

## **CHAPTER-II**

### **COMPLIANCE AUDIT**

- 2.1 Audit on execution of dairy development schemes in Jharkhand**
- 2.2 Audit on implementation of the provisions of Pre-conception and Pre-natal diagnostic techniques (prohibition of sex selection) Act 1994**
- 2.3 Audit on management of forest land in Jharkhand**
- 2.4 Audit Paragraphs**



## AGRICULTURE, ANIMAL HUSBANDRY AND COOPERATIVE DEPARTMENT

### 2.1 Audit on execution of dairy development schemes in Jharkhand

#### 2.1.1 Introduction

The Agriculture, Animal Husbandry & Cooperative Department (Department) launched (between August 2004 and February 2009) six dairy development schemes viz., (i) Milch Cattle Induction Scheme (MCIS) (ii) Breed improvement through artificial insemination (AI) and Heifer Rearing (iii) Technical Input Programme (TIP) (iv) *Gokul Gram Vikas Yojana* (v) Green Fodder Development and (vi) *Khatal* Rehabilitation Programmes. The main objectives of these schemes were to attain self-sufficiency in milk production and to generate gainful sustainable employment for the small and marginal farmers and agricultural labourers. During 2012-17, the Department incurred total expenditure of ₹ 312 crore on these schemes. Of these, Audit selected two schemes (MCIS and TIP) involving expenditure of ₹ 242 crore which accounts for 78 *per cent* of total expenditure.

The Secretary of the Department, assisted by the Director, Dairy Development and 24 District Dairy Development Officers (DDDOs) is responsible for implementation and monitoring of dairy development programmes in the State.

The audit on execution of MCIS and TIP covering the period 2012-17 was aimed at assessing the extent to which these programmes attained self-sufficiency in milk production and enhanced productivity of cattle along with gainful rural employment.

Audit test checked the records of six<sup>1</sup> (selected through Simple Random Sampling without Replacement<sup>2</sup>) out of 24 DDDOs and Director, Dairy Development Directorate in addition to analysis of information/data gathered from MILKFED<sup>3</sup> and BAIF<sup>4</sup>. Audit also conducted beneficiary surveys with 76 out of 1,139 beneficiaries in the test-checked districts in the presence of representatives of the DDDOs. Outcomes of responses of the beneficiaries were verified with departmental records and suitably incorporated in the Report.

Entry (April 2017) and exit (January 2018) conferences were held with the Secretary of the Department to seek views of the Department on objectives, scope, audit methodology and audit findings. The replies of the Department have been suitably incorporated in the Report.

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<sup>1</sup> Deoghar, Jamtara, Koderma, Palamu, Ranchi and Saraikela-Kharsawan.

<sup>2</sup> Method of selection of samples in such a way that at any stage of selection each unit has same chance of being selected.

<sup>3</sup> MILKFED- A federation of 12 district milk unions and 1,601 primary milk producers' societies/ self-help groups registered under Jharkhand Co-operative Societies Act 2008 for milk collection, processing and marketing.

<sup>4</sup> BAIF- Bhartiya Agro Industries Foundation is a Non-Government Organization conducting breed improvement through artificial insemination in District Cattle Dairy Centres.

**2.1.2 Status of dairy in Jharkhand**

**Table-1** below indicates target and achievement of milk production in Jharkhand for 2012-17:

**Table 1: Target and achievement of milk production in Jharkhand**

Year	2012-13	2013-14	2014-15	2015-16	2016-17	Average 2012-17
Target of milk production set by the Department (Lakh MT)	17.90	19.70	21.77	24.17	26.95	22.10
Milk produced (achievement) in the State (Lakh MT)	16.80	17.00	17.34	18.12	18.94	17.64
Short production / achievement ( per cent) in the State (Lakh MT)	1.10 (6.14)	2.70 (13.70)	4.43 (20.34)	6.05 (25.03)	8.01 (29.72)	4.46 (20.18)
Per capita availability of milk in the State (gm/per day) <sup>5</sup>	146	146	147	152	145	147
National average of per capita availability of milk (gm/per day)	299	307	322	337	355	355

(Source: 12<sup>th</sup> FYP (2012-17) and data/information furnished by the Department)

In the Annual Plans (2012-13 to 2016-17) of the Department, the deficit of milk production in the State was estimated based on the difference between the requirement of milk<sup>6</sup> as per Indian Council of Medical Research (ICMR) and existing production of milk. However, the targets fixed by the Department were only 61 per cent<sup>7</sup> of the per capita requirement as estimated by ICMR, and around 52 per cent<sup>7</sup> of the national average per capita daily availability of milk. Actual production was 49 per cent<sup>8</sup> of requirement (estimated by ICMR) and 41.41 per cent<sup>9</sup> of the national average as the Department did not prepare any plan specifying the milestones and timelines to achieve the requirement of milk to attain self-sufficiency in milk production. Further, these targets for milk production were not based on any feedback from the field units and were unilaterally fixed by the Dairy Development Directorate/Department. The basis for setting these targets was not available in records.

Although milk production of the State increased by 13 per cent during 2012-17, the Department could not achieve milk production against the average target of 22.10 lakh MT, in any of these years. Further, the milk production of Jharkhand is less than that of the neighbouring States of Bihar, Chhattisgarh and Orissa as commented in paragraph 2.1.5.2.

In the exit conference, the Secretary of the Department stated (January 2018) that milk or milk product is not part of food palate of the major population of the State and rearing of cattle is not widely practised.

The reply of the Secretary was neither based on actual data on milk consumption or rearing of cattle nor in line with the Annual Plan of the Department.

<sup>5</sup> As informed by the Department

<sup>6</sup> At the rate of 300 gram/day

<sup>7</sup> Average target per capita in the State =  $147/17.64 \times 22.10 = 184.17$  gm/day. Therefore, percentage =  $184/355 \times 100 = 52$  per cent

<sup>8</sup> Achievement percentage vis-à-vis requirement =  $147/300 \times 100 = 49$  per cent

<sup>9</sup> Achievement percentage vis-à-vis national average =  $147/355 \times 100 = 41.41$  per cent

## Audit findings

### 2.1.3 Human Resource Management

During April 2012 to January 2014, the Directorate had a total sanctioned strength of 297 posts, against which 127 officials were posted and 170 posts (57 *per cent*) were vacant in different cadres. The Department, while restructuring the cadres<sup>10</sup>, sanctioned (February 2014) 282 posts for various cadres in the Directorate. This created an overall vacancy of 55 *per cent* (155 posts) at various levels which included critical vacancies of 34 *per cent* in the posts of the DDDO at district level and 56 *per cent* in the posts of Dairy Technical Officer (DTO) at village level. Both DDDOs and DTOs are crucial positions in the Directorate who are key to the successful implementation of the schemes at field level. The sanctioned strength and persons-in-position in different cadres excepting clerical cadre, computer operator, driver and grade-D staff as on March 2018 are depicted in **Table-2** below:

**Table 2: Sanctioned strength and persons in position as on March 2018**

Sl. No.	Name of the Post	Sanctioned Strength	Persons-in-Position	Vacancy (percentage)
1	Director	01	01	00 (0)
2	Joint Director	02	01	01 (50)
3	Deputy Director	05	00	05 (100)
4	Assistant Director/ District Dairy Development Officer (DDDO)	32	19	13 (34)
5	Dairy Technical Officer	78	32	46 (56)
<b>Statistical Cell</b>				
6	Assistant Director, Dairy Survey and Statistics	01	01	00 (0)
7	Statistical Supervisor	02	00	02 (100)
8	Statistical Calculator	03	00	03 (100)

*Source : Information furnished by the Dairy Development Directorate*

Further, in two of the six test checked districts (Jamtara and Koderma) the DDDOs of Deoghar and Hazaribagh districts held the additional charges respectively.

#### Statistical Cell

The Statistical Cell in the Directorate is responsible for maintenance and analysis of the statistics of dairy development in the State. However, no Statistical Supervisors or Statistical Calculators had been appointed from the inception of the department. The post of Assistant Director (Dairy Survey and Statistics) was vacant till February 2017 and though filled in March 2017, the Assistant Director was engaged in budgetary works only. Thus, the Statistical Cell was non-functional from the beginning. Resultantly, the Department neither maintained any statistics of actual number of cattle inducted under MCIS, purchase of mineral mixtures for the period 2012-16 under TIP, amount of subsidy parked in the banks etc., nor furnished these information to Audit for examination as discussed in paragraphs 2.1.6.3 and 2.1.7.

<sup>10</sup> Abolished 37 posts and created 22 new posts

Thus, shortage of key posts in the Directorate including in the Statistical cell besides dual charges in the post of DDDOs adversely affected the implementation of the dairy development schemes.

In the exit conference (January 2018), the Secretary of the Department accepted the audit observation. The Department further informed (June 2018) Audit that recruitment against these vacancies is under consideration.

### **Recommendation**

**The Department should take appropriate measures to fill up the critical vacancies to ensure field visits by the DDDOs/DTOs, to ensure coordination with banks by the DDDOs to ascertain the reasons for failure of the beneficiaries to repay their loans and to make the Statistical cell functional.**

#### **2.1.4 Poor documentation**

Audit noticed that basic scheme documents such as periodic reports, returns, control registers etc., for implementation of the dairy development schemes were not maintained at the Directorate as well as Department levels. As such, actual numbers of cattle inducted, amount of subsidy parked in the banks, records of purchase of mineral mixtures, nutritional supplements for the period 2012-16 etc., were not produced to Audit (March 2018) despite assurance by the Secretary of the Department as commented in paragraph 2.1.7.2.

The Department did not establish the Internal Audit Wing of its own. Although the audit wing of the Finance Department was authorised to conduct audit of the Department, no audit was conducted by the Finance Department in any of the test checked units during 2012-17. Absence of Internal Audit led to non-detection of general control failures at every level including Apex management level such as fraudulent drawal of ₹ 7.82 lakh by the Assistant Director posted in the Dairy Development Directorate (commented in paragraph 2.1.7.2) etc.

The Department sought information from the field units on case-to-case basis and not regularly for the purpose of regular monitoring and supervision. Even periodic reports/ returns were not being obtained by the Directorate from the field offices for monitoring purpose. Hence, there was no mechanism to periodically monitor the progress of these schemes, leading to various control failures and deficiencies as discussed below:

#### **2.1.5 Planning**

In order to achieve self-sufficiency in milk production and generate gainful employment to rural families, the Department in the 12<sup>th</sup> five year plan (FYP-2012-17) and Annual Plans during 2012-17, planned to enhance the milk production up to 26.95 lakh MT by the end of 2016-17 through (a) induction of 60,000 milch cattle by providing gainful employment to 25,700 rural families and (b) by improving 38.75 lakh less productive breed through artificial insemination (AI) to reproduce 9.68 lakh female calves.

Audit observed that the Department prepared these plans unilaterally and fixed an overall milk production target for the whole State based on inputs from JMF/BAIF without fixing district wise milk production target.

**The Department prepared plans unilaterally without fixing district wise milk production target**

In the exit conference (January 2018), the Secretary of the Department accepted the audit findings.

Further, the following deficiencies were noticed in the plan components of the schemes as discussed below:

### 2.1.5.1 Artificial Insemination Centres

**The Department did not establish 1,000 AI Centres which prevented planning of 15.45 lakh AIs**

In the 12<sup>th</sup> FYP, the Department planned to establish 2,440 AI centres for 38.75 lakh AIs to produce 9.68 lakh female calves. Prior to this, State had 1,010 BAIF AI centres plus 430 departmental AI centres i.e., total 1,440 centres. Accordingly, 1,000 additional centres were to be established during the 12<sup>th</sup> FYP. However, the Department did not initiate any action for establishing additional AI centres for reasons not on record. As a result, the Department scaled down (during 2012-17) the AIs to only 23.30 lakh which also could not be achieved as commented in paragraph 2.1.7.1(iv). This resulted in shortfall of 15.45 lakh AIs.

### 2.1.5.2 Dairy Co-operatives

**NDDB plan 2014-19 for Dairy Development did not cover seven out of 24 districts of the State**

Prior to June 2013, National Dairy Development Board (NDDB) was responsible for management of Jharkhand dairy projects including collection and marketing the milk produced in the State. The State Government established (June 2013) Jharkhand State Co-operative Milk Producers Federation (MILKFED) for revitalising the dairy co-operatives in the state and through a Memorandum of Understanding (MoU) entrusted (March 2014) its administrative control to NDDB for five years (2014-19). As per the MoU, NDDB was to prepare a five year dairy development plan for MILKFED covering all the 24 districts of the state in three phases as per high, medium and low potential to strengthen the dairy base<sup>11</sup> of the State. The plan stipulates establishment of 1,010 milk pulling points (MPP) for collection of milk from the beneficiaries. However, the MoU failed to include financial requirements for execution of the plans and penalties for violations of terms and conditions.

NDDB prepared (May 2014 and May 2015) dairy development plans<sup>12</sup> for 17 (nine high potential districts and eight medium potential districts) out of 24 districts valued at ₹ 203.76 crore for coverage in two phases (2014-15 and 2015-19) while the remaining seven districts<sup>13</sup> was planned to be covered in the third phase beyond this project period. In the plans submitted by NDDB, a mid-course correction was to be prepared to revise the target, coverage, infrastructure and financing pattern framed in the Plan.

Audit observed that the Department did not execute any agreement with NDDB to formalise the MoU and paid ₹ 132.22 crore as capital outlay to MILKFED to execute the plans during 2014-17. MILKFED established 480 out of 1,010 MPPs as of January 2018 and covered 15 out of 17 districts as of December 2017. The Department did not initiate any mid-course correction

<sup>11</sup> Strengthen the infrastructure for dairy, milk procurement, extension, training and capacity building, marketing of milk and milk products and animal nutrition

<sup>12</sup> Plan for 2014-15 (₹ 23.98 crore) and for 2015-19 (₹179.78 crore)

<sup>13</sup> Bokaro, East Singhbhum, Gumla, Pakur, Saraikela Kharsawan, Simdega and West Singhbhum

and as such, re-assessment of targets against achievement could not be done as envisaged in the plan.

Thus, the plans suffered from lack of grass root level feedback and reduction in target of AI by 15.45 lakh. Besides, NDDB Plan 2014-19 failed to cover seven out of 24 districts and the State failed to achieve the objective of attaining self-sufficiency in milk production.

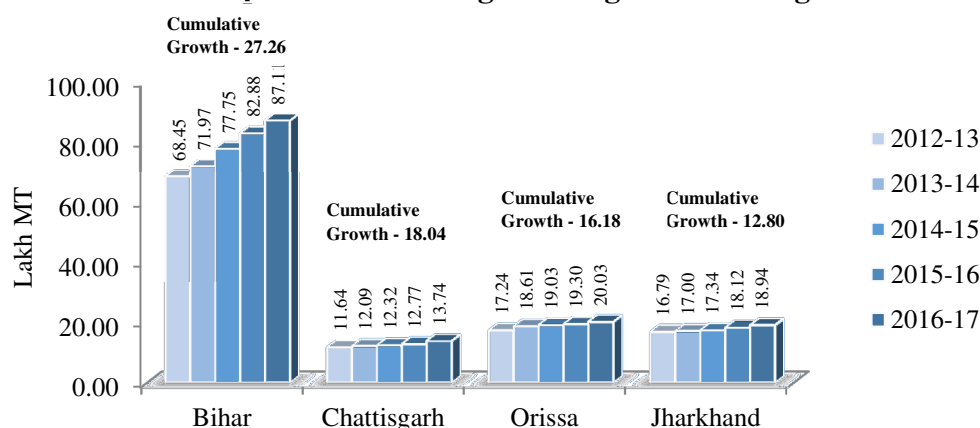
Had the targets been planned/ fixed based on measurable parameters like the number of AIs to be carried out, expected number of calves to be born, targeted number of female calves to be brought into milking progeny etc., through adequate monitoring and follow-up then, these could have yielded desired results.

In the exit conference (January 2018) the Secretary of the Department accepted the audit observation.

Audit compared the milk production in the 12 FYP with the 11 FYP and also with the neighbouring States. It was observed that the average growth of milk production in the State during 12 FYP over 11 FYP was 17.52 *per cent* (from 15.01 lakh MT in 11 FYP period to 17.64 lakh MT in 12 FYP period) whereas the National growth during the same plan periods was 25.82 *per cent* (from 1,172 lakh MT in 11 FYP to 1,474.60 lakh MT in 12 FYP). Thus, the State has lagged behind the National average in enhancing the productivity of the milk through implementation of the different dairy development schemes.

Further, the cumulative growth of milk production in Jharkhand (12.80 *per cent*) during 12 FYP was less when compared with the growth of milk production of the neighbouring States of Orissa (16.18 *per cent*), Chhattisgarh (18.04 *per cent*) and Bihar (27.26 *per cent*) as shown in the chart below:

**Growth in milk production in neighbouring States during 2012-17**



Source: Ministry of Agriculture and Farmers' Welfare, GoI

The audit findings in this report highlight and flag the key area of concerns which need to be addressed if the objectives of milk productivity and providing sustainable employment are to be achieved.

### Recommendation

**The Department needs to develop appropriate strategies and measurable parameters at every level of scheme implementation indicating clear milestones and timelines to attain self-sufficiency in milk production.**



## 2.1.6 Financial Management

The deficiencies noticed in financial management are indicated below:

### 2.1.6.1 Allotment and Expenditure

Against the total allotment of ₹ 662.05 crore<sup>14</sup> during 2012-17 for dairy development, the Department spent ₹ 597.39<sup>15</sup> crore and ₹ 64.66<sup>16</sup> crore (9.76 per cent) was surrendered. Year-wise status of allotments, expenditure and savings/surrender for dairy development is indicated below in **Table-3**:

**Table 3: Yearwise Budget Allotment, Expenditure and Savings/Surrender**

(₹ in crore)

Year	Central Scheme			Schemes under State Plan		
	Allotment	Expenditure	Savings/ Surrender	Allotment	Expenditure	Surrender
2012-13	28.03	27.64	0.39	32.32	28.33	3.99
2013-14	11.16	9.10	2.06	57.62	52.76	4.86
2014-15	20.00	19.48	0.52	64.69	58.03	6.66
2015-16	12.89	12.31	0.58	173.91	167.28	6.63
2016-17	24.61	4.67	19.94	236.82	217.79	19.03
<b>Total</b>	<b>96.69</b>	<b>73.20</b>	<b>23.49</b>	<b>565.36</b>	<b>524.19</b>	<b>41.17</b>

(Source: Data furnished by the Dairy Directorate Jharkhand, Ranchi)

There was substantial increase in the allocation and expenditure during 2015-16 and 2016-17 when compared to 2012-15 mostly on account of introduction of Milch cattle induction (BPL) scheme by the Department. However, the Department could not fully utilise the funds in 2016-17 due to failure to induct the targeted numbers of cattle under the scheme as commented in paragraph 2.1.7.1(iv).

In the exit conference (January 2018), the Secretary of the Department accepted the audit observation.

### 2.1.6.2 Irregular payment to MILKFED on account of operational deficit

In terms of clause 2(b) of MoU executed between the GoJ and NDDB, GoJ was to meet the operational deficit of MILKFED and its constituent units/unions, if any, to enable smooth operations of the entire project of Dairy Development in Jharkhand.

Audit observed from records of Directorate that NDDB prepared (May 2014 and May 2015) Jharkhand Dairy Development Plans<sup>17</sup> for 2014-19 with financial outlay of ₹ 203.76 crore. Of this, the total financial outlay during 2014-17 was ₹ 132.22 crore. This amount was released to MILKFED by the Directorate which included ₹ 6.80 crore<sup>18</sup> earmarked towards operational deficit. However, scrutiny of the annual accounts of MILKFED for the period 2014-17 revealed that there was no loss to the organisation. Moreover, MILKFED did not claim any reimbursement against operational deficit from the Directorate. Thus, payment of ₹ 6.80 crore towards operational deficit despite there being no deficit was against the financial interest of Government and an undue favour to MILKFED.

<sup>14</sup> Central Scheme (CS): ₹ 96.69 crore and State Plan (SP): ₹ 565.36 crore

<sup>15</sup> CS: ₹ 73.20 crore and SP: ₹ 524.19 crore

<sup>16</sup> CS: ₹ 23.49 crore and SP: ₹ 41.17 crore

<sup>17</sup> Plan for 2014-15 (₹ 23.98 crore) and plan for 2015-19 (₹ 179.78 crore)

<sup>18</sup> ₹ 0.89 crore + ₹ 2.53 crore + ₹ 3.38 crore for 2014-17.

**Despite no operational deficit, payment of ₹ 6.80 crore on this account was made to MILKFED**

In reply, the Director, Dairy Development, Jharkhand stated (August 2017) that for execution of ambitious/flagship scheme of two Milch Cattle Induction, this amount was paid to MILKFED in special circumstances to create a corpus fund to provide cushion for the beneficiary share immediately as envisaged in the scheme guidelines which would be subsequently recovered from the beneficiaries in easy instalments.

The reply seems to be an afterthought as it contravenes the MoU which mandates that reimbursement towards operational deficit was payable to MILKFED only to meet the deficit, if any, and not for creation of corpus fund. Further, the scheme guidelines also nowhere stipulate that Government would provide financial aid for creation of corpus.

### 2.1.6.3 Parking of government fund of ₹ 45.07 crore

During 2012-17, the Department allotted ₹ 181.24 crore as subsidy to induct 44,925 milch cattle in the State through Milch Cattle Induction schemes (RKVY and BPL scheme<sup>19</sup>). Of this, ₹ 178.98 crore was released to the banks as shown in **Table 4** below:

**Table 4: Scheme wise target of cattle, allotment and expenditure**

(₹ in crore)

Scheme	Target of cattle (nos)	Allotment	Release to banks	For induction of cattle (nos)	Commented in paragraph
RKVY	18,777	36.92	36.17	15,923	2.1.7.1(i)
BPL scheme	26,148	144.32	142.81	25,818	2.1.7.1(ii)
<b>Total</b>	<b>44,925</b>	<b>181.24</b>	<b>178.98</b>	<b>41,741</b>	

(Source: Data furnished by the Dairy Directorate Jharkhand, Ranchi)

The Department booked the amount as expenditure without taking any reports from the DDDOs of the districts on the numbers of cattle inducted under the scheme. However, based on the subsidy drawn, 41,741 cattle were reported as inducted. Thus, the manner in which the Department extended cattle induction was flawed.

**In test checked districts, subsidy of ₹ 45.07 crore was parked in banks as the beneficiaries did not purchase cattle**

In the six test checked districts, subsidy of ₹ 82.85 crore was drawn from the treasury by concerned DDDOs and released to the banks during 2012-17 to induct 18,452 cattle. Of this, ₹ 37.78 crore (45.60 per cent) was utilised for purchase of cattle and subsidy of ₹ 45.07 crore (54.40 per cent) was lying unutilised in the banks as on March 2017 as the beneficiaries did not purchase their cattle. No steps were taken to get back and charge interest from banks on the subsidy for the period it remained unutilised. The DDDOs merely transferred funds from the Department to the banks and declared the schemes as implemented. As these were findings in the sampled districts, the unutilised amounts parked in banks in other districts of the State need to be ascertained by the Department for taking refund and charging interest.

In the exit conference (January 2018) the Secretary of the Department assured that necessary efforts would be initiated to obtain the district wise / year wise / scheme wise details of cattle actually purchased with subsidy released to the banks and get the unutilised subsidy refunded. Details of these are still awaited in Audit (June 2018).

<sup>19</sup> Two milch cattle induction scheme launched in 2016-17 by State Government to provide gainful employment to rural BPL women

## Recommendation

The Department should ascertain the amount of subsidy parked in banks in the entire State and charge interest from banks on the unutilised subsidy which was not remitted to beneficiaries within the stipulated period. The Department should also not release further subsidy till the unutilised subsidy at the disposal of banks is adjusted.

