

## **CHAPTER –III**

### **Chief Controlling Officer based audit of Agriculture wing of Agriculture Department**

### **3 Agriculture Department**

#### **Executive Summary**

The responsibility of the Agriculture department is to increase production and productivity of all crops including commercial crops through introduction of latest varieties of seeds, soil and water conservation, expansion of minor irrigation sources, farm mechanization, dissemination of latest technology among the cultivators and to promote organic farming, ensure availability of quality seeds and inputs and strengthening of Agriculture farms for seed multiplication as well as to train the personnel to achieve the above objectives. We conducted the audit during February to July 2011 covering the period 2007-11 and it was observed that the Annual action plans for the state as well as District level were prepared on the basis of ceilings of expenditure fixed in the guidelines of Government of India (GoI) and State Government under various schemes. Similarly the targets for production of major crops were fixed at the directorate level, keeping in view the priorities fixed by GoI and State Government. Though a target of two million tons of production of paddy and pulses was made under National Food Security Mission (NFSM) during 2007-12, the department could achieve 45 *per cent* of target as of March 2010. It was also noticed that there was improper planning and an overlapping of scheme activities.

The department also failed to motivate farmers for adoption of crop rotation system and use of latest variety seeds through field demonstration with latest and high yielding variety seeds. Audit also noticed short procurement of breeder seeds, distribution of substandard fertilizers and insecticides to the farmers, non-handing over of completed minor irrigation tanks to user groups/Gram panchayats, and foreclosure of watersheds. Full working days were not utilized by the farmers' training centers due to inadequate staff and funds.

Though there was an internal audit wing, the internal audit was not conducted as per roster despite availability of adequate staff. The State Land Use Board, even though formed, took no action to prevent the diversion of agriculture land. Project Management Team (PMT) to assist the implementation and monitoring of NFSM scheme was not formed and no concurrent evaluation was got done by the Statistical department to assess the impact of the schemes.

#### **3.1 Introduction**

Chhattisgarh is an agro-based State with gross cropped area of 47.60 lakh hectares (29.79 *per cent*) which includes 13.23 lakh hectares irrigated area. More than 80 *per cent* of total population of the state is dependent on Agriculture and the major crop of the State is Paddy. The objective of the department is to increase production and productivity of all crops through

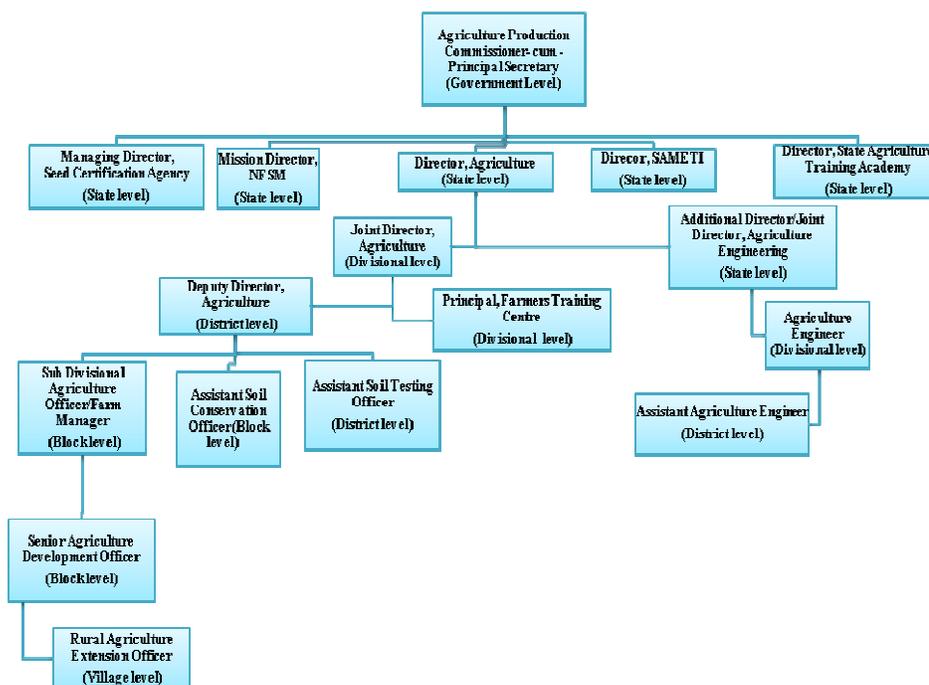
introduction of latest varieties of seeds, soil and water management, expansion of minor irrigation sources, farm mechanization, dissemination of latest technology among the cultivators, promotion of organic farming, ensuring availability of quality inputs and to train the personnel. To achieve the above objectives, the department implemented 23 State-Plan Schemes and 11 Central and Centrally Sponsored Schemes (*Appendix-3.1*).

The state of Chhattisgarh has been honoured by GoI with “*Krishi Karman*” Award for the exemplary work of supporting farmers of the State and achieving its highest ever production of Paddy during 2010-11.

### 3.2 Organisational Set-up

The Agriculture wing falls under the Agriculture department and functions under the Principal Secretary at State level, who is the Chief Controlling Officer of the Agriculture department. Director, Agriculture wing and Mission Director, NFSM are the functional heads at state level. The Director, Agriculture is assisted by Joint Directors, Agriculture (JDA) at Divisional level, Deputy Directors, Agriculture (DDA) at district level and the Agriculture engineers at Divisional level assisted by Assistant Agriculture Engineer at district level. Organizational set-up to execute the agricultural activities from the top Government level to down the village level is given below:

Chart-1-Organisational Set-up of Agriculture Wing



### **3.3 Audit Objectives**

The audit objectives were to assess the efficiency and effectiveness of the Department in achieving the targets and to assess whether:

- implementation of schemes and input management by the Department were efficient, effective and economical and dovetailing of schemes/programmes was done wherever feasible,
- the Planning and Financial Management of the Department was effective,
- the manpower management was effective and inventory controls were in place and;
- the internal control mechanism including internal audit, administrative and operational controls were in place and effective

### **3.4 Audit Coverage and Methodology**

The Directorate and subordinate field offices in six districts<sup>1</sup> were selected for test check using the Simple Random Sampling without Replacement (SRSWOR) method considering the expenditure criteria incurred in the district during 2009-10. Entry conference was held (April 2011) with the Principal Secretary, Agriculture department in which audit methodology, objective and coverage were discussed. Records of Directorate of Agriculture and 47 DDOs at district and block level were test checked. An exit conference was held (November 2011) with the Principal Secretary of the department to discuss the audit observations. The results of the discussion have been incorporated in the report at appropriate places.

### **3.5 Scope of CCO based audit**

The Chief Controlling Officer (CCO) based audit of Agriculture wing of the Agriculture department was conducted from February to July 2011 by test check of the records of 48 out of 119 DDOs of the State covering the period 2007-08 to 2010-11. Various aspects including planning, management of funds, implementation of various schemes, farm mechanization and internal control were covered in the audit of the Agriculture wing of the Department.

### **3.6 General findings of Audit**

#### **3.6.1 Planning**

Scheme wise annual action plans for the state as well as district level were prepared on the basis of ceilings of expenditure fixed in the guidelines of Government of India (GoI) and State Government under various schemes. Physical and financial targets under each scheme were fixed at the directorate level, keeping in view the priorities fixed by GoI and State Government. Eleventh five year plan was also prepared by the State Government for increasing the area and production of crops in the State on the basis of achievement made in Tenth Plan (2006-07 as base year). For Eleventh plan it

<sup>1</sup> Ambikapur, Bilaspur, Jagdalpur, Janjgir- Champa, Kabirdham and Raipur

is targeted to increase the area, production and productivity of Paddy by one per cent, 31 per cent and 133 per cent respectively in Kharif season. For pulses and oilseeds an increase of 30 and 60 per cent area and 58 per cent and 101 per cent in production is targeted respectively. The year wise targets and achievements for increase in area and production of major crops in the State during 2007-10, reported by the Directorate were as under:

**Table 1 : Details of year wise Target and achievement with respect to area and production of major crops during 2007-11**

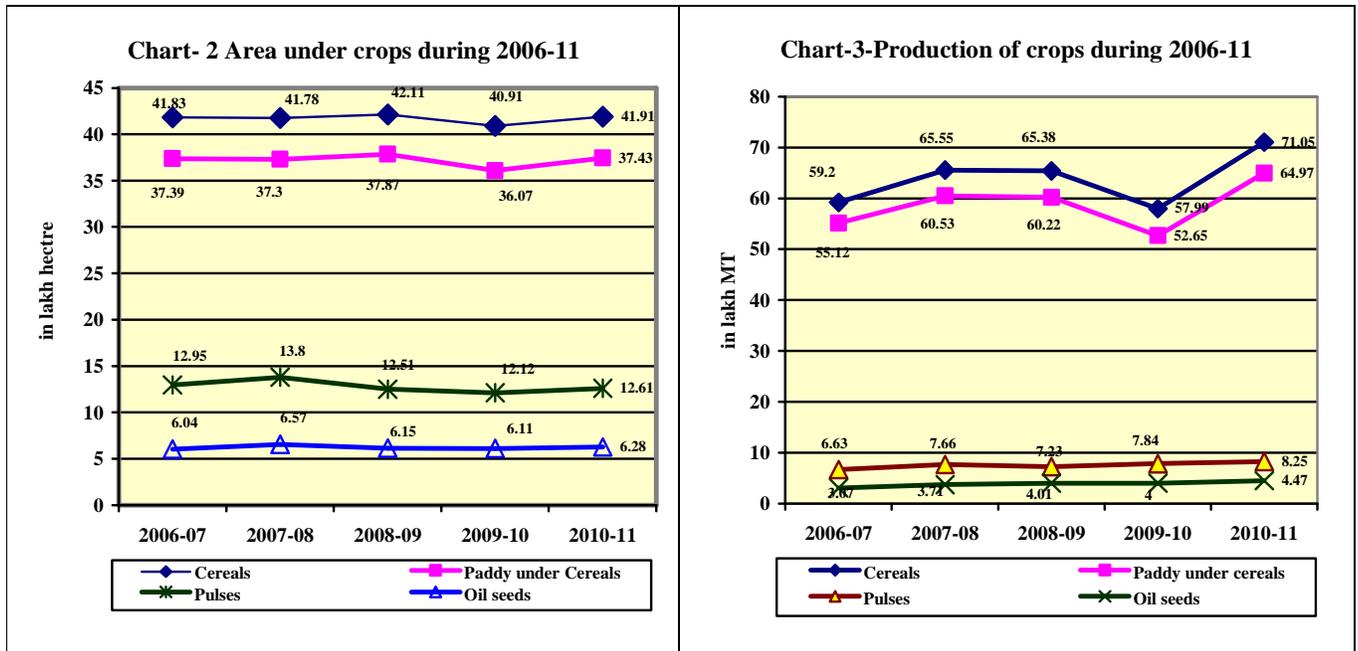
(Area in lakh hectare)

Crop	Area as per X <sup>th</sup> Plan (2006-07)	Target of Area to be achieved by the end of XI <sup>th</sup> Plan (2011-12)	Target and achievement of Area under cultivation (Kharif + Rabi)							
			2007-08		2008-09		2009-10		2010-11	
			T	A	T	A	T	A	T	A
Cereals	41.83	41.90	40.90	41.78	41.11	42.11	41.18	40.91	41.45	41.91
Of which paddy	37.39	37.15	36.20	37.30	36.85	37.87	36.63	36.07	37.83	37.43
Pulses	12.95	16.20	14.71	13.80	14.42	12.51	14.38	12.12	15.20	12.61
Oil seeds	6.04	7.80	8.13	6.57	6.81	6.15	6.81	6.11	7.24	6.28

(Production in lakh MT)

Crop	Production as per X <sup>th</sup> Plan (2006-07)	Target of production to be achieved by the end of XI <sup>th</sup> Plan (2011-12)	Target and achievement of Production (Kharif + Rabi)							
			2007-08		2008-09		2009-10		2010-11	
			T	A	T	A	T	A	T	A
Cereals	59.20	77.93	76.29	65.55	70.86	65.38	68.93	57.99	73.80	71.05
of which Paddy	55.12	70.94	70.75	60.53	65.29	60.22	62.75	52.65	66.48	64.97
Pulses	6.63	11.06	9.75	7.66	10.14	7.23	9.12	7.84	9.95	8.25
Oil seeds	3.07	5.64	4.81	3.71	5.35	4.01	4.66	4.00	5.18	4.47

(Source: Information provided by the Directorate of Agriculture)  
T= Target, A= Achievement



From the above chart, it can be seen that

- the area of Cereals and Oilseeds increased during the period while area of Pulses decreased
- the production of Cereals, Pulses and Oilseeds increased during the period.
- in respect of paddy both the area and production increased in the state.

