
CHAPTER – III
CIVIL DEPARTMENTS

SECTION – A : REVIEWS

FOREST AND ENVIRONMENT DEPARTMENT

3.1 Working of Forest Department in Jharkhand

Highlights

The Forest and Environment Department is responsible for the implementation of National Forest Policy, 1988 through various schemes including Centrally Sponsored Schemes. Though various schemes for Maintenance and Development of Natural Forest, Rehabilitation of Degraded Forest and Afforestation in forest land, Soil and Water Conservation and Conservation of wild life and its development were implemented, performance under such schemes was far from satisfactory and the basic objectives of the schemes remained unfulfilled. On the whole, the schemes suffered due to lack of attention and monitoring.

Out of total budget provision of Rs 878.70 crore Rs 388.95 crore remained unutilised.

[Paragraph 3.1.4.1(ii)]

Rs 31.96 crore out of Rs 49.79 crore received from Government of India remained unutilised.

[Paragraph 3.1.4.1(iii)]

Plantation in 2334.75 hectares of forest land was done at a cost of Rs 3.36 crore without availability of blank/degraded forest area.

[Paragraph 3.1.5.1 (i)(a)]

Rs 5.68 crore was spent in plantation work on 7217.59 hectares of forest land without approved working plan.

[Paragraph 3.1.5.1 (i)(d)]

Liability of Rs 3.14 crore including Rs 2.21 crore for wages was created for schemes not sanctioned by Government.

[Paragraph 3.1.5.1 (iii)]

10 Forest Divisions unauthorisedly spent Rs 33.65 lakh on construction of wooden and boundary pillars without sanction.

[Paragraph 3.1.5.1 (vii)]

Irregular expenditure of Rs 80.49 lakh was incurred by 10 Forest Divisions on Roadside plantation works.

[Paragraph 3.1.5.1 (viii)]

Compensatory afforestation was not executed due to non-raising of demand of Rs 72.28 lakh on M/s Steel Authority of India Ltd.

[Paragraph 3.1.5.1 (x)]

Unfruitful expenditure of Rs 94.24 lakh due to failure in installation of operational wireless system.

[Paragraph 3.1.5.3 (iii)]

Monitoring of the schemes was totally absent and evaluation was also not done by the department.

[Paragraph 3.1.8]

3.1.1 Introduction

The Department of Forest and Environment in Jharkhand came into existence with the formation of the State of Jharkhand on 15 November 2000 with total geographical area of 79714 square kilometres having 21644 square kilometres (27.15 per cent) of forest cover.

The Forest Department is responsible for management of forests, checking of soil erosion, water conservation, conservation of wild life and pollution control including restoration of ecological balance.

3.1.2 Organisational set up

The Department is headed by a Secretary with one Principal Chief Conservator of Forest (PCCF) and 4 Chief Conservators of Forest (CCF). PCCF and CCF (Development) are responsible for personnel administration and for execution and monitoring of all programmes and schemes at the State level through 4 Regional Chief Conservator of Forest (RCCF) and 14 Conservators of Forest (CF). 62 Divisional Forest Officers (DFO) were responsible for implementation of the schemes at divisional level.

3.1.3 Scope of review

Functioning of the Department was reviewed during March to September 2002 through test check of records of the Secretariat, Directorate, 2 Regional Chief Conservators², 3 CFs³ and 16 DFOs⁴ for the period from 1997-2002.

3.1.4 Financial Management

3.1.4.1 Financial position of Department

(i) The allocation of funds and expenditure incurred during 1997-2000 (upto 14.11.2000) for composite state of Bihar and during remaining period of 2000-02 for Jharkhand State were as follows:-

Year	Budget provisions			Expenditure			Savings (Percentage)	
	Non-plan	Plan	Total	Non-plan	Plan	Total	Non-plan	Plan
1997-98	53.84	53.86	107.70 (10.40)	53.57	11.00	64.57	0.27 (1)	42.86 (80)
1998-99	70.55	141.17	211.72 (16.33)	67.56	19.55	87.11	2.99 (4)	121.62 (86)
1999-2000	88.52	91.22	179.74 (10.78)	85.17	13.69	98.86	3.35 (4)	77.53 (85)
2000-01 (upto 14.11.2000)	59.28	55.03	114.31 (0.40)	48.99	00.90	49.89	10.29 (17)	54.13 (98)
2000-01 (15.11.2000 to 31.3.2001)	42.62	58.53	101.15 (33.72)	31.55	8.92	40.47	11.07 (26)	49.61 (85)
2001-02	88.83	75.25	164.08 (18.88)	77.67	71.18	148.85	11.16 (13)	4.07 (5)
Total	403.64	475.06	878.70 (90.51)	364.51	125.24	489.75	39.13 (10)	349.82 (74)

(Figures in bracket are for supplementary grants)

(ii) Non-utilisation of provisions

74 per cent of Plan budget remained unutilised.

The Department failed to utilise provision of Rs 388.95 crore [Plan: Rs 349.82 crore (74 per cent) and Non-plan: Rs 39.13 crore (10 per cent)] made in the budget during 1997-2002. Further entire provision of Rs 48.68 crore under 7 schemes⁴ remained un-utilised due to un-realistic budgeting without ensuring implementation of the schemes.

² Hazaribag and Jamshedpur.

³ Hazaribag, Deoghar (Santhal Pargana Circle) and Ranchi (Evaluation and Monitoring Circle).

⁴ Bokaro, Chaibasa (Porahat), Chaibasa (Kolhan), Daltonganj North, Dhanbad, Dumka, Giridih, Gumla, Koderma, Afforestation Divisions at Daltonganj, Hazaribag, Ranchi, Social Forestry Divisions at Deoghar, Dumka, Koderma and Simdega.

⁴ Seed development, Fire protection by modern technique, Cover lake development, Minor forest produce/herbal plants of medicinal value, Prevention of illegal hunting, Development of water logged area and Eco development under 100 per cent CSS.

Even supplementary provision of Rs 90.51 crore obtained were not utilised and proved unnecessary.

(iii) Funding position in Centrally Sponsored Schemes

Centrally sponsored schemes operated under two categories, viz. schemes with 100 per cent central assistance and schemes funded by both the Central and State Governments in 50:50 ratio. Details of flow of fund in respect of these schemes as reported by CCF (Development) was as under: -

(Rupees in crore)

Year	Receipt of fund				Expenditure				Savings
	Central		State's Share in 50:50 schemes	Total	Central (100%)	50:50 schemes		Total	
	100%	50:50				Central share	State share		
1997-98	3.47	2.14	0.54	6.15	1.60	0.54	0.54	2.68	3.47
1998-99	5.47	2.76	2.12	10.35	1.84	2.12	2.12	6.08	4.27
1999-2000	15.44	3.62	2.32	21.38	2.67	2.32	2.32	7.31	14.07
2000-2001	6.52	1.76	0.25	8.53	1.09	0.25	0.25	1.59	6.94
2001-02	6.41	2.20	2.20	10.81	4.72	0.68	2.20	7.60	3.21
Total	37.31	12.48	7.43	57.22	11.92	5.91	7.43	25.26	31.96

The shortfall in state government's contribution was Rs 5.05 crore.

3.1.4.2 Financial position of divisions test checked

(i) Allotment of fund and expenditure in the divisions test checked during 1997-02 was as follows:

(Rupees in lakh)

Year	Allotments			Expenditure			Excess(+)/ Saving (-)
	Non-plan	Plan	Total	Non-plan	Plan	Total	
1997-98	1003.79	147.30	1151.09	1012.82	144.48	1157.30	(+) 6.21
1998-99	1330.91	433.64	1764.55	1263.65	409.26	1672.91	(-) 91.64
1999-2000	1695.54	268.34	1963.88	1645.93	224.89	1870.82	(-) 93.06
2000-01 (upto 14.11.2000)	952.76	Nil	952.76	917.98	Nil	917.98	(-) 34.78
2000-2001 (15.11.2000 to 31.3.2001)	1000.02	350.15	1350.17	849.40	286.59	1135.99	(-) 214.18
2001-02	1984.29	2716.37	4700.66	1953.05	2651.89	4604.94	(-) 95.72
Total	7967.31	3915.80	11883.11	7642.83	3717.11	11359.94	(-) 523.17

During the period 1997-2002, allotment of Rs 5.23 crore was not utilised. In bifurcated State of Jharkhand total unutilised amount was Rs 3.10 crore (5 per cent) during 2000-02.

(ii) Scrutiny revealed that in 8 forest offices⁵ cash book was not maintained during 1997-02 in respect of cash drawn on bills presented to

⁵ PCCF, Jharkhand, CF, Deoghar, Bokaro Division, Deoghar Division, Gumla Division, FRO, Ranchi, Lohardaga Division and Porahat Division, Chaibasa.

treasuries for payment of personal claims like Pension, Gratuity, G.P.F and Insurance etc.

Non-maintenance of cash book facilitated misappropriation of Rs 0.55 lakh in Bokaro division as drawal (August 1999) made by ex-head clerk against cancelled bill remained untraced by the DDO while DFO, Bokaro accepted (April 2002) the case of misappropriation, the FIR was not lodged. The Divisional Forest Officer stated (May 2003) that departmental proceeding has been initiated against the retired Head Clerk in October 2002.

DFO, Lohardaga stated in reply that cash book was maintained at Range level while FRO, Ranchi stated that there was no precedent of maintaining cash book. The replies were not tenable as every DDO is required to maintain cash book under Rule 86 of Bihar Treasury Code Vol.-I.

3.1.5 Physical Performance

The department did not furnish year-wise physical targets of afforestation and other works and achievements thereagainst. Even though expenditure reports containing physical as well as financial targets and achievements were furnished by the implementing divisions through CF/RCCFs, these were not consolidated by CCF (Development) for further analysis of over all physical achievements. However, the fact that 74 per cent of plan outlay remained unutilised during 1997-02 itself indicated that implementation of the schemes was very poor.

3.1.5.1 Activities related to Afforestation and Social Forestry

(i) Plantations in violation of provisions of working plan

Working Plan assists each DFO to ascertain nature of forest, availability of forest land, yield, stock and felling periodicity etc. Working plan is prepared for twenty years and approved by the Government of India (GOI) before commencement of any work within the forest divisions.

Territorial area of the State is covered by 25 working plan areas for maintenance, protection and development of forests by 25 Territorial Forest Divisions. These divisions are assisted by other Afforestation/Social Forestry Divisions in afforestation works.

Test check revealed that during 1997-02 only 12 Forest Divisions had working plans approved by GOI resulting in following irregularities.

Plantations at a cost of Rs 3.09 crore completed without availability of blank/ degraded forest area.

(a) 8 divisions executed plantations in 1871.75 hectares of forest land during 1997-2001 at a total cost of Rs 3.09 crore (**Appendix XVII**) without availability of sufficient blank/degraded forest area. Execution of afforestation works without availability of sufficient blank area as per working plan indicated that either the forest areas identified in the working plan ceased to exist due to unauthorised and unreported felling of trees or the present plantations were doubtful.

Further in 2 divisions (North Forest Division, Chaibasa and Social Forestry Division, Deoghar) a sum of Rs 27.19 lakh was spent on soil conservation work in 463 hectares of forest land during 2000-02 though the areas were not provided in revised Working Plan. This resulted in unauthorised expenditure of Rs 27.19 lakh.

(b) Schedule of felling series of forests on maturity of plantation are fixed under the approved 20 year working plan of the Forest Divisions. Accordingly coupes (sectors) are prepared and transferred to the concerned State Trading Division of Forest Department for felling of matured trees. Subsequent re-plantation in the same area can only be done after felling of trees and transfer of clear forest land to the Forest division.

Re-plantation at a cost of Rs 64.63 lakh done prior to felling of earlier plantation.

In two Forest Divisions (Deoghar and Dumka) test scrutiny revealed that in violation of approved working plans (1991-2010), 9 planted areas on 509 hectares placed under schedule for felling series between 1995 and 1999 were replanted during 1999-02 at a total cost of Rs 64.63 lakh by forest divisions before transfer of the earlier plantation work to State Trading Division who was responsible for felling of matured trees and clearing of the forest land for transfer to the forest division for replantation work, as follows:-

Sl No	Name of forest Division	Name of plantation area and Thana No.	Replantations			Earlier Plantation in same area as per working plan			Remarks
			Scheme	Year	Area (Hectare)	Year	Area (Hectare)	Year of felling series	
1	Dumka	Karasol (207)	SRY	1999-2000	50	1989	50	1999	Not transferred to State Trading Division
2	-do-	Gopali (29)	SRY	do	40	1990	40	1999	-do-
3	-do-	Itahari (28)	SRY	do	50	1988	50	1999	-do-
4	-do-	Banskandri (19)	FFP	do	50	1987	50	1997	-do-
5	-do-	Salpatra (11)	FFP	do	50	1989	50	1999	-do-
6	-do-	Sagar (02)	FFP	do	50	1987	50	1997	-do-
7	-do-	Chaipani/ Shikaripara (10)	FFP	2001-2002	75	1988	136	1998	-do-
8	Deoghar	Baniasar (35)	FFP	2000 - 2001	59	1984	59	1995	-do-
9	-do-	Raghunathpur (06)	FFP	do	85	1988	85	1998	-do-
	Total				509		570		

Matter was referred to CCF (Development) but no reply has been received.