### 2.1.7 Implementation of schemes

#### 2.1.7.1 Milch Cattle Induction scheme (MCIS)

The Department planned to induct 60,000 milch cattle to generate sustainable income for small and marginal farmers and Milk Producers Co-operative Societies in rural areas during 2012-17. To achieve this goal, the Department implemented milch cattle induction schemes under *Rastriya Krishi Vikas Yojna* (RKVY). In January 2016, the scheme relating to two milch cattle per beneficiary was limited only to the BPL (female) category, while the other schemes under RKVY continued. In addition, other measures to enhance productivity through AI and rearing of female calves were also taken by the Department during the same period.

##### 2.1.7.1(i) MCIS under RKVY

The MCIS under RKVY was aimed to provide subsidy for induction of high yielding milch cattle to boost milk production of the State and to provide gainful employment to rural families.

Under this scheme, cattle were to be inducted through five types of dairy units on subsidy ranging between 20 and 50 per cent as detailed in **Table 5**.

**Table 5: Project costs and subsidy for each dairy units**

Types of dairy unit	Funding pattern	Project cost (₹)	Subsidy (₹)
Two-cattle Dairy (1+1)	50 per cent- Subsidy 50 per cent- Loan from Bank	95,050	47,525
Mini Dairy (Five [3+2] cattle)	50 per cent- Subsidy 50 per cent- Loan from Bank	2,47,625	1,23,813
Midi Dairy (Ten [5+5] cattle)	40 per cent- Subsidy 60 per cent- Loan from Bank	4,95,250	1,98,100
Commercial Dairy (20 [10+10] cattle)	25 per cent- Subsidy 75 per cent- Loan from Bank	9,90,500	2,47,625
Modern Dairy (50 [25+25] cattle)	20 per cent- Subsidy 10 per cent- Beneficiary share 70 per cent- Loan from Bank	27,01,250	5,40,250

(Source: Information furnished by the Department)

The remaining cost of the project (dairy units) was to be financed through banks as loan to the beneficiaries. The concerned DDDO sends a sanctioned list of beneficiaries to the banks for further processing of loans. The subsidy is released to the banks only upon the receipt of claims.

The cattle were to be inducted in two phases with a gap of six months to ensure continuous availability of milk to beneficiaries. The actual purchase of cattle against the sanctioned funds was to be ensured within the same financial year.

Scrutiny of records of the Directorate revealed that the scheme was implemented in all the districts of the State during 2012-13, 2014-15 and 2015-16 while it was implemented only in two districts (Dhanbad and Khunti) during 2013-14 as central share was not released by GoI for reasons not on record. In 2016-17, the scheme was not implemented as the subsidy amount was reduced to 25 *per cent* for General category beneficiaries (from the earlier 40-50<sup>20</sup> *per cent*) and 33.33 *per cent* for SC/ST categories beneficiaries (from the earlier 40-50 *per cent*) under a new funding pattern for Mini and Midi dairy schemes.

Against the target to induct 18,777 cattle under RKVY (as commented in paragraph 2.1.6.3, Table 4), the Department allotted (2012-16) ₹ 26.19 crore as subsidy to induct 10,083 cattle in the first phase through 5,208 dairy units<sup>21</sup>. Of this, ₹ 25.87 crore was released to banks to induct 9,942 cattle for providing gainful employment to at least 5,136 beneficiaries (dairy units). However, in the second phase, against the requirement<sup>22</sup> of 8,561 cattle to be inducted as per requirement of the different dairy units, the Department released ₹ 10.30 crore to the banks to induct 5,981 cattle. Thus, subsidies for 15,923 cattle (1<sup>st</sup> phase: 9,942 cattle and 2<sup>nd</sup> phase: 5,981 cattle) were provided to the banks in both the phases against the target of 18,777 cattle. Resultantly, induction of 2,854 cattle against the targets was not ensured and this deprived 1,553 beneficiaries (1<sup>st</sup> phase: 72 and 2<sup>nd</sup> phase: 1,481) of the scheme benefits. The main reason for short release of subsidy in the second phase was on account of absence of claims by the concerned banks, as noticed from the files of the concerned DDDOs, against these 1,481 beneficiaries who failed to pay their instalments against loan received in the first phase. Reason for short release in the first phase was not on record.

Audit observed that no records of defaulters were maintained in the districts by the DDDOs as they do not coordinate with the banks to get these details and visit the beneficiaries for possible way-out as envisaged in the scheme guidelines.

Hence, milch cattle induction scheme under RKVY could not provide employment to at least 30 *per cent* (1,553 out of 5,208) of the intended beneficiaries and 15 *per cent* (2,854 out of 18,777) of the targeted cattle could not be inducted in the State.

In this connection it is also to be mentioned that the achievement claimed by the Department was based on the amount of subsidy released to the banks and not on the actual numbers of cattle inducted under the scheme as feedback on cattle inducted at district levels were not taken from the concerned DDDOs.

<sup>20</sup> 50 *per cent* for Mini dairy and 40 *per cent* Midi dairy.

<sup>21</sup> Two-cow: 3,536 units (7,072 cattle); Mini Dairy: 1,389 units (6,945 cattle); Midi Dairy: 150 units (1,500 cattle); Commercial Dairy: 113 units (2,260); and Modern Dairy: 20 units (1,000 cattle) i.e., Total 5208 dairy units and 18,777 cattle

<sup>22</sup> Two-cow: 3,479 units (6,958 cattle); Mini Dairy: 1,381 units (6,905 cattle); Midi Dairy: 148 units (1,480 cattle); Commercial Dairy: 108 units (2,160); and Modern Dairy: 20 units (1,000 cattle) i.e., Total 5,136 dairy units and 18,503 cattle (1<sup>st</sup> phase: 9,942; 2<sup>nd</sup> phase: 8,561)

### 2.1.7.1(ii) Milch Cattle Induction Scheme for BPL women

The Government of Jharkhand introduced (January 2016) Milch Cattle Induction scheme (BPL Scheme) to provide gainful employment to rural BPL women by providing them with two milch cattle. The target was to cover 50,000 BPL women in six years i.e., by 2020-21. However, the Department did not link this scheme with the target of milk production in the State. With the commencement of this scheme, the two-cattle induction scheme under RKVY was discontinued.

Under the BPL scheme, improved cross/ indigenous breed of cows were to be inducted on 90 *per cent* subsidy. The remaining 10 *per cent* beneficiary share was to be financed through MILKFED as interest free loan subject to the condition that milk is sold by the beneficiaries to MILKFED for adjustment of the loan in 24 instalments. As per executive orders issued (January 2016) by the Secretary of the Department for implementation of the BPL scheme, 90 *per cent* of the project cost<sup>23</sup> (1<sup>st</sup> phase- ₹ 59,580 and 2<sup>nd</sup> phase- ₹ 45,180) was to be credited directly into the bank accounts of the beneficiaries who were selected by District Level Committees (DLC) headed by the Deputy Commissioners (DCs) of the concerned districts. The banks were to freeze the subsidy amount in the bank accounts of the beneficiaries till issue of instruction of concerned DDDOs to release the amount.

The Department allotted ₹ 144.32<sup>24</sup> crore to the DDDOs to induct 26,148 (1<sup>st</sup> phase: 18,176 and 2<sup>nd</sup> phase: 7,972) cattle under this scheme during 2015-17 (as shown in **Table 4** under paragraph 2.1.6.3). Of this, ₹ 142.81 crore was drawn from treasuries by the concerned DDDOs and released to the banks for crediting into the bank accounts of the beneficiaries to induct 25,818 cattle.

Audit noticed from minutes of the monthly meetings (October 2017) of the Directorate that only 12,224 cattle (1<sup>st</sup> phase: 10,494 and 2<sup>nd</sup> phase: 1,730) were actually inducted through this scheme mainly due to failure of the DDDOs to facilitate the beneficiaries by organising *pashu-mela* in their premises for purchase of cattle and only ₹ 70.34 crore<sup>25</sup> was adjusted against the subsidy. Further, the coverage of this scheme was limited to 1,516 villages situated on the milk route of MILKFED in 15 districts in contrary to the MCIS under RKVY where there were no such requirements.

Thus, the Milch Cattle Induction (BPL) scheme could not cover nine out of 24 districts, depriving BPL females from getting gainful employment under this scheme. In addition, the Department failed to induct 53 *per cent* (13,924 out of 26,148) of targeted cattle during 2015-17 and provide sustainable employment to 89.49 *per cent* (16,446<sup>26</sup> out of 18,176<sup>27</sup> beneficiaries who did not get cattle in the 2<sup>nd</sup> phase) beneficiaries.

<sup>23</sup> ₹ 1,16,350 per dairy unit

<sup>24</sup> 18,176 (1<sup>st</sup> phase) x ₹ 59,580 = ₹ 108.30 crore; 7,972 (2<sup>nd</sup> phase) x ₹ 45,180 = ₹ 36.02 crore ; Total: ₹ 108.30 + ₹ 36.02 = ₹ 144.32 crore

<sup>25</sup> 10,494 x ₹ 59,580 for 1<sup>st</sup> phase and 1,730 x ₹ 45,180 for 2<sup>nd</sup> phase

<sup>26</sup> 18,176 (1<sup>st</sup> phase) minus 1,730 (2<sup>nd</sup> phase)

<sup>27</sup> 10,000 plus 8,176 released for first phase during 2015-16 and 2016-17 respectively.

**2.1.7.1(iii) Performance of MCIS in test checked districts**

In the guidelines of the MCIS under RKVY and BPL schemes, the Department did not define any key performance indicators (KPI) to evaluate the performance of the scheme. Further, third party evaluation, though mandated in the operational guidelines of RKVY, was not taken up by the State during 2012-17. In the absence of KPIs and evaluation by the State Government, Audit could not assess the actual impact of the schemes on the livelihood of the beneficiaries or on the self-sufficiency of the State in milk production. However, the following observations are made on the basis of scheme statistics:

**Physical Evaluation**

Target and achievement of dairy units under RKVY and BPL schemes in test-checked districts during 2012-17 are detailed in **Table 6**:

**Table 6: Target and achievement in test checked districts**

Districts	Units										Total	
	Two-cows		Mini Dairy (Five Cows)		Midi Dairy (Ten Cows)		Commercial Dairy (20 Cows)		Modern Dairy (50 cows)			
	T	A	T	A	T	A	T	A	T	A	T	A
Ranchi	4,223	341	76	34	10	05	15	05	05	02	4,329	387
Deoghar	4,404	430	164	106	32	19	27	24	05	04	4,632	583
Palamau	475	20	49	10	03	01	03	01	00	00	530	32
Koderma	872	28	42	12	10	02	00	00	00	00	924	42
Jamtara	585	60	25	18	04	00	01	01	00	00	615	79
Saraikela-Kharsawan	28	11	14	04	00	00	01	01	00	00	43	16
Total	10,587	890	370	184	59	27	47	32	10	6	11,073	1,139

(Source: DDOs of test checked districts)

(T: Target ; A: Achievement)

As seen from the above table, performance of the two-milch cattle induction schemes was very poor (8.40 *per cent*) when compared to five or more cattle induction schemes (where performance ranged between 45.76 *per cent* and 68.08 *per cent*). This is because the two-milch cattle dairies do not provide sustainable source of income to the beneficiary round the year, as cattle cease to give milk at least for two months in a pregnancy cycle, and during this period the beneficiary has to feed the cattle (along with calves) without getting any milk from them. Moreover, the beneficiaries get the subsidy for purchase of the second cattle only in the next financial year irrespective of the prescribed period of six months. This breaks the chain of continuous flow of milk for the beneficiary. In contrary, in other dairy schemes where the numbers of cattle are more than one, the beneficiary gets milk all through the year by spacing the pregnancy cycle of different cattle to maintain the availability of milk.

**Financial Evaluation**

In the test checked districts, ₹ 12.49 crore was released under RKVY to induct 5,806 cattle during 2012-17 and in five out of six test checked districts<sup>28</sup> ₹ 70.36 crore was released under BPL scheme during 2015-17 to induct 12,646 cattle. Thus, a total ₹ 82.85 crore was released for 18,452 cattle. Of this, only ₹ 37.78 crore (45.60 *per cent*) was spent and adjusted from subsidy for induction of 9,482 cattle while ₹ 45.07 crore was parked in banks for

<sup>28</sup> Deoghar, Jamtara, Koderma, Palamau and Ranchi



reasons given in paragraph 2.1.6.3. Parking of funds in banks outside the Government account is fraught with the risk of misappropriation of Government money.

In the exit conference (January 2018), the Secretary of the Department accepted the audit observation and assured that necessary corrective steps would be taken.

#### 2.1.7.1(iv) Productivity enhancement

The Department fixed a target of performing 23.30 lakh AIs to improve the breed<sup>29</sup> by Confirmed Pregnancy (CP) of 11.10 lakh cattle during 2012-17 but did not fix the target of female calves though it was planned to reproduce 9.68 lakh female calves by performing 38.75 lakh AIs. Against this, BAIF performed 21.55 lakh AIs during 2012-17 and achieved 11.58 lakh CP resulting in 8.19 lakh calving, of which 3.83<sup>30</sup> lakh (33 per cent of CP) were female calves. In comparison, in 11 FYP, 0.91 lakh (31 per cent of CP) female calves were born out of 2.94 lakh CP (5.69 lakh AIs). Thus, production of female calves during the 12 FYP did not significantly improve *vis-à-vis* the 11<sup>th</sup> Plan period. However, BAIF began the use of sorted semen (with Y chromosome) for AIs during 2016-17 to enhance the production of female calves.

**Productivity enhancement could not be achieved through AI for failure to adhere to the target and rear the female calves with adequate food supplements**

Further, 1.70 lakh<sup>31</sup> out of 3.83 lakh female calves were to be converted into milking progeny in the State by March 2017 but only 46,322 (27.27 per cent) could be done as the Department released only ₹ 1.08 crore for this purpose during the entire 12 FYP period against the requirement<sup>32</sup> of ₹ 10.71 crore for reasons not on record. Thus, productivity enhancement could not be achieved through AI for failure to adhere to the target and rear the female calves with adequate food supplements.

In the exit conference, Secretary of the Department accepted the audit observation and *inter alia* stated (January 2018) that 3,000 more AI centres are planned to be established this year and by next year (2018-19), there would be a Centre for each panchayat. The Secretary further stated that the figures of targets and achievement would be examined.

#### Recommendation

**Considering the objective to attain self-sufficiency in milk production and provide gainful employment, the Department should provide adequate funds for promoting mini, midi, commercial and modern dairies besides streamlining the two-milch cattle dairies by providing the second cattle within six months. Further, the Department should fix target for production of female calves and provide adequate funds to rear the female calves for maximum conversion into milking progeny.**

<sup>29</sup> Less productive breed of the State through Artificial Insemination with semen of cross-breed cattle

<sup>30</sup> 2012-13: 33,317; 2013-14: 57,156; 2014-15: 79,386; 2015-16: 98,152 and 2016-17: 1,14,512

<sup>31</sup> Considering only 1,69,859 (1.70 lakh) heifers born between 2012-13 and 2014-15 as only these could be converted into milking progeny

<sup>32</sup> For 3,82,523 female calves x 20 kg calf starter at the rate of ₹ 14 per kg

### 2.1.7.2 Technical Input Programme (TIP)

The Department implemented TIP (August 2004) to maintain overall health of the cattle and for enhancement of milk productivity.

Under TIP, nutritional supplements (inputs) like mineral mixture, medicines and other feed supplements were to be distributed to the farmers either free of cost or at subsidised rate. These inputs were to be procured at the Directorate level and to be distributed through BAIF.

Audit observed that the Department provided ₹ 63 crore for implementation of the programme during 2012-17. Of these, the Director, Dairy Development furnished records for procurement of mineral mixture and other inputs made in 2016-17. But no documents of procurement and distribution of technical inputs made during 2012-16 valued at ₹ 43 crore<sup>33</sup> were produced to Audit despite several requisitions/reminders<sup>34</sup> and assurance given (January 2018) by the Secretary of the Department in the exit conference that these records were available for scrutiny by Audit.

Such non-production of records of these procurements and distributions from Audit is a red flag to presumptive fraud and misappropriation. The matter, therefore, merits examination from a vigilance angle. The red flags were substantiated when Audit observed that the Assistant Director (the Drawing and Disbursing Officer) of the Directorate withdrew (March 2017) ₹ 7.82 lakh twice<sup>35</sup> from the Doranda Treasury on the strength of same invoice<sup>36</sup> by making two separate entries in the stock register and fraudulently made an excess payment of ₹ 7.82 lakh to a firm for supply of mineral mixture with amino acid and vitamins (MM-AaV) bypassing all control measures in the Department.

In the exit conference (January 2018), the Secretary of the Department accepted the audit observation and stated that departmental proceedings would be initiated against the responsible officials and action would be taken against the agency. Further progress in this regard would be awaited in Audit.

### Recommendation

**Failure of the Department to furnish records to Audit and the double withdrawal by the Assistant Director, merits vigilance investigation.**

Other irregularities observed are as follow:

#### 2.1.7.2(i) Selection of ineligible bidder

The Directorate invited (October 2016) tender for procurement of five lakh kg MM-AaV. The Director, Dairy sent (December 2016) the samples received from the four technically qualified bidders to Birsa Agricultural University (BAU), Ranchi to determine the lowest cost per dose. As per the dose determination report furnished (7 December 2016) by the BAU, the cost per

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<sup>33</sup> 2012-13- ₹ 6 Crore, 2013-14- ₹ 12.40 crore, 2014-15- ₹ 12.60 crore and 2015-16- ₹ 12 crore

<sup>34</sup> Seven times between May 2017 and March 2018

<sup>35</sup> Bill No. 186/2016-17 (Sub-Voucher (SV) no.981) (guard file No. 10) and second vide bill no.204/2016-17 (SV No. 1149 (Guard file no.12)

<sup>36</sup> Invoice No. MM/96 dated 18 January 2017 for supply of 2,460 packets (5 kg each) of MM-AaV



**The Department declared M/s KPR Agrochem Ltd. as successful bidder despite the firm not meeting the tender requirements**

dose of the firm (M/s KPR Agrochem Ltd., Andhra Pradesh) was adjudged the lowest. However, the report was declared (13 December 2016) null and void by the Dean, BAU on the ground that the official who prepared the report was a temporary teacher in BAU and not competent to issue such report. The report was received in the Department on 14 December 2016 and initialled by the Director on 20 December 2016. In the meanwhile, the tender committee headed by the Director, Dairy finalised (14 December 2016) the tender in favour of the firm based on the invalid dose determination report and issued (16 December 2016) work order for supply 4,00,002 packets of one-kg and 58,490 packets of five-kg Abhaya Chelated MM-AaV valued at ₹ 4.65 crore.

Incidentally as noticed from the tender documents, the firm was not eligible to qualify for the bid as it did not possess experience of 10 years of production of mineral mixture and publication of research papers as required under NIT. Despite this, the Chairman of the tender committee who himself was the Director, Dairy and was aware of the facts suppressed these flaws and selected the firm as the successful bidder. Even when the Director acknowledged the letter of Dean, BAU after three days (20 December 2016), he did not take any action to cancel the work order and go for fresh evaluation. Thus, an ineligible firm was given supply order in violation of tender eligibility, and the matter merits investigation from a vigilance angle.

#### **2.1.7.2(ii) Non-accountal of consignment**

As per invoices, the agency supplied 6,35,654 kg MM-AaV (3,43,049 one-Kg packets and 58,521 five-Kg packets) valued at ₹ 4.25 crore<sup>37</sup> in January 2017 at seven locations<sup>38</sup> which were different from the approved stock point of Khunti. The Department did not entrust any of its officials to receive the consignments and ordered (January 2017) BAIF to get the items unloaded without imposing any responsibility to maintain stock accounts. The supplied items were not recorded in any stock registers at the stock points but entries were made in the stock register of the Directorate on the basis of invoices submitted by the supplier/agencies without ascertaining their physical receipts at stock points. Hence, their actual receipts could not be shown to Audit by any Government authority either at Department level or at District level.

However, from the records of BAIF, it was found that 6,20,002 kg MM-AaV had been lifted by BAIF between April 2017 and February 2018 from all seven stock points. Of this, BAIF distributed 4,31,115 kg MM-AaV till March 2018 while balance 1,88,887 kg MM-AaV were lying with BAIF. Thus, the whereabouts of 15,652 kg MM-AaV could not be traced.

#### **2.1.7.2(iii) Irregular payment of ₹ 4.25 crore**

As per general terms and conditions of the contract, payments were to be made to the firm on the basis of analytical report of sample from Government approved quality control laboratory. The samples were randomly selected from the same lot and were sent (March 2017) to two laboratories empanelled with the Department viz., M/s Interstellar Testing Centre Pvt. Ltd (ITC), Panchkula (Haryana Government approved laboratory) and Centre for

<sup>37</sup> 3,43,049 kg x ₹ 69.75= ₹ 2.39 crore plus 58,521kg x ₹ 318=₹ 1.86 crore

<sup>38</sup> (i) Dhanbad, (ii) Garhwa, (iii) Giridih (iv) Godda (v) Hazaribagh (vi) Khunti and (vii) Palamu

**Payments of ₹ 4.25 crore was made to the firm by suppression of report that the supply made was substandard**

Analysis and Learning in Livestock and Food (CALF), a laboratory of NDDB, Government of India.

Audit observed that the Department made (31 March 2017) payments of ₹ 4.25 crore to the firm on the basis of analytical report furnished (23 March 2017) by ITC confirming the composition of MM-AaV *ditto* and by recording in the files of the Directorate that CALF had not submitted any report. However, Audit cross examined the fact from MILKFED (NDDB) and obtained the report of CALF prepared on 7 March 2017 which was communicated (15 March 2017) to the Secretary of the Department prior to submission of report by ITC. The report of CALF revealed that sample did not meet the specifications mentioned by the firm and was unfit for consumption. The report was traceless in the records of Directorate and no action was initiated (March 2018) either to prevent its consumption or to re-examine the samples for quality worthiness. Meanwhile, 4.31 lakh kg of substandard MM-AaV were distributed by BAIF to the beneficiaries.

Hence, payments worth ₹ 4.25 crore against substandard supply by suppression of report of CALF merit investigation from a vigilance angle as the possibility of collusion of departmental officials could not be ruled out.

In the exit conference (January 2018), the Secretary of the Department accepted the facts and assured to initiate departmental proceedings against the erring officials, blacklist the agency and seize its security deposit.

### **Recommendation**

**The entire procedure of selection of an ineligible firm, suppression of quality test report and payment of ₹ 4.25 crore merits vigilance investigation.**

#### **2.1.8 Monitoring**

The Department has not defined key performance indicators (KPI) for evaluation of the schemes. Resultantly, the Department could not evaluate the scheme outcomes during 2012-17. Audit observed deficiencies in monitoring of the schemes, which are discussed below:

- The DDDO and DAHO were to conduct 100 *per cent* supervision and follow up of the distributed cattle in each month and to prepare a report for submission to the District Level Committee for MCIS. Further, a Scheme Inspection Register was also to be maintained by the DDDOs to record remarks of the Inspecting officers.

Audit observed in the test-checked districts that none of these activities were conducted during 2012-17 by any of the DDDOs/DAHOs due to shortage in manpower (commented in paragraph 2.1.3) resulting in lack of monitoring *ibid* as discussed in paragraph 2.1.7.1.

- The Directorate did not establish any Management Information System (MIS) to generate and disseminate reliable and consolidated information of its activities, which would have strengthened the monitoring mechanism.
- The Department never carried out internal audit in any of the test checked units during 2012-17 as discussed in paragraph 2.1.4.

In the exit conference (January 2018), the Secretary of the Department accepted the audit observations and assured corrective action.

### **Recommendation**

**The Department should prescribe and ensure adherence to monitoring and oversight procedures at all levels.**

#### **2.1.9 Conclusion**

The dairy development schemes suffered from significant deficiencies in planning as well management. Against the average target of 22.10 lakh MT, the department could not achieve milk production in any of these years, although milk production increased by 13 *per cent* in the State during 2012-17.

The State could not achieve its objectives in milk production, as the per capita average availability of milk in the State was 147 gm/day during 2012-17 against the national availability of 355 gm/day.

The Department paid ₹ 6.80 crore to MILKFED to meet the operational deficit, despite the Annual Accounts of MILKFED indicating no such deficits.