It indicates that, even though there was increase in the production, the department could achieve 18 *per cent* in Paddy, 24 *per cent* in Pulses and 46 *per cent* in Oilseeds respectively upto 2010-11 which were far behind the target of 31, 58 and 101 *per cent* respectively to be achieved in Kharif season by 2011-12. Further, it is noteworthy to mention that at the time of preparation of 11<sup>th</sup> Plan, the two major schemes i.e. *Rashtriya Krishi Vikas Yojana* (RKVY) and National Food Security Mission (NFSM) were not in existence. These schemes were launched in 2007-08 on which huge funds were provided by the Government of India to increase the area and production of crops.

During scrutiny of plan documents of various schemes in the directorate, it was also noticed that some components/activities under Macro Management of Agriculture (MMA), RKVY, Integrated Scheme of Pulses, Oilseeds and Maize (ISOPOM) and NFSM were found to have overlapped as discussed in succeeding paragraphs. Scheme wise components which were included in more than one scheme are given in **Appendix-3.2**.

### **3.6.2 Overlapping of activities under RKVY and MMA scheme due to improper planning**

**Activities of RKVY and MMA overlapped due to non-compliance of GoI guidelines.**

A State Level Sanctioning Committee (SLSC) was constituted under RKVY which was responsible for sanctioning the projects under Stream-I of the RKVY and to ensure that no duplication of efforts or resources takes place. Government of India (GoI) further advised (June 2010) the State Government to ensure that there would be no duplication/overlapping of activities/areas covered under RKVY stream-I projects vis-à-vis existing schemes of Central or State Government.

During scrutiny of records of the schemes in the Directorate and the test checked Districts, it was observed that various agricultural equipments/machineries like tractors, power tillers, power operated/driven agricultural implements etc., were distributed both under MMA and RKVY in contravention of provisions of guidelines issued by GoI. This was despite the fact that the assistance for farm equipments asked for under MMA was entirely granted by GOI and therefore funds from RKVY ought not to have been used for providing such assistance.

Details of assistance given to the farmers on Agricultural implements/machinery under MMA as well as under RKVY in the State as a whole are given below:

**Table 2: Assistance given on agricultural implements**

Name of equipments	MMA		RKVY	
	Number	Assistance paid (₹ in crore)	Number	Assistance paid (₹ in crore)
Tractor	311	0.83	428	1.92
Power Tiller	766	3.45	810	3.65
Power driven implements	1682	1.68	2099	2.10

(Source: Yearly Progress Reports of schemes)

The above status of distribution of agricultural implements and machines both under MMA and RKVY indicated that SLSC overlooked the guidelines while sanctioning the State Agriculture Plan under RKVY.

The Government accepted (November 2011) the audit observation in the exit conference and intimated that due to non-availability of adequate funds under MMA, the funds from RKVY were utilized.

The reply is not acceptable as the assistance under MMA was sanctioned as per the requirements submitted by the State Government.

### **3.6.3 Overlapping in implementation of NFSM and ISOPOM due to improper planning**

Guidelines of NFSM provide (2007-08) that the pulse component of ISOPOM will be ceased and discontinued in the districts identified under NFSM (pulses).

During scrutiny of records of Directorate and test-checked districts, it was noticed that funds amounting to ₹ 6.53 crore were released during 2007-10 under ISOPOM (pulses) in the districts which were selected for the same components under NFSM-pulses.

Thus, due to failure of the department to comply with the GoI guidelines, ISOPOM–Pulse and NFSM –Pulse ran parallelly during 2007-08 to 2009-10 in same areas and for same components (**Appendix-3.3**).

The Government stated (November 2011) that though the same were undertaken in both the schemes, but the components were different.

Reply is not acceptable as the funds for the same components such as purchase of breeder seed, production and distribution of foundation and certified seeds, integrated pest management, plant protection chemicals, micronutrients, organizing farmers’ field school, etc., were released both under ISOPOM and NFSM in the same district.

Further, it was observed that despite operating both the schemes, production of pulses decreased from 586.73 thousand tons in 2007-08 to 584.81 thousand tons in 2009-10 in these districts.

**ISOPOM- Pulse ran parallelly in the NFSM-Pulse districts due to non-compliance of GoI guidelines.**

## **3.7 Financial Management**

### **3.7.1 Budget and expenditure**

The Department is drawing funds through Grant nos.13, 41, 45, 54 and 64 under major heads 2401, 2402, 4401, 4402 and 2702. Details of budget provision and expenditure during 2007-11 are shown below:

**Table 3: Details of Budget provision and Expenditure**

Year		Budget provision (₹ in crore)	Budget Released (₹ in crore)	Short Release (₹ in crore)	Actual Expenditure (₹ in crore)	Percentage of short release	Percentage of short utilisation
2007-08	Centre	134.38	53.66	80.72	52.18	60	3
	State	167.80	167.80	Nil	153.94	0	8
2008-09	Centre	201.86	132.46	69.40	129.53	34	2
	State	214.43	214.43	Nil	193.62	0	10
2009-10	Centre	233.96	154.07	79.89	132.06	34	14
	State	280.10	280.10	Nil	259.77	0	7
2010-11	Centre	476.42	416.39	56.03	399.41	13	4
	State	390.68	390.68	Nil	316.66	0	19

(Source: Information furnished by the Department)

The above table shows that there was short release of funds against budget provision made by the State in respect of GoI grants and the shortfall ranged between 13 and 60 per cent during 2007-11.

The percentage of shortfall in utilisation of the released funds ranged between two and 14 per cent in respect of GoI funds and seven and 19 per cent in respect of State funds.

It was noticed that the short releases were mainly under ISOPOM (₹27.79 crore), MMA (₹36.44 crore), RKVY (₹116.21 crore) and the short utilisation was due to savings mainly in pay and allowances (₹96.33 crore).

Government stated (November 2011) in the exit conference that the reasons for savings were due to non-release of funds by GoI as per budget provision, release of funds at the fag end of the financial year in some cases and non-filling of vacant posts.

Failure to use of funds and lack of initiative to fill up the vacancies every year despite budget provision indicate lack of adequate action on the part of the department to utilize the available funds.

Apart from the above, the GOI released (2007-11) funds amounting to ₹117.66 crore directly to the Mission Director, NFSM of which expenditure of ₹ 104.36 crore was incurred.

### 3.7.2 Adjustment of Temporary advances not carried out

Chhattisgarh State Financial code provides that temporary advance should be adjusted within three months from the grant of advance. Scrutiny of records of test checked districts revealed that temporary advance of ₹ 9.30 crore were given by the DDAs and Assistant Soil Conservation Officer (ASCO) of the test-checked districts to their subordinate officials during 2006-11 for distribution of assistance to the farmers and for organizing various training programmes. However, it was observed that an amount of ₹ 8.36<sup>2</sup> crore was outstanding for adjustment for three months to five years (*Appendix-3.4*). Thus, lack of effective control over the timely adjustment of the advances by the department led to non adjustment of the advances for considerable time.

**Huge amount of temporary advance of ₹ 8.36 crore were outstanding for adjustment due to lack of effective control over the utilisation of advance**

<sup>2</sup> Ambikapur - ₹ 4.62 crore, Jagdalpur- ₹ 1.22 crore, Bilaspur- ₹ 1.06 crore, Raipur - ₹ 0.94 crore, Janjgir - ₹ 0.35 crore, Kabirdham - ₹ 0.17 crore

The Government has issued (January 2012) directions to stop the release of advances till further orders.

### 3.7.3 Cash Management

Rule 284 (1) of Chhattisgarh State Treasury code provides that no money shall be drawn from the treasury unless it is required for immediate disbursement. Further, as per the instructions issued (August 2005) by the State Finance and Planning Department, any payment exceeding ₹ 2000 should be made through Bank draft/cheque.

Scrutiny revealed that in five<sup>3</sup> out of the six test checked DDAs, an amount of ₹ 55.61 crore were drawn from the treasury through bills prepared on CGTC-76 (permanent advance) on Simple Receipt (SR) proforma during 2007-11 and deposited in the scheme bank accounts. Subsequently, the amounts were withdrawn from the bank accounts and paid to the subordinate officers in cash exceeding ₹ 2000 in each case for making payment of assistance to the farmers, for organizing training, purchase of seeds for Government Farms and other purposes under various schemes. The procedure so adopted was violation of Chhattisgarh treasury rule. Further, as the amounts drawn through SR bills were shown as final expenditure in the cash book, no adjustment vouchers were submitted to Treasury.

During exit conference the Principal Secretary directed (November 2011) the Director, Agriculture to look into the matter and take immediate remedial action.

### 3.7.4 Adjustment of detailed countersigned contingent bills

As per Rule 313 of the Chhattisgarh Treasury Code, every drawing officer has to certify in each Abstract Contingent (AC) bill, that Detailed Countersigned Contingent (DC) bills for all contingent charges drawn by him prior to the first of the current month have been submitted to the respective Controlling Officers for countersignature and transmission to the Accountant General (A&E).

**AC bills of ₹ 4.15 crore were pending for adjustment due to lack of timely action by the DDOs for adjustment of advances.**

Scrutiny of records of ASCOs, Raipur, Kabirdham, Jagdalpur, Kondagaon and information collected from ASCO, Baloda Bazaar revealed that an amount of ₹19.24 crore was drawn on AC bills for construction of MITs during June 2006 to March 2011 out of which AC bills amounting to ₹ 15.10 crore were adjusted while an amount of ₹ 4.15 crore (including *cent per cent* advances of ₹ 1.51 crore and ₹ 0.59 crore drawn on AC bills by the ASCO, Jagdalpur and Kabirdham respectively) were pending for adjustment with controlling officer (*Appendix-3.5*). The DDA, Kabirdham stated that the bills were pending for want of physical verification of work executed, whereas other DDAs did not specify any reasons for pendency of DC bills.

During exit conference the Government directed (November 2011) the Director, Agriculture to take immediate action for adjustment of AC bills and to recover the advance from the concerned officials in case of non-submission of DC bills.

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<sup>3</sup> Ambikapur- ₹ 1.81crore , Bilaspur - ₹ 17.14 crore, Janjgir-Champa - ₹ 4.94 crore, Jagdalpur- ₹ 20.75 crore and Raipur - ₹ 10.97 crore

### 3.7.5 Irregular payment of income tax on the interest accrued.

As per NFSM guidelines, a separate bank account should be opened to deposit the NFSM funds received from GOI. Accordingly, a joint account in the name of Mission Director (MD) NFSM and Director, Agriculture was opened.

