

## PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters I and II of this Report contain the findings of performance audit of certain programmes and audit of transactions in the various departments of the Government. Chapter III includes a report on integrated audit of the Disaster Management Department.
3. Chapter IV contains observations arising out of audit of Government Companies and Statutory Corporations. Audit of accounts of Government Companies is conducted by the Comptroller and Auditor General of India under the provisions of Section 619 of the Companies Act, 1956.
4. The Report containing the observations on Revenue Receipts is being presented separately.
5. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2008-09 as well as those which had come to notice in the earlier years but could not be included in the previous Reports. Matters relating to the period subsequent to 2008-09 have also been included, wherever necessary.

## OVERVIEW

The Report includes four chapters containing four performance audit reviews, two long paragraphs, 24 transaction audit paragraphs and a report on integrated audit of the Disaster Management Department.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling methods as well as on the basis of judgment. The audit conclusions have been drawn and recommendations made, taking into consideration the views of the Government.

Audit comments on the performance of some Government departments and programmes as well as the working of the Disaster Management Department are given below:

### **1. Performance audit of Afforestation and Compensatory Afforestation Fund Management and Planning Authority**

The Department of Forest and Environment (DoF&E), Government of Jharkhand is responsible for implementation of the National Forest Policy, 1988 through various schemes. Schemes for maintenance and development of natural forests were undertaken by the department, but these resulted only in limited success in the State due to irregularities in their implementation such as improper selection of sites, plantation of banned species, high mortality rate in the plantations etc. Working Plans of some divisions were not prepared. The budget estimates were not realistic and the funds available were not fully utilised. While sizeable areas of forest land were transferred for non-forest purposes, there was no concerted effort to compensate the losses through compensatory afforestation schemes, for which funds were available. The Net Present Value of transferred forest land and the cost of compensatory afforestation were neither demanded from user agencies nor realised. Adequate land for compensatory afforestation was not made available to the department by the user agencies. The internal control system and the monitoring mechanism were ineffective.

[Paragraph 1.1]

### **2. National Rural Health Mission**

The National Rural Health Mission (NRHM) was launched by the Government of India in April 2005. It aimed at strengthening rural health care institutions by provision of infrastructure facilities and funds. A review of the implementation of the National Rural Health Mission in the State revealed improvement in flow of funds to rural health institutions and better health awareness among the rural population. However, the objectives of NRHM were not achieved due to lack of surveys, effective community participation, basic infrastructure, sufficient medicines and other equipment and adequate human resources. The programmes of various societies at the State and district levels were not integrated. Reproductive health care services were at a nascent stage. Targets under the different National Disease Control Programmes were partially achieved due to incomplete coverage. The department did not have an

internal audit wing or a vigilance wing. There was no mechanism for redressal of grievances and evaluation of deficiencies.

[Paragraph 1.2]

### **3. Modernisation of Police Force**

The scheme of Modernisation of Police Force was launched by the Ministry of Home Affairs, Government of India to augment the operational efficiency of the State police force to effectively face the emerging challenges to internal security. Implementation of the scheme in the State suffered mainly due to deficient planning and inadequate monitoring. The Perspective Plan was not prepared and there were delays in preparation of Annual Action Plans. Construction of non-residential and residential buildings was not given due priority and funds were blocked with the Jharkhand Police Housing Corporation Limited. Inadequate infrastructure and requisite facilities in the police stations adversely affected the field policing. There were large scale deficiencies in all sectors *viz.*, housing, mobility, training, weaponry, communication, manpower management etc. Monitoring of the implementation of the scheme was weak.

[Paragraph 1.3]

### **4. Jharkhand Renewable Energy Development Agency**

The Jharkhand Renewable Energy Development Agency was set up in February 2001 under the Energy Department, Government of Jharkhand to explore, exploit, promote and popularise new and renewable energy sources through planning, investigation, research and development, field testing, demonstration and by offering incentives to users in the form of subsidy.

The Agency failed to achieve its main objective of exploring and exploiting new and renewable energy sources available in the State. It did not prepare any long term Plan. Annual Plans were prepared on ad hoc basis. There were serious deficiencies in programme implementation, including major shortfalls in achievement of targets. Non-adherence to financial rules led to financial mismanagement and irregularities. The Agency failed to undertake research and development work in the field of renewable technology. The monitoring mechanism for programme implementation was deficient.

[Paragraph 1.4]

### **5. Din Dayal Awas Yojana**

The Government of Jharkhand launched (June 2004) the Din Dayal Awas Yojana (DDAY) which aimed at construction of five lakh houses for the rural populace below the poverty line. The scheme was mainly financed by a loan of Rs 500 crore from the Housing and Urban Development Corporation. . The execution of the scheme was tardy as the houses which were to be completed within 2004-05 were still not complete. Some beneficiaries got benefits under both the Indira Awas Yojana and DDAY, which was not permissible. Release of funds amounting to Rs 134.01 crore to implementing agencies was delayed,

by the Jharkhand State Housing Board, resulting in avoidable payment of interest of Rs 3.32 crore.

[Paragraph 1.5]

## 6. Transaction Audit Findings

The audit of financial transactions, subject to test check, in various departments of the Government and their field units, revealed instances of losses, suspected misappropriation, wasteful expenditure, avoidable payment, unfruitful expenditure *etc.* as mentioned below:

- Misappropriation and loss of Government money of Rs 63.06 crore was noticed in the Rural Development Department (Rs 30.44 crore), Health, Medical Education and Family Welfare Department (Rs 29.42 crore), Welfare Department (Rs 3.13 crore), Water Resources Department (Rs five lakh) and Agriculture and Sugarcane Development Department (Rs 2.10 lakh).

[Paragraph 2.1]

- Excess/infructuous expenditure amounting to Rs 24.60 crore was noticed in the Water Resources Department (Rs 13.57 crore), Agriculture and Sugarcane Development Department (Rs 6.30 crore) and Road Construction Department (Rs 4.73 crore).

[Paragraph 2.2]

- Cases of unfruitful expenditure amounting to Rs 18.32 crore were noticed in the Urban Development Department (Rs 10.97 crore), Rural Works Department (Rs 3.99 crore), Agriculture and Sugarcane Development Department (Rs 1.60 crore), Health, Medical Education and Family Welfare Department (Rs 1.15 crore) and Drinking Water and Sanitation Department (Rs 61.03 lakh).

[Paragraph 2.3]

- Cases of blocking of funds amounting to Rs 17.40 crore, were noticed in the Water Resources Department (Rs 10.48 crore) Welfare Department (Rs four crore) and Health, Medical Education and Family Welfare Department (Rs 2.92 crore).

[Paragraph 2.4]

- Unauthorised expenditure were noticed in the Civil Aviation Department (Rs 28.53 crore) and Health, Medical Education and Family Welfare Department (Rs 5.47 crore).

[Paragraph 2.5]

## 7. Integrated Audit of Disaster Management Department

The Disaster Management Department was created with the responsibility of planning, mitigation, preparedness, response, relief and rehabilitation, to deal with any disaster. Provision of a Calamity Relief Fund was made by the Government of India for financial assistance to the State. An integrated audit

of the department disclosed weak financial management, failure to adhere to the provisions of the Disaster Management Act, failure to establish the mandatory authorities and funds, poor implementation of programmes, shortage of staff, absence of training for capacity building and lack of monitoring and evaluation. A Disaster Management Plan was not prepared and the Disaster Management Authority was not created. Financial management was deficient and the Disaster Response Fund and the Disaster Mitigation Fund were not established. A total amount of Rs 7.96 crore from the Calamity Relief Fund was irregularly retained by subordinate officers.

[Paragraph 3.1]

## **8. Government Companies and Statutory Corporation**

Audit of Government Companies is governed by Section 619 of the Companies Act, 1956. The accounts of the State Government Companies are audited by Statutory Auditors appointed by CAG. These accounts are also subject to supplementary audit conducted by CAG. As on 31 March 2009, the State of Jharkhand had 10 working PSUs including a Statutory Corporation, which employed 9,010 employees. These PSUs registered a turnover of Rs 1,552.32 crore for 2008-09 as per the latest finalised accounts. This turnover was equal to 2.05 *per cent* of State GDP indicating insignificant place in the State economy. The PSUs incurred a loss of Rs 122.03 crore and had accumulated losses of Rs 269.30 crore as per their latest finalised accounts.

### **Investment in PSUs**

As on 31 March 2009, the investment (capital and long term loans) in 10 PSUs was Rs 3,910.70 crore. It grew by 680.36 *per cent* from Rs 501.14 crore in 2003-04 to Rs 3,910.70 crore in 2008-09. The thrust of PSU investment was mainly in the power sector which accounted for 99.08 *per cent* of total investment in 2008-09. The Government contributed Rs 315.31 crore towards equity, loans and grants during 2008-09.

### **Performance of PSUs**

As per latest finalised accounts, four PSUs incurred loss of Rs 122.78 crore and three PSUs earned profit of Rs 0.76 crore. The major loss making Corporation/Company were Jharkhand State Electricity Board (Rs 49.45 crore) and Tenughat Vidyut Nigam Limited (Rs 70.94 crore).

The losses of PSUs are mainly attributable to deficiencies in financial management, planning, implementation of projects, running their operations and monitoring. A review of three latest Audit Reports of CAG shows that the State PSUs incurred losses to the tune of Rs 1,894.39 crore which were controllable. There is tremendous scope to improve the functioning of PSUs and reduce losses. The PSUs can discharge their role efficiently if they are financially self reliant. There is a need for professionalism and accountability in functioning of PSUs.

### **Arrears in accounts**

All the 10 PSUs had arrear of 47 accounts as of September 2009. The extent of arrears was one to 15 years. The major arrears of accounts were in respect of

TVNL (15 years) and JSEB (seven years). Arrears need to be cleared by setting targets for PSUs. The Government may consider setting up a separate cell to monitor the process of clearance of arrears of accounts. The work may be completed by outsourcing, if necessary.

### **Discussion of Audit Report by COPU**

The paragraphs and reviews, which appeared in Audit Report (Civil and Commercial) are pending discussion by COPU since 2005-06.

[Paragraph 4.1]

## **9. Performance Audit on Implementation of Rajiv Gandhi Grameen Vidyutikaran Yojana by Jharkhand State Electricity Board**

The Government of India (GOI) introduced Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) in March 2005. It aimed at providing access to electricity to all rural households and improving the rural electricity infrastructure by March 2009. In that direction GOI notified (August 2006) Rural Electrification Policy (REP) incorporating goal of quality and reliable power supply at reasonable rates, access to electricity for all households by the year 2009 and a minimum lifeline consumption of one unit per household per day by the year 2012.

### **Project Overview**

Jharkhand State Electricity Board (Board) was amongst one of the three implementing agencies and was assigned the task of implementation of the scheme in six districts. The target for electrification was 6,878 villages comprising of 5,71,697 BPL connections. The work was divided into seven packages and sanctioned at a total cost of Rs 740.48 crore revised to Rs 1,101.04 crore. The work was awarded to four contractors on turnkey basis at a total contract price of Rs 999.94 crore and was scheduled for completion by June 2008. The work is yet to be completed and targets for the scheme were not achieved as the electrification of 71 *per cent* villages were achieved while for BPL connections the achievement was a dismal 30 *per cent*.

### **Planning**

The Board assessed the power demand as 1250 MW in 2007-08 rising to 6,000 MW by 2011-12 after planned electrification of all the villages was complete. It planned to meet the demand by setting up new thermal power projects but even DPRs for the proposed projects were not prepared and funding arrangements for the proposed projects were never indicated.

### **Project Implementation**

The scheme required deployment of franchisees for the management of rural distribution infrastructure and ensure the revenue sustainability. The Board had not appointed any franchisee though electrification of about 64 *per cent* of the villages was already completed.

### **Contract Management**

The project suffered from poor contract management on the part of Board. The Board awarded the work of providing BPL connections at the cost of Rs 112.25 crore against the REC sanctioned amount of Rs 84.94 crore rendering the difference amount of Rs 27.31 crore non-reimbursable. Also

only 1,69,106 BPL household were given service connections though 80 *per cent* of the sanctioned cost for BPL connections had already been paid to the contractors.

### **Monitoring and Reporting**

The Board did not prepare the Quality Assurance Programme and the quality control mechanism of the MoP was not implemented.

### **Achievement of Objectives**

A total of 6,878 villages were targeted to be electrified by the Board under the scheme but only 4,426 Villages were reported as electrified by the Board (June 2009) i.e., 64 *per cent* of the target of village electrification was claimed to be achieved. Out of 4,426 electrified villages only 2,913 villages were charged and remaining 1,513 villages were not charged for a period of one and 17 months and no connections were released for 1,311 villages which were reported to be electrified. Against the target of electrification of 4,047 public places, no electricity connection barring a few in one district was given. Against the target of providing access to electricity to the total 8,65,815 RHHs (including BPL) in the six districts only 1,69,106 RHHs (20 *per cent*) were electrified (June 2009) who were all BPL RHHs, against the target of 5,71,697 BPL households.

### **Conclusion**

The objective of RGGVY was to provide access to electricity to all rural households and improving the rural electricity infrastructure by March 2009. The Board failed to deliver and the achievements were short of targets. Poor contract management and inadequate monitoring mechanism led to inadequacies in delivery. These inadequacies may lead the state to lose the capital subsidy for implementation of the scheme made available by GoI which could be converted into loans and burden the state with the huge loans and interest.

[Paragraph 4.2]

## **10. Transaction audit observations**

Transaction audit observations included in this Report highlight deficiencies in the management of PSUs which have financial implications. The important irregularities pointed out are broadly of the following nature:

- Unplanned procurement and non installation of meters resulted in blocking of funds of Rs 5.41 crore with loss of interest of Rs 2.11 crore.

[Paragraph 4.4]

- Loss of interest of Rs 0.19 crore due to delay in realisation of security money and irregular grant of facility in payment of security money in installments.

[Paragraph 4.5]

## CHAPTER - I

### PERFORMANCE AUDIT

#### FOREST AND ENVIRONMENT DEPARTMENT

#### 1.1 Afforestation and working of Compensatory Afforestation Fund Management and Planning Authority

##### Highlights

*The Department of Forests and Environment, Government of Jharkhand is responsible for implementation of the National Forest Policy, 1988 through various schemes. Though schemes for maintenance and development of natural forests were undertaken through afforestation activities, they met with limited success in the State due to irregularities in implementation. While sizeable areas of forest land were transferred for non-forest purposes, there was no concerted effort to compensate the loss through formulation and implementation of compensatory afforestation schemes, for which funds were available. The internal control system and monitoring were ineffective. The main audit findings are given below:*

Working Plans of only 18 out of 32 territorial divisions were prepared and approved by the Government of India. Delays in preparation/approval of Working Plans ranged between two and 14 years. Afforestation activities undertaken during 2004-09 by 11 divisions for Rs 51.67 crore without approved Working Plans, indicated unplanned implementation of afforestation programmes.

*[Paragraph 1.1.6.2]*

During 2004-09, out of the total allotment of Rs 927.84 crore, Rs 119.01 crore remained unutilised. Despite persistent savings under the Plan head, provision of supplementary grants of Rs 60.48 crore were made.

*[Paragraph 1.1.7.1]*

Expenditure of Rs 2.35 crore was incurred on sites and plots not approved by Government.

*[Paragraph 1.1.8.1]*

Plantations in 10,918.29 hectares, shown to have been executed at a cost of Rs 14.58 crore, were doubtful.

*[Paragraph 1.1.8.2]*

Non/delayed handing over of plantations to the respective territorial divisions by Social Forestry/Afforestation divisions resulted in loss of Rs 5.30 crore. Further, in one forest division, 883.85 hectares of plantations was handed over to territorial divisions without any survival report, rendering the expenditure of Rs 1.73 crore incurred thereon, doubtful.

*[Paragraph 1.1.8.4]*



**Plantations schemes taken up during 1997-2007 in 12,000 hectares and 16.52 km (linear plantations) for Rs 20.82 crore failed as the survival percentage of the plants ranged between zero and 59.60.**

*[Paragraph 1.1.8.5]*

**Remittances into the Compensatory Afforestation Fund Management and Planning Authority accounts were short by Rs 127.53 crore. Further, Rs 38.44 crore was still to be realised for diversion of forest land for non-forest purposes.**

*[Paragraph 1.1.9.1]*

**In three forest divisions, unauthorised use of 4,655.819 hectares of forest land for non-forest purposes resulted in non-recovery of Rs 368.41 crore in the form of Net Present Value, cost of Compensatory Afforestation and Penal Compensatory Afforestation.**

*[Paragraph 1.1.9.2]*

**In eight forest divisions, Rs 65.14 crore could not be realised due to non/short raising of demand or part-realisation of Net Present Value.**

*[Paragraph 1.1.9.3]*

**Though Rs 183.30 crore was realised between April 2004 and March 2009 on account of the cost of Compensatory Afforestation, no scheme for Compensatory Afforestation had been taken up by the department as of March 2009.**

*[Paragraph 1.1.9.4]*

**In two forest divisions, the cost of catchment area treatment and plantations on canal banks amounting to Rs 134.12 crore, had not been realised, though stipulated by the Government of India.**

*[Paragraph 1.1.9.7]*

### **1.1.1 Introduction**

The National Forest Policy, 1988, envisages forest and tree coverage of 33 *per cent* of the total geographical area of the country by 2012, for maintaining environmental stability. The State of Jharkhand, spanning over an area of 79,714 square kilometres (sq Km), has a forest cover of 23,605.47 sq Km, (29.61 *per cent*) of its geographical area. Afforestation is taken up in the State under various State and Centrally sponsored schemes with the objective of improving the productivity of forests, preserving areas rich in biodiversity, motivating the local community to plant more trees and optimising the use of land resources. The Department of Forest and Environment (DoF&E), Government of Jharkhand is responsible for management of forests, checking soil erosion, water conservation, conservation of wild life and pollution control, including restoration of ecological balance.

With a view to conserve the forests, minimise adverse environmental impact of developmental activities and threats to ecological stability, the Central Government enacted the Forest (Conservation) Act, 1980. The Act aims to regulate the indiscriminate diversion of forest land for non-forest uses and to maintain a logical balance between the developmental needs of the country and the conservation of natural heritage. The cost of conservation measures, realised in the form of Net Present Value (NPV), cost of Compensatory

Afforestation (CA) *etc.* are borne by the user agencies. The amounts so realised are to be placed under the Compensatory Afforestation Fund Management and Planning Authority (CAMPA).

### **1.1.2 Organisational set up**

The Secretary is the administrative head of the DoF&E. There are three Principal Chief Conservators of Forests (PCCsF) who are the technical advisors to the State Government. They are assisted by three Additional Principal Chief Conservators of Forests (Additional PCCsF), seven Chief Conservators of Forests (CCsF) and five Regional Chief Conservators of Forests (RCCsF). In addition, there are 32 Conservators of Forests (CsF) and 62 Divisional Forest Officers (DFOs) to assist in efficient management and control. A forest division is subdivided into ranges which are headed by Range Officers. The ranges are divided into beats which are headed by Foresters while beats are further divided into sub-beats headed by Forest Guards.

### **1.1.3 Audit objectives**

The audit objectives were to assess whether:

- the planning process was in consonance with the objectives of afforestation and guidelines thereof;
- the funds allocated for execution of afforestation schemes were utilised economically and effectively;
- financial management under the CAMPA Fund was effective;
- mandatory conservation measures such as Compensatory Afforestation, Catchment Area Treatment *etc.* were carried out efficiently and effectively;
- the provisions of the Forest (Conservation) Act regarding afforestation were implemented efficiently and effectively and the conditions imposed by the Government of India were followed by the State Government and
- the internal controls in the department were adequate and effective.

### **1.1.4 Audit criteria**

The performance of the afforestation programme and the management of funds under CAMPA in the State were assessed with reference to the following:

- National Forest Policy, 1988, Indian Forest Act, 1927, Bihar Forest Rules and Forest Compendium;
- Bihar Financial Rules (as adopted by the Government of Jharkhand);
- Working Plans and Annual Plans of Operation of forest divisions; and
- Forest (Conservation) Act, 1980 and Rules and Guidelines issued thereunder.

### 1.1.5 Scope and methodology of audit

Performance audit was conducted between August 2008 and March 2009 in 33<sup>1</sup> out of 62 Forest Divisions, two<sup>2</sup> out of 32 offices of Conservators of Forest, one<sup>3</sup> out of three offices of Additional PCCsF and one out of three offices of the PCCsF for the period from 2004-05 to 2008-09. Samples with respect to the divisions were selected on random basis. Data/information collected through proforma and questionnaires from all test-checked divisions and other offices were also analysed. An entry conference was held with the Secretary, DoF&E on 9 January 2009. The Secretary, DoF&E was apprised of the audit objectives, scope and methodology of the review. Audit findings were reported to the Government in June 2009. An exit conference was held on 18 November 2009 with the Secretary, DoF&E, who agreed with the observations made in the review and assured that appropriate corrective measures in respect of the deficiencies pointed out therein would be taken.

#### *Audit findings*

### 1.1.6 Planning

Afforestation activities aim to increase tree plantations schemes to ensure ecological balance and meet the requirements of local people for forest produce. Plantations schemes<sup>4</sup>, under afforestation activities comprised Rehabilitation of Degraded Forest (RDF), Quick Growing Species (QGS), Soil Conservation (SC), Minor Forest Produce (MFP), Lac Development and Fuelwood and Fodder Project (FFP). These schemes were to be completed in four years<sup>5</sup> after which the plantations were required to be handed over to the respective territorial divisions for further maintenance and protection.

#### 1.1.6.1 Forest areas in the State

The status of forest areas in Jharkhand from 2001 to 2007 since the creation of the State is given in **Table-1**:

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<sup>1</sup> **Territorial Divisions:** Bokaro, Chaibasa, Chatra South, Daltonganj North, Deoghar, Dhalbhum, Dhanbad, Dumka, Garhwa North, Giridih, Godda, Gumla, Hazaribag West, Jamtara, Khunti, Kolhan, Latehar, Pakur, Porahat, Ranchi West, Saraikela and Simdega; **Social Forestry Divisions:** Adityapur, Chaibasa, Deoghar, Dumka, Garhwa, Hazaribag, Koderma and Simdega; **Wild Life Division:** Ranchi and **Afforestation Divisions:** Chaibasa and Chatra.

<sup>2</sup> Conservators of Forests, Core Area, Daltonganj and Conservator of Forest-cum-Director, Palamu Project Tiger, Daltonganj.

<sup>3</sup> Additional PCCF, Development, Jharkhand.

<sup>4</sup> **RDF:** Planting operations in degraded forests to increase the density/tree cover in degraded forest areas; **QGS:** Planting operations in open forests to meet commercial, industrial and domestic requirements; **SC:** Planting operations in open forests to check soil erosion; **MFP:** Planting operations in open forests by planting species of bamboo, sisal, tasar *etc.*; **Lac Development:** Planting operations in open forests by planting lac host plants and **FFP:** Planting operations in open forests to meet the requirement of fuelwood and fodder for people dwelling in villages.

<sup>5</sup> **1<sup>st</sup> year: advance work** - survey, demarcation, pit digging, fencing etc for plantations; **2<sup>nd</sup> year: completion work** - planting saplings grown in temporary/permanent nurseries, weeding, hoeing *etc.*; **3<sup>rd</sup> and 4<sup>th</sup> years: maintenance of plants** - weeding, hoeing, replacement of dead plants *etc.*

**Table-1: Status of forests in Jharkhand**

*(in square km)*

Year	Recorded Forest Area#	Dense Forest			Open Forest	Total (5+6)	Scrubs
		Very Dense Forest	Moderately Dense Forest	Total (3+4)			
1	2	3	4	5	6	7	8
2001	23605	11681	*	11681	10850	22531	976
2003	23605	2544	9076	11620	10949	22569	807
2005	23605	2544	9078	11622	10969	22591	733
2007	23605	2590	9899	12489	10405	22894	683

*Source: Reports of Forest Survey of India.*

*\* This classification was not there in survey of 2001.*

*# Details of differences between total recorded forest areas and areas of dense forest, open forest and scrubs were not available in the reports of the Forest Survey of India*

As compared to 2001, total dense forests showed a declining trend till 2003 and an increasing trend thereafter (in 2005, there was an increase of two sq Km and in 2007, 808 sq Km).

#### **1.1.6.2 Non/delayed preparation of Working Plans**

Afforestation schemes are guided by Working Plans (WPs) which are fundamental documents for execution of afforestation activities, drawn for each territorial division for a period of 10 years by the four Working Plan Circles<sup>6</sup> under Conservators of Forests (CsF) after undertaking field surveys. The WPs contain Annual Plans for conservation/protection of forest areas, improvement of degraded forests and reclamation of mined areas are to be approved by the Government of India (GOI). These also outline ‘working areas’ for afforestation in blank areas, degraded areas and ‘protection and improvement’ in areas with specific requirements. Further, the National Working Plan Code Procedure<sup>7</sup> provides for finalisation of a WP two years in advance of expiry of the existing plan and for management of forests, it provides for submission of control forms<sup>8</sup> by DFOs annually to the respective CsF within two months of the close of the control year<sup>9</sup>.

- Information collected from the Additional PCCF on WPs revealed that out of the 32 territorial divisions, WPs for only 18 divisions for various periods had been approved by GOI. In the remaining 14 divisions<sup>10</sup>, the preparation of new WPs was pending at various stages though WPs of these divisions had expired between 1994-95 and 2006-07. The delays in

**There were delays ranging between two and 14 years in preparation/approval of Working Plans**

<sup>6</sup> Conservators of Forests, Working Plan Circle, Chaibasa, Daltonganj, Hazaribag and Ranchi.

<sup>7</sup> A procedure which standardises the preparation and revision of Working Plans in order to provide Working Plan Officers a set of instructions and standing orders in a compact and convenient form.

<sup>8</sup> **Control Form 1:** List of deviations from prescriptions of Working Plans; **Control Form 2:** Felling provisions of the Working Plan for volume yield; **Control Form 3:** Detailed figures of volume yield and results of felling; **Control Form 4:** Control for area yield; **Control Form 5:** Control for cultural operations; **Control Form 6:** Record of cultural operations suggested but not prescribed and left to the discretion of the territorial staff; and **Control Form 7:** Plantations control.

<sup>9</sup> Control year is reckoned from July to June.

<sup>10</sup> Bokaro, Chaibasa North, Chaibasa South, Chatra North, Chatra South, Dhalbhum, Garhwa South, Giridih, Giridih Afforestation, Hazaribag East, Hazaribag West, Latehar, Ramgarh and Saranda.

Rupees 51.67 crore was spent on afforestation activities without Working Plans

preparation/approval of WPs ranged between two and 14 years.

- In six<sup>11</sup> out of 33 test-checked divisions, control forms, essential for preparation of the Working Plans, were not prepared.
- In 11<sup>12</sup> out of 33 test-checked forest divisions, afforestation activities were undertaken between 2004-05 and 2007-08, after incurring expenditure of Rs 51.67 crore without any WPs. The WPs of these divisions expired between 1994-95 and 2006-07.

The efficacy of the WPs of these divisions, prepared in the absence of control forms, was in doubt and execution of afforestation activities, without approved WPs, indicated unplanned implementation of afforestation schemes.

The Government, while accepting the audit observation, stated (November 2009) that for divisions having no approved WPs, action was being taken for preparation and approval of the same. Further, short term WPs were being formulated for the intervening period.

### 1.1.6.3 Non-demarcation of forest areas

According to Rule 11 of the Bihar Forest Rules, notified forest areas should be demarcated with the cadastral<sup>13</sup> map of the area.

In three<sup>14</sup> out of 33 test-checked forest divisions, out of 2.25 lakh hectares of notified forest land, only 1.81 lakh hectares were demarcated, leaving 44,095.39 hectares of such land non-demarcated and exposing these areas to unauthorised occupation.

The Government, while accepting the audit observation, stated (November 2009) that demarcation was under progress.

## 1.1.7 Financial Management

### 1.1.7.1 Financial position of the Department

The allocation of funds and expenditure incurred during 2004-09 were as given in **Table-2**.

**Table-2: Budget provisions and expenditure**

*(Rupees in crore)*

Year	Budget provisions (Plan + Non-Plan)	Supplementary grant	Total	Expenditure	Savings (Col. 4-5)	Percentage of savings
1	2	3	4	5	6	7
2004-05	176.75	5.73	182.48	159.63	22.85	13
2005-06	172.96	10.33	183.29	162.64	20.65	11
2006-07	196.57	8.77	205.34	176.27	29.07	14
2007-08	184.73	9.67	194.4	169.93	24.47	13
2008-09	196.83	25.98	222.81	200.84	21.97	10
<b>Total</b>	<b>927.84</b>	<b>60.48</b>	<b>988.32</b>	<b>869.31</b>	<b>119.01</b>	

Source: Budgets of the State Government and Finance Accounts.

<sup>11</sup> Bokaro, Core Area, Daltonganj, Deoghar, Giridih, Godda and Simdega.

<sup>12</sup> Chaibasa South, Chatra North, Chatra South, Dhalbhum, Garhwa South, Giridih, Hazaribag East, Hazaribag West, Latehar, Saraikela and Saranda.

<sup>13</sup> A village-wise map showing plot-wise status of forests.

<sup>14</sup> Giridih, Gumla and Jamtara.

Audit observed the following:

- The department could not spend the grants during 2004-09 and there were persistent savings ranging between 10 and 14 *per cent*. Despite this, provision of supplementary grants of Rs 60.48 crore were made, which was undesirable and showed laxities in budgetary control.
- The area covered (*Appendix-1.1*) under various afforestation schemes *viz.* Rehabilitation of Degraded Forest (RDF), Quick Growing Species (QGS), Soil Conservation (SC), Minor Forest Produce (MFP), Lac Development, and Fuel wood and Fodder Project (FFP) and the expenditure incurred on them during 2004-08 were as given in **Table-3**.

**Table-3: Area covered and expenditure incurred under various afforestation schemes**

(Area covered in hectares and amount in Rupees in crore)

Year	RDF		QGS		Soil Conservation		MFP		Lac Development		FFP		Total area covered	Total expenditure
	Area covered	Exp	Area covered	Exp	Area covered	Exp	Area covered	Exp	Area covered	Exp	Area covered	Exp		
2004-05	25030.90	40.07	6891.30	19.18	2546.82	6.27	7575.83	11.63	678.44	1.67	0.00	0.00	42723.29	78.83
2005-06	16789.73	39.50	2098.92	15.75	733.21	4.72	4716.82	11.62	115.44	1.27	0.00	0.00	24454.12	72.86
2006-07	11262.45	31.76	2935.83	11.97	4665.60	10.28	4985.19	11.09	2291.01	4.16	1522.50	4.16	27662.59	73.42
2007-08	0.00	15.46	0.00	6.37	0.00	4.92	8193.80	16.59	1200.48	5.37	344.15	3.22	9738.43	51.94
<b>Total</b>	<b>53083.08</b>	<b>126.79</b>	<b>11926.05</b>	<b>53.27</b>	<b>7945.63</b>	<b>26.19</b>	<b>25471.64</b>	<b>50.93</b>	<b>4285.37</b>	<b>12.47</b>	<b>1866.65</b>	<b>7.38</b>	<b>104578.43</b>	<b>277.05</b>

Source: Annual, physical and financial achievement reports prepared by DoF&E

#### 1.1.7.2 Funding of Centrally assisted schemes

Centrally assisted schemes, which include schemes for afforestation activities, wild life conservation *etc.*, are operated under two categories, *viz.* Centrally sponsored schemes with 100 *per cent* Central assistance and Central Plan schemes funded by both the Central and State Governments in ratios of 75:25 or 50:50. Details of funding in respect of Centrally sponsored schemes, are given in **Table-4**.

**Table-4: Allotment and expenditure under Centrally sponsored schemes**

(Rupees in crore)

Year	Centrally sponsored schemes			Central Plan schemes		
	Budget Allocation	Expenditure	Saving	Budget Allocation	Expenditure	Saving
2004-05	2.75	2.34	0.41 (15)	10.63	5.97	4.66 (44)
2005-06	2.55	0.65	1.90 (74)	9.83	4.42	5.41 (55)
2006-07	6.90	5.12	1.78 (26)	11.00	Nil	11.00 (100)
2007-08	5.45	2.50	2.95 (54)	10.30	2.67	7.63 (74)
2008-09	4.65	2.27	2.38 (51)	8.90	3.18	5.72 (64)
<b>Total</b>	<b>22.30</b>	<b>12.88</b>	<b>9.42 (42)</b>	<b>50.66</b>	<b>16.24</b>	<b>34.42(68)</b>

Source: State Budgets and Finance Accounts (Figures in bracket indicate percentage)

**The department failed to utilise Rs 43.84 crore under Centrally sponsored schemes during 2004-09**

From the tables it may be seen that during 2004-09, the department failed to utilise Rs 43.84 crore and there were savings ranging between 15 and 74 *per cent* under Centrally sponsored and Central Plan schemes. During 2006-07, the entire allotment of Rs 11 crore under Central Plan schemes, sanctioned for an elephant project, a sanctuary, a biological park *etc.* was not utilised due to stated reason of delayed release of Central grants. This indicated lack of commitment towards the objectives of the scheme.

### 1.1.7.3 Financial performance of divisions

Of 33 test-checked divisions, three divisions<sup>15</sup> failed to furnish complete information regarding allotment and expenditure during 2004-08. Out of Rs 355.53 crore (Plan: Rs 214.30 crore and Non-Plan: Rs 141.23 crore) allotted to 30 test-checked divisions<sup>16</sup>, Rs 346.89 crore (Plan: Rs 207.96 crore and Non-Plan: Rs 138.93 crore) was spent during 2004-08, resulting in surrender/lapse of Rs 8.64 crore (Plan: Rs 6.34 crore and Non-Plan: Rs 2.30 crore).

### 1.1.7.4 Non-utilisation of funds

Instances of failure to spend the available funds are discussed in the succeeding paragraphs.

- As per instructions of the State Government issued time to time, allotments to the divisions for plantations schemes are to be based on proposals submitted by the divisions after conducting surveys of the proposed sites as per the approved WPs of the divisions.

In four<sup>17</sup> out of 33 test-checked forest divisions, a total allotment of Rs 58.88 lakh was made during 2006-08, based on proposals of the divisions for plantations under various schemes covering 465 hectares. However, after receipt of the allotments, plantations sites covering 312 hectares were found to be unsuitable and Rs 41.60 lakh was surrendered. Thus, due to preparation of proposals without conducting proper surveys and ascertaining requirements, Rs 41.60 lakh could not be utilised.

- In two (Khunti and Social Forestry division, Dumka), out of 33 test-checked forest divisions, Rs 60.85 lakh, allotted between March 2005 and March 2008 for various plantations and other related development works during 2004-08, lapsed due to presentation of cheques at the fag end of the financial year.

Presentation of cheques at the fag end of the financial year resulted in lapse of allotment of Rs 60.85 lakh

**1.1.7.5** The system of Letter of Credit (LOC) was introduced (April 1984) as a measure of financial control over expenditure. LOCs were to be issued by their concerned Conservators of Forests on receipt of allotments to the divisions. In violation of the above system, in two forest divisions (Khunti and Simdega), LOCs for Rs 10.95 crore were issued between March 2006 and July 2007 by the Regional Chief Conservator of Forests, Ranchi, who were not authorised by the State Government to do so. Thus, it led to unauthorised drawal of money and defeated the purpose of introducing system of LOC.

Utilisation certificates for Rs 14.20 lakh, disbursed to 142 committees, were neither demanded by the divisions nor submitted by the committees

**1.1.7.6** Under the Integrated Forest Protection Scheme (75:25), fire protection measures were to be executed with the assistance of *Van Suraksha Samiti/Village Forest Management and Protection Committee/Eco-Development Committees* on payment of Rs 10,000 per committee. In seven

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<sup>15</sup> Territorial divisions: Dhalbhum and Khunti and Social Forestry, Simdega.

<sup>16</sup> **Territorial divisions:** Bokaro, Chaibasa South, Chatra South, Daltonganj North, Deoghar, Dhanbad, Dumka, Garhwa North, Giridih, Godda, Gumla, Hazaribag West, Jamtara, Kolhan, Latehar, Pakur, Porahat, Ranchi West, Saraikela, Simdega and Wildlife, Ranchi; **Social Forestry divisions:** Adityapur, Chaibasa, Deoghar, Dumka, Garhwa, Hazaribag and Koderma; **Afforestation divisions:** Chatra and Singhbhum.

<sup>17</sup> Chaibasa South, Hazaribag West, Kolhan and Porahat.

forest divisions<sup>18</sup>, during 2007-08, Rs 14.20 lakh was disbursed at the rate of Rs 10,000 per committee to 142 committees. However, utilisation certificates were neither demanded by the divisions nor submitted by the committees. In the absence of utilisation certificates, the genuineness of the advances and the actual work done could not be ascertained.

**Rupees 15.58 lakh was diverted for other purposes without obtaining orders of the competent authority**

**1.1.7.7** In four<sup>19</sup> test-checked forest divisions, it was noticed that during 2007-08, Rs 27.88 lakh was allotted for various plantations schemes/activities. Out of Rs 27.88 lakh, Rs 4.18 lakh and Rs 11.40 lakh were diverted for items not covered by the scheme by DFOs and the Additional PCCF respectively, without obtaining orders of the competent authority. Thus, expenditure of Rs 15.58 lakh was unauthorised.

**In violation of the financial rules, liability of Rs 13.17 lakh was created**

**1.1.7.8** Rule 8 of the Bihar Financial Rules, Vol-I prohibits any expenditure or creation of liability unless provided for in the budget. However, in three forest divisions, it was noticed that during 2007-09, liability of Rs 13.17 lakh in respect of afforestation works was created by spending more than the allotted funds (*Appendix-1.2*).

## **1.1.8 Plantations activities**

### **1.1.8.1 Unauthorised execution of plantations activities**

**Plantations involving an expenditure of Rs 2.35 crore were taken up on sites not approved by the Government**

- In 12 out of 33 test-checked forest divisions, plantations under different schemes, involving an expenditure of Rs 2.35 crore, were taken up on sites/plots other than those approved by the Government<sup>20</sup> (*Appendix-1.3*). The Forest Department stated that execution of the work was done as per actual site conditions. The reply is not acceptable as the sites on which the works were executed had not been approved by the Government.

**Expenditure of Rs 4.69 crore was incurred without preparation and approval of site specific plan**

- According to instructions issued by the Chief Conservator of Forests (Development), Jharkhand, Ranchi, (May and November 2002) execution of plantations schemes and entry point activities<sup>21</sup> were to be taken up only after obtaining approval of site-specific estimates by the respective Conservators of Forests. In violation of the above instructions, in six<sup>22</sup> forest divisions, during 2004-08, entry point activities and plantations schemes in 3,368.54 hectares, involving expenditure of Rs 4.69 crore, were taken up without preparation and approval of site-specific estimates.

The Government, while accepting the audit observation, stated (November 2009) that action was being taken to obtain *ex-post facto* sanction wherever site-specific estimates were not forwarded to the competent authority.

<sup>18</sup> Bokaro, Chaibasa South, Dhanbad, Latehar, Porahat, Ranchi West and Wildlife Ranchi.

<sup>19</sup> Dumka, Gumla, Jamtara and Porahat.

<sup>20</sup> Government's approval is accorded only after it is certified that (a) the proposed scheme was as per approved working plan; (b) the proposed sites/plots are as per approved working plan and (c) no afforestation has been carried out on the proposed sites during the last ten years.

<sup>21</sup> Entry point activities have been made an integral part of all plantations schemes to ensure people's co-operation in forestry activities and include creation of community assets and imparting training to improve the financial status of the local populace.

<sup>22</sup> Chatra (Afforestation), Chaibasa (S), Deoghar, Godda, Saraikela and Simdega.



**During 2005-07, expenditure of Rs 1.82 crore was incurred on plantations of banned species**

- With a view to conserving the environment, PCCF, Bihar and PCCF, Jharkhand imposed (March 1998 and December 2006 respectively) ban on plantations of acacia<sup>23</sup> trees in the State. Further, stern action was to be taken against the officers responsible for violating the orders. However, it was found that in violation of the above orders, in seven<sup>24</sup> forest divisions, during 2005-07, expenditure of Rs 1.82 crore was incurred on plantations of 10.98 lakh plants, purchase of 26.28 Kg of seeds and 1.24 lakh plants of acacia species under various afforestation schemes. No action was, however, taken against the erring officials.

#### **1.1.8.2 Doubtful execution of work**

As per instructions of the State Government issued time to time, allotments to the divisions for plantations schemes are to be based on proposals submitted by them after conducting surveys of the proposed sites as per the approved WPs of the divisions. Expenditure on maintenance of plants is to be limited to the number of plants surviving during the third and fourth year of plantations. Excess amounts, if any, are to be surrendered. Audit observed the following:

**An expenditure of Rs 4.02 lakh on plantations in 37.88 hectares land was doubtful**

- In Dumka forest division, during 2007-08, allotment of Rs 9.86 lakh was shown as spent on advance works under MFP (Bamboo) scheme in 92.94 hectares in Upperbaskia village. However, as per the Area Demarcation Register,<sup>25</sup> the total notified forest area under Upperbaskia village was only 55.06 hectares. Thus, the work shown as executed in remaining 37.88 hectares for Rs 4.02 lakh was doubtful.

The Government, in its reply, stated (November 2009) that in Upperbaskia village, only 56 hectares of forest land was demarcated but plantations was done in 92.94 hectares as specified in the WP. The reply of the Government is not acceptable as the notified forest area available for plantations was only 55.06 hectares and plantations in the forest area over and above notified forest area is not possible.

**During 2004-08, execution of plantations schemes in 10,046.08 hectares at an expenditure of Rs 14.58 crore was doubtful**

- In 19 forest divisions, Rs 15.97 crore was shown to have been incurred on plantations in 10,918.29 hectares of land during 2004-08. However, the WPs of these divisions disclosed that the blank/degraded land available for plantations under the schemes was only 872.21 hectares. Thus, expenditure of Rs 14.58 crore on plantations in 10,046.08 hectares was outside the scope of the envisaged WPs (*Appendix-1.4*).

The Government, in its reply, stated (November 2009) that the WPs were too old and plantations work was done as per the present site situation and availability of blank areas. The reply is not acceptable as the sites/plots for plantations were selected from the approved WPs and were certified by the divisions.

- As per the instruction (July 2004) of RCCF, Ranchi, maintenance was to be done only on the basis of survival of plants. In Forest Division, Dumka,

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<sup>23</sup> A tree or shrub found in warm climates

<sup>24</sup> **Territorial divisions:** Chatra South, Deoghar, Dhanbad, Hazaribag West and Jamtara  
**Social Forestry divisions :** Hazaribag and Koderma.

<sup>25</sup> The register shows the details of notified forest areas and demarcated areas.

expenditure of Rs 8.71 lakh was shown to have been incurred on fourth year maintenance of 5,79,550 plants during 2007-08. Audit observed that 5,12,584 plants, i.e. 88 *per cent* had survived in the fourth year of plantations. The expenditure of Rs 0.99 lakh shown incurred on the maintenance of the remaining 66,966 dead plants was thus, doubtful.

The Government, in its reply (November 2009), accepted the percentage of survival of the plants and stated that the savings out of the funds provided for maintenance were utilised in grass-cutting and fire protection works. The reply is not acceptable as the entire expenditure was shown to have been incurred on fourth year maintenance of plants, which did not cover grass-cutting and fire protection works.

#### 1.1.8.3 *Wasteful expenditure on plantations*

- Social Forestry division, Dumka, revised the scope of a work to only 25 hectares after completion work on 50 hectares had already been done under the Soil Conservation scheme. The scope was revised due to non execution of maintenance works by a Range Officer in remaining 25 hectares. Failure of the department to complete the work within 50 hectares resulted in wasteful expenditure of Rs 6.14 lakh incurred on completion work (2005-06) in 25 hectares as the saplings would not survive for want of maintenance work. Fresh advance work would, therefore, be needed for planting saplings on this site in future and the objective of soil conservation would also not be fulfilled.
- In three<sup>26</sup> forest divisions, advance work under the Clonal Seed Orchard Scheme (2007-08 to 2011-12) in eight hectares was taken up during 2007-08 for Rs 7.69 lakh but no funds were provided for completion work. Thus, expenditure of Rs 7.69 lakh on the advance work became wasteful.

**Non-provision of funds for completion work resulted in wasteful expenditure of Rs 7.69 lakh**

#### 1.1.8.4 *Non/delayed handing over of plantations*

Plantations activities in forest areas are carried out by Afforestation, Social Forestry and Research divisions. In order to ensure further maintenance, protection and management of the plantations, they are to be handed over to the respective territorial divisions along with details of surviving plants, as funds for maintenance (after fourth year) are provided to the territorial divisions only. The PCCF, Jharkhand, instructed (October 2005) all the CCsF/Regional CCsF to ensure timely handing over of plantations after completion of the fourth year. Test check revealed instances of failure/delays in handing over of plantations and associated losses as discussed below:

- In three<sup>27</sup> test-checked divisions, plantations completed in 9,731.59 hectares between 1986 and 2003 were not handed over to the territorial divisions even after the lapse of two to 19 years, for which there were no reasons on record. The impact of non-maintenance of plants on survival percentage due to non-transfer of plantations could not be ascertained in audit as survival reports were not furnished by the divisions.

**Even after the lapse of two to 19 years, 9,731.59 hectares of plantations were not handed over to the territorial divisions**

<sup>26</sup> Bokaro, Giridih and Wild Life, Ranchi.

<sup>27</sup> **Social Forestry divisions:** Adityapur, Dumka and Simdega

**Delay in handing over of plantations resulted in avoidable loss of Rs 5.30 crore**

- In eight<sup>28</sup> test-checked forest divisions, 2.04 crore plants were planted in 14,312.52 hectares of forest land during 1997-2005. On the dates of completion of the schemes, the survival percentage ranged between 82 and 93. Though the plantations were required to be handed over to the respective territorial divisions between 2000 and 2008 for further maintenance and protection, they were actually handed over between January 2004 and November 2008, after delays up to seven years. The survival percentage, on the actual dates of handing over declined, ranging between 67 and 77 *per cent*. Due to delays in handing over of plantations, 31.40 lakh plants died on which Rs 5.30 crore had been spent (**Appendix-1.5**). This could have been avoided had the plantations been handed over on schedule to the territorial divisions for further maintenance after the fourth year.
- According to the instructions of the Department, plantations are to be handed over to the territorial divisions with the survival report. Scrutiny of records of the Simdega forest division revealed that the transfer of 2001-02 plantations on 1,007.50 hectares by the DFO, SF division, Simdega was refused (February 2006) by the DFO, Simdega Forest Division for want of a survival report. The survival report, when subsequently provided, showed that the plantations had failed. The same DFO, SF division, Simdega, while holding dual charge of both the Social Forestry and territorial divisions, handed over (October 2007) plantations of 883.85 hectares pertaining to periods between 1998 and 2004, without any survival reports. Handing over of plantations without any survival reports was in violation of the departmental instructions. In the absence of survival reports, it could not be ascertained whether the plantations survived or not. Given this backdrop, the transfer of plantations in the absence of survival reports was fraught with the risk of misappropriation of Rs 1.73 crore, incurred on the plantations.

#### **1.1.8.5 Failure of plantations**

**During 1997-2007, plantations carried out in 12,000 hectares and 16.52 km (linear plantations) at an expenditure of Rs 20.82 crore failed**

In 1998, survival of plants below 60 *per cent* was termed as failure of the plantations by CCF (Development) and responsibility was to be fixed for the same.

In 12<sup>29</sup> test-checked forest divisions, 1.74 crore plants were planted under various schemes in 12,000 hectares and 16.52 km (linear plantations<sup>30</sup>) during 1997-2007. The survival percentage of the plants, after completion of the schemes at an expenditure of Rs 20.82 crore ranged between zero and 59.60 (**Appendix-1.6**). In none of the cases was responsibility for failure of the plantations fixed by the department as of March 2009.

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<sup>28</sup> **Afforestation divisions:** Chaibasa and Chatra. **Social Forestry divisions:** Adityapur, Chaibasa, Dumka, Garhwa, Hazaribag and Koderma.

<sup>29</sup> **Territorial divisions:** Bokaro, Daltonganj (North) and Deoghar **Social Forestry divisions:** Adityapur, Chaibasa, Dumka, Garhwa, Hazaribag, Koderma and Simdega **Afforestation divisions:** Chaibasa and Chatra.

<sup>30</sup> Plantations along the roads.

**1.1.8.6 Status of permanent nurseries**

**Closure of 16 permanent nurseries due to incorrect assessment of requirements, resulted in infructuous expenditure of Rs 95.89 lakh besides loss of Rs 2.93 lakh on dead plants**

With a view to promote forestry, 156 permanent nurseries (PNs) in 176.108 hectares were established by the DoF&E under different forest divisions during 2000-03 at a cost of Rs 6.22 crore (Rs 3.53 lakh per hectare for 176.108 hectares).

In five<sup>31</sup> test-checked forest divisions, 18 PNs were established (2000-03) in 29.125 hectares at a cost of Rs 1.03 crore. Subsequently, from 2008-09, DoF&E made no provision of funds and decided (February 2008) to maintain these nurseries under the National Rural Employment Guarantee Scheme (NREGS). However, the district authorities accepted only two nurseries (four hectares) of rural areas under NREGS as the scheme was operative in rural areas only. The remaining 16 nurseries (25.125 hectares) in urban areas were closed due to improper site selection, adverse soil condition, non-availability of water and want of demand for plants. Incorrect assessment of requirement of PNs resulted in infructuous expenditure of Rs 95.89 lakh incurred on establishment of these nurseries. Further, due to non-maintenance, 1.87 lakh plants which were alive at the time of closure of nurseries, died, resulting in a loss of Rs 2.93 lakh.

**1.1.8.7 Fuelwood and fodder plantations not taken up for two years**

**Fuelwood and fodder plantations were not taken up for two successive years during 2004-06**

In Jharkhand, a large proportion of the population depends on forests for fuelwood and fodder. Plantations under the fuelwood and fodder scheme are carried out with the objectives of utilising the potential of forest resources for supplementing the source of subsistence of the people and minimising the cascading effect of population and cattle growth on forests.

Information furnished by PCCF, Jharkhand revealed that no funds had been provided for plantations under the fuelwood and fodder scheme during 2004-05 and 2005-06. However, Rs 9.18 crore was made available during 2006-08 for plantations in 1,866.65 hectares, of which, only Rs 7.38 crore was spent. Not taking up fuelwood and fodder plantations for two successive years reflected the department's apathy towards realisation of the objectives of the scheme.

The Government, while accepting the audit observation, stated (November 2009) that plantations had been taken up from 2006-07 onwards under the State Plan.

**1.1.8.8 Poor silvicultural operations**

Apart from execution of plantations schemes, one of the main objectives of the Forest Department is to create favourable conditions, by undertaking silvicultural activities<sup>32</sup> for progression of ecological succession<sup>33</sup> in areas where regression has set in and to improve the overall ecological succession. These activities also improve the general condition of health, growth and stocking of the principal species, augmenting the supply of timber and other

<sup>31</sup> **Territorial divisions:** Dhanbad and Giridih, **Social Forestry divisions:** Garhwa, Hazaribag and Simdega.

<sup>32</sup> Subsidiary felling, improvement felling, thinning, gridling of undergrowth, felling refuse, pruning etc. carried out for development of forest crops.

<sup>33</sup> The process by which a plant or animal community successively gives way to another until a stable climax is reached.

forest produce.

Scrutiny of annual progress reports revealed that during 2004-08, silvicultural activities on an area of 2,305.20 hectares were undertaken and expenditure of Rs 20 lakh was incurred (2005-06) on them, which was only 2.3 per cent of the total area covered (1,00,369.10 hectares) under plantations schemes during 2001-04. This indicated the department's lack of initiative towards undertaking silvicultural operations. Further, as per the existing plantations schemes, maintenance of plants was restricted to two years after completion work, whereas the compensatory afforestation schemes provided for maintenance for five years after completion work. The reasons for limiting the period of maintenance to only two years were not furnished by the department though called for by Audit. Non-maintenance of plants after two years and failure to undertake silvicultural operations could be one of the reasons for the low survival of plants (*paragraph 1.1.8.5 of this report*).

#### 1.1.8.9 Shortage of manpower

Shortage of manpower in the department *vis-à-vis* the sanctioned strength ranged between one and 54 per cent in various cadres during 2008-09 as given in the **Table-5**.

Compared to 2002-03, there was increased shortage of manpower during 2008-09 in lower formations

**Table-5: Sanctioned strength and men-in-position**

Designation	Sanctioned strength		Men-in-position		Shortage	
	2002-03	2008-09	2002-03	2008-09	2002-03	2008-09
Indian Forest Service	130	130	116	129	14 (11)	1 (1)
Jharkhand Forest Service	156	156	137	100	19 (12)	56 (36)
Range Officer of Forest	383	383	224	278	159 (42)	105 (27)
Forester	1056	1062	726	587	330 (31)	475 (45)
Forest Guards	3383	3883	2050	1788	1333 (39)	2095 (54)

Source: *Jharkhand at a Glance 2002-03 and 2008-09*

(Figures in bracket indicate percentage)

Further, the shortage, particularly in the lower formations in the field, increased in 2008-09 as compared to 2002-03. The shortage of manpower, especially in the field<sup>34</sup>, could be one of the reasons for failure of plantations and deficient management of forests in terms of protection and maintenance.

#### 1.1.9 Setting up of Compensatory Afforestation Fund Management and Planning Authority

The objective of the Forest (Conservation) Act, 1980, is to regulate the indiscriminate diversion of forest land for non-forest use and to maintain a logical balance between the developmental needs of the country and the conservation of natural heritage. In exercise of the powers conferred by the Environment (Protection) Act, 1986 and in pursuance of the Supreme Court's order of 30 October 2002, the Central Government constituted an authority known as the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) to manage the flow of funds towards compensatory afforestation and to compensate the depletion of forests due to the diversion of

<sup>34</sup> Field staff comprising of Range Officers, Foresters and Forest Guards are primarily responsible for execution of plantations schemes, their maintenance and protection, silvicultural operations, prevention of grazing, encroachment and illicit felling of trees.

forest land for non-forest uses. Any money recoverable, in compliance of the conditions stipulated by the Central Government, while according approval<sup>35</sup> of diversion of forest land for non-forest purposes under Forest (Conservation) Act, 1980, would form part of the CAMPA Fund.

Approvals for diversion of forest land for non-forest purposes are accorded by GOI on fulfilment of stipulated conditions which include payment of net present value (NPV<sup>36</sup>), carrying out mandatory compensatory afforestation (CA), catchment area treatment (CAT<sup>37</sup>) in irrigation projects, creation of safety zones, reclamation of open areas in mining projects, strip plantations in case of highway projects etc. The cost of such measures are borne by the user agencies. It is the responsibility of DoF&E to ensure that no forest land is diverted in violation of the above mentioned procedure.

#### 1.1.9.1 Status of funds realised from user agencies to CAMPA

**Remittance to the CAMPA account was short by Rs 127.53 crore. Rupees 38.44 crore was still to be realised**

As per information furnished by DoF&E for the period from November 2002 onwards, 127 proposals for diversion of 8,749.13 hectares of forest land were approved by GOI. The position of land transferred, amounts of NPV, cost of CA etc. realisable from user agencies prior to November 2002 was not furnished by the department to Audit. The status of CAMPA Fund for the period prior to constitution of CAMPA and thereafter is given in the **Table-6**:

**Table-6: Status of CAMPA Fund**

Period	Area proposed for diversion	Amount realisable	Amount realised	Balance to be realised	Amount deposited in CAMPA Fund	Amount to be deposited in CAMPA Fund
	(in hectares)	(Rupees in crore)				
Prior to 15.11.2000	NA	NA	45.82	NA	Nil	45.82
15.11.2000 to 31.10.2002	NA	NA	6.83	NA	Nil	6.83
1.11.2002 to 31.3.2009	8749.13	993.84	955.40	38.44	880.52	74.88
<b>Total</b>				<b>38.44</b>		<b>127.53</b>

*Source: Department of Forest and Environment, Jharkhand*

Reasons for non-realisation of Rs 38.44 crore and non-remittance of Rs 127.53 crore were not furnished by the department, though called for by Audit.

Irregularities due to non-adherence to Government orders of November 1968, the Forest (Conservation) Act, 1980 and the guidelines of CAMPA, noticed in the test-checked divisions, are discussed in the succeeding paragraphs.

#### 1.1.9.2 Unauthorised utilisation of forest land for non-forest purposes

The Forest and Environment Department, Government of Bihar issued (November 1968) instructions for realisation of royalty and compensation at prescribed rates along with the price of land, as determined by the Revenue Department, in cases of transfer of forest land. Further, cases in which specific

<sup>35</sup> Government of India accords approval for diversion of forest land for non-forest purposes in two stages *i.e.* In-principle approval and Final approval.

<sup>36</sup> The present value of the land transferred.

<sup>37</sup> Catchment Area Treatment Plan: A plan for soil conservation measures in the catchment areas of an irrigation project to check soil erosion by taking up plantations and other measures.

Unauthorised use of 4,655.82 hectares of forest land for non-forest purposes resulted in loss of Rs 368.41 crore

orders for diversion of forest land were not issued by the State Government prior to October 1980, were also required to be referred to the GOI for approval.

In three<sup>38</sup> out of 22 test-checked territorial forest divisions, 4,655.82 hectares of forest land was taken up by the Irrigation Department and M/s Eastern Coalfields Ltd. between 1972 and 2003 for non-forest purposes without obtaining prior approval of GOI. The proposals for approval were either not submitted by the user agencies or submitted incomplete, with the result that 4,655.82 hectares of forest land was being utilised by the Irrigation Department and M/s Eastern Coalfields Ltd. without due authorisation. In the absence of GOI's approval, demands for dues could not be raised against the users of the said land, resulting in non-realisation of Rs 368.41 crore (NPV: Rs 334.83 crore, CA: Rs 31.41 crore and Penal CA: Rs 2.17 crore).

The Government, while accepting the audit observation, stated (November 2009) that demands would be raised after approval was accorded by GOI.

### 1.1.9.3 Non/short raising/realisation of Net Present Value

Under the provisions of the Forest (Conservation) Act, 1980, a Supreme Court judgement of October 2002 and orders issued by CAMPA in October 2006, NPV was to be determined between Rs 5.80 lakh and Rs 9.20 lakh per hectare depending upon the quality of forest, density of vegetation and types of species in the areas under diversion. These rates were applicable in cases where final approval<sup>39</sup> was granted on or after 30 October 2002, irrespective of the date of in-principle approval<sup>40</sup>. Accordingly, PCCF, Jharkhand worked out (February 2006) a formula<sup>41</sup> for calculating NPV which was prevalent as of March 2008. However, in the light of the Supreme Court's orders of March 2008, the rates were revised and fixed (varying from Rs 4.38 lakh to Rs 10.43 lakh per hectare) after classifying the forest land into six categories<sup>42</sup>. Irregularities noticed in respect of NPV are discussed in succeeding paragraphs.

- In two (Conservator of Forests, Core Area<sup>43</sup>, Daltonganj and Forest

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<sup>38</sup> Deoghar, Palamu (Tiger Project) and Simdega.

<sup>39</sup> Final approval is granted after fulfillment of the conditions stipulated under in-principle approval.

<sup>40</sup> In-principle approval is granted with imposition of certain conditions which includes realisation of NPV, cost of CA etc.

<sup>41</sup> NPV (per hectare) in Rupees = 5.8 + 1/3 [Quality (9.2-5.8) + Density (9.2-5.8) + Species (9.2-5.8)]. **Quality-** (a) Blank area with nil rootstock or exposed morrum/gravel: value-zero (b) Area supporting high forest: value-1 (c) Area other than falling in category (a) and (b): value- 0.5. **Density-** As per field inspection varying from 0 to 1. **Species standing on the land-** (a) For natural species-1 (b) For plantations- 0.5.

<sup>42</sup> **Eco-Class I:** Consisting of tropical wet evergreen forests, tropical semi-evergreen forests and tropical moist deciduous forests, **Eco-Class II:** Consisting of littoral and swamp forests, **Eco-Class III:** Consisting of tropical dry deciduous forests, **Eco-Class IV:** Consisting of tropical thorn forests and tropical dry evergreen forests, **Eco-Class V:** Consisting of sub-tropical broad-leaved hill forests, sub-tropical pine forests and sub-tropical dry evergreen forests and **Eco-Class VI:** Consisting of montane wet temperate forests, Himalayan moist temperate forests, Himalayan dry temperate forests, sub-Alpine forest, moist Alpine and dry Alpine scrub.

<sup>43</sup> Inviolable area in the Palamu tiger reserve for tiger habitat.

<b>Demands for NPV of Rs 61 crore were not raised even after the lapse of 10 to 11 years</b>	<p>Division, Gumla) out of 22 test-checked territorial forest divisions, GOI accorded in-principle/final approval<sup>44</sup> (between March 1997 and December 1999) for diversion of 883.30 hectares of forest land to three user agencies. However, even after lapse of 10 to 11 years, demands for NPV had not been raised. Thus, Rs 61 crore, due to the Government, remained unrealised.</p> <p>The Government, in its reply, stated (November 2009) that action was being taken for realisation of the dues in Gumla. However, no reply was furnished in the case of Core Area, Daltonganj.</p>
<b>Though demands were raised, Rs 1.33 crore for NPV and cost of CA remained unrealised</b>	<ul style="list-style-type: none"> <li>• In three<sup>45</sup> out of 22 test-checked territorial forest divisions, 173.41 hectares of forest land was diverted (March 2006 and February 2008) to three user agencies for non-forest purposes. Demands for Rs 2.27 crore on account of NPV and the cost of CA were raised between March 2006 and October 2008. However, Rs 1.33 crore remained unrealised as of March 2009.</li> </ul> <p>The Government, while accepting the audit observation, stated (November 2009) that Rs 75.64 lakh, pertaining to the Saraikela division, had since been realised and deposited into the CAMPA Fund while in other two cases, action was being taken for realisation.</p>
<b>Under-assessment of forest area and incorrect computation resulted in short-raising of demand by Rs 2.81 crore</b>	<ul style="list-style-type: none"> <li>• In five out of 22 test-checked territorial forest divisions, GOI accorded in-principle/final approval (between August 1998 and November 2008) for diversion of 264.186 hectares of forest land to six user agencies for non-forest purposes and demands of Rs 14.28 crore were raised between January 1999 and November 2008. Audit scrutiny revealed that under-assessment of forest areas and incorrect computations resulted in short-raising of demands by Rs 2.81 crore (based on the formula laid down by the PCCF) (<i>Appendix-1.7</i>).</li> </ul> <p>The Government, while accepting the audit observation, stated (November 2009) that revised demands had been issued to user agencies for realisation.</p>
<b>Though Rs 183.30 crore was realised, no scheme for compensatory afforestation had been taken up by the department</b>	<p><b>1.1.9.4 Compensatory afforestation</b></p> <p>In order to mitigate the adverse effects of diversion of forest land, the Central Government, while granting approvals under the Forest (Conservation) Act, 1980, stipulated carrying out of compensatory afforestation over equivalent land made available by the user agency or double the area of degraded forest land in case land was not made available by the user agency. The cost of such CA was to be borne by the user agency.</p> <p>Information furnished by PCCF, Jharkhand revealed that Rs 183.30 crore<sup>46</sup> was realised (between October 2002 and March 2009) on account of</p>

<sup>44</sup> In-principle approval: Upper Sankh Reservoir Scheme and Dhansing Toli Irrigation Scheme (Gumla Forest Division). Final approval: Horilong Underground Project (Core Area, Daltonganj).

<sup>45</sup> Gumla, Ranchi West and Saraikela.

<sup>46</sup> CA: Rs 65.81 crore, Penal CA: Rs 64.85 crore, safety zone plantations: Rs 5.11 crore, fencing and regeneration of safety zone: Rs 5.48 crore, wildlife: Rs 30.63 crore, strip plantations: Rs 9.18 crore and soil conservation: Rs 2.24 crore.



compensatory afforestation for diversion of 8,749.13<sup>47</sup> hectares of forest land (127 projects) but as of March 2009, not a single scheme for CA had been taken up by the department. No reply was received in this regard.

**Demand for cost of Compensatory Afforestation for Rs 1.84 crore was not raised even after lapse of 13 to 52 months**

**1.1.9.5 Non-raising of demand for compensatory afforestation**

Audit scrutiny revealed that in three<sup>48</sup> out of 22 test-checked territorial forest divisions, GOI accorded in-principle approval (between November 2004 and February 2008) for diversion of 144.152 hectares of forest land for non-forest purposes to three user agencies. The approval stipulated CA in 142.632 hectares of land and linear plantations in 15.21 km. However, demands for cost of CA for Rs 1.84 crore were not raised even after the lapse of 13 to 52 months.

The Government, in its reply, stated (November 2009) that Rs 1.22 crore pertaining to two cases (Godda and Saraikela) had since been realised.

**1.1.9.6 Loss of interest due to non-adherence to GOI's guidelines**

The Ministry of Environment and Forest (MoEF) issued (March 2004) a clarification that funds received from user agencies against CA, NPV, CAT plan etc. were to be kept as fixed deposits in nationalised banks in the name of the concerned Divisional Forest Officers or the Nodal Officers till CAMPA was constituted. Further, in May 2006, MoEF directed that the amounts lying with the DFOs/Nodal Officers should be deposited in the CAMPA Fund in a current account of Corporation Bank.

**Deposit of Rs 3.05 crore into the treasuries even after GOI's clarification resulted in loss of interest of Rs 3.98 lakh**

In two (Dhalbhum and Porahat) out of 22 test-checked territorial forest divisions, Rs 3.05 crore realised between March 1999 and March 2004 from four user agencies on account of NPV and CA was kept (April 2004) in the treasuries even after GOI's clarification. This resulted in loss of interest of Rs 3.98 lakh (calculated at the rate of six *per cent* for the period from April 2004 to May 2006).

The Government, while accepting the audit observation, stated (November 2009) that a proposal for withdrawal of the funds from the treasuries was under process.

**1.1.9.7 Non-raising of demand**

**Demand of Rs 129.04 crore could not be raised due to non-finalisation of Catchment Area Treatment plan**

While approving the proposals for transfer of forest land for non-forest purposes, GOI, apart from realisation of NPV/cost of CA, also imposes conditions for realisation of cost of Catchment Area Treatment (CAT), cess, canal bank plantations, roadside (avenue) plantations *etc.* from user agencies. However, in Saraikela forest division, GOI, while granting (August 2006) in-principle approval for diversion of 1,655.55 hectares of forest land to the Water Resources Department (WRD), Jharkhand for the Subernarekha Multipurpose Project, directed the State Government/user agency to submit a CAT plan. A CAT plan for Rs 129.04 crore was prepared by WRD and submitted to the DoFE in July 2007 for finalisation at their end. However,

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<sup>47</sup> Information regarding stipulated area on which CA was to be carried out was not furnished by the department. However, only the minimum area *i.e.*, total land diverted, had been taken into account.

<sup>48</sup> Bokaro, Godda and Saraikela.

even after the lapse of more than two years, the CAT plan was not finalised for onward submission to GOI for approval. Thus, due to non-finalisation of the CAT plan by DoFE, Government of Jharkhand, the demand for Rs 129.04 crore could not be raised.

**Demand for Rs 5.08 crore for plantations was not raised though stipulated by GOI**

The above approval of GOI also stipulated realisation of cost of plantations along the reservoir area and canal banks (656.82 hectares). However, even after the lapse of 34 months, no demand was raised for Rs 5.08 crore (calculated for QGS plantations at the rate of Rs 77,374 per hectare).

The Government, in its reply, stated (November 2009) that GOI, while granting Stage-1 approval, had only directed the department to submit the CAT plan and not to realise the cost of CAT while in case of the canal bank plantations, the excess amount (Rs 17.84 crore) deposited against NPV by the user agency was to be utilised for canal bank plantations. The reply is not acceptable as no reasons were given for the failure to submit the CAT plan to GOI for approval because of which the demand could not be raised.

### 1.1.10 Internal control

Every department is required to institute appropriate internal controls for its efficient and effective functioning by ensuring the enforcement of laws, rules and departmental instructions. Internal control helps in creation of reliable financial and management information systems for prompt and efficient services and adequate safeguards against deviations from organisational goals and objectives. The succeeding paragraphs bring out cases of non-observance of the prescribed internal controls.

#### 1.1.10.1 Non-maintenance of basic records

**Basic records like plantations journals, pit registers, quarterly reports etc. were not maintained**

- For proper verification of afforested areas and recording of the survival rates of the plants by the higher authorities, the department issued vague instructions in November 2000 to maintain plantations journals, pit registers *etc.* in range offices and details of plantations in the divisions. However, in seven test-checked divisions<sup>49</sup>, plantations details were not being maintained.
- According to departmental instructions issued in January 2008, quarterly reports regarding monitoring of the stipulated conditions<sup>50</sup> in respect of approvals made by GOI under the Forest (Conservation) Act, 1980 were to be prepared by the divisions for onward submission to the higher authorities. However, no such quarterly reports had been prepared in seven test-checked divisions<sup>51</sup>.

#### 1.1.10.2 Internal audit and vigilance mechanism

**During 2004-09, only seven offices were audited by the Finance Department. The Vigilance Section remained non-functional**

The department did not have an internal audit wing of its own. The internal audit wing of the Finance Department was responsible for internal audit of DoF&E. It was, however, noticed that no targets were fixed for audit of DoF&E and only seven out of a total of 112 offices were audited by the

<sup>49</sup> Bokaro, Dhanbad, Field Director, Project Tiger Circle, Palamu and Deoghar, Giridih, Gumla and Khunti.

<sup>50</sup> Conditions stipulated by GOI for realisation of NPV, cost of CA/ penal CA etc.

<sup>51</sup> Bokaro, Field Director, Project Tiger Circle, Palamu and Deoghar, Khunti, Project Area, Palamu and Godda and Simdega Core Area.

Finance Department during 2004-09. This indicated an ineffective internal audit mechanism in the department. Further, a Vigilance Section existed under the direct charge of the PCCF which was to look after personal complaints made against departmental officers. Scrutiny revealed that no work had been entrusted to this section, which remained non-functional during the period under review.

#### **1.1.10.3 Monitoring**

Monitoring by higher officials of the various schemes of afforestation and other allied activities undertaken by the divisions is essential for proper execution of plantations schemes and achievement of desired results. Non-maintenance of the required records, failure to monitor plantations and upkeep activities and inadequate functioning of internal audit and vigilance wings in the department indicated that the monitoring system in the department was not satisfactory.

#### **1.1.11 Conclusion**

Implementation of various afforestation schemes/activities met with limited success in the State due to non-preparation of Working Plans, non-adherence to the provisions made under Financial Rules, irregularities in implementation of afforestation schemes, improper selection of sites, plantations of banned species and high mortality rates in the plantations. The available funds were not being fully utilised and the supplementary grants remained totally unutilised. The fuelwood and fodder plantations scheme was a picture of neglect as no plantations was undertaken during 2004-05 and 2005-06. While a sizeable amount of forest land was transferred for non-forest purposes, there was no concerted effort to compensate the losses through formulation and implementation of compensatory afforestation schemes for which funds were available. Net Present Value and cost of compensatory afforestation were not always raised and realised. The internal control system and monitoring were not effective.

#### **1.1.12 Recommendations**

The Government may consider the following:

- Timely preparation, approval and adherence to Working Plans along with demarcation of forest land after conducting proper surveys;
- Preparation of budget estimates as per the provisions of the Budget Manual after due assessment of the requirement of afforestation activities and ensuring the utilisation of funds;
- Preparation of need-based and time-bound programmes for afforestation with particular emphasis on fuelwood and fodder plantations and silvicultural operations;
- Preparation of a proper data base for CAMPA Fund management, preparation of compensatory afforestation schemes and development of infrastructure to compensate for the loss of forest cover due to diversion of forest land; and
- Strengthening internal controls and the monitoring mechanism.

## HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

### 1.2 National Rural Health Mission

#### *Highlights*

*The National Rural Health Mission was launched by the Government of India in April 2005. It aimed at strengthening rural health care institutions by provision of infrastructure facilities and funds. A review of the implementation of the National Rural Health Mission in the State revealed improvements in flow of funds to rural health institutions and better health awareness among the rural population. However, deficiencies like absence of a Perspective Plan, lack of surveys, insufficient infrastructure, lack of community participation, inadequate budgetary provisions, insufficient medicines, equipment and human resources were noticed.*

**The State Health Mission was not constituted. The Jharkhand Rural Health Mission Society, though constituted, failed to integrate the five societies set up for implementation of various disease control programmes.**

*[Paragraph 1.2.6.1]*

**Baseline surveys, essential for identifying the health care needs of the people, were not conducted. The Perspective Plan and village, district and block level Annual Plans were not prepared, which defeated the aim of decentralised planning.**

*[Paragraphs 1.2.6.3, 1.2.6.4 and 1.2.6.5]*

**Twenty nine to 64 per cent of available funds remained unutilised during 2005-09.**

*[Paragraph 1.2.8.1]*

**Vaccine Deep Freezers and Portable Vaccine Carriers (PVCs) worth Rs 10.43 crore were purchased without ensuring the basic facilities required for operations.**

*[Paragraph 1.2.9.1]*

**Medicines worth Rs 2.66 crore were purchased without floating tenders while medicines costing Rs 6.20 crore were purchased from debarred firms.**

*[Paragraphs 1.2.9.3 and 1.2.9.7]*

**Inadequate infrastructure facilities at health centres ranged between three to 99 per cent.**

*[Paragraph 1.2.10.2]*

**In Primary Health Centres, the shortage of doctors, pharmacists and staff nurses was 49, 87 and 94 per cent respectively. Further, no training was imparted to medical and para-medical staff during 2005-07.**

*[Paragraphs 1.2.12 and 1.2.12.1]*

**Inflated data was furnished by the department, by reporting that 29.58 lakh and 26.40 lakh children were given BCG and measles injections respectively while the number of total live births was only 12.82 lakh children during 2005-09.**

*[Paragraph 1.2.16.1]*

**Internal audit and vigilance mechanism were not established by the department to examine and evaluate the performance of the programme.**

*[Paragraphs 1.2.18.4 and 1.2.18.5]*

### **1.2.1 Introduction**

The National Rural Health Mission (NRHM) was launched by Government of India (GOI) in April 2005 throughout the country with a special focus on 18 States. The Mission aimed at providing accessible, affordable, accountable, effective and reliable health care facilities in rural areas by reducing the infant and maternal mortality rates, stabilising the fertility rate of the population and preventing and controlling communicable and non-communicable diseases including locally endemic diseases by involving the community in planning and monitoring. The key strategy of the Mission was to bridge gaps in health care facilities, facilitate decentralised planning in the health sector, provide an overarching umbrella to the existing programmes of Health and Family Welfare including Reproductive and Child Health II and various disease control programmes. It sought to provide health to all in an equitable manner through increased outlays, horizontal integration of existing schemes, capacity building and human resource management. It addressed the issue of health in the context of a sector-wise approach encompassing sanitation and hygiene, nutrition etc. as basic determinants of good health and advocated convergence with related social sector departments such as Women and Child Development, AYUSH<sup>52</sup>, Panchayati Raj *etc.*

### **1.2.2 Organisational set up**

At the State level, NRHM was to function under the overall guidance of the State Health Mission (SHM), headed by the Chief Minister. The activities under NRHM were to be carried out through the State Health and Family Welfare Society (SHFS), to be formed by integrating all the five societies<sup>53</sup> set up for the implementation of various disease control programmes. The Secretary, Health, Medical Education and Family Welfare Department (HMFWD), Government of Jharkhand, was the Executive Head of the Jharkhand Rural Health Mission Society (JRHMS), constituted on 25 October 2007, which was assisted by five State level societies.

At the district level, Civil Surgeon-cum-Chief Medical Officers (CS-cum-CMOs) were the nodal officers, who were assisted by Additional Chief Medical Officers (ACMOs) and District Societies related to Reproductive and Child Health (RCH), Malaria, Leprosy, Tuberculosis (TB) and Blindness Control. Medical Officers in-charge of Primary Health Centres (PHCs) and Auxiliary Nursing Midwives (ANMs) were responsible for implementation of NRHM at the PHC and Health Sub Centre (HSC) levels respectively.

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<sup>52</sup> Ayurvedic, Yoga, Unani, Siddha and Homoeopathy.

<sup>53</sup> State Reproductive and Child Health (RCH) Society, State Leprosy Control Society, State Blindness Control Society, State Malaria Control Society and State TB Control Society.

### 1.2.3 Audit objectives

The objectives of performance audit were to assess whether:

- the planning at the village, block, district and State levels were adequate;
- the assessment, release and utilisation of funds were efficient and effective;
- capacity building and strengthening of physical and human infrastructure were as per the Indian Public Health Standards (IPHS);
- the systems and procedures of procurement and distribution of medicines and services were cost-effective and efficient and ensured improved availability of drugs and services;
- the performance indicators and targets fixed especially in respect of reproductive and child health care, immunisation and disease control programmes were achieved; and
- proper monitoring and evaluation procedures existed to ensure effective and reliable health care.

### 1.2.4 Scope and methodology of audit

The performance audit of the scheme for the period 2005-09, was conducted during May to September 2008 and June 2009. The coverage included test check of records of the Secretary, HMFWD, five State level societies, six districts<sup>54</sup> including five district level societies<sup>55</sup> in each district, three referral hospitals (RHs)<sup>56</sup>, 18 PHCs<sup>57</sup>, 27 Additional Primary Health Centres (APHCs)<sup>58</sup> and 72 HSCs<sup>59</sup> in selected districts (*Appendix-1.8*).

An entry conference was held with the Secretary, HMFWD on 25 March 2008, during which the audit objectives, audit criteria and methodology were discussed. An exit conference was held with the Secretary, HMFWD on 13 November 2009, during which the audit findings along with recommendations were discussed.

### 1.2.5 Audit criteria

The audit criteria adopted for arriving at the audit conclusions were the following:

- the GOI framework on implementation of NRHM,

<sup>54</sup> Dhanbad, Dumka, Gumla, Hazaribag, Ranchi and Sahebganj selected by using Probability Proportional to Size with Replacement (PPSWR) method with grants released to the District Reproductive and Child Health (RCH) Societies taken as a size.

<sup>55</sup> District RCH Society, District Malaria Control Society, District Leprosy Control Society, District TB Control Society and District Blindness Control Society.

<sup>56</sup> Barhait in Sahebganj, Jarmundi in Dumka and Sisai in Gumla.

<sup>57</sup> In each sampled district, two PHCs under rural blocks and one PHC under an urban block were selected using the Simple Random Selection without Replacement (SRSWOR) method. In Gumla, three rural PHCs were selected.

<sup>58</sup> In each sampled block, two APHCs, if existing, were selected.

<sup>59</sup> In each sampled PHC, four HSCs were selected using the SRSWOR method.

- Guidelines and instructions issued by GOI for various components, disease control programmes, financial aspects, etc.,
- Circulars issued by GOI, containing directions for NRHM activities,
- Orders and instructions issued by the State Government,
- IPHS norms for physical and human resource infrastructure development.

### 1.2.6 Planning

NRHM aimed at decentralised planning and implementing arrangements to ensure need-based and community-owned health Action Plans which would form the basis for intervention in the health sector. NRHM focused on the village as an important unit for planning. Deficiencies noticed in planning for implementation of NRHM are discussed in the succeeding paragraphs.

#### 1.2.6.1 State Health Mission and State Health Society

**The Jharkhand Rural Health Mission Society failed to integrate the five societies set up for implementation of various disease control programmes**

As stated earlier, at the State level, NRHM was to function under the overall guidance of the State Health Mission (SHM), headed by the Chief Minister. The activities under the Mission were to be carried out through the State Health and Family Welfare Society (SHFS), to be formed by integrating all the five societies set up earlier for the implementation of various disease control programmes. The committee for the SHM was not constituted in the State. The Jharkhand Rural Health Mission Society (JRHMS), though constituted and registered (October 2007) to function as the SHFS, failed to integrate these five societies.

#### 1.2.6.2 District Health Societies and District Health Missions

District Health Societies (DHS) were to be constituted in each district by merging all the existing district level societies. A District Health Action Plan (DHAP) was to be prepared annually by 30 October by the DHS and approved by the District Health Mission (DHM). Audit observed that DHSs had been set up in all the test-checked districts without merging the district level societies but DHMs had not been constituted in any of the test-checked districts as of March 2009.

#### 1.2.6.3 Baseline surveys

**Baseline surveys were not conducted to assess the health care needs of the rural people**

According to NRHM guidelines, 50 *per cent* of baseline surveys (household and facility surveys) were to be completed by 2007 and 100 *per cent* by 2008, to identify the health care needs of the rural people. Village Health Committees (VHCs) were required to validate the survey reports. However, it was found that

- household surveys essential to assess the health care requirements and identify underserved/unserved areas were not conducted in the State.
- in order to set up a benchmark for quality services, identification and utilisation of input needs, facility<sup>60</sup> surveys were to be conducted with the assistance of PHC/APHC/HSC, Anganwadi Worker (AWW) and Non Government Organisations (NGOs) selected for the purpose. The State Reproductive and Child Health Society collected (2006-08) information in

<sup>60</sup> Specialist services, manpower, investigating facilities, equipment, other infrastructure *etc.*

respect of the facilities directly from the concerned PHCs without involving AWWs and NGOs. Information was also not got validated by VHCs. Thus, the information collected was not reliable.

#### 1.2.6.4 *Perspective Plan*

**Perspective Plan for the State was not prepared**

According to NRHM guidelines, DHS and SHS were responsible for preparation of Perspective Plans for the entire Mission period (2005-12) to identify the financial and physical targets for each year. Audit scrutiny revealed that though District Perspective Plans were prepared by all the test-checked districts (except Ranchi), the Perspective Plan for the State had not been prepared.

#### 1.2.6.5 *Annual Plans*

**Programme Implementation Plans for 2005-07 were not prepared, though Rs 1.10 crore was provided by GOI for the purpose. Further, submission of PIP for 2008-09 was delayed by 95 days**

The NRHM framework stipulated that a Programme Implementation Plan (PIP) for the State should be prepared annually by 30 November by SHS, by consolidating the DHAPs, for submission to the National Programme Coordination Committee<sup>61</sup> (NPCC) for its approval.

Audit noticed that DHAPs were not prepared by the districts. The PIPs for 2005-07 were also not prepared although Rs 1.10 crore was made available (2006-07) by GOI for this purpose. SRCHS prepared a PIP for 2007-08 without DHAPs, following which, the NPCC pointed out serious deficiencies<sup>62</sup> in it. Submission of the PIP for 2008-09, scheduled for 15 December 2007, was delayed by 95 days.

Besides, Health Action Plans were also not prepared in any of the villages and blocks in the test-checked districts.

### 1.2.7 **Community participations and involvement of NGOs**

#### 1.2.7.1 *Planning and Monitoring Committees*

NRHM envisaged constitution of planning and monitoring committees at the PHC, block, district and State levels. However, these were not constituted at any level, leading to ad hoc interventions instead of planned ones under the Mission.

#### 1.2.7.2 *Village Health Committees*

The village being an important unit for planning, Village Health Committees (VHCs) were required to be formed for analysing health problems, maintaining village health records, preparing village health plans, promoting intersectoral integration etc. Thirty *per cent* were to be set up by December 2007 and 100 *per cent* by December 2008, involving representatives from PRIs/Legislature, NGOs, CBOs.<sup>63</sup>

Against the requirement of 32,615<sup>64</sup> VHCs, 29,822 VHCs were formed in the

<sup>61</sup> A committee at national level to monitor the implementation of NRHM.

<sup>62</sup> (1) Outcome targets not provided for SC/ST, (2) Targets for post-partum care and children under five years receiving all doses of Vitamin A not fixed, (3) Quarter-wise targets for different maternal health trainings not set up, (4) Strategies not provided for scale up, resources and level of interventions for improvement in coverage of three ANCs, safe deliveries, TT immunisation, reproductive health morbidity *etc.*

<sup>63</sup> Community Based Organisations.

<sup>64</sup> Total number of villages in the State.



**Village Health Committees could not utilise Rs 58 lakh**

State during 2007-09. In six test-checked districts, 8,973 VHCs had been constituted in 11,629 villages as of December 2008. Further, representatives from PRIs/Legislature and NGOs/CBOs were not included in the VHCs. A total of 580 VHCs in five districts<sup>65</sup>, were found to be non-functional. As a result, Rs 58 lakh provided during 2007-08 to these VHCs (Rs 10,000 per VHC), as revolving funds, remained blocked.

### **1.2.7.3 ASHA/SAHIYA**

Government introduced (April 2005) the SAHIYAs (female friends) in Jharkhand in line with "Accredited Social Health Activists" (ASHAs) who were to act as the interface between the community and the public health system, advise village population especially women and children about available health services and to escort patients to medical centres.

Audit observed that:

- against the requirement of 27,532 SAHIYAs in the State, 50,000 were sanctioned during 2007-08 and 40,758 were selected during 2005-08, resulting in excess selection of 13,226 SAHIYAs.
- neither District Nodal Officers (DNOs) nor Block Nodal Officers (BNOs) were appointed in any district who were to facilitate the selection of SAHIYAs with interaction with village community from women with formal education up to 8<sup>th</sup> class. In four test-checked districts<sup>66</sup>, verification of the SAHIYA profile disclosed that 1,757 SAHIYAs were selected during 2006-08 by relaxing the norms of formal education without interaction with the community.
- against the stipulated six modules of training to be imparted between December 2007 and April 2008 to SAHIYAs, only three modules of training<sup>67</sup> were imparted as of March 2009.
- Drug kits, though required to be distributed, were not procured and distributed as of March 2008. However, 27,134 drug kits were distributed in 2008-09.

Selection of ineligible persons, inadequate training and absence of drug kits would result in ineffective participation of SAHIYAs in health care for rural people.

### **1.2.7.4 Involvement of Non-Government Organisations**

**Sufficient participation of Non-Government Organisations was not ensured**

Non-Government Organisations<sup>68</sup> (NGOs) were identified as vital participants in NRHM. Their services were to be utilised under various programmes<sup>69</sup>. Audit observed that though Rs 1.16 crore was provided (between September 2003 and March 2006) by GOI, selection of sufficient numbers of Mother NGOs, Service NGOs and Field NGOs for the various activities was not made. Details of the role of NGOs are given in **Appendix-1.9**.

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<sup>65</sup> Bokaro, Chatra, Dumka, Lohardaga and Ranchi.

<sup>66</sup> Dumka, Hazaribag, Ranchi and Sahebganj.

<sup>67</sup> 1<sup>st</sup> module: 36,314, 2<sup>nd</sup> module: 36,526 and 3<sup>rd</sup> module: 5,238.

<sup>68</sup> Mother NGO (MNGO), Service NGO (SNGO) and Field NGO (FNGO).

<sup>69</sup> Reproductive and Child health, Information, Education and Communication, Revised National TB Control Programme, National Programme for Control of Blindness, National Vector-borne Disease Control Programme etc.

Thus, the contribution of NGOs in NRHM was limited and their potential remained unused.

### 1.2.8 Financial management

The funds for National Disease Control Programmes (NDCP) were to be routed through JRHMS. Scrutiny revealed that in violation of the above, funds were being released by GOI directly to the concerned five disease-control societies. Thus, the guidelines of NRHM were not being adhered to.

#### 1.2.8.1 Budget and expenditure

Government of India grants to the State were provided in two ways, *i.e.* through the State Finance Department and directly to the Societies.

Audit observed that:

- Out of Rs 708.74<sup>70</sup> crore available for the scheme during 2005-09, Rs 576.39 crore (81 *per cent*) was spent. The unspent balances ranged between 29 and 64 *per cent* (**Appendix-1.10**). Further, from 2007-08 onwards, Central and State Governments were to fund the Mission in the ratio of 85:15. However, only Rs 11.25 crore of Rs 17.27 crore (15 *per cent*) pertaining to 2007-08 was contributed in 2008-09 by the State Government.
- Scrutiny of detailed accounts revealed a total discrepancy of Rs 386.42 crore<sup>71</sup> between budgetary allotments and expenditure under the grants received from GOI and the Statement of Expenditure (SOE) of the department during 2005-08 (**Appendix-1.11**). This indicated deficient monitoring and budgetary control in the department.

**There was a total discrepancy of Rs 386.42 crore between budgetary allotments and expenditure incurred**

#### 1.2.8.2 Other financial irregularities noticed during test check

- According to the terms and conditions of the work order for installation of a hoarding, the State Leprosy Eradication Officer (SLEO) was required to make final payment after obtaining completion certificates from the concerned District Leprosy Eradication Officers (DLEOs). It was seen in audit that the SLEO irregularly made final payments of Rs 83.90 lakh (between June and July 2005), to an agency, for installation of a hoarding without obtaining a completion certificate from the concerned DLEOs.
- The Medical Officer in charge (MOIC), PHC Sadar, Dumka received (January 2008) an advance of Rs 1.95 lakh from the District Reproductive and Child Health (DRCH) Society for implementation of the pulse polio drive and the expenditure was booked without any supporting vouchers.
- Rupees 19.32 lakh provided to six private agencies for different purposes (**Appendix-1.12**) and temporary advances of Rs 8.82 lakh provided to officials of JRHMS (**Appendix-1.13**) remained unadjusted/unrecovered as of December 2008. In the District Blind Control Society (DBCS), Sahebganj, advance of Rs 19,400 provided (January 2006) to the Ex-District Programme Manager and Rs 42.97 lakh advanced (between

<sup>70</sup> Rs 8.47 crore+Rs 504.64 crore+Rs 195.63 crore = Rs 708.74 crore.

<sup>71</sup> Allotment: Rs 48726.10 lakh and Expenditure: Rs. 11019.88 lakh (as per GOI grant)  
Allotment : Rs 11548.43 lakh and Expenditure: Rs 9556.22 lakh (as per SOE)

2005 and 2009) under the Family Welfare Programme by ACOMO, Dhanbad to different PHCs (43 occasions) remained outstanding as of June 2009.

- In ACOMO, Sahebganj, while handing over charge, the then cashier did not hand over (January 2003) unadjusted vouchers for Rs 1.49 lakh and a temporary advance of Rs 0.88 lakh. The amount (Rs 2.37 lakh) remained outstanding/unadjusted as of June 2009.
- Under Information, Education and Communication (IEC) activities of NRHM, funds are provided for public awareness through advertisements. In violation of the provisions, SRCHS purchased 5,318 cycles for ANMs at Rs 1.28 crore<sup>72</sup> and the State Blindness Control Society (SBCS) purchased furniture worth Rs 6.11 lakh out of fund provided for IEC activities. Similarly, SLEO, Ranchi spent Rs 10.67 lakh towards payment for security provided for purchase of machinery and equipment.

### 1.2.8.3 Loss of interest

State Blindness Control Society kept Rs 5.87 crore in a current account

Grants-in-aid received were required to be kept in interest-bearing accounts of nationalised banks. The State Blindness Control Society, however, kept Rs 5.87 crore, received during 2005-08, in a current account, which resulted in loss of interest of Rs 15.79 lakh<sup>73</sup>.

Further, according to banking norms, the minimum balance remaining in savings bank accounts between 10<sup>th</sup> and 30<sup>th</sup>/31<sup>st</sup> of each month could only become eligible for earning interest. JRHMS transferred Rs 6.18 crore on different occasions from one bank to another between 19<sup>th</sup> and 27<sup>th</sup> of the months, resulting in loss of interest of Rs 18.04 lakh.

## 1.2.9 Purchase and store management

Portable Vaccine Carriers and Vaccine Deep Freezers worth Rs 10.43 crore were purchased without ensuring basic facilities required for the operation of these units

### 1.2.9.1 Purchase of technically deficient Portable Vaccine Carriers and Vaccine Deep Freezers

Government placed a proposal before GOI for purchase of Portable Vaccine Carriers (PVCs) with the justification that the equipment would strengthen the existing cold chain system in the State as the equipment was capable of functioning on multi-power sources including solar power and would not be dependent on electricity. Accordingly, GOI sanctioned and released Rs 10 crore (March 2005) for purchase of PVCs and Vaccine Deep Freezers (VDFs) to maintain the cold chain for carriage of potent vaccines as well as construction of rooms at the installation sites of the Vaccine Deep Freezers.

It was seen in audit that a laboratory test on the equipment conducted by the consultant, the Metallurgical and Engineering Consultants Ltd. (MECON), Ranchi, could not assess the life of the batteries and the length of time for which the temperature inside the unit could be maintained without power supply as the solar power pack was not made available to them for evaluation. Despite this, the Government purchased (May 2005) 130 VDFs and 268 PVCs from a private company, M/s Burke Products India, at a total cost of Rs 10.92 crore, including the cost of construction of 203 rooms for installation of VDFs

<sup>72</sup> Between November 2007 and June 2008.

<sup>73</sup> Interest calculated at the rate of 3.5 per cent per annum.

in 143 PHCs at the rate of Rs 98,500 each. Out of Rs 10.92 crore, the Agency was paid Rs 10.43 crore (between October and December 2005) and Rs 49.35 lakh was to be paid as of November 2009. It was seen that the VDFs did not work on solar power back up and the required temperature (-20° C) was also not achieved, resulting in formation of 40 ice packs against the capacity of 200 ice packs in 24 hours. Due to non-installation of VDFs, 72 sites developed at a cost of Rs 71 lakh, could not be utilised. It was also seen that 195 solar plates had been stolen from 53 PHCs during 2006-09 (up to May 2008). Besides, the Government did not enter into any Annual Maintenance Contract (AMC) for maintenance of these equipment in violation of GOI instructions.

Thus, the purchase of PVCs and VDFs without ensuring that they would work without electricity, the failure to enter into an AMC for maintenance and the failure to ensure security and safety of equipment at sites led to unfruitful expenditure of Rs 10.43 crore.

### **1.2.9.2 Injudicious purchases**

Without assessment of the requirements, on departmental instructions, State Leprosy Eradication Officer (SLEO) purchased 20 Tata Spacio vehicles, valuing Rs 69.25 lakh during 2005-06 from M/s Tata Motors. Similarly, SRCHS purchased 15 diesel generator (DG) sets costing Rs 26.70 lakh<sup>74</sup> during 2007-08, without any budgetary allocation<sup>75</sup>. Of these, nine DG sets were installed at PHCs where there was no requirement, resulting in unfruitful expenditure of Rs 16.02 lakh.

### **1.2.9.3 Purchase of medicines without tenders**

According to the procurement policy of the JRHMS, purchases should be made at Director General Supply and Disposal (DGS&D) rates or by floating tenders. It was noticed that in violation of the prescribed norms, SRCHS irregularly purchased medicines/syringes worth Rs 2.66 crore from six private firms between May and July 2005.

### **1.2.9.4 Unassessed, unauthorised, wasteful and infructuous purchases of medicines and stores**

In two (Dumka and Gumla) out of six test-checked districts, several instances of unassessed, unauthorised, wasteful and infructuous purchases of medicines and stores amounting to Rs 1.04 crore were noticed (*Appendix-1.14*).

### **1.2.9.5 Misappropriation of stores**

Instances of misappropriation of stores noticed during audit are discussed below:

- In four test-checked PHCs/APHCs<sup>76</sup>, several discrepancies in stores records were noticed like consumption of stores before issue/receipt, excess consumption and shortages worth Rs 0.54 lakh (*Appendix-1.15*).
- In Dumka, one Godrej almirah costing Rs 14,000 was supplied (September 2007) to APHC, Karamdih by Sadar PHC, Dumka. However, during joint

<sup>74</sup> At the rate of Rs 1.78 lakh per set.

<sup>75</sup> Funds were diverted from 'Sectoral Investment Plan Fund' meant for construction of warehouse and Untied Pool.

<sup>76</sup> PHC Sadar, Jama, Saraiyahat and APHC, Karmadih of Dumka district.

**Medicines/syringes worth Rs 2.66 crore were purchased without inviting tenders**

physical verification (August 2008) by Audit and the MO, PHC, Dumka, it was found that the centre had no building and was functioning under a tree. No almirah was found at the site.

- A computer supplied (April 2007) to Sadar PHC, Dumka by CS, Dumka, was stated (August 2008) to be missing. However, the MO, Sadar PHC neither lodged an FIR nor reported the matter to the higher authorities as of August 2008. However, at the instance of Audit, the matter was reported to higher authorities.
- Records of Referral Hospital, Sisai (Gumla) and Leprosy Training Hospital, Tetulmari (Dhanbad) revealed that medicine, stationery, furniture and furnishings worth Rs 14.83 lakh were purchased between March 2007 and March 2008 by the MO in-charge but were not taken into stock. This pointed towards doubtful purchase of the items.

#### **1.2.9.6 Non-imposition of penalty**

During 2006-07, supply of medicines to SRCHS was delayed by five to 80 days. However, penalty at the rate of one *per cent*, amounting to Rs 89.54 lakh, as per the purchase orders were not realised from the supplier.

#### **1.2.9.7 Purchase of medicines from a blacklisted firm**

Medicines valued at Rs 6.20 crore were irregularly purchased from a blacklisted firm

Medicines<sup>77</sup> valued at Rs 6.20 crore were purchased without quality testing by SRCHS during 2007-08, from M/s Endolabs Limited, Indore which had been blacklisted and debarred (between March 2006 and July 2007) by three States<sup>78</sup>.

#### **1.2.9.8 Supply of exposed drugs**

In the State Malaria/Filaria Control Society, 1.10 crore exposed DEC<sup>79</sup> tablets (100 mg) valuing Rs 54.75 lakh were supplied (March 2007) by M/s Carewell Pharma for Mass Drug Administration (MDA) and were not replaced, resulting in a loss to the Government. Further, in Sahebganj, 4.59 lakh exposed DEC tablets valued at Rs 2.29 lakh were supplied by an agency and accounts of 36,000 DEC tablets, valuing Rs 0.18 lakh, were not on record.

### **1.2.10 Capacity Building**

#### **1.2.10.1 Health care units**

There were shortfall in the number of CHCs/PHCs/HSCs in the State

Considering the rural population of Jharkhand (2.75 crore<sup>80</sup>), there were shortfalls in the number of CHCs/PHCs/HSCs, ranging between 45 and 100 *per cent* in comparison to NRHM norms<sup>81</sup> (*Appendix-1.16*).

<sup>77</sup> IFA and Mebendazole tablets.

<sup>78</sup> Gujarat, Rajasthan and Maharashtra.

<sup>79</sup> Diethyl carbamazone (DEC) tablets are given to the filaria patients under Mass Drug Administration

<sup>80</sup> According to the HMFWD Souvenir (*Swasthya ki Badalti Tasveer*, November 2007).

<sup>81</sup> One HSC for every 5,000 population (3,000 for tribal areas), one PHC/APHC for every 30,000 population (20,000 for tribal/desert areas) and one Community Health Centre (CHC) for every 1, 20,000 population (80,000 for tribal/desert population).

Audit further observed that:

- New PHCs/APHCs were not established during 2005-09. Further, as per the Jharkhand State Health Policy (June 2004), construction of 500 new HSCs each year and provision of Government buildings to all HSCs by the next seven years was prescribed. However, Government did not set up the required number of HSCs as of March 2009.
- On non-payment of house rent since 1999, the house owner seized the property and locked the APHC, Barapalasi, Dumka (June 2008). On being pointed out (August 2008) by Audit, an FIR was lodged against the owner (February 2009), but the seized materials were yet to be recovered (June 2009).
- In the absence of facilities like beds, medicines, equipment and personnel, the Referral Hospital, Tundi, Dhanbad remained non-functional since its construction.

### 1.2.10.2 Buildings

According to the timeline prescribed for NRHM, 30 *per cent* HSCs, PHCs and CHCs were to be strengthened/established up to IPHS standards by 2007. The Government did not frame any schedule for upgradation of the existing 3,947 HSCs, 515 PHCs/APHCs and 26 RHs. The Government proposed (February 2008) the construction of 7,910 new CHCs/PHCs/HSCs<sup>82</sup> during the Mission period (up to 2012). Of the above, 30 CHCs, 102 PHCs and 370 HSCs were to be constructed under NRHM. No new HSCs and PHCs were, however, constructed in the test-checked districts (March 2009), although Rs. 71 lakh was released to the districts during 2006-07, which remained unutilised as of March 2008.

Test check of three RHs, 45 PHCs/APHCs and 72 HSCs disclosed inadequate infrastructure facilities at health centres which ranged between two and 99 *per cent* (**Appendix -1.17**).

- In a joint physical verification, APHC and HSC, Karamdih in Dumka were found functioning on a cot and under a tree respectively with no doctor being present. No facility for storage of medicines and records was available (photographs below):



(APHC and HSC, Karamdih, Dumka were functioning with a cot and under a tree – L to R)

Deficient basic infrastructure posed serious challenges to the success of NRHM.

<sup>82</sup> CHC: 186, PHC: 1,005 and HSC: 6,719.

### 1.2.10.3 Medicines and Equipment

SRCHS and SLS failed to procure required medicines/equipment and hence, Rs 12.86 crore remained unutilised

As per IPHS norms, 55, 67 and 113 pieces of equipment were required for each HSC, PHC and CHC respectively (*Appendix-1.18*). GOI released (between April 2005 and March 2008) Rs 20.16 crore to SRCHS and the State Leprosy Control Society (SLCS) for procurement of drugs and equipment. Out of the amount released, Rs 12.86 crore (64 per cent) remained unutilised, reasons for which were not on record. Test check of RH/PHC/APHC/HSCs of selected districts revealed acute shortage of required equipment and non-availability of buffer stock of medicines. Failure to procure equipment and drugs defeated the objectives of NRHM.

### 1.2.11 Services and Facilities

#### 1.2.11.1 24 x 7 services

None of the PHCs/APHCs were providing 24 x 7 health services

As per NRHM guidelines, 24 x 7 services were to be provided in each PHC/APHC. It was observed that out of 515 PHCs/APHCs in the State, no PHC/APHC provided 24 x 7 health services except delivery services.

#### 1.2.11.2 In-Patient Services

During 2005-08, the bed occupancy rate was only 8 to 10 per cent and wards were in dilapidated condition

According to NRHM norms, PHCs/APHCs and Referral Hospitals were to have strength of six beds and 30 beds respectively. In six test-checked districts, indoor patient facilities were not available in the test-checked APHCs, whereas, in 18 PHCs, bed occupancy was 8 to 10 per cent between 2005-06 and 2007-08. In three<sup>83</sup> referral hospitals, bed occupancy was four to seven per cent during 2005-08. Further, there were no separate wards for men and women in any of the three test-checked RHs, 45 PHCs/APHCs.



(Inside view of dilapidated wards of PHC, Barharwa (Sahebganj), PHC, Bharno (Gumla) and APHC, Kenduadih (Dhanbad) L to R)

#### 1.2.11.3 Operation Theatres/Labour rooms

Health units lacked basic essential infrastructural facilities

- Out of 45 test-checked PHCs/APHCs, 67 per cent had no operation theatre (OT) facility and all the test-checked PHCs/APHCs lacked the equipment required for OTs.
- Out of 45 PHCs/APHCs and three RHs, labour rooms were available only in 38 per cent PHCs/APHCs. Labour rooms and minor OTs were not available in any of the test-checked HSCs.
- Joint physical verification (August 2008) of APHC, Kenduadih, Dhanbad revealed that the labour room constructed under the *Rashtriya Sam Vikas Yojana* was non-functional for want of a MO and facilities like water

<sup>83</sup> Barhait (Sahebganj), Jarmundi (Dumka) and Sisai (Gumla).

connection and electricity, despite expenditure of Rs 16.06 lakh having been incurred on the building, equipment and training of *Dai*<sup>84</sup>.

#### **1.2.11.4 Pathological/Blood storage facilities**

According to IPHS norms, pathological test facilities<sup>85</sup> were to be provided to rural people in each PHC and RH.

In 45 test-checked PHCs/APHCs, shortage of pathological test facilities<sup>86</sup> ranged between 56 and 98 *per cent* (**Appendix-1.19**). No blood storage facility was available in any of the test-checked RHs.

#### **1.2.11.5 Water Supply, Toilet and Waste Disposal**

Out of test-checked PHCs/APHCs and HSCs, 56 and 86 *per cent* respectively had no facility of water supply. In all the test-checked HSCs and 64 *per cent* of the test-checked PHCs/APHCs, there was no proper sewerage or waste disposal facility, thereby affecting the cleanliness of surroundings.

#### **1.2.11.6 Mobile Medical Units**

**Excess expenditure of Rs 9.94 crore incurred on purchase of Mobile Medical Units at higher rates**

Under NRHM, one Mobile Medical Unit (MMU) was to be provided in each district to serve outreach areas to make health care services available at the doorstep of rural people. The guidelines regarding MMUs had fixed the ceiling of capital cost as Rs 25.25 lakh<sup>87</sup> for each MMU.

Government purchased 24 MMUs with telemedicine facilities (vehicle model LP 1512, TC/59 of Tata Motors Ltd.) at a cost of Rs 16 crore (unit cost Rs 66.67 lakh) against the permissible cost of Rs 6.06 crore (Rs 25.25 lakh x 24 vehicles), resulting in excess expenditure of Rs 9.94 crore. Further, according to guidelines, MMUs were to contain two vehicles (one for staff and one for essential accessories). Instead, SRCHS purchased large single vehicle<sup>88</sup> which would not be able to ply in hilly, narrow and difficult areas.

Each vehicle was equipped with telemedicine facilities. In a meeting held (December 2007) for the telemedicine project<sup>89</sup>, the Government decided that telemedicine activities of the mobile vans would be finalised with the approval of Indian Space Research Organisation (ISRO). However, treatment through telemedicine facilities was yet to commence as approval of ISRO had not been obtained as of November 2009 for which no reasons were provided by the department.

<sup>84</sup> Female attendant helps in deliveries.

<sup>85</sup> 1) Routine urine, stool and blood tests, 2) Bleeding time, clotting time, 3) Diagnosis of RTI/ STDs with wet mounting, Grams stain, etc., 4) Sputum testing for tuberculosis (if designated as a microscopy centre under RNTCP), 5) Blood smear examination for malaria parasite, 6) Rapid tests for pregnancy / malaria, 7) RPR test for Syphilis/YAW surveillance, 8) Rapid diagnostic tests for Typhoid (Typhi Dot), 9) Rapid test kit for fecal contamination of water, 10) Estimation of chlorine level of water using ortho-toluidine reagent.

<sup>86</sup> Rapid test for pregnant women, diagnosis of reproductive tract infection (RTI)/sexually transmitted disease (STD), blood, urine, stool test *etc.*

<sup>87</sup> Vans for (1) staff (Rs 7.00 lakh), (2) Essential accessories (Rs 18.25 lakh).

<sup>88</sup> LP 1512 TC/59 of Tata Motors Limited.

<sup>89</sup> To introduce the facility of telemedicine by the medical experts irrespective of geographical location of the person in need.



### 1.2.12 Manpower Management

Efficiency and quality of health care services largely depend on the availability of an adequate number of qualified doctors, nurses and other categories of staff in health care institutions and their efficient management. The details of sanctioned strength, men-in-position and vacancies in the State, PHCs/APHCs and details of doctors who remained absent for long periods and were dismissed (June 2008) are given in *Appendices-1.20, 1.21 and 1.22* respectively.

#### 1.2.12.1 Training

According to the guidelines of NRHM, regular training to doctors, medical and para-medical staff was essential for upgradation of their skills.

**During 2007-08, training was imparted to only five and 39 per cent para-medical and medical staff respectively**

- No training was imparted to medical and para-medical staff during 2005-07. However, in 2007-08, training was imparted to only five *per cent* of para-medical staff and 39 *per cent* of MOs. During 2008-09, training to 31 *per cent* of the MOs was imparted.
- Government signed a Memorandum of Understanding (MOU) in March 2005, with the Xavier Institute of Tribal Education (XITE), Jamshedpur, for providing training to medical/para-medical staff from April 2005 to March 2008 and paid Rs 1.25 crore (between March and April 2005) for creating training facilities like residential facilities, training halls, computer rooms, conference halls, training schedules etc. for trainees. XITE also engaged the Tata Main Hospital (TMH), Jamshedpur to create training infrastructure. Accordingly, XITE and TMH, Jamshedpur created essential training infrastructure for providing trainings. However, despite requests (October 2006) from XITE and TMH, the SHS failed to send a single trainee up to June 2008. Meanwhile, the validity period of the MOU lapsed in March 2008, rendering the expenditure of Rs 1.25 crore wasteful.

### 1.2.13 Reproductive and Child Health

#### 1.2.13.1 Antenatal care

Under antenatal care (ANC), pregnant women were required to be provided three check-ups, TT doses and 100 IFA tablets besides regular monitoring of blood pressure, checking of weight (at least thrice during pregnancy), identification of high risk pregnancies, clinical assessment of anaemia and examination of urine. Shortcomings in providing ANC to registered pregnant women during 2006-09 were as given in **Table 7**:

**Table 7: Registered Pregnant women not provided ANC**

Year	Number of pregnant women registered for ANC	Registered pregnant women who received three check-ups	Pregnant women given TT2/booster doses	Pregnant women given 100 IFA tablets
2005-06	NA	NA	NA	NA
2006-07	98416	29971 (30)	38642 (39)	45793 (47)
2007-08	75485	47833 (63)	51601 (68)	80066 (106)
2008-09	508736	337191 (66)	493506 (97)	621791 (122)

*Source: Information from SRCHS. (Figures in bracket indicates percentage)*

There was a decreasing trend in women registered for antenatal care during

2006-08 but it increased during 2008-09.

### 1.2.13.2 Institutional deliveries

**Institutional deliveries of registered pregnant women decreased from 56 to 19 per cent during 2006-09**

NRHM provided for strengthening of maternal health services to ensure safe deliveries by promoting institutional deliveries. Institutional deliveries and skilled attendance at home deliveries, through services of HSCs, was to be encouraged in rural areas.

In the State, no targets were fixed for institutional deliveries during 2005-09. During 2006-09, institutional deliveries<sup>90</sup> decreased from 56 to 19 per cent in respect of registered pregnant women. This was in contrast to the increasing trend in institutional deliveries, before the launch of NRHM which ranged from 17.5 to 28.7 per cent from 1999 (NFHS<sup>91</sup>-II) to 2003 (NFHS-III). Further, during 2006-08, against 6.60 lakh child birth number of registered pregnant women was only 3.76 lakh, which indicated that objective of ensuring safe deliveries in rural areas was still to be encouraged.

In the test-checked districts, even three years after launch of NRHM, during 2005-09, the percentage of institutional deliveries against total deliveries was only 30 and of deliveries by untrained *Dais* about 13. Stillbirths also increased from 868 in 2005-06 to 1,811 in 2008-09.

The percentage of institutional deliveries in two districts,<sup>92</sup> Dumka and Sahebganj declined from 53 and 58 per cent (2005-06) to 39 and 37 per cent respectively as of March 2009.

The decreasing number of deliveries in HSCs and the increasing number of home deliveries without trained attendants was linked to the rate of maternal mortality. This was also confirmed in a report relating to the Maternal Mortality Rate (MMR) and Infant Mortality Rate (IMR) prepared (January 2009) by UNICEF, which stated that two-thirds of maternal deaths occurring in the State were due to inadequate neonatal/postnatal care and dependence of pregnant women on home deliveries.

### 1.2.13.3 Obstetric care

**In 36 PHCs/APHCs emergency obstetric care facilities were not available**

In the test-checked districts out of 39 PHCs/APHCs, emergency obstetric care facilities were not available in 36 due to absence of specialist doctors, non-functional operation theatres, lack of adequate infrastructure, supporting staff and blood storage facilities.

### 1.2.13.4 Janani Suraksha Yojana

To encourage institutional deliveries, the Centrally sponsored *Janani Suraksha Yojana* (JSY) scheme provided cash assistance to all rural pregnant women for undergoing institutional deliveries, immediately after registration and within 24 hours after their deliveries. In Jharkhand, JSY was renamed (2006) as

<sup>90</sup> 2006-07: Target:1,23,910 Institutional Deliveries: 68,900 (56 per cent)  
2007-08: Target: 2,51,867 Institutional Deliveries: 82,417 (33 per cent)  
2008-09: Target: 10,07,752 Institutional Deliveries: 1,92,926 (19 per cent)

<sup>91</sup> National Family Health Survey.

<sup>92</sup> For the period 2005-06 and 2007-08:

Dumka – Total deliveries: 16704 and 20146, Institutional deliveries: 8789 and 7937

Sahebganj - Total deliveries: 7238 and 18895, Institutional deliveries: 4174 and 7063.

*Mukhya Mantri Janani Shishu Swasthya Abhiyan (MMJSSA)*. Audit observed the following:

There were delays ranging between one and 671 days in payment of cash assistance

- Despite Rs 2.50 crore provided by GOI, JSY was not implemented in the State during 2005-06. During 2006-08, there were 6.60 lakh potential beneficiaries of MMJSSA in the State, of which only 3.76 lakh women were registered and only 2.09 lakh women belonging to BPL families were paid cash assistance. Denial of cash assistance to non-BPL women was a setback to the scheme.
- In Hazaribag, 12,744 registered pregnant women were denied payment of Rs 67.27 lakh despite the existence of an unspent balance of Rs 58.77 lakh under the scheme as of March 2009.

In four test-checked districts<sup>93</sup>, there were delays ranging between one and 671 days, in payment of cash assistance to 566 out of 666 beneficiaries.

The deficiencies and inadequacies of antenatal, delivery and other obstetric care services and ineffective implementation of JSY/MMJSSA adversely affected the extent and quality of maternal health care.

#### **1.2.14 Other aspects of Reproductive and child health care**

##### **1.2.14.1 Reproductive Tract Infection and Sexually Transmitted Infection services**

Reproductive Tract Infection (RTI) and Sexually Transmitted Infection (STI) services clinics were to be established at each district hospital to prevent RTI and STI, especially among women. According to records, there were 35,020 cases of RTI/STI in the State during 2006-09. However, in the test-checked districts, RTI/STI cases numbered 65,609 during the same period.

##### **1.2.14.2 Facilities for Medical Termination of Pregnancy**

Medical termination of pregnancy (MTP) was permitted in certain conditions under the MTP Act, 1971. Enhancing the number and quality of facilities for MTP was an important component of the Reproductive and Child Health programme. Of the 39 test-checked PHCs/APHCs of selected districts, facilities for MTP were available in only two PHCs. According to SRCH, there were 10,936 cases of MTP in the State during 2006-09, but during the same period, in the six test-checked districts, 22,755 MTP cases were reported.

#### **1.2.15 Family welfare**

Family planning includes terminal methods and spacing methods to control the total fertility rate and improving the couple protection ratio.

##### **1.2.15.1 Terminal methods**

A number of initiatives were launched (April 2005) under NRHM to achieve the goal of population stabilisation through reduction of the total fertility rate from 3.2 in March 2008 to 2.1 by 2012. However, the percentage of

<sup>93</sup> Dhanbad, Dumka, Gumla and Sahebganj.

There were huge shortfalls in achievements of vasectomies and tubectomies

achievement under vasectomy, tubectomy and laparoscopic tubectomy during 2005-09 remained at 49, 69 and three respectively. No target was fixed for laparoscopy operations for the period 2006-09. The proportion of vasectomies, even after launch of scalpel vasectomies, to total sterilisation, during 2005-09 was only nine *per cent*, which was a manifestation of gender imbalance (*Appendix-1.23*).

In the test-checked districts, the achievements of vasectomy and tubectomy during 2005-09 were 40 and 73 *per cent* respectively. In Dhanbad and Sahebganj, during 2005-09, there were huge shortfalls in the achievement of vasectomy targets ranging between 78 and 84 *per cent*.

#### 1.2.15.2 Spacing methods

Shortfalls in achievement under terminal and spacing methods of family planning reflected insufficient efforts towards population stabilisation

Oral pills, condoms and inter-uterine device (IUD) insertions are the three prevailing spacing methods of family planning to regulate fertility and increase the couple protection ratio. However, the percentage of achievement under IUD insertion and distribution of condoms during 2005-09 was 29 and 5 *per cent* respectively. Similarly, only 18 *per cent* oral pills (36.30 lakh) were distributed against the target of 1.95 crore (*Appendix-1.24*).

In the six test-checked districts, the achievements under IUD, oral pills and distribution of condoms during 2005-09 was 32, 26 and 5 *per cent* respectively. In Dumka and Sahebganj, distribution of condoms was only one and two *per cent* respectively against the target set for 2007-09.

The shortfalls in achievement under terminal and spacing methods reflected insufficiency of efforts towards population stabilisation.

### 1.2.16 Immunisation and Child Health

#### 1.2.16.1 Routine Immunisation

Correctness of reported figures of immunisation was doubtful

NRHM targeted to raise the immunisation level of children from 47.6 to 75 *per cent*. The target for immunisation was set on ad hoc basis, since it decreased in 2007-08 as compared to the targets for 2005-07, even though there was an increase in the population. Children fully immunised in the State during 2005-09 ranged between 55 and 78 *per cent* of the targets fixed. However, the achievement dropped from 78 *per cent* in 2005-06 to 62 *per cent* in 2008-09, even after the launch of NRHM (*Appendix-1.25 A*).

Bacillus Calmette-Guerin (BCG) immunisation was to be given to children once immediately after delivery. As per achievement reports of the State RCH Society, 29.58 lakh and 26.40 lakh children were given BCG and measles injections respectively, while the number of total live births during 2005-09 was only 12.82 lakh. Thus, immunisation under BCG and measles shown during 2005-09 ranged between 231 and 206 *per cent* of live births. This raises doubts over the correctness of reported figures of immunisation (*Appendix-1.25 B*).

#### 1.2.16.2 Pulse polio immunisation

Pulse polio immunisation was launched under RCH-II to eradicate polio and ensure zero transmission by the end of 2008. Eradication of polio cases by 2005 was a priority of the Government. It was seen that the target for 2008-09

**Target and achievement of pulse polio immunisation for 2008-09 increased conspicuously in comparison to 2005-07**

increased conspicuously (988 *per cent*) in comparison with the targets set for 2005-07. Two cases of polio were detected during 2005-07 (*Appendix-1.26*). In five test-checked districts<sup>94</sup>, the achievement under pulse polio immunisation was 98 *per cent* while in Dumka district no target was fixed.

### 1.2.16.3 Cold chain management

Availability of cold chain facilities was a pre-requisite for preserving the potency of vaccines. The status of the cold chain system in the State as of September 2008 was as per **Table 8**:

**Table 8: Status of cold chain system in the State**

Sl. No.	Name of equipment	Available	Functional	Defective (Percentage)	Equipment beyond repair	Remarks
1	Ice Line Refrigerator (ILR) Large	128	09	119 (93)	11	Targets for replacement of 81 pieces of equipment (DF large-50, DF small-15 and ILR large-16 were fixed for the year 2007-09 but State RCH Society failed to replace these as of October 2008.
2	ILR Small	467	16	451 (97)	122	
3	Deep Freezer (DF) Large	70	07	63 (90)	55	
4	DF Small	188	12	176 (94)	108	

(Source: Information from SRCHS)

No effort was made to get the defective cold chain equipment repaired as of September 2008.

In a joint physical verification carried out in Hazaribag, vaccines were found covered with ice packs containing water as DF/ILR were not working. Ad hoc fixation of targets, inconsistency in reporting and ineffective cold chain maintenance pointed towards inefficient implementation of the immunisation programme in order to achieve the target.

### 1.2.16.4 Adolescent health schemes

Under the schemes, adolescent health was required to be improved through awareness about reproductive health and family planning services with emphasis on late marriage, child bearing and improvement in micronutrient services. In six test-checked districts, no work was undertaken during 2005-09 for improvement of adolescent health in HSCs though required under NRHM.

## 1.2.17 National Disease Control Programmes

### 1.2.17.1 Revised National TB Control Programme

The main objective of the Revised National TB Control Programme (RNTCP) was to ensure that the cure rate of TB was at least 85 *per cent* of the number of Sputum Smear Positive cases detected, through following of the Direct Observe Treatment Short course (DOTS). The State Health Policy also set the goal of reducing deaths due to TB by 50 *per cent* by 2010.

The number of TB patients registered, cases evaluated, deaths on account of TB, failure and default cases during 2005-09 were as per **Table 9**:

<sup>94</sup> Dhanbad, Gumla, Hazaribag, Ranchi and Sahebganj.

**Table 9: Details of TB patients registered, cases evaluated, deaths on account of TB, failure and default cases**

Year	TB patients registered	No. of cases evaluated	Cured/ treatment completed	Died	Failures	Defaulters
2005-06	26,127	26,127	22,679	989	331	2,056
2006-07	33,040	33,040	29,177	1,195	368	1,926
2007-08	36,218	NA	NA	NA	NA	NA
2008-09	36,627	NA	32,513	1,211	347	2,308

**The number of deaths due to TB increased from 989 in 2005-06 to 1,211 in 2008-09**

There was a shortfall in sputum examinations (23 *per cent*) and in detection of new sputum positive cases (28 *per cent*) during 2005-09. The number of deaths due to TB, increased from 989 in 2005-06 to 1,211 in 2008-09. Further, in the test-checked PHCs, full services for treatment of TB still had not been started as of March 2009. During a joint



physical verification of APHC/HSC Karamdih with the MO, Sadar Dumka (August 2008), a patient<sup>95</sup> suffering from 'Cervical Gland Tuberculosis' was noticed. On enquiry, the ANMs stated that the patient was first diagnosed in March 2006 at the district TB centre but treatment was not initiated and the patient remained untreated for three years (August 2008).

**The girl suffering from "Cervical Gland Tuberculosis"**

The cure rate under RNTCP was below 85 *per cent* whereas the death rate and failure rate decreased marginally<sup>96</sup>, indicating the limited success of the programme.

### 1.2.17.2 National Vector-Borne Disease Control Programme

**During 2005-08, there was a shortfall in residual spray of DDT in test-checked districts**

The National Health Policy was committed to reduce mortality due to malaria by 50 *per cent* by 2010 and elimination of Lymphatic Filariasis by 2015. The State Health Policy also aimed at reduction of the mortality caused by malaria and other vector and water-borne diseases by 50 *per cent* by 2010.

In comparison with the programme's stipulated achievement<sup>97</sup>, the Annual Blood Examination Rate (ABER)<sup>98</sup> of the State ranged from 6.65 to 10.08 *per cent* during 2005-07, whereas low ABER was noticed in the six test-checked districts<sup>99</sup>. Slide Positivity Rate (SPR)<sup>100</sup> in the State increased from 6.78 in 2005 to 9.24 in 2007, which was much above the permissible norm of five. Annual Parasite Incidence (API) of the State declined from 6.84 in 2005 to 6.15 in 2007, as against the norm of less than two malaria cases per 1,000 population in a year.

<sup>95</sup> Six year old girl of Karamdih village.

<sup>96</sup> Death rate: 2005-06 (3.70 *per cent*) and 2006-07 (3.60 *per cent*). Failure rate: 2005-06 (1.20 *per cent*) and 2006-07 (1.10 *per cent*).

<sup>97</sup> High Annual Blood Examination Rate (ABER) of 10 *per cent* and Annual Parasite Incidence (API) of less than 0.5 per thousand for the country.

<sup>98</sup> ABER: (Blood slide collection X 100) / Total population.

<sup>99</sup> Dhanbad (7.62), Dumka (7.12), Gumla (13.74), Hazaribag (6.86), Ranchi (4.71) and Sahebganj (9.57).

<sup>100</sup> (Total malaria positive cases detected X 100)/Number of blood slides examined.

All the areas having API of two and above were required to be covered under compulsory indoor residual spray of DDT<sup>101</sup> and anti-larva solution. During 2005-08, in the villages of five test-checked districts<sup>102</sup>, the shortfalls in residual spray of DDT ranged between five and 77 *per cent*. Audit observed that spraying of DDT solution in Dhanbad remained 100 *per cent* during 2005-08 and API was also below two *per cent*. The incidence of various vector-borne diseases increased during 2006-07 in comparison to 2005-06, though it decreased in 2007-08. Cases of deaths increased in 2007-08 in comparison to 2006-07 (*Appendix-1.27*).

The high incidence of vector-borne diseases, non-achievement of targets of ABER and API for malaria and insufficient coverage under insecticide protection indicated that the measures taken by the Government towards control of vector-borne diseases were insufficient.

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

The National Programme for Control of Blindness (NPCB) aimed to reduce cases of blindness to 0.8 *per cent* by 2007, through various methods<sup>103</sup>. Deficiencies noticed under the programme were as under:

- The distribution of workload between the private and public sectors<sup>104</sup> for cataract operations was expected to be in the ratio of 1:1. During 2005-08, against the target of 2.15 lakh cataract surgeries, 1.80 lakh<sup>105</sup> were performed, in which participation of the public sector was only five *per cent*.
- In the test-checked districts, against 0.85 lakh of the total targeted cataract operations, the achievement was 0.76 lakh (89 *per cent*) during 2005-08. Year-wise achievements ranged between 15 and 143 *per cent*. In Hazaribag, despite having three eye surgeons, NGOs were engaged for cataract operation in 1138 cases, involving an expenditure of Rs 8.54 lakh, which was avoidable.
- In two test-checked districts (Dhanbad and Sahebganj), several surgical items<sup>106</sup> provided for cataract operations had expired (between July 2006 and January 2008) due to non-performance of targeted surgeries.
- There were 18 sanctioned posts of Eye Surgeons in the State/district societies, against which only 10 were posted as of March 2008. In five test-checked districts<sup>107</sup>, there was shortage of three Eye Surgeons. Besides, 44 Eye Surgeons were required to be trained during 2005-08, but only 26 were given training and in the case of ANMs/Health workers, neither was any target fixed nor training imparted during 2006-08.

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<sup>101</sup> Dichloro Diphenyl Trichloroethane.

<sup>102</sup> Dumka, Gumla, Hazaribag, Ranchi and Sahebganj.

<sup>103</sup> Cataract surgery, strengthening mobile units, training of surgeons and nurses, cataract operations/eye camps, fixing Intra Ocular Lenses (IOL), detection of refractive errors through school eye screening programmes and supply of spectacles, free of cost.

<sup>104</sup> Involvement of private hospitals and NGOs with the Government hospitals.

<sup>105</sup> Government: 0.09 lakh, NGOs and private: 1.71 lakh.

<sup>106</sup> Virgin silk sutures: 40 packets, IOL: 781 packets, Ethilion: 90 packets and Ethicon: 93 packets provided between May 2005 and March 2006.

<sup>107</sup> Dumka, Gumla, Hazaribag, Ranchi and Sahebganj.

- Development of eye banks was an important activity to address corneal blindness. As of October 2008, five (Government: 3 and Private: 2) eye banks were in operation in the State. Further, only three districts<sup>108</sup> had facilities for eye donation. According to the District Blindness Control Society, Gumla, 238 eyes were stated to have been donated during 2005-08, whereas the records of the State Blindness Control Society reflected only 10 eye donations during the same period, indicating unreliability of information and consequential incorrect assessment of the success of the programme.
- The programme envisaged training of teachers in Government and Government-aided schools for screening refractive errors among students and free distribution of spectacles to students having refractive errors. In 21,386 Government/Government aided schools in the State, only 2,664 teachers were trained (March 2008) for screening refractive errors. During 2005-08, only 15,280 (29 *per cent*) spectacles were provided against the detection of 53,508 refractive error cases. In Dhanbad and Hazaribag, 3.15 lakh school children were screened during 2005-09 (July 2008), of which 6,147 children were diagnosed with refractive errors requiring free spectacles. However, only 3,092 spectacles were provided in these districts.

The limited success of different activities for control of blindness indicated ineffective implementation of the programme which resulted in a higher prevalence rate of blindness of 1.4 *per cent* (March 2008) against the target of 0.8 *per cent* by 2007.

#### **1.2.17.4 National Iodine Deficiency Disorder Control Programme**

The aim of the National Iodine Deficiency Disorder (Goitre) Control Programme (NIDDCP) was to prevent the incidence of iodine deficiency disorders and to bring their incidence to below 10 *per cent* in the entire country. The State Health Policy also emphasised (June 2004) reduction in iodine deficiency disorders by 50 *per cent* by 2010. However, no funds were provided during 2005-07 for this purpose. During 2007-08, though Rs 11.50 lakh was allocated to the State RCH Society, no funds were released as of March 2008, for which reasons were not on record.

#### **1.2.17.5 National Leprosy Eradication Programme**

The National Leprosy Eradication Programme (NLEP), supported by World Bank, WHO and other international agencies, was under implementation in the State, with the objective of eliminating leprosy (bringing down the prevalence rate to below one per 10,000 population) by detecting all cases and bringing them under multi-drug therapy (MDT) by 2012.

As per information furnished (January 2009) by the State Leprosy Officer, new leprosy cases detected during 2005-08 were 21,828 and the prevalence rate reduced from 1.31 in 2005-06 to 1.11 in 2007-08. In two of the test-checked districts<sup>109</sup>, the prevalence rate was more than one as of March 2008.

<sup>108</sup> Dhanbad, East Singhbhum and Ranchi.

<sup>109</sup> Gumla (1.13) and Ranchi (1.55).

**Non-utilisation of funds reflected apathy towards controlling iodine deficiency disorder**



## **1.2.18 Internal Control, Monitoring and Evaluation**

### **1.2.18.1 Management Information System**

Monthly reports were not generated in the absence of MIS connectivity

NRHM guidelines envisaged the development of a computer based Management Information System (MIS) for monitoring its activities. According to information furnished by SRCHS, computers were installed in 22 districts as of March 2007 but were not connected through MIS (March 2008). The lack of MIS resulted in non-generation and non-furnishing of monthly reports as envisaged.

### **1.2.18.2 Integrated Disease Surveillance Project**

Surveillance of disease could not be ensured due to non-implementation of IDSP

The Integrated Disease Surveillance Project (IDSP) was launched (2006-07) to establish a State-based system of surveillance for communicable and non-communicable diseases. This included computerisation up to the block level. The project was still to be implemented in the State. Due to non-implementation of programme, surveillance of diseases for initiating timely and effective public health action could not be ensured.

### **1.2.18.3 Health Care Information Management System**

The Health Care Information Management System (HIMS) project was initiated in the PHCs of Ranchi in 2004-05 to avail of the benefits of Information Technology (IT) in health care services. An MOU was signed (December 2004) between the Jharkhand Health Society (JHS), Ranchi and 3Di System India Pvt. Ltd., Mumbai to install HIMS. The work was awarded to the agency without inviting tenders and an advance of Rs 3.15 crore was given to it between April and December 2005.

Scrutiny revealed that internet connections were either not provided or were out of order since the installation of HIMS, resulting in data/information being compiled manually. Further, the agency was to provide maintenance (up to October 2008) of the system but the department terminated the MOU and cancelled the work order midway (March 2008) without adjusting the advances, due to non-submission of financial and progress reports by the agency.

Thus, the entire amount of Rs 3.15 crore, which was given to the private company as advance in violation of norms proved wasteful. Besides, the objective of the HIMS project i.e. leveraging information technology for health care was defeated. No action was taken against the officials responsible for awarding the work to the private company without tenders and for failure to recover the advance of Rs 3.15 crore (November 2009), while cancelling the work orders.

### **1.2.18.4 Internal Audit**

Internal audit was not conducted regularly

Internal audit is an independent appraisal function established within an organisation to examine and evaluate its activities. The department did not have an internal audit wing of its own and its audit was being done by appointed Chartered Accountant firms.

**1.2.18.5 Vigilance**

A separate vigilance mechanism was required to be set up under NRHM in the State for transparent operations and transactions in public interest. However, no Vigilance wing was constituted. In the absence of a vigilance mechanism, the SRCHS/Government could not ensure prevention of cases of fraud and embezzlement.

**1.2.18.6 Inadequate documentation**

The maintenance and upkeep of the records by the PHCs/APHCs/HSCs was poor. Important documents<sup>110</sup> were not maintained properly. The reports sent to higher authorities were incomplete and also contained inaccurate data/information.

**1.2.18.7 Sensitivity to error signals**

The degree of sensitivity to error signals is a measure of the Management's alacrity and sincerity to recognise major causes of underperformance and to take immediate remedial measures. Despite instances pointed out in inspection Reports and periodical audit reports<sup>111</sup> of the Comptroller and Auditor General of India, the deficiencies were still persisting.

**1.2.19 Conclusion**

The goal of National Rural Health Mission for providing quality and adequate health services remained unrealised due to non-assessment of available and required health care services and facilities through proper baseline surveys; non-integration of programmes at the State and district levels; lack of effective community participation; insufficient infrastructure; inadequate budgetary provision; shortage of medicines, equipment and violation of norms of procurement and inadequate human resources. Non-functioning/inadequate functioning of mobile medical units affected the outreach of the programme and the goal of improving accessibility to health care services. Reproductive health care services were at a nascent stage in the State. The targets under the different national disease control programmes were achieved only partially due to incomplete coverage. The Integrated Disease Surveillance Project was yet to be implemented. The department did not have an internal audit wing and a vigilance wing. There was no mechanism for redressal of grievances and evaluation of feedback.

**1.2.20 Recommendations**

- The Jharkhand Rural Health Mission Society should undertake baseline surveys as per prescribed norms and prepare the State's Perspective Plan based on correct district level Plans;

<sup>110</sup> Returns/Reports, Cash Book, Stock Register of medicines, OPD Register etc.

<sup>111</sup> Stores Management System in Health Department (2002-03), Implementation of Welfare Schemes in Dumka District (2003-04), Performance Audit of Primary Health Care Services (2003-04) and Performance audit of Sadar and Sub-divisional hospitals (2005-06).

- Community monitoring should be put in place to plan and monitor health delivery and services;
- The State Government should ensure timely release and effective utilisation of its matching share of funds for NRHM;
- Community Health Centres should be established and essential services (outdoor/indoor *etc.*) should be strengthened at health centres to provide accessible and effective services;
- Instructions contained in the procurement policy of Jharkhand Rural Health Mission Society should be adhered to in the purchase of medicines;
- The State Government should provide adequate manpower and infrastructure facilities including equipment for quality health services;
- Interventions under Reproductive and Child Health may be stepped up to achieve improvements in the maternal mortality rate and total fertility rate. Grant of cash assistance under the '*Janani Suraksha Yojana*' may be streamlined;
- The monitoring system should be strengthened by implementing the Health Management Information System and ensuring timely reporting under the Integrated Disease Surveillance Project.

The matter was reported to the Government (July 2009); their reply had not been received (December 2009).

## HOME DEPARTMENT

## 1.3 Modernisation of Police Force

*Highlights*

*The scheme of Modernisation of Police Force was launched to augment the operational efficiency of the State police force to effectively face the emerging challenges to internal security. Implementation of the scheme in the State suffered mainly due to deficient planning and inadequate monitoring. The Perspective Plan was not prepared and Annual Action Plans were delayed. Construction of non-residential and residential buildings was not given adequate priority and funds were blocked with the Jharkhand Police Housing Corporation Limited. Inadequate infrastructure and facilities in police stations adversely affected field policing. There were large scale deficiencies in all sectors viz., housing, mobility, weaponry, communication, manpower management etc.*

**The Perspective Plan was not prepared by the State Government. Annual Action Plans were submitted and approved with delays up to 111 days, leading to interruption in Plan execution.**

*[Paragraphs 1.3.6.1 and 1.3.6.2]*

**The scheme funds could not be fully utilised in the years of sanction due to belated releases by the Government of India. Inflated utilisation certificates worth Rs 25.31 crore were sent to Government of India. In addition, there was a total diversion of Rs 9.57 crore from the approved Plans.**

*[Paragraphs 1.3.7, 1.3.7.1 and 1.3.7.2]*

**Priority was not given to construction of quarters and police station buildings. Against the requirement of 70 per cent, only 20 per cent of the total Plan outlay was provided for this purpose. The satisfaction level in respect of accommodation was merely 12 and five per cent in the case of upper and lower subordinates respectively.**

*[Paragraphs 1.3.8 and 1.3.8.1]*

**There was mobility deficiency of 46 per cent as in March 2009 which was more than the national average of 43 per cent assessed by the Bureau of Police Research & Development in the year 2000.**

*[Paragraph 1.3.9.1]*

**There was a 24 per cent shortage of main strike weapons with the police forces in the test-checked units. Besides, distribution of weapons was not rational and some units were overarmed.**

*[Paragraph 1.3.10.1]*

**Use of forensic science in crime investigation was not satisfactory. Mobile forensic vans, procured and equipped at Rs 1.80 crore, were underutilised.**

*[Paragraphs 1.3.11.1 and 1.3.11.2]*

**There were large scale vacancies in the police force ranging between 21 and 27 per cent in different cadres. Adequate training was not imparted to police personnel.**

*[Paragraphs 1.3.12.1 and 1.3.14.1]*

**Computerisation of police stations was ineffective and expenditure of Rs 9.31 crore on Police Communication Network/Common Integrated Police Application proved unfruitful. The State police was facing shortage of communication infrastructure and equipment.**

*[Paragraphs 1.3.15.2, 1.3.15.3 and 1.3.15.4]*

**The State Level Empowered Committee did not monitor the implementation of the scheme.**

*[Paragraph 1.3.16]*

### **1.3.1 Introduction**

Government of India (GOI) introduced the scheme of Modernisation of Police Force in 1969 to provide additional infrastructure to the State police for augmenting its operational efficiency to face the emerging challenges to internal security effectively. GOI reviewed the scheme from time to time and in February 2001, a revised scheme involving a substantial outlay of Central assistance was started for a 10-year period starting from 2000-01 to make good the deficiencies in basic police infrastructure as identified by the Bureau of Police Research and Development (BPR&D). The major components covered in the scheme were mobility, communication, weaponry, training, police housing and building, forensic science and computerisation.

### **1.3.2 Organisational set-up**

The Secretary to the Government of Jharkhand, Home Department is the administrative head and the Director General and Inspector General of Police (DG&IGP) is in charge of the implementation of the scheme. The DG&IGP is assisted for this purpose by an Additional Director General (ADG) of Police, an Inspector General (IG), a Deputy Inspector General (DIG), the Director of the Forensic Science Laboratory (FSL) and the Superintendent of Police (SP), Finger Print Bureau (FPB) at headquarters, besides SPs in the districts and other field formations. A State Level Empowered Committee (SLEC) under the chairmanship of the Chief Secretary has been set up to oversee the planning and the implementation of the scheme.

### **1.3.3 Audit objectives**

Performance audit was conducted to assess whether:

- the Perspective Plan and Annual Action Plans were prepared in accordance with BPR&D norms;
- the fund flow was timely and adequate and the funds were utilised for the intended purposes;
- the individual components of the scheme met the tests of economy and efficiency;

- the envisaged infrastructural upgradation was achieved to augment the operational efficiency of the police forces;
- the communication equipment aided better intelligence and investigation;
- the forces were adequately trained and proper facilities for training were created and
- the implementation of the scheme was monitored closely and effectively.

#### **1.3.4 Audit criteria**

The following audit criteria were used to evaluate the performance of the scheme:

- Government of India guidelines for the scheme and instructions issued from time to time;
- Norms prescribed by BPR&D;
- Annual Action Plans;
- Reports of committees on Police Reforms;
- Physical and financial progress reports and
- State Financial Rules, Works Code/Rules, Manual of the department and related instructions.

#### **1.3.5 Scope and methodology of audit**

The performance audit of the scheme for the period 2004-09 was conducted (February-July 2009) by test-checking the records in the offices of the Secretary, DG&IGP, ADG (Special Branch), IG (Provision), IG (Training), SP (Wireless) and Director (FSL). Besides, the records of SPs in six<sup>112</sup> out of 24 districts, one<sup>113</sup> out of four training centres, three<sup>114</sup> out of 10 Jharkhand Armed Police (JAP) battalions and one (IRB-2) out of three India Reserve Battalions (IRB) were also test-checked after selection through the simple random sampling method. An entry conference was held with the Secretary, Home Department and DG&IGP, Jharkhand on May 2009 during which the audit objectives, criteria and methodology were discussed. The audit findings, conclusions and recommendations were discussed with the Chief Secretary in an exit conference held in November 2009. However, response of the Government to the audit observations was not received (December 2009).

#### **Audit findings**

#### **1.3.6 Planning**

As per GOI guidelines, the State Government was to submit to the Ministry of Home Affairs (MHA), a five year Perspective Plan for modernisation, starting from 2001-02. Annual Action Plans (AAPs) were to flow from the Perspective Plan which was to be cleared first by SLEC before forwarding it to MHA by 15 May every year. The release of Central assistance was subject to approval of the AAPs by MHA.

<sup>112</sup> Deoghar, East Singhbhum, Hazaribag, Palamu, Ranchi and West Singhbhum.

<sup>113</sup> Police Training College, Padma, Hazaribag.

<sup>114</sup> JAP-1, JAP-5 and JAP-6.

### 1.3.6.1 Non-preparation of Perspective Plan

Perspective Plan was not prepared

Audit scrutiny revealed that while the department prepared a Perspective Plan for the period 2000-05, the Perspective Plan for 2005-10 was not prepared. The AAPs for 2004-09 were prepared and forwarded to MHA after being approved by the SLEC. Details of AAPs sent and approved by GOI are given in **Table 10**:

**Table 10: Status of Annual Action Plans**

(Rupees in crore)

Sl. No.	Year	AAPs approved by SLEC	AAPs approved by MHA	Curtailement in AAPs	Percentage of curtailements
1	2004-05	36.00	29.72	6.28	17
2	2005-06	40.04	36.04	4.00	10
3	2006-07	53.34	42.81	10.53	20
4	2007-08	50.67	50.67	Nil	-
5	2008-09	50.67	49.74	0.93	2
<b>Total</b>		<b>230.72</b>	<b>208.98</b>	<b>21.74</b>	

Source: DG&IGP, Jharkhand and letters of GOI

Due to limited allocation under the scheme made by Ministry of Finance, GOI, curtailment in the Plan size by MHA ranged between 10 and 20 per cent during 2004-07. However, the curtailment was recoupable by the State's own budgetary savings as shown in **Table 11**:

**Table 11: Budgetary savings of the Home Department**

(Rupees in crore)

Year	Home Department		Modernisation scheme (State Plan)	
	Provision	Savings	Provision	Savings
2004-05	795.90	160.71 (20)	84.35	31.64 (38)
2005-06	1216.53	278.45 (23)	Nil	Nil
2006-07	1175.10	260.38 (22)	Nil	Nil
2007-08	1235.11	173.53 (14)	128.46	80.97 (63)

Source: Appropriation Account; figures in bracket indicate per cent

Though there were savings in the Home Department and the State Plan of the modernisation scheme, the Secretary, Home Department failed to make good the curtailment in the AAPs through these savings.

### 1.3.6.2 Delayed submission and approval of AAPs

Annual Action Plans were submitted and approved with delays leading to interruptions in Plan execution

Audit scrutiny revealed that there were delays of up to 111 days in submission of AAPs by the State Government to MHA. There were delays of 13 to 90 days for approval of the Plans (**Appendix-I.28**) by MHA. Further delays in release of funds to the State Government resulted in overall delays of nine to 24 months in Plan implementation. As a result, the funds could not be fully utilised in the respective years. GOI had to revalidate the sanction of a total of Rs 11.74 crore pertaining to 2004-08 for utilisation during 2005-09.