(c) In two Forest Divisions (Daltonganj North division and Afforestation Division, Daltonganj), block plantations on 340 hectares (200 hectares in 1998 and 140 hectares in 1999) of land under *Sunishchit Rozgar Yojana (a Centrally Sponsored Employment Scheme funded through the District Authorities)* was done in the protected forest areas of Murma (190 hectares) and Ganke (150 hectares) by planting 2500 plants per hectare though the entire area was assigned for “rehabilitation of degraded forests” as per approved working plan (1998-2018) in which only 1000 plants per hectare could be planted.

Excess plantations at a cost of Rs 27.25 lakh done in contravention of standard techniques.

Thus, excess plantation of 5.10 lakh plants in 340 hectares at the cost of Rs 27.25 lakh was done in contravention of standard techniques. DFO, Daltonganj North Division stated (September 2002) that plantation was done in 40 per cent of total degraded area. The reply was not tenable as block plantation was permissible in blank forest area only.

Plantation work at a cost of Rs 5.68 crore done without approved working

(d) In 9 divisions⁶ plantations were completed (2000-02) in 7217.59 hectares of land under different schemes at a total cost of Rs 5.68 crore⁷ without any approved working plan or shelf of project.

On these being pointed out in audit, DFO, Hazaribag West division stated (September 2002) that plantation was done against physical and financial target fixed by competent authority.

Sanction of work and allotment of fund by CCF (Development) to a division not having approved working plan/shelf of project indicated lack of proper financial control.

(ii) Expenditure on unauthorised plantation

The Social Forestry Division, Ranchi was entrusted with plantation on 180 hectares (in 4 specific sites) by Government (January 1999) under

⁶ (1) Afforestation Division, Hazaribag, (2) Bokaro, (3) Daltonganj South, (4) Garhwa North, (5) Hazaribag East, (6) Hazaribag West, (7) Porahat Division, Chaibasa, (8) Ranchi West, Lohardaga and (9) Social Forestry Division, Simdega.

Rehabilitation of degraded forests	Plantation in 3500 hectares done for Rs 276.84 lakh without approved working plan/shelf of project.
Soil Conservation work	Plantation in 1721.50 hectares done for Rs 122.03 lakh without approved working plan /shelf of project.
M.F.P. (Bamboo Plantation)	Plantation in 510 hectares done for Rs 57.32 lakh without approved working plan /shelf of project.
Quick Growing Species	Plantation in 490 hectares done for Rs 51.22 lakh without approved working plan /shelf of project.
Fuel and Fodder Project	Plantation in 324.73 hectares done for Rs 20.48 lakh without approved working plan /shelf of project.
Soil Conservation Scheme	Plantation in 671.36 hectares done for Rs 40.03 lakh without approved working plan.

“Rehabilitation of degraded Forest” scheme. Subsequently, CCF (Development) unauthorisedly altered (February 1999) the site of 70 (out of 180) hectares of proposed plantations and added new area of 120 hectares without obtaining approval of the Government.

Un-authorized plantation at a cost of Rs 9.91 lakh done in 165.75 hectares of forest land.

Scrutiny revealed that plantation was done in 239.25 hectares which includes only 73.5 hectares approved by the Government while in remaining 165.75 hectares, it was done unauthorisedly at the cost of Rs 9.91 lakh. DFO stated in reply that changes were made in anticipation of approval of proposal already submitted to CCF (Development) which has not been approved as of April 2003.

Similar irregularities were noticed in 3 other divisions⁸ where DFOs executed unauthorised plantation in 1998-99 in 175.575 hectares valued at Rs 10.77 lakh.

(iii) Creation of liability on unauthorised plantations

In 1999-2000, budget grants did not include provision for completion of plantation work in respect of which advance work was done in 1998-99 at a cost of Rs 4.57 crore. As such no scheme for completion was proposed by CCF (Development) for sanction of the Department/Government during that year. The fact was communicated (July 1999) by the CCF (Development) to all field offices of Forest Department.

Liability for Rs 3.14 crore created for schemes not sanctioned by Government.

Scrutiny revealed that 34 DFOs on their own executed completion works of plantation on 6732.429 hectares of land and linear plantation of 81.428 kms in 1999-2000 in respect of 5 schemes⁹ which were neither sanctioned by competent authority nor funds were available, thereby creating huge liability towards payment of wages to labourers /purchase of materials. In 2000-01 too, 8 divisions repeated the same irregularity by unauthorised completion work in 871.5 hectares and maintenance work in 1360.98 hectares of forest land.

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Social forestry Division, Chaibasa	Plantation on 43.125 hectares (RDF) at a cost of Rs 2.78 lakh executed against 50 hectares approved by Government.
Social forestry Division, Dumka	Plantation on 45.45 hectares (FFP) at a cost of Rs 2.42 lakh executed against 50 hectares approved by Government.
Social Forestry Division, Simdega	Plantation on 87 hectares (RDF) at a cost of Rs 5.57 lakh executed against 100 hectares approved by Government.

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Quick Growing Species (QGS) [Non Tribal Area Sub-Plan (Non-TSP)]	Rs 7.37 lakh during 1999-2000 on completion work in 89.44 Hectares.
QGS (TSP area)	Rs 48.00 lakh during 1999-2000 on completion work in 582.667 Hectares.
Rehabilitation of Degraded Forests (RDF) (Non TSP)	Rs 31.00 lakh during 1999-2000 on completion work in 903.15 Hectares.
RDF (TSP)	Rs 88.00 lakh during 1999-2000 on completion work in 2497.672 Hectares.
Research & Monitoring (TSP)	Rs 0.88 lakh during 1999-2000 on completion work in 42.75 Hectares.
Fuel and Fodder Project (FFP) (Non TSP)	Rs 60.00 lakh during 1999-2000 on completion work in 2616.75 Hectares.
FFP (TSP)	Rs 68.83 lakh during 2000-01 on completion work in 871.50 Hectares and maintenance work in 1360.98 Hectares..
Road side plantation (Non TSP)	Rs 3.41 lakh during 1999-2000 on completion work in 28.76 Kms.
Road side plantation (TSP)	Rs 6.41 lakh during 1999-2000 on completion in 51.668 Kms, 50000 plants in nursery and maintenance in one Km.

However, proper assessment to ascertain actual liability for unpaid wages/bills of purchase on the basis of muster rolls and bills as well as physically verified extent of works executed was not done. Instead, CCF (Development) submitted (May 2001) 5 schemes for Rs 3.14 crore (including Rs 2.21 crore due for wages) relating to unauthorised execution of plantation works during 1999-2001 for sanction of Government against the target of 2001-02 but department did not sanction these schemes.

No action was taken by the department as of date (March 2003) to investigate whether plantations were actually done and how labourers could wait for so long without payment of wages.

(iv) Failure of Plantation

Afforestation taken up without taking adequate safety and security measures.

Under *Sunischit Rozgar Yojana* DFO, Bokaro completed plantations on 100 hectares of land in 1998-99 at a cost of Rs 15.22 lakh. Further expenditure of Rs 3.00 lakh was incurred in subsequent year on protection and maintenance of the plants. Records of the Division did not indicate survival position of the plants. However, on inspection (August 2000) by DFO the entire plantation work was found to be in a ruined state due to extensive grazing by domestic animals. Departmental investigations were not conducted to ascertain lapses/failure in protecting the afforested area. Audit scrutiny (April 2002) revealed that afforestation was taken up without taking adequate measures for its safety. Inadequacy of departmental safety resulted in loss of Rs 18.22 lakh.

(v) Loss due to low survival of Plants

State Government fixed (June 1984) the survival rate of plants at 90 to 95 per cent and not below 80 per cent under any circumstances. However, 60 per cent survival of plants in 2nd and 3rd year was termed as successful plantation by CCF (Development).

Rs 15.02 lakh lost due to low survival of plants.

Scrutiny of records revealed that in 3 Forest Divisions 11.62 lakh plants were planted at a cost of Rs 64.44 lakh during 1996 and 1999 plantation seasons under various schemes. The survival of plants ranged between 22 to 52 per cent resulting in loss of Rs 15.02 lakh (**Appendix-XVIII**) with reference to prescribed rate of survival of plants.

Low survival of plants meant loss of public money and was required to be investigated.

(vi) Unauthorised repairs of Forest roads

Each year list of forest roads requiring ordinary/special repairs are submitted to the concerned CF for approval.

Rs 73.90 lakh spent on road repairs unauthorisedly without sanction.

Test scrutiny revealed that in 14 divisions¹⁰ forest roads were repaired during 1997-02 without the sanction of competent authority resulting in unauthorised expenditure of Rs 73.90 lakh.

(vii) Unauthorised expenditure on construction of boundary pillars

Forest boundaries in notified forest area were to be constructed by DFOs against sanctions of CF with approved rates, specifications and number of pillars to be constructed.

Rs 32.52 lakh spent unauthorisedly on construction of wooden pillars and boundary pillars without

Test scrutiny revealed that in 10 Divisions¹¹, DFOs unauthorisedly changed the specifications and constructed wooden pillars against sanctions for RCC pillars incurring unauthorised expenditure of Rs 32.52 lakh during 1998-2001.

(viii) Roadside Plantation

Government of Jharkhand sanctioned (February 2001) Rs 3.92 crore for roadside plantations (95 Km. Linear plantation with barbed wire fencing and 23345 gabion plantations) for execution by 23 Forest Divisions in 2000-01. Extent of utilisation of fund and physical achievements could not be ascertained as the same were not made available to audit in spite of repeated reminders issued to the CCF (Development) in this regard.

¹⁰ Porahat Division Chaibasa, Chatra South Division, Kolhan Division Chaibasa, Chaibasa North Division, Daltonganj (South) Division, Garhwa North Division, Garhwa South Division, Giridih Division, Gumla Division, Dumka Division, Hazaribag (East) Division, Koderma Division, Latehar Division and Dhalbhum Division, Jamshepur.

¹¹ Chatra South, Daltonganj North, Garhwa South, Gumla, Deoghar, Lohardaga, Hazaribag West, Ranchi East, Porahat Division, Chaibasa and Chaibasa North Division.

Various irregularities committed leading to irregular expenditure of Rs 80.49 lakh on roadside plantation work.

However, scrutiny of 9 (out of 23) divisions revealed discrepancies in implementation leading to irregular expenditure of Rs 57.18 lakh¹².

In a similar case of roadside plantation (2001-02) advance work with barbed wire fencing in 9.6 kms. was shown completed by DFO Koderma during February–March 2002 at a cost of Rs 23.31 lakh. Test check of stock account, however, revealed that materials (barbed wire/fencing posts) procured in March end were issued to work only on 31 March 2002. DFO did not give any reply.

(ix) Construction of Permanent Nursery

Rs 15.27 lakh spent irregularly at rates higher than those sanctioned and materials worth Rs 3.90 lakh consumed prior to their procurement.

Government sanctioned (March 2001) Rs 3.53 crore for construction of 100 permanent nurseries in an area of one hectare each for raising of plants through 45 Forest Divisions of the State. Test check of records in respect of 30 nurseries reportedly completed within March 2001 by 12 divisions¹³ at the estimated cost of Rs 1.06 crore revealed that irregular expenditure of Rs 19.17 lakh was incurred by these divisions and completion of work as reported was not beyond doubt. Irregular expenditure included expenditure of Rs 15.27 lakh on various items incurred in excess of rates sanctioned by competent authority and utilisation of construction materials like cement, sand, barbed wire, iron materials, polythene tubes etc., valued at Rs 3.90 lakh in works prior to 31 March 2001 though the purchases were made between 31 March and July 2001.

