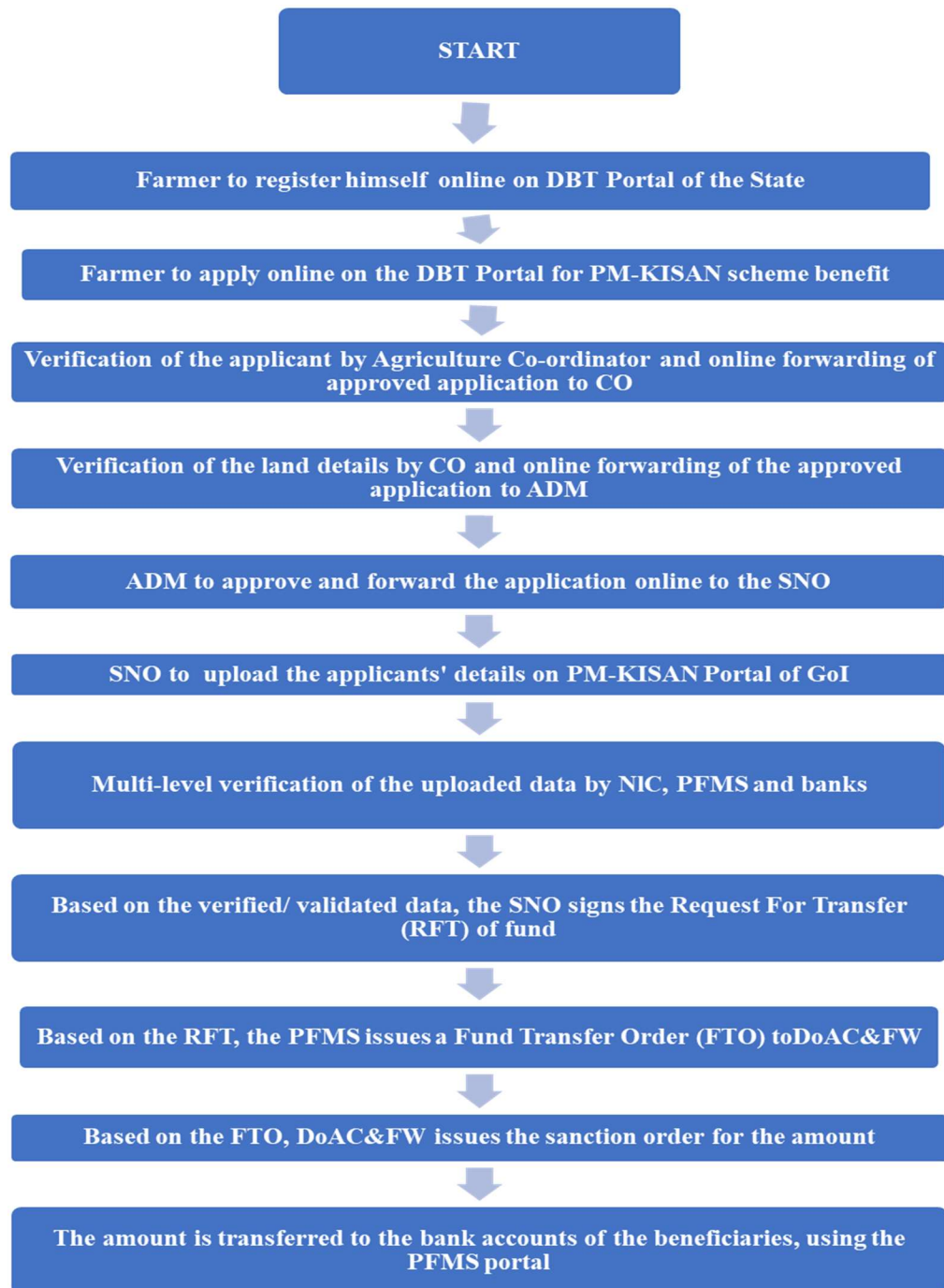
The Secretary, Agriculture Department also admitted (February 2022) that non-availability of landholding data and of digitized land records were the problems at that time.

2.6.1 No existing list of potential beneficiaries

The scheme guidelines, issued by GoI, mentioned that the details of farmers are being maintained by the States either in electronic form or in manual register. It further provided that the States may also onboard on the PM-KISAN portal by uploading the list of farmers maintained by them. As such, the States were expected to have maintained a list of farmers in their States and were allowed to onboard on the PM-KISAN portal by uploading this list of farmers.

However, Agriculture Department had no such list maintained with them. Therefore, it was not in a position to upload any list of farmers on the PM-KISAN portal. As such onus of providing details and uploading documents fell upon potential beneficiaries. Agriculture Department called for individual applications from farmers on its DBT portal. After processing these applications, it uploads the farmers' details on the PM-KISAN portal of GoI. The step-wise process of granting scheme benefits to the farmers of the State is shown in the **Chart 2.2** below:

Chart 2.2
Process of registration and benefits transfer for PM-KISAN Scheme in the State



(Source: PM-KISAN guidelines by GoI and GoB)

GoI guidelines further stipulated that farmers whose names would be uploaded on PM-KISAN portal in a particular four-monthly period, would be entitled to receive the scheme benefits with effect from that four-monthly period itself. Thus, an early onboarding on the PM-KISAN portal of GoI meant early accrual of scheme benefits to farmers. However, as Agriculture Department had not maintained any list of farmers which could have facilitated their early onboarding on the PM-KISAN portal of GoI, the majority of the farmers of the State were deprived of this benefit.

Scrutiny of the scheme data disclosed that only 7,19,497 (nine *per cent*) out of 78,64,562 beneficiaries of the State received benefits of all the seven instalments released by GoI, as they were onboarded early due to applying during the first instalment period itself (ending March 2019). As such, it left 71,45,065 (91 *per cent*) beneficiaries who received scheme benefits of instalments ranging from one to six against all the seven instalments released by GoI (March 2021) as detailed in **Table 2.1** below.

Table 2.1
Statement showing loss to beneficiaries due to delay in onboarding at the scheme portal

Instalment number and period of the instalment	No. of beneficiaries registered during the period and receiving continued benefits	Loss of number of instalments to beneficiaries registered during the concerned period	Total number of instalments loss calculated for all the beneficiaries of the concerned period	Total amount (₹ in crore)
A	B	C	D (B x C)	E (D x ₹ 2000)
1 st (12/2018 to 3/2019)	719497	0	0	0
2 nd (4/2019 to 7/2019)	2592595	1	2592595	518.52
3 rd (8/2019 to 11/2019)	1585075	2	3170150	634.03
4 th (12/2019 to 3/2020)	1309969	3	3929907	785.98
5 th (4/2020 to 7/2020)	986205	4	3944820	788.96
6 th (8/2020 to 11/2020)	447039	5	2235195	447.04
7 th (12/2020 to 3/2021)	224182	6	1345092	269.02
Total	7864562	1 to 6	17217759	3443.55

(Source: Agriculture Department)

Thus, lack of an existing list of farmers with the Agriculture Department deprived 91 *per cent* beneficiaries of scheme benefits amounting to ₹3,443.55 crore which an early onboarding (during the first instalment period of scheme ending March 2019) by uploading an existing list, if maintained, would have ensured.

The Secretary, Agriculture Department admitted (February 2022) that at the inception of scheme, the Department had no database of potential beneficiaries with their land ownership records. Land records digitisation was, however, ongoing in the State.

2.6.2 Coverage of the potential beneficiaries

The Central Government had estimated the number of eligible families under the scheme on the basis of operational land holdings mentioned in Agricultural Census 2015-16 and construed operational land holdings as eligible farmers. Audit compared registered beneficiaries of the scheme with the number of operational land holdings in the State. This comparison showed that against 164 lakh operational land holdings in the State, the number of registered beneficiaries under the scheme was only 82.50 lakh (August 2021) which implied coverage of approximately 50 *per cent* of farmers under the scheme.

The inadequate coverage is mainly due to Agriculture Department's not having any existing list of potential beneficiaries, not accessing the database of Central Government schemes like *Pradhan Mantri Fasal Bima Yojana*, Soil Health Cards, Socio-Economic and Caste Census, *Krishi Vigyan Kendras* (KVKs) and registered farmers under State schemes such as diesel subsidy, *Krishi* inputs schemes *etc.*

The Secretary, Agriculture Department admitted (February 2022) that non-availability of database of beneficiaries with their land ownership records had caused problem in estimation of total potential beneficiaries in the state.

2.6.3 Denial of benefits to potential beneficiaries

(i) No provision for offline application

Scheme guidelines stipulate that eligible farmers may also make offline application. Contrary to this stipulation the State Government did not provide option for offline application.

Thus, by not providing the option for an offline application, the State Government prevented those farmers from the benefits of the scheme who could not apply online.