**Due to deposit of NFSM scheme funds in the account of SAMETI, the department had to pay income tax of ₹ 54.16 lakh on the interest earned**

It was noticed that the funds received from GoI under NFSM and RKVY were deposited in the savings account of Director, SAMETI instead of depositing in Director, NFSM account. The income from interest accrued on the funds deposited in the accounts of SAMETI was ₹ 1.62 crore which was treated as income of SAMETI by the Income Tax Department. Accordingly, income tax of ₹ 54.16 lakh (₹ 17.14 lakh deducted by bank as Tax Deducted at Source and ₹ 37.02 lakh deposited as self assessment tax) was paid by Director, SAMETI during the financial years 2007-08 to 2009-10. Had the amount been deposited in the NFSM account as per the scheme guidelines, the payment of the income tax could have been avoided and the amount could have been utilized for NFSM activities.

The Government intimated (November 2011) in the exit conference that the matter was taken up with the Income tax authorities and the same was rejected. The position was also intimated to GoI.

The reply is not acceptable as the interest earned on the deposit of scheme funds in the bank can not be treated as income of the SAMETI. Hence, the Income tax was not payable. This indicates lack of financial control on the part of financial controlling officer of the Directorate.

### 3.7.6 Delay in deposit of Government revenue in the Treasury

Rule 7 (1) of Chhattisgarh Treasury code provides that revenue received for crediting into consolidated fund of the State should be deposited into Government account immediately as and when it is received.

Test- check of records of Agriculture Engineer, Raipur (AE) revealed that ₹ 17.58 lakh was received against the rent of tractors and dozers from the various farm and non farm works but these receipts were deposited into the treasury with delay of two to 11 months. Thus, the receipts were lying out of Government account for a substantial period in gross violation of financial rules indicating improper monitoring by the DDO and lack of internal control over the field functionaries.

## 3.8 Scheme implementation

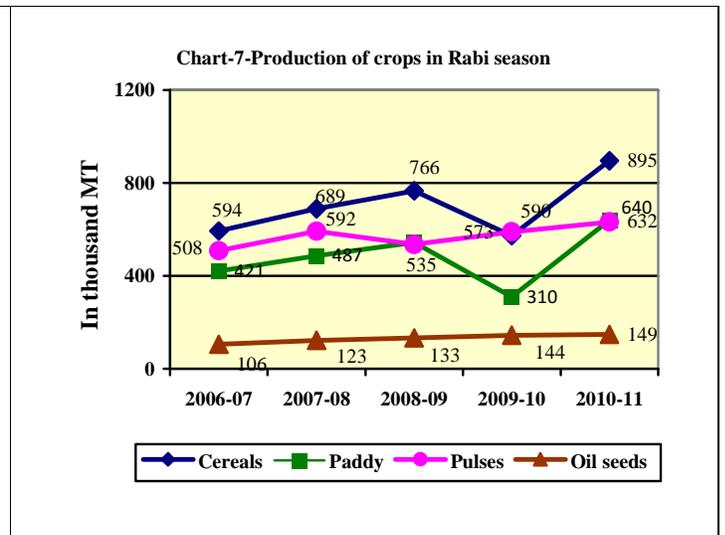
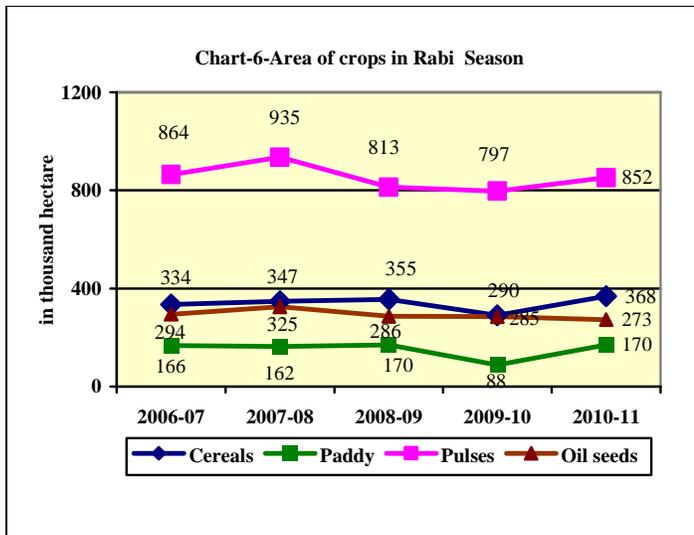
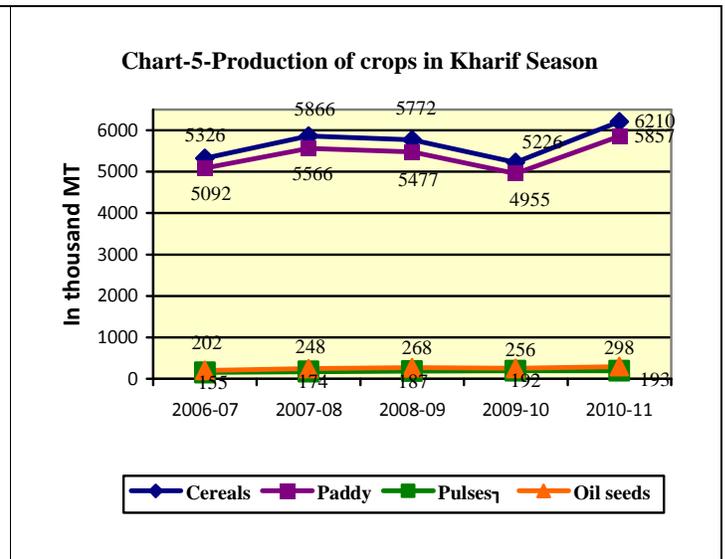
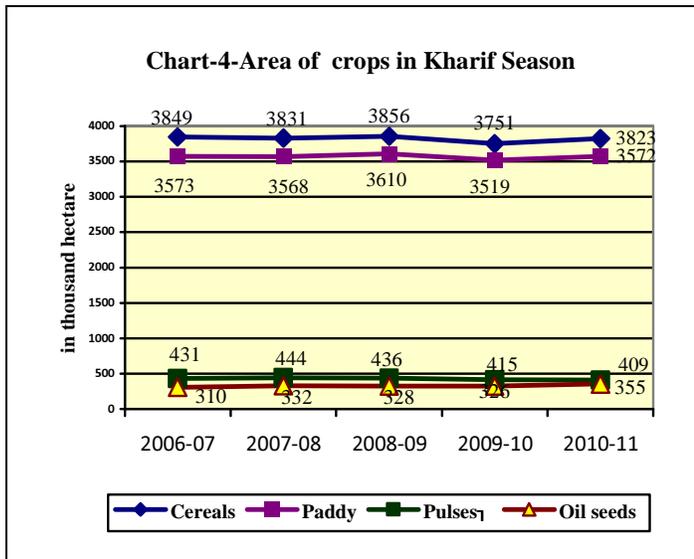
### 3.8.1 Area and Production of various crops

For increasing the production of crops, the department implemented various schemes such as NFSM, ISOPOM, MMA, RKVY, Minor irrigation, farm mechanization, etc. The targeted and actual area and production of major crops in the State during 2007-08 to 2010-11 are as follows.

**Table 4: Details of achievement with respect to targeted area and production of major crops during 2006-11**  
(Area in 'thousand hectare; Production in thousand MT)

Crops	2006-07		2007-08				2008-09				2009-10				2010-11			
	Area		Area		Production		Area		Production		Area		Production		Area		Production	
	T	A	T	A	T	A	T	A	T	A	T	A	T	A	T	A	T	A
<b>KHARIF</b>																		
Cereals <sup>4</sup>	3849	5326	3716	3831	6992	5866	3763	3856	6419	5772	3783	3751	6175	5226	3787	3823	6440	6210
Paddy	3573	5092	3450	3568	6666	5566	3520	3610	6111	5477	3537	3519	5836	4955	3633	3572	6094	5857
Pulses <sup>5</sup>	431	155	522	444	404	174	495	436	305	187	495	415	230	192	505	409	253	193
Oil seeds	310	202	410	332	327	248	351	328	299	268	344	326	289	256	360	355	314	298
<b>Total</b>	<b>8163</b>	<b>10775</b>	<b>4648</b>	<b>4608</b>	<b>7723</b>	<b>6288</b>	<b>4609</b>	<b>4622</b>	<b>7023</b>	<b>6227</b>	<b>4622</b>	<b>4494</b>	<b>6695</b>	<b>5674</b>	<b>4652</b>	<b>4587</b>	<b>7027</b>	<b>6701</b>
<b>RABI</b>																		
Cereals	334	594	374	347	637	689	348	355	667	766	335	290	718	573	358	368	840	895
Paddy	166	421	170	162	409	487	165	170	418	545	125	88	439	310	150	170	555	640
Pulses	864	508	948	935	570	592	947	813	709	535	943	797	682	590	1015	852	742	632
Oil seeds	294	106	402	325	154	123	330	286	236	133	337	285	176	144	364	273	204	149
<b>Total</b>	<b>1658</b>	<b>1629</b>	<b>1724</b>	<b>1607</b>	<b>1361</b>	<b>1404</b>	<b>1625</b>	<b>1454</b>	<b>1612</b>	<b>1434</b>	<b>1615</b>	<b>1372</b>	<b>1576</b>	<b>1307</b>	<b>1737</b>	<b>1493</b>	<b>1786</b>	<b>1676</b>

(Source: Information provided by the Directorate of Agriculture)  
T= Target, A= Achievement



<sup>4</sup> It includes paddy  
<sup>5</sup> It excludes Lithyris (Tiwda) which is not included in National Pulse Programme

From the above it can be seen that:

Against target<sup>6</sup> for increasing area of Paddy by one *per cent* and production by 31 *per cent* in Kharif season during 2007-12, the area decreased marginally by 0.03 *per cent* and production increased by only 15 *per cent* by 2010-11.

Against target for increasing area of Pulses by 30 *per cent* and production by 58 *per cent* during 2007-12, the area decreased by three *per cent* and production increased by 24 *per cent* by 2010-11.

Against target for increasing area of oilseeds by 60 *per cent* and production by 101 *per cent* during 2007-12, the area increased by four *per cent* and production increased by 46 *per cent* by 2010-11.

This indicates that target for increasing area and production of various crops could not be achieved till 2011 and there is remote possibility of achieving the targets by 2012.

The State has achieved yield of 1640 Kg/ha in Kharif season during 2010-11 in respect of Paddy. As compared to the yield of adjoining six states the yield of the State was more than the estimated yield of Odisha, Jharkhand and Madhya Pradesh but was less than the estimated yield of Maharashtra, Uttar Pradesh and Andhra Pradesh as estimated by Directorate of Economics and Statistics, Department of Agriculture and Cooperation, GoI.

During test-check of implementation of the schemes, various deficiencies were noticed as discussed below:

#### (1) *Impact of NFSM*

National Food Security Mission (NFSM), a centrally sponsored scheme, was launched in 2007-08 by the GoI. The objectives of the schemes were to increase the production of pulses by two million tons and rice by 10 million tons by the end of Eleventh-Five year Plan (2011-12) by GoI.