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Afforestation Divisions Hazaribag and Forest Division, Bokaro	Fencing work shown completed between 25 to 31 March 2001 utilising fencing posts purchased between 31 March to 6 May 2001 (Amount involved Rs 5.10 lakh)
Forest Research Officer, Ranchi	In road side plantation for Rs 29.10 lakh 6000 iron gabions purchased from a supplier other than the supplier approved by purchase committee.
Deoghar Forest Division, Deoghar	Excess expenditure of Rs 2.73 lakh incurred on making 28000 mounds instead of pits in the sanctioned estimate.
Social Forestry Division, Dumka	Substandard plants (2" to 4") purchased against required size of 2 to 6 feet leading to high mortality rate (Amount involved Rs 4.50 lakh).
Latehar Forest Division, Afforestation Division, Chaibasa and Hazaribag (West) Division.	Rs 5.40 lakh provided for purchase of fruit plants but Rs 3.98 lakh diverted on nursery works not included in estimate.
Forest Division, Deoghar and Hazaribag West Division	Excess expenditure of Rs 0.63 lakh in purchase of 20000 plants
Latehar Forest Division and Dumka Forest Division	Substandard wooden posts purchased as revealed on inspection by DFO in September 2001 (Amount involved Rs 10.37 lakh).
Afforestation Division, Chaibasa and Social Forestry Division, Dumka.	Excess expenditure of Rs 0.77 lakh incurred on soil work for plantation in 30 Kms.

¹³ DFO Bokaro, Chatra (South), Deoghar, Dhalbhum, Hazaribag (West), Kolhan, Latehar, Porahat, Afforestation Division, Chaibasa, FRO, Ranchi and SF Divisions, Dumka & Simdega.

(x) **Non execution of compensatory afforestation work due to non-raising of demand**

According to Forest Conservation Act, 1980, cost of compensatory afforestation at prescribed rate is to be realised from user agency against diversion of forest land/ renewal of lease for diversion of forest land for non-forest purposes and for execution of compensatory afforestation in other denuded forest area.

Rs 72.28 lakh not demanded for compensatory afforestation.

Scrutiny revealed that PCCF submitted a proposal (December 1999) to the Government for the renewal of mining lease of 153.036 hectares of forest land in Ajitaburu (Manoharpur Iron Ore Mines) falling under Saranda Forest Division, Chaibasa in favour of M/s Steel Authority of India Ltd. Though the earlier lease had expired on 6.12.1977 and mining operations were stopped, the forest land was in continuous use of the user agency for other purposes like Pay bridge, Crushers, Water treatment plants and other administrative purposes. In accordance with the provisions of the Act *ibid* and instructions of Government of India (September 1997) PCCF proposed the following conditions in respect of realisation of cost of compensatory afforestation from the user agency for the renewal of the lease:

- (a) user agency to pay double cost of afforestation in 119.87 hectares under Rehabilitation of Degraded Forest,
- (b) one and half of afforestation cost in safety zone in 33.158 hectares and
- (c) apart from above penal afforestation cost twice the normal cost used in 37.86 hectares used for administrative purpose.

Accordingly Rs 72.28 lakh (calculated at prevailing rate of Rs 19791.61 per hectare) was to be realised from the user agency.

However, no demands were raised against the user agency till the date of audit (March 2003) resulting into non-execution of compensatory afforestation.

3.1.5.2 Non-realisation of cost of afforestation

(i) Government of India, Ministry of Environment and Forest, New Delhi directed (December 1999) Government of Bihar, Forest and Environment Department to charge penal compensatory afforestation on 97.38 hectares of degraded forest land from user agency, M/s Hindustan Copper Ltd. in Kendadih mining lease. Accordingly DFO, Dhalbhum Forest Division, Jamshedpur raised demands against the user agency for Rs 19.27 lakh (calculated at the prevailing rate of Rs 19791.61 per hectare) in February 2000, but this was not realised till the date of audit (May 2002).

Rs 5.48 crore remained unrealised from 2 agencies.

(ii) Test check of records of Afforestation Division Hazaribag revealed that during 1997-2000, against work orders of Rs 6.53 crore issued by Central Coalfields Limited (CCL), plantation for soil conservation on 974.7 hectares of land and roadside plantation in 64.11 kms was done at the cost of Rs 5.96 crore. But Rs 4.70 crore only could be received and Rs 1.26 crore remained unrealised as of date (May 2002). Scrutiny of correspondences made by DFO further revealed that additional sum of Rs 1.14 crore was also due from the same agency (CCL) in respect of plantations done prior to 1997-98.

In a similar case, scrutiny of records of PCCF, Jharkhand revealed that a sum of Rs 3.08 crore was due from M/s DVC on account of afforestation work done by Hazaribag and Giridih Afforestation Divisions during 1984-91.

3.1.5.3 Wild Life Conservation and its Development

(i) Elephant Project

Poor utilisation of funds resulted in failure of the scheme.

Test perusal of flow of fund and expenditure during 1997-02 under Elephant Project (a centrally sponsored scheme) revealed that out of Rs 1.81 crore¹⁴ received from Government of India only Rs 86.11 lakh (47 per cent) were utilised.

Test check of records in 10 divisions¹⁵ revealed that though Rs 48.51 lakh was made available during 1997-2000 for construction of electric fencing in 97.5 km and other miscellaneous works, no electric fencing was done in any of the divisions. In 6 (out of 10) divisions¹⁶ Rs 6.70 lakh was advanced (March 1998) to a Bangalore based agency for installation of electric fencing in 32.5 km but the work was not executed in any of the divisions. Besides 5 DFOs¹⁷ diverted Rs 8.23 lakh (1997-98) for other purposes viz. payment of wages, construction

¹⁴

1997-98	Expenditure of entire fund of Rs 43.10 lakh received from GOI was incurred (Budget provision Rs 250 lakh)
1998-99	No expenditure was incurred out of Rs 40 lakh received from GOI (Budget provision Rs 100 lakh)
1999-2000	Expenditure of Rs 22.84 lakh incurred out of Rs 40 lakh received from GOI (Budget provision Rs 250 lakh)
2000-01	Expenditure of Rs 0.48 lakh incurred out of Rs 31 lakh received from GOI (Budget provision Rs 150 lakh)
2001-02	Expenditure of Rs 19.69 lakh incurred out of Rs 27.21 lakh received from GOI (Budget provision Rs 200 lakh).

¹⁵ Chatra South, Gumla, Hazaribag (East), Hazaribag (West), Kolhan Division, Chaibasa, Latehar, Ranchi (East), Porahat Division, Chaibasa, Dhalbhum Division, Jamshedpur and Wildlife Division, Ranchi.

¹⁶ 1. Wildlife Division, Ranchi 2. Chatra South 3. Gumla 4. Hazaribag East 5. Hazaribag West, 6. Latehar.

¹⁷ Chatra South (Rs 2.08 lakh), Hazaribag East (Rs 1.80 lakh), Hazaribag West (Rs 0.22 lakh), Latehar (Rs 0.25 lakh) and Wild Life Division, Ranchi (Rs 3.88 lakh).

of boundary wall etc. and 3 DFOs¹⁸ spent Rs 2.62 lakh (1999-2000) on unaccounted purchase of fire crackers. In no case census and monitoring of elephant corridors, construction of relief camps or minor irrigation facilities were completed.

Failure of scheme was indicated by the fact that expenditure by PCCF Jharkhand on payment of compensation provided to victims of wild animals increased to Rs 58.75 lakh in 2000-01 from Rs 20.00 lakh and Rs 15.00 lakh in preceding two years.

(ii) Project Tiger

India Eco-development Project aims at conserving bio-diversity in seven globally significant protected areas. Palamu Tiger Reserve is one of the seven protected areas selected under the project. This project was taken up during 1996-97 and on the basis of Annual Work Plan approved by GOI funds were released under 100 per cent Centrally Sponsored Scheme-World Bank Aided.

The utilisation of the fund during the years 1997-2002 is as given below:-

(Rupees in lakh)

Year	Amount appd. by GOI	Opening balance	Amount released (1st installment)	Total Fund	Amount spent	Unspent balance	Percentage of amount spent out of amount Available
1997-98	148.90	22.60	50.00	72.60	Nil	72.60	Nil
1998-99	633.09	72.60	90.03	162.63	61.14	101.49	38
1999-2000	1195.92	101.49	200.00	301.49	126.78	174.71	38
2000-01	667.41	174.71	124.99	299.70	90.67	209.03	30
2001-02	763.49	34.33*	325.67	360.00	262.09	97.91	73

(Source : GOI's letter approving Annual Plan of Operation).

Under utilisation of 1st installment resulted in non-release of subsequent installments by GOI. Out of fund available during 1997-2002, only 0 to 73 per cent could be spent by the department indicating tardy progress of Project Tiger.

(iii) Unfruitful expenditure on installation of wireless system

Failure in installation of wireless system inspite of expenditure of Rs 94.24 lakh.

Hon'ble Supreme Court in its interim order dated 23 August 1997 (WP No. 337/95 filed by Centre for Environmental Law, WWF-I) *inter alia* directed the State Government to take necessary steps within six months to ensure effective control over growing increase of poaching in the Sanctuaries/

¹⁸ Ranchi East (Rs 1.92 lakh), Dhalbhum Division, Jamshedpur (Rs 0.60 lakh) and Porahat Division, Chaibasa (Rs 0.10 lakh).

* There was a discrepancy of Rs 174.70 lakh between the opening balance ascertained by audit and that shown in the GOI's approval letter. However, the department did not take any action to reconcile the discrepancy.

National Parks by providing the Forest Guards with modern arms and communication facilities like wireless sets and necessary equipment.

State Government released (February 1999), after a lapse of 18 months, Rs 1.42 crore for installation of wireless system in all 21 Sanctuaries and 2 National Parks. CCF (Development) spent Rs 89.15 lakh (31 March 1999) for purchase of wireless equipment (Rs 62.03 lakh), erection of wireless towers (Rs 16.62 lakh) and procurement of 3 Maruti Gypsy (Rs 10.50 lakh). Besides, allotment of Rs 39.24 lakh was made to CCF (Wild life) and 4 RCCFs for the construction works and arranging training of Forest Guards against which Rs 15.59 lakh including Rs 4.14 lakh advanced to Police Training School, Hazaribag could only be utilised during the financial year. Further, purchase of 507 Binoculars against provision of Rs 10.14 lakh was also not made though approved by purchase committee.

Test check of records of CCF (Development) revealed that the agency (M/s Ocean Electronics, New Delhi) appointed to install and deliver fully operational wireless system, executed 34 Wireless Towers (out of 42) of 20 to 40 ft. height against required height of 100 ft. each though full payment (Rs 16.62 lakh) for the work was made in advance (31 March 1999). This was contrary to terms and conditions of the work order which envisaged, payments only after satisfactory installation of wireless system. Due to non-installation of Wireless Towers, wireless equipments purchased (Rs 62.03 lakh) for the purpose also could not be utilised.

Test inspection of 17 Wireless stations (May and June 2001) by an ACF alongwith the technical expert of the equipment suppliers (M/s Motorola India Ltd.) revealed that the wireless network did not function properly except in a few places where these could be activated temporarily by the technical experts. The rectification measures suggested (June 2001) by the experts were also not taken up (October 2002).

As operational wireless system was not installed as of date (October 2002) expenditure of Rs 94.24 lakh became unfruitful. PCCF, Jharkhand stated (January 2002) in reply that there was no irregularity in procurement of wireless system and that wireless system was in operation and desires of Hon'ble Supreme Court were fully accomplished. At the same time PCCF accepted that training of Forest Guards was yet to be imparted. However, contentions of the PCCF cannot be accepted in light of audit conclusions drawn through test check of records.

3.1.6 Environmental Conservation and Pollution Control Management

No scheme for environmental conservation and pollution control management taken up.

Environmental conservation and pollution control management including restoration of ecological balance was one of the stated objectives of the National Forest Policy, 1988. It was, however, seen from the Budget provisions for 1997-2002 that the Department did not start any scheme for

Environmental conservation and restoration of ecological balance. Consequently the Department did not discharge this function.

3.1.7 Staff without gainful utilisation

Rs 54.56 lakh spent on idle staff without any gainful utilisation.

Social Forest Research and Evaluation Division Ranchi was created by Government in 1985-86 under the Swedish International Development Agency (SIDA) scheme for a period of 6 years with the objective of evolving scientific methods for farm forestry. After expiry of its term under the scheme the division was allowed to continue on temporary basis against Government sanctions under "Rehabilitation of Degraded Forests". Scrutiny (January 2002) revealed that it did not discharge any function since 1994-95. As such expenditure of Rs 54.56 lakh incurred during 1994-2002 on payment of salaries was largely unfruitful. Concerned DFO stated that due to shortage of fund no project was sanctioned for this division.

