

CHAPTER III

PERFORMANCE REVIEWS

This chapter contains six reviews on Educational Development of SCs & STs, Educational Development of Backward Classes and Minorities, Sarva Shiksha Abhiyan, Food Security, Subsidy and Management of Food Grains, Project Tiger and Sampoorna Grameen Rozgar Yojana.

SOCIAL WELFARE DEPARTMENT

3.1 Educational Development of SCs & STs

The Government of India and the State Government initiated schemes of scholarships, free hostel accommodation, book-bank, up-gradation of merit for entrance examinations of professional courses, pre-examination coaching for competitive examinations for all round development and mainstreaming of Scheduled Caste (SC) and Scheduled Tribe (ST) students. A review of the schemes revealed that the stated objectives could not be achieved to the desired level as implementation of schemes at grass root level was deficient and awareness of the schemes was low.

Highlights

Utilisation certificates for Rs 30.97 crore (41 per cent) were not received from the institutions in 12 test-checked districts during 2001-06.

Performance of scholarship schemes was based on funds released to the institutions and not on actual disbursements. In the 12 test-checked districts Rs. 2.86 crore were surrendered/ not disbursed to the students during the review period.

(Paragraph: 3.1.8.1)

Verification of scholarships and implementation of other schemes was not carried out in 71 to 86 per cent of the institutions during 2001-06 due to shortage of staff.

(Paragraph: 3.1.9)

Benefits of Book Bank scheme could not reach the beneficiaries as neither was the need of books assessed nor were these distributed properly.

(Paragraphs: 3.1.10.1&3.1.10.2)

Sixty nine hostels were not functional as staff was not sanctioned, six girls' hostels were under unauthorized occupation and boys' hostels constructed in 1993-94 remained non-functional due to non-availability of students and were in dilapidated condition.

(Paragraph: 3.1.11.2)

Pre-examination coaching to SC/ ST students was not run to its full capacity and was not effective in view of poor success rate of students who participated in coaching courses. Residential coaching centres constructed at a cost of Rs.7.48 crore were non-functional for want of staff.

(Paragraphs: 3.1.12.1 and 3.1.12.2)

Monitoring of implementation of the schemes was not effective. The impact of the schemes was also not assessed.

(Paragraph: 3.1.15)

3.1.1 Introduction

The GOI and the State Government introduced various educational schemes viz. for scholarships, construction of hostels, book bank, up-gradation of merit and establishment of Ashram Type Schools (ATS) in tribal areas from time to time for educational development of the SC and ST students and to generate self confidence and self reliance in them. Post-matric scholarships scheme was funded by GOI. The cost of construction of hostels, ATSS for STs, book-bank for post matric students, upgradation of merit and coaching scheme was shared by GOI and State Government in the ratio of 50:50. Pre- matric scholarship, maintenance of hostels and ATS for SCs and book-bank scheme for SC and ST girls of class IX and X were funded by the State Government.

The State had 21.10 *per cent* SC and 0.10 *per cent* ST population .Thirteen districts accounted for 84 *per cent* of the State's ST population. As per the 2001 census the literacy rate in respect of SCs and STs was 46.3 and 35.1 *per cent* respectively, against the average literacy rate of 56.3 *per cent* in the State. Details of the literacy rate among SC and ST population of the State as per the 2001 census are indicated in *Appendix-3.1.1*.

3.1.2 Organisational set-up

At the Government level the Principal Secretary, Social Welfare Department exercises overall control over implementation of educational and other welfare schemes relating to the SCs and STs. Director, Social Welfare, UP, Lucknow, assisted by Additional Director, Finance Controller, two Deputy Directors, Social Welfare Officer and Scheme Coordinating Officer implemented these schemes.

At the regional level, the Deputy Director, Social Welfare and at the district level, District Social Welfare Officer (DSWO)/ Additional District Welfare Officer (Social Welfare) were responsible for implementation of the schemes and programmes under the supervision of Commissioner of the region and District Magistrate of the district respectively.

Director, Social Welfare also held the charge of Director, Scheduled Tribes Development and was assisted by Chief Finance and Accounts Officer, Deputy Director, Project Officer, Superintendent and Assistant Director. At the district level, schemes were implemented by DSWO and Superintendents of Ashram Type Schools (ATS).

3.1.3 Audit objectives

The audit objectives were to assess whether:

- Planning for implementation of the schemes was efficient and based on reliable data.
- The allocation, release and utilization of funds earmarked for various schemes were judicious, adequate and effective.
- The educational indicators i.e. literacy rate, gross enrolment ratio(GER), gross drop-out rate (GDR) and gender parity index(GPI) (Definitions at

Appendix-3.1.2), as compiled by the Ministry of Human Resource Development, GOI, improved.

- The monitoring system at various levels was functioning effectively.

3.1.4 Audit criteria

The criteria were:

- Financial rules of the Government,
- Scheme guidelines for various programmes,
- Data relating to increase/ decrease in GDR and trends in GER and GPI compiled by GOI.
- Extent of increase in number of candidates appearing in examinations of Union Public Service Commission and State Public Service Commission.
- Frequency and extent of monitoring.

3.1.5 Scope of audit and methodology

The records relating to implementation of educational schemes for the SC and ST students viz. scholarships, hostels, book bank, up-gradation of merit, coaching and scheme for establishment of Ashram Type School for 2001-06 were examined during June to September 2006 in the Directorate of Social Welfare, offices of DSWOs in Lucknow and 17¹ other districts selected using the Probability Proportional to Size With Replacement method of sampling, based on population of SCs and STs. The aspects of the co-ordination by these departments with the Education Department were also considered.

Objectives and criteria of the audit were communicated (May 2006) and agreed to by the Government (July 2006). Besides scrutiny of records in the selected offices, information relating to various educational development schemes was also collected from the universities, colleges, schools, hostels and pre-exam coaching centres. In addition, 45 hostels, two coaching centres and 22 ATs were inspected along with representatives of DSWOs.

Audit findings

3.1.6 Programme Planning

The requirement of funds for various schemes was to be worked out as per the demands received from districts where demands were to be based on the number of applications received from institutions. In contravention to this, demands based on achievements of the previous year were sent to the Directorate without considering and assessing the numbers of beneficiaries. The proposals for provision of funds for scholarships were sent between February and June while admissions started in institutions from July. Further, although GOI directed for issuing advertisements in leading newspapers to publicize the schemes in May-June every year and to invite applications from beneficiaries, no such exercise was carried out.

It was observed in eight test-checked districts² that due to ignorance about the schemes and changes made therein from time to time, institutions could not

Lack of publicity led to unawareness of the schemes

¹ Azamgarh, Badaun, Fatehpur, Hardoi, Jalaun, Jhansi, Kanpur Dehat, Kanpur Nagar, Kushinagar, Lakhimpur Kheri, Moradabad, Muzaffarnagar, Raebareli, Rampur, Sitapur, Sultanpur, and Varanasi

² Azamgarh, Fatehpur, Hardoi, Kanpur Nagar, Lucknow, Moradabad, Raebareli and Rampur

extend the due benefits to the SC and ST students. The Department replied (June 2006, August 2006) that schemes were displayed on the notice boards of the DSWOs and action regarding issue of advertisements would also be taken.

3.1.7 Pre-Matric scholarships

3.1.7.1 For children of families engaged in unclean occupations

The scheme envisaged providing financial assistance to parents traditionally engaged in unclean occupations like scavengers, tanners and flayers to enable their children to pursue education upto matriculation level. The State bore the committed liability¹ and the expenditure in excess of this was to be shared between the GOI and the State on 50:50 basis. Under the scheme, an annual financial assistance of Rs.500 (Rs.550 from April 2003) was provided to the parents in addition to the scholarship to the child for ten months. The position of budget releases and expenditure under the scheme during 2001-06 was as follows: -

Table-1

Year	Budget Provision	Central Assistance Received	Amount Released by State				Expenditure
			Committed Liability	Central Share	State Share	Total	
(Rs. In crore)							
2001-02	5.03	No demand made	4.03	--	--	4.03	3.55
2002-03	5.03	No demand made	3.81	--	--	3.81	3.81
2003-04	5.88	0.93	4.01	0.29	0.29	4.59	3.32
2004-05	5.03	0.88	4.03	0.47	0.47	4.97	4.97
2005-06	6.40	0.44	4.03	0.79	0.79	5.61	4.89
Total	27.37	2.25	19.91	1.55	1.55	23.01	20.54

During 2003-06, Rs.70 lakh out of the Central share remained unutilized as the State did not release the amount. The physical achievement was 2.49 lakh (87 per cent) against the target of 2.86 lakh. Category wise details of beneficiaries were not available with the Directorate.

Test check of records relating to the scheme revealed:

- During 2005-06, the DSWO, Lucknow transferred Rs.37 thousands to one institution² and surrendered Rs.1.63 lakh out of two lakh rupees allotted by the Director without any demand. Similarly, the DSWO, Sultanpur refunded his entire allotment of Rupees two lakh during 2005-06 for want of demand from Education Department.
- The financial and physical achievement of disbursement of Rs.5.68 crore to 48233 beneficiaries, reported by the DSWOs in 13³ districts during 2001-06 was inflated as the institutions disbursed only Rs.5.44 crore to 42797 beneficiaries, refunded Rs.18 lakh to the DSWOs and six lakh rupees remained unutilized with the institutions.

3.1.7.2 SC students other than those engaged in unclean occupations

The records relating to budget allotments, targets and achievements in respect of the expenditure of Rs.1645.61 crore on pre-matric scholarship for SC

Inflated physical achievement was reported

¹ Committed liability is the actual expenditure incurred by the State Government under the scheme during the terminal year of the 9th five year plan i.e. year 2001-02. This amount was Rs 4.03 crore

² Munni Devi Valmiki Smarak Vidyalaya, Indira Nagar, Lucknow

³ Azamgarh, Badaun, Hardoi, Jalaun, Jhansi, Kanpur Dehat, Lakhimpur Kheri, Lucknow, Moradabad, Muzaffarnagar, Rampur, Sitapur, and Varanasi

students, during 2001-06 was not furnished. However, records in test-checked districts revealed the following: -

- Out of Rs.499.86 crore released, Rs.483.74 crore was disbursed in these districts. Records relating to targets and achievements were not maintained in nine¹ districts involving an expenditure of Rs.233.64 crore. Achievement of 56.92 lakh (94 *per cent*) beneficiaries was reported against the target of 60.70 lakh in the remaining districts.
- Achievement reported was based on the amount released to the institutions. While in three districts² institutions refunded unutilized balance of Rs.1.64 crore and in six districts³ undisbursed balance of Rs.1.36 crore remained with the institutions. Besides, UCs for Rs.63.82 crore (52 *per cent*), out of Rs 122.57 crore released to institutions were not received in six districts⁴. Thus, achievements reported were inflated.

3.1.7.3 Scholarship records of schools

Test check of school records relating to scholarships, to children engaged in unclean occupation as well as others, in 13 districts showed the following:

Scholarships
were
distributed
irregularly

- Although Swami Vivekananda Higher Secondary School, Kanpur Dehat sent UC for the full amount for 2005-06 to DSWO, 18 cheques worth Rs.13 thousand were not issued to the students of class 9 and 10 and 13 signed blank cheques for Rs.720 each were lying with the institution.
- Thumb impression taken from 15 students of class 2 and 3 in token of receipt of scholarship in Primary Schools at Raipur and Derapur of Kanpur Dehat and Dr. Ambedkar Primary School, Moradabad indicated that either the children could not write or the payments were doubtful.
- Industrial Training Institute, Azamgarh demanded and disbursed scholarship at the rate of Rs.50 per month instead of admissible amount Rs.140 per month depriving beneficiaries of the full benefit of the scheme.

These irregularities indicated lack of supervision and monitoring of the implementation of the scheme by the district level officers.

3.1.8 Post-matric scholarship

This Centrally sponsored scheme aims at providing financial assistance to enable the SC and ST students, studying at post matriculation level with annual parental income not exceeding Rupees one lakh, to complete their education without economic constraints. The assistance includes payment of maintenance allowance, reimbursement of compulsory non-refundable fees, thesis typing/ printing and study tour charges, book allowances to students pursuing correspondence courses and provision for students with disabilities.

3.1.8.1 SC students

As the entire expenditure on the scheme is borne by the GOI, the State Government was to project the demand of funds based on the anticipated

¹ Azamgarh, Badaun, Fatehpur, Hardoi, Jalaun, Jhansi, Kanpur Dehat, Sultanpur and Varanasi

² Fatehpur, Lakhimpur Kheri and Sultanpur

³ Azamgarh, Badaun, Balrampur, Hardoi, Kanpur Nagar and Kushinagar

⁴ Badaun, Balrampur, Fatehpur, Kanpur Nagar, Rampur and Sitapur

number of beneficiaries to GOI for release of funds accordingly. Financial and physical progress of the scheme for SC students during 2001-06 was as under:

Table-2

Year	Funds received from GOI	Amount released by State Government		Total funds available	Expenditure	Number. Of beneficiaries	
		Towards Central assistance	Towards committed liability ¹			Anticipated number of beneficiaries	Actual number of beneficiaries (Percent)
		(Rs. in crore)					
2001-02	23.05	18.59	38.33 ²	56.92	56.64	360148	351000(97)
2002-03	19.94	27.98	58.00	85.98	85.98	428830	403425(94)
2003-04	51.38	22.16	58.00	80.16	80.16	423565	387680(92)
2004-05	59.38	76.55	58.00	134.55	134.55	505594	481804(95)
2005-06	110.83	120.68	64.92	185.60	185.60	511122	562290(110)
Total	264.58	265.96	277.25	543.21	542.93	2229259	2186199(98)

Although the annual committed liability was Rs.64.92 crore from 2002-03, the Government provided only Rs.58 crore annually during 2002-05 resulting in short release of Rs.20.76 crore.

Performance reported was based on the funds released to the institutions and not on actual disbursement

➤ Records in 16³ districts (**Appendix-3.1.3**) revealed that reporting of achievements by the DSWOs to the Directorate was based on funds released to the institutions and not on the basis of the actual disbursements as Rs.1.38 crore was lying unspent with the institutions (September 2006) and Rs.1.48 crore was refunded by the institutions. While excess funds were allotted to some institutions resulting in surrender and non-disbursement of Rs.2.86 crore, no funds were allotted to 361 institutions in six districts⁴ due to non-availability of budget.

UCs for 41 per cent of released amount were not received

➤ The disbursements reported remained unsubstantiated as the institutions did not furnish utilisation certificates in respect of Rs.30.97 crore⁵ (41 per cent) out of Rs.76.44 crore released to 12 districts during 2001-06.

➤ In five districts Rs.9.07 lakh was transferred to the bank accounts of seven institutions⁶ by DSWOs during 2001-06 without sending the list of beneficiaries to the institutions. Besides resulting in late disbursements and non-utilisation of funds, this indicated a communication gap between the funding and implementing agencies.

Scholarship of Rs 23.45 crore was over paid

➤ According to the scheme all the hostellers having free accommodation in government hostels for SCs were to be paid scholarship at one third of hostellers' rate⁷. Notwithstanding this Directorate prepared proposals for Post-Matric hostellers at full rate. Records in eight districts⁸ and four institutions⁹ confirmed payments at full rates to students residing in hostels.

¹ Committed liability is the amount incurred in the scheme during the last year of the 9th five year plan and had to be borne by the State Government in the ensuing years of 10th five year plan

² Committed liability based on the last financial year of 8th five year plan. For the years 2002-03 to 2005-06 of 10th five year plan committed liability was Rs 64.92 crore

³ Azamgarh, Badaun, Balrampur, Fatehpur, Hardoi, Jhansi, Kanpur Nagar, Kushinagar, Lucknow, Lakhimpur Kheri, Moradabad, Muzaffarnagar, Raebareli, Rampur, Sultanpur, and Varanasi

⁴ Budaun, Hardoi, Kanpur Nagar, Lucknow, Moradabad and Rampur

⁵ 2001-02: Rs 2.96 crore, 2002-03: Rs 5.64 crore, 2003-04: Rs 5.75 crore, 2004-05: Rs 8.11 crore and 2005-06: Rs 8.51 crore

⁶ Rani Sushama Devi Mahila Mahavidyalya Amethi, Sultanpur, B P Shukla Inter college, Rehra Balrampur, Sri Guru Harkishan Degree College, Jhansi, Dr. Ram Manohar Lohia Degree College, S.N.Sen Inter College & Nagar Nigam Mahila Inter College of Kanpur Nagar and Janta Inter College, Lucknow

⁷ Hostel rates for four categories: - A-Rs.740, B-Rs.510, C-Rs.-355 and D-Rs.235

⁸ Lucknow: 323, Hardoi: 103, Budaun: 48, Fatehpur: 110, Azamgarh: 123, Varanasi: 96, Kushinagar: 19, Rampur: 45

⁹ Hindu College, Moradabad, Dr B R Ambedkar University-Lucknow, Lucknow University and Raza P G College, Rampur

Based on the overall expenditure on this item, the resultant over payment worked out to Rs.23.45 crore¹ in the State.

3.1.8.2 ST students

The financial and physical progress in respect of ST students during 2001-06 was as detailed below:

Table-3

Year	Budget Provision	Amount released		Total funds available	Actual expenditure (Percent)	Balance	Number of beneficiaries	
		Towards Central assistance	Towards committed liability				Anticipated number of beneficiaries	Actual number of beneficiaries (Percent)
(Rs. In crore)								
2001-02	0.16	0.06	0.04	0.10	0.08 (50)	0.02	1037	387 (37)
2002-03	0.10	0.00	0.07	0.07	0.05 (50)	0.02	667	354 (53)
2003-04	0.10	0.00	0.07	0.07	0.07 (70)	0.00	667	468 (70)
2004-05	1.20	1.08	0.07	1.15	0.88 (73)	0.27	4241	5079 (120)
2006-06	1.07	0.85	0.07	0.92	0.90 (84)	0.02	5183	4986 (96)
Total	2.63	1.99	0.32	2.31	1.98 (75)	0.33	11795	11274 (96)

Following points were noticed:

- There was an overall mismatch between financial and physical achievements, as ninety six *per cent* beneficiaries were covered utilizing only 75 *per cent* of funds during 2001-06, which was not investigated.
- Non-utilization of the scholarship funds for 2004-05 by five² out of 12 additional districts covered was not considered while reporting progress. Directorate, Social Welfare (Tribes) attributed (September 2006) non-utilisation of funds for 2004-05 to allotment of funds at the end of the financial year. Thus, delay in release resulted in non-utilisation of funds and also rendered the achievement reported unrealistic.
- Further, the Directorate stated that no scholarship funds were released to the DSWO of ST inhabited districts of Azamgarh, Ballia, Sidharthnagar and Jaunpur for 2005-06 as these did not demand funds. Thus, slackness on part of DSWOs deprived the ST students of these districts from the benefits of scholarship scheme.

3.1.9 Verification by departmental officers

As per the norms of the Directorate, Assistant Development Officers and Social Welfare Supervisors, posted at the district level, were to verify the distribution of scholarships and benefits contemplated in other educational schemes in 10 schools in a month and 100 schools in a year.

During 2001-06, institutions ranging between 71 and 86 *per cent* remained unverified. An analysis of the availability of staff revealed that the number of staff available for verification ranged between 536 (2001-02) and 529 (2005-06) except 2004-05 when it was 553 against the requirement ranging between 1192 (2001-02) and 1886 (2005-06), based on the norms for verification of institutions. The shortage of staff had an adverse effect on inspections of institutions. During monitoring of the schemes, the Director observed (May 2006) that no irregularities or misappropriations were mentioned by the

Verifications of schemes was not carried out to check the irregularities

¹ Two third of expenditure of Rs 35.18 crore on scholarship to hostellers during 2001-06

² Gorakhpur, Ballia, Sidharthnagar, Jaunpur and Mirzapur

district and the region level officers during verifications while grave irregularities were noticed in surprise inspections.

DSWO, Varanasi stated (May 2006) that shortage of staff was aggravated by engagement of staff on verification of various social welfare schemes in addition to their normal duties and also pointed out that the monthly travel allowance of Rs.100 was insufficient.

3.1.10 Book bank scheme

The implementation of book bank schemes was financed by the GOI and State Government.

3.1.10.1 Book bank scheme under Post matric scholarship scheme

The scheme envisaged to provide SC/ ST students access to the latest text books to reduce the dropout ratio among SC/ ST students of professional courses. The cost was shared between Central and State Government on 50:50 basis. One set of books per student was to be purchased for post graduate courses and chartered accountancy and for the other courses, two students shared one set. Selection of books was to be made by the committee comprising Principal/ Registrar (Chairman), Finance/ Accounts Officer, one SC and one ST student and DSWO as members. Following are the details of availability of funds and utilization thereof during 2001-06:

Table-4

Year	Budget provision	Funds released		Total	Expenditure	Balance
		GOI	State Govt			
(Rs. In Crore)						
2001-02	2.06	1.03	1.03	2.06	1.95	0.11(Surrendered)
2002-03	2.16	0.08	0.08	0.16	0.16	-
2003-04	4.00	2.00	2.00	4.00	1.72	2.28 (utilised in 2004-05)
2004-05	3.16	NIL	NIL	NIL	2.28	NIL
2005-06	1.00	NIL	NIL	NIL	NIL	NIL
Total	12.38	3.11	3.11	6.22	6.11	NIL

Thus, only Rs.6.22 crore, out of Rs.12.38 crore provided, were utilized on the scheme during 2001-06. Though the Director intimated that demands were based on information received from the districts, it was noticed in test-checked districts that there was a general lack of awareness among institutions and demands were not placed by the colleges. Books (cost: Rs.31.53 lakh) purchased in excess of requirement were supplied to six colleges (**Appendix-3.1.4**). These books were either not issued to SC students or issued to few students only by the colleges. In BHU and Kashi Vidyapeeth, Varanasi books were kept in library with general books and were issued to SC students as per normal library procedure. Thus, due to faulty implementation, the book bank scheme failed to have the desired impact.

3.1.10.2 Book bank scheme for SC/ ST girls of class IX and X

The State Government introduced (2002-03) the Book Bank scheme to provide a set of subject books to SC/ ST girl students of class IX and X and sanctioned (March 2003) Rs.5.84 crore for the purpose. In accordance with the agreement entered (July 2003) by the purchase committee headed by the Director, Social Welfare, an Agra based firm supplied 1,44,707 sets of books (cost: Rs.4.27 crore) during 2003-04 (target date for supply: mid August 2003) to DSWOs for distribution according to instructions of the District

Improper implementation of Post matric book bank scheme failed to serve the beneficiaries

Book bank scheme for girls failed to achieve desired objectives

Inspector of Schools concerned. Director paid (August 2006) Rs.2.20 crore to the firm. By the time books recommended for the year 2002-03 were supplied to schools (after August 2003) the students had already purchased the books. Further, a major change in the syllabi for the IX and X classes from (2003-04) rendered the books useless. This was confirmed by Principals in six districts¹. Though the Additional Director, Secondary Education UP was one of the members, change of syllabi was not foreseen resulting in infructuous expenditure of Rs.2.20 crore.

Extra books at the cost of Rs.2.39 crore were purchased

Besides, 1,46,052 SC/ ST girl students were to be covered under the scheme, as worked out by DSWOs (November 2002) but only 63823 SC/ ST girl students were available in class IX and X during 2002-03 according to a survey carried out by the Director of Education. Thus, 80884 sets of books (cost: Rs.2.39 crore) were purchased unnecessarily. Following points were noticed during test-check of districts:

- In six districts² the undistributed books were kept in plastic bags in Government Girls/ Boys Hostels for SC/ ST, premises of school and office. Most of the books kept in two rooms at Government Girls Hostels, Rae bareli were damaged by termites.



Books damaged by termites in Govt Girls Hostel at Raebareli



Books kept in a room of GGIC, Sultanpur

- At Muzaffarnagar and Azamgarh books were irregularly distributed to non-aided schools not covered by the above scheme. Books were either not issued to students or were not taken back for re-issue to students in the next year as provided in the scheme.

Thus, purchase of books without assessing the requirement from DIOSs resulted into purchase of extra sets of books valued at Rs 2.39 crore³ and depriving the SCs/ STs girls of the contemplated benefits.

3.1.11 Hostels for SC and ST category students

GOI formulated a scheme for providing free hostel facilities to SC and ST students for pursuing their studies from middle school to university level. The expenditure on the scheme was to be shared by GOI and State Government on 50:50 basis. While in case of Central universities 90 *per cent* cost was to be shared by GOI and the remaining cost by the institution and in case of other universities, GOI and State Government were to bear the cost in the ratio of 45:45 and the institution providing the remaining. Cost of maintenance of the hostels was to be borne by the State Government and the universities, as the case may be. In order to mainstream these students, 10 *per cent* of the seats in such hostels were to be compulsorily allotted to non-SC students on payment basis. The seats remaining vacant after accommodating all the SC candidates

¹ Azamgarh, Budaun, Fatehpur, Raebareli, Sultanpur, and Varanasi

² Azamgarh, Fatehpur, Lucknow Raebareli, Sitapur and Sultanpur

³ Value of books based on the value of purchase order

could be allotted to non-SC students. However, the overall percentage of non-SC students in any case was not to exceed 25 per cent.

3.1.11.1 Construction of Hostels

The Government entrusted construction of hostels to the Samaj Kalyan Nirman Nigam (SKNN). Details of funds released to SKNN and progress of construction during 2001-06 are detailed in **Appendix-3.1.5**. SKNN completed only 27 hostels out of 41 for which the funds were provided during 2001-06. Of these, 17 hostels were completed after a time overrun of one to 17 months despite release of required funds in time.

It was also noticed that:

- The SKNN did not refund or adjust the unspent amount of Rs.1.28crore¹ even after the completion of the hostels. The progress of expenditure on the hostels and the source of additional funds (Rs.7.57 crore) released to SKNN were not available with the Directorate.
- The SKNN started construction of ST girls' hostel, Chhauchh (Lakhimpur-Kheri) in March 1994. As only Rs.7.30 lakh was released (December 1996) against the estimated cost of Rs.29.52 lakh, the work was stopped after completing ground floor for want of further funds.
- Out of 27 hostels constructed and handed over by SKNN during 2001-06, 10 hostels were declared functional without required staff, furniture and fixture in eight out of these ten. Remaining 17 hostels constructed at a cost of Rs.7.04 crore were not declared functional (October 2006).

Out of 41 hostels allotted to SKNN for construction, 17 hostels were completed with a time overrun of one to 17 months

Of the 27 hostels constructed only 10 had been declared functional

3.1.11.2 Operation of hostels for students

Girls Hostels

Eighteen out of 21 hostels in test checked districts were not in use since their construction (1982 to 2003) due to non-availability of girl students, location of the hostels in remote localities and non-sanction of required staff. Consequently, some of these hostels were under unauthorized use/ occupation as detailed below:

- Hostel at Varanasi was used as a beggar home. Hostel at Fatehpur, vacated in 2001 for repairs, was not used since then.
- Hostel at Kanpur Dehat was occupied by a polyclinic, those at Budaun and Kadipur (Sultanpur) were occupied unauthorisedly by the boys and one hostel at Azamgarh was occupied by Government Bal Grih since 1991.



Hostel at Varanasi occupied by Beggars Home



Hostel at Kanpur Dehat occupied by a Polyclinic

- In the hostel at Azamgarh, 15 girls were living on the first floor and three rooms of the ground floor were occupied by boys.