The Department did not manage its resources professionally as ₹ 178.98 crore drawn from treasuries and released to the banks during 2012-17 by the DDDOs were shown as spent on MCIS without assessing the actual numbers of cattle inducted. Of this, ₹ 45.07 crore was parked in banks in the six test checked districts due to failure to purchase cattle, while in the remaining 18 districts, the Department did not have any information as the Statistical Cell of the Department is non-functional in the absence of posting against vacancies.

The Milch Cattle Induction scheme under RKVY could not provide employment to at least 30 *per cent* (1,553 out of 5,208) of the intended beneficiaries while the Milch Cattle Induction (BPL) scheme did not cover nine out of 24 districts of the State and failed to induct 53 *per cent* (13,924 out of 26,148) of targeted cattle during 2015-17.

Under Technical Input Programme, the Department purchased substandard mineral mixture from an ineligible firm worth ₹ 4.25 crore by suppression of quality test report. The Assistant Director fraudulently drew ₹ 7.82 lakh from Doranda Treasury on the strength of same invoice.

Monitoring of the schemes was not effective as the DDDOs/DAHOs did not undertake field visits due to shortage in manpower while Management Information System (MIS) was not established. Further, the Department did not define any key performance indicators (KPI) for evaluation of the schemes while, third party monitoring and evaluation was not undertaken by the State in any of the years during 2012-17, though mandated in the operational guidelines of RKVY.

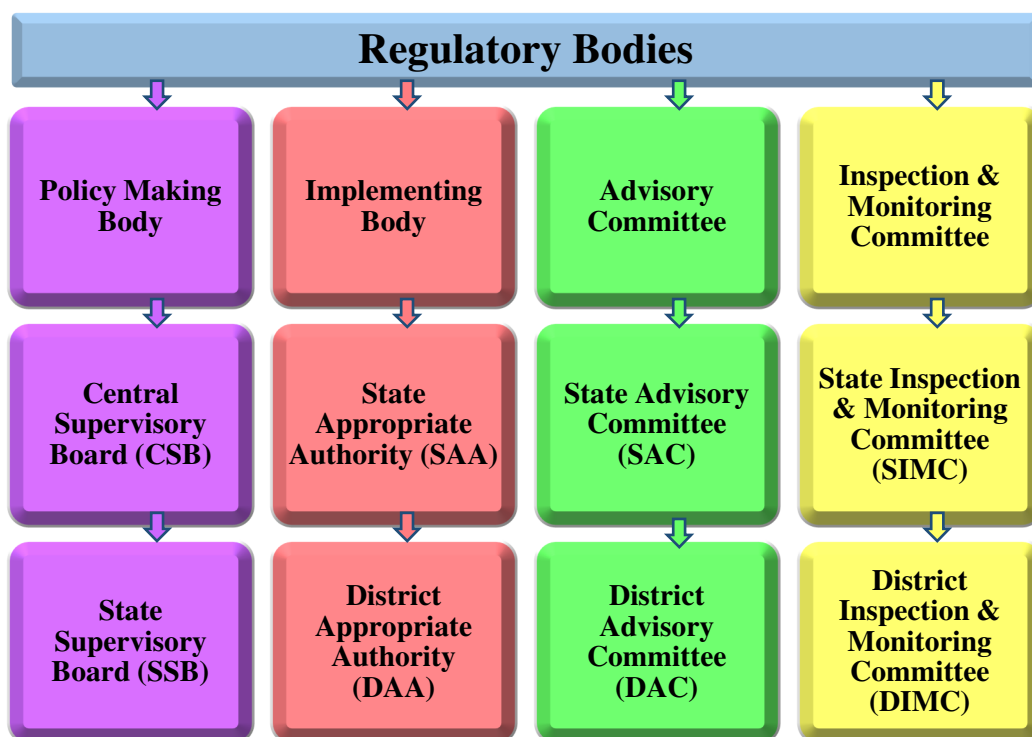
## HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

### 2.2 Audit on implementation of the provisions of Pre-conception and Pre-natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994

#### 2.2.1 Introduction

The Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 (PCPNDT Act) and Rules thereunder, aimed to overcome the growing and grave problem of sex-selection resulting from misuse of pre-natal diagnostic techniques. The Act prohibits determination and disclosure of the sex of foetus. It also prohibits any advertisements relating to pre-natal determination of sex and prescribes punishment for its contravention. Persons contravening the provisions of the Act are punishable with imprisonment up to three years and fine up to ₹ 10,000.

The institutional arrangements for implementation of the Act at various levels in the State are shown below:



Audit examined the extent of implementation of the Act/Rules covering the period 2014-17 based on three essential parameters- sufficiency of human resources, adequacy and utilisation of funds and effectiveness of monitoring through test check of records of Directorate (PCPNDT Cell), National Health Mission (NHM) and six<sup>39</sup> out of 24 civil surgeon cum district appropriate authority (CS cum DAA) offices in the districts. Besides, joint physical

<sup>39</sup> Dhanbad, East Singhbhum, Gumla, Koderma, Ranchi and Sahibganj selected by Probability Proportionate Size (PPS) with replacement method.

inspection of 72 (16 *per cent*) out of 439<sup>40</sup> ultrasonography clinics (USG) which includes six Government hospitals (GH), eight private hospitals (PH) and 58 private USG/nursing homes (NH) was carried out in these test-checked districts with the representatives of concerned CS cum DAA offices.

Entry (April 2017) and exit conferences (September 2017) were held with Director cum Nodal Officer, Health Services, PCPNDT to seek views of the Department on objectives, scope, audit methodology and audit findings. Further, the Additional Chief Secretary (ACS) of the Department replied to the Audit observations in January 2018. The replies of the Department have been suitably incorporated in the Report.

### **Audit findings**

#### **2.2.2 Human resource management**

##### **2.2.2.1 Vacancies in key positions**

For implementation of the Act, the State Government created the posts of Nodal Officer PCPNDT in April 2005 and State co-ordinator (PCPNDT), State co-ordinator Monitoring and Evaluation and PCPNDT lawyer in April 2011. Except the post of Nodal Officer which is managed by Director, Health Services, the other three posts were vacant (May 2018) since their creation.

It was observed that the Department took no action to fill up the posts and issued (October 2017) advertisement for filling these posts (except PCPNDT lawyer) and held examination only in April 2018; appointments were yet to be made (May 2018). The vacancies in these key positions adversely affected monitoring of implementation of the Act as discussed in paragraph 2.2.4.

##### **2.2.2.2 Sonography by unqualified doctors**

As per PCPNDT Rule 3(3)(1)(b), a sonologist or an imaging specialist or registered medical practitioner having post graduate degree or diploma or six months training duly imparted in the manner prescribed in the PCPNDT (Six Months Training Rules) Amendment Rules 2014 is eligible to perform ultrasound in registered centres. Further, the Amendment Rule 2014 stipulates that all the existing registered medical practitioners who are employed in a genetic clinic or USG or imaging centre on the basis of one year experience or six months training are exempted from undertaking the said training provided they are able to qualify the Competency Based Evaluation (CBE). In case of failure to clear the CBE, they shall be required to undertake the complete six months training as provided under these rules for the purpose of renewal of registration of the centre. Moreover, section<sup>41</sup> 3(2) of PCPNDT Act 1994 stipulates that no genetic counseling centre/laboratory/clinic shall employ or cause to be employed or take services of any person, whether on honorary basis or on payment who does not possess the qualification as above.

Contrary to the Act/ Amendment Rules 2014, the Director-in-Chief, Health services, Government of Jharkhand intimated (December 2014) all DAAs that

<sup>40</sup> In six test checked districts out of 751 centers in the States

<sup>41</sup> for regulation of genetic counseling centers, genetic laboratories and genetic clinics

the existing doctors who are employed in a genetic clinic or USG or imaging centre on the basis of one year experience or six months training and given exemption from appearing in the CBE to work in the USG centres. Audit observed that the Amendment Rule 2014 has mentioned only about the exemption from appearing in the training in the notified institutions and not permitted such doctors to work in any USG centres for undertaking sonography until they meet the other conditions of the Amendment Rule 2014. This resulted in irregularities in the implementation of the Act as discussed below:

#### 2.2.2.2 (i) Functioning of USG centres with unqualified doctors

As per records of PCPNDT cell of National Health Mission (NHM), 599 doctors were working in the 702 registered and functional USG centres<sup>42</sup> in the State as on March 2017. Of these, 360 doctors (60 *per cent*) were qualified<sup>43</sup> to conduct ultrasound in the USG centres in line with the above rule while 227<sup>44</sup> (38 *per cent*) doctors were not qualified (excluding 12 unqualified doctors working with 10 qualified doctors in 10 USG centres) to work in the USG centres as detailed in **table 1**:

**Table 1: USG centres with qualified and unqualified doctors**

USG centres	Working doctors	USG centres where qualified doctors work		USG centres where unqualified doctors work alone		Breakup of USG centres and unqualified doctors			
		USG centres	Doctors	USG centres	Doctors	USG Centres (only MBBS)	Unqualified doctors (only MBBS)	USG Centres (MBBS plus experienced/trained)	Unqualified but trained doctors (MBBS plus experienced/trained)
702	599	442	360	250	227	87	81	163	146

(Source: Information provided by PCPNDT Cell of NHM)

As seen from the table, 250 USG centres (36 *per cent*) in 19 out of 24 districts of the State have engaged 227 unqualified doctors (38 *per cent*) without any qualified doctors on their panel in violation of section 3(2) of the Act. Of these, 87 USG centres have engaged 81 MBBS doctors without any experience or training while 163 USG centres have appointed 146 MBBS doctors, though having one year experience/six months training, but without the mandatory clearance of CBE.

#### 2.2.2.2. (ii) Districts with high concentration of unqualified doctors

The five major districts which have the highest numbers of USG centres with unqualified doctors are shown in **table 2**:

<sup>42</sup> Out of 751 USG centres in the State. The PCPNDT Cell could not furnish details of doctors working in the balance 49 USG centres. This requires investigation.

<sup>43</sup> 171 have degrees in Radiology and 189 were doctors from other streams with requisite qualifications

<sup>44</sup> Bokaro-18, Chatra-03, Deoghar-04, Dhanbad-25, Dumka-06, East Singhbhum-21, Giridih-07, Godda-06, Garhwa-11, Gumla-02, Hazaribagh-03, Koderma-06, latehar-03, Palamu-25, Ranchi-58, Ramgarh-20, Sahibganj-02, Saraikela-02, West Singhbhum-05



**Table 2: Five major districts/USG centres with highest unqualified doctors**

Districts	USG Centres	Doctors	USG centres engaging unqualified doctors		Breakup of USG centres and unqualified doctors			
			USG Centres	Doctors	USG Centres (MBBS)	Doctors (MBBS)	USG Centres (MBBS + experienced/trained)	Doctors (MBBS + experienced/trained)
Ranchi	198	163	66	58	45	39	21	19
Dhanbad	64	76	25	25	0	0	25	25
Palamu	31	29	27	25	0	0	27	25
East Singhbhum	133	91	25	21	13	13	12	08
Ramgarh	35	31	23	20	0	0	23	20

(Source: Information provided by PCPNDT Cell of NHM)

As may be seen, 39 per cent USG centres (25 out of 64) in Dhanbad have engaged 33 per cent (25 out of 76) unqualified doctors while 33 per cent USG centres (66 out of 198) in Ranchi have engaged 36 per cent (58 out of 163) unqualified doctors. Interestingly, East Singhbhum which has the highest numbers of USG centres after Ranchi has 23 per cent unqualified doctors (21 out of 91) working in 19 per cent (25 out of 133) of the USG centres.

Functioning of these USG centres by unqualified doctors violates the Act and resulted in sonographies by unqualified doctors, putting at risk the life of patients who may undergo treatment based on such reports.

#### 2.2.2.2 (iii) Findings in test checked USG centres

In the test-checked districts, 126 unqualified doctors working in 136 USG centres conducted 59,959 sonographies during 2014-17 of which, 604 were done by 56 inexperienced and untrained MBBS doctors in 61 USG centres.

Further, Audit visited 72 selected USG centres and reviewed 3,717 sonography cases conducted in the month of March 2017 in these centres from Form-‘F’. Findings are shown in **Table 3**:

**Table 3: Sonography in test checked USG centres**

Particulars	Qualified doctors	Unqualified doctors			Grand Total (qualified + unqualified)
		Total	MBBS	MBBS and trained	
No. of doctors	70	16	08	08	86
USG centres	57	15	07	08	72
Sonographies done	3511	206	113	93	3717

(Source: Joint physical inspection of the USG centres by Audit with the representatives of concerned DAAs)

In 15 USG centres, 16 doctors who are not qualified to conduct sonographies were working alone during 2014-17 and have also conducted 206 sonographies in March 2017 and issued reports in contravention to the Act. Of these, 113 sonographies were done by eight MBBS doctors in seven USG centres who did not even have any work experience or training.

It was observed in Audit that the concerned District Appropriate Authorities responsible for granting registrations failed to verify violations of section 3(2) of the Act by the USG centres in engaging doctors who were not eligible to work in the USG centres. Resultantly, no actions were taken against these centres under section 23 (1) of the Act which stipulates imprisonment up to three years and with fine up to ₹ 10,000 for persons owning genetic counseling centre/laboratory/clinic and contravening any of the provisions of this Act or rules made thereunder. Moreover, the Department did not take any steps to restrict the USG centres from functioning with unqualified doctors.

The ACS of the Department agreed (January 2018) that only qualified doctors can render service in the USG centres or MBBS doctors have to take six months training from a State notified institution and clear the CBE to work in the centres. The ACS further stated that in Jharkhand, only one CBE exam has been conducted and second exam could not be held due to stay on the examination by High Court. The ACS also stated that an Interlocutory Application (IA) has been filed by the department in the High court, Jharkhand to vacate the stay and till then no existing clinics having only MBBS doctors would be closed. Further, the ACS informed Audit that no new registrations and renewals are being given to clinics that are not fulfilling the qualification criteria as per the PCPNDT Act (six months training<sup>45</sup> Rule 2014).

The reply of ACS is not acceptable as (i) the functioning of USG centres with unqualified doctors contravenes the Act; (ii) the problem was created when DAAs who were required to ensure the qualifications of the medical personnel of the USG Centres, in accordance with the section 3(2) of the Act, failed to do so; and (iii) the Department filed (September 2017) IA only after more than one year of stay order (July 2016) by High Court and this enable unqualified doctors to continue to work in the USG centres.

### **2.2.2.3 Single Radiologist in multiple USG centres**

As per GoI notification (June 2012), each medical practitioner qualified under the Act to conduct ultrasonography in a genetic clinic/ultrasound clinic/imaging centre shall be permitted to be registered with a maximum of two such clinics/centres within a district. Further, the CSB also instructed (May 2015) the Principal Secretary of the Department to restrict qualified medical practitioners to register and work in a maximum of two centres.

Scrutiny of records of PCPNDT cell of NHM revealed that the Principal Secretary forwarded (June 2015) the letter of CSB to Mission Director, NHM and Nodal Officer (Director, Health Services), PCPNDT for taking immediate action. However, Audit did not find evidence of any action in the files of the Nodal Officer.

Audit further observed from the list of registered USG centres in the State maintained by the PCPNDT cell that in five districts<sup>46</sup> (two out of six sampled and three other districts), 18 radiologists were registered with 71 USG centres

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<sup>45</sup> Rule 9 of PCPNDT (six months training) Rules, 2014 stipulates that the registered medical practitioners employed in a USG centre on the basis of one year experience or six months training shall have to clear CBE examination.

<sup>46</sup> Bokaro, Deoghar, East Singhbhum, Ranchi and West Singhbhum



during 2014-17 which involved a minimum of three USG centres per radiologist and a maximum of six USG centres per radiologist in violation of the notifications of GoI (**Appendix-2.2.1**). Although no reasons were on record of the Directorate of NHM, one of the possible causes observed by Audit was failure of the SIMC to conduct inspections of the USG centres (as commented in paragraph **2.2.4.7(i)**) to report cases of violation of the instructions of GoI to the SSB where the Principal Secretary holds the position of ex-officio Deputy Chairman. The fact of one radiologist registered in multiple USG centres has two implications: (i) since the radiologist is unavailable for most of the time the patient of these USG centres are required to wait for unduly long period of time, perhaps days, and they are subject to acute and unwarranted distress; (ii) patients are attended to by unqualified doctors, with the qualified radiologist only signing the reports.

Accepting (January 2018) the audit observation, the ACS assured corrective action, which is awaited (May 2018).

### Recommendation

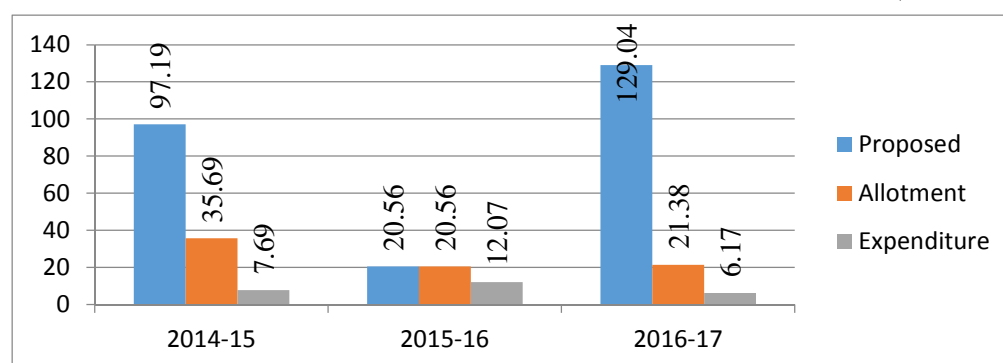
**The Department should initiate appropriate action against (i) unqualified doctors performing sonography, (ii) USG centres who permit such unqualified doctors to perform sonographies, and (iii) DAAs who registered such USG centres despite their not having qualified doctors.**

### 2.2.3 Financial Management

National Health Mission (NHM), Government of India (GoI) provides financial resources for implementation of PCPNDT Act, 1994 in the State. In addition, the State Government also collects fees for registration of genetic counselling centres, genetic laboratories, genetic clinics, ultrasound clinics and imaging centres.

The details of allotment and expenditure during 2014-17 are depicted below:

(₹ in lakh)



(Source: Directorate, NHM, Jharkhand)

Audit observed that:

- During 2014-17, GoI allocated ₹ 77.63 lakh against the proposed budget of ₹ 2.47 crore for implementation of various components<sup>47</sup> of the Act. The short allocation was due to the underutilisation of allotted funds by the Department.

<sup>47</sup> Support to PCPNDT cell and Other activities (annual orientation programme, mapping of USG centres, printing of Flip Book, annual rallies/road shows/nukkad, permanent flex hoarding etc)

The Department utilised only ₹ 25.93 lakh (33 *per cent*) and ₹ 51.70 lakh remain unutilised on account of failure to conduct activities like orientation programmes, mapping of USG centres, information, education and communication (IEC) activities consisting of various awareness programmes through print and electronic media etc.

- Rule 5 (2) of PCPNDT Rules 1996, stipulate maintenance of separate bank accounts for implementation of PCPNDT Act. All amounts including those realised by the DAAs in the form of fee, penalties etc., are to be kept in this bank account and spent on implementation of the Act.

In the six test checked districts, two DAAs maintained separate bank accounts for implementation of PCPNDT Act. However, four<sup>48</sup> DAAs did not maintain separate bank accounts in violation of the Rules and used the bank accounts maintained in the designation of Civil Surgeon. These four DAAs and the SAA did not furnish any reason for failing to comply with the PCPNDT Rules 1996. Maintenance of common bank account may prevent verification of cash book balance with the balance in the bank accounts as it would not be possible to ascertain if the balance in the bank pertains to funds received for implementation of the Act or for the other receipts of Civil Surgeon. Further, the six DAAs realised ₹ 55.41 lakh from fees, penalties etc., during 2014-17, but spent only ₹ 15.38 lakh (28 *per cent*) as the DAAs did not undertake IEC activities in three districts and partially executed these activities in the other three districts, and the balance of ₹ 40.03 lakh was parked in bank accounts.

Thus, the Department neither ensured utilisation of funds by the DAAs nor provided funds for essential activities such as decoy operations [commented in paragraph 2.2.4.9 (ii)] etc. As a result, the Department could not efficiently enforce the Act. No reply has been furnished by the Department (March 2018).

### **Recommendation**

**The Department should ensure full utilisation of the allocated funds by the DAAs on the approved activities for smooth implementation of the Act.**

## **2.2.4 Monitoring and inspection for implementation of the Act**

### **2.2.4.1 Institutional arrangement under the Act**

The PCPNDT Act and Rules notified thereunder envisages constitution of State Supervisory Board (SSB), State Appropriate Authority (SAA), State Advisory Committee (SAC) and State Inspection and Monitoring Committee (SIMC) bodies at State level and District Appropriate Authority (DAA), District Advisory Committee (DAC) and District Inspection and Monitoring Committee (DIMC) at district level for proper monitoring and inspection of implementation of PCPNDT Act and Rules in the State. Details of roles and functions are narrated below in **Table 4**.

<sup>48</sup> Dhanbad, East Singhbhum, Sahibganj and Gumla

**Table 4: Roles and functions of different statutory bodies**

Body	Headed by/composition of statutory body	Role	Function
State Supervisory Board (SSB)	Minister-in-charge <sup>49</sup>	Supervision	To create public awareness against the practice of pre-conception sex selection and pre-natal determination of sex of foetus leading to female foeticide in the state; to review the activities of the Appropriate Authorities functioning in the State and recommend appropriate action against them; to monitor the implementation of provisions of the Act and the rules and make suitable recommendations to the Board and to send such consolidated reports as may be prescribed in respect of the various activities undertaken in the State under the Act to the Board and to the Central Government.
State Appropriate Authority (SAA)	Officer above the rank of Joint Director <sup>50</sup>	Implementation of the Act at State level	To grant, suspend or cancel registration of USG Centres; to enforce standards prescribed for USG centres; to investigate complaints of breach of the provisions of the Act, to create public awareness, to supervise the implementation of provisions of the Act and rules, to take appropriate legal action against the use of any sex selection technique, take action on recommendations of the Advisory Committee etc.
State Advisory Committee (SAC)	Specialist Obstetric and Gynaecologist <sup>51</sup>	Assist SAA	To aid and advise the Appropriate Authority in the discharge of its functions
State Inspection and Monitoring Committee (SIMC)	Senior Regional Deputy Director (RDD) <sup>52</sup>	Surprise visits to USG centres	Conduct surprise visits to ultrasound centres, check their compliance, records, to deploy as decoy, pregnant women if need arises, facilitate search and seizure by the District Appropriate Authorities within the State.
District Appropriate Authority (DAA)	Civil Surgeon cum Chief Medical Officer	Implementation of the Act at district level	Implement the Act at the district level, register ultrasound clinics/hospitals, inspect them, investigate complaints and file court complaints
District Advisory Committee (DAC)	Civil Surgeon cum Chief Medical Officer <sup>53</sup>	Assist DAA	Advisory body to the DAA in implementing the Act
District Inspection and Monitoring Committee (DIMC)	DAA/Member of DAC <sup>54</sup>	Inspection of USG centres	Ensure registration certificate displayed in every USG centre, USG machine number tallied with machine number entered in registration certificate, timely submission of form by USG centres, take legal action against violators and sent pregnant women for decoy operations.

(Source: PCPNDT Directorate and provisions of Act and Rules)

<sup>49</sup> Secretary, Health as Deputy Chairman, Mission Director, NHM as member secretary and 19 members

<sup>50</sup> Including State Programme Director and one representative from Law Department

<sup>51</sup> Including Paediatric specialist, Advocate High Court, Director Information and Broadcasting Department and three members from NGO

<sup>52</sup> Including four RDD, two Lawyer and four NGOs

<sup>53</sup> Including Nodal Officer PCPNDT, one Public Prosecutor, one Pediatrician, one Gynecologist and two members

<sup>54</sup> Including one social worker/member from NGO and First class Judicial Magistrate

Audit observed the following deficiencies in the constitution and functioning of some of these bodies:

#### **2.2.4.2 Delay in constitution of Statutory Bodies**

As per Section 16A and 17(2) of the PCPNDT Act, the State Government was to constitute the SSB and SAC for a period of three years and thereafter SSB and SAC would be reconstituted.