Under the scheme, 10<sup>7</sup> districts under NFSM-Rice and eight<sup>8</sup> districts under NFSM (Pulses) of Chhattisgarh state were selected by GoI. The department of Agriculture, Government of Chhattisgarh had committed to contribute the production of Rice and Pulses by two million tons up to 2011-12. Achievements of production targets of Rice and Pulses in the NFSM districts were as under:

**Table 5: Details of area, production and yield under NFSM**

*A= Area in thousand ha; P-Production in thousand tons Y- yields in Kg/Ha.*

Year	NFSM –Pulses			NFSM-Rice		
	A	P	Y	A	P	Y
2006-07 (Base year)	964.85	514.52	533	2190.74	3096.98	1414
2007-08	1019.93	586.73	575	2161.97	3103.34	1435
2008-09	946.82	572.59	605	2126.32	3306.72	1555
2009-10	875.22	584.81	668	2238.20	3917.90	1750

(Source: Information provided by the Directorate of NFSM and Land records)

Figures for 2010-11 Not available

It can be observed from the above table that production of pulses and rice which was 3611.50 thousand tons in base year (2006-07), increased to

<sup>6</sup> Source : The target fixed by the state Government in Annual Plan

<sup>7</sup> Dantewada, Janjgir- champa, Jashpur, Kawardha, Korba, Koriya, Raigarh, Rajnandgaon, Raipur and Surguja

<sup>8</sup> Bilaspur, Durg, Jashpur, Kawardha, Raigarh, Raipur, Rajnandgaon and Surguja

**The department could achieve only 44.56 per cent of the target of production of Rice and pulses under NFSM by the end of 2010**

4502.71 thousand tons at the end of 2009-10. Increase in production during 2007-10 was 891.21 thousand tons (0.891 million tons) against the targeted increase of production of two million tons for the plan period. While the State had 44.56<sup>9</sup> per cent growth in production in Paddy and Pulses between the three year period 2007-08 to 2009-10, the achievement of target of two million tons by the end of plan period 2007-12 is less likely to be achieved.

In this context it is significant to know that the department has not fixed any annual targets in order to reach the two million tons by the end of the period 2007-12. Further, failure in achievement of target, as analysed by audit, is also attributable to short purchase of breeder seeds of high yield varieties and failure to promote the latest varieties of seeds for demonstration, less coverage of area under pulses and late sowing of pulse crops in rabi season.

The Government stated (November 2011) in the exit conference that the failure in achievement of target of production was due to non-availability of latest high yield variety seeds and drought situation in some blocks in the State.

Thus, despite incurring an expenditure of ₹104.36 crore under the scheme, the department could increase production by only 0.89 million tons in three years. Considering the pace of existing production there is remote possibility of achieving the committed contribution of two million tons by 2011-12.

## (2) Impact of ISOPOM

With a view to increase the production and productivity of oil seeds, pulses and maize, the Integrated Scheme of Oil Seeds, Pulses and Maize (ISOPOM) was implemented in the State from the year 2004-05.

The details of Net Sown area and production of Pulses, Oil seeds and Maize in the state are as follows:

**Table 6: Details of production and productivity of crops in the State**  
(Area in '000 ha and production in '000 MT)

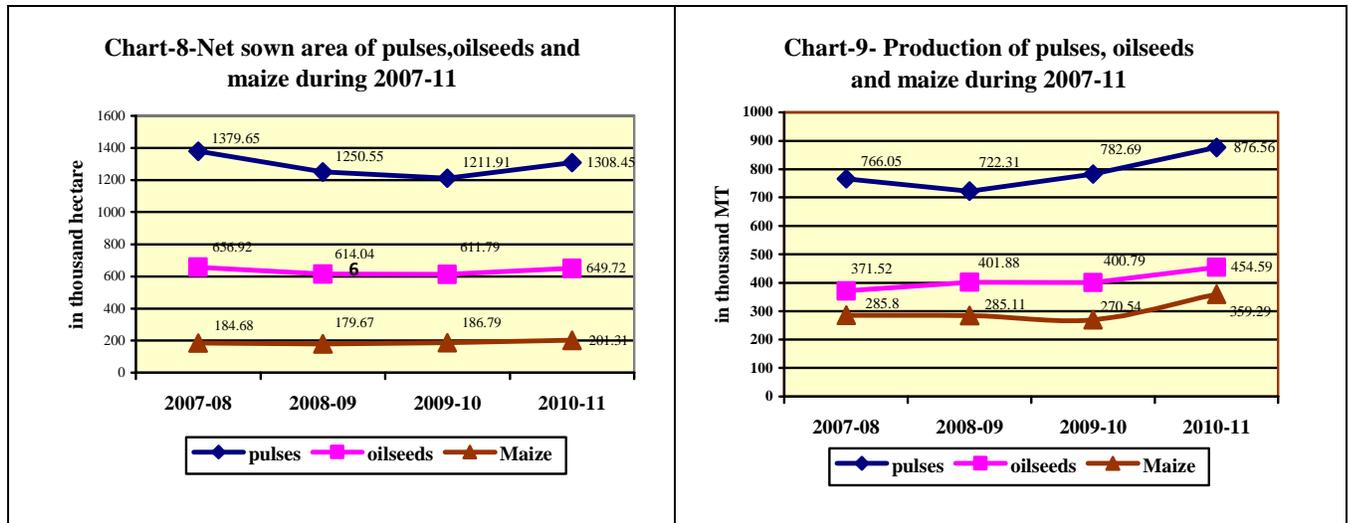
Particulars	Pulses				Oilseeds				Maize			
	2007-08	2008-09	2009-10	2010-11	2007-08	2008-09	2009-10	2010-11	2007-08	2008-09	2009-10	2010-11
Net sown area	1379.65	1250.55	1211.91	1308.45	656.92	614.04	611.79	649.72	184.68	179.67	186.79	201.31
Total production	766.05	722.31	782.69	876.56	371.52	401.88	400.79	454.59	285.80	285.11	270.54	359.29
Productivity in Kg/ha.	555	578	646	670	566	654	655	700	1548	1587	1448	1785
permissible range of productivity	800 to 2500 kg/ha <sup>10</sup>				400 to 2500 kg/ha <sup>11</sup>				2500 to 5500 kg/ha			

(Source: Information provided by the Directorate of Agriculture)

<sup>9</sup> (891.2x100/2000)=44.56 per cent

<sup>10</sup> Pulses - Moong/Udad- 8 to 15 quintals, Gram- 10 to 22 quintals, Aarhar 10 to 28 quintals, Masur- 7 to 18 quintals and Pea- 12 to 18 quintals per hectare.

<sup>11</sup> Oil seeds – Soyabean- 18 to 25 quintals, Groundnut – 12 to 22 quintals, Til- 5 to 8 quintals, Ramtil- 4 to 8 quintals, Alsi 10 to 14 quintals and Mustard – 15 to 22 quintals per hectare



From the above table it can be seen that production and productivity of pulses in the State increased by 14.43 per cent and 20.72 per cent, respectively during 2007-11 but productivity remained between 555 to 670 Kg/ha which was less than the permissible range<sup>12</sup> of productivity of 800-2500 Kg/ha. In respect of oilseeds the production and productivity has increased by 22.36 and 23.67 per cent respectively but the productivity ranged between 566 and 700 kg/ha which was on the lower side of the permissible range of 400 to 2500 kg/ha. Similarly, the production and productivity of Maize increased by 20.45 and 15.31 per cent respectively and the productivity ranged between 1448 and 1785 kg/ha which was far behind the minimum permissible range of 2500-5500 Kg/ha.

The yield of 654 Kg/ha in the State in respect of Pulses during 2010-11 was more than the estimated yield of Odisha and Jharkhand but was less than other four states. The yield of 711 Kg/ha of the State in respect of Oilseeds during 2010-11 was more than the estimated yield of Odisha but was less than the other five states.

The Department could not achieve the objective of increasing productivity and diversification of pulse and oil seed crops, despite incurring an expenditure of ₹ 53.80 crore under ISOPOM in the test-checked districts during 2007-11.

The Government stated (November 2011) in the exit conference that the non-achievement of target of production was due to non-availability of latest high yield variety seeds and drought situation in some blocks in the State.

The reply was unacceptable because it was the responsibility of the Department to arrange supply of high yielding variety seeds to the farmers and to promote other good agricultural practices like crop rotation and use of early variety of paddy.

<sup>12</sup> Source: Book “ Krishi Digidarshika” published by the Department

### 3.8.2 Performance of schemes for production and distribution of Seeds

With a view to provide quality seeds of various crops to the farmers, the Government established 17 agriculture farms in the State for functioning on no profit-no loss basis. These farms were provided with technical guidance, latest agricultural implements, irrigation facilities, fertilizers and inputs. However, due to poor performance of Government agriculture farms, the desired quantity of foundation seeds could not be produced as discussed below:

#### 3.8.2.1 Performance of Government Agriculture Farms

To assess the performance of the Government agriculture farms, records of four farms were test-checked. The targets and achievements of production of foundation seeds in three out of four test checked farms during 2008-09 to 2010-11 are shown below:

**Table 7: Year wise details of target and production of foundation seeds**

Name of the farm	Year	Target of production (in quintals)	Actual production (in quintals)	Shortfall in production (per cent)
Government Agriculture Farm, Gariyaband, Raipur	2008-09	1209	579.80	630 (52)
	2009-10	1445	904.28	540.72 (37)
	2010-11	1448	583.80	864.20 (60)
Government Agriculture Farm, Chalta Sitapur, Surguja	2008-09	444	282.66	161.34 (36)
	2009-10	697.40	339.66	357.74 (51)
	2010-11	515.80	225.50	290.30 (56)
Government Agriculture Farm, Sisal, Bilaspur	2008-09	134.00	77.80	56.20(42)
	2009-10	493.0	159.20	332.80(68)
	2010-11	406.00	96.80	309.20(76)
Government Agriculture farm, Ragja, Janjgir	2008-09	1550	1314	236(15)
	2009-10	1555	1325	230(15)
	2010-11	1555	1333	222(14)

(Source: information provided by the respective agricultural farms)

NA:- Not available

It was observed that despite providing technical guidance, latest agricultural implements, irrigation facilities, fertilizers and inputs as per recommended doses, the production of foundation seeds from breeder seeds ranged between 24 and 66 per cent except in the Government Agriculture farm, Ragja where the percentage of production ranged between 85 and 86.

**Government agriculture farms could not achieve the target of production of foundation seeds and also incurred a loss of ₹ 10.11 lakh due to improper storage and transportation**

Further scrutiny of farm produce of Government Agriculture farm, Gariyaband revealed that though 2480 quintals of paddy and 113.98 quintals of wheat seeds were produced during 2007-08 to 2010-11 in the farm, 997 quintals (40 per cent) and 12.77 quintals (11 per cent) of foundation seeds of paddy and wheat respectively were found unfit for seed production and were sold as food grains at market rates resulting in loss of ₹ 10.11 lakh.

In the exit conference (November 2011) the Government instructed the Director, Agriculture to review the performance of all the Agriculture Farms and take necessary steps for enhancing the production of seeds in the farms.