Similarly, Forest Training School, Mahilong, Ranchi created in 1986 for imparting training to the staff and officers of the Forest Department did not impart any training since 1998-99 to the date of audit (January 2002) resulting in unfruitful expenditure of Rs 41.52 lakh on payments to idle staff during 1998-2001. Director, Training School accepted the case stating that no Forester /Forest Guard was available as new recruitments were not being made since long. However, training courses were stated (April 2003) to have started since 2001-02.

3.1.8 Monitoring and evaluation

Though stipulated, monitoring and evaluation work was totally absent.

There is a monitoring circle at Ranchi with four divisions responsible for monitoring and evaluation of schemes at State level and reporting to Government through PCCF, Jharkhand.

However, monitoring of schemes was not being done as stressed by PCCF in fresh guidelines issued (January 2002). This was confirmed by the fact that Deputy Conservator of Forest, Monitoring and Evaluation Cell stated (September 2002) that there were no records in the cell relating to results of monitoring and evaluation of various schemes and follow up actions.

The department did not evaluate the overall impact of work done for afforestation, wild life conservation and soil conservation on the existing forest and other relevant areas of work. Evaluation was also not got done by any other agency as of date (September 2002).

The matter was reported to the Government (October 2002 and April 2003); their reply has not been received (December 2003).

RURAL DEVELOPMENT DEPARTMENT

3.2 Rural Housing Scheme (*Indira Awaas Yojana*)

Highlights

Indira Awaas Yojana (IAY) is a centrally sponsored scheme aimed at providing houses to people belonging to Scheduled Castes, Scheduled Tribes, freed bonded labourers and non-SC/ST rural poor living below poverty line (BPL). The implementation of the scheme was poor and 68 per cent of targeted houses remained incomplete at the end of March 2002. Even though entire Central funds were not availed. There were cases of diversion/misuse of funds, irregular expenditure, abandonment of work etc. In the case of supplementary schemes like Samagra Awaas Yojana (SAY), Rural Building Centre (RBC) and Innovative Scheme for Rural Housing and Habitat Development (ISRHHD) the State Government did not send any proposal for central funds.

19 to 34 per cent of available funds remained unutilised for new construction resulting in loss of central assistance of Rs 117.39 crore and 40 to 77 per cent of available funds remained unutilised for upgradation of houses.

[Paragraph 3.2.5(i)(A)(i)]

Diversion of (Rs 1.66 crore) to other schemes, misuse of IAY funds (Rs 8.90 lakh), discrepancy (Rs 1.44 crore) between the scheme register of beneficiary and the amount of expenditure shown in IAY cash book and unauthorised expenditure (Rs 18.60 lakh) were noticed in districts test checked.

[Paragraph 3.2.5(i)(B)(ii)(iii)]

240981 houses were completed against target of 321233 houses. Of these only in 198 smokeless *chullahs* and in 590 sanitary latrines were constructed. 28786 IAY houses were allotted only in the name of “male” member of the family which was contrary to the norms of IAY.

[Paragraph 3.2.5(ii)(A)(ii)(iii)(iv)]

In 12 blocks of 4 districts, 4579 houses remained incomplete for 2 to 5 years after incurring expenditure of Rs 6.76 crore. In 10 blocks of 4 districts, 5464 houses constructed at a cost of Rs 9.25 crore were allotted to persons not belonging to BPL families. In Dhanbad district, short payment of Rs 1.76 crore to 7023 beneficiaries was made.

[Paragraph 3.2.5(ii)(B)(ii)(iii)(v)]

3.2.1 Introduction

With a view to providing houses to people belonging to Scheduled Castes (SC), Scheduled Tribes (ST), freed bonded labourers in rural areas and also to non-SC/ST rural poor living below poverty line (BPL) Indira Awaas Yojana (IAY), a centrally sponsored scheme was launched in 1985-86 as a component of the Rural Landless Employment Guarantee Programme (RLEGP). From April 1989, it became a component of Jawahar Rozgar Yojana (JRY) and from January 1996 it was delinked from JRY and made an independent scheme. Benefits under this scheme were also made available to physically handicapped persons/ families/ widows of personnel of defence service/ para military forces killed in action, ex-servicemen and retired para military forces in rural areas.

The IAY was subsequently supplemented by the following rural housing schemes:

- (i) Credit-Cum- Subsidy Scheme (CCSS) for rural housing (1999-2000);
- (ii) Pradhan Mantri Gramodaya Yojana (PMGY) (2000-01);
- (iii) Samagra Awaas Yojana (SAY) (1999-2000);
- (iv) Innovative Scheme for Rural Housing and Habitat Development (ISRHHD) (1999-2000);
- (v) Setting up of Rural Building Centres (SRBC) (1999-2000).

3.2.2 Scope of audit

Records of Commissioner-cum-Secretary, Rural Development Department (RDD), Jharkhand, alongwith 6¹ out of 22 District Rural Development Agencies (DRDAs) and 18² out of 73 blocks under them for the year 1997-02 were test checked between December 2001 and June 2002.

3.2.3 Organisational set up

The Commissioner-cum-Secretary, RDD of the State was overall responsible for implementation of IAY scheme in the State. DRDA headed by Deputy Commissioner (DC) as Chairman at the district level with assistance of Deputy Development Commissioner (DDC) and Block Development Officers

¹ Deoghar, Dhanbad, Dumka, East Singhbhum, Gumla and Ranchi.

² Deoghar (Deoghar Sadar, Mohanpur and Sarwan), Dhanbad (Baliapur and Dhanbad Sadar), Dumka (Dumka Sadar, Gopikandar & Kathikund), East Singhbhum (Chakulia, Dhalbhumgarh and Jamshedpur Sadar), Gumla (Jaldega, Kolebira, Kurdeg and Thetaitangar), Ranchi (Namkum, Rania and Silli).

(BDO) at the block level were responsible for implementation of the scheme in rural areas.

3.2.4 Funding of the scheme

Funds under IAY were shared between Central and State Governments in the ratio of 80:20 upto 31 March 1999. From 1 April 1999, the ratio was revised to 75:25. Central assistance was released every year directly to DRDAs in two instalments. Besides, the interest amount earned on the IAY funds was treated as part of the corpus of the IAY fund.

3.2.5 Physical and Financial progress at State level

3.2.5 (i)(A) Financial outlay and expenditure of new construction and upgradation

Central assistance received, State's share released and expenditure incurred were as under :-

Year	Opening Balance		Allotment of fund/releases				Other receipts		Total available fund		Expenditure		Unutilised balance (Percentage)	
	New construction	Up-Gradation	Central		State		New Construction	Up-Gradation	New Construction	Up-Gradation	New Construction	Up-Gradation	New Construction	Up-Gradation
			New Construction	Up-Gradation	New Construction	Up-Gradation								
1997-98	24.12	--	86.32	--	20.26	--	--	--	130.70	--	97.95	--	32.75 (25)	--
1998-99	40.69*	--	102.51	--	27.12	--	--	--	170.32	--	111.87	--	58.45 (34)	--
1999-2000	79.59*	--	42.39	10.07	24.80	5.84	--	--	146.78	15.91	109.35	3.65	37.43 (26)	12.26 (77)
2000-01	40.39*	12.26	36.11	8.00	11.33	2.25	--	--	87.83	22.51	71.41	13.56	16.42 (19)	8.95 (40)
2001-02	31.35	8.95	37.36	7.88	13.47	3.17	3.70	0.24	85.88	20.24	65.08	12.16	20.80 (24)	8.08 (40)
Total	--	--	304.69	25.95	96.98	11.26	3.70	0.24	--	--	455.66	29.37	--	--

(Figure in brackets represents percentage). (The figures relate to Jharkhand only)(Source: Progress report of the Rural Development Department).

Central assistance not fully utilised.

(i) 19 to 34 per cent of available funds remained unutilised for new construction. As a result Central government short released central assistance by Rs 117.39 crore. 40 to 77 per cent of available fund remained unutilised for upgradation of houses during these years.

(ii) Unutilised balance under new construction at the end of 2001-02 was Rs 20.80 crore (24 per cent) in the State and in the districts test checked it was

* Opening balance increased by Rs 7.94 crore, Rs 21.14 crore, Rs 2.96 crore and Rs 14.93 crore for the years 1998-99, 1999-2000, 2000-01 and 2001-02 respectively. The department neither reconciled the figures nor reasons for such discrepancy was explained. Besides, interest money was not reflected in any years in the progress report of the department.

Rs 1.10 crore only (3 per cent). Less saving in the test checked districts was due to diversion of funds.

(iii) Department did not utilise balance fund of Rs 8.08 crore available for upgradation of houses. As a result against central assistance of Rs 53.68 crore, State could avail of Rs 25.95 crore only.

(B) Allotment of fund and expenditure in test checked districts (new construction and upgradation)

Allotment of fund and expenditure in the districts test checked were as under:-

(Rupees in crore)

Year	Opening Balances		Allotment of fund/Releases						Total available fund		Expenditure		Utilised balance/percentage	
	New construction	Upgradation	Central		State		Other receipts		New construction	Upgradation	New construction	Upgradation	New construction	Upgradation
			New construction	Upgradation	New construction	Upgradation	New construction	Upgradation						
1997-98	8.07	--	41.97	--	9.39	--	1.77	--	61.20	--	43.74 (71)	--	17.46 (29)	--
1998-99	17.46	--	48.58	--	10.88	--	3.12	--	80.04	--	60.47 (76)	--	19.57 (24)	--
1999-2000	19.57	--	21.53	4.39	11.31	2.53	3.53	--	55.94	6.92	48.45 (87)	2.79 (40)	7.49 (13)	4.13 (60)
2000-01	7.49	4.13	17.81	4.54	5.53	1.06	10.36	--	41.19	9.73	35.65 (86)	8.20 (84)	5.54 (14)	1.53 (16)
2001-02	5.54	1.53	16.54	2.67	6.19	1.33	5.44	--	33.71	5.53	32.61 (97)	4.27 (77)	1.10 (3)	1.26 (23)
Total			146.43	11.60	43.30	4.92	24.22	--			220.92 (99)	15.26 (92)		

(Figures in brackets indicate percentage).

(i) In the districts test checked it was observed that for new construction 3 to 29 per cent of available fund remained unutilised. Besides 16 to 60 per cent of available funds also remained unutilised for upgradation of houses during these years, leaving unutilised balance of Rs 1.26 crore by the end of March 2002. No specific reasons for the non-utilisation of fund were furnished to audit.

Diversion of Rs 1.66 crore to other schemes.

(ii) (a) In 3 districts³ Rs 1.66 crore were diverted to other schemes out of which Rs 92.36 lakh remained unrecouped till March 2002.

Rs 8.90 lakh misutilised for other purposes.

(b) In 2 districts⁴, Rs 8.90 lakh was diverted for payment of telephone bills, repair and maintenance of vehicles, and other office expenses.

Rs 18.60 lakh was incurred on items beyond IAY guidelines.

(c) In DRDA Ranchi, Rs 18.60 lakh was irregularly incurred on construction of fencing wall for Anchal Guards (Rs 7.00 lakh), for construction of boundary wall for police pickets (Rs 1.27 lakh) and on construction of block guard wall (Rs 10.33 lakh).

³ Dumka (Rs 28.76 lakh), Gumla (Rs 103.49 lakh), Ranchi (Rs 33.66 lakh).

⁴ Deoghar (Rs 0.91 lakh), Dhanbad (Rs 7.99 lakh).

Excess booking of expenditure of Rs 1.44 crore in cash book.

(iii) In three blocks⁵ of Deoghar district there was discrepancy of Rs 1.44 crore in cash book and that of scheme register. The actual amount paid to 2337 beneficiaries was Rs 4.04 crore whereas Rs 5.48 crore was shown as spent. The excess expenditure of Rs 1.44 crore requires investigation.

Money drawn from bank not routed through cash book.

(iv) In Baliapur block of Dhanbad district, the balance shown in savings bank pass book of Bank of India (A/C No. 258) was found less than that of the balance shown in the IAY cash book by Rs 5.39 lakh (February 2002). The amount was drawn from the bank during 1997-02 from time to time without giving effect in the cash book. The concerned BDO, however, stated (February 2002) that the amount was utilised for purchase of diesel, petrol and repair of vehicles etc. The reply is untenable because all expenditure was incurred without inclusion in the IAY cash book.