Scrutiny of records of Directorate, NHM revealed that these were constituted in August 2011 and their term ended in August 2014. However, these were re-constituted after a delay of almost two years i.e., in June 2016 due to delay in issuing notification for reconstitution. During the intervening period from September 2014 to May 2016 the SSB and SAC functioned unauthorisedly and convened one and two meetings of SSB and SAC respectively. These shortcomings resulted in absence of supervision and monitoring of provisions of PCPNDT Act at the State level as discussed in succeeding paragraphs **2.2.4.7 (i)** and **2.2.4.7 (ii)**

The Director cum Nodal Officer, PCPNDT stated (March 2018) that the delay in constitution was due to delay in their notification and consequently delay in approval by the State Government. The reply is not acceptable. It was the responsibility of the State Government to get the notification issued on time. Further, though the SSB (February 2015) and SAC (March 2014 and October 2014) resolved to reconstitute the statutory bodies, the Department failed to reconstitute these on time.

#### **2.2.4.3 Constitution of Sub-District Appropriate Authority**

As per guidelines of GoI and GoJ<sup>55</sup>, a Sub-District Appropriate Authority (SDAA) was required to be constituted by the State Government for implementation of the Act at grass root level. Section 17 (2) of the Act ibid also stipulates appointment of Appropriate Authorities for whole or part of the State. SSB in its meeting (June 2012) also instructed effective implementation of the PCPNDT Act 1994 in the whole State.

Audit noticed that no such committee was constituted in any of the six test checked districts by the Department for reasons not on record. Thus, monitoring and inspection of implementation of the Act was not ensured at grass root level as discussed in paragraphs **2.2.4.7 (iii)** and **2.2.4.7 (iv)**.

The SAA stated (March 2018) that at present Civil Surgeons (CS) function as DAAs for implementation of PCPNDT Act in the district and steps are being taken to make the Deputy Commissioners of Districts as the DAA and the Sub Divisional Officers (SDOs) as Sub-District Appropriate Authority. It is therefore evident that the provisions of the Act and instruction of GoI<sup>56</sup>/GoJ have not been complied with.

#### **Recommendation**

**The Department should establish Sub-District Appropriate Authorities at the earliest to strengthen the institutional arrangements to fulfil the**

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<sup>55</sup> Guidelines for effective implementation of PCPNDT Act 1994 issued by Government of Jharkhand

<sup>56</sup> Standard Operating Procedure (SOP) guidelines issued by GoI for DAA

**mandate of the Act and ensure strengthening of supervisory and advisory committees.**

#### **2.2.4.4 Formation of District Advisory Committee (DAC)**

As per chapter 3(7) of the Standard Operating Procedure (SOP), Chairperson of District Advisory Committee (DAC) would be appointed only from the members of the DAC. Further, the DAA can neither become a member nor Chairperson of DAC.

Audit observed that the Civil Surgeon cum Chief Medical Officers of the test checked districts functioned both as DAA and the Chairperson of the DAC in contravention of the SOP.

The Director cum Nodal Officer, PCPNDT stated (March 2018) that steps are being taken to make the Deputy Commissioners of the districts as the DAA.

#### **2.2.4.5 Implementation of recommendations of Statutory Bodies**

Audit noticed that Central Supervisory Board recommended (October 2014) three issues for implementation during 2014-17 of which, one was partially implemented and two were not acted upon by the State Government (SAA/DAAs) due to failure of the Principal Secretary of the Department who was the ex-officio deputy Chairman of the SSB to follow-up the recommendation with the SAA/DAAs. Likewise, the State Supervisory Board recommended 14 issues out of which two were implemented, six were partially implemented on account of failure to conduct awareness programme about the Act in three out of six sampled districts while six recommendations were not implemented due to failure to appoint legal expert, absence of funds for activities like decoy operations, non-involvement of stakeholders, absence of inspections, dedicated website etc. as detailed in *Appendix-2.2.2*. A summary of the important recommendations of CSB/SSB (policy making bodies) which were not implemented by the implementing bodies of the State are listed below:

Sl. No.	Recommendations	Status of implementation
<b>Central Supervisory Board</b>		
1	Restricting qualified Doctors to two clinics to operate ultrasound machine in a district.	SAA/DAAs were responsible for implementation of this recommendation. However, the recommendation was not implemented as observed in two out of six sampled districts and three other districts where 18 radiologists were registered with more than two USG centres as discussed in para 2.2.2.3
2	Online grievance/complaint portal for receiving complaints	Nodal Officer, PCPNDT (SAA) was to implement this recommendation. Against the recommendation (May 2015) to set-up online grievances/complaint portal for the Act, the Nodal Officer took up development of website for PCPNDT which included provision of grievance redressal portal only in August 2017 for completion by December 2017. However, it was not completed till April 2018 as discussed in paragraph 2.2.4.9 (i)
<b>State Supervisory Board</b>		
3	Inspection of ultrasound clinics by State Inspection and Monitoring committee	SIMC did not carry out any inspection of USG centres during 2014-17 although constituted in August 2011 by GoJ to undertake field visits and conduct monitoring and surprise inspections of USG centres as discussed in paragraph 2.2.4.7(i). SAA stated that members of SIMC

		were engaged with other programme and hence, inspections could not be held. The reply was not acceptable as engagement with other programmes did not absolve the members of SIMC of the responsibility of inspection of the USG centres for which this body was created.
4	Online tracking of Form 'F' <sup>57</sup>	Nodal Officer, PCPNDT was responsible to ensure this. However, online tracking of Form F was not done as the website of PCPNDT which would facilitate such tracking was not completed (April 2018) as discussed in para <b>2.2.4.9 (i)</b>
5	GIS mapping of USG centres	Nodal Officer, PCPNDT was responsible for GIS mapping of USG centres. The mapping work was completed in five districts <sup>58</sup> and in progress (January 2018) in the remaining 19 out of 24 districts. However, in none of the test checked districts, GIS mapping work has been completed till January 2018 as the vendors did not submit report of sale and purchase of machines to SAA as discussed in para <b>2.2.4.8 (iii)</b> which prevented identification of the USG machines for mapping work.

Although the recommendations were not acted upon, no accountability was fixed or contemplated against the Nodal Officer, PCPNDT (SAA) or the concerned CS cum CMO (DAAs).

The ACS of the Department, while accepting (January 2018) the facts, stated that development of website for online grievances and redress was in process and online tracking of form 'F' will be done after launching of PCPNDT website. It was further stated that instructions have been sent to all the DAAs (July 2015) for random scrutiny of Form 'F'.

The fact remains that non-implementation of the recommendations adversely impacted the implementation of the Act in the districts in the form of delays in renewal/registration of USGs centres, failure to keep track of missing deliveries, poor maintenance of records, unsatisfactory generation of monthly reports, inadequate meetings, etc., as discussed in succeeding paragraphs. This in turn had prevented the State Government from assessing the overall effectiveness of implementation of the Act in the State.

### Recommendation

**The Department should ensure immediate implementation of the recommendations of Statutory Bodies.**

#### 2.2.4.6 Meetings by Statutory Bodies

##### 2.2.4.6 (i) Shortfall in meeting of SSB

Under the guidelines, SSB is to meet at least once in four months to review the activities of Appropriate Authorities.

Audit scrutiny revealed that SSB held only two meetings<sup>59</sup> against the required nine<sup>60</sup> meetings during 2014-17 for which no reasons were on files of SSB

<sup>57</sup> Form for maintenance of record in case of Prenatal Diagnostic test/procedure by genetic clinic/ultrasound clinic/imaging centre

<sup>58</sup> Bokaro, Hazaribagh, Khunti, Ramgarh and Ranchi

<sup>59</sup> 18 February 2015 and 16 November 2016

<sup>60</sup> Once in fourth month (3x3) = nine meetings



maintained in the PCPNDT cell of NHM. Shortfall in the meetings adversely affected the supervision of implementation of the Act.

#### 2.2.4.6 (ii) Shortfalls in meetings of SAC/DAC

SAC and DAC are to hold meetings once in 60 days for effective monitoring of implementation of the PCPNDT Act/Rules.

Audit scrutiny revealed that SAC met only three times (17 *per cent*) against the required 18 meetings while total numbers of meetings held by DAC in six sampled districts are depicted in **Table 5**.

**Table 5: DAC meetings in test-checked districts during 2014-17**

Sl. No.	Name of District	No. of meetings due to be conducted	No. of meetings conducted	Shortfall (in <i>per cent</i> )
1	2	3 (3 years x 6 times)	4	5
1	Dhanbad	18	08	56
2	Jamshedpur	18	09	50
3	Ranchi	18	18	Nil
4	Sahibganj	18	Nil	100
5	Koderma	18	02	89
6	Gumla	18	01	94
	<b>TOTAL</b>	<b>108</b>	<b>38</b>	<b>66</b>

During 2014-17 the SSB held only two against required nine meetings, SAC met only three times against required 18 meetings and DAC held only 78 meetings against the required 432 meetings

- DAC conducted 78 meetings (18 *per cent*) in the state against the requirement of 432<sup>61</sup> meetings during 2014-17.
- In the test checked districts, DAC met 38 times (35 *per cent*) against the requirement of 108 meetings which ranged between zero (Sahibganj) and 18 (Ranchi) meetings during 2014-17. As a result of shortage of meetings by these bodies, monitoring activities remained incomplete and ineffective.

The ACS of the Department, while accepting (January 2018) the facts, stated that due to non-availability of Chairperson, only five meetings of SAC had been held and instruction has been sent to conduct the DAC meeting within the time frame.

The reply was not acceptable as the concerned Chairperson was not available only during 2015-16 and the Principal Secretary of the Department had not nominated any other Chairperson during that period. Even when 2015-16 is not taken into consideration, there was still shortfall in the number of meetings to the extent of 75 *per cent* during the availability (2014-15) of the concerned Chairperson. Thus, the Department cannot absolve itself of its responsibility in ensuring availability of Chairperson or justify the shortfall in the number of meetings during 2014-16.

#### 2.2.4.7 Inspection of ultrasonography centres

Rule 18-A (8) (i) of PCPNDT Amendment Rules, 2014, prescribes that all the DAAs are to inspect and monitor all registered centres once every 90 days and preserve inspection report as documentary evidence to ensure enforcement of the provisions of the Act by the USG centres. Further, as per rule 18-A (8)

<sup>61</sup> Once in two months i.e. 24 (districts in the state) x 3 years x 6 times in a year = 432

(ii), the CS cum DAA is required to conduct regular inspections of USG centres and submit all inspection reports once in three months to DAC for follow up action.

#### **2.2.4.7 (i) Inspections by State Inspection and Monitoring Committee (SIMC)**

The body was constituted in August 2011 by GoJ to undertake field visits and conduct monitoring and surprise inspection of USGs centres. However, SIMC neither carried out any field visits nor conducted inspection of any USG centre during 2014-17. This was also reported (December 2015) by the National Inspection and Monitoring Committee to the Principal Secretary.

Although the ACS of the Department did not reply to the audit observation, the SAA stated that members of SIMC were engaged with other programme and hence, regular inspection could not be held. The reply was not acceptable as engagement with other programmes did not absolve the members of SIMC of the responsibility of surprise inspection of the USG centres for which this body was created.

#### **2.2.4.7 (ii) Inadequate inspections by DAAs**

Scrutiny of records of PCPNDT cell revealed that only 244 inspections (three *per cent*) against targeted 8,608 inspections were conducted by CS cum DAAs in the State during 2014-17. In test checked districts, 96 inspections (two *per cent*) against required 5,060 inspections were carried out by DAAs during 2014-17.

As against the prescribed quarterly inspection of each USG centres by DAAs, the shortfall in inspection of USG centres ranged between two and 40 *per cent* in all the six test checked districts of the state. In important districts such as Ranchi (capital city) and Jamshedpur, the DAAs did not carry out any inspection, although the Director, Health Services who functions as Nodal Officer, PCPNDT and the Principal Secretary, who acts as the ex-officio Deputy Chairperson of the State Supervisory Board were based in Ranchi itself, which indicates the level of deficiency in monitoring and supervision of the implementation of the Act. Interestingly, the inspection by DAA in the remote Sahibganj district was 40 *per cent* of the requirement compared to other districts.

One of the primary reasons of shortfall in the inspections, as observed by Audit, is the dual roles the DAAs perform which are mostly administrative in nature concurrently with their duties as Civil Surgeons cum Chief Medical Officers. The Nodal Officer, PCPNDT informed (March 2018) Audit that steps are being taken to nominate Deputy Commissioners as DAA.

Further, during the course of visit to nine<sup>62</sup> out of 72 sampled USG centres, Audit observed deficiencies such as non-maintenance of basic records by the centres, USGs conducted by unqualified doctors', unavailability of backup of

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<sup>62</sup> Life line clinic & diagnostic center, Bharat ultra sound, Sahara ultrasound, Rahat ultrasound, Bhadani Diagnostic Centre, Koderma, St. Josheph Hospital, Urmī, Dumardih, Gumla, and Tejswini USG Clinic, Surya Nurshing Home, and Utkarsh Nursing Home, Sahibganj



images, absence of name, registration number and qualification of radiologist on the display board etc., as commented in paragraphs 2.2.2.2. and 2.2.4.7 (iii). These nine USG centres were also inspected by the concerned DAAs but these irregularities were not mentioned in the inspections reports by the DAAs<sup>63</sup>. In fact, the inspection reports did not mention any irregularities at all in these USG centres. Thus, the irregularities were concealed by the DAAs from the DAC and State Level Authorities and possible nexus between the DAAs and the USG centres, cannot be ruled out. The ACS of the Department did not furnish any reason for shortfall in inspections of diagnostic centres or suppression of facts by the DAAs.

### Recommendation

**The Department should ensure required numbers of inspections by SIMC and DAAs and shall take appropriate action against those DAAs whose inspections of the nine USG centres did not reveal the irregularities noticed by Audit.**

#### 2.2.4.7 (iii) Joint Physical Inspection of USG centres by Audit and Auditee

In order to ascertain whether the USG centres adhered to the provisions of PCPNDT Act/ Rules, joint physical inspections (JPIs) of 72 USG centres in the test checked districts were conducted by audit teams along with the representative of CS cum DAAs and Nodal Officer, PCPNDT. In these 72 centres, Audit test checked 3,717 cases (40 *per cent*) (Form-F) out of 9,401 cases (**Appendix 2.2.3**) during 2014-17 and the main violations noticed are tabulated below:

**Table 6: Violation of PCPNDT Act by USG Centres**

Sl. No.	Audit Findings	PCPNDT Clause
1.	Basic details of patient such as number of living children, phone number, address etc. to track records of pregnancy were not filled in 2,257 cases (61 <i>per cent</i> ). PMCH Dhanbad did not submit Form 'F' during 2014-17 despite being a Government hospital.	Violation of rules 9(4) and 10(1A) of Rules, 1996
2.	In 979 cases (26 <i>per cent</i> ) referral slips of registered medical practitioners were not found attached for conducting sonography.	Violation of rules 9(3) and 9(4) of Rules, 1996
3.	In 49 USG centres (68 <i>per cent</i> ), backups/ records of images taken during ultrasonography were not kept for the prescribed period of two years ( <b>Appendix-2.2.3</b> )	Violation of Section 29 of PCPNDT Act
4.	USG centres were to intimate any change in its employees, place, address and installed equipment to DAA within 30 days. Further, only registered radiologists are permitted to practice in any USG centre. However, 14 USG centres (19 <i>per cent</i> ) had employed radiologists other than the radiologists registered with the DAAs. Likewise, three out of 20 USGs centres in Dhanbad had different USG machines than those registered without any intimation to DAA ( <b>Appendix-2.2.4</b> ).	Violation of rule 13 of PCPNDT Rules 1996
5.	Name, registration and qualification of the radiologist are to be displayed at prominent place. JPI revealed that in 19 centres (26 <i>per cent</i> ) such details were not displayed.	Violation of rule 17 of PCPNDT Rules 1996
6.	As per guidelines issued by the GoI, display board stating that "Disclosure of the sex of the foetus is prohibited under law" is to be displayed in english and in the regional language. JPI revealed that in 26 centres (36 <i>per cent</i> ) of test-checked districts, displays were only in a single language.	Violation of rule 17 of PCPNDT Rules 1996

<sup>63</sup> Civil Surgeon is the DAA. Members are nominated by the DAAs which includes Medical officers, Lawyers and representative of NGOs.

Basic details of patient to track records of pregnancy, were not filled in 2,257 cases

In 979 cases (26 *per cent*), there were no referral slips of registered medical practitioners

7.	Communication of sex of foetus by words, signs or any other manner to any person, pregnant women or relatives is prohibited. JPI revealed that in four test-checked centres <sup>64</sup> indicative photographs were found pasted on the wall of USG centres, which have high probability of being misused to communicate the sex of foetus.	SOP guidelines for DAAs
8.	In the test checked districts, 17 USG centres (24 per cent) out of 72 centres had not been maintaining any records, registers etc.	Violation of Rules 9(4) and 10(1A) of rules 1996

Thus, the JPI revealed that 97 per cent (70 out of 72) of test checked USG centres in both Government as well as private sector were violating one or more provisions of the PCPNDT Act/ Rules made thereunder.

Further, the PCPNDT Act envisages penalties for the contravention of provisions of the Act like suspension/cancellation of registration of USG centres under section 20, punishment with imprisonment up to three years or fine up to ₹ 10,000 under section 23 and punishment with imprisonment up to three months or fine up-to ₹ 1,000 under Section 25. However, neither penalty was imposed nor registration suspended for any of these centres which was largely due to inadequate inspections / meetings of DAC and non-reporting by the DAAs of incidents of violation of Act provisions by the USG centres as commented in paragraph 2.2.4.7 (iv). As these were findings in the sampled USG centres and the possibility of these deficiencies happening in other USG centres of the State cannot be ruled out, the Department needs to investigate cases of violations in other USG centres also to ensure adherence to the Act.

The ACS of the Department, while accepting (January 2018) the facts, stated that instructions have been issued to the DAAs for inspection of USGs centres in a regular basis. Further, it was also stated that action would be taken against clinics violating the PCPNDT Act, the implementation of which would be made more stringent in the State.

### **Recommendation**

**The Department should ensure regular inspection of USG centres to prevent violations of the Act, and take appropriate corrective action.**

#### **2.2.4.7 (iv) Functioning of ultrasound centres without valid registrations**

Every certificate of registration of ultrasound clinics issued by the CS cum DAA is valid for a period of five years. For renewal of registration, application has to be made 30 days before the date of expiry of the certificate of registration. In the event of failure of the USG centres to apply for renewal of registration before 30 days of expiry of the certificate of registration, the DAA can take action as per provision of Section 25 of PCPNDT Act, 1994 which stipulates punishment with imprisonment up to three months or with fine up to ₹ 1,000 or with both. If the Appropriate Authority fails to renew the certificate of registration or to communicate rejection of application for renewal of registration within 90 days of such application, it will amount to automatic renewal or deemed renewal.

Review of 72 of the sampled clinics under GHs, PHs and NHs in the test checked districts revealed delayed issuance/ renewal of registration certificates by the concerned DAAs as discussed below:

<sup>64</sup> 1. Harmu Hospital & Research Center, Harmu, Ranchi 2. Discovery Diagnostic, Sakchi, 3. Kantilal Gandhi Memorial Hospital, Sakchi 4. Doctors Diagnostics, Sakchi, Jamshedpur.

**In nine out of 72 test checked USG centres there were delays ranging between 73 and 1,180 days in renewal of registration of centres by the DAA and this resulted in functioning of these Centres without valid registrations**

- In nine out of 72 test-checked USG centres, there were delays ranging between 73 days and more than three years in renewal of registration of centres (**Appendix-2.2.5**). In one case there was delay of 80 days in fresh registration of one USG centre under Patliputra Medical College and Hospital (PMCH), Dhanbad by the DAA Dhanbad. The Hospital applied for registration of USG centre on 30 December 2013 which however, was issued by the DAA on 30 May 2014.
- In 21 out of 72 test-checked USG centres, there were delays ranging between 15 days and more than three years in submission of renewal applications by the USG clinics (**Appendix-2.2.6**).

Audit noticed that the main reason for delayed issuance of registration certificates was delayed submission of renewal applications by the USG centres resulting from failure of the DAAs to enforce their timely submissions, as these activities were not monitored by the SAA at the Apex level. In addition, the delays were also on account of failure of the DACs to renew licenses on time on grounds of delayed meetings as DAA issues the registration certificates only upon seeking recommendation from DAC which advises the DAA on this matter.

It was noticed that all the 30 (42 *per cent*) USG centres functioned illegally in the intervening period without registration and got renewed subsequently without paying any penalty. This is because the State higher authorities (SAA, SSB and SIMC) failed to intervene in respect of the defaulting USG clinics and the defaulting DAAs as stipulated under Section 25 of the Act. The concerned DAAs accepted (May 2017) these facts and stated that timely registration would be ensured in future. As these were findings in the sampled USG centres and the possibility of these deficiencies happening in other USG centres of the State cannot be ruled out, the Department needs to investigate cases of violations in other USG centres also to ensure adherence to the Act.

The ACS of the Department, while accepting (January 2018) the facts, stated that instructions for timely issuance of Registration/Renewal of certificates had been sent to all DAAs and this would not be repeated in future. It was also stated that action would be taken against the clinics for failure to submit renewal of application for registration on time.

### **Recommendation**

**The Department should levy penalty under section 25 of the Act against USG centres for delayed submission of renewal applications and the defaulting DAAs/Nodal Officer, PCPNDT for failing to enforce the Act provisions.**

#### **2.2.4.8 Record maintenance**

##### **2.2.4.8 (i) Information of USG centres**

As per rule 9 (5) of the PCPNDT Rules, 1996, the DAA is to maintain a permanent record of application in Form H<sup>65</sup> about USG centres for grant or renewal of certificate of registration along with basic details of centres. This is

<sup>65</sup> Date of receipt of application, name, address of applicant, details of machine installed, letters of intimation of every change of employees, place, address and equipment installed, Committee, registration number allotted, date of renewal and renewed up-to etc.

essential to facilitate inspection and monitoring of the centres to verify and ensure that USG centres do not carry out illegal practices.

Scrutiny revealed that the DAAs did not maintain detailed records in Form H in any of the test-checked districts. The concerned DAAs stated that due to shortage of manpower, detailed information of USG centres in form H could not be maintained. The replies of DAAs are not acceptable as grant/renewal of registration required maintenance of information in Form H and since registrations are done with the available manpower, separate manpower for maintenance of Form H is not required.

In the absence of such information, DAAs could not prevent the functioning of the USG centres without valid registrations as discussed in paragraph 2.2.4.7 (iv) besides failing to ensure effective monitoring of USG centres and to detect any illegal practice.

The ACS of the Department, while accepting (January 2018) the audit observation, stated that instructions had been issued to all DAAs for maintenance of records.

#### 2.2.4.8 (ii) Non-receipt of monthly reports from USG centres

Section 29 of the PCPNDT Act and Rule 9 of PCPNDT Rules, 1996 envisaged that every USG centre has to maintain records of patients, procedures and tests conducted etc., along with details about patient's case history in prescribed formats (Form D<sup>66</sup>, Form E<sup>67</sup> and Form F). These formats should be sent as monthly report for all diagnostic tests by fifth of the following month to the concerned DAAs.