¹ Upto 2001: Rs.89.93 lakh and 2001-06: Rs.37.88 lakh

- Girl's hostel at Lakhimpur, constructed in 1985-86 was unauthorisedly occupied by boy students from 1992 to December 2003. After its vacation, a chowkidar was posted who sold the door and window frames and the hostel was in dilapidated condition.



Dilapidated Girls' hostel at Lakhimpur-Kheri

- Two girls' hostels were constructed in March 2003 (cost: Rs.0.59 crore) at Moradabad in a locality adjacent to that inhabited by Vimukta Castes¹. One of the buildings was used as Primary school, while the other was vacant.
- Girl's hostel at Sitapur constructed and handed over to the Department in August 1982 was occupied by Central School, Sitapur from December 1992 to January 2002 and thereafter remained vacant till 2004-05 due to non-availability of girl students. From 2005-06 twenty four girls were staying there against the capacity of 50. Toilets of the hostel were also in very bad condition.
- Girls' hostel Khushipur, Jhansi, handed over to the Department in February 1991 was occupied by ATS for SCs under the orders of the then District Magistrate as construction of ATS building had not been started.
- Two girls' hostels constructed at Mohaan Road, Lucknow could not be made functional, even after posting of two superintendents for each of these, as these were located in remote area (nearest school 10 km away). Similarly, the hostel at Korian, Ghatampur, constructed in 2003 was non-functional as it was located in rural area where girls were not ready to stay.
- In the other hostel at Kalyanpur (Kanpur Dehat), constructed in 2001, three rooms at first floor were under occupation of the office of Unnayan Basti and a departmental primary school used the ground floor.
- Although the existing hostels were unoccupied due to non-availability of SC girls, the department constructed (1993-2005) additional hostels (cost Rs.1.67 crore) at Faizabad, Kanpur, Lucknow, Moradabad and Shahjhanpur.

Boys Hostels

Twenty four boys hostels were in dilapidated condition due to lack of repair and maintenance. Although the maintenance cost was to be borne by the State Government, inadequacy of funds was adduced by the DSWO as reasons for the present condition. Other points noticed were:

Twenty four boys' hostels were in dilapidated condition

¹ Castes such as Aheria, Baheilia Karwal, Pasi etc. termed as Vimukta Castes



Dilapidated Boys Hostel at Badagaon

- The hostel at Badagaon in Varanasi, constructed in 1993-94 at a cost of Rs.19 lakh remained unused/unoccupied as it was located in rural area. The building was left uncared for by the department and was presently in dilapidated condition.

- In boys' hostel at Chhauchh, Lakhimpur-Kheri, functional since August 1982, hostel campus was not clean and buildings were without whitewash since 2001. Students were using heaters for cooking food taking illegal connections separately for each room.



Boys' Hostel at Chhauchh, Lakhimpur

- The students at SC girls and boys hostels at Fatehpur were charged caution money at the rate of Rs.200 and Rs.300 per student respectively under the orders of Deputy Director, Social Welfare, Allahabad region and the amount was deposited in Post Office saving bank account of DSWO, Fatehpur. Charging caution money was in violation of scheme provisions. Caution money of Rs.28 thousand recovered was not refunded to the students who left hostels during 2001-06. Similarly, Deputy Director, Social Welfare, Lucknow region charged Rs.100 per hosteller as maintenance charges in Ambedkar Post Graduate Hostel at Lucknow and Lucknow university charged hostel fee at the rate of Rs.1760 per girl per annum which were against the scheme guidelines.
- The Directorate proposed (May 2006) to Government to hand over the non-functional hostels to nearby Government schools till requisite posts were sanctioned as the hostel buildings were getting damaged due to non-use. The decision was pending as of August 2006.

Sixty nine hostels were non-functional since their construction

Thus, out of a total of 223 hostels constructed ending March 2006 in 39 districts, 69 hostels (34 girls and 35 boys) were lying non-functional due to non-sanction of required posts (*Appendix-3.1.6*). Remaining hostels also lacked the basic amenities/ facilities. This indicated that the hostels were constructed without assessing the demand correctly.

3.1.12 Pre examination coaching scheme for SC/ ST

Under this scheme, pre-examination coaching is provided to SC and ST students for improving their representation and standard of performance in the competitive examinations for various posts and services held by the UPSC, UPPSC, Staff Selection Commission, Recruitment Boards, Public Sector Undertakings and other GOI agencies. This scheme is open to students having annual family income not exceeding one lakh rupees in case of SC and Rs.44,500 in case of ST. The GOI and State share the cost in ratio of 50:50.

3.1.12.1 Operation of coaching centres

Four¹ out of seven coaching centres, opened under this scheme were closed in 2001-02. During 2001-06 these coaching centres spent Rs.3.28 crore out of Rs.3.90 crore released by the Government. The year wise and institution wise details of the coaching provided during 2001-06 is shown in **Appendix-3.1.7**. Following points were noticed in the centres presently functioning:

Pre examination coaching centres were not utilized to their full capacity

- The capacity available at Research and Training Institute and Adarsh Pre-examination Centre at Lucknow was grossly underutilized due to inadequate publicity. The expenditure on faculty was only two to 14 *per cent*² of total expenditure on establishment.
- Only eight³ SC students out of 789 were selected in the State PCS Examination from RTI, Lucknow and three out of 103 SC students and one out of three ST students were finally selected in UPPCS (J) examination from GCC, Allahabad indicating a low success rate. Only one girl student out of 243 succeeded in the UPPCS examination during last five years from Adarsh Pre-examination centre.

3.1.12.2 Construction of coaching centres

Residential coaching centres constructed at a cost of Rs 7.48 crore were lying non-functional for want of staff

The SKNN handed over three pre-examination residential coaching centres (cost: Rs.7.48 crore) for IAS/ PCS candidates at Agra, Aligarh and Varanasi in February 2004, May 2004 and August 2006 respectively. These centres remained non-functional as the proposal (January 2005) for sanction of required staff was awaiting approval of the Government (October 2006).

3.1.13 Up-gradation of merit of SC/ ST students

Remedial and special coaching in classes IX to XII was provided to upgrade the merit of SC and ST students including 30 *per cent* girls and three *per cent* disabled students. The scheme provides 100 *per cent* Central assistance and a package grant of Rs.15000⁴ per student per year.

Upgradation of merit scheme was not effective

Six Government Inter Colleges⁵ having residential facilities were identified for providing coaching to a total of 480 students per year (120 students per class from IX to XII). Students for class IX were selected annually through an open examination. No SC girl student was selected during 2001-06 as the Department could not identify any girls'/ co-education residential college. No disabled student was also selected during the period.

Despite availability of 480 seats each year, low annual targets were fixed and the institutes failed to achieve even the reduced targets. Out of 1554 students targeted, only 1186 (76 *per cent*) students benefited during 2001-06, at a cost of Rs.1.80 crore (**Appendix-3.1.8**).

Analysis of the information for 2001-06 collected from six districts⁶ revealed low success rates as detailed below:

¹ Gorakhpur, Varanasi, Jhansi and Allahabad

² PCS(J) Allahabad :below two *per cent* of Rs. 31.22 Lakh,14 *per cent* of Rs.2.36 crore spent by RTI,Lucknow and 10 *per cent* of Rs.60 Lakh by Adarsh Lucknow during 2001-06

³ five in 2001-02, two in 2002-03, one in 2004-05

⁴ Rs.8000 for students and Rs.7000 for five teachers and the principal

⁵ Agra, Allahabad, Jhansi, Moradabad, Gorakhpur and Lucknow

⁶ Agra, Allahabad, Gorakhpur, Jhansi, Lucknow and Moradabad

Table-5

Districts	Number of students selected for class 9 th	Number of students reached in class 12 th	Remarks
Agra	100	73	Ten got through to engineering courses
Allahabad	92	17	Information beyond class 12 not available
Gorakhpur	97	48	Fourteen got through to professional courses
Jhansi	27	NIL	Five reached in class 11
Lucknow	64	07	Information beyond class 12 not available
Moradabad	87	NIL	16 reached in class 11

In Jhansi and Moradabad no student passed class XI while in Allahabad and Lucknow only 18 and 11 *per cent* students reached class XII.

Though the coaching centre at GIC, Allahabad did not impart coaching to the students during 2000-02, Rs.3.36 lakh was paid as coaching grant and Rs.0.30 lakh spent on stationery.

Short achievement was attributable to lack of wide publicity, holding annual admission test late and non-adoption of modern techniques. Thus, the impact of the scheme was minimal and the benefit of the scheme was not extended to the intended beneficiaries.

3.1.14 Ashram Type Schools (ATS)

3.1.14.1 For ST students

This Centrally sponsored scheme envisages promotion and extension of educational facilities in tribal areas on the 'gurukul' pattern. The GOI and State Government shared the cost in the ratio of 50:50 for construction of school buildings, hostels and staff quarters. The expenditure on running and maintenance of ATS was borne by the State Government. In ATS, children are provided free education, lodging, boarding and uniforms.

Department provided Rs.5.60 crore to SKNN for construction of seven ATS during 1989-94. Only two ATS were completed at a cost of Rs.5.24 crore and other five were still incomplete due to paucity of funds. Further, Rs.6.60 crore (91 *per cent*) out of Rs.7.26 crore available during 2001-06 (*Appendix-3.1.9*) was utilized for maintenance of ATSS. It was also noticed that:

- The occupancy in Ashram Schools at Shravasti, Bijnor and Maharajganj ranged between 32 and 77, eight and 56, zero and 34 *per cent* respectively. Director stated (August 2006) that the reason for low occupancy was insufficient number of teaching staff.
- The ATS for girls at Bishunpur Bishram in Balrampur was without boundary wall, class and hostel rooms were full of seepage, windows were without glass-panes, electric wiring was damaged and rooms were without ceiling fans. Toilets were constructed outside the hostel without arrangements for light. Students were not supplied uniforms and utensils and proper drinking water arrangements were not available as only one hand pump out of four, located near the school building was working.

ATS constructed were in unhygienic condition and lacked basic amenities



SC Girls ATS (left) and its Dining Hall (right) at Bishunpur Bishram in Balrampur

- There were only two toilets in ATS hostel at Chhauchh, Lakhimpur Kheri for 175 inmates. Windows were without glass panes and rooms were not whitewashed for a long time.
- ATS at Sohana, Lakhimpur Kheri, constructed (March 2005) at a cost of Rs.2.50 crore and handed over to DSWO (June 2005) was not made functional due to non-sanction of posts.

3.1.14.2 For SC Students

State Government funded establishment of 41 ATS for SC students run on similar lines as those for ST. Following points were noticed in three¹ districts:

- At Rampur ATS providing education up to class XII, two hostel buildings were in poor condition. As the new building constructed for the hostel was used as school, only 34 rooms were available for 290 hostellers and only 19 teachers, against 32 sanctioned posts, were available.
- At this ATS one *Thali*² and one *Lota*³ was issued to each student. *Lota* served as an all purpose utensil from taking dal/ curry to having a bath. This defeated the very purpose of training the students in good hygiene as well as in inculcating proper manners and behaviour to facilitate their mainstreaming.



Distribution of Lunch at ATS, Rampur

- ATS at Sato Mahua (earlier at Sarnath) Varanasi, although running in a new building, had seepage in the first floor and lacked drainage. As there were only 78 beds for 169 students, two to three students were sharing the same bed. A teacher, not trained for the purpose, looked after medical and health check up. In ATS at Chandpur Varanasi untrained staff looked after health check and distributed medicines despite availability of post of pharmacist.
- ATS Lalganj (Azamgarh) constructed at a cost of Rs.70 lakh and handed over to the department in March 2004, could not be made functional (August 2006) for want of staff and furniture.

Thus, the objective of the scheme could not be achieved due to poor maintenance of school buildings, unhygienic conditions, inadequate number of teachers and insufficient medical facilities.

3.1.15 Monitoring

The Director, Social Welfare, UP, Lucknow was to monitor, through monthly meetings, the progress during the previous month and devise the action plans for the ensuing month. During 2001-06 the Director held 34 meetings in all, against the requirement of 60. Out of these, five meetings were held under the chairmanship of the Minister and the Principal Secretary presided over seven meetings. Director intimated that the dates of meetings were fixed on receipt of requisite information/ reports from regions and districts and some times meetings were not possible due to administrative business, elections or other

¹ Azamgarh, Rampur, and Varanasi

² A large metallic dish

³ A metallic spherical utensil use to store and drink water, milk etc

unavoidable circumstances. Thus, the schemes were not monitored effectively.

3.1.16 Internal Audit

An Internal Audit unit with one Audit Officer and four Senior Auditors was working under Finance Controller at Directorate for internal audit of field units in all districts. Though the regular annual audit of the field units was conducted, objections like release of excess funds, non-receipt/ non-accounting of UCs, balances lying with institutions etc, persisted year after year. Most of the units did not even send the first reply of the Inspection Report since 1981-82. No effective action was taken on internal audit reports at the level of the Directorate.

3.1.17 Evaluation

The Director, Social Welfare, UP, Lucknow neither evaluated any educational scheme during 2001-06 nor commissioned any external agency for the purpose. The Director intimated that no survey and evaluation machinery was available in the Department. While the Department may not have any machinery for survey and evaluation, other government agencies like Mulyankan Prabhag under State Planning Institute, Lucknow and the Scheduled Caste and Scheduled Tribes Research and Training Institutes, Lucknow could have been utilized for the purpose.

3.1.18 Impact of the schemes

Based on the data compiled by the Ministry of Human Resource Development, GOI the position of expenditure, GER, GDR and GPI in respect of SC and ST students was as shown in **Appendix-3.1.10 and 3.1.11**. These revealed that:

- GER of SC students in class I-VIII decreased from 62.14 in 2001-02 to 61.25 in 2003-04 and their GDR class I -X increased from 68.06 in 2001-02 to 79.25 during 2003-04 indicating reduction in enrolment on the one hand and increase in drop out rate on the other.
- GER in respect of ST students came down from 68.90 in 2001-02 to 62.37 in 2003-04 and the GDR increased in class I-X from 43.22 in 2001-02 to 52.11 in 2003-04 indicating a similar position in case of ST students.
- The gender parity index (GPI) in respect of SC students increased from 0.53 in 2001-02 to 0.61 in 2003-04 indicating an improvement in sex ratio. This, however, was still below the ideal ratio i.e. "one". The GPI in case of ST students increased from 0.65 in 2001-02 to 0.94 during in 2002-03 but came down to 0.65 during 2003-04 indicating that near ideal situation achieved during 2002-03 could not be sustained during the following year.

Thus, despite an increase in expenditure on educational schemes for SCs by 20 *per cent* and for STs by 28 *per cent* in 2003-04, as compared to 2001-02, the objective of increasing enrolment or decreasing drop out rate was not achieved.

3.1.19 Conclusion

The schemes for providing scholarship were not given adequate publicity resulting in many institutions not applying for scholarships and others

disbursing scholarships at rates lower than admissible. This deprived the targeted beneficiaries of adequate coverage. The coverage reported was based on money released and not on money actually disbursed. Benefits of book-bank scheme also could not be availed of as books were purchased without keeping in view the courses run in institutions and prevailing syllabi. The distribution of books was also not in accordance with the provisions of scheme. The girls' hostels were constructed in areas far away from population failing to attract the students. No SC girl student was selected under the scheme for up-gradation of merit as girls'/ co-education residential schools were not identified. Due to ineffective monitoring, the weak areas were not identified. Consequently, despite a marginal rise in the enrolment at the primary level, those enrolled could not be retained. Thus, implementation of various schemes failed to have desired impact on educational development of the students belonging to SCs and STs .

3.1.20 Recommendations

- The schemes should be given timely and adequate publicity to increase the level of awareness and participation.
- List of beneficiaries should be sent to institutions directly and timely submission of utilisation certificates by the institutions should be ensured.
- The mix of SC/ ST and non-SC/ ST inmates in SC/ ST hostels as provided in the schemes should be adhered to for bringing them in the mainstream.
- Site for hostels should be selected after assessing the requirement and suitability of the location and those already existing should be maintained properly. Medical facilities to the inmates also should be ensured.
- For merit upgradation of SC and ST girls, adequate number of residential Girls/ Co-education Colleges should be selected.
- Only the books as recommended by the designated committee, Principals of the colleges and Heads of Departments should be purchased and issued to students in sets.
- Internal Audit should be made effective and monitoring at regional level and Directorate level should be made more effective.

The matter was reported to Government (September 2006), reply was awaited (November 2006). The Government did not fix a date for exit conference, despite protracted efforts.

**WELFARE OF BACKWARD CLASSES DEPARTMENT AND
WELFARE OF MINORITES AND WAQF DEPARTMENT**

**3.2 Educational Development of Other Backward Classes and
Minorities**

The Government of India and the State Government launched scholarship and free hostel facility schemes for educational development of other backward classes and minorities. Besides, grants-in-aid was also provided to madarsas for their modernization. Review of schemes for the period 2001-02 to 2005-06 revealed that programmes suffered due to their inefficient implementation. The salient points noticed were as under:

Highlights

Utilisation of money transferred to schools, colleges and madarsas was not monitored effectively by the Department. Refund of unspent balances with the educational institutions was also not ensured.

(Paragraph 3.2.6.2 and 3.2.6.3)

The District Backward Classes Welfare Officers and District Minorities Welfare Officers reported inflated physical achievements to the extent of 8 to 14 per cent to the Directorate during 2004-06.

(Paragraph 3.2.7.1)

Applications for scholarships were not properly checked. During 2004-06, scholarship was distributed in 41 per cent cases among other backward classes students without verifying their eligibility. Excess payments were made in 17 to 62 per cent cases during 2004-06 by District Minorities Welfare Officers and District Backward Classes Welfare Officers.

(Paragraph 3.2.7.2 and 3.2.7.4)

Delay in selection of sites/ construction agencies led to cost escalation of Rs 1.91 crore (45 per cent) in construction of 12 hostels. The Welfare of Minorities and Waqf Department did not have the information on the progress of construction of girls' hostels and their occupancy.

(Paragraph 3.2.10)

Ineligible madarsas were selected for payment of grants-in-aid resulting in irregular payment of Rs 5.46 crore per annum to forty five such madarsas.

(Paragraph 3.2.11.1)

Delayed formulation of policy for establishing of mini ITIs and non-appointment of instructors delayed running of 59 of 140 mini ITIs in the madarsas.

(Paragraph: 3.2.11.4)

The departments did not have effective monitoring system to ensure effective implementation of the schemes. The impact of the schemes had also not been evaluated.

(Paragraph 3.2.12)

3.2.1 Introduction

The Government of India (GOI) and the State Government introduced from time to time during 1994-2004 schemes of scholarship, free hostel facility for Other Backward Class (OBC) students and students of minority communities, besides grants-in-aid to *madarsas* for educational development of these groups.

3.2.2 Organisational set up

The Secretaries, Welfare of Backward Classes Department (WBC Department) and Welfare of Minorities and Waqf Department (WM Department) were responsible at the Government level for overall control and monitoring the schemes for OBCs and minorities. At the Department level, Director, Welfare of Backward Classes and Director, Welfare of Minorities and Waqf assisted by their Deputy Directors at Directorates and at Division levels were responsible for implementation of the schemes. At the district level, District Backward Classes Welfare Officers (DBCWOs) and District Minorities Welfare Officers (DMWOs) were responsible for implementation of the schemes for their respective target groups.

3.2.3 Audit Objectives

The objective of the audit was to assess whether:

- The schemes were properly implemented.
- Target groups were covered as envisaged.
- Adequate number of hostels as envisaged were constructed and utilised for the intended purpose.
- Schemes were monitored efficiently.

3.2.4 Audit criteria

The Audit criteria were:

- Financial rules of the Government.
- Norms prescribed for selection of beneficiaries for distribution of scholarship.
- Scheme guidelines for grant of scholarship and construction of the hostels.
- Norms for providing grants-in-aid to *madarsas* as prescribed in the scheme.

3.2.5 Scope of audit and methodology

Records for the period 2001-06 were examined at the Directorates of both the departments and in the offices of 15¹ DBCWOs and DMWOs selected by PPSWR² method out of 70 DBCWOs/DMWOs in the State. Besides, 112³

¹ Allahabad, Ambedkar Nagar, Aligarh, Bahraich, Basti, Bijnor, Ghazipur, Jhansi, Jyotiba Phule Nagar (J.P. Nagar), Kanpur Nagar, Kushi Nagar, Moradabad, Sant Ravidas Nagar, Shahjahanpur and Varanasi.

² Probability Proportional to Size With Replacement

³ Eight schools/colleges in each district in 14 districts. In Kushi Nagar district, schools/colleges could not be taken up due to summer vacation.

schools/colleges for each Department and 45 *madarsas*¹ were also test checked during March 2006 to September 2006.

Audit objectives/ criteria were agreed to by both the departments during entry conferences (June 2006). Records relating to preparation of plans and their implementation were test-checked and results thereof communicated to the departments through Audit Memos. A meeting of focus group comprising stakeholders like beneficiaries, non-government organisations, implementing officers of the schemes and academicians was organized (August 2006) to obtain their views on the schemes. Audit findings and recommendations were also communicated to the Government for their comments and also discussed during the exit conferences (October 2006).

Audit findings

3.2.6 Financial arrangements

3.2.6.1 Budget allotment and expenditure

Year-wise allotment and expenditure during 2001-06 on implementation of the scholarship schemes and construction of hostels for OBCs and scholarship scheme and grants-in-aid to *madarsas* for minorities are given separately in the table below:

Other Backward classes

Table No. 1 (Budget allotment and expenditure)

(Rs. in crore)

Year	Scholarship			Construction of hostels		
	Budget allotment	Expenditure	Saving	Budget allotment	Expenditure	Saving
1	2	3	4	5	6	7
2001-02	59.67	48.69	10.98	Nil	Nil	Nil
2002-03	63.59	52.28	11.31	2.00	2.00	Nil
2003-04	55.62	55.40	0.22	3.91	3.91	Nil
2004-05	585.89	568.95	16.94	5.91	5.91	Nil
2005-06	584.80	570.82	13.98	4.98	1.42	3.56
Total	1349.57	1296.14	53.43	16.80	13.24	3.56

Huge increase in allotments during 2004-06 compared to earlier years was due to reported coverage of almost all Other Backward Class students.

Out of Rs 13.24 crore shown as expenditure on “construction of hostels”, Rs 1.23 crore pertaining to 2004-05 was lying in PLA of UP Backward Classes Finance and Development Corporation as of April 2006, inflating the expenditure to that extent.

Minorities

Table No. 2 (Budget allotment and expenditure)

(Rs. in crore)

Year	Scholarship			Grants-in-aid to madarsas for teachers' salary		
	Allotment	Expenditure	Saving	Allotment	Expenditure	Saving
2001-02	107.02	106.72	0.30	40.78	40.37	0.41
2002-03	107.00	107.00	Nil	42.90	42.28	0.62
2003-04	114.73	114.73	Nil	45.00	44.83	0.17
2004-05	139.47	133.25	6.22	47.13	46.54	0.59
2005-06	115.49	115.49	Nil	58.16 ²	56.50	1.66
Total	583.71	577.19	6.52	233.97	230.52	3.45

¹ Three madarsas in each district.

² Increase in allotment compared to 2004-05 was due mainly to grants- in-aid to 67 more madarsas in 2005-06.

Although the utilization of funds remained high during 2001-06, following irregularities came to notice during test-check in the sample districts:

3.2.6.2 Awaited utilisation certificates

UCs to the extent of 14 to 47 per cent not received from the schools/ colleges

On receipt of demands of scholarship from schools/colleges, DBCWOs/DMWOs after scrutiny, were required to transfer the amounts and watch their utilisation. In the WM Department, each DMWO was to obtain Utilisation Certificates (UCs) from schools/ colleges before transfer of money next year failing which, the scholarship money was not to be paid. This, however, was not adhered to by DMWOs. The WBC Department did not provide any such system and was allowing transfer of scholarship money to schools/colleges year after year without receiving the UCs for the amounts already released.

In the absence of system or its non-adherence, there was no control for ensuring utilisation/ distribution of scholarship and the expenditure actually incurred under the scheme was not ascertainable. A test check of records of 15¹ DBCWOs and 13² DMWOs revealed that 14 to 47 per cent UCs pertaining to 2001-02 to 2005-06 were still (May-October 2006) awaited from schools/colleges as detailed below:

Table No. 3 (Awaited utilisation certificates)

(Rs. in crore)						
Year	Amounts transferred		UCs received		UCs wanting	
	Number of schools/ colleges	Amount	Number of schools/ colleges	Amount	Number of schools/ colleges	Amount (column 3-5)
1	2	3	4	5	6	7
Other Backward Classes						
2001-02	28752	10.19	25034	8.67	3718	1.52(15)
2002-03	29498	11.92	25429	10.27	4069	1.65(14)
2003-04	32342	13.96	27217	11.84	5125	2.12(15)
2004-05	39139	146.24	32368	122.02	6771	24.22(17)
2005-06	34628	140.54	25629	103.96	8999	36.58(26)
Total	164359	322.85	135677	256.76	28682	66.09(20)
Minorities						
2001-02	11681	25.93	5982	14.45	5699	11.48(44)
2002-03	14581	27.96	9680	21.52	4901	6.44(23)
2003-04	15835	30.68	11116	25.05	4719	5.63(18)
2004-05	18571	38.65	11649	26.57	6922	12.08(31)
2005-06	13725	34.84	6164	18.55	7561	16.29(47)
Total	74393	158.06	44591	106.14	29802	51.92(33)

3.2.6.3 Non-refund of undisbursed money

According to Government's instructions, undisbursed scholarship if any, was to be deposited into treasury by schools/colleges immediately after disbursement of scholarship and a copy of treasury challan submitted to DBCWO/DMWO for information and record. The departments had not evolved the mechanism for ensuring refund of the unspent balances to the Government account at the earliest.

In 15 DBCWOs, 1966 (34 per cent) out of 5796 schools/ colleges, to whom Rs. 21.87 crore was transferred for scholarship of OBC students during 2004-06, did not disburse Rs. 2.48 crore (11 per cent) and 1357 (69 per cent) out of

¹ Excluding DBCWO, Sant Ravidas Nagar for 2001-02 to 2003-04.

² DMWOs, Aligarh and Kushi Nagar did not make available records relating to UCs.

these 1966 schools/ colleges, did not refund the undisbursed balance of Rs. 1.26 crore (51 *per cent*) as of May to October 2006.

Similarly, in 13 DMWOs, 1105 (35 *per cent*) out of 3183 schools/ colleges to whom Rs. 11.49 crore was transferred for scholarship to minority students during 2004-06, did not disburse Rs. 1.07 crore (9 *per cent*) as of May to October 2006 and 656 (59 *per cent*) out of 1105 schools/ colleges/ *madarsas* did not refund the undisbursed balance of Rs. 0.58 crore (54 *per cent*) as of that date.

On the one hand, a large amount was lying with schools/colleges undisbursed, on the other hand, in test checked districts, 18 to 32 *per cent* schools/colleges in respect of OBCs and 9 to 19 *per cent* in respect of minorities were not covered under the scholarship scheme during 2001-06 due to non-availability of funds (*Appendix-3.2.1*).

Though the above schools/colleges did not refund the unspent money, yet the DBCWOs/DMWOs did not take any action to get the same refunded into treasury as of May-October 2006.