## 1.3.7 Financial management

The scheme was to be funded by GOI and the State in the ratio of 75:25 based on approved AAPs. To expedite the modernisation process, GOI provided parts of its share directly to ordnance factories for supply of weapons and mine-protected vehicles and to executing agencies like the Jharkhand Police Housing Corporation Ltd. (JPHCL) and the Central Public Works Department

Belated releases of funds by GOI led to underutilisation and delay in execution of the approved Plans

(CPWD) for construction works. The balance share was released to the State Government. The details of Plans approved, funds released by GOI and the State and the expenditure incurred under the scheme including additional plan<sup>115</sup> for 2004-09 are given in **Table-12**:

**Table-12: Financial status of the Scheme including Additional Plan**

(Rupees in crore)

Year	Approved Plan	Central share due	Fund released by		Total available fund	Expenditure		Total expenditure	Utilisation in the year of sanction	
			GOI	State		GOI	State		Amount	Per cent (10 to 6)
2004-05	29.72	22.29	20.59	8.99	29.58	20.59	8.99	29.58	18.24	62
2005-06	36.04	27.05	26.58	8.80	35.38	26.58	8.80	35.38	35.38	100
2006-07	42.81	32.11	31.30	10.81	42.11	31.30	10.81	42.11	41.98	100
2007-08	50.67	38.00	37.45	12.60	50.05	37.32	12.30	49.62	41.65	83
2008-09	49.74	37.31	37.77	11.97	49.74	30.93	9.51	40.44	40.44	81
<b>Sub total</b>	<b>208.98</b>	<b>156.76</b>	<b>153.69</b>	<b>53.17</b>	<b>206.86</b>	<b>146.72</b>	<b>50.41</b>	<b>197.13</b>	<b>177.69</b>	<b>86</b>
<b>Additional Plan</b>										
2005-06	13.51	13.51	13.51	Nil	13.51	13.51	Nil	13.51	5.20	38
2006-07	21.70	16.63	16.63	5.07	21.70	14.18	4.88	19.06	17.43	88
2007-08	18.00	13.50	13.50	4.50	18.00	12.48	4.50	16.98	Nil	Nil
2008-09	20.00	20.00	20.00	Nil	20.00	20.00	Nil	20.00	Nil	Nil
<b>Sub total</b>	<b>73.21</b>	<b>63.64</b>	<b>63.64</b>	<b>9.57</b>	<b>73.21</b>	<b>60.17</b>	<b>9.38</b>	<b>69.55</b>	<b>22.63</b>	<b>31</b>
<b>G. total</b>	<b>282.19</b>	<b>220.40</b>	<b>217.33</b>	<b>62.74</b>	<b>280.07</b>	<b>206.89</b>	<b>59.79</b>	<b>266.68</b>	<b>200.32</b>	<b>72</b>

Source: DG&IGP, Jharkhand

It can be seen from the table that there was a short release of Rs 3.07 crore by GOI during 2004-09. Though 100 per cent funds were utilised during the period 2005-07, in the subsequent years, the utilisation was not adequate due to delay in release of funds by GOI. Further, the department failed to utilise the entire funds released under the Additional Plans during 2007-09 while for 2005-06, it could utilise only 38 per cent of the Additional Plan funds. As a result of less utilisation of fund implementation of the scheme was affected, especially for purchase of weapons, vehicles, communication equipment and construction of buildings.

#### 1.3.7.1 Inflated utilisation certificates

As against Central assistance of Rs 217.33 crore for the scheme released during 2004-09, the State Government was able to issue utilisation certificates for Rs 206.89 crore to MHA. Audit scrutiny also disclosed that against Rs 27.93 crore transferred to JPHCL for construction of buildings, the agency was able to spend only Rs 2.62 crore on the housing sector. However, the entire amount transferred to JPHCL was reported as expenditure in the utilisation certificates issued during 2005-09. Thus, incorrect utilisation certificates for Rs 25.31 crore were reported to MHA.

<sup>115</sup> Plans approved in addition to Annual Plans of MOPF in a particular year under specific sectors viz. mobility, weaponry, housing and communication equipment etc.



### 1.3.7.2 *Diversion of funds*

**There was diversion of funds of Rs 9.57 crore**

It was seen in audit that during 2004-05 and 2006-07, Rs 9.57 crore was diverted for purposes other than those sanctioned by GOI without the approval of SLEC/MHA. Weapons valuing Rs 3.11 crore and general vehicles<sup>116</sup> valuing Rs 4.04 crore were purchased instead of security equipment and mine-protected vehicles respectively. Similarly, unspent balance of Rs 2.42 crore sanctioned for different purposes<sup>117</sup> pertaining to 2004-05 were utilised for construction of Common Integrated Police Application (CIPA) buildings after revalidation in 2006-07.

### 1.3.8 **Construction of residential and non-residential buildings**

**High priority was not given to the construction sector and accommodation for police personnel was ignored**

According to the scheme guidelines, high priority was to be given to the construction sector. BPR&D, in its Plan of 2000-01, projected 70 *per cent* of the total outlay for this sector. Audit scrutiny, however, revealed that provision for only Rs 55.23 crore (20 *per cent*) was made under the scheme during 2004-09 out of the total Plan outlay of Rs 282.19 crore. This indicated that the sector was not given due priority either by the State Government or GOI and the requirement of accommodation for police personnel was totally ignored as discussed in the succeeding paragraphs.

#### 1.3.8.1 *Low satisfaction level of housing*

**Satisfaction levels under housing was 12 and five *per cent* in case of upper and lower subordinates respectively**

The National Police Commission (NPC) recommended housing accommodation for all police persons with special emphasis for upper and lower subordinates<sup>118</sup>. In six test-checked districts, against the requirement of 16,312 quarters, the number of available quarters was only 1,007 (*Appendix-I.29*). Failure to construct the required number of quarters under the scheme showed the apathy of the department in achieving the desired satisfaction level in respect of housing, which could have a significant bearing on the morale of the police force in the State.

#### 1.3.8.2 *Non-construction of police lines*

**Construction of police lines could not be started due to non-availability of land and land disputes**

As per BPR&D norms, the State Government assessed the requirement of 10 police lines in 18 districts in 2005-06, which increased to 16 with the creation of six new districts in the State up to March 2008. Of this, construction of six police lines was approved by GOI in the modernisation Plans for 2005-09 and Rs 23.02 crore was released to three executing agencies<sup>119</sup> between March 2005 and September 2008. However, construction of these police lines could not be taken up as of March 2009 due to non-availability of land and pending land disputes. Thus, the intended purpose of providing residential/non-residential buildings to police personnel of these districts in police lines was defeated, besides blocking of funds amounting to Rs 23.02 crore.

<sup>116</sup> Mahindra Rakshak, Tata 207 Vajra, Tata Spacio, Motorcycle.

<sup>117</sup> Home Guard: Rs 0.32 crore, security equipment: Rs 0.43 crore, weapons: Rs 1.47 crore and mobility: Rs 0.20 crore.

<sup>118</sup> Upper Subordinate: Assistant Sub Inspector to Inspector and Lower Subordinate: Head Constable and Constable.

<sup>119</sup> CPWD for Giridih, Koderma, Latehar and Lohardaga police lines, BCD for Garhwa police line and JPHCL for Pakur police line.

### 1.3.8.3 *Improper infrastructure and security arrangements*

**Police stations/out posts/pickets did not have adequate infrastructural facilities and security arrangements**

Proper infrastructural facility and security arrangements at police stations (PS), out posts (OP) and pickets were essential for providing a better working environment to the police personnel. There were 339 PSs, 92 OPs and 86 pickets in Jharkhand. Audit scrutiny revealed that PS/OP/pickets were deficient in basic infrastructural facilities as well as security arrangements (*Appendix-1.30*). Even Naxal-affected PS/OP/pickets did not have adequate basic infrastructural facilities and security arrangements. Absence of adequate buildings/basic facilities and security arrangements especially in Naxal-affected PS/OP/pickets was fraught with the risk of dire consequences during extremist attacks.

### 1.3.8.4 *Irregularities in execution of works by JPHCL*

JPHCL was the main agency for executing construction works relating to the police department. Irregularities and deficiencies noticed in the execution of works by JPHCL are discussed below:

**There was non/ short imposition of penalty of Rs 5.14 crore**

- As against the target of 235 works taken up during 2004-09, only 161 works were completed. The remaining 74 works were incomplete/under progress. Further, 65 (40 *per cent*) out of the 161 completed works were not handed over to the department.
- According to the terms of the contracts, penalty at the rate of 10 *per cent* of estimated cost was to be levied on the contractors for delayed execution. However, there was a provision for granting extension of time by the competent authority within the due date of completion of work on a written request of a contractor. Test check of records of four<sup>120</sup> out of five divisions of JPHCL revealed that 129 works were completed with delays of three to 26 months. In these cases, time extensions were granted after the due date of completion of works by the Chief Engineer in contravention of the terms of contract. As a result, there was non/short imposition of penalty worth Rs 5.14 crore (*Appendix-1.31*), which was a loss to the department.
- Agency charges at the rate of three *per cent* of the estimated cost of work were admissible to JPHCL. Test check (May 2009) of the records of JPHCL revealed that during 2004-09, administrative costs of Rs 49.94 crore were given to JPHCL for 115 works against the estimated cost of Rs 47.24 crore. The remaining Rs 2.70 crore was retained by JPHCL as agency charges against the admissible agency charges of Rs 1.42 crore. Further, these works were completed at a cost of Rs 44.43 crore but JPHCL retained the savings of Rs 2.81 crore out of the estimated costs. Government took no action to recover the extra charges/savings of Rs 4.09 crore (November 2009), from JPHCL.
- Contrary to GOI's instructions, expenditure of Rs 45.83 lakh on seven repairs and maintenance works<sup>121</sup> was met from the funds of the scheme.
- According to GOI's instructions, interest earned on police modernisation

**Extra agency charges of Rs 1.28 crore was deducted by JPHCL**

<sup>120</sup> Hazaribag, Jungle Warfare, Palamu and Ranchi divisions.

<sup>121</sup> Repair of residential quarters, police stations and helicopter's hanger.

JPHCL earned interest, in violation of GOI's instructions

funds would be a part of the scheme funds to be used on modernisation scheme through supplementary plan after getting approval from GOI. Audit scrutiny (May 2009) revealed that the State Government released funds to JPHCL under the scheme for construction of residential and non-residential buildings. Out of total release of Rs 146.27 crore to JPHCL since its inception to 2007-08, JPHCL deposited Rs 106.01 crore in banks as term deposits with maturity period of two to 60 months and earned interest of Rs 11.79 crore during 2004-09. The interest was not used for the scheme but was shown as earnings in the profit and loss account of JPHCL.

### 1.3.9 Mobility

Police mobility is inextricably linked to police performance. Quick response to crime and law and order not only helps to preserve the lives of people but also ensures that the guilty are brought to justice.

#### 1.3.9.1 Mobility deficiency

There was mobility deficiency of 46 per cent.

According to BPR&D norms, mobility deficiency should be 'nil' in a well-equipped police force. BPR&D assessed the requirement of one heavy, one medium, five light vehicles and five motor cycles for smooth movement of a fleet of 100 police personnel. The position of vehicles in Jharkhand vis-à-vis their requirement as per BPR&D norms as on March 2009 is given in **Table 13:**

**Table 13: Shortage of vehicles with the State police force**

Particulars	Types of vehicles						
	Heavy	Medium	Light	Motor cycles	Sub total (col 2 to 5)	Special <sup>122</sup>	Others
1	2	3	4	5	6	7	8
Available as on April 2004	33	322	887	210	1452	31	117
Proposed for condemnation/off road	1	8	53	10	72	Nil	6
Net availability as on April 2004	32	314	834	200	1380	31	111
Addition during 2004-09	123	416	687	1242	2468	34	137
Total availability as on March 2009	155	730	1521	1442	3848	65	250
Requirement as on March 2009 (as per BPR&D norms)	596	596	2980	2980	7152	-	-
Shortage as on March 2009	441	Nil	1459	1538	3304	-	-

Source: DG&IGP, Jharkhand

There was shortage of drivers to the extent of 61 per cent

It can be seen from the table that there was a shortage of 3,304 (46 per cent) heavy and light vehicles and motor cycles as compared to BPR&D norms which was more than the national average of 43 per cent assessed by BPR&D in the year 2000 while formulating the modernisation plan. Against the available 2,721 four wheelers, the Police Directorate had a sanctioned strength of 1,947 drivers while the men-in-position were only 1,048, which indicated that planning for purchase of vehicles was not commensurate with the sanctioned strength/men-in-position of drivers. Thus, the objective of increasing the mobility of field policing, essential for performance of the police force, was not achieved.

<sup>122</sup> Medium Mine-Protective and Riot Control vehicles.

**Distribution of vehicles in districts was not rational and 53 per cent of vehicles were retained at district headquarters**

### 1.3.9.2 *Inadequate distribution of vehicles*

There were 888 vehicles in five out of six test-checked districts<sup>123</sup>. Of these, 419 vehicles (47 per cent) were deployed in police stations for policing purposes, 181 vehicles (21 per cent) were retained by senior officers and 288 vehicles (32 per cent) were kept as reserve in the police lines. In the backdrop of mobility deficiency of 46 per cent, retention of 53 per cent of vehicles with senior officers and in reserve was quite high. Audit scrutiny revealed shortage of vehicles in police stations as discussed below:

- There were 53 police stations (PSs) in these five districts which required 106 light vehicles and 159 motor cycles as per BPR&D norms. Against this, these PSs had only 67 light vehicles and six motor cycles with shortage of 39 light vehicles (37 per cent) and 153 motor cycles (96 per cent). It was further seen that eight PSs had no vehicle and 27 PSs had only one vehicle. Shortage of vehicles in PSs would have a negative impact on regular patrolling and responding to crime situations.
- In order to prevent casualties of policemen in extremist violence and to effectively counter the Naxal threat, the State Government planned to provide one Medium Mine Protective Vehicle (MMPV), one light and two medium bullet-proof vehicles and 10 motorbikes to each Naxal-affected police station. Against the above requirement, it was seen in audit that in 50 Naxal-affected police stations of the five districts, there were a total of nine MMPVs, two medium and 24 light bullet proof vehicles, 31 medium and 52 light general vehicles and 91 motor bikes. The shortage was mainly in respect of MMPVs, bullet-proof vehicles and motor bikes {41 MMPV (82 per cent), 124 bullet-proof vehicles (83 per cent) and 409 motor bikes (82 per cent)}. Thus, the objective of providing special vehicles to Naxal-affected police stations was not achieved which compromised the goal of countering the Naxal threat effectively.

### 1.3.9.3 *Response time*

**Average reaction and response time were high indicating lack of readiness of police**

Increasing mobility for field policing should result in reduction of response time<sup>124</sup>. The Saraf Committee<sup>125</sup> opined that fixing of maximum response delay time is necessary to induct a sense of purpose and direction and recommended a maximum response delay time of five minutes for police to reach the place of occurrence. Audit scrutiny of sensational reported<sup>126</sup> (SR) cases of five test-checked districts revealed average reaction time<sup>127</sup> of 166 minutes and average response time of 234 minutes during 2008 which were far from satisfactory (*Appendix-1.32*). Palamu, a Naxal-affected district recorded the highest average reaction time (346 minutes) as well as response time (386 minutes), indicating the lack of readiness of the police to combat the crimes/insurgency.

<sup>123</sup> Deoghar, East Singhbhum, Hazaribag, Palamu and Ranchi; West Singhbhum did not furnish this information.

<sup>124</sup> Duration between time of reporting of crime and time of reaching the place of occurrence of crime by police.

<sup>125</sup> A committee on police reforms.

<sup>126</sup> Cases of grievous nature of crimes *i.e.* dacoity, loot, murder *etc.* which are investigated under direct supervision of the Superintendent of Police.

<sup>127</sup> Duration between time of reporting of crime and time of movement of police.

Further, a random check of SR cases in four districts disclosed that in 55 out of 79 heinous crimes, police stations received information regarding the crimes after delays ranging between six hours and 105 days. This indicated that police patrolling, surveillance and intelligence gathering was weak.

### 1.3.10 Weaponry

After creation of the State, the weaponisation programme of the Jharkhand Police had progressed greatly due to exigencies arising out of increase in urban crime, rise of Naxalism etc. Jharkhand Police had phased out its outdated and old arms like .303 rifles and had planned to replace .303 and SLR rifles with modern firearms like AK-47 and Insas rifles. The scale of arms holding was fixed as a modern firearm or main strike weapon for each police personnel.

#### 1.3.10.1 Shortage of main strike weapons

There was large scale shortage of main strike weapons with the police force

Audit scrutiny (February to July 2009) revealed that the central store, responsible for maintaining the inventory of all weapons at the State level, did not maintain any inventory of weapons received from Bihar as a result of bifurcation of the States. It maintained inventories of only the weapons procured after creation of Jharkhand. However, in eight out of 10 test-checked units, it was seen that there was a huge shortfall of main strike weapons including area weapons<sup>128</sup> compared to the requirements as per the sanctioned strength of these units as given in **Table 14**:

**Table 14: Availability and shortage of weapons in test-checked units**

Sl No	Name of units	Sanctioned strength of manpower	All types of weapons		Main strike weapons including area weapons		
			Available	Shortfall	Available	Shortfall	
						Number	Per cent
1	Deoghar	698	1547	Nil	684	14	02
2	Palamu	2412	3221	Nil	1712	700	29
3	Ranchi	4895	5001	Nil	1773	3122	64
4	E Singhbhum	2304	3440	Nil	1335	969	42
5	Hazaribag	1949	2501	Nil	1081	868	45
6	W Singhbhum	2177	1732	445	1161	1016	47
7	JAP-1 <sup>129</sup>	1929	3748	Nil	3410	Over armed by 1481 (77%)	
8	JAP-5	1263	3198	Nil	2292	Over armed by 1029 (81%)	
9	JAP-6	1238	1767	Nil	1194	44	4
10	IRB-2	940	477	Nil	477	463	49
<b>Total</b>		<b>19805</b>	<b>26632</b>		<b>15119</b>	<b>4686</b>	<b>24</b>

Source: SPs of the districts and Commandants of the battalions

It can be seen from the table above that against the requirement of 19,805 main strike weapons, only 15,119 (76 per cent) were available in these units. Deoghar, a non-Naxal district was adequately equipped with main strike weapons whereas five Naxal-affected districts (Palamu, Ranchi, East Singhbhum, Hazaribag and West Singhbhum) had shortfalls of main strike weapons ranging between 29 and 64 per cent. Two units of Jharkhand Armed Police (JAP-1 and 5) were found to be over-armed by 77 and 81 per cent

<sup>128</sup> Main strike weapons: 5.56 mm Insas rifle, AK- 47, 9 mm Sten gun, 9 mm Pistol, .38 revolver, V L Pistol and Area weapons: 5.56 mm LMG, 51 mm Mortar, Hand grenade tube launcher and 7.62 mm LMG.

<sup>129</sup> Jharkhand Armed Police, the main combat force of the State.

respectively whereas the India Reserve Battalion-2 was found to be underarmed to the extent of 49 *per cent*. Shortfall in strike weapons and their irrational distribution could lead to under-performance and casualties in anti insurgency operations, especially in Naxal-affected districts.

### **1.3.10.2 Weapons not in service**

In seven<sup>130</sup> out of 10 test-checked units, 2,433 weapons were not in service, including 2,123 repairable weapons. However, these could not be repaired for want of spare parts and inadequate numbers of armourers. Non-repair of usable weapons affected the weaponisation programme of the police force.

### **1.3.10.3 Inadequate security of weapons**

During joint physical verification of magazines of police lines held in May and June 2009, by Audit along with Sergeant Majors, it was seen that the magazines were lacking in infrastructural facilities like space for storage of weapons, damp-proof rooms, barracks, watch towers, morcha<sup>131</sup> etc. The security arrangements were also far from satisfactory despite the fact that extremists had looted 185 firearms from the magazine of Giridih district in 2005.

### **1.3.10.4 Short supply of arms and ammunition**

- Against purchase orders for 400 Insas LMG and 8,000 Insas rifles during 2006-08, the ordnance factory, Ichhapur, West Bengal supplied only 346 LMG and 7,222 Insas rifles as of March 2009. There was no reason on record for non-supply of 54 LMG and 778 Insas rifles.
- During 2006-07, a purchase order for 6,42,307 ball cartridges of 5.56 mm Insas rifles and 20,000 drill/HD cartridges of 7.62 mm SLRs was placed with the Ordnance Factory Board. Against this order, 7,00,000 ball cartridges and 1,18,283 drill/HD cartridges were supplied (an excess of 57,693 ball cartridges and 98,283 drill/HD cartridges), the stated reason being decreases in rates. Similarly, due to increases in rates, some items were supplied in less quantity than ordered (**Appendix-1.33**). Excess supply of ammunitions resulted in piling up of stock in the Central store. The receipt of arms and ammunitions less than the requirement might have an adverse impact on the preparedness of the police force.

### **1.3.10.5 Shortage of security equipment**

Security equipment like bullet-proof (BP) jackets, helmets, patkas<sup>132</sup> etc. were essential for the safety of the police force involved in anti-insurgency operations. Each person was to have one set of the above-mentioned security gadgets. It was seen in audit that in nine test-checked units<sup>133</sup>, against the sanctioned strength of 19,107 police personnel, there were only 2,305 BP jackets (12 *per cent*), 2,389 BP helmets (12 *per cent*) and 50 BP patkas (0.26

**Magazines of police lines lacked adequate infrastructure and security arrangements**

<sup>130</sup> Deoghar, East Singhbhum, Hazaribag, Palamu, Ranchi, JAP-1 and JAP-5.

<sup>131</sup> Fortified structures for sentries.

<sup>132</sup> A security gadget to protect head.

<sup>133</sup> Naxal-affected districts of East Singhbhum, Hazaribag, Palamu, Ranchi and West Singhbhum; JAP-1, JAP-5, JAP-6 and IRB-2.

per cent). Shortage of these security gadgets left the combat forces vulnerable to injury/death. Further, in an interview, conducted (May and June 2009) by the Audit in the presence of Sergeant Majors of districts, police personnel stated that the BP jackets were too heavy for them due to which smooth movement was not possible during operations. BP helmets provided to them were also stated to be uncomfortable. These aspects had not been taken into account prior to procurement of the security equipment.

### **1.3.11 Forensic Science**

The scheme envisaged provision of modern scientific aids to investigation and development of infrastructure for improving the quality of crime investigation. In Jharkhand, there was one Forensic Science Laboratory (FSL) at the headquarters which was in a stage of augmentation. Besides, 18 Mobile Forensic Vans were in operation in 18 districts (March 2009).

#### **1.3.11.1 Huge pendency in analysis of samples**

**There was huge pendency in analysis of samples**

The samples received in the FSL were required to be analysed as soon as possible. Audit scrutiny disclosed huge pendencies in analysis of samples received in the FSL and continuous increase in the number of pending cases over years. During 1998-2009 (up to March), out of 7,796 samples received, 5,154 were analysed and disposed off, leaving a balance of 2,642 samples pending for analysis. Further, out of 2,642 pending samples, 1,491 (56 per cent) samples were more than five years old and were thus fraught with the risk of deterioration, which could affect the test results.

#### **1.3.11.2 Mobile Forensic Vans**

The field of forensic science being a specialised job, BPR&D suggested provision of Mobile Forensic Science units to each district. The department provided (March 2004) 18 Mobile Forensic Vans, procured, fabricated and equipped at a cost of Rs 1.80 crore during 2003-05, to 18 out of 24 districts for improving the quality of crime investigation. It also sanctioned (December 2005) posts of one Senior Scientific Officer and one Scientific Assistant for each van.

Test check of records of six test-checked districts revealed that graduate constables were deployed in these vans as Senior Scientific Officers. Scientific Assistants had not been appointed as of March 2009. Audit scrutiny of log books of vans disclosed 166 visits by these vans between July 2007 and March 2009 in five districts<sup>134</sup>. Of these, 86 were for reaching crime sites to collect exhibits and 80 (48 per cent) visits were undertaken for private or other purposes like transporting patients, forces, dog squads and visits for official works. In the case of exhibit collection, the work was limited to taking photographs and fingerprints instead of scientific collection, preservation and packaging of physical clues from the site of crime and providing preliminary findings to Investigating Officers. Thus, the objective of improving the quality of crime investigation was not achieved and the vans were not utilised for the intended purpose. This was despite the fact that the matter was reported to the

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<sup>134</sup> Log book was not furnished by West Singhbhum.

Government through Paragraph 4.4.4 of CAG's Audit Report for the year ending 31 March 2007.

### 1.3.12 Manpower management

One of the principal areas of focus under the modernisation scheme was the expeditious filling up of vacancies. BPR&D had recommended an average of two *per cent* annual growth in police manpower in order to keep pace with the population growth.

#### 1.3.12.1 Large scale vacancies

There were vacancies in all the cadres of the police force

The sanctioned strength and men-in-position of the police force in Jharkhand during 2004-09 is given in **Table 15**:

**Table 15: Sanctioned strength and men-in-position in the State police**

Year (as on 1 January)	Officers (Inspector to Assistant Sub Inspector)		Constabulary (Head constable and constable)		Number of constables per officer as per	
	Sanctioned strength	Men-in- position	Sanctioned strength	Men-in- position	Sanctioned strength	Men-in- position
<b>General police force</b>						
2005	5020	3962 (79)	30324	20578 (68)	6.04	5.19
2006	5115	4440 (87)	32310	24991 (77)	6.32	5.63
2007	5468	4285 (78)	31719	23435 (74)	5.80	5.47
2008	5664	4379 (77)	35152	25415 (72)	6.21	5.80
2009	6393	4926 (77)	35944	26343 (73)	5.62	5.35
<b>Special police force (Armed battalions)</b>						
2005	763	627 (82)	11361	8485 (75)	14.89	13.53
2006	763	672 (88)	11402	8831 (77)	14.94	13.14
2007	772	720 (93)	11439	10515 (92)	14.82	14.60
2008	790	697 (88)	11840	10429 (88)	14.99	14.96
2009	1160	849 (73)	16087	12744 (79)	13.87	15.01

Source: DG&IP, Jharkhand; figures in bracket indicate per cent

Audit scrutiny revealed the following:

- There was significant increase in the sanctioned strength of the police force during 2004-09. The increase in the sanctioned strength of the general and the special police force was 6,993 (20 *per cent*) and 5,123 (42 *per cent*) respectively, whereas the men-in-position increased by 6,729 (27 *per cent*) and 4,481 (49 *per cent*) respectively. As a result, the police to public ratio of 9.22<sup>135</sup> increased to 18.89 (based on the sanctioned strength) as on January 2009.
- In spite of the increase in men-in-position in the last five years, vacancies were high, ranging between 21 and 27 *per cent* in officer and constabulary ranks. Further, vacancies in the officers' ranks during 2009 increased compared to the position obtaining in 2004.
- The Committee on Police Reforms, 2000 (Padmanabhaiah Committee) had suggested that the ratio of officers to the constabulary should be improved to 1:4. Against this, the ratio in the State varied from 1:5 to 1:15, which indicated that the State had failed to maintain the strength of the police force as per the suggested ratio.

<sup>135</sup> Assessed by BPR&D in 2000 as police per 10,000 population.



### 1.3.13 Increase in number of crimes

One of the objectives of modernisation of police was to reduce the commission of crimes. Year-wise number of registered crimes in six test-checked districts and the State is given in **Table 16**:

**Table 16: Number of registered crimes**

Sl. No.	Name of districts	Number of registered crimes				
		2004	2005	2006	2007	2008
1	Ranchi	4603	4757	5287	5337	5093
2	Hazaribag	3147	3425	3930	4332	3444
3	Palamu	1594	1894	1724	1802	2169
4	East Singhbhum	2797	3428	3635	3747	3464
5	West Singhbhum	883	1110	1126	1072	973
6	Deoghar	1542	1976	1839	1891	1634
<b>Total</b>		<b>14566</b>	<b>16590</b>	<b>17541</b>	<b>18181</b>	<b>16777</b>
<b>Position in the State</b>						
		<b>34022</b>	<b>37368</b>	<b>39359</b>	<b>41289</b>	<b>41421</b>

Source: Office of Director General & Inspector General of Police, Jharkhand

It can be seen from the table that the number of registered crimes increased by 22 per cent from 34,022 in 2004 to 41,421 in 2008 in the State whereas in the test-checked districts, the increase was 15 per cent despite the scheme being in operation for the last eight years.

### 1.3.14 Training

Training is necessary to address the changing needs of the police force in order to introduce modern technological applications and develop skills. There are four training institutions<sup>136</sup> in Jharkhand. The Jungle Warfare School, Netarhat was yet to be operationalised fully.

#### 1.3.14.1 Absence of planning and insufficient training

There was absence of planning for providing required training

Scrutiny of records of IG (Training) revealed that the department had not prepared any plans to train the police force at regular intervals during 2004-09. Though basic entry grade training was provided to all newly recruited police personnel, refresher and other courses were not given adequate importance as shown in **Table 17**:

**Table 17: Percentage of police force attending training courses**

Year	Men-in-position	Refresher course attended by		Other course attended by	
		Numbers	Per cent	Numbers	Per cent
2005	33652	138	0.41	897	2.67
2006	38934	457	1.17	1454	3.73
2007	38955	793	2.04	6140	15.76
2008	40920	306	0.75	2162	5.28
2009	44862	274	0.61	4645	10.35
<b>Total</b>		<b>1968</b>		<b>15298</b>	

Source: DIG, Personnel Training

During 2004-09, refresher training was given to only 1,968 (six per cent) police personnel against the strength of 33,652 as on January 2005. Similar

<sup>136</sup> Police Training College, Hazaribag; JAP Training College, Padma; Traffic Training School, East Singhbhum and Jungle Warfare School, Netarhat.

was the condition in respect of other courses. Moreover, against the available slot for 735 participants in the refresher course in the Police Training College Hazaribag, during 2004-08, only 494 trainees attended the course, resulting in a shortfall of 33 *per cent*.

#### 1.3.14.2 *Inadequate training infrastructure*

**Police training college did not have adequate infrastructure**

Audit scrutiny of the records of the Police Training College, Hazaribag revealed the following shortcomings:

- The infrastructure of the training college was inadequate. Out of two hostels with accommodation facilities for 195 trainees, one hostel having facility for 150 trainees was in bad condition. Further, the college had only two classrooms with seating capacity for only 120 trainees.
- Against the requirement of 266 weapons, there were only 102 weapons in the college, resulting in a shortfall of 38 *per cent*.
- During 2004-09, out of 183 training courses included in the Annual Plans, the college conducted only 134 (73 *per cent*) courses with a shortfall of 27 *per cent*. Moreover, it organised 93 courses beyond the scope of the Annual Plans which indicated that the Annual Plans were not prepared as per training needs of the police force.

#### 1.3.14.3 *Shortage in target practice*

Annual target practice in four<sup>137</sup> out of six test-checked districts was deficient and the shortfall ranged between 73 and 78 *per cent* during 2004-09 as given in **Table 18**:

**Table 18: Shortfall in target practice by the police force**

Sl. No.	Name of Weapon	Number of personnel trained	Total rounds to be fired as per BPR&D norms	Total rounds fired	Average rounds fired by each person	Shortfall in rounds each person ( <i>per cent</i> )
1	7.62 mm SLR	1505	40 rounds every four years	15515	10	30 (75)
2	9 mm carbine	132		1282	10	30 (75)
3	.38 revolver/9 mm pistol	145		1548	7	33 (83)
4	5.56 mm Insas rifle	1710		18064	11	29 (73)
5	AK-47 rifle	399		3465	9	31 (78)

Source: Superintendents of Police

### 1.3.15 **Computerisation and communication**

#### 1.3.15.1 *Computerisation at headquarters offices*

The computerisation programme of the Jharkhand Police was taking shape from 2004-05 onwards. Networking at the Police Headquarters and in the offices of IGs, DIGs and SPs had been done. As a part of the National e-Governance Plan, a Data Centre in the Special Branch had been started from 2008-09.

<sup>137</sup> Deoghar, East Singhbhum, Palamu and Ranchi.

Objective of transfer of data from PSs to headquarters was not achieved

### **1.3.15.2 Common Integrated Police Application**

The Common Integrated Police Application (CIPA) was introduced (2003-04) by GOI with a view to record data of crimes and criminals by computerising the Headquarters office, Range offices, SP offices, SDPO offices and all PSs in the State with online connectivity so as to access/transfer data to/from each other. For this project, Rs 5.40 crore was sanctioned during 2003-04 and 2006-07. The project was to be completed by October 2006.

In the first phase, out of 156 computers with accessories supplied by NIC, only 71 were installed in 27 PSs (September 2007) out of 38 PSs of Ranchi district. In the remaining 11 PSs, systems could not be installed for want of site preparation (March 2009). Meanwhile, GOI excluded the implementation of CIPA from the modernisation scheme from 2008-09 with the introduction of the Crime and Criminal Tracking Network System. Further scrutiny revealed that the Police Stations, equipped with computers under CIPA, were doing only data entry in regard to FIRs and Case Diaries for the year 2000 onwards. Moreover, networking was not provided to PSs. Thus, the basic objective of access/transfer of crimes and related data from the PS level to the police Headquarters level was defeated, even after incurring expenditure of Rs 4.86 crore (March 2009).

### **1.3.15.3 Inadequacy of wireless sets and accessories**

Audit scrutiny revealed that the shortfall in the required number of VHF, HF and hand-held sets were 30, 57 and six *per cent* respectively. The available sets included 331 (five *per cent*) defective or damaged sets. The number of batteries, needed for smooth operation of these sets, was short by 63 *per cent*. Further, out of 2,792 batteries, 1,914 (69 *per cent*) batteries procured prior to December 2006 had almost outlived their normal life of two years.

As per BPR&D norms, each armed battalion required 100 wireless sets<sup>138</sup>. It was, however, seen in audit that out of three test-checked JAPs, JAP-6 had no set and JAP-5 had only one VHF set, indicating the poor quality of operational preparedness of armed battalions.

### **1.3.15.4 Police Communication Network**

Police Communication Network (POLNET), a satellite based network to provide nationwide voice, data and message communication, was to be completed by the Directorate of Co-ordination Police Wireless (DCPW) by November 2006 at a cost of Rs 4.45 crore, sanctioned by GOI.

Audit scrutiny revealed that:

- equipment for Very Small Aperture Terminals (VSAT) and Multi-Access Radio Telephony (MART) were installed in 17 out of 24 districts (between September 2004 and September 2005) but were not functioning;
- the Hybrid station installed in the State capital was defective and
- Basic Subscriber Units (BSUs) located at VSAT sites in districts and Remote Subscriber Units (RSUs) at PSs were not functioning except in

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<sup>138</sup> Two HF (100 watt), 14 HF (15 watt), 20 VHF (20 watt) and 64 VHF (5 watt) sets.

one district as in maximum cases, the BSU antennae were broken.

Non-functioning of POLNET was attributed to non-repair of systems by the vendor and lack of trained manpower required for its operation. Thus, the objective of POLNET to provide nationwide communication was not achieved and the expenditure incurred on it was rendered largely unfruitful.

**SLEC did not monitor the implementation of the scheme**

### **1.3.16 Monitoring and evaluation**

State Level Empowered Committee was responsible for monitoring the progress of implementation of the approved Annual Plans by holding one meeting every month and by deputing teams of officers who would visit fields and make periodic assessments regarding implementation of the scheme. It was, however, noticed that the SLEC met only five times just for approving Annual Plans during 2004-09 against the required 60 meetings. Mid-term reviews, to be conducted after every two years, as per the guidelines of GOI issued in 2001, were not conducted. Further, the physical targets and status of achievement were also not being reported to GOI. Thus, monitoring was poor both at the department and Government level.

### **1.3.17 Conclusion**

The pace of implementation of the modernisation scheme for the State Police Force was far from satisfactory. The Perspective Plan was not prepared. Ad hoc Annual Plans were prepared and submitted late, leading to delays in implementation. Housing facilities for police personnel were not adequate. Police stations/out posts/pickets lacked basic infrastructural facilities and security arrangements. Mobility deficiency was high. Average reaction and response time was unsatisfactory. The striking ability of the police force was compromised due to dependence on outdated weapons and shortage of security equipment. In crime investigation, the role of forensic science was minimal. Adequate training was not provided to police personnel. Computerisation and communication network was ineffective. There was absence of monitoring. All the above indicated that the main objective of 'Modernisation of Police Force' scheme was far from being achieved.

### **1.3.18 Recommendations**

- The State Government should prepare a roadmap including a long-term Perspective Plan for modernisation of its police force, after analysing the gaps and requirement, based on Bureau of Police Research and Development norms.
- Financial management should be streamlined to ensure timely utilisation of funds for the intended purpose.
- Quantifiable targets and specific timelines should be fixed for upgradation of weapons, mobility, computerisation and communication systems and progress monitored.
- Civil works like construction of residential buildings, police lines, police stations/outposts should be taken up and completed on a war footing.

- Adequate training should be planned and ensured to police personnel for addressing the changing needs of police force.
- The monitoring mechanism should be strengthened to ensure the implementation of the scheme in an effective and time bound manner.

The matter was reported to the Government (September 2009). Their reply had not been received (December 2009).

## ENERGY DEPARTMENT

### 1.4 Working of Jharkhand Renewable Energy Development Agency

#### 1.4.1 Introduction

The Jharkhand Renewable Energy Development Agency (JREDA) was set up in February 2001 under the Energy Department, Government of Jharkhand to explore, exploit, promote and popularise new and renewable energy sources through planning, investigation, research and development, field testing and demonstration. The objective of JREDA was to encourage the use of renewable energy sources by offering incentive, to users in the form of subsidy.

Exploring of renewable sources of energy in the State assumes importance as only 10 and 24.3 *per cent* of rural and other households respectively are electrified in the State<sup>139</sup>. Besides, villages are spread far and wide and fall in hilly and inaccessible regions where non-conventional sources of energy emerge as a viable alternative to meet the energy requirements.

For promoting the use of non-conventional and renewable energy, Government of India set up the Department of Non-Conventional Sources of Energy in 1982 which was subsequently made the Ministry of New and Renewable Energy (MNRE) in October 2006. MNRE implements its programmes through various State agencies. Out of the various programmes of MNRE, JREDA was implementing the programmes like Solar Photovoltaic, Remote Village Electrification, Solar Thermal, Biogas etc.

A review of the working of JREDA for the period 2002-09, was conducted during January to April 2008 and February 2009 through test check of its records to examine its performance and financial management. In order to verify certain aspects of the working of JREDA, joint field verification in seven villages of two<sup>140</sup> districts was also carried out.

#### 1.4.2 Organisational Structure

JREDA was created with a 13 member Managing Committee (the Committee) comprising of the Energy Secretary as ex-officio Chairman, Secretaries of six departments<sup>141</sup>, heads of four institutions<sup>142</sup> and two internal members<sup>143</sup>. The Committee had the power to approve the policies, programmes, budgets, annual reports etc.

<sup>139</sup> Economic Survey of Government of Jharkhand for 2007-08.

<sup>140</sup> Dumka: Fulsari, Paharidih and West Singhbhum: Baida, Dhubila, Jatarma, Nilchakrapada and Tunga.

<sup>141</sup> Agriculture, Finance, Forest & Environment, Industry, Planning and Rural Development Departments.

<sup>142</sup> 1. Chairman, Jharkhand State Electricity Board, 2. Director, Mines, Jharkhand, Ranchi, 3. Director, Birla Institute of Technology, Mesra, Ranchi and 4. Principal, National Institute of Technology, Jamshedpur.

<sup>143</sup> Director and Project Director.

### 1.4.3 Planning

JREDA did not prepare any long term Plan and Annual Action Plans were prepared on ad hoc basis

Though the JREDA was committed to the objective of meeting the energy requirements of the State for domestic and irrigation use by generating additional power through the use of new and renewable sources of energy, audit scrutiny revealed that JREDA had not prepared any long term plan to explore, exploit and promote new and renewable energy sources. Annual Action Plans were prepared for promoting and popularising solar and bioenergy sources through installation/sale of solar photovoltaic systems, solar water heating systems, biogas plants and improved ovens but these were framed on ad hoc basis only. There was no confirmed basis for fixation of targets and there were no targets for previous years. Further, Annual Action Plans were not prepared for geothermal, wind, biomass and hydel energy.

### 1.4.4 Financial management

JREDA's financial resources and its utilisation during 2002-09 were as shown in Table 19 below:

**Table 19: Funds received, expenditure and savings**

*(Rupees in crore)*

Sl. No.	Year	Funds received			Expenditure			Savings			Saving (In per cent)
		GOI	State	Total	GOI	State	Total	GOI	State	Total	
1	02-03	0.30	3.00	3.30	0.23	1.54	1.77	0.07	1.46	1.53	46.36
2	03-04	6.57	6.10	12.67	5.74	1.72	7.46	0.83	4.38	5.21	41.12
3	04-05	6.13	5.17	11.30	5.26	3.18	8.44	0.87	1.99	2.86	25.30
4	05-06	5.73	28.73	34.46	5.59	23.18	28.77	0.14	5.55	5.69	16.51
5	06-07	9.40	41.04	50.44	9.40	27.09	36.49	0.00	13.95	13.95	27.65
6	07-08	10.61	40.00	50.61	7.32	36.49	43.81	3.29	3.51	6.80	13.44
7	08-09	NIL									
<b>Total</b>		<b>38.74</b>	<b>124.04</b>	<b>162.78</b>	<b>33.54</b>	<b>93.20</b>	<b>126.74</b>	<b>5.20</b>	<b>30.84</b>	<b>36.04</b>	<b>22.14</b>

Source: Financial statement made available by JREDA

Audit noticed the following:

Though JREDA was to arrange its resources in the form of loans, subsidies, grants-in-aid and financial assistance from Government, semi-Government organisations and other institutions to finance its activities, no initiative to mobilise additional resources from non-governmental sources was taken by it, leaving it totally dependent on funds received from Government of India and the State Government.

Instances of financial irregularities, noticed in audit, are discussed in the succeeding paragraphs.

- As stated, Rs 36.04 crore (22.14 per cent) was not utilised.
- Para 19 of the Articles of Association of JREDA envisaged that the Controller of Finance would negotiate cheques and other such instruments jointly with the Director. However, no Controller of Finance was appointed in the JREDA and expenditure of Rs 126.74 crore was incurred during 2002-09.
- Rupees 10.60 crore, deposited (November 2007) in a Personal Ledger Account (PLA) of the Director, JREDA lapsed on 1 April 2008 due to non-renewal of PLA. Further scrutiny revealed that JREDA created an

JREDA spent money without appointing a Controller of Finance

interest liability of Rs 5.14 crore up to March 2009, as this fund was sanctioned in March 2002 by GOI as a loan at a compound rate of interest of 13 *per cent* per annum payable in 10 instalments, besides blocking the fund for more than two years.

**Defalcation of Rs 21.18 lakh, paid for works not supported by documents, could not be ruled out**

- MNRE provided (April 2004) Rs 1.38 crore for electrification (through solar photovoltaic systems) of 88 schools and hostels for Schedule Castes. An equivalent amount was to be provided by the State. However, as the State could not provide its share on time, JREDA returned (July 2007) Rs 1.54 crore, with the interest earned, to MNRE. Thus, the purpose for which GOI sanctioned the fund *i.e.* benefit of Scheduled Caste students, was defeated.
- During 2003-06, Rs 21.18 lakh was paid to executing agencies for printing of pamphlets/leaflets, publication of tender notices, press notes etc. but evidence of execution of works like stock entries and paper cuttings of tender notices, press notes etc. were not on record. Further, payment of Rs 7.70 lakh in six cases was made without the required sanction of the Director. Thus, the possibility of defalcation of Rs 21.18 lakh could not be ruled out.
- Perusal of the Chartered Accountant's report revealed that during 2005-06, 650 Solar Street Lighting Systems (SLS) and 221 Domestic Home Lighting Systems (DLS) were sold for Rs 43.72 lakh by the then storekeeper of the JREDA without the required issue order. Out of Rs 43.72 lakh, only Rs 12.58 lakh was taken into the account while Rs 31.14 lakh was defalcated. No action was initiated by JREDA against the storekeeper as of March 2009.
- During 2005-06, the stock of JREDA was short by 73 DLS and 23 SLS worth Rs 7.47 lakh. No responsibility was fixed for this shortage/pilferage as of March 2009.

**Annual accounts and reports were neither approved by the Managing Committee nor submitted to the Government**

#### **1.4.4.1 Annual Accounts and Reports**

According to paras 12, 22 and 23 of the Articles of Association, the Annual Accounts of JREDA were to be audited by a Chartered Accountant followed by supplementary audit by the Comptroller and Auditor General of India or his authorised Chartered Accountant. Annual Accounts and Reports, duly approved by the Managing Committee were to be submitted to the State Government every year by the end of June.

Though, the accounts for the period 2002-06 were prepared by Chartered Accountants, approval of the Managing Committee and submission to the Government was not ensured. This resulted in denying the Government access to the accounts, an important management aid to control and monitor the performance of JREDA. No accounts had been prepared thereafter.

#### **1.4.5. Programme implementation**

The State has immense scope for meeting its energy needs from sources like biomass, solar, geothermal, wind, water etc. due to large scale availability of barren and unutilised land, numerous waterfalls, presence of geothermal sites (60 out of 340 sites in India), abundant sunlight, water and wind. Although in



**JREDA has not taken up any projects on new and renewable sources of energy**

**The shortfall in achievement of targets was 99.76 per cent in 2006-07**

**Installation of 493 DLSs at Rs 73.90 lakh was doubtful**

its ninth year of establishment<sup>144</sup>, JREDA is yet to take up on geothermal, wind, hydel and biomass projects. Out of the various programmes<sup>145</sup> of MNRE, JREDA was mainly implementing solar photovoltaic, solar water heating systems, biogas plants and improved oven programmes even though it was the nodal agency of MNRE in the State.

#### **1.4.5.1 Remote Village Electrification Programme**

The programme aimed to electrify villages not taken up for electrification by the Jharkhand State Electricity Board (JSEB). The entire expenditure for the programme was borne by GOI in the form of subsidy.

JREDA, on receipt of the list of such villages from JSEB, was to install solar photovoltaic systems like Domestic Home Lighting Systems (DLS) and Solar Street Lighting Systems (SLS) at selected sites in villages after carrying out field surveys. During 2004-09, the physical targets and achievements under the programme were as given in **Appendix-1.34**.

JREDA did not fix any targets for 2004-05 and 2007-08 for which there was no reason on record. The shortfall in achievement of target was 99.76 per cent during 2006-07. In 2008-09, JREDA did not undertake any activity as funds were not released by GOI. Absence of targets/activities during 2004-05 and 2007-08 and major shortfalls, indicated an unplanned and inadequate implementation of the programme.

Deficiencies noticed in programme implementation are discussed below:

- During 2004-06, Central Electronics Limited was paid Rs 5.60 crore for supply and installation of 3,730 DLSs. However, as per the entries in invoice, supply was of only 3,237 DLSs. Further, transporters' challans, consignees' notes and receipts of consignees were not available on record. Thus, the possibility of non-installation of 493 systems worth Rs 73.90 lakh could not be ruled out.
- Rajasthan Electronics and Instruments Limited was paid (December 2004) Rs 19.83 lakh for supply and installation of 10 SLSs and 204 DLSs on submission of a photocopy of an invoice (No. 4418 dated 25.10.2004) by overwriting the details. Audit scrutiny revealed that Rs 1.60 lakh had already been paid (November 2004) on the original invoice (No.4418 dated 25.10.2004) for supply and installation of eight SLSs. (**Appendix-1.35** and **1.36**) Thus, the installation of 10 SLSs and 204 DLSs was doubtful.
- The inventory of 67 out of 103 test-checked villages of nine districts<sup>146</sup> revealed that 842 out of 9,935 DLS (stated to be installed during 2002-04) were recorded without modules and battery numbers and 1,504 systems were recorded as not available/not received. Thus, the possibility of

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<sup>144</sup> Earlier Bihar Renewable Energy Development Agency was responsible for the area under Jharkhand of undivided Bihar.

<sup>145</sup> Bioenergy (Biogas plants, Energy from biowastes, Biomass energy, Improved Ovens), Geo-thermal Energy, Hydro Energy (Small/mini/micro Hydel projects), Solar Energy (Solar Thermal and Solar Photovoltaic Programmes) Wind Energy (Wind Mills and Pumps, Aero Generators), etc.

<sup>146</sup> Bokaro, Deoghar, Dumka, Garhwa, Giridih, Godda, Palamu, Ranchi and West Singhbhum.

non-installation of 2,346 DLS (23.61 *per cent*) valuing Rs 2.91 crore could not be ruled out.

- As per the provision contained in para 2.2 of the Articles of Association, JREDA was required to plan, promote, undertake, co-ordinate, finance and execute projects which permitted field applications of non-conventional energy. Audit scrutiny revealed that JREDA identified 3,011 villages with population of less than 100 only in 2008-09 where electrification through non-conventional sources only was viable. However, no plan for electrification of these villages was prepared by JREDA as of March 2009. These villages were also not taken up by Jharkhand State Electricity Board (JSEB) under any ongoing rural electrification programme.

#### 1.4.5.2 Solar Photovoltaic Programme

**Shortfalls in achievement up to 92 per cent reflected the inability of the JREDA to extend the reach of the programme**

Under this programme, solar photovoltaic systems like solar lanterns (SL), DLS and SLS were sold to beneficiaries at subsidised rates (between Rs 1,000 and Rs 21,000 per system during 2002-09). Physical targets and achievements of the programme during 2002-09 are as shown in **Appendix-1.37**.

It can be seen that there were shortfalls of 79 *per cent* (2002-03), 92 *per cent* (2003-04), 63 *per cent* (2004-05) and 25 *per cent* (2005-06). Due to non-release of funds by GOI there was no activity during 2008-09. The shortfall reflected the failure of the JREDA to reach the targeted villages/people.

Deficiencies in programme implementation are discussed in the succeeding paragraphs.

**The sale of solar lanterns valuing Rs 1.53 crore to beneficiaries was doubtful**

- JREDA paid (December 2005) Rs 1.53 crore to M/s Ritika Systems Private Limited for supply (October to December 2005) of 4,000 SL without obtaining documents (transporters' challans and consignees' notes) as proof of supply. Stock entries were also not authenticated by the Project Officer, as stipulated. Of these, 3,800 systems were shown as issued (December 2005) to three districts<sup>147</sup> and 200 systems as sold by the JREDA. However, acknowledgements of the concerned district authorities/issue orders and acknowledgement of beneficiaries were not available on record. Further, a supply order was placed on 16 September 2005 while the agreement with the supplier was entered into on 4 October 2005 on non-judicial stamp paper dated 6 October 2005.
- District authorities are required to send ration cards/voter identity cards of the beneficiaries to the JREDA in support of sale of systems. Further, MNRE prohibits issue of more than one system to an individual/private body. However, against the stated sale of 45,229 SL, 556 DLS and 1,056 SLS to beneficiaries of 14 districts<sup>148</sup> during 2005-06, evidence in support of sale of 22,681 SL, 427 DLS and 1,043 SLS was not available on record. Further, in contravention of MNRE's guidelines, 1,619 SL were issued in bulk to seven Village Energy Committees<sup>149</sup> (VEC) and three individuals during 2004-05. The details of distribution of these systems and receipts of

<sup>147</sup> Godda, Jamtara and Pakur.

<sup>148</sup> Chatra, Deoghar, Dhanbad, Giridhi, Godda, Gumla, Hazaribag, Jamshedpur, Latehar, Pakur, Palamu, Sahebganj, Saraikela-Kharsawan and West Singhbhum.

<sup>149</sup> A committee of beneficiaries (villagers) for security, operation etc. of installed systems.

beneficiaries were also not obtained. Thus, sale of 24,300 SL, 427 DLS and 1,043 SLS valuing Rs 13.21 crore at subsidised rates to the intended beneficiaries was doubtful and the possibility of sale of the systems in the open market could not be ruled out.

- During 2002-06, 15,174 SL, 1,609 DLS and 782 SLS worth Rs 9.07 crore were shown as sold to beneficiaries by the JREDA. However, issue orders and acknowledgements of the beneficiaries were not on record.
- As per MNRE guidelines, manufacturers of at least one component of solar systems were eligible for supply of solar systems. During 2005-06, though no documentary evidence (transporters' challans, consignees' notes and receipts of consignees) were submitted by the suppliers, the JREDA paid Rs 11.35 crore to six suppliers dealing in confectioneries, cosmetics, electrical cable and wires, steel and aluminum sheets, glass works etc for supply of 20,000 SL and 1,250 SLS, though they were not eligible.
- During 2005-06, the JREDA paid Rs 76.50 lakh for supply of 2,000 SLs against two invoices bearing handwritten numbers and without stamp/seal of the authorised signatory.
- An agency was paid (January 2006) Rs 19.13 lakh for supply of 500 SL to JREDA. However, the challan submitted (16 January 2006) with the invoice mentioned supply of only 400 SL. Thus, the stated supply of 100 SLs worth Rs 3.83 lakh was fictitious.
- Seven<sup>150</sup> suppliers were paid (2002-06) Rs 1.80 crore for supply of 2,759 SL, 691 DLS and one SLS, which were not recorded in the stock register of the JREDA. Similarly, M/s SG Enterprises was paid (December 2005) Rs 88.80 lakh for supply of 300 SLS to Aditya Solar Shop (GOI approved retail outlet) but no entry on this account was available in the stock register of Aditya Solar shop.
- The module and battery numbers of systems received or sold and details of beneficiaries though required were not recorded in the stock register of Aditya Solar Shop. Further, the owner of Aditya Solar Shop was also a supplier of solar systems to the JREDA. Given the fact that the supplier was also the owner of a retail outlet, misappropriation of stores, especially the sales not supported by necessary documents, could not be ruled out.

#### **1.4.5.3 Solar Thermal Programme**

JREDA took up the installation of solar water heating systems, offering a subsidy of Rs 50 per litre<sup>151</sup> to beneficiaries. Physical targets and achievements of the programme during 2002-09 were as shown in **Appendix-1.38**.

The shortfall was 83 per cent in 2005-06, 76 per cent in 2006-07 and 27 per cent in 2008-09. Due to non-achievement of targets fixed for 2005-07 which were higher as compared to the previous years and were fixed without assessing the actual requirements, the targets were reduced during 2007-09.

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<sup>150</sup> M/s Kamla, Mellinium Enterprises, PPS Enviro, REIL, Sungrace Enterprises, SG Enterprises, SEL

<sup>151</sup> Subsidy decided on the basis of the volume of the system measured in litre.

Payment of Rs 13.91 lakh was made without sanction/work order and certificate of installation

Audit scrutiny revealed that subsidy of Rs 13.91 lakh was paid to a firm for installing solar water heating systems of the capacity of heating 27,825 litres of water in houses of 31 beneficiaries during 2004-09. However, in 21 cases, subsidy of Rs 10.01 lakh for 20,025 litres was paid without sanction/work order and in 10 cases, subsidy of Rs 3.90 lakh for 7,800 litres was paid without obtaining certificates of installation from beneficiaries, thus indicating the possibility of misappropriation of subsidy.

#### 1.4.5.4 Biogas Programme

JREDA could not utilise the biogas potential in an agrarian State

JREDA was to implement a biogas programme for the rural populace by releasing subsidy of Rs 4,000 up to 2005-06 and Rs 5,700 during 2006-07 per biogas plants. Physical targets and achievements of the programme during 2002-09 were as shown in *Appendix-1.39*.

Though, the shortfall in achievements was 94 per cent (2002-03), 96 per cent (2003-04), 90 per cent (2004-05) and 35 per cent (2005-06), JREDA did not make any effort to popularise the potential of biogas in a predominantly agrarian State where the second most important source of livelihood was cattle raising.

#### 1.4.5.5 Improved ovens (Unnat chullahs)

JREDA made negligible efforts towards providing smokeless *chullahs* to the people of remote villages

*Unnat chullahs*<sup>152</sup> were designed with the objective of offering pollution-free environment, reducing cooking time, reducing cutting trees for fuelwood and reducing human drudgery in villages. The physical targets and achievements of the programme during 2002-09 were as shown in *Appendix- 1.40*.

The shortfall was 100 per cent in 2002-04, 45 per cent in 2004-05 and 85 per cent in 2008-09. Further, the targets were drastically reduced from 2003-04 onwards as compared to the targets for 2002-03, without assigning any reason. The JREDA failed to achieve the objective of providing pollution-free and convenient cooking technology to the poor.

#### 1.4.5.6 Hydel energy

JREDA failed to construct hydel projects despite availability of resources and funds

The significant number of waterfalls in the State offers immense potential for small and mini hydel power projects at about 83 sites with estimated capacity of 1.34 lakh kilo watts<sup>153</sup>.

Audit scrutiny revealed that in undivided Bihar, 14 mini/micro hydel power projects<sup>154</sup>, within the geographical area of Jharkhand, were taken up between 1982-83 and 2000-01 by the Bihar State Hydroelectric Power Corporation (BHPC). All these projects were incomplete as of March 2009.

Further, despite availability of other suitable sites in the State, JREDA was still to take up a new hydel power project.

<sup>152</sup> An oven in which biomass waste is used as fuel in place of firewood and it does not emit smoke.

<sup>153</sup> Economic Survey of Jharkhand for 2007-08.

<sup>154</sup> Chandil, Gautamghagh (portable micro), Jalimghagh (portable micro), Jalimghagh (demo project), Kanhar, Lowerghaghri, Mandal, Nindighagh (portable micro), Nindighagh (demo project), Netarhat, Sadni, Shankh, Tilaiya Ghaghar and Tenu-Bokaro.

#### 1.4.6 Research and Development

**JREDA failed to undertake research and development work in the field of renewable technology**

Although JREDA was required to sponsor and co-ordinate research and development, establish research laboratories and experimental workshops, standardise design and provide technical know-how to users and manufacture systems and devices of new and renewable energy sources, it did not undertake any of these activities.

Audit scrutiny revealed that JREDA did not make any provision in its annual plans for research and development. Further, it did not undertake any research and development programme in the field of renewable technology or establish laboratory and experimental workshops to promote advances in renewable technology suitable for the State. Its activities were confined to purchase, sale and installation of systems available in the market, with the result that a core object for setting up of JREDA was not achieved.

#### 1.4.7 Manpower management

**JREDA did not plan for its expansion though its scope of work increased manifold over the last eight years**

- As per para 2.15 of the Articles of Association, JREDA was to be initially manned by officials on deputation. With the expansion of scope of work, it was to appoint officials and set up regional offices within the State.

Audit scrutiny revealed that the Committee approved (February 2003) the creation of 35 regular posts for the functioning of JREDA. However, these posts were not sanctioned by the Finance Department as of March 2009 and JREDA was functioning with only 23 officials<sup>155</sup>, all on deputation. Further, JREDA did not plan for its expansion though its scope of work increased manifold over the last eight years. The possibility of shortage of manpower adversely affecting the performance of JREDA could not be ruled out.

- As per para 19.1 of the Articles of Association, the Director as the chief executive officer was to exercise general control over administration. An officer of the Indian Administrative Service, not below the rank of Deputy Development Commissioner or any technical officer of repute, having a minimum experience of five years in the field of renewable energy, was to be appointed as the Director. Audit scrutiny revealed that none of the Directors appointed during April 2004 to March 2009 fulfilled the prescribed criteria.

**No training was imparted or advance studies arranged for achievement of the objectives of JREDA**

- Training of officials and staff, granting of aid and scholarship to officers for advance studies and training workshops were integral to the objects of JREDA.

Audit scrutiny revealed that neither was any provision for funds were made nor were schedules for training and advance studies drawn up. In the absence of training, the JREDA could not augment its resource/skill base which would have helped it to popularise the use of renewable energy in the State.

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<sup>155</sup> Two Project Officers, one Accounts Assistant, one Administrative Officer and 19 Technicians.

### 1.4.8 Other interesting issues

**Detailed Project Reports of villages, already prepared under the electrification programme of JSEB, could not be used and expenditure on them was rendered wasteful**

**Installed systems were not maintained even after payment of Rs 11.70 lakh as comprehensive maintenance charges**

**Eighty plants involving subsidy of Rs 3.39 lakh were not working due to minor technical defects and non-maintenance**

**Expenditure of Rs 30.68 lakh on non-established energy parks was rendered wasteful**

- During 2004-07, four<sup>156</sup> agencies were engaged for survey and preparation of Detailed Project Reports (DPR) for electrification of 13 police stations/pickets in Hazaribag and 332 villages in other five<sup>157</sup> districts. The expenditure of Rs 56.94 lakh on these DPRs was rendered wasteful as all these villages were already covered under the Rajiv Gandhi Gramin Vidyutikaran Yojana (RGGVY) and the DPRs of police stations/pickets were not used as of March 2009.
- M/s Central Electronics Ltd., Sahibabad was paid (March and July 2007) Rs 11.70 lakh as comprehensive maintenance charge (CMC) for maintenance of systems for five years after installation under RVE. Joint physical verification (April 2008) by Audit with the officials of JREDA revealed that out of 955 DLS and 79 SLS installed in eight villages during 2004-05, 494 DLS (52 per cent) and 17 SLS (22 per cent) were out of order. As complaint registers were not maintained, the period since when these were out of order could not be determined. The villagers, including the Chairperson and Secretaries of VECs stated that the defective systems were not repaired by the technicians of the company responsible for maintenance.  
JREDA could not sell 83 SLS and 170 DLS worth Rs 16.96 lakh, procured under the market mode programme<sup>158</sup> during 2005-06. The systems, lying in the stores, became (April 2008) unserviceable and resulted in a loss to JREDA.
- Scrutiny of inventory of biogas plants revealed that 80 out of 688 plants, involving subsidy of Rs 3.39 lakh, commissioned during 2002-07 were not working due to minor technical defects and non-supply of pipes, gas ovens etc. These were not rectified despite availability of services of 14 biogas technicians in districts and four at headquarters. This indicated inadequate follow up/maintenance of installed systems.
- MNRE provided (June 2003) Rs 49.27 lakh to establish energy parks<sup>159</sup> in nine districts. Of this, Rs 30.68 lakh was paid to two agencies during 2003-05 for consultancy and establishment of the parks at Ranchi and Latehar. However, the parks could not be established due to change of the site at Ranchi and failure/theft of the installed systems at Latehar. The JREDA was not able to utilise balance funds of Rs 18.59 lakh and refunded (August 2007) Rs 15.53 lakh to MNRE. Thus, the objective of establishment of energy parks could not be achieved though funds were available and the expenditure of Rs 30.68 lakh was rendered wasteful.

<sup>156</sup> M/s CEL, Sahibabad; M/s GR associates, Ranchi; M/s Steel Industrial Limited, Kerala and M/s Vikashonmukh, Ranchi.

<sup>157</sup> Bokaro, Giridih, Ranchi, Saraikela-Kharsawan and West Singhbhum.

<sup>158</sup> Under this programme SLSs and DLSs are sold on subsidized rates.

<sup>159</sup> Parks where solar photovoltaic systems are installed for practical demonstration to the public.

#### **1.4.9 Internal control mechanism**

**Monitoring and evaluation was deficient. Feedback analysis was not done**

##### **1.4.9.1 Monitoring and evaluation**

JREDA was to monitor and evaluate various programmes with a system of feedback in place. The Managing Committee failed to monitor the programmes through regular meetings as the committee met only 12 times against the stipulated 28 times during 2002-09. Schedules of inspections by the officials of JREDA were not formulated. Involvement of the district administration in monitoring was never ensured, though approved by the Managing Committee. A system of feedback was not developed to ensure the usefulness of the systems and redressal of complaints of the beneficiaries.

**Internal Audit was never carried out and there was no manual for the same**

##### **1.4.9.2 Internal Audit**

Internal audit is generally defined as the control of all controls as it is a means for an organisation to assure itself that the prescribed systems were functioning reasonably well. By an order of May 1960 of the Finance Department, internal audit parties were required to conduct *cent per cent* audit of all transactions of the entity. Internal audit of JREDA was never carried out by the Finance Department. Further, there was no provision for internal audit in the Articles of Association of JREDA. JREDA also did not frame any manual detailing rules and regulations to be followed by it. In the absence of internal audit and the manual, the management had no means of knowing the areas of malfunctioning of systems and, did not have the opportunity of taking remedial action at the appropriate time.

**There was no vigilance mechanism**

##### **1.4.9.3 Vigilance mechanism**

There was no vigilance mechanism in place in JREDA. In the absence of a vigilance mechanism, JREDA could not ensure that all the operations and transactions were transparent and in public interest. Cases of fraud and embezzlement could have gone unnoticed and the guilty unpunished, which would be against the interest of the Government.

#### **1.4.10 Conclusion**

JREDA failed to achieve its main objective of exploring and exploiting new and renewable energy sources available in the State. Its activities were limited only to purchase, sale and installation of systems available in the market. JREDA did not prepare any long term Plan and Annual Plans, though prepared, were on ad hoc basis. There were huge savings of funds. Non-adherence to financial rules led to financial mismanagement and financial irregularities. Though required, Annual Accounts and Reports were never sent to the State Government. There were serious deficiencies in programme implementation including major shortfalls in achievement of targets and irregularities in installation and supply of solar systems. JREDA failed to undertake research and development work in the field of renewable technology. No training was imparted nor were any advanced studies arranged for achievement of its objectives. JREDA was manned by officials on deputation. It did not plan for expansion though its scope of work increased manifold. The monitoring mechanism for programme implementation was

also deficient as the Managing Committee failed to monitor the programmes through regular meetings.

#### **1.4.11 Recommendations**

- JREDA should develop systems and devices suitable for Jharkhand through research and development, advanced studies, field testing and training of officials;
- JREDA should ensure a workable co-ordination with the State Government for effective implementation of programmes. Involvement of the district administration in programme implementation should be ensured;
- JREDA should strictly adhere to financial rules and provisions. The cases of financial irregularities are serious in nature and should be investigated from a vigilance angle. A Controller of Finance should be appointed to strengthen its financial management;
- Maintenance of records and their due authentication should be ensured;
- A suitable monitoring and reporting mechanism with a feedback analysis system should be developed. The Managing Committee should meet regularly to monitor and analyse the working of JREDA;

The matter was reported (June 2009) to the Government. Their reply had not been received (December 2009).



## HOUSING DEPARTMENT

### 1.5 Din Dayal Awas Yojna

#### 1.5.1 Introduction

The Government of Jharkhand launched (June 2004) the Din Dayal Awas Yojana (DDAY) as per the guidelines of the Centrally sponsored Indira Awas Yojana (IAY). DDAY aimed at construction of five lakh houses (two lakh in 2004-05 and three lakh in subsequent years) for all categories of rural people below the poverty line (BPL). DDAY was financed by availing a loan of Rs 500 crore from the Housing and Urban Development Corporation (HUDCO) at a floating rate of interest of seven *per cent* per annum. Houses were to be constructed by the beneficiaries on their own land with financial assistance of Rs 25,000 for each beneficiary and were to be completed within three months. Allottees of IAY were not eligible for DDAY.

The Jharkhand State Housing Board (JSHB) was to function as the nodal agency in the case of DDAY. Block Development Officers were made responsible for implementation of the scheme.

#### 1.5.2 Scope and methodology of Audit

In order to assess the achievement of objectives, records of the Rural Development Department, the Housing Department, the Jharkhand State Housing Board (JSHB), four<sup>160</sup> out of 22 districts and 13 blocks<sup>161</sup> out of 59 blocks in the four test-checked districts and four DRDA offices were scrutinised for DDAY (2004-09) between April and June 2009. The audit findings are discussed in the succeeding paragraphs.

#### *Audit findings*

#### 1.5.3 Perspective Plan/Annual Plans

According to the *sankalp*<sup>162</sup> of the Housing Department for implementation of DDAY, each district was to prepare a block-wise list of beneficiaries to assess the requirement of houses within one month. Audit scrutiny revealed that this was not done in any district. Though DDAY was being implemented as per the guidelines of IAY, no Perspective Plan and Annual Plans were prepared prior to commencement of the financial years at the State, district or block levels.

##### 1.5.3.1 Financial Performance

As stated above, the DDAY scheme was started with a loan of Rs 500 crore from HUDCO. The scheme, which was to be implemented as per the guidelines of IAY, with the objective of providing houses to BPL families, was to be implemented using this amount.

<sup>160</sup> Dumka, Garhwa, Ranchi and West Singhbhum.

<sup>161</sup> Bandgaon, Burmu, Chaibasa Sadar, Chakradharpur, Dumka, Garhwa, Jama, Jarmundi, Kanke, Majhiaon, Meral, Namkum and Shikaripara.

<sup>162</sup> Resolution of the State Government.

List of beneficiaries, Perspective Plan and Annual Plans were not prepared

**Government could not construct even a single house during 2004-05**

The scheme could not start during 2004-05 as the first instalment of the loan of Rs 125 crore was released by HUDCO to JSHB on 31 March 2005 and subsequently by JSHB to the districts in August 2005. Delay in releasing the amounts to the implementing agencies led to denial of the envisaged benefits to the BPL families. JSHB could spend only Rs 458.64 crore up to 2008-09.

### 1.5.3.2 Physical Performance

- Construction work was started in 2005-06 instead of 2004-05 with a target of two lakh houses. Construction of the remaining three lakh houses had not been taken up (May 2009) without any recorded reason. Out of the aforesaid two lakh units, only 1,82,630 (91.18 per cent) units were completed (March 2009) and 17,370 houses are still under construction (May 2009).
- Records of three test-checked DRDAs<sup>163</sup> revealed that the number of incomplete houses in these three districts was 155, whereas a test-check of block records indicated that 1,647 houses were incomplete in these districts. Details of incomplete houses are shown in **Table-20** below:

**Table 20: Comparative statement of DRDAs and Blocks**

District	Block	Incomplete units as per DRDA record	Incomplete units as per the record of block	Difference
Ranchi	Kanke	Nil	759	759
Garhwa	Majhiaon	64	247	183
	Grahwa	16	89	73
	Meral	02	372	370
Dumka	Jama	45	126	81
	Sikaripara	28	54	26
<b>Total</b>		<b>155</b>	<b>1647</b>	<b>1492</b>

Source: Cash book of concerned DRDAs and scheme register of concerned blocks

Further examination by Audit revealed that the available balance amounts reported by the blocks to the DRDA under Dumka and Garhwa districts were not proportionate with the reported figures of incomplete houses. These districts reported 480 units as incomplete. Presuming that no amount was spent against these incomplete houses, the available balance should have been Rs 1.20 crore. However, the blocks reported the available balance as Rs 2.40 crore. The DRDA also did not detect this false reporting by blocks.

### 1.5.3.3 Selection of beneficiaries against the provisions of the *sankalp*

- According to the *sankalp* of the Housing Department, beneficiaries were to be selected through Gram Sabhas. However, this provision was not followed anywhere.
- Beneficiaries of IAY were not entitled for houses under DDAY. However, the *sankalp* did not provide any safeguards in respect of allotment of houses under the Birsa Awas Yojna (BAY)<sup>164</sup> to the beneficiaries of DDAY and *vice-versa*. Scrutiny revealed that five beneficiaries of Jama, Jarmundi and Raneshwar blocks availed of the benefits of both DDAY and

**Five beneficiaries availed of both the benefit of DDAY and BAY and 109 beneficiaries whose names were not in the BPL list availed of benefits of DDAY**

<sup>163</sup> Dumka, Garhwa and Ranchi.

<sup>164</sup> Government of Jharkhand launched BAY in 2001-02 to provide houses to families of Primitive Tribe Group.

BAY whereas one beneficiary of Kutilodag *panchayat* of Chakradharpur block was allotted houses under both IAY and DDAY. In another case, two beneficiaries of the same block were allotted houses under DDAY on the same BPL number. Further, 109 beneficiaries of Meral and Chakradharpur blocks, whose names were not in the BPL list, availed of the benefit of the DDAY scheme.

#### **1.5.3.4 Payment of interest due to delay in release of funds**

**JSHB delayed the release of funds to the implementing agencies, resulting in avoidable payment of interest of Rs 3.32 crore to HUDCO**

Under the scheme, JSHB was required to obtain the loan from HUDCO and transfer it to the implementing agencies (Deputy Commissioners/DRDAs) who in turn, were required to release the funds to the blocks. Audit scrutiny revealed that without ascertaining the district-wise requirements of funds, JSHB borrowed Rs 500 crore between March 2005 and March 2006 from HUDCO at an interest rate of seven *per cent* per annum. The Board delayed the release of Rs 125 crore to the implementing agencies (DRDAs) for want of district-wise targets and Rs 9.01 crore for want of progress reports from the implementing agencies. The delays ranged between 33 and 132 days, resulting in avoidable payment of interest of Rs 3.32 crore to HUDCO.

**Unutilised loan from HUDCO attracted interest of Rs 0.52 crore**

Further, Rs 2.49 crore received by one implementing agency, *viz.* DRDA, Dumka between October 2005 and October 2006 remained unutilised at the block level either as cash balance or kept in a bank account up to April 2009 which led to additional liability for payment of interest of Rs 0.52 crore. Thus, the total avoidable payment of interest worked out to be Rs 3.84 crore.