In the test checked districts, the submission of monthly reports by the USG centres to the concerned DAAs are mentioned in the **Table 7**:

**Table 7: Non-submission of monthly reports by USG centres**

District	2014-2017			
	No. of centres (in three years)	Monthly report due (No. of centres multiplied by 12 months)	Submitted	Deficiency (per cent)
(1)	(2)	(3)	(4)	(5)
Dhanbad	212	2,544	574	77
Jamshedpur	386	4,632	NA*	NA*
Ranchi	627	7,524	4,857	35
Sahibganj	16	192	65	66
Koderma	41	492	87	82
Gumla	13	156	66	58
<b>Total</b>	<b>1,295</b>	<b>15,540</b>	<b>5,649</b>	<b>65</b>

(Sources: DAAs of test checked districts except Jamshedpur)

(\* Not produced to audit by DAA Jamshedpur)

It could be seen from the above table that only 5,649 (35 per cent) monthly reports<sup>68</sup> were submitted by USG clinics against 15,540 reports due to be

<sup>66</sup> Form for maintenance of records by the genetic counselling centre

<sup>67</sup> Form for maintenance of records by genetic laboratory

<sup>68</sup> Year 2014-15, 1,830 reports against 3,300 in Dhanbad, Gumla and Ranchi districts, year 2015-16, 1,919 reports against 3,636 in Dhanbad, Koderma, Ranchi and Sahibganj districts and year 2016-17, 1,900 (51 per cent) reports against 3,696 in Dhanbad, Gumla, Koderma, Ranchi and Sahibganj districts.

submitted to DAAs during 2014-17. Further, it was also noticed that DAA Jamshedpur did not maintain any record to watch the submission of monthly report by the 386 USG centres during 2014-17. On similar lines, DAAs Sahibganj and Koderma for the period 2014-15 and DAA Gumla for the period 2015-16 did not maintain records to keep track of monthly reports submitted by the concerned USG centres. A primary reason for non-submission of monthly reports by the USG centres was failure of SIMC and DIMC to ensure inspection of these centres besides failure of the Nodal Officer, PCPNDT who heads the SAA for enforcing standards prescribed for USG centres. As these were findings in the sampled USG centres and the possibility of these deficiencies happening in other USG centres of the State cannot be ruled out, the Department needs to investigate cases of violations in other USG centres also to ensure adherence to the Act.

The ACS of the Department accepted (January 2018) the audit observations, and stated that instructions have been sent to all DAAs to ensure timely submission of report by the USG centres.

### **Recommendation**

**The Department should impose penalty against the defaulting USG centres as stipulated under Section 25 of the PCPNDT Act 1994 and continuously monitor their returns.**

#### **2.2.4.8 (iii) Mapping and regulation of ultrasound equipment**

As per Rule 18-A (7) of PCPNDT Amendment Rules, 2014 and notification of GoI (February 2014), SAA/DAAs were required to regulate the use of ultrasound equipment, monitor their sales, ensure submission of regular quarterly reports from vendors, conduct periodical survey, audit all USG machines sold and operating in the State and to file complaint against the unregistered owner/ seller. Further, SSB also recommended (November 2016) for geographic information system (GIS) mapping of USG centres.

The Director cum Nodal Officer, PCPNDT reported (January 2018) to Audit that GIS mapping of USG centres were completed in five districts<sup>69</sup> and was in progress in the remaining 19 districts.

Audit observed, however, that in none of the test checked districts GIS mapping work has been completed till January 2018 as the vendors did not submit report of sale and purchase of machines to SAA. Further, the SAA empowered under section 26 of PCPNDT Act to take legal action against the vendors did not take any action except issuing (August 2016) notice to six vendors<sup>70</sup> for non-submission of quarterly report. In addition, the DAAs responsible to monitor sale of machines on a regular basis, ensure submission of regular quarterly reports from vendors, conduct periodical survey etc., as mandated under the rules failed to keep track of the sale of USG machines and their location in the test checked districts. As a result, neither the SAA nor the DAAs were aware of the sale and purchase of USG machines in the State and the possibility of unregistered ultrasound machines functioning in the centres

<sup>69</sup> Bokaro, Hazaribagh, Khunti, Ramgarh and Ranchi

<sup>70</sup> (1) Wipro GE Healthcare, Bengaluru (2) Toshiba, Kolkatta (3) Philips India Ltd, Gurugram (4) Niranjana ultrasound India, Calicut, Kerala (5) Samsung India Electronic, Gurugram and (6) Siemens Ltd., Kolkatta



could not be ruled out. This was confirmed in Dhanbad district during the joint physical inspection where three out of the 20 USGs centres visited by Audit had different USG machines than those registered without any intimation to DAA Dhanbad. Under these circumstances, mapping of the USG machines, even if completed, would not guarantee coverage of all sales and purchases.

The ACS of the Department stated (January 2018) that upon completion of mapping work, it would be uploaded on the website.

### Recommendation

**The Department should ensure GIS mapping in all districts by comprehensively covering all the USG machines sold by the vendors besides ensuring geo tagging of the machines.**

#### 2.2.4.8 (iv) Missing deliveries

Government of India instructed (August 2016) the State Government to monitor and track district wise sex ratio of births as per Civil Registration of Birth through Health Management Information System (HMIS) data under NHM and to send monthly updates to GoI.

Audit scrutiny of HMIS data revealed (November 2017) shortfalls in respect of reported deliveries (institutional and home) against the numbers of registered pregnant women (PW). During 2014-17, the State had 25,05,257 registered PW of which 20,51,291 (82 *per cent*) reported institutional and home deliveries, while the remaining 4,24,714<sup>71</sup> (18 *per cent*) registered PW were not tracked as the Department did not develop a system for tracking of registered PWs. Further, in test checked USG clinics, essential details of all PW as discussed in paragraph 2.2.4.7 (iii) were not maintained.

Non-maintenance of mandatory records in USG clinics corroborated with absence of tracking system under HMIS was fraught with the probable risk of sex determination of foetus or illegal termination of pregnancy. This concern was also expressed by the Principal Secretary, Health, Medical Education and Family Welfare Department in his letter (March 2015) addressed to all Deputy Commissioners (DC) and Superintendent of Police (SP) in which he noted that female foeticide following sex determination is the basic reason for diminishing child sex ratio in the State. He also ordered the DCs/SPs to collect information of registered and un-registered USG clinics and inspect these for smooth implementation of the Act. Further, DAA Ranchi responded (January 2018) to audit query that missing deliveries is an indicator of the possibilities of medical termination of pregnancy (MTP) following sex determination but did not have any mechanism to track these.

However, no follow up action was taken on the orders of the Principal Secretary, Health, Medical Education and Family Welfare Department by the Director cum Nodal Officer, PCPNDT to track the missing deliveries and operation of illegal USG and MTP centres.

<sup>71</sup> 25,05,257 -20,51,291 -29,252 (Medical Termination of Pregnancy(MTP) during 2014-17)  
=4,24,714

## Recommendation

**The Department may evolve a mechanism to keep track of missing deliveries to prevent any possibility of female foeticide.**

### 2.2.4.9 Internal Control

#### 2.2.4.9 (i) Grievance redressal

Grievance redressal is an important component to address social issues and its remedies. As per Section 17(4) C of the Act, SAA is required to investigate complaint for breach of provisions of the Act or Rules and take immediate action based on the recommendation of SAC. Further, GoI instructed (May 2015) the Principal Secretary of the Department to develop an online grievance/complaint portal for receiving complaints against unethical practice of sex selection and a comprehensive website containing all relevant information regarding implementation of PCPNDT Act.

Audit observed that the Principal Secretary instructed (June 2015) the Mission Director, NHM and Nodal Officer (Director, Health Services), PCPNDT to take immediate action. The Nodal Officer, however, took up development of website for PCPNDT only in August 2017 more than two years of instructions for completion by December 2017. However, reasons for delay on the part of the Nodal Officer or failure to follow up the case by Principal Secretary were not recorded in the files of the PCPNDT cell. The work was not completed as on April 2018. As such, effective redressal of grievances was not ensured either at State or at district levels.

The ACS of the Department stated (January 2018) that PCPNDT website is under process and from next year grievance and redressal can be seen online. Further, presently, the Jharkhand Rural Health Mission Society (JRHMS) website has a separate section for grievance and complaints which can be used to lodge complaints. The fact remains that the website of JRHMS does not have any portal for grievances and complaints and the Department has not disseminated any information on availability of alternative website for grievance redressal. Resultantly, not a single complaint was recorded in the Department against violation of the Act as noticed by Audit.

Hence, the instructions of GoI to develop an online grievance/complaint portal for receiving complaints were not adhered to in more than three years.

## Recommendation

**The Department should develop and make operational the website and ensure that online grievance redressal system is functional at the earliest. The website should carry information about the status of the redressal along with the authority with whom it is pending.**

#### 2.2.4.9 (ii) Decoy Operations

GoI guidelines prescribe carrying out decoy operations by the DAAs in suspected centres and send decoy cases /pregnant women to concerned facilities. Further, SAC in its meeting (October 2016) directed to develop mechanism for “*Mukhbir Yojna*” to identify illegal sex determination by clinics.

**No decoy operation was carried out in any of the test checked districts or at the State level to detect violations of PCPNDT Act**

Scrutiny in SAA and six DAAs revealed that SAA neither issued any instruction nor provided any fund for conduct of decoy operations in test checked districts. Consequently, no decoy operation was carried out in any of the test checked districts during 2014-17 to detect violations of PCPNDT Act.

The Director cum Nodal Officer, PCPNDT accepted (January 2018) the facts and stated that funds for decoy operations in three districts namely Dumka, Pakur and Palamu has been provided in November 2017.

The fact however, remains that 87 *per cent* (i.e. 21 out of 24 districts) of the districts have still not been provided any fund for decoy operation while no decoy operation was conducted till April 2018 in the three districts where fund was provided.

**Recommendation**

**The Department should ensure the conduct of periodic decoy operations to get feedback on misuse of the Act, if any.**

**2.2.5 Conclusion**

The implementation of PCPNDT Act in the State is far from satisfactory as institutional arrangements such as Sub-district Appropriate Authorities had not been established in two decades, and State Supervisory Board and State Advisory Committee were not reconstituted for almost two years between September 2014 and May 2016. In the intervening period, the recommendations of the Central as well as State level committees could not be enforced.

As on March 2017, 250 (36 *per cent*) genetic/ ultrasonography (USG) centres in 19 out of 24 districts of the State had only 227 unqualified doctors and no qualified doctors. Of these, 126 unqualified doctors working in 136 USG centres in test-checked districts conducted 59,959 sonographies during 2014-17 in violation of section 3(2) of the Act which stipulates that no genetic/USG centre shall employ or take services of any person other than sonologist or imaging specialist or registered medical practitioner with post graduate degree or diploma or having six month training (as per Amendment Rule 2014).

Eighteen radiologists were registered with 71 USG centres in five out of 24 districts during 2014-17 which implied that, on average, one radiologist worked in three to six USG centres, against the permissible limit of two USG centres per radiologist.

In 97 *per cent* (70 out of 72) of test checked USG centres under both Government and private sector, one or more provisions of the PCPNDT Act/ Rules were violated. This included illegal functioning of 21 USG centres without valid registrations, non-maintenance of records in 2,257 out of 3,717 cases (61 *per cent*) for tracking pregnancy, absence of referral slips of registered medical practitioners in 979 out of 3,717 cases (26 *per cent*), non-submission of monthly reports by USG centres in 65 *per cent* cases etc.

Monitoring activities were ineffective as either no decoy operations were carried out or required numbers of review meetings held or inspections of USG centres conducted. The State Supervisory Board conducted two meetings



(against nine) while the State Advisory Committee held only three (against 18) meetings during 2014-17. Further, District Appropriate Authorities conducted three *per cent* inspections (244 out of targeted 8,608 inspections) of the USG centres at state level and only two *per cent* inspections (96 out of required 5,060 inspections) in the test checked districts during 2014-17 and that too with suppression of irregularities. Moreover, the Department had not developed any online grievance/complaint portal or website for the PCPNDT Act. Thus, the Government had not kept any channel in operation to receive feedback on the actual status of implementation of the Act and this impaired the legislative intent behind it.

### 2.3.1 Introduction

**FOREST COVER MAP OF JHARKHAND (2011)**

(SOURCE : F.S.I. DEHRADUN)

1:2,000,000

This map displays the forest cover of Jharkhand in 2011, categorized by density and type. The legend indicates five levels of forest cover: MOD DENSE FOREST (light green), OPEN FOREST (yellow), SCRUB (orange), VERY DENSE FOREST (dark green), and WATER (blue). The map also shows administrative divisions (black outlines) and districts (grey outlines). A scale bar at the bottom left indicates distances up to 160 Kilometers. A north arrow is located in the top right corner.

Legend Category	Description
[Black Outline]	DIVISION
[Light Green]	MOD DENSE FOREST
[Yellow]	OPEN FOREST
[Orange]	SCRUB
[Dark Green]	VERY DENSE FOREST
[Blue]	WATER

OS CELL/RANCHI  
JHARKHAND FOREST

<sup>72</sup> Source: Forest Environment and Climate Change Department, Jharkhand

<sup>73</sup> Recorded forest area refers to all the geographic areas recorded as forest in government records. It consists of Reserved Forest and Protected Forest which have been constituted under the provisions of Indian Forest Act (IFA), 1927. Thus it constitutes all lands statutorily notified as forest though they may not necessarily bear tree cover.

<sup>74</sup> **Reserved Forests:** The State Government may constitute any forest land or waste land which is the property of Government, or over which the Government has proprietary rights, or to the whole or any part of the forest produce of which the Government is entitled, to declare it a reserve forest.

**Protected Forests:** The State Government may, by notification in the official Gazette, declare any forest land or waste land which is not included in a reserved forest but which is the property of Government, or over which the Government has proprietary rights, or to the whole or any part of the forest produce of which the Government is entitled. The forest land and waste land comprised in any such notification shall be called a “protected forest”.

**Unclassified Forests:** An area recorded as forest but does not fall under reserved or protected forest

policies including protecting and conserving forest and wildlife resources of the State.

The Principal Secretary/Additional Chief Secretary (administrative head of the Department) is assisted by Principal Chief Conservator of Forest (PCCF), Regional Chief Conservators of Forests (RCCF) and Conservators of Forests (CF). There are 67 forest divisions (Territorial<sup>75</sup>-31, Wildlife including one biological park having territorial jurisdiction-six, Social Forestry-10 and Others-20) under Divisional Forest Officers (DFO) / Deputy Conservators of Forest (DCF) who are responsible for protection of forest land at division level and implementation of afforestation schemes at the field level.

Audit aimed to ascertain adequacy and effectiveness of demarcation of the notified forest land under the Indian Forest Act (IFA) 1927, eviction drives to free encroached forest land and maintenance of land records for protection of the forest land by the territorial divisions.

Audit selected 10<sup>76</sup> out of 31 territorial divisions and two<sup>77</sup> out of six wild life divisions by Simple Random Sampling without Replacement method. Further, the offices of four<sup>78</sup> out of 13 territorial CFs, two<sup>79</sup> out of six RCCFs and the PCCF were also test checked.

Entry and exit conferences were held with the Principal Secretary and Additional Chief Secretary respectively to seek government views on objectives, scope, methodology and audit findings.

The State Government had issued preliminary notifications between 1952 and 1967 under Section 29 (3) of the Act declaring 79 *per cent* of the forests of the State as protected forest. The Department headquarters have not maintained the original records or division wise data on preliminary notifications. However, in 12 test checked divisions, Audit verified 86 preliminary notifications.

## Audit Findings

### 2.3.2 Human Resource Management

In the Forest Department, cutting-edge field officials such as foresters, forest guards, amins (entrusted with maintenance of land records, maps etc., of the divisions) are responsible for protection, conservation of forest, maintenance and protection of all the boundary marks in the forest beats and sub-beats respectively and are required to prevent any encroachment or cultivation in the forest. For effective management of forest, adequate field level officials are essential. Against the sanctioned strength, the persons in position in the past three years are shown in the **Table-1**:

<sup>75</sup> Divisions having territorial jurisdiction

<sup>76</sup> 1. Bokaro; 2. Dumka; 3. Giridih (East); 4. Hazaribagh (west); 5. Jamshedpur; 6. Kolhan; 7. Medininagar; 8. Porahat; 9. Saranda and 10. Simdega.

<sup>77</sup> 1. Buffer Area, PTR and 2 Core Area, PTR

<sup>78</sup> 1. Chaibasa; 2. Dumka; 3. Gumla and 4. Hazaribagh.

<sup>79</sup> 1. Bokaro and 2. Palamu

**Table 1: Sanctioned strength and Person-in-position**

	Year	Sanctioned	MIP	Vacancy in <i>per cent</i>
<b>Forester</b>	2015-16	1,062	368	65
	2016-17		325	69
	31 March 2017		290	73
<b>Forest Guard</b>	2015-16	3,883	521	87
	2016-17		392	90
	31 March 2017		251	94
<b>Amin</b>	2015-16	50	13	74
	2016-17		13	74
	31 March 2017		11	78

(Sources: PCCF)

The vacancies as indicated in the **Table-1** resulted in non-inspection of maintenance and protection of boundary marks in the forests by foresters and forest guards as per provision of rule 9.10 of Bihar Forest Rules. This reduced the efficiency of the Department to safeguard the forest lands and had adverse impact on the management of forests and their protection as discussed in paragraph 2.3.5 (i).

Resultantly, the available working strength of foresters (27 *per cent*) can cover only up to 6.40 (23.605 x 0.27) lakh hectare forest area and forest guards (six *per cent*) only up to 1.42 (23.605 x 0.06) lakh hectare on proportionate basis.

Further, the State Government also created a post of forest settlement officer (FSO) on temporary basis between 1955 and 1967 for conducting survey and settlement of forest land to secure legal control over the land notified through preliminary notifications and to submit draft of final notifications of forest land. Although the department made appointments against the post of FSO on temporary basis during the aforesaid period, the FSOs neither completed their survey works nor submitted draft of final notification in any of the cases where preliminary notifications were issued. The services of the FSOs were discontinued since 1970. The DFOs neither initiated the process of appointment of FSOs to complete the works and nor did the Department pursued the matter. This is one of the major bottlenecks which prevented issuing final notification arising from incomplete demarcations of forest land as commented in paragraph 2.3.3.2.

The Department's response to the shortage have been insufficient and sporadic. Against 744 vacancies, they recruited 126 foresters in 2014; against 3,632 vacancies, they recruited 1,975 forest guards in 2017, leaving 58 *per cent* vacancies in the forester cadre and 43 *per cent* in the forest guard cadre unfilled. They approached the competent authority (the Revenue Department) in June 2015 for recruiting 37 amins, (against vacancies of 37 amins at that time). The Revenue Department took more than two years to return the proposal (October 2017) for rectifying a defect and the matter after rectification, is now pending with Government.

### **Recommendation**

**Government should recruit, on priority, adequate manpower at field level for proper management of forests, maintenance of demarcation register and protection of forest to safeguard the forest land from encroachments.**

Shortage of man power in the cadres of 'Forester', 'Forest Guard' and 'Amin' adversely impacted the functioning of the Department

### 2.3.3 Notification and demarcation of forest land

#### 2.3.3.1 Final notification for protected forest

In order to declare any land as Protected Forest, Government is required to issue a preliminary notification under proviso<sup>80</sup> to the sub section (3) of Section 29 of the Act, prior to conducting inquiry by survey or settlement to secure legal control over such land. Then final notification(s) under provisions (Section 29<sup>81</sup>) of the Act which contains exact area with location of forest land, plot-wise description, with demarcation on both ground and map, authenticated maps and details of additional area acquired and demarcated as forest land and details of left out/released area etc., shall be issued after survey or settlement. In the event of failure to issue final notification, right of the Department over such land could neither be ascertained nor be secured and legalised. This exposes the risk of preliminary notified forest land to encroachment. The process flow of notification is indicated in *Appendix-2.3.1*.

In Jharkhand, 79 *per cent* of the forests were privately owned until the Zamindari system was abolished under the Bihar Land Reforms Act, 1950. The Government took possession of the forests (private protected forest lands under Bihar Private Forest Act, 1947 and unclassified forests land) for control and protection and issued preliminary notifications under proviso to section 29 of the IFA, 1927 between 1952 and 1967. As the Department did not maintain the original records or division wise data on preliminary notifications, audit was confined to scrutiny of the 86 preliminary notifications produced by the DFOs of the 12 audited divisions.

During scrutiny of records of the test checked divisions, it was revealed that 86 preliminary notifications involving 7.33 lakh hectare area out of 19.185 lakh hectare of protected forest of State were issued under proviso to section 29(3) of the Act, by the Government between 1952 and 1967. Further, Forest Settlement Officers (FSO) were appointed during 1955 to 1967 for final notifications. There was no time line fixed for final notification after issue of preliminary notifications. However, not a single final notification (under section 29 of the Act) has been issued (March 2018) in 65 years of issue of preliminary notification by Government as necessary ground work for final notification such as processes of demarcation of forest land, authentication of

**Even after 65 years of issue of preliminary notifications, the State Government has not issued a single final notification declaring protected forest**

<sup>80</sup> "Provided that, if in the case of any forest land, or waste land, the State Government thinks that such inquiry and record are necessary, but that they will occupy such length of time as in the meantime to endanger the rights of Government, the State Government may, pending such inquiry and record, declare such land to be a protected forest, but so as not to abridge or affect any existing rights of individuals or communities."

<sup>81</sup> "(1) The State Government may, by notification in the official Gazette, declare the provisions of this chapter (IV) applicable to any forest land or waste land which is not included in a reserved forest but which is the property of Government, or over which the Government has proprietary rights, or to the whole or any part of the forest produce of which the Government is entitled; (2) The forest land and waste lands comprised in any such notification shall be called a "protected forest"; (3) No such notification shall be made unless the nature and extent of the rights of Government and of private persons in or over the forest land or waste land comprised therein have been inquired into the recorded at a survey or settlement, or in such other manner as the State Government thinks sufficient. Every such record shall be presumed to be correct until the contrary is proved."

maps, exclusion of non-forest lands, preparation of draft notification for notifying forest and excluded areas were not completed or were abandoned (1970) by the FSOs without assigning any reasons. Government did not make any alternative arrangements to get these processes complete to issue final notifications and the Department also did not initiate the process of even appointing FSOs for final notifications, as the Department was not aware of the complete details<sup>82</sup> of all the preliminary notifications issued. The Department confirmed (February 2018) that it did not have all original notifications and demarcation maps due to a variety of reasons including damage to the Record Room at Ranchi.

Absence of final notifications by the Forest Department deprived the Land Revenue Department to maintain details of forest land in their records (khatian, mutation registers etc.) besides keeping track of exact forest boundaries within revenue plots. This led to coordination deficits between these two Departments and resulted in encroachments in forest area, sale and purchase of forest land, unauthorised use of forest land etc., as detailed in paragraph 2.3.5 and discussed through case studies below.

### **Case Study 1**

A preliminary notification was issued in December 1952 to declare an area of 82.18 hectare spread over 10 plots (**Appendix-2.3.2**) in three villages of Giridih district as protected forest. In the preliminary notification, forest area under each of these 10 plots with exact location was not mentioned. Cross verification of records by Audit of these 10 plots with the records of Revenue Department (Circle Office, Bengabad, Giridih) revealed that the total area available in these 10 plots was 141.19 hectare. This indicates that these 10 plots also include 58.89 hectare non-forest land. The FSO did not undertake survey work to demarcate the forest area in these plots to submit the draft for issue of final notification. Resultantly, the final notification was not issued and the exact location of forest land could not be fixed. The Land Revenue Department was therefore unable to maintain the details of forest land and their boundaries and thus, the forest land in those plots are at risk of being subject to sale and purchase.

### **Case Study 2**

In village Bhawanidih under police station Chas, 28.62 hectare of notified<sup>83</sup> (May 1958) forest land (presently under jurisdiction of Bokaro Forest Division) was not demarcated (March 2018) even six decades after notification. These forest lands were mutated (July 2003) to private persons by the Deputy Collector Land Reforms (DCLR), Chas based on a release order (1966) issued by the FSO, Dhanbad and NOC<sup>84</sup> issued (February 2001) by the DFO, Dhanbad. On realising that mutation was prohibited on account of notified protected forest land, the Department filed (October 2003) a revision petition (in one case involving area of two acre) in the Court of Deputy Commissioner (DC), Bokaro. The DC Bokaro rejected (June 2004) the petition stating that the said land did not fall under the purview of protected forest land in view of

<sup>82</sup> Total numbers of notifications issued, notification numbers, copies of notification etc.

<sup>83</sup> Vide notification no. C/F-17014/58-1429R dated 24/05/1958

<sup>84</sup> Letter no.-2375 dt.- 13/07/2000 and 3128, dt.-16/08/2000 addressed to CO, Chas and letter no. 416 dt.02/02/2001 addressed to DCLR, Chas.