3.2.7 Disbursement of scholarship

3.2.7.1 Target and achievement

Physical targets and achievements for disbursement of scholarships during the period 2001-02 to 2005-06 are given below:

Table No. 4 (Targets and achievements)

(In lakh)

Year	Target	Achievement	Shortfall (percentage)
Other Backward classes			
2001-02	14.62	11.38	3.24 (22)
2002-03	43.13	12.73	30.40 (70)
2003-04	39.86	13.52	26.34 (66)
2004-05	142.36	127.48	14.88(10)
2005-06	194.37	127.71	66.66(34)
Total	434.34	292.82	141.52 (33)
Minorities			
2001-02	42.57	30.07	12.50 (29)
2002-03	46.76	31.18	15.58 (33)
2003-04	50.66	33.09	17.57 (35)
2004-05	53.39	34.41	18.98 (36)
2005-06	35.59	24.70	10.89 (31)
Total	228.97	153.45	75.52 (33)

Physical achievements for disbursement of scholarships inflated

It was noticed that in the test-checked districts that physical achievements were inflated to the extent of eight to 14 *per cent* during the period 2004-06 as mentioned below: -

Other Backward classes

During 2004-06, 15 DBCWOs transferred Rs. 286.77 crore to 73,767 schools/colleges for 60.83 lakh students and showed their achievement accordingly. Against this, 57,997 schools/colleges (79 *per cent*) only submitted accounts of scholarship disbursed. Audit scrutiny of the accounts of the 5796 schools/colleges, out of the above, involving 4.83 lakh students

revealed that scholarship amounting to Rs. 2.48 crore was not disbursed to 0.39 lakh students (8 *per cent*) but was included in the achievement.

Minorities

Similarly, during 2004-06, 13 DMWOs transferred Rs. 73.49 crore to 32,296 schools/colleges for 16.18 lakh students and showed their achievement accordingly. Against this, only 17,813 schools/ colleges (55 *per cent*) submitted accounts of scholarship. Scrutiny of the accounts of 3183 schools/colleges, out of the above, involving 2.29 lakh students revealed that scholarship was not disbursed to 0.32 lakh students (14 *per cent*) but was included in the achievement.

3.2.7.2 Inadequate verification of applications

According to the Government's instructions, students of target groups are to fill up the prescribed application forms for claiming the scholarship. Applications were to be accompanied by income and caste certificates (where necessary), date of admission and permanent address. A Gram Shiksha Samiti (GSS) in each village was required to scrutinize applications received from students in Government's primary and junior high schools of that village to determine their eligibility before forwarding them for scholarship. In all other Government and private schools/ colleges in rural as well as in urban areas, a committee with a member of the target group was to be formed for this purpose.

Scrutiny of records relating to functioning of committees in 112 schools test-checked in 14 districts revealed that out of 28 village schools where GSS was to scrutinize applications received from students for scholarship, no scrutiny was done in 10 schools (36 *per cent*) for OBCs and in seven schools (25 *per cent*) for minorities. Out of remaining 84 schools/ colleges where committees were to be formed for scrutiny of applications, there was no committee for OBCs in 40 schools (48 *per cent*) and there were no committee/ members of target group in the committees in 34 schools/ colleges (40 *per cent*) for minorities.

DBCWOs/ DMWOs were also required to verify the eligibility of students on the basis of above criteria before transferring the money to schools/ colleges for disbursement. Test check of records in 15 DBCWOs/ DMWOs revealed that in six DBCW offices¹ and three DMW offices², where applications of the students for scholarship were not received from schools/ colleges, the DBCWOs/ DMWOs transferred the money to schools/ colleges on the basis of lists of students provided by schools/ colleges. Scrutiny of randomly selected lists of 1000 students in each district in audit in both the offices revealed that these lists did not contain the required details/ certificates about the students.

In the remaining nine DBCW offices³, scrutiny of randomly picked up 9000 applications of 2004-06 involving Rs. 1.54 crore revealed that scholarship amounting to Rs. 38.60 lakh was paid to 3678 students (41 *per cent*) without verifying the supporting documents regarding their caste, date of admission,

Eligibility of beneficiaries was not verified in 41 *per cent* cases

¹ Aligarh, Basti, Bijnor, Jhansi, JP Nagar and Moradabad.

² Basti, JP Nagar and Moradabad.

³ Allahabad, Ambedkar Nagar, Bahraich, Ghazipur, Kanpur Nagar, Kushi Nagar, Sant Ravidas Nagar, Shahjahanpur and Varanasi.

income of their parents etc. as no such document was attached. Out of these, 503 applications in Sant Ravidas Nagar district and 30 applications in Allahabad district were not even signed either by students or by their parents.

Similarly, in the remaining 12 DMW offices¹, 12,000 applications of 2004-06 involving Rs. 1.37 crore were randomly picked up and scrutinized. Scholarship was paid in 207 cases to ineligible students/students from other States and students whose parents' income exceeded the prescribed limit.

The above findings indicated serious shortcomings in the process of scrutiny of applications which could result in misutilisation of scholarship funds and impair the very objective of the scheme.

3.2.7.3 Physical verification of beneficiaries

Physical verification of beneficiaries was very low

According to Government's instructions, physical verification of all beneficiaries was to be carried out to ensure that scholarship was actually disbursed. The Department did not have the figures of physical verification of 2001-05. Out of 1.28 lakh schools/ colleges to whom scholarship was transferred during 2005-06, 0.47 lakh (37 *per cent*) only, were verified as of January 2006. Out of these, 139 schools/ colleges disbursed Rs. 7.06 lakh to ineligible students. Recovery/ lodging of First Information Reports against them was stated to be in progress (July 2006).

Records of the test-checked districts revealed that DBCWOs carried out physical verification at the rate of 180 schools/ colleges only per year during 2001-05 which was abysmally low.

In respect of minorities, physical verification was not carried out in 11 to 67 *per cent* schools/ colleges during 2001-06.

3.2.7.4 Excess payments

According to Government's instructions (September 2004 and October 2004), students taking admission after 15 July in respect of OBCs and 20 July in respect of minorities were not entitled to scholarship for that month. However, in the test-checked districts, out of 9,000 cases in nine DBCW offices and 12,000 in 12 DMW offices, 5568 students (62 *per cent*) and 2047 students (17 *per cent*) had taken admission between 16/ 21 July and January but were paid full scholarship resulting in excess payment of Rs. 15.48 lakh and Rs. 4.23 lakh respectively.

3.2.8 Inadequate manpower

The minimum requirement of staff at the district offices was one senior clerk assisted by one junior clerk for processing the demands received from schools/ colleges and maintenance of related records under the supervision of one District level officer was assessed to be minimum requirement besides one divisional level officer for close monitoring of the schemes. Neither adequate number of posts was sanctioned nor were the sanctioned posts filled up as detailed below:

¹ Allahabad, Ambedkar Nagar, Aligarh, Bahraich, Bijnor, Ghazipur, Jhansi, Kanpur Nagar, Kushi Nagar, Sant Ravidas Nagar, Shahjahanpur and Varanasi.

Table No. 5 (Position of vacancies)

Category of posts	Other Backward Classes				Minorities			
	Requirement	Sanctioned Strength	Person-in-Position	Shortage column (3-4) (percentage)	Requirement	Sanctioned Strength	Person-in-Position	Shortage (column 7-8) (percentage)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Deputy Director/ Divisional Level Officer	17	6	4	2 (33)	17	7	Nil	7 (100)
DBCWO/ DMWO	70	61	55	6 (10)	70	59	50	9 (15)
Sr. Clerk	70	61	33	28 (46)	70	59	15	44 (75)
Jr. Clerk	70	70	43	27 (39)	70	59	3	56 (95)

As would be seen from the above table that 10 to 100 per cent posts of District level/ Division level officers and 39 to 95 per cent ministerial posts remained vacant against sanctioned strength during 2001-06. Besides, proposal for sanction of 12 Deputy Directors, nine DBCWOs and seven senior clerks from WBC Department was pending with the Government since 2004-05. During the period 2001-06, the charge of four DBCWOs¹ was held by one to six



officers in addition to their regular charge and period of their charge ranged between three months to five years. Interestingly, office of DBCWO, Sant Ravidas Nagar was not in existence upto May 2006 and officers and staff from other departments who held the charge were running DBCW office from their premises. Similarly, the charge of four DMWOs² was held during the period ranging from two and half a years to four and a half years by officers of other departments in addition to their own charge. There was also no proper record keeping facility in both the departments for the applications received from students and the applications were dumped like waste paper.

The department did not formulate any plan for computerisation of beneficiaries' data which could help them not only to overcome the staff problem but better management of distribution of scholarship also.

The Government stated (October 2006) that vacancies would be filled up soon.

3.2.9 Meeting of focus group

A meeting of a focus group comprising of beneficiaries, implementing officers, NGOs and academicians was organized by Audit (August 2006) to discuss the merit of the scholarship schemes, their fruitfulness to the beneficiaries and implementation. There was a consensus among the participants that, *inter alia*, a system should be developed to watch the drop out and enrollment of beneficiaries and at school level, a pass book should be prepared for each student in which the attendance of the student and receipt of scholarship by him should be noted.

¹ Ambedkar Nagar, J. P. Nagar, Kushi Nagar and Sant Ravi das Nagar

² Basti, Bijnor, Sant Ravidas Nagar and Shahjahanpur

3.2.10 Construction of hostels

Other Backward classes

The GOI sanctioned the construction of 38 hostels to accommodate 1900 students during 2002-06 and released Rs. 6.75 crore as their 50 *per cent* share of the cost of hostels in the respective years. The position of construction of hostels is given below:

Table No. 6 (Delay in construction of hostels)

Year	Target	Stipulated date of completion	Date of selection of site and construction agencies	Date of release of funds to construction agencies	Number of hostels completed	Number of hostels handed over to Colleges	Date of completion	Extent of delay
2002-03	11	March 2004	August 2003 - 6 May 2004 - 5	March 2004 - 5 April 2004 - 1 September 2004 - 5	11	6	January 2005 to March 2006	1 to 2 years
2003-04	11	March 2005	June 2004 - 5 August 2004 - 6	September 2004 - 10	10 ¹	8	July 2005 to March 2006	4 months to 12 months
2004-05	12	March 2006	March 2005 - 12	July 2005 - 6 September 2005 - 6	Nil	Nil	-	
2005-06	9	March 2007	September 2006	No transfer as of September 2006	Nil	Nil	-	
Total	43				21	14		

Construction of hostels delayed due to delay in selection of sites

The delay in selection of sites/construction agencies and release of funds delayed completion of hostels resulting in cost escalation of Rs.1.91 crore (45 *per cent*) in construction of 12 hostels, sanctioned in 2004-05 at Rs. 4.26 crore.

Construction of five hostels was defective

Further, out of 21 hostels completed as of March 2006, seven hostels (2002-03: five hostels and 2003-04: two hostels) constructed at a cost of Rs. 2.49 crore could not be handed over to the colleges due to inferior quality of construction/ shortcomings in construction. An enquiry for the inferior quality was ordered in respect of five hostels and shortcomings in remaining two hostels were being addressed (October 2006).

The construction of nine hostels approved in 2005-06 was not started as of September 2006, as the signing of Memorandum of Understanding with construction agency was in process (September 2006).

Thus, the purpose of the scheme to provide hostel facilities to OBCs students remained largely unfulfilled (October 2006).

The Government stated (October 2006) that constructed hostels would be handed over as soon as enquiry was completed/ shortcoming in construction was removed.

Minorities

The GOI sanctioned (1994-98) the construction of 12 hostels at a cost Rs. 3.80 crore to accommodate 670 girls students from minorities at different places where enough residential facilities were not available, to encourage them to continue with their studies. Funds for construction of these hostels were made available to Uttar Pradesh Waqf Vikas Nigam between February 1997 and March 2002 for their completion between August 1997 and September 2002. The Department did not have complete information about progress of their

¹ Construction of one hostel not started due to stay by Hon'ble High Court.

construction and occupation by students. The information collected from 11 colleges where these hostels were proposed for construction revealed:

- Five hostels¹ were not completed as of September 2006. The colleges where hostels were being constructed were not aware of the reasons for delay as they were not involved in the construction activity.
- The hostel in Ale Ahmad Girls Inter College, Amroha, JP Nagar though completed in May 2005 at a cost of Rs. 10.75 lakh was not handed over to the college by construction agency as of September 2006.
- Out of four hostels handed over (September 2006) to college authorities, two hostels (Najibuddaula Girls Inter College, Najibabad, Bijnor and Abdus Salam Muslim Girls Inter College, Moradabad) constructed at a cost of Rs. 21.50 lakh and handed over to the colleges in August 2001 and June 2002 respectively remained vacant as girls studying in these colleges were locals. A twenty bedded hostel at Ismail Girls Inter College, Meerut (cost: Rs. 10.75 lakh) which was handed over to the college in May 1999, had been occupied by lesser number of students (five to 10 girls' students during 1999-2003) due to security reasons and parents were not willing to keep their wards in the hostel. No student stayed in the hostel from 2004.

Three hostels remained unoccupied from 1 to 5 years

There was no system of periodical monitoring of progress of construction of hostels by the Department after transfer of funds to the construction agency nor was there any watch over handing over of the completed hostels to colleges. The occupancy of hostels by students was also not monitored.

The Government stated (November 2006) that progress of construction of hostels would be obtained from Uttar Pradesh Waqf Vikas Nigam and intimated.

Thus, GOI's plan to provide hostel facilities to encourage girls from minority communities to continue their studies remained unachieved even after four to nine years.

3.2.11 Madarsa education

3.2.11.1 Selection of ineligible madarasas

Functioning of Arabic and Persian *madarasas* recognized by the Government is regulated by UP Non-Government Arabic and Persian *Madarasas* Recognition Rules 1987 (Recognition Rules). To qualify for the grants-in-aid, these *madarasas* are to fulfill the condition prescribed in the Recognition Rules as well as notified by the Government in May 2004. The condition of eligibility, *inter alia*, included - (i) appointment of teachers/ employees with prescribed qualifications should be done only after advertising the post in news papers; (ii) they should not be closely related to the manager/ principal of the *madarsa*; (iii) number of teachers should be based on the strength of students²; (iv) *madarasas* recognized upto Alia level³ should have at least 15 students at

¹ (i) Abul Kalam Azad Girls Inter College, Lakhimpur Kheri, (ii) Ayesha Rashid Girls Inter College, Lar Road, Deoria and (iii) Rahmania Girls Inter College, Bijnor. (iv) Begum Qazi Jalil Abbasi Girls Higher Secondary School, Siddhartha Nagar and (v) Faiyaz Begum Girls Inter College, Bulandshahr

² One principal for all the classes in a madarsa. No teacher for and upto 60 students in Tahtania (Class I to V) and beyond 60, one teacher for every 40 students or part thereof. For Fauqania (Class VI to Class VIII), one teacher for every 35 students or part thereof. For Alia and Uchcha Alia (Class IX to Postgraduate), one teacher for every 20 students or part thereof for Persian and Arabic separately.

³ Class IX and X.

each levels; and (v) the pass percentage at Alia level examinations in the previous year should not be less than fifty *per cent*.

Scrutiny of records relating to selection of 67 *madarsas* which were given grants-in-aid from March 2005 showed that 45 *madarsas* did not fulfill one or more conditions as indicated below:

- In 30 *madarsas*, appointments were made without advertising the posts in news papers;
- Nine teachers in six *madarsas* did not have requisite qualifications for appointment as teachers.
- Two employees and one teacher were found closely related to the manager of a *madarsa*;
- Nineteen *madarsas* did not have 15 students at Alia level and pass percentage of five *madarsas* in Alia examinations in 2003-04 were less than 50 *per cent*.
- In nine *madarsas*, sanctions were accorded for 78 teachers against actual requirement of 32 on the basis of students in these *madarsas*, thereby an excess of 46 teachers.

In view of the above, selection of 45 ineligible *madarsas* for grants-in-aid was unjustified involving irregular payment of Rs. 5.46 crore per annum.

Besides, against the requirement of 341 teachers for various classes in 23 of the 45 *madarsas*, 445 teachers were employed as on 31 March, 2006. The payment of grants-in-aid on salary of 104 excess teachers (*Appendix-3.2.2*) worked out to be Rs. 1.01 crore per annum.

3.2.11.2 Madarsas without their own buildings

According to Recognition Rules 1987, *madarsas* should have their own buildings with prescribed number of rooms and measurement. In case, these did not have their own buildings at the time of recognition, they were required to have it within five years of their recognition. However, out of 45 *madarsas* test-checked in 15 districts, seven (16 *per cent*) *madarsas*, which were recognized and given grants-in-aid in 1995-96 or before, did not have their own buildings as of May-June 2006.

3.2.11.3 Modernisation of madarsas

With a view to imparting modern education *viz.*, Hindi, English, Science and Maths in *madarsas* to enable the students to acquire education comparable to the National Education System, the GOI proposed in the Tenth Five Year Plan (2002-07), provision of salary of a maximum of two teachers per *madarsa* for teaching the above subjects, besides a one time grant of Rs. 7000 per *madarsa* for establishing book banks. The Government forwarded the proposals to the GOI between February 2003 and August 2005. The GOI found the proposals deficient and desired (April 2005) that a revised proposal containing information about number of teachers and students in each *madarsa* with their name and address be sent. The State Government sent the revised proposal in August 2005. The same was, however, returned (August 2005) with the remark that figures in the proposal by the State Government did not tally with the figure sent by the district authorities. A fresh proposal was sent in January

Forty five ineligible madarsas were given grants-in-aid @ Rs. 5.46 crore per annum

Excess grant-in-aid of Rs.1.01 crore was paid annually to madarsas on 104 teachers employed in excess of norms

Deficient proposals by the State Government delayed implementation of scheme of modernization of the madarsas

2006. The GOI sanctioned (August 2006) two teachers in 1551 *madarsas* and one teacher in 318 *madarsas* with one time grant of Rs. 7000 *per madarsa* for book bank involving grant of Rs. 13.62 crore. The Government is yet (October 2006) to implement the scheme.

Thus, deficient proposals by the Government resulted in non-implementation of the scheme for the *madarsas* as of October 2006.

3.2.11.4 Mini Industrial Training Institute (ITI)

Delayed formulation of policy and appointment of instructors delayed operation of a substantive number of mini ITIs

The Government launched (2003-04) Uttar Pradesh Madarsas Vocational Training Scheme under which Rs. 2.86 crore were sanctioned (February 2004) for establishment of 140 mini ITIs in 140 *madarsas* of 61 districts in the State. The classes of these mini ITIs were to be started from July 2004. The money was drawn (March 2004) and kept in a PLA. However, detailed policy about their establishment was formulated only in January 2005. The funds were transferred to these *madarsas* between July 2005 and April 2006. The classes were started in 81 mini ITIs only from July 2006 after the delay of two years. Remaining 59 mini ITIs (42 *per cent*) were not started (August 2006) due to non-appointment of Instructors. Consequently, implements/ instruments costing Rs. 1.11 crore purchased by April 2006 were lying idle. The Department stated (September 2006) that appointment of Instructors for these *madarsas* was in process.

Delayed formulation of policy for establishing mini ITIs and non-appointment of instructors considerably delayed operation of substantial number of mini ITIs in *madarsas*.

3.2.12 Monitoring and Evaluation

Control mechanism was weak

Actual disbursement of scholarship by schools/ colleges/ *madarsas* was not monitored at any level, i.e., DBCWOS/ DMWOS/ Directorates/ Government through Management Information System (MIS). The departments did not monitor the position of drop out from classes or increase in enrollment in schools/ colleges after implementation of the schemes nor fixed any performance indicator for evaluation of the schemes.

3.2.13 Conclusion

Implementation of schemes in both the departments was deficient. Receipt of utilization certificates and refund of unspent balance by the schools/ colleges were not monitored. Scrutiny of applications for scholarship was deficient leading to payment to ineligible beneficiaries. The programme of providing hostel facility to other backward class students and girl student of minorities remained largely unfulfilled due to delay and improper selection of sites for hostels. Out of 67 *madarsas* selected for payment of grants-in-aid, 45 *madarsas* did not fulfill the selection criteria. Scheme for establishing mini ITIs in *madarsas* launched during 2003-04 was not implemented efficiently.

3.2.14 Recommendations

- A mechanism should be devised to monitor utilisation of scholarship amounts and refund of unspent balances by the school/ colleges.

- Formation of committees with a member of the target group and scrutiny of applications from the committees before their submission for claims should be ensured.
- Computerisation of all applications received from students should be done in DBCW/ DMW offices. This will reduce the volume of work and also help in assessing fund requirements.
- There should be judicious selection of sites for hostels to avoid these remaining vacant for want of students and their construction should be speeded up.
- There is an urgent need to put in place a stringent monitoring and evaluation mechanism both at the level of DBCWOs/DMWOs and the Directorates as well as the Government to assess the effectiveness of the schemes.
- Guidelines for selection of *madarsas* for payment of grants-in-aid should be observed.

The matter was reported to Government in September 2006. The Government while accepting (October/ November 2006) the irregularities issued orders in September/ October 2006 to DBCWOs/ DMWOs for taking corrective measures. The Government accepted the recommendations also.

BASIC EDUCATION DEPARTMENT
3.3 Sarva Shiksha Abhiyan

Sarva Shiksha Abhiyan (SSA), a Centrally sponsored scheme, was launched in January 2001 to achieve universalisation of elementary education by 2010 in a time bound manner. Review of the programme for the period 2001-06 revealed that the programme was slow to start but had shown distinct improvement since 2004-05 due to electronic transfer of funds to the district level officers, recruitment of 33000 teachers and 44200 para-teachers and acceleration in the pace of the construction works. Despite these achievements, the programme suffered on many fronts such as high drop out rate, low transition from primary to upper primary level, disproportionate deployment of teachers, non-strengthening of District Institute of Educational Trainings (DIETs), etc.

Highlights

Panchayati Raj Institutions, Village Education Committees/School Management Committees, Parent Teachers' Associations and Non-Government organizations were not associated with the preparation of Annual Work Plans and Budget.

(Paragraph: 3.3.7.1)

Against the scheme objective of achieving a Teacher Student Ratio (TSR) of 1:40, the ratio in respect of primary schools (PS) was 1:64 as of March 2006. High drop outs accounted for a TSR of 1:45 in respect of upper primary schools (UPS) in the State.

(Paragraph: 3.3.8.1)

Though the periodicity of in-service training to the teachers of Primary Schools was reduced from 20 days to 11 days in 2004-05 and to four days in 2005-06, the shortfall in training of teachers was 42 per cent and 40 per cent of the annual targets during the period.

(Paragraph: 3.3.9.3)

Non-completion of education by 49 per cent children at primary level, and decrease of about 66 per cent in transition from PS to UPS indicated low performance of SSA.

(Paragraph: 3.3.9.5)

The quality of education was poor at the primary level and the State was among the five bottom States in the country as per survey report of an independent agency.

(Paragraph: 3.3.9.7)

3.3.1 Introduction

Government of India (GOI) launched (January 2001) Sarava Shiksha Abhiyan (SSA), as a comprehensive and integrated programme to provide useful and relevant elementary education to all children in the 6 to 14 year age group by

2010. The SSA was to be implemented with the active participation of the community by effectively involving the Panchayati Raj Institutions (PRIs), School Management Committees (SMCs), village and urban slum level education committees, Parent Teacher Associations (PTAs), mother teacher associations and other grass root level structures. The objectives of the SSA were to:

- have all children in schools, education guarantee centres, alternative schools, back to school camp by 2003 (extended to 2005);
- ensure that all children complete five years of primary schooling by 2007(extended to 2010);
- bridge all gender and social gaps at primary stage by 2007 and at the elementary education level by 2010; and
- achieve universal retention by 2010.

The strategies to achieve the objectives of the programme comprised, *inter-alia*, institutional reforms to improve efficiency of the delivery system, capacity building of educational institutions for improvement in quality of education and improvement of mainstream educational administration through sustainable financing. The scheme was launched in 16 districts¹ at Primary School (PS) level and in 70 districts at UPS level in the State in August 2001. The PSs of the remaining 54 districts were brought under SSA during 2003-04.

3.3.2 Organisational set-up

The Uttar Pradesh Education For All Project Board (UPEFAPB) which functions as State Implementing Society (SIS) for achieving the objective of Universalisation of Elementary Education (UEE) also looks after the implementation of SSA in the State. The General Council of UPEFAPB headed by the Chief Minister is the apex authority of the project and provides overall policy guidelines and directions for implementation of the project at the State level. The State Project Director (SPD) is the member secretary of UPEFAPB. The State Project Office (SPO) headed by SPD looks after the overall implementation of SSA with the assistance of two Additional SPDs at State level and 70 District Project Officers²(DPOs) at the district level. State Institute of Educational Management and Training (SIEMET)³, State Council of Educational Research and Training (SCERT)⁴, State Institute of Education (SIE)⁵, and State Institute of Educational Training (SIET)⁶ are the supporting institutions at the State level and District Institutes of Educational Training (DIETs) at the district level.

¹ Aligarh, Hathras, Allahabad, Kaushambi, Kanpur Nagar, Etawah, Auraiya, Gorakhpur, Banda, Chitrakoot, Sitapur, Lucknow, Saharanpur, Varanasi, Chandauli and Bhadohi.

² Basic Shiksha Adhikari (BSA) happened to be the District Project Co-ordinator and headed the District Project Office.

³ Functioning for providing the guidance and training in the area of educational planning and management, preparation of Annual Work Plan and Budget etc.

⁴ Serving as a nodal Institution to undertake academic activities for the improvement in the quality of education.

⁵ Accountable for preparation of teaching modules.

⁶ Focusing on teachers education.

3.3.3 Audit objectives

The main objectives of audit were to assess whether:

- the funds were utilised efficiently and effectively;
- planning for implementation of various components of the programme was adequate;
- the major interventions were carried out as per norms fixed;
- efforts of the Government to improve the quality of educational standards had been effective and were economical.
- coverage of children of Special Focus Groups had been expanded; and
- the monitoring mechanism was in place and effective.

3.3.4 Audit criteria

The audit criteria applied in performance review of SSA were:

- Annual Work Plans and Budget
- Basis and reliability of Educational Management Information System (EMIS) data. Increase/ decrease in 'out of school' children.
- Data on drop out, retention and enrolment of children.
- Survey reports on beneficiaries of the programme.

3.3.5 Scope of audit and methodology

The records for 2001-05 were test checked during July to October 2005 in the offices of SPD and Director of Handicapped Welfare, SCERT, SIEMET, Mahila Samakhya (MS), Director of Alternative Education (DAE) etc. associated with the SSA at the State level and 15¹ out of 70 DPOs, (20 per cent), 43 educational circles² along with 86 PSs and 84 UPSs³ and concerned Panchayats⁴, 29 Education Guarantee Scheme (EGS) and Alternative Innovative Education (AIE) centres⁵.

An entry conference was held (August 2005) with Secretary, Basic Education Department and SPD of UPEFAB to discuss audit objectives and audit criteria. The Government accepted the facts and figures and the recommendations in the review during Exit Conference (December 2005). The performance review was updated and finalized in October, 2006 to include the physical and financial achievements during 2005-06 and results of beneficiary survey conducted (January-February 2006) by Social and Rural Research

¹ Agra, Aligarh, Ballia, Banda, Bareilly, Farrukhabad, Gonda, Lucknow, Mirzapur, Moradabad, Muzaffar Nagar, Pilibhit, Rai Bareilly, Shahjahanapur and Siddharth Nagar.

² One urban and two rural in each district except for Siddharth nagar district which had no urban block and one block in Banda due to non-production of records..

³ Two primary and two upper primary schools from each educational circle except for four PS and six UPS as school data were not made available during the period of the visit to the districts.

⁴ 170 Panchayats of the concerned schools.

⁵ One in each educational circle except for eight blocks where EGS/AIE centres were not operational and eight others, whose records were not made available.