#### **1.5.3.5 Irregular grant of centage and supervision charges**

**JSHB irregularly deducted Rs 7.28 crore against centage and supervision charges**

JSHB, the nodal agency for implementation of DDAY, claimed 12 *per cent* of the total funds as centage and supervision charges. The Housing Department agreed to pay five *per cent* subject to approval of the Government. Further, the monitoring committee<sup>165</sup> of DDAY decided (September 2005) to grant three *per cent* of the total funds (Rs 15 crore) as centage and supervision charges to JSHB subject to the initiation of the Housing Department. Though, there was no approval of the Government for payment of centage and supervision charges to the board, the JSHB irregularly deducted Rs 7.28 crore against centage and supervision charges from the fund allotted for repayment of loan. In addition, Rs 37.12 lakh was also adjusted on account of application money, service tax, front end fees and research and development fund. The Housing Department took no action to recover the amount from JSHB.

#### **1.5.3.6 Diversion of funds**

According to IAY guidelines<sup>166</sup>, diversion of funds from one scheme to another was not permissible and a certificate to that effect was required to be furnished before release of funds.

Audit scrutiny revealed that in one block<sup>167</sup>, Rs 10.54 lakh was diverted (May 2006) for purchase of cement for SGRY, IAY and Member of Parliament

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<sup>165</sup> Comprising Development Commissioner, Finance Commissioner, Secretary, Rural Development Department, Secretary, Housing Department, Secretary, Institutional Finance and Managing Director, JSHB.

<sup>166</sup> Para 4.2.(vii).

<sup>167</sup> Kanke Block of Ranchi district.

Local Area Development Scheme which had not been recouped as of May 2009.

### **1.5.3.7 Avoidable payment of interest**

The Housing Department sanctioned (May 2006) Rs 86 crore to JSHB for repayment of principal and interest to HUDCO. JSHB drew (June 2006) the amount, kept (June 2006) in a savings bank account and made payments to HUDCO in four instalments between June 2006 and February 2007 as per the agreed interest rate. It was noticed that there was an amended provision of the agreement (August 2005) under which the rate of interest was negotiable on advance payment of loan and interest.

**JSHB failed to invoke the provisions of the agreement and created an interest liability of Rs 1.51 crore**

JSHB failed to prepay the principal amount and negotiate the rate of interest with HUDCO to reduce the interest liability. In the meantime, the amount kept in the savings bank account earned interest at 3.5 *per cent* per annum against the borrowing rate of interest of Government of 9.5 *per cent* per annum. Thus the failure of JSHB to invoke the amended provisions of the loan agreement created an interest liability of Rs 1.51 crore.

### **1.5.3.8 Payment of penal interest**

**Delayed repayments led to penal interest of Rs 19.21 lakh**

According to the loan agreement with HUDCO (August 2005), in the event of default in payment of instalment of loan and/or interest in respect of loan or different components of the loan on the due dates, the borrower was to pay to HUDCO in addition to the compounded interest, additional interest at the penal rate of three *per cent* per annum for delayed periods. Records of HUDCO revealed that JSHB had paid penal interest of Rs 19.21 lakh between June 2005 and May 2009 as delayed repayments were made on 23 occasions as given in **Appendix-1.41**. This depicted failure on the part of JSHB/State Government to pay the instalments of loan and interest in time.

### **1.5.3.9 Interest earned on DDAY funds remained idle**

**Interest earned remained idle in the absence of any specific order**

The loan amount of Rs 500 crore received from HUDCO in four instalments (between March 2005 and March 2009) was kept by JSHB in a bank,<sup>168</sup> and which earned Rs 2.60 crore as interest during the period 2005-09. However, for want of any specific order from the Government, the amount remained unutilised.

### **1.5.3.10 Unfruitful expenditure on incomplete houses**

**Houses were not complete. This led to unfruitful expenditure of Rs 1.23 crore**

In five blocks,<sup>169</sup> houses for 959 beneficiaries<sup>170</sup> were to be constructed at a cost of Rs. 2.40 crore during 2005-06. The houses were to be completed within three months of the release of the first instalments. The beneficiaries were paid Rs 1.23 crore<sup>171</sup> during 2005-06 and 2006-07 (ranging from Rs 6,000 to Rs 20,000 per beneficiary) but due to non-release of subsequent instalments in spite of availability of funds, the houses remained incomplete

<sup>168</sup> UTI Bank, Ranchi.

<sup>169</sup> Bero and Burmu in Ranchi, Chakradharpur in Chaibasa, Dumka, Majhiaon in Garhwa.

<sup>170</sup> Bero-363, Burmu-364, Chakradharpur-30, Dumka-27 and Majhiaon-175.

<sup>171</sup> Bero-Rs 40,83,330, Burmu-Rs 46,26,300, Chakradharpur-Rs 5,13,000, Dumka-Rs 2,68,750 and Majhiaon-Rs 27,90,000.

even after the lapse of four to 40 months from the due dates of completion. This resulted in unfruitful expenditure of Rs 1.23 crore. Moreover, it also indicated lack of monitoring and inspection by departmental authorities.

#### **1.5.3.11 Non- maintenance of inventory of completed houses**

**Inventory of completed houses with details of beneficiaries was not maintained**

As per DDAY guidelines, the implementing agencies were required to maintain inventories of houses constructed, giving details of dates of initiation and dates of completion, names of villages, blocks and occupations and categories of beneficiaries. Scrutiny revealed that none of the test-checked DRDAs and blocks had maintained such inventories.

#### **1.5.3.12 Lack of inspection, monitoring and evaluation**

According to the *sankalp* of July 2005, the monitoring of the scheme was to be done by the Housing Department. Responsibility for timely completion of the scheme was with the concerned Deputy Commissioners. A Committee was also constituted for monitoring and evaluation of the scheme but it neither prepared any schedule of inspection nor did it visit any site. DDAY was not evaluated even after a lapse of more than four years of the scheme.

### **1.5.4 Conclusion**

No Perspective and Annual Plans were prepared. A loan of Rs 500 crore from HUDCO was availed of without assessing the requirement of houses for BPL families. The execution was also tardy as the houses to be completed within 2004-05, with the loan remained incomplete.

### **1.5.5 Recommendations**

- The scheme should be assessed regularly at the district and State levels.
- There should be co-ordination between various implementing agencies so as to avoid overlapping in selection of beneficiaries.
- Strict financial control and monitoring should be ensured.
- Regular inspection and monitoring should be done to ensure implementation of the work according to the orders and guidelines of the scheme.

The matter was reported to the Government (August 2009). Their reply had not been received (December 2009).

## CHAPTER - II

### AUDIT OF TRANSACTIONS

#### 2.1 Misappropriation/doubtful expenditure

#### AGRICULTURE AND SUGARCANE DEVELOPMENT, RURAL DEVELOPMENT AND WATER RESOURCES DEPARTMENTS

##### 2.1.1 Misappropriation of Government money

##### Failure to comply with the codal provisions resulted in misappropriation of Rs 8.67 lakh and doubtful payment of Rs 7.53 lakh.

Rule 12 read with Rule 34 of the Jharkhand Financial Rules envisages that every Controlling Officer must satisfy himself that the prescribed checks against loss of public money have been effectively applied and Government servants should be held responsible for any losses to the Government through fraud or negligence on their part.

Scrutiny (between February and September 2008) of the records of three offices revealed misappropriation of Rs 8.67 lakh as brought out below:

Name of office	Misappropriated amount (Rs in lakh)	Remarks
Sub-divisional Agriculture Officer (SDAO), Chas, Bokaro.	2.10	The SDAO received (March 2004) Rs 58,862 from farmers on account of distributed seeds but the amount was not deposited either into the treasury or the bank. He was relieved (5 June 2004) on transfer without handing over the cashbook, chequebook or cash balance to his successor. Further, after being relieved, he encashed (23 June 2004) a self cheque of Rs 1.51 lakh from the official account but did not hand it over to his successor. Thus, Rs 2.10 lakh was misappropriated. The audit observation was accepted (December 2008) by the Joint Director, Agriculture.
Block Development Officer, Dhurki, Garhwa.	1.57	Scrutiny of the cashbook balance disclosed shortage of Rs 1.57 lakh <i>vis-a-vis</i> the actual cash balance as on 15 April 2006. The amount was shown as deduction on account of royalty and was kept out of the Government account (treasury, bank or cash chest) for 44 months as of December 2009.
EE-cum-Rehabilitation Officer (RO), Panchkhero Reservoir Project, Barhi, Hazaribag.	5.00	Monthly Account of the RO showed closing balance of Rs 4.38 crore (cash: Rs 5 lakh and bank balance: Rs 4.33 crore) on 30 June 2008. On transfer, the RO left the office without handing over charge of records including the cashbook or cash balance to the new RO. The new RO, after taking charge on 9 August 2008, opened a new cashbook on 24 September 2008, with an opening balance of Rs 4.25 crore, the bank balance on that day, with a shortage of Rs 12.53 lakh. The shortage of Rs 12.53 lakh included payments of Rs 7.53 lakh to contractors by cheques encashed in July 2008 as per the bank account statement, which could not be vouchsafed in the absence of relevant records like Measurement Books, agreement etc. Thus, chances of misappropriation of Rs five lakh and doubtful payment of Rs 7.53 lakh could not be ruled

		out. On this being pointed out, the RO accepted the audit observation and stated (December 2009) that an FIR had been lodged (November 2009) against the ex-RO for recovery of the amount.
<b>Total</b>	<b>8.67</b>	

The matters were reported to the Government (May 2009). Their reply had not been received (December 2009).

## RURAL DEVELOPMENT DEPARTMENT

### 2.1.2 Misappropriation of foodgrains

**There was misappropriation of 26,819.66 MT of foodgrains valuing Rs 30.23 crore and deterioration of 153.85 MT of foodgrains valuing Rs 18.58 lakh allotted under SGRY and NFFWP.**

Government of India (GOI) provided (2003-06) foodgrains to District Rural Development Agencies (DRDAs) under the Sampoorna Grameen Rozgar Yojana (SGRY) (2003-04) and the National Food for Work Programme (NFFWP) (2004-05). In turn, DRDA released (2003-07) the foodgrains to scheme implementing agencies for distribution among laboureres as wages. In Jharkhand, the Bihar State Food and Civil Supply Corporation (BSFC) was the nodal agency for lifting foodgrains from depots of the Food Corporation of India (FCI) and issuing it to Public Distribution System dealers, based on allocations made by DRDA to the implementing agencies. The Deputy Development Commissioner (DDC) in charge of DRDA, was to monitor the delivery of foodgrains and the implementing agencies were required to submit monthly and annual progress reports to the DDC. After commencement of the National Rural Employment Guarantee Scheme in February 2006, both the schemes *viz.* SGRY and NFFWP, were closed.

Scrutiny (December 2008) of the records of DRDAs and District Managers (DMs), BSFC, Sahebganj and Pakur districts, along with records of 26 implementing agencies<sup>1</sup> disclosed that the DDCs did not monitor the deliveries and distributions of foodgrains at regular intervals and failed to ensure timely submission of monthly and annual progress reports by the implementing agencies. This led to misappropriation of Rs 30.23 crore and deterioration of foodgrains valued at Rs 18.58 lakh as described in the following paragraphs:

- During 2003-07, DMs, BSFC, Sahebganj and Pakur lifted 38,023.43 metric tonnes (MT) of rice and 23,783.22 MT of wheat from FCI godowns and issued 25,961.69 MT<sup>2</sup> and 18,723.73 MT respectively to the implementing agencies. However, the balance stock with the DMs, BSFC was only 223.15 MT of rice and 1,605.08 MT of wheat (December 2008

<sup>1</sup> Fifteen Block offices (Amlapara, Barharwa, Barhet, Borio, Hiranpur, Littipara, Maheshpur, Mandro, Pakur, Pakuria, Pattna, Rajmahal, Sahebganj, Taljhari and Udhwa); three Circle Offices (Amlapara, Maheshpur and Pakur); two Rural Works Divisions (Pakur and Sahebganj); two Rural Development Special Divisions (Pakur and Sahebganj); Divisional Forest Office, Tasar, Dumka; National Rural Employment Programme Division, Sahebganj; Zila Parishad, Sahebganj and Minor Irrigation Division, Sahebganj.

<sup>2</sup> Including 1,013.28 MT issued from foodgrains of other schemes.

and January 2009) instead of 13,075.02<sup>3</sup> MT and 5,059.49 MT respectively. As such, 12,851.87 MT of rice and 3,454.41 MT of wheat valued at Rs 18.74 crore<sup>4</sup> was misappropriated.

- Further, out of 25,961.69 MT of rice and 18,723.73 MT of wheat shown as issued by DMs, BSFC (2003-07), the implementing agencies received only 19,718.83 MT of rice and 14,453.21 MT of wheat. Thus, there was misappropriation of 6,242.86 MT of rice and 4,270.52 MT of wheat costing Rs 11.49 crore.
- Stock balances with the DMs, BSFC (2003-07) included 152.45 MT of deteriorated rice and 1.40 MT of deteriorated wheat costing Rs 18.58 lakh.

Therefore, failure in accountal/monitoring of delivery of foodgrains resulted in misappropriation and deterioration of the same valuing Rs 30.42 crore. (*Appendix-2.1*)

The matter was reported to the Government (May 2009). Their reply had not been received (December 2009).

## HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

### 2.1.3 Doubtful expenditure

**Unauthorised expenditure of Rs 29.12 crore was incurred on construction, renovation and maintenance of buildings in violation of codal provisions by an Assistant Engineer.**

The Jharkhand Public Works Account (JPWA) Code<sup>5</sup> stipulates that every work/purchase of materials must be done through tenders/quotations and the estimate should not be split up to avoid the sanction of the higher authorities. Heads of departments have the power to order departmental execution of work or purchase of materials up to Rs 2,000 without inviting tenders/quotations.

The Assistant Engineer (AE), Engineering Cell, Reproductive Child Health (RCH) Society, Ranchi, was the Drawing and Disbursing Officer for drawing and disbursing pay and allowances etc. of the officials of the Engineering Cell. The Principal Secretary, Health, Medical Education and Family Welfare Department (HMEFWD) authorised (February 2005) the AE for clearing bills etc. for development work executed against allotment of funds. The AE was authorised to sanction works/proposals and incur expenditure up to Rs 10,000 per work in violation of the Codal provisions.

Scrutiny (February 2009) of the records of the Engineering Cell of RCH Society, Ranchi revealed that HMEFWD released (between June 2004 and March 2008) Rs 41.04 crore directly to it for execution of various works<sup>6</sup>. The Cell also received (March 2005 and June 2007) Rs 4.65 crore from the Ranchi Institute of Neuro Psychiatry and Allied Sciences (RINPAS) for executing

<sup>3</sup> 38,023.43 MT + 1,013.28 MT – 25,961.69 MT = 13,075.02 MT.

<sup>4</sup> Calculated at the rate of rice at Rs 12,100 per MT and of wheat at Rs 9,226 per MT.

<sup>5</sup> Annexure-A-Vigilance Commissioner, Bihar letter no. 46/93-733 dated 9 March 1994.

<sup>6</sup> Renovation of main administrative building and constructions of boundary wall of the State Leprosy Institute and Research Centre, Brambe, a warehouse at Namkum, a teaching block at RINPAS, repair and maintenance works etc.



deposit work of construction of the academic building of RINPAS. The AE got the works executed, passed vouchers and authorised payments (between June 2004 and March 2008) for Rs 29.12 crore, though he was authorised to incur expenditure only up to Rs 10,000 per work.

Audit further noticed that the entire expenditure of Rs 29.12 crore was incurred through supply bills and Hand Receipts<sup>7</sup> (HRs). Audit scrutinised 8,412 HRs involving payments of Rs 7.70 crore and found serious irregularities as discussed below:

(i) The Secretary, HMEFWD accorded administrative approval in respect of all the works. In the sanction orders, it was mentioned that technical sanctions were already accorded by the Chief Engineer. However, when Audit asked for the technical sanctions indicating details like names (items) of works, quantities to be executed, rates and amounts of sanction, the same were not produced in respect of any of the works. In the absence of such details, the genuineness of the expenditure incurred could not be vouchsafed in audit.

(ii) Rule 158 of the JPWD Code stipulates that all works valuing Rs 2,000 and above should be executed by inviting tenders. However, the Secretary of the department is empowered to order departmental execution of works in case of extreme urgency with justification for not inviting tenders. In violation of the codal provisions, the Secretary ordered all works to be executed departmentally, irrespective of their value, without any justification.

(iii) According to Annexure A of the JPWA Code for departmental works, material is to be procured through quotations or by inviting tenders and labour should be engaged on muster rolls. This procedure was not followed. The AE incurred expenditure of Rs 7.70 crore on HRs (each valuing below Rs 10,000) instead of purchase bills and muster rolls. Even components of material and labour were not bifurcated on the HRs.

(iv) According to Rule 20 of the Jharkhand Financial Rules, every voucher should contain details of works for proper classification of expenditure and details of payees. Payments for jobs like excavation of earth, brickwork, brick soling, PCC, RCC, supply and erection of electrical items etc. were made on HRs though HRs were to be used only for miscellaneous payments. Further, payments on HRs were made in cash without ensuring the payees' identities. This indicated that the expenditure was incurred in violation of the financial rules and raised doubts about their genuineness.

(v) Execution of the works was not recorded in the Measurement Book (MB) as required under the rules.

Thus, the AE unauthorisedly incurred expenditure of Rs 29.12 crore. The payment of Rs 7.70 crore on HRs which was checked by Audit was doubtful in the absence of supporting documents as proof of payment for material and labour.

The department replied (July 2009) that all sanctions had been accorded by the Secretary, vouchers had been passed by the AE with reference to those sanctions and payments were made through HRs. The department further stated that all the works executed were measured and entered in the MB. The

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<sup>7</sup> This is a simple form of voucher used for miscellaneous payments and advances.

reply of the department is not acceptable because in violation of the JPWA Code, no tenders were invited for the works executed. No market surveys were carried out even for ascertaining the rates of materials for departmental works. Engagement of agencies/persons for executing jobs without ensuring proper selection through competitive bidding, not adopting a transparent tendering process and payment of huge amount on HRs amounted to irregular practice. As regards the contention of the department that the works were measured and entered in the MBs, it was observed that except for electrical works, measurements of other works executed were not entered in the MBs. In most of the cases, the MBs contained only serial numbers of HRs and the amounts of payment, but, detailed measurement of works executed were not recorded therein as required. In view of the violation of codal provisions and huge payment on HRs for both labour as well as material, the matter requires investigation.

#### 2.1.4 Doubtful payment

**Payment of Rs 30.08 lakh was made against supply of non-functional EPABX systems, genuineness of which was doubtful.**

The Assistant Engineer (AE), Engineering Cell (EC), Reproductive and Child Health Society, Ranchi placed two supply orders (July and December 2004 respectively) to M/s Magnum Buyers India Private Limited, Ranchi for supply, installation, testing and commissioning of two Alcatel Digital EPABX systems with accessories valuing Rs 37.62 lakh at the State Leprosy Centre, Brambe and the TB Sanatorium, Itki. As per the payment schedule, 60 *per cent* of the cost of the product was to be paid as advance, 20 *per cent* after delivery of the systems and the balance 20 *per cent* after successful installation and commissioning of the system.

Scrutiny (February 2009) of the records of EC revealed that 80 *per cent* of the ordered value *i.e.* Rs 30.08 lakh was paid as advance (between July 2004 and March 2005) to the firm in violation of the payment schedule and 20 *per cent* (Rs 7.54 lakh) had not been claimed by the firm as of November 2009. Audit also noticed the following:

- (i) Supply orders were issued without assessing the requirements and obtaining indents from the offices where these systems were to be installed.
- (ii) The firm submitted two Customer Acceptance Certificates (CACs) for Itki (May 2005) and Brambe (June 2005) in support of supply and commissioning of the systems. However, the CACs did not contain details like model and serial number of the systems, delivery challan numbers, warranty period and date of supply of the system at Brambe. The systems were shown to have been supplied at Itki from May 2005 to May 2006 which was not practically possible as the CAC was issued in May 2005. As such, the genuineness of CACs was doubtful. In addition to the CACs, there was no document on record *viz.* delivery challans, supply bills and cash memos in support of supply of the systems.
- (iii) Payment of Rs 30.08 lakh was shown as outstanding advance against the firm in the cashbook as of April 2009. Thus, non-adjustment of advance and non-claiming of the remaining 20 *per cent* payment by the firm even after three to four years of supply/commissioning of systems, raises suspicions

about the veracity of the claim of receipt of the ordered systems. The firm was also not found registered with the Commercial Taxes Department.

The above facts raised doubts about the genuineness of the ordered systems, involving payment of Rs 30.08 lakh, which required further investigation.

The department replied (July 2009) that the proof of commissioning of the systems was given by both the offices in the form of CACs. The reply was not acceptable as the genuineness of the CACs was doubtful. Further, during physical verification (December 2009) of the systems by Audit at Itki, the machines supplied were found to be burnt and the system was non-functional. The system at Brambe was partially installed but non-functional. Further, the required stock entries and other documents in support of supply and successful commissioning of systems were not produced to Audit.

## WELFARE DEPARTMENT

### 2.1.5 Avoidable loss to the Government

**The Welfare Department sustained loss of interest of Rs 3.13 crore on an unused loan amount due to its failure to utilise the loan for construction of houses for Primitive Tribe Groups in time.**

The Welfare Department, Government of Jharkhand launched (2001-02) the Birsa Awas Yojana to construct houses for families of Primitive Tribe Groups. The Tribal Welfare Commissioner, Jharkhand was to implement the scheme through Project Officers, MESO<sup>8</sup> and District Welfare Officers. To meet the cost of the scheme, the State Government borrowed (between December 2006 and March 2008) Rs 48 crore from the Housing and Urban Development Corporation (HUDCO) at an interest rate of 8.5 per cent per annum. HUDCO released the loan in three phases i.e, two instalments of Rs 12 crore each on 30.12.2006 and 28.12.2007 and Rs 24 crore on 31.3.2008.

Scrutiny (between February and May 2009) of the records of the Tribal Welfare Commissioner and nine district offices<sup>9</sup> along with information collected (December 2009) from these offices disclosed that out of the loan of Rs 24 crore, the Welfare Department allotted (June 2008) Rs 15.26 crore to nine districts for construction of 2,164 houses in 2008-09. The balance amount of Rs 8.74 crore was not allotted as of December 2009. It was seen in audit that though the funds were allotted to the districts, construction of houses was not taken up in 2008-09 and the loan remained unutilised. Further, during 2009-10, the progress of construction of houses was tardy and an amount of Rs 11.17 crore was lying unutilised in seven districts<sup>10</sup> as of December 2009. However, the department paid interest of Rs 3.13 crore (*Appendix-2.2*) to HUDCO on unused loan amount.

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<sup>8</sup> During 5<sup>th</sup> five year plan (1972-77) tribal sub plan (TSP) was evolved for socio economic upliftment of tribes. In Jharkhand TSP was grouped into 14 integrated tribal development projects in 1976 covering 112 blocks locally known as Meso area.

<sup>9</sup> Project Officers, MESO, Chakradharpur, Dumka, East Singhbhum, Gumla, Jamtara, Latehar, Pakur, Sahebganj and District Welfare Officer, Godda.

<sup>10</sup> Dumka, Godda, Gumla, Jamtara, Latehar, Pakur and Sahebganj.

Thus, the department failed to ensure utilisation of the loan for construction of houses in time and had to pay interest of Rs 3.13 crore (*Appendix-2.2*) on the said loan amount lying unutilised. This resulted in loss to the Government, besides the purpose was not achieved for which the loan was availed.

The matter was reported to the Government (August 2009). Their reply had not been received (December 2009).

## 2.2 Excess/wasteful/infructuous expenditure

### WATER RESOURCES DEPARTMENT

#### 2.2.1 Extra payment of interest

#### **Default in timely payment of Rs 7.39 crore by the department as compensation to landowners led to extra liability of Rs 13.57 crore.**

Section 34 of the Land Acquisition Act, 1894 envisages payment of interest at the rate of nine *per cent* per annum for the first year and 15 *per cent* per annum thereafter (from the date of taking possession<sup>11</sup> of land to the date of payment) in cases of delayed payment of compensation to landowners. Further, as per Executive Instructions 122 and 123 of the Bihar Land Acquisition Manual (as adopted by the Government of Jharkhand), the Collector is required to satisfy himself if payment of compensation has been made on time.

Scrutiny (August 2008) of the records of the Special Land Acquisition Officer (SLAO), Adityapur, Jamshedpur, revealed that awards of Rs 9.33 crore were declared between November 1988 and December 1992 for acquisition of 3,092.96 acres of land in 18 villages<sup>12</sup> of East Singhbhum district for construction of the Kharkai Reservoir under the Subernarekha Project. The Special Land Acquisition Officer demanded (February 1989 to April 1991) village-wise separate allotments of funds for payment of compensation to landowners. The village-wise allotments of funds were provided to the SLAO in March 2003 (Rs 7.88 crore) and February 2006 (Rs 2.33 crore) after abnormal delays of 14 to 15 years. As a result, the compensation was paid to landowners after abnormal delays of 12 to 21 years, between December 2004 and March 2009. Since compensation of Rs 7.39 crore was not paid to the landowners in time, the Government had to pay (between December 2004 and March 2009) interest of Rs 13.57 crore in terms of Section 34 of the Land Acquisition Act. Compensation of Rs 1.94 crore had still not been paid to landowners as of March 2009 (*Appendix-2.3*).

Thus, default in payment of compensation resulted in extra payment of Rs 13.57 crore on account of interest to be paid to the landowners.

Government accepted (October 2009) that there were delays in payment of

<sup>11</sup> Date of declaration of award under Section 11 of the Land Acquisition Act.

<sup>12</sup> Amla Tola, Baddih, Baduri, Bara Gidhi, Ganjia, Ghaghra, Haribera, Hathising, Hindudih, Iligarha, Kandegutu, Karia Sindri, Kathbhari, Kulaburu, Nimdih, Rajabasa, Shyamsundarpur and Yadudih.

compensation to the landowners due to non-allotment of funds by the department in time. Delays of up to 15 years in allocation of funds indicated negligence on the part of controlling/monitoring authorities as the work was part of a World Bank project and the argument regarding shortage of funds was not credible.

## ROAD CONSTRUCTION DEPARTMENT

### 2.2.2 Loss to the Government

**Failure to revalidate a bank guarantee, non-recovery of liquidated damages and failure to ensure deposit of a bank guarantee for the defect liability period from a contractor resulted in loss of Rs 2.40 crore.**

The Road Construction Department, Government of Jharkhand, signed (February 2002) a Memorandum of Understanding (MOU) with Associated Cement Companies Limited (contractor) for construction of roads. Accordingly, Executive Engineer (EE), Road Construction Division, Giridih executed (December 2003) an agreement for Rs 6.43 crore with the contractor for widening and strengthening of the Tisri-Thansingdih-Kauwakol road (0 to 12.903 km) and a link road from Chanderi to Tisri via Kodaibank (0 to 8.925 km) for completion by June 2004 (subsequently extended to December 2007).

Scrutiny (February 2009) of the records of the division revealed that the contractor left (February 2007) the work after partial execution for Rs 4.24 crore. Even when the contractor stopped the work midway, the EE failed to take appropriate action against the contractor as per the agreement clause which specified the levy of liquidated damage (Rs 63.06 lakh<sup>13</sup> in this case) for not executing the agreed works in time. Besides, a bank guarantee of Rs 32.15 lakh,<sup>14</sup> deposited by the contractor, towards the initial security deposit lapsed on 31 December 2007 and the division failed to revalidate the same.

Further, according to the MOU, the contractor was required to repair the road at his cost within the defect liability period of six years after completion. Accordingly, the contractor was required to submit a BG for an amount equivalent to the total cost of the road constructed by the ACC Marg technique,<sup>15</sup> with a validity period of six years. It was observed that the said BG for Rs 1.45 crore for defect liability was not deposited by the contractor as per the agreement clause as of November 2009.

The department rescinded the agreement in July 2008. Though the work was discontinued by the contractor in February 2007, the department did not take action for getting the remaining work executed at the risk and cost of the contractor by any other agency (November 2009). The partially constructed road was damaged due to rainwater and plying of vehicles.

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<sup>13</sup> Ten per cent of agreement value of Rs 6.43 crore (Rs 64.28 lakh - Rs 1.22 lakh already deducted = Rs 63.06 lakh).

<sup>14</sup> Bank guarantee subsequently changed to Rs 25.94 lakh.

<sup>15</sup> Providing, laying and placing of 25 mm thick surface by ACC Marg technique, developed by the ACC Company, in place of 50 mm bituminous macadam and 25 mm semi-dense bituminous macadam.

Thus, failure to revalidate the BG, initiate timely action according to the terms of agreement for recovery of LD from running account bills and to obtain the BG for the defect liability period resulted in a loss of Rs 2.40 crore.

The matter was reported to the Government (April 2009). Their reply had not been received (December 2009).

### 2.2.3 Wasteful expenditure

**Disregarding the Detailed Project Report of a consultant and adopting incorrect drawing/design by the department led to wasteful expenditure of Rs 2.33 crore on a collapsed bridge.**

The Rural Development Department (RDD) executed (February 2002) an agreement with MECON Ltd. (previously Metallurgical and Engineering Consultants) for preparation of a Detailed Project Report (DPR) for construction of a bridge over Kharkai river at Gajiaghat in Gajiaghat-Ujjawalpur road. The work included preparation of drawings, designs, cost estimates, assessment of the nature of soil and the Highest Flood Level (HFL) etc. MECON observed (August 2002) that the HFL was 109.505 metres<sup>16</sup> and recommended (August 2002) that the height of the bridge should be 113.450 metres<sup>17</sup> with seven RCC solid piers (each of 6 metres x 1.5 metres cross-sectional area) and two RCC abutments with weep holes<sup>18</sup> at two ends. The bridge was estimated to cost Rs 1.92 crore. The DPR was sanctioned and approved for Rs 1.92 crore by RDD and MECON was paid Rs 1.76 lakh up to February 2004.

Following the receipt (November 2002) of tenders based on the DPR, the Chief Engineer (CE), Rural Development Special Zone (RDSZ) awarded (February 2003) the work to a contractor on turnkey basis at a cost of Rs 1.92 crore for completion by June 2004. As the work was awarded on turnkey basis, the CE directed the contractor to submit working drawings and designs based on a fresh survey and investigations.

Scrutiny (April 2009) of the records of the Executive Engineer (EE) Rural Development Special Division (RDSD), Saraikela revealed that the contractor on his own, revised the HFL between 97.200 and 97.331 metres and reduced the height of the bridge from 113.450 metres to 101.381 metres. The contractor also recommended construction of cylindrical hollow piers of lesser cross-sectional area (2.30 metres diameter with 40 centimetres thickness) with weep holes in place of the RCC solid piers recommended by MECON. Thus, 1.5 metres (2.30 metres (-) 0.80 metre) wide piers, which should have been solid RCC as per the design of MECON, remained hollow. Although the height, cross-sectional area and effective volume of the piers (hollow) were reduced, the contractor increased the cost of the bridge from Rs 1.92 crore to Rs 2.31 crore. The CE, without obtaining any opinion from MECON, approved the contractor's design and drawings.

The contractor, as per their revised design, completed (September 2004) construction of the bridge and was paid (September 2004) Rs 2.31 crore.

<sup>16</sup> Above bed level (bed level was 97.600 metres).

<sup>17</sup> Above bed level.

<sup>18</sup> One inch hole on the surface of the piers.

Scrutiny revealed that the bridge was damaged and washed away during heavy rains in June 2008 as six out of its seven piers broke when the water level of the river rose to 104.381 metres (four metres above the top of the bridge). An investigation (July 2008) by the department pointed out that the flood water level which rose to 104.381 metres passed the bridge-top by four metres and damaged the bridge by creating pressure on the bridge which could not withstand the pressure due to excess weep holes on the hollow piers. Audit observed that the level to which the flood water had risen in June 2008 was 104.381 metres which was less than the HFL (109.505 metres) recommended by MECON. Further, MECON had also not recommended weep holes on the surface of the piers.

Had the bridge been constructed as per the specifications and drawing and design recommended by MECON, the flood water level at HFL (June 2008) of 104.381 metres would have passed about 9.069 metres (113.450-104.381) below the top of the bridge, without damaging the built-up structures. Moreover, the weep holes which may have facilitated breakage of the piers were mainly due to hollow piers which were adopted by contractor on his own and, against the recommendations of MECON.

Thus, the CE's approval of changes in MECON's DPR after tendering the work for the bridge led to wasteful expenditure of Rs 2.31 crore on the collapsed bridge. In addition, Rs 1.76 lakh, paid to MECON for the DPR, also became wasteful as the design was changed by the CE/contractor. Thus, the total wasteful expenditure worked out to Rs 2.33 crore.

The matter was reported to the Government (April 2009). Their reply had not been received (December 2009).

## **AGRICULTURE AND SUGARCANE DEVELOPMENT DEPARTMENT**

### **2.2.4 Wasteful expenditure**

**Ineffective monitoring and distribution of dolomite without the mandatory soil test resulted in wasteful expenditure of Rs 6.30 crore on reclaiming soil fertility.**

Under the Drought Protection Programme (Programme) of the Contingent Crop Scheme for the year 2006-07, the Agriculture and Sugarcane Development Department sanctioned (July 2006) Rs 6.56 crore for purchase of dolomite/lime to be distributed among selected marginal farmers and farmers belonging to Schedule Castes and Schedule Tribes at subsidised rates of 75 and 90 *per cent* respectively. Dolomite/lime was required to neutralise the soil's acidity and make it suitable for cultivation of pulse, oil and crude crops. Soil tests were to be conducted prior to the distribution of dolomite. The Director of Agriculture, Jharkhand was the Controlling Officer, who was required to maintain the accounts and submit implementation reports to the Department. District Agriculture Officers (DAOs) were to monitor and implement the programme.

Scrutiny (February 2008 and March 2009) of the records of the Director of Agriculture revealed that the department allotted (March 2007) Rs 6.56 crore

to the Director of Agriculture, with instructions to submit monthly reports of physical and financial achievements under the programme, details of beneficiaries and amounts realised. The Director of Agriculture placed (30 March 2007) an order for supply of 13,115.4 metric tonnes (MT) of dolomite (at the rate of Rs 4,800 per MT) and paid (30 March 2007) Rs 6.30 crore in advance on proforma bills. Dolomite was supplied to all 22 districts (between April 2007 and March 2008) and was distributed to farmers during 2007-08. However, details of supply, physical and financial achievement, list of beneficiaries, amount realised and other details, like soil test reports, selection of beneficiaries etc. were not available with the Director.

Further scrutiny (between May 2008 and April 2009) of the records of 15 DAOs and information collected (November 2009) from seven DAOs revealed that dolomite was distributed to farmers on ad hoc basis without adhering to the guidelines for selection of beneficiaries and mandatory soil tests. Distribution of dolomite without conducting soil tests proved futile as in response to an audit query regarding importance of soil tests, the Birsa Agricultural University stated that soil testing was necessary to ascertain its PH value in order to determine the quantity and frequency of dolomite to be added to the soil. In addition, the following were observed:

- There was short supply of 2,034.65 MT of dolomite valuing Rs 97.66 lakh in 17 districts<sup>19</sup>
- There was shortage of stock of 380.2 MT of dolomite valuing Rs 18.25 lakh in Gumla district
- In six districts<sup>20</sup>, 629.10 MT of dolomite valuing Rs 30.20 lakh was not distributed (November 2009) on time to farmers and became useless as it's quality deteriorated.
- As against Rs 42.54 lakh (being 10 *per cent* of the cost of 8861.55 MT dolomite i.e., Rs 480 per MT) to be realised as subsidy from the farmers, only Rs 32.95 lakh was realised. Less receipt of Rs 9.59 lakh was indicative of doubtful distribution of 1,997.91 MT of dolomite to the targeted beneficiaries.

Thus, the ineffective monitoring and distribution of dolomite without mandatory soil tests and proper selection of beneficiaries resulted in wasteful expenditure of Rs 6.30 crore.

The matter was reported to the Government (May 2009). Their reply had not been received (December 2009).

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<sup>19</sup> Bokaro, Deoghar, Dhanbad, East Singhbhum, Garhwa, Giridih, Godda, Hazaribag, Koderma, Latehar, Pakur, Palamu, Ranchi, Sahebganj, Saraikela, Simdega and West Singhbhum.

<sup>20</sup> Bokaro, Chatra, Dumka, Gumla, Koderma and Latehar.



## 2.3 Unfruitful expenditure

### URBAN DEVELOPMENT DEPARTMENT

#### 2.3.1 Denial of benefits despite availability of funds

**Failure of the department to provide the intended benefits to urban slum dwellers despite availability of sufficient funds led to unfruitful expenditure of Rs 4.14 crore, besides blocking of Rs 6.83 crore for more than five years.**

The Valmiki Ambedkar Awas Yojana (VAMBAY), a Centrally sponsored scheme shared on a 50:50 basis with the States, was launched in August 2001 to ameliorate the housing problems of urban slum dwellers living below the poverty line. The prime objective of the scheme was to provide shelter or upgrade the existing shelters for people living in urban slums.

Scrutiny (March 2009) of the records of Ranchi Municipal Corporation (RMC) revealed that the Urban Development Department (UDD) sanctioned and allotted (February 2004) Rs 4.99 crore as the State share for implementation of the scheme. Central share of Rs 4.99 crore was allotted (October 2004) to RMC for construction of 2,498 dwelling units (DUs) in Ranchi to be completed by 2003-04. The fund was kept in a savings bank account by RMC. A State Level Co-ordination Committee<sup>21</sup> (SLCC) headed by the Secretary, UDD was constituted (May 2005) to monitor the implementation and progress of VAMBAY. SLCC decided (June 2005) to construct only housing units from the funds of VAMBAY whereas the construction of other infrastructural facilities like roads, drains, sanitation, water supply, sewerage etc. were to be undertaken under the National Slum Development Programme (NSDP). A Memorandum of Understanding (MOU) was signed (January 2006) between RMC and the Housing and Urban Development Corporation (HUDCO) for construction of 2,498 DUs (at the rate of Rs 40,000 per unit) at three places<sup>22</sup> in Ranchi by March 2007. RMC paid (January and May 2006) Rs 5.63 crore to HUDCO. The district administration, Ranchi was to provide the land required to RMC. Scrutiny further revealed that 408 units of Bargama were completed (November 2007) at Rs 1.63 crore and 882 units of Borya were under progress (as of March 2009) after incurring expenditure of Rs 2.51 crore, however, construction of units at Loadih were not started as of March 2009 as the required land was not provided by the district administration. Further, the completed units at Bargama could not be handed over (as of March 2009) to the beneficiaries due to resistance by local people on selection of beneficiaries.

Thus, failure of UDD in monitoring the progress of works resulted in denial of the intended benefits to urban slum dwellers despite availability of sufficient

<sup>21</sup> Secretary, UDD-Chairman, Administrator, RMC-Member, Special Officer, Hazaribag Municipality-Member, nominated officer of Urban Development Ministry, GOI-Member, two social workers as members and Regional Chief of HUDCO as Member Secretary.

<sup>22</sup> Bargama: 408 units, Borya: 882 units and Loadih: 1008 units. Details of remaining 200 units were not furnished to Audit.

funds. Further, expenditure of Rs 4.14 crore on complete/incomplete units proved unfruitful, besides blocking of Rs 6.82 crore (RMC: Rs 5.33 crore (including interest of Rs 98.25 lakh) and HUDCO: Rs 1.49 crore) for more than five years.

The matter was referred to the Government (April 2009). Their reply had not been received (December 2009).

**RURAL WORKS DEPARTMENT AND FOREST AND ENVIRONMENT DEPARTMENT**

**2.3.2 Unfruitful expenditure on incomplete roads**

**Commencement of road works in forest areas without obtaining prior clearance from the Government of India and non-cooperation of the Forest Department led to stoppage of works midway and unfruitful expenditure of Rs 2.80 crore.**

According to the guidelines issued (April 2005) by the Government of India (GOI), Ministry of Environment and Forest (MoEF), upgradation of *kutchra* roads to black-topped/tarred roads in forest areas are to be taken up after obtaining prior environmental clearance of GOI. As per the revised notification issued in September 2006, District Forest Officers (DFOs) were authorised to permit black-topping of those roads which were in existence prior to October 1980.

Scrutiny (May 2008) of the records of the Executive Engineer (EE), Rural Works Division (RWD), Koderma revealed that seven agreements of Rs 3.44 crore were executed between January and March 2006 with seven contractors for upgradation of three<sup>23</sup> roads under the Rashtriya Sam Vikas Yojana (RSVY) for completion of work between November 2006 and March 2007. This included the Janpur to Satgawan road (27 km), in three parts, which was in existence prior to 1980 and passed through forest areas (under DFO, Giridih 25 km and Koderma 2 km). As part of the road lay in forest areas, the work on the said road could be executed only after forest clearance from GOI. The DFOs, Koderma and Giridih objected (July 2006) to the construction of the road in forest areas. Following this, the EE stopped (July 2006) the work, which had been executed up to the Water Bound Macadam (WBM) level<sup>24</sup> after spending Rs 2.29 crore (up to March 2007). The EE also failed to give any explanation for his failure to obtain prior clearance from the Forest Department before commencement of the road works. DFO, Koderma, however, conditionally permitted (August 2007) the execution of bituminous work, on a request of the EE but the work could not be executed due to increase in the cost of bitumen. DFO, Giridih, however, did not grant permission for bituminous surfacing in 25 km of the road on the ground that the EE had cut soil, moorum, stones and trees etc. from the forest land without any authority.

Further scrutiny (January 2009) of the records of the EE, RWD, Chatra

<sup>23</sup> Janpur to Ratanpur road (length-7 km), Kothyar to Satgaon road (length- 15 km) and Ratanpur to Kothyar road (length-5 km).

<sup>24</sup> Upper road surface consisted of Grade-III metal with granular materials.

revealed that an agreement for Rs 4.90 crore was executed (January 2007) with a contractor for upgradation of two roads (A and B)<sup>25</sup> under the Pradhan Mantri Gram Sadak Yojna (PMGSY) for completion by October 2007 to provide communication and for maintaining law and order in Naxal-affected areas. The roads were in existence prior to 1980 and were passing through forest areas. During execution, the Divisional Forest Officer, North Forest Division, Chatra lodged (August 2007) an FIR against the contractor for execution of work in the forest area without obtaining prior environmental clearance from the Forest Department. As a result, the contractor could not start the work on Road 'A' whereas he stopped (September 2007) the work on Road 'B' after execution up to Grade II level in partial stretches at a cost of Rs 50.89 lakh and received payment of Rs 50.57 lakh up to March 2009. A proposal for obtaining the required forest clearance for completing Road 'B' was also not submitted by the EE as survey of the road was under progress (September 2009).

Due to non-execution of bituminous work on the above mentioned road work up to the WBM level, the road became unfit for traffic movement as the WBM surface was not covered by a bituminous layer as per the specification under para 4.8.2 of the Indian Road Congress. However, traffic was allowed on the WBM surface, which resulted in damage to the surface.

Thus, due to failure on the part of the EEs to obtain prior clearances from the Forest Department important roads could not be completed. This resulted in unfruitful expenditure of Rs 2.80 crore besides non-achievement of the intended objectives.

The matters were reported (March and April 2009) to the Government. Their reply had not been received (December 2009).

## RURAL WORKS DEPARTMENT

### 2.3.3 Unfruitful expenditure

**Sanction and execution of a road work passing through a railway line without obtaining a no objection certificate from the Railways and without proper site survey led to stoppage of work midway and unfruitful expenditure of Rs 1.19 crore on the incomplete road.**

According to the Indian Railway Code of Civil Engineering, access across or along the railway track or any railway land can be done only after obtaining a 'No Objection Certificate' (NOC) from the Railways.

Deputy Commissioner (DC), Saraikela-Kharsawan, administratively approved (June 2005) the construction of a bituminous road (12.80 km) from the Saraikela-Kandra PWD road to Sini *via* Bhalukpahari for Rs 2.23 crore against a technical sanction (December 2004) for Rs 2.25 crore by the Chief Engineer (CE), Rural Works Department (RWD), for providing connectivity to nine villages<sup>26</sup>. The proposed road was intersecting railway tracks at eight

<sup>25</sup> A-Siddiki More (Sijna) to Dumarwar ( 1<sup>st</sup> km to 13.30 km) B- T-20 to Ghorighat, Pratappur (1<sup>st</sup> km to 10.675 km).

<sup>26</sup> Bhalukpahari, Gopinathpur, Madhopur, Mundatar, Padampur, Rangatar, Sindri, Swarnpur and Ulidih.

places<sup>27</sup> which inter-alia, separated the villages located on one side of the railway land from the places on the other side of the line/railway track.

Scrutiny (July 2008 and February 2009) of the records of the Executive Engineer (EE), Rural Works Division (RWD), Saraikela revealed that the fact regarding the alignment of the road passing through railway land was not mentioned in the estimate prepared by the EE. The CE also, did not inspect the site before granting technical sanction while the DC accorded administrative approval based on the deficient estimate and without site survey. Thus, prior permission/NOC from Railways, as per the Railway Code to utilise railway land was neither obtained nor was any alternative alignment of the road bypassing the railway land planned or executed.

The CE awarded (March 2005) the work to a contractor at an agreed value of Rs 1.89 crore for completion by May 2006. While the work was under way, the South-Eastern Railway (SER) directed (between March 2006 and January 2007) the EE, RWD, Saraikela and DC, Saraikela to stop construction of the road as it was fraught with the risk of compromising the security/safety of the Railways. The EE stopped (March 2006) the work midway and paid (June 2007) Rs 1.19 crore to the contractor for the partial work executed by him. Further, the Senior Divisional Engineer, SER, Chakradharpur confirmed (March 2009) that NOC for constructing the road would not be given as the site was intended for future expansion of railways and construction of road close to railway tracks was not permissible.

Thus, construction of the road through Railway land without obtaining an NOC from the Railways in contravention of the Railway Code and failing to conduct a survey for alternative alignment of the road resulted in stoppage of the work besides unfruitful expenditure of Rs 1.19 crore on the incomplete road. Further, the objective of providing connectivity to the villages was also not achieved.

The matter was reported to the Government (March 2009). Their reply had not been received (December 2009).

## **DRINKING WATER AND SANITATION DEPARTMENT**

### **2.3.4 Undue aid to the contractor**

#### **Unauthorised retention of construction material by a division led to undue financial aid of Rs 61.03 lakh to contractors.**

Executive Engineers (EEs), Subernarekha Distributory Division (SDD) and Drinking Water and Sanitation Division (DWSD), Ranchi executed (October 2005 and January 2006 respectively) eight agreements (valued at Rs 34.92 crore) on turnkey basis with two contractors for supply and laying of ductile iron (DI) pipes as a part of reorganisation of the existing distribution network of water supply pipelines. According to the terms of the agreements, payments to the contractors were to be made for supply of pipes at 80 *per cent* of the cost of materials/pipes brought to the site in good condition and the remaining

<sup>27</sup> Sini-Kandra: UP line-four places and DN line-two places and Mumbai-Horwrah: UP line-one place and DN line-one place.

20 per cent was to be paid only after satisfactory erection/laying and testing of pipes. Further, Chapter-4.0-Distribution Mains, item no.(vii) of the special note to Notice Inviting Tender stipulated that “the length of pipes and specials (pipe fittings) will be paid as per fabrication and laying jobs”, which meant that no payment was to be made for pipes and specials not laid and retained at the site. The rates also included the cost of wastages and breakages in pipes and specials.

Scrutiny (February 2007 and April 2008) of the records of these two divisions revealed that the contractors supplied 2.47 lakh metres of DI pipes costing Rs 27.71 crore between October 2005 and November 2007. As per the agreement, 80 per cent of the cost of supplied pipes *i.e.* Rs 22.17 crore was to be paid. But the EEs, in violation of the provisions of contract, paid (between October 2005 and November 2007) Rs 27.71 crore (100 per cent of the cost of pipes) resulting in an excess payment of Rs 5.55 crore. The contractors could lay only 2.44 lakh metres of DI pipes valuing Rs 27.11 crore and the remaining 2,811.66 metres of DI pipes became surplus. The EEs did not initiate any action to adjust the cost of the unused pipes *i.e.* Rs 61.03 lakh already paid, from the final bills of the contractors as per the terms of the agreements. Further, security deposits of Rs 83.44 lakh<sup>28</sup> were also refunded (January 2009) to the contractors. The contractors left the unused pipes with the divisions and received an undue favour of Rs 61.03 lakh (*Appendix-2.4*), for which no responsibility was fixed against the EEs.

On this being pointed out by Audit, the department stated (April 2009) that DI pipes were purchased from the manufacturing company and the small quantity of unused pipes could not be taken back by the company. Further, the unused pipes could be used in future operational and maintenance work for uninterrupted water supply. The reply of the department was clearly an afterthought because as per the agreement, payment was to be made only for the pipes laid and unused pipes were the responsibility of the contractors and not of the divisions. Further, the divisions could not retain the excess pipes on the ground of future use because there was no approval of the competent authority for maintaining such an inventory.

## AGRICULTURE AND SUGARCANE DEVELOPMENT DEPARTMENT

### *2.3.5 Unfruitful expenditure*

**Awarding work for preparation of a database to the Society for Rural Industrialisation and failure to ensure its completion led to unfruitful expenditure of Rs 63 lakh and blocking of Rs 7.20 lakh.**

The Agriculture and Sugarcane Development Department (ASDD) sanctioned (August 2002) Rs 70.20 lakh to strengthen the database for developing district-wise agriculture and horticulture Perspective Plans for the State under the Centrally sponsored Macro Management Scheme. District Horticulture Officers (DHOs) were responsible for survey and computerisation

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<sup>28</sup> Security deposits of Rs 26.13 lakh in January 2008 and Rs 24.07 lakh in January 2009, Rs 20.44 lakh in March 2009.

of the data at the district level at the cost of Rs 55 lakh while the Director of Agriculture (DOA), Jharkhand and Deputy Director, Horticulture, Ranchi were responsible for analysis of data and preparation of a Perspective Plan for the State at the cost of Rs 15.20 lakh.

Scrutiny (March 2009) of the records of DOA, Jharkhand disclosed that the Director withdrew (March 2003) Rs 70.20 lakh and instead of disbursing Rs 55 lakh to DHOs, executed (March 2003) an agreement for Rs 70.20 lakh (with an advance payment of Rs 35 lakh) with the Society for Rural Industrialisation (SRI), Ranchi, a Non Government Organisation (NGO), for preparation of the data base by 5 November 2003. SRI submitted (November 2003) its report, which was found 'inadequate' by an expert committee as the data was old, insufficient, discrepant and collected without adopting a proper sampling procedure. Accordingly, the Secretary, ASDD cancelled (December 2003) the agreement and asked SRI to refund Rs 35 lakh, advanced to it for execution of the said work. SRI challenged this in the High Court, which advised (February 2004) the State Government to reconsider the matter. The Court, in view of the Expert Committee's Report of December 2003, further advised the State Government to get the work redone either by SRI, if SRI expressed its willingness within four weeks to complete the work, or alternatively by some other agency. Accordingly, ASDD re-allotted (November 2004) the work to SRI with the condition that balance payment would be made only after submission and finalisation of the report. However, DOA paid Rs 28 lakh (October 2005 and March 2006) to SRI before submission of the report. The report, resubmitted in January 2007 by SRI, was forwarded (February 2007) to Birsa Agricultural University (BAU), Ranchi for review, which found (July 2009) it to be inadequate.

Thus, awarding the work to SRI instead of DHOs and making payments to SRI, without ensuring adequacy of the report resulted in non-preparation of the database and Perspective Plan for agriculture and horticulture in the State, rendering the expenditure of Rs 63 lakh unfruitful, besides blocking of Rs 7.20 lakh for six years.

The matter was referred to the Government (April 2009). Their reply had not been received (December 2009).

**HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE AND  
AGRICULTURE AND SUGARCANE DEVELOPMENT  
DEPARTMENTS**

**2.3.6 Unfruitful expenditure**

**Failure of departments to ensure the required facilities for utilisation of equipment resulted in their remaining idle, rendering expenditure of Rs 2.05 crore on their purchase unfruitful.**

The Health, Medical Education and Family Welfare Department (HMEFWD) sanctioned (between October 2005 and March 2006) purchase of four incinerators to be installed in four Sadar hospitals<sup>29</sup>. Similarly, the Agriculture and Sugarcane Development Department sanctioned (November 2002 and March 2005) the purchase of 22 tractors and accessories (one set each for 22

<sup>29</sup> Government hospitals with specialised facilities at district headquarters.

districts under the Micro Management Scheme) and three Rice Bye-product Industrial Units (RBIUs) for three districts under the Agriculture Mechanisation Incentive Schemes.

Scrutiny (between March 2008 and April 2009) of the records of 25 offices<sup>30</sup> revealed that these machine and equipment were not utilised for the envisaged purposes and expenditure of Rs 2.05 crore on them proved unfruitful as detailed below:

*(Rupees in crore)*

Name of the offices	Expenditure	Remarks
Chief Medical Officer (CMO), Sadar Hospitals, Palamu, Giridih, Dumka and Chatra.	1.15	Four incinerators were purchased and installed (between March 2006 and May 2007) in four hospitals at a cost of Rs 1.15 crore. The incinerators were not operational as of March 2009 due to lack of power supply (Giridih and Palamu), trained personnel (Chatra) and authorisation by State Pollution Control Board (Chatra and Dumka), as mandatory under the Bio-Medical Waste Handling Rules 1998. Thus, the incinerators remained unutilised for 22 to 36 months. Government accepted (June 2009) the audit observation.
Director, of Agriculture, Ranchi.	0.90	To improve basic infrastructure for seed production and mechanisation of farming, the Director purchased and distributed 19 tractors (between January and November 2003) and three RBIUs (between May and June 2006) costing Rs 62.51 lakh and Rs 27 lakh respectively to 19 District Agriculture Officers/Sub-divisional Agriculture Officers (DAOs/SDAOs). These tractors were lying idle in all the 19 districts, either since their receipt or for the last four to five years for different reasons like supply of defective tractors, non-supply of all accessories required for use in agriculture, non-posting of operator, breakdown of tractors, non-availability of spare parts etc. ( <i>Appendix-2.5</i> ). Similarly, RBIUs were lying idle for about 34 months in three districts for want of space/building, operator, required training etc. ( <i>Appendix-2.6</i> ). Thus, expenditure on tractors and RBIUs was rendered unfruitful. Reply of the Government was awaited (December 2009).
<b>Total</b>	<b>2.05</b>	

Thus, failure of the departments to ensure the required facilities for utilising the machinery and equipment resulted in unfruitful expenditure of Rs 2.05 crore and non-achievement of the intended benefits.

## **2.4 Blocking of funds**

### **HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE AND WELFARE DEPARTMENTS**

#### **2.4.1 Blocking of funds**

**Release of funds without assessing actual requirements led to blocking of Rs 6.72 crore for about four years besides diversion of Rs 20 lakh.**

According to Rule 13 of the Bihar Financial Rules read with Rule 107 of the

<sup>30</sup> Four Sadar Hospitals; PMCH, Dhanbad; Director, Agriculture and 19 District Agriculture Offices.

Bihar Budget Manual, as adopted by the Government of Jharkhand, drawing of money from the treasury and placing it in deposit so as to avoid lapse of allotments is not permissible. If under special circumstances, money is drawn in advance under orders of the competent authority, the unspent balance, so drawn, should be remitted to the treasury at the earliest possible opportunity, latest by the close of the financial year in which the amount was drawn.

Scrutiny (between January and March 2009) of the records of three offices<sup>31</sup> revealed blocking of funds besides diversion and loss as discussed below:

Sl. No.	Name of the office	Amount released (Rs in crore)	Amount utilised (Rs in crore)	Audit observation
1	Civil Surgeon-cum- Chief Medical Officer (CS-cum-CMO), Hazaribag.	1.50	Nil	To upgrade and strengthen emergency facilities in the Government hospitals located on National Highways, GOI sanctioned (March 2006) Rs 1.50 crore to CS-cum-CMO, Hazaribag for setting up a Trauma Centre in District Hospital, Hazaribag by March 2007. As of February 2009, the entire amount of Rs 1.50 crore was lying idle for three years in a savings account in a bank as the civil work could not be taken up. No efforts were made by the CS-cum-CMO to get the civil work done.
2	Medical Officer (MO), Leprosy Research and Training Institute (LRTI), Brambe, Ranchi.	1.42	0.20	The Secretary, Health, Medical Education and Family Welfare Department (HMEFWD) sanctioned (February 2005) Rs 1.42 crore for purchase of machinery and equipment for LRTI, Brambe. MO, LRTI received (July 2005) the fund and parked the same in a current account of a bank. Scrutiny of the records of the LRTI revealed that the MO diverted (October 2005) Rs 20 lakh to the State Leprosy Committee for payment of wages/honorarium on the orders (July 2005) of the Secretary. While sanctioning diversion of Rs 20 lakh, the Secretary ordered (December 2005) not to make any expenditure out of the balance fund. Since then, Rs 1.22 crore was lying idle, i.e. for about four years. The Government had neither reviewed its order of July 2005 nor deposited the said amount in the Government account (January 2009).
3	Deputy Director, Tribal Welfare, Jharkhand.	4.00	Nil	The Welfare Department sanctioned (March 2006) Rupees four crore under the scheme for generation of income for the youth of backward and minority communities below the poverty line. Under this scheme, commercial vehicles (three or four wheelers) were to be provided to the youth of backward and minority communities on the basis of 10 per cent beneficiaries' contribution, 40 per cent subsidy and 50 per cent loan. Rupees four crore was released in July 2006 towards subsidy of 40 per cent to the backward and minority youths. Deputy Director, Tribal Welfare drew (July 2006) the funds and transferred (July 2006) them to the Managing Director, Jharkhand State Tribal

<sup>31</sup> Civil Surgeon-cum-Chief Medical Officer, Hazaribag, Medical Officer, Leprosy Research and Training Institute (LRTI), Brambe, Deputy Director Tribal Welfare, Ranchi.



				Co-operative Development Corporation Limited (JSTCDC-an undertaking of the Government of Jharkhand) for implementation of the scheme. A list of beneficiaries to be considered under the scheme was still awaited (February 2009) from the Welfare Department. Thus, Rupees four crore was lying idle for more than two years with JSTCDC.
<b>Total</b>		<b>6.92</b>	<b>0.20</b>	

The above failures of the departments led to blocking of Rs 6.72 crore, released between July 2005 and March 2006, for more than three years, entailing loss of interest of Rs 1.49 crore (calculated at the average borrowing rate of 8.44 *per cent*) and diversion of Rs 20 lakh, besides denial of the intended facilities to the beneficiaries.

The matter was reported to the Government (April 2009); their reply had not been received (December 2009).

## WATER RESOURCES DEPARTMENT

### 2.4.2 Blocking of funds

**The Punasi dam project, taken up in January 1982, was anguishing for more than 26 years due to non-acquisition of land and non-rehabilitation of displaced persons. Expenditure of Rs 10.48 crore incurred between February 1999 and March 2008 remained blocked. Besides, the objective of providing irrigation was not achieved.**

According to the Jharkhand Public Works Account Code<sup>32</sup>, special attention should be given to projects which require acquisition of land. For such projects, estimates for acquisition of land are to be sanctioned before land acquisition. After acquisition of land, estimates for project work are to be sanctioned and then the works should be commenced.

With a view to create irrigation potential of 24,292 hectares in Deoghar and Dumka districts, the State Government decided (January 1982) to construct an earthen dam from chain 0 to 70 under the Punasi Reservoir Scheme at a sanctioned estimate of Rs 26.01 crore. The earthen dam from chain 0 to 53 (excluding boulder pitching and rip-rap work) was completed as of 1998.

Scrutiny (September 2006 to June 2009) of the records of the Executive Engineer (EE), Punasi Dam Division, Deoghar disclosed that the remaining work (chain 53-70) was awarded to a contractor in December 1998 for Rs 14.56 crore, to be completed by June 2002. The work was, however, stopped in February 2002 after completion of the work valued at Rs 7.28 crore (paid between February 1999 and October 2007) due to agitation by the displaced persons and non-acquisition of 491.45 hectares of land (including 220.03 hectares of forest land).

Though the dam work remained incomplete, the EE incurred an expenditure of Rs 3.20 crore between June 2006 and March 2008, on dam outlet and channel works, which also remained unfruitful.

<sup>32</sup> Annexure 'A' Cabinet Secretariat and Co-ordination Department (Vigilance Cell) Resolution number 948 dated 16 July 1986- Para 4.5.

Thus, commencement of work without ensuring availability of the required land coupled with non-rehabilitation of displaced persons resulted in languishing of the project for a long period and blocking of funds of Rs 10.48 crore up to 10 years. This also resulted in non-achievement of the intended objective of providing irrigation.

The Department accepted (October 2009) the audit observations and stated that efforts were being made to resolve the problems of displaced persons.

## 2.5 Unauthorised expenditure

### CIVIL AVIATION DEPARTMENT

#### 2.5.1 Unauthorised expenditure

**The State Government created a Civil Aviation Authority in violation of constitutional provisions, ignoring the opinion of the Law Department, resulting in unauthorised expenditure of Rs 10.74 crore.**

The Civil Aviation Authority (Authority) was constituted (for regulation, planning, improvement, operation, management and maintenance of civil aviation activities) by the Government of Jharkhand with effect from June 2005 as per an executive order of the Governor of Jharkhand, with the stipulation that the statutory Act and Rules would be framed in due course.

Examination (May 2007 and March 2009) of the records of the Civil Aviation Department disclosed the following facts:

- (i) The Law Department of Government of Jharkhand had opined against setting up of the Civil Aviation Authority. As per the Law Department, civil aviation was a subject mentioned in the Union list of the Seventh Schedule under Article 246 (1) of the Constitution of India and in such matters, the Parliament alone had the exclusive power to make laws.
- (ii) The Authority was made functional with effect from April 2005 *i.e.* even before the issue of the said executive order. It was observed that the Authority incurred expenditure of Rs 10.74 crore up to March 2008.
- (iii) The Government neither repealed the creation of the Civil Aviation Authority nor made efforts to get the approval of the Parliament.

Thus, the constitution of the Civil Aviation Authority without legislative approval was in violation of the constitutional provisions. The appropriation of funds from the State Budget was irregular and the entire expenditure of Rs 10.74 crore incurred by the Civil Aviation Authority since inception to 31 March 2008 was unauthorised.

The matter was reported to the Government (April 2009). Their reply had not been received (December 2009).

### 2.5.2 Unauthorised expenditure

**Government aircraft/helicopters were utilised unauthorisedly without obtaining the mandatory approval of the Finance Department, resulting in unauthorised expenditure of Rs 17.79 crore.**

The operation of aircraft in Jharkhand is governed by the Rules approved (September 1968) by the Government of Bihar as the same had not been replaced by the Government of Jharkhand under the scope of Section 85<sup>33</sup> of the Bihar Reorganisation Act, 2000. According to these Rules, journey by Government aircraft was permissible only after getting approval of the Finance Department on the basis of requisitions made by or on behalf of visitors.

Scrutiny (March 2009) of the records of the Civil Aviation Department and the Civil Aviation Authority (Authority) disclosed that Rs 17.79 crore was paid (between April 2005 and October 2008) to different agencies by the department/Authority as hire charges for 724 flights of aircraft/helicopters hired during April 2005 to October 2008. The aircraft/helicopters were used by the Governor, Ministers, Government officers and others<sup>34</sup>. However, in no case was the approval of the Finance Department obtained as required under the Rules of 1968.

Use of Government aircraft/helicopters without necessary approval of the Finance Department resulted in unauthorised expenditure of Rs 17.79 crore paid as hire charges.

The matter was reported to the Government (April 2009); their reply had not been received (December 2009).

## HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

### 2.5.3 Unauthorised creation of posts

**Health, Medical Education and Family Welfare Department irregularly created additional posts in MGM Medical College, Jamshedpur in excess of the sanctioned strength and without approval of the competent authority, resulting in unauthorised expenditure of Rs 5.47 crore for the years 2005-09.**

Rule 80 of the Jharkhand Financial Rule (JFR) stipulates that permanent posts can be created with the sanction of the Government. Further, Rule 12(1) of Rules of Executive Business of Bihar Government, as adopted by the Government of Jharkhand, envisages that no department shall, without prior concurrence of the Finance Department, authorise any order which relates to

<sup>33</sup> Section 85 of The Bihar Reorganisation Act, 2000 envisages that any law made before the appointed day (15 November 2000 i.e., date of bifurcation of states), may be adapted or modified by the appropriate Government, before the expiration of two years from that day and thereupon every such law shall have effect subject to the adaptation, modifications so made until altered, replaced or amended by the competent authority.

<sup>34</sup> This included private persons and visitors whose names were as either not recorded or only surnames were recorded in the passenger manifests (log books of flights).

the number, grading, cadre or emoluments of the post or other conditions of service.

Scrutiny of the records of and further information collected (December 2009) from the of Mahatma Gandhi Memorial (MGM) Medical College, Jamshedpur disclosed that there were eight sanctioned posts of Medical Officers in the college. The Health, Medical Education and Family Welfare Department (HMEFWD) sanctioned (May 2004) 97 posts of Senior Residents and 84 posts of Medical Officers in MGM Medical College, Jamshedpur through notification without obtaining concurrence of the Finance Department though there were only eight sanctioned posts of Medical Officers while no post of senior resident was sanctioned.

On this being pointed out (March 2008), the Secretary, HMEFWD accepted (December 2009) that the proposal for creation of these posts was neither sent to the Cabinet for approval nor to the Finance Department for concurrence. However, HMEFWD operated (2005-08) the posts of three Medical Officers and 42 Senior Residents in excess of the original sanctioned strength of the college citing the notification of May 2004 and paid Rs 5.47 crore as pay and allowances during 2005-09.

Thus, non-observance of codal provisions and irregular creation of posts resulted in unauthorised expenditure of Rs 5.47 crore to the exchequer.

The matter was referred to the Government (March 2009); their reply had not been received (December 2009).

## **2.6 General**

### **Follow-up on Audit Reports**

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

According to instructions issued (September 2005) by the Ministry of Finance, Government of India, administrative departments are required to submit explanatory notes on paragraphs and reviews included in the Audit Reports within three months of the presentation of these Reports to the legislature, without waiting for any notice or call from the Public Accounts Committee, duly indicating the action taken or proposed to be taken on the audit observations contained therein.

As of July 2009, seven departments had not submitted any compliance or explanatory/Action Taken notes in respect of 147 out of 201 paragraphs/reviews for the years 2000-01 to 2007-08.

#### **2.6.2 Action taken by the Government**

Government/Heads of Departments are required to take necessary remedial action on the points mentioned in the Reports of the Comptroller and Auditor General of India. However, similar shortcomings/deficiencies were noticed in the Audit Reports for the years 2003-04 to 2007-08. Two cases are discussed below:

**(A) Irrecoverable advance**

Mention was made in paragraph 4.1.1 of the Audit Report 2003-04 about irrecoverable advances of Rs 25.90 lakh due to non-pursuance by Drawing and Disbursing Officers.

A similar case was noticed (December 2008) in the records of the Sub Divisional Officer, Godda, where an advance of Rs 41.24 lakh was outstanding since long against officials as well as private persons, some of whom had retired, died or been transferred elsewhere.

**(B) Idle expenditure**

Mention was made in paragraph 4.4.2 of the Audit Report 2004-05 about nugatory/idle expenditure of Rs 1.36 crore on pay and allowances of idle staff *i.e.* bull attendants in the Animal Husbandry Department.

It was seen (September 2009) in audit that Rs 22.22 lakh was paid to idle staff *i.e.* ploughmen and drivers of Sub Divisional Agriculture cum District Agriculture Office, Godda where there were no bullocks in any of the farms and the tractors had been out of order since the last 10 years.

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

According to instructions issued (September 2005) by the Ministry of Finance, GOI, all administrative departments and Heads of Departments were to submit Action Taken Notes (ATNs) on the recommendations of the Public Accounts Committee (PAC) within six months from the date(s) of receipt of recommendations. As of July 2009, 123 paragraphs were discussed by the PAC and recommendations were made against 27 paragraphs between November 2000 and July 2009. Of these, only in seven cases, ATNs had been received.

**2.6.4 Lack of response**

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

The status of pendency of IRs/paragraphs at the end of June 2007, June 2008 and June 2009 is shown below:

Items	Pending as at the end of		
	June 2007	June 2008	June 2009
Number of IRs	4319	3744	3924 <sup>35</sup>
Number of paragraphs	24427	20866	20942

<sup>35</sup> The number of pending IRs and paragraphs decreased.

Out of the 3,924 IRs/20,942 paragraphs pending as on 30 June 2009, even first replies had not been received in respect of 947 IRs/6,025 paragraphs. The year-wise break-up of these IRs and paragraphs is indicated in **Appendix-2.7**. The Principal Secretaries/Secretaries, who were informed of the position through half yearly reports, could not ensure prompt and timely action by the concerned officers.

### **2.6.5 Constitution of Audit Committees**

A State level Audit Committee, under the chairmanship of the Chief Secretary, was constituted (February 2005) following recommendations of the Shakhder Committee<sup>36</sup> to monitor the compliance of Audit Reports/IRs and to develop internal audit systems in all departments. In the State, the Secretary, Finance Department was designated as the Member (Co-ordination) and all departmental Secretaries and the Principal Accountant General were to be members of the committee. The committee did not meet during September 2008 to September 2009. Principal Accountant General had requested (March 2009) the Chief Secretary and Finance Secretary to expedite the settlement of outstanding paragraphs.

Audit Committees were formed in 12 departments and meetings were held on 20 occasions between March 2008 and March 2009 in which 17 IRs and 790 paragraphs were settled. Principal Secretary/Secretary and representatives of Finance Department, however, did not take part in the Audit Committee meetings even though they were informed about them.

This indicated lack of seriousness on the part of these departments in rectifying the deficiencies pointed out by Audit.

It is recommended that the Government should (i) constitute Audit Committees at the department and district level, (ii) conduct Audit Committee meetings regularly for speedy settlement of pending IRs and paragraphs, (iii) ensure timely and proper responses to the IRs of the Principal Accountant General and (iv) effect recoveries pointed out in the IRs, promptly.

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<sup>36</sup> A high-powered committee appointed to review the response of the State Governments to the Audit Reports of the Comptroller and Auditor General of India.

## CHAPTER-III

### INTEGRATED AUDIT

#### 3.1 Disaster Management Department

##### *Highlights*

*The Disaster Management Department was created with the responsibility of planning, mitigation, preparedness, response, relief and rehabilitation to deal with any disaster. Provision of a Calamity Relief Fund was made by the Government of India for financial assistance to the State. An integrated audit of the Disaster Management Department disclosed weak financial management, failure to adhere to the provisions of the Disaster Management Act, failure to establish the mandatory authorities and funds, poor implementation of programme, shortage of staff, absence of training for capacity building and lack of monitoring and evaluation.*

**The Disaster Management Plan was not prepared and the Disaster Management Authority was not created.**

*[Paragraphs 3.1.6.1 and 3.1.6.2]*

**Financial management was deficient as budget estimates were unrealistic and delayed. Savings were not surrendered in time and subsequently lapsed. The Disaster Response Fund and the Disaster Mitigation Fund were not established.**

*[Paragraphs 3.1.7.1 and 3.1.7.3]*

**Rupees 7.96 crore out of the Calamity Relief Fund was retained by subordinate officers in violation of norms.**

*[Paragraph 3.1.7.2]*

**Detailed Contingent bills for Rs 29.12 crore drawn on Abstract Contingent bills were not submitted to Accountant General (Accounts & Entitlements).**

*[Paragraph 3.1.7.6]*

**In violation of guidelines, agricultural input subsidy of Rs 20.89 crore was used for purchase of seeds instead of crediting the same directly into the bank accounts of farmers. Irregularities of Rs 4.55 crore were noticed in the construction of ponds.**

*[Paragraphs 3.1.9.1 and 3.1.9.2]*

**Foodgrains purchased for drought victims in excess of allotments resulted in creation of avoidable liabilities of Rs 15.95 lakh**

*[Paragraph 3.1.9.3]*

**There was acute shortage of manpower and no training was imparted for capacity building/augmenting skills.**

*[Paragraphs 3.1.10 and 3.1.8.3]*

**Regular monitoring and internal audit was not conducted.**

*[Paragraph 3.1.11]*

### **3.1.1 Introduction**

Government of India (GOI) notified the Disaster Management Act in December 2005. The Government of Jharkhand adopted the same for the State. Disaster Management is a continuous and integrated process of planning, organising and implementing necessary measures to deal with an event of disaster. It encompasses the entire gamut of activities including prevention of any disaster, mitigation or reduction of risk of any disaster or its severity or consequences; capacity building, preparedness, prompt response to deal with any disaster, rescue, relief, rehabilitation and reconstruction.