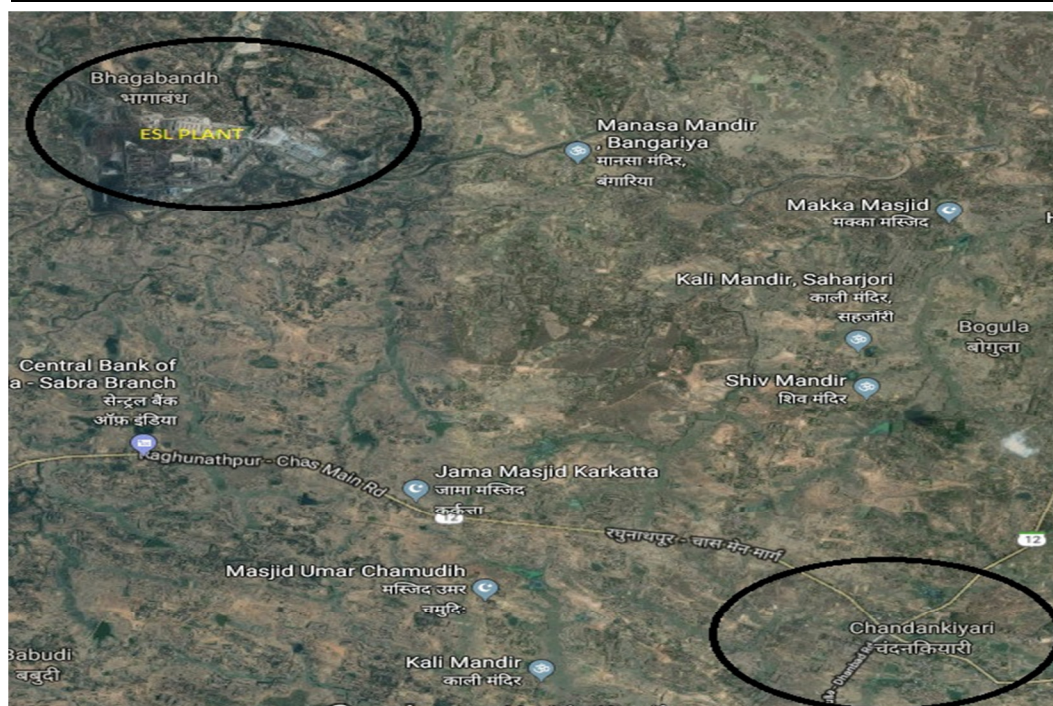


FSO's release orders. The Department did not represent against the order passed by the DC Bokaro. It was noticed that the private persons sold 27.58 out of 28.62 hectare notified forest land in piecemeal to Sahara India Commercial Corporation Limited (SICCL) between 2006 and 2008. Thus, the forest land was used for non-forest purpose in violation of the Forest Conservation (FC) Act, 1980.

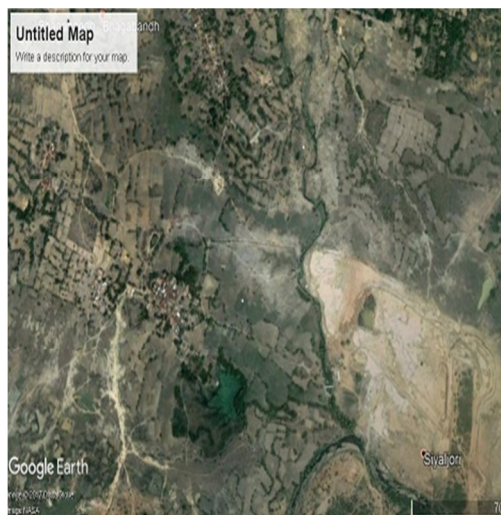
### Case Study 3

Ministry of Environment and Forest, (MoEF) gave environmental clearance (February 2008) for setting up a 3.0 MTPA Integrated Steel Plant by Electro Steel Limited (ESL) in 546.34 hectare non-forest land in 10 villages at Chandankiyari block of Bokaro District. As per environmental clearance given by GoI, forest land was not involved in the project. However, ESL, changed (2008) the construction site by including three different villages in Chas Block of Bokaro District. As a result, 89.39 hectare of notified<sup>85</sup> and demarcated forest land (presently under jurisdiction of Bokaro Forest Division) was included in the project for which no permission was taken under the Act (*Appendix-2.3.3*).

Based on information from DFO, Bokaro and PCCF Jharkhand, State Government informed (May 2014) MOEF about the encroachments made by ESL in forest land. GoI instructed (October 2014) the State Government to stop operation of the plant in forest land on grounds of violation of FC Act. However, the same has not been stopped (March 2018) by the DFO although cases under BPLE Act were instituted against the encroachment. Thus, the forest land remained encroached.



<sup>85</sup> Vide Govt. of Bihar Notification no. C/F – 17014/58–1429 R dated 24/05/1958.



Imagery during 2008 of the site  
Source: Google earth



Imagery during 2017 of the site showing factory

#### Case Study 4

In Pandedih, 30.45 hectare preliminary notified (1955) and demarcated forest land (presently under jurisdiction of Giridih East Forest Division) were sold and purchased by private persons between 2010 and 2011 on the basis of fake release order (June 1963) using signature of FSO, Hazaribagh. DFO Giridih (East) requested (June 2012) the DC, Giridih to cancel all the sale deeds on the ground that the registration was done based on fake documents. The case is under litigation in the High Court, Jharkhand.

#### Case Study 5

In Dhengura, 8.09 hectare of preliminary notified (1953) and demarcated protected forest (presently under jurisdiction of Hazaribagh West Forest Division) was sold and purchased (May 2013) by private persons. DFO, Hazaribagh (West) requested (November 2013) the Circle Officer, Katkamsandi for cancellation of the mutation. Registrar, Hazaribagh was also requested (June 2017) to cancel the sale deed of the aforesaid forest land by DFO, Hazaribagh. Cancellation of the mutation has not been done (March 2018). This was due to coordination deficit between the Department and Revenue Department which had arisen because the DFO failed to protect forest boundaries and inform the Revenue Department (Circle Officer) about exact forest land while the Circle Officer/Registrar failed to act on the requests of the DFO. Thus, the forest land was infringed.

#### Case study 6

In Chas, Bokaro, 166.48 acre land involving six demarcated plots (plot numbers 7358, 7360, 7562, 7923, 7925 and 7926) and four non-demarcated plots (plot numbers 7768, 7788, 7790 and 7885) of Chas Circle were notified (May 1958) as Protected Forest. However, as per records of Registry Office, Bokaro, 18.00 hectare of such land (**Appendix-2.3.4**) pertaining to these plots were sold between September 2008 and June 2017 through 185 sale deeds. No action to verify and evict persons from the above forest land was taken by the Division/ Department as of February 2018. Thus, the forest land remained in private hands.

Audit observed that these irregularities could have been prevented had the Department issued final notifications as per the Act and kept the Registrars and Circle Offices informed of such notifications and demarcations.

In addition, it was also noticed that 3,576.36 hectare forest land in four<sup>86</sup> test checked divisions (**Appendix-2.3.5**) were shown as released i.e., excluded from forest demarcation, without sufficient supporting documents such as authenticated maps, draft notification for de-notification etc. as per Government's instructions. Thus, release of 3,576.36 hectare forest land without supporting documents exposed the Department's unpreparedness to safe guard the forest land.

The Department *inter alia* informed Audit (February 2018) that efforts have been made to free the encroached forest land by instituting cases under BPLE Act and there is no direct link between final notification and encroachments. The Department also stated that legally there was no bar on mutation where FSO had released the land and no final notification had been issued with respect to the lands specified in preliminary notifications.

The reply is not convincing as the Department replied (February 2018) to Audit that it had been struggling to protect and conserve forests on the basis of preliminary notifications, incomplete FSO orders and unauthenticated demarcated maps. Further, release of forest lands by FSO have to be confirmed by the Government following due process, which however, was not done. Moreover, the contention that there is no direct link between encroachments and final notifications proved wrong, as the showcased cases in the report had clearly shown that encroachments have taken place in the absence of final notifications as preliminary notifications did not have sufficient details for the Revenue Department to act upon to check and prevent illicit trade of forest land.

### 2.3.3.2 Demarcation of forest land

As per the Bihar Forest Rules, notified forest area should be demarcated and boundary on the ground should match the demarcation made on the cadastral<sup>87</sup> map of the area. Further, Government instructions<sup>88</sup> (May 1953) also stipulate that maps of forest area should be duly authenticated by both the DFO and the FSO. Instances of violations of the above provisions are discussed below:

#### 2.3.3.2 (i) Demarcation of preliminary notified forest land

The Department reported (February 2018) that out of 23.605 lakh hectare recorded forest land in the State, it had demarcated 19.771 lakh hectare (84 *per cent*) while 3.834 lakh hectare were not demarcated. In addition, the Department also demarcated 0.847 lakh hectare as forest land without issuing any notification under section 29 of the IFA, 1927.

Scrutiny of records in 11 out of 12 test checked divisions revealed that out of 7,32,669.68 hectare of preliminary notified land, 1,28,523.26 hectare land

**In 11 test checked divisions, demarcation of 18 per cent of preliminary notified protected forest was not completed**

<sup>86</sup> 1. Bokaro; 2. Dumka; 3. Jamshedpur and 4. Medninagar

<sup>87</sup> A village-wise map showing plot-wise status of forests

<sup>88</sup> Vide letter no. C/PF-1095/52-R dated 12/05/1953 of Secretary, Revenue Department, Govt. of Bihar



(18 per cent) was not demarcated as protected forest land. This was due to non-completion of demarcation process as the FSOs, responsible for undertaking these activities, abandoned (1970) the works without assigning any reason. However, the Department did not take effective steps to resume demarcation process of these forest land till March 2018 for which no reasons were on record. This exposed the non-demarcated land to encroachment and illegal occupation. Details are shown in the **Table-2:**

**Table 2: Status of notification and demarcation of forest land***(in hectare)*

Sl. No.	Division	Preliminary notified area	Demarcated	Percentage of D with respect to C	Not demarcated C - D	Demarcated but not notified	Total demarcated area D + G
A	B	C	D	E	F	G	H
1	Bokaro	60,678.68	50,290.78	82.88	10,387.90	7,164.99	57,455.77
2	Buffer Area, PTR	8,819.34	8,491.88	96.29	327.46	0	8,491.88
3	Core Area, PTR	23,625.59	20,743.69	87.80	2,881.90	11,476.13	32,219.82
4	Dumka	24,876.92	23,641.48	95.03	1,235.44	1,105.14	24,746.62
5	Giridih (East)	1,12,977.86	98,276.52	86.99	14,701.34	4,306.57	1,02,583.09
6	Hazaribagh (West)	1,36,093.16	1,27,893.48	93.97	8,199.68	5,537.65	1,33,431.13
7	Jamshedpur	45,388.60	36,259.85	79.89	9,128.75	3,515.82	39,775.67
8	Kolhan	19,714.98	11,406.09	57.85	8,308.89	0	11,406.09
9	Mednagar	1,61,495.32	1,57,518.00	97.54	3,977.32	1,499.11	1,59,017.11
10	Porahat	15,818.23	15,650.79	98.94	167.44	70.07	15,720.86
11	Simdega	1,23,181.00	53,973.86	43.82	69,207.14	1,618.09	55,591.95
	<b>Total</b>	<b>7,32,669.68</b>	<b>6,04,146.42</b>	<b>82.46</b>	<b>1,28,523.26</b>	<b>36,293.57</b>	<b>6,40,439.99</b>

*(Sources: Furnished by DFOs of sampled divisions)*

**84,700 hectare were demarcated as forest but were not notified under IFA, 1927 till March 2018**

The Department *inter alia* stated (February 2018) that 20.618 lakh hectare of forest area has been demarcated on maps.

The reply of the Department is not based on facts as demarcated area of 20.618 lakh hectare also included 0.847 lakh hectare demarcated area which has not been notified as forest area. Thus, only 19.771 lakh hectare (84 per cent) of notified forest land was demarcated against recorded forest area of 23.605 lakh hectare.

### 2.3.3.2 (ii) Demarcation of forest land without notification

In nine<sup>89</sup> out of 12 test checked divisions, 36,293.57 hectare land (*Table-2*) although demarcated between 1955 and 1967 as forest land, were not notified<sup>90</sup> (March 2018) as the divisions did not have any details about the status of acquisition of these lands. Resultantly, final notifications to declare these lands as protected forest by Government were not issued. This failure has put to risk years of pain staking work of survey, identification and demarcation of forest lands without reaching logical end and may compound further litigation.

The Department accepted (February 2018) the facts and stated that 84,700 hectare are demarcated areas that have not been notified under the IFA, 1927. These extra lands were not included in the notifications issued under proviso

<sup>89</sup> Bokaro; Core Area, PTR; Dumka; Giridih (East); Hazaribagh (West); Jamshedpur; Mednagar; Porahat and Simdega.

<sup>90</sup> Forest area demarcated by Department beyond the area notified vide preliminary notification

of Section 29 of IFA, 1927 as these areas have different types of land tenure laws/regulations with different types of land records which need to be examined (since 1970) by the Department. The Department further stated that a Committee has been constituted (November 2015) by the Government to look into these issues. In this connection it is to be stated that the Terms of Reference stipulate a time frame of three months for submission of final report, which is awaited even two and a half years after constitution of the Committee.

It is therefore evident that though these lands were demarcated between 1955 and 1967 as forest land, and though, since then, more than 50 to 60 years have gone by, yet the Government had not issued (March 2018) any notification under the Act to declare these lands as protected forests. The inordinate delay in issuing notification on the pretext of examination of the nature of land, their records etc., is not convincing.

### 2.3.3.2 (iii) Unauthenticated demarcation of forest land

**In six test checked divisions, maps of 747 villages were not authenticated either/both by FSO and DFO**

In six<sup>91</sup> out of 12 test checked divisions, Audit noticed that maps of 747 villages (out of 3,578 villages) involving an area of 90,598.62 hectare were not authenticated by the concerned FSOs and DFOs for which no reason could be cited by the Department except that the FSOs abruptly stopped (1970) their work. Further, in two (Bokaro and Simdega) divisions, maps of 21 villages involving area of 8,332.73 hectare were not available. Details are given below in **Table 3:**

**Table: 3 Status of authenticated maps**

(In hectare)

Division	Total No. of Village/ Mouja (as per record of divisions)	Area	Maps of demarcated forest mouja/ villages not available		Maps of demarcated forest villages not authenticated				
			No.	Area involved	Signature of FSO not available	Signature of DFO not available	Signature of both FSO and DFO not available	Total	Area involved
Bokaro	383	57,455.77	19	8,313.20	2	5	99	106	12,202.87
Dumka	529	24,746.62	-	-	-	-	45	45	1,660.82
Hazaribagh (west)	610	1,33,431.13	-	-	16	158	89	263	47,328.23
Jamshedpur	914	39,775.67	-	-	-	10	67	77	3,762.25
Medininagar	780	1,59,017.11	-	-	16	1	61	78	14,514.27
Simdega	362	55,591.95	2	9.53	-	-	178	178	11,130.18
<b>Total</b>	<b>3,578</b>	<b>4,70,018.25</b>	<b>21</b>	<b>8,322.73</b>	<b>34</b>	<b>174</b>	<b>539</b>	<b>747</b>	<b>90,598.62</b>

(Sources: sampled divisions data)

As indicated in the table above, maps of 174 out of 747 villages were authenticated only by the FSO, 34 villages only by the DFOs, while 539 village maps were not authenticated by either of them. In the absence of authentication of maps of 573 villages by the FSOs, demarcation of forest land on cadastral maps remained incomplete (March 2018).

The Department stated (February 2018) *inter alia* that, some maps have not been signed by the FSOs and DFOs. The Committee under the RCCF/CCF has

<sup>91</sup> 1. Bokaro; 2. Dumka; 3. Hazaribagh (West); 4. Jamshedpur; 5. Medininagar and 6. Simdega.

been examining (since November 2015) these issues and further action would be taken on the matter. Further action is awaited (March 2018).

The reply is not convincing as around 21 *per cent* maps were not signed by the FSOs and DFOs as on March 2018 in the six sampled divisions. Further, the committee entrusted (November 2015) by Government to look into these issues has not submitted its report (April 2018) in more than two and half years of its constitution against the submission timeline of three months.

### 2.3.3.2 (iv) Demarcation Register

Demarcation Register (DR), in which details of all the plots in the forest as per demarcated maps are mentioned, is an important document. It should be duly updated as and when any change occurs and authenticated by DFO.

Audit noticed that DR was not available in two (Bokaro and Saranda) out of 12 test-checked divisions, while in nine test-checked divisions<sup>92</sup>, the registers, though available, were not authenticated by the DFO since inception.

The Department stated (February 2018) *inter alia* that, prior to FC Act 1980, it was the practise to release forest lands to various user agencies simply by means of executive orders. However, after introduction of 1980 Act, forest lands are merely diverted for non-forestry use and the status of the diverted land doesn't change. Thus, post-1980, the DR has become a static document.

The reply of Department is not convincing as post-1980, the DR requires updating for notification of non-forest land received from user agencies for compensatory afforestation as forest land. Thus, DR cannot be construed as static or obsolete and must be authenticated for safeguarding the forest.

### Recommendation

**The Department should initiate immediate action to appoint FSOs so that final notifications can be issued without further delay. The Department should also share details of forest land with the Land Revenue Department to prevent the unauthorised sale and purchase of forest land.**

### 2.3.3.3 Compensatory afforestation

As per guidelines issued by GoI under the Forest Conservation (FC) Act 1980, non-forest land identified for the purpose of compensatory afforestation (CA) is to be notified as reserved/protected forest by the Department so that plantations could be raised and maintained permanently on such lands. For execution of afforestation activities, working plan is to be drawn for conservation and protection of forest areas.

Scrutiny of records of seven<sup>93</sup> out of 12 test checked divisions revealed that 760.41 hectare (*Appendix-2.3.6*) of non-forest land were transferred for CA by 13 user agencies (six cases were pending for more than five years) between 1993 and 2015.

Audit noticed that these non-forest lands were not notified as forest and was not included in the working plan for afforestation on the ground that the

**In seven test checked divisions, 760.41 hectare of non-forest land transferred for compensatory afforestation was not notified as reserved/protected forest**

<sup>92</sup> 1. Buffer Area, PTR; 2. Core Area, PTR; 3. Dumka; 4. Giridih (East); 5. Hazaribgh (West); 6. Kolhan; 7. Medninagar 8. Porahat and 9. Simdega.

<sup>93</sup> 1. Buffer Area, PTR; 2. Core Area, PTR; 3. Giridih (East); 4. Hazaribagh (West); 5. Jamshedpur; 6. Porahat and 7. Simdega



proposals for notification forwarded (between 1993 and 2016) by the DFOs of the divisions were pending for approval with the Department (PCCF/RCCF) for more than three to 24 years awaiting rectifications in the draft notification.

The Department *inter alia* stated (February 2018) that these proposals required rectification and special drive has been launched for the same which will be done as expeditiously as possible. The fact remains that the proposals were pending for more than three to 24 years and the Department could not justify the failure to accord approval for notification in these years.

### Recommendation

**The Department should initiate immediate action to accord approval for notification of non-forest land transferred for Compensatory Afforestation by user agencies.**

#### 2.3.3.4 Notification for setting up of Sanctuaries

To declare an area as Sanctuary, State Government has to issue final notification under section 26A of the Wildlife Protection Act (WPA), 1972 after inquiry and disposal of all claims made in relation to any land in that area for which preliminary notification showing intention to declare such area as sanctuary has been issued under section 18 of WPA, 1972. No person shall destroy, exploit or remove any wild life including forest produce from sanctuary as per section 29 of WPA, 1972, which came into effect after issue of notification under section 18 of WPA, 1972. The Government has to make alternative arrangements required for making available fuel, fodder and other forest produce to the affected right holder as per Government records and as determined by the Collector.



*Betla National Park (22,632.91 hect.)*



*Mahuadanr Wolf Sanctuary (6,325.58 hect)*

Scrutiny of the records of Core Area, Palamu Tiger Reserve (PTR) Division revealed that preliminary notifications<sup>94</sup> (under section 18 of WPA, 1972) for Palamu Wildlife (including Betla National Park) Sanctuary (97,927.19 hectare) and Mahuadanr Wolf Sanctuary (6,325.58 hectare) were issued in June and July, 1976. However, final notification (under section 26 A of WPA, 1972) of the sanctuaries was not issued by the Department for which no reasons were on the record.

Scrutiny further revealed that DC, Palamu and DC, Garhwa requested (July and August 1998 respectively) the Department to make alternative arrangements for fuel, fodder and other forest produce for 30 years to 7,826

<sup>94</sup> vide S.O. no.1224 Dated 17/07/1976 and S.O.no.1062 dated 23/06/1976

affected right holders' families in Palamu Wildlife Sanctuary which required ₹ 120.16 crore. However, the Department did not take initiative in this regard to arrange and provide any funds till March 2018 for reasons not on record. Resultantly, arrangements for alternative livelihood of affected right holders were not ensured and thus, final notifications of these lands as sanctuary under the aforesaid provisions of the Act were not issued.

The Department *inter alia* stated (February, 2018) that it is ascertaining the details of proceedings undertaken by the collectors so appointed as per provisions of WPA, 1972 and reassessing the situation. Fact remains that the Department did not do this in 41 years since issue of preliminary notification.

### Recommendation

**The Department should initiate immediate action to provide funds for making arrangements for alternative livelihood to the affected right holders in a time bound manner so that final notifications of the concerned sanctuaries can be issued.**

#### 2.3.4 Discrepancy in the area of recorded forest land

**There was discrepancy of 1.037 lakh hectare of the recorded forest land between the FSI Report and those maintained by the Department**

As per India State of Forest Reports, 2001 and 2017 published by Forest Survey of India (FSI), the recorded forest in the State was 23.605 lakh hectare since 2001-02 to 2016-17. However, the compiled figures of recorded forest areas of all territorial divisions in the State was 23.605 lakh hectare in 2001-02 and 22.794 lakh hectare (*Appendix-2.3.7*) during 2014-15. Thus, there was discrepancy of 0.811 lakh hectare between the FSI figures and that compiled by the department from divisional records in 2014-15. When compared with the figures of recorded forest furnished (February 2018) by the Department to Audit, by compiling the figures maintained by the forest divisions, the discrepancy was 1.037<sup>95</sup> lakh hectare. However, the Department did not take the initiative to reconcile the differences to prevent uploading of unrealistic statistics in public domain through FSI for failing to maintain information regarding total number of notifications issued.

### Recommendation

**The Department should take immediate steps to reconcile the discrepancy of 1.037 lakh hectare of recorded forest land appearing in FSI Report and divisional records in a time bound manner.**

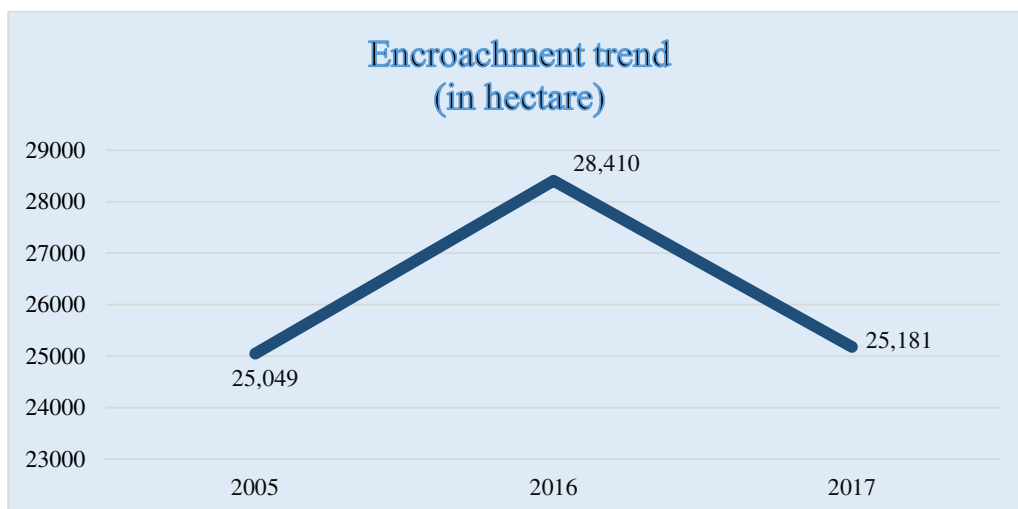
#### 2.3.5 Eviction in encroached forest land

##### 2.3.5.1 Trend of encroachment over the years

The Bihar Forest (Amendment) Act, 1990 (as adopted by GoJ) provides that encroachment of forest land shall be treated as cognisable and non-bailable offences. If any forest officer not below the rank of DFO has reasons to believe that forest land has been encroached, the officer may evict the encroachers by using all powers conferred as a magistrate under the Bihar Public Land Encroachment (BPLE) Act, 1956. Under the Act, the officer has

<sup>95</sup> Department reported that notified forest area is 22.568 lakh hectare, demarcated but non-notified area is 0.847 lakh hectare and 0.283 lakh hectare is private protected forest and lands received from other agencies. However, recorded forest consist only notified forest. Thus there is discrepancy of 1.037 (23.605 – 22.568) lakh hectare.

to issue notices to the offender to appear on a date and pass an order for eviction. For the purpose, he may use such force as is necessary. GoI had also issued (May 2002) instructions (in light of the Supreme Court order dated November 2001) to all States to get the encroachers evicted from forest land in a time bound manner, but not later than 30 September 2002.