Further, according to the reply of Ministry of Communications in Parliament, 109 out of 8,404 Gram Panchayats in the State did not have broadband connectivity (July 2021) and 245 out of 39,073 inhabited villages, did not have mobile internet connectivity (December 2021). This had an impact on capability of prospective beneficiaries to apply online.

The Secretary, Agriculture Department replied (February 2022) that online application checks duplication and ensures avoidance of the possibility of one person availing multiple benefits. No farmer had complained regarding the online process. The reply was not tenable as *Aadhaar* being a unique identifier under the scheme, it could have been used by the Department to check duplication. Moreover, expecting those potential beneficiaries, who may be unable to apply online, to lodge a complaint regarding the application process is not a realistic approach.

(ii) Non-processing of applications made on PM-KISAN Portal of the Central Government

The scheme guidelines, mentioning procedure for processing applications of new farmers to register themselves on the PM-KISAN Portal of the Central Government, provide that once the Form is filled in and submitted successfully, the same is forwarded by an automated process to the SNO for verification. The SNO verifies the details and uploads the verified data on the PM-KISAN Portal.

Audit scrutiny disclosed that the State did not process the applications of the farmers who registered themselves directly on the PM-KISAN Portal/App of the Central Government. However, details of such applicants were not provided to Audit. The SNO stated (November 2021) that such farmers were informed to re-apply on the State portal for the scheme benefits. But, he did not provide any evidence regarding communication of such information to those farmers.

The Secretary, Agriculture Department replied (February 2022) that application through PM-KISAN portal came late into existence and before that the State had already initiated its application process. The reply was not tenable as applications submitted on the PM-KISAN portal could have been processed irrespective of the period.

2.6.4 Inadequacies of self-declarations

Scheme guidelines stipulate that State Government can certify the eligibility of the beneficiaries based on self-declaration made by the beneficiaries. It further stipulates that State Government is free to decide about the appropriate mechanism/ authority for validation of information/ declaration furnished by the beneficiary.

Audit observed that aforesaid enabling provision of scheme guidelines was not exercised by the State Government. It was dependent on self-declarations made by the beneficiaries. State Government did not have any mechanism to cross-check self-declaration about status of income tax payment and exclude other ineligible beneficiaries.

Validations done at the Central Government level have disclosed (November 2021) that out of 82,50,032 registered beneficiaries of the State, 48,366 ineligible beneficiaries were income tax payers and had received scheme benefits of ₹ 39.05 crore, as detailed in **Table 2.2** below.

Table 2.2
Instalment-wise benefits received by Income Tax payer ineligible beneficiaries

No. of instalments	No. of months covering the instalments	No. of ineligible beneficiaries	Total instalments received by ineligible beneficiaries	Total amount (₹ in crore)
A	B (A x 4 months)	C	D (AxC)	E (D x ₹ 2000)
1	4	2011	2011	0.40
2	8	2499	4998	1.00
3	12	14110	42330	8.47
4	16	8863	35452	7.09
5	20	14859	74295	14.86
6	24	6024	36144	7.23
Total	-	48366	195230	39.05

(Source- Agriculture Department)

The average number of instalments received by these 48,366 beneficiaries was four which went up to six in some cases. This also implies that on an average basis, it took the department 16 months to 24 months (time period of four instalments to six instalments) in some cases to detect these ineligible beneficiaries.

Audit noted that GoB did not create mechanism to verify Income Tax payment status of farmers. Calling for the applicants' Permanent Account Number (PAN) allotted by the Income Tax department, if held and copies of income tax return, if filed may have reduced the instances of scheme benefits payment to income tax payers.

The Secretary, Agriculture Department, accepted that there was no mechanism at the State level to ascertain income tax payer farmers. He further replied (February 2022) that the Department followed a rigorous mechanism to ensure that no ineligible beneficiary gets scheme benefits and more than 39 lakh applications had been rejected at different levels of verification. The reply was not tenable as the department had not exercised available mechanism to weed out 48,366 income tax payers *viz.* calling for PAN and copy of ITR, which might have further strengthened the verification process.

Further, Audit observed that out of 82,50,032 registered beneficiaries, 7,951 ineligible beneficiaries had received scheme benefits amounting to ₹ 8.13 crore even though the Agriculture Department, had various validations to detect ineligible beneficiaries *viz.* employment status of beneficiary, multiple number of beneficiaries from one family, death cases *etc.* The number of such ineligible beneficiaries increased to 19,485 involving payment of ₹ 23.62 crore (November 2021), as detailed in **Table 2.3** below.

Table 2.3
Instalment-wise benefits received by other ineligible beneficiaries

No. of instalments	No. of months covering the instalments	No. of ineligible beneficiaries	Total instalments received by ineligible beneficiaries	Total amount (₹ in crore)
A	B (A x 4 months)	C	D (A x C)	E (D x ₹2000)
1	4	152	152	0.03
2	8	438	876	0.18
3	12	1194	3582	0.72
4	16	1995	7980	1.60
5	20	3178	15890	3.18
6	24	3821	22926	4.59
7	28	3968	27776	5.56
8	32	3846	30768	6.15
9	36	893	8037	1.61
Total	-	19485	117987	23.62

(Source- Agriculture Department)

The SNO mentioned lack of clarity in exclusion criteria as one of the reasons for selection of ineligible beneficiaries but the specific points lacking clarity were not pointed out by him. However, the SNO neither sought any clarification from GoI on the points lacking clarity nor issued any specific checklist or SOP for guidance of the officials involved in implementation of the scheme which might be one of the reasons for selection of ineligible beneficiaries. Audit also noticed that mechanism of self-declaration form lacked of any provision obligating beneficiaries/family members to inform the authorities regarding any subsequent change in their eligibility in future.

The average number of instalments received by these 19,485 beneficiaries was six which went up to nine in some cases. On an average, it took the department two years (time period of six instalments) which extended to three years (time period of nine instalments) in some cases to detect these ineligible beneficiaries. Thus, the controls placed were not working as desired as the ineligible beneficiaries could not be prevented at the entry level itself. Thereafter their detection too took considerable amount of time.

The Secretary, Agriculture Department replied (February 2022) that it is very difficult to verify ineligibility due to employment, death or pension and such details can only be furnished by farmers and their families. However, he also replied that the Department was conducting physical verification of beneficiaries which would help in elimination of such ineligible beneficiaries.

The reply corroborated audit assertion that obligating beneficiaries/family members to inform the authorities regarding any subsequent change in their eligibility in future might have helped in weeding out ineligible beneficiaries. Efforts towards physical verification of beneficiaries may be sustained.

2.6.5 Ineligible minor beneficiaries

The scheme guidelines provide that the cut-off date for determination of eligibility of beneficiaries under the scheme shall be 1 February 2019 and no changes thereafter shall be considered for eligibility of benefits under the scheme for next five years. Further, the cut-off date for minor children becoming major was 1 February 2019.

Audit scrutiny disclosed that contrary to the above provisions, the Department registered 53,393 beneficiaries who became major after the cut-off date of 1 February 2019. Audit further observed that in 10 sampled districts, inadmissible benefits amounting to ₹ 23.59 crore were paid to 22,301 such beneficiaries as detailed in **Table 2.4** below. Similar cases (eight) were also observed during test-check of sampled beneficiaries' records. This was mainly attributable to the fact that application for benefits under PM-KISAN on DBT portal of the State did not capture the age of beneficiary on the cut-off date *i.e.* 1 February 2019 as depicted in the image of a test-checked application shown below.

Pradhan Mantri Kisan SAMman Nidhi Yojna (PM-KISAN)			
किसान का विवरण			
पंजीकरण संख्या :	2141178414856	कृषक श्रेणी :	सीमांत किसान (1 हेक्टेयर से कम)
किसान का नाम :	XXXXXXXXXX	पिता का नाम :	XXXXXXXXXXXX
जन्म तिथि :	04-Jun-2002	वर्तमान उम्र :	19
जिला :	SAHARSA	प्रखण्ड :	SIMRI BAKHTIARPUR
पंचायत का नाम :	RAIPURA	गाँव का नाम :	Bindpur
आधार संख्या :	9133 XXXX 4001	मोबाइल नंबर :	7979 xxx 3614
लिंग :	पुरुष	बैंक का नाम :	SBI
अकाउंट नंबर :	XXXXXXXXXX	IFSC कोड :	XXXXXXXX

Image of application form (27 October 2021) depicting non-capturing of age of applicant as on cut-off date 1 February 2019.

The above image confirmed that the age of the applicant as on cut-off date 1 February 2019 was not captured in the application. The application captured only the present age of the applicant. However, any applicant, born after 1 February 2001, being minor on the cut-off date was ineligible for scheme benefits. But the date of birth field at the DBT portal was not designed to raise an alert on this to check minor beneficiaries' registration.