The geographical and climatic features of the State make it vulnerable to natural calamities like flood, drought, earthquake *etc.* Droughts affected all the 22 districts of Jharkhand in 2004-05 and 2005-06 and four districts (Chatra, Garhwa, Latehar and Palamu) in 2008-09. In addition, all districts of the State are placed in the high risk seismic zones II and III.

The Relief and Rehabilitation Department of the State was notified as the Disaster Management Department (DMD) in October 2004. DMD was made responsible for prevention, preparedness, mitigation, response, relief and rehabilitation work in case of any disaster. It was required to plan and establish response and mitigation funds for taking measures to reduce the risk, impact and effects of disasters and evolve an adequate monitoring and reporting system to keep a close watch over the execution of relief works. DMD was also responsible for coordination activities with other departments of the State and GOI.

### **3.1.2 Organisational set up**

DMD is headed by a Secretary, who is assisted by an Additional Secretary, a Joint Secretary, a Deputy Secretary and five Under Secretaries. The Secretary is also the Controlling Officer (CO) of the department. At the field level, the responsibility for relief work is vested in the Commissioners, Deputy Commissioners (DCs) and Sub Divisional Officers (SDOs) through the Additional Collectors (Relief) and their subordinate offices at the Block/Circle levels. In extreme situations the help of the Army is sought. Non-Government Organisations (NGOs) are also engaged by the department, wherever necessary.

### **3.1.3 Audit objectives**

The working of the Disaster Management Department was reviewed in audit to ascertain whether:

- planning by the department was adequate and effective,
- budgetary control was adequate to achieve the objectives of the department in an economic, efficient and effective manner;
- the manpower management was effective and
- the monitoring was adequate and there was proper co-ordination between the department, district authorities and the concerned line departments.



### 3.1.4 Audit criteria

The integrated audit of DMD was conducted with reference to the following audit criteria:

- The Disaster Management Act, 2005;
- Guidelines of the XII<sup>th</sup> Finance Commission regarding Calamity Relief Fund (CRF)/ National Calamity Contingencies Fund (NCCF);
- The Budget Manual, Jharkhand Financial Rules (JFR) and Jharkhand Treasury Code (JTC); and
- Norms of gratuitous relief as prescribed by the Ministry of Home Affairs, (GOI).

### 3.1.5 Audit coverage and methodology

A review to assess the effectiveness and efficiency in functioning of DMD covering the period 2004-09 was conducted (May to June 2009) by test check of the records of the department at the Secretariat and six<sup>1</sup> out of 24 districts (as shown in the map) selected on the basis of the Simple Random Sampling without Replacement method. An entry conference was held on 29 April 2009 with the Secretary where the audit objectives, scope and methodology were discussed. An exit conference was held on 13 November 2009 where the audit findings, conclusions and recommendations were discussed with the Chief Secretary. The views of DMD as well as their replies to the audit observations have been appropriately incorporated in the report.



### Audit Findings

The important points noticed in audit are discussed in the succeeding paragraphs:

### 3.1.6 Planning

#### 3.1.6.1 Non-preparation of Disaster Management Plan

The Disaster Management Act (Act) envisaged the preparation of a Disaster Management Plan (DMP) at the State and district levels. The Plans were required to assess and include the vulnerability of the State to various kinds of disaster, measures to be adopted for prevention and mitigation of disaster, the manner in which the mitigation measures should be integrated with the development plans, capacity-building, preparedness measures to be taken, the roles and responsibilities of the line departments in responding to any disaster

<sup>1</sup> Deoghar, East Singhbhum, Hazaribag, Palamu, Ranchi and Sahebganj.

etc. Accordingly, DMD issued (November 2000) instructions to the district authorities for preparation and execution of DMPs on the lines of the instructions laid down in a book on disaster management plan issued by the Lal Bahadur Shastri National Academy of Administration, Mussorie.

Scrutiny revealed that DMP was prepared at the State level during 2004-09. DMPs were also not prepared in any of the test- checked districts except in Sahebganj where a DMP was prepared during 2005 but was not updated thereafter. Further, the Act also laid down (2005) that all the departments of the State Government should prepare DMPs of their own as per the activities concerning their working areas. It was seen that none of the line departments<sup>2</sup> of the State Government prepared DMPs for their respective core areas of activity. Thus, in the absence of DMPs of DMD and other line departments, the Government was not in a position to take prompt and effective action in the event of any disaster.

Government, in its reply, stated (November 2009) that reminders had been issued to Deputy Commissioners (DCs). The reply is not acceptable as the DMD should have ensured that DMPs were prepared by the districts and the line departments.

### **3.1.6.2 Non-constitution of State and District level Disaster Management Authority**

The Act stipulated the constitution of a State Disaster Management Authority (SDMA) at the State level and a District Disaster Management Authority (DDMA) for each district in the State. The SDMA was responsible for laying down policies and plans for disaster management in the State. DDMA's were to act as planning, coordinating and implementing bodies in the district in accordance with the guidelines laid down by the National Disaster Management Authority and the State Disaster Management Authority.

Scrutiny of records of DMD and six test-checked districts revealed that the department neither constituted an SDMA nor DDMA's for carrying out disaster management activities. In the absence of these authorities, the State was deprived of crucial links to ensure operationalisations of disaster management activities.

Government, in its reply, stated (November 2009) that the DCs were being reminded for constitution of DDMA's. The reply is silent on the non- constitution of the SDMA and is not acceptable as the establishment of the SDMA and the DDMA's was essentially the responsibility of the department and even the basic planning work towards disaster management i.e. laying down policies and plans for disaster management was not done at the State and district levels.

### **3.1.7 Financial Management**

The budgetary allocations for the department was mainly for relief work in the disaster-affected areas, such as gratuitous relief to the affected people,

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<sup>2</sup> Departments of the State Government viz Home, Animal Husbandry, Agriculture, Public Works, Health, Medical Education and Family Welfare, Drinking Water and Sanitation, Energy

agriculture input subsidy for loss of crops due to natural calamities, assistance to employment generation programmes, to ensure regular supply of drinking water, foodgrains and medicines. The XII<sup>th</sup> Finance Commission recommended constitution of a Calamity Relief Fund (CRF) at the State level to provide immediate relief in the event of the disasters.

DMD receives funds mainly from the CRF as recommended by the Finance Commission on a 75: 25 sharing basis between GOI and the State. Funds for preparedness and response are allocated in the State budget. In addition to this, assistance from the National Calamity Contingencies Fund<sup>3</sup> (NCCF) is also provided by GOI in case of expenditure in excess of the amount available in the CRF.

The allocation and expenditure of DMD inclusive of the CRF during 2004-09 are given in **Table 1** and the year-wise fund allocation under CRF during 2004-09 are given in **Table 2**.

**Table -1: Statement of Budgetary Allocation and Expenditure**

(Rupees in crore)

Year	Allotment	Expenditure	Excess(+)/Saving(-)
2004-05	79.54	148.88	(+) 69.34 (87.18)
2005-06	169.85	139.30	(-) 30.55 (17.99)
2006-07	358.40	160.74	(-) 197.66 (55.15)
2007-08	491.86	215.10	(-) 276.76 (56.27)
2008-09	210.37	78.05	(-) 132.32 (62.90)
<b>Total</b>	<b>1310.02</b>	<b>742.07</b>	<b>(-) 567.95 (43.35)</b>

(Source: Appropriation Accounts (Figures in bracket indicate percentage))

**Table -2: Statement of Allocation and Release under CRF**

(Rupees in crore)

Year	Allocation		Total	Release		Total
	Central Share	State Share		Central Share	State Share	
2004-05	50.45	16.82	67.27	50.45	16.82	67.27
2005-06	94.56	31.52	126.08	94.56	31.52	126.08
2006-07	97.28	32.43	129.71	97.28	32.43	129.71
2007-08	100.15	33.38	133.53	100.15	33.38	133.53
2008-09	103.16	34.39	137.55	103.16	34.39	137.55
<b>Total</b>	<b>445.60</b>	<b>148.54</b>	<b>594.14</b>	<b>445.60</b>	<b>148.54</b>	<b>594.14</b>

Source: Departmental figures

### 3.1.7.1 Budget Estimation

As per Rule 72 (Chapter III) of the Jharkhand Budget Manual, the Controlling Officer (CO) was to send the revised estimates for the current year and the budget estimates (BEs) for the following year to the Administrative Department by 30 September every year. The latter in turn, was to submit the estimates to the Finance Department by 6 October every year or by the due

<sup>3</sup> Natural calamities such as cyclones, droughts, earthquakes, fires, floods, tsunamis, hailstorms, landslides, avalanches, cloud bursts and pest attacks considered to be of severe nature by GOI and requiring expenditure by the State Government in excess of the balances available in its own CRF, qualify for relief assistance under NCCF.

date notified by the Finance Department every year. Further, according to Rule 61 (Chapter III) of the Jharkhand Budget Manual, BEs were to be consolidated by the departments based on proposals received from subordinate offices. The BEs were required to be as accurate as possible. The CO was responsible for ensuring timely re-appropriation/surrenders in the event of savings by the end of each financial year. The deficiencies noticed in preparation of BEs were as discussed below:

**Budget provisions prepared without actual requirement resulted in savings up to 56 per cent**

- Scrutiny of the records of the test-checked districts disclosed that BEs were not submitted to the CO by the Drawing and Disbursing Officers (DDOs). The department prepared its budget without obtaining the actual requirement of funds from the field offices responsible for carrying out the disaster management activities. This resulted in excess expenditure during 2004-05 and huge savings during 2005-09, which indicated that the budget was not accurate.

The department, in its reply, stated (November 2009) that forecasting of disasters was not possible. The reply is not acceptable as no DMP had been prepared either for the State or the districts. Preparation of budgets in the absence of DMPs was unscientific.

**Savings were not surrendered in time**

- It was the responsibility of the CO of the department to ensure that in the event of significant savings, timely re-appropriation/surrender of funds was made. It was seen that savings amounting to Rs 47 lakh during 2006-09 were not surrendered in time and the same were allowed to lapse. As a result, the amounts could not be utilised for other purposes.

Government accepted (November 2009) the audit observation and stated that instructions had been issued to the DCs for timely surrender of funds.

**Discrepancy in expenditure and allotment remained unreconciled**

- As per Article 205 of the Constitution of India, excess over a grant/appropriation is required to be regularised by the State Legislature. It was noticed that excess expenditure amounting to Rs 69.34 crore for the year 2004-05 had not been regularised as of August 2009.
- It was also noticed that the CO, persistently delayed the submission of BEs during 2004-09 to the Finance Department. The delays ranged between 71 and 171 days, indicating inadequate budgetary controls. Details are given in **Table 3**.

**Submission of Budget Estimates was delayed**

**Table -3: Delayed submission of Budget Estimates**

Year	Due date of submission as notified by the Finance Department	Actual date of submission	Delay in days
2004-05	09.09.2003	16.12.2003	97
2005-06	06.10.2004	16.12.2004	71
2006-07	12.09.2005	02.03.2006	171
2007-08	12.09.2006	21.11.2006	70
2008-09	15.10.2007	07.01.2008	84

*Source: Disaster Management Department figures*

Government stated (November 2009) that the budget estimates could not be submitted to the Finance Department in time due to shortage of staff. The

reply is not acceptable as timely preparation of budget was the primary responsibility of the department.

### **3.1.7.2 Delays in contribution and deficiencies in the maintenance of Calamity Relief Fund**

- As stated earlier, the Finance Commission recommended the maintenance of the CRF at the State level. As per the Act read with the guidelines of CRF, the contributions received from Centre and the State were to be invested as per the guidelines. Unspent balances, if any, were to be refunded to the Government as retention of money outside was not allowed under the financial rules and the instructions issued by the Finance Department from time to time.
- Scrutiny of the records revealed that during 2005-09, both GOI and the State Government remitted instalments towards contribution to CRF after delays ranging from four to 10 months against the norms of crediting it on 1<sup>st</sup> May and 1<sup>st</sup> November in each financial year. It was observed that the second instalment was remitted in the next financial year.

**Calamity Relief fund of Rs 7.96 crore were retained by subordinate offices which was against norms**

Scrutiny of the records of test-checked districts revealed that Rs 7.96 crore remained unspent and the amounts lying with subordinate offices as of August 2009 were not refunded. Thus, the objective of investing the amount as envisaged in guidelines of CRF was not followed.

Government accepted (November 2009) the observation and stated that a cell had been constituted for review of the status of the unspent balances.

### **3.1.7.3 Non-establishment of Funds by the State Government**

The Act envisaged that the State Government should, immediately after notifications were issued for constituting the State authority and the district authorities, establish the following<sup>4</sup> Funds:

- (a) State Disaster Response Fund;
- (b) District Disaster Response Fund;
- (c) State Disaster Mitigation Fund; and
- (d) District Disaster Mitigation Fund.

All grants received from various sources were to be credited to these Funds and were to be available with the State Disaster Management Authority, the State Executive Committee<sup>5</sup> and the district authorities in order to facilitate immediate procurement of provisions or materials or the immediate application of resources for rescue or relief in the event of a disaster. These

<sup>4</sup> Disaster Response Fund:- Fund created for meeting any threatening disaster situation or disaster. Disaster Mitigation Fund:- Fund for projects exclusively for the measures aimed at reducing the risk of a disaster

<sup>5</sup> Established in March 2009, consisting of the Chief Secretary as Chairperson and four Secretaries of the State Government to assist the State Authority in the performance of its functions.

funds were required to be established as to ensure the timely availability of funds at the local level in the event of disaster.

Scrutiny revealed that the Funds were neither created at the State level nor at the district level. Further, DMD could not put in place any alternative arrangements which could meet the requirement of quick and effective response in the event of a disaster.

Government in its reply stated (November 2009) that as per a decision of the Calamity Relief Fund Committee<sup>6</sup>, funds were being allotted directly to the respective DCs. The reply was not acceptable as money was to be made available to the district authorities only through the statutory Funds, established by the Act.

#### **3.1.7.4 Non-preparation of Statement of Expenditure**

According to Rule 121 of the Jharkhand Budget Manual, all DDOs are to furnish Statements of Expenditure (SOE) for each month, reconciled with the treasuries, to the CO, not later than the first week of the succeeding month. Based on these statements, the CO is required to prepare consolidated and progressive SOEs under Rule 475 of the Jharkhand Financial Rules, Volume I, for monitoring expenditure within a grant and to utilise the same for preparation of BEs.

Scrutiny of the records of the six test-checked districts revealed that SOEs were not submitted by the DDOs to the CO regularly. This adversely affected monitoring of expenditure and preparation of actual BEs, resulting in huge savings as discussed in *paragraph 3.1.7.1*. Further, as per Rule 471 of the Jharkhand Financial Rules, Volume I (JFR), departmental expenditure was required to be reconciled with the figures of the Accountant General (AG) Accounts & Entitlements (A&E). It was also noticed that during 2004-09, expenditure figures were not reconciled by the DDOs and the department with the figures/entries of the AG (A&E) despite regular reminders.

#### **3.1.7.5 Maintenance of Cash Book**

As per Rule 86 of the Jharkhand Treasury Code (JTC), all monetary transactions should be entered in the cash book as soon as they occur and the DDO should attest the entries. Audit observed (June 2009) the following:

- Entries in the cash book of DMD were recorded only upto June 2008, and there were no entries after that, even though transactions for Rs 57.17 lakh had been executed at the Secretariat between July 2008 and February 2009 by the Under Secretary, DMD.
- Rupees 2,000 received (September 2005) in cash by the Circle Officer, Angara from District Nazarat, Ranchi was not entered in the cash book.
- The Executive Engineer, National Rural Employment Programme II, Ranchi did not reconcile (June 2009) the entries in the cash book with the bank account. Audit scrutiny revealed that the cash at bank was less by an

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<sup>6</sup> A committee to govern the Calamity Relief Fund of the State

amount of Rs 1.12 lakh than the balance shown in the cash book in the month of February 2009 and the discrepancy continued till June 2009.

- District Nazarat, Palamu released (March 2006) Rupees one lakh by cheque to the Block Development Officer (BDO), Panki for water supply but the same was returned to the Nazarat in March 2007 for revalidation. It was neither cancelled nor revalidated by the District Nazarat as of June 2009, with the result that the amount was kept out of the Government account for a period of 39 months as of June 2009.

Therefore, non-maintenance of the cash books, failure to make entries in the cash books wherever maintained and keeping money out of the Government account was a reflection of weak expenditure control in DMD, and was fraught with the risk of misappropriation.

Government accepted (November 2009) the observations and stated that instructions were being issued to update the cash book.

### 3.1.7.6 Non-adjustment of AC bills

**Detailed Contingent bills for Rs 29.12 crore were not submitted to AG (A&E)**

According to Rules 319 and 320 of JTC, Volume I, Detailed Contingent (DC) bills for money drawn on Abstract Contingent (AC) bills should be submitted by DDOs to the AG (A&E) within a month or by 10<sup>th</sup> of succeeding month of the drawal. However, it was seen that Rs 29.17 crore was drawn in the AC bills during 2004-09 for which DC bills for Rs 29.12 crore were not furnished by the respective DDOs to the AG (A&E) as of June 2009 as given in **Table 4**.

**Table -4: Statement of AC Bills and adjustment through DC Bills**

<i>(Rupees in crore)</i>			
Year	Amount drawn on AC bills	DC bills submitted	Balance
2004-05	21.88	Nil	21.88
2005-06	5.32	Nil	5.32
2006-07	0.47	Nil	0.47
2007-08	0.23	Nil	0.23
2008-09	1.27	0.05	1.22
<b>Total</b>	<b>29.17</b>	<b>0.05</b>	<b>29.12</b>

*(Source: Disaster Management Department figures)*

Thus, non-submission of DC bills for the last five years was fraught with the risk of misappropriation. Besides, DC bills amounting to Rs 22.67 crore were not submitted to the AG for adjustment.

Government accepted (November 2009) the observation and stated that a cell had been constituted to monitor the adjustment of AC bills.

## Programme Implementation

### 3.1.8 Preparedness for management of disaster

DMD is responsible for taking appropriate measures to reduce the risk and impact of disasters so as to ensure the effective execution of relief works. For this purpose, it has to chalk out the plans for preparedness for disasters. Scrutiny revealed that the department's preparedness for managing disasters was inadequate as discussed in the following paragraphs:

### **3.1.8.1 Preparedness for disaster management**

L0-L1 exercises<sup>7</sup> for preparedness were to be organised in the last week of April and first week of May every year in the districts and also at the State level, which included updating of DMPs and collection of data of disaster-prone areas along with telephone numbers of the persons concerned with disaster management. At the State level, trained manpower requirement for rescue and relief work was to be assessed and communicated to the Relief Commissioner. Such personnel were to be identified so that they could move at short notice. Processing of provisions for foodgrains, fodder and medicines along with hospital equipment was also to be planned in consultation with the concerned DCs.

Scrutiny of records revealed that the L0-L1 exercises were not undertaken either at the State or the district level in the test-checked districts during 2005-09. Though the exercise was the first step towards implementation of the DMPs, the department and district administrations failed to take any initiative for undertaking the exercises, which was indicative of the lack of preparedness of the State and total commitment towards the programmes.

Government accepted (November 2009) the observation and stated that instructions were being issued to all the DCs.

### **3.1.8.2 Non-establishment of Emergency Operation Centres**

An Emergency Operation Centre (EOC) is a central command and control facility responsible for carrying out disaster management functions at a strategic level in an emergency situation and ensuring the continuity of operations. As per instructions (June 2004) of the National Disaster Management Division (Ministry of Home Affairs), EOCs were to be established at the State and district levels for different seismic zones. For this, designs of buildings for EOCs and the list of required equipment (*Appendix-3.1*) were provided by GOI.

Audit scrutiny revealed that DMD did not make any provision for construction of buildings for EOCs. It made (July 2006) a provision of Rs 3.52 lakh at the rate of Rs 16,000 per district for installing toll-free telephones. Provision for other equipment was not made. Further, in four out of the six test-checked districts (Hazaribag, Palamu, Deoghar and Sahebganj) toll free telephones were not installed (June 2009) depriving the districts of emergency communication infrastructure in the event of a disaster.

Government, in its reply, stated (November 2009) that action had been taken by the Central and State Governments and the State had been divided into 24 seismic zones and this information was also provided to the DCs. It was further stated that information about the toll-free connections were being collected from districts.

The reply is not acceptable as the geographical division of seismic zones had already been done by GOI in 2002. Further, the State Government neither

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<sup>7</sup> Level zero and Level one exercises were to be conducted for preparedness of relief in the event of disasters.



allotted funds for construction of buildings for EOCs nor purchased equipment for the EOCs as recommended by GOI.

### **3.1.8.3 Training**

As per instructions (July 2002) of the Ministry of Home Affairs, GOI, Search and Rescue (SAR) teams are to be constituted at the State/ district levels. The State Government notified the Police Training Centre, Hazaribag (PTC) as the nodal institute for the training and the Indo-Tibetan Border Police (ITBP) as the Master Trainer. The ITBP team inspected PTC and suggested (December 2006) some minor construction works and modifications for commencement of the training. DMD failed to take any follow-up action on the suggestions and the training for the trainers could not commence as of June 2009. Though trainings were not imparted, DMD purchased (October 2006) equipment worth Rs 36.22 lakh for imparting training regularly. In the absence of training for capacity building and augmenting skill base, effectiveness of the Search and Rescue operations could not be ensured. Further, the equipment purchased for training was lying idle for 32 months, rendering the expenditure unfruitful.

Government, in its reply, stated (November 2009) that three institutions (Birla Institute of Technology, Mesra, Ranchi, National Institute of Technology, Jamshedpur and Indian School of Mines, Dhanbad) had been earmarked for training. The reply is not acceptable as training was still to commence (November 2009).

### **3.1.8.4 Complaint redressal mechanism**

DMD did not set up any complaint redressal system for redressal/disposal of complaints received from various stakeholders.

In reply, it stated (November 2009) that complaint redressal work was being done by the DCs. The reply is not acceptable as an independent complaint redressal system should have been in place for effective redressal of grievances. Further, no complaint redressal mechanism had been established in the test-checked districts even at the DCs level.

## **3.1.9 Response to disaster**

The department's response to disasters focussed mainly on gratuitous relief<sup>8</sup> to disaster-affected persons, assistance for employment generation programmes and provision of Agricultural Input Subsidy (AIS). Deficiencies noticed in the execution of the programmes are discussed below:

### **3.1.9.1 Agricultural Input Subsidy**

As per the guidelines of GOI, monetary assistance in the form of Agricultural Input Subsidy (AIS) was to be given to farmers affected by drought whose crop loss was more than 50 *per cent*.

Scrutiny of the records revealed that DMD had allotted (July and August 2006) Rs 43 crore to the Agricultural and Sugarcane Development Department

<sup>8</sup> Cash assistance in case of losses of crops, persons, animals, houses *etc*

**Expenditure of  
Rs 20.89 crore on  
Agricultural Input  
Subsidy in violation  
of norms without  
identification of  
beneficiaries needed  
investigation**

(ASDD) for payment of AIS to affected farmers with instructions to credit the amounts directly into the bank accounts of the beneficiaries.

Audit scrutiny revealed that neither the DMD nor ASDD conducted any survey for determining the percentage of crop loss to the farmers and instead of crediting the AIS amounts directly into the bank accounts of the affected farmers, ASDD purchased seeds worth Rs 20.89 crore for distribution as AIS. Crediting the AIS directly to the bank accounts of the farmers would have ensured that the subsidy reached the intended beneficiaries. The purchase of seeds in violation of norms was fraught with the risk of misappropriation and fraud. This was also evident from the fact that in the case of Gumla District, there was considerable difference between the quantity of seeds allotted to the district and the quantity actually received in the district. The matter required investigation.

**3.1.9.2 Irregularities in construction of ponds**

Government launched (September 2004) a scheme, 'Construction of one lakh ponds in 100 days', to provide employment and augment irrigation facilities during drought. The scheme was to be implemented by DMD through the district administration. Accordingly, Rs 70.40 crore was allotted to 22 DCs for construction of 8,241 ponds at an estimated cost of Rs 85,300 each. Under the scheme, DCs were to provide funds to the executing agencies which were to be selected from *Anchal Adhikaris* (AAs), Block Development Officers (BDOs) or Divisional Forest Officers (DFOs). The AAs, BDOs and DFOs were to execute the schemes through Beneficiaries' Committees (BCs). Scheme level social audit was also to be conducted while executing the scheme after completion of the scheme, through general body meetings of villagers. Scrutiny of records in the test-checked districts revealed the following irregularities:

- The department prepared (September 2004) a model estimate for construction of 8,241 ponds at the rate of Rs 85,300 each, based on a minimum wage of Rs 72 per manday whereas the actual rate of minimum wage was Rs 67.72 per manday. Subsequently, the estimate was revised by the Secretary, DMD to Rs 75,000 each, based on the actual rate of minimum wage, after deducting an amount of Rs 4,500 meant for dewatering of ponds. This revision was made after a lapse of nine months (June 2005), whereas the schemes were to be completed within 100 days. The department, however, did not take any action to realise the excess amount of Rs 8.59 crore allotted to the executing agencies.
- As per model estimates, ponds of the size 100'x100'x10' were to be constructed, for which 43 decimal<sup>9</sup> land was required for each pond. In the six test-checked districts, it was noticed that only 429 out of 2,789 ponds were constructed. Further, the areas occupied by the ponds were in the range of one to 40 decimal only, which was less than the minimum required area of 43 decimals. Though the work orders were placed based on the model estimates, the land area actually adopted was much less than the approved model estimates which depicted that construction of ponds of approved specifications involving Rs 2.68 crore was not ensured.

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<sup>9</sup> A unit of measurement of land (1 decimal= 40.46 sq m).

**Irregularities of  
Rs 4.55 crore in  
construction of  
ponds**

- Scrutiny of records revealed that in two (East Singhbhum and Ranchi) out of six test-checked districts, construction of 1,061 ponds was taken up during 2004-05 at an estimated cost of Rs 85,300 each by *Anchal Adhikari*/Divisional Forest Officers for completion of work within 100 days. Of this, only 406 ponds were completed in time. Thus, the amount sanctioned included excess expenditure of Rs 16.44 lakh, mainly due to adoption of smaller pond size as compared to the model estimates, by the department.
- The scheme was launched for construction of ponds. However, out of the scheme funds, the DC, Ranchi advanced (between March and August 2006) Rs 4.55 crore to the Executive Engineer, NREP-II, Ranchi for execution of works other than construction of ponds *viz.* renovation of existing ponds and construction of moorum and Grade-I roads. Out of a total of 75 works taken up by NREP II, renovation of an existing pond at Bundu was taken up at an estimated cost of Rs 1.41 crore. This amount could have been used for the construction of 188 model ponds.
- Though the scheme guidelines extended to construction of ponds, DC Palamu, in violation of the guidelines, took up (August 2004) repairs and maintenance of *Aahars*<sup>10</sup> and released (August 2004) Rs 80.78 lakh to three AAs (Chattarpur, Lesliganj and Manatu) and one BDO (Patan).
- Scrutiny of the records of test-checked districts revealed that the construction of 2,789 ponds was undertaken during 2004-07. Of this, 944 ponds remained (May 2009) incomplete for three to four years, involving an expenditure of Rs 5.79 crore as given in **Table 5**.

**Table -5: Statement of incomplete ponds in test-checked districts**

(Rs in lakh)

Name of district	No. of ponds taken up	No. of incomplete ponds	Expenditure on incomplete ponds
Deoghar	350	106	43.88
Hazaribagh	694	382	232.40
East Singhbhum	688	126	55.55
Palamu	406	211	184.00
Ranchi	373	19	11.61
Sahibganj	278	100	51.35
<b>Total</b>	<b>2789</b>	<b>944</b>	<b>578.79</b>

The incomplete works mainly comprised earthwork which was prone to degradation by the onslaught of the elements. Thus, the entire expenditure of Rs 5.79 crore on incomplete ponds proved infructuous.

- Scheme-level social audit as required were not carried out in any test-checked district.

### 3.1.9.3 Creation of avoidable liability

To guard against starvation during drought, it was decided (June 2005) by the State Government that every panchayat would maintain a buffer stock of five

<sup>10</sup> Reservoir for storage of rainwater

Liability of Rs 15.95 lakh was created on procurement of rice in excess of allotments

quintals of foodgrains. Accordingly, Rs 18.66 lakh was provided to the districts at the rate of Rs 8,800 per *Anchal*<sup>11</sup> in 2005-06.

Scrutiny of records revealed that Rs 1.76 lakh was allotted to Ranchi District for foodgrains. Against this, the State Food and Civil Supplies Corporation (SFC) supplied 1,977 quintals<sup>12</sup> of rice worth Rs 17.71 lakh on the orders of the district administration, Ranchi during 2005-06. Thus, the district administration created an avoidable liability of Rs 15.95 lakh on the Government exchequer. It was also observed that 932.45 quintals of rice was still in the godown of the *Anchal*.

#### 3.1.9.4 *Unfruitful expenditure on purchase of boats*

Boats purchased without motors remained unused resulting in unfruitful expenditure of Rs 2.55 lakh

The District Administration, Ranchi purchased (March 2006) three motor boats at a cost of Rs 2.55 lakh to provide transport facilities to the people of villages which were cut off from roads due to increase in the water level of Rucca Dam during the rainy season/floods. The boats received (March 2006) from the supplier were without motors. The district administration failed to get the boats fitted with motors (May 2009) with the result that the objective of providing relief to the affected people remained unrealised, resulting in idle expenditure of Rs 2.55 lakh.

#### 3.1.9.5 *Expenditure under Disaster Management without assessment of activities under other development programmes*

The Ministry of Home Affairs (MHA), GOI issued (June 2007) instructions regarding the items/activities/schemes and norms for obtaining assistance from the CRF every year. MHA specified that the activities under employment generation programmes were to be taken up only if required, for which the State should take into account, the funds available under various Plan schemes with elements of employment generation, like Sampoorna Gramin Rojgar Yojana (SGRY), National Food for Work Programme (NFFWP), National Rural Employment Guarantee Act (NREGA) etc.

Scrutiny of records revealed that DMD executed 12,843 works under employment generation programmes during 2004-06 like construction of ponds, moorum<sup>13</sup> road, irrigation well etc without taking into account the ongoing development works under these programmes. An expenditure of Rs 77.42 crore was incurred during the period 2004-06 from the CRF, even though Rs 76.99 crore was available under SGRY at the end of the year (2004-05). This depicted inappropriate use of CRF funds which was in violation of the approved norms for obtaining assistance from CRF.

#### 3.1.10 Shortage of manpower

The overall performance of the department and efficient implementation of the schemes and relief works depends on availability of adequate manpower. An analysis of the manpower availability in DMD showed that there were about 57 per cent vacancies. Against 18 and 61 posts sanctioned for officers and staff respectively, there were 10 officers and 23 staff members. (*Appendix-3.2*). Scrutiny revealed that there was no post of Accounts Officer and the lone

<sup>11</sup> 'Anchal' - Circle office of the Land Revenue Department.

<sup>12</sup> At the rate of Rs 896 per quintal

<sup>13</sup> Moorum- Laterite Red Soil.

post of Accountant was lying vacant. The posts of Statistical officer, Statistical Assistant and 13 posts of Assistants were also lying vacant. Shortage of manpower adversely affected the functioning and achievement of objectives of the department.

Government accepted (November 2009) the observation and stated that the Department of Personnel, Administrative Reforms and Rajbhasha had been requested for filling up the vacant posts.

### **3.1.11 Monitoring and Evaluation**

#### **3.1.11.1 District and Block Level Disaster Management Committees not constituted**

As per the instructions of DMD, District and Block level Disaster Management Committees were to be constituted in each district and block. It was the responsibility of the committees to advise on relief and rehabilitation work and to review the works/activities undertaken under disaster management schemes.

Scrutiny of the test-checked districts revealed that no such committees had been set up in any block/*Anchal*. Further, it was also observed that no effort for formulating/setting up the committees was made so far. In the absence of such committees, monitoring was absent and proper execution of the schemes under disaster management was not ensured.

#### **3.1.11.2 Internal Audit**

Internal audit is generally defined as the control of all controls as it is the means by which an organisation assures itself that the prescribed systems are functioning well. The Government of Jharkhand adopted the internal audit system as established by the Government of Bihar in 1953. The internal audit wing was headed by the Chief Controller of Accounts under the administrative control of the Secretary, Finance Department, Government of Jharkhand. Internal audit of all the departments including field units (except the Public Works and Cooperative Departments) was to be conducted by Senior Auditors under the supervision of Deputy Controllers.

The department did not have any internal audit wing of its own. Further, the internal audit wing of the Finance Department had not conducted audit of DMD during 2004-09. Thus, DMD did not have any feedback mechanism to assess the functioning of its field functionaries.

#### **3.1.11.3 Vigilance mechanism**

There was no vigilance mechanism in the department. In the absence of the mechanism, the department could not ensure that disaster management operations were transparent and in public interest. Without a sound vigilance mechanism in place, cases of frauds and embezzlement could go unnoticed.

The department, in its reply, stated (November 2009) that disposal of objections was being done at the DCs' level. The reply was not acceptable as DCs were executive functionaries and an independent vigilance mechanism was essential.

**There was no  
Vigilance wing in  
the department**

### **3.1.12 Conclusion**

Planning, preparedness, programme implementation and manpower management in the department were far from satisfactory. Disaster Management Plans were not prepared. Disaster Management Authorities at the State and district levels were also not established. There were delays in submission of budget estimates. Persistent savings were not surrendered. Contributions towards the Calamity Relief Fund were delayed both by the Central and State Governments. Unspent balances under the fund were lying with the district administrations instead of being invested in Central Government securities or interest-earning deposits of banks as per the norms. Huge amounts drawn on Abstract Contingent bills remained unadjusted. Funds were utilised on employment generation programmes without assessing the availability of funds under other schemes. Serious irregularities were noticed in the implementation of Agricultural Input Subsidy and construction of ponds. Emergency Operation Centres were not established, depriving the State of control centres in the event of disasters. There was acute shortage of manpower in the department. Equipment meant for relief works was lying idle and training in disaster management was not imparted. Monitoring and evaluation was not effective in the absence of District and Block level Disaster Management Committees. No proper complaint redressal system, internal audit wing and vigilance mechanism were available in the department. Thus, the objectives of creation of the department largely remained unachieved.

### **3.1.13 Recommendations**

- The provisions of the Disaster Management Act, particularly for preparedness for disaster management, should be strictly adhered to.
- The Disaster Management Authority, Disaster Response Fund, Disaster Mitigation Fund, Disaster Management Plan and Search and Rescue Teams should be constituted.
- Government should improve its financial management to avoid excess expenditure, pendency in submission of Detailed Contingent bills and misutilisation of Agricultural Input Subsidies.
- Staff strength should be reviewed and training programmes should be organised for them.
- The monitoring system should be strengthened and an effective grievance redressal mechanism should be put in place;
- The Government should ensure conducting of internal audit of the department regularly.

The matter was reported to the Government (July 2009). Partial reply had been received (November 2009).

## CHAPTER – IV

### GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

#### 4.1 Overview of State Public Sector Undertakings

##### Introduction

**4.1.1** The State Public Sector Undertakings (PSUs) consist of State Government Companies and Statutory Corporations. The State PSUs are established to carry out activities of commercial nature while keeping in view the welfare of people. In Jharkhand, the PSUs occupy a minor place in the state economy. The PSUs registered a turnover of Rs 1552.32 crore for 2008-09 as per their latest finalised accounts as of September 2009. This turnover was equal to 2.05<sup>1</sup> *per cent* of State Gross Domestic Product (GDP) for 2008-09. Major activities of State PSUs / Statutory Corporation are concentrated in power sector. The State PSUs incurred aggregate loss of Rs 122.03 crore as per their latest accounts finalised during 2008-09. They had employed 9,010 employees as of 31 March 2009. The State PSUs do not include 34 Departmental Undertakings (DUs), which carry out commercial operations but are a part of Government departments. Audit findings of these DUs are incorporated in Chapter 1 of the Audit Report.

**4.1.2** As on 31 March 2009, there were nine Government companies and one Statutory Corporation (all working) and none of them were listed on the stock exchange(s).

**4.1.3** During the year 2008-09, no PSU/Statutory Corporation was either established or closed down.

##### Audit Mandate

**4.1.4** Audit of Government Companies is governed by Section 619 of the Companies Act, 1956. According to Section 617, a Government company is one in which not less than 51 *per cent* of the paid up capital is held by Government(s). A Government Company includes a subsidiary of a Government Company. Further, a company in which not less than 51 *per cent* of the paid up capital is held in any combination by Government(s), Government Companies and Corporations controlled by Government(s) is treated as if it were a Government Company (deemed Government Company) as per Section 619-B of the Companies Act.

**4.1.5** The accounts of the State Government Companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors, who are appointed by CAG as per the provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subject to supplementary audit

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<sup>1</sup> Percentage is based on estimated figure of GDP.

conducted by CAG as per the provisions of Section 619 of the Companies Act, 1956.

**4.1.6** Audit of Statutory Corporations is governed by its respective legislations. CAG is the sole auditor for Jharkhand State Electricity Board.

### Investment in State PSUs

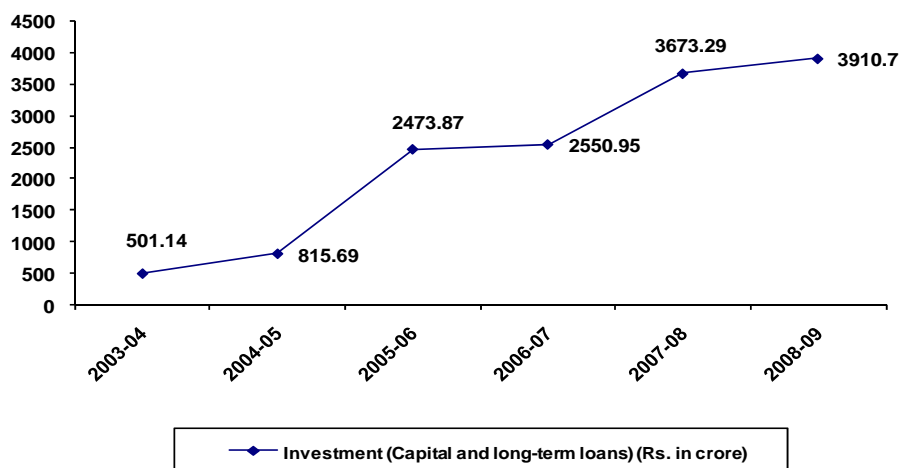
**4.1.7** As on 31 March 2009, the investment (capital and long-term loans) in 10 PSUs (including one Statutory Corporation) was Rs 3910.70 crore as per details given below.

*(Rs in crore)*

Type of PSUs	Government Companies			Statutory Corporations			Grand Total
	Capital	Long term loans	Total	Capital	Long term loans	Total	
Working PSUs	135.80	670.25	806.05	-	3104.65	3104.65	3910.70

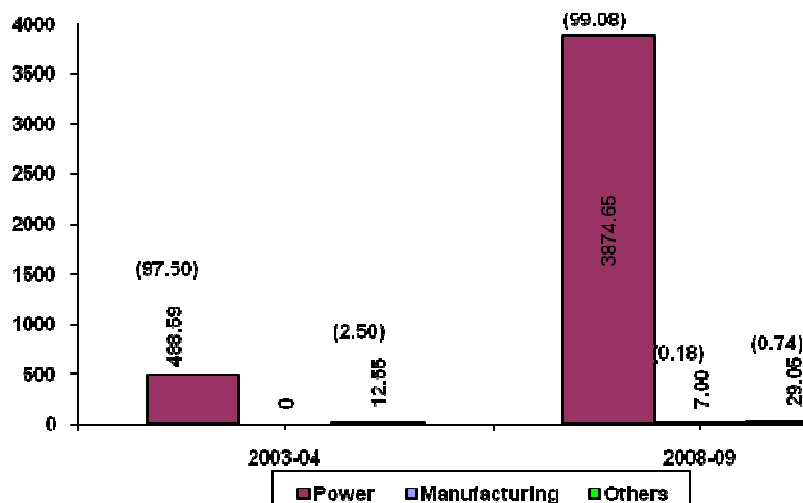
A summarised position of Government investment in State PSUs is detailed in **Appendix-4.1**.

**4.1.8** As on 31 March 2009, of the total investment in PSUs, 3.47 per cent was towards capital and 96.53 per cent in long-term loans. The investment has grown by 680.36 per cent from Rs 501.14 crore in 2003-04 to Rs 3,910.70 crore in 2008-09 as shown in the graph below.



**4.1.9** The investment in various important sectors and percentage thereof at the end of 31 March 2004 and 31 March 2009 are indicated below in the bar chart.





(Figures in brackets show the percentage of total investment)

The thrust of PSU investment was in power sector during the five years which increased from Rs 488.59 crore in 2003-04 to Rs 3,874.95 crore in 2008-09 of total investment *i.e.* 693 per cent increase in 2008-09 compared to the year 2003-04.

#### Budgetary outgo, grants/subsidies, guarantees and loans

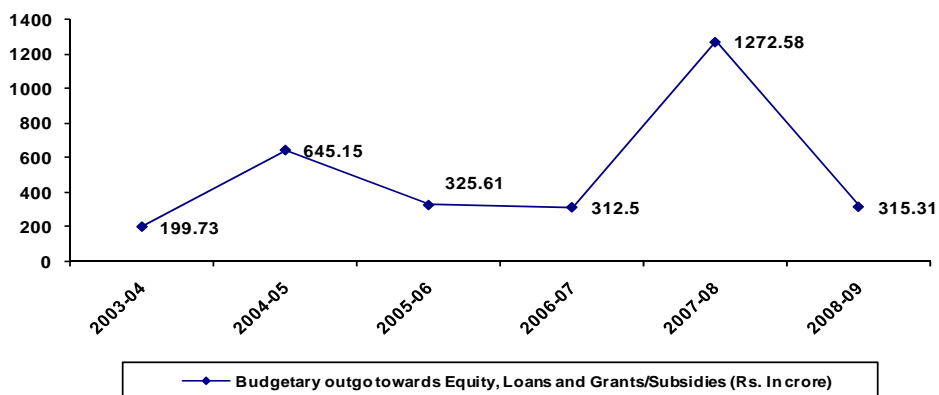
**4.1.10** The details regarding budgetary outgo towards equity, loans, grants/subsidies, guarantees issued, loans written off, loans converted into equity and interest waived in respect of State PSUs are given in *Appendix-4.2*. The summarised details are given below for three years ended 2008-09.

*(Rs in crore)*

Sl. No.	Particulars	2006-07		2007-08		2008-09	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	2	2.50	2	4.10	2	10.40
2.	Loans given from budget	2	60.00	1	347.34	1	224.91
3.	Grants/Subsidy received	1	250.00	1	921.14	1	80.00
4.	Total outgo <sup>2</sup>	4	312.50	3	1272.58	3	315.31

**4.1.11** The details regarding budgetary outgo towards equity, loans and grants/ subsidies for past five years are given in a graph below.

<sup>2</sup> Total outgo represents total number of PSUs.



The budgetary outgo comprises mostly of loans and grants to Jharkhand State Electricity Board (JSEB). The above chart indicates that the budgetary outgo rose from Rs 199.73 crore in 2003-04 to Rs 1272.58 crore in the year 2007-08 due to increase of loan and grants to JSEB and equity and capital outgo of Jharkhand Industrial Infrastructure Development Corporation Limited and Greater Ranchi Development Agency Limited but came down to Rs 315.31 crore in the year 2008-09 due to decrease in loan, grants/subsidy to JSEB during the year. No guarantee had been given by the Government till 2008-09.

#### Reconciliation with Finance Accounts

**4.1.12** The figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of differences. The position in this regard as at 31 March 2009 is stated below.

(Rs in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	19.30	135.80	116.50
Loans	5,893.50	3,709.36	2,184.14

**4.1.13** Audit observed that the differences occurred in respect of seven<sup>3</sup> PSUs including JSEB (Statutory Corporation) and were pending reconciliation since 2001-02. The Accountant General has taken up the issue with Secretary to the Finance Department of the Government of Jharkhand and the Management to reconcile the differences after examination. The Government and the PSUs should take concrete steps to reconcile the differences in a time-bound manner.

<sup>3</sup> Tenughat Vidyut Nigam Ltd., Jharkhand Industrial Infrastructure Development Corporation Ltd., Jharkhand Tourism Development Corporation Ltd., Jharkhand Silk Textile & Handicraft Corporation Ltd., Greater Ranchi Development Agency Ltd., Jharkhand Hill Area Lift Irrigation Corporation Ltd. & Jharkhand State Electricity Board

### Performance of PSUs

**4.1.14** The financial results of PSUs, financial position and working results of working Statutory Corporations are detailed in **Appendix-4.3**. A ratio of PSU turnover to State GDP shows the extent of PSU activities in the State economy. Table below provides the details of working PSU turnover and State GDP for the period 2003-04 to 2008-09.

Particulars	(Rs in crore)					
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Turnover <sup>4</sup>	33.16	1,216.37	1,216.12	30.77	364.90	1,552.32
State GDP	42,449	57,939	62,239	73,579	87,620	75,710.78 <sup>5</sup>
Percentage of Turnover to State GDP	0.08	2.10	1.95	0.04	0.42	2.05

The percentage of turnover of PSUs to the State GDP is showing varying trend.

**4.1.15** Profit (losses) earned (incurred) by State working PSUs during 2003-04 to 2008-09 are given below in a bar chart.



(Figures in brackets show the number of working PSUs in respective years based on finalised Accounts)

The above included heavy losses incurred by JSEB (Rs 49.45 crore) and Tenughat Vidyut Nigam Limited (TVNL) (Rs 70.94 crore) for their accounts for the years 2001-02 and 1993-94 finalised in the year 2005-06 and 2000-01 respectively. The further accounts in respect of these are in arrears.

**4.1.16** The losses of PSUs are mainly attributable to deficiencies in financial management, planning, implementation of project, running their operations and monitoring. A review of latest Audit Reports of CAG shows that the State

<sup>4</sup> Turnover as per the latest finalised accounts as of 30 September 2009.

<sup>5</sup> The figure of GDP for 2008-09 (A) (provisional) is based on current prices as of June 2009.

PSUs incurred losses to the tune of Rs 1,894.39 crore and infructuous investment of Rs 74.30 crore which were controllable with better management. Year wise details from Audit Reports are stated below.

Particulars	(Rs in crore)			
	2006-07	2007-08	2008-09	Total
Net loss	48.86	121.40	122.02	292.28
Controllable losses as per CAG's Audit Report	57.78	1,779.36	57.25	1,894.39
Infructuous Investment	-	57.81	16.49	74.30

**4.1.17** The above losses pointed out by Audit Reports of CAG are based on test check of records of PSUs. The actual controllable losses would be much more. The above table shows that with better management, the losses can be minimised (or eliminated or the profits can be enhanced substantially). The PSUs can discharge their role efficiently only if they are financially self-reliant. The above situation points towards a need for professionalism and accountability in the functioning of PSUs.

**4.1.18** Some other key parameters pertaining to State PSUs are given below.

Particulars	(Rs in crore)					
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Debt	493.84	808.14	2466.07	2537.65	3550.89	3774.90
Turnover <sup>6</sup>	33.16	1,216.37	1,216.12	30.77	364.90	1,552.32
Debt/ Turnover Ratio	15:1	0.66:1	2:1	82:1	10:1	2:1
Interest Payments	-	-	-	3.61	6.00	-
Accumulated Profits (losses)	4.69	(44.76)	(43.86)	(42.90)	(265.45)	(269.30)

(Above figures pertain to working PSUs).

**4.1.19** The State Government had not formulated any dividend policy under which all PSUs are required to pay a minimum return on the paid up share capital contributed by the State Government. As per their latest finalised accounts, three<sup>7</sup> PSUs earned an aggregate profit of Rs 0.76 crore but did not declare any dividend.

#### **Performance of major PSUs**

**4.1.20** The investment in working PSUs and their turnover together aggregated to Rs 5,463.02 crore during 2008-09. Out of ten working PSUs including one Statutory Corporation, the following two PSUs accounted for individual investment *plus* turnover of more than five *per cent* of aggregate investment *plus* turnover. These two PSUs together accounted for 98.71 *per cent* of aggregate investment *plus* turnover.

<sup>6</sup> Turnover of working PSUs as *per* the latest finalised accounts as of 30 September.

<sup>7</sup> JIDCO, JPHC and JTDC.

*(Rs in crore)*

PSU Name	Investment*	Turnover*	Total (2) + (3)	Percentage to Aggregate Investment plus Turnover
(1)	(2)	(3)	(4)	(5)
TVNL	770.00	334.83	1,104.83	20.22
JSEB	3,104.65	1,183.21	4,287.86	78.49
<b>Total</b>	<b>3,874.65</b>	<b>1,518.04</b>	<b>5,392.69</b>	<b>98.71</b>

(\* Figures are provisional given by the Companies and Corporation)

Some of the major audit findings for above PSUs are stated in the succeeding paragraphs.

### **Jharkhand State Electricity Board (JSEB)**

**4.1.21** The Corporation had heavy arrears of accounts and had finalised accounts upto 2001-02 but the Board decided to revise the accounts taking cognizance of the Audit Report proposed by the Accountant General. The revision is still pending. As per the finalised accounts (under revision) of the JSEB (2001-02), the Corporation registered a loss of Rs 49.45 crore and the turnover was Rs 1,183.21 crore. The return on capital employed was 5.44 per cent.

#### **4.1.22 Deficiencies in planning**

- Decision to purchase underground cable without assessing the actual requirement resulted in blocking of funds of Rs 2.35 crore and consequential loss of interest of Rs 0.76 crore. (Paragraph 6.3.5 of Audit Report 2007-08)

#### **4.1.23 Deficiencies in implementation**

- Absence of proper planning led to time overrun of six years and cost overrun of Rs 73.88 crore in implementation of four selected projects of APDRP. (Paragraph 6.2.14 of Audit Report 2007-08)
- Board lost Rs 4.47 crore towards compensation charges realisable on account of excess capacity of transformer used by consumers. (Paragraph 6.2.23 of Audit Report 2006-07)

#### **4.1.24 Deficiencies in monitoring**

- Injudicious placement of orders and lack of timely action by the Board against the defaulting in suppliers resulted in incurring of avoidable expenditure of Rs 1.49 crore on subsequent procurement of conductor at higher rates. (Paragraph 6.3.2 of Audit Report 2006-07)

#### **4.1.25 Non-achievement of objectives**

- The primary objective of APDRP of reducing Aggregate Technical and Commercial loss by nine per cent per annum for the first 5 years of the project was not achieved. (Paragraph 6.2.24 of Audit Report 2007-08)

#### 4.1.26 Deficiencies in financial management.

- Fund amounting to Rs 33.04 crore were blocked due to non credit of the same in the accounts of the Board maintained at Headquarter by the collecting banks with consequential loss of interest of Rs 12.26 crore. (Paragraph 6.2.38 of Audit Report 2006-07)

#### Tenughat Vidyut Nigam Limited (TVNL)

4.1.27 The Company had its accounts in arrears since 1994-95. The statutory audit for the years had also not been taken up. As per the latest finalised accounts of the TVNL (1993-94) the company had registered a loss of Rs 70.94 crore on a turnover of Rs 334.83 crore.

#### Conclusion

4.1.28 The above details indicate that the State PSUs are functioning inefficiently and there is tremendous scope for improvement in their overall performance. They need to imbibe greater degree of professionalism to ensure delivery of their products and services efficiently and profitably. The State Government should introduce a performance based system of accountability for PSUs.

#### Arrears in finalisation of accounts

4.1.29 The accounts of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956. Similarly, in case of Statutory Corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts. The table below provides the details of progress made by working PSUs in finalisation of accounts by September 2009.

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Number of Working PSUs <sup>8</sup>	6	6	8	9	10
2.	Number of accounts finalised during the year	4	2	6	3	7
3.	Number of accounts in arrears	14	18	24	42	47
4.	Average arrears per PSU (3/1)	2.33	3.00	3.00	4.67	4.70
5.	Number of Working PSUs with arrears in accounts	6	6	8	9	10
6.	Extent of arrears (years)	1 to 11	1 to 12	1 to 13	1 to 14	1 to 15

4.1.30 The number of arrears of accounts during 2004-05 in respect of six working company/corporation was 14 which had increased to 47 in respect of 10 working PSUs in the year 2008-09. The number of accounts in arrears increased due to entrustment of audit of Tenughat Vidyut Nigam Limited (TVNL) in August 2007 which had its accounts in arrears since 1994-95. Further the audit of Jharkhand Silk Textile and Handicrafts Corporation

<sup>8</sup> Including one Statutory Corporation (JSEB).

Limited (JHARCRAFT) was entrusted in August 2009 which had arrear of accounts for three years during the year 2008-09. The Jharkhand State Electricity Board had also its accounts in arrears since 2002-03.

**4.1.31** The State Government had invested Rs 3,640.53 crore (Equity: Rs 25.00 crore, loans: Rs 1,463.44 crore, grants: Rs 2,152.09 crore) in ten PSUs (including one Statutory Corporation) during the years for which accounts have not been finalised as detailed in **Appendix-4.4**. In the absence of accounts and their subsequent audit, it can not be ensured whether the investments and expenditure incurred have been properly accounted for and the purpose for which the amount was invested has been achieved or not and thus Government's investment in such PSUs remain outside the scrutiny of the State Legislature. Further, delay in finalisation of accounts may also result in risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 1956.

**4.1.32** The administrative departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these PSUs within the prescribed period. Though the concerned administrative departments and officials of the Government were informed regularly by the Audit, of the arrears in finalisation of accounts, no remedial measures were taken. As a result of this the net worth of these PSUs could not be assessed in audit. The matter of arrears in accounts was also taken up by the Accountant General with the Chief Secretary/ Finance Secretary in December 2008 and February 2009 to expedite the backlog of arrears in accounts in a time bound manner.

**4.1.33 In view of the above state of arrears, it is recommended that the Government may set up a cell to oversee and monitor the clearance of arrears and set the targets for individual companies. It may impress upon the respective PSUs to hasten the process of finalization of accounts and bring them up to date early.**

#### **Accounts Comments and Internal Audit**

**4.1.34** Four working Companies forwarded their seven audited accounts to PAG during the year 2008-09. Of these, five accounts of four companies were selected for supplementary audit. The audit reports of statutory auditors appointed by CAG and the supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of statutory auditors and CAG are given below.

*(Rs in crore)*

Sl. No.	Particulars	2006-07		2007-08		2008-09	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	2	1.32	-	-	1	0.37
2.	Increase in loss	3	4.51	-	-	3	3.13
3.	Non-disclosure of material facts	1	-	-	-	-	-
	<b>Total</b>	<b>6</b>	<b>5.83</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>3.50</b>

*(The aggregate money value are based on CAG's comments only)*

The comments on decrease in profit and increase in loss were on the decreasing trend during the year 2008-09.

**4.1.35** During the year (2008-09), seven accounts in respect of four PSUs were finalised. Out of seven, the statutory auditors had given unqualified certificates for six accounts and qualified certificate for one account. The compliance of companies with the Accounting Standards remained poor as there were three instances of non-compliance in three accounts during the year.

**4.1.36** Some of the important comments in respect of accounts of companies are stated below.

***Jharkhand Police Housing Corporation Limited (2007-08)***

- The total upto date amount spent on construction works (inclusive of agency charges) of Rs 95.73 crore had been adjusted from upto date advance of Rs 198.61 crore received from Government of Jharkhand and only net figure was appearing in the Books of Accounts. There was no basis or justification for adjusting the work-in-progress amount for the works in progress and not completed. Even the completed works if any whether had been handed over to the Government was not available.

- A provision for interest on work advance payable to Government of Jharkhand to the tune of Rs 6.00 crore had been made in the books of accounts, which had no basis. The money advanced to the company did not envisage levy of interest by the Government. The provision of interest attracted deduction of income tax at source amounting to Rs 67.93 lakh which has not been paid to the credit of Central Government on or before the due date 31 May 2008. Also a sum of Rs 3.50 crore provided during financial year 2006-07 as interest on work advance payable to Government of Jharkhand had not been paid.

***Jharkhand Hill Area Lift Irrigation Corporation Limited (2005-06)***

- The Company recognised deferred tax assets of Rs 160.34 lakh in violation of requirement of Accounting Standard 22.

- The Company did not provide for interest of Rs 39.38 lakh for the year 2005-06 on the loan of Rs 525 lakh received from the Government of Jharkhand.



- Actuarial assessment of liabilities for gratuity and leave encashment payable to the employees and the provision for the same had not been made in the accounts for the year 2005-06 in contravention of the provisions of Accounting Standard 15.

#### ***Jharkhand State Forest Development Corporation Limited (2005-06)***

- The company had not provided for retirement benefits in violation of AS 15.

**4.1.37** The Statutory Auditors (Chartered Accountants) are required to furnish a detailed report upon various aspects including internal control/ internal audit systems in the companies audited in accordance with the directions issued by the CAG to them under Section 619(3)(a) of the Companies Act, 1956 and to identify areas which needed improvement. An illustrative resume of major comments made by the Statutory Auditors on possible improvement in the internal audit/ internal control system in respect of three companies<sup>9</sup> on the accounts finalised during the year 2008-09 are given below.

Sl. No.	Nature of comments made by Statutory Auditors	Number of companies where recommendations were made	Reference to serial number of the companies as per Appendix 2
1.	Absence of internal audit system commensurate with the nature and size of business of the company	02	A-02, A-03
2.	Non maintenance of proper records showing full particulars including quantitative details, situations, identity number, date of acquisitions, depreciated value of fixed assets and their locations	02	A-02, A-04

#### **Recoveries at the instance of audit**

**4.1.38** During the course of propriety audit in 2008-09, recoveries of Rs 4.57 crore were pointed out to the Management of various PSUs, of which, recoveries of Rs 1.76 crore were admitted by PSUs. An amount of Rs 0.10 crore was recovered during the year 2008-09.

#### **Disinvestment, Privatisation and Restructuring of PSUs**

**4.1.39** No PSU is under disinvestment, privatisation and restructuring in the State.

#### **Reforms in Power Sector**

**4.1.40** The State has Jharkhand Electricity Regulatory Commission (Commission) formed in April 2003 under Section 82 of the Electricity Act, 2003 with the objective of rationalisation of electricity tariff, advising in matters relating to electricity generation, transmission and distribution in the

<sup>9</sup> Sl. No. A-02, A-03 & A-04 in Appendix-2.

State and issue of licenses. During 2008-09, JERC did not issue any order on annual revenue requirements but issued 6 orders on others.

**4.1.41** Memorandum of Understanding (MoU) was signed in April 2001 between the Union Ministry of Power and the State Government as a joint commitment for implementation of reforms programme in power sector with identified milestones. The progress achieved so far in respect of important milestones is stated below.

Sl. No.	Milestone	Achievement
1	100 <i>per cent</i> reduction of T&D losses	57.45 <i>per cent</i> (March 2009)
2	100 <i>per cent</i> metering of all consumers	88.60 <i>per cent</i> (August 2009)

#### Discussion of Audit Reports by COPU

**4.1.42** The status as on 30 September 2009 of reviews and paragraphs that appeared in Audit Reports and discussed by the Committee on Public Undertakings (COPU) is as under.

Period of Audit Report	Number of reviews/ paragraphs			
	Appeared in Audit Report		Paras discussed	
	Reviews	Paragraphs	Reviews	Paragraphs
2005-06	1	3	--	--
2006-07	1	6	--	--
2007-08	1	8	--	--
<b>Total</b>	<b>3</b>	<b>17</b>	<b>--</b>	<b>--</b>

**4.1.43** The matter relating to clearance of backlog of reviews/ paragraphs was taken up by Accountant General demi-officially in January 2008 and December 2008 with the Chairman COPU. At the instance of Apex level meeting held in July 2008 amongst the Accountant General, the Chief Secretary and Finance Secretary, instructions were issued to Principal Secretary/Secretary/ Departmental heads to hold meeting once in a month by departmental officer monitored by a nodal officer appointed for the purpose to discuss individual paras/reviews before COPU meeting.

## Section 'A' Performance Review

### 4.2 PERFORMANCE AUDIT ON IMPLEMENTATION OF RAJIV GANDHI GRAMEEN VIDYUTIKARAN YOJANA BY JHARKHAND STATE ELECTRICITY BOARD

#### Introduction

**4.2.1** The National Electricity Policy, formulated (February 2005) by the Government of India (GOI), *inter alia* states that the key objective of the development of the power sector is to supply electricity to all areas including rural areas as mandated in Section 6 of the Electricity Act, 2003 and both the GOI and the State Governments would jointly endeavour to achieve this objective. Towards this end GOI introduced (March 2005) Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) with the objective of providing access to electricity to all rural households (RHHs) and improving the rural electricity infrastructure by March 2009. The then ongoing schemes for rural electrification *viz.*, Kutir Jyoti Programme (KJP) and Accelerated Rural Electrification Programme were, therefore, merged with RGGVY. GOI also notified (August 2006) the Rural Electrification Policy (REP) incorporating goal of reliable power supply at reasonable rates for all households by the year 2009 and a minimum lifeline consumption of one unit per household per day by the year 2012. REP also enjoined upon the State Governments to prepare and notify their own RE Plans also, adopting the same goals.

The scope of RGGVY was:

- (i) To provide Rural Electricity Distribution Backbone by providing 33/11KV (or 66/11KV) Power Sub Stations (PSS) of adequate capacity and lines in blocks where these did not exist;
- (ii) Creation of Village Electrification Infrastructure *i.e.*, electrification of un-electrified villages/habitations and provision of distribution transformers of appropriate capacity;
- (iii) Decentralised Generation cum Distribution from conventional sources for villages where grid connectivity was either not feasible or not cost effective;
- (iv) Catering to the requirement of agriculture and other activities including irrigation pump sets, small and medium industries, cold chains, healthcare, education and IT to facilitate overall rural development, employment generation and poverty alleviation; and
- (v) Electrification of un-electrified Below Poverty Line (BPL) households with 100 *per cent* capital subsidy.

GOI designated Rural Electrification Corporation Limited (REC) (a GOI undertaking) as the nodal agency for implementation of RGGVY and

financing the projects. Besides financing the projects by way of subsidy/loans, REC had the prime responsibility for implementation, meeting the scheme related expenditure, appraisal and evaluation of projects both at pre award and post award stages, monitoring and complete supervision for quality control of the projects.

RGGVY aimed at electrification of 27,359 villages in the State of Jharkhand covering 29.26 lakh RHHs by Jharkhand State Electricity Board (Board), National Thermal Power Corporation (NTPC) and Damodar Valley Corporation (DVC) at the total cost of Rs 2,662.61 crore during X<sup>th</sup> and XI<sup>th</sup> Five-year plan periods. The Board was to implement the scheme in six districts<sup>10</sup> comprising of four<sup>11</sup> electric supply circles (ESC). Implementation of RGGVY in other districts was entrusted to DVC (8 districts) and NTPC (8 districts).

The Secretary, Department of Energy, Government of Jharkhand (GOJ) is in charge for implementation of the scheme in the State. In the Board, the Chief Engineer (RE) is the overall in-charge of the RGGVY, assisted by three General Manager-cum-Chief Engineers of Electric Supply Areas and four Electrical Superintending Engineers at the circle level who are the nodal officers to supervise the work in the field.

#### **Scope of audit**

**4.2.2** The performance review on implementation of RGGVY was conducted during April to July 2009 with a view to assess the performance of the Board in implementation of the scheme during the period 2005-06 to 2008-09. The records of the Energy Department, GOJ, Board Headquarters and the Circle offices of the Board where the projects were being implemented, were test checked. All the six districts of the State covering four ESCs of the Board and seven contracts were selected for the performance review.

#### **Audit objectives**

**4.2.3** The audit objectives were to assess whether:

- an efficient and effective plan for implementation of RGGVY scheme was devised and implemented;
- the Board had fixed targets in line with the sanctioned scheme and actual achievement was consistent with the targets;
- the funding requirements were realistically assessed, the funds were sanctioned/received in time; and were put to effective use in a time bound schedule and there were no refunds or diversions;
- effective monitoring and supervising mechanism was in place and was operated efficiently; and
- the intended objectives of RGGVY were achieved and evaluation was

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<sup>10</sup> East Singhbhum, West Singhbhum, Saraikela-Kharsawan, Latehar, Garhwa and Palamu.

<sup>11</sup> Chaibasa, Jamshedpur, Daltonganj and Garhwa.

done to find out how far rural people were benefited.

#### **Audit criteria**

**4.2.4** Audit adopted the following criteria for assessing the achievement of the scheme objectives:

- The RGGVY scheme issued by GOI in March 2005;
- Guidelines issued by GOI for implementation of the scheme;
- Provisions in the Rural Electrification Policy (August 2006);
- Provisions in the Agreements entered into between GOJ, REC and the Board;
- Detailed Project Reports (DPRs);
- Agreements entered into by the Board with contractors; and
- Rural Electrification Plan of GOJ.

#### **Audit methodology**

**4.2.5** Audit adopted the following methodology:

- examination of the planning and implementation procedure with reference to provisions in Rural Electrification Policy (August 2006) and RGGVY scheme;
- examination of DPRs;
- examination of records relating to receipt of funds, awarding of works and their execution at Board Headquarters and in the field;
- verification of monthly progress reports/ returns; and
- interaction with the management and issue of audit queries.

#### **Audit findings**

**4.2.6** The audit objectives, criteria and methodology were discussed in the entry conference (April 2009) with the Board Chairman, the Chief Electrical Engineer-cum-Technical Advisor to Principal Secretary and the Deputy Secretary, Department of Energy, GOJ.

The audit findings were reported (August 2009) to the Government/Board. The response is yet to be received (December 2009) though an exit conference was held (November 2009) with the Chief Secretary, Govt. of Jharkhand and Principal Secretary, Energy Department.

The results emerging from performance audit are discussed in the succeeding paragraphs.

**Overview of activities**

**4.2.7** The projects for implementation of RGGVY spread over six districts<sup>12</sup> of the State were sanctioned (November 2006) by REC at a total cost of Rs 740.48 crore (including 10 per cent overhead) which was subsequently revised (January 2009) to Rs 1,101.04 crore. The work was divided into seven packages and awarded to four contractors (December 2006/January 2007) on turnkey basis at a total contract price of Rs 999.94 crore, to be completed within 18 months *i.e.*, by June 2008. The scope of the works included design, engineering, testing, supply, erection and commissioning of new 33/11 KV PSS and augmentation of existing 33/11 KV PSS, construction of 33 KV/ 11 KV lines with poles and installation of distribution transformers, providing metering unit/meter on 33 KV feeder and 11 KV feeder, providing single point light connection to BPL household as per KJP norms and providing electricity to public places in the villages to be electrified.

The total number of villages in the six districts where electrification was entrusted to the Board was 7,714 out of which 2,048 villages had already been electrified under various rural electrification schemes prior to RGGVY. Of the remaining 5,666 villages, 4,735 villages were to be covered in the scheme, 518 villages to be electrified by the Board under ongoing schemes and rest 413 remote villages to be electrified through non-conventional source of energy. The number of villages covered in the scheme was, however, revised to 4,830 after survey by the contractors. Besides, un-electrified tolas (habitations) in additional 2,048 electrified villages were also to be electrified. Considering the Un-electrified tolas to be electrified, total number of villages to be electrified under the scheme stood at 6,878.

The package wise details of the work, value of the contract, actual cost and time taken are indicated below.

Name of contractor	Awarded Cost (Rs in crore)	Actual expenditure till September 2009 (Rs in crore)	Scheduled date of completion	Target			Achievement		
				Electrification of village	Electrified village and Unelectrified tola	BPL connection	Electrification of village (per cent)	Electrified village and Unelectrified tola (per cent)	BPL connection (per cent)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
NECCON in JV with LUMINO Industries Ltd., Everest Engineering House and Horizon Hitech Engicon Pvt. Ltd. (Package A)	139.38	130.48	30.06.2008	812	660	70,773	772 (95)	447 (68)	41,406 (59)
Associated Transrail Structures Ltd. (Package B)	140.47	95.79	30.06.2008	575	108	56,532	342 (59)	71 (66)	18,777 (33)
Nagarjuna Construction Co. Ltd.(Package C)	130.51	99.53	30.06.2008	607	107	54,200	332 (55)	46 (43)	18,966 (35)
Associated Transrail Structures Ltd. (Package D)	121.94	76.82	30.06.2008	526	435	86,250	241 (46)	-	10,614 (12)
IVRCL Infrastructures Ltd. (Package E)	129.83	107.86	30.06.2008	645	69	78,267	537 (83)	53 (77)	39,434 (50)
IVRCL Infrastructures Ltd. (Package F)	152.48	127.47	30.06.2008	527	244	1,10,607	266 (50)	131 (54)	17,152 (16)
IVRCL Infrastructures Ltd. (Package G)	185.33	156.07	30.06.2008	1138	425	1,15,068	952 (84)	236 (56)	22,757 (20)
<b>Total</b>	<b>999.94</b>	<b>794.03</b>		<b>4,830</b>	<b>2,048</b>	<b>5,71,697</b>	<b>3,442 (71)</b>	<b>984 (48)</b>	<b>1,69,106 (30)</b>

<sup>12</sup> East Singhbhum, Garhwa, Latehar, Palamu , Saraikela-Kharsawan and West Singhbhum

Though the entire project was scheduled to be completed by June 2008, it was yet to be completed (December 2009). The targets for the scheme were not achieved. The achievement of electrification of villages was 71 *per cent* of targets while for providing connection to BPL households it was a dismal 30 percent indicating tardy progress of implementation of the scheme.

### Planning

**4.2.8** A tripartite agreement between REC, Board and GOJ was executed (July 2005) to implement the projects under RGGVY. REC had to finance the sanctioned projects and release funds on the specific request from the Board. The responsibility for project formulation, their development and implementation in the identified areas involving system planning, design, engineering and procurement was entrusted to the Board. The GOJ and the Board were to ensure that the following would be put in position before the project is completed:

- Deployment of Franchisees for the management of rural distribution.
- Ensuring commercial viability of the franchisee by determining bulk supply tariff (BST) for the franchisee and providing requisite revenue subsidy to the State Utilities as per the Electricity Act, 2003.
- Adequate supply of electricity without any discrimination in the hours of supply between rural and urban households.

Audit noticed the following deficiencies in planning of the scheme:

**State RE Plan approved after delay of 32 months**

**4.2.9** As per Rural Electrification Plan of GOI notified in August 2006, GOJ had to notify the RE Plan within six months i.e., by February 2007. The RE Plan of the State, though sent by the Board to GOJ in July 2007 and revised in December 2008 was notified only in October 2009 *i.e.*, after a delay of 32 months.

**Planned projects for additional power not executed**

**4.2.10** GOJ had to make adequate arrangement for supply of electricity for successful implementation of RGGVY. In order to meet the assessed power demand after planned electrification of all the villages by end of the year 2012 the Board proposed several power projects for generation of additional power. No concrete steps were, however, taken by the GOJ/Board for their implementation and there was no enhancement in generation capacity of power in the state (December 2009). Thus, adequate power for rural supply may not be available after implementation of RGGVY.

**Delayed preparation/ approval of DPRs resulted in increase in project cost by Rs 117.34 crore**

**4.2.11** The Board prepared the DPRs for REC approval in December 2005/ February 2006. REC granted in principle approval in June 2006 and final approval in November 2006.