3.2.5(ii)(A) *Physical Progress of new construction (State level)*

Target for construction of houses fixed by Government of India and number of houses constructed were as under:

<i>(in number)</i>						
Year	Opening balance	Target fixed	Total	House completed	House under progress	Percentage of shortfall
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
1997-1998	48098	48363	96461	46363 (48)	50098	52
1998-1999	50098	75362	125460	52306 (42)	73154	58
1999-2000	73154	46747	119901	61506 (51)	58395	49
2000-2001	58395	47253	105648	43410 (41)	62238	59
2001-2002	62238	55410	117648	37396 (32)	80252	68
Total		273135		240981		

(Figures in brackets indicate percentage)

Number of incomplete houses increased steadily.

(i) The number of incomplete houses increased steadily from 50098 at the end of 1997-98 to 80252 at the end of 2001-02, although substantial fund of Rs 16.42 crore to Rs 58.45 crore remained unutilised during 1997-02.

Houses constructed did not have smokeless chullah and sanitary latrines.

(ii) The IAY scheme envisaged that each house would be provided with a smokeless *chullah* as well as sanitary latrine. These were not provided and only 198 smokeless *chullahs* and 590 sanitary latrines were constructed during 2001-02. Government of India also reiterated in its communication (August 2001) to State Government that houses constructed were without sanitary latrine facilities.

(iii) During 1997-02, only 240981 IAY houses (75 per cent) were completed as against the target of 321233 houses during these years.

⁵ Deoghar Sadar (Rs 65.03 lakh), Mohanpur (Rs 54.82 lakh), Sarwan (Rs 23.81 lakh).

Houses were allotted to male instead of female or in joint name.

(iv) As per IAY guideline houses were to be allotted in the name of female members or alternatively jointly in the name of both husband and wife. However, during 1998-02, 28786 IAY houses were allotted in the name of "male", members which was contrary to IAY guideline.

(B) Project Implementation in the test checked districts (new construction)

Target for construction of houses, number of houses constructed etc. were as follows:

(In number)

Year	Opening Balance	Target for the year	Total	No. of house completed	Shortfall in achievement	Percentage of shortfall
1997-98	18966	20381	39347	21969 (56)	17378	44
1998-99	17378	39304	56682	17908 (32)	38774	68
1999-2000	38774	29337	68111	31533 (46)	36578	54
2000-01	36578	17123	53701	21532 (40)	32169	60
2001-02	32169	18176	50345	14636 (29)	35709	71
Total		124321		107578		

(Figures shown in bracket indicate percentage)

Physical performance not commensurate with financial performance.

(i) In the districts test checked only 75 per cent of the targeted construction were completed while overall 99 per cent of funds provided were spent. Thus, the physical performance was not commensurate with the financial performance.

4579 houses remained incomplete/ abandoned for 2 to 5 years.

(ii) In 12 blocks of 4 districts⁶ test checked it was observed that 4579 houses remained incomplete/abandoned for 2 to 5 years as of March 2001 involving expenditure of Rs 6.76 crore. Details of such incomplete/ abandoned houses and costs involved thereon were as under:

(Rupees in lakh)

Year	No. of incomplete/ abandoned houses	Amount involved
1997-98	1289	196.56
1998-99	1460	217.70
1999-2000	1031	150.40
2000-2001	799	110.85
Total	4579	675.51

Thus, the expenditure of Rs 6.76 crore proved unfruitful as the houses remained incomplete/abandoned as of March 2002. Reasons for incomplete/ abandoned houses for so many years were not explained.

⁶ Deoghar, Dhanbad, East Singhbhum and Gumla.

5464 houses were allotted to persons not belonging to BPL families.

(iii) In 10 blocks of 4 districts⁷ test checked, 5464 houses were constructed at a cost of Rs 9.25 crore out of IAY fund and all the houses were allotted to persons not belonging to BPL families.

Discouragement of use of cement not adhered to.

(iv) The scheme envisaged that use of cement should be discouraged and should be substituted by lime and lime surkhi manufactured locally. But in 9 blocks of three districts⁸ test checked 9123.65 M.T of cement costing Rs 2.57 crore were purchased by the BDOs and issued. As the stock account was not properly maintained the quantity issued to IAY beneficiaries and to other schemes were not ascertainable. Besides, the cost of cement issued to other schemes were not recouped to IAY as of March 2002.

(v) In Dhanbad district, the Deputy Commissioner paid 7023 beneficiaries at the rate of Rs 17,500 against the norm of Rs 20,000 for each house. This resulted in short payment of Rs 1.76 crore

Short payment of Rs 1.76 crore made to 7023 beneficiaries.

Further, out of Rs 1.76 crore paid less, DDC Dhanbad allowed payment of Rs 28.65 lakh during 1997-2000 for sinking of 146 tube wells (Baliapur:100, Dhanbad Sadar: 40 and Nirsa: 6) by private contractors which was not permissible under the scheme.

Advances charged as expenditure though not spent.

(vi) In DDC Dumka Rs 4.16 crore remained unadjusted as of March 2002.

(C) Physical progress (upgradation) State level

Target for upgradation of houses fixed by the Government of India and number of houses upgraded were as under:

Year	Opening balance	Target	Total	(In number)	
				Houses upgraded	Houses under Progress
1999-2000	--	23,375	23,375	3,257 (14)	20,118 (86)
2000-2001	20,118	25,030	45,148	11,823 (26)	33,325 (74)
2001-2002	33,325	22,934	56,259	12,740 (23)	43,519 (77)
Total		71,339		27,820 (39)	

Source : Progress report of RDD. (Figures in bracket represent percentage).

(i) During 1999-02, the department could upgrade only 27,820 (39 per cent) houses against total annual target of 71,339 houses.

(ii) Number of houses under progress steadily increased from 20118 during 1999-2000 to 43,519 by the end of March 2002, the average increase of incomplete houses was 32,320 during these years.

⁷ Dhanbad (Baliapur, Dhanbad Sadar), East Singhbhum (Chakulia, Dhalbhumgarh and Jamshedpur Sadar), Gumla (Jaldega, Kolebera, Kurdeg and Thethaitangar), Ranchi (Rania).

⁸ Deoghar (3), Dhanbad (2) and Gumla (4).

(D) Physical progress (upgradation) of test checked districts

Target for upgradation of houses and completion were as under:-

Year	Opening balance	Target	Total	Houses upgraded/ completed	Houses under progress
1999-2000	--	10,128	10,128	1,972 (19)	8,156 (81)
2000-2001	8,156	10,306	18,462	6,494 (35)	11,968 (65)
2001-2002	11,968	9,654	21,622	5,000 (23)	16,622 (77)
Total		30,088		13,466 (45)	

(Figures in bracket represent percentage)

(i) In the districts test checked the houses upgraded varied between 19 to 35 per cent, while 40 to 84 per cent funds provided were spent during these years. The physical performance was not commensurate with the financial performance.

(ii) The number of incomplete upgraded houses steadily increased from 8156 to 16,622 by the end of March 2002, though sufficient fund (Rs 1.26 crore) was available by the end of March 2002.

3.2.6 Inventory Register

Inventory Register of houses started/ completed not maintained.

The implementing agencies of IAY were required to maintain a complete inventory register of houses constructed containing details of the date of start/completion of houses, names of village in which house was located, name, address, occupation and category of beneficiaries etc. However, no such register was maintained in any of the DRDAs and blocks.

3.2.7 Performance of other rural housing schemes:

(i) Credit-Cum-Subsidy Scheme (CCSS)

The CCSS for rural housing had been launched with effect from 1 April 1999. The scheme targeted rural families having annual income upto Rs 32,000 per annum. The financial assistance for construction of houses under the scheme comprised maximum loan of Rs 40,000 and subsidy component was restricted to Rs 10,000. The subsidy portion of the scheme was to be shared by the Centre and the State in 75:25 ratio. The loan portion was to be disbursed by the Commercial Banks/ Regional Rural Banks, Housing Finance Institution etc.

Only 1.35 per cent of fund utilised.

Government of India released Rs 3.06 crore and the State Government Rs 1.02 crore. Of this the department could utilise negligible amount of Rs 5.55 lakh (1.35 per cent) resulting in reduction of central assistance by Rs 2.63 crore during 2000-01 and no central assistance was released during 2001-02.

(ii) **Pradhan Mantri Gramodaya Yojana (PMGY)**

PMGY was introduced during 2000-2001. The scheme was based generally on the pattern of IAY and was to be implemented in rural areas throughout the country. The target group was people living below the poverty line (BPL) in rural areas belonging to SC/ST, freed bonded labourers and non-SC/ST categories.

The scheme envisaged allocation of Additional Central Assistance (ACA) to the States and Union Territories (UTs) for providing/improving the outlay of Basic Minimum Services including "Rural Shelter". The ACA was released to the State Government/UTs, on their submitting specific project proposals.

Financial Performance:

Funds received under PMGY during 2000-2002 were as under:

<i>(Rupees in crore)</i>						
Year	Opening Balance	Fund Received	Total available fund	Expenditure incurred	Closing balance	Percentage of unutilised balance
2000-01	-	134.70	134.70	84.21 (63)	50.49	37
2001-02	50.49	44.30	94.79	43.10 (45)	51.69	55
Total		179.00		127.31		

(Figures in bracket represent percentage) Source: Information furnished by RDD.

The department did not utilise the balance amount of Rs 51.69 crore by the end of March 2002.

No performance in SAY/RBC and ISRHHD.

Regarding the 3 schemes (SAY⁹, RBC¹⁰ and ISRHHD¹¹) no funds were released by the Central Government during 1999-2002. Rural Development Department, Jharkhand, Ranchi did not send any proposal for release of fund to Ministry of Rural Development, Government of India, New Delhi.

3.2.8 Monitoring and evaluation

Complete absence of monitoring

Monitoring of the IAY programme was the responsibility of the State Level Co-ordination Committee (SLCC) and District Level Co-ordination Committee (DLCC). However, it was noticed that neither the SLCC nor DLCC were formed in absence of which no monitoring parameters could be framed. This indicated complete lack of interest of the State Government to ensure effective implementation of the schemes.

⁹ Samagra Awaas Yojana.

¹⁰ Rural Building Centre.

¹¹ Innovative Scheme for Rural Housing and Habitat Development.

No remedial action taken though areas of concern identified.

Evaluation of scheme on behalf of Government of India was made (August 2000) by Xavier Institute of Social Service (XISS), Ranchi, which *inter alia* pointed out the following concern:-

Around 46 per cent of house holds were from families above the poverty line; Smokeless *chullahs* and sanitary latrines were provided to only one per cent of the beneficiaries;

Generally all the beneficiaries received less than Rs 20,000 and around 54 per cent received between Rs 15,000 & Rs 20,000.

Government of Jharkhand did not take any remedial action on the issues raised by XISS.

The total absence of monitoring and evaluation of the implementation of the rural housing schemes both at State and district level contributed to poor performance of the scheme in the State.

The points were referred to the Government (October 2002 and April 2003); their reply has not been received (December 2003).

3.3 Swarnjayanti Gram Swarozgar Yojana

Highlights

Swarnjayanti Gram Swarozgar Yojana (SGSY) is a holistic programme covering various aspects of self-employment by providing the Swarozgaris income-generating assets through a mix of bank credit and Government subsidy. The implementation of the programme in the State faltered due to absence of effective monitoring and lack of interest shown by the State as evident from poor fund allocation and utilisation thereof. The implementation of the programme was affected by cases of misutilisation, diversion of funds apart from undue financial aid to non-BPL families. Against a target of 4.26 lakh swarozgaris required to be assisted through this programme during 1999-2002, only 1.15 lakh swarozgaris were assisted though Rs 42.28 crore remained unutilised as of March 2002.

Poor utilisation of available funds by the DRDAs resulted in receipt of less Central assistance of Rs 30.57 crore.

[Paragraph 3.3.5(A)(ii)]

Rs 63.84 lakh were misutilised on purchases/ maintenance of vehicles etc. apart from cases of avoidable expenditure.

[Paragraph 3.3.5(B)(ii)(b)]

The earmarked funds for Subsidy, Revolving fund and Training were Rs 68.11 crore, Rs 11.36 crore and Rs 11.36 crore respectively against which Rs 96.12 crore, Rs 1.45 crore and Rs 1.52 crore were spent on these components.

[Paragraph 3.3.5(C)]

Only 28984 (25 per cent) of *Swarozgaris* assisted were trained and 75 per cent of *Swarozgaris* were assisted without training which may lead to failure of the scheme.

[Paragraph 3.3.6 (A)(ii)]

Financial assistance of Rs 6.21 crore was provided to non-BPL families.

[Paragraph 3.3.7 (i)]

Rs 44.40 lakh was spent on construction of ITI though a similar facility already existed and undue financial assistance of Rs 17.50 lakh was extended to a co-operative society.