Table 2.4
Payment to ineligible minor beneficiaries in sampled districts

Sl. No.	Name of district	No. of minor beneficiaries registered	No. of minor ineligible beneficiaries paid	Total no. of instalments paid up to the 9 th instalment	Amount paid (₹ in lakh)
A	B	D	E	F	G (F x ₹ 2000)
1	Banka	540	480	2,306	46.12
2	Darbhanga	203	203	1,475	29.50
3	Jamui	5,029	4,681	22,695	453.90
4	Khagaria	1,496	1,398	6,262	125.24
5	Madhubani	793	760	5,257	105.14
6	Purbi Champaran	4,070	3,786	20,509	410.18
7	Purnia	961	835	3,507	70.14
8	Saharsa	3,029	2,636	14,105	282.10
9	Saran	6,183	5,376	29,514	590.28
10	Siwan	2,241	2,146	12,304	246.08
	Total	24,545	22,301	1,17,934	2,358.68

(Source: Ministry of Agriculture and Farmer Welfare, GoI and auditee entities)

Moreover, Agriculture Department was not aware about the ineligibility of minors becoming major after the cut-off date, as evident from the fact that the Department sought clarification from the PM-KISAN central monitoring team in this regard (September, November and December 2021). However, the clarification is yet to be received (February 2022).

The Secretary, Agriculture Department replied (February 2022) that there was no last date for registration/accepting applications from the eligible farmers under the scheme. The Secretary also mentioned that the Department had not uploaded the data of beneficiaries below the age of 18.

The reply was not tenable. The fact that there was no last date for registration/application was applicable only to the eligible farmers on the cut-off date and not to the ineligible minor farmers. Scheme guidelines categorically mentioned the cut-off date for deciding eligibility (including 18 years of age) as 1 February 2019.

2.6.6 Payment to ineligible beneficiaries not having land in their own name

Scheme guidelines categorically stipulate that for availing of the benefits under the scheme, a farmer must have land in his own name.

Scrutiny of sampled beneficiary records disclosed that 610 (73 per cent) out of 841 sampled beneficiaries did not have land in their own name and yet received (March 2021) scheme benefits amounting ₹58.46 lakh. This irregularity was noticed in all the 20 sampled blocks of 10 sampled districts. Details of district wise sampled beneficiaries and benefits extended is given in **Table-2.5**.

Table 2.5
Land ownership not in the name of sampled beneficiaries

Sl. No.	Name of district	No. of beneficiaries	No. of instalments transferred as on 31/3/2021	Total Amount transferred (₹ in lakh)
1	Banka	80	435	8.70
2	Darbhanga	40	232	4.64
3	Jamui	68	283	5.66
4	Khagaria	54	211	4.22
5	Madhubani	58	305	6.10
6	PurbiChampanan	66	317	6.34
7	Purnea	25	116	2.32
8	Saharsa	70	335	6.70
9	Saran	72	314	6.28
10	Siwan	77	375	7.50
	Total	610	2923	58.46

(Source: PM-KISAN Portal of GoI and records of auditee entities)

In five out of 20 sampled blocks, COs⁵ informed that the beneficiaries were selected on the basis of *Vanshavali*⁶ (Lineage), whereas, other COs did not furnish specific information in this regard. Approval of beneficiaries except those having land in their own name as per land records of the State was irregular as per the scheme guidelines. This is further corroborated by the fact that the DMs/ADMs of six⁷ sampled districts issued directions (during August 2020 to September 2021) to COs concerned to approve applications of only those beneficiaries who have land in their own name. Moreover, the Central Government permitted scheme benefits on the basis of *Vanshavali* in case of only Jharkhand and that too after carrying out specified procedures for authentication of the *Vanshavali*. Thus, non-adherence to scheme guidelines and dilution of procedure of land verification by the COs, resulted in grant of irregular benefits to persons not having land in their own name. Moreover, payment to farmers on the basis of *Vanshavali* was fraught with the risk of payment to many persons in place of one farmer.

Above observation is based on test check and if similar cases are examined in the whole State, there is a possibility that a large amount of benefits would have gone to ineligible beneficiaries.

Director, Revenue and Land Reforms Department informed (March 2022) that a special survey relating to land records updation was ongoing in all 38 districts in the state and land records would be updated based on survey report.

The Secretary, Agriculture Department replied (February 2022) that Department opted the established land possession verification procedure, for the purpose of verification of land possession of the applicant. Land Possession Certificate (LPC) was issued by the CO, based on the *Vanshavali*.

⁵ Baunsi, Keoti-runway, Jamui, Chautham and Kasba.

⁶ Genealogical Table.

⁷ Banka, Darbhanga, Madhubani, Purnea, Saharsa and Siwan.

The reply was not tenable as scheme guidelines categorically provide for transfer of benefits only to those farmers who have land in their own name. Moreover, LPC/*Vanshavali* certified by the COs was available in only four cases.

2.6.7 Absence of database containing details of all family members

Scheme guidelines stipulate for an *Aadhaar* linked electronic database containing details of all members of the families of the farmers whose names appear in the land records. Only one member of the family, the landowner, is entitled to get the scheme benefits.

Audit observed that GoB had no existing database containing details of all members of the families of the farmers whose names appeared in the land records. Even at the time of application for the scheme benefits, GoB did not obtain details of all members of the families of the farmers despite there being no constraint in obtaining such details, as confirmed by SNO during Audit. This deprived GoB of a mechanism to cross check whether the other members of the same family were also availing of the scheme benefits, contrary to the scheme guidelines. During scrutiny of records of 841 sampled beneficiaries, Audit noticed 41 instances (five *per cent*) involving payment of ₹3.40 lakh, where more than one member of the same family got the benefits.

Audit noted that instances of payment to members of same family could have been avoided by adhering to scheme guidelines stipulating for *Aadhaar* linked database containing details of all members of the families of the farmers.

The Secretary, Agriculture Department replied (February 2022) that the Department was working on creation of a refined application module incorporating all the data requirements as mentioned in the operational guidelines of the scheme. However, had the scheme guidelines been followed, and the details of the family members also captured, it could have been ensured at the time of application itself and would have also helped to check more than one beneficiary from the same family.

2.6.8 Other ineligible beneficiaries

Other instances of payment to ineligible beneficiaries *viz.* deceased beneficiaries, those not having agricultural land and those in Government job/pensioner were also noticed during scrutiny of records of 841 sampled beneficiaries, as detailed in **Table 2.6** below.

Table 2.6
Criteria-wise ineligible beneficiaries

Criteria of ineligibility	No. of ineligible beneficiaries	As a percentage of sampled beneficiaries	Amount paid (₹ in lakh)
Benefits extended to deceased beneficiaries	9	1	0.44
Beneficiaries not having agricultural land	6	1	0.40
Beneficiary in Govt. Job/Pensioner	3	-	0.36

(Source- PM-Kisan Portal and auditee units' records)

(i) Benefits extended after death

As per the scheme guidelines, in case of death of the land owner, family of the successors would be entitled to the benefits, if otherwise eligible as per scheme guidelines. Thus, it may be inferred that transfer of scheme benefits to the deceased beneficiaries should be stopped.

During beneficiary records survey, audit noticed that out of 841 sampled beneficiaries, scheme benefits amounting to ₹ 0.44 lakh was extended to nine beneficiaries after their death in six⁸ test-checked blocks. In one⁹ instance, the beneficiary died in March 2019 but was found registered under the scheme in July 2019.

Audit noticed that instalments ranging from one to eight (totalling of 22 instalments) were transferred to these beneficiaries. On an average basis, these beneficiaries received approximately three instalments which also implied that the Department could not detect them even after one year (the time period for three instalments) of their death.

Thus, it pointed towards lack of mechanism to ensure detection of beneficiaries' deaths and initiating action to stop transferring benefits into their accounts. The Agriculture Department should have directed the District Agriculture Officers (DAOs) to promptly detect such cases through their field staffs viz. Agriculture Co-ordinator and initiate action to stop benefits transfer to their accounts.

The Secretary, Agriculture Department replied (February 2022) that death cases were always to be reported by farmers' families and where reporting is delayed, benefits would continue to be disbursed. He further replied that directions had been issued to conduct death cases check before each and every list freezing activity. Reply indicated that ineligibility and death cases check needed further improvement.

(ii) Beneficiaries not having agricultural and cultivable land

The scheme guidelines provide that for eligibility under the scheme, the land owned by the farmer must be cultivable and agricultural.

Audit observed that out of 841 sampled beneficiaries, scheme benefits amounting to ₹0.40 lakh were extended to six ineligible beneficiaries not having agricultural and cultivable land in three test-checked blocks.

Department was not aware of the criteria regarding classifying a landholding as uncultivable/non-agricultural land. As such, the Department was not in a position to guide the field staff in this matter. It had also not conducted (November 2021) any special drive to ascertain cases of agricultural land being used for non-agricultural purposes.

The Secretary, Agriculture Department assured (February 2022) that the Department would work for the better understanding of the scheme and reach out to the potential beneficiaries as well as carrying out activity prohibiting ineligible beneficiaries. Directions had been issued to conduct ineligibility check before each and every list freezing activity. However, the fact is that even

⁸ Darbhanga Sadar, Jamui, Chautham, Kasba, Madhaura and Simri Bakhtiyarpur.