#### 3.8.2.2 Failure in dissemination of improved and latest varieties of seeds

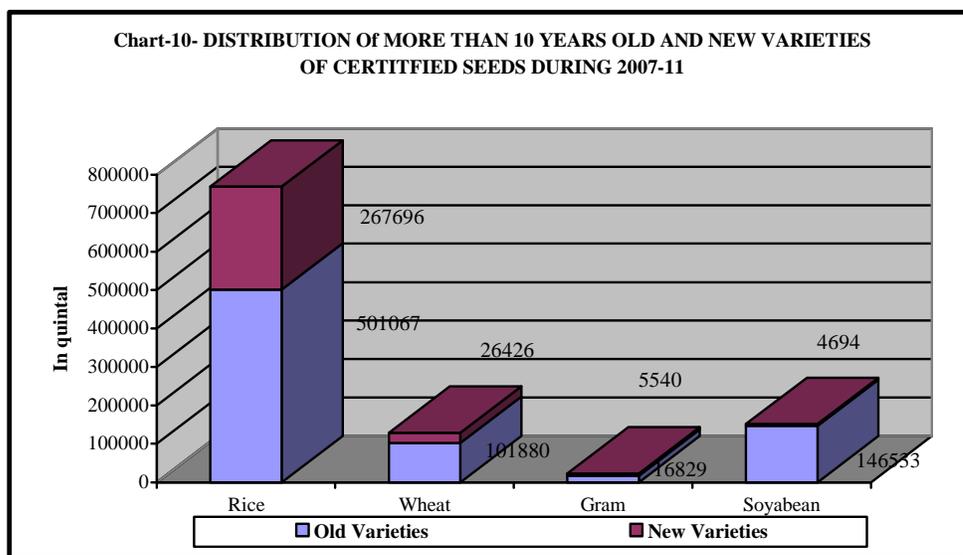
The GoI provides Central assistance to States to encourage them for distribution of certified seed varieties not older than 10 years. We observed

that the Government has been consistently distributing seed varieties older than 10 years and, simultaneously, seeking relaxation from GoI to avail Central assistance. This indicated that, while GoI has been releasing Central assistance to the States in a manner contrary to its own guidelines, the Department has been less than serious in achieving the objectives of the scheme.

**The department failed to disseminate the latest variety seeds and sought relaxation every year to use old variety seeds.**

It was noticed that during 2007-11, total distribution of certified seeds viz, Paddy, Wheat, Gram and Soyabean was 107067 tons. Out of these, 76632<sup>13</sup> tons (72 per cent) of the certified seeds distributed were 12 to 33 years old varieties (as of 2007). Though GoI had notified 328 new seed varieties of these crops during 2001 to 2008, however, only 30435 tons (28 per cent) of these new varieties of seeds were distributed by the Department.

The details of distribution of foundation and certified seeds during 2007-11 are shown below:



It may be seen from the above chart that the department distributed only 35, 21, 25 and four per cent of new variety seeds in respect of Rice, Wheat, Gram and Soyabean respectively.

The Government stated (November 2011) in the exit conference that three new varieties of seeds were introduced this year and efforts would be made to introduce some more varieties of seeds in future.

The reply indicates that the Department did not make adequate efforts to provide the latest varieties of seeds to the farmers and instead sought relaxation every year from GoI from using the latest variety seeds.

### 3.8.2.3 Under procurement of breeder seeds (Pulses and Oil seeds)

(a) Government of India guidelines envisaged the use of quality seeds of improved varieties as one of the means for increasing productivity. For this, the breeder seeds were required for producing the foundation and certified seeds.

<sup>13</sup> 34179 tons-10 to 15 years; 11741 tons- 16 to 25 years; 28575 tons- 26 to 30 years; 2137 tons- beyond 30 years

The position of purchase of breeder seeds, production of foundation and certified seeds of pulses under NFSM are as below:

**Table 8: Details of breeder, foundation and certified seeds of pulses**  
(Quantity in quintals)

Year	Purchase of Breeder Seeds		Production of foundation and certified seeds	
	Target	Achievement (per cent)	Target	Achievement (per cent)
2007-08	245	52.46 (21)	2450	2310.70 (94)
2008-09	1060	175.97 (17)	62587.50	22121.52 (35)
2009-10	590	137.72 (23)	16251	8023 (49)
2010-11	280	90.26 (32)	13000	2760.66 (21)
<b>Total</b>	<b>2175</b>	<b>456.41 (21)</b>	<b>94288.5</b>	<b>35215.88 (37)</b>

(Source: Information provided by the Directorate of Agriculture)

The department could not achieve the targeted production of foundation and certified seeds under both NFSM and ISOPOM

It would be seen from the above table that the Mission Director, NFSM failed to procure targeted quantity of breeder seeds and to achieve the targets of production of foundation and certified seeds.

(b) Similarly, to increase the production and productivity of oil seeds, pulses and maize, breeder seeds of latest high yield varieties were to be purchased for producing Foundation and Certified seeds under ISOPOM.

State-wise targets and achievements of procurement of breeder seeds, production of foundation/certified seeds and distribution of certified seeds during 2006-10 are as detailed below:

**Table 9: Details of breeder, foundation and certified seeds under ISOPOM during 2006-2010**

(Quantity in Quintal)

Seeds	Pulses		Oil Seeds		Maize	
	Target	Achievement (per cent)	Target	Achievement (per cent)	Target	Achievement (per cent)
Purchase of Breeder seeds	640	516.86 (81)	1485	1036.60 (70)	61.70	7.32 (12)
Production of Foundation Seed	9600	1447.72 (15)	18350	4423.49 (24)	1660	246.08 (15)
Production of Certified Seed	24700	13193.41 (53)	89000	105730.04(118)	3985	3287.77 (83)
Distribution of Certified Seed	34700	15071.80 (43)	223000	193598.80 (87)	2327	1416.37 (61)

(Source: Information provided by the Directorate of Agriculture)

The year wise details of production and distribution of seeds are given in the **Appendix-3.6**. It was noticed that purchase of breeder seeds for pulses was made to the extent 81 per cent and production of certified seeds of oilseeds and Maize was good. However, the achievement in respect of production of foundation seeds was between 15 and 24 per cent of the target despite providing various facilities such as irrigation, pesticides and other agricultural implements, etc to the State Agriculture farms.

The Government stated (November 2011) in the exit conference that required quantity of breeder seeds could not be procured due to short supply of these seeds by the GoI. As regards the short production of foundation and certified seeds, the Government agreed to review the same.

#### 3.8.2.4 Ineffective field demonstrations

Demonstration is an effective tool for dissemination of improved technologies. Extension functionaries were required to closely supervise the demonstration, the results of which were to be compiled and compared with the controlled plots to assess the impact. As per the guidelines of schemes, new varieties/hybrids were to be invariably incorporated for demonstration.

Scrutiny of records of Director revealed that an amount of ₹ 3.59 crore was spent on 19960 field demonstrations in the fields of farmers under ISOPOM, ICDP and NFSM during 2007-11. It was further noticed that more than 50 *per cent* seeds, purchased from Beej Nigam and distributed for demonstrations, were 12 to 33 years old (as of 2007). The purpose of the demonstration was therefore not served as the farmers were already familiar with older varieties of seeds.

Apart from this, mini kits, meant for introduction and popularization of latest released varieties and their propagation among the farmers, were to be distributed among the farmers. However, it was observed that 1,36,640 mini kits of various crops containing old variety seeds costing ₹ 2.08 crore were also procured by the DDAs under *Harit Kranti* during 2010-11 and distributed to farmers.

As compared to the performance of the controlled plots in the test checked area, the performance of plots where demonstration was conducted was better as the production was six to 57 *per cent* higher in these areas. However, the government needs to ensure availability of newer varieties of seeds for demonstration.

### 3.8.3 Soil and water conservation and irrigation facilities

The major portion of cropped area (72 *per cent*) of the state is rain fed. For providing irrigation, the Department undertakes construction of ponds, minor irrigation tanks (MIT), check dams and tubewells under various schemes. The Department could provide irrigation facilities for 13.23 lakh ha (28 *per cent*) of the gross cropped area of 47.60 lakh ha. upto March 2011. The deficiencies noticed in providing irrigation facilities and water conservation are detailed below:

#### 3.8.3.1 Foreclosure of Watershed projects

The watershed project includes soil and moisture conservation measures like construction of check dams, water harvesting structures, desilting of village ponds, treatment of drainage lines/ gullies, land leveling, bunding of farms, treatment of problem soils, agro-forestry, agri-horticulture, silvi-pasture, organic farming, use of bio-fertilizers, etc. Watershed based interventions lead to increase in groundwater recharge, increase in number of wells and water bodies, enhancement of cropping intensity, changes in cropping pattern, and higher yields of crops and reduction in soil losses.

In view of the increase in the cost norms of watershed projects from ₹ 6000/ha to ₹ 12000/ha with effect from April 2008, GoI directed (July 2009) the State Government to take up only those works under MMA which are nearing completion. Accordingly, Director, Agriculture instructed that only one project may be taken up in one block and remaining projects were to be completed through NREGA. Accordingly the demand was required to be raised by the ASCOs for completion of the incomplete projects under NREGA.

Scrutiny of records of ASCOs in the test checked districts revealed that out of total 50 sanctioned/ongoing projects in the 11<sup>th</sup> Five year plan (2007-12), 19 projects (Gariaband-5, Ambikapur-7, Bilaspur-7) were closed after three years

**Failure of the department to mobilize funds from NREGA and other schemes resulted in projects worth ₹2.24 crore remained incomplete**

by ASCOs in 2009-10 on which an expenditure of ₹ 2.24 crore had already been incurred. The ASCOs failed to take timely action to complete the watershed projects by raising demand of funds from Zila Panchayat under NREGA scheme.

The Government stated (November 2011) in the exit conference that instructions would be issued to all the DDAs to take necessary steps for raising the demand of funds from Zilla Panchayats under NREGA to complete the works. It was further stated that funding from RKVY may also be considered as an alternative source for completion of these works and explanation of ASCOs/DDAs will be called for non-submission of proposal of funds for completion of these projects under NREGA.

### **3.8.3.2 Minor Irrigation Tanks (MITs) not transferred to user groups/ Panchayats**

As per the instructions issued by the Government, the MITs constructed were to be handed over to the user group/Gram Panchayats for irrigation and regular maintenance.

**The department did not take timely action to transfer them to user groups/ panchayats**

During scrutiny of records of 10 ASCOs in the test-checked districts and further information collected from four ASCOs, it was noticed that only 343 of the 356 MITs sanctioned were reported to have been completed by ASCOs. However out of these, 202 MITs valuing ₹ 29.44 crore were not handed over to the Gram Panchayats and user groups even after lapse of one to five years (*Appendix-3.7*).

The Government intimated (November 2011) that 66 more MITs have since been transferred to Panchayats and handing over of remaining MITs is in progress.

Thus, due to inaction on the part of the department to transfer the MITs to user groups/panchayats, neither use of available water resources nor maintenance of MITs could be ensured.

## **3.8.4 Promotion of farm mechanization**

Farm power is an essential input to agriculture for timely field operations for operating different types of farm equipment. Productivity of the farm depends considerably on the availability of farm power coupled with efficient farm implements and their judicious utilization. Further, audit scrutiny revealed instances of irregular payment of assistance as discussed below:

### **3.8.4.1 Irregular payment of assistance on Tractors and Tractor driven implements.**

As per para-4(b) of RKVY guidelines, assistance is provided for purchase of agriculture implements and machinery for enhancing farm productivity. However, it was specifically provided in the RKVY guidelines that tractors were not covered under the scheme for providing assistance.

Scrutiny of records of Directorate and test-checked districts revealed that in total disregard to the provisions laid down in para 4(b) of RKVY guidelines, assistance amounting to ₹ 1.92 crore (₹ 45000 per farmer) was released to 428 farmers in the State for purchase of tractors in 2010-11.

Assistance of ₹ 1.92 crore on purchase of tractors was paid irregularly from RKVY funds in violation of GoI guidelines

Further scrutiny of records of three out of six test-checked districts revealed that assistance of ₹ 1.00 crore (DDA, Raipur ₹ 0.43 crore, DDA, Janjgir ₹ 0.42 crore and DDA, Jagdalpur ₹ 0.15 crore) was sanctioned during 2007-11 to the farmers for purchase of Tractor driven equipments/implements such as rotavators, seed drills, cultivators, etc. without ensuring the availability of Tractor with the beneficiary.