(Source: Forest Department)

**Department could not free 25,181 hectare of encroached forest land as on March 2017 which continued till March 2018**

Information gathered from the Department showed that forest land under encroachment dipped to 25,181 hectare in 2017 on account of various efforts taken by the Department such as settlement under BPLE Act, afforestation and boundaries marking of forest areas during 2016-17.

The Department *inter alia* stated (February 2018) that 9,013 cases under IFA, 1927 and 4,323 cases under BPLE Act, 1956 have been instituted against the accused/offenders and as a result 1,827.78 hectare forest land have already been freed till October 2017. Thereafter, total 179.20 hectare land have been freed of encroachment during the months of November and December 2017. The Department has been taking strong action despite the shortage of field staff and the recent induction (2017) of Forest guards in the Department after a long gap has improved the situation.

Fact remains that the Department could not remove encroachments from 25,181 hectare forest land in more than 15 years of deadline set by GoI while no documentary evidence was produced to Audit in support of claim of freeing encroachment from 2,006.98 (1,827.78 plus 179.20) hectare forest land. Instances of encroachments are discussed below:

#### **2.3.5.1 (i) Encroachment due to non-utilisation of forest land transferred to user agencies for non-forest purposes**

As per FC Act 1980, cases where specific orders for de-reservation or diversion of forest areas for approval of any project were issued by the State Government prior to October 1980, reference to the Central Government was not required. However, where administrative approval for the project was issued without specific orders regarding de-reservation and/or diversion of forest lands, prior approval of the Central Government is necessary. Further, transfer of land prior to 1980 required Deed of Conveyance between the Department and the User agency.

Scrutiny of the records of Bokaro Forest Division revealed that 639.49 hectare forest land was handed over (1962) to a user agency (M/s Hindustan Steel Ltd.) without execution of Deed of Conveyance for transfer of the land. The user agency utilised 315.04 hectare forest land for its Steel Plant and Township project while the remaining 324.45 hectare forest land was not used. The agency requested (October 2007) for Deed of Conveyance for 315.04 hectare forest land only. This resulted in unauthorised occupation of 324.45 hectare forest land by the user agency as neither transfer of land to the user agency was finalised till 2007 nor the prior approval of GoI under FC Act, 1980 were obtained. However, the Department did not take any action to resume these lands till date (March 2018). Of this, 33.18 hectare land valued ₹ 10.54 crore<sup>96</sup> had been mutated by Circle Officer (CO), Chas in favour of private persons based on fabricated documents<sup>97</sup>. DFO, Bokaro requested (between July 2016 and December 2016) CO, Chas and DC, Bokaro to cancel these mutations. DC, Bokaro initiated action (August 2016) against the concerned erring officials and for the cancellation of the mutation, which is under process (March 2018).

Thus, non-utilisation of the diverted forest land for the specific purpose is also one of the causes of encroachments.

The Department *inter alia* stated (February 2018) that prior to the 1980 Act, the practice was to release forest lands permanently to the user agencies. It is only after introduction of FC Act, 1980, the forest lands are merely diverted for non-forest use. As regards the request of the user agency to return the released forest land to the Forest Department which was prior to 1980, the Department stated that it would not have been lawful to resume the released lands only on the basis of non-utilisation by the user agency.

The reply of Department is not acceptable as transfer of land to the user agency for non-forest purpose was not finalised till 2007 and hence, it should have been regularised as per Section 2 of FC Act, 1980 with the approval of GoI but was not done. Further, no reply on irregular mutation was furnished by the Department.

### **Recommendation**

**The Department should initiate immediate action to regularise the transfer of forest land to the user agency for non-forest purpose as per FC Act, 1980 and resume the unutilised forest land from the user agency.**

#### **2.3.5.1 (ii) Encroachment due to unauthorised utilisation of forest land for non-forest purposes**

According to the FC Act, 1980, prior permission of the Ministry of Forest and Environment (MoEF), Government of India (GoI) is essential for diversion of forest land for non-forest purposes. The user agencies were required to comply with the conditions imposed by GoI. Further, in view of the verdict<sup>98</sup> (February 2000) of the Supreme Court, GoI advised<sup>99</sup> (May 2001) all the

<sup>96</sup> On the basis of current minimum government rate@ ₹12855 per decimal.

<sup>97</sup> On the basis of fabricated Land certificate no. 2091 (1932/33) fabricated entry made in the Register II (Mutation Register) in concerned Circle Office.

<sup>98</sup> 13/11/2000 in WP no. 337/95 and dt.14/02/2000, in WP no. 202/95.

<sup>99</sup> vide letter no. 11-9/98-FC dated 04/05/2001.

**In seven test checked divisions, there was encroachment and unauthorised utilisation of 2,689.51 hectare forest land.**

State Governments and Union Territories (UT) to restrain diversion of forest land from/of National Parks and Sanctuaries under the FC Act without prior permission of the Supreme Court.

Scrutiny of records of seven<sup>100</sup> out of 12 forest divisions revealed that eight projects (**Appendix-2.3.8**) were executed from 1982 to 2014 involving over 2,689.51 hectare forest land which included 330.50 hectare Sanctuary (Palamu Tiger Reserve) by the user agencies. However, the projects were taken up without actual handing over of forest land by the Department, without obtaining prior permission of MoEF and Supreme Court (in case of Sanctuary area). Thus, the Act and advisory of GoI were not adhered to while executing the projects.

The Department *inter alia* stated (February 2018) that in these projects, it is the responsibility of the user agencies to comply with the provisions of the FC Act, 1980, and not the Forest Department.

The reply is not acceptable as the Forest Department is responsible for ensuring that the user agencies comply with the provisions of the FC Act 1980 prior to execution of the projects involving use of forest land for non-forest purposes. Moreover, the Department had forwarded the proposals of forest clearance submitted by the user agencies for use of forest land for non-forest purposes to GoI for approval. Hence, the Department cannot disown its responsibility on the user agencies failing to adhere the FC Act.

### **2.3.6 Conclusion**

Management of Forest Land in Jharkhand is far from satisfactory as the State Government could not bridge the acute shortage in cutting edge field officials of the Forest Department. As at March 2018, the vacancy for the posts of 'Forester', 'Forest Guard' and 'Amin' were to the extent of 73 *per cent*, 43 *per cent* and 78 *per cent* respectively. This significantly affected in guarding the forest boundaries, maintenance of forest land records and maps etc.

Even after 65 years of issue of preliminary notifications, the State Government has not issued a single final notification for 19.185 lakh hectare protected forest of the State on account of failure of Department to authenticate the maps, issue draft de- notification of excluded areas etc.

Absence of final notifications and coordination deficits between the Forest and Land Revenue Departments resulted in illicit sale and purchase of forest land and encroachments over 25,181 hectare of forest land as on March 2017.

In the seven out of 12 test checked forest divisions, 760.41 hectare non-forest land transferred for compensatory afforestation was not notified as reserved/protected forest as necessary rectification of proposals for draft notifications by concerned Divisional Forest Officers/Deputy Commissioners were not made.

The Department has not issued final notification of the Palamu Wildlife (Betla National Park) Sanctuary and Mahuadanr Wolf Sanctuary though preliminary

<sup>100</sup> 1. Bokaro; 2. Core Area, PTR; 3. Dumka; 4. Hazaribagh (West); 5. Jamshedpur; 6. Porahat and 7. Simdega.

notifications for the sanctuaries were issued in June and July 1976 respectively.

There was discrepancy of 1.037 lakh hectare recorded forest land between Department's reported figures to FSI and the figures reported to Audit. However, Government did not reconcile the differences to prevent uploading of unrealistic statistics in public domain through FSI.



## 2.4 Audit Paragraphs

Audit of Government Departments and their field formations brought out several instances of lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs under broad objective heads.

### RURAL DEVELOPMENT DEPARTMENT

#### 2.4.1 Wasteful expenditure and cost escalation

**Inordinate delays in terminating the contracts and resuming the balance works, besides failure to cover the water bound macadam surface with bituminous layer before allowing traffic, led to cost escalation of ₹ 3.12 crore, non-recovery of liquidated damages of ₹ 2.62 crore and wasteful expenditure of ₹ 93 lakh**

As per clause 52.2 (a) of the Standard Bidding Document (SBD) for Pradhan Mantri Gram Sadak Yojna (PMGSY), if the contractor stops work for 28 days when no stoppage of work is shown on the current work programme and the stoppage has not been authorised by the engineer, it will constitute a fundamental breach of contract. Further, clause 4.8.2 of the Indian Road Congress (IRC:19-2005) stipulates that water bound macadam (WBM) layer is to be topped with bituminous layer immediately upon drying and before allowing traffic over it.

Ministry of Rural Development, Government of India (GoI) approved (August 2008) the projects of phase six under the PMGSY for the construction of rural roads in the State of Jharkhand. Chief Engineer (CE), Jharkhand State Rural Road Development Authority (JSRRDA) granted (November 2008) technical sanctions (TS) for ₹ 11.87 crore for construction of eight roads in four packages in Manika block of Latehar district. Agreements were executed (May 2009 to January 2010) for ₹ 9.94 crore by Executive Engineer (EE), Rural Development Department (Rural Works Affairs) Works Division, Latehar with three contractors<sup>101</sup> for completion of the works between May 2010 and January 2011. Details are given in **Appendix-2.4.1**.

Scrutiny of records of the EE, Rural Works Affairs (RWA), Works Division, Latehar revealed that the contractors executed works up to WBM level<sup>102</sup> valued at ₹ 4.41 crore<sup>103</sup> in all the packages and thereafter stopped (December 2011 to June 2013) further works without assigning reasons.

However, the EE did not take action to ensure coverage of the WBM layers with bituminous surface by the contractors immediately upon drying and before allowing traffic over it as per the IRC provision or rescind the contracts after 28 days of stoppage of works as per provisions of the SBD and getting these done by other contractors at the risk and cost of the defaulting

<sup>101</sup> Package No. 1401: Abhinandan Prasad, Package No. 1402: M/s Maa Parmeshwari Construction, Package No. 1404: Abhinandan Prasad, Package No. 1405: M/s N.S. Construction

<sup>102</sup> Five roads upto WBM Gr. II level and three roads upto Gr. III level

<sup>103</sup> Package no. 1401: ₹ 0.91 crore, Package no.1402: ₹0.79 crore, Package no. 1404: ₹1.30 crore, Package no. 1405: ₹1.41 crore.

contractors. The EE took 14 to 45 months to rescind the contracts (March 2013 to September 2016) from the date of stoppage of the works on the pretext of reminding the contractors to execute the works between December 2012 and July 2016. In between, traffic was allowed on these WBM roads and along with onslaught of weather, works valued at ₹ 93 lakh were found damaged beyond recognition by the EE during final measurement (September 2016) of the works. The EE imposed (September 2016) penalty of ₹ 3.23 crore on the contractors and recovered ₹ 61.43 lakh (security deposit- ₹ 46.23 lakh and forfeiture of earnest money deposit- ₹ 15.20 lakh). Thus, penalty valued at ₹ 2.62 crore could not be recovered from the contractors. The EE lodged (April 2017) certificate case against the contractors with District Certificate Officer Latehar for recovery of balance amount. Further action was awaited (May 2018).

Meanwhile, CE, JSRRDA approved (September 2016 and March 2018) revised estimates (RE) of the residual works of the four packages for ₹ 12.86 crore<sup>104</sup> after delays of 38 to 61 months from the date of stoppage of these works. The balance works of three<sup>105</sup> out of four packages were tendered (February 2017 and March 2017) for ₹ 7.49 crore<sup>106</sup> which increased their cost by ₹ 3.12 crore (₹ 9.83 crore<sup>107</sup> – ₹ 6.71 crore). The fourth package has not been tendered (June 2018).

Thus, failure of the EE to cover up the WBM surface by bituminous topping before allowing traffic besides inordinate delays to terminate the contracts and get the balance works done at the risk and cost of the defaulting contractors led to cost escalation of ₹ 3.12 crore, non-recovery of penalty of ₹ 2.62 crore and wasteful expenditure of ₹ 93 lakh on the damaged road works.

The matter was also reported to the Rural Development Department (July 2017) followed by reminders between September 2017 and November 2017. No reply has been received (June 2018).

## ROAD CONSTRUCTION DEPARTMENT

### 2.4.2 Undue benefit to the contractor

**Undue benefit of ₹ 3.60 crore to the contractor due to three ineligible time extensions with benefits of price escalation, granted by Chief Engineer National Highways Ranchi despite contractor's persistent failure to meet the time schedule of the work**

According to clause 47.1 (a) of the conditions of contract of Standard Bidding Document (SBD) agreement, price adjustment shall not apply to work carried out beyond the stipulated time for reasons attributable to the contractor. The Executive Engineer (EE), National Highway (NH) Division, Hazaribag

<sup>104</sup> Package no. 1401: ₹ 2.34 crore, Package no.1402: ₹ 1.68 crore Package no. 1404: ₹ 4.54 crore and Package no. 1405: ₹ 4.30 crore

<sup>105</sup> Package no. 1401, 1402 and 1405

<sup>106</sup> Package no. 1401: ₹ 2.10 crore, Package no.1402: ₹ 1.51 crore and Package no. 1405: ₹ 3.88 crore

<sup>107</sup> Excluding fourth package

entered into (February 2012) an agreement valued at ₹ 19.63 crore with a contractor for widening of 17.80 kms (from km 11.20 to 30) of NH 99 (Dhobhi-Chatra-Chandwa Road) for completion of the work in 21 months (November 2013).

Audit observed (August 2016) that the Principal Secretary, Road Construction Department noticed in three review meetings (January 2014, April 2014 and January 2015) that the progress of work by the contractor was unsatisfactory and directed the EE to recommend debarment of the contractor. On the EE's recommendation (April 2014), the contractor was debarred (April 2014) from future works of the Department by the Engineer-in-Chief, RCD.

Contrary to the observations of the Principal Secretary, the Chief Engineer (CE), National Highways Ranchi granted three time extensions (February 2014, November 2014 and August 2015) to the contractor and extended the intended date of completion of the work by 23 months (first up to June 2014 and then up to March 2015 and finally up to October 2015) on the request of the contractor on grounds of heavy rain, cold weather, election, naxal disturbances, lack of funds and revision in Detailed Project Report (DPR). The contractor completed the work in the extended time period in October 2015 and took payment of ₹ 22.92 crore. The payment included price adjustment of ₹ 4.39 crore of which ₹ 3.73 crore was paid for the extended period.

Audit cross verified the grounds on which time extensions had been sought, with the records of the district (Chatra) survey and police reports (for naxal exigencies), Indian Meteorology Department, Ranchi (for rainfall and temperature), RCD (for DPR and funds). The findings are as detailed in the table below:

Nature of disruption	Time extension allowed	Actual days affected	Details	Authority
Rainfall	23 months	05	13.2 mm rainfall <sup>108</sup> on 1 March 2015, 3.0 mm on 16 March 2015, 1 mm on 6 April 2015, 8 mm on 15 April 2015 and 2 mm on 24 April 2015	IMD Ranchi
Naxal bandi and disturbances		32	17 December 2012 to 27 February 2014	SHO, Police Station Chatra
Weather <sup>109</sup>		76	Jan-2015- Max-23.6°C; Min-10.7°C Feb-2015- Max-27.5°C; Min-14.1°C 18 Mar-2015- Max-32.2°C; Min-17.0°C Apr-2015- Max-36.4°C; Min-19.6°C	IMD Ranchi
Elections		44	Parliamentary elections- 10 April, 17 April and 24 April 2014 (maximum disturbance including counting-20 days) State Assembly elections- 25 November, 2 December, 9 December, 14 December and 20 December 2014 (maximum disturbance including counting- 24 days)	
Funds		Nil	During Nov 2014 to Apr 2015, the contractor received ₹ 3.13 crore vide 17 <sup>th</sup> to 20 <sup>th</sup> RA bill. Hence, funds were available	Department (RCD)
DPR revision		240	01 May 2012 to 26 December 2016	Department (RCD)
<b>Total</b>			<b>397 (13 months)</b>	

<sup>108</sup> One mm rainfall denotes storage of water of height 1mm in an area of one square metre

<sup>109</sup> As per 4.1 of IRC norms, the minimum temperature for laying WBM road should be 16 degree celsius

As may be seen, there was a maximum disturbance of 13 months due to the above factors. However, 21 months were already provided for completion of work considering naxal problem and other exigencies against 12.5 months to be allowed<sup>110</sup> in general for widening and strengthening of road up to 30 kms. Hence, the contractor was not eligible for any additional relief for the above exigencies.

Thus, grant of time extension with price adjustment of 23 months to the contractor by the CE on unsubstantiated grounds resulted in undue benefit of ₹ 5.69 crore which included price escalation of ₹ 3.73 crore and non-recovery of liquidated damages of ₹ 1.96 crore (10 *per cent* of initial contract value at the rate of ₹ 98,000 per day of delay subject to maximum up to ₹ 1.96 crore). Even if time extension of 13 months were allowed, the contractor was still paid additional price escalation of ₹ 1.64 crore for additional 10 months (23 months minus 13 months) and total undue benefit of ₹ 3.60 crore (including liquidated damages of ₹ 1.96 crore).

The CE, NH, Jharkhand stated (December 2017) that due to work site in naxal affected areas besides naxal disturbances, special view was taken for time extension. The reply is not acceptable as the contractor was held responsible for slow progress of work by the Principal Secretary and this had delayed completion of the work.

The matter was reported to the Road Construction Department in July 2017 followed by reminders between August 2017 and November 2017; reply had not been received (June 2018).

## **HOME (POLICE), JAIL AND DISASTER MANAGEMENT DEPARTMENT**

### **2.4.3 Non-realisation of amount**

**Senior Superintendent of Police, Ranchi deputed police guards to private persons at State Government expense in violation of orders, resulting in non-realisation of ₹ 14.11 crore**

According to the circular issued (March 2003) by the Home Department, Government of Jharkhand, if a police guard is deputed to a non-government person, the financial burden of such deployment would be borne by the person concerned. The financial burden would include pay and daily allowance of the police guards so deputed. However, if such deputation is in public interest then the expenditure may be borne by the State Government on recommendation of Home Commissioner/Secretary. It also envisages formation of three tier committees<sup>111</sup> at district, division and State levels to decide and periodically review such deputation.

<sup>110</sup> Vide RCD order no. 4319 (S) dated 09/08/2007

<sup>111</sup> The district level security committee headed by the Deputy Commissioner would meet monthly and decide the deputation on the basis of threat perception involved. The division level committee headed by the Divisional Commissioner would meet bi-monthly and can review the work of district level committees. The State level committee headed by the Home Secretary would meet quarterly and review the work of districts and divisions level committees.

Scrutiny (June 2016) of records of the Senior Superintendent of Police (SSP), Ranchi and further information collected in November 2017 revealed that 116 police personnel (Head Constables and Constables) were deputed (between March 2009 and March 2018) as police guards to 97 Private Persons (11 builders, 26 businessmen, 5 media persons, 18 politicians, 7 doctors, 3 college/school Principals and 27 others) (*Appendix-2.4.2*) by the order of SSP Ranchi on the recommendation of district level security committee under chairmanship of Deputy Commissioner (DC), Ranchi who intimated (between September 2012 and June 2013) the Home Secretary and other higher authorities about such deployment. However, there was no recommendation of the Home Secretary that the deputations were in public interest and the expenditure of these deputed police personnel would be borne by the State Government for any of the cases. Resultantly, the cost of deployment of police guards was to be borne by the private persons. This was also instructed to SSP, Ranchi by the district level security committee between September 2012 and June 2013 and divisional level committee in February 2015. However, SSP, Ranchi did not initiate any action to recover the admissible cost from private persons to whom police guards were provided.

Taking into account the salary and daily allowance of the 116 deputed police personnel, Audit worked out the minimum realisable cost as ₹ 14.11 crore<sup>112</sup> for the period from March 2009 to October 2017. This resulted in non-realisation of ₹ 14.11 crore by the SSP, Ranchi towards minimum cost of deployment of police guards to private persons in disregard to the circular of Home Department.

The matter was referred to the Home Department in July 2017 and reminded between September 2017 and February 2018; reply had not been received (June 2018).

#### **2.4.4 Non-realisation of Government dues**

**Continuing deployment of Special Auxiliary Police by IG Operations despite non-payment of deployment charges by the user agency resulted in non-recovery of ₹ 5.48 crore**

The Home Department, Government of Jharkhand created (June 2008) two battalions of Special Auxiliary Police (SAP) comprising of retired defence personnel on contract basis, and ordered (June 2009) that SAP personnel could be deployed for security of industries on demand and on payment.

Essar Power (Jharkhand) Limited Ranchi (user agency) requested (between August 2010 and December 2010) Inspector General of Police (IG) (Operation) to deploy SAP for security of a proposed plant site of the company at Chandwa in Latehar district. The deployment was requested

<sup>112</sup> The guards were deployed from 1999. The State was created in November 2000. Recovery was to be made from March 2003 as per circular 1374 dated 11/03/2003, but computerised pay and salary details are available only from March 2009, and therefore calculation was done from March 2009 onwards. The guards are attached to the concerned persons continuously but the same guard was not attached continuously. So recoverable calculation is based on minimum pay of present guard. The Department may calculate actual amount and recover accordingly.

initially for a period of five years<sup>113</sup> subject to review thereafter by the Department against payment of deployment of ₹ 15.64 lakh per month.

Based on orders of Director General and Inspector General of Police, IG (Operations) instructed (December 2010) the Commandant, SAP-1 to depute a company of SAP on the plant site from January 2011. The order, however, did not specify the period of deployment and no formal contract was executed with the user agency. As a result, Commandant, SAP-1 continued to deploy the company of SAP until IG (Operations) withdrew it in May 2018.

Scrutiny (February 2017 and July 2017) of records of the Commandant, SAP-1, Ranchi and further information gathered from the IG (Operations) revealed that the user agency paid deployment charges for 49 months from January 2011 to January 2015 and stopped payments from February 2015 onwards even though it was committed to pay deployment cost up to December 2015. However, at the instance (July 2017) of Audit the user agency deposited (August 2017, November 2017 and May 2018) ₹ 78.20 lakh as deployment charges for the period from February 2015 to June 2015. Resultantly, deployment charges worth ₹ 93.84 lakh for the committed period of July 2015 to December 2015 and ₹ 4.54 crore<sup>114</sup> for the period January 2016 to May 2018 could not be recovered.

Although IG, Operation reported (July 2017) to Audit that legal action would be initiated against the agency if it does not clear the dues, legal action for recovery has not been initiated (June 2018) after withdrawal of SAP.

Thus, continuing with the deployment of SAP despite non-payment of the deployment charges by the user agency not only violated the instructions of the Home Department but also resulted in non-recovery of ₹ 5.48 crore (₹ 0.94 crore + ₹ 4.54 crore) from the user agency.