⁹ Under Bhagdeva Village in Simri Bakhtiyarpur Block of Saharsa District.

after three years of implementation of the scheme, these proposed actions had not been carried out.

(iii) Other ineligible beneficiaries

Contrary to the scheme guideline, three beneficiaries, who were in Government job/pensioner, received 18 instalments amounting to ₹0.36 lakh.

The Secretary, Agriculture Department assured (February 2022) of creating a new and swift mechanism for simple, effective, and efficient mechanism for getting such details in real-time or on quick basis. However, the fact is that even after three years of implementation of the scheme, these proposed actions had not been carried out.

2.6.9 Irregular approval of benefits on the basis of residential land (Vasgit Parcha)

Revenue and Land Reforms Department, GoB (July 1999) provides for distribution of 12.5 decimal land to homeless rural families for residential purpose, which is commonly referred to as land issued on *Vasgit Parcha*. Test-check of records disclosed that in Banma Itahari block under Saharsa district, beneficiaries have been approved on the basis of their land allotted for residential purpose. This was in contravention to the scheme guidelines according to which the land holding farmers' families having cultivable and agricultural land holding in their names are eligible to get benefits. Audit observed that against the list of 36 persons reported (September 2021) as ineligible by the Agriculture Co-ordinator to Block Agriculture Officer (BAO), Banma Itahari, four cases were found active in the system (November 2021) implying that they can still get the benefits under the scheme. On being pointed out, status of these four beneficiaries was marked as inactive (November 2021) by DAO Saharsa. Further, DAO directed (November 2021) Agriculture Co-ordinator for recovery of amount from all ineligible beneficiaries. Approval of such ineligible beneficiaries resulted in an irregular payment of ₹4.92 lakh during September 2019 to August 2021. DAO, Saharsa and ADM, Saharsa did not furnish reasons for approval of such persons for benefits under PM-KISAN.

The Secretary, Agriculture Department, while agreeing to the audit observation, assured (February 2022) that the Department would issue a circular in this regard to all officials concerned. The inclusion criteria for the scheme would be published in the newspapers for better clarity and understanding of the landholding farmer families. The fact is that it was the Government officials who had approved the ineligible beneficiaries and publishing the criteria would not possibly reduce the errors of omission or commission.

2.6.10 Bypassing of necessary land verification

The State Government adopted (February 2019) an online application based approach for the scheme benefits. After receipt of the online application, Agriculture Co-ordinator at the Panchayat level will, verify that the applicant is a farmer. Then the AC, through the online portal, will forward the application to the CO for verification of details of land records of the applicant. The CO will, verify and forward the application to ADM who will, forward the same

to SNO for transfer of benefits. The SNO will upload the same on PM-KISAN portal of the Central Government.

Audit scrutiny disclosed that the subsequent instructions, issued (May 2019) by the Agriculture Department provided that in the cases where applications are rejected by ACs, the reconsideration applications would be submitted to DAOs who would then forward the applications approved by them to ADMs for final submission to SNO. Thus, in the cases of these reconsideration applications, the necessary provision of land verification by COs has been by-passed. Audit noticed that up to March 2021, out of 1,35,276 applications forwarded by DAOs, ADMs had approved 1,20,087 applications. ADMs and DAOs of the sampled districts could not provide evidence of land verification by COs in such cases. In four¹⁰ sampled districts, test-check of reconsideration applications made available disclosed that cases of 31 ineligible beneficiaries, involving total payment of ₹ 1.72 lakh, were approved despite not having land in their own name.

Thus, these applications were approved without the necessary land verification by COs, who are custodian of land records and, as such, possibility of ineligible beneficiaries getting the scheme benefits could not be ruled out.

The Secretary, Agriculture Department in reply (February 2022) reiterated the prevalent procedure in the cases of reconsideration of applications. He further added that this process no way by-passed any level of application verification. Reply was not acceptable as it was contrary to scheme provisions.

2.6.11 Digitisation and linking of landholding records with Aadhaar and bank account

Scheme guidelines stipulate that State Government will expedite the progress of digitisation of the land records and linking the same with *Aadhaar* as well as bank details of the beneficiaries.

The process of updation and digitisation of land records in Bihar started about 10 years ago and is still ongoing (March 2022). Revenue and Land Reforms Department, without mentioning the total number of *Jamabandi*¹¹ in the State, stated (March 2022) that approximately 3.78 crore *Jamabandi* have been digitised in the State. However, the data entered and updated by the GoB on Digital India Land Records Modernization Programme (DILRMP)¹² disclosed (March 2022) that records of 45,401 (95 *per cent*) out of 47,589 villages were computerized and computerisation of records in 493 villages was ongoing while no information was available regarding the rest 1,695 villages. Thus, digitization of the land records was yet to be completed.

Further, Audit observed that the digitized landholding records in the State were not linked with the corresponding *Aadhaar* and bank account, as envisaged under the scheme. As a result, this data was not used for the Scheme. Thus, the State is deprived of a swift mechanism for processing the applications under the scheme.

¹⁰ *Darbhanga, Madhubani, Purbi Champaran, and Saharsa.*

¹¹ *A number showing the page allotted to all tenants in Tenants Ledger Register where entries of details of their tenancies etc. are made.*

¹² *Under the Department of Land Resources, Ministry of Rural Development, GoI.*

Director, Revenue and Land Reforms Department replied (March 2022) that linking of landholding records with *Aadhaar* and bank account would be possible through a special survey by 2023-24. Besides, this is a policy matter which would be acted upon after decision by the Government and banks.

The Secretary, Agriculture Department while agreeing to audit observations stressed (February 2022) on creation of a versatile database. Availability of such data would have greatly benefitted the farmers in cases of PM-KISAN. However, the fact is that even after three years of implementation of the scheme, these proposed actions had not been carried out.

2.6.12 Irregularities in approval of applications by Circle Officers

As per provision of the Agriculture Department, the Agriculture Co-ordinator will verify the particulars submitted by the farmers and forward it to CO of the concerned block through online portal. Responsibility of verifying the authenticity of land owned by the beneficiaries lies with CO of the concerned block only.

During records verification of 841 sampled beneficiaries, it was noticed that in 24 cases involving payment of ₹ 2.46 lakh, under seven blocks, the COs approved the applications containing the records of land situated in other blocks contrary to the provision *ibid*, reasons for which were not communicated to Audit.

Director, Revenue and Land Reforms Department replied (March 2022) that the Department had directed all ADMs and COs for verification of such cases.

The Secretary, Agriculture Department stated (February 2022) that the land records cases related to bordering areas of a block can have such issues. He assured that the Department would circulate additional instructions to COs and ADMs, and the online application process design would be revised to include landholding under the same circle only.

2.7 Financial management

Year-wise total amount paid to beneficiaries of the State is detailed in **Table-2.7** below.

Table 2.7
Year-wise details of payment made to the beneficiaries

Year of payment	2018-19	2019-20	2020-21	Total Amount paid
Amount paid during the year (₹ in crore)	50.04	2,915.54	4,556.83	7,522.41

(Source: Agriculture Department)

Scrutiny of data provided by the Agriculture Department disclosed that 2,81,025 (three *per cent*) out of 82,50,032 registered beneficiaries of the State had not received any payment while 3,52,218 (four *per cent*) beneficiaries received only partial payment (August 2021). The SNO did not communicate reasons for non/partial payment and steps taken by the State Government in this regard, as no detail was available with the Department.

The Secretary, Agriculture Department replied (February 2022) that as on 2 February 2022, the State had 84,95,702 farmers registered on PM-KISAN portal

and out of that 2,12,436 farmers did not receive any instalment while 3,40,400 farmers received partial instalments. He further informed that the pending corrections stood at 1,30,948 and 51,386 farmers were marked ineligible as they were income tax payer. The Department was committed to provide benefits to all the eligible beneficiaries of the scheme.

However, the above summation is not fully explanatory as against 5,52,836 non/partial payment cases, the reported pending correction/marked ineligible cases are 1,82,334. As such, no information was provided regarding 3,70,502 cases.

2.7.1 Failed and pending payments

Fund Transfer Guidelines (February 2019) for the scheme stipulate that DoAC&FW will share the details of failed transactions with state functionaries for necessary verifications and updating of details. Upon receipt of the details from the State level functionaries, the DoAC&FW will re-process the failed transactions.

Year-wise details of failed and pending payments to the beneficiaries of the State is detailed in **Table 2.8** below.