Institute (SRI), a specialist unit of IMRB International. The summary of the SRI findings is given in *Appendix-3.3.1*.

3.3.6 Financial Management

3.3.6.1 Funding pattern

The cost of the SSA was to be shared between GOI and the State Government in the ratio of 85:15 during IX Plan (1997-2002), 75:25 during X Plan (2002-07) and thereafter in the ratio of 50:50. The State Government was required to maintain their level of investment in elementary education as was in 1999-2000. Contribution for SSA was to be over and above this investment.

The GOI was to release funds in two installments directly to SIS, first installment in April and second in September. The second installment was however, to be released only after the State Government had transferred its matching share to the SIS and at least 50 *per cent* of funds so transferred (Central and State) were utilized. The funds for upgradation, maintenance, repair of schools, teaching/ learning equipment, and local management were to be transferred to VEC, SMC/ Gram Panchayats.

3.3.6.2 Financial Outlay

The approved outlay of SSA during 2001-06 was Rs.5960.34 crore. However, GOI released only Rs.3324.31 crore (74 *per cent*) of its share (Rs.4489.05 crore) as detailed in *Appendix-3.3.2*. The position of funds received by the SIS and expenditure there against during 2001-06 was as under:

Table-1

Year	Funds received	Funds ¹ available	Expenditure (Percentage)	Closing Balance
(Rs. In crore)				
2001-02	90.15	90.15	35.83 (40)	54.32
2002-03	268.88	323.20	184.77 (57)	138.43
2003-04	453.90	592.33	478.72 (81)	113.61
2004-05	1170.15	1283.76	1251.66 (98)	32.10
2005-06	2437.32	2469.42	2233.75 (90)	235.67
Total	4420.40		4184.73	

The utilisation of funds was poor during the initial two years. SIS attributed (January 2006) the short utilization of funds to the late release (generally commencing from July every year) of funds by GOI. The reply was not tenable as AWP&B were not submitted in time to GOI thereby delaying release of funds, as brought in the succeeding paragraph. A review of intervention-wise expenditure during 2001-06 also revealed that the expenditure on civil works (Rs.1703.34 crore) exceeded the overall ceiling of 33 *per cent* (Rs.1458.73 crore) of total funds received (Rs.4420.40 crore) during 2001-06 by Rs.244.61 crore.

Delayed release of funds resulted in their under utilisation

¹ Includes closing balance of previous year

3.3.6.3 Delay in release of funds

AWP&B were submitted late by the SIS

The SIS submitted the Annual Work Plan and Budget (AWP&B) for 2003-04 in March/ April 2003 which was approved by GOI in July 2003. Similarly, AWP&B for 2004-05 and 2005-06 were submitted in the months of March and were approved in the month of June of respective years. Thus, delay in finalization of AWP&B resulted in late release of funds during 2003-05 by the GOI. Funds were released by GOI in piece meal between July and March every year. State Government also delayed the release of its matching share to the SIS. Out of a total release of Rs.4330.25 crore during 2002-06, Rs.334.02 crore¹ (8 per cent) was released in March. Of Rs.259.02 crore released by the State Government in the month of March, Rs.64.97 crore² was released on the last working day of the respective years. Late release of funds, particularly at the fag end of financial years, retarded the achievement of annual targets of the programme.

3.3.7 Planning for implementation of the programme

3.3.7.1 Preparatory activities

Preparatory activities had not been carried out before the implementation of programme

Preparatory activities comprised, *inter alia*, preparation of habitation level educational plan through effective community mobilization, micro-planning and school mapping through tracking the progress of each child in 0-14 age group on the basis of house hold survey. Training and orientation of community leaders and education department functionaries, supply of office equipment, computer facilities, etc. school based activities were also to be carried out. Scrutiny of records revealed that only Rs.78.34 lakh (23 per cent) out of Rs.3.42 crore received from GOI in 2000-01 for preparatory activities in 16 districts³ was utilized and the remaining Rs.2.64 crore were lying at the district and SPO levels as the habitation level activities for tracking the progress of the children of 0-14 age group were not undertaken. Further, except in Kanpur Nagar, no house hold survey was conducted in remaining 15 SSA districts.

Annual plans were finalized without assessing the needs at the habitation level

Scrutiny also revealed that base line assessment with regards to the learning achievements, retention, access, gender equity, etc. at UPS level had not been carried out in any of the 16 districts. Preparatory activities in respect of remaining 54 districts were also not performed for preparation of the perspective plans. Thus, identification of children and tracking their progress through village education registers and retention registers at the habitation level were not done.

SIS stated (June 2006) that out of 16 districts covered in the first phase of SSA, 14 were previously covered under Basic Education Project. The final assessment studies made in these districts during 1999-2000 had been taken as Base Line Assessment (BAS) for SSA. It was further stated (January 2006) that the preparation of habitation based planning took longer time due to

¹ Central share Rs.75 crore, State share Rs.259.02 crore

² 31st March 2003 : Rs. 29.97 crore; 31st March 2004: Rs. 25 crore and 31st March 2005: Rs. 10 crore

³ Under coverage in the first phase

inadequate capacity at VEC levels. The reply was not tenable as BAS data was confined to the children of 6-11 age groups only and did not cover the children of 0-14 age group. Besides, preparation of AWP&B without the participation of VECs, SMCs, Parent Teacher Associations (PTAs) etc. was contrary to the guidelines of the programme.

3.3.8 Major interventions under SSA

The programme emphasized quality issues in elementary education viz. improvement in infrastructure and support services, teacher characteristics and teacher motivation, pre-service and in-service education of teachers, curriculum and teaching/ learning materials, pupil education, monitoring and supervision etc. Following points were noticed:

3.3.8.1 Teacher Student Ratio

As per norms, one teacher was to be provided for every 40 students in Primary and Upper Primary schools for effective teaching. The Teacher Student Ratio (TSR) in primary and upper primary schools of the State during the period 2002-06 was as under:

Table-2

Year	TSR in PS	TSR in UPS
2002-03	1 : 81	1 : 38
2003-04	1 : 75	1 : 39
2004-05	1 : 76	1 : 41
2005-06	1:64	1:45

Delay in recruitment and irrational deployment of teachers affected the learning achievements

The TSR in UPS was more or less maintained. However, there was no significant improvement in the TSR in the primary schools during 2002-06. The SIS stated (June 2006) in reply that TSR improved significantly at the end of March 2005 due to recruitment of 33,000 teachers and 44,200 Shiksha Mitras during 2004-05 and 65229 Shiksha Mitras in 2005-06.

3.3.8.2 Deployment of teachers

SSA guidelines stipulated that there should be at least two teachers in each PS and three in each UPS. EMIS data relating to PS for 2004-05 revealed that there was no rational deployment of teachers in various schools keeping in view SSA norms. During 2005-06, 5270 PS and 6326 UPSs had single teacher and 130 PSs and 109 UPSs were teacher less while 25718 PS and 5800 UPS were manned by teachers ranging between four and seven and 946 PS and 521 UPS between eight and 23 teachers. SIS stated (June 2006) that efforts were being made to rationalize the posting of teachers before July 2006. Thus, non-deployment of teachers in the schools/ blocks to bring uniformity in TSR adversely affected the quality of elementary education and also indicated poor planning and management of schools at the district level.

3.3.8.3 Female teachers

The programme emphasized on having at least 50 *per cent* women teachers. The position of female teachers in PS and UPS was, however, at 36 and 22 *per cent* respectively during 2005-06. Thus, the objective of removal of imbalances in the employment of male and female teachers through the

recruitment of female teachers under the recommendations of National Policy of Education (NPE) 1986 had not been achieved (March 2006). SIS stated (January 2006) that position would improve gradually as 50 per cent posts of the sanctioned strength had been reserved for female teachers in new recruitments.

3.3.8.4 Coverage of out of school children

Strategies for mainstreaming of out of school children were not effective

The first and foremost objective of SSA was to have all children in school by setting up of schools/ Education Guarantee Scheme (EGS) centres in school-less habitations, arranging bridge courses, back to school camps etc., and opening Alternative and Innovative Education (AIE) centres for very specific and difficult group of children who could not be mainstreamed.

Scrutiny revealed that identification of out of school children was not done during 2001-03. However, the position of out of school children identified, enrolled and left over children against the total projected population of children as per House Hold Survey (HHS) during 2003-06 was as under:

Table-3

(Numbers in lakh)

Year	Identified	Covered	Left over	Dropout	Population of children in 6-14 years age group
1	2	3	4	5	6
2003-04	40.59	35.10	5.49	19.07	348
2004-05	24.56	23.05	1.51	23.68	376
2005-06	25.19	24.14	1.05		381

Annual plan for 2006-07 indicated 14.3 lakh children out of school

Thus, enrolment of 19.07 lakh out of school children during 2004-05 and 23.68 lakh during 2005-06 over and above the left over children of previous year indicated that either the number of out of school children was underestimated earlier or a substantial number of children dropped out or both. It was corroborated by the 66th meeting of PAB¹ (April 2005) wherein SIS presented the plan for the coverage of 56 lakh *out of school* children during 2005-06. The number of out of school children at the end of March 2006 stood at 14.30 lakh as per annual plan approved for 2006-07. Non-coverage of *out of school* children, even those identified in HHS during 2003-06, was attributable to shortfall of 47 per cent, 52 per cent and 22 per cent respectively in opening of EGS/ AIE centres during these years as brought out below:

Table-4

Year	Target and achievement for the opening of EGS/ AIE centres				Total		Shortfall (per cent)
	EGS		AIE		Target	Achievement	
	Target	Achievement	Target	Achievement			
2003-04	6020	4589	12066	4984	18086	9573	8513(47)
2004-05	7534	4865	10375	3715	17909	8580	9329 (52)
2005-06	6793	5697	5580	4069	12373	9766	2607 (22)

The extent of shortfall in opening of EGS/ AIE centres indicated that the diversified strategies for mainstreaming of out of school children were not adopted fully despite the fact that SSA aimed to cover these children by 2005. The SIS stated (January 2006) that the coverage of out of school children was

¹ Project Approval Board under Ministry of Human Resource Development (GOI)

being attempted through EGS/ AIE. SRI's survey report indicated that 34.10 lakh children were still out of school (February 2006) constituting 8.3 per cent of the estimated population of the children in the age group of 6-14 years in urban and rural areas in the State. It also revealed that 34.31 per cent (11.70 lakh) and 45 per cent (15.36 lakh) of the out of school children belonged to SC, ST and OBC categories. Despite these social gaps, back to school camps were arranged only in 6.5 per cent PS and 11.3 per cent in UPS as per survey report of SRI.

3.3.8.5 Construction of PS/ UPS

As per norms of the State Government, there should be a PS for habitations having a population of 300 or more, if there was no PS within a radius of 1.5 km. An UPS was admissible for a population of 800 or more, if there was no UPS within a radius of 3 km. An expenditure of Rs.280.84 crore was incurred on construction of 8957 PS and Rs.430.63 crore on 12167 UPS sanctioned during 2001-06. Year-wise progress of civil works as of April 2006 was as under:

Table-5

Year	Primary School			Upper Primary School		
	Sanctioned	Completed	Incomplete	Sanctioned	Completed	Incomplete
2001-02	516	512	4	450	449	1
2002-03	371	367	4	1767	1759	8
2003-04	3073	3046	27	5229	5155	74
2004-05	2576	2499	77	2413	2265	148
2005-06	2421	23	2398	2308	5	2303
Total	8957	6447	2510	12167	9633	2534

Thus, 2510 PS (28 per cent) and 2534 UPS (21 per cent) involving an amount of Rs 217.33 crore remained incomplete (April 2006). The SRI survey revealed that 1.6 per cent of primary and upper primary schools were operating in *kutchha* structures, one per cent of primary schools and 6.5 per cent of upper primary schools operated in a *semi pucca* structures and about half a per cent of primary schools had no building at all. EMIS data also revealed that out of 95907 PS and 27750 UPS in the State, 1578 PS and 164 UPS were running without having their own buildings while 3495 PS (3.6 per cent) and 438 UPS were in dilapidated condition during 2005-06.

Non-achievement of the annual targets for completion of the civil works due to delay in release of funds and delayed selection of sites etc. affected the coverage of access-less habitations in a time bound manner. SIS attributed (June 2006) the non-achievement of yearly targets to delay in release of funds by GOI.

3.3.8.6 Reconstruction/ additional accommodation works

For improving the retention of children in PS/ UPS, reconstruction of dilapidated buildings as well as construction of additional class rooms was sanctioned during 2002-06. Position of target and achievements during the period 2002-06 as detailed in *Appendix-3.3.3* revealed significant shortfall in reconstruction of buildings (38 per cent) and in construction of class rooms (69 per cent) as of March 2006.

While delay in completion/ non-commencement of civil works affected the target of “UEE by 2010”, there was no control over the quality of construction as no arrangements were in place for technical supervision of the construction works. There was nothing on record to establish that any technical person ever visited the site and recorded any observation. SIS stated (June 2006) that the proposal for supervision of civil works by third party was under consideration.

3.3.8.7 Other infrastructural facilities

The programme emphasized the need to develop a school system and provide natural environment. The quality issues in elementary education therefore, revolved around the infrastructure and support services as a priority. However, EMIS data relating to 95907 PS and 27750 UPS for 2005-06 revealed the position of infrastructural deficiencies as under:

Table-6

Category	(Numbers)	
	PS	UPS
Toilet not available	20604 (21%)	4399 (16%)
Water not available	5168 (6%)	3384 (12%)
Building less schools	442	207
Zero Black Board Schools	466	348

Non-availability of toilets and drinking water in a considerable number of PS and UPS and continuance of building less and zero blackboard schools even after five years of the implementation of the programme was a serious set back to the objective of providing school environment under SSA. On this being pointed out, SIS accepted (January 2006) the infrastructural gaps and stated that arrangements were being made to provide the basic facilities like toilets and hand pumps with the convergence under the “Total Sanitation Programme”- a Centrally sponsored scheme.

3.3.8.8 Free Text Books

SSA provided for distribution of free text books to all girls and SC/ ST children at Primary and Upper primary level within the upper ceiling of Rs. 150 per child. Scrutiny revealed that no text books were provided to the children of the above categories during 2001-02 as no provision had been made on this account. SIS stated (June 2006) that free text books were provided to all the eligible children in the subsequent years. However, as per survey report of SRI, only 86.8 *per cent* PS and 91.9 *per cent* UPS reported distribution of free text books to girls and only 90.1 *per cent* PS and 90.3 *per cent* UPS reported distribution of free text books to the SC and ST children. In assessing the reach of SSA at the grass root level, the survey revealed that only 51.2 *per cent* children acknowledged receipt of free text books and about 92.2 *per cent* children accepted receipt of all the free text books on time.

3.3.8.9 Innovative activities for computer education

Under innovative activities¹, computer education was to be provided to the children of UPS and a provision of Rs.10.06 crore had been made @ Rs.15 lakh per district, in the AWP&B of 2001-03. However, purchase of computers

Innovative activities for computer education for UPS were not undertaken mainly due to the problem of electricity supply

¹ Besides ‘Computer Education in Upper Primary Schools’ the innovative activities included: Early Childhood Care Education, Girls’ Education, SC and ST Education.

for the innovative activities was not made during the first two years due to non-finalisation of purchase procedures. As a result, Rs.10.06 crore released during 2001-03 could not be utilized. Rupees 10.50 crore out of Rs.35 crore received from GOI for innovative activities during 2003-04 were released to 70 districts in January 2004 for purchase of 15 computers along with accessories in each district at a uniform rate of one lakh rupees per computer. Scrutiny revealed that innovative activities for the children of UPS in computer education could not commence mainly due to non-installation of computers for want of electricity connection and lack of infrastructure.

SPD stated (January 2006) that arrangements were being made for resolving the problem of electricity with the involvement of Non-Conventional Energy Development Agency (NEDA). However, no alternative arrangements for electrical supply were made (March 2006) despite an expenditure of Rs.4.88 crore during 2005-06 out of Rs.10.70 crore allocated for computer aided learning.

3.3.9 Quality of Educational Standard and Research Development

3.3.9.1 Resource support and capacity building

Major functions of SCERT at State level and DIETs at district level were to improve the quality of elementary education, teachers training, development of self learning material for multi grade teaching, development of training packages, capacity building, research and evaluation/ assessment studies etc. Making these institutes fully operational for institutional capacity development was a priority in the programme implementation. However, survey for a capacity orientation and training infrastructure with the existing institutions viz. SCERT at the State level and DIET at the district level was not done.

Out of Rs.1.12 crore made available to SCERT during 2003-04, Rs.42.70 lakh (38 per cent) only were utilised for pre-project activities including research evaluation and development of DIETs and Rs.69.38 lakh were surrendered. Pre-project activities such as printing of teaching guides for science and mathematics for UPS (cost: Rs. 22.29 lakh) were not undertaken and expenditure of Rs.84,000 only was incurred out of Rs.31.13 lakh available, on research training and development of DIETs. The SCERT stated (July 2005) that earmarked activities of SSA could not be performed due to engagement of staff of SCERT and DIETs with the selection process of teachers under the orders of the Government.

3.3.9.2 Training activities

While no training programme was undertaken at the State level during 2001-04 due to deployment of the staff of SCERT for non-teaching activities, the DIETs at district level, imparted partial training to the master trainers and para-teachers only. Training to the teachers/ BRCs and others was organised at the Block/ Tehsil levels without ensuring adequacy of the infrastructure such as availability and capacity of training halls, accommodation facilities for trainees etc. DIETs associated with the training and supervision activities suffered from shortage of teaching staff¹ at the State level and therefore, had to

Shortage of teaching staff in DIETs led to significant shortfall in training activities

¹ Vacant posts of Principal : 32, Vice Principal : 30 and Senior Lecturers : 335 against the sanctioned strength of 70,70 and 420 respectively.

confine themselves to the training activities of para-teachers and master trainers only. Thus, the quality of educational training was adversely affected.

3.3.9.3 Training to the teachers

Provision of 20 days 'in service' course for all teachers annually, 60 days refresher course for untrained teachers and 30 days orientation course for freshly trained recruits was to be provided by SCERT at State level and DIETs at district level under the existing Teacher Education Scheme. Physical and financial target and achievements of the training activities during 2004-05 were as under:

Table-7

Particulars	Category	AWP&B including spill over of 2003-04		Achievement	
		Physical (Number)	Financial (Rs. in crore)	Physical (Number)	Financial (Rs. in crore)
Training to In-service teacher	PS	326269	44.84	181895	6.36
	UPS	86969	12.18	56761	12.22
Orientation for freshly recruits teachers	PS	76004	14.62	50881	10.20

Scrutiny revealed that against the norm of 20 days in service training annually, 11 days training were arranged on an average, for teachers of PS and UPS at block level through the master trainers during 2004-05 and only 2.33 lakh teachers (58 per cent) of PS were trained against the target of 4.02 lakh during 2004-05. Component wise and district wise details of training activities along with the physical targets and achievements for the period 2001-04 were not maintained at the State level. SIS stated (January 2006) that efforts were being made to impart 20 days training during 2005-06. The reply was not tenable as even in 2005-06 only 2.05 lakh PS and 0.81 lakh UPS teachers were trained (60 per cent) against the target of 3.92 lakh and 0.82 lakh respectively, and that too by reducing the periodicity of training on an average to four days only. Thus, lesser coverage of training activities by the supporting institutions due to being pre-occupied with works of induction training of newly recruited teachers defeated the objective of providing useful and relevant education through effective teaching learning strategies.

3.3.9.4 Training to community leaders

The scheme provided for training to the community leaders, to a maximum of eight persons in a village, for two days in a year. It was noticed that as of March 2005 only 2.58 lakh community leaders were trained out of 4.64 lakh targeted. Out of 70 districts, VEC training in 36 districts (51 per cent) was not imparted mainly due to delay in finalization of training manual, formation of Ward Education Committees in urban areas, strengthening of VECs and selection of Coordinators¹ for Nyay Panchayat Resource Centre (NPRC). Shortfalls in providing training to the community leaders affected the quality oriented participatory process of communities in planning implementation and monitoring the schools and the level of their performance. In reply, the SIS adduced (January 2006) non-taking up of training of community leaders during 2004-05 to panchayat elections. Reply was not tenable as panchayat elections were held in August 2005. The new community leaders were also not trained after the panchayat elections during 2005-06. SRI survey (February

¹ BRCs designated in the State as NPRC

2006) also reported that in about 60 *per cent* schools, community members were trained under SSA.

3.3.9.5 Gross Enrolment Ratio, Net Enrolment Ratio and Retention Rate

Gross Enrolment Ratio (GER), Net Enrolment Ratio (NER) and Retention Rate (RR) of the children in the school system are performance indicators to the programme. GER is the percentage of total enrolment in primary/ elementary level of education to the population in primary/ elementary schools and NER indicates the percentage of enrolment corresponding to the targeted child population. The State Report Card (SRC) 2005 on elementary education of India, published by National Institute of Educational Planning and Administration (NIEPA), reported following GER, NER and RR for the State:

Table-8

	GER	NER	RR
Primary	98.33	90	51.12
Upper primary	34.05	27.73	NA

Thus, there was a significant shortfall (49 *per cent*) in retention of children in PS after their enrolment and about 66 *per cent* reduction in transition from PS to UPS, indicating low performance of SSA.

On being pointed out SIS stated (June 2006) that EMIS data did not capture the position of private schools and transition rate was actually higher than that reflected in EMIS. The actual transition rate based on any parallel study/report was, however, not provided. Moreover, survey report of SRI also indicated that 31.29 lakh children dropped out after their enrolment in the schools whereas 2.81 lakh children were never enrolled (February 2006). High drop out rate at the PS level indicated that efforts to achieve UEE by involving PRIs, SMCs and community leaders at the grass root level were not effective.

3.3.9.6 Research, Evaluation and Monitoring by Resource Groups

SIEMET and SCERT were the authorised institutions for the research work on the topics recommended by the experts of Elementary Education Department, GOI, Universities, Non-Government Organisations (NGOs) etc. Out of the provision of Rs.15.62 crore in AWP&B in 2004-05 and Rs.8.91crore in 2005-06, only Rs.4.89 crore¹ (31 *per cent*) and Rs. 3.59 crore (40 *per cent*) were spent on Research, Evaluation, Monitoring and Survey (REMS). Ten studies undertaken during 2004-05 on quality and impact of training to Shiksha Mitras, aids and appliances, enrolment rates, dropouts, access and quality of schooling in PS and UPS etc. on sample basis, were not completed as of February 2005 and therefore, impact evaluation and findings of these reports could not be taken into cognizance in formulation of the AWP&B 2005-06. Further, 11 out of 12 studies undertaken in 2005-06, were not completed till the finalization of AWP&B for 2006-07. The SIS stated (January 2006) that finding of research studies would be taken into consideration, while preparing AWP&B of succeeding years. Thus, the purpose of preparing the need based planning on the basis these studies was not achieved.

3.3.9.7 Evaluation of learning achievement

SSA lays a special thrust on making education at the elementary level useful and relevant for children by improving the curriculum, child centered activities

¹ 2002-03 : Rs. 1.18 crore, 2003-04 : Rs. 0.51 crore and 2004-05 : Rs. 3.20 crore.

and effective teaching learning strategies. Scrutiny revealed that learning achievement of children at the grass-root level was not assessed by SIS (March 2006) through independent surveys by specialized agencies/institutions. However, the beneficiary survey results published in Annual Status of Education Report (January 2006) by Pratham Resource Centre Bombay revealed that the State was at the bottom five states in learning as 68.2 *per cent* children of class V could not solve the questions on division in arithmetic while 50.5 *per cent* children of the same class were unable to read long sentences. Thus, the objective of SSA to provide useful education was jeopardized despite the application of huge funds on elementary education.

3.3.10 Coverage of Special Focus Groups

Education of girls, especially those belonging to the SCs, STs and minorities, had been made one of the principal concerns in SSA. Besides, the scheme also provided focus on the inclusion and participation of children from SC/ ST, minorities, urban deprived children, children of other disadvantageous groups and children with special needs, in the educational process. Early Childhood Care and Education (ECCE) were also made the part of SSA to support pre-school learning. Girls Education, ECCE and interventions for the children of SC/ ST category were to be covered through the innovative activities. For this, provision upto Rs.15 lakh per intervention per year and up to Rs.50 lakh in a district in a particular year was admissible under the programme.

3.3.10.1 Innovative activities

Education for Girls, Scheduled Caste and Tribal children

The innovative programme for education of girls, especially those belonging to SC/ ST, were to be made to address gender concerns mainly through enrolment and retention drives, special camps and bridge courses, setting up special models of alternative schools, community mobilisation, remedial teaching etc. Neither a focused strategy for the coverage of out of school girls especially those belonging to SC/ ST categories was adopted nor any programme exclusively for their identification and mainstreaming was launched during 2001-06. Although an expenditure of Rs.3.34 crore was incurred on Girls' Education in organizing Meena Manch¹, Kala Jathha,² etc. but impact evaluation of the identification and mainstreaming activities was not made (March 2006).

Mainstreaming of children of SC/ ST

During 2002-04 only 15892 children (77 *per cent*) from SC/ ST categories were covered through 397 camps at a cost of Rs.2.65 crore, as against the target of mainstreaming 20,600 children, by organizing non-residential bridge courses through 519 camps,. However, actual number of children mainstreamed in the education system was not available at the State level. Moreover, no activity was performed during 2005-06 in any district despite the approval of Rs.3.50 crore for it. There were also no records to indicate the mainstreaming of children after arranging the camps in the test-checked

¹ Symbol of the girls and spokesperson for girls education

² Local folk groups with specially developed script on the theme of girls education and retention

districts. SIS stated (January 2006) that the position of children mainstreamed in education system was being collected.

3.3.10.2 Children with Special Needs

As per framework of SSA, Children with Special Needs (CWSN), irrespective of the kind, category and degree of disability are to be provided education in an appropriate environment. SSA was to adopt zero rejection policy so that no child is left out of the school system. The programme, *inter alia*, provided for an early detection and identification of children and their placement in regular schools, providing aids and appliances to the children requiring assistive devices, support services including special equipments, reading material etc. Provision at the rate of Rs.1200 per child was admissible for the integration of the CWSN under SSA. During 2002-06, SIS spent Rs.39.56 crore out of Rs.75.59 crore approved for coverage of the CWSN. The position of CWSN identified and integrated in Primary Schools during 2002-06 was as under:

Table-9

Year	Number of children identified	No. of children integrated in PS (Per cent)
2002-03	24560	17559 (73.28)
2003-04	247063	213822 (86.55)
2004-05	263060	240923 (91.58)
2005-06	276560	244337 (88.34)

Although the integration of children in school system improved significantly from 73 per cent in 2002-03 to 92 per cent in 2004-05 but came down to 88 per cent in 2005-06. Further, despite significant improvement projected in the achievements, only 243 itinerant teachers¹ were appointed during 2005-06 against the target of 426 teachers of this category. Thus the integration of CWSN in school system without itinerant teachers hardly served the objective of the programme.