Audit scrutiny revealed:

- Board took between five to seven months for preparation of all the

**DPRs were deficient and may lead to probable increase in project cost by Rs 155.37 crore**

DPRs while REC took another 10 months for granting sanction. NIT for awarding the works was issued in April/June 2006 and the work orders were eventually issued in December 2006/January 2007. Thus the work was awarded 21 months after inception of the scheme (March 2005). This controllable delay in award of work resulted in increase in the project cost by Rs 117.34 crore and substantially delayed implementation of the scheme and ultimately resulted in failure to achieve the target of electrification of all villages by the year 2009.

- The DPRs were prepared by the Board on 4,735 villages comprising of 3,917 un-electrified villages and 818 de-electrified villages. The contractors on route survey found that 264 villages were already electrified, 16 villages not considered as these were located in the hilly and remote areas and 375 un-electrified villages not included in the DPR. It was also found that the actual quantity of work to be executed was much more than that envisaged in the DPRs. This indicated that DPRs were faulty as neither the villages were correctly identified nor the quantity of work assessed properly.

These deficiencies in the DPRs ultimately led to inadequate provision of infrastructure for rural power supply and non-fulfillment of the objective of 100 *per cent* village electrification by the due project completion time within the sanctioned budget. The project cost was proposed (July/August 2009) to be revised to Rs 1,155.31 crore, showing an increase of Rs 155.37 crore beyond original awarded cost which is also discussed in para 4.2.23 in this report.

#### **Implementation of project**

**Franchisees were not appointed though Rs 26.70 lakh was paid to the consultant. Also revenue subsidy of Rs 9.48 crore was not claimed/realised**

**4.2.12** The Scheme required deployment of franchisees for the management of rural electricity distribution infrastructure and collection of electricity tariff to ensure the revenue sustainability of the rural electricity supply with a stipulation that if conditionalities of the scheme were not implemented satisfactorily, the capital subsidy could be converted into interest bearing loans. Prior commitments by the GOJ were required regarding determination of bulk supply tariff for franchisees in a manner that ensured their commercial viability and provision of requisite revenue subsidy to the state power utilities.

Audit observed that the Board engaged (October 2008) a consultant<sup>13</sup> at a fee of Rs 42.75 lakh for development of financial model of the franchisee, preparation of bid document for appointment of franchisee, bid process management and setting up of proper monitoring mechanism. The work order provided for payment of the fee for at least 12 'successful transactions' without defining the term 'successful transactions'. Thus, the scope of work was not defined in measurable terms. The consultant prepared only bid documents for six subdivisions and was paid Rs 26.70 lakh for the undefined services. The contract had expired in July 2009 and no franchisee was appointed as of September 2009 though electrification of about 64 *per cent* of the villages was complete. Though the Board has lower tariff for rural consumers and electricity supply at the subsidized rate was being made to the

<sup>13</sup> M/s Feedback Ventures Pvt Limited.



rural consumers, revenue subsidy of Rs 9.48 crore for the period April 2008 to December 2009, as estimated by Audit was not claimed/realized from the GOJ (December 2009).

As appointment of franchisees and commitment of the GOJ for provision of revenue subsidy was necessary to ensure revenue sustainability of the rural electricity supply and were the vital conditions for being entitled to capital subsidy under the scheme, non fulfilling the condition may result in Board losing capital subsidy and thereby inviting huge financial burden in the form of interest bearing loans.

**Rs 4.72 crore was paid to the third party inspection agency violating the conditions of sanction**

**4.2.13** A Central Public Sector Undertaking (CPSU) was to be engaged for providing third party monitoring/inspection service at a cost of 2 *per cent* of the project cost to be paid out of overhead charges sanctioned by REC. REC had entered into Memorandum of Understandings (MOUs) with NTPC, PGCIL, EIL and CPRI for this purpose and accordingly invited offers for providing the monitoring and supervision services from them. Two CPSUs viz. CPRI and EIL submitted their offers (September and November 2007) though CPRI offered their services only for three districts. The Board, however, did not consider/evaluate the offers and issued letter of intent (April 2008) to TCIL, another CPSU on the basis of their request. The work was finally awarded (September 2008) to TCIL at 2 *per cent* of the project cost (Rs 19.99 crore) plus Service Tax (Rs 2.47 crore)<sup>14</sup> working out to Rs 22.46 crore. Since REC would allow only two *per cent* of the project cost as monitoring and supervision cost, this would result in avoidable liability of Rs 2.47 crore to the Board. Moreover, service charges for monitoring and supervision of BPL connection was not payable as per sanction of REC, though as per letter of award service charges of Rs 2.25 crore on Rs 112.25 crore for BPL connection would also be paid to TCIL. Thus, Rs 4.72 crore would be paid to TCIL violating the conditions of the sanction of REC which would not be receivable from REC.

Further, appointment of TCIL was made 20 months after award of the works by which time electrification of 1,691 villages out of the total 4,830 villages to be electrified was already complete. Audit observed that the villages already electrified were also included in the scope of work of TCIL and no reduction in the service charges for these electrified villages was made. It was further observed that the Board had engaged services of TCIL (September 2008) without approval of its Board of Directors. The Board of JSEB, though accorded *ex post facto* approval (October 2008) for awarding the work to TCIL but at a cost of Rs 11.87 crore<sup>15</sup> only. In view of the approval of the Board for the reduced amount of Rs 11.87 crore instead of the awarded value of Rs 19.99 crore plus service tax, the value of the works should have been reduced accordingly. However, the Board did not amend the work orders reducing value of the works.

<sup>14</sup> at the rate of 12.37 *per cent* applicable for service tax

<sup>15</sup> Two *per cent* on Rs 593.46 crore (project cost of Rs 740.48 crore sanctioned by REC in November 2006 less Rs 87.67 crore for BPL connection and Rs 59.35 crore for overhead charges)

As per terms of the award 30 per cent interest free advance was payable to TCIL as against 15 per cent paid to other turn key contractors without any justification on the records. Moreover there was no provision for recovery/adjustment of the advance in the contract. Audit observed that TCIL was paid Rs 6.70 crore as advance which was higher by Rs 3.56 crore payable (30 per cent of Rs 11.87 crore) as per approval by the Board. The Board neither recovered the amount from TCIL nor regularized the payment of advance of Rs 3.14 crore in excess of approval of its Board.

Audit recommends that the irregularities in awarding the work, sanction of excess advance and defiance to the Board's order should be investigated and responsibility fixed.

**Installed PSS not tested and found defective. Also non completion of 27 PSS resulted in non charging of 1,513 electrified villages**

**4.2.14** As per REC guidelines, each block should have provision for 33/11 KV or 66/11 KV Power Sub-stations (PSS). Audit scrutiny revealed that against the provision for creation of 33 PSSs only six PSSs were completed (June 2009) and charged. Even of these six PSSs, only two were formally commissioned and tested. Several defects and deviations from the REC specification were pointed out by the Board/TCIL in the completed PSS which were yet to be rectified by the contractors. Non completion/commissioning of the remaining 27 PSS resulted in non charging of 1,513 electrified villages. Audit observed that in six blocks of Garhwa district, no provision for River crossing/Railway crossing for connecting six PSSs to the Grid Substation was made in the DPR. Thus, power was not available even after electrification works of the villages in these blocks was over.

**Excess payment of Rs 4.82 crore and irregular payment of Rs 6.65 crore on electrification of villages already electrified**

**4.2.15** REC had sanctioned (November 2006) the project cost of Rs 740.48 crore for RGGVY after deducting Rs 5.02 crore from the total project cost on account of existing electrical infrastructure of the de-electrified villages in four districts. No deduction was, however, made in respect of 250 de-electrified villages of Palamu district. However, REC did not adjust the amount while revising the awarded cost of the project to Rs 999.94 crore (January 2009). Electrification of the de-electrified villages was being done by the contractors as per route survey, pole spotting and line profile of 11 KV and LT lines done by them and there was possibility of utilisation of the existing electrical infrastructure in these villages by the contractors.

Audit further noticed that 28 villages which had been electrified departmentally during March 2005 to November 2008, i.e., during/ after the period of preparation of DPRs, were again included in the DPRs for electrification of which electrification of 24 villages had already been shown as complete under the scheme. This involved avoidable expenditure of Rs 4.82 crore considering the average cost of electrification of villages at Rs 17.22 lakh per village. Similarly, in another 44 villages<sup>16</sup> (including 20 Electrified villages Unelectrified tolas - EVUT) where the transformers were burnt during 2002 to 2009 were not replaced and were included in DPR as de-electrified villages. Thus, Rs 6.65 crore<sup>17</sup> spent on electrification of these villages were irregular.

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<sup>16</sup> 34 in West Singhbhum, 8 in Garhwa and 1 each in Daltanganj & Latehar district.

<sup>17</sup> Rs 17.22 lakh for 24 unelectrified/de electrified villages and Rs 12.58 lakh for 20 EVUT as intimated by Board.

**Wasteful expenditure of Rs 20.53 crore on metered connections and loss of Rs 1.30 crore due to non-billing of consumers already charged**

**4.2.16** Under the scheme, single point electric service connection to 5,71,697 un-electrified BPL households were to be provided with 100 *per cent* capital subsidy as per the norms of KJP. The contractors provided 1,69,106 metered BPL connections upto June 2009. It was noticed that though meters were installed to record the actual consumption by the BPL consumers, meter readings were not being taken and the BPL consumers were billed at flat rate of Rs 29.70 per month (at the rate for unmetered BPL connections). Considering the average cost of Rs 1,964<sup>18</sup> for each metered BPL connection and the cost of Rs 750 for each unmetered connection as per KJP, expenditure of Rs 1,214 incurred on each BPL connection was wasteful. Thus, wasteful expenditure of Rs 20.53 crore had already been incurred on providing 1,69,106 metered BPL connections.

Audit further observed that of 1,69,106 BPL connections, only 1,31,977 connections were charged ( June 2009). However, billing in respect of 67,930 consumers only was being done. Non billing of 64,047 consumers for 1 to 28 months resulted in minimum revenue loss of Rs 1.30 crore (at Rs 29.70 per connection per month).

**Certificates declaring villages electrified not reliable**

**4.2.17** A village could be declared as electrified, only if the basic infrastructure such as distribution transformer and supply lines were provided in the inhabited locality and in other public places<sup>19</sup>, along with electrification of at least 10 *per cent* of the total households in the village, to be certified by the Gram Panchayat as such, as per directions of the MOP, GOI. Audit noticed that though electrification of 4,426 villages against the target of 6,878 villages were reported as electrified by the Board, certificate in respect of only 1,169 villages i.e., 26 *per cent* (17 *per cent* of total villages) had been issued (July 2009) by the BDOs. Thus, electrification of balance 3,257 villages was not complete as per the stipulated guidelines for declaring village as electrified since required certificates were not issued. Though all the public places in these villages had been declared as electrified but the information furnished by the board showed no connection to the public places was released in those villages. Also the number of households electrified was found to be less than the required norm of 10 *per cent* of the total households in many villages. Moreover, against 4,426 villages declared electrified, only 841 villages were taken over (July 2009) by the Board which included 161 villages without the requisite certificate declaring the villages as 'certified'. These discrepancies indicate that the certificates regarding the electrification of villages and claim of the Board regarding the number of electrified villages were unreliable.

### **Contract Management**

**4.2.18** As per REC guidelines, the project management expertise and capabilities of the CPSUs *viz.*, NTPC, PGCIL, NHPC and DVC, with whom REC had entered into MOUs, were to be utilised for implementation of the projects. However, the Board decided to do the work of project formulation, development and implementation by itself though it neither had adequate

<sup>18</sup> Cost of BPL connections (Rs 11225.88 lakh ) ÷ total BPL connections (5,71,697) = Rs 1964.

<sup>19</sup> School, panchayat office, health centre, dispensaries, community centres etc.

human resources nor the experience for execution/implementation of turn key projects of such large magnitude.

**4.2.19** Specification of the materials to be used was identical in all the seven works. Audit scrutiny, however, revealed that different ex-factory rates (excluding freight & insurance and erection) were allowed for supply of the same material with identical specification in three packages<sup>20</sup> though the works were awarded to the same turn key contractor<sup>21</sup> and the districts for which works were awarded were adjacent/in the same geographical location. This resulted in extra expenditure of Rs 4.30 crore (**Appendix-4.5**). Similarly, the works for two packages<sup>22</sup> in adjacent districts were awarded to the same turn key contractor<sup>23</sup> at different ex-factory rates resulting in extra expenditure of Rs 1.16 crore (**Appendix-4.6**). The Board did not negotiate with the lowest tenderer to accept the lowest ex-factory rates quoted by them for a particular material/work in respect of all the packages quoted by them. Thus, allowing different rates for same material resulted in extra expenditure of Rs 5.46 crore which lacked justification. In one district<sup>24</sup> the work was bifurcated into two packages without any justification on the records. The work for each package was awarded to two contractors at different ex-factory rates for supply of the similar materials. If the entire work for the district was awarded to single contractor without bifurcating, the awarded cost would have been lower by Rs 3.92 crore (**Appendix-4.7**). Thus, extra expenditure of Rs 9.38 crore on seven works was incurred on procurement of materials which lacked justification.

**Undue benefit of Rs 12.44 crore allowed to contractor due to payment of interest free advance**

**4.2.20** Central Vigilance Commission (CVC) guidelines stipulate that payment of mobilisation advance to the contractor should be need based and its recovery should be time based and not linked with progress of works for ensuring recovery of advance. Also the amount of mobilisation advance payable, interest to be charged, its recovery schedule *etc.*, should be explicitly stated in the tender document.

Audit observed that Board paid Rs 133.12 crore to the contractors as interest free advance for RGGVY works though payment of advance, interest to be charged, mode of recovery of the advance *etc.* was not specified in the tender documents. Audit noticed that the Board was charging interest at 12 *per cent* per annum on the advance paid to the turn key contractors in other cases, *e.g.*, from RITES, an undertaking of Ministry of Railways, for rural electrification work awarded in December 2003. Thus the Board conceded undue benefit of Rs 12.44 crore to the contractors till March 2009 by not charging interest in violation of CVC guidelines as well as Board's own decision (**Appendix-4.8**).

**Non preparation of PERT chart and faulty Bar chart resulted in tardy progress of work**

**4.2.21** The turn key contracts provided for payment of price adjustment/variation based on the date of shipment/date of erection as per Bar chart/PERT chart or actual date of shipment whichever was earlier. For this purpose, the contractors had to submit Master Network/Bar Chart/ Performance Evaluation and Review Technique (PERT) chart indicating the delivery schedule for supply of materials and erection activities. Audit noticed that no PERT chart

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<sup>20</sup> Latehar, Palamu and Garhwa.

<sup>21</sup> M/s IVRCL Infrastructures & Project Ltd.

<sup>22</sup> One part of West Singhbhum district and for Saraikela-Kharsawan district.

<sup>23</sup> M/s Associated Transrail Structures Ltd.

<sup>24</sup> West Singhbhum.

was submitted by any contractor while the Bar chart indicated only the month of start and completion of supply/erection without indicating month wise schedule for quantity of the materials/equipment to be supplied/erected. In absence of specific time schedule for supply/erection, price adjustment on supply of materials and erection was allowed on the basis of actual date of shipment of material/erection. The Board had already paid Rs 4.27 crore as price variation in respect of four packages which could have been minimised if specific time schedule required for timely completion of the project was fixed. In absence of this data/information, excess payment could not be quantified. Moreover, non preparation of PERT chart and faulty bar chart resulted in supply of materials and execution of the work in un-synchronised manner contributing to the tardy and targetless progress of work.

**Liquidated damages of Rs 99.99 crore not recovered**

**4.2.22** In case of non completion of work within the specified period, the liquidated damages at the rate of 0.50 *per cent* of the contract price per week subject to a maximum 10 *per cent* of the total contract price was leviable on the contractors. Audit noticed that none of the works was completed within the scheduled period (June 2008) and the delay was 76 weeks till December 2009. Extension of the contract period was granted by the Board initially till December 2008 and then, by REC till September 2009 without indicating financial implication of liquidated damages. The Board admitted the reasons given by the contractors such as frequent bandhs, law and order problem and delay in statutory clearance from Railways, forest department *etc.*, without analysing the reasons so as to ascertain the delay attributable to the contractors. Audit scrutiny revealed that the contractors had delayed the survey and preparation of Bill of Material and Quantity (BOMQ) by 36 to 40 months and also made delay in supply/erection of the equipment. The Board, however, did not levy penalty and liquidated damages of Rs 99.99 crore on the contractors as indicated in **Appendix-4.9**.

**4.2.23** The Bid documents provided that the quantity specified in the bid documents were to be finalized after actual survey of the transmission lines. As against this, the work orders provided for submission of BOMQ for the entire scope of work covering 33 KV lines, Power Sub Stations (PSS), 11 KV Lines, Distribution Sub Stations (DSS) and LT lines by the contractors within 3 months of award of work after carrying out detailed survey.

Audit observed that the contractors worked out the quantity variation on the basis of survey and the actual executed quantity in between February 2009 and July 2009 i.e., after delay of 36 to 40 months and after expiry of the scheduled completion for the projects and worked out the revised cost.

Audit observed that:

**Awarded cost proposed to be increased by Rs 155.37 crore due to abnormal rise in quantity**

- The actual quantity to be executed were abnormally higher than the DPR quantity leading to the proposed revision in price to Rs 1,155.31 crore against the awarded price of Rs 999.94 *i.e.*, an increase of Rs 155.37 crore. The work beyond the approved quantity was being executed without approval of the final quantity/revised prices by REC (December 2009).
- Due to variation in quantity, the cost for new PSS was proposed to be increased by nine *per cent* from 56.36 crore to Rs 61.34 crore. The

Revised cost remained inflated by Rs 1.91 crore

increase was abnormally high by 31 *per cent* and 32 *per cent* in two packages. The proposed cost for augmentation of PSS was higher by 17 *per cent* from Rs 9.54 crore to Rs 11.13 crore though increased by 148 *per cent* in one package.

- The revised cost for BPL connections was proposed to be reduced by five *per cent* from Rs 93.77 crore to Rs 89.21 crore due to reduction in number of BPL connections. Though the number of BPL service connections was reduced by 35 and 32 *per cent* respectively in respect of package C and G, requirement of materials was not reduced proportionately. As a result, the revised cost remained inflated by Rs 1.91 crore.

Awarded cost was Rs 27.31 crore more than the cost sanctioned by REC for BPL service connections and excess payment of Rs 1.35 crore to the contractor

**4.2.24** Under the scheme, single point electric service connection to 5,71,697 un-electrified BPL households were to be provided with 100 *per cent* capital subsidy. As per the REC sanction orders, 50 *per cent* of the funds was to be received by the Board as advance on submission of the certified list of BPL households by the State Government/appropriate agency of the State, identifying the village/habitation-wise number of BPL households eligible for electricity connection free of cost and the balance 50 *per cent* at the time of release of fund for final instalment of the project after receipt of the list of BPL household consumers provided electric connections.

Audit noticed that against Rs 1,500 per BPL connection sanctioned by REC, the Board awarded work at different rates ranging from Rs 1,400 to Rs 2,800 per connection in different packages. The total awarded cost of BPL connections was Rs 112.25 crore against the sanctioned Rs 84.94 crore. Thus, Rs 27.31 crore would be incurred in excess of the sanctioned amount which would not be receivable from REC. Moreover, the Board was also not recovering overhead expenses of Rs 80<sup>25</sup> as per KJP norms for each BPL connection which resulted in excess payment of Rs 1.35 crore to the contractors for 1,69,106 connections released till June 2009.

It was further noticed that:

- The Board did not fix the time schedule for supply of the materials for BPL service connections in synchronisation with creation of electrical infrastructure in the villages. The contractors commenced supply of materials for BPL connections before installation of electrical infrastructure in the villages. It was noticed that Rs 68.12 crore had already been paid by the Board (Rs 67.32 crore for supply of materials and Rs 0.80 crore for erection) (September 2009). Further, only 1,69,106 (30 *per cent*) BPL households were given service connections (June 2009) though 80 *per cent* of the sanctioned cost had already been paid to the contractors.
- The Board claimed the advance towards 50 *per cent* of the funds for BPL i.e., Rs 42.47 crore from REC only in April 2009 as against in January 2007 i.e., after delay of 27 months. However, only Rs 33.98 crore was received (June 2009) from REC. Thus, it had incurred interest loss of Rs 11.89 crore (at 12 *per cent* from February 2007 to

Supply of materials for BPL service connections not synchronised with creation of electrical infrastructure

Delayed claim for fund for BPL service connection resulted in loss of interest of Rs 13.26 crore

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<sup>25</sup> Rs 40 for Board supervision, Rs 10 for REC supervision and Rs 30 for meter testing fee.

May 2009) due to delay in claiming the amount. Further, the Board paid Rs 34.14<sup>26</sup> crore to the contractors without receiving the amount from REC, thereby suffering loss of interest of Rs 1.37 crore (June to September 2009).

### Monitoring & Reporting

**4.2.25** The MOP, GOI evolved a three tier quality monitoring system as a quality control mechanism for the projects. The first tier quality control was the responsibility of Project Implementing Agencies (PIA). As per the Quality Control Manual of REC (April 2008) the PIA (Board) had to prepare a detailed Quality Assurance Programme to ensure quality check by the contractor, PIA and third party inspection agency. All materials and villages were to be inspected as per Manufacturing Quality Plan and Field Quality Plan. However, the Board did not prepare the Quality Assurance Programme and the quality control mechanism of the MOP was not implemented.

**Delay in appointment of third party and poor monitoring**

As per the Tier –II control mechanism, REC had the responsibility for coordinating and overseeing the implementation of Quality control measures for RGGVY works. The second tier quality control, *inter alia*, provided for inspection of at least one of major materials at pre-shipment stage at vendor's works. However, inspection of materials at pre-shipment stage was not done by REC as reported by the Board.

The third party inspection of the electrification work was started in January 2009 i.e., 24 months after the issue of work orders for the projects, by which time electrification of 1,691 villages was already complete. TCIL had inspected only 746 villages (July 2009) out of 4,426 villages already electrified. Audit observed that inspection of 461 villages was conducted without referring to approved drawings and other documents and Inspection report in respect of only 229 villages submitted by TCIL (July 2009) pointing towards non achievement of intended quality control.

**Progress report not submitted regularly**

**4.2.26** The contractors were required to submit monthly progress report as per the work orders. However, progress reports in respect of three packages were not being submitted by the contractors in proper form. Also, submission of the progress reports, an important tool for monitoring the progress of work was not regularly monitored by the Board and follow up/verification of the progress reports were not always done by the nodal officer. Audit also observed that the Board made frequent transfer<sup>27</sup> of Chief Engineer in charge of overall supervision of the project which resulted in delayed decision making, inadequate supervision and deficient monitoring. Most of the nodal officers in the supply circle had no independent system of monitoring the actual progress of work and regular reporting to the Headquarter was not being done. Audit concludes that due to inadequate MIS and ill monitoring there was delay in decision making and implementation.

<sup>26</sup> Rs 68.12 crore –Rs 33.98 crore

<sup>27</sup> seven Chief Engineers held the charge in four years

### Achievement of objectives

**4.2.27** The objectives of the scheme was to create Rural Electricity Backbone with at least one substation in each block, village electrification infrastructure with at least one distribution transformer in each village/habitation for provision of access to electricity to all households by year 2009, quality and reliable power supply at reasonable rates and minimum lifeline consumption of one unit per household per day by year 2012. The achievements were woefully short of targets:

- As against assessed demand of 1250 MW of power (2007-08) rising to 6,000 MW (2011-12) after electrification of all the villages by end of the year 2012, not a single unit of additional power was added by the Board since none of the proposed power plants/ projects had been set up/ taken up to cater to the increased demand. Thus, the requirement of additional power on implementation of RGGVY would not be met by the State and the laudable goal of provision of access to electricity to all households by year 2009 and provision of minimum lifeline consumption of 1 unit per household per day by year 2012 would remain a pipedream.
- Towards achievement of provision of access to electricity to all households by year 2009, 6,878 villages were to be electrified in the six districts by the Board under the scheme against which only 4,426 villages have been reported as electrified by the Board (June 2009). Thus, only 64 *per cent* of the target of village electrification was achieved.

**Idle expenditure of Rs 190.34 crore due to non-charging of villages**

Audit observed that the data regarding number of electrified villages was not reliable as only 2,913 of 4,426 villages reported to be electrified had been charged. Despite reported electrification, remaining 1,513 villages were not charged for a period of 1 and 17 months (June 2009). Thus, electrical infrastructure created in these villages was kept idle defeating the objective of the scheme, besides making expenditure of Rs 190.34 crore<sup>28</sup> incurred on electrification of these villages unfruitful. Moreover, no connection was released in 1,311 villages which were reported to be electrified. Further, against the target of electrification of 4,047 public places, no electricity connection was given. This indicated that even the number of villages claimed to be electrified by the Board was not reliable.

**Non achievement of target of BPL service connection**

- Against the target of providing access to electricity to the total 8,65,815 RHHs (including BPL) in the six districts only 1,69,106 RHHs (20 *per cent*) were electrified (June 2009). In fact, only 1,69,106 BPL households were given connections against the target of 5,71,697 BPL households (30 *per cent*) as indicated below:

<sup>28</sup> considering average expenditure of Rs 12.58 lakh per village.



Name of District	RHH connection			BPL connection		
	Target	Achievement (per cent)	Percentage	Target	Achievement (per cent)	Percentage
(1)	(2)	(3)	(4)	(5)	(6)	(7)
East Singhbhum	1,15,477	41,406	36	70,773	41,406	59
West Singhbhum	1,90,591	37,743	20	1,10,732	37,743	34
Saraikela-Kharsawan	1,19,373	10,614	9	86,250	10,614	12
Latehar	91,460	39,434	43	78,267	39,434	50
Garhwa	1,52,466	17,152	11	1,10,607	17,152	16
Palamu	1,96,448	22,757	12	1,15,068	22,757	20
<b>Total</b>	<b>8,65,815</b>	<b>1,69,106</b>	<b>20</b>	<b>5,71,697</b>	<b>1,69,106</b>	<b>30</b>

Thus, only 20 per cent of the target in respect of RHHs (ranging from 9 to 43 per cent district wise) and 30 per cent in respect of BPL households (ranging from 12 to 59 per cent district wise) were achieved.

**Feeder trippings and outages was much higher than norms**

**4.2.28** One of the goals of REP was to ensure quality and reliable power supply to encourage use of energy efficient equipment/appliances leading to improvement in the availability of energy. An important performance parameter for quality and reliability is frequency of feeder tripping and average duration of feeder outages. The MOP prescribed feeder outages numbers should be less than one per feeder per month. Audit observed that the actual feeder outage was 349 to 570 times the prescribed norm of less than one per feeder per month in all the circles indicating poor quality of power supply.

The feeder tripping and outages in respect of test checked Circles for the period 2005-06 to 2008-09 were as below:

Circle	2005-06		2006-07		2007-08		2008-09	
	Trippings per feeder per month	Average feeder outage duration in hours per month	Trippings per feeder per month	Average feeder outage duration in hours per month	Trippings per feeder per month	Average feeder outage duration in hours per month	Trippings per feeder per month	Average feeder outage duration in hours per month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Chaibasa	185	6	179	5	159	5	102	3
Garhwa	10.5	34	10	49	10.56	39	8.88	44
Jamshedpur	187	7	309	10	295	12	193	10
Daltonganj	82	47	72	40	54	35	45	30
<b>Total</b>	<b>464.5</b>		<b>570</b>		<b>518.56</b>		<b>348.88</b>	

**4.2.29** No discrimination in hours of supply of electricity in the urban and rural areas was to be made as per RGGVY scheme. However, rural areas in test checked circles were discriminated and supplied 74 to 80 per cent of the energy given to urban areas during the period 2005-06 to 2008-09 as indicated below:

*(Hours per day)*

Supply Circle	2005-06		2006-07		2007-08		2008-09	
	Hours of supply in urban area	Hours of supply in rural area (as percentage to supply to urban area)	Hours of supply in urban area	Hours of supply in rural area (as percentage to supply to urban area)	Hours of supply in urban area	Hours of supply in rural area (as percentage to supply to urban area)	Hours of supply in urban area	Hours of supply in rural area (as percentage to supply to urban area)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Chaibasa	19	12 (63)	19	12 (63)	15	11 (73)	20	14 (70)
Garhwa	19	17 (89)	18.5	14 (76)	16	12 (75)	13.5	7.8 (58)
Jamshedpur	20	16 (80)	18	13 (72)	14	12 (86)	19	15 (79)
Palamu	15.5	10.5 (68)	14.5	12.5 (86)	15.5	13.5 (87)	16.5	14.5 (88)
<b>Average supply</b>	<b>18.38</b>	<b>13.88 (75.52)</b>	<b>17.5</b>	<b>12.88 (73.6)</b>	<b>15.13</b>	<b>12.13 (80.18)</b>	<b>17.25</b>	<b>12.83 (74.38)</b>

**4.2.30** Revenue collection is the key for success of rural electrification on sustainable basis for which franchisee arrangement was envisaged in the scheme. The table below shows the details of revenue assessed and collected in 4 circles of the state during 2005-06 to 2008-09:

*(Rs in lakh)*

Name of circle	2005-06		2006-07		2007-08		2008-09	
	Revenue assessed	Revenue realised	Revenue assessed	Revenue realised	Revenue assessed	Revenue realised	Revenue assessed	Revenue realised
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Chaibasa	410.64	152.59(37)*	497.79	199.66 (40)	567.19	395.30 (70)	409.10	127.14 (31)
Garhwa	230.01	42.19 (18)	249.52	61.41 (25)	241.26	61.25 (25)	234.54	72.22 (31)
Jamshedpur	343.48	185.94 (54)	377.15	174.68 (46)	414.04	177.66 (43)	457.44	176.85 (39)
Daltonganj	342.63	30.29 (9)	413.00	54.90 (13)	464.55	68.39 (15)	528.04	73.35 (14)
<b>Total</b>	<b>1326.76</b>	<b>411.01 (31)</b>	<b>1537.46</b>	<b>490.65 (32)</b>	<b>1687.04</b>	<b>702.60 (42)</b>	<b>1629.12</b>	<b>449.56 (28)</b>

\*Figures in bracket represent percentage of revenue realised to revenue assessed.

**Poor realisation of assessed revenue**

Audit observed that revenue collection was poor in respect of rural consumers. It was 31 *per cent* of the total revenue assessed in the year 2005-06 which decreased to 28 *per cent* in 2008-09. As a result of poor collection Rs 41.27 crore of assessed revenue remained unrealised during 2005-06 to 2008-09. Non engagement of franchisees was an important reason for poor revenue realisation, delay in billing/non billing of energy supplied and failure in reduction of commercial losses from the rural consumers which Audit apprehends could ultimately jeopardise the sustenance of the rural electrification programme.

**Evaluation of intended benefit of the scheme not done**

**4.2.31** Another objectives of RGGVY was to facilitate overall rural development, employment generation and poverty alleviation by catering to the needs of agriculture and other activities like irrigation pump sets, small/village industries, healthcare, education & IT *etc.* The Board, however, had not evolved and set in place any mechanism for evaluation whether intended benefits were achieved.

### Fund Management

**4.2.32** Funds for the projects were to be made available by REC with capital subsidy component of 90 *per cent* towards overall cost of the projects and 10 *per cent* as loan. As per the awarded cost of seven turnkey contracts, REC sanctioned Rs 1,101.04 crore as the project cost of which Rs 999.43 crore was capital subsidy and Rs 101.61 crore, loan. The Board had received Rs 948.47 crore (December 2009) including Rs 33.98 crore for BPL service connection and Rs 83.13 crore as overhead expenditure. Expenditure of Rs 832.80<sup>29</sup> crore had been incurred by the Board till September 2009.

Interest of Rs 6.20 crore earned on RGGVY fund not taken into RGGVY account and loss of Rs 14.71 lakh on invest of fund at lower rate of interest

**4.2.33** The funds received from REC were kept in a current account with Flexi Deposit facility. The Board invested Rs 44 crore in 2006-07 and Rs 26 crore in 2008-09 as short term fixed deposits in scheduled commercial banks against the provisions of the scheme for different time periods at different rates. These different valued investments were made at different rates of interest<sup>30</sup> for periods of 48-49 days (March 2007) and 15-46 days (March 2009) concurrently. The rate of interest on these investments when compared amongst different banks in which deposits were held, showed that the Board could have earned additional revenue of Rs 14.71 lakh had it taken the decisions judiciously which it failed to earn. Audit also noticed that interest of Rs 6.20 crore earned on these funds were not ploughed into the RGGVY funds.

### Conclusion

The objective of RGGVY was to provide access to electricity to all rural households and improving the rural electricity distribution infrastructure by March 2009. The implementation of the scheme in six districts in the state was entrusted to the Board. The Board has failed to deliver as the achievement was woefully short of targets.

- The Board could provide electricity only to mere 20 *per cent* of intended RHHs and 30 *per cent* of BPL households by June 2009.
- For the projects to be eligible for capital subsidy under the scheme, prior commitment of the state was to be obtained for deployment of franchisees for the management of rural distribution in projects financed under the scheme. However, this commitment is yet to be fulfilled by the Board.
- No concrete/realistic plan for PROVISION of adequate power for supply in rural areas was made by the GOJ.

Audit concludes that the poor contract planning, management as well as inadequate monitoring mechanism of the scheme led to irregularities in delivery. Audit apprehends that if the Scheme is not implemented as envisaged/targeted, the capital subsidy provided by the GOI could be converted into interest bearing loans, inviting huge financial burden on the Board/GOJ besides the social objectives of the scheme getting defeated.

<sup>29</sup> including overhead expenditure of Rs 38.77 crore

<sup>30</sup> at 2.77 *per cent* to 5.87 *per cent* in 2006-07 and 3.75 *per cent* to 6.25 *per cent* in 2008-09

**Recommendations**

Audit suggests that the Board should

- complete the implementation of the scheme in the six districts and electrification of all villages within a time-bound period;
- ensure arrangement for adequate power for supply to the villages after implementation of the scheme;
- deploy franchisees as required under the scheme to ensure reduction of commercial losses, billing of energy supplied and for collection of revenue;
- ensure improved quality and reliability of power supply in the rural areas;
- take assistance of specialized agencies in execution/ implementation of the schemes.

## Section – B

### Transaction Audit Observation

Important audit findings emerging out of test check of transactions of the State Government companies/corporations are included in this Chapter.

### Government Companies

#### Jharkhand State Forest Development Corporation Ltd.

#### 4.3 Avoidable payment of interest on income tax

##### **Delay in filing the Income Tax Return and short payment of advance Income Tax resulted in avoidable payment of interest on Income Tax.**

As per provisions of Section 234A of Income Tax Act, 1961, where the return of income for any assessment year is furnished after the due date or is not furnished, simple interest at the rate of 1 *per cent* for every month or part of a month is chargeable on the amount of tax on the assessed income less advance tax paid and tax deducted or collected at source. Section 211 of the Income Tax Act, 1961 provides that each company/corporation is required to pay advance tax at the prescribed rates on the due dates. In the event of short payment of advance tax as well as shortfall in payment of advance tax for 3 months, the company is liable for payment of interest under section 234(B) and 234(C) of the Income Tax Act.

Audit scrutiny (September 2008) of Income Tax Return for the Assessment Year 2003-04 of Jharkhand State Forest Development Corporation Ltd. (Company) showed that the Company paid a sum of Rs 5 lakh as advance tax in March 2003 for the Financial Year 2002-03 (Assessment Year 2003-04) without making any assessment of income/tax liability. While filing the return, the company computed its taxable income as Rs 162.08 lakh on which tax payable worked out to Rs 59.56 lakh. The company paid the balance Income Tax of Rs 54.56 lakh in November 2003. This delay in depositing the advance tax attracted imposition of interest and penalty under the Income Tax Act. Evidently, the Income Tax Department charged interest of Rs 8.98 lakh on the amount of income tax as a result of short payment of income tax. Audit further noticed that despite payment of interest for short payment of advance tax for the assessment year 2003-04, the Company did not take appropriate action either for proper computation of income or for payment of advance tax

for the Assessment Year 2004-05 also. As against the tax liability of Rs 35.15 lakh on taxable income of Rs 97.98 lakh for the Financial Year 2003-04 (Assessment Year 2004-05), the Company paid only Rs 10 lakh as advance tax in March 2004. Further, the Company filed the Income tax return for the Assessment Year 2004-05 in March 2006 against the due date of October 2004. Due to failure of the company to file the Income Tax Return on due date and non-payment of advance tax, the Income Tax Department charged interest of Rs 12.12 lakh on income tax for the assessment year 2004-05 under Sections 234A, 234B and 234C of the Act. Thus, owing to failure of the company to comply with provisions of the Income Tax Act, the company had to pay avoidable interest of Rs 21.10 lakh for the Assessment Year 2003-04 and 2004-05.

The Management/Government stated (May 2009) that the delay in filing of IT Return was due to delayed finalisation of accounts as well as non-estimation of Income Tax liability as the Company had shortage of manpower during the initial years.

The reply only confirms the Company's failure to comply with the legal provisions of the Companies Act as well as the Income Tax Act, resulting in avoidable interest payment of Rs 21.10 lakh to the Company. Further, delay in finalisation of accounts of the Company may lead to difficulty in assessing the income which may result in short payment and attract interest. Considering that the delay enabled the Company to retain cash with it for a longer time and the Company could have earned interest on it, the Company still stood to suffer a loss of Rs 16.13 lakh on interest differential, besides non compliance with the tax law.

It is recommended that the Management should ensure proper evaluation of advance tax and its payment on due dates as well as filing of the Income Tax Return in time to avoid unintended liabilities.

**Statutory Corporation**

**Jharkhand State Electricity Board**

**4.4 Blocking of funds of Rs 5.41 crore with loss of interest of Rs 2.11 crore**

**Unplanned procurement and non-installation of meters resulted in blocking of Rs 5.41 crore and loss of interest of Rs 2.11 crore, besides loss of revenue.**

The Board placed a purchase order (September 2005) on Secure Meters Limited (supplier) for supply of 10,000 Low Tension Current Transformer (LTCT) Operated Trivector Electronic Energy Meter with Current Transformers (CT) of ratio 100/5A<sup>31</sup> (4000 nos.), 150/5A<sup>32</sup> (5000 nos.) and 200/5A<sup>33</sup> (1000 nos.) at a total landed price of Rs 11.45 crore. The purchase order was later amended (December 2005) to 1000, 7000 and 2000 meters with CT ratios of 100/5A, 150/5A and 200/5A respectively with revised price of Rs 11.02 crore. As per the purchase order, delivery of the full quantity was to be completed within six months from the date of placement of the purchase order, *i.e.*, by March 2006.

Audit observed (November 2008) that while obtaining the financial concurrence (June 2005) for the purchase, the Board expressed extreme urgency for procurement of the meters for providing new connections as well as for replacement of defective meters. The reasons cited were enhancement in revenue and substantial reduction in commercial losses on installation of these meters. Though there was provision for procurement of only 4000 meters in APDRP<sup>34</sup> budget for 2005-06, purchase of additional 6,000 meters was arranged by re-appropriation from the distribution budget in view of the urgency.

Supply of the meters was completed between March and September 2006 and the meters received in different Stores of the Board for installation. It was, however, observed that as on 30 April 2009, 4916 meters (about 50 per cent of the total quantity), valuing Rs 5.41 crore, were lying in the stores of the Board without installation for about 3 years. Audit noted that the entire stock of unutilised meters was of those meters with CT's of 150/5A and 200/5A whose quantity was enhanced after placement of order. The records also revealed that no analysis of the actual requirement of different categories of meters was made before amending the ordered quantity and changes in

<sup>31</sup> Landed price Rs 12077.84 each meter revised to Rs 11064.81

<sup>32</sup> Landed price Rs 11064.81 each meter

<sup>33</sup> Landed price Rs 10836.55 each meter

<sup>34</sup> Accelerated Power Development and Reform Programme

ordered quantity was made on ad-hoc basis. Thus, Rs 5.41 crore remained blocked for about 3 years with loss of interest of Rs 2.11 crore. Besides, the Board was deprived of the benefit of revenue enhancement and reduction of commercial losses by non installation of these meters.

The Board stated (April 2009) that the supplier who was to install the meters could install only 632 meters due to constraints in the field and the balance meters were to be installed by the Board which could not be done due to shortage of skilled person. The reply confirmed lack of planning in purchase of meters in bulk and the Board's failure in taking proper action for installation of the meters. This was further corroborated by the fact that the installation contractor attributed (August 2006 and June 2007) non availability of Section/division wise list of consumers whose meters were to be installed and their addresses from the Board as the main reason for non installation of the meters.

Thus, procurement of huge quantity of meters without proper plan and failure of the Board to install them for about three years resulted in blocking of capital of Rs 5.41 crore and consequent loss of interest of Rs 2.11 crore as the Board met the capital through State Government loan. Besides depriving the board of enhanced revenue and saving due to reduction in commercial loss on installation of the meters.

Audit recommends that the Board should purchase equipment only after proper assessment of their requirement and proper planning for their installation within a specific time period failing which accountability should be fixed. Moreover, as in the instant case, if the defective meters have not been replaced for over three years despite availability of new meters, it would have contributed substantially to the loss of the Board, which should be a matter of serious concern and kept into consideration before taking any decision by the Board.

The matter was reported to the Government in May 2009; their reply was awaited (November 2009).

#### ***4.5 Irregular grant of instalments in payment of security money***

##### **Loss of Rs 19 lakh due to delay in realization of security money and irregular grant of instalments in payment of the security money**

As per the provisions contained in the tariff notification of the Bihar State Electricity Board (BSEB) of May 2001<sup>35</sup> for High Tension Special Services (HTSS), facility of payment upto 12 instalments can be granted for payment of the Security Deposit. The Chairman, Jharkhand State Electricity Board (JSEB) did not have power to grant relaxation in payment of Security Deposit for HTSS consumers beyond 12 instalments under Delegation of Financial Powers of the Board.

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<sup>35</sup> applicable in JSEB



Audit observed (December 2008) that facility of payment of the Security Deposit in 12 instalments was allowed (April 2005) to a High Tension consumer<sup>36</sup> for a new service connection of 7200 KVA load on 33 KV supply under HTSS tariff. The consumer had to deposit Rs 86.40 lakh as initial Security Deposit with the Board for the new service connection and complete other formalities<sup>37</sup>. However, the consumer paid only one instalment of Rs 7.20 lakh in June 2005 and stopped further payment. The required formalities were completed only in February, 2007. Subsequently, the consumer requested (March 2007) the General Manager-cum-Chief Engineer, Electric Supply Area, Jamshedpur to allow payment of the balance amount of Rs 79.20 lakh in 24 instalments.

The Chief Engineer (Commercial & Revenue), observed that the electricity consumption in the furnace would be much more and proposed (April 2007) against granting further relaxation in payment of the Security Deposit. The Chairman, JSEB, however, granted (May 2007) 17 monthly instalments of Rs 4.66 lakh each for payment of the balance security money of Rs 79.20 lakh<sup>38</sup> without any basis/justification on record. The consumer paid the first instalment of Rs 4.66 lakh in May 2007 and the connection was energised thereafter in July 2007. Subsequently, the consumer paid seven more instalments of Rs 4.66 lakh each till December 2007 and again stopped payment. Thus, against the security money of Rs 86.40 lakh, the Board could realise only Rs 44.47 lakh from the consumer and the balance Rs 41.93 lakh remained unrealised (April 2009).

On being pointed out by Audit (April 2009), the Board accepted the audit comment and agreed to raise demand for the interest on the delayed payment of security money. The Board, subsequently recovered Rs 41.73 lakh against the balance security money upto (December 2009) leaving a balance of Rs 0.20 lakh still receivable alongwith interest of Rs 18.80 lakh.

Thus, due to irregular relaxation granted in payment of security money and failure to take effective measures for timely realization, the Board suffered loss of Rs 19 lakh comprising interest of Rs 18.80 lakh and security money of Rs 0.20 lakh.

Audit suggests that the Board should take prompt action like disconnection of service in case of non-payment of security deposit and recovery of interest.

The matter was reported to the Government in April 2009; its reply was awaited (December 2009).

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<sup>36</sup> M/s S.S.R. Sponge Iron Limited, Jamshedpur

<sup>37</sup> installation of power transformer, induction furnace and meter; obtain statutory clearance from Electrical Inspector, Govt., execution of agreement, etc.

<sup>38</sup> Rs 86,40,000 (-) Rs 7,20,000

#### 4.6 Lack of remedial action on audit observations

**Jharkhand State Electricity Board did not either take remedial action or pursue the matters to their logical end in respect of 22 IR paras, resulting in foregoing the opportunity to improve their functioning.**

A review of unsettled paras from Inspection Reports (IRs) pertaining to periods upto 2003-04 showed that there were 22 paras in respect of Jharkhand State Electricity Board (Board), which pointed out deficiencies in the functioning of the Board. As per the extant instructions, the Board is required to take remedial action within one month after receipt of IRs from Audit. However, no effective action has been taken to take the matters to their logical end, *i.e.*, to take remedial action to address these deficiencies. As a result, the Board has so far lost the opportunity to improve their functioning in this regard.

The list of individual paras showing the nature of deficiencies, amount involved, etc is given in **Appendix-4.10**. The paras mainly pertain to undue favour/financial advantage/benefit extended to the suppliers, unreasonable/unnecessary purchase of materials, loss due to theft of materials, short assessment/non-billing of fuel surcharge/electricity dues, unadjusted advances for supply of material, blockade of fund due to non replacement of defective materials, etc.

Above cases point out the failure of the Board authorities to address the specific deficiencies and ensure accountability of their staff. Audit observations and their repeated follow up by Audit, including bringing the pendency to the notice of the Administrative/Finance Department and Board management periodically, have not yielded the desired results in these cases.

The Board should initiate immediate steps to take remedial action on these paras and complete the exercise in a time bound manner.

The matter was reported to the Management/Government in June 2009; their reply was awaited (November 2009).

**Ranchi,  
The**



**(RAKESH KUMAR VERMA)  
Principal Accountant General (Audit)  
Jharkhand**

**Countersigned**

**New Delhi,  
The**



**(VINOD RAI)  
Comptroller and Auditor General of India**

## Appendix-1.1

(Refer paragraph 1.1.7.1; page-7)

### Statement showing expenditure and area covered in afforestation schemes

(Area covered: In hectares and Amount: Rupees in crore)

Year	RDF		QGS		Soil Conservation		MFP		Lac Development		FFP		Total area covered	Total expenditure
	Area covered	Exp	Area covered	Exp	Area covered	Exp	Area covered	Exp	Area covered	Exp	Area covered	Exp		
2001-02	24305.40	19.26	3241.08	3.40	3973.34	5.36	3626.11	4.32	836.28	0.89	2610.33	0.83	38592.54	34.06
2002-03	16798.37	29.37	5390.68	10.82	4056.61	9.63	4231.99	9.32	401.43	1.46	0.00	1.45	30879.07	62.04
2003-04	16778.24	31.40	6890.20	16.28	1158.96	5.82	5605.03	9.40	465.06	1.46	0.00	0.68	30897.49	65.05
2004-05	25030.90	40.07	6891.30	19.18	2546.82	6.27	7575.83	11.63	678.44	1.67	0.00	0.00	42723.29	78.83
<b>Total</b>	<b>82912.91</b> (829.13 km <sup>2</sup> )	<b>120.10</b>	<b>22413.26</b> (224.13 km <sup>2</sup> )	<b>49.68</b>	<b>11735.73</b> (117.36 km <sup>2</sup> )	<b>27.08</b>	<b>21038.96</b> (210.39 km <sup>2</sup> )	<b>34.67</b>	<b>2381.21</b> (23.81 km <sup>2</sup> )	<b>5.48</b>	<b>2610.33</b> (26.10 km <sup>2</sup> )	<b>2.96</b>	<b>143092.39</b> (1430.92 km <sup>2</sup> )	<b>239.98</b>
2005-06	16789.73	39.50	2098.92	15.75	733.21	4.72	4716.82	11.62	115.44	1.27	0.00	0.00	24454.12	72.86
2006-07	11262.45	31.76	2935.83	11.97	4665.60	10.28	4985.19	11.09	2291.01	4.16	1522.50	4.16	27662.59	73.42
2007-08	0.00	15.46	0.00	6.37	0.00	4.92	8193.80	16.59	1200.48	5.37	344.15	3.22	9738.43	51.94
<b>Total</b>	<b>28052.18</b> (280.52 km <sup>2</sup> )	<b>86.72</b>	<b>5034.75</b> (50.35 km <sup>2</sup> )	<b>34.09</b>	<b>5398.81</b> (53.99 km <sup>2</sup> )	<b>19.92</b>	<b>17895.81</b> (178.96 km <sup>2</sup> )	<b>39.30</b>	<b>3606.93</b> (36.07 km <sup>2</sup> )	<b>10.80</b>	<b>1866.65</b> (18.67 km <sup>2</sup> )	<b>7.38</b>	<b>61855.14</b> (618.55 km <sup>2</sup> )	<b>198.22</b>
<b>G. Total</b>	<b>110965.09</b> (1109.65 km <sup>2</sup> )	<b>206.82</b>	<b>27448.01</b> (274.48 km <sup>2</sup> )	<b>83.77</b>	<b>17134.54</b> (171.35 km <sup>2</sup> )	<b>47.00</b>	<b>38934.77</b> (389.35 km <sup>2</sup> )	<b>73.97</b>	<b>5988.14</b> (59.88 km <sup>2</sup> )	<b>16.28</b>	<b>4476.98</b> (44.77 km <sup>2</sup> )	<b>10.34</b>	<b>204947.53</b> (2049.48 km <sup>2</sup> )	<b>438.20</b>

*Source: Annual, physical and financial achievement report prepared by DoF&E*

## Appendix -1.2

(Refer paragraph 1.1.7.8; page-9)

### Statement showing creation of liability

(Rupees in lakh)

Sl. No.	Name of the division	Year	Allotment	Amount actually made available	Expenditure	Excess expenditure
1	Dumka	2007-08	5.00	3.20	5.58	2.38
2	Giridih	2007-08	10.82	10.82	18.93	8.11
	<b>Sub-Total</b>					<b>10.49</b>
3	Singhbhum Afforestation	2008-09	0.00	0.00	2.68	2.68
	<b>Sub-Total</b>					<b>2.68</b>
	<b>Grand Total</b>		<b>15.82</b>	<b>14.02</b>	<b>27.19</b>	<b>13.17</b>

**Appendix-1.3**  
**(Refer paragraph 1.1.8.1, page-9)**  
**Statement showing plantations taken up on sites/plots other than those approved by the Government**

Sl. No.	Name of the Forest Division	Year	Name of Scheme	Approved Area				Area and Site on which actually work done				Amount (Rupees in lakh)
				Name of site	Thana No.	Area (In Hec)	Plot No.	Name of site	Thana No.	Area (In Hec)	Plot No.	
1	Chaibasa South	2006-07	RDF	Saliknti	Kolhan/ 609	85	3382, 3383, 3384, 3385, 3388, 3389,	Saliknti	Kolhan/ 609	85	1, 2	9.42
			MFP(B)	Hatgamaria	Kolhan/ 428	50	446,1132, 1294, 1319, 1324, 2177, 1442, 1443, 1453, 1526, 1527, 1528, 1529	Gamaharia	Kolhan/ 428	50	2241, 2243, 2275	5.05
			MFP(T)	Panga	Kolhan/ 228	43	1384, 1388, 1380, 2931, 2965	Baljori	Kolhan/556	43	471, 584, 657	6.8
2	SF, Adityapur	2006-07	QGS	Legdih	Chandil/ 162	45	1,476, 415, 417,55, 522, 564	Gohaldoger	Ghatsila/ 483	45	NA	7.08
3	Singhbhum Afforestation, Chaibasa	2005-06	RDF	Dighi/ Purnapanil	Ghatshila/ 346, 353	50	PF	Purnapani	Ghatshila/ 354	50	95, 1022, 965, 975, 979	5.29
				Rupaskundi/ Tapdhara	Ghatshila/ 532, 533	50	255, 266, 525, 1, 65, 70, 81, 86, 88, 212, 364, 787, 788, 790, 782, 176	Sapdhara	Ghatshila/ 533	50	1, 1174, 114, 70, 700, 192, 135, 116, 117	5.29

Sl. No.	Name of the Forest Division	Year	Name of Scheme	Approved Area				Area and Site on which actually work done				Amount (Rupees in lakh)
				Name of site	Thana No.	Area (In Hec)	Plot No.	Name of site	Thana No.	Area (In Hec)	Plot No.	
4	Gumla	2004-05	RDF	Saraga	Senha/ 34	35	692, 2505	Pulung	Dumri/ 184	35	3, 433	5.43
		2006-07	SC	Anjan Bara	Gumla /11,12	75	2, 110	Anjan Bara	Gumla/11, 12	75	273, 1120	13.7
5	Ranchi West	2004-05	RDF	Hivlasi	Lohardaga/ 267	100	1597, 1701	Hendlaso	Lohardaga/ 217	100	1697, 1680 (P), 1701	8.94
6	SF, Deoghar	2004-05	MFP(B)	Raghunathpur, Charhara, Kharwan	Sarath/114 to 116	25	686, 03P, 367P	Bhatubadi	Madhupur/ 658	25	333	2.25
			RDF	Siriyani	Madhupur/ 630	50	1014, 1015, 1019, 983, 989	Balthrwa, Musatari, Karudih	Madhupur/ 57, 31, 30	50	133, 122, 28, 26, 102, 103, 30, 40, 47, 242, 203, 228, 527, 376	4.98
			RDF	Bedmukka	Madhupur/ 24	61	1,58	Patharia	Madhupur/ 28	61	2, 38, 98, 90	6.07
			RDF	Randa	Madhupur/ 631	40	384, 289	Gosnidih	Madhupur/ 5	40	2, 105, 308, 378, 405	3.98
			QGS	Retdih	Sarwan/75	40	NA	Durjani, Jiyakhanda, Jandiha	Sarwan/ 166, 167, 163	40	NA	5.67
7	Dumka	2004-05	MFP(B)	DaparGopli	Dighi/34	50	1, 554, 296, 561	Banskuli, Kumirkhala	Banskuli/ 25, 26	50	1781, 1786, 150, 314	4.51
				Sindraghaghari	Kandua/ 52	35	68, 181, 409	Baizuraurkura, Pindra	Kakri/33, 34	35	5,6,42,1,2,442	3.15

Sl. No.	Name of the Forest Division	Year	Name of Scheme	Approved Area				Area and Site on which actually work done				Amount (Rupees in lakh)
				Name of site	Thana No.	Area (In Hec)	Plot No.	Name of site	Thana No.	Area (In Hec)	Plot No.	
				Sugugas	Murazori/ 4		7, 23, 25, 26, 29 to 31, 36	Parasnath				
8	Latehar	2007-08	RSP	Naputang	Latehar/25	50	842, 843, 844	Naputang	Latehar/25		87, 91, 128	9.7
			RSP	Nadavela	Latehar/174	50	128,91,86,87,89	Nadavelva	Latehar/174	50	1,2,882,943	9.7
9	Porahat	2007-08	MFP(B)	Hudgada	Toklo/669, 670	40	1, 397, 411, 410, 1267, 166, 190, 201, 215	Souno	Toklo/669, 670	40	1, 397, 411, 1267, 166, 201, 215, 418, 198	4.25
10	Pakur	2006-07	RDF	Piorshola	Hiranpur/28	35	1 to 30, 50, 59, 139, 016(P)	Piarshota	Hiranpur/28	35	7, 8	3.85
			RDF	Gaurpara	Amrapara/22,23	20	1, 100, 164	Gaurpara/Taljkon	Amrapara/22,23	20	257, 133	2.2
		2006-07	SC	Ghatchaura	Maheshpur/133	35	85, 87, 90, 93	Ghatchaura	Maheshpur/133	35	14, 36	9.13
			SC	Chilgaon		15	20, 51, 248, 499, 939	Chigoan		15	5, 103, 109	
		2004-05	RDF	Zarki	Panderkota/11	40	28, 547, 554, 615, 829, 824, 860, 1304	Zarki	Panderkota/11	40	1805, 555	7.99
11	Daltonganj North	2005-06	RDF	Khanderkala	Chatterpur/ 234	100	529, 630	Khanderkala	Chhaterpur/234	100	594, 600	42.37
				Gharatia	Bishrampur/104	50	1297, 1291, 1290, 984	Gharatia	Bishunpur/104	50	106, 107P, 111	

Sl. No.	Name of the Forest Division	Year	Name of Scheme	Approved Area				Area and Site on which actually work done				Amount (Rupees in lakh)
				Name of site	Thana No.	Area (In Hec)	Plot No.	Name of site	Thana No.	Area (In Hec)	Plot No.	
				Bandarbar	Panki/422	100	653, 656, 662, 106, 107, 110, 113, 1223, 1381	Banderbar	Panki/424,425	100	424, 425, 66, 2360, 2362, 2482	
		2006-07	RDF	Polpol	Daltonganj/232	45	1295	Polpol	Polpol/232	45	937, 1385, 1427	7.64
12	Saraikela	2006-07	RDF	Amjhaur	Chandil-8(522)	40	1, 11, 95(P), 1196(P),47	Kutam	Chandil/40	40	1802, 1849, 1857, 1872	4.43
				Chotasagai	Kharsawan/2	50	1,1252, 3339, 3338, 2340, 2378, 2379, 2380, 3, 147, 3141, 2527, 3120, 3118, 3238, 3091, 3092, 326, 3, 3259	Sukhari	Chandil/240	50	1, 58, 116	5.54
								Rautra	Chandil/242		14, 70	
								Rasunia	Chandil/236		471, 263(P), 2132, 2890, 2390, 1849, 2851, 535, 39	
				Chhotabandi	Kharsawan/4	50	1, 2, 3, 4, 5, 9, 32, 104, 354, 355, 328, 717, 747	Chilku	Kharsawan/160	50	1790, 1794, 1806	5.54
				Jankipur, Kasida, Janglikhas	Saraikela/94, 95, 96	80	40, 95, 1, 14, 160, 213, 215, 216, 246, 278, 1, 12, 113, 1, 4, 14, 60, 68, 96, 156, 82, 84	Harmili	Chandil/250	40	195, 1052	4.43
			Rudia					Chandil/250	33(P)			
							Jinglibura	Saraikela/309	40	3, 251, 405	4.43	
							Mahuldiha	Saraikela/270		100,		



Sl. No.	Name of the Forest Division	Year	Name of Scheme	Approved Area				Area and Site on which actually work done				Amount (Rupees in lakh)		
				Name of site	Thana No.	Area (In Hec)	Plot No.	Name of site	Thana No.	Area (In Hec)	Plot No.			
			QGS	Rangamatia,	Saraikela/ 189, 195, 194	45	1361, 1403, 1401	Puriara	Chandil/95	45	697, 698, 740, 904, 1040	<b>Error!</b>		
		Ramnagar		20, 21, 31,32, 33										7.08
		Simarbera		305, 306, 309,										
			MFP(B)	Khakhudih	Saraikela/ 86	45	1, 17, 18, 23, 28, 31, 32	Budhalok	Chandil/ 140	60	9, 191, 1936, 1937, 1938, 1981, 1944, 1940, 1968, 1969, 1970	2.02		
				Chamta	Chandil 07 (521)	40	10, 148, 180, 141, 452, 543, 628	Chamta	Chandil/07(521)	60	10, 148, 180, 141	2.02		
				Budhalong	Saraikela/ 86	40	1936, 1937, 1938, 1981, 1944, 1919, 1940, 1968, 1969, 1970	Amjhaur	Chandil/07(522)		628, 1196 (P)			
			SC	Jamalpur	Saraikela/63	40	122, 123, 358,	Pathanmara	Saraikela/352	30	1, 138, 423, 1286	5.48		
				Anandpur	Saraikela/ 62		6, 11, 218, 448, 446, 447							
			<b>Total</b>			<b>1844</b>				<b>1779</b>		<b>235.41</b>		

**Appendix-1.4**  
(Refer paragraph 1.1.8.2; page- 10 )  
**Statement showing non-availability of blank/degraded forest land**

Sl. No.	Name of the Division	Year	Village	Thana No.	Schemes	Area (In Hec)	Area fit for plantation as per WP (in Hec)	Difference	Expenditure (Rs in lakh)	Total cost of plantation (Rs in lakh)		
1	Saraikela	2005-06	Tarkuang	Chandil/207	RDF	50	0	50				
			Kurli	Chandil/204		50	0	50				
			Amjhor	Chandil/522		50	0	50				
			Jitpur	Kharsawan/152		50	0	50				
			Vandirani, Simla, Gajadih	Kharsawan/162,166,167		40	0	40				
			Gidhibera, Kanki	Saraikela/11.9		50	6.68	43.32				
			Budhisiring	Gobindpur/191		60	21.85	38.15				
		<b>Total</b>						<b>350</b>	<b>28.53</b>	<b>321.47</b>	<b>34.00</b>	<b>37.02</b>
		Sirum	Chandil/83	QGS	50	0	50					
		Haribhanga	Kharsawan/149		50	0	50					
		<b>Total</b>						<b>100</b>	<b>0</b>	<b>100</b>	<b>15.04</b>	<b>15.04</b>
		Sapro	Saraikela/57	MFP(B)	50	0	50					
		<b>Total</b>						<b>50</b>	<b>0</b>	<b>50</b>	<b>4.78</b>	<b>4.78</b>
<b>G. Total</b>						<b>500</b>	<b>28.53</b>	<b>471.47</b>	<b>53.83</b>	<b>56.84</b>		
2	Giridih	2005-06	Jango	Giridih/241	RDF	50	0	50				
			Badgunda Khurd	Giridih/206		50	0	50				
			Bhalua, Putaria	Gandey/490,504		50	20.02	29.98				
		<b>Total</b>						<b>150</b>	<b>20.02</b>	<b>129.98</b>	<b>1.38</b>	<b>15.87</b>
		Kharbando	Birni/117	Lac Dev	40.44	30	10.44					
<b>Total</b>						<b>40.44</b>	<b>30</b>	<b>10.44</b>	<b>1.57</b>	<b>5.89</b>		
<b>G. Total</b>						<b>190.44</b>	<b>50.02</b>	<b>140.42</b>	<b>15.32</b>	<b>21.76</b>		
3	Deoghar	2004-05	Sonajor	Madhupur/121	RDF	40	3	37				
			Dumarpahari, Nanhachi-chumina	Madhupur/461,462		40	27.86	12.14				
			Nawada	Madhupur/79		50	0	50				
			Hartopa, Babanpur	Deoghar/631,632		40	16.07	23.93				
			Mahnatand	Madhupur/232		40	25.54	14.46				
			Dulampur	Madhupur/131		60	6.95	53.05				
			Nawadih	Deoghar/901,902		20	6.96	13.04				
		<b>Total</b>						<b>290</b>	<b>86.38</b>	<b>203.62</b>	<b>20.27</b>	<b>28.87</b>
		Adhi	Madhupur/516	MFP(B)	25	1.99	23.01					
		Dhanet, Sandhehdih	Sarwan/40,48		25	0	25					
		Udaipura	Madhupur/253		25	0.1	24.9					
		Bakadih	Deoghar/130		40	16.03	23.97					
		Nawadih	Sarwan/221		25	23.27	1.73					
		<b>Total</b>						<b>140</b>	<b>41.39</b>	<b>98.61</b>	<b>8.89</b>	<b>12.62</b>
		Roshan	Sarath/42	SC	50	13.42	36.58					
		Ropni	Deoghar/886		35	32.44	2.56					
		Jamunia	Deoghar/887									
		Khakha	Deoghar/885									
		<b>Total</b>						<b>85</b>	<b>45.86</b>	<b>39.14</b>	<b>6.42</b>	<b>13.94</b>
Gandalitand	Deoghar/130	QGS	30	4.76	25.24							
<b>Total</b>						<b>30</b>	<b>4.76</b>	<b>25.24</b>	<b>3.58</b>	<b>4.26</b>		
2005-06	Dumaria	Sarwa/67	QGS	50	0	50						

Sl. No.	Name of the Division	Year	Village	Thana No.	Schemes	Area (In Hec)	Area fit for plantati on as per WP (in Hec)	Difference	Expend iture (Rs in lakh)	Total cost of plantati on (Rs in lakh)							
			Jamua	Sarwa/59													
			Paharia	Sarwa/65													
			<b>Total</b>								<b>50</b>	<b>0</b>	<b>50</b>	<b>13.55</b>	<b>13.55</b>		
		2006-07	Chikania	Madhupur/392	QGS		25	15	10								
			Raghunathpur	Madhupur/391													
			Madurapur	Deo/328													
			Dumariatari	Deo/330													
			<b>Total</b>		<b>50</b>	<b>18.56</b>	<b>31.44</b>	<b>4.95</b>	<b>7.87</b>								
			Tulditand	Deoghar/85	RDF		50	0	50								
			Kenakathi	NA													
			Kokraha	Deo/176													
			Simrapoj	Deo/177													
			Kartoroyadih	Deo/178													
			Bhairaudih	Deo/175													
			Bansuroyadih	Deo/180													
			Simla	Sarath/504													
			Maransoli	Sarath/514													
		<b>Total</b>		<b>165</b>								<b>1.2</b>	<b>163.8</b>	<b>18.16</b>	<b>18.28</b>		
		Nandidumagi	Deoghar/50	MFP(B)	20	10.52	9.48										
		<b>Total</b>		<b>20</b>	<b>10.52</b>	<b>9.48</b>	<b>1.00</b>	<b>2.00</b>									
<b>G. Total</b>						<b>830</b>	<b>208.67</b>	<b>621.33</b>	<b>76.75</b>	<b>101.39</b>							
4	Godda	2004-05	Haripur	Lalmatia/12	RDF		100	0	100								
			Harra	Simra 36 P													
			Chakra	Simra 39 P													
			Garial	Simra 38													
			Harkatta	Simra 4P													
			Pachrukhi	Simra 14P													
			Dumaria	Simra 1													
			Baghmara	Telo-68													
			Manko	Telo-33													
			Chatra	Paraiya-166													
			Kurbank	Paraiya-110													
			<b>Total</b>								<b>415</b>	<b>0</b>	<b>415</b>	<b>82.77</b>	<b>82.77</b>		
			Boha	Paraiya 204							QGS		20	0	20		
			Baghmunda	Paraiya 168													
		Satpahadi	Paraiya 167														
		<b>Total</b>		<b>50</b>		<b>50</b>	<b>16.60</b>	<b>16.60</b>									
		2005-06	Lutibahaiya	Simra/10 P	RDF		50	0	50								
			Lilatari	Simra/11 P													
			Barakhairbani	Simra/5													
			Joguta	Simra/7													
Baridih	Boarijor/70																
Julo	Boarijor/69																
Litti	Paraiya 205																
Boha	Paraiya 204																
Narayanpur	S'Pahadi-4																
<b>Total</b>		<b>240</b>	<b>0</b>	<b>240</b>	<b>45.70</b>	<b>45.70</b>											
Bhaluka	S'Pahadi-10	MFP(B)	25	0	25												
<b>Total</b>		<b>25</b>	<b>0</b>	<b>25</b>	<b>3.91</b>	<b>3.91</b>											
2006-07	Barasripur	Boarijor-47	QGS	40.19	0	40.19											

Sl. No.	Name of the Division	Year	Village	Thana No.	Schemes	Area (In Hec)	Area fit for plantati on as per WP (in Hec)	Difference	Expend iture (Rs in lakh)	Total cost of plantati on (Rs in lakh)				
			Kandania	Boarjor-53										
			<b>Total</b>					<b>40.19</b>	<b>0</b>	<b>40.19</b>	<b>11.21</b>	<b>11.21</b>		
			Karmatand	S'Pahari-9	RDF		50	0	50					
			Tasaria	S'Pahari-3			45	0	45					
			<b>Total</b>					<b>95</b>	<b>0</b>	<b>95</b>	<b>16.13</b>	<b>16.13</b>		
			Badaharipur	S'Pahari-7	SC		50	0	50					
		<b>Total</b>					<b>50</b>	<b>0</b>	<b>50</b>	<b>13.51</b>	<b>13.51</b>			
		2007-08	Domdih	S'Pahari-2	MFP(B)		50	0	50					
			Raidih	Simar-33			50	0	50					
			Jolapahari	Simar-32			50	0	50					
			<b>Total</b>					<b>100</b>	<b>0</b>	<b>100</b>	<b>10.62</b>	<b>10.62</b>		
			Chotasaaharpur	NA	RSP		50	0	50					
		<b>Total</b>					<b>50</b>	<b>0</b>	<b>50</b>	<b>9.70</b>	<b>9.70</b>			
		<b>G. Total</b>						<b>1065.19</b>	<b>0</b>	<b>1065.19</b>	<b>210.15</b>	<b>210.15</b>		
		5	Ranchi West	2005-06	Semardih	Lohardaga/126	MFP(B)	50	14.01	35.99				
<b>Total</b>							<b>50</b>	<b>14.01</b>	<b>35.99</b>	<b>3.44</b>	<b>4.78</b>			
Korambe	Lohardaga/168				RDF		40	0	40					
<b>Total</b>						<b>40</b>	<b>0</b>	<b>40</b>	<b>4.23</b>	<b>4.23</b>				
2006-07	Sarhawe			Kuru/45	SC		40	0	40					
	Bagru			Lohardaga/99	SC		50	0	50					
	<b>Total</b>					<b>90</b>	<b>0</b>	<b>90</b>	<b>16.44</b>	<b>16.44</b>				
2007-08	Darhup			Lohardaga-116	MFP(B)		75	0	75					
	Hutap			Lohardaga-115			50	0	50					
	Baksi			Kuru/43			125	0	125					
	<b>Total</b>					<b>125</b>	<b>0</b>	<b>125</b>	<b>13.27</b>	<b>13.27</b>				
<b>G. Total</b>						<b>305</b>	<b>14.01</b>	<b>290.99</b>	<b>37.38</b>	<b>38.72</b>				
6	Khunti			2004-05	Rai	Khunti/220	SC	50	0	50				
					<b>Total</b>					<b>50</b>	<b>0</b>	<b>50</b>	<b>8.20</b>	<b>8.20</b>
					Phudi	Khunti/221	RDF		30	0	30			
		Kalamati	Khunti/216			20		0	20					
		Daldaul	Khunti/218			40		0	40					
		Tati	Torpa/55			50		0	50					
		Jaiputoli	Karra/174			50		0	50					
		Champi	Karra/125			50		0	50					
		<b>Total</b>					<b>240</b>	<b>0</b>	<b>240</b>	<b>23.89</b>	<b>23.89</b>			
		Birju	Murhu/68	QGS		40	0	40						
		<b>Total</b>					<b>40</b>	<b>0</b>	<b>40</b>	<b>5.67</b>	<b>5.67</b>			
		2005-06	Raladih	Bundu/24	MFP(B)		50	0	50					
			<b>Total</b>					<b>50</b>	<b>0</b>	<b>50</b>	<b>4.78</b>	<b>4.78</b>		
		2006-07	Chutru	Bundu/52	SC		30	0	30					
			Sarlo	Karra/76			30	0	30					
			Koinara	Torpa/83			25	0	25					
			<b>Total</b>					<b>85</b>	<b>0</b>	<b>85</b>	<b>15.53</b>	<b>15.53</b>		
			Kichahatu	Sonahatu/60	QGS		45	0	45					
			<b>Total</b>					<b>45</b>	<b>0</b>	<b>45</b>	<b>7.08</b>	<b>7.08</b>		
			Reladih	Bundu/29	RDF		60	0	60					
			Sildah	Khunti/219			35	0	35					
Bhut	Khunti/110			40		0	40							
Hasbera	Karra/98			35		0	35							
Dari	Karra/123		40	0		40								
Khatanga	Rania/126		70	0		70								
Barukande	Tamar/203		60	0		60								
<b>Total</b>					<b>340</b>	<b>0</b>	<b>340</b>	<b>37.69</b>	<b>37.69</b>					