Table 2.8
Failed and pending payments to beneficiaries

Year	No. of RFT* signed	No. of FTOs# generated	No. of successful payments	No. of failed payments	No. of payments with pending response
2018-19	250,835	250,796	250,211	585	0
2019-20	1,46,08,460	1,46,06,738	1,45,77,717	25,835	3,186
2020-21	2,30,07,491	2,30,07,195	2,27,84,406	87,828	1,34,961
Total	3,78,66,786	3,78,64,729	3,76,12,334	1,14,248	1,38,147

(Source-PM-KISAN Portal) * Request for Transfer # Fund Transfer Order

The above table shows that the scheme benefits amounting to ₹ 50.48 crore could not be transferred to the beneficiaries of the State due to failed and pending payments.

The SNO informed (November 2021) that such cases were already notified to Central Government and payment can only be initiated by them. However, the SNO did not furnish the details of transactions credited to the concerned accounts after actions taken by the State, if any. Moreover, it is not clear whether the State Government conducted necessary verifications and updation of details. Linking of bank accounts of beneficiaries with their respective *Aadhaar* was also not ensured by GoB as stipulated in scheme guidelines.

The Secretary, Agriculture Department replied that the Central Government using DBT mode had complete control on payments in the scheme. The matter of making payment to failed and pending cases had been regularly taken up during the video conferencing sessions with the PM-KISAN monitoring team.

Audit noted that instances of failed and pending payments accompanied by ineffective action on the part of State Government would result in money not being transferred to the intended recipients.

2.7.2 Applications rejected by PFMS due to bank account related discrepancies

Fund Transfer Guidelines for the scheme stipulate that the State Government is to ensure correctness of beneficiary details including their *Aadhaar* number, bank account number and IFS Code of the bank. Further, speedy reconciliation in case of wrong/ incomplete bank details of the beneficiary should be ensured.

Audit scrutiny disclosed (August 2021) that applications of 67,535 beneficiaries were rejected by PFMS due to bank account related discrepancies such as bank currently inactive and merged with another bank, IFS Code either not present or currently inactive, account does not exist in bank, account status is closed, bank account number invalid *etc.*

SNO attributed such rejection to the fact that their DBT portal did not have facility to check bank account details, non-covering of Rural and Cooperative banks under CBS, duplicate bank accounts *etc.* and stated that the concerned beneficiaries were asked to correct their bank account details.

However, the SNO did not bring to the notice of the Central Government that the Rural and Cooperative banks were not covered under CBS. Further, the scheme guidelines issued by the State did not specify that bank accounts of the beneficiaries must be covered under CBS.

The Secretary, Agriculture Department replied (February 2022) that PFMS correction currently stood at 27,310 (40 *per cent*) and all such applicants have been informed through SMS for correcting their bank accounts and IFS Codes. Field functionaries of the Department had also been sensitized regarding account correction.

2.7.3 Discrepancies in the scheme outside the sampled beneficiaries list

2.7.3.1 Transfer to incorrect bank accounts

Scrutiny of records related to applications submitted by the beneficiaries for corrections in bank accounts in the sampled districts disclosed that scheme benefits of ₹22.62 lakh pertaining to 175 beneficiaries were transferred to bank accounts of other persons.

This irregularity confirmed the weakness in the existing mechanism of ensuring the correctness of bank account details of beneficiaries. This may have been avoided if the State had developed a mechanism for bank account validation of beneficiaries as envisaged in scheme guidelines. Further, the authorities had not initiated action to recover the amounts transferred to other persons' bank accounts (November 2021).

The Secretary, Agriculture Department stated (February 2022) that the bank account details were provided by the beneficiaries themselves during online registration. He further stated that even though the existing solution was still prevalent and had helped to a larger extent, the Department is committed to developing a rapid solution that would enable beneficiaries to make changes in their bank accounts. However, it is also a fact that linking of bank accounts of beneficiaries with their respective *Aadhaar*, would have helped to check such instances.

2.7.3.2 Release of payments despite 'Stop Payment' requests

The scheme guidelines provide for effecting stop payment to farmers who are found ineligible. The SNO could not provide lot-wise details of cases where stop payment was implemented.

Audit noticed that in six out of 10 sampled districts, even after DAOs requests to the SNO to effect Stop Payment, payment of ₹6.96 lakh was made to 138 beneficiaries. Thus, absence of timely action by the concerned authorities resulted into payment to ineligible beneficiaries.

Secretary, Agriculture Department did not furnish specific response to this.

2.7.3.3 Inaction resulting in irregular payment

Scheme guidelines stipulate for effecting stop payment by the authorities for farmers who are found ineligible. Audit scrutiny disclosed that BAO, Barharia informed (September 2020) DAO, Siwan about unauthorised approval of 87 applications by some unknown person by stealing user ID and password of an Agriculture Co-ordinator. Also, BAO, Siwan *Sadar* and BAO, Mairwa informed (September/October 2020) DAO, Siwan about 11 ineligible beneficiaries and requested necessary action. Audit noticed that DAO, Siwan did not take any action on these requests (September 2021). Resultantly, 70 out of aforesaid 98 persons received irregular payment of ₹7.40 lakh. Thus, due to negligence of the DAO, irregular payment was made and it was yet to be recovered (September 2021).

The Secretary, Agriculture Department admitted (February 2022) that it was duty of the officials to take necessary precautions regarding their logins. All the work cleared, using unauthorized logins, must have been reverted back.

However, the fact remained that payment was made to unauthorized beneficiaries despite information regarding the unauthorized approval given by the BAOs to the DAO and no amount had been recovered.

2.7.4 Utilisation Certificate not sent to GoI

Rule 238(1) of General Financial Rules 2017 stipulates submission of Utilisation Certificate (UC) within 12 months of the closure of the financial year.

GoI transferred (June 2019) a sum of ₹ 63.40 lakh to the State for meeting the expenditure on webcasting of the launching ceremony of the scheme. However, UC for this amount was not sent to the Central Government (September 2021), contrary to the provision of GFR.

The Secretary, Agriculture Department informed (February 2022) that out of ₹ 63.40 lakh, UC for ₹60.76 lakh had been sent to GoI on 8 February 2022. Thus, part UC was submitted nearly one year after the stipulated time as per GFR and ₹2.64 lakh remained unutilised even after almost three years of completion of the purpose for which the amount was sanctioned. In the absence of UC, it could not be ascertained whether the amount was lying unspent/spent on the intended purposes or not.

2.7.5 Furnishing of wrong Utilisation Certificates

Scrutiny of records at two districts (Purnea and Purbi Champaran) disclosed (September-October 2021) that DAOs furnished Utilisation Certificates (UCs) of ₹ 3.77 lakh to the Department well before incurring actual expenditure of funds as is evident from the fact that amount remained available with them even after furnishing UC (Table 2.9).

Table 2.9
Submission of UCs before expenditure

Name of District	Amount (₹in lakh)	Date of furnishing of UC	Date on which actual expenditure started
Purbi Champaran	3.49	24/8/2020	25/11/2020
Purnea	0.28	13/8/2020	17/8/2020
Total	3.77	-	-

(Source: Records of DAOs)

No reply was furnished by the concerned DAOs.

The Secretary, Agriculture Department assured (February 2022) that the Department would initiate an internal enquiry and take necessary actions in this regard.

2.7.6 Recovery and refund

The scheme guidelines provide that in case of incorrect declaration, the beneficiary shall be liable for recovery of transferred financial benefits. DoAC&FW communicated (April 2021) the SOP to ease the process of refund and reconciliation and for recovery of funds through Non-tax Receipt Portal from the ineligible beneficiaries like Income Tax payers identified by the system, death cases and cases where money is credited to wrong bank account.

Audit observed that as per GoB's estimate, ₹62.67 crore was recoverable from 67,851 ineligible beneficiaries of the State (upto November 2021). The SNO informed (November 2021) that approximately ₹4.00 crore (six per cent) had so far been recovered from the ineligible beneficiaries. The amount was yet to be transferred to the Central Government as the reconciliation process was not complete. Cash Book of the scheme maintained at DBT Cell did not depict entries of the amount recovered from individual beneficiary and/or unit-wise and the recovered amount was entered in lump sum. As a result individual and/or unit-wise recovery effected could not be traced.

The Secretary, Agriculture Department, while informing that ₹5.00 crore had been recovered, replied (February 2022) that the Department was trying to create an effective methodology for recovery and refund process.

Recovery of only ₹5.00 crore (eight per cent) from ineligible beneficiaries was indicative of deficient recovery process of the State. Non-refund of the recovered amount to the Central Government due to pending reconciliation pointed towards deficiencies in accounting process of the recoveries. Further, if the ineligible beneficiaries had been checked at the entry level, not only the irregular payment could have been avoided but the resources required in the recovery process could also have been saved.

2.7.7 Penal action not taken

The scheme guidelines provide that in case of incorrect self-declaration, beneficiary shall be liable for recovery of transferred financial benefits and other penal actions as per law.

Audit noticed that no penal action was taken by Agriculture Department against the ineligible beneficiaries who received scheme benefits by submitting wrong declaration (November 2021). As per data provided by SNO, there were 67,851 such beneficiaries (48,366 income tax payer beneficiaries and 19,485 other ineligible beneficiaries) from whom recovery was to be made.