The Government accepted (November 2011) these audit observations in the exit conference and assured that necessary corrective actions shall be taken.

#### **3.8.4.2 Irregular payment of assistance for purchase of implements**

As per the guidelines of RKVY the assistance may be provided for strengthening of various existing schemes implemented by the State Government. However, the permissible limit for assistance under the existing schemes under MMA as fixed by GoI was to be adhered to by the Government while providing assistance under RKVY.

Assistance paid on agriculture implements over the maximum prescribed permissible limit from GoI funds

Scrutiny of records of test-checked districts as well as Director, Agriculture revealed that the entire assistance to the beneficiaries was paid from RKVY and the State did not contribute its share under MMA, as stipulated. This led to irregular payment of assistance of ₹ 3.78 crore from RKVY (*Appendix-3.8*) during 2010-11.

The Government stated (November 2011) in the exit conference that due to inadequate budget provision in the State budget (2010-11), the assistance of the State share was paid from RKVY.

The reply is not acceptable as the GoI fixed the maximum amount of assistance for the agricultural implements under RKVY and the same were also approved (May 2010) by SLSC but the assistance was paid over maximum limit prescribed and that too from the GoI funds.

### **3.8.5 Organic farming**

The imbalanced use of fertilizers is hazardous to human as well as soil health. To encourage use of organic fertilizer, Government is providing assistance under RKVY for production of vermi compost.

#### ***Distribution of vermi beds without ensuring supply of essential components***

As per RKVY guidelines, an assistance of 75 per cent of maximum unit cost subject to the cost of unit not being more than ₹4000, which included cost of vermi beds, worms, cow dung, leaves/grass/water and bed covers, was to be provided to farmers on purchase of portable vermi compost unit.

It was noticed in the five test-checked districts that 5035 portable vermi beds involving ₹ 1.51 crore (Raipur ₹ 0.08 crore, Jagdalpur ₹ 0.33 crore, Janjgir ₹ 0.62 crore, Bilaspur ₹ 0.33 crore and Ambikapur ₹ 0.15 crore) were distributed to the farmers through Beej Nigam without ensuring the supply of essential components for production of vermi compost such as bed covers, worms and cow dung etc, which were necessary for the production of vermi compost. No records are being maintained on verification done with respect to the availability of these essential components with the beneficiary farmers.

The Government accepted (November 2011) the audit observation in the exit conference and stated that the matter will be reviewed. It was further intimated that distribution of portable vermi beds has since been discontinued.

### **3.8.6 Distribution of quality seeds, fertilizers and pesticides**

For ensuring the distribution of quality seeds, fertilizers and pesticides the Department established seed and fertilizer testing laboratories in the State. The Senior Agriculture Development Officers (SADOs) were responsible for collection of samples of fertilizers and Seed Inspectors of the seed testing laboratories were responsible for collection of samples of seeds.

#### **3.8.6.1 Targets for collection of samples not achieved**

To ensure availability of good quality inputs, the State Government has established one seed laboratory and one fertilizer and pesticides laboratory at Raipur. As per the targets fixed, inspectors/SADOs were required to take 9495 and 9320 samples of seeds and fertilizers respectively during 2008-11. Against these, 3669 samples of seeds and 6970 samples of fertilizers were drawn by the inspectors, resulting in shortfall in achievement by 61 *per cent* in seeds and 25 *per cent* in fertilizers.

Thus, due to failure on the part of the SADOs and the Inspectors of Chhattisgarh State Seed Certification Institute to collect the targeted samples of fertilizers and seeds, the quality of seeds and fertilizers distributed to the farmers could not be ascertained.

The Government stated (November 2011) in the exit conference that reply would be given after reviewing the reasons for not collecting the targeted samples by the field functionaries. Reply of Government is awaited (February 2012).

#### **3.8.6.2 Distribution of sub-standard fertilizers to farmers**

As per provisions of Fertilizers Control Order 1986 issued by the Government of India, sample of a fertilizer drawn by the Inspectors was to be sent to laboratory for analysis. The samples were to be analyzed in the laboratory and the analysis reports were to be forwarded within 30 days. Thereafter, the results were to be communicated within 15 days to the dealer/manufacturer from whom the sample was drawn. In such cases, where samples were found sub-standard, DDA had the power to seize the stock and suspend/cancel the certificate of the dealer.

During test check of records of six selected DDAs, it was noticed that during 2007-11, out of 3588 samples of fertilizer tested in laboratory, 212 samples (six *per cent*) involving 2801.30 MT of fertilizer were found to be sub-standard. Similarly, out of 625 samples of insecticides tested, 38 samples (six *per cent*) containing 5569.20 liters were found sub-standard. However, the whole quantity of fertilizers and insecticides were distributed before receipt of the laboratory report. Thus, due to supply and distribution of fertilizers without waiting for the outcome of testing, the basic purpose of collection and analysis of samples for ensuring distribution of quality inputs to the farmers could not be fulfilled.

**Distribution of quality seeds could not be ascertained to short collection of samples of seeds by Seed inspectors/SADOs**

**Fertilizers and insecticides were distributed without receipt of test report resulting in distribution of 2801.30 MT substandard fertilizers and 5569.20 liters of substandard insecticides.**

The Government agreed (November 2011) with the audit observation in the exit conference and stated that necessary measures would be taken to test the fertilizers before distribution.

### **3.8.6.3 Performance of Soil Testing Laboratories**

The objective of establishing the soil testing laboratory was to test the nature of soil and micro nutrients available in the soil and to recommend the balanced and integrated use of fertilizers/micro nutrients for increasing agricultural production.

It was observed in the four test-checked laboratories that the laboratories were conducting tests upto 79 per cent (162329 samples received and 128624 analysed). This indicates that the testing laboratories are functioning well.

## **3.8.7 Training**

Training plays a vital role in development of the skills of the staff and farmers regarding use of fertilizers and pesticides/insecticides, high yield varieties of seeds and newly introduced techniques of farming and agricultural equipments.

### **3.8.7.1 Functioning of Agriculture Training Academy**

With a view to improve the capacity building of field workers of the Department, Chhattisgarh State Agriculture Training Academy was established at Raipur in the year 2005-06 with a set up of 22 posts. However, 12 posts of the sanctioned were filled up and no training was imparted up to March 2011.

The Department stated (November 2011) in the exit conference that a proposal for closing the Academy and post the staff of Academy in SAMETI has been submitted to the Government.

Thus, despite incurring expenditure of ₹1.28 crore, the purpose of establishing the Academy was not fulfilled. Further, the Academy was established without assessing the requirements.

### **3.8.7.2 Failure of SAMETI to utilize full working days for training**

State Agriculture Management Extension and Training Institute (SAMETI), a registered society, was formed on 17 August 2006 by the Government for imparting training to Agriculture department personnel. Since the staff set-up of SAMETI was not finalized, the services of faculty members of Agriculture Training Academy were utilized for imparting training.

Scrutiny of records of SAMETI revealed that full working days (270 working days in a year) were not being utilized for imparting training to RAEOs and other departmental officials. It was observed that only 226 working days in four years were utilized for imparting trainings and the training days ranged between 31 and 87 in a year during 2007-11.

The Government intimated (November 2011) in the exit conference that staff set-up has not yet been sanctioned by the Government. Due to shortage of staff, training could not be imparted for full working days of the year.

**SAMETI though established for imparting training, could utilize only 226 working days in four years against the available working days of 270 days in a year**

The reply indicates that SAMETI was established without any planning and due to which, the complete working days for imparting training could not be utilized.

### 3.8.7.3 Underutilization of Manpower in FTC.

Farmers Training Centers (FTC) were set up for imparting training to farmers on various aspects of agriculture farming. Farmers who attended the training were to be provided scholarship of ₹10 per day.

Scrutiny of records of three FTCs (Ambikapur, Jagdalpur and Raipur) revealed that 14 technical staff conducted 190 training sessions per year as detailed below:

**Table 10: Details of staff posted in FTC and training session conducted**

Name of FTC	Total staff posted		Target of training sessions per year	Mandays utilized in imparting training	Total expenditure during 2007-08 to 2010-11 (₹ in lakh)	
	Technical	Non-technical			Scholarship to farmers	Pay & Allowances
FTC, Raipur	06	05	10 (5 days per session)	300 (10x5x6)	1.05	87.50
FTC, Jagdalpur	02	06	10 (5 days per session)	100 (10x5x2) 50 (5x5x2)	1.15	65.84
FTC, Ambikapur	06	05	50 (1 day) 20 (2 days)	300(50x1x6) 240(20x2x6)	1.46	39.37
<b>TOTAL</b>	<b>14</b>	<b>16</b>	<b>190</b>	<b>990</b>	<b>3.66</b>	<b>192.71</b>

**Failure of the department to provide the adequate funds, the FTCs could not utilize the manpower for full working days**

The above table reveals that as against the available 3380<sup>14</sup> man days for imparting trainings, only 990 man days were utilized by the FTCs per year due to fixation of the target on the lower side by the Department. Further, it was observed that due to inadequate provision of funds for trainings, the manpower could not be utilized for full working days even after incurring expenditure of ₹ 1.93 crore on the salaries of the staff deployed in these FTCs during 2007-11. Since the department had huge savings, it could have allotted required funds to FTCs for optimum use of staff.

The Government stated (November 2011) in the exit conference that scheme funds for training purpose would be provided to all the FTCs to utilize their services.

Thus, due to failure of the department to monitor the functioning of the FTC, the services of the staff deployed in FTC could not be fully utilized and the purpose of establishing the FTCs also remained unfulfilled.

## 3.8.8 Human Resource Management

For effective functioning of the Department, performing the extension services, implementation of the schemes and for monitoring the activities a proper management of available personnel is necessary. However, deficiencies in human resource management were noticed in audit as discussed below:

### 3.8.8.1 Inadequate field staff strength

Government has sanctioned the staff strength at each level in the Department and the position of staff in the department as on 31 March 2011 was as under:

<sup>14</sup> 270 days X 14 = 3380 mandays

**Table 11: Details of sanctioned and men-in-position in Agriculture wing of the Department**

Category	Sanctioned Strength	Men-in-position	Shortage ( per cent)
Class-I (Director, JDAs and DDAs)	66	51	15 (23)
Class-II (ADAs, SDOs)	244	123	121 (50)
Class-III(SADOs/RAEOs and clerical staff)	6225	3911	2314 (37)
Class-IV (Peons)	628	513	115 (18)
<b>Total</b>	<b>7163</b>	<b>4598</b>	<b>2565 (36)</b>

The above table shows that only 64 per cent posts were filled. Further, as per norms, one RAEO for every 1000 farmer families was required to be posted. However, it was noticed that one RAEO was posted for 1582 farmers<sup>15</sup> in the state.

Thus, due to shortage of RAEOs, the provision of extension services viz. distribution of implements, collection of samples of soil, analysis of results of demonstrations, training and monitoring, etc. were adversely affected.

The Government intimated (November 2011) in the exit conference that recruitment for vacant posts is under process.

### 3.8.8.2 Injudicious attachment of Staff

Scrutiny of records of five test checked districts revealed that ten officials were attached to other departments and their pay and allowances were being drawn by the agriculture department. Expenditure incurred on pay and allowances of these attached staff amounted to ₹ 82.02 lakh during the period 2000-11. Since the Department is facing acute shortage of staff, the attachment of the staff with other departments was injudicious (**Appendix-3.9**). This resulted in further shortage of staff, thereby affecting the implementation and monitoring of the various agricultural schemes.