The matter was reported to the Home Department in July 2017 followed by reminders between September 2017 and November 2017 but no reply had been received (June 2018).

## HEALTH, MEDICAL EDUCATION & FAMILY WELFARE

### 2.4.5 Unproductive and unfruitful expenditure

**Failure of the Departments to provide funds, create posts, purchase equipment and ensure monitoring of the works led to unproductive and unfruitful expenditure of ₹ 11.30 crore on five incomplete and non-functional healthcare facilities**

Construction of five healthcare facilities<sup>115</sup> (*Appendix-2.4.3*) were administratively approved (AA) for ₹ 13.36 crore between January 2008 and

<sup>113</sup> Three years of project period and two years of initial operation period

<sup>114</sup> ₹ 15.64 lakh \* 29 months = ₹ 453.56 lakh

<sup>115</sup> Community Health Centre (CHC) at Dubrajpur in Tundi block of Dhanbad district, Upgradation of Primary Health Centre (PHC) to CHC at Kudu, Lohardaga, Construction, electrification, water supply and sanitation installation along with residential quarters at Pesrar, Lohardaga, Construction of the State Ayurvedic Medical college and Hospital (SAMCH) at Chaibasa and Construction of Food and Drug Laboratory Building at Dumka.





March 2013 by Secretary, Health, Medical Education and Family Welfare Department (Department) and technically sanctioned (TS) for ₹ 14.04 crore between December 2007 and December 2012 by the Chief Engineers (CE) of the executing Departments<sup>116</sup>.

Audit observed that two of the five healthcare facilities were completed between November 2014 and April 2015 after incurring expenditure of ₹ 5.29 crore. The remaining three healthcare facilities could not be completed as of March 2018 despite expenditure of ₹ 6.01 crore due to failure of the Health Department to provide funds.


The completed healthcare facilities could not be put to use till date (May 2018) as allied works, budget, creation of posts, procurement of machines and equipment were not ensured for functioning of these healthcare facilities by the Health Department. Thus, failure to complete the works by resolving the work bottlenecks and making the completed buildings functional by addressing the deficiencies resulted in idle infrastructures on which unproductive and wasteful expenditure of ₹ 11.30 crore was incurred. This also deprived the common people to get affordable and quality healthcare facility for more than three to 10 years as discussed in the table below.

Sl. No.	Name of work	Expenditure	Audit Findings
1	Construction of CHC building at Dubrajpur in Tundi block of Dhanbad	₹ 3.54 crore	<p>Despite completion of the works in November 2014, the Executive Engineer (EE), Rural Development Special Division (RDSD), Dhanbad did not progress with preparing detailed estimates for electrical, water supply and sanitary works for securing technical sanction of Chief Engineer (CE), RDD. Instead, the EE tried (September 2015) to handover the building to Civil Surgeon cum Chief Medical Officer (CS cum CMO) Dhanbad who refused (December 2015) to take possession.</p> <p>The Department replied (August 2017) that the works were incomplete, pending provisions for electrical, water supply and sanitation in the model estimates. The reply is incorrect. Provisions for electrical, water supply and sanitary works were already included in the model estimates on lump sum basis. The works remained incomplete only because EE did not prepare detailed estimates.</p> <p>Thus, the building could not be put to use and was lying idle since November 2014 rendering unfruitful expenditure of ₹ 3.54 crore. This deprived 1.02 lakh inhabitants of Tundi block consisting of 190 villages of the intended medical facilities.</p>
2	Upgradation of PHC to CHC building, Kudu, Lohardaga	₹ 2.07 crore	<p>EE, RDSD, Lohardaga took up (March 2008) the upgradation work departmentally and spent ₹ 1.33 crore up to March 2011 and stopped further work as the State Government put an embargo (March 2011 extended upto June 2012) on departmental execution of works.</p> <p>Without TS, funds and drawings, the Chief Engineer, Rural Development Department (RDD) irregularly floated (April 2011) tender for the balance work worth ₹ 2.17 crore,</p>

<sup>116</sup> Health, Medical Education & Family Welfare and Rural Development Departments

			<p>which was awarded (June 2011) by the Departmental Tender Committee<sup>117</sup>. After executing work worth ₹ 74.30 lakh, the contractor stopped (November 2013) further work in the absence of drawings and technically sanctioned estimates. The EE, RDS Division although provided (August 2015) the drawings of electrification and sanitary works only, the contractor refused to resume the work citing increase in cost of items of work due to time overrun. Thus, the building remained incomplete (September 2017) even after a lapse of 10 years from the commencement of work and the expenditure incurred worth ₹ 2.07 crore proved unfruitful.</p> <p>This deprived 84,827 inhabitants of Kuru block of the upgraded medical facilities. (inset photograph)</p>  <p><b>Incomplete upgradation work of PHC to CHC building, Kudu, Lohardaga (07 July 2017)</b></p>
3	Construction of Primary Health Centre and residential quarters at Pesrar, Lohardaga	₹ 1.06 crore	<p>EE, Engineering Cell, South Chhotanagpur Division, Ranchi awarded (June 2010) a work for ₹ 1.31 crore to be completed by May 2011. After incurring expenditure of ₹ 1.06 crore the contractor abandoned (March 2012) the work without assigning any reason. The EE did not initiate penal action to get the work done by another contractor at the risk and cost of the defaulting contractor as per terms and conditions of contract. Thus, the building remained incomplete (September 2017) rendering the expenditure of ₹ 1.06 crore unfruitful (inset photographs). As a result, 31,057 inhabitants of Pesrar block consisting of 73 villages were deprived of the intended medical facilities.</p>  <p><b>Incomplete building of Primary Health Centre, Pesrar, Lohardaga (11 October 2017)</b></p>
4	Construction of State Ayurvedic Medical College at Chaibasa	₹ 2.88 crore	<p>Based on the TS (December 2007) and AA (January 2008) for ₹ 3.73 crore, EE, Rural Works Division, Chaibasa commenced (May 2008) the work departmentally and spent ₹ 2.88 crore up to June 2010 and thereafter stopped further work due to non-availability of funds. The DC, Chaibasa requested (May 2010) the Secretary, Health, Medical Education and Family Welfare Department to provide balance funds of ₹ 1.03 crore to complete the building. The</p>

<sup>117</sup> CE, RDS Zone, Ranchi, Deputy Secretary, RDD, Deputy Secretary cum Internal Financial Advisor, RDD and SE, RDS Circle Ranchi and Hazaribagh

			<p>Department allotted ₹ 80 lakh to the DC in December 2012 after delay of two and half years and the embargo to execute department work was effective (June 2012). Of these, ₹ 20 lakh was paid for work executed up to June 2012 while the balance fund of ₹ 60 lakh was not utilised. Resultantly, the works of flooring, electrical works, outer plaster, fixing of doors, windows etc. could not be done. Audit further observed that the tender for residual works could not be invited as TS for the residual works were not granted by the Chief Engineer (April 2018) for reasons not on record.</p> <p>Thus, the building remained incomplete (March 2018) for more than seven years while the expenditure of ₹ 2.88 crore incurred on the incomplete structures proved unfruitful. As a result, 1,050 (150 students per year for seven years) eligible students were deprived of Ayurvedic medical education due to non-completion of State Ayurvedic Medical College at Chaibasa. (inset photograph)</p>  <p><b>Incomplete building of State Ayurvedic Medical College at Chaibasa, (13 May 2017)</b></p>
5	Construction of regional Food and Drug Laboratory at Dumka.	₹ 1.75 crore	<p>Construction of the laboratory building taken up in March 2013 was completed (April 2015) at a cost of ₹ 1.75 crore by the EE, Santhal Paragana Division, Health and Family Welfare Department Dumka. The building was handed over (April 2015) to CS cum CMO, Dumka but could not be made functional (March 2018) due to failure of the Secretary of the Department to create posts, purchase machines and equipment for running the laboratory. Thus, the building remained idle for almost three years while the expenditure of ₹ 1.75 crore incurred on its construction proved unproductive. As a result, quality testing of 15 food and 77 drug samples of Dumka region had to be done at Ranchi centre.</p> <p>The Department stated (April 2018) that creation of post was under process and machine and equipment would be purchased after creation of post and further added that had machines been purchased it would have been out of order by putting them idle. The reply is not convincing as the Department failed to synchronise all the concerned activities to put the building to use upon completion.</p>

The matter was referred to the Health and Rural Development Departments in July and August 2017 followed by reminders between August 2017 and January 2018. However, no reply had been received<sup>118</sup> (June 2018).

## WATER AND SANITATION DEPARTMENT

### 2.4.6 Unfruitful Expenditure

**Approval of Detailed Project Report (DPR) for construction of live model of Rain Water Harvesting at an encroached site led to unfruitful expenditure of ₹ 2.02 crore on DPR**

Drinking Water and Sanitation Department (Department), Government of Jharkhand accorded<sup>119</sup> (September 2013) approval for setting up live model of Rain Water Harvesting (RWH)<sup>120</sup> at Vishwesariya Institute of Sanitation and Water Academy (VISWA) Campus, Ranchi based on technical sanction granted (July 2013) for the work by the Department for ₹ 11.90 crore. The work included construction of live model piped water supply scheme, rain centre, RWH House etc., and preparation of a Detailed Project Report (DPR).

Accordingly, the Department approved (June 2014) DPR for payment of ₹ 2.02 crore. In this connection, Audit observed as under:

- The proposed site for construction had been encroached and was *sub judice* since 1990, and despite orders (December 2004) of High Court of Jharkhand, the local administration had made no arrangements till date (May 2018) to settle the encroachers before vacating the proposed land.
- According to rule 132 of the Jharkhand Public Works Departmental (JPWD) code, except in case of emergent works such as repair of breaches, etc., no work should be commenced on land which has not been duly made over by the responsible civil officer.

Despite the land continuing to be under encroachment and *sub judice* since 1990, and despite being informed of this fact, the Executive Engineer (EE), Drinking Water Division (DW&SD) Gonda, in violation of the JPWD code, executed (May 2013) an agreement for ₹ 2.22 crore for preparation of DPR which was approved (15 July 2013) by the Chief Engineer cum Executive Director (CEED) of the Department who also was aware of the fact of encroachment. The finalised DPR was approved by the CEED and ₹ 2.02 crore paid. Construction work is yet (May 2018) to commence, rendering the expenditure of ₹ 2.02 crore unfruitful.

The matter was reported to the Drinking Water and Sanitation Department in June 2017 and reminded for response between July 2017 and March 2018. Their reply had not been received (June 2018).

<sup>118</sup> In respect of (1) Upgradation of PHC to CHC building, Kudu, Lohardaga, (2) Construction of Primary Health Centre and residential quarters at Pesrar, Lohardaga and (3) Construction of State Ayurvedic Medical College at Chaibasa

<sup>119</sup> In State Level Scheme Sanctioning Committee (SLSSC) meeting

<sup>120</sup> The concept of rain centre was to make rain water harvesting as easy as possible to understand for the visitors using the audio visual medium. Main components were Rain Centre, Lived Model-Piped water, Wind Mill, Solar Energy, Amusement Park, Thematic Thinking Tree etc.

## ROAD CONSTRUCTION AND RURAL DEVELOPMENT DEPARTMENTS

### 2.4.7 Unfruitful expenditure

**Commencement of bridge works without ensuring availability of land for approach roads and non-synchronisation of road and bridge works resulted in three bridges lying idle for three to four years rendering expenditure of ₹ 4.66 crore unfruitful besides blocking ₹ 76.82 lakh for more than four years**

As per paragraph 4.5 and 7.5 of Resolution No 948 dated 16 July 1986 of Cabinet Secretariat and Co-ordination Department (Vigilance Cell), if there is need for acquisition of land in any project, tender process for commencement of the work shall be initiated only after such acquisition. Further, as per order (August 2012) of Road Construction Department (RCD), if land acquisition is required for construction of a bridge work, tender should be invited only after obtaining clearance of required land from the concerned District Land Acquisition Officer (DLAO).

Construction of three bridges<sup>121</sup> with approach roads were technically sanctioned<sup>122</sup> (TS) by the Chief Engineer (CE), Central Design Organisation (CDO), Road Construction Department (RCD) and Chief Engineer, Rural Development Department (RDD) Jharkhand for ₹ 6.34 crore and administratively approved<sup>123</sup> by RCD and RDD for ₹ 6.18 crore. The bridge works were taken up for construction at a cost of ₹ 5.30 crore between May 2013 and January 2015 for completion between May 2014 and July 2016. The bridges were completed between March 2014 and May 2016 after incurring expenditure of ₹ 4.66 crore<sup>124</sup>. However, these were not connected by approach roads till May 2018 as land needed for construction of approach roads could not be acquired by the Deputy Commissioners (DC) Dumka and Sahibganj as discussed below.

#### **(A) Construction of High level (HL) bridge over local river with approach road at 45<sup>th</sup> km of Ranibahal-Maheshkhala Road**

The Detailed Project Report (DPR) of the work of approach road prepared by the Executive Engineer (EE) Field Survey division Dumka had no provision for acquisition of land for approach road for reasons not on record. The DPR was technically sanctioned (March 2013) by CE, CDO and administratively approved (May 2013) by RCD.

<sup>121</sup> Bridge 1: at 45<sup>th</sup> km of Ranibahal-Maheshkhala Road; Bridge 2: at 6<sup>th</sup> km of Pattabari-Masanjore Road and Bridge 3: over Chhotalaxmi Nala between Chhotalaxmi and Basaha Mission

<sup>122</sup> Bridge 1: ₹ 94.91 lakh (March 2013) revised to ₹ 151.25 lakh (August 2014), Bridge 2 : ₹ 91.98 lakh (February 2013) revised to ₹ 107.70 lakh (August 2014) and Bridge 3: ₹ 3.75 crore (September 2014)

<sup>123</sup> Bridge 1: ₹ 107.29 lakh (May 2013) revised to ₹ 151.25 lakh (January 2015), Bridge 2: ₹ 91.98 lakh (March 2013) and Bridge 3: ₹ 3.75 crore.

<sup>124</sup> Bridge 1: ₹ 70.50 lakh, Bridge 2: ₹ 71.15 lakh and Bridge 3: ₹ 3.24 crore



During execution of bridge work by Road division Dumka, the EE requested (December 2013) the Deputy Commissioner (DC), Dumka for acquisition of 1.10 acre land for approach road and deposited (March 2015) ₹ 13.08 lakh against the demand (February 2015) of ₹ 15.30 lakh by DC Dumka. However, the DC raised (September 2016) additional demand of ₹ 30.25 lakh which was subsequently revised (February 2017) to ₹ 39.18 lakh citing revised rate of land as per Land Acquisition Act 2013.

The revised demands were not met as revised technical sanction for the work valued at ₹ 2.55 crore which included provision of land acquisition worth ₹ 39.18 lakh was sought by the EE Road division Dumka in April 2018 which was not approved till date (June 2018). Hence, the land could not be acquired (June 2018). No reasons were on record of the division/EIC either for delayed preparation (five years from the original TS/AA) of revised TS or for not approving it in two months since submission.

Meanwhile, the contractor completed (March 2014) the bridge work and requested (April 2015) the EE to close the agreement as land for approach road could not be acquired. The Engineer-in-Chief (EIC), RCD ordered (September 2016) to close the agreement on the ground of non-availability of land for approach road.

Thus, deficient preparation of DPR by EE, Field Survey division Dumka and its approval by CE, CDO without ensuring provision of land for approach road, led to non-commencement of approach road to connect the bridge which has been lying idle for more than four years since March 2014. Hence, the expenditure incurred on the idle bridge worth ₹ 70.50 lakh proved unfruitful.

The EIC, RCD accepted (July 2017) the audit findings that the approach road was incomplete due to non-acquisition of land.

#### **(B) HL bridge with approach road at 6<sup>th</sup> km of Pattabari-Masanjore Road**

The approved DPR included construction of the bridge beside the existing road with changed alignment in that stretch. The EE Road Division, Dumka submitted (February 2014) a



*HL bridge at 6<sup>th</sup> KM of Pattabari-Masanjore Road with no approach*

proposal to DC, Dumka to acquire 13 acre land and deposited (March 2014) ₹ 63.74 lakh against the demand (March 2014) of ₹ 93.97 lakh. However, the land could not be acquired by DC and the department decided (May 2015) to construct the road on existing alignment. The EE submitted (July 2015 and July 2016) revised requirement for acquisition of 1.35 acre land to DC which was needed to connect the bridge with approach roads as per the revised alignment. However, land was not acquired for the approach road as of June 2018 as compensation against land acquisition was finalised only in May 2018 by District Land Acquisition Officer (DLAO), Dumka and payment was yet to be made (June 2018).



Meanwhile, the contractor completed (March 2015) the bridge work at a cost of ₹ 71.15 lakh which was lying idle for more than three years since its completion. Hence, the expenditure incurred on the idle bridge was rendered unfruitful. Besides, ₹ 63.74 lakh deposited for land acquisition was also blocked with DC Dumka for more than four years.

The EIC, RCD accepted (July 2017) the audit findings that the approach road was incomplete due to non-acquisition of land.

### **(C) Bridge over Chhotalaxmi Nala between Chhotalaxmi and Basaha Mission with approach road**

The contractor completed (May 2016) the bridge work at a cost of ₹ 3.24 crore except the work of approach road on one end (Basaha Mission side) of the bridge. In the approved DPR, the EE Rural Development Special Division (RDSD), Sahibganj mentioned (September 2014) that for construction of approach road, Mukhiya of the Panchayat and Raiyati land owners had agreed to gift their land and under this impression, no provision of land acquisition was made in the DPR. Hence, no funds were earmarked for land acquisition.



*Bridge over Chhotalaxmi Nala between Chhotalaxmi and Basaha Mission with no approach road*

As the EE did not take any gift deed from the willing land owners while preparing the DPR, the work of approach road was stopped midway on one side after construction of 50 out of 200 metres upon denial by land owners to gift their land. It was noticed that the land owners demanded compensation for their land used in the construction work.

At the instance (January 2017) of Audit, the EE, RDSD, Sahibganj intimated (April 2017) CE, Rural Development Special Zone, Ranchi about requirement of 1.24 acre raiyati land for construction of approach road and submitted (July 2017) the proposal of land acquisition to DC, Sahibganj. However, land has not been acquired till date (June 2018). DLAO, Sahibganj informed (June 2018) Audit that it was under process.

Thus, the bridge could not be put to use for more than two years since its completion. A joint physical verification (August 2017) of the bridge by Audit with the Engineers of the division confirmed that it was lying idle in the absence of approach road and the Basha Mission side of the bridge ends into a forest without any connecting road ahead of the bridge. Hence, the expenditure incurred on the bridge worth ₹ 3.24 crore proved unfruitful.

The Department (RDD) stated (August 2017) that proposal for acquisition of raiyati land had been submitted to DC, Sahibganj by the EE and after acquisition of land, approach road would be completed. The reply is not convincing as the work should have commenced only after acquisition of land and the approach road, even if completed, would not add any value unless the

approach road is connected to a link road for movement of traffic though the bridge.

Thus, commencement of bridge works without ensuring possession of land for construction of the approach roads resulted in these three bridges lying idle upon completion for three to four years rendering expenditure of ₹ 4.66 crore unfruitful, besides blockade of ₹ 76.82 lakh<sup>125</sup> for more than four years.

## ROAD CONSTRUCTION DEPARTMENT

### 2.4.8 Mis-utilisation of Government money-unnecessary construction of bridge

**Injudicious sanction of a bridge by Road Construction Department to connect Kargali and Chalkari villages despite construction of another bridge by Rural Development Department to connect the same villages already in progress led to misutilisation of Government money worth ₹ 15.47 crore**

Rural Development Department (RDD), Government of Jharkhand is responsible for management of rural road networks and to ensure rural connectivity as per objective of the RDD. The Road Construction Department (RCD) is responsible for management of state highways, major district roads (MDR) and other roads known as public work department (PWD) roads.

Chief Minister (CM) Secretariat directed (February 2012) the Principal Secretaries, RDD and RCD to provide connectivity between Kargali and Chalkari villages by construction of a bridge on Damodar river. In response, the Chief Engineer (CE), Rural Development Special Zone, Ranchi technically sanctioned (November 2013) a bridge on Damodar river for ₹ 10.31 crore. The bridge was to connect Kargali (at Ram Bilash High School) and Chalkari in Bermo/Petrwar block of Bokaro district. The bridge was administratively approved (February 2014) by RDD under Mukhya Mantri Gram Setu Yojna<sup>126</sup>. The construction work was commenced (July 2014) by Executive Engineer (EE), Rural Development Special Division (RDSD), Bokaro at agreed (4F2/14-15) cost of ₹ 9.93 crore for completion within 24 months. The bridge was under construction till June 2017 and the contractor was paid ₹ 5.50 crore.

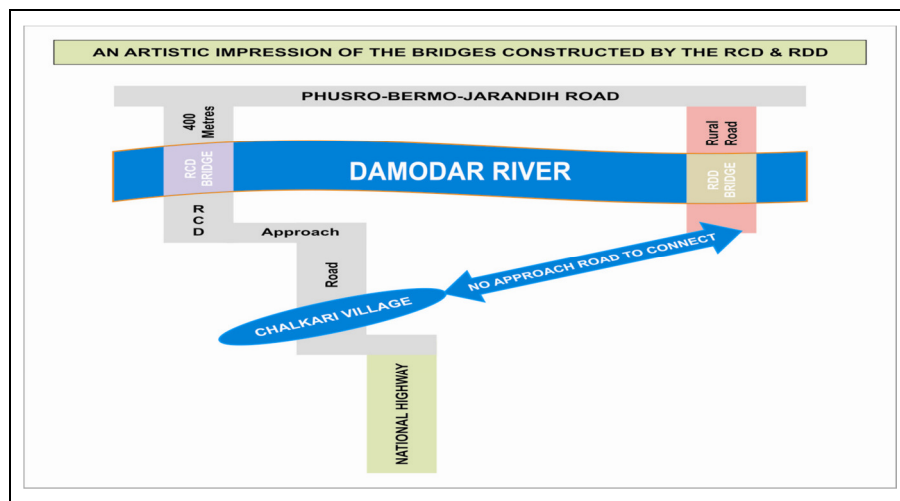
Concurrently, CE, Central Design Organisation (CDO), RCD technically sanctioned (September 2014) a parallel bridge for ₹ 25.13 crore to connect Kargali (at filter plant) with Chalkari at a distance of approximately 800 metres from the site of bridge under construction by RDD. The purposes of both the bridges were to connect Kargali from Chalkari.

It was noticed from the technical sanction and administrative approval of the bridge work that the approach roads of the bridge were not PWD roads and hence, sanction of bridge works over which RCD had no jurisdiction was injudicious. The work was taken up (May 2015) by EE, Road Construction Division at an agreed (1 SBD/15-16) cost of ₹ 23.12 crore for completion within 36 months. The bridge work was under progress as of June 2017 and the contractor was paid ₹ 15.47 crore.

<sup>125</sup> Bridge A: ₹ 13.08 lakh and Bridge B: ₹ 63.74 lakh

<sup>126</sup> A scheme to fill unbridged gap in rural roads.

Thus, construction of two parallel bridges 800 metres apart for the same purpose of connecting the villages Kargali and Chalkari indicated coordination deficits between RDD and RCD which resulted in mis-utilisation of government money worth ₹ 15.47 crore up to June 2017 incurred on the bridge taken up later.



Engineer-in-Chief (EIC), RCD *inter alia* stated (July 2017) that the bridge constructed by RCD was wider and had better specification than the bridge of RDD and was suitable for heavy vehicles.

However, EIC could not explain the reasons for taking up construction of the bridge when another bridge was already under construction by RDD for the same purpose.

The matter was also reported to the Road Construction Department in July 2017 followed by reminders between September 2017 and November 2017, no reply had been received (June 2018).

**Ranchi**  
The 26 September 2018

*C. Nedunchezian*  
(C. NEDUNCHEZHIAN)  
Accountant General (Audit) Jharkhand

Countersigned

**New Delhi**  
The 28 September 2018

*Rajiv Mehrishi*  
(RAJIV MEHRISHI)  
Comptroller and Auditor General of India