3.3.10.3 National Programme of Education for Girls at Elementary Level

GOI launched National Programme for Education of Girls at Elementary level (NPEGEL) in 2003-04 to cover Educationally Backward Blocks (EBB) having a rural female literacy rate below the national average in Rural and Urban areas. NPEGEL funds were to be transferred to Mahila Samakhya (MS) Society for implementation of the programme in the districts, provided that these societies were operational there and associated with MS programme. The position of annual plans approved for NPEGEL, funds released and actual expenditure there against during 2003-06 was as under:

Table-10

Year	Approved outlay	Funds released	Expenditure
	(Rs. in crore)		
2003-04	36.29	9.06	4.45
2004-05	137.78	40.00	38.67
2005-06	184.33	184.32	151.66
Total	358.40	233.38	194.78

¹ Itinerant teacher having specialised training to teach disabled children

Only Rs.233.38 crore was released under NPEGEL during 2003-06 against the Annual Plans approved by GOI for Rs.358.40 crore. During the period Rs.4.67 crore was released to Mahila Samakhya Society (Society) for MS programme operational only in 12 districts². Scrutiny revealed that despite availability of funds, the Society incurred no expenditure on mobilisation of community during 2003-05. During 2005-06 also, no expenditure was incurred on training to teachers, mother and teachers association etc. Despite expenditure of Rs.2.25 crore during the year, only 66216 (56 *per cent*) out of 118358 girls, identified for supplying uniforms and work books were covered. Despite low performance against the earmarked activities, Society was not made accountable for ensuring the implementation of programme effectively.

The programme suffered due to inadequate performance and delay in release of funds

Funds were also released to DPOs for implementation of the activities of the scheme approved under AWP&B in 58 districts. These activities were performed partially as indicated in *Appendix-3.3.4*. There was shortfall of 84 *per cent* in 2003-04 and 90 *per cent* in 2004-05 in opening of child care centres and no activity for community mobilization was undertaken during 2004-06. Except for civil works, construction of MCS and library, achievement in other activities during 2004-06 was low. Further, the scheme to achieve the target for coverage of 3.76 lakh girls through 1501 schools in urban areas was not started during 2004-05.

The coverage of activities suffered badly despite the expenditure of Rs.194.78 crore as of March 2006. SIS admitted (January 2006) that the programme suffered due to inadequacy and delay in release of funds. Thus, inadequate performance of high priority activities defeated the objective of bringing out of school girls of EBBs into the schooling system in a time bound manner.

3.3.11 Role of Non Government Organisations (NGOs)

SSA conceives of a vibrant partnership with NGOs in the area of capacity building both in communities and in institutions. The research, evaluation and monitoring activities under SSA were also proposed to be done with NGOs.

While no targets were planned for running of EGS/ AIEs through NGOs during 2001-03, the target of integration of out of school children in the education fold through NGOs during 2003-05 in the access-less habitation also could not be achieved. Only 11,671 (eight *per cent*) children were actually covered against the target of coverage of 1.51 lakh children. In reply SIS stated (June 2006) that NGOs were reluctant to run the centres due to non-remunerative unit cost for these activities. The NGOs had, however, neither been involved through a participatory process in preparation of habitation level plans nor associated with the coverage of out of school children effectively. Activities such as pedagogy, organisation of community for planning and implementation, gender concerns etc. were also not covered through NGOs.

3.3.12 Internal Audit

As per SSA guidelines, the SIS should introduce proper internal audit system and strengthen internal checks to ensure proper utilization of funds. The

² Saharanpur, Chitrakoot, Varanasi, Allahabad, Sitapur, Auraiya, Gorakhpur, Jaunpur, Pratapgarh, Muzaffar Nagar, Mau and Mathura.

internal audit of DPO and sub-district units selected on a percentage basis was to be conducted so as to cover all the districts and sub-district units at least once in three years. It was, however, observed that no internal audit mechanism was created by SIS for ensuring proper utilization of funds and to assist the implementing agencies of SSA in maintenance of various control records. In reply SIS stated (June 2006) that a proposal for setting of Internal Audit Cell was under consideration.

3.3.13 Conclusion

The scheme was implemented in the State without preparation of habitation level plans through community mobilization and house hold surveys. Annual Work Plans and Budget were prepared late and without involving Village Education Committees, School Management Committees and Parent-Teacher Associations. The 'teacher-student ratio' was not attained in respect of Primary Schools and the number of out of school children stood at 14.30 lakh despite the programme being in operation for five years. Deployment of teachers was not rational as some schools were overstaffed and others understaffed. High dropout rate at the primary level and significant decrease in transition from PS to UPS was a serious threat to the programme objectives. Lack of basic infrastructure facilities such as school buildings, additional class rooms, toilets, water facilities etc. at the school level was a dampener in the process of achieving of UEE by 2010. The quality of education was extremely poor at the primary level and the State was among the five bottom states in the country. Thus, lackadaisical implementation of the Sarva Shiksha Abhiyan failed to have the desired impact on the level and quality of the primary and upper primary education in the State.

3.3.14 Recommendations

- PRIs, VECs, SMCs, PTSs and NGOs should be motivated to assume a major role in planning, implementation and monitoring of the programme.
- The posting of teachers should be rationalized to remove the disparity in TSR within the districts.
- It was essential to focus attention on out of school children and bring them in the education fold by assessing their numbers realistically.
- A focused strategy should be evolved for creating awareness among various stake holders to retain the children till UPS level and to prevent heavy drop out from PS to UPS.
- Innovative activities for the children of the special focus groups should be aimed at bringing them into the main stream of education in a time bound manner.

The reply furnished by the Government to the review (2004-05) in January 2006 and June 2006 has been included in it at appropriate places. Reply to the updated review (2005-06) referred to the Government in November 2006 had not been received (December 2006).

FOOD AND CIVIL SUPPLIES DEPARTMENT
3.4 Food Security, Subsidy and Management of Food-grains

The Food and Civil Supplies Department implemented the Decentralized Procurement (DCP) scheme in the State since 1999-2000. This scheme launched by the Government of India (GOI) in 1997-98 aimed at extending benefit of minimum support price (MSP) to farmers by maximizing the local procurement of foodgrains and to provide food security to poor households. A review of the implementation of the scheme during 2001-06 disclosed that the scheme objectives were not achieved due to distribution of food grains lesser than the required quantities, low procurement of wheat and improper identification of BPL households. The major audit findings are detailed below:

Highlights

Subsidy of Rs. 468.80 crore was withheld by GOI due to non-preparation of *pro-forma* accounts in time and submission of inaccurate utilization certificates.

(Paragraph 3.4.6.2)

A minimum support price lower than prevailing market price resulted in shortfall in procurement of wheat ranging between 3.90 lakh MT and 21.41 lakh MT.

(Paragraph 3.4.7.1)

Adoption of recovery rate of custom milled rice lower than Central rate resulted in undue financial aid of Rs. 53.51 crore to mill owners in the test-checked districts. Rupees 15.67 crore representing cost of short yield in the recovery of custom milled rice from paddy was due for realization from mill owners.

(Paragraph 3.4.7.3)

Losses amounting to Rs. 20.74 crore due to embezzlement, transit and storage losses remained un-realized.

(Paragraph 3.4.9.1)

System adopted by the Department for verification of beneficiaries was imperfect as annual verification of BPL households was not conducted. Further, the variation in number of BPL households identified by the Department with those identified by the Rural Development and Urban Development departments ranged between two and 485 *per cent* in test-checked districts.

(Paragraph 3.4.10.2 and.3)

Adequate food security was not provided to optimum number of beneficiaries, as the distribution of food grains under BPL beneficiaries was less than requirement due to inadequate implementation of roster process.

(Paragraph 3.4.10.4)

The shortfall in inspection of fair price shops was up to 97 *per cent*.

(Paragraph 3.4.13)

3.4.1 Introduction

Public Distribution System (PDS) is a major strategy for ensuring availability of foodgrains to beneficiaries at affordable prices. It was made more focused towards families living below poverty line (BPL) by reorienting and re-designating it as Targeted Public Distribution System (TPDS) in 1997.

The Decentralized Procurement (DCP) scheme launched (1997-98) by Government of India (GOI) and implemented in the State from 1999-2000, aimed at extending the benefits of Minimum Support Price (MSP) to farmers by maximizing the local procurement of foodgrains by the Department and other agencies¹ alongwith providing food security to beneficiaries. To eliminate dependency on Food Corporation of India (FCI), adequate quantity of food-grains required for PDS were to be retained under the State Pool and the rest was to be surrendered to FCI for the Central pool. The scheme was funded through receipts from sale proceed of foodgrains, subsidies from GOI and loans from scheduled banks. The foodgrains were distributed through 70293 fair price shops (FPSs) at subsidized Central Issue Price (CIP) for ensuring the availability of foodgrains to public at reasonable prices. The GOI provided subsidy to the State to meet the difference between economic cost of procurement and CIPs of foodgrains. Food and Civil Supplies Department (Department) implemented the scheme in the State from 1999-2000.

A total of 106.79 lakh (41 *per cent*) BPL households were identified by the GOI in 2001 out of the total of 257.57 lakh households in the State.

3.4.2 Organansational set up

At the Government level Principal Secretary, Food and Civil Supplies was responsible for monitoring the scheme. The Commissioner, Food and Civil Supplies was head of the Department and managed procurement and distribution of foodgrains. Department formulated policies, monitored its implementation and exercised budgetary control through 17 regional offices headed by Regional Food Controllers (RFCs) who were responsible for procurement of food-grains, its transportation up to warehouses for secured storage and delivery up to fair price shops (FPSs) and were assisted by District Food and Marketing Officers (DFMOs).

Deputy Commissioner (Supplies) assisted by District Supply Officers (DSOs) at district level and revenue officials of the district were responsible for identification of beneficiaries and allotment of foodgrains to FPSs for its distribution.

A “Food Cell” headed by the Deputy Inspector General of Police functioned in the Department to check malpractices etc.

3.4.3 Audit objectives

The main objective of the audit was to assess whether:

- the financial management of DCP scheme was sound;
- the system of procurement of food-grains was efficient;
- the movement and storage operation was efficient;
- identification of targeted beneficiaries was reliable, and

¹ UP State Warehousing Corporation, UP State Cooperative Federation, UP State Food & Essential Commodity Corporation, UP Consumer Cooperative Federation, UP Agriculture Industries Corporation, Potato Marketing Federation, etc.

- the distribution arrangement of foodgrains was effective to ensure that targeted beneficiaries had access to foodgrains.

3.4.4 Audit criteria

The efficiency of the scheme was assessed on the basis of following criteria:

- Provisions of MOU between State and Central Governments
- Provisions of agreement between State Government and scheduled banks.
- Instructions under PDS Control Order 2001;
- UP Rice and Paddy (Procurement and Trade Regulation) Order 1985.

3.4.5 Scope of audit and methodology

Records relating to the period 2001-06 were test checked in audit from August 2005 to June 2006 in Government and Department along with records of 12¹RFCs having administrative control of 16²DSOs and 16 DFMOs of selected districts.

Sixteen districts selected by using stratified sampling under Simple Random Sampling without repetition (SRSWOR) method. The SRSWOR was applied on lists of districts categorized 'above State BPL percentage' and 'below State BPL percentage'. Three blocks (one urban and two rural) of each district and four Fair Price Shops of each block were selected under Circular Systematic Sampling method.

An entry conference was held (August 2005) with the Principal Secretary, Food and Civil Supplies Department, to discuss audit objectives and criteria. Audit findings, conclusion and recommendations were communicated to Government/ Department and also discussed in exit conference (16 October 2006).

Audit Findings

3.4.6 Financial Management

3.4.6.1 Loans remaining unpaid

The banks provided loans to the Department by way of cash credit facilities to meet its expenditure on procurement, storage and distribution of foodgrains. The Department was to ensure that amount outstanding in the cash credit account are fully matched by the value of the hypothecated foodgrains. The position of loans raised, repaid and outstanding is as detailed below:

(Rs. in crore)

Year	Opening Balance	Receipt	Total	Repayments	Closing Balance
2001-02	459	1000	1459	700	759
2002-03	759	472	1231	900	331
2003-04	331	580	911	330	581
2004-05	581	1880	2461	925	1536
2005-06	1536	1480	3016	1400	1616

Thus, loan of Rs.1616 crore and interest of Rs.18.22 crore remained unpaid as of March 2006.

**Loans Rs 1616
crore remained
unpaid as of
March 2006**

¹ Agra, Allahabad, Banda Basti, Faizabad, Gorakhpur, Jhansi, Kanpur, Lucknow Mirzapur, , Moradabad, Meerut.

² Agra, Bhadohi, Deoria, Etawah, Faizabad, Ferozabad, Gorakhpur, Jalaun, , Kushi Nagar, Lucknow, Mahoba, Meerut, Pratapgarh, Rampur, Sitapur, Siddharth Nagar.

Government stated (October 2006) that repayment of loans and interest was not uniform due to withholding of subsidy of Rs. 300 crore by GOI and holding of undistributed stock of foodgrains 19.17 lakh MT valuing Rs.1493.37 crore at end of 2005-06 against loans. Reply was not tenable as subsidy withheld by GOI was due to departmental failure as brought out in succeeding paragraph. Further the value of closing stock claimed by the Department was short against the outstanding loans by Rs.123 crore (Rs.1616 crore- Rs.1493 crore).

3.4.6.2 Withheld subsidy

The GOI provided subsidy to the State at rate 95 *per cent* if the subsidy claims are raised on the basis of actual distribution of foodgrains and was accompanied by Utilization Certificates (UCs) and at the rate of 90 *per cent* if it was raised on the basis of off-take only. Balance subsidy was to be released on receipt of final audited accounts and determination of final economic cost. The position of the subsidy claimed and released by GOI during 2001-06, is detailed below:

GOI withheld subsidy Rs 468.80 crore for non-preparation of pro-forma account and submission of inaccurate UCs

Year	Subsidy claimed by Department			Releases by GOI	Withheld Subsidy
	Previous balance	During year	Total (2+3)		
(1)	(2)	(3)	(4)	(5)	(6)
2001-02	165.29	686.66	851.95	521.15	330.80
2002-03	330.80	1108.10	1438.90	1159.29	279.61
2003-04	279.61	1138.67	1418.28	975.61	442.67
2004-05	442.67	1457.92	1900.59	1443.88	456.71
2005-06	456.71	1744.41	2201.12	1732.32	468.80

Subsidy of Rs.468.80 crore was withheld by GOI on account of non-finalization of *pro-forma* accounts for 2003-06 (Rs.303.51crore) and submission of inaccurate UCs (Rs.165.29 crore). Withholding of subsidy led to availing of additional cash credit to that extent. Finalisation of accounts from 2003-04 was in arrears (October 2006).

Government assured (October 2006) to make efforts to finalize the said accounts for early release of withheld subsidy.

3.4.7 Procurement of food-grain

3.4.7.1 Procurement of wheat

Targets fixed by the Government regulated the overall procurement of wheat, which were neither based on requirement nor on production. These targets were not achieved, except in 2001-02, during 2001-06 as detailed below:

Year	Production	Requirement ¹	Target	Actual procurement	Excess (+) / Shortfall (-)	MSP Rs. per MT	Average market rates Rs. per MT
(in lakh MT)							
2001-02	254.98	19.39	20.00	24.46	(+) 4.46	6100	5800-6700
2002-03	237.48	29.47	25.00	21.10	(-) 3.90	6200	6690-7020
2003-04	263.50	27.43	25.00	12.74	(-) 12.26	6300	7160-7310
2004-05	225.14	23.96	25.00	17.40	(-) 7.60	6300	7120-7240
2005-06	NA	19.02	27.00	05.59	(-) 21.41	6400	8350-10150
Total		119.27	122.00	81.29	(-) 40.71		

Thus, only 81.29 lakh MT wheat was procured against a requirement of 119.27 lakh MT. The lower MSP than the prevailing market price was the

¹ Requirement assessed by the department.

main reason for low procurement. Government made no efforts to enhance procurement. Short procurement of foodgrains increased dependency on FCI, which was against the provision of DCP.

The Government intimated (October 2006) that GOI had been requested (2006-07) to add bonus to MSP to enhance the procurement. Efforts would be made to reduce dependency on FCI.

3.4.7.2 Procurement of rice

Benefit of MSP not passed on to farmers despite increase in procurement of rice

The Department procured rice from two sources-first, paddy is procured from the farmers and forwarded to mill owners for milling and producing custom milled rice (CMR) and second, rice is procured from mills by imposing levy on them in accordance with the provisions of UP Rice and Paddy (Procurement and Trade Regulation) Order 1985 (Order). The year-wise position of production, requirement, target and total procurement of rice (CMR and levy rice) is as detailed below:

Year	Production	Requirement ¹	Target	Total rice procured	Procurement of rice	
					Custom Milled Rice	Levy rice from millers
(Quantity in lakh MT)						
2001-02	128.49	9.04	17.33	18.86	5.52	13.34
2002-03	95.87	15.38	14.33	14.34	2.49	11.85
2003-04	124.77	19.20	19.33	30.81	6.48	24.33
2004-05	95.50	20.88	21.67	29.24	4.86	24.38
2005-06	111.19	26.25	29.90	31.20	6.55	24.65
Total		90.75	102.56	124.45	25.90	98.55

Thus, except in 2002-03 the procurement of rice was in excess of the requirement. This excess was due to procurement of larger quantity of levy rice from mill owners which did not benefit the farmers. The year wise position of targets for procurement and procurement of paddy from farmers was as detailed below:

Year	Target of procurement	Procurement	Farmers benefited by MSP
	Quantity in lakh MT	Quantity in lakh MT	Number In lakh
2001-02	8.00	8.94	2.75
2002-03	6.50	4.00	2.75
2003-04	6.50	10.45	2.34
2004-05	10.00	7.75	0.98
2005-06	10.00	10.44	1.87
Total	41.00	41.58	10.69

Thus, the number of farmers receiving benefits of MSP declined during 2003-06 whereas the procurement of rice from mill owners increased, which was against the objective of the scheme.

The Department intimated (December 2005) that levy imposed on mill owners to procure levy rice was as per GOI's orders.

3.4.7.3 Undue financial aid to mill owners

Procurement of levy rice

Section-3 of the UP Rice and Paddy (Procurement and Trade Regulation) Order 1985 provided that every licensed mill owner shall sell 60 per cent of his produce to the Government at scheduled rates. The levy rice price

¹ Requirement assessed by the department.

Price differential of Rs 1543.71 crore in procurement of 98.55 lakh MTs of levy rice during 2001-06

approved by GOI included statutory charges like Trade Tax, Market Fee, *Arhatia* Commission fixed by the State Government. It also includes certain non-statutory incidental charges like *mandi* labour, appeasement bonus to mill owners, etc. The price differential in the procurement cost of levy rice of 98.55 lakh MTs at levy price and that at wholesale market price during 2001-06 worked out to Rs. 1543.71 crore as detailed below:

Year	Procurement of levy rice (In lakhMT)	Rate of procurement of levy rice Per MT (In Rs.)	Wholesale average market Rate of rice per MT (In Rs.)	Excess rate Rs. per MT procured (3)- (4)	Price differential (Rs. In crore) (2) x (5)
(1)	(2)	(3)	(4)	(5)	(6)
2001-02	13.34	9031	8750	281	37.49
2002-03	11.85	9594	7550	2044	242.21
2003-04	24.33	9594	7570	2024	492.44
2004-05	24.38	9880	8060	1820	443.72
2005-06	24.65	9880	8550	1330	327.85
Total	98.55				1543.71

On this being pointed out, the Government stated (October 2006) that comparison of levy price with market price is not proper. The market price of rice is always less as compared to levy price as cost of production of rice by farmers does not include cost of handling, transportation and gunny bags. The reply is not tenable as gunny bags were supplied by the Government to the millers upto 2003-04, market rates were substantially lower than the levy price during 2002-06 and *mandi* labour charges were nominal.

Further examination of the matter revealed that reimbursement of the statutory charges was made to the millers without ensuring production of the proof of such payments to the Government by the millers. The amount of market fee collected and the details of its utilisation on the intended purpose(s) were also not available. The Government may take necessary remedial action so that reimbursement of statutory charges is made to the millers only after ensuring payment of such charges to the Government by the millers. Necessary details of collection and utilisation of the market fee may also be maintained. The Government in view of huge price differential may also review the system of procurement of levy rice from the millers *vis-à-vis* direct procurement of paddy.

Recovery rates of Custom Milled Rice (CMR)

Lower recovery rate than GOI norms led to undue financial benefits of Rs 53.51 crore to mill owners

As per provisions of Memorandum of Understanding (MOU) between Centre and State Governments, Central Government fixes recovery rates of CMR annually for the States. The recovery rates for CMR and levy rice were fixed by the Central Government in 1998 at 67 *per cent*. The State Government, however, reduced this rate to 63-65 *per cent* (1998) and 62-64 *per cent* (2001) citing reasons such as regional distortion, milling capacity of rice mills, irregular monsoon, poor quality of paddy, etc. Thus, two to five *per cent* lower recovery rate for CMR than norms fixed by Central Government resulted in short delivery of CMR of 47,544 MT by rice millers in the test checked districts during the period. This resulted into financial aid Rs.53.51 crore (*Appendix-3.4.1*) to the mill owners.

Government's decision to reduce the yield of CMR was not justified in light of the fact that Central recovery rate of 67 *per cent* was adopted (1999-2000) by the State Government for levy rice and the State Government was committed to follow Central norms as per MOU signed by both the Governments.

Government stated (October 2006) that lower recovery rates were fixed in view of regional distortion and quality of paddy available. Reply was not tenable as under similar situation 67 *per cent* recovery rate was allowed by the Government to millers for producing levy rice.

Un-recovered CMR

Scrutiny of records revealed that during 2001-06, un-recovered CMR even at the recovery rate of 62 to 65 *per cent* was 13958 MT valued at Rs.15.67 crore. Government intimated (October 2006) that recovery certificates were issued against the defaulters and 8443.4 MT CMR valued at Rs. 9.48 crore had been recovered. Recovery of balance 5515 MT CMR was awaited.

3.4.8 Deficiencies in Quality Control in Procurement and Distribution

Samples of wheat and paddy not tested to ensure FAQ

The Department was to procure wheat and paddy from farmers and rice from mill owners conforming to Fair Average Quality (FAQ). To ensure FAQ of wheat, paddy and rice, chemical analysis through sample testing was required. Scrutiny, however, revealed that sample testing for wheat and paddy was not conducted. Government intimated (October 2006) that provisions for testing of rice/ paddy at regional and State level laboratory existed in the Government Order. Accordingly, rice was subjected to sample testing. Physical testing of wheat and paddy was conducted by naked eye. Reply was not tenable as in addition to naked eye check chemical analysis through sample testing of wheat and paddy would have ensured adherence to the FAQ.

Government also issued orders to ensure FAQ of food-grains issued to FPS owners for distribution to beneficiaries. But scrutiny of records revealed that no arrangements existed for conducting sample testing to ensure FAQ of these foodgrains. Department in its reply (December 2005) accepted the above and stated that no sample testing of foodgrains was conducted.

3.4.9 Movement and storage of the food-grain

3.4.9.1 Un-recovered losses

Losses of Rs 20.74 crore due to embezzlement, storage and transit losses remained unrealised

Transit losses during road transport due to pilferage, theft *en route*, etc were to be recovered from transporters at one and half times the cost of foodgrains. For rail transport, recoveries were to be made in equal proportion from consignor and consignee. Storage losses due to pilferage, driage, etc. and embezzlements were to be recovered from warehouses/ employees responsible for such losses. During 2001-06, the losses in six¹ out of twelve test checked RFCs were Rs.20.74 crore², which remained un-realized (*Appendix-3.4.2*). Remaining RFCs did not compile category-wise details of the losses.

The storage/ transit losses were in excess of Central norms.

¹ Agra, Gorakhpur, Lucknow, Faizabad, Basti and Kanpur. Rest RFCs did not furnish categorical compilation of losses.

² Embezzlement: Rs.5.06 crore; transit loss: Rs.1.20 crore; storage loss: Rs.14.48 crore

The Government intimated (October 2006) that finalization of such cases and effecting recoveries were time taking and efforts were being made for early recoveries.

3.4.9.2 Dependency on Food Corporation of India

As envisaged in DCP scheme, adequate quantity of foodgrains required for distribution to beneficiaries under TPDS was to be stored in the State pool to eliminate the dependency on the FCI. The details of storage of foodgrains were as follows:

(In lakh MT)

Year	Wheat					Rice				
	Require-ment	Allot-ment	Procure-ment	Store State pool	Transfer to Central Pool	Require-ment	Allot-ment	Procure-ment	Store State pool	Transfer to Central pool
2001-02	19.39	19.39	24.46	14.02	10.44	9.04	9.05	18.86	4.64	14.22
2002-03	29.47	29.48	21.10	7.89	13.21	15.38	15.38	14.34	5.21	9.13
2003-04	27.43	27.64	12.74	0.83	11.91	19.20	17.21	30.81	11.45	19.36
2004-05	23.96	23.96	17.40	1.71	15.64	20.88	20.89	29.24	20.89	8.35
2005-06	19.02	18.60	5.59	5.19	0.40	26.25	26.25	31.20	25.88	5.32
Total	119.27	119.07	81.29	29.64	51.60	90.75	88.78	124.45	68.07	56.38

Thus, during 2001-06 only 29.64 lakh MT (25 per cent) of wheat and 68.07 (75 per cent) of rice were stored in State pool against requirement of 119.27 lakh MT and 90.75 lakh MT respectively and surrenders to Central pool were without giving consideration to requirements. Similarly, storage with reference to procurement of wheat was 36 per cent and rice 55 per cent during 2001-06. This indicated that the State continued to depend on FCI for its requirement of food-grains. Storage in State pool less than requirement was also not as per provisions of MOU.

The Government intimated (October 2006) that efforts will be made to reduce the dependency on FCI in future.

3.4.10 Identification of targeted beneficiaries

3.4.10.1 No survey conducted by the Government

Government was responsible for identification of BPL households besides issue of ration cards and distribution of foodgrains through FPSs to ensure food security to targeted beneficiaries. Instead of carrying out a detailed survey of BPL households in the State, Government adopted the maximum number of BPL households (95.48 lakh) fixed by GOI in June 1997 for the State. Prior to June 1997, BPL households identified by the Government on the basis of economic status up to Rs. 8000 per annum per household were 80.91 lakh. The households being lesser than the GOI figure, the Government increased (1998) economic status up to Rs.9000 per annum per household to raise the figure of BPL household to 95.48 lakh. Thereafter, the GOI increased (2001) the number of BPL households to 106.79 lakh. The Government again matched (2001) it by fixing upper limit of BPL households for every district and directed district authorities for identifying more beneficiaries and maintained the number during the period of review. Similarly, the identified number of AAY beneficiaries ranged between 16.37 lakh and 40.95 lakh depending upon number of AAY beneficiaries fixed by GOI. Thus, the

The GOI figures in respect of BPL households adopted by the Government, without a detailed survey

Government did not conduct an independent assessment of number of BPL households in the State.

3.4.10.2 Discrepancy in the number of BPL families

State Government implemented a number of schemes for the benefit of BPL households. While the number of BPL households (1998) in the State as per TPDS scheme was 95.48 lakh, the number of BPL households (1998) as per Rural Development Department and State Urban Development Authority (SUDA) was 85.65 lakh. These figures showed a variation of 10 *per cent*. This variation in number of BPL households was, however, huge at district level. In 13 out of 16 test checked districts the variation in number of BPL households was as under:

Name of district	Total no. of household as per census	RCHs issued by Department		Number of BPL families identified by			Per cent variation with reference to Department
		Number	Per cent w.r.t total households	Rural Development Department	State Urban Development Agency	Total	
Agra	544463	24700	5	52303	92290	144593	485
Deoria	379407	274057	72	100355	11433	111788	59
Etawah	214222	120190	56	67755	3579	71334	41
Firozabad	308918	83930	27	27037	309	27346	67
Lucknow	644269	130700	20	97453	57843	155296	19
Meerut	458106	24250	5	14066	66541	80607	232
Faizabad	343000	166170	48	130031	30948	160979	03
Gorakhpur	555775	329651	59	152825	27185	180010	45
Jalaun	230664	98500	43	70156	25266	95422	03
Mahoba	118970	39300	33	25557	14578	40135	02
Pratapgarh	438936	193500	44	185960	14859	200819	04
Rampur	288333	90400	31	51507	13527	65034	28
Sitapur	596177	292300	49	250809	13201	264010	10
Total	5121240	1867648	36	1225814	371559	1597373	86

The variation in number of BPL families was as high as 485 *per cent* in Agra and 232 *per cent* in Meerut. The overall variation worked out to 86 *per cent*. Similarly, the percentages of households having BPL ration cards in above districts varied from 5 *per cent* in Agra to 72 *per cent* in Deoria districts. Government intimated (October 2006) that the discrepancy was due to identification of BPL families according to provisions of schemes under operation in these Departments. The reply is not tenable as the economic criterion was the basis to identify the BPL families in rural and urban areas.