Sl. No.	Name of the Division	Year	Village	Thana No.	Schemes	Area (In Hec)	Area fit for plantati on as per WP (in Hec)	Difference	Expend iture (Rs in lakh)	Total cost of plantati on (Rs in lakh)			
		2007-08	Bandadih	Bundu/8	RSP			0					
			Burudih	Bundu/9				0					
			Sirkadih	Bundu/10		50	0	50					
			Bhagi	Tamar/1179		50		50					
			<b>Total</b>		<b>100</b>	<b>0</b>	<b>100</b>	<b>19.40</b>	<b>19.40</b>				
			Agora	Tamar/220	MFP(B)	35	0	35					
			Raisemla	Torpa/12		50	0	50					
			<b>Total</b>		<b>85</b>	<b>0</b>	<b>85</b>	<b>9.02</b>	<b>9.02</b>				
		<b>G. Total</b>						<b>1035</b>	<b>0</b>	<b>1035</b>	<b>131.26</b>	<b>131.26</b>	
		7	Simdega	2004-05	Labdera	Kurdeg/9	SC	50	0	50			
					<b>Total</b>		<b>50</b>	<b>0</b>	<b>50</b>	<b>8.20</b>	<b>8.20</b>		
					Keria	T'Tangar/156	RDF	50	0	50			
					<b>Total</b>		<b>50</b>	<b>0</b>	<b>50</b>	<b>4.98</b>	<b>4.98</b>		
					Samarkudar	T'Tangar/131	QGS	50	0	50			
Alsanga	T'Tangar/132												
Namesera	Simdega/31												
Pahdih	Simdega/32												
Sarkultoli	Simdega/33												
<b>Total</b>				<b>100</b>	<b>0</b>	<b>100</b>	<b>14.18</b>	<b>14.18</b>					
2005-06	Keria			T'Tangar/156	RDF	50	0	50					
	<b>Total</b>				<b>50</b>	<b>0</b>	<b>50</b>	<b>5.29</b>	<b>5.29</b>				
	Ghatigaha			Bolba/70	QGS	30	0	30					
	Maitrameta			T'Tangar/107					20	16	4		
	<b>Total</b>				<b>50</b>	<b>16</b>	<b>34</b>	<b>5.11</b>	<b>7.51</b>				
	Hathbari			Simdega/1	MFP(B)	50	0	50					
	Bongera			Kolebira/16									
	Hututua			Kolebira/36									
Tangia	Kolebira/63												
<b>Total</b>				<b>164</b>	<b>0</b>	<b>164</b>	<b>15.68</b>	<b>15.68</b>					
2006-07	Kalimati			Kolebira/80	Lac Dev	50	0	50					
	<b>Total</b>				<b>50</b>	<b>0</b>	<b>50</b>	<b>7.85</b>	<b>7.85</b>				
	Raisia			Kolebira/100	SC	50	0	50					
	Pirhiapanch			Bolba/53					40	0	40		
	Kundurmunda			Bolba/64					50	0	50		
	<b>Total</b>				<b>140</b>	<b>0</b>	<b>140</b>	<b>25.57</b>	<b>25.57</b>				
Jaldega	Kolebira/64			MFP(B)	50	0	50						
Baldega	Kolebira/75												
<b>Total</b>		<b>50</b>	<b>0</b>	<b>50</b>	<b>5.05</b>	<b>5.05</b>							
2007-08	Paro	Bano/33	Lac Dev	40	0	40							
	<b>Total</b>		<b>40</b>	<b>0</b>	<b>40</b>	<b>6.65</b>	<b>6.65</b>						
	Taisar	Kurder/49	MFP(B)	75	0	75							
	Churia	T'tangar/149											
	Chetmal	T'tangar/146											
<b>Total</b>		<b>110</b>	<b>0</b>	<b>110</b>	<b>11.67</b>	<b>11.67</b>							
<b>G. Total</b>						<b>854</b>	<b>16</b>	<b>838</b>	<b>110.22</b>	<b>112.63</b>			
8	Gumla	2005-06	Hutar	Chainpur-74	RDF	100	0	100					
			Songra	Sisai/43					50	12	38		
			<b>Total</b>		<b>150</b>	<b>12</b>	<b>138</b>	<b>14.60</b>	<b>15.87</b>				
			Baheratoli	Dumri/83	MFP(B)	50	0	50					
		Kulhi	Gumla/10										
		<b>Total</b>		<b>100</b>	<b>0</b>	<b>100</b>	<b>9.57</b>	<b>9.57</b>					
2006-07	Katasaru	Raidih/61	QGS	45	0	45							
	<b>Total</b>		<b>45</b>	<b>0</b>	<b>45</b>	<b>7.08</b>	<b>7.08</b>						

Sl. No.	Name of the Division	Year	Village	Thana No.	Schemes	Area (In Hec)	Area fit for plantation as per WP (in Hec)	Difference	Expenditure (Rs in lakh)	Total cost of plantation (Rs in lakh)
			Bargaon	Sisai/41	Lac Dev	50	0	50		
			<b>Total</b>			<b>50</b>	<b>0</b>	<b>50</b>	<b>7.85</b>	<b>7.85</b>
			Hethjori	Gumla/8	MFP(B)	50	0	50		
			Sargaon	Chainpur-130		25	0	25		
		<b>Total</b>			<b>75</b>	<b>0</b>	<b>75</b>	<b>7.57</b>	<b>7.57</b>	
		2007-08	Tadi	Ragdi/5	RSP	50	0	50		
			Sogra	Sisai/60		50	13.31	36.69		
			Chatamdar	Ghaghra/18		50	0	50		
			<b>Total</b>			<b>150</b>	<b>13.31</b>	<b>136.69</b>	<b>26.51</b>	<b>29.10</b>
			Bargaon	Sisai/41	Lac Dev	30	0	30		
			<b>Total</b>			<b>30</b>	<b>0</b>	<b>30</b>	<b>4.98</b>	<b>4.98</b>
			Hesag	Ragdi/13	MFP(K)	45	0	45		
			<b>Total</b>			<b>45</b>	<b>0</b>	<b>45</b>	<b>7.48</b>	<b>7.48</b>
			Pakri	Chainpur/127	MFP (B)	40	0	40		
			Bendora	Chainpur/161		20	0	20		
			Sarago	Ghaghra/34		25	0	25		
			Dumardih	Gumla/13		25	0	25		
<b>Total</b>				<b>110</b>	<b>0</b>	<b>110</b>	<b>11.67</b>	<b>11.67</b>		
<b>G. Total</b>						<b>755</b>	<b>25.31</b>	<b>729.69</b>	<b>97.31</b>	<b>101.17</b>
9	SF Dumka	2007-08	Gumro	Shikaripara/38	Lac Dev	40	0	40		
			<b>Total</b>			<b>40</b>	<b>0</b>	<b>40</b>	<b>6.65</b>	<b>6.65</b>
			Gumro	Shikaripara/38	MFP (B)	50	0	50		
			Kalyanpur	Shikaripara/2		25	0	25		
<b>Total</b>			<b>75</b>	<b>0</b>	<b>75</b>	<b>7.96</b>	<b>7.96</b>			
<b>G. Total</b>						<b>115</b>	<b>0</b>	<b>115</b>	<b>14.61</b>	<b>14.61</b>
10	Daltonganj North	2006-07	Sildili	Hussainabad/597	RDF	45	0	45		
			Chainigni	Lesiganj/299		40	0	40		
			Tuktuhe	NA		41.5	0	41.5		
			<b>Total</b>			<b>126.5</b>	<b>0</b>	<b>126.5</b>	<b>30.23</b>	<b>30.23</b>
<b>G. Total</b>						<b>126.5</b>	<b>0</b>	<b>126.5</b>	<b>30.23</b>	<b>30.23</b>
11	Jamtara	2004-05	Gaisara	Kundhit/19	RDF	60	0	60		
			Mahula	Kundhit/8						
			Soldahi	Kundhit/44						
			Mahula	Khajuri/21					40	0
			Sonhara	Kundhit/124		50	1.84	48.16		
			Indrapahari	Kundhit/25		50	1.78	48.22		
			Babupur	Kundhit/21						
			Dumuhani	Dhasnia/23						
			Borabad	Dhasnia/22					50	3.05
			Patuasol	Siarkalia/49		105	5.07	99.93		
			Godwara	Siarkalia/50						
			Bogtoma	Siarkalia/51						
			Sirjori	Siarkalia/52						
			Bamkhat	Siarkalia/53		40	2.9	37.1		
			Pathargatta	Siarkalia/55						
			Baghakumdi	Siarkalia/56						
		<b>Total</b>		<b>395</b>	<b>14.64</b>				<b>380.36</b>	<b>75.96</b>
		Birsingpur	Narayanpur/7	QGS	65	20	45			
					Boropahari	Narayanpur/8				
					Topatanr	Ghati/12	45	13.5	31.5	
Jagwadiah	Ghati/13									
Dultadih	Ghati/33	40	31	9						

Sl. No.	Name of the Division	Year	Village	Thana No.	Schemes	Area (In Hec)	Area fit for plantati on as per WP (in Hec)	Difference	Expend iture (Rs in lakh)	Total cost of plantati on (Rs in lakh)											
		2005-06	Padmapur	Ghati/34																	
			Laxmipur	Ghati/35																	
			Ashadih	Ghati/38																	
			<b>Total</b>						<b>150</b>	<b>64.5</b>	<b>85.5</b>	<b>28.39</b>	<b>49.81</b>								
			Palta	Sarwan/58	SC	90	78	12													
			Borwa	Dakhinbehal/14																	
			Gaditanr	Dakhinbehal/2																	
			Kumargadia	Dakhinbehal/15																	
			<b>Total</b>						<b>90</b>	<b>78</b>	<b>12</b>	<b>3.64</b>	<b>27.3</b>								
			Maralo	Giera/41	MFP(B)	20	5	15													
			<b>Total</b>						<b>20</b>	<b>5</b>	<b>15</b>	<b>2.42</b>	<b>3.24</b>								
			2005-06	Dudhapani	Khajuri/26	RDF	50	3.73	46.27												
		Nigmagarh												Bagderi/6	50	5.48	44.52				
		Kankara												Bagderi/8	50	7.62	42.38				
		Barlia												Kaswa/27							
		Kumarchak												Kaswa/29							
		Sarbedia												Kaswa/30							
		Baghdera												Kaswa/31	50	3.67	46.33				
		Keria												Kaswa/32							
		Karabat												Afzalpur/11							
		Pahargoda												Afzalpur/15							
		Iklabpur												Afzalpur/17	<b>Total</b>		<b>200</b>	<b>20.5</b>	<b>179.5</b>	<b>34.18</b>	<b>38.08</b>
		Kolajharia												Pindara/1	MFP(B)	50	45.08	4.92			
		<b>Total</b>						<b>50</b>	<b>45.08</b>	<b>4.92</b>	<b>7.69</b>	<b>7.83</b>									
		2006-07	Dhabona	Kundhit/31	RDF	45	1.6	43.4													
													Kaibad	Kundhit/34							
													Harnarayanpur	Kundhit/35							
													Modiardih	Dhasania/21	50	6.68	43.32				
													Maheshpur	Dhasania/22							
													Bhodisimar	Dhasania/37	<b>Total</b>		<b>95</b>	<b>8.28</b>	<b>86.72</b>	<b>14.89</b>	<b>16.31</b>
2007-08	Bodma	Jamtara/26	RSP	60	0	60															
											Chandradipa	Jamtara/10									
<b>Total</b>						<b>60</b>	<b>0</b>	<b>60</b>	<b>11.04</b>	<b>11.04</b>											
<b>G. Total</b>						<b>1060</b>	<b>236</b>	<b>824</b>	<b>171.30</b>	<b>232.49</b>											
12	Core Area, D'ganj	2004-05	Betla Camp-1	NA	MFP(B)	100	0	100													
			Between park road no. 2 and 3	NA							50	0	50								
			Both side of park no. 4	NA							100	0	100								
			Both side of park road no. 1	NA							50	0	50								
			Kuchila RF	NA							100	0	100								
			<b>Total</b>								<b>400</b>	<b>0</b>	<b>400</b>	<b>15.39</b>	<b>15.39</b>						
		Betla/Barwadih/ Gadi PF	NA	SC	50	0	50														
		<b>Total</b>						<b>50</b>	<b>0</b>	<b>50</b>	<b>8.20</b>	<b>8.20</b>									
		Betla/Barwadih/ Kechki PF	NA	Lac Dev	50	0	50														
		<b>Total</b>						<b>50</b>	<b>0</b>	<b>50</b>	<b>7.08</b>	<b>7.08</b>									
<b>G. Total</b>						<b>500</b>	<b>0</b>	<b>500</b>	<b>30.67</b>	<b>30.67</b>											
13	SF	2005-06	Dumdami	Golmala-1	RDF	50	16	34													

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	Dumka		Bhool	Golmala-17		50	20	30										
			Koabat	Golmala-6		50	8	42										
			Palan	Lokhanpur/19														
			Gomapahari	Kuskira/20		50	24	26										
			Dudhwapahari	Kuskira/18														
			Dhobarna	Kuskira/21		50	15	35										
			Mungarban	Kuskira/22														
			Belgoni	Kuskira/5														
			Hirdih	Kuskira/6		50	0	50										
			Barmasia	Kuskira/7														
		<b>Total</b>						<b>300</b>	<b>83</b>	<b>217</b>	<b>35.60</b>	<b>49.20</b>						
					Dholpahar	Mehbana/16	QGS	75	0	75								
					Saraipani	Mehbana/17												
					Kathalia	Doro/19												
					Koakhap	Doro/15												
					Dhaniapahari	Dudhwa/13												
					<b>Total</b>						<b>75</b>	<b>0</b>	<b>75</b>	<b>20.33</b>	<b>20.33</b>			
					Rastatinga	Singro/25	MFP(B)	75	0	75								
					<b>Total</b>						<b>75</b>	<b>0</b>	<b>75</b>	<b>7.57</b>	<b>7.57</b>			
							Mangalpur	Jhilmili/14	MFP(T)	40	0	40						
							<b>Total</b>						<b>40</b>	<b>0</b>	<b>40</b>	<b>6.33</b>	<b>6.33</b>	
							Masalia	Rangamasalia-10	RDF	80	6	74						
							Dandua	Dandua-5		50	0	50						
Baramalko	Saldaha-20			50	0	50												
<b>Total</b>						<b>180</b>	<b>6</b>	<b>174</b>	<b>19.29</b>	<b>19.94</b>								
			Rangamatia	Jhilmili-28	QGS	41.16	0	41.16										
			<b>Total</b>						<b>41.16</b>	<b>0</b>	<b>41.16</b>	<b>6.48</b>	<b>6.48</b>					
<b>G. Total</b>						<b>711.16</b>	<b>89</b>	<b>622.16</b>	<b>95.58</b>	<b>109.85</b>								
14	SF Koderma	2004-05	Dudharpania	Koderma-242	QGS+MFP(B)	75	51.21	23.79										
			Mahuaduar	Chaouparan/294	RDF	100	0	100										
			<b>Total</b>						<b>175</b>	<b>51.21</b>	<b>123.79</b>	<b>21.62</b>	<b>21.62</b>					
		2005-06	Saharjam	Itkhori/124	Srijia	Itkhori/113	RDF	50	0	50								
								<b>Total</b>						<b>95</b>	<b>0</b>	<b>95</b>	<b>33.69</b>	<b>33.69</b>
								Kushahna	Koderma/48	MFP(B)	50	34.86	15.14					
			Koabad	Koderma/236	100	24.86	75.14											
			<b>Total</b>						<b>150</b>	<b>59.72</b>	<b>90.28</b>	<b>12.69</b>	<b>21.08</b>					
						Kolgarma	Koderma/303	QGS	50	0	50							
		<b>Total</b>						<b>50</b>	<b>0</b>	<b>50</b>	<b>13.55</b>	<b>13.55</b>						
		2006-07				Masmohna	Koderma/222	Roopandih	Koderma/61	RDF	45	0	45					
			Goraia	Jainagar/154	45						0	45						
					Rajbag						Itkhori/110	50	0	50				
			<b>Total</b>								<b>185</b>	<b>0</b>	<b>185</b>	<b>20.51</b>	<b>20.51</b>			
					Tilaiya	Koderma/244	QGS	70	0	70								
<b>Total</b>						<b>70</b>	<b>0</b>	<b>70</b>	<b>11.01</b>	<b>11.01</b>								
<b>G.Total</b>						<b>725</b>	<b>110.93</b>	<b>614.07</b>	<b>113.06</b>	<b>121.46</b>								
15	Latehar	2005-06	Narayanpur	Latehar/235	RDF	100	0	100										
			Siram	Lohardaga/15	RDF	100	52.61	47.39										
			Murmu	Lohardaga	RDF	50	0	50										
			Marmar	Balumath/237	RDF	100	0	100										
			<b>Total</b>						<b>350</b>	<b>52.61</b>	<b>297.39</b>	<b>48.78</b>	<b>57.42</b>					



Sl. No.	Name of the Division	Year	Village	Thana No.	Schemes	Area (In Hec)	Area fit for plantati on as per WP (in Hec)	Difference	Expend iture (Rs in lakh)	Total cost of plantati on (Rs in lakh)	
			Bahagatimachi	Lohardaga/42	MFP	50	0	50			
			<b>Total</b>			<b>50</b>	<b>0</b>	<b>50</b>	<b>8.20</b>	<b>8.20</b>	
		2006-07	Malabar	Balumath/132	RDF	50	0	50			
			Sangodih	Lohardaga/11		40	0	40			
			Lakshipur	Balumath/202		45	0	45			
			Hutap	Chandwa/287		50	0	50			
				<b>Total</b>			<b>185</b>	<b>0</b>	<b>185</b>	<b>20.51</b>	<b>20.51</b>
				Jamdih	Lohardaga/25	SC	50	0	50		
				Ambapahwa	Lohardaga/26		50	0	50		
				<b>Total</b>			<b>50</b>	<b>0</b>	<b>50</b>	<b>9.03</b>	<b>9.03</b>
				Kui	Latehar/115	MFP (B)	60	0	60		
				<b>Total</b>			<b>60</b>	<b>0</b>	<b>60</b>	<b>6.06</b>	<b>6.06</b>
			<b>G. Total</b>			<b>695</b>	<b>52.61</b>	<b>642.39</b>	<b>92.58</b>	<b>101.21</b>	
16	SF, Chaibasa	2006-07	Ruia	Kolhan/422	QGS	25	0	25			
			Katepara	Kolhan/533		20	0	20			
			<b>Total</b>			<b>45</b>	<b>0</b>	<b>45</b>	<b>7.08</b>	<b>7.08</b>	
			Panga	Kolhan/228	RDF	50	0	50			
			Regalbera	Kolhan/520		40	0	40			
			Kendua	Kolhan/511		70	0	70			
			Kusamdih	Kolhan/323		70	0	70			
			Dindiburu	Kolhan/354		50	0	50			
			Kulwai	Kolhan/352		70	0	70			
			Haldia	Kolhan/38		70	0	70			
			<b>Total</b>			<b>350</b>	<b>0</b>	<b>350</b>	<b>38.30</b>	<b>38.30</b>	
			Seregasia	Kolhan/311	MFP(B)	30	0	30			
			<b>Total</b>			<b>30</b>	<b>0</b>	<b>30</b>	<b>3.03</b>	<b>3.03</b>	
			Gangimundi	Kolhan/229	MFP(T)	42	0	42			
			Papagarha	Kolhan/225		42	0	42			
			<b>Total</b>			<b>42</b>	<b>0</b>	<b>42</b>	<b>6.64</b>	<b>6.64</b>	
Debrabir	Kolhan/221	SC	20	0	20						
Nawgaon	Kolhan/559		30	0	30						
<b>Total</b>			<b>50</b>	<b>0</b>	<b>50</b>	<b>9.13</b>	<b>9.13</b>				
<b>G. Total</b>			<b>517</b>	<b>0</b>	<b>517</b>	<b>64.18</b>	<b>64.18</b>				
17	Afforestation Chatra	2004-05	Kasiadih	Chatra/244	RDF	50	0	50			
			Hafua	Simaria/103		50	9.57	40.43			
			<b>Total</b>			<b>100</b>	<b>9.57</b>	<b>90.43</b>	<b>9.00</b>	<b>9.95</b>	
			Majhgawan	Itkhor/262	SC	50	0	50			
			<b>Total</b>			<b>50</b>	<b>0</b>	<b>50</b>	<b>8.20</b>	<b>8.20</b>	
			Bhatari	Hunterganj/10	MFP(K)	50	0	50			
			<b>Total</b>			<b>50</b>	<b>0</b>	<b>50</b>	<b>7.08</b>	<b>7.08</b>	
			Pakri	Chatra/47	QGS	50	0	50			
			Seema	Chatra/172		50	0	50			
			<b>Total</b>			<b>100</b>	<b>0</b>	<b>100</b>	<b>14.17</b>	<b>14.17</b>	
<b>G. Total</b>			<b>300</b>	<b>9.57</b>	<b>290.43</b>	<b>38.45</b>	<b>39.4</b>				
18	Porahat	2005-06	Gopipur	NA	RDF	50	0	50			
			Ghaghra	NA		70	0	70			
			Toklo	NA		30	0	30			
			<b>Total</b>			<b>150</b>	<b>0</b>	<b>150</b>	<b>15.87</b>	<b>15.87</b>	
		2006-07	Maheshgarh	Manoharpur/122	RDF	64	31.56	32.44			
			Domra	Chakradharpur/587		50	0	50			
			Hudgada	Chakradharpur/610		30	0	30			

Sl. No.	Name of the Division	Year	Village	Thana No.	Schemes	Area (In Hec)	Area fit for plantation as per WP (in Hec)	Difference	Expenditure (Rs in lakh)	Total cost of plantation (Rs in lakh)
			Barakudi	Chakradharpur/639		50	0	50		
			Rajdakocha	Chakradharpur/640						
			<b>Total</b>			<b>194</b>	<b>31.56</b>	<b>162.44</b>	<b>18.07</b>	<b>21.51</b>
			Bangrasai	Chakradharpur/625	MFP(T)	40	0	40		
			<b>Total</b>			<b>40</b>	<b>0</b>	<b>40</b>	<b>6.33</b>	<b>6.33</b>
			<b>G. Total</b>			<b>384</b>	<b>31.56</b>	<b>352.44</b>	<b>40.26</b>	<b>43.71</b>
19	Afforestation Chaibasa	2005-06	Karangirigora	Saraikela/450	MFP(B)	50	0	50		
			Sapram	Chandil/6		50	0	50		
			<b>Total</b>			<b>100</b>	<b>0</b>	<b>100</b>	<b>15.00</b>	<b>15.00</b>
			Bareda	Chandil/318	RDF	50	0	50		
			<b>Total</b>			<b>50</b>	<b>0</b>	<b>50</b>	<b>5.29</b>	<b>5.29</b>
			Soro	Chandil/3	QGS	50	0	50		
			Panra	Chandil/68		50	0	50		
			<b>Total</b>			<b>100</b>	<b>0</b>	<b>100</b>	<b>15.04</b>	<b>15.04</b>
			<b>G. Total</b>			<b>250</b>	<b>0</b>	<b>250</b>	<b>35.333</b>	<b>35.33</b>
			<b>Grand Total</b>			<b>10918.29</b>	<b>872.21</b>	<b>10046.08</b>	<b>1458.47</b>	<b>15.97</b>

**Appendix – 1.5**  
**(Refer paragraph 1.1.8.4; page-12)**  
**Statement showing delayed transfer of plantation sites to territorial divisions**

Sl. No.	Name of the Divisions	Year of		Delay in transfer (D – days, M- month, Y- year)	Area of plantation (Hectares)	Number of plants (in lakh)						Expenditure on dead plants (Rupees in lakh)
		Plantation	Completion work			Planted	Survived on due date of transfer		Survived on the date of transfer		Dead plants (col. 8 - 10)	
							No.	per cent of col. 8	No.	per cent of col. 8		
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Afforestation, Chaibasa	1997 to 2005	2000 to 2008	45 D to 6Y	2573.00	38.93	32.87	84	25.89	67	6.98	107.39
2	Afforestation, Chatra	2002 to 2004	2005 to 2008	11 D to 14 M	685.00	9.39	8.57	91	6.70	71	1.87	31.33
3	Social Forestry, Adityapur	2002 to 2004	2005 to 2007	2 to 22M	2105.52	29.06	24.60	85	19.48	67	5.12	87.19
4	Social Forestry, Chaibasa	2000 to 2004	2000 to 2007	5 D to 7Y	2310.00	38.59	31.62	82	26.98	70	4.64	80.15
5	Social Forestry, Dumka	2002 to 2004	2005 to 2007	8 to 16 M	434.00	7.30	6.80	93	5.29	72	1.51	23.54
6	Social Forestry, Garhwa	2001 to 2003 and 2005	2004 to 2008	2.6 to 26 M	3255.00	44.15	39.84	90	33.92	77	5.92	103.26
7	Social Forestry, Hazaribag	2002 to 2005	2005 to 2008	9 D to 10M	2175.00	27.78	24.97	90	21.22	76	3.75	66.80
8	Social Forestry, Koderma	2002 to 2004	2005 to 2007	45 D to 5 M	775.00	8.69	7.74	89	6.13	71	1.61	30.70
	<b>Total</b>				<b>14312.52</b>	<b>203.89</b>	<b>177.01</b>		<b>145.61</b>		<b>31.40</b>	<b>530.36</b>

**Appendix – 1.6**  
**(Refer paragraph 1.1.8.5; page- 12)**  
**Statement showing failure of plantations**

Sl. No.	Division	Year of plantation	Scheme	Area (in hectares)	Linear plantation (in Km)	Number of plants planted	Percentage of survival	Expenditure on plantation (Rs in lakh)
1	North Forest Division, Daltonganj	2006-07	RDF/QGS/SC/MFP(B) etc.	50		50000	41	9.52
2	Singhbhum Afforestation Division, Chaibasa	1997-05	-do-	150		375000	Between 28 and 51	38.91
		2004		50		83300	40	15.08
		2005		40		25000	40	6.47
		2005		150		150000	Between 30 and 55	29.96
		1997-04		2058.54	6.92	4274220	0 and 55	311.96
		2002		685		889387	9 and 55	143.25
3	Bokaro	2004-05	-do-	50		31250	6.4	6.87
4	Social Forestry Division, Garhwa	1990-99	-do-	1467.03		1883708	0 and 40	91.07
5	Social Forestry Division, Simdega	2001-02	-do-	1007.5		1237270	0 and 20	204.6
6	Afforestation Division, Chatra	1997-04	-do-	1911.97		2986627	0.5 and 59	322.6
7	Social Forestry Division, Hazaribag	2002	-do-	765	9.6	945300	0 and 55	175.15
8	Social Forestry Division, Dumka	2002-04	-do-	1176		1621740	0 and 59	251.05
9	Social Forestry Division, Adityapur	2002-04	-do-	543.8		564104	10 and 54	104.48
10	Social Forestry Division, Koderma	2002-04	-do-	1365		1576950	10 and 56.5	275.32
11	Deoghar	2003-04	-do-	50		125000	40 and 45	16.56
12	SF, Chaibasa	1997-2004	-do-	480.16		618160	30 to 59.6	79.28
	<b>Total</b>			<b>12000</b>	<b>16.52</b>	<b>17437016</b>		<b>2082.13</b>

**Appendix- 1.7**  
**(Refer paragraph 1.1.9.3; page- 17)**  
**Statement showing non-issue of revised demand/short-realisation of**  
**Net Present Value**

(Rupees in lakh)

Sl. No.	Name of the forest division	Name of the user agency	Project	Area diverted (in hectares)	Amount realized	Amount realisable	Short realisation
1	Latehar	SE, Railway	BG line from Lohardaga to Tori	89.336	301.58	329.56	27.98
		Police department	Police Watch Tower, Amjharia and Patki PF	1.670	13.00	13.47	0.47
2	Bokaro	Damodar Valley Corporation	Disposal of Fly Ash from Bokaro B Thermal Power Station	65.000	487.50	509.60	22.10
3	CF, Core Area, Daltonganj	Railway Electrification, Ranchi	Railway Electrification from Barwadih to Richughuta	3.430	15.61	27.26	11.65
4	Khunti	Irrigation Division, Bundu	Surangi Reservoir, Khunti	35.000	205.90	274.42	68.52
5	Godda	Eastern Coalfields Ltd.	Rajmahal OCP	69.750	404.55	554.51	149.96
<b>Total</b>				<b>264.186</b>	<b>1428.14</b>	<b>1708.82</b>	<b>280.68</b>

**Appendix-1.8**  
**(Refer paragraph 1.2.4; page-23)**  
**Details of samples selected for audit**

Region	District	PHC/Block	Additional PHC	Sub Centre	Referral Hospital
<b>I</b>	Dumka	1.Sariahat (Rural)	1. Hansdiha 2. Digdhi	1. Kothia 2. Rakha 3. Dhorbani 4. Nawadih	Jarmundi
		2. Sadar Dumka (Urban)	1.Karamdih 2. Aaranrol	1. Karamdih 2. Purana Dumka 3. Dharampur 4. Bhurkunda	
		3. Jama (Rural)	1. Barapalashi 2. Bikniyan	1. Nischitpur 2. Harkha 3. Virajpur 4. Bedia	
	Sahebganj	1. Barhait (Rural)	1. Borbandh 2. Phulbhanga	1. Baghmara 2. Kitajhor 3. Kadma 4. Borbandh	Barhait
		2. Barharwa (Rural)	1. Gwalkhor 2. Kotalpokhar	1. Malin 2. Chandi Jhoparia 3. Faridpur 4. Risore	
		3. Sahebganj (Urban)	No APHC existed	1. Rampur 2. Dihari 3. Bari Kodarjana 4. Hajipur Bahita	
<b>II</b>	Dhanbad	1.Baghmara(Rural)	1.Rajganj 2.Katrash	1.Ghorathi 2.Sadriadih 3.Radhanagar 4.Kumardih	Not existed in these three Blocks
		2.Dhanbad(Urban)	No APHC existed	1.Karitand 2.Baseria 3.Bhelatand 4.Bishunpur	
		3.Baliyapur(Rural)	No APHC existed	1.Salpatra 2.Baradaha 3.Mukunda 4.Dhangi	
	Hazaribag	1.Barhi (Rural)	1. Champadih 2. Padma	1. Bundu 2. Saraiya 3. Champadih 4. Padaria	Not existed in these three Blocks
		2. Hazaribag (Urban)	1. Daru	1. Chandwar 2. Mandai 3. Maheshara 4. Harhad	
		3. Chouparan (Rural)	1. Basariya 2. Chandwara	1. Tithi 2. Bendi 3. Pandewara 4. Chandwara	
<b>III</b>	Gumla	1.Ghaghara(Rural)	1.Puto	1.Gamaharia 2.Navdiha 3.Tunjo 4. Puto	Sisai
		2.Bharno(Rural)	1.Karanj 2.Jura	1.Atakora 2.Domba 3.Raikera 4.Karanj	
		3.Palkot	1.Billingbira	1.Kharwadih 2.Marda 3.Baghima 4.Alangkera	
	Ranchi	1. Angara	1. Getalsud 2. Jonha	1. Chatra 2. Getalsud 3. Kontatoli 4. Nawagarh	Not existed in these three Blocks
		2. Bero	1. Narkopi 2. Tuko	1. Jahanabaz 2. Harhangi 3. Narkopi 4. Khirda	
		3. Ormanjhi	1. Siladiri 2. Kuchchu	1. Chadu 2. Chakla 3. Harechara 4. Dahu	

**Appendix-1.9**  
**(Refer paragraph 1.2.7.4; page-26)**

**Role of the Non Government Organisations**

The role of NGOs was to conduct community needs assessment, develop proposals based on baseline data, provision of RCH services, interaction for convergence with Integrated Child Development Scheme, rural development and anganwadi initiatives, RCH orientation to PRI members, members of Mahila Samakhya, Swa-Shakti, Mahila Swasthya and others, share information on the type of services that can be availed from the government health infrastructure, create conducive working environment for ANMs, facilitate the monthly RCH camps conducted by the PHC through mobilisation of community, timely submission of quarterly progress reports, utilisation certificates etc. as per agreement to the MNGO and documentation and maintenance of records and registers.

NGOs were to be involved in building capacity at all levels, monitoring and evaluation of the health sector, delivery of health services, developing innovative approaches to health care delivery for marginalised sections or in underserved areas and aspects, working with community organisations and PRIs and contributing to monitoring the right to health care and service guarantee from the public health institutions. Efforts were to be made to involve NGOs at all levels of the health delivery system.

**(Source: GOI guidelines for Department of Family Welfare supported NGO schemes.)**

## Appendix-1.10

(Refer paragraph 1.2.8.1; page- 27)

## Details showing allotments and expenditure under National Rural Health Mission

*(Rupees in crore)*

Year	Opening balance	Grants-in-aid received from GOI		Total	Expenditure	Closing Balance
		Directly to societies	Through State budget			
2005-06	8.47	69.54	32.35	110.36	78.46 (71)	31.90 (29)
2006-07	31.90	119.76	56.45	208.11	74.34 (36)	133.77 (64)
2007-08	133.77	97.87	26.69	258.33	133.28 (52)	125.05 (48)
2008-09	125.05	217.47	80.14	422.66	290.31 (69)	132.35 (31)
<b>Total</b>		<b>504.64</b>	<b>195.63</b>	<b>999.46</b>	<b>576.39 (81)</b>	

*(Figures in bracket indicate percentage)**(Source: Health and Family Welfare Department, Government of Jharkhand)*



**Appendix-1.11**  
**(Refer paragraph 1.2.8.1; page- 27)**  
**Details showing discrepancy of allocation/allotment and expenditure**

(Rupees in lakh)

Year	GOI's Grant	Direction & Adm.	HSC	Under FW service			Training ANM/ LHV	HFWTC	Training	Repairing of vehicle	Compensation	Total
				Rural F. W.C	UFWCs	Health posts						
2005-06	Allotment	1805.82	9577.96	392.76	3216.82	0.00	1178.79	450.85	4.18	80.00	1098.50	17805.68
	Expenditure	1483.00	1934.25	392.76	110.57	0.00	222.08	31.98	3.04	34.20	421.04	4632.92
2006-07	Allotment	1335.95	9503.05	0.00	367.00	0.00	759.16	367.85	4.38	80.00	1098.50	13515.89
	Expenditure	386.60	2503.73	0.00	106.84	0.00	196.71	24.06	2.98	0.00	0.00	3220.92
2007-08	Allotment	1581.27	12752.04	0.00	393.74	0.00	833.53	412.31	17.44	96.00	1318.20	17404.53
	Expenditure	352.36	2515.08	0.00	105.67	0.00	165.12	24.17	3.64	0.00	0.00	3166.04
Total	Allot	4723.04	31833.05	392.76	3977.56	0.00	2771.48	1231.01	26.00	256.00	3515.20	48726.10
	Exp.	2221.96	6953.06	392.76	323.08	0.00	583.91	80.21	9.66	34.20	421.04	11019.88

(Source: - Detailed Accounts /Appropriation Accounts)

As per Statement of expenditure (SOE) of the department

(Rupees in lakh)

Year	GOI's Grant	Direction & Adm.	HSC	Under FW service			Training ANM/ LHV	HFWTC	Training.	Replace-ment of old vehicle	Compen-sation/ sterilization beds	Total
				Rural F. W.C	UFWCs	Health posts						
2005-06	Allotment	881.00	1824.00	0.00	120.00	0.00	369.24	37.68	0.00	0.00	3.00	3234.92
	Expenditure	538.55	2430.79	0.00	120.59	0.00	173.74	38.83	3.35	354.03	39.50	3699.38
2006-07	Allotment	814.24	4372.72	0.00	112.00	0.00	313.08	29.88	0.00	0.00	3.00	5644.92
	Expenditure	400.00	2213.38	0.00	90.39	0.00	156.37	24.11	3.15	0.00	0.00	2887.40
2007-08	Allotment	330.33	2143.46	0.00	45.50	0.00	135.48	13.82	0.00	0.00	0.00	2668.59
	Expenditure	371.75	2346.21	0.00	91.66	0.00	132.22	24.32	3.28	0.00	0.00	2969.44
Total	Allot	2025.57	8340.18	0.00	277.50	0.00	817.80	81.38	0.00	0.00	6.00	11548.43
	Exp.	1310.30	6990.38	0.00	302.64	0.00	462.33	87.26	9.78	354.03	39.50	9556.22

(Source: Health, Medical Education and Family Welfare Department, Government of Jharkhand).

**Appendix-1.12**  
**(Refer paragraph 1.2.8.2; page-27)**  
**Details showing outstanding advances**

Sl. No.	Name of agency	Amount of outstanding advance (In lakh)	Date/period of advance
1	Atmaram Agency	0.35	Prior to 1.4.06
2	Director, Social Welfare	1.25	-do-
3	Economic informatics technology	7.35	-do-
4	Gram Prodhogic Vikas Sansthan	3.40	-do-
5	Hindustan Motors	4.40	2006-07
6	Prerna International Ltd.	2.57	-do-
	<b>Total</b>	<b>19.32</b>	

**Appendix-1.13**

(Refer paragraph 1.2.8.2; page-27)

**Statement showing outstanding temporary advances**

Sl. No.	Name of officials	Amount (Rs)	Paid on/ during
1	Ajay Shankar, Under Secretary	22625.00	2006-07
2	Arun Ekka, Driver	4300.00	-do-
3	Ashraf Ansari, Driver	7000.00	-do-
4	Amit Ekka, Clerk	1000.00	2007-08
5	Anil Prakash, Driver	4300.00	During 2006-08
6	Arun Toppo, Peon	500.00	2007-08
7	Bajrang Ram, Labour	1100.00	-do-
8	Debashish Jana	2000.00	-do-
9	Deepankar Dutta, Consultant	3000.00	-do-
10	Dr. A.K. Singh, Director Health Services	40000.00	-do-
11	Dr. Alakh Niranjana Mishra	7963.00	Prior to 2006-07
12	Dr. Alok Ranjan	8441.00	2006-07
13	Dr. Anamika	380.00	Prior to 2006-07
14	Dr. Anupama Jaya Kerketta	16500.00	-do-
15	Dr. Anuradha Kachhap	1500.00	2007-08
16	Dr. Deepam Kumari	10000.00	2005-07
17	Dr. D.K.Saxena	40000.00	2006-07
18	Dr. Jyoti Toppo	11500.00	Prior to 2006-07
19	Dr. Kulkant Ekka	15200.00	-do-
20	Dr. Poonam Thakur	1260.00	Prior to 2006-07
21	Dr. Pradeep Singh	24400.00	-do-
22	Dr. Raghunath, OSD BPL	60000.00	-do-
23	Dr. Rajeev Ranjan	9477.00	2006-07
24	Dr. Rashmi Ranjan	500.00	Prior to 2006-07
25	Dr. R.K. Choudhary, Director IPH	16753.00	2006-07
26	Dr. Sanjay Pandey, Executive Director, JHS	1127.00	Prior to 2006-07
27	Dr. Santosh	3463.00	2007-08
28	Dr. Satyendra Prasad	4980.00	Prior to 2006-07
29	Dr. Silwant Ekka	10430.00	During 2006-08
30	Hiraman Lohra, Labour	800.00	2006-07
31	Jaydish Kujur, Labour	300.00	-do-
32	Jagarnath Mirdha, Labour	630.00	-do-
33	Xavier Toppo, Driver	2156.00	During 2006-08
34	Jayant Madal, District Accounts Manager	5000.00	2006-07
35	Jatwahan Mahto, Peon	500.00	2007-08
36	Kapil Prasad	16302.00	Prior to 2006-07
37	Kartik Chandra	500.00	-do-
38	Krishna Kant Sharma, DPM	5000.00	2006-07
39	Kumudri Suchita Horo, Secy. to Secy	6000.00	Prior to 2006-07
40	Majhiya Sanja, Driver	5075.00	-do-
41	Manoj Kumar, District Accounts Manager	5000.00	2006-07
42	Manrakhan, Peon	500.00	2007-08
43	Md. Samshad Alam, Consultant	82805.00	Prior to 2006-07
44	Najam Husan, Peon	400.00	2006-07
45	Mangal Singh, Peon	500.00	2007-08
46	Nijam Ansari, Peon	120.00	Prior to 2006-07
47	Niranjan Singh, Cold Chain Officer	42734.00	2006-07
48	Nitu Kujur, Demographer	7380.00	2005-08
49	Nuvas Guria, Labour	300.00	2006-07

50	Patras Toppo, Driver	4312.00	Prior to 2006-07
51	Pramod Das, Cashier Directorate	15000.00	2006-07
52	Pawan Ram, Driver	1500.00	2007-08
53	Ranjan Kumar,DPM	8124.00	-do-
54	Rajendra Kr. Sharma, DAM	5000.00	2006-07
55	Rajesh Kumar, Driver	24000.00	Prior to 2006-07
56	Rajiv Kumar, Data Assistance	2000.00	2007-08
57	Rakesh Kumar, DPM	5000.00	2006-07
58	Rakesh Pandey, DAM	5000.00	-do-
59	Rambahadur Ram, Clerk	51485.00	2006-08
60	Ramchandra Oraon, Peon	520.00	2006-07
61	Ramswarup Baitha, Peon	500.00	2007-08
62	Ramu Kumar, Driver	500.00	-do-
63	Randhir Kumar, Consultant	76814.00	Prior to 2006-07
64	Ranthu Mahto, Peon	500.00	2007-08
65	Ranvijay Singh, Driver	2389.00	-do-
66	Ravishankar Jaypuriyar (JHS)	25000.00	2006-07
67	Shahnawaj Ansari, Driver	4000.00	2007-08
68	Sanjay Kachhap	500.00	-do-
69	Satish Prasad, DAM	5000.00	2006-07
70	Serajudin, Clerk	10000.00	2007-08
71	Sanjeev Kumar, Driver	12580.00	2006-07
72	Subash Jha, Consultant	6200.00	2007-08
73	Subir Kumar, NGO Coordinator	9079.00	2006-07
74	Subrat Kumar Roy, Consultant	65139.00	Prior to 2006-07
75	Sujeet Bharti	7430.00	2007-08
76	Sujit, Driver	4000.00	-do-
77	Sunil Singh, Engineering Cell	19120.00	Prior to 2006-07
<b>Total</b>		<b>882393.00</b>	

**Appendix-1.14**

**(Refer paragraph 1.2.9.4; page-29)**

**Details showing unassessed, unauthorised, wasteful and infructuous purchase of medicines and stores**

*(Rupees in lakh)*

Name of the District	Period of purchase	Amount	Remarks
Dumka	April 2005 to December 2008	77.03	Purchase of medicines (Rs.73.80 lakh) and equipment (Rs 3.23 lakh) were made arbitrarily without assessing requirement.
Dumka	March 2008	13.45	200 labour table (at the rate of Rs. 6725 each) were purchased/issued to HSCs on the orders (February 2008) of the department. Material was neither on the approved list of NRHM (for HSCs) nor did the centers have provision for labour room or enough space to keep these.
	March 2008	4.00	Without complete construction and electrification in postmortem room, cold storage system for mortuary was purchased, which was lying idle.
	March and June 2008	5.93	Several equipment were procured and lying idle in the district stock as of January 2009 which were not defined in the list of equipment (PHC) of NRHM. Further, 54 cots with mattresses purchased from the fund provided for PHCs were diverted and issued to Sadar Hospital, Dumka without reasons being specified.
Gumla	September 2008	-	DRCHS received 52 Nitrous Oxide cylinders remained idle (January 2009). Similarly, 2760 vial of Adrenaline injection, having expiry date of April 2009, were also lying idle, which was supplied by state between November and December 2008. Since these injections are used rarely, expiry of these injections could not be ruled out.
	June 2008	3.88	CS cum CMO purchased (June 2008) furniture for hospital building before its construction /completion as of January 2009.
<b>Total</b>		<b>104.29</b>	

## Appendix-1.15

(Refer paragraph 1.2.9.5; page-29)

## Status of Medicines misappropriated/shortage

Name of Unit	Name of Medicine	Qty. of Medicine	Rate (per tablet/injection) (in rupees)	Value	Reasons
PHC, Sadar	Ceprofloxacin (250mg)	5000 Tab.	73	3650.00	Medicines were shown issued to APHCs between 20.07.2006 and 07.09.2006 before its actual receipt on 28.12.2006.
PHC, Jama	Numol	400 Tab.	125.35	501.40	Medicines were found missing from stock
	Dexamethason (4mg)	210 Inj.	8.80	1848.00	
	Amoxycillin (500mg)	900 Inj.	7.00	6300.00	
	Ampicilin (250mg)	2000 Inj.	6.00	12000.00	
	Metronidazole	400 Tab.	25.00	100.00	
	Norfloxacin	250 Tab.	92.00	230.00	
	Ceprofloxacin	1000 Tab.	324	3240.00	
	Amoxycillin (250mg)	1200 Cap.	128	1536.00	
	Norfloxacin + Tindazole	100 Tab.	140	140.00	
	Dixyclomine	10 Inj.	3.95	39.50	
	Emidon DT	10800 Tab.	180	19440.00	
	Metrocloramide Inj. 2mg	55			
	Cetiam Inj. (250mg)	130			
	Resule 100mg	1000			
	Defal	500			
	Paracetamol 500mg	1400			
	Co-trimaxazole DS	2250			
	Cyunal-P-Tab	900			
	Cetrisen	1500			
	Omparazole 20mg	600			
Ofloxacin	1600				
Disposable Syringe 2ml	50				
Disposable Syringe	25				
Metrocloramide Inj. 5mg	20				
RL Sline	1360				
APHC, Karamdih, Sadar	Nimusulide 100mg	7200			Medicines were shown consumed in excess of actual consumption
	Metrocloramide	900			
	Tetracycline Cap.	100			
PHC, Sarayahat	Amoxycillin (250mg)	4154 Cap.	128 per 100	5317.12	Medicines found short or not carried forward to the subsequent year from the last year register
	Dizipam Inj.	67			
	Dilodohydroxy quimolin	1898 Tab.			
	Diclofenac	35			
	Ampicilin Inj.	20			
	Tetracycline Cap.(250mg)	100			
	Metrocloramide (200mg)	200			
	Norfloxacin (400mg)	50			
	Mebendazol	300			
Ibuprofen + Paracetamol	1000				
<b>Total</b>				<b>54342.02</b>	

**Appendix-1.16**

(Refer paragraph 1.2.10.1; page-30)

**Statement showing availability of healthcare units**

Health care units	Number required as per norm	Actual	Shortfall (Percentage)
	<i>(In number)</i>		
CHCs	282	Nil	282 (100)
PHCs/APHCs	1127	515	612 (54)
HSC	7178	3947	3231 (45)

**Appendix-1.17**

(Refer paragraph: 1.2.10.2; page-31)

**Status of facilities at test-checked health centres**

- Of 72 HSCs, two (three *per cent*) were non-functional, two (three *per cent*) had no building, 28 (40 *per cent*) had no Government building, 28 (40 *per cent*) had buildings in dilapidated condition; 70 (99 *per cent*) had no OPD rooms, medical stores, waiting rooms for patients, telephone connection; and 65 (93 *per cent*) had no staff quarters.
- Of 45 PHCs/APHCs, one (two *per cent*) had no building, nine (20 *per cent*) had no Government building, nine (20 *per cent*) had building in dilapidated condition, 16 (36 *per cent*) had no OPD rooms, 24 (53 *per cent*) had no medical stores, 39 (87 *per cent*) had no waiting rooms for patients, 29 (64 *per cent*) had no telephone connection and 30 (67 *per cent*) had no staff accommodation facilities.

## Appendix-1.18

(Refer paragraph 1.2.10.3; page- 32)

## Suggested list of equipment at Health Sub-centre as per Indian Public Health Standards

1	Basin Kidney 825 ml (28 OZ) Stainless steel, Ref: IS: 3992 2	2	Tray instrument/Dressing with cover 310x 195x63mm SS, Ref IS: 3993 1
3	Flashlight Box-type pre-focussed 4 cell 1	4	Jar dressing with cover 0.945 litre stainless steel 1
5	Hemoglobinometer –set Sahl 1 type complete 1	6	Scale bath room metric/Avoirdupois 125kg/280 lb 1
7	Sheeting plastic clear PVC CM x 180 cm 2	8	Forceps Tissue – 160 mm 1
9	Forceps sterilizer (Utility) 200 vaughm ss 1	10	Scissors surgical straight 140mm S/B, ss 1
11	Reagent strips for urine test 1	12	SIMS Uterine Depressor/Retractor 1
13	Measure 1 litre Jug –ss 1	14	Basin solution deep Approx.6litre ss Ref: IS: 5764 1
15	Brush Surgeon's white Nylon Bristles 2	16	Sphygmomanometer Aneroid 300 mm with cuff IS: 7652 1
17	Battery Dry cell 1.5, D type for 10C 4	18	Scale, Infant metric 1
19	Lancet ss(Magedorn needle) 75 mm pkt of 6 1	20	Forceps hemostat straight Kelly 140mm ss 1
21	Forceps uterine vulsellum curved 25.5 cm 1	22	Speculum vaginal bi-valve cusco's/Graves medium 1
23	Speculum vaginal double ended Sims ISS Medium 140	24	Measure ½ litre jug-SS 1
25	Sound, Uterine Graduated 1	26	Sterilization kit - 2
27	Vaccine Carrier - 2	28	Ice pack box - 4
29	Sponge holder - 10	30	Forceps - 20
31	Suture needle straight - 12	32	Suture needle curved - 12
33	Kidney tray - 4(big) & 4 (small)	34	Syringe - 12(10cc)
35	Disposable gloves - 20	36	Mucus extractor - 4
37	Clinical Thermometer oral & rectal - 1 each	38	Torch - 2
39	Urethral catheter, 12fr, rubber 1	40	Foetoscope 1
41	Rack-Blood sedimentation Westergren 6-unit 1	42	Scale, weighing (baby) hanging type, colour coded 5 kg 1
43	Forceps, spring type, dressing 160mm, stainless steel 1	44	Forceps artery, straight, pean 160mm, stainless steel 2
45	Scissors, cord cutting, busch, curved on flat, 160mmSS 1	46	Can enema with tubing and clip 1
47	Talquist Hb scale 1	48	Haemoglobin Colour Scale (WHO approved) 1
49	Uristix (urine test for the presence of protein) 1 full container	50	Diastix (urine test for the presence of sugar) 1 full container
51	Stethoscope 1	52	Micro-glass slides 1 Pkt for 100 slides per annum
53	Disposable lancet (Pricking needles)	54	Disposable Sterile Swabs
55	Slide boxes of 25 slides		
<b>Details showing essential equipment and diagnostic kits in PHCs as per IPHS:</b>			
1	Normal Delivery Kit	2	Equipment for assisted vacuum delivery
3	Equipment for assisted forceps delivery	4	Standard Surgical Set (for minor procedures like episiotomies stitching)
5	Equipment for Manual Vacuum Aspiration	6	Equipment for New Born Care and Neonatal Resuscitation
7	IUD insertion kit	8	Equipment / reagents for essential laboratory investigations
9	Refrigerator (165 litres)	10	ILR and Deep Freezer
11	Ice box	12	Computer with accessories including internet facility
13	Baby warmer/incubator.	14	Binocular microscope
15	Equipments for Eye care and vision testing ( Tonometers (Schiotz),direct ophthalmoscope, illuminated vision testing drum, trial lens sets with trial frames, snellen and near vision charts and Battery operated torch –6 equipments)		



<b>Equipment under various National Programmes:</b>			
1	Radiant warmer for new borne baby	2	Baby scale
3	Table lamp with 200 watt bulb for new borne baby	4	Phototherapy unit
5	Self inflating bag and mask-neonatal size	6	Laryngoscope and Endotracheal intubation tubes (neonatal)
7	Mucus extractor with suction tube and a foot operated suction machine	8	Feeding tubes for baby
9	Sponge holding forceps - 2	10	Voisellum uterine forceps - 2
11	Tenaculum uterine forceps – 2	12	MVA syringe and cannulae of sizes 4-8 (2 sets; one for backup in case of technical problems)
13	Kidney tray for emptying contents of MVA syringe	14	Torch without batteries – 2
15	Battery dry cells 1.5 volt (large size) – 4	16	Bowl for antiseptic solution for soaking cotton swabs
17	Tray containing chlorine solution for keeping soiled instruments	18	Residual chlorine in drinking water testing kits
19	H2S Strip test bottles		
<b>Requirements for a fully equipped and operational labour room</b>			
1	A labour table	2	Suction machine
3	Facility for Oxygen administration	4	Sterilisation equipment
5	24-hour running water	6	Electricity supply with back-up facility (generator with POL)
7	Attached toilet facilities	8	An area earmarked for new-born care
<b>Emergency drug tray: This must have the following drugs:</b>			
1	Inj. Oxytocin	2	Inj. Diazepam
3	Tab. Nifedepine	4	Magnesium sulphate
5	Inj. Lignocaine hydrochloride	6	Inj. Methyl ergometrine maleate
7	Sterilised cotton and gauze	8	Delivery kits, including those for normal delivery and assisted deliveries. PRIVACY of a woman in labour should be ensured as a quality assurance issue.
<b>List of equipment for Pap smear:</b>			
1	Cusco's vaginal speculum (each of small, medium and large size)	2	Sim's vaginal speculum – single & double ended - (each of small, medium and large size)
3	Anterior Vaginal wall retractor	4	Sterile Gloves
5	Sterilised cotton swabs and swab sticks in a jar with lid	6	Kidney tray for keeping used instruments
7	Bowl for antiseptic solution	8	Antiseptic solution: Chlorhexidine 1% or Cetrimide 2% (if povidoneiodine solution is available, it is preferable to use that)
9	Chittle forceps	10	Proper light source / torch
11	For vaginal and Pap Smears:	12	Clean slides with cover slips
13	Cotton swab sticks	14	KOH solution in bottle with dropper
15	Saline in bottle with dropper	16	Ayre's spatula
17	Fixing solution / hair spray		
<b>List of essential equipment and diagnostic kits in CHCs as per IPHS:</b>			
<b>Standard Surgical Set - I (Instruments) FRU</b>			
1	Tray, instrument/dressing with cover, 310 x 200 x 600 mm-ss 1 1	2	Gloves surgeon, latex sterilizable, size 6 12 12
3	Gloves surgeon, latex sterilizable, 6-1/2 12 12	4	Gloves surgeon, latex sterilizable, size 7 12 12
5	Gloves surgeon, latex sterilizable, 7-1/2 12 12	6	Gloves surgeon, latex sterilizable, 8 12 12
7	Forceps, backhaus towel, 130 mm 4 4	8	Forceps, sponge holding, 228 mm 6 6
9	Forceps, artery, pean straight, 160 mm, stainless steel 4 4	10	Forceps hysterectomy, curved, 22.5 mm 4 4
11	Forceps, hemostatic, halsteads mosquito, straight, 125 mm-ss 6 6	12	Forceps, tissue, all/is 6x7 teeth, straight, 200 mm-ss 6 6
13	Forceps, uterine, tenaculum, 280 mm, stainless	14	Needle holder, mayo, straight, narrow jaw, 175 mm,

	steel 1 1		ss 1 1
15	Knife-handle surgical for minor surgery # 3 1 1	16	Knife-handle surgical for major surgery # 4 1 1
17	Knife-blade surgical, size 11, for minor surgery, pkt of 5 3 3	18	Knife-blade surgical, size 15 for minor surgery, pkt of 5 4 4
19	Knife blade surgical, size 22, for major surgery, pkt of 5 3 3	20	Needles, suture triangular point, 7.3 cm, pkt of 6 2 2
21	Needles, suture, round bodied, 3/8 circle No. 12 pkt of 6 2 2	22	Retractor, abdominal, Deavers, size 3, 2.5 cm x 22.5 cm 1 1
23	Retractor, double-ended abdominal, Beltouis, set of 2 2 2	24	Scissors, operating curved mayo-blunt pointed 170mm 1 1 Scissors, operating, straight, blunt point, 170 mm 1 1
25	Scissors, gauze, straight, 230 mm, stainless steel 1 1	26	Suction tube, 225 mm, size 23 F 1 1
27	Clamp intestinal, Doyen, curved, 225 mm, stainless steel 2 2	28	Clamp intestinal, Doyen straight, 225 mm, stainless steel 2 2
29	Forceps, tissue spring type, 160 mm, stainless steel 2 2	30	Forceps, tissue spring type, 250 mm, stainless steel. 1 1

**Standard Surgical Set – II**

1	Forceps, tissue, 6 x 7 teeth, Thomas-Allis, 200 mm- ss 1 1	2	Forceps, backhaus towel, 130 mm, stainless steel 4 4
3	Syringe, anaesthetic (control), 10 ml, luer-glass 1 1	4	Syringe, hypodermic, 10 ml glass, spare for item 3 4 4
5	Needles, hypodermic 20G x 1-1/2" box of 12 1 1	6	Forceps, tissue, spring type, 145 mm, stainless steel 1 1
7	Forceps, tissue spring type 1 x 2 teeth, Semkins, 250 mm 1 1	8	Forceps, tissue spring type, 250 mm, stainless steel 1 1
9	Forceps, hemostat curved mosquito halsteads, 130 mm 6 6	10	Forceps, artery, straight pean, 160 mm, stainless steel 3 3
11	Forceps artery, curved pean, 200 mm, stainless steel 1 1	12	Forceps, tissue, Babcock, 195 mm, stainless steel 2 2
13	Knife handle for minor surgery No. 3 1 1	14	Knife blade for minor surgery No. 10, pkt of 5 8 8
15	Needle holder, straight narrow-jaw Mayo-Heger, 175 mm 1 1	16	Needle suture straight, 5.5 mm, triangular point, pkt of 6 2 2
17	Needle, Mayo, 1/2 circle, taper point, size 6, pkt of 6 2 2	18	Catheter urethral Nelaton solid-tip one-eye 14 Fr 1 1
19	Catheter urethral Nelaton solid-tip one-eye 16 Fr 1 1	20	Catheter urethral Nelaton solid-tip one-eye 18 Fr 1 1
21	Forceps uterine tenaculum duplay dbl-cvd, 280 mm 1 1	22	Uterine elevator (Ranathlbod), stainless steel 1 1
23	Hook, obstetric, Smellie, stainless steel 1 1	24	Proctoscope Mcevedy complete with case 1 1
25	Bowl, sponge, 600 ml, stainless steel 1 1	26	Retractor abdominal Richardson-Eastman, dbl-ended, set 2 1 1
27	Retractor abdominal Deaver, 25 mm x 3 cm, stainless steel 1 1	28	Speculum vaginal bi-valve graves, medium, stainless steel 1 1
29	Scissors ligature, spencer straight, 130 mm, stainless steel 1	30	Scissors operating straight, 140 mm, blunt/blunt ss 1 1
31	Scissors operating curved, 170 mm, blunt/blunt ss 2 2	32	Tray instrument curved, 225 x 125 x 50 mm, stainless steel 1 1
33	Battery cells for item 24 2 2		

**IUD Insertion Kit**

1	Setal sterilization tray with cover size 300 x 220 x 70 mm, S/S, Ref	2	Gloves Surgeon, latex, size 6-1/2 Ref. 4148 6 6
3	Gloves surgeon latex, size 7-1/2 Ref. 4148 6 6	4	Bowl, metal sponge, 600 ml, Ref. IS: 5782 1 1
5	Speculum vaginal bi-valve cusco's graves small ss 1 1	6	Forceps sponge holding, straight 228 MMH Semken 200 mm 1 1
7	Sound uterine simpson, 300 mm graduated UB 20 mm 1 1	8	Forceps uterine tenaculum duplay DBL-CVD, 280 mm 1 1

9	Forceps tissue - 160 mm 1 1	10	Anterior vaginal wall retractor stainless 1 1
11	Torch without batteries 1 1	12	Gloves surgeon, latex, size 7, Ref: 4148 6 6
13	Gloves surgeon, latex size 6 Ref. IS: 4148 6 6	14	Battery dry cell 1.5 V 'D' Type for Item 7G 1 1
15	Speculum vaginal bi-valve cusco's/Grea Ves Medium ss 1 1	16	Forceps artery, straight, Pean, 160 mm 1 1
17	Scissors operating, straight, 145 mm, Blunt/Blunt 1 1	18	Forceps uterine vulsellum curved, Museux, 240 mm 1 1
19	Speculum vaginal double-ended same size #3 1 1	20	S. No. Item Description Qty.
<b>CHC Standard Surgical Set – III</b>			
1	Tray, instrument/dressing with cover, 310 x 195 x 63 mm 1 1	2	Forceps, backhaus towel, 130 mm, stainless steel 4 4
3	Forceps, hemostat, straight, Kelly, 140 mm, stainless steel 4 4	4	Forceps, hemostat, curved, Kelly, 125mm, stainless steel 2 2
5	Forceps, tissue Allis, 150 mm, stainless steel, 4 x 5 teeth 2 2	6	Knife handle for minor surgery No. 3 1 1
7	Knife blade for minor surgery, size 11, pkt of 5 10 10	8	Needle hypodermic, Luer 22G x 11/4", box of 12 1 1
9	Needle hypodermic, Luer 250G x 3/4", box of 12 1 1	10	Needle, suture straight 5.5 cm, triangular point, pkt of 6 2 2
11	Needle, suture, Mayo ½ circle, taper point No. 6, pkt of 6 2 2	12	Scissors, ligature, angled on flat, 140 mm, stainless steel 1 1
13	Syringe anaesthetic control, Luer - 5 ml, glass 4 4	14	Syringe 5 ml, spare for item 13 4 4
15	Sterilizer, instrument 200 x 100 x 60 mm with burner ss 1 1	16	Syringe, hypodermic, Luer 5 ml, glass 4 4
17	Forceps, sterilizer, Cheatle, 265 mm, stainless steel 1 1		
<b>Normal Delivery Kit</b>			
1	Trolley, dressing carriage size 76C, long x 46 cm wide and 84 cm high. Ref	2	IS 4769/1968 1
3	Towel, trolley 84 cm x 54 cm 2 2	4	Gown, operation, cotton 1 1
5	Cap. operation, surgeon's 36 x 46 cm 2 2	6	Gauze absorbent non-sterile 200 mm x 6 m as per IS: 171/1985 2 2
7	Tray instrument with cover 450 mm (L) x 300 mm (W) x 80 mm (H) 1 1	8	Macintosh, operation, plastic 2 2
9	Mask, face, surgeon's cap of rear ties: B) Beret type with elastic hem 2 2	10	Towel, glove 3 3
11	Cotton wool absorbent non-sterilize 500G 2 2	12	Drum, sterilizing cylindrical - 275 mm Dia x 132 mm, ss as per IS: 3831/1979
13	Table instrument adjustable type with tray ss 1 1		

*Source: GOI guidelines for HSCs/PHCs/CHCs.*

## Appendix – 1.19

(Refer paragraph 1.2.11.4; page-33)

## Details of status of pathological tests in 45 test-checked Primary Health Centres/Additional Primary Health Centres

Sl. No.	Name of the pathological test	No. of PHCs/APHCs where facilities were not available	
		No.	Per cent
1	Rapid Test for pregnant women	25	56
2	Diagnosis of RTI/ STDs with wet mounting, Grams stain, etc.,	42	93
3	Blood smear examination for malarial parasite	29	64
4	RPR test for Syphilis/YAWS surveillance	44	98
5	Routine urine, stool and blood tests	44	98
6	Bleeding time, clotting time	42	93

## Appendix – 1.20

(Refer paragraph 1.2.12; page-34)

Details of manpower as per IPHS norms *vis-à-vis* men-in-position in the State

Name of the post	Required manpower as per IPHS norms	Men-in-Position as on 31 March 2009	Shortage (Percentage)
<b>PHC LEVEL</b>			
Medical Officer-Allopathic - 3	3381	1710	1671 (49)
Medical Officer-AYUSH - 1	1127	315	812 (72)
Account Manager- 1	1127	211	916 (81)
Pharmacist-2	2254	293	1961 (87)
Staff Nurse-Regular - 5	5635	322	5313 (94)
Health Worker (F) - 1	1127	NA	1127 (100)
Health Educator - 1	1127	NA	--
Health Assistants (male & female)- 2	2254	NA	--
Laboratory technicians - 2	2254	261	1993 (88)
<b>HSC LEVEL</b>			
ANM(Regular) – 1	7178	3359	3819 (53)
ANM(Contractual) - 1	7178	3321	3857 (54)
Multipurpose Worker (MPW)-Male - 1	7178	NA	7178 (100)

Source: Health Medical Education and Family Welfare Department

**Appendix – 1.21**

(Refer paragraph 1.2.12; page- 34)

**Details of shortage of manpower in Primary Health Centres/Additional Primary Health Centres and Health Sub-centres test-checked**

Sl. No.	Name of post	Requirement	Men in position	Shortage (Percentage)
<b>PHC LEVEL</b>				
1	Medical Officer-Allopathic - 3	132	81	51 (39)
2	Medical Officer-AYUSH - 1	44	NIL	44 (100)
3	Pharmacist-2	88	08	80 (91)
4	Staff Nurse-Regular - 5	220	14	206 (94)
5	Health Educator - 1	44	13	31 (70)
6	Health Worker (F) - 1	44	14	30 (68)
7	Health Assistants (male & female)-2	88	03	85 (97)
8	Laboratory technicians - 1	88	09	79 (90)
<b>HSC LEVEL</b>				
9	ANM(Regular) – 1	68	48	20 (29)
10	ANM(Contractual) - 1	68	17	51 (75)
11	Multipurpose Worker (MPW)-Male - 1	68	23	45 (66)

**Appendix – 1.22**

(Refer paragraph 1.2.12; page- 34)

**Details of doctors who were absent from long periods or were dismissed from duty**

Sl. No.	Name of Doctor	Place of posting	Absenting from	Period of absence (in year)
1	Dr. N. K. Jha	APHC Chhota Nagra, West Singhbhum	1.6.2000	8.5
2	Dr. S.K. Prasad	PHC, Arki, Ranchi	1.8.2002	6.5
3	Dr. Abdul Kalam	PHC, Kathikund, Dumka	3.7.1997	11
4	Dr(Mrs) Shakuntala Tigga	PHC Kamdara, Gumla	8.7.2005	5
5	Dr. R.K. Ranjan	PHC, Pakuria, Pakur	25.3.2002	6.5
6	Dr. Parvej Alam	APHC, Naudiha, Giridih	29.1.2002	6.5
7	Dr. V.S. Prasad	PHC, Manjhari, West Singhbhum	1.4.2001	7
8	Dr. N.K. Azad	PHC, Kathikund, Dumka	20.6.1997	11
9	Dr. K. Alam	APHC, Saria, Giridih	1.1.2001	7
10	Dr T. Eqbal	Govt. Hospital, Netarhat, Gumla	9.7.2000	8
11	Dr. U. K. Bhadani	APHC, Jongahat	1.9.2000	8
12	Dr. R. Prasad	APHC, Udnabad	29.5.2000	8
13	Dr. Rupa	PHC, Devri, Giridih	9.12.2000	8

**Appendix-1.23**

(Refer paragraph: 1.2.15.1; page-37)

**Statement showing targets (T) and achievements (A) under terminal methods in the State**

Year	Vasectomy		Tubectomy		Laparoscopy	
	T	A	T	A	T	A
2005-06	8011	2663	134835	83861	NA	NA
2006-07	20475	6461	137378	94934	NA	2391
2007-08	15000	17380	150000	101636	NA	2104
2008-09	34900	12123	150000	113726	NA	8935
<b>Total</b>	<b>78386</b>	<b>38627</b>	<b>572213</b>	<b>394157</b>	<b>NA</b>	<b>13430</b>

*Sources: SRCH Society***Appendix – 1.24**

(Refer paragraph: 1.2.15.2; page-37)

**Statement showing targets (T) and achievements (A) under spacing methods**

Year	Oral pills cycle		IUD insertion		Distribution of condom	
	T	A	T	A	T	A
2005-06	4294680	650728	229247	74760	24927048	5500153
2006-07	4342793	904372	224169	73867	28381680	8380986
2007-08	5428491	1076478	269002	85376	354852100	12069194
2008-09	5428491	997858	269002	58106	354852100	10317667
<b>Total</b>	<b>19494455</b>	<b>3629436</b>	<b>991420</b>	<b>292109</b>	<b>763012928</b>	<b>36268000</b>

*Sources: SRCH Society***Appendix – 1.25-A**

(Refer paragraph: 1.2.16.1; page- 37)

**Statement showing achievement in respect of immunisations**

(In numbers)

Year	Target	Fully immunised	Percentage
2005-06	8,71,314	6,77,576	78
2006-07	8,85,042	5,50,144	62
2007-08	8,67,452	4,77,875	55
2008-09	8,87,921	5,47,301	62
<b>Total</b>	<b>35,11,729</b>	<b>22,52,896</b>	<b>64</b>

*Source: HMFWD, GOJ*

**Appendix – 1.25-B**

(Refer paragraph 1.2.16.1; page-37)

**Details showing number of immunisations under BCG and measles, and number of deliveries during 2005-09**

(In numbers)

Year	Total live births	Status of immunization	
		Measles (per cent)	BCG (per cent)
2005-06	2,50,282	7,34,159	8,12,534 (325)
2006-07	3,27,269	7,31,349	7,72,042 (236)
2007-08	3,32,817	5,65,132	6,45,099 (194)
2008-09	3,71,777	6,09,119	7,27,901 (196)
<b>Total</b>	<b>12,82,145</b>	<b>26,39,759(206)</b>	<b>29,57,576 (231)</b>

Source: HMFWD, GOJ

**Appendix-1.26**

(Refer paragraph 1.2.16.2; page-38)

**Year-wise details of polio cases in the State**

Year	Number of new Polio cases	Number of children given Polio drops	
		Target	Achievement
2005-06	01	52,40,183	52,40,183
2006-07	01	52,81,142	52,81,142
2007-08	00	5,21,63,199	5,21,63,199
2008-09	00	1,11,87,558	1,12,99,433
<b>Total</b>	<b>02</b>	<b>7,38,72,082</b>	<b>7,39,83,957</b>

Source: H&FWD, GOJ

**Appendix-1.27**

(Refer paragraph 1.2.17.2; page-40)

**Statement showing morbidity and mortality due to various vector-borne diseases during 2005-09**

Year	Kala Azar		Malaria		Filaria		Dengue	
	Cases	Deaths	Cases	Deaths	Cases	Deaths	Cases	Deaths
2005-06	5,990	11	1,93,144	55	56,590	0	0	0
2006-07	7,509	11	1,93,888	22	39,100	0	13	0
2007-08	4,803	20	1,84,878	47	12,407	0	0	0
2008-09	3,690	05	2,14,269	38	9,376	0	01	0
<b>Total</b>	<b>21,992</b>	<b>47</b>	<b>7,86,179</b>	<b>162</b>	<b>1,17,473</b>	<b>0</b>	<b>14</b>	<b>0</b>

Source: H&FWD, GOJ

## Appendix-1.28

(Refer paragraph 1.3.6.2; page- 48)

Delay in submission and approval of Annual Action Plans under  
Modernisation of Police Force

Sl No.	Year	AAPS sent to GOI	AAPS approved by GOI	Delay in days	
				Submission by the State	Approval by GOI (col 4 to col 3)
1	2	3	4	5	6
1	2004-05	4.9.04	3.12.04	111	90
2	2005-06	3.8.05	14.9.05	79	41
3	2006-07	12.6.06	7.9.06	27	85
4	2007-08	1.6.07	15.6.07	16	13
5	2008-09	19.7.08	8.9.08	64	50

## Appendix-1.29

(Refer paragraph 1.3.8.1, page-50)

## Statement showing requirement and availability of quarters

Sl. No.	Name of test checked district	Sanctioned strength of officials		Availability of quarters		Satisfaction level (in per cent)	
		U/S	L/S	U/S	L/S	U/S	L/S
1	Deoghar	156	1047	15	145	10	14
2	East Singhbhum	461	3212	84	131	18	4
3	Hazaribag	191	1758	10	172	5	10
4	Palamu	270	2142	53	76	20	4
5	Ranchi	567	4331	22	146	4	3
6	West Singhbhum	288	1889	42	111	15	6
<b>Total</b>		<b>1933</b>	<b>14379</b>	<b>226</b>	<b>781</b>	<b>12</b>	<b>5</b>

(Source: Superintendents of police; U/S: Upper subordinate and L/S: Lower subordinate)

## Appendix-1.30

(Refer paragraph 1.3.8.3, page-51)

## Details of infrastructure in police stations/outposts/pickets

Sl. No.	Description of infrastructure		Position in 224 non-Naxal PS/OP/pickets		Position in 238 Naxal-affected PS/OP/pickets	
			Infrastructure available			
	Number	Percentage	Number	Percentage	Number	Percentage
1	Basic facilities	Own building	100	42	125	56
2		Electrification/ Generator	207	87	205	92
3		Water supply	181	76	148	66
4		Barrack	151	20	140	24
5	Security arrangements	Compound Wall/ barbed Wire	163	68	166	74
6		Watch Tower	5	2	68	30
7		Morcha	93	39	187	83
8		Trench	29	12	45	20

(Infrastructural facilities in 462PS/OP/pickets for which data was available with DG&amp;IGP, Jharkhand)



**Appendix-1.31**

(Refer paragraph 1.3.8.4, page-51)

**Penalties not levied for delay in execution of works**

Year	Number of works completed	Amount of penalty not levied
2004-05	Nil	Nil
2005-06	28	6224037
2006-07	46	21338845
2007-08	31	14403605
2008-09	24	9382444
<b>Total</b>	<b>129</b>	<b>51388931</b>

**Appendix-1.32**

(Refer paragraph 1.3.9.3; page-53)

**Average reaction and response time**

Sl. No.	Name of district	Average reaction time (in minutes)	Average response time (in minutes)
1	East Singhbhum	118	196
2	Deoghar	74	153
3	Hazaribag	228	306
4	Palamu	346	386
5	Ranchi	62	129
<b>Overall average</b>		<b>166</b>	<b>234</b>

**Appendix-1.33**

(Refer paragraph 1.3.10.4; page-55)

**Short supply of arms and ammunitions**

Sl No	Item	Purchase order placed for		Actual receipt	Less receipt
		Year	Quantity		
1	9 mm drill cartridges	2004-05	3000	1163	1837
2	7.62 drill cartridges	2004-05	5500	5270	230
3	51 mm 2HE bomb	2005-06	4644	3633	1011
4	.38 cartridges	2005-06	43500	41472	2028
5	VL Pistol ball (White)	2005-06	5000	4438	562
6	AK-47 ammunitions	2005-06	100000	90865	9135
7	Hand Grenade- 36 HE	2005-06	3859	3668	191
8	Detonator- 7 second delay	2005-06	10000	9570	430
9	Detonator- 4 second delay	2005-06	10000	8598	1402
10	Detonator- 4 second delay	2006-07	5000	4622	378
11	5.56 ball cartridges	2006-07	800000	658620	141380

## Appendix – 1.34

(Refer paragraph 1.4.5.1; page-66)

## Statement showing targets and achievements under Remote Village Electrification Programme

Year	No. of villages to be electrified	Physical target (in numbers)		No of villages actually electrified	Achievement (in numbers)		Shortfall			
		DLS	SLS		DLS	SLS	DLS		SLS	
							Nos.	Per cent	Nos.	Per cent
2002-03	18	3049	66	18	3009	61	40	1.31	5	7.58
2003-04	116	14187	761	105	11904	610	2283	16.09	151	19.84
2004-05	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2005-06	224	12257	1211	221	11961	1203	296	2.41	8	0.66
2006-07	108	10928	1099	102	26	3	10902	99.76	1096	99.76
2007-08	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2008-09	8	423	53	Nil	Nil	Nil	423	100.00	53	100.00
<b>Total</b>	<b>474</b>	<b>40844</b>	<b>3190</b>	<b>446</b>	<b>26900</b>	<b>1877</b>	<b>13944</b>		<b>1313</b>	

Appendix-1.35

(Refer paragraph 1.4.5.1; page- 66)

Copy of original invoice

REIL  
 DOC NO. REIL-MKT-XXX-030003

Rajasthan Electronics & Instruments Limited  
 (A PUBLIC SECTOR ENTERPRISE-PROMOTED BY I. & FICCI)  
 (सार्वजनिक क्षेत्र का उपक्रम-आइं एन एन सीको द्वारा प्रमोतित)  
 Registered Office - 2, Kanakpura Industrial Area, Jaipur-12  
 Phone : 350784, 354362, 354363, 352271, 352841, Fax : 0141-202701, 352842  
 E-mail : reiljp@reiljp.com, Gram : REIL, Web Site : www.reiljp.com

INVOICE

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CONSIGNOR	DATE	CHALLAN NO.	DATE
REIL	25/10/2004		
CONSIGNEE	DATE	EXCISE INVOICE No.	DATE
DIRECTOR, JHARKHAND RENEWABLE - ENERGY DEVELOPMENT AGENCY 328/B, ROAD NO.4 ASHOK NAGAR, RANCHI	27/05/2004		
CONSIGNEE	DOCUMENT THROUGH	MODE	NUMBER
AS ABOVE			

No.	DESCRIPTION	QUANTITY	UNIT RATE	NET VALUE
	SPV POWER GENERATING SYSTEM			
	STREET LIGHTING SYSTEM	09.00	19950.00	159600.00
TOTAL				159600.00

ONE LAC FIFTY NINE THOUSAND SIX HUNDRED ONLY

RUPEES

PAYMENT

- Any discrepancy noted should be reported within a week of receipt of consignment.
- Please pay Rupees within 15 days to avoid levy of interest @ 20% p.a.
- All drafts and remittances be made payable to RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED, JAIPUR.