[Paragraph 3.3.7(iv) and (v)]

3.3.1 Introduction

To overcome the inherent problems of Integrated Rural Development Programme (IRDP) and allied Programmes Government of India re consolidated, restructured and rechristened these programmes as Swarnjayanti Gram Swarozgar Yojana (SGSY) from 1 April 1999. SGSY aimed at uplifting every assisted family above the poverty line in three years with emphasis on group approach. Number of below poverty line (BPL) families was 23.67 lakh as of 2002.

3.3.2 Organisational set up

Commissioner-cum-Secretary to the Government, Rural Development Department had the overall responsibility for implementation of SGSY scheme in the state. District Rural Development Agency (DRDA) headed by Deputy Commissioner (DC) as Chairman with the assistance of Deputy Development Commissioner (DDC) at the District level and Block Development Officer (BDO) at the block level were responsible for implementation of the scheme in the rural areas.

3.3.3 Scope of Audit

Records of Commissioner-cum-Secretary, Rural Development Department, alongwith 6 out of 22 District Rural Development Agencies (DRDAs)¹ and 18² out of 73 blocks under them for the years 1999-2002 were test checked between December 2001 and June 2002.

3.3.4 Funding Pattern

Funds under SGSY were shared between Central and State Government in the ratio of 75:25. Central allocation was based primarily on relative incidence of poverty. On release of funds by the Government of India (GOI) matching share was to be released by State Government.

¹ Jharkhand : Deoghar, Dhanbad, Dumka, East Singhbhum, Gumla and Ranchi.

² Deoghar (Deoghar Sadar, Mohanpur and Sarwan), Dhanbad (Baliapur and Dhanbad Sadar), Dumka (Dumka Sadar, Gopikandar & Kathikund), East Singhbhum (Chakulia, Dhalbhumgarh and Jamsheedpur Sadar), Gumla (Jaldega, Kolebira, Kurdeg and Thetaitangar), Ranchi (Namkum, Rania and Silli).

Funds received under the scheme were to be allocated as under :-

Earmarked for Subsidy for economic activities	60 per cent
SGSY infrastructure fund	20 per cent
SGSY training fund	10 per cent
Revolving Fund for Self Help Groups (SHGs)	10 per cent

3.3.5 Financial outlay and expenditure³ (State)

(A) The Central assistance received, State's share released and expenditure incurred thereagainst were as follows:

(Rupees in crore)

Year	Allocation			Opening balance	Release			Total	Expenditure	Closing balance	Percentage of unspent balance
	Central	State	Total		Central	State	Other receipts				
1999-2000	55.77	18.59	74.36	46.41	37.31	8.46	Nil	92.18	33.54	58.64	64
2000-01	33.63	9.93	43.56	58.64	28.99	8.07	4.38	100.08	41.71	58.37	58
2001-02	27.51	9.17	36.68	58.37	20.04	10.66	2.13	91.20	48.92	42.28	46
Total	116.91	37.69	154.60		86.34	27.19	6.51		124.17		

(Source : Figures as furnished by RDD)

- (i) Department did not utilise Rs 42.28 crore by the end of March 2002.
- (ii) Due to poor utilisation of funds Rs 30.57 crore of central assistance was not released.

Poor utilisation of available funds resulted in less central assistance.

(B) Financial outlay and expenditure in the six districts test checked

The allotment of fund received and expenditure incurred were as under:-

(Rupees in crore)

Year	Opening Balance	Release of fund			Total available fund	Expenditure	Unspent balance	Percentage of unspent balance
		Central	State	Other receipt				
1999-2000	20.81	9.66	4.51	4.63	39.61	18.16 (46)	21.45	54
2000-01	21.45	7.49	3.02	1.65	33.61	14.61 (43)	19.00	57
2001-02	19.00	4.88	3.97	4.00	31.85	22.76 (71)	9.09	29
Total		22.03	11.50	10.28		55.53		

(Percentage shown in bracket), (Source: Figures as furnished by concerned DRDAs)

29 to 57 per cent of the fund remained unutilised.

29 to 57 per cent of the available fund remained unutilised during 1999-2002. Scrutiny of records revealed that less savings in the districts as compared to overall savings at State level was due to diversion of SGSY funds to other schemes.

³ Financial outlay relate to the Jharkhand State.

(i) Diversion of funds and loss of interest

Funds were diverted unauthorisedly.

In DRDA⁴ test checked it was observed that Rs 3.94 crore was diverted (between March 1999 and March 2001) under the orders of the DDC/DC to other departments towards payment of salaries of officers and staff. Of the sum diverted, Rs 3.07 crore remained unrecouped to SGSY funds as of March 2002. Unauthorised diversion of funds resulted in loss of interest of Rs 28.86 lakh (5 per cent per annum) as of March 2002.

(ii) Misutilisation of SGSY fund

Interest money earned on deposits were misutilised.

(a) Interest earned on funds kept in saving bank account was to be treated as additional resources. In disregard of these provisions, DRDA, Dumka misutilised interest of Rs 75.48 lakh earned during 2000-02 for construction of 'Hazat' at Civil Court, renovation/ decoration of inspection bungalow, purchase of pay loader, tanker and installation of Sodium Vapour lamp etc. Besides, Rs 50.00 lakh earned as interest on IRDP fund was also misutilised by depositing (November 1993) the same into fixed deposit, instead of utilising the same for development of schemes as required.

(b) In 5 DRDAs⁵ test checked, Rs 63.84 lakh was diverted towards administrative expenditure under the orders of DDC/DC concerned for purchase of cars (Rs 19.49 lakh), payment of telephone bills (Rs 5.36 lakh), payment of electric bills (Rs 6.03 lakh), repair and maintenance of vehicles and fuel charge (Rs 14.96 lakh), lunch and dinner (Rs 1.84 lakh) and other miscellaneous expenditure (for Rs 16.16 lakh). This was irregular.

(iii) Outstanding advances

In 3 DRDAs⁶ Rs 3.19 lakh was advanced between 1999 and 2001 to Government employees. The amount was lying unadjusted till May 2002. Further, in Dumka Rs 2.09 crore was advanced to BDOs/other executing agencies for development of infrastructure. Besides, Rs 0.92 crore was already outstanding against them as on 1 April 1997. Out of Rs 3.01 crore (Rs 2.09 + Rs 0.92 crore), an adjustment of Rs 1.10 crore was submitted by BDO/Executing Agency. The balance amount of Rs 1.91 crore remained unutilised as on August 2002 (**Appendix-XIX**).

⁴ Deoghar (Rs 112.54 lakh), Dhanbad (Rs 21.25 lakh), Dumka (Rs 39.59 lakh), East Singhbhum (Rs 48.32 lakh), Gumla (Rs 17.72 lakh) and Ranchi (Rs 154.61 lakh).

⁵ Deoghar, Dhanbad, Dumka, East Singhbhum and Ranchi.

⁶ Deoghar (Rs 0.42 lakh), Dumka (Rs 1.26 lakh) and East Singhbhum (Rs 1.51 lakh).

(C) Component-wise financial outlay and expenditure during 1999-2002 were as under (State)

(Rupees in crore)

Year	Fund released during the year	Subsidy fund			Revolving fund / Capacity Building			Infrastructure fund / Risk Fund			Training fund		
		Fund Available (60%)	Expenditure (Percentage)	Excess (+) Saving (-)	Fund Available (10%)	Expenditure (Percentage)	Excess (+) Saving (-)	Fund available (20%)	Expenditure (Percentage)	Excess (+) Saving (-)	Fund available (10%)	Expenditure (Percentage)	Excess (+) Saving (-)
1999-2000	45.77	27.46	25.27 (92)	(-) 2.19	4.58	0.16 / 1.47 (3)	(-) 2.95	9.15	5.78 / -- (63)	(-) 3.37	4.58	0.87 (19)	(-) 3.71
2000-2001	37.06	22.23	32.46 (146)	(+) 10.23	3.71	0.31 / -- (8)	(-) 3.4	7.41	8.10 / 0.41 (109)	(+) 1.10	3.71	0.43 (12)	(-) 3.28
2001-2002	30.70	18.42	38.39 (208)	(+) 19.97	3.07	0.98 / 0.03 (32)	(-) 2.06	6.14	9.24 / 0.05 (150)	(+) 3.15	3.07	0.22 (7)	(-) 2.85
Total	113.53	68.11	96.12		11.36	1.45 / 1.50		22.70	23.12 / 0.46		11.36	1.52	

N.B: (Release of fund does not include the opening balance of Rs 46.41 crore on 1 April 1999 available from the erstwhile schemes).

(i) During 1999-2002, Government of India as well as State Government released funds of Rs 113.53 crore out of which Rs 68.11 crore (60 per cent) was earmarked for subsidy funds. Against this, expenditure on subsidy was Rs 96.12 crore (141 per cent). As the claims of the bank were not scrutinised either at State or district levels, excess claim/adjustment by bank on account of subsidy payment was not ruled out.

(ii) Against availability of Rs 11.36 crore under revolving funds only Rs 1.45 crore was spent. This indicated that potentiality of SHGs was not tapped for further capacity building.

(iii) Only Rs 1.52 crore could be utilised against available fund of Rs 11.36 crore for training to swarozgaris during 1999-2002. This indicated that financial assistance was provided to swarozgaris without providing required training and therefore success of project was doubtful.

Out of Rs 11.36 crore available only Rs 1.52 crore was spent on training to Swarozgaris..

3.3.6 Physical Performance

(A) Physical performance under the scheme was as under:

Year	No. of BPL families in the State	Targeted No. of BPL (6% per year)	SHGs formed	No. of SHGs entered into economic activities	No. of Swarozgaris			No. of Swarozgaris trained	Percentage of Shortfall	
					No. of members of SHGs	Individual	Total Swarozgaris		Assistance 3 to 8	Trained 8 to 9
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1999-2000	2367006	142021	2480	877	10856	15913	26769	3286	81	88
2000-2001	2367006	142021	4291	957	12433	30172	42605	15794	70	63
2001-2002	2367006	142021	8029	1802	24935	20829	45764	9904	68	78
Total		426063	14800	3636	48224	66914	115138	28984		

(Source: Figures as furnished by RDD)

Only 1.15 lakh BPL swarozgaris could be assisted against targeted number of 4.26 lakh.

(i) Out of 23.67 lakh BPL families identified through survey 1.15 lakh swarozgaris were assisted against required number of 4.26 lakh (18 per cent at the rate of 6 per cent each year) though Rs 42.28 crore remained unutilised.

75 per cent swarozgaris were assisted without putting them through basic training.

(ii) As per provision, swarozgaris were required to be put through mandatory basic orientation programme to ensure that they possess the minimum skill required after the loan was sanctioned and before it was disbursed. Rs 124.17 crore were disbursed to 115138 swarozgaris out of which 28984 swarozgaris (25 per cent) only were trained and 75 per cent of the swarozgaris (86154) were assisted without basic training.

(B) Physical performance in test checked districts

In six test checked districts the physical performance was as under: -

Year	No. of BPL families	Targeted No. of BPL families (6%)			No. of Swarozgaris assisted			No. of Swarozgaris trained	Percentage of shortfall	
			SHGs formed	No. of SHGs entered into economic activities	No. of members of SHGs	Individual	Total Swarozgaris		Assistance 3 to 8	Trained 8 to 9
1	2	3	4	5	6	7	8	9	10	11
1999-2000	770109	46207	742	251	3466	9875	13341	656	71	95
2000-2001	770109	46207	1918	488	6259	10836	17095	11194	63	35
2001-2002	770109	46207	3572	969	12849	1225	14074	4841	70	66
Total		138621	6232	1708	22574	21936	44510	16691	68	63

In six test checked districts out of 7.70 lakh BPL families, 1.39 lakh families were to be assisted during 3 years, against which only 0.45 lakh BPL families could be assisted though substantial fund of Rs 9.09 crore remained unutilised by the end of 31 March 2002. This showed the laxity on the part of implementing agencies.

3.3.7 Project implementation:

Assistance of Rs 6.21 crore provided to non-BPL families against SGSY norms.

(i) In 4 DRDAs⁷ test-checked financial assistance of Rs 6.21 crore was provided to 67 SHGs (Rs 2.06 crore) and 3270 individuals (Rs 4.15 crore) who did not belong to BPL families as per survey report for 1997-2002.

Huge discrepancy in cash book balance and Bank pass book balance

(ii) In DRDA, Gumla, Bank Reconciliation Statement (BRS) prepared and submitted by the Chartered Accountant revealed shortage of cash balance of Rs 5.28 crore which persisted upto 31st May 2002 (*Appendix-XX*).