The Secretary, Agriculture Department, while mentioning that the Department had issued directions regarding recovery to be made from the ineligible beneficiaries, further informed (February 2022) that the Department was working on a better and easy method to deal with recovery and its reporting. However, he did not furnish any reply regarding the penal action as envisaged.

2.8 Efficiency and effectiveness of the monitoring mechanism

2.8.1 Non-setting up of Project Monitoring Unit

As per the scheme guidelines, Project Management Unit (PMU), at the Central level, was responsible for overall monitoring of the scheme, undertaking publicity/communication campaign and was to be headed by a Chief Executive Officer. The guidelines further stipulate that, on the lines of PMU at Central level, State Government may consider setting up a dedicated PMU. Based on the amount of instalments transferred to beneficiaries, a certain *per cent*¹³ can be transferred by Central Government to State Governments to cover the expenditure on their PMUs, if established.

Audit observed that dedicated PMU was not set up in the State. As a result, ₹ 9.48 crore could not be claimed by GoB during 2018-21.

Monitoring of the scheme was being carried out by DBT Cell headed by Additional Director, Agriculture Department. The DBT Cell was also entrusted with the responsibility of other schemes of the Agriculture Department. No monitoring reports were obtained from the district level for monitoring purposes. Absence of a dedicated PMU was also responsible for several irregularities such as non-identification of ineligible beneficiaries, payment to minor beneficiaries *etc.* which were contrary to the guidelines. Except for two newspaper advertisements in 2019, no mass media campaign was launched by the State to raise awareness about the scheme among the intended beneficiaries. Not setting-up the dedicated PMU affected overall monitoring of the scheme.

The Secretary, Agriculture Department replied (February 2022) that a PMU in the form of DBT Cell was working for PM-KISAN scheme. He also mentioned that one dedicated consultant and two programmers along with other administrative/supporting staff members were assisting in implementation of the scheme. However, Audit noted that one consultant and two programmers, as mentioned in reply, were selected only in January 2022. Thus, non-setting up of

¹³ 0.25 per cent of the amount for first instalment and 0.125 per cent for subsequent instalments

a dedicated PMU not only affected the quality of monitoring but also deprived the State from the fund of ₹9.48 crore.

2.8.2 Monitoring committees

According to the scheme guidelines, State Government shall notify the State and District Level Review / Monitoring Committee.

GoB constituted (February 2019) a five-member Monitoring and Grievance Redressal Committee under the chairmanship of the Principal Secretary of Agriculture Department. No meeting of the Committee was held during 2018-19 to 2020-21 and subsequently only one meeting was held in September 2021. This was mainly attributable to the fact that frequency of meeting of the Committee was not prescribed until September 2021, thereafter, it was decided to hold the meeting of the committee once in every three months.

In course of audit in sampled districts, it was noticed that no meeting of Monitoring and Grievance Redressal Committee was conducted during 2018-21. No effective step was taken by the Agriculture Department to ensure holding of the meetings of the committee at the district level.

Absence of regular meeting of monitoring committees for a long period of 2018-19 to 2020-21 deprived the field formations (responsible for implementation of PM-KISAN) of the guidance of higher authorities on a regular basis.

The Secretary, Agriculture Department, while mentioning that State level meeting was organised on 9 September 2021 and some districts have also conducted meetings, replied (February 2022) that the Department had issued instructions to conduct meeting both at State and district levels at an interval of every three months.

2.8.3 Review of the scheme by the Divisional Commissioners and the District Magistrates

Agriculture Department made provisions (February 2019) for weekly review of the scheme by the Divisional Commissioners (DCs) and the District Magistrates (DMs). At this frequency, more than hundred review meetings should have been conducted by each of DCs and DMs by the end of March 2021.

Audit observed that upto March 2021, out of the seven involved DCs, two¹⁴ did not conduct any such meetings, DC Kosi conducted one meeting and DC Purnea conducted four meetings, while three¹⁵ DCs did not furnish any reply in this regard.

With regard to review meetings by the DMs of the 10 sampled districts, Audit found that six¹⁶ DMs did not conduct any such meeting during the period while the remaining four¹⁷ DMs did not furnish any reply in this regard.

¹⁴ Bhagalpur and Munger.

¹⁵ Darbhanga, Muzaffarpur and Saran.

¹⁶ Banka, Jamui, Khagaria, Purbi Champaran, Purnea and Siwan.

¹⁷ Darbhanga, Madhubani, Saharsa and Saran.

Negligible review meetings during the period of 2018-19 to 2020-21 deprived the field formation of guidance of Divisional Commissioner/District Magistrate on a regular basis.

However, Audit noted that Agriculture Department did not ensure holding of prescribed review meetings at the Divisional Commissioner/District Magistrate level.

The Secretary, Agriculture Department replied (February 2022) that during designing of the scheme, it was proposed that the DCs and DMs must weekly monitor the scheme but now it had been decided that the review by the DMs must be done once in every three months.

2.8.4 Grievance redressal

Scheme guidelines stipulate that any grievances or complaints which are received by Monitoring and Grievance Redressal Committee should be disposed of on merit preferably within two weeks' time.

(i) Details of Grievance Officers not notified

GoI requested (March 2019) State Governments to urgently notify the details of Grievance Officers prominently in the respective State vernacular as well as Hindi and English newspapers and electronic media.

However, the State is yet to notify the Grievance Officers. As such, the beneficiaries were deprived of the requisite mechanism to register their grievances. Also, new potential beneficiaries were unable to lodge their grievances as the responsibility of identification and preparation of database of eligible farmer family was of the State Government.

The Secretary, Agriculture Department replied (February 2022) that orders nominating SNO as Grievance Redressal Officer at State level and DAO as Grievance Redressal Officer at the District level had been issued. However, Audit noted that orders nominating DAOs as Grievance Redressal Officer at the District level was issued on 22 February 2022 but its publication in the newspapers and electronic media was not mentioned in the reply. Hence, without awareness, the purpose of their nomination may not be fulfilled.

(ii) Grievances Redressal

Audit scrutiny revealed that as per the grievance report provided by the SNO, only 9,408 out of 40,082 grievances received, were resolved and the rest 30,674 grievances were pending (August 2021).

SNO informed (November 2021) that they have expedited the disposal process and currently the pendency is nil. However, the SNO could not provide the date-wise details of grievance registration and its disposal. As such, it could not be verified whether the grievances were disposed of in the stipulated period of two weeks. Further, it was noticed that during 31 months (February 2019 to August 2021), only 9,408 grievances (23 per cent) were resolved while during the next three months *i.e.* September 2021 to November 2021, the remaining 77 per cent grievances were communicated as resolved to audit. However, in absence of related records, it could not be verified whether the 30,674 pending grievances which were reportedly resolved, actually redressed the grievances

of the beneficiaries. Also, various officers did not verify grievance cases, as discussed in the succeeding paragraph.

The Secretary, Agriculture Department did not furnish specific reply in this regard.

(iii) Grievance verification

GoB directed (February 2019 and July 2021) various officers at different levels to verify and redress grievance cases. Audit observed that no verification of grievances was done by the officers in the sampled districts/blocks during 2018-21.

The Secretary, Agriculture Department did not furnish any reply in this regard.

2.8.5 Physical verification of beneficiaries by State Government

According to the direction (August 2019) of Ministry of Agriculture and Farmer Welfare, GoI, the State Government is required to undertake physical verification of around five *per cent* beneficiaries for ascertaining eligibility during every year.

Physical verification for the period 2020-21 was not conducted (August 2021) in eight out of 38 districts carrying 78,551 beneficiaries to be physically verified. Against a total of 3,13,660 beneficiaries required to be verified in the State, only 1,03,518 (33 *per cent*) beneficiaries were verified. Out of the 1,03,518 beneficiaries verified, 2,683 (three *per cent*) were found ineligible by the Department.

Audit further observed that SNO neither took any remedial action nor issued guidance for future identification of beneficiaries on the basis of the findings of physical verification.

The Secretary, Agriculture Department replied (February 2022) that as on 22 February 2022, out of 3,13,660 beneficiaries, 2,73,095 beneficiaries (87 *per cent*) have been physically verified for the year 2020-21. Out of the 2,73,095 physically verified beneficiaries, 13,496 (five *per cent*) beneficiaries were either found ineligible or were reported dead.

This indicates that nearly five *per cent* of the disbursed amount may have gone to ineligible beneficiaries. As such, timely verification would have detected the ineligible beneficiaries and benefits transfer to those beneficiaries would also have been stopped early.

2.8.6 Reduction in number of beneficiaries

Scrutiny of data furnished by Agriculture Department disclosed that the number of beneficiaries between first instalment and upto the receipt of seventh instalment decreased gradually, as detailed in **Table 2.10** below.