3.4.10.3 Annual verification of BPL households

Against the norms of annual verification of BPL household, the Department took up the work of verification in January 2005. The verification status up to January 2006 disclosed that out of a total of 106.79 lakh ration cards under BPL, AAY and Annapoorna schemes, 5.22 lakh cards were bogus. The up to date position of bogus ration cards was awaited (October 2006).

In reply the Government stated (October 2006) that efforts would be made to conduct annual verification of ration cards but in view of shortage of staff it is not feasible at present. The cards found bogus had been cancelled.

3.4.10.4 Less distribution of foodgrains to BPL beneficiaries

Foodgrains were required to be distributed as per requirements. For this, the department introduced roster process for lifting and distributing foodgrains. The process specified dates for lifting foodgrains from godowns, issue to FPS owners and distribution to beneficiaries through FPSs. Year wise details of requirement of food-grain, allotment and distribution were as detailed below:

Year	Targeted Households (In lakh)	Required quantity ¹			Quantity allotted			Quantity lifted/ distributed		
		Wheat	Rice	Total	Wheat	Rice	Total	Wheat	Rice	Total
(In lakh MT)										
2001-02	90.42	18.45	8.68	27.13	16.55	7.64	24.19	8.56	2.41	10.97
2002-03	90.42	24.96	13.02	37.98	24.96	13.02	37.98	15.13	5.17	20.30
2003-04	90.42 to 82.23	22.41	13.84	36.25	22.41	13.84	36.25	14.59	6.41	21.00
2004-05	82.23 to 74.37	18.01	15.70	33.71	18.01	15.70	33.71	15.00	10.73	25.73
2005-06	74.37 to 65.85	12.46	17.28	29.74	12.46	17.28	29.74	10.78	15.36	26.14
Total		96.29	68.52	164.81	94.39	67.48	161.87	64.06	40.08	104.14

Average monthly off-take ranged between 0.91 lakh MT and 2.18 lakh MT. The quantity of foodgrains sufficient to meet the requirement was also not distributed. This was due to inadequate implementation of the roster process by non-adherence to the scheduled dates of lifting and distribution by FPSs. The Planning Commission had also found (2005) that average monthly off-take per BPL card was 10 kg against the scale of 35 kg in the State.

The Government attributed (October 2006) this to retail market rates prevailing in proximity of CIP. The reply was not tenable because retail market rates were higher² than CIP. The deficiency in distribution resulted in insufficient food security provided to the target groups.

3.4.11 Running of Fair Price Shops (FPS)

3.4.11.1 Unviable operation of fair price shops

For distribution of foodgrains at CIP, provision was made to distribute margin money to FPS owners through Gram Panchayats after verification by these Panchayats of distribution of foodgrains by FPSs. The rate of margin money was Rs.60 per MT of the foodgrains distributed as commission to cover the operation cost of FPSs. Scrutiny in test-checked districts revealed that margin money of Rs.5.21 crore³ was not paid to FPS owners (June 2006) due to failure in the system of distribution of margin money through Gram Panchayat. This put the FPS owners under financial constraint.

It was also noticed that FPS owners incurred Rs.13 to 16 per quintal as expenses to operate FPSs. The margin money at the rate of Rs.6 per quintal did not cover their expenses resulting in malpractices by the FPS owners. This was substantiated by the number of cases of black-marketing of food-grains

Unpaid margin money of Rs 5.21 crore rendered the operation of FPSs unviable

¹ The required quantity of food-grains worked out by audit (scale of issue x targeted population x12). The scale of issue was 25 Kg (wheat: 17 Kg + rice: 08 Kg) food-grains per family per month from January 2001 and raised to 35 Kg (wheat: 23Kg + rice: 12 Kg) food-grains per family per month from April, 2002.

² Retail market rates for wheat ranged between Rs.6.50 and Rs.9.00 per Kg against the CIP Rs.4.65.

Retail market rates for rice ranged between Rs.7.50 and Rs.10.00 per Kg against the CIP Rs.6.15.

³ AAY: 2001-05: Rs.4.96 crore + Anapooma Yojna: 2001-06: Rs.25.31 lakh.

and adoption of malpractices by FPS owners pertaining to the period between 1997 and 2006 pending investigation with the Food Cell of the Department.

The Government confirmed (October 2006) the reason for non-distribution of margin money and intimated that orders for its early payment is under issue.

3.4.12 Malpractices in implementation of the scheme

Scrutiny of the records of the Food Cell revealed that a total of 401 cases were reported during 2001-06. The status of these cases as of June 2006 was as detailed below:

Year	Number of investigations			Breakup of the finalized cases		Number of delinquent		
	Re-reported	Pending	Finalize	Unproved	Proved	Officers	Staff	FPS Owners
2001-02	96	17	79	42	37	30	42	17
2002-03	102	14	88	46	42	30	44	27
2003-04	68	13	55	27	28	21	37	09
2004-05	80	20	60	20	40	14	19	84
2005-06	55	10	45	21	24	38	26	86
Total	401	74	327	156	171	133	168	223

Out of 524 (133+168+223) delinquent persons in 171 cases, 301 (57 per cent) persons were departmental officials. This indicated a high percentage of involvement of departmental personnel in committing irregularities. Disciplinary proceedings against the delinquent officers and staff were in progress and licences of FPS owners were suspended/ cancelled.

The Government intimated (October 2006) that disposal/ investigation of such case takes time. The Department initiated action on *prima-facie* cases.

3.4.13 Monitoring

Inadequate inspection of fair price shops by supply inspectors

To ensure proper functioning, the supply inspectors (SIs) were to inspect the fair price shops once a month. But inspections actually carried out by the supply inspectors in test-checked districts during 2001-05 were not as per norms as indicated below:

District	Number of fair price shops	Number of inspections		Shortfall ¹	Percentage of shortfall ²
		Due ³	carried out		
Agra	1257	60336	56121	4215	7
Etawah ⁴	566	27168	6179	20989	77
Firozabad	808	38784	9834	28950	75
Lucknow	1209	58032	93792	Nil	Nil
Siddharthnagar	1207	57936	20620	37316	64
Sitapur	1468	70464	10929	59535	85
Gorakhpur	1927	92496	21707	70789	77
Deoria	1339	64272	13399	50873	79
Kushinagar	1265	60720	8606	52114	86
Pratapgarh	1089	52272	9685	42587	81
Jalaun	772	37056	1047	36009	97
Rampur	784	37632	8008	29624	79
Mahoba	374	17952	5473	12479	70
TOTAL	14065	675120	265400	445480	66

¹ Shortfall worked out in audit=Inspection due – carried out

² Percentage worked out in audit

³ Inspection due worked out in audit=Number of FPSs x 12 x Period under consideration

⁴ Figures for 2002-05.

Shortfall in inspection of FPSs by SIs was up to 97 *per cent*. This indicated that the Department did not adequately monitor the working of the FPSs. Shortage of SIs against sanctioned strength in test checked districts was 39 *per cent*. Shortfall in inspection led to occurrences of malpractices by FPS owners. However, the Department initiated action against FPS owners found guilty during inspections conducted by SIs. Government intimated (October 2006) that issue and distribution of foodgrains by FPSs was monitored through a three tier arrangements. Reply was not tenable as existing arrangement failed to deter FPS owners from malpractices.

3.4.14 Conclusion

The objective of the scheme to provide food security suffered due to low procurement of wheat and less distribution of foodgrains to BPL households. The scheme also suffered on account of inadequate and unreliable identification of beneficiaries and operation of unviable FPSs. Poor administrative arrangements for effecting recoveries on account of losses, unrecovered CMR, annual verification of ration card holders, periodical inspection of FPSs etc. further accentuated the shortcomings in implementation of the scheme.

3.4.15 Recommendation

- Financial management should be made effective by making realistic assessment of loan and physical verification of hypothecated goods.
- Provisions of MOU regarding DCP scheme should be strictly adhered to.
- Reimbursement of statutory charges to the millers should be made on production of proof of such payments to Government by the millers. The details of collection and utilisation of market fee should also be maintained.
- An effective monitoring mechanism, including arrangements for inspection of fair price shops by the supply inspectors, should be put in place both at the level of the department, District and Block levels.

The above points were referred to the Government (September 2006) and replies had been incorporated wherever necessary.

FOREST DEPARTMENT
3.5 Implementation of Project Tiger

The Forest Department implemented the Project Tiger, a Centrally sponsored scheme, in two areas viz. the Dudhwa Tiger Reserve and the Katerniaghat Wildlife Division. The Project aimed at maintaining a viable population of tigers for scientific, economic, aesthetic, cultural and ecological values and to preserve for all times the areas of biological importance as national heritage for the benefit, education and enjoyment of people. The implementation of the project suffered as the management of land was not effective as large areas either remained unclaimed or encroached. The biotic pressure on the reserves was not assessed as no buffer zone was available in Katerniaghat and Kishanpur sub-division of Dudhwa. Enforcement activities were ineffective as the number of undecided forest offence cases increased. The monitoring was weak as the State Wild life Board was not formed upto July 2005. Ineffective monitoring, protection, conservation and enforcement activities rendered the Project Tiger ineffective.

Highlights

Delayed submission of Annual Plans of Operation resulted in delayed release of funds by GOI and their short release/ utilization.

(Paragraph 3.5.7)

Land management was not satisfactory as land vacated by other users was not reclaimed, large areas remained encroached and relocation-rehabilitation was not completed.

(Paragraph 3.5.8)

Buffer zone was not identified in Katerniaghat and Kishanpur sub-division of Dudhwa exposing the core zone to biotic interference and tranquil habitat could not be provided to wildlife as rail and roads passed through and tiger reserves.

(Paragraph 3.5.9)

Conservation activities were not effective as weeds, creepers and monocultures were not removed, effective plans to check flooding and silting were not formulated and ineffective management of grassland resulted in sub-optimal growth of herbivores affecting availability of prey-base for the tiger.

(Paragraph 3.5.10 to 3.5.13)

The numbers of tigers reported during census were unsustainable as neither sufficient land nor prey was available. The number of tigers went down from 115 (2002) to 106 (2005) in Dudhwa and from 50 (2001) to 42 (2005) in Katerniaghat, whereas sightings outside the reserves increased from 43 (2001) to 51 (2005).

(Paragraph 3.5.14)

3.5.1 Introduction

“Project Tiger” (Project), a Centrally sponsored scheme, was implemented in Dudhwa Tiger Reserve (Dudhwa) from 1987-88 and in Katerniaghat Wildlife Division (Katerniaghat) from January 2003 by the Forest Department. The

Project aimed at maintaining a viable population of tigers for scientific, economic, aesthetic, cultural and ecological values and to preserve the areas of biological importance as national heritage for the benefit, education and enjoyment of people. The GOI was responsible for providing technical guidance, overall coordination, monitoring and evaluation and helping States in estimating the numbers of tigers and other wildlife, besides providing financial assistance.

Dudhwa Tiger Reserve comprises two zones, viz. Dudhwa National Park (615 sq. km.) and Kishanpur Wildlife Sanctuary (203 sq. km.). With an addition of 66 sq. km. buffer zone (1994) the area of Dudhwa Tiger Reserve was 884 sq. km. Katerniaghat, a notified sanctuary with a total area of 400 sq. km., was included in the Project Tiger in January 2003.

3.5.2 Organisational set-up

The Principal Secretary to Government, Forest Department was responsible for the Project at the Government level and the Department was headed by the Principal Chief Conservator of Forests. The Chief Wildlife Warden assisted by the Field Director, Tiger Project, Lakhimpur-Kheri, was responsible for planning, administration and monitoring of the Project. The Deputy Director, Dudhwa Tiger Reserve, Palia (Lakhimpur-Kheri) and Divisional Forest Officer, Katerniaghat Wildlife Division, Katerniaghat (Bahraich) implemented the project at field level.

3.5.3 Audit objectives

The audit objectives were to ascertain whether:

- The approved Management Plans were in consonance with the National Wildlife Action Plan and targets set for the Annual Plans of Operations followed the targets set in the Management Plans and yielded the intended results.
- Availability of funds was adequate and financial management efficient and effective.
- The programme management was efficient and various conservation¹, protection² and preservation³ activities undertaken yielded the desired results.
- Adequate manpower was available and utilized efficiently by providing necessary skill up-gradation,.
- An efficient and adequate monitoring mechanism was in place.

3.5.4 Audit criteria

The performance of the Project was assessed with reference to the provisions in the Wildlife (Protection) Act 1972, National Wildlife Action Plan (2002-16), Annual Plans of Operation, directions of the Ministry of Environment and Forest (GOI) and financial rules and procedures of the State Government.

¹ Conservation activities relate to providing situations favourable to the growth of the available assets.

² Protection activities aim at protecting the assets from unscrupulous users

³ Preservation activities ensure good health of the available flora and fauna.

3.5.5 Audit methodology

Records relating to the implementation of the Project for the period 2001-05 were test-checked in the offices of the Chief Wildlife Warden, UP; Lucknow; Deputy Director, Dudhwa Tiger Reserve, Lakhimpur Kheri; and Divisional Forest Officer, Katerniaghat Wildlife Division, Bahraich during January to March 2006. Information relating to 2005-06 was collected (June 2006) from the above office and the offices of the Principal Chief Conservator of Forests, and Chief Conservator of Forests (Social Forestry).

The detailed audit objectives and audit criteria were communicated to the Government and the Forest Department and discussed in the entry conference held on 19 January 2006. The audit teams collected information by issuing audit memoranda after scrutinizing the records locally in the selected offices. The audit findings, conclusions and recommendations were discussed with the Government in the exit conference held on 08 September 2006 and the management accepted the same.

Audit findings

3.5.6 Project planning

3.5.6.1 Management Plans

The National Wildlife Action Plan (NWAP) provided that each protected area¹ should have its own management plan based on sound scientific and ecological data and the existing management plans should be reviewed and revised in line with the NWAP. This revision was to be completed by 2003.

The Management Plans (MPs) of the Dudhwa and Katerniaghat covered the period from 2000-01 to 2009-10 and were approved by the Chief Wildlife Warden. These plans had not been reviewed and revised as of July 2006. The Department stated (November 2006) that a mid-term appraisal of the MPs was in hand and at the time of their revision the recommendations of the National Wildlife Action Plan would be included.

3.5.6.2 Management Plan and Annual Plan of Operation

The Annual Plans of Operation (APOs) based on the overall targets fixed in the Management Plan were submitted by the Chief Wildlife Warden annually to the Project Directorate (GOI) for approval and release of funds. There were variations in the targets prescribed in the Management Plans and those fixed in the APOs.

A comparison of the Management Plan targets and the proposals included in the APOs for 2001-06 (*Appendix-3.5.1*) revealed that although the reserves demanded funds in excess of the targets prescribed in the Management Plan (Rs.46.67 crore), the targets for 'recurring' expenditure² were reduced from Rs.36.03 crore to Rs.22.50 crore and those for 'non-recurring' expenditure increased from Rs.10.64 crore to Rs.28.27 crore. Due to lowered demands for recurring activities, fewer funds were available for activities like maintenance of grassland and boundaries, firefighting, supply of field kits, monitoring etc.

Lowered demands for recurring activities had an adverse impact on maintenance work in the reserve

¹ Protected area is an area notified under sections 18, 35 and 36 A of the Wildlife (Protection) Act 1972

² Recurring expenditure cover activities like maintenance of waterholes and development of grassland, maintenance of boundaries, firefighting, and supply of field kits, monitoring etc.

Increasing the demand for non-recurring items indicated that adequate importance was not given to maintenance and conservation of the assets including the bio-assets already available.

The Department stated (November 2006) that realizing the importance of creation of permanent assets the proportion of non-recurring expenditure was gradually increased and that of recurring expenditure decreased. The reply was not tenable as the Department had not adhered to the details of the approved Management Plan. In case the needs of the reserves had changed since preparation of the Management Plan, the plan should have been revised.

3.5.7 Financial administration and control

3.5.7.1 Delay in submission of APOs/ UCs

The Government of India provided funds for non-recurring activities and bore half of the expenditure for recurring activities. The remaining half of the recurring cost was to be borne by the State Government. The GOI released funds to the State Government, in two installments. The funds so received, along with the State share, were released to the tiger reserves by the State Government. The schedule of submission of APOs, release of funds and submission of utilization certificates (UCs) was as under:

Table-1

Submission of Annual Plan of Operation to the Project Tiger (GOI)	
	Before 15 th April of the financial year
Release of funds by the Government of India to the State Government	
First installment	Within four weeks of the date of receipt of the APO from the State Government, which should not be delayed beyond the month of May of the financial year
Second installment	Within two weeks of the receipt of Utilisation Certificate pertaining to the previous year along with a report of utilization of sixty percent of the funds released as first installment, which should not be delayed beyond the month of December of the financial year.
Release of funds by the State Government to the Tiger Reserves	
	Within fifteen days from the date of receipt of funds from the GOI

Scrutiny of records revealed that during 2001-06, the schedule for submission of APOs and UCs to GOI and release of funds by GOI/ State Government was not adhered to in any year as detailed in **Appendix-3.5.2**. Delay in submission of the APOs to GOI ranged between 12 days and 57 days during 2001-06 (except 2004-05) which delayed release of first installment. Delayed submission of progress of utilization of the first installment resulted in non-release of second installment of Rs.1.35 crore during 2002-03 (Rs.0.36 crore) and 2005-06 (Rs.0.99 crore) and short release of Rs.0.14 crore in 2001-02.

The Department stated in reply (November 2006) that the delay in submitting the APOs was insignificant and submission of utilization certificates in respect of first installment was fraught with tricky problems as many of the operations were carried out in February only. The reply was not acceptable as utilization certificates in respect of only 60 *per cent* of the first installment were to be submitted to ensure release of second installment and the activities could have been so organized that adequate utilization was achieved timely.

Rs.1.35 crore were not released due to delay in submission of utilization certificates

3.5.7.2 Availability and utilization of funds

The position of release of funds by the GOI and State Government and utilization by the reserves during 2001-06 was as follows:

Table-2

Year	Central funds available with State Government			Funds released by State Government to the Reserves		Short release of Central share by State Government to the Reserves	Funds utilized by the Reserves	
	O.B	Fresh release	Total	Central Share	State share		Central share	State share
2001-02	0.29	0.98	1.27	0.75	0.27	0.52	0.73	0.27
2002-03	0.52	0.33	0.85	0.33	0.11	0.52	0.32	0.11
2003-04	0.52	1.74	2.26	1.63	0.83	0.63	1.63	0.83
2004-05	0.63	1.75	2.38	1.87	0.87	0.51	1.79	0.87
2005-06	0.51	1.63	2.14	1.63	0.80	0.51	1.63	0.80
Total		6.43		6.21	2.88		6.10	2.88

Central funds were not released fully to the reserves

The State Government did not release Central share of Rs.0.51 crore, eight *per cent*, to the reserves during 2001-06. The reserves also could utilize Rs.6.10 crore only against Rs.6.21 crore released to them during 2001-06, although they had demanded Rs.50.77 crore during the period through their APOs. This indicated that the reserves were not equipped to utilize the funds demanded.

The Department stated in reply (November 2006) that there were some procedural delays in release of funds by the State Government. Non-utilization of funds was attributed (November 2006) to non-payment of park allowance, and non-payment of compensation to the affected persons.

Programme Management

3.5.8 Land Management

3.5.8.1 Unmarked boundaries

Northern boundaries of Dudhwa were not marked

The two tiger reserves were located on the Indo-Nepal border. The northern and northwestern boundaries of Dudhwa lie along the Indo-Nepal international boundary defined by the international boundary pillars (*Appendix-3.5.3*). River Mohana flowing along the international border moved well inside the Park area damaging several boundary pillars. Some of the pillars were also missing. It was stated in reply (November 2006) that the District Magistrate, Kheri had been requested for final survey of the border. No further progress was reported. Thus, the boundary of Dudhwa was not clearly marked which provided easy escape to poachers, etc. and made investigations difficult.

3.5.8.2 Land not in possession of the reserves

Land vacated by railway was not taken back

The Government transferred (1894) 125.92 hectare of forest land from Dudhwa to the Railways, free of cost, for laying railway lines¹, with the condition that it would remain as reserved forest. Dudhwa-Gauri Phanta and Dudhwa-Chandan Chauki lines, passing through the core zone of Dudhwa, were closed and dismantled (1994) but the land was not handed over to the reserve. The land presently was under unauthorized occupation of railway labourers (since 1994) and personnel from Shashatra Seema Bal (since April 2000). The Department stated (November 2006) that the land remained out of possession due to non-cooperation of the railway authorities and that legal action in the matter was under consideration. Thus, due to inaction on part of

¹ Mailani-Palia-Dudhwa-Bilrayan-Gonda, Dudhwa-Gauri Phanta and Dudhwa Chandan Chauki

the Department the forest land vacated by the Railways more than ten years ago, remained out of possession of the reserve.

3.5.8.3 Encroachments

Large areas of reserves remained encroached

In Dudhwa 5.78 sq. km. land in 11 areas was under encroachment by 3725 people and their 2173 cattle since very long and in Katerniaghat 38.42 sq. km. area in Girijapuri was under unauthorized occupation of the Central State Seed Farm from 1975. Thus, a fair area in Dudhwa and more than nine *per cent* of the core zone in Katerniaghat (38.42 sq. km. out of 400 sq. km.) was under encroachment. The impact of these encroachments on the forest resources and flora and fauna in these reserves was not assessed. The Department did not take any action for evicting the encroachers from Dudhwa. The matter regarding Central Seed Farm was pending in court. The Department stated (November 2006) that an expedite application would now be filed.

3.5.8.4 Relocation and rehabilitation

Relocation and rehabilitation plans for large number of families and cattle living inside the reserve were still to be prepared

Out of the 66.54 sq. km.¹ forest land transferred (1975) by Dudhwa to the District Magistrate, Lakhimpur-Kheri, (DM) included 2.22 sq. km. land earmarked for settlement of residents of Surma village comprising 810 people and 1153 cattle residing inside the core zone. The villagers of Surma could not be moved out despite the orders of High Court (2003). As the management of villages was transferred (1978) to revenue authorities, the High Court ordered the DM to arrange financial support for construction houses etc. The rehabilitation plan had, however, not been prepared (November 2006). In the meantime, the Sub Divisional Magistrate, Palia reported (September 2005) that the area had been encroached upon and was not available for relocation of the villagers. Thus, due to delay on the part of the DM, in preparation of rehabilitation plan, forest area still remained encroached upon. The Department stated in reply (November 2006) that the matter was being pursued vigorously with the DM.

The Department was yet (November 2006) to prepare relocation and rehabilitation plans for three more villages, having a population of 451 families and 1355 cattle. Similarly, relocation and rehabilitation plans for six revenue villages and four forest villages having a population of 9534 persons and 6368 cattle located in the core zone in Katerniaghat had not been prepared (November 2006). The Department stated (November 2006) that the relocation and rehabilitation plans were being prepared for submission to the GOI. Thus, due to delay in preparation of rehabilitation and relocation plans, the human and cattle population could not be moved out of the core zone resulting into continued biotic pressure.

3.5.9. Management of Tiger Reserve

3.5.9.1 Creation of buffer zone

Buffer zone, separate from the core area in the reserve is used to meet the grazing, fuel-wood and other needs of the people living inside the forest and in villages in vicinity of reserves to reduce the biotic pressures on wild life.

¹ 66.54 sq. km.

Dudhwa Tiger Reserve consisted of two separate locations, viz. Dudhwa National Park and Kishanpur Sanctuary. The buffer zone of 190 sq. km. was, however, located in Dudhwa National Park only. No buffer zone was identified either in Kishanpur or in Katerniaghat for providing congenial habitat to wild life in the core area. The Department stated (November 2006) that certain contiguous ranges acting as buffer for Dudhwa and Katerniaghat were yet to be notified as buffer zone.

3.5.9.2 Impact of rail and road network passing through reserves

Rail and road networks passing through the core zone not only disturbed the tranquility of the wildlife but also exposed it to the risk of accidents and poaching. The length of the public road network in Dudhwa and Katerniaghat was 85 km. and 48 km. respectively. In addition to these roads, 45 km. of railway lines passed through the reserves. In Dudhwa 13 spotted deers, four hog-deer, two crocodiles, four fishing cats, one sloth bear, four elephants and two tigresses were killed in rail accidents during 1993-2006. One tiger, two tiger cubs, one blue bull (Neel Gai), one wild boar and four spotted deers were killed in Katerniaghat during 2000-05. The Department stated (November 2006) that proposals for removal of railway line from Dudhwa and for slowing down trains in Katerniaghat were sent to Railways. Thus, the wildlife remained exposed to disturbances of road and rail traffic.

3.5.9.3 Protection from fire

Forest fires are natural phenomenon occurring during summers. Strips, called fire lines, are cleared of grass and other vegetation to reduce chances of the fire spreading to other areas. To augment the fire watch, the local villagers were deployed, in addition to the regular staff, as firewatchers in reserves. Details of the deployment of these firewatchers, and the fire incidents during 2001-06 were as follows: -



Table-3

Year	Number of additional firewatchers deployed		Wages paid to firewatchers (Rs. in lakh)	Number of fire incidences			Area affected by fire (Hectare)
	Numbers	Man-days		Dudhwa	Katerniaghat	Total	
2001-02	180	5787	2.72	04	Not under Project Tiger	04	07.00
2002-03	180	6382	3.00	04		04	13.60
2003-04	180	17543	10.00	36	21	57	17.12
2004-05	180	21614	12.32	12	02	14	18.20
2005-06	180	21614	6.00 *	12	02	14	44.50

* (Wages of Rs.6.32 lakh not paid to firewatchers during 2005-06 due to non availability of funds)

During 2000-01, only four hectare area was affected by fire. However, it increased from seven hectare (2001-02) to 44.50 hectare (2005-06), despite deployment of 180 additional firewatchers. Department stated (November 2006) that change in crop pattern and land use in adjoining areas, increase in traffic density, fires set in vengeance, dryness in forest floor rendered the reserves prone to forest fires. The reply indicated inadequacy of efforts on the

part of the reserves to increase the eco-awareness among the neighbourhood villages through eco-development activities.

3.5.9.4 Forest offence cases

Special courts to deal with forest offence cases were not formed

The National Wildlife Action Plan envisaged setting up of special courts for expeditious disposal of forest offence cases and cases registered under Wildlife Protection Act, 1972. No such court was set up in the State and the forest offence cases were dealt with other cases.