⁷ Dhanbad, East Singhbhum, Gumla and Ranchi.

(iii) In DRDA, Gumla, the closing balance of subsidiary cash book of IRDP was Rs 8.85 lakh as on 1 January 2000 against which bank pass book of Bank of India (Account No.5314) reflected balance of Rs 6.09 lakh only. The amount (Rs 6.09 lakh) appearing in the pass book was later on withdrawn on 29 January 2000 and the account was closed. The short balance of Rs 2.76 lakh (Rs 8.85–Rs 6.09 lakh) required investigation.

Unjustified expenditure Incurred on construction of Training Institute.

(iv) DDC Dhanbad paid advance of Rs 59.22 lakh during September and December 2001 to Executive Engineer, Building Construction Division, Dhanbad for construction of mini Industrial Training Institute (ITI) in 8 blocks⁸ though training-cum- production centre (TCP) of TRYSEM Scheme already existed in 6 blocks⁹. Thus Rs 44.40 lakh was invested in redundant infrastructure.

Rs 19.42 lakh spent on Inadmissible works.

Besides, DDC Dhanbad also spent Rs 19.42 lakh on inadmissible works out of infrastructure fund between October 1998 and April 1999 as under :-

Sl. No	Name of work	Name of Agency through which works were executed	Amount (Rs in lakh)	Period
1	Construction of boundary wall of Tasar Agro Pariyojana Kendra at Govindpur block	District Horticulture Officer, Dhanbad.	11.86	28.10.98
2	Extension of room of the Confidential Branch at D.C's residence	Executive Engineer Building Construction Division, Dhanbad.	1.18	16.11.98
3	Construction of boundary wall, Mali's residence and godown in District Nursery Dhanbad.	Pariwesh, a NGO at Patna	6.38	20.04.99
Total			19.42	

Provisions were maneuvered to promote interest of Government Organisation.

(v) DRDA, Deoghar paid Rs 17.50 lakh to Bihar State Co-operative Milk Producers Federation Limited (COMPFED Ltd.), Patna. This was in contravention of guidelines which provided that assistance should be given to co-operative societies having 50 per cent of its members from BPL families. COMPFED was a Government run organisation and 50 per cent member of this society was not from BPL families.

3.3.8 Key activities

As per SGSY guidelines, the success of the SGSY scheme were dependent upon the choice of key activities based on the local resources, the aptitude and skill of the people as well as availability of ready market.

Scrutiny of records of test checked DRDAs revealed that though key activities (viz. minor irrigation with vegetable cultivation, dairy farming, poultry, piggery, rural artisans, food processing, fisheries, Dug well, bore well, tube well, Generator set etc) were identified by DRDAs and approved by District

⁸ Baghmara, Baliapur, Dhanbad Sadar, Govindpur, Jharia, Topchanchi, Tundi and Nirsa.

⁹ Baghmara, Baliapur, Dhanbad Sadar, Govindpur, Topchanchi, and Nirsa.

Level committees, adequate efforts were not taken towards publicity, training to SHGs / individuals and marketing support for disposal of the goods prepared by swarozgaris. Thus, the object of the scheme remained unfulfilled.

3.3.9 Loans and Recoveries

All SGSY loans were to be treated as medium term loan with minimum repayment period of five years. Prompt recoveries of loans were necessary to ensure the success of the programme. Banks were also required to take all possible measures (viz. personal contact, joint recovery camp etc.) in association with District administration to ensure prompt recovery.

During 1999-02, a total loan of Rs 177.72 crore (Rs 167.75 crore to individual swarozgaris and Rs 9.97 crore to SHGs) were disbursed by concerned banks covering all DRDAs. Out of the loan so disbursed, recovery of only Rs 3.07 crore (Rs 2.97 crore from individual swarozgaris and Rs 0.10 crore from SHGs) could be made.

3.3.10 Annual physical verification of assets

No verification of assets created by swarozgaris was done.

As per SGSY guideline, an annual physical verification of assets would be undertaken on a drive basis at the end of every year. This was not done in the districts test checked.

3.3.11 Non-maintenance of separate accounts of each Fund

SGSY guideline envisaged that separate account in respect of each component viz. subsidy for economic activities, infrastructure fund, training fund and Revolving Fund was required to be maintained in each DRDA/ Block.

It was noticed that in most of the districts test checked, separate account of each component was not maintained. In the absence of separate accounts, the actual fund available in each component, excess/savings in each component could not be ascertained.

3.3.12 Non-maintenance of inventory and other subsidiary registers/records

Inventory of assets created under SGSY was required to be maintained at the District, Block and Panchayat levels showing details of start and completion of work, cost involved, employment generated etc. Further, the assets created were required to be handed over to the concerned departments for maintenance and upkeep. But no such inventory was maintained at any level.

Besides, assets, if any created, were not found transferred to department concerned. Further, in none of the blocks and DRDAs test checked, Register/ Ledger showing details of applicant, name of the key activities, financial status of the applicant, amount of loan recommended/ sanctioned and paid by bank and watch register to show the recovery of loan, action taken against the defaulters etc. were maintained.

3.3.13 Monitoring and evaluation

Implementation of SGSY scheme was to be monitored through field inspections. This had not been done and the monthly income of the beneficiaries (*swarozgaris*) and recovery of the loans from them was not monitored.

No evaluation studies on the implementation of the scheme either by the State Government or by a reputed institution and organisation was conducted till March 2002.

The matter was referred to the Government (October 2002 and April 2003); their reply has not been received (December 2003).

SECTION - B : PARAGRAPHS

HEALTH AND FAMILY WELFARE DEPARTMENT

3.4 Store Management in Health and Family Welfare Department

Functional efficiency of health services is largely dependent upon the medical infrastructure available be it in the form of equipments, Hospitals, medicare or doctors. Stores management inclusive of equipments and medicines plays a vital role in providing modern facilities required for diagnosis as well as appropriate treatment.

Budget provisions for purchase of stores, release of funds and expenditure thereagainst were as under:-

(Rupees in crore)

Year	Budget provision	Release of fund	Expenditure	Excess (+) Savings (-)	Percentage
2210-Medical					
1997-98	18.96	5.91	4.76	(-) 1.15	19
1998-99	18.71	9.12	6.76	(-) 2.36	26
1999-2000	21.45	8.15	6.51	(-) 1.64	20
2000-2001	33.23	7.73	4.59	(-) 3.14	41
2001-2002	27.56	17.72	13.23	(-) 4.49	25
Total	119.91	48.63	35.85	(-) 12.78	26
2211- Family Welfare					
1997-98	4.68	0.94	0.58	(-) 0.36	38
1998-99	4.68	1.03	0.66	(-) 0.37	36
1999-2000	4.68	0.89	0.70	(-) 0.19	21
2000-2001	3.16	0.65	0.42	(-) 0.23	35
2001-2002	1.56	1.49	1.54	(+) 0.05	-
Total	18.76	5.00	3.90	(-) 1.10	22

(Source:- Information furnished by the field offices)

F.N. (1) During 1997-2001 flow of fund was from the budget of combined Bihar and Jharkhand and hence figures of budgets are for combined Bihar and Jharkhand.

(A) Irregularities in purchase and issue of medicines

(i) Out of Rs 35.85 crore, Rs 14.31 crore spent by test checked districts on purchase of medicine were without assessment of actual requirements, Rs 7.01 crore (49 per cent) were spent for purchase of medicine from agencies other than the PSUs, without obtaining non-availability certificates from PSUs. These medicines were purchased without inviting tenders and without approval of rates by District Purchase Committee.

Out of medicines so purchased medicines worth Rs 1.45 crore were purchased from private firms at higher rate though the medicines were manufactured by Hindustan Antibiotics Ltd. The excess expenditure was Rs 49.58 lakh (*Appendix-XXI*).

(ii) Scrutiny of 30¹ test checked institutions revealed that medicines purchased were issued to the patients without getting their samples analysed in the laboratories. 63 samples of medicines were collected by Drug Inspector of 7² districts and test checked on their own. 18 samples of medicines purchased during April 1998 to March 2002 were found substandard. Such substandard medicines valuing Rs 6.64 lakh had already been issued to patients before the receipt of test report. Sub-standard medicines valuing Rs 4.27 lakh were lying in the store as of March 2002. No records regarding steps taken to prevent the procurement or issue of substandard medicines to patients were produced to audit.

Excess purchase of medicine also resulted in medicines reaching expiry date before issue. In 7³ test checked institutions medicines worth Rs 7.41 lakh lying in the store were expired.

(iii) Rs 75.84 lakh was drawn in 6⁴ test checked institutions on proforma bills but no medicines/equipment were supplied and the money was lying unutilised in the shape of Bank Drafts as of June 2002.

B. Irregularities in purchase of machineries and equipments

(i) One Ultrasound Colour Doppler (H. D. 1500) was purchased by M.G.M. College Hospital, Jamshedpur at a cost of Rs 32 lakh in March 2002 from M/s Philips Medical System India Limited but agreement for after sale service was also not made although required.

(ii) Hellige Cardiosoft Treadmill (Rs 5.72 lakh) and Siemen's ultra sound Sonoline 500 (Rs 6.35 lakh) were purchased without annual maintenance contract and installed (October 1998 and November 1998) by MGM College

¹ Mahatma Gandhi Medical College Hospital, Jamshedpur, Pataliputra Medical College Hospital, Dhanbad, Rajendra Medical College Hospital, Ranchi, District Hospital, Deoghar, Gumla, Hazaribag, Giridih, Ranchi, Sub- Divisional Hospital, Bokaro, CS- cum-CMO, Bokaro, Deoghar, Dhanbad, Giridih, Gumla, Hazaribag, Jamshedpur, Ranchi, A.C.M.O, Bokaro, Deoghar, Dhanbad, Giridih, Gumla, Hazaribag, Jamshedpur, Ranchi, TB Officer, Gumla, Hazaribag, Jamshedpur, Ranchi & Ranchi Institute of Neuro Psychiatry and Science (RINPAS).

² Bokaro, Dhanbad, Giridih, Gumla, Hazaribag Jamshedpur and Ranchi.

³ CS-cum-CMO, Deoghar, Dhanbad, Sadar Hospital, Deoghar, Bokaro, A.C.M.O, Bokaro and Deoghar, RINPAS, Ranchi.

⁴ CS-cum CMO-Bokaro, Dhanbad, Giridih, Gumla, Sadar Hospital Ranchi and Medical College Hospital, Jamshedpur.

Hospital, Jamshedpur. These went out of order since November 1998 and December 1999 respectively and were dysfunctional due to lack of repair till June 2002. The Superintendent of the Hospital intimated (June 2002) that action was being taken to get the machine repaired.

(iii)(a) One C.T. Scan machine (Rs 1.43 crore) was purchased (December 1998) from M/s Philips Medical System India Ltd., Kolkata by Health Department, Bihar, Patna for RMCH, Ranchi at a total cost of Rs 2.27 crore including annual maintenance contract for 9 years (Rs 75.65 lakh) and installation charges of Rs 8.80 lakh. The lowest tendered rate was of Siemens India Ltd., Mumbai for Rs 2.05 crore (cost of Machine Rs 1.21 crore + installation charges Rs 14 lakh + AMC for 8 years Rs 70 lakh with 2 years warranty). First lowest tender was rejected on the plea that the machine of second lowest tenderer (M/s Philips) was technically superior in quality as it operated even on single phase line of 220 volt and operated for some time even without electric power.

However, it was observed that the system was shut down immediately on the first day of operation (December 1998) by the company engineer for want of 3 phase line as it was not working on 220 volt single phase line. 3 phase line was installed on 2nd February 1999, but the machine could not function till 10th November 1999. Thus, payment of extra cost of Rs 21.95 lakh remained unjustified.

(b) Besides, the supply contract stipulated levy of fine at the rate of Rs 2500 per day for the period of break down of the machine and the amount was to be deducted from annual maintenance charges. The machine remained unrepaired for 282 days (2.2.1999 to 10.11.1999) but fine of Rs 7.05 lakh was not deducted from A.M.C. though A.M.C. of Rs 16.81 lakh was paid to the company during September 2000 to August 2002.

(iv) 23 sets of Microscope Binoculars valued at Rs 6.91 lakh were supplied by Hospital Services Consultancy Corporation Ltd., New Delhi to District T.B. Officer, Hazaribag in June 2000. These sets were not received in District T.B Office. District T. B. Officer failed to take any action to locate the missing equipments as of June 2002.

(v) Test check of records of 7⁵ institutions revealed that 52 equipments valuing Rs 64.69 lakh purchased between 1981-02 were lying idle for want of repairs, spare parts, proper electric connections, shortage of technicians etc. (*Appendix-XXII*).