Table 2.10
Reduction in number of beneficiaries

Registration Period	Payment of instalments to beneficiaries for the period since inception of the Scheme to March 2021							Reduction of beneficiaries
	1 Dec 2018 to 31 Mar 2019	1 Apr 2019 to 31 Jul 2019	1 Aug 2019 to 30 Nov 2019	1 Dec 2019 to 31 Mar 2020	1 Apr 2020 to 31 Jul 2020	1 Aug 2020 to 30 Nov 2020	1 Dec 2020 to 31 Mar 2021	
1/12/2018 to 31/3/2019	7,35,478	7,35,358	7,35,356	7,25,841	7,25,592	7,25,332	7,19,497	15,981
1/4/2019 to 31/7/2019	-	26,46,949	26,46,628	26,10,184	26,09,405	26,07,771	25,92,595	54,354
1/8/2019 to 30/11/2019	-	-	16,16,692	15,94,531	15,94,383	15,94,097	15,85,075	31,617
1/12/2019 to 31/3/2020	-	-	-	13,38,138	13,20,128	13,19,919	13,09,969	28,169
1/4/2020 to 31/7/2020	-	-	-	-	9,86,428	9,86,283	9,86,205	223
1/8/2020 to 30/11/2020	-	-	-	-	-	4,47,187	4,47,039	148
1/12/2020 to 31/3/2021	-	-	-	-	-	-	2,24,182	-
Total	7,35,478	33,82,307	49,98,676	62,68,694	72,35,936	76,80,589	78,64,562	1,30,492

(Source: Agriculture Department)

There is an overall reduction of 1,30,492 beneficiaries in comparison to the number of beneficiaries who received at least one instalment.

SNO replied that reasons for reduction of beneficiaries have not been analysed. Not analysing reduction in number of beneficiaries contains the risk of non-recovery from the ineligible beneficiaries getting scheme benefits and also some eligible beneficiaries not receiving subsequent instalments due to certain inadvertent errors *viz.* non-payment due to errors in bank account details *etc.*

The Secretary, Agriculture Department replied (February 2022) that reduction of beneficiaries could be attributed to the income-tax payer beneficiaries, now deemed ineligible, and other ineligible beneficiaries who became ineligible due to various reasons. However, Audit noted that during the corresponding period, the number of aforesaid mentioned ineligible beneficiaries was 56,317 and thus 74,175 beneficiaries still remained unaccounted.

2.8.7 Non-validation of identified beneficiaries

The scheme guidelines stipulate that the list of beneficiaries identified by State Government shall be valid for one year.

As such, the list of beneficiaries of the State who were identified through the DBT portal of the State were valid for one year from the date of their identification and had to be re-validated after one year. Scrutiny of the scheme data revealed that 63,66,837 beneficiaries of the State had completed more than one year as on 31 March 2021 and therefore warranted re-validation as per the guidelines. However, no drive to re-validate these beneficiaries has been carried out in the State (October 2021). This is fraught with the risk of ineligible beneficiaries remaining undetected and getting the benefits.

The Secretary, Agriculture Department replied (February 2022) that verification of all beneficiaries would take place during the upcoming social audit of the scheme. He also mentioned that list freezing activity performed by the DAOs to verify that no ineligible or deceased farmer got the benefits, was essentially validation of the existing beneficiary list. However, Audit noted that the list

freezing activity was a normal process for the benefits transfer before each instalment and could not be considered as a substitute for the yearly verification as it did not contain the result of verification of all the beneficiaries.

2.8.8 Lack of transparency and information

The scheme guidelines stipulate that the list of eligible beneficiaries will be published at the village/*Panchayat* level to provide an opportunity to those farmers who are eligible but have been excluded, to represent their case.

Audit scrutiny disclosed that list of beneficiaries was not displayed at the village/*Panchayat* level in the State. As a result, the intended objective of providing opportunity to excluded farmers to represent their cases was not ensured.

Further, for achieving the goal that no eligible beneficiary remained left out and that ineligible beneficiaries were removed, DoAC&FW instructed (September 2020) that the social audit of the scheme by involvement of *Gram Sabha* may be completed within 60 days from the receipt of this instruction. However, social audit of the scheme was not conducted in any of the 60 sampled villages. This deprived the Department from the benefits of a grass root level institutional arrangement for close monitoring of the scheme.

The Secretary, Agriculture Department replied (February 2022) that social audit process could not be conducted due to COVID-19 and the *Panchayat* elections. The Department had issued (February 2022) instructions to all DMs to get the social audit conducted in the district within 60 days. However, no reply was furnished regarding non-publishing of the list of eligible beneficiaries at the village/*Panchayat* level.

2.8.9 Delayed processing of applications

As per instructions issued (February 2019) by the Agriculture Department for implementation of the scheme in the State, application of a fresh beneficiary is to be processed by ACs in five days, by COs in five days, by ADMs in two days and by SNO in one day. The SNO could not provide the details of actual time taken for the processing and uploading of the approved applications of all beneficiaries.

Scrutiny of data furnished for the 28,473 beneficiaries of the sampled 60 villages disclosed that applications were processed with delay at different stages as detailed in **Table-2.11** below.

Table-2.11
Delay in processing of applications at various levels

Sl. No.	Delay range	Number of applications (percentage)				Loss of instalments due to delay	Total amount (₹ in lakh)
		AC	CO	ADM	SNO		
1	Pending/rejected	671	6890	2774	302	--	--
2	No delay	8,373(29.40)	5,245 (18.86)	10,281(49.16)	5,686 (31.35)	--	--
3	1-124 days	17921 (62.94)	14,059 (50.57)	7,844 (37.51)	12,056 (66.47)	--	--
4	125-249 days	951 (3.34)	1,104 (3.97)	11 (0.05)	48 (0.26)	2,114	42.28
5	250-374 days	513 (1.80)	400 (1.44)	2 (0.01)	9 (0.05)	1,848	36.96
6	375-499 days	44 (0.15)	58 (0.21)	0	4 (0.02)	318	6.36
7	500-624 days	0	41 (0.15)	0	32 (0.18)	292	5.84
8	More than 625 days	0	5 (0.02)	0	1 (0.01)	30	0.60
	Total	28,473	27,802	20,912	18,138	4,602	92.04

(Source: Agriculture Department)

There was delayed processing of 68, 56, 38 and 67 per cent cases at AC, CO, ADM and SNO level respectively. Delay in processing of application for more than 124 days (one trimester) led to non-payment of 4,602 instalments amounting to ₹92.04 lakh to beneficiaries as scheme benefits eligibility becomes due only after uploading details on the portal.

The Secretary, Agriculture Department, in his reply (February 2022) attributed the delay to the large number of applications and incomplete digitization of land records.

2.8.10 Pending Applications

Audit scrutiny of data of pending applications showed that 6,63,651 and 4,85,907 applications were pending for verification on 31 March 2021 and 17 September 2021 respectively at different levels as detailed in **Table 2.12** below.

Table 2.12
Applications pending at different levels

Reporting Date	Pending with ACs	Pending with COs	Pending with ADMs	Total applications pending
31/3/2021	1,76,866	4,16,204	70,581	6,63,651
17/9/2021	2,27,451	2,20,499	37,957	4,85,907

(Source: Agriculture Department)

SNO, attributing large size of data, expressed difficulty in providing the duration of pendency at different levels. This indicated that the pendency of applications at different levels was not monitored by the Agriculture Department.

The Secretary, Agriculture Department replied (February 2022) that the application and verification was a continuous process and 92 per cent

applications were verified till date. However, no reply was furnished regarding the monitoring of the pendency at different levels. Delayed processing resulted into deprivation of benefits to the beneficiaries for such period.

2.8.11 Saturation with Kisan Credit Cards

GoI directed (February 2020) the State Government to campaign for saturation of all PM-KISAN scheme beneficiaries with Kisan Credit Cards (KCCs) in a special 15 day drive. The GoB had to ensure adequate publicity for KCC saturation drive and to review progress thereof. All PM-KISAN beneficiaries were auto approved for issue of KCC and were to be sanctioned credit limit subject to completion of application formalities.

Audit observed that out of 164.13 lakh land holdings construed as farmers, 81 lakh were registered for PM-KISAN benefits whereas only 28.42 lakh farmers of the State were KCC holders (March 2021). Thus, GoB did not take effective steps to increase the saturation of KCC. This is evident from the fact that number of KCC holders decreased from 31.38 lakh (January 2020) to 28.42 lakh (March 2021). Against the national average of about 56 *per cent*, KCC coverage was only 17.32 *per cent* in Bihar.

The Secretary, Agriculture Department replied (February 2022) that the Department had organised special drives to facilitate KCC to PM-KISAN beneficiaries. He also informed that till 21 March 2020, 4,69,524 PM-KISAN beneficiaries applied for the KCC, out of which 3,70,504 applications were submitted to the concerned banks but only 50,678 applications were sanctioned by the banks.