C.S.T. No. 1421/02723 / Dt: 18.1.82  
 R.S.T. No. 1421/02723 / Dt: 04.12.81

E. & O. E.

FOR Rajasthan Electronics & Instrument

DEPREPARED BY

CHECKED BY

Entered in M.A. No. 6.  
 vide P.No. 567  
 verified & found correct  
 8/11/04


25/10/2004

REIL/04  
05/4418

Appendix-1.36


(Refer paragraph 1.4.5.1; page-66)

Xerox copy of original invoice with quantities recorded in hand



**Rajasthan Electronics & Instruments Limited**  
 (A PUBLIC SECTOR ENTERPRISE-PROMOTED BY IL & RIICO)  
 पंजीकृत कार्यालय : 2, कानकपुरा औद्योगिक क्षेत्र, जयपुर - 12  
 Registered Office : 2, Kanakpura Industrial Area, Jaipur-12  
 Phone : 350784, 354362, 354363, 352271, 352841 Fax : 0141-202701, 350784, 352841  
 E-mail : reil@reil.com Gram : P.P.O., Web Site : www.reiljp.com

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	INVOICE NUMBER	DATE	CHALLAN NO.	DATE
DIRECTOR, PARKHAND RENEWABLE -- ENERGY DEVELOPMENT AGENCY 28/B, ROAD NO.14 SHOK NAGAR, RAJCHIT	REIL/0495/ 4418	25/10/04		
	P.O. NUMBER	DATE	EXCISE INVOICE No.	DATE
	254	25/10/04		
CONSIGNEE	DOCUMENT THROUGH	MODE	NUMBER	DATE
AS ABOVE				

DESCRIPTION	QUANTITY	UNIT RATE	NET VALUE
SPV POWER GENERATING SYSTEM			1,99,500.00
STREET LIGHTING SYSTEM	10.00	19950.00	1,99,500.00
Domestic lighting system Model III	60.00	10397.75	6,23,865.00
Domestic lighting system Model II	76.00	9800.75	7,44,857.00
Domestic lighting system Model I	68.00	6095.00	4,14,460.00
Total			19,82,682.00

Entered in MB 2006  
Vide P. No. 85/10  
12/04  
D/P

Measure of Payment

TOTAL	TOTAL
Total Bill Value	₹ 19,82,682.00
10% Keep Back (-)	₹ 1,98,268.20
	₹ 17,84,413.80
5% S/D	₹ 89,134.20
	₹ 16,95,280.00
Less, Beneficial Contribution	₹ 2,67,570.00
	₹ 14,27,710.00
Less 2.244% TDS	₹ 44,491.00
	₹ 13,83,219.00
Payment	₹ 13,83,219.00
Balance	₹ 0.00

Any discrepancy noted should be reported to the SIGNATORY within a week of receipt of consignment.

Please pay Rupees within 15 days to avoid levy of interest @ 20% p.a.

All drafts and remittances be made payable to RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED, JAIPUR.

C.S.T. No. 1421/02723 / Dt: 18.1.82  
R.S.T. No. 1421/02723 / Dt: 04.12.81

E & O. E.

PREPARED BY: [Signature]

CHECKED BY: [Signature]

25/10/04

REIL/040  
5/4418

**Appendix -1.37**

(Refer paragraph 1.4.5.2; page-67)

**Targets and achievements under Market mode Solar Photovoltaic Programme**

Year	Physical target (In nos.)			Achievement (In nos.)			Shortfall					
	SL	DLS	SLS	SL	DLS	SLS	SL		DLS		SLS	
							Nos.	Per cent	Nos.	Per cent	Nos.	Per cent
2002-03	7100	1395	375	1500	450	100	5600	79	945	68	275	73
2003-04	6600	2945	455	1000	250	100	5600	85	2695	92	355	78
2004-05	6600	4695	400	6100	1735	300	500	8	2960	63	100	25
2005-06	64600	2000	1600	64600	1500	1600	Nil	Nil	500	25	Nil	Nil
2006-07	45500	2000	2500	45500	2000	2500	Nil	Nil	Nil	Nil	Nil	Nil
2007-08	89100	1600	1000	83198	1600	1000	5902	7	Nil	Nil	Nil	Nil
2008-09	50000	2000	5000	Nil	Nil	Nil	50000	100	2000	100	5000	100
<b>Total</b>	<b>269500</b>	<b>16635</b>	<b>11330</b>	<b>201898</b>	<b>7535</b>	<b>5600</b>	<b>67602</b>		<b>9100</b>		<b>5730</b>	

**Appendix-1.38**

(Refer paragraph 1.4.5.3; page-68)

**Targets and achievements under Solar Thermal Programme**

Year	Physical target (In litres)	Achievement (In litres)	Shortfall	
			(In litres)	Per cent
2002-03	31000	28000	3000	10
2003-04	41000	38000	3000	7
2004-05	53000	44000	9000	17
2005-06	400000	70000	330000	83
2006-07	400000	94125	305875	76
2007-08	100000	100000	Nil	Nil
2008-09	100000	73250	26750	27
<b>Total</b>	<b>1125000</b>	<b>447375</b>	<b>677625</b>	

(Source: Physical target and achievement furnished by JREDA)

**Appendix-1.39**

(Refer paragraph 1.4.5.4; page- 69)

**Targets and achievements under Biogas Programme**

Year	Physical target (in numbers)	Achievement (in numbers)	Shortfall	
			Nos.	Per cent
2002-03	825	51	774	94
2003-04	1074	47	1027	96
2004-05	1527	150	1377	90
2005-06	500	325	175	35
2006-07	115	115	Nil	Nil
2007-09	Not available			
<b>Total</b>	<b>4041</b>	<b>688</b>	<b>3353</b>	

(Source: Target and achievement furnished by JREDA)

**Appendix-1.40**

(Refer paragraph 1.4.5.5; page-69)

**Targets and achievements of improved ovens/unnat chullahs**

Year	Physical target (in Nos.)	Achievement (in Nos.)	Shortfall	
			Nos.	Per cent
2002-03	12600	Nil	12600	100
2003-04	3000	Nil	3000	100
2004-05	4000	2200	1800	45
2005-06	3500	3000	500	14
2006-07	2000	2000	Nil	Nil
2007-08	Nil	Nil	Nil	Nil
2008-09	10000	1500	8500	85
<b>Total</b>	<b>35100</b>	<b>8700</b>	<b>26400</b>	

*(Source: Physical targets and achievements furnished by JREDA)***Appendix-1.41**

(Refer paragraph 1.5.3.8; page-77)

**Details of year-wise penal interest paid**

(Amount in Rupees)	
Financial year	Penal interest paid
2004-05	Nil
2005-06	558748.00
2006-07	250378.00
2007-08	356923.00
2008-09	13790.00
2009-10	740903.00
<b>Total</b>	<b>1920742.00</b>

**Appendix-2.1**  
**(Refer paragraph 2.1.2; page-81)**  
**Statement showing details of non-accountal of foodgrains**

(Quantity in MT)

District	Received by SFC		Shown issued by SFC		Balance shown with SFC		Shortage with SFC		Shown received by Agencies		Shortage in issue	
	Rice	Wheat	Rice	Wheat	Rice	Wheat	Rice	Wheat	Rice	Wheat	Rice	Wheat
Sahebganj	8747.72	9173.44	9761.00*	7574.06	(-) 1013.28*	1599.39	Nil	Nil	7643.07	5898.11	2117.93	1675.95
Pakur	29275.71	14609.78	16200.69	11149.67	223.15	5.69	12851.87	3454.42	12075.76	8555.10	4124.93	2594.57
<b>Total</b>	<b>38023.43</b>	<b>23783.22</b>	<b>25961.69</b>	<b>18723.73</b>	<b>223.15</b>	<b>1605.08</b>	<b>12851.87</b>	<b>3454.42</b>	<b>19718.83</b>	<b>14453.21</b>	<b>6242.86</b>	<b>4270.52</b>

**Shortage:**

**With SFC:-** Rice 12851.87 x 12100 = 15,55,07,627.00  
Wheat 3454.42 x 9226 = 3,18,70,478.92  
18,73,78,105.92 (A)

**With Agencies:-** Rice 6242.86 x 12100 = 7,55,38,606.00  
Wheat 4270.52 x 9226 = 3,93,99,817.52  
11,49,38,423.52 (B)

**Loss due to deterioration**

Rice 152.45 x 12100 = 18,44,645.00  
Wheat 1.40 x 9226 = 12,916.40  
18,57,561.40 (C)

Grand Total :- (A)+(B)+(C) = Rs.30,41,74,090.84

\* Including 1013.28 MT issued from foodgrain of other sources.

### Appendix-2.2

(Refer paragraph 2.1.5; page- 84 )

#### Statement showing interest on idle amount

(A) Interest on idle amount of Rs 24 crore during 2008-09 (for one year) *i.e.* Rs 24 crore x 8.5%= Rs 204.00 lakh

(B) Interest on balance amount (kept in TWC) of Rs 8.74 crore (Rs 24 crore-15.26 crore) for 9 months = Rs 8.74 crore x 8.5% x 9/12= Rs 55.72 lakh

(C) Interest accrued on borrowed loan which was allotted to seven districts (01.04.09 to 31.12.09) (9 months)

(Rs in lakh)

Sl. No.	Name of District	Amount allotted (2008-09)	Expenditure Incurred during 2009-10	Balance amount	Prevailing rate of interest in saving account	Rate of interest (charged by HUDCO)	Difference of interest rate applicable	Amount
1	Gumla	166.38	83.19	83.19 (kept in SB a/c)	3.5 %	8.5%	5%	3.12
2	Latehar	64.86	37.00	27.86 (kept in SB a/c)	3.5 %	8.5%	5%	1.04
3	Dumka	267.90	Nil	267.90 (Kept in civil deposit)	Nil	8.5%	8.5%	17.08
4	Pakur	211.50	46.44	165.06 (Kept in PL a/c)	Nil	8.5%	8.5%	10.52
5	Sahebganj	265.79	Nil	265.79 (kept in SB a/c)	3.5 %	8.5%	5%	9.97
6	Jamtara	136.07	Nil	136.07 (kept in SB a/c)	3.5 %	8.5%	5%	5.10
7	Godda	211.50	40.54	171.00 (kept in SB a/c)	3.5 %	8.5%	5%	6.41
<b>Total</b>				<b>1,116.87</b>				<b>53.24</b>

**Total interest accrued = (A)+(B)+(C)= Rs 204.00 lakh+ Rs 55.72 lakh+Rs 53.24 lakh= Rs 312.96 lakh i.e Rs 3.13 crore.**



**Appendix –2.3**

**(Refer paragraph 2.2.1; page- 85)**

**Statement showing extra payment of interest**

*(Amount in Rupees)*

SI No	Name of village	Area of land	Date of award	Amount of Award	Amount of award paid	Amount of unpaid award (5-6)	Total amount paid	Amount of interest paid (8-6)
1.	2.	3.	4.	5.	6.	7.	8.	9.
1	Amla Tola	7.75	25.7.91	279170.95	182687.34	96483.61	614158.34	431471
2	Baduri	11.75	06.01.90	238957.02	209911.71	29045.31	758393.65	548481.94
3	Bara Gidhi	1.29	06.09.91	56798.78	56729.78	69.00	194330.38	137600.6
4	Baddih	171.56	22.09.91	4317408.77	407002.41	3910406.36	12636358.04	12229355.45
5	Iligarha	770.79	07.02.89	23332725.4	21063817.78	2268907.62	52259849.78	31196031.38
6	Ganjia	4.77	10.09.89	144733.28	141786.9	2946.38	469551.38	327764.48
7	Ghaghra	210.71	25.02.90	6633636.25	5781984.8	851651.45	17418558.64	11636573.84
8	Hindudih	30.28	27.06.90	1114639.92	1021546.74	93093.18	3486171.5	2464624.76
9	Hathisiring	216.44	26.11.88	6598617.5	1486383.34	5112234.16	5317704.51	3831321.17
10	Haribera	288.13	13.12.92	8486947.01	8431777.25	55169.76	16909626.83	8477849.58
11	Kandegutu	52.31	21.06.90	1446007.94	1426275.76	19732.18	3941941.91	2515666.15
12	Kathbhari	22.56	30.06.91	676395	141786.9	534608.1	1764551.85	1622764.95
13	Karia Sindri	28.91	28.06.90	882788.95	561730.84	321058.11	808456.55	246725.71
14	Kulaburu	713.3	27.06.89	20978381.45	16289916.96	4688464.49	40817870.05	24527953.09
15	Nimdih	241.9	15.11.88	6722419.19	6429061.31	293357.88	21866947.89	15437886.58
16	Rajabasa	25.24	31.03.92	785520.56	182687.34	602833.22	2202676.68	2019989.34
17	Shyamsundarpur	21.24	12.05.89	668894.03	610233.17	58660.86	2161782.53	1551549.35
18	Yadudih	274.03	29.04.92	9983579.86	9505845.23	477734.63	25964936.17	16459090.94
	<b>Total</b>			<b>93347621.86</b>	<b>73931165.56</b>	<b>19416456.3</b>	<b>209888851.1</b>	<b>135662700.32</b>

## Annexure – 2.4

(Refer paragraph 2.3.4; page-94)

## Statement showing cost of unused pipes

Description of DI* pipes (Dia in mm)	Rate (Rs per meter)	Pipes supplied		Pipe laid		Unused pipes	
		<i>(Rupees in lakh)</i>					
		Quantity (In meter)	Cost	Quantity (In meter)	Cost	Quantity (In meter)	Cost
100	676.60	135311.00	915.51	134586.16	910.60	724.84	4.91
150	984.60	56798.50	559.24	56700.26	558.26	98.24	0.98
200	1420.50	19845.50	281.91	19493.38	276.65	352.12	5.26
250	1907.60	12285.12	234.36	12284.38	234.34	0.74	0.02
300	2452.70	7322.95	179.63	6332.85	155.32	990.10	24.31
350	3219.76	5017.50	158.95	4835.90	153.22	181.60	5.73
400	3788.25	2121.50	80.35	2066.54	78.29	54.96	2.06
450	4545.40	3950.30	178.38	3578.99	161.60	371.31	16.78
500	5402.81	2264.50	122.34	2248.85	121.50	15.65	0.84
600	7206.70	1861.15	137.15	1849.05	136.28	12.10	0.87
750	10370.49	36.00	3.73	26.00	2.70	10.00	1.03
<b>Total</b>		<b>246814.02</b>	<b>2851.55</b>	<b>244002.36</b>	<b>2788.76</b>	<b>2811.66</b>	<b>62.79</b>
<b>Less 2.8 per cent (as per agreement)</b>			<b>79.84</b>		<b>78.09</b>		<b>1.76</b>
<b>Actual amount paid</b>			<b>2771.71</b>		<b>2710.67</b>		<b>61.03</b>

\* DI = Ductile Iron.

**Appendix-2.5**  
**(Refer paragraph 2.3.6; page -96)**  
**Statement showing the status of tractors**

Sl. No.	District	Receipt	Lying idle since	Reasons
1.	Pakur	15.03.2003	Since date of supply	No operator and supply defective tractor.
2.	Ranchi	23.05.2003	-Do-	No operational tyre, battery and another articles operation position
3.	Garhwa	12.09.2003	-Do-	No operator
4.	Saraikela	18.11.2003	-Do-	Rafetar and compressor out of order and non registration
5.	Chaibasa	23.06.2003	-Do-	No operator
6.	Gumla	13.09.2003	-Do-	No operator
7.	Bokaro	2003	-Do-	No operator
8.	Sahebganj	30.07.2003	-Do-	Not Maintained
9.	Hazaribagh	23.06.2003	-Do-	Not in position
10.	Godda	11.07.2003	Idle since receipt in Meharma Prakshetra	Not fit for every agriculture field
11	Chatra	24.08.2003	275 Hectare and lying out of order	No operator and lying out of order
12.	Dhanbad	18.11.2003	Used in Govindpur Farm. Lying not in order from 2006	Due to lack of operator
13.	Latehar	16.09.2003	In Mahuatand Farm	Operator on leave
14.	Koderma	14.08.2003	Only 155 Hectare and lying out of order	No operator
15	Giridih	26.07.2003	Lying out of order from October 2004	Not maintained
16.	Jamtara	09.10.2003	Lying out of order from November 2006.	-do-
17.	Dumka	10.10.2003	Lying out of order from 08.07.2007	No operator
18.	Simdega	17.09.2003	Used in farm and cultivation and out of order, date not maintained	Not maintained
19.	Jamshedpur	23.06.2003	Used 392 hours, out of order since Oct. 2007	Not maintained
20.	Daltonganj	13.07.2003	Used from 2.11.2003 to 04.12.2003 and after that out of order	Appointed for big tractor.

**Appendix-2.6**  
**(Refer paragraph 2.3.6: page- 96 )**  
**Statement showing the status of rice milling units/mobile seed units/rice by-product industrial units/value-added units**

S.N.	District	Receipt	Lying idle since	Reasons
1.	Dumka	15.05.2006	15.05.2006	No operator
2.	Hazaribag	23.06.2006	23.06.2006	Rice by product not established due to non demarcation of land. A letter was issued to Director of Agriculture
3.	Ranchi	6/2006	6/2006	Rice milling and Rice bye product lying idle since inception due to lack of fund.

## Appendix – 2.7

(Refer paragraph 2.6.4; page- 103)

## Outstanding inspection reports and paragraphs as on 30 June 2009

Year	Works			RVP			OAD		
	IR	Para		IR	Para		IR	Para	
		Sec-A	Sec-B		Sec-A	Sec-B		Sec-A	Sec-B
1984-85	2	1	2	-	-	-	-	-	-
1985-86	0	0	0	-	-	-	-	-	-
1986-87	2	3	1	-	-	-	-	-	-
1987-88	1	0	1	5	4	4	-	-	-
1988-89	7	2	10	2	0	4	-	-	-
1989-90	6	2	8	28	39	9	-	-	-
1990-91	11	5	8	22	34	22	-	-	-
1991-92	10	1	9	41	91	60	-	-	-
1992-93	5	1	5	24	27	8	-	-	-
1993-94	21	12	15	37	69	4	-	-	-
1994-95	18	12	13	22	15	37	-	-	-
1995-96	27	10	34	28	26	74	-	-	-
1996-97	35	43	29	24	45	79	-	-	-
1997-98	15	34	21	31	29	81	-	-	-
1998-99	22	9	22	19	29	70	-	-	-
1999-00	29	21	28	11	18	46	-	-	-
2000-01	82	65	380	18	31	63	-	-	-
2001-02	114	67	466	53	37	211	-	-	-
2002-03	154	170	641	33	23	71	-	-	-
2003-04	134	150	596	41	51	236	469	283	1876
2004-05	125	171	527	32	37	155	396	428	1874
2005-06	133	186	565	46	46	319	375	378	1849
2006-07	173	245	934	44	52	195	234	446	937
2007-08	132	249	762	35	17	148	272	398	1281
2008-09	83	205	413	24	21	80	217	95	1226
<b>Total</b>	<b>1341</b>	<b>1664</b>	<b>5490</b>	<b>620</b>	<b>741</b>	<b>1976</b>	<b>1963</b>	<b>2028</b>	<b>9043</b>

**Appendix -3.1**

**(Refer paragraph 3.1.8.2; page- 114)**

**Equipment for Emergency Operation Centres, District Level**

<b>Equipment</b>	<b>Basic Requirement</b>
<b>Communication Equipment</b>	
Telephones <ul style="list-style-type: none"> <li>• PSTN</li> <li>• Internal</li> <li>• VOIP</li> </ul>	2 2 2
Mobile Phones	2
Satellite Phones <ul style="list-style-type: none"> <li>• Inmarsat Mini M or Global mobile (Iridium/Thuraya)</li> </ul>	1
Phone Units connected to State WAN (where ever possible) <ul style="list-style-type: none"> <li>• Hot line communication line with district EOCs.</li> </ul>	2
Fax Machine	1
Wireless/VHF central unit/switch <ul style="list-style-type: none"> <li>• Handsets (walkie -talkie)</li> </ul>	1 2
Television Set	1
H.F. Ham Radio set	1
Marine Warning Radio	1
Video conference unit (to be compatible with the NIC video conferencing network)	1
Inverter for Power back up	1
Portable Diesel/Petrol/K-oil Generator Set (15 KVA rating)	1
Vehicles: Two wheeler	1
<b>Computer Hardware &amp; other Equipment</b>	
Desktop Computers (Preloaded with MS Office with necessary peripherals (Modem, UPS, CVTs, CDRW)	3
Printer, Scanner, Fax (Multi unit machines)	1
Camera (Digital/Ordinary)	1
GPs Unit (Hand held)	1
Overhead Projector/LCD Panel/ Projector Screen	1
<b>Software</b>	
GIS software (Arc view)	1
Designating software (Adobe Photoshop, Dream River etc.)	1

## Appendix-3.2

(Refer paragraph 3.1.10; page-118)

## Statement showing sanctioned strength and men-in-position

Sl. No	Designation	Sanctioned Strength	Men in Position	Vacancy
1	Secretary	01	01	-
2	Additional Secretary	01	-	01
3	Joint Secretary	01	01	-
4	Deputy Secretary	01	-	01
5	Under Secretary	05	01	04
6	Secretary to Secretary	01	-	01
7	Private Secretary	02	02	-
8	Section Officer	08	06	02
9	Assistant	16	03	13
10	Personal Assistant	05	-	05
11	Assistant Statistical Officer	01	01	-
12	Junior Statistical Assistant	01	01	-
13	Typist	06	02	04
14	Driver	04	01	03
15	Routine Clerk	08	01	07
16	Accountant	01	-	01
17	Peon	14	12	02
18	Treasury Messenger	01	-	01
19	Computer operator (Contract Basis)	02	01	01

*(Source: Disaster Management Department Figures)*

**Appendix – 4.1**

(Refer paragraph 4.1.7; page-122 )

**Statement showing particulars of up-to-date paid-up capital, loans outstanding and manpower as on 31 March 2009 in respect of Government Companies and Statutory Corporations**

*(Figures in column 5 (a) to 6 (c) are Rupees in lakh)*

Sl. No	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital <sup>\$</sup>				Loans <sup>**</sup> outstanding at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year)	Manpower (No. of employees) (as on 31.3.2009)
				State Government	Central Government	Others	Total	State Governm ent	Central Govern- ment	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6 (b)	6 (c)	(7)	(8)
<b>A. Working Government Companies</b>													
<b>AGRICULTURE &amp; ALLIED</b>													
1.	Jharkhand State Forest Development Corporation Ltd. (JSFDC)	Forest & Environment	27.3.2002	5.00	-	-	5.00	-	-	-	-	-	436
2.	Jharkhand Hill Area Lift Irrigation Corporation Ltd. (JHALCO)	Water Resources	22.3.2002	500.00	-	-	500.00	525.00	-	-	525.00	1.05:1 (1.05:1)	273
<b>Sector wise total</b>				<b>505.00</b>	<b>-</b>	<b>-</b>	<b>505.00</b>	<b>525.00</b>	<b>-</b>	<b>-</b>	<b>525.00</b>		<b>709</b>
<b>INFRASTRUCTURE</b>													
3.	Jharkhand Industrial Infrastructure Development Corporation Ltd. (JIIDCO)	Industry	15.12.2004	500.00	-	-	500.00	-	-	-	-	-	17
4.	Jharkhand Police Housing Corporation Limited (JPHCL)	Home	13.03.2002	200.00	-	-	200.00	-	-	-	-	-	76
5.	Greater Ranchi Development Agency Ltd.(GRDA)	Urban Development	23.01.2003	1100.00 (1050.00)	-	-	1100.00 (1050.00)	-	-	-	-	-	11
<b>Sector wise total</b>				<b>1800.00 (1050.00)</b>	<b>-</b>	<b>-</b>	<b>1800.00 (1050.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>104</b>
<b>MANUFACTURING</b>													
6.	Jharkhand Silk Textile and Handicraft Corporation Limited (JHARCRAFT)	Industry	23.08.2006	500.00 (100.00)	-	-	500.00 (100.00)	-	-	-	-	-	38
7.	Jharkhand State Mineral Development Corporation Ltd. (JSMDC)	Mines & Geology	07.05.2002	200.00	-	-	200.00	-	-	-	-	-	437
<b>Sector wise total</b>				<b>700.00 (100.00)</b>			<b>700.00 (100.00)</b>						<b>475</b>
<b>POWER</b>													
8	Tenughat Vidyut Nigam Limited.(TVNL)	Energy	26.11.1987	10500.00	-	-	10500.00	66500.00	-	-	66500.00	6.33:1 (6.34:1)	693

Sl. No	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital <sup>\$</sup>				Loans <sup>**</sup> outstanding at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year)	Manpower (No. of employees) (as on 31.3.2009)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6 (b)	6 (c)	(7)	(8)
	<b>Sector wise total</b>			<b>10500.00</b>	-	-	<b>10500.00</b>	<b>66500.00</b>	-	-	<b>66500.00</b>		<b>693</b>
	SERVICE												
9.	Jharkhand Tourism Development Corporation Ltd. (JTDC)	Tourism	22.3.2002	75.00	-	-	75.00	-	-	-	-	-	76
	<b>Sector wise total</b>			<b>75.00</b>	-	-	<b>75.00</b>	-	-	-	-	-	<b>76</b>
	<b>Total A (All sector wise working Government companies) (Share Application Money)</b>			<b>13580.00 (1150.00)</b>			<b>13580.00 (1150.00)</b>	-		-	<b>67025.00</b>	-	<b>2057</b>
	<b>B. Working Statutory corporations</b>							-		-			
	POWER												
1.	Jharkhand State Electricity Board (JSEB)	Energy	20.3.2001	-	-	-	-	303911.00	-	6554.00	310465.00	-	6953
	<b>Sector wise total</b>			-	-	-	-	<b>303911.00</b>	-	<b>6554.00</b>	<b>310465.00</b>	-	<b>6953</b>
	<b>Total B (All sector wise working Statutory corporations)</b>			-	-	-	-	<b>303911.00</b>	-	<b>6554.00</b>	<b>310465.00</b>	-	<b>6953</b>
	<b>Grand Total (A + B) (Share Application Money)</b>			<b>13580.00 (1150.00)</b>	-	-	<b>13580.00 (1150.00)</b>	<b>370936.00</b>	-	<b>6554.00</b>	<b>377490.00</b>	-	<b>9010</b>
	<b>C. Non working Government companies</b>	NIL	-	-	-	-	-	-	-	-	-	-	-
	<b>D. Non working Statutory corporations</b>	NIL	-	-	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A + B + C + D) (Share Application Money)</b>			<b>13580.00 (1150.00)</b>	-	-	<b>13580.00 (1150.00)</b>	<b>370936.00</b>	-	<b>6554.00</b>	<b>377490.00</b>	-	<b>9010</b>

The figures appear in bracket in col. 5(a) & 5(d) represents share application money.

<sup>\$</sup> Paid-up capital includes share application money.



**Appendix – 4.2**

**(Refer paragraph 4.1.10; page-123)**

**Statement showing grants and subsidies received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2009**

*(Figures in column 3 (a) to 6 (d) are Rupees in lakh)*

Sl. No.	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year <sup>@</sup>		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
(1)	(2)	3 (a)	3 (b)	4 (a)	4 (b)	4 (c)	4 (d)	5 (a)	5 (b)	6 (a)	6 (b)	6 (c)	6 (d)
<b>A. Working Government Companies</b>													
<b>AGRICULTURE &amp; ALLIED</b>													
1.	JSFDC	-	-	-	-	-	-	-	-	-	-	-	-
2.	JHALCO	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sector wise total</b>		-	-	-	-	-	-	-	-	-	-	-	-
<b>INFRASTRUCTURE</b>													
3.	JIIDCO	-	-	-	-	-	-	-	-	-	-	-	-
4.	JPHC	-	-	-	-	-	-	-	-	-	-	-	-
5.	GRDA	940	-	-	-	-	-	-	-	-	-	-	-
<b>Sector wise total</b>		<b>940</b>	-	-	-	-	-	-	-	-	-	-	-
<b>MANUFACTURING</b>													
6.	JHARCRAFT	100	-	-	-	-	-	-	-	-	-	-	-
7.	JSMDC	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sector wise total</b>		<b>100</b>	-	-	-	-	-	-	-	-	-	-	-
<b>POWER</b>													
8.	TVNL	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sector wise total</b>		-	-	-	-	-	-	-	-	-	-	-	-
<b>SERVICES</b>													
9.	JTDC	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sector wise total</b>		-	-	-	-	-	-	-	-	-	-	-	-
<b>Total A (All sector wise working Government companies)</b>		<b>1040</b>	-	-	-	-	-	-	-	-	-	-	-

Sl. No.	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year <sup>@</sup>		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
(1)	(2)	3 (a)	3 (b)	4 (a)	4 (b)	4 (c)	4 (d)	5 (a)	5 (b)	6 (a)	6 (b)	6 (c)	6 (d)
	<b>B. Working Statutory corporations</b>												
	Power												
1.	JSEB	-	22491	-	8000	-	8000	-	-	-	-	-	-
	<b>Sector wise total</b>												
	<b>Total B (All sector wise working Statutory corporations)</b>	-	22491	-	8000	-	8000	-	-	-	-	-	-
	<b>Grand Total (A + B)</b>	1040	22491	-	8000	-	8000	-	-	-	-	-	-

**Appendix – 4.3**

**(Refer paragraph 4.1.14; page- 125)**

**Summarised financial results of Government Companies and Statutory Corporations for the latest year for which accounts were finalised**

*(Figures in column 5 (a) to (6) and (8) to (10) are Rupees in lakh)*

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comments	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed <sup>@</sup>	Return on capital employed <sup>s</sup>	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>A. Working Government Companies</b>														
<b>AGRICULTURE &amp; ALLIED</b>														
1.	JSFDC	2005-06	2008-09	(-) 107.17	-	1.93	(-) 109.10	2257.00	-	5.00	29.19	34.04	(-) 109.10	85.75
2.	JHALCO	2006-07	2009-10	(-) 118.99	10.57	1.14	(-) 130.70	151.74	-	500.00	(-) 425.07	337.51	(-) 120.13	-
<b>Sector wise total</b>				<b>(-) 226.16</b>	<b>10.57</b>	<b>3.07</b>	<b>(-) 239.80</b>	<b>2408.74</b>	<b>-</b>	<b>505.00</b>	<b>(-) 395.88</b>	<b>371.55</b>	<b>(-) 229.23</b>	<b>-</b>
<b>INFRASTRUCTURE</b>														
3.	JIIDCO	2005-06	2008-09	24.79	-	0.02	24.77	45.06	-	100.00	24.77	4.85	24.77	510.72
4.	JPHC	2007-08	2008-09	636.43	600.00	7.80	28.63	926.82	-	200.00	535.57	734.94	628.63	85.53
5.	GRDA	2005-06	2009-10	-	-	-	-	-	-	-	-	-	-	-
<b>Sector wise total</b>				<b>661.22</b>	<b>600.00</b>	<b>7.82</b>	<b>53.40</b>	<b>971.88</b>	<b>-</b>	<b>300.00</b>	<b>560.34</b>	<b>739.79</b>	<b>653.40</b>	<b>-</b>
<b>MANUFACTURING</b>														
6.	JHARCFT	-	-	-	-	-	-	-	-	-	-	-	-	-
7.	JSMDM	2002-03	2007-08	-	-	-	-	-	-	200.00	-	208.77	-	-
<b>Sector wise total</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200.00</b>	<b>-</b>	<b>208.77</b>	<b>-</b>	<b>-</b>
<b>POWER</b>														
8.	TVNL	1993-94	2000-01	(-) 7093.85	-	-	(-) 7093.85	33482.79	-	10000.00	(-) 22182.84	58852.10	(-) 7093.85	-
<b>Sector wise total</b>				<b>(-) 7093.85</b>	<b>-</b>	<b>-</b>	<b>(-) 7093.85</b>	<b>33482.79</b>	<b>-</b>	<b>10000.00</b>	<b>(-) 22182.84</b>	<b>58852.10</b>	<b>(-) 7093.85</b>	<b>-</b>
<b>SERVICES</b>														
9.	JTDC	2003-04	2008-09	23.94	-	1.62	22.32	47.59	-	25.00	32.87	56.92	22.32	39.21

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comments	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed <sup>@</sup>	Return on capital employed <sup>\$</sup>	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>Sector wise total</b>				23.94	-	1.62	22.32	47.59	-	25.00	32.87	56.92	22.32	-
<b>Total A (All sector wise working Government companies)</b>				(-) 6634.85	610.57	12.51	(-) 7257.9	36911.00	-	11030.00	(-) 21985.51	60229.13	(-) 6647.36	-
<b>B. Working Statutory Corporations</b>														
<b>Power</b>														
1.	JSEB	2001-02	2005-06	30304.05	28787.53	6461.30	(-) 4944.78	118321.02	-	-	(-) 4944.78	438081.45	23842.75	5.44
<b>Sector wise total</b>				<b>30304.05</b>	<b>28787.53</b>	<b>6461.30</b>	<b>(-) 4944.78</b>	<b>118321.02</b>	<b>-</b>	<b>-</b>	<b>(-) 4944.78</b>	<b>438081.45</b>	<b>23842.75</b>	<b>-</b>
<b>Total B (All sector wise working Statutory corporations)</b>				<b>30304.05</b>	<b>28787.53</b>	<b>6461.30</b>	<b>(-) 4944.78</b>	<b>118321.02</b>	<b>-</b>	<b>-</b>	<b>(-) 4944.78</b>	<b>438081.45</b>	<b>23842.75</b>	<b>-</b>
<b>Grand Total (A + B)</b>				<b>23669.20</b>	<b>29398.10</b>	<b>6473.81</b>	<b>(-) 12202.71</b>	<b>155232.02</b>	<b>-</b>	<b>11030.00</b>	<b>(-)26930.29</b>	<b>498310.58</b>	<b>17195.39</b>	<b>-</b>

**Note: There is no non-working Government Company/Statutory Corporation in the State of Jharkhand.**

<sup>#</sup> Impact of accounts comments include the net impact of comments of Statutory Auditors and CAG and is denoted by (+) increase in profit/ decrease in losses (-) decrease in profit/ increase in losses.

<sup>@</sup> Capital employed represents net fixed assets (including capital works-in-progress) plus working capital except in case of finance companies/ corporations where the capital employed is worked out as a mean of aggregate of the opening and closing balances of paid up capital, free reserves, bonds, deposits and borrowings (including refinance).

<sup>\$</sup> Return on capital employed has been worked out by adding profit and interest charged to profit and loss account.

**Appendix – 4.4**

**(Refer paragraph 4.1.31; page-129)**

**Statement showing investments made by State Government in Public Sector Undertakings whose accounts are in arrears**

*(Rupees in lakh)*

Sl. No	Name of PSU	Year upto which accounts finalised	Paid up capital as per latest finalised accounts	Period during which accounts are in arrears	Investment made by State Government during the years for which accounts are in arrears			
					Equity	Loan	Grant	Others
<b>Working Companies/Corporations</b>								
<b>A. Government companies</b>								
1.	Jharkhand Hill Area Lift Irrigation Corporation Ltd.	2006-07	500.00	2007-08	-	-	-	-
				2008-09	-	-	-	-
2.	Jharkhand Police Housing Corporation Ltd.	2007-08	200.00	2008-09	-	-	-	-
3.	Jharkhand Tourism Development Corporation Ltd.	2003-04	25.00	2004-05	25.00	-	-	-
				2005-06	25.00	-	-	-
				2006-07	-	-	-	-
				2007-08	-	-	-	-
				2008-09	-	-	-	-
4.	Jharkhand State Forest Development Corporation Ltd.	2005-06	5.00	2006-07	-	-	-	-
				2007-08	-	-	-	-
				2008-09	-	-	-	-
5.	Jharkhand State Mineral Development Corporation Ltd.	2002-03	200.00	2003-04 to 2008-09	-	-	-	-
6.	Jharkhand Industrial Infrastructure Development Corporation Ltd.	2005-06	100.00	2006-07	200.00	-	-	-
				2007-08	200.00	-	-	-
				2008-09	-	-	-	-
7.	Greater Ranchi Development Agency Ltd.	2005-06	50.00	2006-07	-	-	-	-
				2007-08	110.00	-	-	-
				2008-09	940.00	-	-	-

Sl. No	Name of PSU	Year upto which accounts finalised	Paid up capital as per latest finalised accounts	Period during which accounts are in arrears	Investment made by State Government during the years for which accounts are in arrears			
					Equity	Loan	Grant	Others
8.	Tenughat Vidyut Nigam Ltd.	1993-94	10000.00	1994-95 to 2000-01	-	-	-	-
				2001-02	-	1500.00	-	-
				2002-03	-	1500.00	-	-
				2003-04	-	-	-	-
				2004-05	-	500.00	-	-
				2005-06	500.00	1400.00	-	-
				2006-07	-	800.00	-	-
				2007-08	-	-	-	-
				2008-09	-	-	-	-
9.	Jharkhand Silk and Handicraft Development Corporation Ltd.	-	-	2006-07	200.00	-	-	-
				2007-08	200.00	-	-	-
				2008-09	100.00	-	-	-
<b>Total (A)</b>					<b>2500.00</b>	<b>5700.00</b>	<b>-</b>	<b>-</b>
<b>B Statutory corporation</b>								
1.	Jharkhand State Electricity Board	2001-02	-	2002-03	-	14500.00	11482.00	-
				2003-04	-	8760.00	7500.00	-
				2004-05	-	27746.00	32265.00	-
				2005-06	-	27213.00	38848.00	-
				2006-07	-	5200.00	25000.00	-
				2007-08	-	34734.00	92114.00	-
				2008-09	-	22491.00	8000.00	-
<b>Total(B)</b>					<b>-</b>	<b>140644.00</b>	<b>215209.00</b>	<b>-</b>
<b>Total (A)+(B)</b>					<b>2500.00</b>	<b>146344.00</b>	<b>215209.00</b>	<b>-</b>

Source: Data furnished by Government companies/Statutory corporation

**Appendix – 4.5**

**(Refer paragraph 4.2.19; page- 142)**

**Statement showing variations in unit cost on same specification of materials by the same contractor in three packages**

*(Amount in rupees)*

Sl. No.	Name of the item	Latehar		Garhwa			Palamu		
		Package-E		Package-F			Package-G		
		Quantity	Ex-works rate	Quantity	Ex-works rate	Difference	Quantity	Ex-works rate	Difference
1	2	3	4	5	6	7(=6-4*5)	8	9	10(=9-4*8)
1	33/11 KV, 3.15 MVA Transformer	5	2812971	11	2933959	<b>1330868</b>	4	2963594	<b>602492</b>
2	33/11 KV, 1.6 MVA Transformer	2	165726	0	0	<b>0</b>	4	174600	<b>35496</b>
3	Potential transformer (33KV,100 VA)	10	92070	22	43430	<b>-1070080</b>	8	97000	<b>39440</b>
4	PSC Pole 9 mtr 400 Kg	1500	3499	3324	3649	<b>498600</b>	972	3686	<b>181764</b>
5	33 KV Current Transformer 100/5A	10	74577	22	77784	<b>70554</b>	8	78570	<b>31944</b>
6	33 KV Current Transformer 300-200-100/5A	10	74577	22	77784	<b>70554</b>	8	78570	<b>31944</b>
7	11 KV Current Transformer 300/5A	20	49718	22	54000	<b>94204</b>	16	52380	<b>42592</b>
8	11 KV Current Transformer 200-100/5A	20	52480	55	54737	<b>124135</b>	16	55290	<b>44960</b>
9	11 KV Potential Transformer 100 VA	40	78260	77	81626	<b>259182</b>	32	82450	<b>134080</b>
10	33 KV Pin Insulator with pins	3750	345	3324	360	<b>49860</b>	972	364	<b>18468</b>
11	33 KV Disc Insulator with Hardware	750	783	1662	816	<b>54846</b>	486	825	<b>20412</b>
12	PSC Pole 8 mtr 200 Kg	40260	1933	40260	2017	<b>3381840</b>	74000	2037	<b>7696000</b>
13	11 KV Disc Insulators with hardwares	11848	368	12800	384	<b>204800</b>	27700	388	<b>554000</b>
14	11 KV Pin Insulator with pins	77012	97	89600	101	<b>358400</b>	181000	102	<b>905000</b>
15	PSC Pole Support (8mtr/200Kg)	904	2210	1072	2305	<b>101840</b>	2286	2328	<b>269748</b>
16	Galvanised MS Channel (for Strain Insulators)	604	1243	358	1296	<b>18974</b>	762	1310	<b>51054</b>
17	Galvanised MS Channel (for A.B.	604	2072	716	2161	<b>63724</b>	1524	2183	<b>169164</b>

Sl. No.	Name of the item	Latehar		Garhwa			Palamu		
		Package-E		Package-F			Package-G		
		Quantity	Ex-works rate	Quantity	Ex-works rate	Difference	Quantity	Ex-works rate	Difference
1	2	3	4	5	6	7(=6-4*5)	8	9	10(=9-4*8)
	Switch)								
18	Galvanised MS Angles (for A.B. Switch)	604	598	358	624	<b>9308</b>	650	631	<b>21450</b>
19	A.B. Switch Horizontal type	302	8747	179	9123	<b>67304</b>	381	9215	<b>178308</b>
20	Galvanised MS Angles (for cross bracing)	1208	691	716	720	<b>20764</b>	750	728	<b>27750</b>
21	11 KV Strain Insulator with hardwares	2712	506	3216	528	<b>70752</b>	2286	533	<b>61722</b>
22	10 KVA Single phase distribution transformer	1425	31764	1468	33130	<b>2005288</b>	1647	33465	<b>2801547</b>
23	16 KVA Single phase distribution transformer	1425	44263	1099	46166	<b>2091397</b>	1015	46634	<b>2406565</b>
24	25 KVA Three phase distribution transformer	189	74116	143	77304	<b>455884</b>	165	78085	<b>654885</b>
25	11 KV XLPE Cable	150	714	150	744	<b>4500</b>	150	752	<b>5700</b>
26	MS Rail Pole 105 Lbs. 13 mtr. Long	4	29491	4	30760	<b>5076</b>	4	31070	<b>6316</b>
27	ACSR Dog Conductor	376	52020	833.77	54257	<b>1865143.49</b>	250	54805	<b>696250</b>
28	V Bracket with back clamp, nuts & bolts	34892	1105	33000	1152	<b>1551000</b>	64896	1164	<b>3828864</b>
29	Pole top Bracket with galvanised nuts & bolts	34892	552	17654	576	<b>423696</b>	51000	582	<b>1530000</b>
30	DP channel with support clamp	2684	1841	2600	1921	<b>208000</b>	5000	1940	<b>495000</b>
31	Cross bracing set for DP structure	2684	1841	2600	1921	<b>208000</b>	5000	1940	<b>495000</b>
32	Galvanised iron gantry column for 33 KV incoming and outgoing feeder	10	50638	22	52816	<b>47916</b>	8	53350	<b>21696</b>
33	Galvanised iron A-structure for 33 Kv swing bus	30	28864	66	30105	<b>81906</b>	24	30410	<b>37104</b>
34	Galvanised iron structure for AB switch	30	13166	66	13732	<b>37356</b>	24	13871	<b>16920</b>



Sl. No.	Name of the item	Latehar		Garhwa			Palamu		
		Package-E		Package-F			Package-G		
		Quantity	Ex-works rate	Quantity	Ex-works rate	Difference	Quantity	Ex-works rate	Difference
1	2	3	4	5	6	7(=6-4*5)	8	9	10(=9-4*8)
35	Galvanised iron structure for 11 kv take off	30	6445	66	6722	18282	24	6790	8280
36	Galvanised iron structure for isolators	70	6905	154	7202	45738	56	7275	20720
37	Galvanised iron structure for 33 Kv PT	5	6905	11	7202	3267	4	7275	1480
38	Galvanised iron structure of post insulator structure	135	6905	297	7202	88209	108	7275	39960
39	Galvanised iron structure of Horn gap fuse set	40	6905	88	7202	26136	32	7275	11840
40	Galvanised iron structure for 11 Kv VCB	7	6905	77	7202	22869	28	7275	10360
41	33 KV Relay and Control panel for incoming feeder	5	412359	11	150047	-2885432	4	434439	88320
42	33 KV Relay and Control panel for outgoing feeder	5	349866	11	364914	165528	4	368600	74936
43	11 KV Relay and Control panel for incoming feeder	5	321094	11	334905	151921	0	0	0
44	11 KV Relay and Control panel for outgoing feeder	35	290020	66	302494	823284	24	305550	372720
45	33 KV metering unit for incoming feeder	1	41432	11	43213	19591	4	43650	8872
46	33 KV metering unit for outgoing feeder	1	41432	11	43213	19591	4	43650	8872
47	11 KV metering unit for outgoing feeder	7	40000	66	38412	-104808	24	38800	-28800
48	ACSR Weasel conductor	2610	21379	2400	22298	2205600	2500	22523	2860000
49	Arial Bunched Cable (1x16+1x25)	12	32439	12	33834	16740	12	34176	20844
<b>Total</b>						<b>15382107.5</b>			<b>27612039</b>
<b>Grand Total</b>									<b>42994146</b>

## Appendix -4.6

(Refer paragraph 4.2.19; page-142)

## Statement showing variations in unit cost of same specification of materials by the same contractor

(Amount in rupees)

Sl. No.	Name of the item	ATSL (W. Singhbhum-I)			ATSL (Saraikela)	
		Package B			Package D	
		Quantity	Ex-works rate	Difference	Quantity	Ex-works rate
1	2	3	4	5 (=4-7*3)	6	7
1	33/11 KV, 3.15 MVA Transformer	5	5334482	609205	3	5212641
2	33/11 KV, 1.6 MVA Transformer	1	1989528	45442	3	1944086
3	Potential transformer (33KV,100 VA)	10	42504	9700	6	41534
4	PSC Pole 9 mtr 400 Kg	672	5399	82656	1442	5276
5	33 KV Current Transformer 100/5A	10	42504	9700	6	41534
6	33 KV Current Transformer 300-200-100/5A	10	42504	9700	6	41534
7	11 KV Current Transformer 300/5A	20	21806	9960	12	21308
8	11 KV Current Transformer 200-100/5A	20	20421	9320	12	19955
9	11 KV Potential Transformer 100 VA	40	20421	18640	24	19955
10	33 KV Pin Insulator with pins	1620	457	17820	3708	446
11	33 KV Disc Insulator with Hardware	648	2002	29808	1236	1956
12	PSC Pole 8 mtr 200 Kg	50535	2423	2829960	37500	2367
13	11 KV Disc Insulators with hardwares	15519	623	217266	10360	609
14	11 KV Pin Insulator with pins	102253	159	409012	77700	155
15	PSC Pole Support (8mtr/200Kg)	1218	2423	68208	897	2367
16	Galvanised MS Channel (for Strain Insulators)	442	853	8840	448	833
17	Galvanised MS Channel (for A.B. Switch)	884	1742	35360	896	1702
18	Galvanised MS Angles (for A.B. Switch)	442	323	3094	448	316
19	A.B. Switch Horizontal type	221	8584	43316	224	8388
20	Galvanised MS Angles (for cross bracing)	884	1050	21216	896	1026
21	11 KV Strain Insulator with hardwares	2490	617	34860	2691	603
22	10 KVA Single phase distribution transformer	1300	47073	1398800	1500	45997
23	16 KVA Single phase distribution transformer	1300	50535	1501500	1500	49380
24	25 KVA Three phase distribution transformer	250	81686	466500	321	79820
25	11 KV XLPE Cable	150	2492	8550	150	2435
26	MS Rail Pole 105 Lbs. 13 mtr. Long	4	49063	4480	4	47943
27	ACSR Dog Conductor	167	7615	29058	318.27	7441
28	V Bracket with back clamp, nuts & bolts	43510	773	783180	36900	755
29	Pole top Bracket with galvanised nuts & bolts	15233	190	60932	3900	186
30	DP channel with support clamp	3372	1407	107904	2460	1375
31	Cross bracing set for DP structure	3372	882	67440	2460	862

Sl. No.	Name of the item	ATSL (W. Singhbhum-I)			ATSL (Saraikela)	
		Package B			Package D	
		Quantity	Ex-works rate	Difference	Quantity	Ex-works rate
1	2	3	4	5 (=4-7*3)	6	7
32	Galvanised iron gantry column for 33 KV incoming and outgoing feeder	10	91378	20880	6	89290
33	Galvanised iron A-structure for 33 Kv swing bus	30	9692	6660	18	9470
34	Galvanised iron structure for AB switch	30	24921	17100	18	24351
35	Galvanised iron structure for 11 kv take off	6	24921	3420	18	24351
36	Galvanised iron structure for isolators	70	24921	39900	42	24351
37	Galvanised iron structure for 33 Kv PT	5	6923	790	3	6765
38	Galvanised iron structure of post insulator structure	135	11076	34155	81	10823
39	Galvanised iron structure of Horn gap fuse set	40	6923	6320	24	6765
40	Galvanised iron structure for 11 Kv VCB	7	138450	22134	7	135288
41	33 KV Relay and Control panel for incoming feeder	5	830700	94865	3	811727
42	33 KV Relay and Control panel for outgoing feeder	5	830700	94865	3	811727
43	11 KV Relay and Control panel for incoming feeder	5	623025	71150	3	608795
44	11 KV Relay and Control panel for outgoing feeder	35	623035	498400	21	608795
45	33 KV metering unit for incoming feeder	1	138450	3162	1	135288
46	33 KV metering unit for outgoing feeder	1	138450	3162	1	135288
47	11 KV metering unit for incoming feeder	7	110760	17710	7	108230
48	ACSR Weasel conductor	2890	26305	1736890	1056	25704
49	Arial Bunched Cable (1x16+1x25)	12	39459	10824	12	38557
<b>Total</b>				<b>11633814</b>		

## Appendix -4.7

(Refer paragraph 4.2.19; page- 142)

## Statement showing variations in unit cost on same specification of materials by contractors in same district

(Amount in rupees)

Sl. No.	Name of the item	ATSL (W. Singhbhum-I)			NCCL (W. Singhbhum-II)	
		Package-B			Package-C	
		Quantity	Ex-works rate	Difference	Quantity	Ex-works rate
1	2	3	4	5(=4-7*3)	6	7
1	33/11 KV, 3.15 MVA Transformer	5	5334482	9155610	5	3503360
2	33/11 KV, 1.6 MVA Transformer	1	1989528	176012	2	1813516
3	Potential transformer (33KV,100 VA)	10	42504	-540740	10	96578
4	PSC Pole 9 mtr 400 Kg	672	5399	536928	672	4600
5	33 KV Current Transformer 100/5A	10	42504	-618930	10	104397
6	33 KV Current Transformer 300-200-100/5A	10	42504	-618930	10	104397
7	11 KV Current Transformer 300/5A	20	21806	-759620	20	59787
8	11 KV Current Transformer 200-100/5A	20	20421	-787320	20	59787
9	11 KV Potential Transformer 100 VA	40	20421	-1390640	40	55187
10	33 KV Pin Insulator with pins	1620	457	-113400	1620	527
11	33 KV Disc Insulator with Hardware	648	2002	396576	648	1390
12	PSC Pole 8 mtr 200 Kg	50535	2423	10107000	45825	2223
13	11 KV Disc Insulators with hardwares	15519	623	1691571	14000	514
14	11 KV Pin Insulator with pins	102253	159	5726168	98000	103
15	PSC Pole Support (8mtr/200Kg)	1218	2423	243600	1018	2223
16	Galvanised MS Channel (for Strain Insulators)	442	853	-1326	408	856
17	Galvanised MS Channel (for A.B. Switch)	884	1742	-207740	816	1977
18	Galvanised MS Angles (for A.B. Switch)	442	323	64532	408	177
19	A.B. Switch Horizontal type	221	8584	-1998945	204	17629
20	Galvanised MS Angles (for cross bracing)	884	1050	171496	816	856
21	11 KV Strain Insulator with hardwares	2490	617	47310	1224	598
22	10 KVA Single phase distribution transformer	1300	47073	5678400	1200	42705
23	16 KVA Single phase distribution transformer	1300	50535	-670800	1200	51051
24	25 KVA Three phase distribution transformer	250	81686	59500	230	81448
25	11 KV XLPE Cable	150	2492	-51600	150	2836
26	MS Rail Pole 105 Lbs. 13 mtr. Long	4	49063	33004	4	40812
27	ACSR Dog Conductor	167	7615	-11144745	166.86	74350
28	V Bracket with back clamp, nuts & bolts	43510	773	391590	41950	764
29	Pole top Bracket with galvanised nuts & bolts	15233	190	-106631	41950	197
30	DP channel with support clamp	3372	1407	-6366336	3250	3295
31	Cross bracing set for DP structure	3372	882	-5914488	3250	2636

Sl. No.	Name of the item	ATSL (W. Singhbhum-I)			NCCL (W. Singhbhum-II)	
		Package-B			Package-C	
		Quantity	Ex-works rate	Difference	Quantity	Ex-works rate
1	2	3	4	5(=4-7*3)	6	7
32	Galvanised iron gantry column for 33 KV incoming and outgoing feeder	10	91378	-1056480	10	197026
33	Galvanised iron A-structure for 33 Kv swing bus	30	9692	-1024830	30	43853
34	Galvanised iron structure for AB switch	30	24921	390630	30	11900
35	Galvanised iron structure for 11 kv take off	6	24921	-150162	6	49948
36	Galvanised iron structure for isolators	70	24921	-581210	70	33224
37	Galvanised iron structure for 33 Kv PT	5	6923	-101235	5	27170
38	Galvanised iron structure of post insulator structure	135	11076	682155	135	6023
39	Galvanised iron structure of Horn gap fuse set	40	6923	-453680	40	18265
40	Galvanised iron structure for 11 Kv VCB	7	138450	853832	7	16474
41	33 KV Relay and Control panel for incoming feeder	5	830700	3482820	5	134136
42	33 KV Relay and Control panel for outgoing feeder	5	830700	3237550	5	183190
43	11 KV Relay and Control panel for incoming feeder	5	623025	2461310	5	130763
44	11 KV Relay and Control panel for outgoing feeder	35	623035	17170510	35	132449
45	33 KV metering unit for incoming feeder	1	138450	-45507	1	183957
46	33 KV metering unit for outgoing feeder	1	138450	-44740	1	183190
47	11 KV metering unit for incoming feeder	7	110760	77819	7	99643
48	ACSR Weasel conductor	2890	26305	11114940	2543	22459
49	Arial Bunched Cable (1x16+1x25)	12	39459	-2028	11	39628
<b>Total</b>				<b>39198800</b>		

## Appendix -4.8

(Refer paragraph 4.2.20; page- 142)

## Statement showing interest on delayed adjustment of advances made to contractors

(Amount in Rupees)

Name of the Agency	Interest on delayed adjustment of advances on Supply (up to March 2009)	Interest on delayed adjustment of advances on Erection (up to March 2009)
NECCON in JV with LUMINO Industries Ltd., Everest Engineering House and Horizon Hitech Engicon Pvt. Ltd.- Package - A	1,56,92,803	28,68,982
Associated Transrail Structures Ltd. Package - B	1,87,27,509	46,48,813
Nagarjuna Construction Co. Ltd. Package - C	1,49,66,903	33,61,474
Associated Transrail Structures Ltd. Package - D	1,63,17,878	41,50,294
IVRCL Infrastructures Ltd. Package - E	90,44,303	37,03,104
IVRCL Infrastructures Ltd. Package - F	97,25,873	47,57,136
IVRCL Infrastructures Ltd. Package - G	1,23,16,435	40,91,195
<b>Total</b>	<b>9,67,91,704</b>	<b>2,75,80,998</b>
<b>Grand Total</b>	<b>12,43,72,702</b>	

## Appendix -4.9

(Refer paragraph 4.2.22; page - 143)

## Statement showing amount of liquidated damages not recovered from the contractors

(Amount in Rupees)

Name of the Agency	Awarded cost	Liquidated damage @ 10 per cent of the awarded cost
NECCON in JV with LUMINO Industries Ltd., Everest Engineering House and Horizon Hitech Engicon Pvt. Ltd.- Package - A	1,39,38,16,300	13,93,81,630
Associated Transrail Structures Ltd. Package - B	1,40,47,35,006	14,04,73,500
Nagarjuna Construction Co. Ltd. Package - C	1,30,50,93,500	13,05,09,350
Associated Transrail Structures Ltd. Package - D	1,21,94,18,028	12,19,41,803
IVRCL Infrastructures Ltd. Package - E	1,29,83,08,929	12,98,30,893
IVRCL Infrastructures Ltd. Package - F	1,52,47,88,745	15,24,78,875
IVRCL Infrastructures Ltd. Package - G	1,85,32,54,319	18,53,25,432
<b>Total</b>	<b>9,99,94,14,827</b>	<b>99,99,41,483</b>

**Appendix -4.10****(Refer paragraph 4.6; page- 156)****List of paras involving deficiencies****PSU Name: Jharkhand State Electricity Board***(Rs in lakh)*

Sl. No.	Para	Year of IR / Para no.	Amount	Remarks
1.	Undue favour extended to the supplier by providing 100 % payment through LSC (Letter of Secured Credit) bill against the norms of the Board	10(J)/2003-04 /Para no.6	37.94	No reply
2.	Unreasonable/unnecessary purchase of materials as the materials were received three years after issue of purchase orders	10(J)/2003-04 /Para no.7	9.38	-do-
3.	Theft of electrical line materials and non-lodging of FIR	54/2003-04 /Para no.3	1974.00	-do-
4.	Short assessment of fuel surcharge due to non application of tariff provision	54/2003-04 /Para no.9	1.83	-do-
5.	Non billing of outstanding dues resulted in loss of revenue to Board	62/2003-04 /Para no.1	0.79	-do-
6.	Material not taken in store account due to delay in clearance from inspecting site Engineer/authority concerned	38/2003-04 /Para no.1	162.00	-do-
7.	Advance made on proforma invoice for supply of material was pending for adjustment	38/2003-04 /Para no.2	78.45	-do-
8.	Undue financial advantage to the supplier by waiving off penalty for delay in supply	33/2003-04 /Para no.3	0.97	As per reply no action has been taken so far
9.	Blockade of fund due to non replacement of defective materials by the supplier	59/2003-04 /Para no.4	14.65	No reply
10.	Irregular expenditure on hiring of SHAN LOCO Engine	30/2003-04 /Para no.7	25.00	As per management reply their own engine was on its trial period & was about to ready for operation very soon. Hence there is no need to spend such huge sum of money
11.	Non adjustment of excess sales tax paid to the consignor	30/2003-04 /Para no.19	44.09	No reply
12.	Blockade of fund due to non replacement of defective materials by the supplier	30/2003-04 /Para no.23	2.88	-do-
13.	Irregular payment to M/s Ramjee Power Construction (P) Ltd.	12/2003-04 /Para no.2	2.52	No reply
14.	Irregular financial aid to contractor	12/2003-04 /Para no.4	9.08	No reply

Sl. No.	Para	Year of IR / Para no.	Amount	Remarks
15.	Undue advantage given to the supplier on purchase	33/2003-04 /Para no.4	2.49	As per reply purchase order was issued by the competent authority. But reply was not specific with reference to defective purchase order.
16.	Undue benefit and probable excess payment on purchase of caustic soda lye due to defective purchase order	30/2003-04 /Para no.17	35.20	No specific reply
17.	Irregular payment on purchase of sulphuric acid	30/2003-04 /Para no.18	3.66	No specific reply
18.	Wrong application of tariff, resulted in short assessment.	54/2003-04 /Para no.5	1.27	No reply
19.	Non accountal of miscellaneous advance in cash book.	62/2003-04 /Para no.5	1.14	do
20.	Non realisation of rent from the allottee of shops.	30/2003-04 /Para no.8	43.26	do
21.	Loss of revenue due to non realisation of quarter rent from the allottees.	30/2003-04 /Para no.12	14.39	do
22.	Unadjusted advance to the supplier for supply of materials.	59/2003-04 /Para no.10	846.00	do
<b>Total</b>			<b>3310.99</b>	



<b>GLOSSARY OF ABBREVIATIONS</b>	
AAPs	Annual Action Plans
ABER	Annual Blood Examination Rate
ACMO	Additional Chief Medical Officer
ADG	Additional Director General
ANM	Auxiliary Nursing Midwives
ASHA	Accredited Social Health Activists
AWW	Anganwadi Worker
APHC	Additional Primary Health Centre
API	Annual Parasite Incidence
APOs	Annual Plans of Operations
ASDD	Agriculture and Sugarcane Development Department
BAU	Birsa Agricultural University
BAY	Birsa Awas Yojana
BHPC	Bihar State Hydroelectric Power Corporation
BNOs	Block Nodal Officers
BOMQ	Bill of Material and Quantity
BPL	Below the Poverty Line
BPR&D	Bureau of Police Research and Development
BSEB	Bihar State Electricity Board
BSUs	Basic Subscriber Units
CA	Compensatory Afforestation
CAMPA	Compensatory Afforestation Fund Management and Planning Authority
CAT	Catchment Area Treatment
CCsF	Chief Conservators of Forest
CD	Case Diaries
CE	Chief Engineer
CIPA	Common Integrated Police Application
CPWD	Central Public Works Department
CVC	Central Vigilance Commission
DCPW	Directorate of Co-ordination Police Wireless
DDAY	Din Dayal Awas Yojana
DFOs	District Forest Officers
DG&IGP	Director General and Inspector General of Police
DGS&D	Director General Supply and Disposal
DHAP	District Health Action Plan
DHM	District Health Mission
DHOs	District Horticulture Officers
DHS	District Health Society
DI	Ductile Iron
DNOs	District Nodal Officers
DOA	Director of Agriculture
DoF&E	Department of Forest and Environment
DOTS	Direct Observe Treatment Short course
DRCH	District Reproductive and Child Health Society
DRDA	District Rural Development Agency
DSS	Distribution Sub Stations

DU	Departmental Undertakings
DVC	Damodar Valley Corporation
DWSD	Drinking Water and Sanitation Department/Division
EE	Executive Engineer
FFP	Fuel wood and Fodder Project
FIR	First Information Reports
FPB	Finger Print Bureau
FSL	Forensic Science Laboratory
GDP	Gross Domestic Product
HF	High Frequency
HIMS	Health Care Information Management System
HMFWD	Health, Medical Education & Family Welfare Department
HSC	Health Sub Centre
HTSS	High Tension Special Services
HUDCO	Housing and Urban Development Corporation
IAY	Indira Awas Yojana
IDSP	Integrated Disease Surveillance Project
IEC	Information, Education and Communication
IG	Inspector General
IMR	Infant Mortality Rate
IPHS	Indian Public Health Standards
IRB	India Reserve Battalions
ISRO	Indian Space Research Organisation
JAP	Jharkhand Armed Police
JFR	Jharkhand Financial Rules
JHARCRAFT	Jharkhand Silk Textile and Handicrafts Corporation Limited
JPHCL	Jharkhand Police Housing Corporation Ltd.
JREDA	Jharkhand Renewable Energy Development Agency
JRHMS	Jharkhand Rural Health Mission Society
JSEB	Jharkhand State Electricity Board
JSHB	Jharkhand State Housing Board
JSTCDC	Jharkhand State Tribal Co-operative Development Corporation Limited
JTC	Jharkhand Treasury Code
KJP	Kutir Jyoti Programme
LOC	Letter of Credit
LRTI	Leprosy Research and Training Institute
LTCT	Low Tension Current Transformer
MART	Multi Access Radio Telephony
MDA	Mass Drug Administration
MDT	Multi Drug Therapy
MECON	Metallurgical and Engineering Consultants Ltd
MFP	Minor Forest Produce
MGM	Mahatma Gandhi Memorial
MHA	Ministry of Home Affairs
MIS	Management Information System
MMJSSA	Mukhya Mantri Janani Shishu Swasthya Abhiyan
MMPV	Medium Mines Protective Vehicle

MMR	Maternal Mortality Rate
MMU	Mobile Medical Unit
MNRE	Ministry of New and Renewable Energy
MoEF	Ministry of Environment and Forest
MOIC	Medical Officer in Charge
MOU	Memorandum of Understanding
MTP	Medical Termination of Pregnancy
NDCP	National Disease Control Programmes
NGOs	Non-Government Organisations
NIDDCP	National Iodine Deficiency Disorder Control Programme
NLEP	National Leprosy Eradication Programme
NPC	National Police Commission
NPCB	National Programme for Control of Blindness
NPCC	National Programme Coordination Committee
NPV	Net Present Value
NREGS	National Rural Employment Guarantee Scheme
NRHM	National Rural Health Mission
NSDP	National Slum Development Programme
NTPC	National Thermal Power Corporation
NVBDCP	National Vector Borne Disease Control Programme
OP	Out Posts
PCCsF	Principal Chief Conservators of Forest
PERT	Performance Evaluation and Review Technique
PHC	Primary Health Centres
PIP	Programme Implementation Plan
PLA	Personal Ledger Account
PO	Project Officer
POLNET	Police Communication Network
PRI	Panchayati Raj Institutions
PS	Police Stations
PSS	Power Sub Stations
PSUs	Public Sector Undertakings
PVCs	Portable Vaccine Carriers
PTGs	Primitive Tribe Groups
QGS	Quick Growing Species
RCH	Reproductive and Child Health
RDF	Rehabilitation of Degraded Forest
REC	Rural Electrification Corporation Limited
REIL	Rajasthan Electronics and Instruments Limited
REP	Rural Electrification Policy
RGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
RHHs	Rural households
RI	Routine Immunization
RMC	Ranchi Municipal Corporation
RNTCP	Revised National TB Control Programme
RSUs	Remote Subscriber Units
RSVY	Rashtriya Sam Vikas Yojana
RTI	Reproductive Tract Infection

RVE	Remote Village Electrification Programme
RWD	Rural Works Division
SAHIYA	female friend
SBCS	State Blindness Control Society
SC	Soil Conservation
SDD	Swarnrekha Distributory Division
SER	South-Eastern Railway
SHFS	State Health and Family Welfare Society
SHM	State Health Mission
SLCC	State Level Co-ordination Committee
SLEO	State Leprosy Eradication Officer
SLS	Solar Street Lighting System
SR	Sensational Reported
SLEC	State Level Empowered Committee
SLS	State Leprosy Society
SPR	Slide Positivity Rate
SRI	Society for Rural Industrialization
STI	Sexually Transmitted Infection
TB	Tuberculosis
TMH	Tata Main Hospital
TVNL	Tenughat Vidyut Nigam Limited
TWC	Tribal Welfare Commissioner
UDD	Urban Development Department
VAMBAY	Valmiki Ambedkar Awas Yojana
VDFs	Vaccine Deep Freezers
VHCs	Village Health Committees
VHF	Very High Frequency
VSAT	Very Small Aperture Terminals
WBM	Water Bond Macadam
WPs	Working Plans
WPC	Wireless Planning Commission
WRD	Water Resources Department
XITE	Xavier Institute of Tribal Education