According to the Forest Offence Case registers of the reserves, the position of forest offence cases including poaching, during 2001-06 was as follows: -

Table-4

Year	Name of the Reserve	Opening Balance	New cases added during the year	Cases disposed of during the year	Balance at the close of the year		
					Total	Range office	Courts
2001-02	Dudhwa	507	151	107	551	65	486
	Katernia	1770	159	105	1824	1607	217
2002-03	Dudhwa	551	146	96	601	82	519
	Katernia	1824	164	96	1892	1656	236
2003-04	Dudhwa	601	122	82	641	92	549
	Katernia	1892	138	48	1982	1727	255
2004-05	Dudhwa	641	136	76	701	125	576
	Katernia	1982	106	04	2084	1799	285
2005-06	Dudhwa	701	130	68	763	180	583
	Katernia	2084	102	20	2166	1861	305

Although fresh cases registered reduced from 151 to 130 in Dudhwa and from 159 to 102 during 2001-06, slow progress in disposal of the forest offence cases resulted in increase in number of cases awaiting investigation at range/division level in Dudhwa from 65 to 180 and in Katerniaghat from 1607 to 1861 during 2001-06. The number of cases pending in courts also increased from 486 to 583 in Dudhwa and from 217 to 305 in Katerniaghat during the period.

3.5.9.5 Poaching of wildlife

To arrest poaching, the reserves deployed regular protection watchers round the year. The local villagers were engaged as additional watchers during monsoon season for group patrolling and surveillance of the sensitive area and persons. Details of the poaching cases were as below:

Table-5

Year	Dudhwa				Katerniaghat			
	Number of Cases registered	Cases disposed of	Cases pending		Number of Cases registered	Cases disposed of	Cases pending	
			Under investigation	In Court			Under investigation	In Court
2001-02	37	22	2	13	11	6	5	NIL
2002-03	59	41	6	12	14	7	6	1
2003-04	45	26	3	16	06	NIL	4	2
2004-05	37	22	2	13	13	1	5	7
2005-06	56	27	25	4	26	9	14	3
TOTAL	234	138	38	58	70	23	34	13

Four cases of tiger poaching (one each in 2001-02 and 2003-04 and two in 2002-03) were included in 234 poaching cases registered in Dudhwa. Similarly, 70 cases recorded in Katerniaghat included three cases of tiger poaching pertaining to 2004-05. All the cases of tiger poaching were pending in courts. Further, eight cases out of 38 (21 per cent) in Dudhwa and 13 out of

34 cases (38 *per cent*) in Katerniaghat remained under investigation in the divisional office for more than three years.

In respect of disposal of the cases of forest offences, including poaching cases, the Department stated (November 2006) that strict vigil against poaching and illicit felling brought out more cases to light in last few years.

3.5.10 Removal of weeds and monocultures

3.5.10.1 Climbers, creepers and other weeds

The Northern buffer of Dudhwa measures 123.40 sq. km. Excessive growth of twelve species of creepers and climbers adversely affected the grass lands in the forests. During 2001-02, 119.09 sq. km. (97 *per cent*) area in the reserve had poor fodder as dense mats of creepers and climbers prevented habitat's use by wild animals. The Management Plan provided an action plan of two 'five year cutting cycles' and three cutting series. A total of 46 *per cent* of the affected area in Bankati, Dudhwa and North Sonaripur ranges was scheduled for clearance by 2005-06. No action was taken to free the area from the creepers and climbers in Dudhwa. The spread of creepers and climbers was also not assessed after 2001-02.

Non-removal
of weeds, and
monocultures
affected the
grass land

3.5.10.2 Lantana

The Management Plan of Dudhwa also detailed that Lantana had spread in 600 hectares (32 *per cent*) area in Mohali (total area:1886.24 hectares) and in 800 hectares (31 *per cent*) area in Gurla (total area: 2582.82 hectares) blocks in the Southern buffer and removal of Lantana was essential to prevent its spread to other areas, especially into the core zone. An area of 10 hectares in the core zone was also affected by Lantana. In Katerniaghat, Lantana had spread in an area of 100 hectare. In Dudhwa, 1310 hectare area (93 *per cent*), out of 1410 hectare affected in 2001-02, remained to be cleared at the close of 2005-06. In Katerniaghat, however, fifty *per cent* area had been cleared during 2003-06.

3.5.10.3 Cymbopogon and Parthenium

Besides Lantana, the grassland in both the reserves was affected by other unpalatable weeds like Cymbopogon and Parthenium etc. In Dudhwa 1658 hectare area (83 *per cent*) and in Katerniaghat 200 hectare area (40 *per cent*) out of 2000 hectares and 500 hectares respectively identified for clearance during 2001-02 and 2003-04 respectively remained to be cleared at the end of 2005-06. The reserve did not assess the area in which these weeds had spread during the period under review.

The Department stated in reply (November 2006) that de-weeding was done as per availability of funds and after monitoring of the annual spread of the weeds. The reply was not tenable as these weeds were to be removed to facilitate availability of forest produce to neighborhood users. Non-clearance of weeds exposed the reserves to the risk of degradation of the vegetation.

3.5.10.4 Eucalyptus

The Management Plans prescribed removal of eucalyptus in a phased manner as these grew vertically with very thin and high foliage providing neither fodder nor shade to the wildlife. During 2000-05 Deputy Director, Dudhwa allotted only 158.59 hectare (12 *per cent*) area to the UP Forest Corporation

(UPFC) for clearance, against the identified area of 1309.93 hectare. The area was yet (November 2006) to be cleared as trees so allotted were not removed for want of marking. The Department stated in reply (November 2006) that eucalyptus was removed in some areas but was stopped in view of the orders (July 2004) of the Central Empowered Committee (CEC) of the Supreme Court (SC) and a case was being made for permission from the CEC. The reply was not tenable as the CEC issued orders in July 2004 and as per the schedule decided in the Management Plan, 1170.49 hectare¹ (89 per cent) area could have been cleared by May 2004, i.e. before the issue of those instructions. It may also be mentioned that the SC had allowed (November 2005) the conservation activities approved in Management Plans.

3.5.11 Conservation of land

3.5.11.1 Desilting of water bodies

As natural regeneration of vegetation increases yield of the water bodies by arresting soil erosion and resultant siltation, the impact of natural regeneration in the catchments of water bodies on soil erosion was to be periodically assessed. Although Suheli, Mohna, Doda, Joraha, Nagrol, Nakua and Newra are major rivers and streams originating in Nepal and flowing through Dudhwa and denudation of forest on Nepalese side had enhanced silt load of these rivers no such assessment was undertaken in the reserve. The resultant silt deposits and water logging had caused large scale drying of Sal trees in Kiratpur (569.57 hectare out of 619.57 hectare) and Amargarh blocks (223.98 hectare out of 992.69 hectare). The Department informed (November 2006)



Silted river Suheli

Heavy siltation affected the forest vegetation.

that the Ministry had been made aware of the problem. Thus, the silting in rivers affected the reserves adversely.

3.5.11.2 Flooding and siltation due to construction of a barrage

Government decided to construct a barrage on river Suheli, to reduce the flooding and water logging of the areas downstream. Notwithstanding the recommendation (1976) of a Committee, headed by the Chief Secretary, against construction of a barrage as it would affect the reserves adversely, the Irrigation Department constructed (1983) a barrage, 2.5 km. away from Dudhwa. Construction of this barrage increased flooding, water logging and silting in the grasslands of Sathiyana, Kusumbha and Kakraha areas of the Dudhwa and also resulted in heavy silting of the river bed, drying of Sal trees and coarsening of the grass land which is the habitat for the swamp deer. The Department accepted (November 2006) the damage caused by the barrage and stated that a public interest litigation (PIL) in the matter was pending before the High Court.

¹ 2000-01 165.89, 2001-02 521.64, 2002-03 116.72, 2003-04 325.77 and April-May 2004 40.47 hectare in Nagra 6 compartment of Bellraien range.

3.5.12 Grassland management

The Management Plans of Dudhwa and Katerniaghat mentioned that during monsoons the herbivores ventured in neighbouring areas offering better fodder and adequate shelter as almost the entire grassland was covered by tall coarse



Overgrown grass at Dudhwa

and unpalatable grass. To sustain the animals within the reserve, continuous grass cutting, controlled burning, cross harrowing, seed sowing etc. were prescribed.

Scrutiny of records revealed that in Dudhwa only 2825 hectare (60 per cent) out of 4705 hectares grassland identified for treatment could be treated, and in Katerniaghat the achievement was 710 hectares (23 per cent) against a target of

3045 hectares. Inadequate attention to grass land management in both the reserves affected the growth of herbivores adversely as brought in the paragraph below. The Department stated in reply (November 2006) that grasslands were managed according to availability of funds. The reply confirmed that the grassland management was not comprehensive and only some areas received attention.

Grass land management was inadequate and affected the growth of herbivores adversely

3.5.13 Inadequate growth of herbivores affected availability of prey base

According to the Wildlife Institute of India, Dehradun, the normal growth rate of the herbivores was 30 per cent per annum and the tigers devoured ten per cent of the available prey base annually. The growth of population of herbivores during 2001-05 is detailed in *Appendix-3.5.4*. An analysis of the details shows that growth of all the species except in case of Sambhar and Barasingha in the reserves was either below optimum or negative. The Department stated in reply (November 2006) that the population of four major prey species (Cheetal, Sambhar, Panda and Barasingha) either grew or remained stable. The reply was not tenable as the population should increase even after the population of prey-base cropped by tiger (10 per cent) is taken into account along with the projected increase of 30 per cent. It is, thus, evident that insufficient growth of herbivores affected the availability of prey base adversely.

The number of prey animals reported was not adequate to support the reported tiger population

According to the prey census carried out in the reserves during 2001, 2003 and 2005 both the reserves did not have sufficient number of herbivores to support the number of tigers reported. Details of the prey-base (*Appendix-3.5.4*) revealed that although the shortage of prey was reduced from 55 per cent (2001) to 35 per cent (2005) in Dudhwa, it ranged between 53 and 55 per cent in Katerniaghat during 2001-05. Thus, sufficient prey-base was not available in tiger reserves to support the reported number of adult tigers.

3.5.14 Protection of Tiger

3.5.14.1 Tiger Census

During the period of review State wildlife census was carried out during 2001, 2003 and 2005 and national census was conducted during 2002 and 2006. Results of last five counting, during 2001-06, were as below:-

Year of census	Number of tigers reported							
	Dudhwa				Katarniaghat			
	Male	Female	Cubs	Total	Male	Female	Cubs	Total
2001 (State)	31	59	11	101	16	24	10	50
2002 (National)	33	76	06	115	No census			
2003 (State)	26	70	14	110	14	27	04	45
2005 (State)	32	62	12	106	14	23	05	42
2006 (National)	National Census Report awaited							

The number of tigers in Dudhwa declined from 115 (2002) to 106 (2005) and in Katarniaghat from 50 (2001) to 42 (2005). The number of females also declined from 76 (2002) to 62 (2005) in Dudhwa and from 27 (2003) to 23 (2005) in Katarniaghat. The reasons for decline in the number of tigers were not investigated.

According to the Wildlife Institute of India, Dehradun the cubs take 20 to 26 months for becoming independent. Therefore, the number of cubs is added to the adult population after every two years. The addition in number of adults reported in the census fell far short of the expected figures as shown in *Appendix-3.5.5*.

The Deputy Director, Dudhwa informed (April 2006) that the ideal male-female ratio was 1:3. It may be seen from the table above that this ratio was not maintained in both the reserves.

The home range of a tigress ranged between 18 and 40 sq. km. Taking 18 sq. km. as home range of a tigress and three tigresses for each tiger, Dudhwa with its core zone of 694 sq. km. could accommodate a maximum of 39 tigresses and 13 tigers. However, the census reported availability of 62 tigresses and 32 tigers. Similarly, the core zone in Katarniaghat (400 sq. km.) only 22 tigresses and seven tigers could be accommodated against the reported figure of 23 tigresses and 14 tigers.

The Deputy Director, Dudhwa, stated (April 2006) that there was no concept of adult-cub ratio, but the ideal litter size was two. Further, the Wildlife Institute of India stated that adult tigresses breed once in two-three years. Considering that two cubs were born to one third of tigresses every year the cub population should have been much higher that reported as shown in *Appendix-3.5.5*.

Adverse male-female ratio, lower number of cubs and all the cubs not turning into adult tigers indicated the inaccuracy of the census figures. Insufficient space and prey availability apparently contributed to sub-optimal regeneration of tigers.

The Department stated in reply (November 2006) that the increasing biotic pressure in the areas adjoining the reserves affected their growth and also that the census figures were not absolute as the pug mark method of census was

The reserves did not have enough area to support the number of tigers reported

Inaccurate census of tiger population

indicative only and the inaccuracy ranged was ± 20 per cent. This indicated that despite being aware of the inefficiency of the methodology adopted for tiger census the Department was not adopting more accurate techniques.

3.5.14.2 Tiger population outside the reserves

The number of tigers outside the reserves increased as the numbers inside declined

To protect the tiger population from the risk of poaching or killing by the neighbouring population and to provide them healthy and safe habitat the sufficient prey base and security is provided inside the reserves. However, scrutiny of records relating to the tigers reported outside the reserves, revealed that during 2001-06, the number of tigers, outside the reserves increased from 26 (2001) to 35 (2005) around Dudhwa and ranged between 17 (2001) and 16 (2005) in Katerniaghat. During this period the number of tigers reported inside the reserves decreased as discussed earlier in the review. This indicated insufficiency of accommodation and prey-base inside the reserves. The Department stated (November 2006) that the tiger population spills over to the adjoining areas when their population exceeds carrying capacity of the reserve.

3.5.14.3 Spatial movement of spillover species

Lack of corridors restricted dispersal of tigers affecting the chances of their healthy growth

Tigers disperse across wide areas through forest habitats having adequate prey. In case where tiger habitats are not connected through corridors, limited dispersal results in-breeding between close relatives which is detrimental to survival of the population in the long run, as intimated by the Wildlife Institute of India, Dehradun (April 2006).

Although the two core zones of Dudhwa, viz. Dudhwa National Park and Kishanpur Sanctuary were located approximately 15 kilometers apart, no corridors were available, or planned to facilitate spatial movement of fauna between the two core zones. The two tiger reserves, viz. Dudhwa and Katerniaghat were also not linked. The Department accepted (November 2006) non-availability of the corridors. Non-availability of corridors exposed the tiger population to biological degeneration.

3.5.15 Protection measures

3.5.15.1 Awards to staff for conservation of threatened species

No scheme of awards to staff etc. as envisaged in the Wildlife (Protection) Act, 1972 was prevalent in the reserves (November 2006). The amount (Rs.1.40 lakh¹) released by GOI for the purpose during 2001-06 remained unutilized. The Department stated in reply (November 2006) that payments were not made for want of necessary Government orders.

3.5.15.2 Information/ intelligence gathering

To arrest the cases of forest offence, the National Wildlife Action Plan recommended creation of 'Secret Funds' to assist intelligence gathering, strengthen the reach of police and paramilitary forces through meetings and training programmes, set up regional wildlife forensic laboratory, prepare identification material of all restricted plant and animal species and their products and set up extra and specialized vigilance at exit points. The

¹ Rs. 0.20 lakh in 2001-02, Rs. 0.20 lakh in 2002-03 and Rs.1.00 lakh in 2005-06

recommendations were yet to be implemented. The Department attributed (November 2006) the non-implementation to shortage of funds.

3.5.15.3 Wildlife Tourism

National Wildlife Action Plan prescribed framing of separate wildlife tourism guidelines, survey of the accommodation and tourist facilities available within the protected area to ascertain the need for the relocation of these facilities, assessment of negative impact of tourism and deciding the ceiling for the number of tourists and tourist vehicle entering the protected area and setting up of a State Level 'Eco Tourism Advisory Board', to regulate the wildlife tourism activities. The wild life tourism in State was run on *ad-hoc* basis as none of these actions were taken (November 2006).

Further, the receipts from tourism were to be utilised for creation of 'Development Fund' for activities relating to eco development. During 2001-06 Dudhwa received Rs.36.03 lakh from 24305 tourists and Katerniaghath received Rs.2.23 lakh from 167 tourists. Instead of creating a 'Development Fund' the receipts from tourism were credited to State revenues. The Department stated in reply (November 2006) that the matter is under examination.

3.5.15.4 Commercial use of reserve assets

In contravention of the orders of the Supreme Court (SC) prohibiting/ severely restricting (February and November 2000) the diversion of the resources of the Protected Areas for commercial and other purposes, the reserve management handed over a 25 bed dormitory and 12 *tharu* huts located in Dudhwa to the UP Tourism Development Corporation (UPTDC) for the duration from 15th November 2005 to 15th June 2006 for conducted tours. It was also decided that control of these assets would be handed over to the UPTDC from 15th November to 15th June each year, for three years (2005-08). Permitting commercial exploitation of the reserve assets by UPTDC contravened the orders of the SC. The Department stated (November 2006) that the arrangement with the UPTDC was of non-commercial nature. The reply is not tenable as UPTDC was a commercial undertaking dealing in tourism and not a non-profit organization.

3.5.15.5 Ineffective implementation of India Eco-Development Project

The eco development activities, like financial and technical support to the village level 'Eco Development Committees' (EDCs) for their agro-forestry micro plans and creation of awareness through school system, mass awareness campaigns through print and electronic media were taken up as part of normal management practices in the reserves to cope up with the biotic pressure by creating 'eco awareness' among the people residing in nearby areas. The EDCs were to create 'eco development fund' from the money received from the reserves in any nationalized bank. The interest earned on the 'eco development fund' was to be treated as part of the grant. The EDCs were also to furnish 'utilisation certificates' to the reserves in respect of the funds utilized. The entire cost of these activities was to be borne by the GOI.

During 2001-06, Dudhwa provided Rs.30.50 lakh to eight Eco-Development Committees (EDCs). None of the EDCs had created the 'eco development fund'. The funds received were spent directly by the EDCs. Further, EDC's

were yet (November 2006) to furnish utilization certificates in respect of the funds received. For awareness generation, the reserves organized lectures and distributed pamphlets etc. through the 'eco development committees' functioning in the nearby villages.

The impact of these activities on exploitation of biomass was not assessed. However, increase in forest offence cases relating to unauthorized grazing of cattle and collection of fuel-wood in Dudhwa ranged between 31 (2001-02) and 56 (2005-06) indicated lack of awareness and continued dependence of the neighbouring population on forest areas for their need of fodder and fuel-wood. Thus, implementation of eco-development activities failed to reduce biotic pressure on the forest resources.

3.5.16 Manpower management

3.5.16.1 Deployment of beat guards and foresters

According to the Wildlife Institute of India (April 2006) 20 sq. km. area was to be covered by one beat guard and two to three foresters were to be posted in one forest range. An analysis based on this data revealed excess deployment of beat guards and foresters as for 1284 sq. km. area in the reserves 141 beat guards were deployed against admissibility of only 64 beat guards. Similarly, for 13 ranges 54 foresters were posted against 39 foresters permissible.

The Department stated in reply (November 2006) that the beat system in the State was very old and required reconsideration. The reply was not tenable as proposal for increasing the number of staff in light of the changed circumstances, if any, was not moved by the Department.

3.5.16.2 Deployment of aged persons as beat guards and foresters

Wildlife Institute of India, Dehradun mentioned that the ideal age for the forest guard and foresters ranged between 18 and 35 years due to their duties involving extensive walking. It was noticed that in the reserves only 31 (22 *per cent*) out of 141 beat guards and 11 (20 *per cent*) out of 54 foresters belonged to this age group.

3.5.17 Formation and functioning of committees and boards

As provided in the Wildlife Protection Act 1972, as amended from time to time, a State Board for Wildlife was to be formed to monitor and evaluate the implementation of the project. The Board was constituted for one year on 8th July 2005 and met only once on 18th July 2005. The Board was yet to be reconstituted (November 2006).

The Ministry of Environment and Forests, GOI, desired (September 2001) formation of a State level 'monitoring and evaluation committee' in consultation with identified Institutes and Centre of Excellence in State. This committee was yet to be formed (November 2006). Besides, no independent monitoring of the tiger reserves was done during 2001-06. Thus, the implementation of the project was not monitored.

3.5.18 Conclusion

The implementation of the project suffered as the GOI did not release funds due to failure on the part of reserve management to submit the APOs and utilization certificates timely. The management of land was not effective as large areas either remained unclaimed or remained encroached upon. The biotic pressure on the reserves was neither assessed nor averted, as no buffer zone was available in Katerniaghat and Kishanpur sub-division of Dudhwa. Lack of efforts in de-weeding, removal of eucalyptus and development of grassland impacted growth of herbivores adversely which in turn restricted growth of tiger and resulted in wildlife moving out of the reserves. Eco-development activities failed to create the desired level of awareness among the targeted population. The monitoring was weak as the State Wild Life Board was not reconstituted and the Monitoring and Evaluation Committee was not formed (November 2006).

3.5.19 Recommendations

- Management Plans should be revised to bring them in line with the National Wildlife Action Plan (2002-2016) and the Annual Plans of Operation should follow the prescriptions of the Management Plans and sent to GOI in time.
- Encroachment in the reserves should be got evicted by relocation/rehabilitation and reserve areas consolidated to reduce biotic pressure.
- Removal of weeds and monocultures, affecting the flora of reserves should immediately be taken up and grassland development should be taken up on priority basis.
- Means to corroborate the census figures through more scientific techniques should be developed.
- More eco awareness generation activities need to be taken up and the 'eco-development committees' need to be made more effective.
- Better qualitative monitoring and evaluation techniques should be developed to ensure desired impact of the Project.

The matter was referred to Government (August 2006) and discussed in exit conference (September 2006) wherein audit conclusions and recommendations were accepted. Reply received (November 2006) from the Government was incorporated wherever necessary.

RURAL DEVELOPMENT DEPARTMENT
3.6 Sampoorna Grameen Rojgar Yojna (SGRY)

Government of India launched (September 2001) the SGRY with an objective of providing wage employment in rural areas as also food security, besides creating durable community, social and economic infrastructure. The performance audit for the period 2001-06 disclosed that the implementation of SGRY lacked financial discipline, and suffered from ill planning. Resource in the form of foodgrains could not be utilized entailing excess cash outgo besides loss to wage earners in terms of their real wages. Delay in allocation of resources coupled with their non-utilisation further accentuated failures in the implementation. The salient points noticed were as under:

Highlights

Funds were underutilized and Rs 110.51 crore remained unspent at the end of March 2006 due to delayed release of funds by the State Government and District Rural Development Agencies. Consequently, Government of India curtailed Rs. 19.56 crore from its share to 11 out of 15 test checked District Rural Development Agencies.

(Paragraph 3.6.6.1 and 3.6.6.4)

Regional Food Controllers lacked resources for lifting, storage and distribution of food-grains leading to short lifting of 24.91 lakh MT from FCI depots. Wages were paid to the wage earners in cash in nine out of 15 districts (2001-06) resulting in loss of real wages (Rs. 58.46 lakh) to them in respect of 1035 works.

(Paragraphs 3.6.8.1 and 3.6.8.2)

Non-maintenance of records of employment, foodgrains and coupon registers and Fair Price Shops not returning the coupons for value of 1.36 lakh MT foodgrains, raised doubts about actual distribution.

(Paragraphs 3.6.8.7 and 3.6.8.8)

SGRY remained dominantly confined to earth works for roads as Rs. 99.42 crore (63 per cent) out of Rs. 157.54 crore was spent on earth works in test checked Zila Panchayats, Kshetriya Panchayats and Villiage Panchayats.

(Paragraphs 3.6.10.3)

Rupees 6.16 crore was spent on ineligible works of black topping of roads, construction of bridges. Sustainable income generating assets costing Rs. 1.25 crore were not distributed amongst beneficiaries due to their non-identification.

(Paragraphs 3.6.10.4 and 3.6.10.5)

3.6.1 Introduction

The Government of India (GOI) launched SGRY, a Centrally sponsored scheme in September 2001 by merging Employment Assurance Scheme (EAS) and Jawahar Gram Samridhi Yojna (JGSY) to provide wage employment as also food security alongside creation of durable community,

social and economic assets and infrastructure. The SGRY, open to all rural poor, laid emphasis on wage employment to women, scheduled castes and scheduled tribes. The cash component was shared between Centre and State Governments in the ratio of 75:25 while the Centre provided foodgrains free of cost through the Food Corporation of India (FCI).

SGRY was implemented through *Zila Panchayats* (ZPs) at district level, *Kshetriya Panchayats* (KPs) at block level and *Village Panchayats* (VPs) at village level. There were 70 ZPs, 820 KPs and over 52000 VPs in the State.

3.6.2 Organisational Set-up

Secretary, Rural Development, Lucknow was responsible for implementation of the SGRY in the State. At the departmental level, Rural Development Commissioner (RDC, Lucknow) was the nodal agency while Chief Development Officer and Project Director (CDO/PD), District Rural Development Agency (DRDA) at district level were responsible for its implementation at the district level. ZP under *Appar Mukhya Adhikari* (AMA), KP under Block Development Officer (BDO) and VP under Village Development Officer were the implementing agencies.

3.6.3 Audit Objective

The audit objective was to examine whether:

- The funds were allotted and utilized as per norms.
- The works were executed as planned and labour intensive.
- The food security to the targeted population was ensured.
- The wage payments and mandays generation was as targeted.
- The durable, social and economic assets were created for targeted people.
- The system of monitoring was effective.

3.6.4 Audit Criteria

- Reasonable and attainable standards of performance.
- Norms fixed in the Guidelines for allocation and utilization of resources.
- Financial rules and orders issued by the Government.

3.6.5 Scope of audit and methodology

Records of SGRY (2001-2006) in the State were test checked during April to October 2006 in the offices of RDC, Lucknow, 15 CDOs/PD¹, 15 ZP, 74 KP and 716 VPs and 6 Regional Food Controllers² (RFCs).

Samples for review were selected from across the State through probability proportionate to size with repetition method which the Government accepted alongside audit criteria and audit objectives in the Entry Conference (May

¹ Aligarh, Azamgarh, Ambedkarnagar, Barabanki, Baharaich, Bijnore, Bulandshahar, Ghaziabad, Ghazipur, Kannauj, Mathura, Mirzapur, Siddharthnagar, Sonebhadra, Varanasi.

² Azamgarh, Basti, Faizabad, Kanpur, Mirzapur and Varanasi.

2006). Audit findings were communicated to the Government and also discussed in the Exit Conference (November 2006).

3.6.6 Financial Performance

3.6.6.1 Fund Utilization

Opening balances were carried forward short by Rs 32.56 crore

The GOI and State Government released funds every year in two installments directly to the DRDAs. As per the information supplied by the Department, ZPs, KPs and VPs utilized Rs 5027.97 crore as against Rs 5171.04¹ crore during 2001-06 and Rs 110.51 crore remained unspent in their saving bank accounts (*Appendix-3.6.1*) as of March 2006.

The unspent balance arrived at was incorrect as opening balances carried forward were short by Rs 32.56 crore² (2003-06). The short carry forward of balances was liable to be diverted/ misappropriated. RDC, Lucknow stated (November 2006) that it was due to wrong reporting by the DRDAs. The Chief Finance Officer, RDC, Lucknow, stated that it shall be investigated and correct position intimated to Audit. The fact remained that the balances were never reconciled since 2003-04.

There was an increasing trend in expenditure but during 2004-05 it fell to Rs 1064.68 crore from Rs. 1105.28 crore in 2003-04. The fall during 2004-05 was not justified in view of highest mandays generation (17.50 crore mandays) and maximum distribution of foodgrains (7.12 lakh MT) during the year.