During test check of sampled 841 beneficiaries, Audit noticed that 73 *per cent* of the beneficiaries did not have land in their own name. Thus, sanctioning of KCC in the names of such beneficiaries was also difficult. Besides, Department did not act in accordance with the GoI direction to campaign for saturation of all PM-KISAN scheme beneficiaries with KCC and directed field formation to target at least 10 *per cent* of the sanctioned beneficiaries. It might have led field formation becoming complacent after fulfilling the minimum target.

2.8.12 Impact evaluation of the programme

The scheme was launched in February 2019, however, the Agriculture Department did not undertake (November 2021) impact evaluation of the scheme. Department had no mechanism to receive and evaluate feedbacks from the stakeholders. As such, remedial actions in the light of stakeholders' feedback for better implementation of the scheme could not be ensured. Also, Department was not in a position to ascertain whether the intended objectives of the scheme were achieved or not. However, there were large number of ineligible beneficiaries taking advantage of the scheme as detailed in **Table 2.13** below.

Table 2.13
Payment to ineligible beneficiaries

Ineligibility	No of beneficiaries	Amount (₹ in crore)	Remarks
Income Tax Payers	48,366	39.05	Validations at the Central Government level disclosed (November 2021) that out of 82,50,032 registered beneficiaries, 48,366 income tax payer beneficiaries had received scheme benefits of ₹39.05 crore. Since extent of actual validation is not known to Audit, the number of ineligible beneficiaries may be more.
Other ineligibilities like being employed, death cases, etc.	19,485	23.62	Agriculture Department, through various validations found that out of 82,50,032 registered beneficiaries, 19,485 other ineligible beneficiaries had received scheme benefits of ₹23.62 crore.
Minors	22,301	23.59	In 10 sampled districts, 22,301 (91 per cent) out of 24,545 registered minor beneficiaries were paid inadmissible benefits of ₹23.59 crore. The number and the amount may increase when calculated for all 38 districts of the State.
Had no land	610	0.58	Among 841 sampled beneficiaries, 610 (73 per cent) did not have land in their own name and had received scheme benefits amounting ₹58.46 lakh.
More than one member in a family	41	0.03	Among 841 sampled beneficiaries 41 (five per cent) had more than one member of the same family as beneficiary and had received scheme benefits amounting ₹ 3.40 lakh.
Benefits/ to deceased/without agricultural land/ to Government job/ pensioner	18	0.01	Out of 841 sampled beneficiaries nine were deceased, six did not have agricultural land and three were in Government job/pension and had received scheme benefits amounting ₹ 1.10 lakh.
Benefits on the basis of residential land	36	0.05	Outside sampled beneficiaries 36 beneficiaries had received scheme benefits amounting ₹ 4.92 lakh on the basis of residential land (<i>Vasgit Parcha</i>).
Irregular benefits due to by-passing of land verification	31	0.02	In reconsideration of rejected applications (1,20,087), there was no provision for land verification by COs. Test check revealed that out of these, 31 beneficiaries who did not have land in their name, had received scheme benefits amounting to ₹ 1.72 lakh.

Ineligibility	No of beneficiaries	Amount (₹ in crore)	Remarks
Irregular approval of land records of other blocks	24	0.02	Out of sampled 841 beneficiaries, COs approved applications of 24 beneficiaries who had submitted details of lands situated in other blocks resulting into payment of ₹ 2.46 lakh to these beneficiaries.
Transfer to incorrect bank accounts	175	0.23	Outside of sampled beneficiaries, scheme benefits of ₹22.62 lakh pertaining to 175 beneficiaries was transferred to bank accounts of other persons.
Release of payments despite 'Stop Payment' requests	138	0.07	Outside of sampled beneficiaries, even after DAOs communicating to stop payment, ₹6.96 lakh were paid to 138 beneficiaries.
Inaction resulting in irregular payment	70	0.07	Unauthorised approval of 98 applications by stealing user ID and password of AC resulted in irregular payment of ₹ 7.40 lakh.
Total	91,295	87.34	

(Source: Agriculture Department, Ministry of Agriculture and Audit entities)

From the above it is evident that 91,295 ineligible beneficiaries had claimed undue benefits amounting to ₹ 87.34 crore while as per table 2.1 of para 2.6.1, 71,45,065 beneficiaries were deprived of ₹3,443.55 crore in absence of early on boarding.

The Secretary, Agriculture Department, while agreeing to the audit observation regarding conducting of impact evaluation of the scheme, assured (February 2022) that the Department would carry out impact evaluation at the earliest.

2.9 Beneficiary verification by Audit

Audit interacted with 300 beneficiaries; key observations are as follows:

- 297 beneficiaries reported that they received all instalments, and three beneficiaries did not receive any instalment as the same was under process.
- Six beneficiaries accepted having more than one beneficiary in their family. The SNO replied (February 2022) that recovery would be made from them.
- 296 out of 300 beneficiaries were not covered with *Kisan Credit Card*. The SNO replied (February 2022) that the Department would reach out to these beneficiaries.
- All the 300 beneficiaries denied having knowledge of holding of *Gram Sabha* meeting to ensure that no eligible beneficiary was left out of the scheme. No reply was furnished by the SNO in this regard.
- 80 beneficiaries denied having knowledge of any existing mechanism for grievance redressal under the scheme. The SNO replied (February 2022) that the Department would work on better reach out to all the farmers for scheme related issues.

2.10 Conclusion

PM-KISAN is a Central Sector Scheme with 100 *per cent* Government of India (GoI) funding envisaged to provide income support of ₹ 6,000 per annum to all eligible farmer families to supplement their financial and domestic needs.

Under the scheme, beneficiary identification and ensuring correctness of beneficiary details are the responsibility of State Government. Upto August 2021 *i.e.* in the span of approximately two and half years, only 50 *per cent* of farmers could be covered. Inadequate coverage may be attributed to Department not having any existing list of potential beneficiaries, not accessing the existing databases, lack of efforts on the part of State Government to increase awareness about the scheme amongst the farmers, non-acceptance of offline application *etc.* Audit noted that due to State's own laxity, at least 71,45,065 beneficiaries were deprived of ₹3,443.55 crore in the absence of early onboarding.

As Agriculture Department did not create mechanism to check self-declarations made by the beneficiaries, 48,366 income tax payer beneficiaries received ₹ 39.05 crore (November 2021); 19,485 ineligible beneficiaries (on the ground of employment of beneficiary, death cases *etc.*) received payment of ₹23.62 crore (November 2021). In 10 sampled districts, inadmissible benefits amounting to ₹ 23.59 crore was paid to 22,301 (91 *per cent*) minor beneficiaries as application for benefits under PM-KISAN did not capture the age of beneficiary on the cut-off date *i.e.* 1 February 2019. Besides, 610 (73 *per cent*) out of 841 sampled beneficiaries did not have land in their own name and they received scheme benefits of ₹ 58.46 lakh, contrary to the scheme guidelines due to dilution of land verification procedure. Instances of ineligible beneficiaries receiving scheme benefits which came to the notice of Audit was based on limited analysis and therefore actual number of ineligible beneficiaries may be more.

State DBT portal did not have facility to check bank account details. Resultantly, instances of failed and pending payments (₹ 50.48 crore), rejection of 67,535 applications by PFMS due to bank account related discrepancy, transfer to (₹ 22.62 lakh) incorrect bank accounts *etc.* were noticed. Instances of failed and pending payments accompanied by inaction on the part of State Government towards necessary verifications may create a conducive environment in which money may not be transferred to intended recipients.

Absence of dedicated Project Monitoring Unit (PMU) entailing forego of ₹ 9.48 crore; not obtaining monitoring reports from field formations; poor recovery (eight *per cent*) from ineligible beneficiaries and non-transfer of recovered amount (₹ five crore) to GoI; non/delayed and incorrect submission of Utilisation Certificate (₹63.40 lakh); release of ₹6.96 lakh despite stop payment requests; inadequate meetings/reviews by State/District level committees and designated officers; absence of Grievance Officers and grievance verification; absence of analysis of reduction of beneficiaries indicated the requirement of further strengthening of existing monitoring process.

Audit concluded that further strengthening of beneficiary identification process, ensuring correctness of beneficiaries' details and better monitoring may boost up the realization of the intended objectives of the scheme.

2.11 Recommendations

Government of Bihar may-

- *prepare an Aadhaar or similar verifiable attribute linked electronic data base containing details of all members of the families of the farmers whose names appear in the land records.*
- *ensure updation and digitisation of land records in the State within a fixed time frame.*
- *work out ways to reduce dependency on self-declarations made by the beneficiaries regarding their eligibility.*
- *ensure validation of the bank accounts of beneficiaries.*
- *deactivate all ineligible beneficiaries, recover the amounts paid to them and fix the responsibility for their selection.*
- *ensure setting up a dedicated PMU at State level for overall monitoring of the scheme and fix the responsibility for deficient monitoring.*