The Government stated (November 2011) in the exit conference that the matter will be reviewed and action will be taken.

Despite shortage of staff the department attached staff injudiciously with other departments

## 3.8.9 Inventory Control and Stores Management

A sound store management system involves planning of purchases as per requirement, efficient procurement, timely distribution, proper accounting and physical custody of the available inventory.

### 3.8.9.1 Maintenance of Store and Stock Accounts

Various agriculture implements and equipments are supplied by Beej Nigam on the basis of supply order of the Department for distribution to farmers. Similarly, the Engineering wing of the department also purchases tractors, dozers, machines, spare parts and tractor driven implements etc. for demonstration and for providing the equipments on hire.

Rule 126 and 133 of Financial code Volume-I lays down that the physical verification of stores and stock, such as equipment, machinery, tools etc. should be ensured once in a year by the head of the office through any designated officer and store and stock account of the stores available in the department should be maintained.

Neither physical verification nor store and stock account was prepared by the Engineering wing of the department

<sup>15</sup> Total No. of Farmers--3255062/ No. of RAEOs--2058 = 1582

During scrutiny of records of 48 DDOs in the selected districts, it was noticed that neither annual physical verification of stores was conducted nor the stock accounts were prepared by the 16 DDOs including three Engineering wings of the department during the period 2007-08 to 2010-11.

During the exit conference (November 2011) the Government advised the Additional Director (Finance) to look into the matter and to ensure the compliance of store purchase rules and maintenance of store and stock account every year.

### **3.8.9.2 Distribution of Agricultural implements/equipments**

**Agriculture  
implements  
valuing  
₹ 1.08 crore were  
lying  
undistributed**

The assistance to the farmers for the purchase of agricultural equipments/implements and inputs were released to the Nodal Agency and as per the order of Nodal Agency, supply of the equipments/implements and inputs were made by the firms to the office of SADOs for distributing them among the authorized beneficiaries/farmers. However, scrutiny of records of SADOs in test checked districts revealed that the implements valuing ₹ 1.08 crore (*Appendix-3.10*) supplied to SADOs for distribution were lying undistributed (March 2011).

The Government agreed (November 2011) with the audit observation in the exit conference and instructed the Director, Agriculture to collect the status of implements lying undistributed in the stock of SADOs and to find out the reasons for purchase and non-distribution of these items.

The reply indicates that equipments were procured without obtaining the requirement from the farmers.

### **3.8.10 Internal Audit**

#### ***Lack of internal audit***

Internal Control is an integral component of an organization's management processes which are established in order to provide reasonable assurance that the operations are carried out effectively and efficiently.

Periodic inspection by the departmental officers is an important and effective tool with the management to ensure compliance of rules, procedures, statutory provisions of guidelines and for proper implementation of the schemes. For carrying out periodical audit in the department, an Internal Audit (IA) wing was established at the Directorate under the supervision of Additional Director (Finance) at state level and Joint Director (JD) at divisional level.

During test check of records in the Directorate, it was noticed that out of 173 offices, only 109 (63 *per cent*) inspections were carried out during 2007-11 as per the roster of inspection. Further details of internal audit conducted by four divisional offices are as detailed below:

**Table-12: Details of units audited by IA wing at Division Level**

Name of the Office	No of auditors /sub-auditors posted in Joint Directors office	No of Units to be audited	No of units audited	Shortfall	Percentage of shortfall
JDA, Ambikapur	NIL	21	NIL	21	100
JDA, Jagdalpur	08	91	9	82	90
JDA, Raipur	08	84	22	62	74
JDA, Bilaspur	08	136	62	74	54
<b>Total</b>	<b>24</b>	<b>332</b>	<b>93</b>	<b>239</b>	

(Information provided by the Joint Directors, Agriculture)

Despite availability of adequate staff, the department could conduct only 28 per cent of targeted inspections

The above table indicates that only 28 per cent inspections were carried out during 2007-11 by the JD offices.

The Government agreed (November 2011) with the audit observation in the exit conference and stated that steps would be taken to complete the audit of all field offices by the end of the financial year by deploying additional staff in the IA wing.

The reply is not tenable in view of the fact that even though 14 auditors and 15 sub-auditors were posted against the sanctioned strength of 17 auditors and 16 sub auditors, the Department failed to cover the units as per target of inspection.

### 3.8.11 Monitoring and Evaluation

Systematic, result-oriented and intensified field monitoring is essential to assess the impact and the implementation of the schemes as per guidelines.

#### 3.8.11.1 Lack of monitoring over implementation of schemes

Due to non-formation of PMT adequate monitoring of implementation of NFSM could not be done

As per guidelines of NFSM, a Project Management Team (PMT) consisting of one consultant and four Technical Assistants (TAs) in NFSM Rice districts and one consultant and two TAs in NFSM pulses districts to assist in the implementation and monitoring of the NFSM schemes was to be constituted. The PMT was responsible to co-ordinate with various line departments in the Centre/ State/ Districts to achieve the targets.

Test check of records of Director, NFSM and selected districts revealed that against the total requirement of 18 PMTs<sup>16</sup> (18 consultants and 56 TAs)<sup>17</sup>, only one complete PMT was constituted for NFSM-Rice in Raipur district and in other districts (Korea, Kabirdham, Raigarh and Jashpur), the PMT was formed with only one or two technical assistants. Due to non-formation of PMTs, the assistance of consultants and technical assistants in implementation and monitoring of the scheme could not be availed.

The Government stated (November 2011) in the exit conference that due to non-availability of desired qualified personnel in the existing pay scale, PMT could not be formed. It was further stated that a proposal for upgrading the pay scale of consultants and technical assistants has been sent to GoI.

<sup>16</sup> NFSM Rice- 10 and NFSM Pulses-08

<sup>17</sup> one consultant and four technical assistants each for 10 districts of NFSM-Rice and one consultant and two technical assistants each for eight NFSM-Pulse districts

Further, due to inadequate monitoring by the department some serious financial irregularities were noticed by audit and the same are discussed below:

**Excess payment of ₹ 7.68 crore was made on purchase of micronutrients due to non-compliance of GoI guidelines**

**(a) Excess Payment of assistance on distribution of micronutrients**

NFSM guidelines provided that assistance at the rate of ₹ 500 per ha or 50 per cent of the cost of micronutrients and assistance of ₹ 750 per ha or 50 per cent of cost of Integrated Pest Management (IPM), whichever is less was payable.

Scrutiny of records of DDA Janjgir-Champa, Ambikapur and Bilaspur revealed that DDAs had purchased micro nutrients amounting to ₹ 20.91 crore from MARKFED during 2007-10 on which an amount of ₹ 7.79 crore was payable as assistance portion to MARKFED by the DDAs and the remaining ₹ 7.68 crore was to be paid to MARKFED by collecting from the farmers. However, it was noticed that an amount of ₹ 15.47 crore was paid to MARKFED as against the payable amount of ₹ 7.79 crore. Thus, ₹ 7.68 crore was paid in excess of limit to MARKFED. Moreover, the farmers' share amounting to ₹ 3.33 crore was also not collected by DDA, Ambikapur.

Further, it was also noticed that 13870 Kgs of micronutrients valuing ₹ 60.66 lakh procured by DDA, Ambikapur during 2009-10 for distribution to farmers were lying undistributed in the godowns of SADOs. The non-distribution of procured micronutrients reflects that procurement was done without assessing the requirement which led to blockage of government fund of ₹ 60.66 lakh.

The Government stated (November 2011) in the exit conference that a departmental enquiry has been instituted against the erstwhile DDA, Ambikapur and similar action will be taken against the DDAs wherever such irregularity has occurred.

**(b) Irregular procurement of Bentonate Sulphur**

**Bentonate sulphur costing ₹ 70.42 lakh was irregularly procured as micronutrient**

As per approved list of micronutrients, Sulphur was not to be distributed as micronutrient. However, it was noticed in DDA Ambikapur and Bilaspur, that Bentonate Sulphur (BS) (90 per cent) was procured at a cost of ₹ 70.42 lakh through MARKFED during 2008-10 and distributed to farmers. Since BS was not to be distributed to farmers, the purchase and distribution of the same was unwarranted. Thus, the expenditure of ₹ 70.42 lakh was irregular.

The Government stated (November 2011) in the exit conference that GoI has allowed the use of BS as micronutrient. Reply is not acceptable as no proof of its categorization as micronutrient was made available to audit.

**(c) Excess payment on Portable vermi compost bed**

**Excess payment of ₹ 24.75 lakh was made on purchase of portable vermi compost beds in violation of GoI guidelines**

As per RKVY guidelines, 75 per cent assistance of unit cost was payable on purchase of High Density Polyethelene (HDPE) portable vermi compost unit to beneficiaries and the balance amount was to be borne by the beneficiaries.

Scrutiny of records of DDA Janjgir (2050), Ambikapur (550) and Bilaspur (1100) revealed that a total of 3700 units of HDPE vermi compost beds worth ₹ 1.15 crore (₹ 3108 per bed) were provided to farmers through Beej Nigam during the period 2009-11 on which assistance of ₹ 3000 per unit was paid instead of paying ₹ 2331 (75 per cent of 3108). This led to excess payment of

assistance of ₹ 24.75 lakh (3000-2331=669 x 3700 units) on purchase of HDPE portable vermi compost beds.

On being pointed out, the DDAs stated that as the unit cost of portable vermi compost unit, including other essential items was ₹ 4000. The remaining cost of worms and labour which is equivalent to ₹ 892 (₹ 4000 minus ₹ 3108), was to be borne by the farmers and their bills have to be submitted by the farmers.

Reply is not acceptable as the assistance at the rate of ₹ 2331 (75 per cent of ₹ 3108) per vermi bed was payable against which ₹ 3000 was paid. This led to excess payment of ₹ 24.75 lakh. Further, no expenditure was incurred for supply of worms and no proof of production of vermi compost was produced to Audit.

The Government while accepting the audit observation intimated (November 2011) in the exit conference that the matter will be reviewed. It was further stated that the distribution of portable vermi compost units have since been discontinued

The reply indicates that the scheme was implemented without properly assessing the feasibility of production of vermi compost through portable vermi compost units.

**(d) Irregular sanction of assistance under Shakambari Scheme**

With a view to create their own irrigation resources for small, marginal and other category farmers having 0.5 acres or more land, the State Government launched *Shakambari* scheme. Under the scheme, Diesel/Electric/Kerosene pumps upto five HP were to be distributed, preferably to the farmers who were growing vegetables in their fields. Maximum assistance of ₹ 16875 (75 per cent of the unit cost ₹ 22500) on the purchase of pumps and ₹ 25200 (50 per cent of unit cost of ₹ 50400) on digging of tubewells were to be given.

Scrutiny of records of test-checked DDAs revealed that assistance amounting to ₹ 27.10 crore was sanctioned to 22113 farmers during 2007-11 on purchase of pump sets and digging of tubewells without ensuring that the farmers were growing vegetables in their fields, as no information was available in the application forms submitted by the beneficiaries. Further, after distribution of assistance to the farmers, no physical verification was done by the DDAs to ascertain the growing of vegetables by the farmers.

Further test check of records of four DDAs, Ambikapur, Bilaspur, Jagdalpur and Janjgir-champa and information collected revealed that 10619 kerosene pumps, out of 21657 pumps, were sanctioned during 2009-11 in the State without assessing the availability of required quantity of kerosene to the farmers. As only three liters of kerosene per ration card would be available through public distribution system, the Department did not ascertain the viability of using kerosene pumps with such a meager quantity of kerosene oil.