3.6.6.2 Delay in release of funds

DRDAs released Central and State share of funds to ZPs, KPs and VPs after delay of one to seven months

Government did not release funds within fifteen days as required. The delay ranged from one to nine months in releasing Rs. 47.66 crore (2001-06) to thirteen DRDAs³. Likewise, DRDAs did not allocate/release funds to ZP, KPs and VPs within fifteen days of their receipt. Eight DRDAs⁴ out of fifteen delayed the releases (ranging from one to three months in respect of Central share of Rs. 58.36 crore and from one to seven months in respect of State share of Rs 25.72 crore). CDOs, Mathura and Kannauj attributed the delay to *Panchayat* elections which was not tenable as releases were delayed when the elections were not held.

As a result, ZPs, KPs and VPs could not spend the funds within the financial year leading to huge balances unspent every year.

3.6.6.3 Expenditure under SC/ ST sector

SCs and STs did not receive coverage as envisaged in the scheme

ZPs and KPs were to spend 22.5 *per cent* and VPs 50 *per cent* of their annual allocation under SCs/STs sector. However, shortfall in expenditure ranging from 13 to 96 *per cent* in fourteen ZPs (Rs. 29.36 crore), 3 to 100 *per cents* in 74 KPs (Rs. 24.54 crore) and from 37 to 100 *per cent* in 716 VPs (Rs. 13.18 crore) was noticed in test check indicating that the SCs/STs did not receive due coverage as envisaged.

¹ Opening Balance (2001-02): Rs. 113.49 crore; Receipts (2001-06): Rs. 5057.55 crore.

² 2003-04: Rs. 18.06 crore; 2004-05: Rs. 12.84 crore and 2005-06: Rs. 1.66 crore.

³ Aligarh, Ambedkarnagar, Bahraich, Barabanki, Bijnore, Bulandshahar, Ghaziabad, Mirzapur, Sonbhadra, Siddharthnagar, Varanasi, Mathura and Kannauj.

⁴ Aligarh, Bulandshahar, Azamgarh, Mirzapur, Ghaziabad, Ghazipur, Mathura and Kannauj.

GOI did not release Rs. 19.56 crore due to underutilization of funds

3.6.6.4 Short release of Central assistance

Due to carrying over of unspent balances exceeding 15 per cent of total available funds and short utilization of funds under SC/ST sector, GOI curtailed Rs. 19.56 crore from second installment to eleven out of fifteen DRDAs¹. Maximum cut of Rs 4.64 crore (70 per cent) was noticed in Sonbhadra.

3.6.6.5 Expenditure on works not approved under SGRY

EAS was merged with SGRY and its unutilized balances were to be spent on SGRY works. In five² out of fifteen ZPs, Rs 4.88 crore was lying as unspent balance (October 2001). Of this, Rs 4.84 crore was spent (2001-06) on works under EAS without the approval/ consideration of General Bodies (GBs) of the concerned ZPs.

Rs. 12.98 crore was drawn from the treasury though not required

3.6.6.6 Transportation and handling charges

The Government sanctioned (2002-06) Rs 37.14 crore, based on the quantity of foodgrains authorized, to fourteen DRDAs test checked in audit for meeting transportation and handling of foodgrains at the rate of Rs. 44 per quintal. Short lifting of foodgrains resulted in savings of Rs. 12.98 crore which instead of surrendering was drawn by the CDOs concerned from the treasury and retained in saving bank accounts. RDC, Lucknow stated (November 2006) that the amount shall be deposited in treasury.

DRDAs were to pay the charges to the transportation agencies³ after ascertaining the quantity lifted and extent of services received such as door step delivery. Rupees 23.63 crore was paid to them without ascertaining the actual quantity lifted. Two DRDAs⁴ paid Rs. 0.97 crore to the transportation agencies in excess. Eleven other DRDAs⁵ created a liability of Rs. 4.99 crore on this account which had not been paid as of October 2006. District Magistrate, Bulandshahar, instructed (March 2005) CDO Bulandshahar to verify the quantity lifted from the FCI depot before payment to the agency. Thus the payments were made without verification and ascertaining the extent of services received.

3.6.7 Planning and Management

3.6.7.1 Allocation of funds and foodgrains

The DRDAs were to allocate funds and foodgrains to KPs in proportion to rural SC/ ST population in the blocks to total SC/ST population in the district. Five test checked DRDAs⁶ allocated Rs 74.65 crore and 56746 MT foodgrains to 63 Blocks not in relation to SC/ ST population. Out of these, four DRDAs⁷ did not have SC/ ST population figures in respect of their respective Blocks. In

¹ Aligarh: Rs.1.01crore; Ambedkarnagar: Rs. 2.14 crore; Bahraich: Rs. 1.00 crore; Barabanki: Rs.2.35 crore; Ghaziabad: Rs.1.04 crore; Mirzapur: Rs.0.44 crore, Sonebhadra: Rs. 4.64 crore; Kannauj: Rs. 1.86 crore; Mathura: Rs. 0.57 crore; Ghazipur: Rs 1.67 crore and Siddarthnagar: Rs.2.84 crore.

² Azamgarh (Rs1.41 crore), Barabanki (Rs1.14 crore), Bijnore (Rs0.46 crore), Mirzapur (Rs1.29 crore) and Varanasi (Rs.0.58 crore).

³ RFCs, UPFEC Corporation and UPPCF.

⁴ Bahraich, Bijnore.

⁵ Aligarh, Azamgarh, Ambedkarnagar, Barabanki, Bulandshahar, Kannauj, Ghazipur, Ghaziabad, Mirzapur, Mathura and Varanasi.

⁶ Ambedkarnagar, Bahraich, Bijnore, Barabanki and Mirzapur.

⁷ Ambedkarnagar, Bahraich, Barabanki and Bijnore.

Mirzapur district, where figures of SC/ ST population were available, seven Blocks with high percentage of SC/ ST population received funds short by Rs 19.53 lakh while five with less percentage received funds in excess by an equal amount resulting in uneven allocation of funds and foodgrains.

3.6.7.2 Delayed preparation of Annual Action Plans (AAPs)

Annual Action Plans were not prepared in time

The Governing Bodies (GBs) of ZP, KP and VP were to approve AAPs by February each year after thorough discussion over proposals for works. Due to late submission of proposals by members of ZP and KP, the approval was delayed (ranging from one month to one year) besides approval in two to three spells¹. KP Kasimabad, Ghazipur instead of preparing AAPs for 2003-04 and 2005-06 took up execution of incomplete works of the preceding years². Thus, the works were not completed during the year of their approval.

In respect of VPs test checked, GBs' minute's registers were not maintained. Hence, it could not be ascertained if the works executed were thoroughly discussed and approved.

3.6.8 Foodgrains

3.6.8.1 Lifting of foodgrains

Short lifting of foodgrains resulted in excess cash outgo besides loss of real wages

The authorized agencies were to lift the foodgrains from the FCI depots as per the authorization. There was, however, persistent shortfall (35 to 69 per cent) in lifting (2001-06) as is evident from the table below:

Year	Authorization (In MT)	Lifting (In MT)	Shortfall in MT(per cent in bracket)
2001-02	49634	15385	34249 (69)
2002-03	1325099	864463	460636 (35)
2003-04	1203066	643719	559347 (46)
2004-05	1343640	701851	641789 (48)
2005-06	1225664	430769	794895 (65)
Total	5147103	2656187	2490916 (48)

(Source: Information as furnished by the Commissioner, Rural Development)

The shortfall in lifting of foodgrains entailed undue outgo of cash besides short-distribution of foodgrains to the wage earners. The wage earners were paid their full component of wages (Rs. 58 per manday) in cash entailing excess outgo of Rs. 119.42 crore³ (2001-06) in nine districts⁴ out of fifteen and foodgrains distribution ranged between 2.25 kg. and 4.16 kg. per manday (average). In rest of six districts excess cash outgo could not be calculated due to non-availability of data.

RDC, Lucknow and CDOs stated without documentation that shortfall was due to non-availability of foodgrains with FCI depots. The replies were not

¹ ZP Barabanki : 3 spells in July, October 2002 and January 2003; ZP Mathura: 3 spells in July, October 2002 and January 2003 in 2003-04, 2 spells in August 2003-04 and 2005-06, 2 spells in June 2005 and March 2006; ZP, Kannauj: 2 spells in June 2005 and January 2006; ZP Ghazipur: 2 spells in August 2003 and February 2004 and 12 KPs during 2003-04 in 2 spells.

² 2003-04: 20 works; 2005-06: 8 works.

³ Calculated in audit.

⁴ Ambedkarnagar, Azamgarh, Bahraich, Barabanki, Mirzapur, Sonbhadra, Siddharthnagar, Kannauj and Ghazipur.

tenable in view of the Government observation (January 2005) that the RFCs lacked resources for lifting, storage and distribution.

3.6.8.2 Loss of real wages to the wage earners

The foodgrains entailed subsidy of Rs. 4.30 to Rs 7.22 per kg for rice and Rs. 3.92 to Rs 4.35 per kg for wheat to be passed on to the wage earners. Out of 3455 works taken up in sample check in test-checked districts, the wage earners were not issued foodgrains due to its non-availability in respect of 1035 works (30 *per cent*) but paid in cash (Rs. 1.24 crore) for generating 2.12 lakh mandays. As a result subsidy of Rs. 58.46 lakh was not passed on to them defeating the objective of improving the nutritional standards of their families, as envisaged in the scheme.

RDC, Lucknow admitted that the wage earners were paid wages in cash in lieu of foodgrains.

3.6.8.3 Accounting of foodgrains

The position of foodgrains released by FCI depots and lifted by the DFMOs in test checked RFCs during 2001-06 is brought out in *Appendix- 3.6.2*.

DFMOs, Ambedkarnagar, Barabanki and Mirzapur did not account for 1.22 lakh MT foodgrains (value: Rs. 68.36 crore) lifted from the FCI depots in their stock book and the DFMO, Ghazipur recorded 5966 MT (value: Rs. 4.18 crore) in excess. DFMOs, Sonebhadra, Siddharthnagar and Kannauj accounted for 15117 MT foodgrains (value: Rs. 10.42 crore) short in their stock books which was liable to diversion to black market or misappropriation.

RDC, Lucknow stated (November 2006) that the complaints for misuse of foodgrains were received from Gonda and Ballia and the Economic Offences Wing was investigating the matter.

3.6.8.4 Transfer of undistributed foodgrains

RFCs lacked resources for lifting, storage and distribution of foodgrains. Hence, the Food and Civil Supplies Department, Lucknow assigned (January and March 2005) the job of foodgrains lifting, storage and distribution to the Uttar Pradesh Pradeshi Cooperative Federation (UPPCF) and RFCs were to transfer undistributed stock of foodgrains to the UPPCF.

25 distribution centres of six districts¹ did not transfer 233 MT of foodgrains (value: Rs. 13.56 lakh) to UPPCF and was lying with them since March 2005. The RFCs stated that it would be transferred to UPPCF shortly.

Inaction for over one and half year indicated laxity on the part of officials responsible for this.

3.6.8.5 Diversion of foodgrains

RFCs handled food-grains pertaining to other schemes also namely Mid-day Meal, etc. Nine distribution centres in four² test checked districts diverted (2001-05) 713 MT foodgrains (value: Rs. 46.47 lakh) from SGRY to other schemes. Out of this, 349 MT (value: Rs. 21.41 lakh) was replenished to the

Foodgrains lifted from FCI was not accounted for in stock-book

¹ Azamgarh, Basti, Faizabad, Jaunpur, Mirzapur and Varanasi

² Azamgarh, Ghazipur, Kannauj and Siddharthnagar.

stock (2001-05) under SGRY leaving a balance of 364 MT (value: Rs.25.06 lakh) as of March 2006 un-replenished.

In Ghazipur, 65.93 MT of food-grains (value: Rs. 4.62 lakh) was diverted to other schemes (2001-05). It could have been otherwise utilized for issue to wage earners in Ghazipur where 824 MT food-grains had not been distributed due to its non-availability.

3.6.8.6 Shortages and storage losses

In six districts of six RFCs test checked, storage loss and shortage of foodgrains (2002-05) of 464.82MT valuing Rs 31.33 lakh were disclosed. Of this shortages accounted for 452.03 MT (value: Rs 30.44 lakh) and storage losses 12.79 MTs (value: Rs 0.89 lakh).

The RFCs concerned stated that investigation and departmental actions against the erring officials was in progress. It was observed that the pace of investigation and departmental action was very slow as the storage loss and shortage of stock were over three years old (316.114 MT; value: Rs.20.95 lakh), over two years (133.015 MT; value: Rs. 9.29 lakh) and over one year (15.688 MT; value: Rs.1.09 lakh) old.

3.6.8.7 Foodgrains register and coupon register

To avoid pilferage, a foodgrains register and a coupon register was to be maintained at the level of DRDA, ZP, KP and VP incorporating therein respectively the details of foodgrains allocated, lifted and distributed work-wise and the stock of coupons work-wise and their utilization.

10 DRDAs¹ out of 15 did not maintain the foodgrains register. Five DRDAs² maintained it but not work-wise. DRDA Ghaziabad did not maintain it for 2001-03. At the level of ZPs, KPs and VPs, none except KP, Iglas, Aligarh maintained it. As a result, quantity of foodgrains allocated, lifted and distributed work-wise could not be verified in audit.

The coupon register at the DRDA level mentioned number of coupon books printed and their issue to ZPs, KPs and VPs only except at DRDA Bulandshahar where it was maintained work-wise for 2003-06. At ZP, KP and VP levels, 795 out of 805 ZPs, KPs and VPs did not maintain it. Ten KPs maintained the register but work-wise details were not recorded. As a result, work-wise issue and utilization of coupons could not be verified in audit.

DRDAs issued coupons to ZPs, KPs and VPs without ascertaining their actual need. In 72 out of 74 test-checked KPs, 13455 coupon books³ out of 90432 were lying unused (October 2006). KPs Baskhari, Ambedkarnagar and Loni, Ghaziabad did not produce the relevant records.

RDC, Lucknow replied that the foodgrains and coupons registers had been maintained. The reply was not tenable as the registers were not maintained incorporating the work-wise utilization of foodgrains and coupons, as prescribed.

Storage losses and shortage of stocks not investigated promptly

Foodgrains and coupon records were not maintained as prescribed

¹ Aligarh, Azamgarh, Bahraich, Bulandshahr, Kannauj, Mathura, Mirzapur, Sonebhadra, Siddharthnagar and Varanasi.

² Ambedkarnagar, Barabanki, Bijnore, Ghazipur and Ghaziabad

³ Each containing 50 coupons

3.6.8.8 Doubtful distribution of foodgrains

ZPs, KPs and VPs were to issue coupons to wage earners to collect foodgrains from FPS which were to deposit these with BDOs and claim the margin money¹. The deposit of coupons with BDOs was a testimony to the distribution of foodgrains among the wage earners. The following points were noticed:

Thirteen out of 15 ZPs distributed (2001-06) coupons for 76557 MT (value: Rs. 44.43 crore) of foodgrains to the wage earners. The FPSs, however, did not deposit these with the concerned BDOs, as required. Two ZPs² did not produce the requisite records to audit.

74 KPs showed distribution (2001-06) of 87646 MT of foodgrains (value: Rs. 51.63 crore) to the wage earners. Of this, the FPSs deposited coupons for 28526 MT foodgrains (value: Rs.16.08 crore) with the BDOs, leaving coupons for 59120 MT (value: Rs. 35.55 crore; 67 *per cent*) undeposited. Against coupons for 28526 MT of foodgrains, the BDOs paid margin money of Rs 6.28 lakh only against Rs 17.12 lakh due.

39 BDOs did not demand Rs 3.84 lakh from DRDAs for payment of margin money to FPSs and 25 BDOs paid only six to 98 *per cent* of the amounts due. DRDAs Kannauj and Bulandshahr paid Rs. 21.16 lakh to ZP Kannauj (Rs. 2.04 lakh) and DFMO Bulandshahr (Rs. 19.12 lakh) respectively during 2001-05 instead of making the funds available to the concerned BDOs, as prescribed.

In the test-checked works, the muster roll did not mention the names of FPSs along with the reference to coupon numbers in case of 2757 out of 3455 works (80 *per cent*). As a result, it could not be ascertained if the coupons were issued to the wage earners.

Non-maintenance of foodgrains and coupon registers coupled with non/short deposit of coupons by FPSs and non-payment of margin money to FPSs which had deposited the coupons indicated that the prescribed system was not followed raising serious doubts about the actual distribution of foodgrains (1.36 lakh MT) to the wage earners.

RDC replied that no complaint of non-distribution of foodgrains and non-payment of margin money was received. The reply was not tenable as a large number of wage earners were not distributed foodgrains as discussed in the succeeding paragraph.

3.6.8.9 Non-distribution of foodgrains

ZPs, Barabanki, Ghazipur, Varanasi and KP Karanda, Ghazipur generated 4.96³ lakh mandays (2001-06) and issued coupons for 2513 MT (value: Rs. 1.70 crore) to the wage earners to collect the foodgrains from the FPSs. Due to non-availability of foodgrains, FPSs did not supply it to wage earners. After over one year ZP Barabanki paid Rs 14.12 lakh and ZP Ghazipur Rs. 81.58 lakh to them in cash in-lieu of foodgrains. The balance of Rs.74.12 lakh had

Non-deposit of coupons by the FPS with the BDOs for the foodgrains issued coupled with non-claiming of margin money by FPSs rendered the distribution doubtful

Foodgrains valuing Rs. 99.27 lakh not distributed to the wage earners

¹ Margin money is the commission of the FPS owners.

² Azamgarh and Ambedkarnagar.

³ Barabanki 56471 mandays, Varanasi 23115 mandays, Ghazipur, 397880 mandays and KP Karanda, Ghazipur: 18500 mandays.

not been paid by ZPs Varanasi (Rs. 9.96 lakh) and Ghazipur (Rs. 57.68 lakh) and KP Karanda, Ghazipur (Rs.6.48 lakh) as of October 2006 as the DRDAs concerned did not provide cash for the payment.

ZP Kannauj issued (2005-06) coupons for issue of foodgrains valuing Rs. 25.15 lakh (approximately). The wage earners returned these to the ZP due to non-availability of foodgrains with FPSs. These coupons were lying unaccounted for and unpaid with ZP Kannauj.

The Principal Secretary, Rural Development, instructed the Special Secretary of the Department during Exit Conference to investigate these cases.

3.6.9 Generation of mandays and payment of wages

Employment Registers for wage earners not maintained

3.6.9.1 Non-maintenance of employment registers

Each DRDA, ZP, KP and VP was to maintain an Employment Register for wage earner's identification which was open to the public for scrutiny and was to be made available to them on demand. However, the test checked DRDAs and ZPs, KPs and VPs did not maintain it. In the absence of recorded data, actual number of persons getting wage employment including SCs/STs and women earners could not be ascertained.

3.6.9.2 Muster Rolls (MRs)

805 test-checked ZPs, KPs and VPs executed 44907 works during 2001-06. Out of these, records relating to execution of 3455 works¹ (8 per cent) generating 18.33 lakh mandays (wages: Rs. 10.95 crore) were scrutinized in audit on random sample check basis. One ZP, four KPs and 88 VPs did not produce the MRs for wage payment of Rs 1.01 crore² (449 works; 1.22 lakh mandays). As a result, the wage payment of Rs 1.01 crore could not be verified in audit.

Scrutiny of those MRs presented revealed that women and SC/ STs generated only 1899 and 7128 mandays respectively not in accordance with the objective of the scheme which laid emphasis on wage employment to women and SCs/ STs. MRs also did not mention details such as the name of wage earner's father and his village except in case of 144 works.

3.6.9.3 Delay in payment of wages

Payment of wages was delayed by one to nine months

Weekly payment of wages was to be ensured. In 351 out of 3006 works test-checked on random basis, payment of wages (Rs 2.44 crore) was delayed by fifteen days to nine months³ although funds and foodgrains were available. In 545 works (18 per cent; wages: Rs 1.54 crore) date of payment of wages was not mentioned in the muster rolls. Hence, the delay in payment in respect of these works could not be ascertained in audit.

¹ 15 ZP: 165 works generating 2.61 lakh mandays (wages Rs. 1.41 crore), 74 KP: 738 works generating 9.87 lakh mandays (wages: Rs. 6.03 crore) and 716 VPs: 2552 works generating 5.85 lakh mandays (wages: Rs. 3.51 crore).

² Mirzapur: 18 VPs Rs. 23.02 lakh; Ghaziabad: 21 VPs, Rs. 8.84 lakh; Barabanki: ZP, Rs. 1.51 lakh and 7 VPs, Rs. 56.09 lakh, Sonbhadra: 1 KP, Rs. 0.83 lakh; Bulandshahar: 1 KP, Rs. 0.69 lakh and 8 VPs, Rs. 1.95 lakh; Ghazipur: 34 VPs, Rs. 7.14 lakh and Kannauj: 2 KPs, Rs. 1.04 lakh.

³ Upto 15 days: 73 works; 16-30 days: 108; 31-60 days: 77; 61 days and above: 93.

3.6.10 Execution of works

3.6.10.1 Non-execution of approved works

The GBs of 805 test checked ZPs, KPs and VPs approved 70597 works (2001-06). Out of these, 25690 works (36 *per cent*) were not taken up for execution. It was stated in reply that these works were not taken up due to shortage of funds. The reply was not tenable as Rs. 37.70 crore out of SGRY funds and Rs. 3.40 crore on account of interest earned on the deposits of SGRY funds were lying unspent as of March 2006.

3.6.10.2 Work estimates

Preparation of work estimates was a pre-requisite to the commencement of work. Scrutiny of records of 2552 works in 716 VPs, revealed that the works were executed without preparing any work estimates as no Junior Engineer was posted/ attached with the VPs. Execution of works without preparing estimates entailed non-assessment of quantity and cost of materials, benefits arising out of the assets and employment to be generated.

3.6.10.3 Works executed under SGRY

ZPs, KPs and VPs were to execute labour intensive works of socio-economic assets giving priority to infrastructure support for agricultural activities such as soil and moisture conservation, water harvesting structures etc.

The table below brings out details of works executed during 2001-06 in test checked ZPs, KPs and VPs:

Name of PRI	Roads			Dwelling Units		Others		Total expenditure
	Number	Km	Cost(Rs.in Crore)	Number	Cost(Rs.in Crore)	Number	Cost(Rs.in Crore)	
ZP	5131	2766 ¹	83.96	Nil	Nil	1965	15.42	99.38
KP	5327	2447	67.98	786	2.80	2002	19.34	90.12
VP	4146	224	5.60	Nil	Nil	849	1.47	7.07
	14604	5437	157.54	786	2.80	4816	36.23	196.57

Out of expenditure of Rs 157.54 crore on 14604 roads constructed, ZPs, KPs and VPs spent Rs. 99.42 crore (63 *per cent*) on the earth works for roads. The works in support of agricultural activities were not undertaken, as envisaged in the scheme.

SGRY remained dominantly confined to road construction

3.6.10.4 Material intensive and ineligible works

The programme envisaged creation of labour intensive rural infrastructure. An analysis of expenditure on wages and materials in 15 DRDAs revealed that labour intensive works were not taken up as the ratio between the wage and material components was 1.52:1 (2001-06). Ineligible works like black topping and construction of bridges were also executed at a cost of Rs 6.16 crore² (2002-06).

¹ The length of the road is in respect of only 3697 roads.

² Black topping of roads in ZPs Aligarh (9 roads, 2002-03, cost: Rs. 57.52 lakh); Baharaich (11 roads, 2002-06, cost: Rs. 62.63 lakh); Mirzapur (68 roads, 2002-04, Rs.338 lakh) Ghazipur (21 roads, 2002-04, Rs. 68.04 lakh) and Mathura (7 roads, 2001-05, Rs 37.24 lakh) and construction of 9 bridges in ZP Baharaich during 2005-06 at a cost of Rs. 52.52 lakh.

3.6.10.5 Distribution of income generating assets under SC/ST sector

ZPs, Barabanki, Bahraich and Mirzapur purchased (2003-06) 400 pump sets, 1500 sewing machines, 100 loud speakers and 50 tri-cycles at a cost of Rs 1.74 crore without identifying the beneficiaries amongst SCs/ STs. As a result, 342 pump sets (86 *per cent*), 713 sewing machines (48 *per cent*), 100 loud speakers (100 *per cent*) and 50 tri-cycles (100 *per cent*), costing Rs 1.25 crore were lying undistributed (March 2006).

3.6.10.6 Maintenance and inventory of assets

Under SGRY 15 *per cent* of allocations were to be spent on maintenance of the assets created under the scheme. Scrutiny disclosed that out of Rs. 73.07 crore to be spent by ZPs, KPs and VPs on maintenance of assets, Rs. 5.15 crore only was spent during 2001-06.

None of the test checked ZPs, KPs and VPs maintained inventory of assets including a photographic record thereof, as envisaged. As a result, no assessment could be made on the actual assets created under SGRY.

3.6.11 Monitoring and evaluation

Monitoring Committee to monitor progress and quality of the works was not constituted. While eight out of 15 DRDAs did not produce record of inspection by the officials, overall shortfall of 69 *per cent* (2005-06) was noticed in seven DRDAs. The inspection notes (171 works) showed poor work quality, improper work estimates, incorrect measurement, non-maintenance of records etc. No follow up action on the inspection notes was, however, available.

National Level Monitoring Committee, in its inspection (July 2006) of Bulandshahar observed that SGRY was confined to *Kharanja* and *Nali*. Twenty-two *per cent* works were incomplete. The labourers were unwilling to work at Rs. 58 per day and hence the officials were manipulating the MRs. The wages were paid in cash only. The participation of women labour was low. State Planning Institute, Lucknow also evaluated (2004-05) SGRY in four districts¹. The report stated that neither DRDAs allocated funds to ZPs, KPs and VPs as per norms nor they utilised funds under SC/ST sector. It also stated that ten *per cent* wage earners received wages in cash 2 *per cent* below the prescribed wage, the MRs did not mention if the earner was SC/ST or landless or woman and 43 *per cent* were from outside the village, and 33 *per cent* works executed were subject to repairs.

3.6.12 Conclusion

The objective of SGRY to provide wage employment, food security and creation of useful assets was not fully realised. The funds were neither allocated nor utilized as per norms resulting in cuts in the Central share. Food security to the targeted population by issue of wages in the shape of foodgrains was not ensured leading to loss of their real wages besides excess cash outgo. Cuts in Central share resulted in a large number of approved works not being taken up. Records for distribution of foodgrains were also not

¹ Sant Ravidasnagar, Sitapur, Jalaun and Bagpat.

properly maintained providing an opportunity for black marketing/ diversion. Target of mandays generation was not achieved as the works executed were not labour intensive. The wage earners were not paid their due wages in time besides a large number of them remaining unpaid for years. ZPs, KPs and VPs neither maintained employment register nor the inventory of assets.

3.6.13 Recommendation

- Government should ensure the lifting and utilization of entire allotted quantity of foodgrains and DRDAs ensure timely release of funds to the ZPs, KPs and VPs.
- A committee consisting of members of Village Panchayat should be constituted in each village. The wages should be disbursed in presence of the committee ensuring that wages are paid as per norms.
- The Committee so constituted should also be assigned the job of preparing a list of wage employment seekers in the village and to record their identity details in the employment register.
- The prescribed records of foodgrains, coupons, employment register, inventory of assets, receipts and expenditure should be computerized at least upto the level of KP.

The above points were reported to the Government (September 2006). The Government forwarded (November 2006) the replies of the RDC, Lucknow which have been incorporated wherever appropriate.