⁵ CS-cum-CMO, Bokaro, Jamshedpur, Medical College Hospital, Jamshedpur, Dhanbad and Ranchi, Sadar Hospital, Bokaro, TB Officer, Jamshedpur.

(vi) The Health Department directed to set up a Blood Bank at M.G.M. College Hospital, Jamshedpur and sanctioned Rs 12.97 lakh in March 2002. Out of this machinery and equipment worth Rs 9.02 lakh was purchased during 2001-02 and the balance was surrendered with the result that the Blood Bank could not be started in the Hospital as of June 2002. Sanction of money at the fag end of financial year resulted in partial purchases.

(vii) In 3 test checked institutions (Sadar Hospital, Hazaribag, Gumla and ACMO Hazaribag) medicine/contraceptive and other articles valuing Rs 17.09 lakh were not taken into store account and misappropriated.

(viii) Scrutiny of cash book of 3 Institutions of Gumla district (Sadar Hospital, CS cum CMO & ACMO) revealed that Rs 3.45 lakh was disbursed for purchase but no vouchers in support of purchase of medicines/articles and actual payee receipts were made available to audit.

The above points were referred to Government (October 2002); their reply has not been received (December 2003).

WELFARE DEPARTMENT

3.5 Liberation and Rehabilitation of Scavengers in Jharkhand

The implementation of the scheme failed miserably as the Government could not even identify the scavengers for training and rehabilitation.

Liberation and Rehabilitation of Scavengers, a centrally sponsored scheme, was launched in 1980-81. Government of India (GOI) stressed effective implementation of the scheme by modifying it (April 1996) and imparting thrust to it (January 2000). GOI prohibited employment of manual scavengers and construction of dry latrines through an Act of 1993.

The scheme envisaged identification of scavengers through survey, training of identified scavengers and rehabilitating the trained scavengers by providing subsidy and loans. The scheme also envisaged conversion of dry latrines into waterborne ones to eliminate practice of scavenging.

(A) Test check of records during March to May 2002 revealed that (i) before creation of the new State of Jharkhand, Rs 24.08 lakh was released (1998-2001) by the Scheduled Caste Development Corporation (SCDC), Bihar to the District Executive Officers of the 18 districts of the present State of Jharkhand for implementation of the scheme and the amount was treated as spent without obtaining the utilisation certificates from the DEOs. (ii) Out of

Rs 10.85 crore released (April 2001) by GOI directly to the Managing Director, Jharkhand State Tribal Cooperative Development Corporation, Ranchi for setting up of 230 Sanitary Marts to rehabilitate 5750 scavengers, Rs 6.60 crore was invested (April 2001) in fixed deposit and Rs 4.25 crore was allocated (August 2001) to 10 districts but the entire amount remained unutilised as of May 2002.

(B) Scrutiny of records of 4¹ of 18 districts further revealed that (i) the fund of Rs 1.76 crore received (2001-02) from the Commissioner, Tribal Welfare Department (TWD) was deposited in Savings Bank Accounts for 10 to 12 months and then Rs 1.46 crore was returned by 3 districts (Dhanbad, Hazaribag and Jamshedpur) to the department in April 2002 for want of proper guidelines. (ii) No survey for identification of scavengers was carried out and also no targets for identification of scavengers for training and rehabilitation were fixed for Jharkhand by the SCDC Bihar and TWD Jharkhand during 1998-02. (iii) No training was imparted as of March 2002. However, in 5 test checked districts 2700 scavengers were targeted to be rehabilitated without conducting any survey but only 50 scavengers were rehabilitated and Rs 8.98 lakh released.

Despite introduction of the Act in 1993, no action was taken by State Government to identify the dry latrines and arrange their conversion into waterborne ones. No State level monitoring and evaluation committee was formed as of April 2002.

The matter was referred to Government (August 2002 and April 2003); their reply has not been received (December 2003).

¹ Dhanbad, Hazaribag, Jamshedpur and Ranchi.

RURAL DEVELOPMENT DEPARTMENT

3.6 Misutilisation of Funds

* *Funds of Rs 1.31 crore pertaining to GOI sponsored schemes meant for rural poor living below poverty line were misutilised for the benefit of other categories of rural people.*

** *Misutilisation of EAS funds amounting to Rs 85.08 lakh in 5 blocks resulted in denial of intended benefits to targeted rural people.*

*** *Two Block Development Officers denied admissible employment opportunities to rural poor by spending Rs 31.18 lakh on material component in excess of norms under EAS.*

Million Wells Scheme (MWS) and Employment Assurance Scheme (EAS) were centrally sponsored employment generating schemes. Under the MWS open irrigational wells free of cost was to be provided to poor small and marginal farmers belonging to Scheduled Castes and Scheduled Tribes and to liberated bonded labourers living below poverty line (BPL) whose names were enlisted in BPL Survey Report and Integrated Rural Development Programme (IRDP) register of the village while Employment Assurance Scheme (EAS) intends to provide employment for 100 days in a year to each registered needy person during the lean agricultural season.

* (i) Scrutiny of records of 3 Block Development Offices (BDOs) (Manika and Satbarwa of Palamu district and Kanke of Ranchi) revealed that Rs 1.31 crore were paid by the BDOs between 1995-99 under Million Wells Scheme to 714 persons who were not identified as living below poverty line as per BPL Survey Reports (1992-97 and 1997-02) and were not enlisted in the IRDP register of the village.

** (ii) Audit scrutiny further revealed that 5 BDOs, Dhalbhungerh (East Singhbhum), Kisko (Lohardaga), Bharno (Gumla), Chas (Bokaro) and Kanke (Ranchi) paid Rs 85.08 lakh under EAS during 1997-98 to 2001-02 to 27074 such persons who were not identified as registered labourers.

*** (iii) Works taken up under the EAS should be labour intensive, where labour and material components should be in the ratio of 60:40.

Scrutiny of records of 2 BDOs, Chainpur and Kolebira revealed that Rs 1.16 crore were spent during 1996-01 on 41 schemes for construction of road,

community and school building, culverts, Primary Health Centres etc. under EAS where expenditure on material component was Rs 77.68 lakh (67 per cent) and on labour component Rs 38.56 lakh (33 per cent). This resulted in excess expenditure of Rs 31.18 lakh on material component and less expenditure on labour component. Non-adherence of the norms resulted in denial of intended benefit of employment opportunities to needy rural people.

Block Development Officers (BDOs) did not furnish any reason for departure from the Government of India guidelines for implementation of Employment Assurance Scheme.

The matter was referred to the Government (June/July 2002 and April 2003); their reply had not been received (December 2003).

PRIMARY, SECONDARY & ADULT EDUCATION DEPARTMENT

3.7 Nugatory expenditure on pay and allowances of untrained teachers

District Superintendents of Education, Dumka and Hazaribag spent Rs 1.15 crore (Dumka: Rs 86.55 lakh and Hazaribag: Rs 28.36 lakh) on pay and allowances of teachers, who remained without work during the period before deputed for in service training.

The Government of Bihar decided that untrained teachers, selected on the basis of second Primary Education Teachers Competitive Examination, 1996 and Scheduled Caste/ Scheduled Tribe (back log) Special Examination 1996 shall be deputed for teaching in schools only after completion of in-service teachers training. Accordingly, a detailed programme for training was introduced (March 2000) by the Secretary, Primary, Secondary and Adult Education Department, Government of Bihar.

Test check of records of the District Superintendent of Education (DSE), Dumka (December 2001) and Hazaribag (December 2002) revealed that 701 (Dumka:557 and Hazaribag:144) primary teachers were selected for appointment. Out of which 630 (Dumka: 497 and Hazaribag: 133) untrained teachers who reported to their respective DSEs (Dumka–May 2000 to July 2000 and Hazaribag–December 1999) were unnecessarily retained till September 2000 and May 2000 respectively in their offices prior to their in-service training for a period of one year resulting in nugatory expenditure of Rs 1.15 crore on their pay and allowances.

The District Superintendent of Education, Dumka stated (December 2001) that the teachers were waiting for posting orders after training. The reply was not

tenable as the teachers were retained from May to September 2000 before they were sent for teacher's training. No reply was furnished by DSE, Hazaribag.

The matter was referred to Government (June 2002 and April 2003); their reply had not been received (December 2003).

HOME (POLICE) DEPARTMENT

3.8 Loss due to non-recovery of cost of services of police force

Superintendent of Police, Dhanbad failed to recover the cost of deployment of police force

Bihar Police Manual and instructions issued by Government from time to time prescribed that the cost of deputing police force on requisition to public or private undertaking would be recovered in advance at the rates prescribed.

Test check (December 2001) of records of and information supplied (March 2003) by Superintendent of Police, Dhanbad revealed that the Superintendent of Police deputed police force on requisition (3 Havildars and 12 constables) to Superintendent of Police Central Bureau of Investigation (CBI), Dhanbad for different spells during April 1997 to August 2002 and to State Bank of India, Hirapur Branch, Dhanbad during July 1993 to August 2002 without realising the cost of deployment of police force in advance. He did not effectively pursue with the management concerned to ensure recovery of the cost of deployment of police force.

As a result, the cost of deployment of police force which aggregated Rs 68.77 lakh (CBI: Rs 23.23 lakh, SBI: Rs 45.54 lakh) as of March 2003 remained unrecovered. Non-recovery of the cost of deputation of police force was a loss to Government.

However, Rs 15 lakh have since been recovered in January 2003 from SBI, Hirapur Branch. Thus, a total sum of Rs 53.77 lakh (CBI: Rs 23.23 lakh and SBI: Rs 30.54 lakh) still remained unrecovered (March 2003).

The matter was referred to the Government (July 2002 and April 2003); their reply had not been received (December 2003).

3.9 Unjustified drawal of funds from the State Contingency Fund

Funds of Rs 6.76 crore were unjustifiably drawn from the State Contingency Fund and vehicles, SLRs, wireless sets and equipment were purchased for non-existent battalions.

Government of Jharkhand (Home Department), Ranchi decided (January 2001) to create two additional armed police battalions at Palamu and Sahebganj to combat extremist activities in naxal infested areas and sanctioned drawal of Rs 8.50 crore (January–March 2001) from the Contingency Fund of the State against estimated expenditure of Rs 17 crore for purchase of vehicles, arms & ammunitions and other equipment. The Government designated the Deputy Inspector General of Police (Budget) Ranchi as the Drawing and Disbursing Officer and the Director General of Police, Jharkhand as the Controlling Officer for the same.

It was noticed in audit (August 2001) that the Deputy Inspector General of Police (Budget) drew (March 2001) Rs 6.76 crore (out of Rs 8.50 crore) from the treasury for purchase of 114 vehicles (Rs 5.64 crore), equipment (Rs 2.17 lakh), wireless sets (Rs 36.23 lakh) arms & ammunitions (Rs 73.50 lakh), even though the housing arrangements for the battalions at the identified places were not done and recruitment procedures for the constabulary and other staff were not finalised. This indicated that the funds were prematurely drawn.

Out of 114 vehicles received (April to December 2001) 86 vehicles¹ valued at Rs 4.12 crore were distributed to different units without any requisition. Other 28 vehicles² valued at Rs 1.52 crore were supplied to 2 new battalions which were yet to be established. There was no justification for distribution of these vehicles to different units as 536 additional new vehicles (Rs 17.44 crore) had already been provided to the different police units in the State in March 2001 as against the requirement of 450 vehicles.

Further, of 1470 SLRs and 198 wireless sets and equipment procured (March 2001) at a total cost of Rs 1.12 crore, 75 SLRs equipment valued at Rs 3.75 lakh were provided to the 2 battalions and remaining 1395 SLRs and 198 wireless sets valued at Rs 1.08 crore either remained in stores unutilised or were supplied to different district police units. It was also observed (March 2001) that 825 SLRs and 785 wireless sets had been procured by the department for the district units.

The Deputy Inspector General of Police (Budget) stated (September 2001) that formation of the battalions was pending decision of the Government on recruitment. The position remained unchanged as of March 2003. Against 2910 personnel required only 93 personnel manned these battalions by transfer of skeleton police and staff from other battalions.

¹ District headquarters (30), Jharkhand Armed Police (28), Police Hdqr., Ranchi (9) and other (19).

² Gypsy:4, Mini-bus:2, Motor cycle:6, LPT truck:4, Tata 407:2, Bus:8 and Ambulance:2).

Thus, the battalions were not set up as of March 2003 and drawal of funds was premature.

The matter was referred to Government (July 2002); their reply had not been received (December 2003).