The Government stated (November 2011) in the exit conference that sanctioning process of assistance would be reviewed and necessary modifications in the application form will be made to include the basic requirement necessary for sanctioning the assistance.

Assistance on digging of tubewells under Shakambari scheme was sanctioned without ensuring growing of vegetables by the farmers

**(e) Inadmissible payment of assistance on production of wheat seeds**

Under Krishak Samagra Vikas Yojna (KSVY), assistance of ₹ 300 per quintal on Seed Production and ₹ 200 per quintal on seed distribution were payable to the farmers. The assistance was payable only on paddy.

However, scrutiny of records of DDA, Jagdalpur, Kabirdham, Ambikapur and Bilaspur revealed that assistance of ₹ 1.32 crore on production of 43916.90 quintals and ₹ 51.80 lakh on distribution of 2590.35 quintals of wheat seeds was paid irregularly to the farmers through Beej Nigam during 2009-11.

The Government while accepting (November 2011) the audit observation in the exit conference stated that action will be taken against the erring officials and stated that letter has been issued to the concerned DDAs for adjustment of inadmissible payment from the payment of assistance on paddy in coming years.

**(f) Idling of seed grading machines**

With a view to strengthen the Government farms in the State, the department purchased (June 2008) six<sup>18</sup> Seed grading machines through Beej Nigam at the rate of ₹ 14.35 lakh. The grading capacity of each of the machines was three MT per hour. Scrutiny of records of Chalta Sitapur farm in Ambikapur revealed that the annual production of seeds of various crops ranged between 200 and 254 quintals during 2007-11 which shows that the grading machines were utilized upto 10 hours per year for which the Department had incurred an idle investment of ₹ 18.35 lakh (₹ 14.35 lakh on machines; ₹ four lakh on construction of shed).

Further, test check at Chorbhatti in Bilaspur and information collected from Bhanwarmara in Rajnandgaon revealed that the grading machines valuing ₹ 28.70 lakh procured in June 2008 were lying idle due to lack of electric connection. Despite non-utilisation of the available grading machine at Chorbhatti at Bilaspur, another mobile grading machine was received from Dharampura farm and the same was also lying idle since 2008-09 as shown in the picture below:

**Seed grading machines were purchased without assessing the requirement and availability of infrastructure**



*Mobile grading machine lying idle outside at Chorbhatti, Bilaspur*

Thus, purchase of seed grading machines without assessing the production of seeds and the required infrastructure and failure of the Department to monitor the use of available grading machines resulted in idling of grading machines valuing ₹ 53.55 lakh.

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<sup>18</sup> Ambikapur-1, Bilaspur-1, Raipur-2, Rajnandgaon-1 and Raigarh-1

Farmers' share of ₹ 98.88 lakh against the distribution of implements were not collected by RAEOs and deposited with the SADOs

In the exit conference (November 2011) the Government instructed the Director, Agriculture to review the status and utilization of the available grading machines in the farms.

**(g) Farmers' share not collected by the RAEOs**

The Department distributes the implements/inputs through Chhattisgarh Seed and Agriculture Corporation (Beej Nigam) and Chhattisgarh Marketing Federation (MARKFED). The Rural Agriculture Extension Officers (RAEOs) distribute the implements to farmers and collect the farmers' share and deposit it with the Senior Agriculture Development Officers (SADOs) who were responsible to transfer the amount to these agencies.

Scrutiny of records of 19 SADOs in test-checked districts revealed that inputs/implements were issued to the RAEOs for distribution to the farmers of villages which come under their jurisdiction. After distribution of implements/inputs, the amount of farmers' share was to be deposited in the SADOs office. However, the farmers' share amounting to ₹ 98.88 lakh<sup>19</sup> was not collected and deposited by the RAEOs with the SADOs during 2007-11.

The Government informed (November 2011) in the exit conference that necessary instructions have since been issued (November 2011) to RAEOs to deposit the outstanding amount of farmers' share.

This indicates lack of monitoring over the distribution of implements/inputs by the SADOs. Moreover, in view of non-collection of farmer's share and non-submission of supporting documents with respect to distribution of implements by RAEOs, the actual distribution of implements to beneficiaries could not be ascertained.

**3.8.11.2 Status of Departmental Inquiry cases**

During test-check of records of Director, Joint Directors and Deputy Directors in the selected districts, it was noticed that large number of cases were pending for disposal. The details of cases pending as on 31 March 2011 are as follows:

**Table 13 : Details of inquiry cases pending for settlement**

Name of Office	Court cases	Departmental enquiry	Pension cases	Compassionate appointment	Total
Directorate, Raipur	01	03 (NA)	--	13 (2010)	17
DDA, Raipur	01	01 (2010)	--	--	02
DDA, Kabirdham	--	07 (2007-08)	--	--	07
JDA, Jagdalpur	--	01 (2009)	--	--	01
DDA, Jagdalpur	10	04 (2003)	--	--	14
DDA, Janjgir	1	01 (2011)	02 (NA)	--	03
DDA, Ambikapur	15	02	12	--	29
DDA Bilaspur	-	15	2	--	17
<b>Total</b>	<b>28</b>	<b>34</b>	<b>15</b>	<b>13</b>	<b>90</b>

The above table shows that four cases of departmental inquiry were pending for last seven years and seven cases were pending for the last four years. This shows lack of monitoring and absence of timely action on the part of the department to ensure speedy disposal of these pending cases.

<sup>19</sup> Ambikapur - ₹ 33.10 lakh, Bilaspur- ₹ 1.98 lakh, Jagdalpur- ₹ 5.73 lakh, Janjgir - ₹ 52.54 lakh, Kabirdham - ₹ 2.38 lakh, Raipur - ₹ 3.15 lakh.

The Government stated (November 2011) in the exit conference that pending enquiry cases in the department would be reviewed and instructions will be issued to concerned officials for early disposal of pending cases.

#### **3.8.11.3 Lack of response to audit observations**

Audit observations made by the Accountant General on serious financial and other irregularities, which could not be settled during local audit are communicated to the head of the office and next higher authority through inspection reports (IRs).

It was observed that 142 IRs containing 515 paragraphs covering the period from 1996 to 2010 were pending for compliance at the end of March 2011. This indicates that the department failed to ensure timely compliance on pending audit paragraphs.

The Government stated (November 2011) in the exit conference that the pending paras of inspection report will be discussed by organizing Audit Committee Meetings regularly.

#### **3.8.11.4 Concurrent Evaluation**

The NFSM envisaged conducting of concurrent evaluation by State Statistics Department every year. However, no evaluation to assess the performance of the scheme was done. The Director, NFSM replied (April 2011) that the correspondence (December 2009) with the Economics and Statistics Department was done but no reply was received from the Department.

### **3.9. Other points of interest**

#### **3.9.1 State Land Use Board**

The State Land Use Board (SLUB) was launched in 1983 with the objective to prevent conversion of agriculture land to non-agriculture land and to identify non-agricultural land for its development for non-agricultural purposes within the state. The Board was established (December 2004) under the chairmanship of the Chief Minister with Ministers and Secretaries of the concerned departments as members.

For operation of the activities of SLUB, a Nucleus cell of five posts was sanctioned (April 2008) headed by Joint Director, Agriculture. It was noticed by audit that the net sown area (agriculture land) decreased from 4721929 hectare in the year 2007 to 4696542 hectare in the year 2011 i.e. agricultural land decreased by 25387 hectare and no action was taken by the Board to prevent it. Although an expenditure of ₹ 18.76 lakh was incurred on pay and allowances of the members of the cell during 2009-11, the Cell failed to prevent the conversion of Agricultural land for other purposes and the objective of establishment of SLUB in the State has been defeated.

On being pointed out, the Joint Director, SLUB stated that due to non availability of staff and infrastructure, no work was carried out. However, six meetings were held and it was decided to collect information from Land records, Commerce and Industry and Town and Country planning departments.

The Government stated (November 2011) in the exit conference that the matter will be taken up with the Board members.

### **3.9.2 Implementation of the 'Shallow tube well scheme' without any guidelines.**

With the aim to provide assured irrigation facility to the fields near the banks of the rivers, the State Level Sanctioning Committee (SLSC) had approved (December 2008) "Shallow Tube well scheme" under RKVY. According to the scheme, assistance of ₹ 5000 was to be given on digging of shallow tubewells (upto 50 feet) on the banks of rivers. Also assistance of ₹ 15000 was to be provided for installation of pumps. However, Government had not issued any specific guidelines for implementation of the scheme with regard to selection of farmers, distance of tubewell from the river bed, maximum depth of the well and capacity of pumps to be installed.

During scrutiny of records of Directorate and selected districts, it was noticed that in the absence of any specific guidelines, the tubewells were drilled near the ponds, canals and 100 m to 1000 m away from the banks of the rivers with a depth ranging between 60 and 110 feet. This shows lack of uniformity in implementation of scheme in various districts. The department also released assistance of ₹ 8.82 crore for digging of shallow tubewell to 4458 farmers. Thus, introduction of the scheme by the department without any specific guidelines led to lack of uniformity in its implementation.

The Government accepted (November 2011) the audit observation in the exit conference and stated that all the schemes undertaken under RKVY would be reviewed and specific guidelines would be issued.

### **3.10. Conclusion**

Even though the production of paddy, pulses and oil seeds has increased during 2007-11, the target set for production could not be achieved due to short purchase of breeder and latest high yielding variety seeds, poor performance of Government agriculture farms, under utilization of manpower for imparting training to farmers, distribution of substandard fertilizers and field demonstrations with older varieties etc. Failure to comply with the scheme guidelines and improper monitoring led to excess and irregular payment of assistance, pending advances with the officials and assets such as minor irrigation tanks etc not having been transferred to user groups /Panchayats for usage and maintenance.

There was an overlap in planning same activities under different schemes and year wise target for increasing production of cereals, pulses and oil seeds were not fixed under NFSM. The prescribed departmental inspections were not carried out at any level. Thus while the internal control and monitoring system was not satisfactory, Internal Audit was inadequate and ineffective.

Thus, the goals to increase the production and productivity of Paddy, Pulses and Oil seeds could not be achieved to the extent envisaged.

### **3.11. Recommendations**

- In addition to targets to be achieved over the plan period, annual targets of production should also be fixed under various schemes for different crops to allow specificity of targets and better monitoring to achieve the desired production in a particular period.
- Scheme funds should be utilized for the purpose as envisaged in the guidelines.
- Functioning of Farmers Training Centre and Soil Testing Laboratory should be reviewed and these units may be revitalized to ensure optimum utilization of staff.
- Functioning of Government Agricultural Farms should be reviewed to ensure achievement of target of seed production.
- Demonstration of more than 10 years old variety seeds and seeking relaxation from GoI for distribution of old variety seeds should be avoided and distribution of latest variety seeds should be promoted.
- The Department should promote other good practices such as crop rotation system and use of early variety seeds of Paddy to increase production of crops other than Paddy.
- Guidelines for implementation of all the schemes should be prepared and issued to ensure uniformity in implementation of schemes.
- Minor Irrigation Tanks created by the department should be handed over to concerned User Groups/Gram Panchayats to ensure their maintenance and utilisation.
- Distribution of fertilizers and pesticides should be done only after receipt of the outcome of the test report to prevent supply of sub-standard seeds.
- The Department should take necessary steps to reduce the shortage of field staff through recruitment to provide better extension services in the fields.